

**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 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 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 C. Smart  
Title: President & CEO

**TENNESSEE VALLEY AUTHORITY**

By Theresa Alcorn  
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  
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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  
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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



## WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION

### RESIDENTIAL RATE--SCHEDULE RS

(April 2009)

#### 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: \$20.00 per month, less

Hydro Allocation Credit: \$1.71 per month

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

Energy Charge: 7.523¢ per kWh per month for first 800 kWh  
6.755¢ 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

(April 2009)

### 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: \$20.00 per delivery point per month

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

Energy Charge: 8.423¢ 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: \$43.50 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 \$14.66 per kW

Energy Charge: First 15,000 kWh per month at 8.423¢ per kWh  
Additional kWh per month at 3.701¢ 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: \$106.50 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 \$13.92 per kW

Excess over 1,000 kW of billing demand per month, at  
\$15.03 per kW, plus an additional

\$15.03 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: 3.701¢ 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

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

(April 2009)

#### 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: \$45.00 per delivery point per month

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

Energy Charge: 13.235¢ per kWh per month for all onpeak kWh

5.128¢ 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: \$68.50 per delivery point per month

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

Demand Charge: \$14.59 per kW of the customer's onpeak billing demand, plus  
\$7.09 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: 5.749¢ per kWh per month for all onpeak kWh  
3.938¢ 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: \$131.50 per delivery point per month

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

Demand Charge: \$14.71 per kW per month of the customer's onpeak billing demand, plus  
\$5.75 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

\$14.71 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: 4.806¢ per kWh per month for all onpeak kWh  
2.995¢ 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

April 29, 2010

TV-59577A, Supp. No. 75

Mr. David Smart, President/CEO  
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 (West Kentucky RECC), and the Tennessee Valley Authority (TVA) with respect to supplementing and amending the wholesale power contract dated April 26, 1982, as amended (Power Contract), between the parties to provide for the addition of a TVA 13-kV revenue metering installation at West Kentucky RECC's John Edd Walker 69-kV Substation (Substation).

It is understood and agreed that:

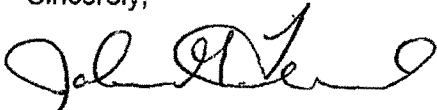
1. The attachment entitled "Terms and Conditions (New Metering Installation)" (the Terms and Conditions) is made a part of this agreement. In the event of any conflict between the body of this agreement and this attachment, the former controls.
2. TVA and West Kentucky RECC shall cooperate in providing a 13-kV revenue metering installation at the Substation, in accordance with the Terms and Conditions.
3. TVA shall provide and install a cellular phone for remote access to the 13-kV metering installation. Accordingly, section 1.3.2 of the Terms and Conditions applies and addresses access to the metering installation.
4. TVA shall provide connection points from the metering transformer secondary circuits and 0.5-ampere fused potentials from the 13-kV revenue metering installation for connection to West Kentucky RECC's parallel metering equipment. West Kentucky RECC shall carry out this parallel metering arrangement in a manner acceptable to TVA (as set out in TVA's Revenue Metering Guide for Customer-Owned Substations) and shall not adversely affect the safe and efficient operation of TVA's facilities. The metering outputs from each metering installation shall be made available in accordance with section 2 of the Terms and Conditions.
5. Section 3 of the Terms and Conditions applies since the 13-kV metering installation at the Substation is not at the point of delivery specified in the Power Contract, which is at the 69-kV side of the Hickory Grove Substation.

Mr. David Smart  
Page 2  
April 29, 2010

6. This agreement shall become effective as of March 7, 2010.

If this letter satisfactorily sets forth our understandings, please have a duly authorized representative sign each duplicate original on behalf of West Kentucky RECC and return them to the TVA customer service center.

Sincerely,



John G. Trawick  
Senior Vice President  
Commercial Operations and Pricing

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

**WEST KENTUCKY RURAL ELECTRIC  
COOPERATIVE CORPORATION**

By David E. Smart  
Title: President & CEO

## TERMS AND CONDITIONS (New Metering Installation)

### SECTION 1 - METERING

1.1 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 Substation. This metering installation will be at a mutually satisfactory location in the Substation.

1.2 Distributor's Installation Work.

1.2.1 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 (supplied by TVA). This will be done on the source side of any station service transformers and voltage correction equipment.

1.2.2 Miscellaneous Facilities. Distributor shall install all other facilities required for the metering installation, including a prewired meter cabinet (supplied 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 provide the supplies and materials needed under this subsection 1.2.2, except that TVA will supply the cable and test boxes.

1.3 Remote Access to Metering Installation.

1.3.1 Telephone Circuit. If Distributor provides and installs a telephone circuit:

1.3.1.1 Installation of Circuit. For TVA's metering purposes, including power quality monitoring, 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.

1.3.1.2 Distributor Access to Meter Data. Distributor may have (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. TVA's and Distributor's operating representatives will coordinate use of the Circuit and access to the readout display to ensure unrestricted telephone access by TVA for data retrieval purposes during periods specified by TVA.

1.3.1.3 Remote Access Equipment. Distributor will need equipment not provided by TVA to obtain metering data by remote telephone access. If requested, TVA will assist Distributor in selecting such equipment, but acquisition of the equipment is Distributor's responsibility.

1.3.2 Cellular Phone. If TVA provides and installs a cellular phone:

1.3.2.1 Installation of Cellular Phone. For TVA's metering purposes, TVA will provide (for its exclusive use) a cellular phone for remote access to the metering installation, and Distributor will provide TVA at no charge 120-volt power for TVA's cellular phone.

1.3.2.2 Distributor Access to Meter Data. Distributor may have access to the metering information available from the readout display of the revenue meter. TVA's and Distributor's operating representatives will coordinate access to the readout display.

1.4 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.

1.5 Maintenance of Metering Installation.

1.5.1 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.

1.5.2 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 supply the necessary materials, except that TVA shall supply for installation by Distributor any replacements required for the current and voltage transformers, metering cable, and test boxes.

## **SECTION 2 - METERING OUTPUTS**

2.1 Access to Outputs. Distributor may have access at no charge to metering outputs from the metering installation for such purposes as monitoring and load control. 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.

2.2 Approval of Facilities. Distributor shall keep TVA informed as to Distributor's plans for installation of any such additional facilities consistent with TVA's Revenue Metering Guide for Customer-Owned Substations. 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.

2.3 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.

2.4 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.

2.5 Termination of Arrangements. The arrangements set out under this section 2, 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 3 - ADJUSTMENT OF METERED AMOUNTS**

If the metering installation at the Substation is not at the point of delivery specified in the Power Contract, TVA shall adjust the metered amounts of power and energy appropriately to reflect losses (and non-metered station service or equipment use, if any) between the point of delivery and the metering installation and use these adjusted amounts for billing purposes under the Power Contract. 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 4 - COORDINATION AND REVIEW**

4.1 Coordination. TVA and Distributor will coordinate their work under section 1 above to the extent necessary and practicable to avoid jeopardizing (a) the safety and reliability of the parties' operations, (b) the reliability of TVA's supply of power to Distributor at the Substation, and (c) the safety of the parties' personnel.

4.2 TVA Review. Any plans, specifications, requirements, guidelines, or coordination, and any review or approvals, provided by TVA under this agreement are only for TVA's purposes and are not to be considered a confirmation or endorsement that they are adequate for Distributor's purposes. TVA's purposes include helping to assure (a) the safe and efficient operation of TVA's facilities and (b) that the arrangements under this agreement do not cause undue hazards to TVA's facilities and operations.

#### **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 metering installation and related equipment.

#### **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 Substation.

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

Except as otherwise provided, this agreement becomes effective as of the date of the agreement and continues 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.

#### **SECTION 9 - AMENDMENT**

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

**VALLEY INVESTMENT INITIATIVE  
PARTICIPATION AGREEMENT**  
Among  
**R.T VANDERBILT COMPANY, INC.,  
WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION,  
And  
TENNESSEE VALLEY AUTHORITY**

Date: 8/27/2010

VII-E Contract No. 3739

TV-59577A, Supp. No. 76

THIS AGREEMENT will confirm the understandings among R.T VANDERBILT COMPANY, INC. (Company), WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION (Distributor), and TENNESSEE VALLEY AUTHORITY (TVA) with respect to Company's participation in the Valley Investment Initiative for Existing Customers (VII-E) being jointly conducted by Distributor and TVA.

It is understood and agreed that:

**SECTION 1 - DEFINITIONS AND ELIGIBILITY REQUIREMENTS**

1.1 **Definitions.** Except as otherwise provided below, underlined terms used in this agreement are defined in Company's "Valley Investment Initiative for Existing Customers VII-E Award Application" (VII-E Award Application) which is attached to and made a part of this agreement.

1.1.1 Notwithstanding A.1.12 of Attachment 1 to the VII-E Award Application, Meter Data shall mean Plant interval data during Peak Hours and other Plant power use data necessary to calculate the following:

- (a) total Plant kWh usage and highest Total Metered Demand for each month of the Evaluation Period,
- (b) Annual Load Factor,
- (c) Coincident Load Factor.

1.1.2 Notwithstanding A.1.16 of Attachment 1 to the VII-E Award Application, Plant shall mean all (a) physical personal property and (b) things attached, annexed, or fixed to the Customer's real property (such as Customer's building) that are (1) used in Customer's trade or business characterized by the same NAICS code(s), (2) depreciable for federal income tax purposes, and (3) located on contiguous real property in the TVA service area.

1.2 **Eligibility Requirements.** It is expressly recognized that in determining Company's initial and continued eligibility for participation in VII, the following applies:

1.2.1 Section A.2.2 of Attachment 2 of the VII-E Award Application is replaced with the following:

**Contractual Requirements.** A Customer's power supply contract(s) for power supplied to its Plant must provide for the Customer to purchase firm power for a



term of at least 66 months from the date of submission of the Customer's completed VII-E Award Application under a general service rate schedule or a manufacturing service rate schedule, or any replacement schedule of the general service or manufacturing service rate schedule. The power supply contract(s) may include a pricing overlay under a separate agreement implementing a TVA-approved program, subject to all of the standard terms and conditions under which the program is offered.

1.2.2 Section A.2.8 of Attachment 2 of the VII-E Award Application is replaced with the following:

Financial Review. A Qualifying Customer must be determined by TVA to be financially viable. In order to facilitate TVA's evaluation of a Customer's financial condition, a Customer will provide, upon request by TVA: (i) copies of Customer's commercial credit ratings, where "commercial credit ratings" shall mean an estimate of creditworthiness as assigned by a recognized rating agency (such as Standard & Poor's, Moody's Investor Services, Inc. or Fitch Ratings) to a rated entity's unsecured, senior long-term debt obligations; and (ii) a copy of Customer's three most recent annual reports containing consolidated financial statements and its most recent quarterly report containing financial statements; and (iii) such different or additional financial information as TVA may from time to time request for TVA's use in evaluating Customer's financial condition. The financial statements to be provided by Customer shall be prepared in accordance with generally accepted accounting principles.

A Customer may provide the commercial credit ratings and/or financial statements requested in subsection (i) above for a parent entity of Customer, if Customer-level ratings and statements are not available. Such a Customer must certify that Customer is a wholly owned subsidiary of the parent entity and Customer's financial information is consolidated within the financial statements of the parent entity.

TVA will consider a Customer financially unviable and ineligible for VII under the following conditions:

- (a) Customer or Customer's parent entity is reorganizing or winding down in bankruptcy as of the date it submits a VII-E Award Application;
- (b) Customer's risk levels exceed allowable levels as solely determined by TVA; or
- (c) Customer fails to provide adequate power contract performance assurance as required by TVA or Distributor.

1.2.3 Section A.2.9 of Attachment 2 of the VII-E Award Application is replaced with the following:

Meter Data. A Qualifying Plant must have metering in place capable of recording Plant interval data during Peak Hours and other Plant power use data necessary to calculate the VII Metrics. A Qualifying Customer must have arrangements in place with TVA and/or Customer's Distributor to provide for

the collection, processing (if any), and transmission to TVA of all Plant Meter Data and corresponding VII Metrics.

## **SECTION 2 - TERM**

This agreement shall become effective on the date first written above (Effective Date), and shall continue in effect through the end of the Award Period described below, except that the provisions of sections 3.2, 6.2, 7.3, 7.4, 9.3, and 10 below shall continue in effect until the obligations of the parties under them are fulfilled.

## **SECTION 3 - ELIGIBILITY FOR VII-E**

3.1 Company's Certification. Company's eligibility for the VII-E award provided for in section 4 below is based on TVA's determination that Company meets the criteria of a Qualifying Customer at Company's Qualifying Plant. It is expressly recognized that such determination is based on information provided and certified by Company in the VII-E Award Application.

3.2 Access to Records. Company shall keep and make available accurate records and books of accounts related to Company's VII Metrics, as well as data to support compliance with the terms and conditions of this agreement. Company shall allow Distributor, TVA, and their agents and employees, free access, at any time during normal working hours and upon reasonable notice, to all such books, records, and other documents of Company until the completion of all close-out procedures respecting this agreement and the final settlement and conclusion of all issues arising out of this agreement.

## **SECTION 4 - VII-E AWARDS**

Based on Company's projections and the information contained in the VII-E Award Application, Company will be eligible to receive a VII-E award in the form of monthly credits on Company's power bill (Bill Credits) for a 5-year Award Period, beginning on November 10, 2010. Except as otherwise provided below, Distributor shall apply the monthly Bill Credits for each year of the 5-year period in amounts equal to 1/12 of the Maximum Annual Award amounts set out in the table below.

Year	Maximum Annual Award
1	\$129,416.32
2	\$112,535.93
3	\$95,655.54
4	\$78,775.15
5	\$61,894.76

In the event that Company receives more than one power bill in any month for its Qualifying Plant, a pro rata portion of the Bill Credit will be applied to each power bill in proportion to the total retail amount of each power bill. Company shall not be eligible for and will not earn or receive any Bill Credits for any amount that exceeds the amount of Company's monthly power bill(s) attributable to Company's Qualifying Plant in any given month.

## **SECTION 5 - REPORTING BY COMPANY**

5.1 Annual Reporting. Within 30 days after the first 12 months of Company's Evaluation Period, and within 30 days after each 12-month period of the Evaluation Period thereafter, Company shall provide TVA a report certified by Company's duly authorized officer (Annual Certification), and verified by Distributor pursuant to section 6.1 below, showing Company's VII Metrics for the previous year. The Annual Certification shall be in a form furnished by TVA.

5.2 Continuing Reporting Obligation. Company shall immediately notify Distributor and TVA of any material changes in the information provided in its VII-E Award Application or its Annual Certifications. Upon receipt of such notice, TVA may at that time calculate an Adjusted Award pursuant to section 7 below.

## **SECTION 6 - DATA SUPPLIED BY DISTRIBUTOR**

6.1 Annual Certification. It is recognized that Company's eligibility to receive the Bill Credits provided for in this agreement is based on information provided by Company and, where applicable, verified by Distributor in Company's VII-E Award Application and Annual Certifications. Distributor shall review Company's Annual Certification each year and, where requested by TVA, shall certify the accuracy of certain items, including:

- (a) Company's payment history under its power supply contract with Distributor,
- (b) total kWh usage and highest Total Metered Demand of Company's Qualifying Plant for each of the previous 12 months,
- (c) total kWh usage of Company's Qualifying Plant during Peak Hours,
- (d) whether Company's Qualifying Plant is a Nonconforming Load, and
- (e) Company's Annual Base Charges.

6.2 Monthly Data. It is recognized that Distributor may be responsible for providing and maintaining metering facilities which are capable of recording the data specified in items (b) and (c) above. If requested by TVA, Distributor shall make available to TVA any such meter data necessary for TVA to verify Company's eligibility for participation in VII-E or calculate Bill Credits under this agreement. Distributor shall also furnish to TVA a copy of Company's power bill each month, which shall itemize the amount of any Bill Credit for that month, and any other information related to Company's eligibility for and participation in VII-E as TVA may reasonably request.

6.3 Other Information. Distributor shall promptly notify TVA if Company materially breaches the power supply contract under which power is supplied to Company's Qualifying Plant or materially breaches any overlay, supplement, or amendment to that contract, such that Distributor either suspends or terminates power supply, or suspends or terminates any product or other arrangements made available as an overlay, supplement, or amendment to the power supply contract.

## **SECTION 7 - AWARD ADJUSTMENT AND RECOVERY**

7.1 Annual Award Adjustments. Each year, and immediately upon receipt of any notice pursuant to section 5.2 above, TVA will calculate adjusted Maximum Annual Awards

(Adjusted Awards) for the Evaluation Period. The Adjusted Awards will be calculated by applying the VII Metrics provided in Company's Annual Certification or notice to the same formula that was used in calculating the Maximum Annual Awards set out in the tabulation in section 4 above, except that if the Annual Base Charges for the previous year are at least 80% of the Annual Base Charges for the Base Year, the Base Year's Annual Base Charges will be used in the calculation. If the Adjusted Awards are less than the Maximum Annual Awards for those years set out in section 4 above, the sum of Company's monthly Bill Credits in the remaining Award Period years will be equal to the Adjusted Awards for the remaining Award Period minus the difference between the monthly Bill Credits Company received and the amount that the Bill Credits would have been if they had been calculated using the VII Metrics provided in Company's Annual Certification or notice. Notwithstanding TVA's calculation of Adjusted Awards, it is expressly recognized that Company shall neither earn nor receive in any month Bill Credits greater than 1/12 the Maximum Annual Awards set out above.

7.2 Disqualification. During the term of this agreement, TVA will use Company's VII Metrics and other information available to TVA during the Evaluation Period and Award Period to determine whether Company remains eligible to participate in VII-E. If at any time during the term of this agreement TVA determines that Company ceases to qualify for VII-E, the Bill Credits provided under section 4 above shall be discontinued. At such time, if any, during the Award Period that Company provides certification that it again meets the VII-E eligibility requirements set forth in the VII-E Award Application, the Bill Credits will resume. Company shall not be eligible for and will not earn or receive any Bill Credits for those periods when it does not qualify for VII-E.

7.3 Award Recovery. Company shall not be eligible to receive Bill Credits under section 4 above if at any time any of the following occurs:

- (a) Company provides materially false information on its VII-E Award Application or Annual Certifications;
- (b) Company fails to notify TVA of material changes in information provided in its VII-E Award Application or Annual Certification;
- (c) Company materially breaches the power supply contract under which power is supplied to Company's Qualifying Plant or materially breaches any overlay, supplement, or amendment to that contract, such that Distributor either suspends or terminates power supply, or suspends or terminates any product or other arrangements made available as an overlay, supplement, or amendment to the power supply contract;
- (d) Company's power supply contract otherwise expires or is terminated without being renewed or replaced by a power supply contract meeting the requirements of the VII-E Award Application; or
- (e) Company ceases commercial operation of its Qualifying Plant.

If any of the events identified in (a) – (e) above occur, this agreement shall be deemed to have automatically terminated as of the date of said occurrence, and promptly upon receipt of an invoice, Company shall immediately pay to Distributor any and all award amounts paid to Company during any period when Company was ineligible to receive Bill Credits as well as any and all award amounts in excess of those to which Company was entitled based on its actual VII Metrics.

7.4 Final Adjustment and Recovery. Upon receipt of Company's final Annual Certification and calculation of the corresponding Adjusted Award, Company's remaining monthly Bill Credits will be reduced by the difference between the monthly Bill Credits Company received and the amount that the Bill Credits would have been if they had been calculated using the VII Metrics provided in Company's final Annual Certification. In the event that the remaining Bill Credits are insufficient to recover the difference, Company shall immediately pay to Distributor the unrecovered balance of the difference.

#### **SECTION 8 - ENHANCED GROWTH CREDIT**

It is understood and agreed that Company and Distributor shall not enter into an Enhanced Growth Credit (EGC) participation agreement during the term of this agreement.

#### **SECTION 9 - WHOLESALE ADJUSTMENTS**

9.1 Company Credit. Each month Distributor shall apply the Bill Credit to Company's power bill. TVA shall notify Distributor of (a) any adjustment to the Bill Credits provided for under section 7.1 of this agreement and (b) any discontinuance of Bill Credits in accordance with sections 7.2, 7.3, or 7.4 of this agreement.

9.2 Distributor Credit. TVA will apply a monthly credit to Distributor's wholesale power bill equal to the Bill Credit applied by Distributor to Company's bill in that month.

9.3 Award Recovery. In the event that under the provisions of section 7.3 of this agreement it is determined that Company received Bill Credits for which it was not eligible, Distributor and TVA shall fully cooperate in (a) endeavoring to collect from Company any amounts due under said sections 7.3 and/or 7.4 and (b) making appropriate adjustments to Distributor's wholesale power bill to pass through to TVA amounts collected from Company. The obligations of this paragraph shall survive any expiration or termination of the VII-E Participation Agreement until they are discharged.

#### **SECTION 10 - CONFIDENTIALITY**

It is expressly recognized that the VII-E Award Application and the Annual Certification are the property of TVA and are not intended for further distribution. Except as may be otherwise required by law, (a) Company shall not disclose those documents or their contents except to TVA or Distributor and (b) TVA and Distributor will not disclose confidential information provided by Company in those documents or confidential information provided pursuant to 3.2 above without Company's consent.

## **SECTION 11 - NOTICES**

11.1 Persons to Receive Notice. Any notice required by this agreement shall be deemed properly given if delivered in writing to the address specified below: (a) personally, (b) by recognized overnight courier service, or (c) by United States Mail, postage prepaid.

To TVA:

Jared E. Mitchem  
Valley Investment Manager  
TVA Economic Development  
26 Century Blvd., Suite 100 OCP 2  
Nashville, Tennessee 37214

To Company:

Richard Vonnahme  
Executive Vice President/General Manager  
R.T Vanderbilt Company, Inc  
396 Pella Way  
Murray, Kentucky 42071

To Distributor:

President & CEO  
West Kentucky Rural Electric Cooperative Corporation  
Post Office Box 589  
Mayfield, Kentucky 42066-0589

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

## **SECTION 12 - WAIVERS**

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

## **SECTION 13 - APPLICATION CORRECTION**

Annual Base Charges. Notwithstanding the information provided by Company on page 2 of the attached VII-E Award Application, the parties acknowledge and agree that proper value of the Annual Base Charges for the Plant for the twelve months prior to the date of the VII-E Award Application is \$726,038.27.

## **SECTION 14 - ENTIRE AGREEMENT**

All terms and conditions with respect to this agreement are expressly contained herein and Company agrees that no representative or agent of TVA or Distributor has made any representation or promise with respect to this agreement not expressly contained herein.

**SECTION 15 - SUCCESSORS AND ASSIGNS**

This agreement may be assigned by TVA, but shall not be assignable by Company or Distributor without written consent of 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.

**R.T VANDERBILT COMPANY, INC.**

By *R.R. Vonshome*  
Title: *Exec. V. P. + Gen. Mgr.*

**WEST KENTUCKY RURAL ELECTRIC  
COOPERATIVE CORPORATION**

By *David E. Smart*  
Title: *President + CEO*

**TENNESSEE VALLEY AUTHORITY**

By *K.L. Breeden*  
Executive Vice President  
Customer Relations

**VALLEY INVESTMENT INITIATIVE FOR EXISTING CUSTOMERS  
VII-E AWARD APPLICATION**

*Please provide the following information and sign the certification below to apply for a Valley Investment Initiative Award. See Attachments 1 and 2 for definitions of relevant terms. The Evaluation Period for any Award based upon this application begins on the date of this VII-E Award Application. Your projections must be based upon such an Evaluation Period. Your distributor of TVA power must verify the items indicated before your VII-E Award Application is submitted to TVA. TVA reserves the right to request additional information to supplement this VII-E Award Application.*

1. Customer Name: R.T. Vanderbilt Company, Inc.
2. Customer DUNS Number: 053350229
3. Plant Location: 396 Pella Way, Murray, Calloway, KY, 42071
4. Distributor of TVA power to Customer's Plant: West Kentucky Rural Electric
5. Physical Description of the Plant: Chemical/Mineral Production
6. Project Name/Description: Chemical/Mineral Expansion
7. Plant's NAICS code: Chem. Pri. 325199 Chem. Sec. 325188 Mineral Pri. 32799
8. Did the Plant have peak monthly demand of 250kW or greater in each of the last 12 months? YES  NO  Distributor verified: RM  
If yes, what was the average monthly peak demand? 1380.2
9. Did the Customer have 25 or more Plant Full-Time Equivalent Employees (FTEs) in each of the previous 12 months? YES  NO  If yes, what was the average number of FTE's in the previous 12 months? 70
10. Does the Customer have any plans to reduce the number of FTE's at the Plant by 50% or more during five-year Evaluation Period? YES  NO
11. Is the Customer projecting 25% Total Capital Investment in its Plant (as a percentage of Plant Book Value) over the five-year VII-E Evaluation Period with at least 5% in Year 1 and at least 3% per year in Years 2-4? YES  NO
12. Power Contracts serving Customer's Plant: Standard Contract Dated 11/24/2003  
Distributor verified:RM

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13. Does the Customer have at least 66 months remaining on each standard firm power contract for the Plant? YES  NO  Distributor verified: RM  
If no, will the Customer, within the next 180 days, make the contractual commitment necessary to purchase firm power for the Plant from Distributor for a term to end no earlier than 66 months from the date of submission of a completed VII-E Award Application? YES  NO  Distributor verified: RM
14. Does the Customer have half-hour interval metering in place at the Plant? YES  NO   
Distributor verified: RM  
If no, will the Customer have such metering installed in the next 180 days and arrangements in place for reading and reporting meter data to TVA? YES  NO   
Distributor verified:
15. Is the Customer presently complying with the performance assurance provisions of its standard firm power contract? YES  NO   
Distributor verified: RM
16. What were Annual Base Charges for the Plant for the previous twelve months? \$  
703894.24  
Distributor verified: RM
17. What is the Plant's Book Value? \$ 6250000.00
18. Award Payment Options (select one): Decreasing  Flat  Increasing

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19. What are the Customer's projections for the Plant in the following categories:

	Year 1	Year 2	Year 3	Year 4	Year 5
Annual Capital Investment	\$ 11900000	\$ 6700000	\$ 1600000	\$ 50000	\$ 50000
Annual <u>Energy Efficiency Improvement</u>	0 %	0 %	0 %	0 %	0 %
Average Full-Time <u>Equivalent Employees</u>	77	77	81	85	89
<u>Customer Average Wage</u>	\$ 51554.00	\$ 52585.00	\$ 53637.00	\$ 54710.00	\$ 55804.00
Annual Load Factor	80 %	80 %	80 %	80 %	80 %
<u>Coincident Load Factor</u>	91 %	91 %	91 %	91 %	91 %

Required Documentation:

- Energy Efficiency Improvement Description:

*Provide with this VII-E Award Application documentation describing the discrete, verifiable Energy Efficiency Improvement measures Customer intends to implement at the Plant and setting forth calculations which support the projected per cent Energy Efficiency Improvements based upon those measures.*

- Billing Documents

*Provide with this VII-E Award Application copies of Customer's power bills for the 12-month period preceding the date of this Award Application.*

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- Financial Documents:

Provide with this VII-E Award Application copies of Customer-level financial statements, if available. If Customer-level statements are not available, provide copies of financial statements for a parent entity of Customer. "Financial documents" means the most recent quarterly report and the three most recent annual statements containing consolidated financial statements.

If Customer has chosen to provide parent entity financial statements, Customer certifies that Customer is a wholly owned subsidiary of the parent entity and Customer's financial information is consolidated within the financial statements of the parent entity.

I, Richard Vonnahme, am an authorized representative of Customer, and I certify to TVA that the above information is true and correct.

Richard Vonnahme  
Signature

Exec. V. P. + Gen. Mgr.  
Title

RICHARD VONNAHME  
Printed

5/5/2010  
Date

I, David E. Smart, am an authorized representative of Distributor, and I certify to TVA that the information verified above is true and correct.

David E. Smart  
Signature

President + CEO  
Title

David E. Smart  
Printed

5/10/10  
Date

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Attachment 1  
Definitions

- A.1.1 "Annual Average Demand" shall mean for any 12-month period the kW amount calculated by dividing a Plant's total kWh usage during that period by the total number of clock hours in the period.
- A.1.2 "Annual Base Charges" shall mean for any 12-month period the sum of customer charge, demand charges, and energy charges under the applicable Rate Schedule and Adjustment Addendum (if any) during that period which are attributable to a Customer's Qualifying Plant; provided, however, that in calculating the Annual Base Charges, any portion of the energy charge designated as fuel costs shall be excluded, and the Annual Base Charges shall be reduced by the amount of any credits attributable to a Customer's Qualifying Plant which the Customer received under any contract overlays, credit programs, and/or any award programs offered by TVA and/or Distributor during that period.
- A.1.3 "Annual Load Factor" shall mean the percentage calculated by dividing a Plant's total metered energy for any year by the product of the highest Total Metered Demand for that year and the number of clock hours in that year.
- A.1.4 "Award Period" shall mean the period from the first billing period in which a Customer is scheduled to receive a VII Bill Credit through the 5th anniversary of said billing period.
- A.1.5 "Base Year" shall mean the 12-month period immediately preceding the date a Customer submits a VII-E Award Application.
- A.1.6 "Coincident Load Factor" shall mean for any 12-month period the percentage calculated by dividing the Annual Average Demand for that period by the Peak Period Average Demand for that period.
- A.1.7 "Customer" shall mean a customer purchasing power for its Plant from TVA or a distributor of TVA power under a written power supply contract(s).
- A.1.8 "Customer Average Wage" shall mean the Customer's total annual payroll (minus benefits) for Full-Time Equivalent Employees divided by the number of Full-Time Equivalent Employees.
- A.1.9 "Energy Efficiency Improvement" shall mean the projected percentage improvement during the Evaluation Period in a Plant's Energy Efficiency Measurement (as defined below) resulting from the implementation of either building improvements (Commercial Metric) or process-based improvements (Manufacturing Metric) at the Plant. The projected improvement in the Energy Efficiency Measurement will be based on calculations either performed or approved by TVA.

