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POWER CONTRACT
 Between
 TENNESSEE VALLEY AUTHORITY
 And
 TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION

THIS CONTRACT, made and entered into as of the 18 day of July, 1979, by and between TENNESSEE VALLEY AUTHORITY (hereinafter called "TVA"), a corporation created and existing under and by virtue of the Tennessee Valley Authority Act of 1933, as amended (hereinafter called "TVA Act"), and TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION (hereinafter called "Cooperative"), a cooperative corporation duly created, organized, and existing under and by virtue of the laws of the State of Tennessee;

W I T N E S S E T H:

WHEREAS, the TVA Act authorizes TVA to sell the power generated by it and not used in its operations to States, counties, municipalities, corporations, partnerships, or individuals according to the policies therein set forth; and

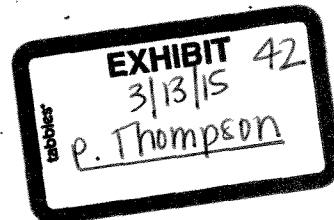
WHEREAS, the TVA Act provides that the sale of such power shall be primarily for the benefit of the people of the section as a whole and particularly the domestic and rural consumers, to whom it is desired to make power available at the lowest possible rates; and

WHEREAS, Cooperative owns and operates an electric system, and in the operation thereof is presently purchasing and desires to continue to purchase its entire power requirements from TVA; and

WHEREAS, the parties wish to enter into a new contract to replace their present power contract;

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

1. Purpose of Contract. It is hereby recognized and declared that, pursuant to the obligations imposed by the TVA Act, Cooperative's operation of an electric system and TVA's wholesale service thereto are for the benefit of the consumers of electricity. Toward that end, Cooperative agrees that the electric system shall be operated on a nonprofit basis, that electric system funds and accounts shall not be mingled with other funds or accounts of Cooperative, and that resale rates and charges shall be applied which will provide



revenues which can reasonably be expected to be at least equal to, and not substantially greater than, the sum required for the items listed in subsection (a) of section 6 hereof. In accordance with these principles, which are mutually recognized as of the essence of this contract, Cooperative agrees that the electric system shall be operated and the system's financial accounts and affairs shall be maintained in full and strict accordance with the provisions of this contract.

2. Power Supply.

(a) Subject to the other provisions of this contract, TVA shall produce and deliver to Cooperative at the delivery point or points specified in or hereafter established under section 3 hereof and Cooperative shall take and distribute the electric power required for service to Cooperative's customers. Cooperative shall keep TVA currently informed of any important developments affecting its probable future loads or service arrangements. TVA shall take account of all available information in making its forecasts of the loads of Cooperative and of TVA's other customers. TVA shall make every reasonable effort to increase the generating capacity of its system and to provide the transmission facilities required to deliver the output thereof so as to be in a position to supply additional power therefrom when and to the extent needed to meet increases in their loads.

(b) Cooperative shall be entitled to use the power made available hereunder to serve all consumers to whom the resale rate schedules specified in section 5(b) hereof are applicable except those TVA is entitled to serve directly, as provided below. TVA shall be entitled to serve directly any consumer to whom said resale rate schedules are not applicable, any federal installations excepting those with loads less than 5,000 kilowatts served from a general delivery point, and any consumer whose energy requirements in any month are more than 10 million kilowatthours plus the amount of energy, if any, delivered by Cooperative to residential consumers under billings for the preceding June and received from TVA at the delivery point through which Cooperative would receive the energy for such consumer if it were served by Cooperative. The supply of power by TVA to Cooperative for resale to any consumer which has a supply of 5,000 kilowatts or more of power other than that furnished by Cooperative under said resale rate schedules, and the contract for such resale between Cooperative and such consumer, shall be subject to such special arrangements as TVA may reasonably require. Nothing herein shall be construed as preventing Cooperative and TVA from agreeing upon special arrangements for service to any consumer.

(c) It is recognized that from time to time there may be a consumer served by one party hereto which, because of changed conditions, may become a consumer which the other party is entitled to serve under the provisions of subsection (b) of this section. In any such case the parties hereto, unless otherwise agreed, shall make such arrangements (including making appropriate allowance for any otherwise unrecoverable investment made to serve such consumer) as may be necessary to transfer as soon as practicable such consumer to the party entitled to serve the consumer hereunder and the party originally serving said consumer shall cooperate in every way with the party entitled to serve the consumer in making arrangements for the latter to undertake such

service including, without limitation, releasing the consumer from any then existing power contract from and after the effective date for initiating service under any contract between such consumer and the party entitled to serve it.

(d) Cooperative shall keep TVA informed of any prospective developments affecting any individual load which uses or will use 5,000 kilowatts or more. As soon as practicable after receipt of information from Cooperative regarding the prospective addition of, or increase in, any load of 5,000 kilowatts or larger which Cooperative would be entitled to serve hereunder, TVA shall notify Cooperative of the time schedule upon which the additional power required for such service could be made available to Cooperative at the wholesale rates then in effect hereunder and, upon request, of any terms under which it could supply any power in advance of said schedule. Cooperative shall not take and deliver such additional power for said load in advance of or in amounts larger than specified in said schedule except to the extent that it has made special arrangements with TVA to do so. TVA, by notice in writing to Cooperative, may change the designated amount of 5,000 kilowatts appearing in this subsection (d) to such other amount as TVA deems necessary.

(e) The area limitations in the first three paragraphs of subsection (a) of section 15d of the TVA Act are incorporated herein by reference as fully as though set out herein; and this contract shall not be construed as permitting any arrangement by Cooperative which would be inconsistent with those limitations.

(f) Notwithstanding any other provision of this section, TVA may, as a condition precedent to TVA's obligation to make power available, require Cooperative to provide such assurances of revenue to TVA as in TVA's judgment may be necessary to justify the reservation, alteration, or installation by TVA of additional generation, transmission, or transformation facilities for the purpose of supplying power to Cooperative.

3. Delivery and Receipt of Power. The power to be supplied hereunder shall be delivered at the delivery points designated below and, under normal operating conditions, shall be within commercial limits of 60 hertz and within 3 percent above or below the normal wholesale delivery voltage specified below for each delivery point; provided, however, that any normal wholesale delivery voltage of 46 kV or higher specified below may be changed by TVA from time to time upon notice to Cooperative to a voltage level not more than 5 percent higher or lower than the voltage so specified. Substation transformers with a high-side voltage rating of 46 kV or above will be equipped with taps or other suitable means for adjusting for the changes in normal voltage set forth herein. The operating representatives of the parties may by mutual agreement provide for variations in wholesale delivery voltage other than those provided for herein when in their judgment such variations are necessary or desirable.

<u>Delivery Point</u>	<u>Normal Wholesale Delivery Voltage</u>
Structure No. 141 of the Dale Hollow Hydro-Burkesville 69-kV Line	69,000

<u>Delivery Point</u>	<u>Normal Wholesale Delivery Voltage</u>
69-kV side of the Celina Substation	69,000
69-kV side of the Fountain Run Substation	69,000
69-kV side of the Hartsville Substation	69,000
69-kV side of the Lafayette 161-kV Substation	69,000
69-kV side of the Scottsville Substation	69,000
13-kV side of TVA's Summer Shade 161-kV Substation	13,000
69-kV side of the Tompkinsville Substation	69,000
69-kV side of the Westmoreland Substation	69,000
Terminus of TVA's Summer Shade-Edmonton 69-kV Transmission Line	12,500

It is recognized that load growth and development and the maintenance of high quality service in Cooperative's area may require new delivery points from time to time. Such new delivery points will be established by mutual agreement. In reaching such agreement Cooperative and TVA shall be guided by the policy of providing the most economical of the practical combinations of transmission and distribution facilities, considering all pertinent factors, including any unusual factors applicable to the area involved.

Neither party shall be responsible for installing at any delivery point equipment for the protection of the other's facilities, or for damages to the other's system resulting from the failure of its own protective devices, but each party agrees so to design, construct, and operate its system as not to cause undue hazards to the other's system.

4. Wholesale Rate. Attached hereto and made a part hereof is a "Schedule of Rates and Charges" wherein Cooperative is referred to as "Distributor." Subject to the other provisions of this contract, Cooperative shall pay for the power and energy supplied by TVA in accordance with the provisions of Wholesale Power Rate--Schedule WS.

5. Resale Rates. In distributing electric energy in the area served by Cooperative, the parties agree as follows:

(a) Cooperative agrees that the power purchased hereunder shall be sold and distributed to the ultimate consumer without discrimination among consumers of the same class, and that no discriminatory rate, rebate, or other special concession will be made or given to any consumer, directly or indirectly.

(b) Cooperative agrees to serve consumers, including all municipal and governmental customers and departments, at and in accordance with the rates, charges, and provisions set forth for the several classes thereof in Schedules RS-8, GS-7, and LS of said Schedule of Rates and Charges, and not to depart therefrom except as the parties hereto may agree upon surcharges, special minimum bills, or additional resale schedules for special classes of consumers or special uses of electric energy, and except as provided in subsection (c) next following.

For the purpose of uniform application, within the classes of consumers, of the provisions of the paragraph entitled "Payment" of said resale schedules, Cooperative shall designate in its standard policy a period of not less than 10 days nor more than 20 days after date of the bill during which period the bill is payable as computed by application of the charges for service under the appropriate resale schedule, and shall further designate in said policy the percentage or percentages, if any, not to exceed 10 percent of the bill, computed as above provided, which will be added to the bill as additional charges for payment after the period so designated.

(c) If the rates and charges provided for in said resale schedules do not produce revenues sufficient to provide for the operation and maintenance of the electric system on a self-supporting and financially sound basis, including requirements for interest and principal payments on indebtedness incurred or assumed by Cooperative for the acquisition, extension, or improvement of the electric system (hereinafter called "System Indebtedness"), the parties shall agree upon, and Cooperative shall put into effect promptly, such changes in rates and charges as will provide the increased revenues necessary to place the system upon a self-supporting and financially sound basis. If the rates and charges in effect at any time provide revenues that are more than sufficient for such purposes, as more particularly described in section 6 hereof, the parties shall agree upon a reduction in said rates and charges, and Cooperative shall promptly put such reduced rates and charges into effect.

6. Use of Revenues.

(a) Cooperative agrees to use the gross revenues from electric operations for the following purposes:

(1) Current electric system operating expenses, including salaries, wages, cost of materials and supplies, taxes, power at wholesale, and insurance;

(2) Current payments of interest on System Indebtedness, and the payment of principal amounts, including sinking fund payments, when due; and

(3) From any remaining revenues, reasonable reserves for renewals, replacements, and contingencies; and cash working capital adequate to cover operating expenses for a reasonable number of weeks.

(b) All revenues remaining over and above the requirements described in subsection (a) of this section shall be considered surplus revenues and may be used for new electric system construction or the retirement of System Indebtedness prior to maturity; provided, however, that resale rates and charges shall be reduced from time to time to the lowest practicable levels considering such factors as future circumstances affecting the probable level of earnings, the need or desirability of financing a reasonable share of new construction from such surplus revenues, and fluctuations in debt service requirements.

7. Equal Opportunity. It is the policy of the federal government to provide equal employment opportunity, and in furtherance of that policy, it is the policy of TVA, as an agency of the federal government, to encourage equal employment opportunity in the various aspects of its programs, including the sale and distribution of TVA power. Accordingly, during the term of this power contract:

(a) Cooperative will not discriminate against any employee or applicant for employment with its electric system because of race, color, religion, sex, or national origin. Cooperative will take such affirmative action as is necessary to insure that all applicants are considered for employment and that all employees are treated in all aspects of employment without regard to their race, color, religion, sex, or national origin.

(b) Cooperative will, in all solicitations or advertisements for employees placed by or on behalf of the electric system, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, or national origin.

(c) Cooperative will cooperate and participate with TVA in the development of training and apprenticeship programs which will provide opportunities for applicants and prospective applicants for employment with the electric system to become qualified for such employment, and such cooperation will include access by authorized TVA representatives to its electric system's books, records, and accounts pertaining to training, apprenticeship, recruitment, and employment practices and procedures.

8. Terms and Conditions. Certain additional provisions of this contract are set forth in a "Schedule of Terms and Conditions," which is attached hereto and made a part hereof.

9. Rules and Regulations. Cooperative hereby adopts the "Schedule of Rules and Regulations" attached hereto, in which Cooperative is referred to as "Distributor." Such Rules and Regulations may be amended, supplemented, or repealed by Cooperative at any time upon 30 days' written notice to TVA setting forth the nature of and reason for the proposed change. No change shall be made in said schedule, however, which is in violation of or inconsistent with any of the provisions of this contract.

10. Use of Lines for Transmission Purposes. TVA is hereby granted the privilege of using any electric lines of Cooperative, to the extent of their capacity in excess of the requirements of Cooperative, for the purpose of transmitting electric energy between adjoining portions of TVA's facilities or to other customers of TVA. TVA shall be obligated to pay Cooperative the additional cost, including any additional fixed charges and operating and maintenance costs, imposed on Cooperative by permitting use of its facilities to serve other customers of TVA, and to indemnify and save harmless Cooperative from any damage or injury caused by TVA's exercise of such use.

11. Waiver of Defaults. Any waiver at any time by either party hereto of its rights with respect to any default of the other party or with respect to any other matter arising in connection with this contract shall not be considered a waiver with respect to any subsequent default or matter.

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

13. Restriction of Benefits. No member of or delegate to Congress or resident commissioner or any agent or employee of TVA shall be admitted to any share or part of this contract or to any benefit to arise therefrom. However, nothing contained in this section shall be construed to extend to any corporation if the contract be for the general benefit of such corporation.

14. Termination of Existing Contracts. It is hereby agreed that the power contract dated August 13, 1959, and numbered TV-21448A, as supplemented and amended, between the parties is terminated as of the effective date of this contract; provided, however, that nothing herein contained shall be construed as effecting the termination of (1) Section 3 of Agreement TV-21448A, Supplement No. 9, dated July 15, 1977, between the parties hereto relative to application of a monthly facilities rental credit to billings under Wholesale Power Rate--Schedule WS, (2) Lease and Amendatory Agreement TV-21448A, Supplement No. 12, dated May 24, 1978, relative to the lease by Cooperative of the Scottsville Substation, and (3) Lease and Amendatory Agreement TV-21448A, Supplement No. 13, dated February 8, 1979, relative to the lease by Cooperative of several TVA substations and transmission lines, it being the intention of the parties that said agreements, or portions thereof, shall remain in full force and effect for the term of this contract unless sooner terminated in accordance with specific provisions of each agreement, respectively.

All references in said agreements, or portions thereof, to the power contract dated August 13, 1959, shall be deemed to refer to this contract.

15. Term of Contract. This contract shall become effective as of August 16, 1979, and shall continue in effect for 20 years from said date, subject to termination by either party, effective not earlier than 10 years from said date, on not less than four years' prior written notice. If Cooperative should give notice of termination hereunder, TVA shall be under no obligation from the date of receipt of such notice to make or complete any additions to or changes in any transformation or transmission facilities for service to Cooperative unless Cooperative agrees to reimburse TVA for its nonrecoverable costs in connection with the making or completion of such additions or changes.

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

Attest:

TENNESSEE VALLEY AUTHORITY

(s) Helen S. Drummer
Assistant Secretary

By (s) W. F. Willis
General Manager

Law

Attest:

TRI-COUNTY ELECTRIC
MEMBERSHIP CORPORATION

(s) Lee Hanes
Secretary

By (s) C. S. Hagan
President

Approved by TVA
Board of Directors
August 16, 1979

(s) HSD
Assistant Secretary

SCHEDULE OF TERMS AND CONDITIONS

1. Financial and Accounting Policy. Cooperative agrees to be bound by the following statement of financial and accounting policy:

(a) Except as hereinafter provided, Cooperative shall administer, operate, and maintain its electric system as a separate department in all respects, shall establish and maintain a separate fund for the revenues from electric operations, and shall not directly or indirectly mingle electric system funds or accounts, or otherwise consolidate or combine the financing of the electric system, with those of any other of its operations. The restrictions of this subsection include, but are not limited to, prohibitions against furnishing, advancing, lending, pledging, or otherwise diverting electric system funds, revenues, credit or property to other operations of Cooperative, the purchase or payment of, or providing security for, indebtedness or other obligations applicable to such other operations, and payment of greater than standardized or market prices for property or services from other operations of Cooperative. In the interest of efficiency and economy, Cooperative may use property and personnel jointly for the electric system and other operations, subject to agreement between Cooperative and TVA as to appropriate allocations, based on direction of effort, relative use, or similar standards, of any and all joint investments, salaries and other expenses, funds, or use of property or facilities.

(b) Cooperative shall keep the general books of accounts of the electric system according to the Federal Power Commission Uniform System of Accounts. Cooperative shall allow the duly authorized agents of TVA to have free access at all reasonable times to all books and records relating to electric system operations. TVA may provide advisory accounting service, in reasonable amount, to help assure the proper setting up and administering of such accounts.

(c) Cooperative shall supply TVA not later than August 15 of each year with an annual financial report in such form as may be requested, of electric system transactions for the preceding year ending June 30 and of electric system assets and liabilities as of June 30. Cooperative shall furnish promptly to TVA such monthly operating, statistical, and financial statements relating to electric system operations as may reasonably be requested by TVA. In the event of failure to furnish promptly such statements TVA, following written notification to Cooperative of intention so to do, may with its own staff perform at Cooperative's expense all work necessary to collect such data.

(d) Cooperative shall have the electric system financial statements examined annually by independent certified public accountants in accordance with generally accepted auditing standards and shall publish the financial statements, along with the auditor's certificate, in a newspaper of general circulation in the area. If no such newspaper exists, Cooperative shall furnish each member copies of said statements and certificate.

2. Cooperative's Lines and Equipment. All lines and substations from the point or points of delivery (as defined in section 3 of the contract of which these Terms and Conditions are a part), and all electrical equipment, except metering equipment of TVA, located on Cooperative's side of such point or points of delivery shall be furnished and maintained by Cooperative. Cooperative's electrical facilities shall conform to accepted modern standards. Failure to inspect for or to object to defects in such facilities shall not render TVA liable or responsible for any loss or damage resulting therefrom or from violation of the contract of which these Terms and Conditions are a part, or from accidents which may occur upon Cooperative's premises.

3. Responsibility for Property of the Other Party. All equipment furnished by each party shall be and remain its property. Each party shall exercise proper care to protect any property of the other on its premises, and shall bear the cost of any necessary repairs or replacements arising from its neglect to exercise such proper care. The authorized employees of each party shall have access at all reasonable times to any of its facilities on the other's premises, for such purposes as reading its meters, and testing, repairing, or replacing its equipment.

4. Measurement of Demand, Energy, and Power Factor. TVA will, at its own expense, install and maintain or cause to be installed and maintained the necessary metering equipment for measuring the maximum demand and the amount of energy furnished Cooperative at each point of delivery. If, for economy or convenience, such equipment is located elsewhere than at the point of delivery, the readings shall be adjusted to reflect the quantities delivered at the point of delivery and such adjusted amounts shall be deemed to be the measured amounts for purposes of billing under Wholesale Rate Schedule WS. TVA may also, at its option, provide equipment to determine power factor. Cooperative shall permit the use of its housing facilities, ducts, and supports for TVA's metering equipment.

Cooperative shall have the right at its own expense to install, equip, and maintain check meters in a mutually satisfactory location.

TVA will make periodical tests and inspections of its metering equipment in order to maintain a high standard of accuracy, and will make additional tests or inspections of its metering equipment at the request of Cooperative. Cooperative shall have the right to have representatives present at tests and meter readings. If any test shows that the metering equipment is accurate within two percent no adjustment of past readings will be made and, if the test was requested by Cooperative, the testing charge will be paid by Cooperative; all other tests shall be at TVA's expense. In case any test shows the meter reading to be in error more than two percent, a corresponding adjustment shall be made in Cooperative's bills for any agreed period of error; in the absence of such agreement, the adjustment shall be limited to the current billing period. Should the metering equipment fail, the deliveries will be estimated by TVA from the best information available.

5. Billing. Payment for power and energy used in any monthly period shall become due fifteen days after TVA's meter reading date or seven days after the date of bill from TVA, whichever is later. To any amount remaining unpaid fifteen days after the due date, there shall be added a charge of one percent and an additional one percent shall be added for each succeeding

thirty-day period until the amount is paid in full. Upon failure of Cooperative to pay for the power and energy used in any monthly period within sixty days after due date, TVA shall have the right, upon reasonable notice, to discontinue the supply of power and energy and refuse to resume delivery so long as any part thereof remains unpaid. Discontinuance of supply under this section will not relieve Cooperative of its liability for the agreed minimum monthly payment during the time the supply of energy is so discontinued. All payments shall be made to TVA at its offices at Chattanooga, Tennessee, or at such other place as TVA may from time to time designate. For purposes of billing, the term "month" in Wholesale Power Rate--Schedule WS and the term "monthly period" in this section are defined as the period from the meter reading time in one month to the meter reading time in the next month; provided, however, that with respect to the determination of demand said period shall begin and end at midnight prior to said meter reading times. Subject to such changes in TVA's meter reading scheduling as it deems necessary, meters shall be read on the same day of each month.

6. Adjustment and Change of Wholesale Rate and Resale Rates. The wholesale rate and resale rates provided in sections 4 and 5 of the contract shall be subject to adjustment and change from time to time in accordance with this section in order to assure TVA's ability to continue to supply the power requirements of Cooperative and TVA's other customers on a financially sound basis with due regard for the primary objectives of the TVA Act, including the objective that power shall be sold at rates as low as feasible, and to assure Cooperative's ability to continue to operate on a financially sound basis.

Wholesale power rates and charges shall be sufficient to produce revenue from TVA's wholesale power customers which, together with revenue from its other power customers, will assure TVA's ability each fiscal year to:

(a) meet the requirements of the TVA Act including particularly section 15d(f) thereof which provides in part that:

The Corporation shall charge rates for power which will produce gross revenues sufficient to provide funds for operation, maintenance, and administration of its power system; payments to States and counties in lieu of taxes; debt service on outstanding bonds, including provision and maintenance of reserve funds and other funds established in connection therewith; payments to the Treasury as a return on the appropriation investment pursuant to subsection (e) hereof; payment to the Treasury of the repayment sums specified in subsection (e) hereof; and such additional margin as the Board may consider desirable for investment in power system assets, retirement of outstanding bonds in advance of maturity, additional reduction of appropriation investment, and other purposes connected with the Corporation's power business, having due regard for the primary objectives of the Act, including the objective that power shall be sold at rates as low as are feasible.

and (b) meet all tests and comply with the provisions of TVA's bond resolutions as from time to time adopted and amended in such a manner as to assure its ability to continue to finance and operate its power program at the lowest feasible cost.

Adjustment. TVA will review with Cooperative or its representative, at least 30 days prior to the first day of each of the months of October, January, April, and July pertinent data concerning the current and anticipated conditions and costs affecting TVA's operations and the adequacy of its revenues from both wholesale and other power customers to meet the requirements of the TVA Act and the tests and provisions of its bond resolutions as provided in the second paragraph of this section. At least fifteen days prior to the first day of each of the aforesaid months, TVA will determine what adjustments, if any, are required in the demand and energy charges provided for in the then effective Schedule of Rates and Charges to assure (a) revenues to TVA adequate to meet the requirements of the TVA Act and the tests and provisions of its bond resolutions as provided in the second paragraph of this section and (b) revenues to Cooperative adequate to compensate for changes, if any, in the cost of power to Cooperative resulting from adjustments to Wholesale Power Rate--Schedule WS made under the provisions of this section. Such adjustments as TVA determines are required shall be incorporated by TVA in Adjustment Addendums to Wholesale Power Rate--Schedule WS and to the resale schedules of the Schedule of Rates and Charges, which Adjustment Addendums shall be promptly published by TVA by mailing the same to Cooperative by registered mail and shall be applicable to bills rendered from meter readings taken for TVA and Cooperative billing cycles scheduled to begin on or after the effective date of said Adjustment Addendum; provided that any adjustment determined by TVA to be necessary as hereinbefore provided shall not be conditioned upon or be postponed pending the review provided for in the first sentence of this paragraph or the completion of such review. Cooperative shall pay for power and energy in accordance with Wholesale Power Rate--Schedule WS of the Schedule of Rates and Charges as so adjusted from time to time by any such Adjustment Addendums published by TVA as above provided and shall adjust the charges in the resale schedules of the Schedule of Rates and Charges applicable to its customers in accordance with such Adjustment Addendums and the provisions of such resale schedules.

Change. Whenever any adjustment or adjustments made under the preceding paragraph, or the costs of TVA's service to Cooperative and TVA's other customers, or the costs of Cooperative's service to customers, or any other factors are believed by either party to warrant general or major changes in the Schedule of Rates and Charges, either party or its representative may request that the parties or their representatives meet and endeavor to reach agreement upon such changes. If within 180 days after any request for such changes the representatives of the parties for any reason have not agreed upon such changes, TVA may thereafter, upon not less than 30 days' notice by registered mail in which the basis for each change is set forth, place into effect such changes in the Schedule of Rates and Charges as it determines will enable TVA to carry out the objectives of the TVA Act and meet the requirements and tests and comply with the provisions of its bond resolutions as outlined in the second paragraph of this section and enable Cooperative to continue on a financially sound basis as provided in section 5(c) of the contract and Cooperative shall thereafter pay and charge for power and energy in accordance with the Schedule of Rates and Charges as so changed; provided, however, that unless the parties agree otherwise, any adjustment determined by TVA to be required under the provisions of the preceding paragraph of this section shall become effective without reference to, and shall not be delayed or postponed pending completion of, any actions under this paragraph.

7. Compensation for Additional Tax or in Lieu of Tax Payments. It is recognized that among the costs which the rates specified in Wholesale Power Rate--Schedule WS were designed to cover are annual payments in lieu of taxes by TVA in an aggregate sum equivalent to 5 percent of its gross proceeds from sales of power exclusive of sales to agencies of the Government of the United States. If at any time TVA is compelled by law to pay during any fiscal year ending June 30 taxes and payments in lieu of taxes in an aggregate amount which shall exceed 5 percent of such proceeds, TVA may, if it so elects, increase the billing amounts during the succeeding fiscal year by the number of percentage points (to the nearest 0.1 point) by which said aggregate amount exceeded 5 percent of said proceeds.