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The Energy Efficiency Measurement to be used in determining the Commercial Metric is the Customer's annual kWh usage per square foot of Plant area. The Energy Efficiency Measurement to be used in determining the Manufacturing Metric is the measurement submitted by the Customer and approved by TVA. This measurement may be the Plant's annual kWh usage per unit of plant output, the total Btu energy usage per unit of plant output, the ratio of the Plant's annual kWh usage and the Customer Average Wage, or such other measurement that is approved by TVA.

- A.1.10 "Evaluation Period" shall mean the period from the date of submission of a Customer's completed VII-E Award Application through the 5th anniversary of said date.
- A.1.11 "Full-Time Equivalent Employee" for any month shall mean the sum of (a) the number of full-time on-site Plant employees and contractors of a Customer who spend 100% of their work time on Plant-related matters in that month and (b) a number equal to the sum of total hours worked on Plant-related matters in that month by (i) full-time on-site Plant employees of Customer who spend less than 100% of their work time on Plant-related matters and (ii) part-time on-site Plant employees of Customer divided by the number of work hours in that month (based on an 8-hour work day, Monday through Friday).
- A.1.12 "Meter Data" shall mean Plant half-hourly interval data during Peak Hours and other Plant power use data necessary to calculate the following:
- (a) total Plant kWh usage and highest Total Metered Demand for each month of the Evaluation Period,
  - (b) Annual Load Factor,
  - (c) Coincident Load Factor.
- A.1.13 "Nonconforming Loads" as currently defined, shall mean electrical loads with one or more of the following characteristics:
- (a) expected load swings of approximately 50 MW or more and ramp rates of approximately 10 MW or more per minute,
  - (b) loads with expected daily reactive power ramp rates of 50 MVAR or more per minute,
  - (c) loads known to create voltage flicker exceeding the limits set out in the Institute of Electrical and Electronics Engineers (IEEE) Standard 1453, or
  - (d) loads known to create harmonic current distortions exceeding the limits set out in IEEE Standard 519.

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- A.1.14 "Peak Hours" shall mean from 13:00:00 to 18:59:59 Central Prevailing Time (CPT) during the calendar months of July and August; provided, however, that Peak Hours shall not include hours that fall on Saturdays, Sundays, or Independence Day.
- A.1.15 "Peak Period Average Demand" for any 12-month period shall mean the kW amount calculated by dividing a Plant's total kWh usage during the Peak Hours of that 12-month period by the total number of those Peak Hours.
- A.1.16 "Plant" shall mean all physical personal property and fixtures used in the Customer's trade or business characterized by the same NAICS code(s) that is depreciable for federal income tax purposes and which is affixed to contiguous real property in the TVA service area.
- A.1.17 "Plant Book Value" shall mean the most recent depreciated value of a Customer's Plant for Federal income tax purposes.
- A.1.18 "Qualifying Customer" shall mean a Customer that submits a VII-E Award Application and is found by TVA to meet the Customer eligibility requirements.
- A.1.19 "Qualifying Plant" shall mean a Plant for which a Customer has submitted a VII-E Award Application and is found by TVA to meet the Plant eligibility requirements.
- A.1.20 "Total Metered Demand" shall mean the average during any 30-consecutive-minute period beginning or ending on a clock hour of the total load at the Customer's Plant measured in kW.
- A.1.21 "Total Capital Investment" shall mean the sum of all projected Plant investments during the Evaluation Period which Customer intends to depreciate for Federal income tax purposes.
- A.1.22 "VII Metrics" shall mean the information necessary for TVA to determine a Qualifying Customer's monthly award under the VII Program. For any year, the VII Metrics shall include that year's:
- (a) Annual Base Charges,
  - (b) total Plant kWh usage and highest Total Metered Demand for each month,
  - (c) contribution towards the Total Capital Investment,
  - (d) completed Energy Efficiency Improvements identified in Customer's VII-E Award Application,
  - (e) average number of Full-Time Equivalent Employees,
  - (f) Customer Average Wage,
  - (g) Annual Load Factor, and
  - (h) Coincident Load Factor.

The VII Metrics shall be based on the most current data available and certified by Customer's duly authorized officer.

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Attachment 2  
Eligibility

- A.2.1 A Qualifying Customer with a Qualifying Plant will be eligible for a VII award.
- A.2.2 Contractual Requirements. A Customer's power supply contract(s) for power supplied to its Plant must provide for the Customer to purchase firm power for a term of at least five years from the date of submission of the Customer's completed VII-E Award Application under a general service rate schedule or a manufacturing service rate schedule, or any replacement schedule of the general service or manufacturing service rate schedule. The power supply contract(s) may include a pricing overlay under a separate agreement implementing a TVA-approved program, subject to all of the standard terms and conditions under which the program is offered.
- A.2.3 Minimum Demand Requirements. A Customer must establish a Total Metered Demand of at least 250 kW in each of the 12 billing months preceding the effective date of its Valley Investment Initiative Participation Agreement (VII Participation Agreement). Further, a Customer will not be eligible to receive a monthly award under the VII Participation Agreement, in any month where the Total Metered Demand is not at least 250 kW.
- A.2.4 Minimum Capital Investment. A Customer must make a Total Capital Investment of at least 25 percent of its Plant Book Value, including capital investment of at least
- (a) 5 percent of its Plant Book Value during the first year,
  - (b) 8 percent of its Plant Book Value during the first two years,
  - (c) 11 percent of its Plant Book Value during the first three years,
  - (d) 14 percent of its Plant Book Value during the first four years, and
  - (e) 25 percent of its Plant Book Value during the first five years
- of the Customer's Evaluation Period.
- A.2.5 Minimum Workforce Requirements. A Customer must employ at least 25 Full-Time Equivalent Employees during each month of the Customer's Base Year and in each month during the Evaluation Period. Further, a Customer that eliminates, or projects the elimination of, 50% or more of its Full-Time Equivalent Employees during the Evaluation Period shall not be a Qualifying Customer.
- A.2.6 Nonconforming Loads. A Plant with Nonconforming Load characteristics shall not be a Qualifying Plant.
- A.2.7 Ineligible Industry Sectors. A Plant where the major use of electricity is for activities which are classified with one of the following North American Industry Classification System (NAICS) codes shall not be a Qualifying Plant:

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Sector	Related NAICS
Agriculture, Forestry, Fishing, and Hunting	11
Mining	21
Utilities	22
Construction	23
Retail Trade	44-45
Transportation	48, 491, 492
Real Estate and Rental and Leasing	53
Administrative and Support and Waste Management and Remediation Services	56
Educational Services	61
Health care and Social Assistance	62
Arts, Entertainment, and Recreation	71
Accommodations and Food Service	72
Other Services	81
Public Administration	92

Provided however that a Plant where the major use of electricity is for activities within an excluded NAICS code may participate in the program if the Customer and Plant under the following conditions:

- a. The Plant's sub-sector industry multiplier and Customer Average Wage exceed the Valley average;
- b. The Customer provides documentation demonstrating economic development support and/or incentives being provided by state and/or local economic development partners; and
- c. TVA's VII Committee determines that the customer meets the above requirements, other VII qualification criteria, and programmatic intent.

**A.2.8 Financial Review.** A Qualifying Customer must be determined by TVA to be financially sound. In order to facilitate TVA's evaluation of a Customer's financial condition, a Customer will provide: (i) a copy of Customer's three most recent annual reports containing consolidated financial statements and its most recent quarterly report containing consolidated financial statements; and (ii) such different or additional financial information as TVA may from time to time request for TVA's use in evaluating Customer's financial condition. The statements to be provided by Customer shall be prepared in accordance with generally accepted accounting principles.

A Customer may provide the statements requested in subsection (i) above for a parent entity of Customer, if Customer-level statements are not available. Such a Customer must certify that Customer is a wholly owned subsidiary of the parent entity and

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Customer's financial information is consolidated within the financial statements of the parent entity.

TVA will consider a Customer financially unsound and ineligible for the VII program under the following conditions:

- (a) Customer or Customer's parent entity is reorganizing or winding down in bankruptcy as of the date it submits a VII-E Award Application;
- (b) Customer's risk levels exceed allowable levels as solely determined by TVA; or
- (c) Customer fails to provide adequate power contract performance assurance as required by TVA.

A.2.9 Meter Data. A Qualifying Plant must have metering in place capable of recording Plant half-hourly interval data during Peak Hours and other Plant power use data necessary to calculate the VII Metrics. A Qualifying Customer must have arrangements in place with TVA and/or Customer's Distributor to provide for the collection, processing (if any), and transmission to TVA of all Plant Meter Data and corresponding VII Metrics.

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Attachment 3  
Worksheets

Load Factor

1. Annual Plant total metered energy: \_\_\_\_\_ kWh
2. Highest Plant 30-minute average demand for the year: \_\_\_\_\_ kW
3. Multiply line 2 by 8760 hours\* = \_\_\_\_\_ kWh
4. Divide line 1 by the result from line 3 = \_\_\_\_\_%

Coincident Load Factor

1. Annual Plant total metered energy: \_\_\_\_\_ kWh
2. Divide line 1 by 8760 hours\* = \_\_\_\_\_ kW
3. Average demand during Peak Hours: \_\_\_\_\_ kW
4. Divide the result from line 2 by the amount from line 3 = \_\_\_\_\_%

\*For Leap Years, use 8784 hours.

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

Date: February 28, 2011

TV-59577A, Supp. No. 77

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

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

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

WHEREAS, Distributor and TVA have entered into a contract dated December 17, 2001 (ESDP Agreement), under which Distributor participates in the Enhanced Security Deposit Program (Enhanced Program); and

WHEREAS, TVA has given Distributor notice that effective March 1, 2011, the ESDP Agreement will terminate; and

WHEREAS, notwithstanding such notice of termination and in lieu of the ESDP Agreement terminating pursuant to it, the parties wish to supplement and amend the ESDP Agreement to provide for the ESDP Agreement to remain in effect to the limited extent described below in this agreement;

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 - ESDP AGREEMENT AMENDED**

Effective March 1, 2011, the provisions of the ESDP Agreement shall terminate except with respect to Distributor's Enhanced Program Insured Accounts in effect on that date (Existing Accounts). Continued coverage for said Existing Accounts shall otherwise remain subject to all terms and conditions of the ESDP Agreement as it is amended and supplemented by the provisions of section 2 through 7 below.

## **SECTION 2 - NEW ACCOUNTS**

It is expressly recognized and agreed that effective March 1, 2011, the provisions of Article III of the ESDP Agreement, providing for the nomination of new accounts, shall be of no further force and effect. Accordingly, on and after that date, no new accounts may be enrolled for coverage under the ESDP Agreement.

## **SECTION 3 - EARLY TERMINATION**

Section 6.2 of the ESDP Agreement is replaced by the following:

Either party may terminate this agreement at any time upon sixty (60) days' written notice.

## **SECTION 4 - PREMIUM CONTRIBUTION FOR EXISTING ACCOUNTS**

Effective October 1, 2011, for the TVA Fiscal Year that begins on that date and for subsequent TVA Fiscal Years, Distributor shall be responsible for twenty percent (20%) of the total annual cost of the premiums for coverage for its Existing Accounts (Premium Contribution). TVA shall annually invoice Distributor for the Premium Contribution by adding the amount due to Distributor's power invoice each December.

It is expressly recognized and agreed that Distributor, at its election, may require its Existing Accounts to pay or reimburse Distributor for the portion of the Premium Contribution attributable to each such account.

## **SECTION 5 - ANNUAL EXISTING ACCOUNTS CERTIFICATION**

By October 1, 2011, and by October 1 each year thereafter, Distributor shall complete and submit to TVA the form designated by TVA for the purpose of confirming the Existing Accounts that Distributor wishes to continue to have covered under the ESDP Agreement.

## **SECTION 6 - WHOLESALE PORTION CALCULATION AFTER APRIL 2011 RATE CHANGE**

It is expressly recognized that after the April 2011 Rate Change, TVA will no longer have the requisite data necessary to calculate the Wholesale Portion of its retail bill for certain Existing Accounts. Accordingly, for any months after March 31, 2011, for which the Wholesale Portion must be calculated under sections 5.3.2, 5.5, and 5.6.2 of the ESDP Agreement, TVA will require and Distributor shall provide (except as provided in the following sentence) full hourly interval load data (kW and kWh) for each such Existing Account (in a format acceptable to TVA) in order for TVA to be able to calculate such Existing Account's contribution to the wholesale bill. If Distributor does not have the capability to provide such hourly data, such Wholesale Portion will be deemed to be 90 percent of the retail demand and energy charges.

**SECTION 7 - ESDP AGREEMENT AFFIRMED**

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

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

**WEST KENTUCKY RURAL ELECTRIC  
COOPERATIVE CORPORATION**

By David E. Smart  
Title: President & CEO

**TENNESSEE VALLEY AUTHORITY**

By K. Breeden  
Executive Vice President  
Customer Relations



Tennessee Valley Authority, 400 West Summit Hill Drive, WT-3D, Knoxville, Tennessee 37902

September 20, 2010

TV-59577A, Supp. No. 78

Mr. David Smart, President/CEO  
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 the West Kentucky Rural Electric Cooperative Corporation (Distributor) and Tennessee Valley Authority (TVA) with respect to supplementing and amending the wholesale power contract, dated April 26, 1982, as amended (Power Contract), between the parties to remove the 13-kV revenue metering installations at the Mayfield District Substation.

It is understood and agreed that:

1. The amounts of power and energy delivered to the Mayfield District 69-kV Substation and the Hickory Grove 69-kV Substation are combined on a simultaneous basis for billing purposes under the Power Contract, and the point of delivery specified in the Power Contract is the 69-kV side of the Hickory Grove 69-kV Substation.
2. Distributor will discontinue taking power and energy from the Mayfield District 69-kV Substation on or before October 1, 2010 (Effective Date), following the transfer of the loads served by Distributor from this substation to the Distributor's John Edd Walker 69-kV Substation.
3. As of the Effective Date, the Power Contract is hereby amended by striking all references to deliveries to Distributor at the Mayfield District 69-kV Substation and the 13-kV revenue metering installations used in determining such deliveries.

Mr. David Smart  
September 20, 2010  
Page 2

If this letter satisfactorily sets forth our understanding on this matter, please have a duly authorized representative sign both duplicate originals of this letter on behalf of distributor and return both fully signed originals to TVA's Mayfield Customer Service Center.

Sincerely,

*Bradley D. Peters for*

John G. Trawick  
Senior Vice President  
Commercial Operations and Pricing

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

WEST KENTUCKY RURAL ELECTRIC  
COOPERATIVE CORPORATION

By: David E. Smart  
Title President & CEO

**VALLEY INVESTMENT INITIATIVE  
PARTICIPATION AGREEMENT**  
Among  
**PELLA CORPORATION,  
WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION,  
And  
TENNESSEE VALLEY AUTHORITY**

Date: 10/29/2010

VII Contract No. 3890

TV-59577A, Supp. No. 79

THIS AGREEMENT will confirm the understandings among PELLA CORPORATION (Company), WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION (Distributor), and TENNESSEE VALLEY AUTHORITY (TVA) with respect to Company's participation in the Valley Investment Initiative (VII) being jointly conducted by Distributor and TVA.

It is understood and agreed that:

**SECTION 1 - DEFINITIONS**

Underlined terms used in this agreement are defined in Company's "Valley Investment Initiative Award Application" (VII Award Application) which is attached to and made a part of this agreement.

**SECTION 2 - TERM**

This agreement shall become effective on the date first written above (Effective Date), and shall continue in effect through the end of the Award Period described below, except that the provisions of sections 3.2, 6.2, 7.3, 7.4, 9.3, and 10 below shall continue in effect until the obligations of the parties under them are fulfilled.

**SECTION 3 - ELIGIBILITY FOR VII**

3.1 Company's Certification. Company's eligibility for the VII award provided for in section 4 below is based on TVA's determination that Company meets the criteria of a Qualifying Customer at Company's Qualifying Plant. It is expressly recognized that such determination is based on information provided and certified by Company in the VII Award Application.

3.2 Access to Records. Company shall keep and make available accurate records and books of accounts related to Company's VII Metrics, as well as data to support compliance with the terms and conditions of this agreement. Company shall allow Distributor, TVA, and their agents and employees, free access, at any time during normal working hours and upon reasonable notice, to all such books, records, and other documents of Company until the completion of all close-out procedures respecting this agreement and the final settlement and conclusion of all issues arising out of this agreement.



**SECTION 4 - VII AWARDS**

Based on Company's projections and the information contained in the VII Award Application, Company will be eligible to receive a VII award in the form of monthly credits on Company's power bill (Bill Credits) for a 5-year Award Period, beginning on January 22, 2011. Except as otherwise provided below, Distributor shall apply the monthly Bill Credits for each year of the 5-year period in amounts equal to 1/12 of the Maximum Annual Award amounts set out in the table below.

Year	Maximum Annual Award
1	\$102,842.72
2	\$102,842.72
3	\$102,842.72
4	\$102,842.72
5	\$102,842.72

In the event that Company receives more than one power bill in any month for its Qualifying Plant, a pro rata portion of the Bill Credit will be applied to each power bill in proportion to the total retail amount of each power bill. Company shall not be eligible for and will not earn or receive any Bill Credits for any amount that exceeds the amount of Company's monthly power bill(s) attributable to Company's Qualifying Plant in any given month.

**SECTION 5 - REPORTING BY COMPANY**

5.1 Annual Reporting. Within 30 days after the first 12 months of Company's Evaluation Period, and within 30 days after each 12-month period of the Evaluation Period thereafter, Company shall provide TVA a report certified by Company's duly authorized officer (Annual Certification), and verified by Distributor pursuant to section 6.1 below, showing Company's VII Metrics for the previous year. The Annual Certification shall be in a form furnished by TVA.

5.2 Continuing Reporting Obligation. Company shall immediately notify Distributor and TVA of any material changes in the information provided in its VII Award Application or its Annual Certifications. Upon receipt of such notice, TVA may at that time calculate an Adjusted Award pursuant to section 7 below.

**SECTION 6 - DATA SUPPLIED BY DISTRIBUTOR**

6.1 Annual Certification. It is recognized that Company's eligibility to receive the Bill Credits provided for in this agreement is based on information provided by Company and, where applicable, verified by Distributor in Company's VII Award Application and Annual Certifications. Distributor shall review Company's Annual Certification each year and, where requested by TVA, shall certify the accuracy of certain items, including:

- (a) Company's payment history under its power supply contract with Distributor,

- (b) total kWh usage and highest Total Metered Demand of Company's Qualifying Plant for each of the previous 12 months,
- (c) total kWh usage of Company's Qualifying Plant during Peak Hours, and
- (d) whether Company's Qualifying Plant is a Nonconforming Load.

6.2 Monthly Data. It is recognized that Distributor may be responsible for providing and maintaining metering facilities which are capable of recording the data specified in items (b) and (c) above. If requested by TVA, Distributor shall make available to TVA any such meter data necessary for TVA to verify Company's eligibility for participation in VII or calculate Bill Credits under this agreement. Distributor shall also furnish to TVA a copy of Company's power bill each month, which shall itemize the amount of any Bill Credit for that month, and any other information related to Company's eligibility for and participation in VII as TVA may reasonably request.

6.3 Other Information. Distributor shall promptly notify TVA if Company materially breaches the power supply contract under which power is supplied to Company's Qualifying Plant or materially breaches any overlay, supplement, or amendment to that contract, such that Distributor either suspends or terminates power supply, or suspends or terminates any product or other arrangements made available as an overlay, supplement, or amendment to the power supply contract.

## **SECTION 7 - AWARD ADJUSTMENT AND RECOVERY**

7.1 Annual Award Adjustments. Each year, and immediately upon receipt of any notice pursuant to section 5.2 above, TVA will calculate adjusted Maximum Annual Awards (Adjusted Awards) for the Evaluation Period. The Adjusted Awards will be calculated by applying the VII Metrics provided in Company's Annual Certification or notice to the same formula that was used in calculating the Maximum Annual Awards set out in the tabulation in section 4 above, except that if the total kWh usage in the previous year is at least 80% of the total kWh usage for the Base Year, the monthly Total Metered Demand and kWh usage values from the Base Year will be used in the calculation. If the Adjusted Awards are less than the Maximum Annual Awards for those years set out in section 4 above, the sum of Company's monthly Bill Credits in the remaining Award Period years will be equal to the Adjusted Awards for the remaining Award Period minus the difference between the monthly Bill Credits Company received and the amount that the Bill Credits would have been if they had been calculated using the VII Metrics provided in Company's Annual Certification or notice. Notwithstanding TVA's calculation of Adjusted Awards, it is expressly recognized that Company shall neither earn nor receive in any month Bill Credits greater than 1/12 the Maximum Annual Awards set out above.

7.2 Disqualification. During the term of this agreement, TVA will use Company's VII Metrics and other information available to TVA during the Evaluation Period and Award Period to determine whether Company remains eligible to participate in VII. If at any time during the term of this agreement TVA determines that Company ceases to qualify for VII, the Bill Credits provided under section 4 above shall be discontinued. At such time, if any, during the Award Period that Company provides certification that it again meets the VII eligibility requirements set forth in the VII Award Application, the Bill Credits will resume. Company shall not be eligible for and will not earn or receive any Bill Credits for those periods when it does not qualify for VII.

7.3 Award Recovery. Company shall not be eligible to receive Bill Credits under section 4 above if at any time any of the following occurs:

- (a) Company provides materially false information on its VII Award Application or Annual Certifications;
- (b) Company fails to notify TVA of material changes in information provided in its VII Award Application or Annual Certification;
- (c) Company materially breaches the power supply contract under which power is supplied to Company's Qualifying Plant or materially breaches any overlay, supplement, or amendment to that contract, such that Distributor either suspends or terminates power supply, or suspends or terminates any product or other arrangements made available as an overlay, supplement, or amendment to the power supply contract;
- (d) Company's power supply contract otherwise expires or is terminated without being renewed or replaced by a power supply contract meeting the requirements of the VII Award Application; or
- (e) Company ceases commercial operation of its Qualifying Plant.

If any of the events identified in (a) – (e) above occur, this agreement shall be deemed to have automatically terminated as of the date of said occurrence, and promptly upon receipt of an invoice, Company shall immediately pay to Distributor any and all award amounts paid to Company during any period when Company was ineligible to receive Bill Credits as well as any and all award amounts in excess of those to which Company was entitled based on its actual VII Metrics.

7.4 Final Adjustment and Recovery. Upon receipt of Company's final Annual Certification and calculation of the corresponding Adjusted Award, Company's remaining monthly Bill Credits will be reduced by the difference between the monthly Bill Credits Company received and the amount that the Bill Credits would have been if they had been calculated using the VII Metrics provided in Company's final Annual Certification. In the event that the remaining Bill Credits are insufficient to recover the difference, Company shall immediately pay to Distributor the unrecovered balance of the difference.

## **SECTION 8 - ENHANCED GROWTH CREDIT**

It is understood and agreed that Company and Distributor shall not enter into an Enhanced Growth Credit (EGC) participation agreement during the term of this agreement.

## **SECTION 9 - WHOLESALE ADJUSTMENTS**

9.1 Company Credit. Each month Distributor shall apply the Bill Credit to Company's power bill. TVA shall notify Distributor of (a) any adjustment to the Bill Credits provided for under section 7.1 of this agreement and (b) any discontinuance of Bill Credits in accordance with sections 7.2, 7.3, or 7.4 of this agreement.

9.2 Distributor Credit. TVA will apply a monthly credit to Distributor's wholesale power bill equal to the Bill Credit applied by Distributor to Company's bill in that month.

9.3 Award Recovery. In the event that under the provisions of section 7.3 of this agreement it is determined that Company received Bill Credits for which it was not eligible, Distributor and TVA shall fully cooperate in (a) endeavoring to collect from Company any

amounts due under said sections 7.3 and/or 7.4 and (b) making appropriate adjustments to Distributor's wholesale power bill to pass through to TVA amounts collected from Company. The obligations of this paragraph shall survive any expiration or termination of the VII Participation Agreement until they are discharged.

#### **SECTION 10 - CONFIDENTIALITY**

It is expressly recognized that the VII Award Application and the Annual Certification are the property of TVA and are not intended for further distribution. Except as may be otherwise required by law, (a) Company shall not disclose those documents or their contents except to TVA or Distributor and (b) TVA and Distributor will not disclose confidential information provided by Company in those documents or confidential information provided pursuant to 3.2 above without Company's consent.

#### **SECTION 11 - NOTICES**

11.1 Persons to Receive Notice. Any notice required by this agreement shall be deemed properly given if delivered in writing to the address specified below: (a) personally, (b) by recognized overnight courier service, or (c) by United States Mail, postage prepaid.

To TVA:

Jared E. Mitchem  
Valley Investment Manager  
TVA Economic Development  
26 Century Blvd., Suite 100 OCP 2  
Nashville, TN 37214

To Company:

Emily Eisentrager  
Assistant Controller  
Pella Corporation  
102 Main Street  
Pella, IA 50219

To Distributor:

President/CEO  
West Kentucky Rural Electric  
Cooperative Corporation  
Post Office Box 589  
Mayfield, KY 42066-0589

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

#### **SECTION 12 - WAIVERS**

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

**SECTION 13 - ENTIRE AGREEMENT**

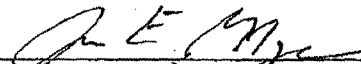
All terms and conditions with respect to this agreement are expressly contained herein and Company agrees that no representative or agent of TVA or Distributor has made any representation or promise with respect to this agreement not expressly contained herein.

**SECTION 14 - SUCCESSORS AND ASSIGNS**

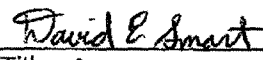
This agreement may be assigned by TVA, but shall not be assignable by Company or Distributor without written consent of TVA.

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.

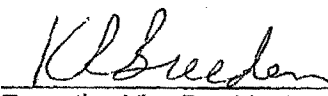
**PELLA CORPORATION**

By   
Title: President & COO

**WEST KENTUCKY RURAL ELECTRIC  
COOPERATIVE CORPORATION**

By   
Title: President & CEO

**TENNESSEE VALLEY AUTHORITY**

By   
Executive Vice President  
Customer Relations

**VALLEY INVESTMENT INITIATIVE  
(VII) AWARD APPLICATION**

Please provide the following information and sign the certification below to apply for a Valley Investment Initiative Award. See Attachments 1 and 2 for definitions of relevant terms. Your distributor of TVA power must verify the items indicated before your VII Award Application is submitted to TVA. The Evaluation Period for any Award based upon this application begins on the date TVA receives a complete, verified, and signed copy of this application with the accompanying "Required Documentation." Your projections must be based upon such an Evaluation Period. TVA reserves the right to request additional information to supplement this VII Award Application.

1. Customer Name: Pella Corporation

*As stated in Attachment 1, "Customer" is the legal entity with a qualifying power contract. The company submitting this Application must be the same as the company purchasing power under a qualifying power contract.*

2. Customer DUNS Number: 00-527-8502

3. Plant Location: 307 Pella Way, Murray, Calloway County, KY 42071

4. Person to Receive Notices related to any VII Award contract:

Emily Eisentrager  
~~Assistant Controller~~  
102 Main Street, Pella, IA 50219  
~~641-621-3960~~

5. Distributor of TVA power to Customer's Plant: West Kentucky Rural Electric Cooperative

6. Physical Description of the Plant: Murray, Kentucky

7. Project Name/Description: 2010 Investment

8. Plant's NAICS code (at least three digits): 321210

9. Did the Customer have 25 or more Plant Full-Time Equivalent Employees (FTEs) in each of the previous 12 months? YES  NO  If yes, what was the average number of FTE's in the previous 12 months? 661

10. Does the Customer have any plans to reduce the number of FTE's at the Plant by 50% or more during five-year Evaluation Period? YES  NO

11. Is the Customer projecting 25% Total Capital Investment in its Plant (as a percentage of Plant Book Value) over the five-year VII Evaluation Period with at least 5% in Year 1 and at least 3% per year in Years 2-4? YES  NO

12. Power Contracts serving Customer's Plant: 12-553-1000-3

RM  
Distributor verified: [Distributor Representative Initials Here]

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13. Does the Customer have a remaining term at least as long as Customer's VII Award Period on each standard firm power contract for the Plant? YES  NO

Distributor verified: [Distributor Representative Initials Here] *RM*

If no, will the Customer, within the next 180 days, make the contractual commitment necessary to purchase firm power for the Plant from Distributor for a term to end no earlier than the end of Customer's VII Award Period?