8. Interference with Availability or Use of Power. Neither TVA nor Cooperative shall be liable for damages or breach of contract when and to the extent that the availability or use of power, respectively, is interrupted, curtailed, or interfered with or the performance of any other obligation hereunder is prevented by circumstances reasonably beyond the control of the party affected, such as (without limiting the generality of the foregoing) acts of God, strikes, accidents, laws of the United States or any State, regulations or orders of governmental agencies, judicial decrees, inability to obtain or install equipment, lack by TVA of necessary Congressional appropriations or legislative authorizations or other inability of either party to obtain necessary financing. Acts of God shall be deemed to include the effects of drought if the drought is of such severity as to have a probability of occurrence of less than once in 40 years. Each party shall advise the other at the earliest practicable date of any circumstances which are likely to result in the interruption, curtailment, or interference with the performance of any obligation hereunder.

TVA will furnish electric service hereunder continuously so far as reasonable diligence will permit but TVA may interrupt, curtail, or otherwise interfere with service to Cooperative hereunder in the course of installation, operation, or maintenance of TVA's facilities, or for the purpose of safeguarding life or property, or otherwise, and in such event shall not be liable for damages or breach of contract. TVA, as far as reasonably possible, shall avoid such interruption, curtailment, or interference for routine operating purposes or repairs, and shall give such prior notice of those it deems necessary as may be reasonable under the circumstances.

9. Additional Load. The transmission system, transformers, meters and equipment used for delivery of power to Cooperative have limited capacity and unless otherwise agreed no addition shall be made to Cooperative's load which would result in a total load at any delivery point in excess of the maximum available from the then existing facilities at said delivery point.

10. Voltage and Load Fluctuations Caused by Cooperative. Electric service must not be used in such a manner as to cause unusual fluctuations or disturbances on TVA's system. TVA may require Cooperative at its own expense to install suitable apparatus to reasonably limit such fluctuations or disturbances.

11. Balancing of Loads. Cooperative shall take and use power in such manner that the current on the most heavily loaded phase shall not exceed the current on either of the other phases by more than 20 percent. In the event that any check indicates a greater unbalance between phases, Cooperative agrees to make at its expense, upon request, the changes necessary to correct the unbalanced condition. If said unbalanced condition is not corrected by Cooperative within 60 days, or such longer period as may be agreed upon, TVA may thereafter elect to meter the load on individual phases and to compute the billing demand as being equal to three times the maximum kilowatt load on any phase. For all purposes hereunder, the load on any phase shall be the load measured by a wattmeter connected with the current coil in that phase wire and the potential coil connected between that phase wire and the neutral voltage point.

12. Notice of Trouble. Cooperative shall notify TVA immediately should the service be unsatisfactory for any reason or should there be any defects, trouble, or accidents affecting the supply of electricity. Such notices, if oral, should be confirmed in writing.

13. Submetering. Cooperative shall not sell electricity for submetering or resale.

14. Conflict. In case of conflict between any express provision of the body of this contract or any provision of the Schedule of Rates and Charges and these Terms and Conditions, the former shall govern.

15. Section Headings. The section headings in this contract are only for convenience of reference and are not a part of the contract between the parties.

SCHEDULE OF RULES AND REGULATIONS

1. Application for Service. Each prospective Customer desiring electric service may be required to sign Distributor's standard form of application for service or contract before service is supplied by the Distributor.

2. Deposit. A deposit or suitable guarantee approximately equal to twice the average monthly bill may be required of any Customer before electric service is supplied. Distributor may at its option return deposit to Customer after one year. Upon termination of service, deposit may be applied by Distributor against unpaid bills of Customer, and if any balance remains after such application is made, said balance shall be refunded to Customer.

3. Point of Delivery. The point of delivery is the point, as designated by Distributor, on Customer's premises where current is to be delivered to building or premises. All wiring and equipment beyond this point of delivery shall be provided and maintained by Customer at no expense to Distributor.

4. Customer's Wiring--Standards. All wiring of Customer must conform to Distributor's requirements and accepted modern standards, as exemplified by the requirements of the National Electrical Safety Code and the National Electrical Code.

5. Inspections. Distributor shall have the right, but shall not be obligated, to inspect any installation before electricity is introduced or at any later time, and reserves the right to reject any wiring or appliances not in accordance with Distributor's standards; but such inspection or failure to inspect or reject shall not render Distributor liable or responsible for any loss or damage resulting from defects in the installation, wiring, or appliances, or from violation of Distributor's rules, or from accidents which may occur upon Customer's premises.

6. Underground Service Lines. Customers desiring underground service lines from Distributor's overhead system must bear the excess cost incident thereto. Specifications and terms for such construction will be furnished by Distributor on request.

7. Customer's Responsibility for Distributor's Property. All meters, service connections, and other equipment furnished by Distributor shall be, and remain, the property of Distributor. Customer shall provide a space for and exercise proper care to protect the property of Distributor on its premises, and, in the event of loss or damage to Distributor's property arising from neglect of Customer to care for same, the cost of the necessary repairs or replacements shall be paid by Customer.

8. Right of Access. Distributor's identified employees shall have access to Customer's premises at all reasonable times for the purpose of

reading meters, testing, repairing, removing, or exchanging any or all equipment belonging to Distributor.

9. Billing. Bills will be rendered monthly and shall be paid at the office of Distributor or at other locations designated by Distributor. Failure to receive bill will not release Customer from payment obligation. Should bills not be paid by due date specified on bill, Distributor may at any time thereafter, upon five (5) days' written notice to Customer, discontinue service. Bills paid after due date specified on bill may be subject to additional charges. Should the due date of bill fall on a Sunday or holiday, the business day next following the due date will be held as a day of grace for delivery of payment. Remittances received by mail after the due date will not be subject to such additional charges if the incoming envelope bears United States Postal Service date stamp of the due date or any date prior thereto.

10. Discontinuance of Service by Distributor. Distributor may refuse to connect or may discontinue service for the violation of any of its Rules and Regulations, or for violation of any of the provisions of the Schedule of Rates and Charges, or of the application of Customer or contract with Customer. Distributor may discontinue service to Customer for the theft of current or the appearance of current theft devices on the premises of Customer. The discontinuance of service by Distributor for any causes as stated in this rule does not release Customer from his obligation to Distributor for the payment of minimum bills as specified in application of Customer or contract with Customer.

11. Connection, Reconnection, and Disconnection Charges. Distributor may establish and collect standard charges to cover the reasonable average cost, including administration, of connecting or reconnecting service, or disconnecting service as provided above. Higher charges may be established and collected when connections and reconnections are performed after normal office hours, or when special circumstances warrant.

12. Termination of Contract by Customer. Customers who have fulfilled their contract terms and wish to discontinue service must give at least three (3) days' written notice to that effect, unless contract specifies otherwise. Notice to discontinue service prior to expiration of contract term will not relieve Customer from any minimum or guaranteed payment under any contract or rate.

13. Service Charges for Temporary Service. Customers requiring electric service on a temporary basis may be required by Distributor to pay all costs for connection and disconnection incidental to the supplying and removing of service. This rule applies to circuses, carnivals, fairs, temporary construction, and the like.

14. Interruption of Service. Distributor will use reasonable diligence in supplying current, but shall not be liable for breach of contract in the event of, or for loss, injury, or damage to persons or property resulting from, interruptions in service, excessive or inadequate voltage, single-phasing, or otherwise unsatisfactory service, whether or not caused by negligence.

15. Shortage of Electricity. In the event of an emergency or other condition causing a shortage in the amount of electricity for Distributor to meet the demand on its system, Distributor may, by an allocation method deemed equitable by Distributor, fix the amount of electricity to be made available for use by Customer and/or may otherwise restrict the time during which Customer may make use of electricity and the uses which Customer may make of electricity. If such actions become necessary, Customer may request a variance because of unusual circumstances including matters adversely affecting the public health, safety and welfare. If Customer fails to comply with such allocation or restriction, Distributor may take such remedial actions as it deems appropriate under the circumstances including temporarily disconnecting electric service and charging additional amounts because of the excess use of electricity. The provisions of the Section entitled Interruption of Service of this Schedule of Rules and Regulations are applicable to any such allocation or restriction.

16. Voltage Fluctuations Caused by Customer. Electric service must not be used in such a manner as to cause unusual fluctuations or disturbances to Distributor's system. Distributor may require Customer, at his own expense, to install suitable apparatus which will reasonably limit such fluctuations.

17. Additional Load. The service connection, transformers, meters, and equipment supplied by Distributor for each Customer have definite capacity, and no addition to the equipment or load connected thereto will be allowed except by consent of Distributor. Failure to give notice of additions or changes in load, and to obtain Distributor's consent for same, shall render Customer liable for any damage to any of Distributor's lines or equipment caused by the additional or changed installation.

18. Standby and Resale Service. All purchased electric service (other than emergency or standby service) used on the premises of Customer shall be supplied exclusively by Distributor, and Customer shall not, directly or indirectly, sell, sublet, assign, or otherwise dispose of the electric service or any part thereof.

19. Notice of Trouble. Customer shall notify Distributor immediately should the service be unsatisfactory for any reason, or should there be any defects, trouble, or accidents affecting the supply of electricity. Such notices, if verbal, should be confirmed in writing.

20. Non-Standard Service. Customer shall pay the cost of any special installation necessary to meet his peculiar requirements for service at other than standard voltages, or for the supply of closer voltage regulation than required by standard practice.

21. Meter Tests. Distributor will, at its own expense, make periodical tests and inspections of its meters in order to maintain a high standard of accuracy. Distributor will make additional tests or inspections of its meters at the request of Customer. If tests made at Customer's request show that the meter is accurate within two percent (2%), slow or fast, no adjustment will be made in Customer's bill, and Distributor's standard testing

charge will be paid by Customer. In case the test shows meter to be in excess of two percent (2%) fast or slow, an adjustment shall be made in Customer's bill over a period of not over thirty (30) days prior to date of such test, and cost of making test shall be borne by Distributor.

22. Relocation of Outdoor Lighting Facilities. Distributor shall, at the request of Customer, relocate or change existing Distributor-owned equipment. Customer shall reimburse Distributor for such changes at actual cost including appropriate overheads.

23. Billing Adjusted to Standard Periods. The demand charges and the blocks in the energy charges set forth in the rate schedules are based on billing periods of approximately one month. In the case of the first billing of new accounts (temporary service, cotton gins, and other seasonal customers excepted) and final billings of all accounts (temporary service excepted) where the period covered by the billing involves fractions of a month, the demand charges and the blocks of the energy charge will be adjusted to a basis proportionate with the period of time during which service is extended.

24. Home Energy Conservation Surveys. All customers of Distributor receiving service under the residential rate schedule are eligible for a free energy conservation survey of their home. As part of such survey information covering efficient utilization of electric energy will be made available, including a wide variety of specific recommendations as to the materials and equipment that would provide effective weatherization and thereby yield the greatest energy savings for the customer. Customers will also be furnished a list of private contractors in their area which install various types of energy-saving materials and equipment, and instructional material concerning the self-installation of such materials and equipment.

25. Home Insulation Program. Customers of Distributor receiving service under the residential rate schedule and who heat or cool their homes with electricity or who are converting so as to heat or cool their homes with electricity, are eligible to participate in the home insulation program being conducted by Distributor and TVA. If the home energy conservation survey for such customers indicates home weatherization measures such as storm windows, insulated doors, caulking and weatherstripping of doors and windows, and the installation of attic insulation are cost effective, Distributor will, as part of providing electric service to residential customers, arrange to make available funds provided by TVA to accomplish said measures at customers' dwellings; provided, however, that such financing will not be available for customers who only cool with electricity or who are converting so as to cool with electricity, for storm windows and floor insulation. Participants will be required to enter into a standard form agreement under which the funds furnished to accomplish said measures will be repaid to Distributor in a lump sum payment, or by monthly payments, at no additional charge, extending for a period of up to seven years. The monthly repayment amount due for this service will be included as part of the electric bill rendered by Distributor, to which bills the provisions of the section entitled "Billing" of this Schedule of Rules and Regulations are applicable; provided, however, that said monthly amount shall not be subject to additional charges for past-due payment.

26. Scope. This Schedule of Rules and Regulations is a part of all contracts for receiving electric service from Distributor, and applies to all service received from Distributor, whether the service is based upon contract, agreement, signed application, or otherwise. A copy of this schedule, together with a copy of Distributor's Schedule of Rates and Charges, shall be kept open to inspection at the offices of Distributor.

27. Revisions. These Rules and Regulations may be revised, amended, supplemented, or otherwise changed from time to time, without notice. Such changes, when effective, shall have the same force as the present Rules and Regulations.

28. Conflict. In case of conflict between any provision of any rate schedule and the Schedule of Rules and Regulations, the rate schedule shall apply.

TENNESSEE VALLEY AUTHORITY
SCHEDULE OF RATES AND CHARGES

WHOLESALE POWER RATE--SCHEDULE WS
(October 1976)

Availability

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

Base Charges

Delivery Point Charge: \$1,500 per delivery point per month
Demand Charge: \$1.81 per kilowatt of demand per month
Energy Charge: 0.950 cent per kilowatthour per month as increased or decreased in accordance with Appendix I to the Schedule of Rates and Charges

Adjustments

1. Distributor's bill for each month 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 adding to the bill 10 cents per kW and 0.02 cent per kWh for power and energy resold by Distributor in the preceding month to any consumer which has a billing demand of more than 10,000 kW or which uses more than 5 million kWh (herein referred to as a large load), except that such adjustment shall not apply to any portion of a large load up to the following respective amounts: 10,000 kW plus an amount (not to exceed 20,000 kW) equal to that portion of Distributor's demand at the TVA delivery point from which such large load is served by Distributor which is in excess of the sum of the billing demands of all large loads served by Distributor from that delivery point; 5 million kWh plus an amount (not to exceed 15 million kWh) equal to that portion of Distributor's purchases of energy at the TVA delivery point from which such large load is served by Distributor which is in excess of the energy resold to all large loads served by Distributor from that delivery point.

Determination of Demand

The demand for any month shall be the highest average during any 60-consecutive-minute period of the month of (a) the load measured in kilowatts or (b) 85 percent of the load in kVA plus 10 percent of the excess over 5,000 kVA of the maximum kVA demand for the month for each individual consumer, whichever is the higher.

Facilities Rental

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 Distributor's bill a facilities rental charge. This charge shall be 20 cents per kW per month, except for delivery at voltages below 46 kV, in which case the charge shall be 55 cents per kW per month for the first 10,000 kW and 30 cents per kW per month for the excess over 10,000 kW. Such charge shall be applied to the highest billing demand established at each delivery point during the latest 12-consecutive-month period and shall be in addition to all other charges under this rate schedule including minimum bill charges.

Minimum Bill

The monthly bill, exclusive of Adjustment 2, shall not be less than the higher of (1) the base delivery point charge or (2) 70 percent of the highest billing demand established during the previous 36 months multiplied by the base demand charge (adjusted for the portion of the current Adjustment Addendum applicable to the Distributor's billing demand as provided in Adjustment 1 above). At Distributor's request, in lieu of such minimum bill being applied individually in the case of two or more delivery points through each of which less than half of the energy taken by Distributor is resold to lighting and power consumers with demands of 50 kW or more, the minimum bill, exclusive of Adjustment 2, for any month for such delivery points, considered together, shall instead be an amount equal to the sum of the minimum bills which would otherwise have been applicable to such delivery points for such month; provided, however, that a special minimum bill shall be applied for any delivery point through which more than 75 percent of the energy taken by Distributor is resold to lighting and power consumers with demands of 50 kW or more.

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 Distributor 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 under this rate schedule.

RESIDENTIAL RATE—SCHEDULE RS-8
(October 1976)

Availability

This rate shall apply only to electric service to a single family dwelling and its appurtenances, 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. Any such dwelling in which space is occasionally used for the conduct of business by a person residing therein may be served under this rate. Where a portion of a dwelling is used regularly for the conduct of business, the electricity consumed in that portion so used shall be separately metered and billed under the General Power Rate; if separate circuits are not provided by the customer, service to the entire premises shall be billed under the General Power Rate.

Character of Service

Alternating current, single-phase, 60 hertz. Voltage supplied shall be at the discretion of Distributor and shall be determined by the voltage available from distribution lines in the vicinity and/or other conditions. Multi-phase service shall be supplied in accordance with Distributor's standard policy.

Base Charges

Customer Charge: \$2.30 per delivery point per month

Energy Charge:

First 500 kilowatthours per month at 2.147 cents per kilowatthour*
Additional " " " " 1.757 " " kilowatthour*

*as increased or decreased in accordance with Appendix I to the Schedule of Rates and Charges

Adjustment

The customer's bill for each month shall be increased or decreased in accordance with the current Adjustment Addendum published by TVA.

Minimum Monthly Bill

The customer charge 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. 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 under this rate schedule.

Service is subject to Rules and Regulations of Distributor.

GENERAL POWER RATE--SCHEDULE GS-7
(October 1976)

Availability

This rate shall apply to the firm power requirements for electric service to commercial, industrial, and governmental customers; institutional customers including, without limitation, churches, clubs, fraternities, orphanages, nursing homes, rooming or boarding houses, and like customers; and other customers except those to whom service is available under other resale rate schedules.

Character of Service

Alternating current, single or three-phase, 60 hertz. Under A below power shall be delivered at a voltage available in the vicinity or agreed to by Distributor. Under B below 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

- A. If the customer's demand for the month and its contract demand, if any, are each 5,000 kilowatts or less:

Customer Charge: \$3.45 per delivery point per month

Demand Charge:

First 50 kilowatts of demand per month, no demand charge
Next 50 kilowatts of demand per month, at \$2.05 per kilowatt
Excess over 100 kilowatts of demand per month, at \$2.20 per kilowatt

Energy Charge:

First 500 kilowatthours per month	at 3.063 cents per kWh*
Next 14,500 " " " "	2.283 " " kWh*
Next 25,000 " " " "	1.387 " " kWh*
Next 60,000 " " " "	1.177 " " kWh*
Next 400,000 " " " "	1.077 " " kWh*
Additional " " " "	1.037 " " kWh*

*as increased or decreased in accordance with Appendix I to the Schedule of Rates and Charges

- B. If either the customer's demand for the month or its contract demand is greater than 5,000 kilowatts:

Customer Charge: \$1,000 per delivery point per month

Demand Charge: \$1.91 per kilowatt of demand per month

Additional charge for any demand in excess of customer's contract demand: \$1.91 per kilowatt per month

Energy Charge: 0.993 cent per kilowatthour per month as increased or decreased in accordance with Appendix I to the Schedule of Rates and Charges

Facilities Rental Charge Applicable Under B Above

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 20 cents per kW per month except for delivery at voltages below 46 kV, in which case the charge shall be 55 cents per kW per month for the first 10,000 kW and 30 cents per kW per month for the excess over 10,000 kW. Such charge shall be applied to the customer's currently effective contract demand and shall be in addition to all other charges under this rate schedule including minimum bill charges.

Adjustment

The customer's bill for each month shall be increased or decreased in accordance with the current Adjustment Addendum published by TVA.

Determination of Demand

Distributor shall measure the demands in kilowatts of all customers having loads in excess of 50 kilowatts. The 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 measured in kilowatts 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 amount shall be used as the billing demand except that, under B above, the billing demand for any month shall in no case be less than the sum of (1) 40 percent of the first 5,000 kilowatts, (2) 70 percent of the next 45,000 kilowatts, and (3) 90 percent of all kilowatts in excess of 50,000 kilowatts 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 A above shall not be less than the higher of (1) the base customer charge or (2) 70 percent of the base demand charge (adjusted for the portion of the current Adjustment Addendum applicable to the customer's billing demand as provided in Adjustment above) applied to the higher of (a) the currently effective contract demand or (b) the highest demand established during the preceding 12 months.

The monthly bill under B above shall not be less than the base demand charge (adjusted in accordance with the portion of the current Adjustment Addendum applicable to the customer's billing demand as provided in Adjustment above) applied to the higher of (a) the currently effective contract demand or (b) the highest 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 1,500 kilowatts and shall pay the above charges plus 10 percent of the bill computed after any adjustments are applied. For such customers the minimum monthly bill provided for above shall not apply. Instead, such customers shall pay a minimum monthly bill of \$5.00 so long as service is connected; shall pay a minimum annual bill which shall in no case be less than (a) 3 cents per kilowatthour of the maximum monthly consumption for customers whose demand does not exceed 50 kilowatts or (b) \$10.00 per kilowatt of the maximum demand established for customers whose demand is over 50 kilowatts; and shall pay in addition the actual cost of connections and disconnections in excess of one of each per-year.

Contract Requirement

Distributor may require contracts for all service provided under this rate schedule. Customers whose demand exceeds 50 kilowatts shall be required to execute contracts for an initial term of at least one year. If the customer requires in excess of 5,000 kilowatts, the contract shall be for an initial term of at least five years, and any renewal or extension of the initial contract shall also be for a term of at least five years. The customer shall contract for its maximum requirements 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 modification, replacement, or adjustment from time to time upon agreement 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 under this rate schedule.

Service is subject to Rules and Regulations of Distributor.

OUTDOOR LIGHTING RATE--SCHEDULE LS
(October 1976)

Availability

Available for service to street and park lighting systems, traffic signal systems, athletic field lighting installations (during prescribed use-period), and outdoor lighting for individual customers.

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

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

- I. Energy Charge: 1.984 cents per kilowatthour as increased or decreased in accordance with Appendix I to the Schedule of Rates and Charges

Adjustment

The customer's bill for each month shall be increased or decreased in accordance with the current Adjustment Addendum published by TVA.

- II. Investment Charge

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

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

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

- III. Replacement of Lamps and Related Glassware - Street and park lighting.

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

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

Metering

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

Use-Period For Athletic Field Lighting

Service to athletic field lighting installations under this rate schedule shall not commence earlier than 7 p.m., except that the customer may be permitted to use up to 10 percent (not to exceed 10 kilowatts) of the total installed lighting capacity prior to commencement of such period. In the event the customer fails to restrict service in accordance with these requirements, it shall be billed under the General Power Rate.

Revenue and Cost Review

Distributor's costs of providing service under Part A of this rate schedule are subject to review at any time and from time to time to determine if Distributor's revenues from the charges being applied are sufficient to cover said costs. If any such review discloses that revenues are either less or more than sufficient to cover said costs, Distributor shall revise the above investment charges so that revenues will be sufficient to cover said costs. Any such revision of the annual investment charge provided for first above in Section II of Part A of this rate schedule shall be by agreement between Distributor and TVA.

PART B—CHARGES FOR OUTDOOR LIGHTING FOR INDIVIDUAL CUSTOMERS

Charge Per Fixture

<u>Type of Fixture</u>	<u>Lamp Size (Watts)</u>	<u>Base Monthly Charge</u>
Mercury Vapor or Incandescent*	175	\$ 3.00
	250	3.50
	400	4.75
	700	7.75
	1,000	10.00
High Pressure Sodium	100	3.50
	150	3.75
	250	5.00
	400	6.50
	1,000	14.00

*Incandescent fixtures not offered for new service.

The above charges in this Part B are limited to service from a photoelectrically controlled standard street lighting fixture installed on a pole already in place. If the customer wishes to have the fixture installed at a location other than on a pole already in place, Distributor may apply a monthly charge not to exceed \$2.00 per pole for additional poles required to serve the fixture from Distributor's nearest available source. Distributor may uniformly adjust the above base monthly charges up or down by an amount not to exceed \$1.00.

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

Lamp Replacements

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

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.

Service is subject to Rules and Regulations of Distributor.

COPY

TVA Agreement

#52337

Supplements

Via Laura Kirby

Laura's PC/W/My Documents/TVA/Index for Supplements TVA Agreement 52337

**TVA Contracts – Agreement TV - 52337
Index**

#1	November 29, 1979	Retail Rate Change Agreement
#2	February 2, 1981	Interim Alternative Outdoor Lighting Rate Schedule
#3	September 23, 1981	Retail Rate Change Agreement
#4	November 24, 1981	Power Contract to change the language Covering the frequency of rate reviews
#5 and #6	June 13, 1983 June 13, 1983	1983 Rate Change Agreement Amending Letter Agreement
#7	October 1986	Application of the dwelling-only Provision of the hydro allocation Adjustment
#8	August 1, 1986	1986 Rate Change
#9	July 2, 1986	Uniform application by distributors of The KY Utility gross receipts license Tax for schools
#10	August 1, 1986	Transition of code 23 Accounts
#11	July 9, 1986	Service4 to Arbone Luggage Co., Inc. at Hartsville Nuclear Plant site
#12	December 8, 1986	To modify a section of the Schedule of Terms and conditions on the Financial and Accounting Policy
#13	May 1, 1987	Delivery at TVA's Summer Shade 161 kv Substation
#14	December 21, 1987	Substitute Adjustment Addendum
#15	December 17, 1987	Mueller Brass Company and Lamsteel Corp at Nuclear Plant site
#16	October 31, 1988	re Texas Eastern
#17	March 1, 1989	Amending Wholesale Power contract
#18	October 5, 1988	Oberon Resources Corp.