YES  NO

Distributor verified: [Distributor Representative Initials Here]

14. Does the Customer have interval metering in place at the Plant? YES  NO

Distributor verified: [Distributor Representative Initials Here] *RM*

If no, will the Customer have such metering installed in the next 180 days and arrangements in place for reading and reporting meter data to TVA? YES  NO

Distributor verified: [Distributor Representative Initials Here]

15. Is the Customer presently complying with the provisions of its standard firm power contract, including performance assurance provisions, if any? YES  NO

Distributor verified: [Distributor Representative Initials Here] *RM*

16. What was the Plant's highest Total Metered Demand and kWh usage in each of the previous 12 months?

Month	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	March	April	May	June
Total Metered Demand (kW)	4,672	4,786	4,672	4,480	3,756	3,400	3,794	3,555	3,321	4,073	4,406	4,786 4,405 *
Total Metered Energy (kWh)	2,260,800	2,354,400	2,325,600	1,994,400	1,677,600	1,425,600	1,584,000	1,620,000	1,404,000	1,569,600	2,001,600	2,203,200 *

Distributor verified: [Distributor Representative Initials Here] *RM \**

17. What is the Plant Book Value? \$ 15,317,859

18. Award Payment Options (select one): Decreasing  Flat  Increasing

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19. What are the Customer's projections for the Plant in the following categories:

	Year 1	Year 2	Year 3	Year 4	Year 5
Annual Capital Investment	\$ 1,500,000	\$ 5,000,000	\$ 1,000,000	\$ 750,000	\$ 750,000
Annual <u>Energy Efficiency Improvement</u>	2.0 %	5.0 %	1.0 %	1.0 %	1.0 %
Average Full-Time <u>Equivalent Employees</u>	686	711	726	741	756
<u>Customer Average Wage</u>	\$ 40,000	\$ 41,200	\$ 42,436	\$ 43,709	\$ 45,020
<u>Annual Load Factor</u>	53 %	53 %	53 %	53 %	53 %
<u>Coincident Load Factor</u>	81.9 %	81.9 %	81.9 %	81.9 %	81.9 %

Required Documentation:

- Billing Documents

*Provide with this VII Award Application copies of Customer's power bills for the 12-month period preceding the date of this Award Application.*

- Financial Documents:

*Provide with this VII Award Application copies of Customer-level commercial credit ratings and/or financial statements, if available. If Customer-level ratings or statements are not available, provide copies of commercial credit ratings and/or financial statements for a parent entity of Customer. "Commercial credit rating" means an estimate of creditworthiness as assigned by a recognized rating agency, (such as Standard & Poor's, Moody's Investor Services, Inc. or Fitch Ratings) to a rated entity's unsecured, senior long-term debt obligations, or if such entity does not have a rating for its senior unsecured long-term debt obligations, then the rating assigned to such entity as an Issuer rating. Acceptable commercial credit ratings will be determined by TVA. "Financial statements" means the most recent quarterly report and the three most recent annual statements containing consolidated financial statements.*

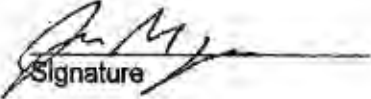
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If Customer has chosen to provide parent entity commercial credit ratings or financial statements, Customer certifies that Customer-level ratings and statements are not available, that Customer is a wholly owned subsidiary of the parent entity, and that Customer's financial information is consolidated within the financial statements of the parent entity.


I, [Jim Meyer], am an authorized representative of Customer, and I certify to TVA that the above information is true and correct.

  
Signature

[President]  
Title

7-12-2010  
Date

I, [Type Name Here], am an authorized representative of Distributor, and I certify to TVA that the information verified above is true and correct.

  
Signature

[Type Title Here]  
Title VP OF FINANCE & ADM

7-22-10  
Date



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Attachment 1  
Definitions

- A.1.1 "Annual Average Demand" shall mean for any 12-month period the kW amount calculated by dividing a Plant's total kWh usage during that period by the total number of clock hours in the period.
- A.1.2 "Annual Load Factor" shall mean the percentage calculated by dividing a Plant's total metered energy for any year by the product of the highest Total Metered Demand for that year and the number of clock hours in that year.
- A.1.3 "Award Period" shall mean the period from the first billing period in which a Customer is scheduled to receive a VII Bill Credit through the 5th anniversary of said billing period.
- A.1.4 "Base Year" shall mean the 12-month period immediately preceding the date a Customer submits a VII Award Application.
- A.1.5 "Coincident Load Factor" shall mean for any 12-month period the percentage calculated by dividing the Annual Average Demand for that period by the Peak Period Average Demand for that period.
- A.1.6 "Customer" shall mean a company purchasing power for its Plant from TVA or a distributor of TVA power under a written power supply contract(s).
- A.1.7 "Customer Average Wage" shall mean the Customer's total annual payroll (minus benefits) for Full-Time Equivalent Employees divided by the number of Full-Time Equivalent Employees.
- A.1.8 "Energy Efficiency Improvement" shall mean the projected percentage improvement during the Evaluation Period in a Plant's Energy Efficiency Metric (as defined below) resulting from the implementation of either building improvements (Commercial Metric) or process-based improvements (Manufacturing Metric) at the Plant. The Energy Efficiency Improvement represents the incremental change in the Energy Efficiency Metric from year to year as a percentage Base Year Energy Efficiency Metric. The Energy Efficiency Improvement calculations will be either performed or approved by TVA.

The Energy Efficiency Metric to be used in determining the Commercial Metric is the Customer's annual kWh usage per square foot (ft<sup>2</sup>) of Plant area. The Energy Efficiency Metric to be used in determining the Manufacturing Metric is the measurement submitted by the Customer and approved by TVA. This measurement may be the Plant's annual kWh or Btu usage per unit of plant output, where plant output may be quantity of product produced, volume/weight of product produced, dollars of product produced (price held constant), or such other measurement that is approved by TVA.

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- A.1.9 "Evaluation Period" shall mean the period from the date of submission of a Customer's completed VII Award Application through the 5th anniversary of said date.
- A.1.10 "Full-Time Equivalent Employee" for any month shall mean the sum of (a) the number of full-time on-site Plant employees and contractors of a Customer who spend 100% of their work time on Plant-related matters in that month and (b) a number equal to the sum of total hours worked on Plant-related matters in that month by (i) full-time on-site Plant employees of Customer who spend less than 100% of their work time on Plant-related matters and (ii) part-time on-site Plant employees of Customer divided by the number of work hours in that month (based on an 8-hour work day, Monday through Friday).
- A.1.11 "Meter Data" shall mean Plant interval data during Peak Hours and other Plant power use data necessary to calculate the following:
- (a) total Plant kWh usage and highest Total Metered Demand for each month of the Evaluation Period,
  - (b) Annual Load Factor,
  - (c) Coincident Load Factor.
- A.1.12 "Nonconforming Loads" as currently defined, shall mean electrical loads with one or more of the following characteristics:
- (a) expected load swings of approximately 50 MW or more and ramp rates of approximately 10 MW or more per minute,
  - (b) loads with expected daily reactive power ramp rates of 50 MVAR or more per minute,
  - (c) loads known to create voltage flicker exceeding the limits set out in the Institute of Electrical and Electronics Engineers (IEEE) Standard 1453, or
  - (d) loads known to create harmonic current distortions exceeding the limits set out in IEEE Standard 519.
- A.1.13 "Peak Hours" shall mean from 13:00:00 to 18:59:59 Central Prevailing Time (CPT) during the calendar months of July and August; provided, however, that Peak Hours shall not include hours that fall on Saturdays, Sundays, or Independence Day.
- A.1.14 "Peak Period Average Demand" for any 12-month period shall mean the kW amount calculated by dividing a Plant's total kWh usage during the Peak Hours of that 12-month period by the total number of those Peak Hours.
- A.1.15 "Plant" shall mean all (a) physical personal property and (b) things attached, annexed, or fixed to the Customer's real property (such as Customer's building) that are (1) used in the Customer's trade or business characterized by the same NAICS code(s), (2) depreciable for federal income tax purposes, and (3) located on contiguous real property in the TVA service area.

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- A.1.16 "Plant Book Value" shall mean the most recent depreciated value of a Customer's Plant for Federal income tax purposes.
- A.1.17 "Qualifying Customer" shall mean a Customer that submits a VII Award Application and is found by TVA to meet the Customer eligibility requirements.
- A.1.18 "Qualifying Plant" shall mean a Plant for which a Customer has submitted a VII Award Application and is found by TVA to meet the Plant eligibility requirements.
- A.1.19 "Total Metered Demand" shall mean the average during any 30-consecutive-minute period beginning or ending on a clock hour of the total load at the Customer's Plant measured in kW.
- A.1.20 "Total Capital Investment" shall mean the sum of all projected Plant investments during the Evaluation Period which Customer intends to depreciate for Federal income tax purposes.
- A.1.21 "VII Metrics" shall mean the information necessary for TVA to determine a Qualifying Customer's monthly award under the VII Program. For any year, the VII Metrics shall include that year's:
- (a) ,
  - (b) total Plant kWh usage and highest Total Metered Demand for each month,
  - (c) contribution towards the Total Capital Investment,
  - (d) Plant production data relevant to Customer's Energy Efficiency Improvements,
  - (e) average number of Full-Time Equivalent Employees,
  - (f) Customer Average Wage,
  - (g) Annual Load Factor, and
  - (h) Coincident Load Factor.

The VII Metrics shall be based on the most current data available and certified by Customer's duly authorized officer.

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Attachment 2  
Eligibility

- A.2.1 A Qualifying Customer with a Qualifying Plant will be eligible for a VII award.
- A.2.2 Contractual Requirements. A Customer's power supply contract(s) for power supplied to its Plant must provide for the Customer to purchase firm power for a term at least as long as the Customer's VII Award Period under a general service rate schedule or a manufacturing service rate schedule, or any replacement schedule of the general service or manufacturing service rate schedule. The power supply contract(s) may include a pricing overlay under a separate agreement implementing a TVA-approved program, subject to all of the standard terms and conditions under which the program is offered.
- A.2.3 Minimum Demand Requirements. A Customer must establish a Total Metered Demand of at least 250 kW in each of the 12 billing months preceding the effective date of its Valley Investment Initiative Participation Agreement (VII Participation Agreement). Further, a Customer will not be eligible to receive a monthly award under the VII Participation Agreement, in any month where the Total Metered Demand is not at least 250 kW.
- A.2.4 Minimum Capital Investment. A Customer must make a Total Capital Investment of at least 25 percent of its Plant Book Value, including capital investment of at least
- (a) 5 percent of its Plant Book Value during the first year,
  - (b) 8 percent of its Plant Book Value during the first two years,
  - (c) 11 percent of its Plant Book Value during the first three years,
  - (d) 14 percent of its Plant Book Value during the first four years, and
  - (e) 25 percent of its Plant Book Value during the first five years
- of the Customer's Evaluation Period.
- A.2.5 Minimum Workforce Requirements. A Customer must employ at least 25 Full-Time Equivalent Employees during each month of the Customer's Base Year and in each month during the Evaluation Period. Further, a Customer that eliminates, or projects the elimination of, 50% or more of its Full-Time Equivalent Employees during the Evaluation Period shall not be a Qualifying Customer.
- A.2.6 Nonconforming Loads. A Plant with Nonconforming Load characteristics shall not be a Qualifying Plant.
- A.2.7 Ineligible Industry Sectors. A Plant where the major use of electricity is for activities which are classified with one of the following North American Industry Classification System (NAICS) codes shall not be a Qualifying Plant:

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Sector	Related NAICS
Agriculture, Forestry, Fishing, and Hunting	11
Mining	21
Utilities	22
Construction	23
Retail Trade	44-45
Transportation	48, 491, 492
Real Estate and Rental and Leasing	53
Administrative and Support and Waste Management and Remediation Services	56
Educational Services	61
Health care and Social Assistance	62
Arts, Entertainment, and Recreation	71
Accommodations and Food Service	72
Other Services	81
Public Administration	92

Provided however that a Plant where the major use of electricity is for activities within an excluded NAICS code may participate in the program if the Customer and Plant under the following conditions:

- a. The Plant's sub-sector industry multiplier and Customer Average Wage exceed the Valley average;
- b. The Customer provides documentation demonstrating economic development support and/or incentives being provided by state and/or local economic development partners; and
- c. TVA's VII Committee determines that the customer meets the above requirements, other VII qualification criteria, and programmatic intent.

A.2.8 Financial Review. A Qualifying Customer must be determined by TVA to be financially viable. In order to facilitate TVA's evaluation of a Customer's financial condition, a Customer will provide, upon request by TVA: (i) copies of Customer's commercial credit ratings, where "commercial credit ratings" shall mean an estimate of creditworthiness as assigned by a recognized rating agency (such as Standard & Poor's, Moody's Investor Services, Inc. or Fitch Ratings) to a rated entity's unsecured, senior long-term debt obligations; and (ii) a copy of Customer's three most recent annual reports containing consolidated financial statements and its most recent quarterly report containing consolidated financial statements; and (iii) such different or additional financial information as TVA may from time to time request for TVA's use in evaluating Customer's financial condition. The financial statements to be provided by Customer shall be prepared in accordance with generally accepted accounting principles.

**TVA RESTRICTED INFORMATION:**

*This VII Award Application is the property of TVA and is not intended for further distribution. Except as may be otherwise required by law, (a) neither Customer nor Distributor shall disclose this document or its contents except to one another and/or TVA; and (b) TVA and Distributor will not disclose confidential information provided by Customer herein without Customer's consent.*

A Customer may provide the commercial credit ratings and/or financial statements requested in subsection (i) above for a parent entity of Customer, if Customer-level ratings and statements are not available. Such a Customer must certify that Customer is a wholly owned subsidiary of the parent entity and Customer's financial information is consolidated within the financial statements of the parent entity.

TVA will consider a Customer financially unviable and ineligible for the VII program under the following conditions:

- (a) Customer or Customer's parent entity is reorganizing or winding down in bankruptcy as of the date it submits a VII Award Application;
- (b) Customer's risk levels exceed allowable levels as solely determined by TVA;  
or
- (c) Customer fails to provide adequate power contract performance assurance as required by Distributor.

A.2.9 Meter Data. A Qualifying Plant must have metering in place capable of recording Plant interval data during Peak Hours and other Plant power use data necessary to calculate the VII Metrics. A Qualifying Customer must have arrangements in place with TVA and/or Customer's Distributor to provide for the collection, processing (if any), and transmission to TVA of all Plant Meter Data and corresponding VII Metrics.

**TVA RESTRICTED INFORMATION:**

*This VII Award Application is the property of TVA and is not intended for further distribution. Except as may be otherwise required by law, (a) neither Customer nor Distributor shall disclose this document or its contents except to one another and/or TVA; and (b) TVA and Distributor will not disclose confidential information provided by Customer herein without Customer's consent.*

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

Date: 9/23/2010

TV-59577A, Supp. No. 80

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 and Distributor wish to cooperate in making Time Differentiated Hours Use of Demand (TD HUD) rates and Pilot Seasonal Demand and Energy (SDE) rates available as alternatives to General Power or Manufacturing Service rates for qualifying customers of Distributor for a 12-month period; and

WHEREAS, the parties wish to supplement and amend the Power Contract to provide for the application of the TD HUD rates and SDE rates to Distributor's customers that elect such alternative rates;

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

**SECTION 1 – TERM OF AGREEMENT**

This agreement shall become effective as of the date first above written and will continue until the expiration or termination of each Company Agreement provided for in section 2 below.

**SECTION 2 – COMPANY AGREEMENTS**

For each customer (Company) to which Distributor supplies power under TD HUD rates or SDE rates, as they may be modified, changed, replaced, or adjusted from time to time, Distributor shall enter into an appropriate agreement (Company Agreement) amending Company's power supply contract with Distributor in the respects necessary to provide for Company to be billed at TD HUD rates or SDE rates, whichever is applicable, in lieu of the otherwise applicable General Power or Manufacturing Service



rate schedule. All such Company Agreements shall be for a term of 12 months and shall become effective no earlier than October 1, 2010, and no later than March 1, 2011. The parties recognize and agree that Distributor shall supply power under TD HUD rates and SDE rates only to those customers that satisfy the "Availability" requirements of the applicable rate schedule specified in section 3 of this agreement.

If, under previous arrangements with TVA, Distributor has entered into an agreement with a Company (Previous Agreement) providing for the Company to be billed under TD HUD rates, said Previous Agreement may be extended or renewed for a 12-month term, effective upon its expiration.

### **SECTION 3 - PILOT RATE SCHEDULES**

The following schedules (attached as Exhibit A and referred to collectively as "Pilot Schedules" and individually as "Pilot Schedule"):

- (a) Time Differentiated Hours Use Of Demand General Power Rate--  
Schedule TDGSB,
- (b) Time Differentiated Hours Use Of Demand General Power Rate--  
Schedule TDGSC,
- (c) Time Differentiated Hours Use Of Demand General Power Rate--  
Schedule TDGSD,
- (d) Time Differentiated Hours Use Of Demand Manufacturing Service Rate--  
Schedule TDMSB,
- (e) Time Differentiated Hours Use Of Demand Manufacturing Service Rate--  
Schedule TDMSC,
- (f) Time Differentiated Hours Use Of Demand Manufacturing Service Rate--  
Schedule TDMSD,
- (g) Pilot Seasonal Demand and Energy General Power Rate--Schedule PSGSB,
- (h) Pilot Seasonal Demand and Energy General Power Rate--Schedule PSGSC,
- (i) Pilot Seasonal Demand and Energy General Power Rate--Schedule PSGSD,
- (j) Pilot Seasonal Demand and Energy Manufacturing Service Rate--  
Schedule PSMSB,
- (k) Pilot Seasonal Demand and Energy Manufacturing Service Rate--  
Schedule PSMSC,
- (l) Pilot Seasonal Demand and Energy Manufacturing Service Rate--  
Schedule PSMSD,

are made a part of this agreement and of the Schedule of Rates and Charges to the Power Contract. Further, the Supplemental Adjustment Addendum applicable to the TDHUD rates and the Supplemental Adjustment Addendum applicable to the SDE rates (attached collectively as Exhibit B) are made part of this agreement and of the Adjustment Addendum to Schedule of Rates and Charges for Distributor dated October 1, 2009 (Adjustment Addendum). Notwithstanding anything appearing in the Power Contract to the contrary, during the term of this agreement, Distributor shall bill each Company for power and energy made available to the Company in accordance with the Pilot Schedule applicable to that Company (together with the currently effective Adjustment Addendum as supplemented to cover the Pilot Schedules), as such Pilot Schedule may be further adjusted, changed, modified, or replaced from time to time.

#### **SECTION 4 - WHOLESALE BILLING**

4.1 Riders to Wholesale Rate Schedule. Wholesale Power Rate--Schedule WS, in the Schedule of Rates and Charges to the Power Contract (Schedule WS), is hereby amended by (a) adding to the "Demand and Energy Charges" of Schedule WS the charges for the Pilot Schedules listed in the Riders to said Schedule WS (Riders) attached to this agreement collectively as Exhibit C, and (b) revising the section headed "Adjustments" in said Schedule WS as described in the Rider applicable to the TDHUD rates. The Riders are made a part of this agreement and of Schedule WS.

4.2 Wholesale Charges. In calculating the wholesale bill each month for Distributor, the charges set out in the attached Riders (together with the currently effective Adjustment Addendum as supplemented to cover the Pilot Schedules) will be applied to demand and energy amounts resold by Distributor under each Pilot Schedule.

#### **SECTION 5 - BILLING DATA**

5.1 TVA Billing Analysis. It is recognized and agreed that TVA shall perform monthly meter-reading services and billing data analysis (Billing Analysis) with respect to the amounts of power and energy supplied by Distributor to each Company. Accordingly, each month TVA shall, as soon as practicable after the scheduled meter-reading date for each Company, furnish to Distributor the information regarding the amounts of power and energy taken by each Company and such other information as may be necessary for Distributor to calculate each Company's monthly bill and to meet its obligations under 5.2 below.

5.2 Billing Data Supplied by Distributor. 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 each Company for power and energy made available under the applicable Pilot Schedule when it is rendered and such other information related to each Company's power and energy takings as TVA may require.

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 [Signature]  
Senior Vice President  
Commercial Operations and Pricing

**Exhibit A**

## WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION

### TIME DIFFERENTIATED HOURS USE OF DEMAND GENERAL POWER RATE--SCHEDULE TDGSB

(October 2010)

#### Availability

This rate shall be available for firm electric power requirements where the customer's currently effective onpeak or offpeak contract demand, whichever is higher, is greater than 1,000 kW but not more than 15,000 kW and where this rate schedule is elected as an alternative to service under Schedules GSA, GSB, TGSA, or TGSB for a 12-month period beginning no earlier than October 1, 2010, and no later than March 1, 2011; provided that the other conditions of this section are met.

For customers served under this rate schedule, the customer's "meter-reading time" shall be 0000 hours CST or CDT, whichever is currently effective, on the first day of the calendar month following the month for which a bill under this rate schedule is being calculated. Further, in accordance with TVA furnished or approved guidelines or specifications, TVA shall have unrestricted remote access to the metering data at all times, as well as unrestricted physical access to the metering facilities for the purpose of confirming remotely-accessed data during such periods as are specified by TVA.

For a customer requesting that its onpeak contract demand be different from its offpeak contract demand, this rate 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.

A customer may not be on this rate schedule and participate in any demand response program which is designated by TVA as inconsistent with service under this schedule. A customer may not be on this rate schedule and participate in the small manufacturing credit program. A customer may not be on this rate schedule and participate in TVA's Enhanced Growth Credit (EGC) Program unless it agrees to a modification of its EGC agreement to provide for the EGC credits to be capped according to applicable guidelines. A customer may not be on this rate schedule and participate in TVA's 5 Minute Response (5 MR) or 60 Minute Response (60 MR) Interruptible Programs unless it agrees to a modification of its 5 MR or 60 MR Agreement to provide for the 5 MR or 60 MR credit amounts to be shaped according to applicable guidelines.

#### 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  
Administrative Charge: \$350 per delivery point per month  
Right-of-Way  
Clearing Surcharge: \$3.25 per meter per month

Demand Charge:

Summer Period	\$11.85 per kW per month of the customer's onpeak billing demand, plus \$3.15 per kW per month of the amount, if any, by which the customer's offpeak billing demand exceeds its onpeak billing demand, plus \$11.85 per kW per month of the amount, if any, 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
Winter Period	\$6.88 per kW per month of the customer's onpeak billing demand, plus \$3.15 per kW per month of the amount, if any, by which the customer's offpeak billing demand exceeds its onpeak billing demand, plus \$6.88 per kW per month of the amount, if any, 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
Transition Period	\$3.15 per kW of offpeak billing demand per month, plus \$6.88 per kW per month of the amount, if any, by which the customer's offpeak billing demand exceeds its offpeak contract demand

Energy Charge:

Summer Period	6.411¢ per kWh per month for all onpeak kWh, plus 3.807¢ per kWh (adjusted for hours use of maximum metered demand as provided below) per month for all offpeak kWh
Winter Period	4.281¢ per kWh per month for all onpeak kWh, plus 3.807¢ per kWh (adjusted for hours use of maximum metered demand as provided below) per month for all offpeak kWh
Transition Period	3.807¢ per kWh (adjusted for hours use of maximum metered demand as provided below) per month for all kWh

Offpeak Hours Use of Demand Adjustment:

The above offpeak energy charges for the Summer Period and the Winter Period shall be increased or decreased in accordance with the hours use of maximum metered demand as follows:

0.195¢ per kWh for the first 425 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy

-1.101¢ per kWh for the next 195 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy

-2.202¢ per kWh for the hours use of maximum metered demand in excess of 620 hours multiplied by the ratio of offpeak energy to total energy

The above energy charge for a Transition Period shall be increased or decreased in accordance with the hours use of maximum metered demand as follows:

0.195¢ per kWh for the first 425 hours use of maximum metered demand

-1.101¢ per kWh for the next 195 hours use of maximum metered demand

-2.202¢ per kWh for the hours use of maximum metered demand in excess of 620 hours

For the Summer Period, Winter Period and Transition Period, no Offpeak Hours Use of Demand Adjustment would apply to the portion, if any, of the minimum offpeak energy takings amount that is greater than the metered energy.

### Adjustment

The base demand and energy charges, and the adjustment amounts provided for in the Offpeak Hours Use of Demand Adjustment 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 onpeak or offpeak contract demand, whichever is higher, 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 Seasonal Periods

Summer Period shall mean the June, July, August, and September billing months. Winter Period shall mean the December, January, February, and March billing months. Transition Period shall mean the April, May, October, and November billing months. The Seasonal Periods under this rate schedule are subject to change by TVA. In the event TVA determines that changed Seasonal Periods are

appropriate, it shall so notify Distributor at least 12 months prior to the effective date of such changed periods, and Distributor shall promptly notify customer.

### 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 1 p.m. to 7 p.m. during the Summer Period and from 4 a.m. to 10 a.m. during the Winter Period. For the Summer Period and the Winter Period, all other hours of each year that are not otherwise defined as onpeak hours 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. Said onpeak and offpeak hours 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.

For the Transition Period, all hours shall be offpeak hours.

### Determination of Onpeak and Offpeak Demands, Maximum Metered Demand, 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; provided, however, that notwithstanding the metered energy amount, the offpeak energy for any month shall in no case be less than the product of (1) the offpeak billing demand as calculated in the last sentence of the paragraph below and (2) 110 hours (reflecting a 15 percent load factor applied to the average number of hours in a month).

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 maximum metered demand for any month shall be the higher of (1) the highest onpeak metered demand in the month or (2) the highest offpeak metered demand in the month. 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 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 portion of the base demand charge, as adjusted, (but excluding the additional portion thereof applicable to excess of billing demand over contract demand) applicable to onpeak billing demand applied to the customer's onpeak billing demand, (3) the portion of the base demand charge, as adjusted, (but excluding the additional portion thereof applicable to excess of billing demand over contract demand) 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 higher of customer's actual offpeak energy takings or the minimum offpeak energy takings amount provided for in the first paragraph of the section of this rate schedule entitled "Determination of Onpeak and Offpeak Demands, Maximum Metered Demand, and Energy Amounts". It is recognized that no Offpeak Hours Use of Demand Adjustment would apply to the portion, if any, of the minimum offpeak energy takings amount that is greater than the metered energy.

Distributor may require minimum bills higher than those stated above, including, without limitation, charges to cover any additional metering and related costs.

### Contract Requirement

The contract requirement of the schedule (GSA, GSB, TGSA, or TGSB) for which this rate schedule is selected as an alternative shall continue to apply, both during the time this alternative rate schedule is in effect under that contract and afterwards. In addition, at the time that this rate schedule becomes effective for billing, there must be at least one year remaining on the contract required by such Schedule GSA, GSB, TGSA or TGSB. 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 onpeak or offpeak 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.

At the end of the period of service under this rate schedule, the customer, subject to appropriate amendments to its power contract with Distributor, may receive service under Schedule GSA, GSB, TGSA, or TGSB for any required contract term then remaining; provided, however, that the contract demand for any such service under Schedule GSA or 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 DIFFERENTIATED HOURS USE OF DEMAND GENERAL POWER RATE--SCHEDULE TDGSC

(October 2010)

#### Availability

This rate shall be available for firm electric power requirements where the customer's currently effective onpeak or offpeak contract demand, whichever is higher, is greater than 15,000 kW but not more than 25,000 kW and where this rate schedule is elected as an alternative to service under Schedule GSC or Schedule TGSC for a 12-month period beginning no earlier than October 1, 2010, and no later than March 1, 2011; provided that the other conditions of this section are met.

For customers served under this rate schedule, the customer's "meter-reading time" shall be 0000 hours CST or CDT, whichever is currently effective, on the first day of the calendar month following the month for which a bill under this rate schedule is being calculated. Further, in accordance with TVA furnished or approved guidelines or specifications, TVA shall have unrestricted remote access to the metering data at all times, as well as unrestricted physical access to the metering facilities for the purpose of confirming remotely-accessed data during such periods as are specified by TVA.

For a customer requesting that its onpeak contract demand be different from its offpeak contract demand, this rate 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.

A customer may not be on this rate schedule and participate in any demand response program which is designated by TVA as inconsistent with service under this schedule. A customer may not be on this rate schedule and participate in TVA's Enhanced Growth Credit (EGC) Program unless it agrees to a modification of its EGC agreement to provide for the EGC credits to be capped according to applicable guidelines. A customer may not be on this rate schedule and participate in TVA's 5 Minute Response (5 MR) or 60 Minute Response (60 MR) Interruptible Programs unless it agrees to a modification of its 5 MR or 60 MR Agreement to provide for the 5 MR or 60 MR credit amounts to be shaped according to applicable guidelines.

#### 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

Administrative Charge: \$350 per delivery point per month

Right-of-Way

Clearing Surcharge: \$3.25 per meter per month

Demand Charge:

Summer Period	\$11.34 per kW per month of the customer's onpeak billing demand, plus \$2.64 per kW per month of the amount, if any, by which the customer's offpeak billing demand exceeds its onpeak billing demand, plus \$11.34 per kW per month of the amount, if any, 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
Winter Period	\$6.37 per kW per month of the customer's onpeak billing demand, plus \$2.64 per kW per month of the amount, if any, by which the customer's offpeak billing demand exceeds its onpeak billing demand, plus \$6.37 per kW per month of the amount, if any, 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
Transition Period	\$2.64 per kW of offpeak billing demand per month, plus \$6.37 per kW per month of the amount, if any, by which the customer's offpeak billing demand exceeds its offpeak contract demand

Energy Charge:

Summer Period	6.160¢ per kWh per month for all onpeak kWh, plus 3.624¢ per kWh (adjusted for hours use of maximum metered demand as provided below) per month for all offpeak kWh
Winter Period	4.082¢ per kWh per month for all onpeak kWh, plus 3.624¢ per kWh (adjusted for hours use of maximum metered demand as provided below) per month for all offpeak kWh
Transition Period	3.624¢ per kWh (adjusted for hours use of maximum metered demand as provided below) per month for all kWh

Offpeak Hours Use of Demand Adjustment:

The above offpeak energy charges for the Summer Period and the Winter Period shall be increased or decreased in accordance with the hours use of maximum metered demand as follows:

- 0.195¢ per kWh for the first 425 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy
- 1.101¢ per kWh for the next 195 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy
- 2.202¢ per kWh for the hours use of maximum metered demand in excess of 620 hours multiplied by the ratio of offpeak energy to total energy

The above energy charge for a Transition Period shall be increased or decreased in accordance with the hours use of maximum metered demand as follows:

0.195¢ per kWh for the first 425 hours use of maximum metered demand

-1.101¢ per kWh for the next 195 hours use of maximum metered demand

-2.202¢ per kWh for the hours use of maximum metered demand in excess of 620 hours

For the Summer Period, Winter Period and Transition Period, no Offpeak Hours Use of Demand Adjustment would apply to the portion, if any, of the minimum offpeak energy takings amount that is greater than the metered energy.