#19	May 4, 1989	Scottsville Substation
#20	May 5, 1989	Coincidence Factor Credit
#21 And	October 1, 1989 March 20, 1991	Growth Credit Extending through 1995
#22	September 1, 1990	Revisions in the Industrial Service Policy
#23	November 28, 1990	Revisions to the Growth Credit Program
#24 AND	May 8, 1991 June 7, 1991	Schedule A-1R Deleting Breaker 694
#25	February 13, 1992	General Electric Economy Surplus
#26	February 12, 1992	Training – “Where the Rubber Meets The Road”
#27	May 1992	Rate Change Agreement
#28	May 1, 1992	RE: Public Education and Manufacturing Account
#29	May 1, 1992	Implementation of Low-Density Credit Program
#30	October 14, 1992	Revenue Metering Arrangements at the Moss 69-kV Substation
#31	September 1994	Trial Billing Arrangement for Wholesale Billing Payments to TVA
#32		Public Educational Institutions and Manufacturing Industries Credit
#33		Arrangements for Conversion of Westmoreland
#34		Arrangements for Conversion of Hartsville
#35		Estimated Monthly Payments
#36		Texas Eastern Transmission Corporation
#37		Large Manufacturer Bill Credit Program
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#39		Enhanced Growth Credit Program
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#48		Covering Elimination of 40-cent Surcharge
#49		Resale Rate Schedule Substitution
#50		West Tompkinsville Substation To Texas Eastern
#51		Five Plus Five
#52		Large Manufacturer Bill Credit
#53	December 10, 1998 (Also see #64)	Energy Right Small Commercial <u>Pilot</u> Program
#54		Wholesale Power Rate (revisions in determining reactive power billing)
#55		Forward Supported Power (FSP)
#56		Industrial Service Policy Agreement
#57		Texas Eastern Transmission Corporation
#58		Wholesale Energy to Market Test
#59		Electronic Payment
#60		Wholesale Energy to Market Agreement

#61		Energy Right ®
#62		Loss Factor Percent Change
#63		Enhanced Security Deposit
#64	October 1, 2001 (Reference #53)	Extension of the Energy Right Small Commercial Pilot Program
#65		Outdoor Lighting
#66	Dated August 8, 2002	Resale Rate Schedule Substitution Agreement
#67	Dated July 13, 2003	Variable Price Interruptible – A. O. Smith Electrical Products Company
#68	Dated October 1, 2003	Enhanced Growth Credit
#69	Dated October 1, 2003	Small Manufacturing Bill Credit
#70	Dated October 1, 2003	Resale Rate Substitution Agreement and Enhanced Growth Credit Program
	January 12, 2004	General Power Rate – Schedule GSA (October 2003)
#71	December 13, 2004	FPI (Flat Price Interruptible Power)
#72	March 18, 2005	Bill of Sale and Agreement covering arrangements for TVA to purchase the Scottsville-South Scottsville 161kV Section for TVA transmission system needs and for TCEMC to continue to use the same
#73	September 19, 2005	Resale Rate Schedule Substitution Agreement
#74	October 26, 2005	Green Power Switch Agreement
#75	March 23, 2006	Statement on Auditing Standards No. 70 (SAS 70)
	April 1, 2006	Adjustment Addendum to Schedule of Rates
#76	July 2006	TVA's "Terms and Conditions" (New Metering

Installation)

#77	October 6, 2006	Resale Rate Schedule Substitution Agreement
#78	October 1, 2006	Fuel Cost Adjustment Agreement
#79	March 13, 2007	New Delivery Point Agreement for East Sumner 161-kV Substation
#80	December 1, 2007	Enhanced Growth NCL Amendment 2007 Agreement
#81	March 2008	Statement on Auditing Standards No. 70 (SAS 70)
#82	February 2009	Statement on Auditing Standards (as above)
#83	July 1, 2010	Kingsford Manufacturing Co. – 5 MR
#84		Kingsford Manufacturing Co. – VII Participation Agreement (see Tammy)
#85	July 1, 2010	Resale Rate Schedule Substitution Agreement
#86	September 16, 2010	Valley Investment Initiative Participation Agreement/TVA-TCEMC – Sumitomo
#87	September 2010	6.5% to 5.0% Loss Factor
#88	August 30, 2010	Executed SDE/TD HUD Fall Pilot Agreement
#89	February 11, 2011 Eff. 03/01/2011)	ESDP (Enhanced Security Deposit Program) Agreement Amended
#90	_____	Project to Modify Power Supply Facilities
#91	February 24, 2011	Rate Change Agreement
#92	_____	Outdoor Lighting Rate
#93	_____	Delivery Point Arrangements at the Burkesville Substation
#94	July 13, 2012	J. M. Smucker – TCEMC - TVA
#95	June 19, 2012	New K-v Metering Installation at Summer Shade, KY 161kV Substation

#96	July 1, 2012	Resale Rate Schedule – Substitution Agreement
#97	August 2012	Green Power Providers (GPP) Program Agreement
#98	July 26, 2012	Amending Power Contract
#99	September 7, 2012	Valley Investment – TC - Sumitomo
#100	February 1, 2013	Resale Rate Schedule Substitution Agreement
#101	_____	_____
#102	_____	_____

1150

TENNESSEE VALLEY AUTHORITY

1719 West End Building
Nashville, Tennessee 37203

March 25, 1980

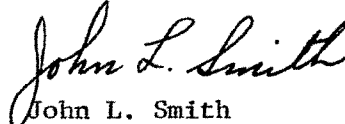
Mr. Paul T. Lee, General Manager
Tri-County Electric Membership Corp.
Lafayette, Tennessee 37083

Dear Mr. Lee:

We are enclosing for your files one fully executed copy of
Retail Rate Change Agreement TV-52337A, Supplement No. 1,
dated November 29, 1979.

Very truly yours,

TENNESSEE VALLEY AUTHORITY



John L. Smith
District Manager
Office of Power

Enclosure

November 29, 1979

RETAIL RATE CHANGE AGREEMENT

between **TENNESSEE VALLEY AUTHORITY** and

TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION
(hereinafter called "Distributor")

Distributor hereby requests the Tennessee Valley Authority to approve the substitution of the new rate schedules specified in (a) below, copies of which are attached hereto and are made a part hereof, for the rate schedules specified in (b) below, which are now in effect under provisions of the Power Contract dated July 18, 1979, between the Tennessee Valley Authority and Distributor. This substitution is to be effective for bills rendered from meter readings made on and after January 1, 1980.

(a) New rate schedules:

Residential Rate, Schedule RS-7

(b) Existing rate schedules:

Residential Rate, Schedule RS-8

It is understood that, upon execution of this Retail Rate Change Agreement by Distributor and the Tennessee Valley Authority, all references in said Power Contract to any or all of the existing rate schedules specified in (b) above, or to any predecessor schedules, shall be deemed to refer to the appropriate new rate schedules specified in (a) above.

Rate change requested as of the date first above written.

**TRI-COUNTY ELECTRIC
MEMBERSHIP CORPORATION**

By *C. J. Logan*
(Title) **President**

Rate change agreed to as of the date first above written.

TENNESSEE VALLEY AUTHORITY

By *Robert O. Davis*
Director of Power Utilization

RESIDENTIAL RATE--SCHEDULE RS-7
(October 1976)

Availability

This rate shall apply only to electric service to a single family dwelling and its appurtenances, 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. Any such dwelling in which space is occasionally used for the conduct of business by a person residing therein may be served under this rate. Where a portion of a dwelling is used regularly for the conduct of business, the electricity consumed in that portion so used shall be separately metered and billed under the General Power Rate; if separate circuits are not provided by the customer, service to the entire premises shall be billed under the General Power Rate.

Character of Service

Alternating current, single-phase, 60 hertz. Voltage supplied shall be at the discretion of Distributor and shall be determined by the voltage available from distribution lines in the vicinity and/or other conditions. Multi-phase service shall be supplied in accordance with Distributor's standard policy.

Base Charges

Customer Charge: \$2.45 per delivery point per month

Energy Charge:

First 500 kilowatthours per month at 2.297 cents per kilowatthour*
Additional " " " " 1.777 " " kilowatthour*

*as increased or decreased in accordance with Appendix I to the Schedule of Rates and Charges

Adjustment

The customer's bill for each month shall be increased or decreased in accordance with the current Adjustment Addendum published by TVA.

Minimum Monthly Bill

The customer charge 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. 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 under this rate schedule.

Service is subject to Rules and Regulations of Distributor.

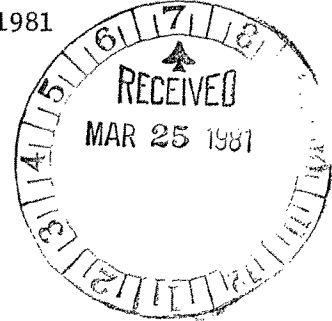
TENNESSEE VALLEY AUTHORITY

1719 West End Building
Nashville, Tennessee 37203

TV-52337A

Supp. 2

March 24, 1981



Mr. Paul T. Lee, General Manager
Tri-County Electric Membership Corporation
Lafayette, Tennessee 37083

Dear Mr. Lee:

We are enclosing for your files one fully executed copy of the agreement covering adoption of interim alternative outdoor lighting rate schedule.

Very truly yours,

TENNESSEE VALLEY AUTHORITY

John L. Smith

John L. Smith
District Manager
Office of Power

Enclosure

December 23, 1980

Mr. R. C. Crawford
Director of Energy Use
and Distributor Relations
Tennessee Valley Authority
Chattanooga, Tennessee 37401

TV-52337A
Supp. 2

Dear Mr. Crawford:

Representatives of the Tennessee Valley Authority (hereinafter called "TVA")
and the Tri-County Electric Membership Corporation

(hereinafter called "Distributor") having informally agreed that certain
changes in Distributor's outdoor lighting rate schedule are justified and
advisable, Distributor hereby requests that TVA approve the substitution of
the attached Outdoor Lighting Rate, Schedule LSI, for Schedule LS
of the Schedule of Rates and Charges attached to and made a part of the Power
Contract dated July 18, 1979, between TVA and Distributor. This
change will be effective as of February 2, 1981.

It is understood that, upon execution of this letter agreement by TVA and
Distributor, all references in said Power Contract to Outdoor Lighting Rate,
Schedule LS, shall be deemed to refer to the attached Schedule LSI.

Very truly yours,

TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION

By C. S. Hagan
(Title) President

Change in rate schedule approved

this 23 day of February, 1981.

TENNESSEE VALLEY AUTHORITY

By R. C. Crawford
Director of Energy Use
and Distributor Relations

W030177

OUTDOOR LIGHTING RATE--SCHEDULE LSI
(November 1980)

Availability

Available for service to street and park lighting systems, traffic signal systems, athletic field lighting installations (during prescribed use-period), and outdoor lighting for individual customers.

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

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

I. Energy Charge: 1.984 cents per kilowatthour

Adjustment

The customer's bill for each month shall be increased or decreased in accordance with the current Adjustment Addendum published by TVA.

II. Investment Charge

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

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

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

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

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

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

Metering

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

Use-Period for Athletic Field Lighting

Service to athletic field lighting installations under this rate schedule shall not commence earlier than 7 p.m., except that the customer may be permitted to use up to 10 percent (not to exceed 10 kilowatts) of the total installed lighting capacity prior to commencement of such period. In the event the customer fails to restrict service in accordance with these requirements, it shall be billed under the General Power Rate.

Revenue and Cost Review

Distributor's costs of providing service under Part A of this rate schedule are subject to review at any time and from time to time to determine if Distributor's revenues from the charges being applied are sufficient to cover said costs. If any such review discloses that revenues are either less or more than sufficient to cover said costs, Distributor shall revise the above investment charges so that revenues will be sufficient to cover said costs. Any such revision of the annual investment charge provided for first above in Section II of Part A of this rate schedule shall be by agreement between Distributor and TVA.

PART B--CHARGES FOR OUTDOOR LIGHTING FOR INDIVIDUAL CUSTOMERS

Charges Per Fixture

(a) <u>Type of Fixture</u>	<u>Lamp Size</u>		<u>Rated kWh</u>	<u>Facility Charge</u>
	<u>(Watts)</u>	<u>(Lumens)</u>		
Mercury Vapor or Incandescent*	175	7,650	77	\$ 2.42
	250	10,400	108	2.87
	400	19,100	171	3.64
	700	33,600	293	4.90
	1,000	47,500	416	6.24
High Pressure Sodium	100	8,550	46	3.69
	150	14,400	69	3.79
	250	23,000	116	4.36
	400	45,000	181	5.17
	1,000	126,000	424	8.27
Low Pressure Sodium	55	7,650	35	3.47
	90	12,750	58	5.77
	135	22,000	83	7.60
	180	33,000	102	8.63

(b) Energy Charge: 2.797 cents per rated kWh for each lamp size under (a) above

*Incandescent fixtures not offered for new service.

Adjustment

The Facility Charges shown above may be uniformly adjusted by Distributor by an amount not to exceed the greater of \$1 or 20 percent of said charges.

The Energy Charge shown above shall be increased or decreased in accordance with any then current Adjustment Addendum published by TVA subsequent to the Adjustment Addendum that became effective October 2, 1980.

Additional Facilities

The above charges in this Part B are limited to service from a photoelectrically controlled standard lighting fixture installed on a pole already in place. If the customer wishes to have the fixture installed at a location other than on a pole already in place, Distributor may apply an additional monthly charge not to exceed \$3 per pole for additional poles required to serve the fixture from Distributor's nearest available source.

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

If Distributor wishes to make additional lamp sizes and/or types of fixtures available to individual customers under this Part B, appropriate rated kWh values and Facility Charges will be established.

Lamp Replacements

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

Payment

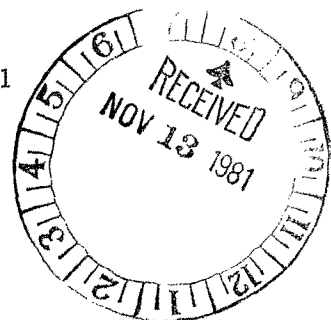
Bills under this rate schedule will be rendered monthly. Any amount of bill unpaid after due date specified on bill may be subject to additional charges under Distributor's standard policy.

Service is subject to Rules and Regulations of Distributor.

TENNESSEE VALLEY AUTHORITY

1719 West End Building
Nashville, Tennessee 37203

November 12, 1981



Mr. Paul T. Lee, General Manager
Tri-County Electric Membership Corporation
Lafayette, Tennessee 37083

Dear Mr. Lee:

We are enclosing for your files one fully executed copy of
Retail Rate Change Agreement TV-52337A, Supplement No. 3,
dated September 23, 1981.