### Adjustment

The base demand and energy charges, and the adjustment amounts provided for in the Offpeak Hours Use of Demand Adjustment 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 onpeak or offpeak contract demand, whichever is higher, 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 Seasonal Periods

Summer Period shall mean the June, July, August, and September billing months. Winter Period shall mean the December, January, February, and March billing months. Transition Period shall mean the April, May, October, and November billing months. The Seasonal Periods under this rate schedule

are subject to change by TVA. In the event TVA determines that changed Seasonal Periods are appropriate, it shall so notify Distributor at least 12 months prior to the effective date of such changed periods, and Distributor shall promptly notify customer.

### 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 1 p.m. to 7 p.m. during the Summer Period and from 4 a.m. to 10 a.m. during the Winter Period. For the Summer Period and the Winter Period, all other hours of each year that are not otherwise defined as onpeak hours 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. Said onpeak and offpeak hours 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.

For the Transition Period, all hours shall be offpeak hours.

### Determination of Onpeak and Offpeak Demands, Maximum Metered Demand, 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; provided, however, that notwithstanding the metered energy amount, the offpeak energy for any month shall in no case be less than the product of (1) the offpeak billing demand as calculated in the last sentence of the paragraph below and (2) 110 hours (reflecting a 15 percent load factor applied to the average number of hours in a month).

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 maximum metered demand for any month shall be the higher of (1) the highest onpeak metered demand in the month or (2) the highest offpeak metered demand in the month. 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 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 portion of the base demand charge, as adjusted, (but excluding the additional portion thereof applicable to excess of billing demand over contract demand) applicable to onpeak billing demand applied to the customer's onpeak billing demand, (3) the portion of the base demand charge, as adjusted, (but excluding the additional portion thereof applicable to excess of billing demand over contract demand) 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 higher of customer's actual offpeak energy takings or the minimum offpeak energy takings amount provided for in the first paragraph of the section of this rate schedule entitled "Determination of Onpeak and Offpeak Demands, Maximum Metered Demand, and Energy Amounts". It is recognized that no Offpeak Hours Use of Demand Adjustment would apply to the portion, if any, of the minimum offpeak energy takings amount that is greater than the metered energy.

Distributor may require minimum bills higher than those stated above, including, without limitation, charges to cover any additional metering and related costs.

### Contract Requirement

The contract requirement of the schedule (GSC or TGSC) for which this rate schedule is selected as an alternative shall continue to apply, both during the time this alternative rate schedule is in effect under that contract and afterwards. In addition, at the time that this rate schedule becomes effective for billing, there must be at least one year remaining on the contract required by such Schedule GSC or TGSC. 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 onpeak or offpeak 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.

At the end of the period of service under this rate schedule, the customer, subject to appropriate amendments to its power contract with Distributor, may receive service under Schedule GSC or TGSC for any required contract term then remaining; provided, however, that the contract demand for any such service under 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 DIFFERENTIATED HOURS USE OF DEMAND GENERAL POWER RATE--SCHEDULE TDGSD

(October 2010)

### Availability

This rate shall be available for firm electric power requirements where the customer's currently effective onpeak or offpeak contract demand, whichever is higher, is greater than 25,000 kW and where this rate schedule is elected as an alternative to service under Schedule GSD or Schedule TGSD for a 12-month period beginning no earlier than October 1, 2010, and no later than March 1, 2011; provided that the other conditions of this section are met.

For customers served under this rate schedule, the customer's "meter-reading time" shall be 0000 hours CST or CDT, whichever is currently effective, on the first day of the calendar month following the month for which a bill under this rate schedule is being calculated. Further, in accordance with TVA furnished or approved guidelines or specifications, TVA shall have unrestricted remote access to the metering data at all times, as well as unrestricted physical access to the metering facilities for the purpose of confirming remotely-accessed data during such periods as are specified by TVA.

For a customer requesting that its onpeak contract demand be different from its offpeak contract demand, this rate 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.

A customer may not be on this rate schedule and participate in any demand response program which is designated by TVA as inconsistent with service under this schedule. A customer may not be on this rate schedule and participate in TVA's Enhanced Growth Credit (EGC) Program unless it agrees to a modification of its EGC agreement to provide for the EGC credits to be capped according to applicable guidelines. A customer may not be on this rate schedule and participate in TVA's 5 Minute Response (5 MR) or 60 Minute Response (60 MR) Interruptible Programs unless it agrees to a modification of its 5 MR or 60 MR Agreement to provide for the 5 MR or 60 MR credit amounts to be shaped according to applicable guidelines.

### 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

Administrative Charge: \$350 per delivery point per month

Right-of-Way

Clearing Surcharge: \$3.25 per meter per month

Demand Charge:

Summer Period	\$11.24 per kW per month of the customer's onpeak billing demand, plus \$2.54 per kW per month of the amount, if any, by which the customer's offpeak billing demand exceeds its onpeak billing demand, plus \$11.24 per kW per month of the amount, if any, 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
Winter Period	\$6.27 per kW per month of the customer's onpeak billing demand, plus \$2.54 per kW per month of the amount, if any, by which the customer's offpeak billing demand exceeds its onpeak billing demand, plus \$6.27 per kW per month of the amount, if any, 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
Transition Period	\$2.54 per kW of offpeak billing demand per month, plus \$6.27 per kW per month of the amount, if any, by which the customer's offpeak billing demand exceeds its offpeak contract demand

Energy Charge:

Summer Period	6.053¢ per kWh per month for all onpeak kWh, plus 3.443¢ per kWh (adjusted for hours use of maximum metered demand as provided below) per month for all offpeak kWh
Winter Period	3.915¢ per kWh per month for all onpeak kWh, plus 3.443¢ per kWh (adjusted for hours use of maximum metered demand as provided below) per month for all offpeak kWh
Transition Period	3.443¢ per kWh (adjusted for hours use of maximum metered demand as provided below) per month for all kWh

Offpeak Hours Use of Demand Adjustment:

The above offpeak energy charges for the Summer Period and the Winter Period shall be increased or decreased in accordance with the hours use of maximum metered demand as follows:

- 0.195¢ per kWh for the first 425 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy
- 1.101¢ per kWh for the next 195 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy
- 2.202¢ per kWh for the hours use of maximum metered demand in excess of 620 hours multiplied by the ratio of offpeak energy to total energy



The above energy charge for a Transition Period shall be increased or decreased in accordance with the hours use of maximum metered demand as follows:

0.195¢ per kWh for the first 425 hours use of maximum metered demand

-1.101¢ per kWh for the next 195 hours use of maximum metered demand

-2.202¢ per kWh for the hours use of maximum metered demand in excess of 620 hours

For the Summer Period, Winter Period and Transition Period, no Offpeak Hours Use of Demand Adjustment would apply to the portion, if any, of the minimum offpeak energy takings amount that is greater than the metered energy.

### Adjustment

The base demand and energy charges, and the adjustment amounts provided for in the Offpeak Hours Use of Demand Adjustment 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 onpeak or offpeak contract demand, whichever is higher, 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 Seasonal Periods

Summer Period shall mean the June, July, August, and September billing months. Winter Period shall mean the December, January, February, and March billing months. Transition Period shall mean the April, May, October, and November billing months. The Seasonal Periods under this rate schedule

are subject to change by TVA. In the event TVA determines that changed Seasonal Periods are appropriate, it shall so notify Distributor at least 12 months prior to the effective date of such changed periods, and Distributor shall promptly notify customer.

### 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 1 p.m. to 7 p.m. during the Summer Period and from 4 a.m. to 10 a.m. during the Winter Period. For the Summer Period and the Winter Period, all other hours of each year that are not otherwise defined as onpeak hours 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. Said onpeak and offpeak hours 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.

For the Transition Period, all hours shall be offpeak hours.

### Determination of Onpeak and Offpeak Demands, Maximum Metered Demand, 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; provided, however, that notwithstanding the metered energy amount, the offpeak energy for any month shall in no case be less than the product of (1) the offpeak billing demand as calculated in the last sentence of the paragraph below and (2) 110 hours (reflecting a 15 percent load factor applied to the average number of hours in a month).

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 maximum metered demand for any month shall be the higher of (1) the highest onpeak metered demand in the month or (2) the highest offpeak metered demand in the month. 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 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 portion of the base demand charge, as adjusted, (but excluding the additional portion thereof applicable to excess of billing demand over contract demand) applicable to onpeak billing demand applied to the customer's onpeak

billing demand, (3) the portion of the base demand charge, as adjusted, (but excluding the additional portion thereof applicable to excess of billing demand over contract demand) 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 higher of customer's actual offpeak energy takings or the minimum offpeak energy takings amount provided for in the first paragraph of the section of this rate schedule entitled "Determination of Onpeak and Offpeak Demands, Maximum Metered Demand, and Energy Amounts". It is recognized that no Offpeak Hours Use of Demand Adjustment would apply to the portion, if any, of the minimum offpeak energy takings amount that is greater than the metered energy.

Distributor may require minimum bills higher than those stated above, including, without limitation, charges to cover any additional metering and related costs.

### Contract Requirement

The contract requirement of the schedule (GSD or TGSD) for which this rate schedule is selected as an alternative shall continue to apply, both during the time this alternative rate schedule is in effect under that contract and afterwards. In addition, at the time that this rate schedule becomes effective for billing, there must be at least one year remaining on the contract required by such Schedule GSD or TGSD. 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 onpeak or offpeak 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.

At the end of the period of service under this rate schedule, the customer, subject to appropriate amendments to its power contract with Distributor, may receive service under Schedule GSD or TGSD for any required contract term then remaining; provided, however, that the contract demand for any such service under 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

### TIME DIFFERENTIATED HOURS USE OF DEMAND MANUFACTURING SERVICE RATE--SCHEDULE TDMSB

(October 2010)

#### Availability

This rate shall be available for firm electric power requirements where (a) a customer's currently effective onpeak or offpeak contract demand, whichever is higher, is greater than 1,000 kW but not more than 15,000 kW, (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, or classified with 2002 North American Industry Classification System (NAICS) code 5181, or 2007 NAICS codes 5182, 522320, and 541214; provided, however, customers qualifying for service under this schedule on the basis of such a NAICS code shall have a currently effective onpeak or offpeak contract demand greater than 5,000 kW, and shall have an average monthly load factor of at least 80 percent during the preceding 12 months; provided further, however, that for the first 12 months of service to a new customer this load factor requirement shall be based on the customer's expected load factor for those 12 months as projected before the customer begins taking service, and (c) this rate schedule is elected as an alternative to service under Schedules GSA, MSB, TGSA, or TMSB for a 12-month period beginning no earlier than October 1, 2010, and no later than March 1, 2011; provided that the other conditions of this section are met. As used in the previous sentence "monthly load factor" shall mean a percentage calculated by dividing the total metered energy for a month by the product of the metered demand for that month and the number of clock hours in that month, exclusive of any hours during which power was unavailable due to an interruption or curtailment of the customer's service and of any hours in which the customer was unable to use power due to a Force Majeure event reasonably beyond the customer's control.

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.

For customers served under this rate schedule, the customer's "meter-reading time" shall be 0000 hours CST or CDT, whichever is currently effective, on the first day of the calendar month following the month for which a bill under this rate schedule is being calculated. Further, in accordance with TVA furnished or approved guidelines or specifications, TVA shall have unrestricted remote access to the metering data at all times, as well as unrestricted physical access to the metering facilities for the purpose of confirming remotely-accessed data during such periods as are specified by TVA.

For a customer requesting that its onpeak contract demand be different from its offpeak contract demand, this rate 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.

A customer may not be on this rate schedule and participate in any demand response program which is designated by TVA as inconsistent with service under this schedule. A customer may not be on this rate schedule and participate in the small manufacturing credit program. A customer may not be on this rate schedule and participate in TVA's Enhanced Growth Credit (EGC) Program unless it agrees to a modification of its EGC agreement to provide for the EGC credits to be capped according to applicable guidelines. A customer may not be on this rate schedule and participate in TVA's 5 Minute Response (5 MR) or 60 Minute Response (60 MR) Interruptible Programs unless it agrees to a modification of its 5 MR or 60 MR Agreement to provide for the 5 MR or 60 MR credit amounts to be shaped according to applicable guidelines.

### 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
Administrative Charge:	\$350 per delivery point per month
Right-of-Way Clearing Surcharge:	\$3.25 per meter per month
Demand Charge:	
Summer Period	\$11.86 per kW per month of the customer's onpeak billing demand, plus \$3.16 per kW per month of the amount, if any, by which the customer's offpeak billing demand exceeds its onpeak billing demand, plus \$11.86 per kW per month of the amount, if any, 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
Winter Period	\$6.89 per kW per month of the customer's onpeak billing demand, plus \$3.16 per kW per month of the amount, if any, by which the customer's offpeak billing demand exceeds its onpeak billing demand, plus \$6.89 per kW per month of the amount, if any, 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
Transition Period	\$3.16 per kW of offpeak billing demand per month, plus \$6.89 per kW per month of the amount, if any, by which the customer's offpeak billing demand exceeds its offpeak contract demand

Energy Charge:

Summer Period	5.356¢ per kWh per month for all onpeak kWh, plus 2.778¢ per kWh (adjusted for hours use of maximum metered demand as provided below) per month for all offpeak kWh
Winter Period	3.270¢ per kWh per month for all onpeak kWh, plus 2.778¢ per kWh (adjusted for hours use of maximum metered demand as provided below) per month for all offpeak kWh
Transition Period	2.778¢ per kWh (adjusted for hours use of maximum metered demand as provided below) per month for all kWh

Offpeak Hours Use of Demand Adjustment:

The above offpeak energy charges for the Summer Period and the Winter Period shall be increased or decreased in accordance with the hours use of maximum metered demand as follows:

- 0.195¢ per kWh for the first 425 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy
- 1.101¢ per kWh for the next 195 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy
- 2.202¢ per kWh for the hours use of maximum metered demand in excess of 620 hours multiplied by the ratio of offpeak energy to total energy

The above energy charge for a Transition Period shall be increased or decreased in accordance with the hours use of maximum metered demand as follows:

- 0.195¢ per kWh for the first 425 hours use of maximum metered demand
- 1.101¢ per kWh for the next 195 hours use of maximum metered demand
- 2.202¢ per kWh for the hours use of maximum metered demand in excess of 620 hours

For the Summer Period, Winter Period and Transition Period, no Offpeak Hours Use of Demand Adjustment would apply to the portion, if any, of the minimum offpeak energy takings amount that is greater than the metered energy.

Adjustment

The base demand and energy charges, and the adjustment amounts provided for in the Offpeak Hours Use of Demand Adjustment 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 onpeak or offpeak contract demand, whichever is higher, 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 Seasonal Periods

Summer Period shall mean the June, July, August, and September billing months. Winter Period shall mean the December, January, February, and March billing months. Transition Period shall mean the April, May, October, and November billing months. The Seasonal Periods under this rate schedule are subject to change by TVA. In the event TVA determines that changed Seasonal Periods are appropriate, it shall so notify Distributor at least 12 months prior to the effective date of such changed periods, and Distributor shall promptly notify customer.

### 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 1 p.m. to 7 p.m. during the Summer Period and from 4 a.m. to 10 a.m. during the Winter Period. For the Summer Period and the Winter Period, all other hours of each year that are not otherwise defined as onpeak hours 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. Said onpeak and offpeak hours 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.

For the Transition Period, all hours shall be offpeak hours.

### Determination of Onpeak and Offpeak Demands, Maximum Metered Demand, 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; provided, however, that notwithstanding the metered energy amount, the offpeak energy for any month

shall in no case be less than the product of (1) the offpeak billing demand as calculated in the last sentence of the paragraph below and (2) 110 hours (reflecting a 15 percent load factor applied to the average number of hours in a month).

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 maximum metered demand for any month shall be the higher of (1) the highest onpeak metered demand in the month or (2) the highest offpeak metered demand in the month. 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 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 portion of the base demand charge, as adjusted, (but excluding the additional portion thereof applicable to excess of billing demand over contract demand) applicable to onpeak billing demand applied to the customer's onpeak billing demand, (3) the portion of the base demand charge, as adjusted, (but excluding the additional portion thereof applicable to excess of billing demand over contract demand) 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 higher of customer's actual offpeak energy takings or the minimum offpeak energy takings amount provided for in the first paragraph of the section of this rate schedule entitled "Determination of Onpeak and Offpeak Demands, Maximum Metered Demand, and Energy Amounts". It is recognized that no Offpeak Hours Use of Demand Adjustment would apply to the portion, if any, of the minimum offpeak energy takings amount that is greater than the metered energy.

Distributor may require minimum bills higher than those stated above, including, without limitation, charges to cover any additional metering and related costs.

### Contract Requirement

The contract requirement of the schedule (GSA, MSB, TGSA, or TMSB) for which this rate schedule is selected as an alternative shall continue to apply, both during the time this alternative rate schedule is in effect under that contract and afterwards. In addition, at the time that this rate schedule becomes effective for billing, there must be at least one year remaining on the contract required by such Schedule GSA, MSB, TGSA, or TMSB. 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 onpeak or offpeak 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.



At the end of the period of service under this rate schedule, the customer, subject to appropriate amendments to its power contract with Distributor, may receive service under Schedule GSA, MSB, TGSA, or TMSB for any required contract term then remaining; provided, however, that the contract demand for any such service under Schedule GSA or 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 DIFFERENTIATED HOURS USE OF DEMAND MANUFACTURING SERVICE RATE--SCHEDULE TDMSC

(October 2010)

#### Availability

This rate shall be available for firm electric power requirements where (a) a customer's currently effective onpeak or offpeak contract demand, whichever is higher, is greater than 15,000 kW but not more than 25,000 kW, (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, or classified with 2002 North American Industry Classification System (NAICS) code 5181, or 2007 NAICS codes 5182, 522320, and 541214; provided, however, customers qualifying for service under this schedule on the basis of such a NAICS code shall have an average monthly load factor of at least 80 percent during the preceding 12 months; provided further, however, that for the first 12 months of service to a new customer this load factor requirement shall be based on the customer's expected load factor for those 12 months as projected before the customer begins taking service, and (c) this rate schedule is elected as an alternative to service under Schedule MSC or TMSC for a 12-month period beginning no earlier than October 1, 2010, and no later than March 1, 2011; provided that the other conditions of this section are met. As used in the previous sentence "monthly load factor" shall mean a percentage calculated by dividing the total metered energy for a month by the product of the metered demand for that month and the number of clock hours in that month, exclusive of any hours during which power was unavailable due to an interruption or curtailment of the customer's service and of any hours in which the customer was unable to use power due to a Force Majeure event reasonably beyond the customer's control.

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.

For customers served under this rate schedule, the customer's "meter-reading time" shall be 0000 hours CST or CDT, whichever is currently effective, on the first day of the calendar month following the month for which a bill under this rate schedule is being calculated. Further, in accordance with TVA furnished or approved guidelines or specifications, TVA shall have unrestricted remote access to the metering data at all times, as well as unrestricted physical access to the metering facilities for the purpose of confirming remotely-accessed data during such periods as are specified by TVA.

For a customer requesting that its onpeak contract demand be different from its offpeak contract demand, this rate 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.

A customer may not be on this rate schedule and participate in any demand response program which is designated by TVA as inconsistent with service under this schedule. A customer may not be on

this rate schedule and participate in TVA's Enhanced Growth Credit (EGC) Program unless it agrees to a modification of its EGC agreement to provide for the EGC credits to be capped according to applicable guidelines. A customer may not be on this rate schedule and participate in TVA's 5 Minute Response (5 MR) or 60 Minute Response (60 MR) Interruptible Programs unless it agrees to a modification of its 5 MR or 60 MR Agreement to provide for the 5 MR or 60 MR credit amounts to be shaped according to applicable guidelines.

### 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
Administrative Charge:	\$350 per delivery point per month
Right-of-Way Clearing Surcharge:	\$3.25 per meter per month
Demand Charge:	
Summer Period	\$11.35 per kW per month of the customer's onpeak billing demand, plus \$2.65 per kW per month of the amount, if any, by which the customer's offpeak billing demand exceeds its onpeak billing demand, plus \$11.35 per kW per month of the amount, if any, 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
Winter Period	\$6.38 per kW per month of the customer's onpeak billing demand, plus \$2.65 per kW per month of the amount, if any, by which the customer's offpeak billing demand exceeds its onpeak billing demand, plus \$6.38 per kW per month of the amount, if any, 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
Transition Period	\$2.65 per kW of offpeak billing demand per month, plus \$6.38 per kW per month of the amount, if any, by which the customer's offpeak billing demand exceeds its offpeak contract demand

Energy Charge:

Summer Period	5.414¢ per kWh per month for all onpeak kWh, plus 2.770¢ per kWh (adjusted for hours use of maximum metered demand as provided below) per month for all offpeak kWh
Winter Period	3.280¢ per kWh per month for all onpeak kWh, plus 2.770¢ per kWh (adjusted for hours use of maximum metered demand as provided below) per month for all offpeak kWh
Transition Period	2.770¢ per kWh (adjusted for hours use of maximum metered demand as provided below) per month for all kWh

Offpeak Hours Use of Demand Adjustment:

The above offpeak energy charges for the Summer Period and the Winter Period shall be increased or decreased in accordance with the hours use of maximum metered demand as follows:

- 0.195¢ per kWh for the first 425 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy
- 1.101¢ per kWh for the next 195 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy
- 2.202¢ per kWh for the hours use of maximum metered demand in excess of 620 hours multiplied by the ratio of offpeak energy to total energy

The above energy charge for a Transition Period shall be increased or decreased in accordance with the hours use of maximum metered demand as follows:

- 0.195¢ per kWh for the first 425 hours use of maximum metered demand
- 1.101¢ per kWh for the next 195 hours use of maximum metered demand
- 2.202¢ per kWh for the hours use of maximum metered demand in excess of 620 hours

For the Summer Period, Winter Period and Transition Period, no Offpeak Hours Use of Demand Adjustment would apply to the portion, if any, of the minimum offpeak energy takings amount that is greater than the metered energy.

Adjustment

The base demand and energy charges, and the adjustment amounts provided for in the Offpeak Hours Use of Demand Adjustment 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 onpeak or offpeak contract demand, whichever is higher, 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 Seasonal Periods

Summer Period shall mean the June, July, August, and September billing months. Winter Period shall mean the December, January, February, and March billing months. Transition Period shall mean the April, May, October, and November billing months. The Seasonal Periods under this rate schedule are subject to change by TVA. In the event TVA determines that changed Seasonal Periods are appropriate, it shall so notify Distributor at least 12 months prior to the effective date of such changed periods, and Distributor shall promptly notify customer.

### 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 1 p.m. to 7 p.m. during the Summer Period and from 4 a.m. to 10 a.m. during the Winter Period. For the Summer Period and the Winter Period, all other hours of each year that are not otherwise defined as onpeak hours 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. Said onpeak and offpeak hours 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.

For the Transition Period, all hours shall be offpeak hours.

### Determination of Onpeak and Offpeak Demands, Maximum Metered Demand, 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; provided, however, that notwithstanding the metered energy amount, the offpeak energy for any month

shall in no case be less than the product of (1) the offpeak billing demand as calculated in the last sentence of the paragraph below and (2) 110 hours (reflecting a 15 percent load factor applied to the average number of hours in a month).

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 maximum metered demand for any month shall be the higher of (1) the highest onpeak metered demand in the month or (2) the highest offpeak metered demand in the month. 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 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 portion of the base demand charge, as adjusted, (but excluding the additional portion thereof applicable to excess of billing demand over contract demand) applicable to onpeak billing demand applied to the customer's onpeak billing demand, (3) the portion of the base demand charge, as adjusted, (but excluding the additional portion thereof applicable to excess of billing demand over contract demand) 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 higher of customer's actual offpeak energy takings or the minimum offpeak energy takings amount provided for in the first paragraph of the section of this rate schedule entitled "Determination of Onpeak and Offpeak Demands, Maximum Metered Demand, and Energy Amounts". It is recognized that no Offpeak Hours Use of Demand Adjustment would apply to the portion, if any, of the minimum offpeak energy takings amount that is greater than the metered energy.

Distributor may require minimum bills higher than those stated above, including, without limitation, charges to cover any additional metering and related costs.

#### Contract Requirement

The contract requirement of the schedule (MSC or TMS) for which this rate schedule is selected as an alternative shall continue to apply, both during the time this alternative rate schedule is in effect under that contract and afterwards. In addition, at the time that this rate schedule becomes effective for billing, there must be at least one year remaining on the contract required by such Schedule MSC or TMS. 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 onpeak or offpeak 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.

At the end of the period of service under this rate schedule, the customer, subject to appropriate amendments to its power contract with Distributor, may receive service under Schedule MSC or TMSC for any required contract term then remaining; provided, however, that the contract demand for any such service under 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 DIFFERENTIATED HOURS USE OF DEMAND MANUFACTURING SERVICE RATE--SCHEDULE TDMSD

(October 2010)

#### Availability

This rate shall be available for firm electric power requirements where (a) a customer's currently effective onpeak or offpeak contract demand, whichever is higher, is greater than 25,000 kW, (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, or classified with 2002 North American Industry Classification System (NAICS) code 5181, or 2007 NAICS codes 5182, 522320, and 541214; provided, however, customers qualifying for service under this schedule on the basis of such a NAICS code shall have an average monthly load factor of at least 80 percent during the preceding 12 months; provided further, however, that for the first 12 months of service to a new customer this load factor requirement shall be based on the customer's expected load factor for those 12 months as projected before the customer begins taking service, and (c) this rate schedule is elected as an alternative to service under Schedule MSD or TMSD for a 12-month period beginning no earlier than October 1, 2010, and no later than March 1, 2011; provided that the other conditions of this section are met. As used in the previous sentence "monthly load factor" shall mean a percentage calculated by dividing the total metered energy for a month by the product of the metered demand for that month and the number of clock hours in that month, exclusive of any hours during which power was unavailable due to an interruption or curtailment of the customer's service and of any hours in which the customer was unable to use power due to a Force Majeure event reasonably beyond the customer's control.

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.

For customers served under this rate schedule, the customer's "meter-reading time" shall be 0000 hours CST or CDT, whichever is currently effective, on the first day of the calendar month following the month for which a bill under this rate schedule is being calculated. Further, in accordance with TVA furnished or approved guidelines or specifications, TVA shall have unrestricted remote access to the metering data at all times, as well as unrestricted physical access to the metering facilities for the purpose of confirming remotely-accessed data during such periods as are specified by TVA.

For a customer requesting that its onpeak contract demand be different from its offpeak contract demand, this rate 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.

A customer may not be on this rate schedule and participate in any demand response program which is designated by TVA as inconsistent with service under this schedule. A customer may not be on



this rate schedule and participate in TVA's Enhanced Growth Credit (EGC) Program unless it agrees to a modification of its EGC agreement to provide for the EGC credits to be capped according to applicable guidelines. A customer may not be on this rate schedule and participate in TVA's 5 Minute Response (5 MR) or 60 Minute Response (60 MR) Interruptible Programs unless it agrees to a modification of its 5 MR or 60 MR Agreement to provide for the 5 MR or 60 MR credit amounts to be shaped according to applicable guidelines.

### 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
Administrative Charge:	\$350 per delivery point per month
Right-of-Way Clearing Surcharge:	\$3.25 per meter per month
Demand Charge:	
Summer Period	\$11.24 per kW per month of the customer's onpeak billing demand, plus \$2.54 per kW per month of the amount, if any, by which the customer's offpeak billing demand exceeds its onpeak billing demand, plus \$11.24 per kW per month of the amount, if any, 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
Winter Period	\$6.27 per kW per month of the customer's onpeak billing demand, plus \$2.54 per kW per month of the amount, if any, by which the customer's offpeak billing demand exceeds its onpeak billing demand, plus \$6.27 per kW per month of the amount, if any, 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
Transition Period	\$2.54 per kW of offpeak billing demand per month, plus \$6.27 per kW per month of the amount, if any, by which the customer's offpeak billing demand exceeds its offpeak contract demand

Energy Charge:

Summer Period	5.297¢ per kWh per month for all onpeak kWh, plus 2.655¢ per kWh (adjusted for hours use of maximum metered demand as provided below) per month for all offpeak kWh
Winter Period	3.152¢ per kWh per month for all onpeak kWh, plus 2.655¢ per kWh (adjusted for hours use of maximum metered demand as provided below) per month for all offpeak kWh
Transition Period	2.655¢ per kWh (adjusted for hours use of maximum metered demand as provided below) per month for all kWh

Offpeak Hours Use of Demand Adjustment:

The above offpeak energy charges for the Summer Period and the Winter Period shall be increased or decreased in accordance with the hours use of maximum metered demand as follows:

- 0.195¢ per kWh for the first 425 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy
- 1.101¢ per kWh for the next 195 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy
- 2.202¢ per kWh for the hours use of maximum metered demand in excess of 620 hours multiplied by the ratio of offpeak energy to total energy

The above energy charge for a Transition Period shall be increased or decreased in accordance with the hours use of maximum metered demand as follows:

- 0.195¢ per kWh for the first 425 hours use of maximum metered demand
- 1.101¢ per kWh for the next 195 hours use of maximum metered demand
- 2.202¢ per kWh for the hours use of maximum metered demand in excess of 620 hours

For the Summer Period, Winter Period and Transition Period, no Offpeak Hours Use of Demand Adjustment would apply to the portion, if any, of the minimum offpeak energy takings amount that is greater than the metered energy.