Very truly yours,

TENNESSEE VALLEY AUTHORITY

Glen Burgess
G. Glen Burgess
District Manager
Office of Power

Enclosure

September 23, 19 81

RETAIL RATE CHANGE AGREEMENT

TV-52337A

Supp. #3

between TENNESSEE VALLEY AUTHORITY and

TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION
(hereinafter called "Distributor")

Distributor hereby requests the Tennessee Valley Authority to approve the substitution of the new rate schedules specified in (a) below, copies of which are attached hereto and are made a part hereof, for the rate schedules specified in (b) below, which are now in effect under provisions of the Power Contract dated July 18, 19 79, between the Tennessee Valley Authority and Distributor. This substitution is to be effective for bills rendered from meter readings made on and after October 1, 19 81.

(a) New rate schedules:

~~Residential Rate—Schedule RS-6~~
~~General Power Rate—Schedule GS-6~~

(b) Existing rate schedules:

~~Residential Rate—Schedule RS-7~~
~~General Power Rate—Schedule GS-7~~

It is understood that, upon execution of this Retail Rate Change Agreement by Distributor and the Tennessee Valley Authority, all references in said Power Contract to any or all of the existing rate schedules specified in (b) above, or to any predecessor schedules, shall be deemed to refer to the appropriate new rate schedules specified in (a) above.

Rate change requested as of the date first above written.

TRI-COUNTY ELECTRIC
MEMBERSHIP CORPORATION

By C. J. Hagan
(Title) **President**

Rate change agreed to as of the date first above written.

TENNESSEE VALLEY AUTHORITY

By A. C. [Signature]
Director of Energy Use
and Distributor Relations

W060380

RESIDENTIAL RATE--SCHEDULE RS-6
(October 1976)

Availability

This rate shall apply only to electric service to a single family dwelling and its appurtenances, 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. Any such dwelling in which space is occasionally used for the conduct of business by a person residing therein may be served under this rate. Where a portion of a dwelling is used regularly for the conduct of business, the electricity consumed in that portion so used shall be separately metered and billed under the General Power Rate; if separate circuits are not provided by the customer, service to the entire premises shall be billed under the General Power Rate.

Character of Service

Alternating current, single-phase, 60 hertz. Voltage supplied shall be at the discretion of Distributor and shall be determined by the voltage available from distribution lines in the vicinity and/or other conditions. Multi-phase service shall be supplied in accordance with Distributor's standard policy.

Base Charges

Customer Charge: \$2.60 per delivery point per month

Energy Charge:

First 500 kilowatthours per month at 2.447 cents per kilowatthour*
Additional " " " " 1.797 " " kilowatthour*

*as increased or decreased in accordance with Appendix I to the Schedule of Rates and Charges

Adjustment

The customer's bill for each month shall be increased or decreased in accordance with the current Adjustment Addendum published by TVA.

Minimum Monthly Bill

The customer charge 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. 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 under this rate schedule.

Service is subject to Rules and Regulations of Distributor

GENERAL POWER RATE--SCHEDULE GS-6
(October 1976)

Availability

This rate shall apply to the firm power requirements for electric service to commercial, industrial, and governmental customers; institutional customers including, without limitation, churches, clubs, fraternities, orphanages, nursing homes, rooming or boarding houses, and like customers; and other customers except those to whom service is available under other resale rate schedules.

Character of Service

Alternating current, single or three-phase, 60 hertz. Under A below power shall be delivered at a voltage available in the vicinity or agreed to by Distributor. Under B below 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

- A. If the customer's demand for the month and its contract demand, if any, are each 5,000 kilowatts or less:

Customer Charge: \$3.60 per delivery point per month

Demand Charge:

First 50 kilowatts of demand per month, no demand charge
Next 50 kilowatts of demand per month, at \$2.10 per kilowatt
Excess over 100 kilowatts of demand per month, at \$2.20 per kilowatt

Energy Charge:

First 500 kilowatthours per month	at	3.243	cents per kWh*
Next 14,500	"	"	"
Next 25,000	"	"	"
Next 60,000	"	"	"
Next 400,000	"	"	"
Additional	"	"	"

*as increased or decreased in accordance with Appendix I to the Schedule of Rates and Charges

- B. If either the customer's demand for the month or its contract demand is greater than 5,000 kilowatts:

Customer Charge: \$1,000 per delivery point per month

Demand Charge: \$1.91 per kilowatt of demand per month

Additional charge for any demand in excess of customer's contract demand: \$1.91 per kilowatt per month

Energy Charge: 0.993 cent per kilowatthour per month as increased or decreased in accordance with Appendix I to the Schedule of Rates and Charges

Facilities Rental Charge Applicable Under B Above

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 20 cents per kW per month except for delivery at voltages below 46 kV, in which case the charge shall be 55 cents per kW per month for the first 10,000 kW and 30 cents per kW per month for the excess over 10,000 kW. Such charge shall be applied to the customer's currently effective contract demand and shall be in addition to all other charges under this rate schedule including minimum bill charges.

Adjustment

The customer's bill for each month shall be increased or decreased in accordance with the current Adjustment Addendum published by TVA.

Determination of Demand

Distributor shall measure the demands in kilowatts of all customers having loads in excess of 50 kilowatts. The 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 measured in kilowatts 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 amount shall be used as the billing demand except that, under B above, the billing demand for any month shall in no case be less than the sum of (1) 40 percent of the first 5,000 kilowatts, (2) 70 percent of the next 45,000 kilowatts, and (3) 90 percent of all kilowatts in excess of 50,000 kilowatts 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 A above shall not be less than the higher of (1) the base customer charge or (2) 70 percent of the base demand charge (adjusted for the portion of the current Adjustment Addendum applicable to the customer's billing demand as provided in Adjustment above) applied to the higher of (a) the currently effective contract demand or (b) the highest demand established during the preceding 12 months.

The monthly bill under B above shall not be less than the base demand charge (adjusted in accordance with the portion of the current Adjustment Addendum applicable to the customer's billing demand as provided in Adjustment above) applied to the higher of (a) the currently effective contract demand or (b) the highest 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 1,500 kilowatts and shall pay the above charges plus 10 percent of the bill computed after any adjustments are applied. For such customers the minimum monthly bill provided for above shall not apply. Instead, such customers shall pay a minimum monthly bill of \$5.00 so long as service is connected; shall pay a minimum annual bill which shall in no case be less than (a) 3 cents per kilowatt-hour of the maximum monthly consumption for customers whose demand does not exceed 50 kilowatts or (b) \$10.00 per kilowatt of the maximum demand established for customers whose demand is over 50 kilowatts; and shall pay in addition the actual cost of connections and disconnections in excess of one of each year.

Contract Requirement

Distributor may require contracts for all service provided under this rate schedule. Customers whose demand exceeds 50 kilowatts shall be required to execute contracts for an initial term of at least one year. If the customer requires in excess of 5,000 kilowatts, the contract shall be for an initial term of at least five years, and any renewal or extension of the initial contract shall also be for a term of at least five years. The customer shall contract for its maximum requirements 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 modification, replacement, or adjustment from time to time upon agreement 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

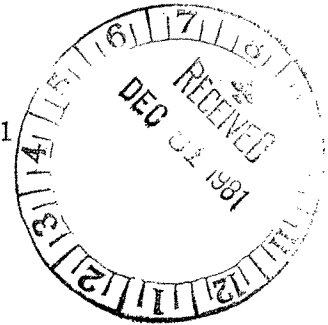
The charges under this rate schedule are based upon the supply of service through a single delivery and metering point, and at a single voltage. If service is supplied to the same customer through more than one point of delivery or at different voltages, the supply of service at each delivery and metering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

Service is subject to Rules and Regulations of Distributor.

TENNESSEE VALLEY AUTHORITY

1719 West End Building
Nashville, Tennessee 37203

December 30, 1981



Mr. Paul T. Lee, General Manager
Tri-County Electric Membership
Corporation
Lafayette, Tennessee 37083

Dear Mr. Lee:

We are enclosing for your files one fully executed copy of Agreement TV-52337A, Supplement No. 4, dated November 24, 1981, to amend the power contract to change the language covering the frequency of rate reviews.

Very truly yours,

TENNESSEE VALLEY AUTHORITY

A handwritten signature in cursive script that reads "Glen Burgess".

G. Glen Burgess
District Manager
Office of Power

Enclosure

AGREEMENT
Between
TENNESSEE VALLEY AUTHORITY
And

TV-52337A
Supp. #4

TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION

THIS AGREEMENT, made and entered into as of the 24 day of November, 1981, by and between TENNESSEE VALLEY AUTHORITY (hereinafter called "TVA"), a corporation created and existing under and by virtue of the Tennessee Valley Authority Act of 1933, as amended (hereinafter called "TVA Act"), and TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION (hereinafter called "Cooperative"), a cooperative corporation duly created, organized, and existing under and by virtue of the laws of the State of Tennessee;

W I T N E S S E T H:

WHEREAS, Cooperative and TVA have heretofore entered into a contract dated July 18, 1979 (which contract as amended and supplemented is hereinafter called the "Power Contract"), under which electric power and energy are supplied by TVA at wholesale and purchased by Cooperative for resale; and

WHEREAS, the parties wish to amend the Schedule of Terms and Conditions attached to and made a part of the Power Contract;

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

1. The Section entitled "Adjustment and Change of Wholesale Rate and Resale Rates" of the Schedule of Terms and Conditions attached to and made a part of the Power Contract is hereby amended by deleting the first two sentences of the paragraph therein entitled "Adjustment" and inserting in lieu thereof the following:

TVA may review with Cooperative or its representative, at least 30 days prior to the first day of any of the months of October, January, April, or July pertinent data concerning the current and anticipated conditions and costs affecting TVA's operations and the adequacy of its revenues from both wholesale and other power customers to meet the requirements of the TVA Act and the tests and provisions of its bond resolutions as provided in the second paragraph of this section; provided, however, that at least one such review shall be conducted each fiscal year; and provided further, that no adjustment shall be made as hereinafter provided in this paragraph unless such a review has been conducted within the 120 days preceding the effective date of such adjustment. Following any such review TVA, at

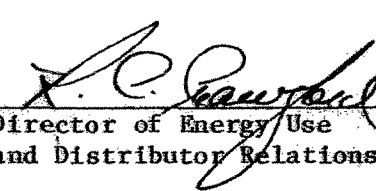
least 15 days prior to the first day of whichever of the aforesaid months follows next, will determine what adjustments, if any, are required in the demand and energy charges provided for in the then effective Schedule of Rates and Charges to assure (a) revenues to TVA adequate to meet the requirements of the TVA Act and the tests and provisions of its bond resolutions as provided in the second paragraph of this section and (b) revenues to Cooperative adequate to compensate for changes, if any, in the cost of power to Cooperative resulting from adjustments to Wholesale Power Rate—Schedule WS made under the provisions of this section.

2. This agreement shall become effective as of the date first above written, and shall continue in effect until the expiration of the Power Contract. The Power Contract as supplemented and amended by this agreement is hereby ratified and confirmed as the continuing obligation of the parties.

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

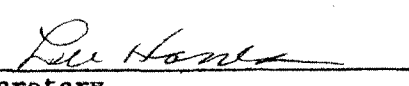
TENNESSEE VALLEY AUTHORITY

By

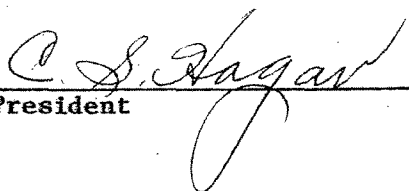

Director of Energy Use
and Distributor Relations

TRI-COUNTY ELECTRIC
MEMBERSHIP CORPORATION

Attest:


Secretary

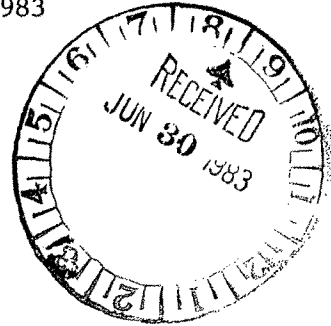
By


President

TENNESSEE VALLEY AUTHORITY

1719 West End Building
Nashville, Tennessee 37203

June 29, 1983



File

Mr. Charles S. Mayhew, General Manager
Tri-County Electric Membership Corporation
P. O. Box 40
Lafayette, Tennessee 37083

Dear Mr. Mayhew:

We are enclosing for your files one fully executed copy of the 1983 Rate Change Agreement TV-52337A, Supplement No. 5, along with the Amending Letter Agreement TV-52337A, Supplement No. 6, both dated June 13, 1983.