Adjustment

The base demand and energy charges, and the adjustment amounts provided for in the Offpeak Hours Use of Demand Adjustment 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 onpeak or offpeak contract demand, whichever is higher, 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 Seasonal Periods

Summer Period shall mean the June, July, August, and September billing months. Winter Period shall mean the December, January, February, and March billing months. Transition Period shall mean the April, May, October, and November billing months. The Seasonal Periods under this rate schedule are subject to change by TVA. In the event TVA determines that changed Seasonal Periods are appropriate, it shall so notify Distributor at least 12 months prior to the effective date of such changed periods, and Distributor shall promptly notify customer.

### 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 1 p.m. to 7 p.m. during the Summer Period and from 4 a.m. to 10 a.m. during the Winter Period. For the Summer Period and the Winter Period, all other hours of each year that are not otherwise defined as onpeak hours 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. Said onpeak and offpeak hours 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.

For the Transition Period, all hours shall be offpeak hours.

### Determination of Onpeak and Offpeak Demands, Maximum Metered Demand, 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; provided, however, that notwithstanding the metered energy amount, the offpeak energy for any month

shall in no case be less than the product of (1) the offpeak billing demand as calculated in the last sentence of the paragraph below and (2) 110 hours (reflecting a 15 percent load factor applied to the average number of hours in a month).

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 maximum metered demand for any month shall be the higher of (1) the highest onpeak metered demand in the month or (2) the highest offpeak metered demand in the month. 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 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 portion of the base demand charge, as adjusted, (but excluding the additional portion thereof applicable to excess of billing demand over contract demand) applicable to onpeak billing demand applied to the customer's onpeak billing demand, (3) the portion of the base demand charge, as adjusted, (but excluding the additional portion thereof applicable to excess of billing demand over contract demand) 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 higher of customer's actual offpeak energy takings or the minimum offpeak energy takings amount provided for in the first paragraph of the section of this rate schedule entitled "Determination of Onpeak and Offpeak Demands, Maximum Metered Demand, and Energy Amounts". It is recognized that no Offpeak Hours Use of Demand Adjustment would apply to the portion, if any, of the minimum offpeak energy takings amount that is greater than the metered energy.

Distributor may require minimum bills higher than those stated above, including, without limitation, charges to cover any additional metering and related costs.

#### Contract Requirement

The contract requirement of the schedule (MSD or TMSD) for which this rate schedule is selected as an alternative shall continue to apply, both during the time this alternative rate schedule is in effect under that contract and afterwards. In addition, at the time that this rate schedule becomes effective for billing, there must be at least one year remaining on the contract required by such Schedule MSD or TMSD. 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 onpeak or offpeak 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.

At the end of the period of service under this rate schedule, the customer, subject to appropriate amendments to its power contract with Distributor, may receive service under Schedule MSD or TMSD for any required contract term then remaining; provided, however, that the contract demand for any such service under 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.

# WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION

## PILOT SEASONAL DEMAND AND ENERGY GENERAL POWER RATE--SCHEDULE PSGSB (October 2010)

### Availability

This rate shall be available for firm electric power requirements where the customer's currently effective contract demand is greater than 5,000 kW but not more than 15,000 kW and where this rate schedule is elected as an alternative to service under Schedules GSB or TGSB for a 12-month period beginning no earlier than October 1, 2010, and no later than March 1, 2011.

Unless otherwise provided for in a written agreement between TVA and the distributor providing service under this rate schedule, for customers served under this rate schedule, the customer's "meter-reading time" shall be 0000 hours CST or CDT, whichever is currently effective, on the first day of the calendar month following the month for which a bill under this rate schedule is being calculated. Further, unless otherwise provided for in a written agreement between TVA and the distributor providing service under this rate schedule, in accordance with TVA furnished or approved guidelines or specifications, TVA shall have unrestricted remote access to the metering data at all times, as well as unrestricted physical access to the metering facilities for the purpose of confirming remotely-accessed data during such periods as are specified by TVA.

### 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
Administrative Charge:	\$350 per delivery point per month
Right-of-Way Clearing Surcharge:	\$3.25 per meter per month
Demand Charge:	
Summer Period	\$15.26 per kW per month of the customer's billing demand, plus \$15.26 per kW per month of the amount, if any, by which the customer's billing demand exceeds its contract demand
Winter Period	\$10.90 per kW per month of the customer's billing demand, plus \$10.90 per kW per month of the amount, if any, by which the customer's billing demand exceeds its contract demand
Transition Period	\$7.61 per kW per month of the customer's billing demand, plus \$7.61 per kW per month of the amount, if any, by which the customer's billing demand exceeds its contract demand
Energy Charge:	
Summer Period	3.119¢ per kWh per month
Winter Period	2.835¢ per kWh per month
Transition Period	2.773¢ 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 (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 Seasonal Periods

Summer Period shall mean the June, July, August, and September billing months. Winter Period shall mean the December, January, February, and March billing months. Transition Period shall mean the April, May, October, and November billing months.

## 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

The contract requirement of the schedule (GSB or TGSB) for which this rate schedule is selected as an alternative shall continue to apply, both during the time this alternative rate schedule is in effect under that contract and afterwards. In addition, at the time that this rate schedule becomes effective for billing, there must be at least one year remaining on the contract required by such Schedule GSB or TGSB. 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.

At the end of the period of service under this rate schedule, the customer, subject to appropriate amendments in its power contract with Distributor, may receive service under Schedule GSB or TGSB for any required contract term then remaining; provided, however, that the onpeak contract demand for any such service under Schedule TGSB shall not be less than the 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

## PILOT SEASONAL DEMAND AND ENERGY GENERAL POWER RATE--SCHEDULE PSGSC

(October 2010)

### Availability

This rate shall be available for firm electric power requirements where the customer's currently effective contract demand is greater than 15,000 kW but not more than 25,000 kW and where this rate schedule is elected as an alternative to service under Schedules GSC or TGSC for a 12-month period beginning no earlier than October 1, 2010, and no later than March 1, 2011.

Unless otherwise provided for in a written agreement between TVA and the distributor providing service under this rate schedule, for customers served under this rate schedule, the customer's "meter-reading time" shall be 0000 hours CST or CDT, whichever is currently effective, on the first day of the calendar month following the month for which a bill under this rate schedule is being calculated. Further, unless otherwise provided for in a written agreement between TVA and the distributor providing service under this rate schedule, in accordance with TVA furnished or approved guidelines or specifications, TVA shall have unrestricted remote access to the metering data at all times, as well as unrestricted physical access to the metering facilities for the purpose of confirming remotely-accessed data during such periods as are specified by TVA.

### 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
Administrative Charge:	\$350 per delivery point per month
Right-of-Way Clearing Surcharge:	\$3.25 per meter per month
Demand Charge:	
Summer Period	\$14.75 per kW per month of the customer's billing demand, plus \$14.75 per kW per month of the amount, if any, by which the customer's billing demand exceeds its contract demand
Winter Period	\$10.39 per kW per month of the customer's billing demand, plus \$10.39 per kW per month of the amount, if any, by which the customer's billing demand exceeds its contract demand
Transition Period	\$7.10 per kW per month of the customer's billing demand, plus \$7.10 per kW per month of the amount, if any, by which the customer's billing demand exceeds its contract demand
Energy Charge:	
Summer Period	3.127¢ per kWh per month
Winter Period	2.838¢ per kWh per month
Transition Period	2.777¢ 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 (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 Seasonal Periods

Summer Period shall mean the June, July, August, and September billing months. Winter Period shall mean the December, January, February, and March billing months. Transition Period shall mean the April, May, October, and November billing months.

### 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

The contract requirement of the schedule (GSC or TGSC) for which this rate schedule is selected as an alternative shall continue to apply, both during the time this alternative rate schedule is in effect under that contract and afterwards. In addition, at the time that this rate schedule becomes effective for billing, there must be at least one year remaining on the contract required by such Schedule GSC or TGSC. 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.

At the end of the period of service under this rate schedule, the customer, subject to appropriate amendments in its power contract with Distributor, may receive service under Schedule GSC or TGSC for any required contract term then remaining; provided, however, that the onpeak contract demand for any such service under Schedule TGSC shall not be less than the 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**

**PILOT SEASONAL DEMAND AND ENERGY  
GENERAL POWER RATE--SCHEDULE PSGSD  
(October 2010)**

Availability

This rate shall be available for firm electric power requirements where the customer's currently effective contract demand is greater than 25,000 kW and where this rate schedule is elected as an alternative to service under Schedules GSD or TGSD for a 12-month period beginning no earlier than October 1, 2010, and no later than March 1, 2011.

Unless otherwise provided for in a written agreement between TVA and the distributor providing service under this rate schedule, for customers served under this rate schedule, the customer's "meter-reading time" shall be 0000 hours CST or CDT, whichever is currently effective, on the first day of the calendar month following the month for which a bill under this rate schedule is being calculated. Further, unless otherwise provided for in a written agreement between TVA and the distributor providing service under this rate schedule, in accordance with TVA furnished or approved guidelines or specifications, TVA shall have unrestricted remote access to the metering data at all times, as well as unrestricted physical access to the metering facilities for the purpose of confirming remotely-accessed data during such periods as are specified by TVA.

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
Administrative Charge:	\$350 per delivery point per month
Right-of-Way Clearing Surcharge:	\$3.25 per meter per month
Demand Charge:	
Summer Period	\$17.11 per kW per month of the customer's billing demand, plus \$17.11 per kW per month of the amount, if any, by which the customer's billing demand exceeds its contract demand
Winter Period	\$12.73 per kW per month of the customer's billing demand, plus \$12.73 per kW per month of the amount, if any, by which the customer's billing demand exceeds its contract demand
Transition Period	\$9.45 per kW per month of the customer's billing demand, plus \$9.45 per kW per month of the amount, if any, by which the customer's billing demand exceeds its contract demand
Energy Charge:	
Summer Period	2.640¢ per kWh per month
Winter Period	2.388¢ per kWh per month
Transition Period	2.332¢ 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 (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 Seasonal Periods

Summer Period shall mean the June, July, August, and September billing months. Winter Period shall mean the December, January, February, and March billing months. Transition Period shall mean the April, May, October, and November billing months.

## 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

The contract requirement of the schedule (GSD or TGSD) for which this rate schedule is selected as an alternative shall continue to apply, both during the time this alternative rate schedule is in effect under that contract and afterwards. In addition, at the time that this rate schedule becomes effective for billing, there must be at least one year remaining on the contract required by such Schedule GSD or TGSD. 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.

At the end of the period of service under this rate schedule, the customer, subject to appropriate amendments in its power contract with Distributor, may receive service under Schedule GSD or TGSD for any required contract term then remaining; provided, however, that the onpeak contract demand for any such service under Schedule TGSD shall not be less than the 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

### PILOT SEASONAL DEMAND AND ENERGY MANUFACTURING SERVICE RATE--SCHEDULE PSMSB

(October 2010)

#### Availability

This rate shall be available for 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, (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, or classified with 2002 North American Industry Classification System (NAICS) code 5181, or 2007 NAICS codes 5182, 522320, and 541214; provided, however, customers qualifying for service under this schedule on the basis of such a NAICS code shall have an average monthly load factor of at least 80 percent during the preceding 12 months; provided further, however, that for the first 12 months of service to a new customer this load factor requirement shall be based on the customer's expected load factor for those 12 months as projected before the customer begins taking service, and (c) this rate schedule is elected as an alternative to service under Schedules MSB or TMSB for a 12-month period beginning no earlier than October 1, 2010, and no later than March 1, 2011. As used in the previous sentence "monthly load factor" shall mean a percentage calculated by dividing the total metered energy for a month by the product of the metered demand for that month and the number of clock hours in that month, exclusive of any hours during which power was unavailable due to an interruption or curtailment of the customer's service and of any hours in which the customer was unable to use power due to a Force Majeure event reasonably beyond the customer's control.

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.

Unless otherwise provided for in a written agreement between TVA and the distributor providing service under this rate schedule, for customers served under this rate schedule, the customer's "meter-reading time" shall be 0000 hours CST or CDT, whichever is currently effective, on the first day of the calendar month following the month for which a bill under this rate schedule is being calculated. Further, unless otherwise provided for in a written agreement between TVA and the distributor providing service under this rate schedule, in accordance with TVA furnished or approved guidelines or specifications, TVA shall have unrestricted remote access to the metering data at all times, as well as unrestricted physical access to the metering facilities for the purpose of confirming remotely-accessed data during such periods as are specified by TVA.

#### 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
Administrative Charge:	\$350 per delivery point per month
Right-of-Way Clearing Surcharge:	\$3.25 per meter per month
Demand Charge:	
Summer Period	\$13.26 per kW per month of the customer's billing demand, plus \$13.26 per kW per month of the amount, if any, by which the customer's billing demand exceeds its contract demand
Winter Period	\$8.89 per kW per month of the customer's billing demand, plus \$8.89 per kW per month of the amount, if any, by which the customer's billing demand exceeds its contract demand
Transition Period	\$5.60 per kW per month of the customer's billing demand, plus \$5.60 per kW per month of the amount, if any, by which the customer's billing demand exceeds its contract demand
Energy Charge:	
Summer Period	2.589¢ per kWh per month
Winter Period	2.268¢ per kWh per month
Transition Period	2.194¢ 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 (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 Seasonal Periods

Summer Period shall mean the June, July, August, and September billing months. Winter Period shall mean the December, January, February, and March billing months. Transition Period shall mean the April, May, October, and November billing months.

### 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

The contract requirement of the schedule (MSB or TMSB) for which this rate schedule is selected as an alternative shall continue to apply, both during the time this alternative rate schedule is in effect under that contract and afterwards. In addition, at the time that this rate schedule becomes effective for billing, there must be at least one year remaining on the contract required by such Schedule MSB or TMSB. 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.

At the end of the period of service under this rate schedule, the customer, subject to appropriate amendments in its power contract with Distributor, may receive service under Schedule MSB or TMSB for any required contract term then remaining; provided, however, that the onpeak contract demand for any such service under Schedule TMSB shall not be less than the 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

### PILOT SEASONAL DEMAND AND ENERGY MANUFACTURING SERVICE RATE--SCHEDULE PSMSC

(October 2010)

#### Availability

This rate shall be available for 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, (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, or classified with 2002 North American Industry Classification System (NAICS) code 5181, or 2007 NAICS codes 5182, 522320, and 541214; provided, however, customers qualifying for service under this schedule on the basis of such a NAICS code shall have an average monthly load factor of at least 80 percent during the preceding 12 months; provided further, however, that for the first 12 months of service to a new customer this load factor requirement shall be based on the customer's expected load factor for those 12 months as projected before the customer begins taking service, and (c) this rate schedule is elected as an alternative to service under Schedules MSC or TMSC for a 12-month period beginning no earlier than October 1, 2010, and no later than March 1, 2011. As used in the previous sentence "monthly load factor" shall mean a percentage calculated by dividing the total metered energy for a month by the product of the metered demand for that month and the number of clock hours in that month, exclusive of any hours during which power was unavailable due to an interruption or curtailment of the customer's service and of any hours in which the customer was unable to use power due to a Force Majeure event reasonably beyond the customer's control.

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.

Unless otherwise provided for in a written agreement between TVA and the distributor providing service under this rate schedule, for customers served under this rate schedule, the customer's "meter-reading time" shall be 0000 hours CST or CDT, whichever is currently effective, on the first day of the calendar month following the month for which a bill under this rate schedule is being calculated. Further, unless otherwise provided for in a written agreement between TVA and the distributor providing service under this rate schedule, in accordance with TVA furnished or approved guidelines or specifications, TVA shall have unrestricted remote access to the metering data at all times, as well as unrestricted physical access to the metering facilities for the purpose of confirming remotely-accessed data during such periods as are specified by TVA.

#### 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
Administrative Charge:	\$350 per delivery point per month
Right-of-Way Clearing Surcharge:	\$3.25 per meter per month
Demand Charge:	
Summer Period	\$12.75 per kW per month of the customer's billing demand, plus \$12.75 per kW per month of the amount, if any, by which the customer's billing demand exceeds its contract demand
Winter Period	\$8.38 per kW per month of the customer's billing demand, plus \$8.38 per kW per month of the amount, if any, by which the customer's billing demand exceeds its contract demand
Transition Period	\$5.09 per kW per month of the customer's billing demand, plus \$5.09 per kW per month of the amount, if any, by which the customer's billing demand exceeds its contract demand
Energy Charge:	
Summer Period	2.569¢ per kWh per month
Winter Period	2.268¢ per kWh per month
Transition Period	2.196¢ 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 (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 Seasonal Periods

Summer Period shall mean the June, July, August, and September billing months. Winter Period shall mean the December, January, February, and March billing months. Transition Period shall mean the April, May, October, and November billing months.

### 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

The contract requirement of the schedule (MSC or TMSC) for which this rate schedule is selected as an alternative shall continue to apply, both during the time this alternative rate schedule is in effect under that contract and afterwards. In addition, at the time that this rate schedule becomes effective for billing, there must be at least one year remaining on the contract required by such Schedule MSC or TMSC. 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.

At the end of the period of service under this rate schedule, the customer, subject to appropriate amendments in its power contract with Distributor, may receive service under Schedule MSC or TMSC for any required contract term then remaining; provided, however, that the onpeak contract demand for any such service under Schedule TMSC shall not be less than the 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

### PILOT SEASONAL DEMAND AND ENERGY MANUFACTURING SERVICE RATE--SCHEDULE PSMSD

(October 2010)

#### Availability

This rate shall be available for firm electric power requirements where (a) a customer's currently effective contract demand is greater than 25,000 kW, (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, or classified with 2002 North American Industry Classification System (NAICS) code 5181, or 2007 NAICS codes 5182, 522320, and 541214; provided, however, customers qualifying for service under this schedule on the basis of such a NAICS code shall have an average monthly load factor of at least 80 percent during the preceding 12 months; provided further, however, that for the first 12 months of service to a new customer this load factor requirement shall be based on the customer's expected load factor for those 12 months as projected before the customer begins taking service, and (c) this rate schedule is elected as an alternative to service under Schedules MSD or TMSD for a 12-month period beginning no earlier than October 1, 2010, and no later than March 1, 2011. As used in the previous sentence "monthly load factor" shall mean a percentage calculated by dividing the total metered energy for a month by the product of the metered demand for that month and the number of clock hours in that month, exclusive of any hours during which power was unavailable due to an interruption or curtailment of the customer's service and of any hours in which the customer was unable to use power due to a Force Majeure event reasonably beyond the customer's control.

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.

Unless otherwise provided for in a written agreement between TVA and the distributor providing service under this rate schedule, for customers served under this rate schedule, the customer's "meter-reading time" shall be 0000 hours CST or CDT, whichever is currently effective, on the first day of the calendar month following the month for which a bill under this rate schedule is being calculated. Further, unless otherwise provided for in a written agreement between TVA and the distributor providing service under this rate schedule, in accordance with TVA furnished or approved guidelines or specifications, TVA shall have unrestricted remote access to the metering data at all times, as well as unrestricted physical access to the metering facilities for the purpose of confirming remotely-accessed data during such periods as are specified by TVA.

#### 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
Administrative Charge:	\$350 per delivery point per month
Right-of-Way Clearing Surcharge:	\$3.25 per meter per month
Demand Charge:	
Summer Period	\$14.64 per kW per month of the customer's billing demand, plus \$14.64 per kW per month of the amount, if any, by which the customer's billing demand exceeds its contract demand
Winter Period	\$10.28 per kW per month of the customer's billing demand, plus \$10.28 per kW per month of the amount, if any, by which the customer's billing demand exceeds its contract demand
Transition Period	\$6.99 per kW per month of the customer's billing demand, plus \$6.99 per kW per month of the amount, if any, by which the customer's billing demand exceeds its contract demand
Energy Charge:	
Summer Period	2.076¢ per kWh per month
Winter Period	1.836¢ per kWh per month
Transition Period	1.778¢ 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 (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 Seasonal Periods

Summer Period shall mean the June, July, August, and September billing months. Winter Period shall mean the December, January, February, and March billing months. Transition Period shall mean the April, May, October, and November billing months.

### 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

The contract requirement of the schedule (MSD or TMSD) for which this rate schedule is selected as an alternative shall continue to apply, both during the time this alternative rate schedule is in effect under that contract and afterwards. In addition, at the time that this rate schedule becomes effective for billing, there must be at least one year remaining on the contract required by such Schedule MSD or TMSD. 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.

At the end of the period of service under this rate schedule, the customer, subject to appropriate amendments in its power contract with Distributor, may receive service under Schedule MSD or TMSD for any required contract term then remaining; provided, however, that the onpeak contract demand for any such service under Schedule TMSD shall not be less than the 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**

**WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION**

**SUPPLEMENTAL ADJUSTMENT ADDENDUM**

The following adjustments shall be deemed to be a part of the Adjustment Addendum to Schedule of Rates and Charges for Distributor dated October 1, 2009. As provided for by the previous Adjustment Addendum dated October 1, 2003 (Environmental Adjustment), the amounts listed under each column (1) are designated, subject to any future Rate Adjustment or Rate Change, to remain in effect for ten (10) years from the effective date of said Environmental Adjustment.

	Wholesale Power Rate - Schedule WS			Resale Schedules		
	(1)	(2)	(3)	(1)	(2)	(3)
<b>TIME DIFFERENTIATED HOURS USE OF DEMAND SERVICE</b>						
<b><u>General Power Service</u></b>						
<b><u>Schedule TDGSE</u></b>						
Demand Charge						
Summer Period						
Onpeak	Add	\$0.54	+	\$3.55	Add	\$0.56 + \$3.66
Excess Offpeak	Add	\$0.11	+	\$0.70	Add	\$0.11 + \$0.72
Winter Period						
Onpeak	Add	\$0.29	+	\$1.92	Add	\$0.30 + \$1.98
Excess Offpeak	Add	\$0.11	+	\$0.70	Add	\$0.11 + \$0.72
Transition Period	Add	\$0.11	+	\$0.70	Add	\$0.11 + \$0.72
Energy Charge						
Summer Period						
Onpeak	Add	0.329¢	+	2.140¢ + A <sub>q</sub>	Add	0.339¢ + 2.204¢ + (1.03 x A <sub>q</sub> )
Offpeak	Add	0.195¢	+	1.270¢ + A <sub>q</sub>	Add	0.201¢ + 1.308¢ + (1.03 x A <sub>q</sub> )
Winter Period						
Onpeak	Add	0.220¢	+	1.428¢ + A <sub>q</sub>	Add	0.227¢ + 1.471¢ + (1.03 x A <sub>q</sub> )
Offpeak	Add	0.195¢	+	1.270¢ + A <sub>q</sub>	Add	0.201¢ + 1.308¢ + (1.03 x A <sub>q</sub> )
Transition Period	Add	0.195¢	+	1.270¢ + A <sub>q</sub>	Add	0.201¢ + 1.308¢ + (1.03 x A <sub>q</sub> )
Offpeak Hours Use of Demand Adjustment						
Summer Period and Winter Period						
First 425 hours	Add	0.010¢	+	0.068¢	Add	0.010¢ + 0.068¢
Next 195 hours	Add	-0.058¢	+	-0.379¢	Add	-0.058¢ + -0.379¢
Additional kWh	Add	-0.116¢	+	-0.757¢	Add	-0.116¢ + -0.757¢
Transition Period						
First 425 hours	Add	0.010¢	+	0.068¢	Add	0.010¢ + 0.068¢
Next 195 hours	Add	-0.058¢	+	-0.379¢	Add	-0.058¢ + -0.379¢
Additional kWh	Add	-0.116¢	+	-0.757¢	Add	-0.116¢ + -0.757¢

	Wholesale Power Rate - Schedule WS			Resale Schedules		
	(1)	(2)	(3)	(1)	(2)	(3)
<u>Schedule TDGSC</u>						
Demand Charge						
Summer Period						
Onpeak	Add	\$0.54	+	\$3.55	Add	\$0.56 + \$3.66
Excess Offpeak	Add	\$0.11	+	\$0.70	Add	\$0.11 + \$0.72
Winter Period						
Onpeak	Add	\$0.29	+	\$1.92	Add	\$0.30 + \$1.98
Excess Offpeak	Add	\$0.11	+	\$0.70	Add	\$0.11 + \$0.72
Transition Period	Add	\$0.11	+	\$0.70	Add	\$0.11 + \$0.72
Energy Charge						
Summer Period						
Onpeak	Add	0.316¢	+	2.056¢ + A <sub>q</sub>	Add	0.325¢ + 2.118¢ + (1.03 x A <sub>q</sub> )
Offpeak	Add	0.186¢	+	1.210¢ + A <sub>q</sub>	Add	0.192¢ + 1.246¢ + (1.03 x A <sub>q</sub> )
Winter Period						
Onpeak	Add	0.210¢	+	1.363¢ + A <sub>q</sub>	Add	0.216¢ + 1.404¢ + (1.03 x A <sub>q</sub> )
Offpeak	Add	0.186¢	+	1.210¢ + A <sub>q</sub>	Add	0.192¢ + 1.246¢ + (1.03 x A <sub>q</sub> )
Transition Period	Add	0.186¢	+	1.210¢ + A <sub>q</sub>	Add	0.192¢ + 1.246¢ + (1.03 x A <sub>q</sub> )
Offpeak Hours Use of Demand Adjustment						
Summer Period and Winter Period						
First 425 hours	Add	0.010¢	+	0.068¢	Add	0.010¢ + 0.068¢
Next 195 hours	Add	-0.058¢	+	-0.379¢	Add	-0.058¢ + -0.379¢
Additional kWh	Add	-0.116¢	+	-0.757¢	Add	-0.116¢ + -0.757¢
Transition Period						
First 425 hours	Add	0.010¢	+	0.068¢	Add	0.010¢ + 0.068¢
Next 195 hours	Add	-0.058¢	+	-0.379¢	Add	-0.058¢ + -0.379¢
Additional kWh	Add	-0.116¢	+	-0.757¢	Add	-0.116¢ + -0.757¢
<u>Schedule TDGSD</u>						
Demand Charge						
Summer Period						
Onpeak	Add	\$0.54	+	\$3.55	Add	\$0.56 + \$3.66
Excess Offpeak	Add	\$0.11	+	\$0.70	Add	\$0.11 + \$0.72
Winter Period						
Onpeak	Add	\$0.29	+	\$1.92	Add	\$0.30 + \$1.98
Excess Offpeak	Add	\$0.11	+	\$0.70	Add	\$0.11 + \$0.72
Transition Period	Add	\$0.11	+	\$0.70	Add	\$0.11 + \$0.72
Energy Charge						
Summer Period						
Onpeak	Add	0.310¢	+	2.022¢ + A <sub>q</sub>	Add	0.319¢ + 2.083¢ + (1.03 x A <sub>q</sub> )
Offpeak	Add	0.176¢	+	1.151¢ + A <sub>q</sub>	Add	0.181¢ + 1.186¢ + (1.03 x A <sub>q</sub> )
Winter Period						
Onpeak	Add	0.201¢	+	1.308¢ + A <sub>q</sub>	Add	0.207¢ + 1.347¢ + (1.03 x A <sub>q</sub> )
Offpeak	Add	0.176¢	+	1.151¢ + A <sub>q</sub>	Add	0.181¢ + 1.186¢ + (1.03 x A <sub>q</sub> )
Transition Period	Add	0.176¢	+	1.151¢ + A <sub>q</sub>	Add	0.181¢ + 1.186¢ + (1.03 x A <sub>q</sub> )

	Wholesale Power			Resale Schedules		
	Rate - Schedule WS					
	(1)	(2)	(3)	(1)	(2)	(3)
Offpeak Hours Use of Demand Adjustment						
Summer Period and Winter Period						
First 425 hours	Add	0.010¢ +	0.068¢	Add	0.010¢ +	0.068¢
Next 195 hours	Add	-0.058¢ +	-0.379¢	Add	-0.058¢ +	-0.379¢
Additional kWh	Add	-0.116¢ +	-0.757¢	Add	-0.116¢ +	-0.757¢
Transition Period						
First 425 hours	Add	0.010¢ +	0.068¢	Add	0.010¢ +	0.068¢
Next 195 hours	Add	-0.058¢ +	-0.379¢	Add	-0.058¢ +	-0.379¢
Additional kWh	Add	-0.116¢ +	-0.757¢	Add	-0.116¢ +	-0.757¢

### Manufacturing Service

#### Schedule TDMSB

##### Demand Charge

##### Summer Period

Onpeak	Add	\$0.54 +	\$3.55	Add	\$0.56 +	\$3.66
Excess Offpeak	Add	\$0.11 +	\$0.70	Add	\$0.11 +	\$0.72

##### Winter Period

Onpeak	Add	\$0.29 +	\$1.92	Add	\$0.30 +	\$1.98
Excess Offpeak	Add	\$0.11 +	\$0.70	Add	\$0.11 +	\$0.72
Transition Period	Add	\$0.11 +	\$0.70	Add	\$0.11 +	\$0.72

##### Energy Charge

##### Summer Period

Onpeak	Add	0.276¢ +	1.787¢ +	A <sub>q</sub>	Add	0.284¢ +	1.841¢ +	(1.03 x A <sub>q</sub> )
Offpeak	Add	0.143¢ +	0.927¢ +	A <sub>q</sub>	Add	0.147¢ +	0.955¢ +	(1.03 x A <sub>q</sub> )

##### Winter Period

Onpeak	Add	0.168¢ +	1.091¢ +	A <sub>q</sub>	Add	0.173¢ +	1.124¢ +	(1.03 x A <sub>q</sub> )
Offpeak	Add	0.143¢ +	0.927¢ +	A <sub>q</sub>	Add	0.147¢ +	0.955¢ +	(1.03 x A <sub>q</sub> )
Transition Period	Add	0.143¢ +	0.927¢ +	A <sub>q</sub>	Add	0.147¢ +	0.955¢ +	(1.03 x A <sub>q</sub> )

##### Offpeak Hours Use of Demand Adjustment

##### Summer Period and Winter Period

First 425 hours	Add	0.010¢ +	0.068¢	Add	0.010¢ +	0.068¢
Next 195 hours	Add	-0.058¢ +	-0.379¢	Add	-0.058¢ +	-0.379¢
Additional kWh	Add	-0.116¢ +	-0.757¢	Add	-0.116¢ +	-0.757¢
Transition Period						
First 425 hours	Add	0.010¢ +	0.068¢	Add	0.010¢ +	0.068¢
Next 195 hours	Add	-0.058¢ +	-0.379¢	Add	-0.058¢ +	-0.379¢
Additional kWh	Add	-0.116¢ +	-0.757¢	Add	-0.116¢ +	-0.757¢

#### Schedule TDMSC

##### Demand Charge

##### Summer Period

Onpeak	Add	\$0.54 +	\$3.55	Add	\$0.56 +	\$3.66
Excess Offpeak	Add	\$0.11 +	\$0.70	Add	\$0.11 +	\$0.72

##### Winter Period

Onpeak	Add	\$0.29 +	\$1.92	Add	\$0.30 +	\$1.98
Excess Offpeak	Add	\$0.11 +	\$0.70	Add	\$0.11 +	\$0.72
Transition Period	Add	\$0.11 +	\$0.70	Add	\$0.11 +	\$0.72

	Wholesale Power Rate - Schedule WS			Resale Schedules		
	(1)	(2)	(3)	(1)	(2)	(3)
<b>Energy Charge</b>						
Summer Period						
Onpeak	Add	0.279¢ + 1.806¢ + A <sub>q</sub>		Add	0.287¢ + 1.860¢ + (1.03 x A <sub>q</sub> )	
Offpeak	Add	0.143¢ + 0.924¢ + A <sub>q</sub>		Add	0.147¢ + 0.952¢ + (1.03 x A <sub>q</sub> )	
Winter Period						
Onpeak	Add	0.169¢ + 1.094¢ + A <sub>q</sub>		Add	0.174¢ + 1.127¢ + (1.03 x A <sub>q</sub> )	
Offpeak	Add	0.143¢ + 0.924¢ + A <sub>q</sub>		Add	0.147¢ + 0.952¢ + (1.03 x A <sub>q</sub> )	
Transition Period	Add	0.143¢ + 0.924¢ + A <sub>q</sub>		Add	0.147¢ + 0.952¢ + (1.03 x A <sub>q</sub> )	
<b>Offpeak Hours Use of Demand Adjustment</b>						
Summer Period and Winter Period						
First 425 hours	Add	0.010¢ + 0.068¢		Add	0.010¢ + 0.068¢	
Next 195 hours	Add	-0.058¢ + -0.379¢		Add	-0.058¢ + -0.379¢	
Additional kWh	Add	-0.116¢ + -0.757¢		Add	-0.116¢ + -0.757¢	
Transition Period						
First 425 hours	Add	0.010¢ + 0.068¢		Add	0.010¢ + 0.068¢	
Next 195 hours	Add	-0.058¢ + -0.379¢		Add	-0.058¢ + -0.379¢	
Additional kWh	Add	-0.116¢ + -0.757¢		Add	-0.116¢ + -0.757¢	
<b>Schedule TDMSD</b>						
<b>Demand Charge</b>						
Summer Period						
Onpeak	Add	\$0.54 + \$3.55		Add	\$0.56 + \$3.66	
Excess Offpeak	Add	\$0.11 + \$0.70		Add	\$0.11 + \$0.72	
Winter Period						
Onpeak	Add	\$0.29 + \$1.92		Add	\$0.30 + \$1.98	
Excess Offpeak	Add	\$0.11 + \$0.70		Add	\$0.11 + \$0.72	
Transition Period	Add	\$0.11 + \$0.70		Add	\$0.11 + \$0.72	
<b>Energy Charge</b>						
Summer Period						
Onpeak	Add	0.271¢ + 1.768¢ + A <sub>q</sub>		Add	0.279¢ + 1.821¢ + (1.03 x A <sub>q</sub> )	
Offpeak	Add	0.136¢ + 0.886¢ + A <sub>q</sub>		Add	0.140¢ + 0.913¢ + (1.03 x A <sub>q</sub> )	
Winter Period						
Onpeak	Add	0.161¢ + 1.052¢ + A <sub>q</sub>		Add	0.166¢ + 1.084¢ + (1.03 x A <sub>q</sub> )	
Offpeak	Add	0.136¢ + 0.886¢ + A <sub>q</sub>		Add	0.140¢ + 0.913¢ + (1.03 x A <sub>q</sub> )	
Transition Period	Add	0.136¢ + 0.886¢ + A <sub>q</sub>		Add	0.140¢ + 0.913¢ + (1.03 x A <sub>q</sub> )	
<b>Offpeak Hours Use of Demand Adjustment</b>						
Summer Period and Winter Period						
First 425 hours	Add	0.010¢ + 0.068¢		Add	0.010¢ + 0.068¢	
Next 195 hours	Add	-0.058¢ + -0.379¢		Add	-0.058¢ + -0.379¢	
Additional kWh	Add	-0.116¢ + -0.757¢		Add	-0.116¢ + -0.757¢	
Transition Period						
First 425 hours	Add	0.010¢ + 0.068¢		Add	0.010¢ + 0.068¢	
Next 195 hours	Add	-0.058¢ + -0.379¢		Add	-0.058¢ + -0.379¢	
Additional kWh	Add	-0.116¢ + -0.757¢		Add	-0.116¢ + -0.757¢	

**WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION**

**SUPPLEMENTAL ADJUSTMENT ADDENDUM**

The following adjustments shall be deemed to be a part of the Adjustment Addendum to Schedule of Rates and Charges for Distributor dated October 1, 2009. As provided for by the previous Adjustment Addendum dated October 1, 2003 (Environmental Adjustment), the amounts listed under each column (1) are designated, subject to any future Rate Adjustment or Rate Change, to remain in effect for ten (10) years from the effective date of said Environmental Adjustment.

	Wholesale Power Rate - Schedule WS			Resale Schedules		
	(1)	(2)	(3)	(1)	(2)	(3)
<b>PILOT SEASONAL DEMAND AND ENERGY SERVICE</b>						
<b><u>General Power Service</u></b>						
<b><u>Schedule PSGSB</u></b>						
Demand Charge						
Summer Period	Add \$0.82	+ \$4.78		Add \$0.84	+ \$4.92	
Winter Period	Add \$0.57	+ \$3.31		Add \$0.59	+ \$3.41	
Transition Period	Add \$0.38	+ \$2.21		Add \$0.39	+ \$2.28	
Energy Charge						
Summer Period	Add 0.180¢	+ 1.047¢ + A <sub>q</sub>		Add 0.185¢	+ 1.078¢ + (1.03 x A <sub>q</sub> )	
Winter Period	Add 0.164¢	+ 0.952¢ + A <sub>q</sub>		Add 0.169¢	+ 0.981¢ + (1.03 x A <sub>q</sub> )	
Transition Period	Add 0.160¢	+ 0.931¢ + A <sub>q</sub>		Add 0.165¢	+ 0.959¢ + (1.03 x A <sub>q</sub> )	
<b><u>Schedule PSGSC</u></b>						
Demand Charge						
Summer Period	Add \$0.82	+ \$4.78		Add \$0.84	+ \$4.92	
Winter Period	Add \$0.57	+ \$3.31		Add \$0.59	+ \$3.41	
Transition Period	Add \$0.38	+ \$2.21		Add \$0.39	+ \$2.28	
Energy Charge						
Summer Period	Add 0.181¢	+ 1.050¢ + A <sub>q</sub>		Add 0.186¢	+ 1.082¢ + (1.03 x A <sub>q</sub> )	
Winter Period	Add 0.164¢	+ 0.953¢ + A <sub>q</sub>		Add 0.169¢	+ 0.982¢ + (1.03 x A <sub>q</sub> )	
Transition Period	Add 0.161¢	+ 0.932¢ + A <sub>q</sub>		Add 0.166¢	+ 0.960¢ + (1.03 x A <sub>q</sub> )	
<b><u>Schedule PSGSD</u></b>						
Demand Charge						
Summer Period	Add \$0.96	+ \$5.61		Add \$0.99	+ \$5.78	
Winter Period	Add \$0.71	+ \$4.14		Add \$0.73	+ \$4.26	
Transition Period	Add \$0.52	+ \$3.04		Add \$0.54	+ \$3.13	
Energy Charge						
Summer Period	Add 0.152¢	+ 0.886¢ + A <sub>q</sub>		Add 0.157¢	+ 0.913¢ + (1.03 x A <sub>q</sub> )	
Winter Period	Add 0.138¢	+ 0.801¢ + A <sub>q</sub>		Add 0.142¢	+ 0.825¢ + (1.03 x A <sub>q</sub> )	
Transition Period	Add 0.134¢	+ 0.783¢ + A <sub>q</sub>		Add 0.138¢	+ 0.806¢ + (1.03 x A <sub>q</sub> )	



	<u>Wholesale Power</u> <u>Rate - Schedule WS</u>			<u>Resale Schedules</u>		
	(1)	(2)	(3)	(1)	(2)	(3)
<b><u>Manufacturing Service</u></b>						
<b><u>Schedule PSMSB</u></b>						
Demand Charge						
Summer Period	Add	\$0.71 + \$4.11		Add	\$0.73 + \$4.23	
Winter Period	Add	\$0.46 + \$2.64		Add	\$0.47 + \$2.72	
Transition Period	Add	\$0.27 + \$1.54		Add	\$0.28 + \$1.59	
Energy Charge						
Summer Period	Add	0.150¢ + 0.869¢ + A <sub>q</sub>		Add	0.154¢ + 0.895¢ + (1.03 x A <sub>q</sub> )	
Winter Period	Add	0.132¢ + 0.762¢ + A <sub>q</sub>		Add	0.136¢ + 0.785¢ + (1.03 x A <sub>q</sub> )	
Transition Period	Add	0.127¢ + 0.737¢ + A <sub>q</sub>		Add	0.131¢ + 0.759¢ + (1.03 x A <sub>q</sub> )	
 <b><u>Schedule PSMSC</u></b>						
Demand Charge						
Summer Period	Add	\$0.71 + \$4.11		Add	\$0.73 + \$4.23	
Winter Period	Add	\$0.46 + \$2.64		Add	\$0.47 + \$2.72	
Transition Period	Add	\$0.27 + \$1.54		Add	\$0.28 + \$1.59	
Energy Charge						
Summer Period	Add	0.149¢ + 0.862¢ + A <sub>q</sub>		Add	0.153¢ + 0.888¢ + (1.03 x A <sub>q</sub> )	
Winter Period	Add	0.132¢ + 0.761¢ + A <sub>q</sub>		Add	0.136¢ + 0.784¢ + (1.03 x A <sub>q</sub> )	
Transition Period	Add	0.127¢ + 0.737¢ + A <sub>q</sub>		Add	0.131¢ + 0.759¢ + (1.03 x A <sub>q</sub> )	
 <b><u>Schedule PSMSD</u></b>						
Demand Charge						
Summer Period	Add	\$0.82 + \$4.78		Add	\$0.84 + \$4.92	
Winter Period	Add	\$0.57 + \$3.31		Add	\$0.59 + \$3.41	
Transition Period	Add	\$0.38 + \$2.21		Add	\$0.39 + \$2.28	
Energy Charge						
Summer Period	Add	0.120¢ + 0.697¢ + A <sub>q</sub>		Add	0.124¢ + 0.718¢ + (1.03 x A <sub>q</sub> )	
Winter Period	Add	0.106¢ + 0.616¢ + A <sub>q</sub>		Add	0.109¢ + 0.634¢ + (1.03 x A <sub>q</sub> )	
Transition Period	Add	0.103¢ + 0.597¢ + A <sub>q</sub>		Add	0.106¢ + 0.615¢ + (1.03 x A <sub>q</sub> )	

**Exhibit C**

**RIDER TO WHOLESALE POWER RATE--SCHEDULE WS  
WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION**

Wholesale Power Rate--Schedule WS is hereby amended by (a) adding the following under "Demand and Energy Charges" as a reference to additional resale schedules applicable to WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION and (b) revising the section headed "Adjustments" in said Schedule WS as further described below.

**TIME DIFFERENTIATED HOURS USE OF DEMAND SERVICE**

**General Power Service**

Schedule TDGSB

Administrative Charge:	\$350 per delivery point per month
Demand Charge:	
Summer Period	\$10.52 per kW of metered onpeak demand per month \$2.08 per kW per month of the amount, if any, by which metered offpeak demand exceeds metered onpeak demand
Winter Period	\$5.70 per kW of metered onpeak demand per month \$2.08 per kW per month of the amount, if any, by which metered offpeak demand exceeds metered onpeak demand
Transition Period	\$2.08 per kW of metered offpeak demand per month
Energy Charge:	
Summer Period	6.224¢ per kWh per month for all metered onpeak kWh 3.696¢ per kWh (adjusted for hours use of maximum metered demand as provided below) per month for all metered offpeak kWh
Winter Period	4.156¢ per kWh per month for all metered onpeak kWh 3.696¢ per kWh (adjusted for hours use of maximum metered demand as provided below) per month for all metered offpeak kWh
Transition Period	3.696¢ per kWh (adjusted for hours use of maximum metered demand as provided below) per month for all metered kWh
Offpeak Hours Use of Demand Adjustment:	
Summer Period and Winter Period	0.195¢ per kWh for up to 425 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy -1.101¢ per kWh for the next 195 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy -2.202¢ per kWh for the hours use of maximum metered demand in excess of 620 hours multiplied by the ratio of offpeak energy to total energy
Transition Period	0.195¢ per kWh for up to 425 hours use of maximum metered demand -1.101¢ per kWh for the next 195 hours use of maximum metered demand -2.202¢ per kWh for the hours use of maximum metered demand in excess of 620 hours

Schedule TDGSC

Administrative Charge:	\$350 per delivery point per month
Demand Charge:	
Summer Period	\$10.52 per kW of metered onpeak demand per month \$2.08 per kW per month of the amount, if any, by which metered offpeak demand exceeds metered onpeak demand
Winter Period	\$5.70 per kW of metered onpeak demand per month \$2.08 per kW per month of the amount, if any, by which metered offpeak demand exceeds metered onpeak demand
Transition Period	\$2.08 per kW of metered offpeak demand per month
Energy Charge:	
Summer Period	5.981¢ per kWh per month for all metered onpeak kWh 3.518¢ per kWh (adjusted for hours use of maximum metered demand as provided below) per month for all metered offpeak kWh
Winter Period	3.963¢ per kWh per month for all metered onpeak kWh 3.518¢ per kWh (adjusted for hours use of maximum metered demand as provided below) per month for all metered offpeak kWh
Transition Period	3.518¢ per kWh (adjusted for hours use of maximum metered demand as provided below) per month for all metered kWh
Offpeak Hours Use of Demand Adjustment:	
Summer Period and Winter Period	0.195¢ per kWh for up to 425 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy -1.101¢ per kWh for the next 195 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy -2.202¢ per kWh for the hours use of maximum metered demand in excess of 620 hours multiplied by the ratio of offpeak energy to total energy
Transition Period	0.195¢ per kWh for up to 425 hours use of maximum metered demand -1.101¢ per kWh for the next 195 hours use of maximum metered demand -2.202¢ per kWh for the hours use of maximum metered demand in excess of 620 hours

Schedule TDGSD

Administrative Charge:	\$350 per delivery point per month
Demand Charge:	
Summer Period	\$10.52 per kW of metered onpeak demand per month \$2.08 per kW per month of the amount, if any, by which metered offpeak demand exceeds metered onpeak demand
Winter Period	\$5.70 per kW of metered onpeak demand per month \$2.08 per kW per month of the amount, if any, by which metered offpeak demand exceeds metered onpeak demand
Transition Period	\$2.08 per kW of metered offpeak demand per month

Energy Charge:

Summer Period	5.877¢ per kWh per month for all metered onpeak kWh 3.343¢ per kWh (adjusted for hours use of maximum metered demand as provided below) per month for all metered offpeak kWh
Winter Period	3.801¢ per kWh per month for all metered onpeak kWh 3.343¢ per kWh (adjusted for hours use of maximum metered demand as provided below) per month for all metered offpeak kWh
Transition Period	3.343¢ per kWh (adjusted for hours use of maximum metered demand as provided below) per month for all metered kWh

Offpeak Hours Use of Demand Adjustment:

Summer Period and Winter Period	0.195¢ per kWh for up to 425 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy -1.101¢ per kWh for the next 195 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy -2.202¢ per kWh for the hours use of maximum metered demand in excess of 620 hours multiplied by the ratio of offpeak energy to total energy
Transition Period	0.195¢ per kWh for up to 425 hours use of maximum metered demand -1.101¢ per kWh for the next 195 hours use of maximum metered demand -2.202¢ per kWh for the hours use of maximum metered demand in excess of 620 hours

**Manufacturing Service**

**Schedule TDMSB**

Administrative Charge:	\$350 per delivery point per month
Demand Charge:	
Summer Period	\$10.52 per kW of metered onpeak demand per month \$2.08 per kW per month of the amount, if any, by which metered offpeak demand exceeds metered onpeak demand
Winter Period	\$5.70 per kW of metered onpeak demand per month \$2.08 per kW per month of the amount, if any, by which metered offpeak demand exceeds metered onpeak demand
Transition Period	\$2.08 per kW of metered offpeak demand per month
Energy Charge:	
Summer Period	5.200¢ per kWh per month for all metered onpeak kWh 2.697¢ per kWh (adjusted for hours use of maximum metered demand as provided below) per month for all metered offpeak kWh
Winter Period	3.175¢ per kWh per month for all metered onpeak kWh 2.697¢ per kWh (adjusted for hours use of maximum metered demand as provided below) per month for all metered offpeak kWh

### Adjustments

Schedule WS is further amended by replacing item 3 in the section headed "Adjustments" with the following:

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

For any customer of Distributor served under a Time Differentiated Hours Use of Demand rate schedule, in any case in which a bill involving metered offpeak energy less than the billed offpeak energy is applicable to such a customer with a contract demand in excess of 5,000 kW, Distributor's bill under this rate schedule shall be adjusted by adding thereto for each such customer an amount which shall be (except as provided in the last paragraph of this section) 50 percent of the amount by which (a) the amount computed by applying the appropriate base offpeak energy charges of this rate schedule, as adjusted, to the customer's billed offpeak energy exceeds (b) the amount computed by applying the appropriate base offpeak energy charges of this rate schedule, as adjusted, to the customer's metered offpeak energy.

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

**RIDER TO WHOLESALE POWER RATE--SCHEDULE WS  
WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION**

Wholesale Power Rate--Schedule WS is hereby amended by adding the following under "Demand and Energy Charges" as a reference to additional resale schedules applicable to WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION.

**PILOT SEASONAL DEMAND AND ENERGY SERVICE**

**General Power Service**

**Schedule PSGSB**

Administrative Charge:	\$350 per delivery point per month
Demand Charge:	
Summer Period	\$13.83 per kW of metered demand per month
Winter Period	\$9.59 per kW of metered demand per month
Transition Period	\$6.40 per kW of metered demand per month
Energy Charge:	
Summer Period	3.028¢ per kWh per month
Winter Period	2.752¢ per kWh per month
Transition Period	2.692¢ per kWh per month

**Schedule PSGSC**

Administrative Charge:	\$350 per delivery point per month
Demand Charge:	
Summer Period	\$13.83 per kW of metered demand per month
Winter Period	\$9.59 per kW of metered demand per month
Transition Period	\$6.40 per kW of metered demand per month
Energy Charge:	
Summer Period	3.036¢ per kWh per month
Winter Period	2.755¢ per kWh per month
Transition Period	2.696¢ per kWh per month

**Schedule PSGSD**

Administrative Charge:	\$350 per delivery point per month
Demand Charge:	
Summer Period	\$16.22 per kW of metered demand per month
Winter Period	\$11.97 per kW of metered demand per month
Transition Period	\$8.79 per kW of metered demand per month
Energy Charge:	
Summer Period	2.563¢ per kWh per month
Winter Period	2.318¢ per kWh per month
Transition Period	2.264¢ per kWh per month

**Manufacturing Service**

**Schedule PSMSB**

Administrative Charge:	\$350 per delivery point per month
Demand Charge:	
Summer Period	\$11.88 per kW of metered demand per month
Winter Period	\$7.64 per kW of metered demand per month
Transition Period	\$4.45 per kW of metered demand per month
Energy Charge:	
Summer Period	2.514¢ per kWh per month
Winter Period	2.202¢ per kWh per month
Transition Period	2.130¢ per kWh per month

**Schedule PSMSC**

Administrative Charge:	\$350 per delivery point per month
Demand Charge:	
Summer Period	\$11.88 per kW of metered demand per month
Winter Period	\$7.64 per kW of metered demand per month
Transition Period	\$4.45 per kW of metered demand per month
Energy Charge:	
Summer Period	2.494¢ per kWh per month
Winter Period	2.202¢ per kWh per month
Transition Period	2.132¢ per kWh per month

**Schedule PSMSD**

Administrative Charge:	\$350 per delivery point per month
Demand Charge:	
Summer Period	\$13.83 per kW of metered demand per month
Winter Period	\$9.59 per kW of metered demand per month
Transition Period	\$6.40 per kW of metered demand per month
Energy Charge:	
Summer Period	2.016¢ per kWh per month
Winter Period	1.783¢ per kWh per month
Transition Period	1.726¢ per kWh per month



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

Effective Date: April 1, 2011

TV-59577A, Supp. No. 81

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 amend the Power Contract in the respects necessary to place into effect changed wholesale and resale schedules and in certain other respects;

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 - WHOLESALE RATE SCHEDULE SUBSTITUTION**

1.1 Implementation of Time-Of-Use Wholesale Rate. The Schedule of Rates and Charges attached to and made a part of the Power Contract contains a wholesale rate schedule (Existing Wholesale Schedule). A substitute wholesale schedule, designated Schedule WS-TOU (Changed Wholesale Schedule WS-TOU), dated April 2011, is attached hereto. The Existing Wholesale Schedule shall remain in full force and effect for all bills rendered from wholesale meter readings scheduled to be taken before April 2, 2011, and the Changed Wholesale Schedule shall become effective in accordance with the provisions thereof for all bills rendered from wholesale meter readings scheduled to be taken on and after April 2, 2011. Commencing with the first application of the Changed Wholesale Schedule WS-TOU, all references in the Power Contract to the Existing Wholesale Schedule shall be deemed to refer to the Changed Wholesale Schedule WS-TOU.

## 1.2 Demand and Energy Wholesale Rate Option Available Until October 2012.

1.2.1 Schedules WS-DE and WS-DE Modified. An optional wholesale schedule, designated as Schedule WS-DE (Optional Wholesale Schedule WS-DE), dated April 2011-September 2012, is attached hereto. As used in 1.2.3 below, "Optional Wholesale Schedule WS-DE Modified" shall mean a modified version of said attached optional schedule in which the Standard Service energy charges of the schedule are replaced by the Standard Service energy charges of Changed Wholesale Schedule WS-TOU (but not including the Standard Service TOU Amounts).

1.2.2 Initial Option to Elect Schedule WS-DE. Notwithstanding 1.1 above, by providing written notice to TVA no later than December 31, 2010, Distributor may elect to put into place Optional Wholesale Schedule WS-DE. In such case, the Optional Wholesale Schedule WS-DE shall become effective in accordance with the provisions thereof for all bills rendered from wholesale meter readings scheduled to be taken on and after April 2, 2011.

1.2.3 Subsequent Election of Schedule WS-DE Modified. After April 2, 2011, Distributor may elect Optional Wholesale Schedule WS-DE Modified by providing at least 45 days' written notice for said Schedule WS-DE Modified to become effective for all bills rendered from wholesale meter readings scheduled to be taken on or after the second day of a month specified in such notice.

1.2.4 Term of Optional Schedule Election. If an optional schedule is elected and put into effect under 1.2.2 or 1.2.3 above, said elected optional schedule will remain in effect for all bills rendered from wholesale meter readings scheduled to be taken before October 2, 2012; provided, however, that Distributor may cancel that election upon at least 45 days' written notice to TVA to become effective for all bills rendered from wholesale meter readings scheduled to be taken on or after the second day of a month specified in such notice. During the period when such an optional schedule is in effect, all references in the Power Contract to the Existing Wholesale Schedule shall be deemed to refer to such optional schedule. Changed Wholesale Schedule WS-TOU shall become effective as provided in 1.1 above for all bills rendered from wholesale meter readings scheduled to be taken on and after the earlier of (a) the second day of a month specified in any cancellation notice given under the proviso to the first sentence of this subsection 1.2.4 or (b) October 2, 2012.

## 1.3 Rates Applicable to Summer Period 2011.

Notwithstanding the Standard Service rates in Schedules WS-TOU and WS-DE, during the Summer Period of 2011 only, (i) the Demand Charge is hereby agreed to be \$8.30 per kW of Billing Demand per month (plus any applicable adjustment addendum Demand Charges) and (ii) the Non-Fuel Energy Charge is hereby agreed to be 3.076 ¢ per kWh per month (plus any applicable adjustment addendum Energy Charges and any TOU Amount applicable for Schedule WS-TOU).

**SECTION 2 - RESALE RATE SCHEDULE SUBSTITUTION**

2.1 Changed Resale Schedules. The Schedule of Rates and Charges attached to and made a part of the Power Contract contains various resale rate schedules (Existing Resale Schedules). Substitute resale schedules, designated Schedules RS, GSA, GSB, GSC, GSD, TGSA, LS, MSB, MSC, MSD, SGSB, SGSC, SGSD, SMSB, SMSC, and SMSD (Changed Resale Schedules), all dated April 2011, are attached to this agreement.

2.2 Resale Effective Date. The Existing Resale Schedules shall remain in full force and effect for all bills rendered from resale meter readings taken for revenue months of Distributor prior to Distributor's April 2011 revenue month, and the respective Changed Resale Schedules shall become effective in accordance with the provisions thereof for all bills rendered from resale meter readings taken for revenue months of Distributor beginning with the April 2011 revenue month. Beginning with Distributor's April 2011 revenue month, Distributor shall provide electric service to all customers at and in accordance with the rates, charges, and provisions of the appropriate Changed Resale Schedule and the provisions of the Power Contract as supplemented and amended by this agreement.

The table below lists the Existing Resale Schedules and the corresponding Changed Resale Schedules that will replace each one of them in accordance with this section 2.

Existing Resale Schedule (Where applicable)		Changed Resale Schedule (Where applicable)
RS	corresponds to	RS
GSA	corresponds to	GSA
GSA, Part 3	corresponds to	TDGSA or TDMSA if SIC qualified (optional)
GSB	corresponds to	GSB
GSB	corresponds to	SGSB (optional)
GSC	corresponds to	GSC
GSC	corresponds to	SGSC (optional)
GSD	corresponds to	GSD
GSD	corresponds to	SGSD (optional)
MSB	corresponds to	MSB
MSB	corresponds to	SMSB (optional)
MSC	corresponds to	MSC
MSC	corresponds to	SMSC (optional)
MSD	corresponds to	MSD
MSD	corresponds to	SMSD (optional)
PSGSB	corresponds to	SGSB
PSGSC	corresponds to	SGSC
PSGSD	corresponds to	SGSD
PSMSB	corresponds to	SMSB
PSMSC	corresponds to	SMSC
PSMSD	corresponds to	SMSD
TRS	corresponds to	TRS
TGSA	corresponds to	TGSA

TGSA, Part 3	corresponds to	TDGSA or TDMSA if SIC qualified (optional)
TGSB	corresponds to	GSB
TGSC	corresponds to	GSC
TGSD	corresponds to	GSD
TMSB	corresponds to	MSB
TMSC	corresponds to	MSC
TMSD	corresponds to	MSD
LS	corresponds to	LS
TDGSB	corresponds to	TDGSA (optional for customers with contract demands greater than 1,000 kW but not more than 5,000 kW)
TDGSB	corresponds to	GSB
TDGSC	corresponds to	GSC
TDGSD	corresponds to	GSD
TDMSB	corresponds to	TDMSA (optional for customers with contract demands greater than 1,000 kW but not more than 5,000 kW)
TDMSB	corresponds to	MSB
TDMSC	corresponds to	MSC
TDMSD	corresponds to	MSD

### **SECTION 3 - SMALL MANUFACTURING CREDITS**

**3.1 Previous Agreement.** It is expressly recognized that certain manufacturing credits (Small Manufacturing Credits) are provided for under the agreement numbered TV-59577A, Supp. No. 32, and dated June 1, 1994, as amended (Manufacturing Credit Agreement). Notwithstanding the rate change reflected in this agreement, the Manufacturing Credit Agreement shall continue in effect and shall be deemed amended as provided below in this section 3.

**3.2 Changed Resale Schedules.** Beginning with Distributor's April 2011 revenue month, the Manufacturing Credit Agreement shall be deemed amended in the respects necessary to provide that customers served under Part 3 of the applicable Changed Resale Schedule GSA or TGSA shall be deemed to be Expanded Eligible Accounts eligible for Expanded Credits. It is expressly recognized that customers served under Schedules TDGSA and TDMSA are not eligible for such credits.