Very truly yours,

TENNESSEE VALLEY AUTHORITY

G. Glen Burgess
District Manager
Office of Power

Enclosures

AGREEMENT
Between
TENNESSEE VALLEY AUTHORITY
And

TV-52337A
Sup. 5

TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION

THIS AGREEMENT, made and entered into as of the 13 day of June, 1983, by and between TENNESSEE VALLEY AUTHORITY (hereinafter called "TVA"), a corporation created and existing under and by virtue of the Tennessee Valley Authority Act of 1933, as amended (hereinafter called "TVA Act"), and TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION (hereinafter called "Distributor"), a cooperative corporation duly created, organized, and existing under and by virtue of the laws of the State of Tennessee;

W I T N E S S E T H:

WHEREAS, Distributor and TVA have heretofore entered into a contract dated July 18, 1979 (which contract as heretofore amended and supplemented is hereinafter called the "Power Contract"), under which electric power and energy are supplied by TVA at wholesale and purchased by Distributor for resale; and

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

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

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

1. The Schedule of Rates and Charges attached to and made a part of the Power Contract contains a wholesale rate schedule therein designated Schedule WS (hereinafter referred to as the "existing wholesale schedule") and certain resale rate schedules therein designated as Schedules RS-6, CS-6, and LSI (hereinafter referred to as the "existing resale schedules"). A substitute wholesale schedule, designated Schedule WP (July 1983) (hereinafter referred to as the "changed wholesale schedule"), and substitute resale schedules, designated Schedules (July 1983) RP-M, GP-M, and LP (hereinafter referred to as the "changed resale schedules"), are attached hereto. Also attached hereto and made a part of the Schedule of Rates and Charges is a new resale schedule, designated Schedule TGP (July 1983), under which the customer may elect to take service in accord with the provisions thereof and applicable requirements of Distributor. The existing wholesale schedule and the existing resale

schedules shall remain in full force and effect for all bills rendered from meter readings taken for TVA and Distributor monthly billing cycles scheduled to begin before July 2, 1983. The changed wholesale schedule, the changed resale schedules and the new resale schedule shall become effective in accordance with the provisions thereof for bills rendered from meter readings taken for TVA and Distributor monthly billing cycles scheduled to begin on or after said date. (For purposes of this agreement and of the Power Contract, a billing cycle for any month is defined as the complete cycle of meter readings from which an accounting month's sales statistics and revenues are derived.) Commencing with the first application of each of the changed wholesale and resale schedules, all references in the Power Contract to an existing schedule shall be deemed to refer to the corresponding changed schedule; the existing schedule shall be deleted from the Power Contract; and the corresponding changed schedule shall be substituted therefor.

2. For billing periods covered by Distributor billing cycles scheduled to begin on or after July 2, 1983, Distributor shall provide electric service to all customers only at and in accordance with the rates, charges, and provisions of the appropriate changed or new resale schedule and the provisions of the Power Contract as supplemented and amended by this agreement, except to the extent that Distributor is prevented from doing so by the provisions of any contracts with its customers which are now in effect and which cannot be modified to permit the application of such changed resale schedule. If any existing contract between Distributor and a customer cannot be modified to provide for application of the appropriate changed resale schedule in accordance with section 1 hereof, Distributor shall terminate said contract at the earliest date permitted thereunder and shall negotiate new arrangements providing for the application of the appropriate changed or new resale schedule.

3. Section 5 of the Schedule of Terms and Conditions attached to and made a part of the Power Contract is hereby amended to read as follows:

5. Billing. Payment for power and energy used in any monthly period shall become due 15 days after TVA's meter reading date or 7 days after the date of bill from TVA, whichever is later. To any amount remaining unpaid 15 days after the due date, there shall be added a charge equal to the sum of (1) \$150 and (2) an amount calculated in the following manner: the average of the interest rates payable on TVA's short-term borrowings (having maturities of less than one year) made during the calendar month preceding the month of the date of bill is to be applied on a daily basis to the unpaid portion of the bill for each day of the period from and after the due date to and including the date of payment in full. (In the event that TVA made no short-term borrowings during such preceding calendar month, the amount used in making the calculation shall be the average effective interest rate on 91-day United States Treasury bills (based on the average of the closing bid and asked prices) during

such preceding calendar month, plus 1/8 of one percent.) TVA will prepare and send to Cooperative appropriate invoices for such added charge, which shall be due and payable upon receipt. Upon failure of Cooperative to pay for the power and energy used in any monthly period within 60 days after due date, TVA shall have the right, upon reasonable notice, to discontinue the supply of power and energy and refuse to resume delivery so long as any part thereof remains unpaid. Discontinuance of supply under this section will not relieve Cooperative of its liability for the agreed minimum monthly payment during the time the supply of energy is so discontinued.

TVA shall allow Cooperative an early payment credit (to be applied on its subsequent monthly bill) for any month for which Cooperative makes payment to TVA for power and energy use in time for TVA to receive and deposit such payment on or before the due date. The amount of the early payment credit shall be arrived at by applying for each day of the 15-day period following the due date the average of the interest rates used in calculating the amount in (2) above to the amount of such early payment.

All payments shall be made to TVA at its offices at Chattanooga, Tennessee, or at such other place as TVA may from time to time designate. For purposes of billing, the term "month" in Wholesale Power Rate--Schedule WP and the term "monthly period" in this section are defined as the period from the meter reading time in one month to the meter reading time in the next month; provided, however, that with respect to the determination of billing demand said period shall begin and end at midnight prior to said meter reading times. Subject to such changes in TVA's meter reading scheduling as it deems necessary, meters shall be read on the same day of each month.

4. Except as otherwise specifically provided herein, this agreement shall become effective as of the date first above written and shall continue in effect until the expiration of the Power Contract. The Power Contract as supplemented and amended by this agreement is hereby ratified and confirmed as the continuing obligation of the parties.

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

TENNESSEE VALLEY AUTHORITY

By L. C. Dawford
Director of Energy Use
and Distributor Relations

TRI-COUNTY ELECTRIC
MEMBERSHIP CORPORATION

Attest: .

Lee Horn
(Title) Secretary

C. S. Hagan
(Title) President

TENNESSEE VALLEY AUTHORITY
SCHEDULE OF RATES AND CHARGES

WHOLESALE POWER RATE--SCHEDULE WP
(July 1983)

Availability

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

	<u>Base Charges*</u>	
	<u>Standard</u>	<u>Time-of-Day</u>
Delivery Point Charge:	\$1,500 per delivery point per month	\$1,500 per delivery point per month
Demand Charge:	\$7.56 per kW of billing demand per month	\$7.56 per kW per month of onpeak billing demand \$3.94 per kW per month for each kW, if any, by which offpeak billing demand exceeds onpeak billing demand
Energy Charge:	2.496 cents per kWh per month	2.707 cents per kWh per month for all onpeak kWh 2.372 cents per kWh per month for all offpeak kWh

*Application of Standard and Time-of-Day Base Charges:

Power and energy taken hereunder shall be billed under the Standard Base Charges above except that, for any delivery point through which any power and energy is taken by Distributor for resale to one or more customers under the Time-of-Day General Power Rate Schedule, the Time-of-Day Base Charges specified above shall be applied to the portion of the power and energy so taken for such resale; provided, however, that Distributor's bill shall be adjusted to reflect diversity, if any, between the billing demand of each such customer and the billing demand of Distributor at such delivery point. The remaining power and energy, if any, taken at that delivery point shall be billed under the Standard Base Charges (the base delivery point charge shall be applied only once to a delivery point).

The onpeak billing demand and the offpeak billing demand for any month shall be determined as is the billing demand under the Determination of Demand section of this rate schedule except that (1) in determining the onpeak billing demand the calculations under that section shall be applied only to the onpeak hours during that month as designated below and (2) in determining the offpeak billing demand the calculations under that section shall be applied only to the offpeak hours during that month as designated below.

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 10:00 a.m. to 10:00 p.m. during the calendar months of May through September and from 6:00 a.m. to 12:00 noon and from 4:00 p.m. to 10:00 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.

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 adding to the bill 0 cents per kW and 0.000 cent per kWh for power and energy resold by Distributor in the preceding month to any customer of Distributor which has a billing demand of more than 10,000 kW or which uses more than 5 million kWh (herein referred to as a large load), except that such adjustment shall not apply to any portion of a large load up to the following respective amounts: 10,000 kW plus an amount (not to exceed 20,000 kW) equal to that portion of Distributor's demand at the TVA delivery point from which such large load is served by Distributor which is in excess of the sum of the billing demands of all large loads served by Distributor from that delivery point; 5 million kWh plus an amount (not to exceed 15 million kWh) equal to that portion of Distributor's purchases of energy at the TVA delivery point from which such large load is served by Distributor which is in excess of the energy resold to all large loads served by Distributor from that delivery point. Such amounts in cents per kW and in cent per kWh may be increased or decreased by TVA, effective with the effective date of any Adjustment Addendum published by TVA, to compensate for a change in the differential between the base demand and energy charges, as adjusted, under this rate schedule and under the resale rate schedules applicable to large loads, when such change arises out of application of Adjustment Addendums.

3. In any case in which a minimum bill is applicable to a customer of Distributor under part B of the General Power Rate Schedule or under the Time-of-Day General Power Rate Schedule, Distributor's bill under this rate schedule shall be adjusted by adding thereto for each such customer 75 percent of the amount by which such applicable minimum bill exceeds an amount computed by applying the appropriate base charges, as adjusted, under part B of the General Power Rate Schedule or under the Time-of-Day General Power Rate Schedule to the measured demand and energy taken by

such customer. Such 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 measured 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.

If a customer of Distributor fails to pay any minimum bill obligations arising under part B of the General Power Rate Schedule or under the Time-of-Day General Power Rate Schedule, Distributor shall promptly so notify TVA in writing. Within 90 days after the date on which a customer becomes past due in making payment on any such minimum bill obligations, Distributor, after consultation with TVA, shall institute litigation to enforce payment of the minimum bill obligations. To the extent determined by TVA to be appropriate TVA will assist Distributor in such efforts. Upon failure of Distributor to do so, TVA may institute such litigation in the name of Distributor, or in the name of TVA, or in the name of both, and any actions taken by TVA in connection with such litigation shall be binding on Distributor.

For all bills rendered under this rate schedule after the initiation of any such litigation, the amounts applicable under this Adjustment 3 as a result of service to a customer being sued shall continue to accrue but shall not become payable by Distributor until collections are being made from the customer. If all legal remedies are pursued and less than full recovery is realized, Distributor's payment obligations to TVA on the amounts which accrued under this Adjustment 3 after the initiation of litigation shall be limited to 75 percent of the amount recovered from the customer. Notwithstanding any other provision of this Adjustment 3, in the event litigation was brought by TVA under the preceding paragraph, unless otherwise agreed by TVA and Distributor, all costs (including personnel costs of attorneys and all other employees engaged in the prosecution of such litigation) incurred by TVA in its collection efforts shall be reimbursed to TVA from the portion of any amounts recovered that Distributor would otherwise be entitled to receive or retain.

4. Distributor's bill for each month shall be adjusted by applying the net of the following calculation: (1) subtract 0.656 cent per kWh for one-twelfth of the sum of (a) the energy annually resold by Distributor under the initial block (the first 2,000 kWh per month) of the base energy charge of the Residential Rate Schedule and (b) the energy annually resold by Distributor under the Time-of-Day Residential Rate Schedule, exclusive of any energy resold to any customer thereunder in any month in excess of 2,000 kWh; (2) subtract 4.00 dollars per customer for each residential customer served by Distributor; (3) add 0.517 cent per kWh for one-twelfth of the energy annually resold by Distributor under part A of the General Power Rate Schedule and under the Outdoor Lighting Rate Schedule; and (4) add 0.131 cent per kWh for one-twelfth of the energy annually resold by Distributor under part B of the General Power Rate Schedule and under the Time-of-Day General Power Rate Schedule. The adjustment applied under the preceding sentence (hereinafter referred to as the "Hydro Allocation Adjustment") shall remain constant for 12 consecutive months from October 2 of each year; provided, however, that the respective amounts in cent per kWh or dollars per customer to be applied in (1), (2), (3), and (4) above may be increased or decreased by TVA, effective with the effective date of any Adjustment Addendum published by TVA, to appropriately reflect changes in the unit value of the hydro generation benefits allocated to residential customers, and in such event the Hydro Allocation Adjustment shall be recomputed and applied accordingly.

Effective October 2 of each year 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 applicable annual energy amounts under (1), (3), and (4) above, and the number of residential customers being served by Distributor at the end of such 12-month period shall be the number of residential customers used in the calculation under (2) above. For annual periods ending June 30, 1985 and thereafter, the resold energy amounts used in the calculations under (1) above and the number of residential customers used in the calculations under (2) above shall be determined only from customer accounts which include service to a single family dwelling; separately metered and billed service to appurtenances, structures or facilities shall not be included even if billed by Distributor under the Residential Rate Schedule or Time-of-Day Residential Rate Schedule.

Determination of Demand

The billing demand for any month shall be the highest average during any 60-consecutive-minute period of the month of (a) the load measured in kW or (b) 85 percent of the load in kVA plus 10 percent of the excess over 5,000 kVA of the maximum kVA demand for the month for each individual customer of Distributor, whichever is the higher.

Facilities Rental

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 Distributor's bill a facilities rental charge. This charge shall be 33 cents per kW per month, except for delivery at voltages below 46 kV, in which case the charge shall be 87 cents per kW per month for the first 10,000 kW and 68 cents per kW per month for the excess over 10,000 kW. For each delivery point, such charge shall be applied to the higher of (1) the highest billing demand established at the delivery point during the latest 12-consecutive-month period or (2) the sum of the currently effective contract demands for all customers which are served by Distributor under part B of the General Power Rate Schedule and under the Time-of-Day General Power Rate Schedule with power and energy taken from such point. Such 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.