The Manufacturing Credit Agreement shall be deemed further amended to provide that, if the applicable TGSA resale schedule does not provide for different demand charges for a customer's onpeak and offpeak billing demand, in lieu of the credit amounts specified for the metered demands of customers taking time-of-day service, the credits amounts specified or the metered demands of customers taking standard service shall apply.

3.3 Wholesale Credits. Beginning with the April 2011 billing month, the Manufacturing Credit Agreement shall be amended in the respects necessary to provide that:

- (a) Except as otherwise provided below, each month TVA's wholesale bill to Distributor shall include a wholesale credit (Estimated Small Manufacturing Credit) for that month equal to the total amount of credits applied to each Eligible Account by Distributor in the preceding month and reported in Distributor's ESS Report to TVA (as provided in section 5 below).
- (b) The wholesale bill will then be adjusted to reflect the difference between the actual amount of credits applied to each Eligible Account by Distributor in the preceding month and the Estimated Small Manufacturing Credit applied to Distributor's wholesale bill for the preceding month.
- (c) If TVA does not receive Distributor's ESS Report at least 10 calendar days prior to the wholesale billing date, Distributor shall not receive an Estimated Small Manufacturing Credit on that month's wholesale bill. Instead, upon receipt of Distributor's ESS Report, the wholesale bill for the following month will include a credit equal to the actual amount of credits applied to each Eligible Account and reported to TVA for that month.

3.4 Application Forms. The Manufacturing Credit Agreement is amended to provide that Distributor shall keep on file a copy of each completed application form for audit purposes. This responsibility to maintain application forms and TVA's ability to audit shall replace any requirement of TVA approval of completed application forms in the existing Manufacturing Credit Agreement.

#### **SECTION 4 - ENHANCED GROWTH CREDIT PROGRAM**

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 (EGC) Program to encourage the fuller and better balanced development of the resources of the region by applying credits against the electric bills of certain eligible new and expanding general power customers of Distributor.

Beginning with the April 2011 billing month, the EGCP Agreement shall be amended in the respects necessary to provide that:

- (a) Except as otherwise provided below, each month TVA's wholesale bill to Distributor shall include a wholesale credit (Estimated Enhanced Growth Credit) for that month equal to 110 percent of the total Retail Credits applied by Distributor in the preceding month and reported in Distributor's ESS Report to TVA (as provided in section 5 below).
- (b) The wholesale bill will then be adjusted to reflect the difference between 110 percent of the actual amount of Retail Credits applied by Distributor in the preceding month and the Estimated Enhanced Growth Credit applied to Distributor's wholesale bill for the preceding month.

- (c) If TVA does not receive Distributor's ESS Report at least 10 calendar days prior to the wholesale billing date, Distributor shall not receive an Estimated Enhanced Growth Credit on that month's wholesale bill. Instead, upon receipt of Distributor's ESS Report, the wholesale bill for the following month will include a credit equal to 110 percent of the actual amount of Retail Credits applied by Distributor and reported to TVA for that month.

## **SECTION 5 - REPORTING**

It is recognized that the monthly statistical information to be furnished to TVA under the Terms and Conditions of the Power Contract is currently provided by Distributor in a monthly Electric Sales Statistics (ESS) Report. Beginning with Distributor's April 2011 revenue month, Distributor shall include in its ESS Report monthly data showing:

- (a) for each Eligible Account under the Manufacturing Credit Agreement, the amounts billed to each customer for firm power and energy and the amount of the credit applied during that revenue month, together with such other information as may be reasonably required by TVA under the Manufacturing Credit Agreement;
- (b) for each customer participating in the EGC Program (i) the amount of any Retail Credit for the month and (ii) the billing data used to calculate that Retail Credit, together with such other information as may be reasonably required by TVA under of the EGCP Agreement;
- (c) the amount of any Hydro Allocation Adjustment applied in accordance with Adjustment 2 of the Changed Wholesale Schedule or the Optional Wholesale Schedule and the billing data used to calculate such adjustment;
- (d) the generation output and applicable credits from each individual type of Qualifying System at each Site, as required under the Generation Partners pilot;
- (e) the amounts of any PCA and the billing data for each rate class used to calculate such amounts.

The information furnished under this section 5 shall be provided in accordance with TVA's ESS Reporting Guidelines, as they may be modified, changed, or replaced by TVA from time to time.

## **SECTION 6 - NOTICES OF ADJUSTMENT OR CHANGE OF RATES**

Notwithstanding the section entitled "Adjustment and Change of Wholesale Rate and Resale Rates" in the Schedule of Terms and Conditions attached to and made part of the Power Contract, (a) any Adjustment Addendum providing for adjustments to the charges of the Schedule of Rates and Charges shall be deemed properly published and (b) any notice required to place into effect any changes in the Schedule of Rates and Charges shall be deemed properly given if provided electronically either by electronic mail or by posting electronically on a computer-based Information system designated by TVA for such purpose.

**SECTION 7 - 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 8 - ADJUSTMENT ADDENDUM COST RECOVERY**

It is expressly recognized:

- (a) that the schedules attached to this agreement do not include any charges to recover TVA's fuel costs or any charges to cover the costs currently being recovered by the Environmental Adjustment amounts currently provided for in the Adjustment Addendum, and
- (b) that accordingly all fuel cost recovery (including the current Fuel Cost Adjustment and current base fuel charges) and the costs currently being recovered by the Environmental Adjustment amounts will be addressed through an Adjustment Addendum.

**SECTION 9 - 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 [Signature]  
Senior Vice President  
Commercial Operations and Pricing





Large Customers under the Standard Billing Arrangement shall be metered in accordance with TVA furnished or approved guidelines or specifications. Distributor shall provide to TVA, in accordance with TVA furnished or approved guidelines or specifications, unrestricted remote access to the metering data at all times, as well as physical access to the metering facilities for the purpose of confirming remotely-accessed data during such periods as are specified by TVA. Further, for each Large Customer, Distributor shall furnish TVA with such contract information as TVA reasonably requests for purposes of performing monthly billing analysis for each such customer. In the event that TVA is not given such access to all such metering data, or is not provided such contract information, all power and energy taken hereunder shall be billed in accordance with the Alternate Billing Arrangement.

## STANDARD SERVICE

Demand Charge:	Summer Period	\$ 8.83 per kW of Billing Demand per month
	Winter Period	\$ 8.04 per kW of Billing Demand per month
	Transition Period	\$ 8.04 per kW of Billing Demand per month

Non-Fuel Energy Charge:	Summer Period	3.076¢ per kWh per month
	Winter Period	3.076¢ per kWh per month
	Transition Period	3.076¢ per kWh per month

## TOU SERVICE

### General Power Service

#### Schedule GSB

Administrative Charge: \$350 per delivery point per month

#### Demand Charge:

Summer Period	\$14.00 per kW of metered onpeak demand per month
	\$ 2.71 per kW per month of the amount, if any, by which metered offpeak demand exceeds metered onpeak demand
Winter Period	\$ 7.56 per kW of metered onpeak demand per month
	\$ 2.71 per kW per month of the amount, if any, by which metered offpeak demand exceeds metered onpeak demand
Transition Period	\$ 2.71 per kW of metered offpeak demand per month

#### Non-Fuel Energy Charge:

Summer Period	6.512¢ per kWh per month for all metered onpeak kWh
	3.370¢ per kWh per month for the first 425 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy
	1.678¢ per kWh per month for the next 195 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy
	0.243¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours multiplied by the ratio of offpeak energy to total energy
Winter Period	3.733¢ per kWh per month for all metered onpeak kWh
	3.370¢ per kWh per month for the first 425 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy
	1.678¢ per kWh per month for the next 195 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy
	0.243¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours multiplied by the ratio of offpeak energy to total energy

Transition Period 3.370¢ per kWh per month for the first 425 hours use of maximum metered demand  
 1.678¢ per kWh per month for the next 195 hours use of maximum metered demand  
 0.243¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours.

Schedule GSC

Administrative Charge: \$350 per delivery point per month  
 Demand Charge:  
 Summer Period \$14.00 per kW of metered onpeak demand per month  
 \$ 2.71 per kW per month of the amount, if any, by which metered offpeak demand exceeds metered onpeak demand  
 Winter Period \$ 7.56 per kW of metered onpeak demand per month  
 \$ 2.71 per kW per month of the amount, if any, by which metered offpeak demand exceeds metered onpeak demand  
 Transition Period \$ 2.71 per kW of metered offpeak demand per month

Non-Fuel Energy Charge:

Summer Period 6.186¢ per kWh per month for all metered onpeak kWh  
 3.132¢ per kWh per month for the first 425 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy  
 1.439¢ per kWh per month for the next 195 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy  
 0.004¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours multiplied by the ratio of offpeak energy to total energy  
 Winter Period 3.475¢ per kWh per month for all metered onpeak kWh  
 3.132¢ per kWh per month for the first 425 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy  
 1.439¢ per kWh per month for the next 195 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy  
 0.004¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours multiplied by the ratio of offpeak energy to total energy  
 Transition Period 3.132¢ per kWh per month for the first 425 hours use of maximum metered demand  
 1.439¢ per kWh per month for the next 195 hours use of maximum metered demand  
 0.004¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours

Schedule GSD

Administrative Charge: \$350 per delivery point per month  
 Demand Charge:  
 Summer Period \$14.00 per kW of metered onpeak demand per month  
 \$ 2.71 per kW per month of the amount, if any, by which metered offpeak demand exceeds metered onpeak demand  
 Winter Period \$ 7.56 per kW of metered onpeak demand per month  
 \$ 2.71 per kW per month of the amount, if any, by which metered offpeak demand exceeds metered onpeak demand  
 Transition Period \$ 2.71 per kW of metered offpeak demand per month

Non-Fuel Energy Charge:

Summer Period	6.048¢ per kWh per month for all metered onpeak kWh 2.899¢ per kWh per month for the first 425 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy 1.207¢ per kWh per month for the next 195 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy -0.230¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours multiplied by the ratio of offpeak energy to total energy
Winter Period	3.258¢ per kWh per month for all metered onpeak kWh 2.899¢ per kWh per month for the first 425 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy 1.207¢ per kWh per month for the next 195 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy -0.230¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours multiplied by the ratio of offpeak energy to total energy
Transition Period	2.899¢ per kWh per month for the first 425 hours use of maximum metered demand 1.207¢ per kWh per month for the next 195 hours use of maximum metered demand -0.230¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours

Schedule TDGSA

Administrative Charge:	\$350 per delivery point per month
Demand Charge:	
Summer Period	\$14.00 per kW of metered onpeak demand per month \$ 2.71 per kW per month of the amount, if any, by which metered offpeak demand exceeds metered onpeak demand
Winter Period	\$ 7.56 per kW of metered onpeak demand per month \$ 2.71 per kW per month of the amount, if any, by which metered offpeak demand exceeds metered onpeak demand
Transition Period	\$ 2.71 per kW of metered offpeak demand per month

Non-Fuel Energy Charge:

Summer Period	6.512¢ per kWh per month for all metered onpeak kWh 3.370¢ per kWh per month for the first 425 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy 1.678¢ per kWh per month for the next 195 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy 0.243¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours multiplied by the ratio of offpeak energy to total energy
Winter Period	3.733¢ per kWh per month for all metered onpeak kWh 3.370¢ per kWh per month for the first 425 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy 1.678¢ per kWh per month for the next 195 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy 0.243¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours multiplied by the ratio of offpeak energy to total energy

Transition Period 3.370¢ per kWh per month for the first 425 hours use of maximum metered demand  
 1.678¢ per kWh per month for the next 195 hours use of maximum metered demand  
 0.243¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours

**Manufacturing Service**

**Schedule MSB**

Administrative Charge: \$350 per delivery point per month  
 Demand Charge:  
 Summer Period \$14.00 per kW of metered onpeak demand per month  
 \$ 2.71 per kW per month of the amount, if any, by which metered offpeak demand exceeds metered onpeak demand  
 Winter Period \$ 7.56 per kW of metered onpeak demand per month  
 \$ 2.71 per kW per month of the amount, if any, by which metered offpeak demand exceeds metered onpeak demand  
 Transition Period \$ 2.71 per kW of metered offpeak demand per month

**Non-Fuel Energy Charge:**

Summer Period 5.136¢ per kWh per month for all metered onpeak kWh  
 2.029¢ per kWh per month for the first 425 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy  
 0.338¢ per kWh per month for the next 195 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy  
 -1.098¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours multiplied by the ratio of offpeak energy to total energy  
 Winter Period 2.415¢ per kWh per month for all metered onpeak kWh  
 2.029¢ per kWh per month for the first 425 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy  
 0.338¢ per kWh per month for the next 195 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy  
 -1.098¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours multiplied by the ratio of offpeak energy to total energy  
 Transition Period 2.029¢ per kWh per month for the first 425 hours use of maximum metered demand  
 0.338¢ per kWh per month for the next 195 hours use of maximum metered demand  
 -1.098¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours

**Schedule MSC**

Administrative Charge: \$350 per delivery point per month  
 Demand Charge:  
 Summer Period \$14.00 per kW of metered onpeak demand per month  
 \$ 2.71 per kW per month of the amount, if any, by which metered offpeak demand exceeds metered onpeak demand  
 Winter Period \$ 7.56 per kW of metered onpeak demand per month  
 \$ 2.71 per kW per month of the amount, if any, by which metered offpeak demand exceeds metered onpeak demand  
 Transition Period \$ 2.71 per kW of metered offpeak demand per month

Non-Fuel Energy Charge:

Summer Period	5.211¢ per kWh per month for all metered onpeak kWh 2.016¢ per kWh per month for the first 425 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy 0.325¢ per kWh per month for the next 195 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy -1.110¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours multiplied by the ratio of offpeak energy to total energy
Winter Period	2.428¢ per kWh per month for all metered onpeak kWh 2.016¢ per kWh per month for the first 425 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy 0.325¢ per kWh per month for the next 195 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy -1.110¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours multiplied by the ratio of offpeak energy to total energy
Transition Period	2.016¢ per kWh per month for the first 425 hours use of maximum metered demand 0.325¢ per kWh per month for the next 195 hours use of maximum metered demand -1.110¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours

Schedule MSD

Administrative Charge:	\$350 per delivery point per month
Demand Charge:	
Summer Period	\$14.00 per kW of metered onpeak demand per month \$ 2.71 per kW per month of the amount, if any, by which metered offpeak demand exceeds metered onpeak demand
Winter Period	\$ 7.56 per kW of metered onpeak demand per month \$ 2.71 per kW per month of the amount, if any, by which metered offpeak demand exceeds metered onpeak demand
Transition Period	\$ 2.71 per kW of metered offpeak demand per month

Non-Fuel Energy Charge:

Summer Period	5.060¢ per kWh per month for all metered onpeak kWh 1.868¢ per kWh per month for the first 425 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy 0.176¢ per kWh per month for the next 195 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy -1.259¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours multiplied by the ratio of offpeak energy to total energy
Winter Period	2.262¢ per kWh per month for all metered onpeak kWh 1.868¢ per kWh per month for the first 425 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy 0.176¢ per kWh per month for the next 195 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy -1.259¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours multiplied by the ratio of offpeak energy to total energy

Transition Period 1.868¢ per kWh per month for the first 425 hours use of maximum metered demand  
 0.176¢ per kWh per month for the next 195 hours use of maximum metered demand  
 -1.259¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours

Schedule TDMSA

Administrative Charge: \$350 per delivery point per month  
 Demand Charge:  
 Summer Period \$14.00 per kW of metered onpeak demand per month  
 \$ 2.71 per kW per month of the amount, if any, by which metered offpeak demand exceeds metered onpeak demand  
 Winter Period \$ 7.56 per kW of metered onpeak demand per month  
 \$ 2.71 per kW per month of the amount, if any, by which metered offpeak demand exceeds metered onpeak demand  
 Transition Period \$ 2.71 per kW of metered offpeak demand per month

Non-Fuel Energy Charge:

Summer Period 5.136¢ per kWh per month for all metered onpeak kWh  
 2.029¢ per kWh per month for the first 425 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy  
 0.338¢ per kWh per month for the next 195 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy  
 -1.098¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours multiplied by the ratio of offpeak energy to total energy  
 Winter Period 2.415¢ per kWh per month for all metered onpeak kWh  
 2.029¢ per kWh per month for the first 425 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy  
 0.338¢ per kWh per month for the next 195 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy  
 -1.098¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours multiplied by the ratio of offpeak energy to total energy  
 Transition Period 2.029¢ per kWh per month for the first 425 hours use of maximum metered demand  
 0.338¢ per kWh per month for the next 195 hours use of maximum metered demand  
 -1.098¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours

SEASONAL DEMAND AND ENERGY SERVICE

General Power Service

Schedule SGSB

Administrative Charge: \$350 per delivery point per month  
 Demand Charge:  
 Summer Period \$18.61 per kW of metered demand per month  
 Winter Period \$12.90 per kW of metered demand per month  
 Transition Period \$ 8.61 per kW of metered demand per month

Non-Fuel Energy Charge:

Summer Period	2.224¢ per kWh per month
Winter Period	1.853¢ per kWh per month
Transition Period	1.772¢ per kWh per month

Schedule SGSC

Administrative Charge: \$350 per delivery point per month

Demand Charge:

Summer Period	\$18.61 per kW of metered demand per month
Winter Period	\$12.90 per kW of metered demand per month
Transition Period	\$ 8.61 per kW of metered demand per month

Non-Fuel Energy Charge:

Summer Period	2.235¢ per kWh per month
Winter Period	1.857¢ per kWh per month
Transition Period	1.777¢ per kWh per month

Schedule SGSD

Administrative Charge: \$350 per delivery point per month

Demand Charge:

Summer Period	\$21.83 per kW of metered demand per month
Winter Period	\$16.11 per kW of metered demand per month
Transition Period	\$11.83 per kW of metered demand per month

Non-Fuel Energy Charge:

Summer Period	1.598¢ per kWh per month
Winter Period	1.268¢ per kWh per month
Transition Period	1.196¢ per kWh per month

**Manufacturing Service**

Schedule SMSB

Administrative Charge: \$350 per delivery point per month

Demand Charge:

Summer Period	\$15.99 per kW of metered demand per month
Winter Period	\$10.28 per kW of metered demand per month
Transition Period	\$ 5.99 per kW of metered demand per month

Non-Fuel Energy Charge:

Summer Period	1.532¢ per kWh per month
Winter Period	1.113¢ per kWh per month
Transition Period	1.016¢ per kWh per month

Schedule SMSC

Administrative Charge: \$350 per delivery point per month

Demand Charge:

Summer Period	\$15.99 per kW of metered demand per month
Winter Period	\$10.28 per kW of metered demand per month
Transition Period	\$ 5.99 per kW of metered demand per month

Non-Fuel Energy Charge:

Summer Period	1.505¢ per kWh per month
Winter Period	1.112¢ per kWh per month
Transition Period	1.018¢ per kWh per month

### Schedule SMSD

Administrative Charge:	\$350 per delivery point per month
Demand Charge:	
Summer Period	\$18.61 per kW of metered demand per month
Winter Period	\$12.90 per kW of metered demand per month
Transition Period	\$ 8.61 per kW of metered demand per month
Non-Fuel Energy Charge:	
Summer Period	0.862¢ per kWh per month
Winter Period	0.548¢ per kWh per month
Transition Period	0.472¢ per kWh per month

### Adjustments

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

2. Distributor's bill for each month shall be adjusted by applying the net of the following calculations: (1) subtract 0.297¢ per kWh for the energy resold by Distributor in the previous month to customers entitled to service under residential rate schedules, (2) subtract \$1.60 per customer for each such customer, (3) add 0.279¢ per kWh for the energy resold by Distributor in the previous month to other customers whose contract demands do not exceed 5,000 kW, but excluding any customers served under schedules TDGSA and TDMSA, and (4) where Distributor is billed under the Alternate Billing Arrangement, add 45¢ per kW and 0.096¢ per kWh for the power and energy resold by Distributor in the previous month (i) to other customers whose contract demands exceed 5,000 kW and (ii) other customers served under schedules TDGSA and TDMSA. The dollar and cent amounts used in determining the adjustment applied under the preceding sentence (hereafter referred to as the "Hydro Allocation Adjustment") shall remain constant for 12 consecutive months from October 1 of each year.

Effective October 1 of each year, the dollar and cent amounts used in determining the Hydro Allocation Adjustment shall be recomputed to take account of changed sales and customer account data and applied accordingly. In performing such computations, the latest 12-month period ending June 30 shall be used for purposes of determining the amounts used in (1), (3), and (4) above and the number of customers entitled to be served under Distributor's residential rate schedules at the end of such 12-month period shall be used for purposes of determining the amount used in (2) above.

Each month Distributor shall report, in a form specified by TVA, the kWh amounts of energy used in determining components (1), (3), and (4) above and the number of customers used in determining component (2) above for purposes of computing the Hydro Allocation Adjustment for the upcoming month. To the extent that such data is not so reported on a timely manner, the Hydro Allocation Adjustment shall be computed from estimates determined by TVA.

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



involves a customer served under a resale schedule that does not provide for a different onpeak and offpeak billing demand, the amount shall be computed by multiplying (except as provided in the last paragraph of this section) 50 percent of the amount by which the customer's billing demand exceeds the metered demand times the appropriate base demand charge, as adjusted, of this rate schedule.

In any case in which a bill involving metered offpeak energy less than the billed offpeak energy is applicable to such a customer with a contract demand in excess of 5,000 kW, Distributor's bill under this rate schedule shall be adjusted by adding thereto for each such customer an amount which shall be (except as provided in the last paragraph of this section) 50 percent of the amount by which (a) the amount computed by applying the appropriate base offpeak energy charges of this rate schedule, as adjusted, to the customer's billed offpeak energy exceeds (b) the amount computed by applying the appropriate base offpeak energy charges of this rate schedule, as adjusted, to the customer's metered offpeak energy.

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

4. It is recognized that the TOU Service and Seasonal Demand and Energy Service demand and energy charges listed above contain debit and credit components designed, together with the components (1) – (4) of Adjustment No. 2 above, to reflect the value of the hydro generation benefits allocated by TVA to residential customers. The dollar and cent amounts listed above in Adjustment No. 2 and the base TOU Service and Seasonal Demand and Energy Service demand and energy charges listed above may be increased or decreased by TVA from time to time to appropriately reflect changes in the value of the hydro generation benefits allocated by TVA to residential customers.

In addition, said charges and components may be adjusted by TVA from time to time for the purpose of ensuring that (a) TVA does not pay out more in credits for sales to residential consumers than it receives in debits for sales to other consumers and (b) TVA does not receive more in debits for sales to other consumers than it pays out in credits for sales to residential consumers.

In the event of an adjustment under either paragraph of this Adjustment No. 4, TVA shall make corresponding adjustments in all of Distributor's resale schedules.

#### Facilities Rental Charge

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

#### Reactive Demand Charges

For each delivery point to Distributor, if the reactive demand (in kVAR) is lagging during the 60-consecutive-minute period of the month in which the Delivery Point Demand occurs, there shall be added to Distributor's bill for the following month a reactive charge of \$1.46 per kVAR of the amount, if any, by which the reactive demand exceeds 33 percent of the Delivery Point Demand. If the reactive demand (in kVAR) at a delivery point is leading during the 60-consecutive-minute period (beginning on the clock hour) of the month in

which Distributor's lowest measured demand (excluding any measured demands which are less than 25 percent of the Delivery Point Demand) occurs, there shall be added to Distributor's bill for the following month a reactive charge of \$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, and such amounts in cents per kVAR may be increased or decreased by TVA, effective with the effective date of any Adjustment Addendum published by TVA, to reflect changes in the costs of providing reactive power.

### Determination of Seasonal Periods

Summer Period shall mean the months of June, July, August, and September. Winter Period shall mean the months of December, January, February, and March. The Transition Period shall mean the months of April, May, October, and November.

### Determination of Standard Service Demand and Energy Billing Amounts

For every 60-consecutive-minute period (beginning on the clock hour) of the month, the average of the loads measured in kW for each customer served under the TOU Service and Seasonal Demand and Energy Service subsections above shall be subtracted from the average loads measured in kW at all delivery points. The highest difference computed in accordance with the previous sentence will be the Billing Demand for Standard Service provided for any month.

The Standard Service Energy for any month shall be the kWh amount equal to the total energy measured in kWh at all delivery points less the sum of the energy amounts used in calculating charges for that month under said TOU Service and Seasonal Demand and Energy Service subsections.

### Minimum Bill

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

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## RIDER TO WHOLESALE POWER RATE--SCHEDULE WS-DE

Wholesale Power Rate--Schedule WS-DE, to which this rider is attached, is hereby amended by adding the following section:

### Distribution Loss Adjustment

It is recognized that under the provisions of the section entitled "Distribution Loss Charge" of the wholesale schedule designated Wholesale Power Rate--Schedule WS, dated October 2003, an Annual Loss Adjustment has been applied to Distributors wholesale bill each year to reflect distribution losses incurred during the preceding 12-month period. Notwithstanding anything appearing in said section, as soon as practicable after Distributor's wholesale billing date for March 2011, a loss adjustment will be applied to Distributor's wholesale bill to appropriately reflect distribution losses actually incurred during the period from the end of the period of the last determination of the Annual Loss Adjustment to such date.

If (1) Distributor's wholesale billing date is not on the first day of the calendar month prior to April 1, 2011, and (2) Distributor changes its wholesale billing date to the first day of the calendar month on April 1, 2011, for purposes of calculating the final Distribution Loss Adjustment provided for above, Distributor may choose one of the two reporting options described below:

- (a) Distributor may report the energy resold from the end of the period of Distributor's last Annual Loss Adjustment through Distributor's last wholesale billing date before April 1, 2011; or
- (b) Distributor may report the sum of (i) energy resold from the end of the period of Distributor's last Annual Loss Adjustment through Distributor's last wholesale billing date, plus (ii) an estimate of the additional energy resold from Distributor's last wholesale billing date to April 1, 2011. To facilitate Distributor's estimate under (ii), TVA will provide wholesale meter data for the additional period.

The Distribution Loss Adjustment will then be calculated based on the difference between (a) the energy takings of Distributor measured at each delivery point to Distributor from the end of the period of Distributor's last Annual Loss Adjustment to April 1, 2011, and (b) the amount of energy reported by Distributor under (a) or (b) above.



Large Customers under the Standard Billing Arrangement shall be metered in accordance with TVA furnished or approved guidelines or specifications. Distributor shall provide to TVA, in accordance with TVA furnished or approved guidelines or specifications, unrestricted remote access to the metering data at all times, as well as physical access to the metering facilities for the purpose of confirming remotely-accessed data during such periods as are specified by TVA. Further, for each Large Customer, Distributor shall furnish TVA with such contract information as TVA reasonably requests for purposes of performing monthly billing analysis for each such customer. In the event that TVA is not given such access to all such metering data, or is not provided such contract information, all power and energy taken hereunder shall be billed in accordance with the Alternate Billing Arrangement.

## STANDARD SERVICE

Demand Charge:	Summer Period	\$8.83 per kW of Billing Demand per month
	Winter Period	\$8.04 per kW of Billing Demand per month
	Transition Period	\$8.04 per kW of Billing Demand per month
Non-Fuel Energy Charge:	Summer Period	3.301¢ per kWh per month (as adjusted by TOU Amount below)
	Winter Period	3.020¢ per kWh per month (as adjusted by TOU Amount below)
	Transition Period	2.908¢ per kWh per month

TOU Amounts to be added to Non-Fuel Energy Charge:

Summer Period	
Onpeak:	0.750¢ per kWh per month
Offpeak:	-0.350¢ per kWh per month
Winter Period	
Onpeak:	0.400¢ per kWh per month
Offpeak:	-0.100¢ per kWh per month

The above TOU Amounts shall not be subject to adjustment under Adjustment 1 below.

## TOU SERVICE

### General Power Service

#### Schedule GSB

Administrative Charge:	\$350 per delivery point per month
Demand Charge:	
Summer Period	\$14.00 per kW of metered onpeak demand per month \$ 2.71 per kW per month of the amount, if any, by which metered offpeak demand exceeds metered onpeak demand
Winter Period	\$ 7.56 per kW of metered onpeak demand per month \$ 2.71 per kW per month of the amount, if any, by which metered offpeak demand exceeds metered onpeak demand
Transition Period	\$ 2.71 per kW of metered offpeak demand per month

Non-Fuel Energy Charge:

Summer Period	6.512¢ per kWh per month for all metered onpeak kWh 3.370¢ per kWh per month for the first 425 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy 1.678¢ per kWh per month for the next 195 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy
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	0.243¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours multiplied by the ratio of offpeak energy to total energy
Winter Period	3.733¢ per kWh per month for all metered onpeak kWh 3.370¢ per kWh per month for the first 425 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy 1.678¢ per kWh per month for the next 195 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy 0.243¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours multiplied by the ratio of offpeak energy to total energy
Transition Period	3.370¢ per kWh per month for the first 425 hours use of maximum metered demand 1.678¢ per kWh per month for the next 195 hours use of maximum metered demand 0.243¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours

Schedule GSC

Administrative Charge:	\$350 per delivery point per month
Demand Charge:	
Summer Period	\$14.00 per kW of metered onpeak demand per month \$ 2.71 per kW per month of the amount, if any, by which metered offpeak demand exceeds metered onpeak demand
Winter Period	\$ 7.56 per kW of metered onpeak demand per month \$ 2.71 per kW per month of the amount, if any, by which metered offpeak demand exceeds metered onpeak demand
Transition Period	\$ 2.71 per kW of metered offpeak demand per month

Non-Fuel Energy Charge:

Summer Period	6.186¢ per kWh per month for all metered onpeak kWh 3.132¢ per kWh per month for the first 425 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy 1.439¢ per kWh per month for the next 195 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy 0.004¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours multiplied by the ratio of offpeak energy to total energy
Winter Period	3.475¢ per kWh per month for all metered onpeak kWh 3.132¢ per kWh per month for the first 425 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy 1.439¢ per kWh per month for the next 195 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy 0.004¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours multiplied by the ratio of offpeak energy to total energy
Transition Period	3.132¢ per kWh per month for the first 425 hours use of maximum metered demand 1.439¢ per kWh per month for the next 195 hours use of maximum metered demand 0.004¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours

Schedule GSD

Administrative Charge: \$350 per delivery point per month  
Demand Charge:  
Summer Period \$14.00 per kW of metered onpeak demand per month  
\$ 2.71 per kW per month of the amount, if any, by which metered offpeak demand exceeds metered onpeak demand  
Winter Period \$ 7.56 per kW of metered onpeak demand per month  
\$ 2.71 per kW per month of the amount, if any, by which metered offpeak demand exceeds metered onpeak demand  
Transition Period \$ 2.71 per kW of metered offpeak demand per month

Non-Fuel Energy Charge:

Summer Period 6.048¢ per kWh per month for all metered onpeak kWh  
2.899¢ per kWh per month for the first 425 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy  
1.207¢ per kWh per month for the next 195 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy  
-0.230¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours multiplied by the ratio of offpeak energy to total energy  
Winter Period 3.258¢ per kWh per month for all metered onpeak kWh  
2.899¢ per kWh per month for the first 425 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy  
1.207¢ per kWh per month for the next 195 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy  
-0.230¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours multiplied by the ratio of offpeak energy to total energy  
Transition Period 2.899¢ per kWh per month for the first 425 hours use of maximum metered demand  
1.207¢ per kWh per month for the next 195 hours use of maximum metered demand  
-0.230¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours

Schedule TDGSA

Administrative Charge: \$350 per delivery point per month  
Demand Charge:  
Summer Period \$14.00 per kW of metered onpeak demand per month  
\$ 2.71 per kW per month of the amount, if any, by which metered offpeak demand exceeds metered onpeak demand  
Winter Period \$ 7.56 per kW of metered onpeak demand per month  
\$ 2.71 per kW per month of the amount, if any, by which metered offpeak demand exceeds metered onpeak demand  
Transition Period \$ 2.71 per kW of metered offpeak demand per month

Non-Fuel Energy Charge:

Summer Period 6.512¢ per kWh per month for all metered onpeak kWh  
3.370¢ per kWh per month for the first 425 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy  
1.678¢ per kWh per month for the next 195 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy

	0.243¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours multiplied by the ratio of offpeak energy to total energy
Winter Period	3.733¢ per kWh per month for all metered onpeak kWh 3.370¢ per kWh per month for the first 425 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy 1.678¢ per kWh per month for the next 195 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy 0.243¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours multiplied by the ratio of offpeak energy to total energy
Transition Period	3.370¢ per kWh per month for the first 425 hours use of maximum metered demand 1.678¢ per kWh per month for the next 195 hours use of maximum metered demand 0.243¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours

### Manufacturing Service

#### Schedule MSB

Administrative Charge:	\$350 per delivery point per month
Demand Charge:	
Summer Period	\$14.00 per kW of metered onpeak demand per month \$ 2.71 per kW per month of the amount, if any, by which metered offpeak demand exceeds metered onpeak demand
Winter Period	\$ 7.56 per kW of metered onpeak demand per month \$ 2.71 per kW per month of the amount, if any, by which metered offpeak demand exceeds metered onpeak demand
Transition Period	\$ 2.71 per kW of metered offpeak demand per month
Non-Fuel Energy Charge:	
Summer Period	5.136¢ per kWh per month for all metered onpeak kWh 2.029¢ per kWh per month for the first 425 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy 0.338¢ per kWh per month for the next 195 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy -1.098¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours multiplied by the ratio of offpeak energy to total energy
Winter Period	2.415¢ per kWh per month for all metered onpeak kWh 2.029¢ per kWh per month for the first 425 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy 0.338¢ per kWh per month for the next 195 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy -1.098¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours multiplied by the ratio of offpeak energy to total energy
Transition Period	2.029¢ per kWh per month for the first 425 hours use of maximum metered demand 0.338¢ per kWh per month for the next 195 hours use of maximum metered demand -1.098¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours



Schedule MSC

Administrative Charge: \$350 per delivery point per month  
Demand Charge:  
Summer Period \$14.00 per kW of metered onpeak demand per month  
\$ 2.71 per kW per month of the amount, if any, by which metered offpeak demand exceeds metered onpeak demand  
Winter Period \$ 7.56 per kW of metered onpeak demand per month  
\$ 2.71 per kW per month of the amount, if any, by which metered offpeak demand exceeds metered onpeak demand  
Transition Period \$ 2.71 per kW of metered offpeak demand per month

Non-Fuel Energy Charge:

Summer Period 5.211¢ per kWh per month for all metered onpeak kWh  
2.016¢ per kWh per month for the first 425 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy  
0.325¢ per kWh per month for the next 195 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy  
-1.110¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours multiplied by the ratio of offpeak energy to total energy  
Winter Period 2.428¢ per kWh per month for all metered onpeak kWh  
2.016¢ per kWh per month for the first 425 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy  
0.325¢ per kWh per month for the next 195 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy  
-1.110¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours multiplied by the ratio of offpeak energy to total energy  
Transition Period 2.016¢ per kWh per month for the first 425 hours use of maximum metered demand  
0.325¢ per kWh per month for the next 195 hours use of maximum metered demand  
-1.110¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours

Schedule MSD

Administrative Charge: \$350 per delivery point per month  
Demand Charge:  
Summer Period \$14.00 per kW of metered onpeak demand per month  
\$ 2.71 per kW per month of the amount, if any, by which metered offpeak demand exceeds metered onpeak demand  
Winter Period \$ 7.56 per kW of metered onpeak demand per month  
\$ 2.71 per kW per month of the amount, if any, by which metered offpeak demand exceeds metered onpeak demand  
Transition Period \$ 2.71 per kW of metered offpeak demand per month

Non-Fuel Energy Charge:

Summer Period 5.060¢ per kWh per month for all metered onpeak kWh  
1.868¢ per kWh per month for the first 425 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy  
0.176¢ per kWh per month for the next 195 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy

	-1.259¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours multiplied by the ratio of offpeak energy to total energy
Winter Period	2.262¢ per kWh per month for all metered onpeak kWh 1.868¢ per kWh per month for the first 425 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy 0.176¢ per kWh per month for the next 195 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy -1.259¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours multiplied by the ratio of offpeak energy to total energy
Transition Period	1.868¢ per kWh per month for the first 425 hours use of maximum metered demand 0.176¢ per kWh per month for the next 195 hours use of maximum metered demand -1.259¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours

Schedule TDMSA

Administrative Charge:	\$350 per delivery point per month
Demand Charge:	
Summer Period	\$14.00 per kW of metered onpeak demand per month \$ 2.71 per kW per month of the amount, if any, by which metered offpeak demand exceeds metered onpeak demand
Winter Period	\$ 7.56 per kW of metered onpeak demand per month \$ 2.71 per kW per month of the amount, if any, by which metered offpeak demand exceeds metered onpeak demand
Transition Period	\$ 2.71 per kW of metered offpeak demand per month

Non-Fuel Energy Charge:

Summer Period	5.136¢ per kWh per month for all metered onpeak kWh 2.029¢ per kWh per month for the first 425 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy 0.338¢ per kWh per month for the next 195 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy -1.098¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours multiplied by the ratio of offpeak energy to total energy
Winter Period	2.415¢ per kWh per month for all metered onpeak kWh 2.029¢ per kWh per month for the first 425 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy 0.338¢ per kWh per month for the next 195 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy -1.098¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours multiplied by the ratio of offpeak energy to total energy
Transition Period	2.029¢ per kWh per month for the first 425 hours use of maximum metered demand 0.338¢ per kWh per month for the next 195 hours use of maximum metered demand -1.098¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours

## SEASONAL DEMAND AND ENERGY SERVICE

### General Power Service

#### Schedule SGSB

Administrative Charge: \$350 per delivery point per month

Demand Charge:

Summer Period \$18.61 per kW of metered demand per month  
Winter Period \$12.90 per kW of metered demand per month  
Transition Period \$ 8.61 per kW of metered demand per month

Non-Fuel Energy Charge:

Summer Period 2.224¢ per kWh per month  
Winter Period 1.853¢ per kWh per month  
Transition Period 1.772¢ per kWh per month

#### Schedule SGSC

Administrative Charge: \$350 per delivery point per month

Demand Charge:

Summer Period \$18.61 per kW of metered demand per month  
Winter Period \$12.90 per kW of metered demand per month  
Transition Period \$ 8.61 per kW of metered demand per month

Non-Fuel Energy Charge:

Summer Period 2.235¢ per kWh per month  
Winter Period 1.857¢ per kWh per month  
Transition Period 1.777¢ per kWh per month

#### Schedule SGSD

Administrative Charge: \$350 per delivery point per month

Demand Charge:

Summer Period \$21.83 per kW of metered demand per month  
Winter Period \$16.11 per kW of metered demand per month  
Transition Period \$11.83 per kW of metered demand per month

Non-Fuel Energy Charge:

Summer Period 1.598¢ per kWh per month  
Winter Period 1.268¢ per kWh per month  
Transition Period 1.196¢ per kWh per month

### Manufacturing Service

#### Schedule SMSB

Administrative Charge: \$350 per delivery point per month

Demand Charge:

Summer Period \$15.99 per kW of metered demand per month  
Winter Period \$10.28 per kW of metered demand per month  
Transition Period \$ 5.99 per kW of metered demand per month

Non-Fuel Energy Charge:

Summer Period 1.532¢ per kWh per month  
Winter Period 1.113¢ per kWh per month  
Transition Period 1.016¢ per kWh per month

Schedule S MSC

Administrative Charge:	\$350 per delivery point per month
Demand Charge:	
Summer Period	\$15.99 per kW of metered demand per month
Winter Period	\$10.28 per kW of metered demand per month
Transition Period	\$ 5.99 per kW of metered demand per month

Non-Fuel Energy Charge:

Summer Period	1.505¢ per kWh per month
Winter Period	1.112¢ per kWh per month
Transition Period	1.018¢ per kWh per month

Schedule S MSD

Administrative Charge:	\$350 per delivery point per month
Demand Charge:	
Summer Period	\$18.61 per kW of metered demand per month
Winter Period	\$12.90 per kW of metered demand per month
Transition Period	\$ 8.61 per kW of metered demand per month

Non-Fuel Energy Charge:

Summer Period	0.862¢ per kWh per month
Winter Period	0.548¢ per kWh per month
Transition Period	0.472¢ per kWh per month

Adjustments

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

2. Distributor's bill for each month shall be adjusted by applying the net of the following calculations: (1) subtract 0.297¢ per kWh for the energy resold by Distributor in the previous month to customers entitled to service under residential rate schedules, (2) subtract \$1.60 per customer for each such customer, (3) add 0.279¢ per kWh for the energy resold by Distributor in the previous month to other customers whose contract demands do not exceed 5,000 kW, but excluding any customers served under schedules TDGSA and TDMSA, and (4) where Distributor is billed under the Alternate Billing Arrangement, add 45¢ per kW and 0.096¢ per kWh for the power and energy resold by Distributor in the previous month (i) to other customers whose contract demands exceed 5,000 kW and (ii) other customers served under schedules TDGSA and TDMSA. The dollar and cent amounts used in determining the adjustment applied under the preceding sentence (hereafter referred to as the "Hydro Allocation Adjustment") shall remain constant for 12 consecutive months from October 1 of each year.

Effective October 1 of each year, the dollar and cent amounts used in determining the Hydro Allocation Adjustment shall be recomputed to take account of changed sales and customer account data and applied accordingly. In performing such computations, the latest 12-month period ending June 30 shall be used for purposes of determining the amounts used in (1), (3), and (4) above and the number of customers entitled to be served under Distributor's residential rate schedules at the end of such 12-month period shall be used for purposes of determining the amount used in (2) above.

Each month Distributor shall report, in a form specified by TVA, the kWh amounts of energy used in determining components (1), (3), and (4) above and the number of customers used in determining component (2) above for purposes of computing the Hydro Allocation Adjustment for the upcoming month. To the extent

that such data is not so reported on a timely manner, the Hydro Allocation Adjustment shall be computed from estimates determined by TVA.

3. In any case in which a bill involving a metered demand less than the billing demand is applicable to a customer of Distributor with a contract demand in excess of 5,000 kW, Distributor's bill under this rate schedule shall be adjusted by adding thereto for each such customer an amount computed as provided below. When such a bill involves a customer served under a resale schedule that provides for a different onpeak and offpeak billing demand, the amount added shall be (except as provided in the last paragraph of this section) 50 percent of the amount by which (a) the amount computed by applying the appropriate base demand charges of this rate schedule, as adjusted, to the customer's onpeak billing demand and to its excess of offpeak billing demand over onpeak billing demand exceeds (b) the amount computed by applying the appropriate base demand charges of this rate schedule, as adjusted, to the customer's metered onpeak demand and to its excess of metered offpeak demand over metered onpeak demand. When such a bill involves a customer served under a resale schedule that does not provide for a different onpeak and offpeak billing demand, the amount shall be computed by multiplying (except as provided in the last paragraph of this section) 50 percent of the amount by which the customer's billing demand exceeds the metered demand times the appropriate base demand charge, as adjusted, of this rate schedule.

In any case in which a bill involving metered offpeak energy less than the billed offpeak energy is applicable to such a customer with a contract demand in excess of 5,000 kW, Distributor's bill under this rate schedule shall be adjusted by adding thereto for each such customer an amount which shall be (except as provided in the last paragraph of this section) 50 percent of the amount by which (a) the amount computed by applying the appropriate base offpeak energy charges of this rate schedule, as adjusted, to the customer's billed offpeak energy exceeds (b) the amount computed by applying the appropriate base offpeak energy charges of this rate schedule, as adjusted, to the customer's metered offpeak energy.

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

4. It is recognized that the TOU Service and Seasonal Demand and Energy Service demand and energy charges listed above contain debit and credit components designed, together with the components (1) – (4) of Adjustment No. 2 above, to reflect the value of the hydro generation benefits allocated by TVA to residential customers. The dollar and cent amounts listed above in Adjustment No. 2 and the base TOU Service and Seasonal Demand and Energy Service demand and energy charges listed above may be increased or decreased by TVA from time to time to appropriately reflect changes in the value of the hydro generation benefits allocated by TVA to residential customers.

In addition, said charges and components may be adjusted by TVA from time to time for the purpose of ensuring that (a) TVA does not pay out more in credits for sales to residential consumers than it receives in debits for sales to other consumers and (b) TVA does not receive more in debits for sales to other consumers than it pays out in credits for sales to residential consumers.

In the event of an adjustment under either paragraph of this Adjustment No. 4, TVA shall make corresponding adjustments in all of Distributor's resale schedules.

### Facilities Rental Charge

There shall be no facilities rental charge under this rate schedule for delivery at bulk transmission voltage levels of 161 kV or higher. For delivery to Distributor at less than 161 kV, there shall be added to Distributor's bill a facilities rental charge. This charge shall be 36¢ per kW per month, except for delivery at voltages below 46 kV, in which case the charge shall be 93¢ per kW per month for the first 10,000 kW and 73¢ per kW per month for the excess over 10,000 kW. For each delivery point, such charge shall be applied to the highest average demand during any 60-consecutive-minute period (beginning on the clock hour) for

each month of the preceding 12-consecutive-month period of the load measured in kW (Delivery Point Demand). The facilities rental charge shall be in addition to all other charges under this rate schedule, including minimum bill charges, and such amounts in cents per kW may be increased or decreased by TVA, effective with the effective date of any Adjustment Addendum published by TVA, to reflect changes in the costs of providing for delivery at voltage levels below 161 kV.

### Reactive Demand Charges

For each delivery point to Distributor, if the reactive demand (in kVAR) is lagging during the 60-consecutive-minute period of the month in which the Delivery Point Demand occurs, there shall be added to Distributor's bill for the following month a reactive charge of \$1.46 per kVAR of the amount, if any, by which the reactive demand exceeds 33 percent of the Delivery Point Demand. If the reactive demand (in kVAR) at a delivery point is leading during the 60-consecutive-minute period (beginning on the clock hour) of the month in which Distributor's lowest measured demand (excluding any measured demands which are less than 25 percent of the Delivery Point Demand) occurs, there shall be added to Distributor's bill for the following month a reactive charge of \$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, and such amounts in cents per kVAR may be increased or decreased by TVA, effective with the effective date of any Adjustment Addendum published by TVA, to reflect changes in the costs of providing reactive power.

### Determination of Seasonal Periods

Summer Period shall mean the months of June, July, August, and September. Winter Period shall mean the months of December, January, February, and March. The Transition Period shall mean the months of April, May, October, and November.

### 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 for purposes of Standard Service be from 12 p.m. to 8 p.m. during the Summer Period and from 4 a.m. to 10 a.m. during the Winter Period. For the Summer Period and the Winter Period, all other hours of each day and all hours of such excepted days shall be offpeak hours. For the Transition Period, all hours shall be offpeak hours. Such times shall be Central Standard Time or Central Daylight Time, whichever is then in effect. Said onpeak and offpeak hours 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.

### Determination of Standard Service Demand and Energy Billing Amounts

For every 60-consecutive-minute period (beginning on the clock hour) of the month, the average of the loads measured in kW for each customer served under the TOU Service and Seasonal Demand and Energy Service subsections above shall be subtracted from the average loads measured in kW at all delivery points. The highest difference computed in accordance with the previous sentence will be the Billing Demand for Standard Service provided for any month.

The Standard Service onpeak energy for any month of a Winter Period or Summer Period shall be the kWh amount equal to the total energy measured in kWh at all delivery points during the Standard Service onpeak hours less the sum of the energy amounts used under said TOU Service and Seasonal Demand and Energy Service subsections in said Standard Service onpeak hours of that month. The Standard Service offpeak energy for any month of a Winter Period or Summer Period shall be the kWh amount equal to the total energy measured in kWh at all delivery points during the Standard Service offpeak hours less the sum of

the energy amounts used under said TOU Service and Seasonal Demand and Energy Service subsections in said Standard Service offpeak hours of that month.

The Standard Service Energy for any month of a Transition Period shall be the kWh amount equal to the total energy measured in kWh at all delivery points less the sum of the energy amounts used in calculating charges for that month under said TOU Service and Seasonal Demand and Energy Service subsections.

#### Minimum Bill

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

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## RIDER TO WHOLESALE POWER RATE--SCHEDULE WS-TOU

Wholesale Power Rate--Schedule WS-TOU, to which this rider is attached, is hereby amended by adding the following section:

### Distribution Loss Adjustment

It is recognized that under the provisions of the section entitled "Distribution Loss Charge" of the wholesale schedule designated Wholesale Power Rate--Schedule WS, dated October 2003, an Annual Loss Adjustment has been applied to Distributors wholesale bill each year to reflect distribution losses incurred during the preceding 12-month period. Notwithstanding anything appearing in said section, as soon as practicable after Distributor's wholesale billing date for March 2011, a loss adjustment will be applied to Distributor's wholesale bill to appropriately reflect distribution losses actually incurred during the period from the end of the period of the last determination of the Annual Loss Adjustment to such date.

If (1) Distributor's wholesale billing date is not on the first day of the calendar month prior to April 1, 2011, and (2) Distributor changes its wholesale billing date to the first day of the calendar month on April 1, 2011, for purposes of calculating the final Distribution Loss Adjustment provided for above, Distributor may choose one of the two reporting options described below:

- (a) Distributor may report the energy resold from the end of the period of Distributor's last Annual Loss Adjustment through Distributor's last wholesale billing date before April 1, 2011; or
- (b) Distributor may report the sum of (i) energy resold from the end of the period of Distributor's last Annual Loss Adjustment through Distributor's last wholesale billing date, plus (ii) an estimate of the additional energy resold from Distributor's last wholesale billing date to April 1, 2011. To facilitate Distributor's estimate under (ii), TVA will provide wholesale meter data for the additional period.

The Distribution Loss Adjustment will then be calculated based on the difference between (a) the energy takings of Distributor measured at each delivery point to Distributor from the end of the period of Distributor's last Annual Loss Adjustment to April 1, 2011, and (b) the amount of energy reported by Distributor under (a) or (b) above.



# WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION

## RESIDENTIAL RATE--SCHEDULE RS

(April 2011)

### 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: \$20.00 per month, less

Hydro Allocation Credit: \$1.60 per month

Right-of-way

Clearing Surcharge: \$3.25 per meter per month

Energy Charge:

#### Summer Period

First 800 kWh per month, at 7.512¢ per kWh

Additional kWh per month, at 6.744¢ per kWh

#### Winter Period

First 800 kWh per month, at 7.500¢ per kWh

Additional kWh per month, at 6.732¢ per kWh

#### Transition Period

First 800 kWh per month, at 7.436¢ per kWh

Additional kWh per month, at 6.668¢ per kWh

### Adjustment

The base energy charges 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 4 of the wholesale power rate schedule applicable under contractual arrangements between TVA and Distributor.

### Determination of Seasonal Periods

Summer Period shall mean the June, July, August, and September billing months. Winter Period shall mean the December, January, February, and March billing months. Transition Period shall mean the April, May, October, and November billing months.

### 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

(April 2011)

### 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) the customer's monthly energy takings for any month during such period do not exceed 15,000 kWh:

Customer Charge: \$20.00 per delivery point per month

Right-of-way

Clearing Surcharge: \$3.25 per meter per month

Energy Charge:

Summer Period 8.701¢ per kWh per month

Winter Period 8.689¢ per kWh per month

Transition Period 8.625¢ 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) 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: \$43.50 per delivery point per month

Right-of-way

Clearing Surcharge: \$3.25 per meter per month

Demand Charge:

Summer Period First 50 kW of billing demand per month, no demand charge

Excess over 50 kW of billing demand per month, at \$16.05 per kW

Winter Period First 50 kW of billing demand per month, no demand charge

Excess over 50 kW of billing demand per month, at \$15.23 per kW

Transition Period First 50 kW of billing demand per month, no demand charge

Excess over 50 kW of billing demand per month, at \$15.23 per kW

Energy Charge:

Summer Period First 15,000 kWh per month at 8.858¢ per kWh  
Additional kWh per month at 3.673¢ per kWh  
Winter Period First 15,000 kWh per month at 8.846¢ per kWh  
Additional kWh per month at 3.673¢ per kWh  
Transition Period First 15,000 kWh per month at 8.782¢ per kWh  
Additional kWh per month at 3.673¢ 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: \$106.50 per delivery point per month

Right-of-way

Clearing Surcharge: \$3.25 per meter per month

Demand Charge:

Summer Period First 1,000 kW of billing demand per month, at \$14.75 per kW  
Excess over 1,000 kW of billing demand per month, at \$14.36 per kW,  
plus an additional  
\$14.36 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  
Winter Period First 1,000 kW of billing demand per month, at \$13.93 per kW  
Excess over 1,000 kW of billing demand per month, at \$13.54 per kW,  
plus an additional  
\$13.54 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  
Transition Period First 1,000 kW of billing demand per month, at \$13.93 per kW  
Excess over 1,000 kW of billing demand per month, at \$13.54 per kW,  
plus an additional  
\$13.54 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:

Summer Period 3.728¢ per kWh per month  
Winter Period 3.728¢ per kWh per month  
Transition Period 3.728¢ 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 4 of the wholesale power rate schedule applicable under contractual arrangements between TVA and Distributor.

### Determination of Seasonal Periods

Summer Period shall mean the June, July, August, and September billing months. Winter Period shall mean the December, January, February, and March billing months. Transition Period shall mean the April, May, October, and November billing months.

### 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 1,000 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

(April 2011)

### Availability

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

Unless otherwise provided for in a written agreement between TVA and the distributor providing service under this rate schedule, for customers served under this rate schedule, the customer's "meter-reading time" shall be 0000 hours CST or CDT, whichever is currently effective, on the first day of the calendar month following the month for which a bill under this rate schedule is being calculated. Further, in accordance with TVA furnished or approved guidelines or specifications, TVA shall have unrestricted remote access to the metering data at all times, as well as unrestricted physical access to the metering facilities for the purpose of confirming remotely-accessed data during such periods as are specified by TVA.

For a customer requesting that its onpeak contract demand be different from its offpeak contract demand, this rate 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

Administrative Charge: \$350 per delivery point per month

Demand Charge:

Summer Period \$15.44 per kW per month of the customer's onpeak billing demand, plus \$3.81 per kW per month of the amount, if any, by which the customer's offpeak billing demand exceeds its onpeak billing demand, plus \$15.44 per kW per month of the amount, if any, 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.

Winter Period      \$8.81 per kW per month of the customer's onpeak billing demand, plus  
 \$3.81 per kW per month of the amount, if any, by which the customer's  
 offpeak billing demand exceeds its onpeak billing demand, plus  
 \$8.81 per kW per month of the amount, if any, 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

Transition Period    \$3.81 per kW per month of the customer's offpeak billing demand, plus  
 \$8.81 per kW per month of the amount, if any, by which the customer's  
 offpeak billing demand exceeds its offpeak contract demand

Energy Charge:

Summer Period      6.707¢ per kWh per month for all onpeak kWh, plus  
 3.471¢ per kWh per month for the first 425 hours use of maximum  
 metered demand multiplied by the ratio of offpeak energy to total energy,  
 plus  
 1.728¢ per kWh per month for the next 195 hours use of maximum  
 metered demand multiplied by the ratio of offpeak energy to total energy,  
 plus  
 0.250¢ per kWh per month for the hours use of maximum metered  
 demand in excess of 620 hours multiplied by the ratio of offpeak energy  
 to total energy

Winter Period      3.845¢ per kWh per month for all onpeak kWh, plus  
 3.471¢ per kWh per month for the first 425 hours use of maximum  
 metered demand multiplied by the ratio of offpeak energy to total energy,  
 plus  
 1.728¢ per kWh per month for the next 195 hours use of maximum  
 metered demand multiplied by the ratio of offpeak energy to total energy,  
 plus  
 0.250¢ per kWh per month for the hours use of maximum metered  
 demand in excess of 620 hours multiplied by the ratio of offpeak energy  
 to total energy

Transition Period    3.471¢ per kWh per month for the first 425 hours use of maximum  
 metered demand, plus  
 1.728¢ per kWh per month for the next 195 hours use of maximum  
 metered demand, plus  
 0.250¢ per kWh per month for the hours use of maximum metered  
 demand in excess of 620 hours

For the Summer Period, Winter Period and Transition Period, 3.471¢ per kWh per month shall be applied to the portion, if any, of the minimum offpeak energy takings amount that is greater than the metered energy.



## 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 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 onpeak or offpeak contract demand, whichever is higher, 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 Seasonal Periods

Summer Period shall mean the June, July, August, and September billing months. Winter Period shall mean the December, January, February, and March billing months. Transition Period shall mean the April, May, October, and November billing months.

## 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 from 1 p.m. to 7 p.m. during the Summer Period and from 4 a.m. to 10 a.m. during the Winter Period. For the Summer Period and the Winter Period, all other hours of each day that are not otherwise defined as onpeak hours and all hours of such excepted days shall be offpeak hours. For the Transition Period, all hours shall be offpeak hours. Such times shall be Central Standard Time or Central Daylight Time, whichever is then in effect. Said onpeak and offpeak hours 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, Maximum Metered Demand, 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; provided, however, that notwithstanding the metered energy amount, the offpeak energy for any month shall in no case be less than the product of (1) the offpeak billing demand as calculated in the last sentence of the paragraph below and (2) 110 hours (reflecting a 15 percent load factor applied to the average number of hours in a month).

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 maximum metered demand for any month shall be the higher of (1) the highest onpeak metered demand in the month or (2) the highest offpeak metered demand in the month. 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 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 portion of the base demand charge, as adjusted, (but excluding the additional portion thereof applicable to excess of billing demand over contract demand) applicable to onpeak billing demand applied to the customer's onpeak billing demand, (3) the portion of the base demand charge, as adjusted, (but excluding the additional portion thereof applicable to excess of billing demand over contract demand) 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 higher of customer's actual offpeak energy takings or the minimum offpeak energy takings amount provided for in the first paragraph of the section of this rate schedule entitled "Determination of Onpeak and Offpeak Demands, Maximum Metered Demand, and Energy Amounts".

Distributor may require minimum bills higher than those stated above, including, without limitation, charges to cover any additional metering and related costs.

### 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 onpeak or offpeak 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

(April 2011)

### Availability

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

Unless otherwise provided for in a written agreement between TVA and the distributor providing service under this rate schedule, for customers served under this rate schedule, the customer's "meter-reading time" shall be 0000 hours CST or CDT, whichever is currently effective, on the first day of the calendar month following the month for which a bill under this rate schedule is being calculated. Further, in accordance with TVA furnished or approved guidelines or specifications, TVA shall have unrestricted remote access to the metering data at all times, as well as unrestricted physical access to the metering facilities for the purpose of confirming remotely-accessed data during such periods as are specified by TVA.

For a customer requesting that its onpeak contract demand be different from its offpeak contract demand, this rate 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

Administrative Charge: \$350 per delivery point per month

Demand Charge:

Summer Period \$14.93 per kW per month of the customer's onpeak billing demand, plus \$3.30 per kW per month of the amount, if any, by which the customer's offpeak billing demand exceeds its onpeak billing demand, plus \$14.93 per kW per month of the amount, if any, 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