Minimum Bill

The monthly bill, exclusive of Adjustments 2 and 4 and any applicable facilities rental charges, shall not be less than the higher of (1) the base delivery point charge or (2) 70 percent of the highest billing demand established during the previous 36 months multiplied by the base demand charge, as adjusted. At Distributor's request, in lieu of such minimum bill being applied individually in the case of two or more delivery points through each of which less than half of the energy taken by Distributor is resold to general power customers with demands of 50 kW or more, the minimum bill, exclusive of Adjustments 2 and 4 and any applicable facilities rental charges, for any month for such delivery points, considered together, shall instead be an amount equal to the sum of the minimum bills which would otherwise have been applicable to such delivery points for such month; provided, however, that a special minimum bill may be applied for any delivery point through which more than 75 percent of the energy taken by Distributor is resold to general power customers with demands of 50 kW or more.

Single-Point Delivery

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

RESIDENTIAL RATE--SCHEDULE RP-M
(July 1983)

Availability

This rate shall apply only to electric service to a single family dwelling and its appurtenances, 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. Any such dwelling in which space is occasionally used for the conduct of business by a person residing therein may be served under this rate. Where a portion of a dwelling is used regularly for the conduct of business, the electricity consumed in that portion so used shall be separately metered and billed under the General Power Rate Schedule; if separate circuits are not provided by the customer, service to the entire premises shall be billed under the General Power Rate Schedule.

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. Multi-phase service shall be supplied in accordance with Distributor's standard policy.

Base Charges

Customer Charge: \$3.65 per month

Energy Charge: First 2,000 kWh per month at 4.632 cents per kWh
Additional " " " " 5.288 " " kWh

Adjustment

The base energy charge shall be increased or decreased in accordance with the current Adjustment Addendum published by TVA.

Minimum Monthly Bill

The base customer charge 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.

GENERAL POWER RATE--SCHEDULE GP-M
(July 1983)

Availability

This rate shall apply to the firm power requirements for electric service to commercial, industrial, and governmental customers; institutional customers including, without limitation, churches, clubs, fraternities, orphanages, nursing homes, rooming or boarding houses, and like customers; and other customers except those to whom service is available under other resale rate schedules.

Character of Service

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

A. If the customer's billing demand for the month and its contract demand, if any, are each 5,000 kW or less:

Customer Charge: \$8.65 per delivery point per month

Demand Charge: First 50 kW of billing demand per month, no demand charge
Next 50 kW of billing demand per month, at \$6.12 per kW
Excess over 100 kW of billing demand per month, at \$6.32 per kW

Energy Charge: First 15,000 kWh per month at 5.494 cents per kWh
Next 85,000 " " " " 3.869 " " kWh
Next 400,000 " " " " 3.111 " " kWh
Additional " " " " 3.094 " " kWh

B. If either the customer's billing demand for the month or its contract demand is greater than 5,000 kW:

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

Demand Charge: \$7.56 per kW of billing demand per month, plus an additional
\$7.56 per kW per month for each kW, if any, by which customer's billing demand exceeds
its contract demand

Energy Charge: 2.703 cents 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.

Facilities Rental Charge Applicable Under B Above

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 33 cents per kW per month except for delivery at voltages below 46 kV, in which case the charge shall be 87 cents per kW per month for the first 10,000 kW and 68 cents 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. 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.

Determination of Demand

Distributor shall measure the demands in kW of all customers having loads in excess of 50 kW. The 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 measured 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 amount shall be used as the billing demand except that, under B above, the billing demand for any month shall in no case be less than the sum of (1) 40 percent of the first 5,000 kW, (2) 70 percent of the next 45,000 kW, and (3) 90 percent of all kW in excess of 50,000 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 A above shall not be less than the higher of (1) the base customer charge or (2) 70 percent of the base demand charge, as adjusted, applied to the higher of (a) the currently effective contract demand or (b) the highest billing demand established during the preceding 12 months.

The monthly bill under B above, excluding any facilities rental charges, shall not be less than the sum of (1) the base customer charge and (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 higher of (a) the currently effective contract demand or (b) the 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 1,500 kW and shall pay the above charges plus 10 percent of the bill computed after any adjustments are applied. For such customers the minimum monthly bill provided for above shall not apply. Instead, such customers shall pay a minimum monthly bill of \$9.55 so long as service is connected; shall pay a minimum annual bill which shall in no case be less than (a) 10.50 cents per kWh of the maximum monthly consumption for customers whose billing demand does not exceed 50 kW or (b) 26.00 dollars per kW of the maximum billing demand established for customers whose billing demand is over 50 kW. Such amounts in cents per kWh and dollars per kW may be increased or decreased by TVA, effective with the effective date of any Adjustment Addendum published by TVA, to reflect increases or decreases in the demand and energy charges in part A of this rate schedule.

Distributor may require minimum bills higher than those stated above.

Contract Requirement

Distributor may require contracts for all 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 one year. If the customer's demand requirements are in excess of 5,000 kW, the contract shall be for an initial term of at least five years and any renewal or extension of the initial contract shall also be for a term of at least five years. [If the customer's demand requirements are in excess of 15,000 kW, the contract shall be for an initial term of at least ten years and any renewal or extension of the initial contract shall be for a term of at least five years.] The customer shall contract for its maximum requirements 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 modification, change, or replacement from time to time upon agreement between Distributor and TVA.

Payment

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

Single-Point Delivery

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

Service is subject to Rules and Regulations of Distributor.

OUTDOOR LIGHTING RATE--SCHEDULE LP
(July 1983)

Availability

Available for service to street and park lighting systems, traffic signal systems, athletic field lighting installations (during prescribed use-period), and outdoor lighting for individual customers.

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

Payment

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

Adjustment

The energy charge in Part A and Part B of this rate schedule shall be increased or decreased in accordance with the current Adjustment Addendum published by TVA.

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

I. Energy Charge: 4.019 cents per kWh per month

II. Investment Charge

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

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

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

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

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

A. Distributor shall bill the customer monthly for such replacements during each month at Distributor's cost of materials, including appropriate storeroom expense.

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

Metering

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

Use-Period for Athletic Field Lighting

Service to athletic field lighting installations under this rate schedule shall not commence earlier than 7 p.m., except that the customer may be permitted to use up to 10 percent (not to exceed 10 kW) of the total installed lighting capacity prior to commencement of such period. In the event the customer fails to restrict service in accordance with these requirements, it shall be billed under the General Power Rate Schedule.

Revenue and Cost Review

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

PART B--CHARGES FOR OUTDOOR LIGHTING FOR INDIVIDUAL CUSTOMERS

Charges Per Fixture Per Month

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

*Mercury vapor and incandescent fixtures not offered for new service.

(b) Energy Charge: For each lamp size under (a) above, 4.019 cents per rated kWh per month.

Adjustment of Facility Charges

Each Facility Charge shown above may be adjusted by Distributor by an amount not to exceed the greater of \$1 or 20 percent of said charge.

Additional Facilities

The above charges in this Part B are limited to service from a photoelectrically controlled standard lighting fixture installed on a pole already in place. If the customer wishes to have the fixture installed at a location other than on a pole already in place, Distributor may apply an additional monthly charge not to exceed \$3 per pole for additional poles required to serve the fixture from Distributor's nearest available source.

If Distributor wishes to make additional lamp sizes and/or types of fixtures available to individual customers under this Part B, appropriate rated kWh values and Facility Charges will be established by TVA.

Lamp Replacements

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

Special Outdoor Lighting Installations

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

Service is subject to Rules and Regulations of Distributor.

TIME-OF-DAY GENERAL POWER RATE--SCHEDULE TGP
(July 1983)

Availability

This rate shall be available for the firm power requirements of any customer with a firm contract demand greater than 5,000 kW provided customer enters into appropriate contractual arrangements with Distributor. Service under this rate schedule is for a term of not less than one year.

For a customer requesting that its onpeak contract demand be different from its offpeak contract demand, this rate 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 in such case neither the new onpeak nor the new offpeak contract demand shall be lower than the customer's existing contract demand.

Character of Service

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

Base Charges

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

Demand Charge: \$7.56 per kW per month of the customer's onpeak billing demand, plus

\$3.94 per kW per month for each kW, if any, by which the customer's offpeak billing demand exceeds its onpeak billing demand, plus an additional

\$7.56 per kW per month for each kW, if any, of the amount by which (1) the customer's onpeak billing demand exceeds the customer's onpeak contract demand or (2) the customer's offpeak billing demand exceeds the customer's offpeak contract demand, whichever is higher

Energy Charge: 2.914 cents per kWh per month for all onpeak kWh

2.579 cents 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.

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 33 cents per kW per month except for delivery at voltages below 46 kV, in which case the charge shall be 87 cents per kW per month for the first 10,000 kW and 68 cents per kW per month for the excess over 10,000 kW. Such charge shall be applied to the higher of (1) the highest onpeak or offpeak 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. 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.

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 10:00 a.m. to 10:00 p.m. during calendar months of May through September and from 6:00 a.m. to 12:00 noon and from 4:00 p.m. to 10:00 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 measure 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 of the month during such hours of (a) the load measured 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 the sum of (1) 40 percent of the first 5,000 kW, (2) 70 percent of the next 45,000 kW, and (3) 90 percent of all kW in excess of 50,000 kW of the higher of (a) the currently effective onpeak contract demand or (b) 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) 40 percent of the first 5,000 kW, (2) 70 percent of the next 45,000 kW, and (3) 90 percent of all kW in excess of 50,000 kW of the higher of (a) the currently effective offpeak contract demand or (b) 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, shall not be less than the sum of (1) the base customer charge, (2) the base onpeak demand charge, as adjusted, applied to the higher of (a) the currently effective onpeak contract demand or (b) the highest onpeak billing demand established during the preceding 12 months, and (3) the base offpeak demand charge, as adjusted, applied to the amount, if any, by which the higher of (a) the currently effective offpeak contract demand or (b) the highest offpeak billing demand established during the preceding 12 months exceeds the higher of the onpeak contract demand or the onpeak billing demand, whichever is applicable under (2) above.

Distributor may require minimum bills higher than those stated above.

Contract Requirement

Distributor shall require contracts for all service provided under this rate schedule. The contract shall be for an initial term of at least five years and any renewal or extension of the initial contract shall also be for a term of at least five years. If the customer's demand requirements are in excess of 15,000 kW, the contract shall be for an initial term of at least ten years and any renewal or extension of the initial contract shall be for a term of at least five years. The customer shall contract for its maximum requirements 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 modification, change, or replacement from time to time upon agreement between Distributor and TVA.

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

Payment

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

Single-Point Delivery

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

Service is subject to Rules and Regulations of Distributor.

TENNESSEE VALLEY AUTHORITY
Chattanooga, Tennessee 37401

TV-52337A
Sup. 6

June 13, 1983

Mr. C. S. Hagan, President
Tri-County Electric
Membership Corporation
Lafayette, Tennessee 37083

Dear Mr. Hagan:

Tri-County Electric Membership Corporation (hereinafter called "Distributor") and the Tennessee Valley Authority (hereinafter called "TVA") have entered into an agreement of even date herewith (hereinafter called "Amendatory Agreement") amending the Power Contract between the parties. This will confirm the understanding reached between representatives of the parties with respect to amending the Amendatory Agreement to provide for temporary reductions in the demand and energy charges and in the facilities rental charges specified in the rate schedules set out therein.


It is understood and agreed that for all bills rendered from meter readings taken for TVA and Distributor monthly billing cycles scheduled to begin on or after July 2, 1983, the demand and energy charges and the facilities rental charges set out in said rate schedules shall be reduced by the amounts set out in Attachment A to this agreement. Said reductions shall not be applicable for any bills rendered from meter readings taken for TVA and Distributor monthly billing cycles scheduled to begin on or after October 2, 1983.

The Amendatory Agreement, as supplemented and amended by this agreement, is hereby ratified and confirmed as the continuing obligation of the parties.

It this letter correctly states the understanding between us, please execute the original and two copies hereof and return them to the TVA power district office. Upon execution by TVA, a fully executed copy will be returned to you.

Very truly yours,


TENNESSEE VALLEY AUTHORITY


R. C. Crawford, Director
Division of Energy Use
and Distributor Relations

Enclosures

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

TRI-COUNTY ELECTRIC
MEMBERSHIP CORPORATION

By 
(Title) President

W051883

Reductions in Demand and Energy Charges and Facilities Rental Charges

For a temporary period reductions as specified below shall be applicable to the designated rate schedules for bills rendered from meter readings taken for TVA and Distributor monthly billing cycles scheduled to begin on or after July 2, 1983. Such reductions shall not be applicable for any bills rendered from meter readings taken for TVA and Distributor monthly billing cycles scheduled to begin on or after October 2, 1983.

	<u>Demand Charge</u> Per kW	<u>Energy Charge</u> Per kWh
Wholesale Power Rate - WP		
Standard Charges	Subtract 79¢	Subtract 0.060¢
Time-of-Day Charges		
Onpeak Charges	Subtract 79¢	Subtract 0.065¢
Offpeak Charges	Subtract 51¢	Subtract 0.057¢
Residential Rate Schedules - RP Series	---	Subtract 0.232¢
Time-of-Day Residential Rates - RPT Series*		
Onpeak kWh	---	Subtract 0.265¢
Offpeak kWh	---	Subtract 0.209¢
General Power Rates - GP Series		
Charges Under Part "A"	Subtract 70¢**	---
First 15,000 kWh	---	Subtract 0.266¢
Additional kWh	---	Subtract 0.055¢
Charges Under Part "B"	Subtract 79¢***	Subtract 0.060¢
Time-of-Day General Power Rate - TGP		
Onpeak Charges	Subtract 79¢****	Subtract 0.065¢
Offpeak Charges	Subtract 51¢	Subtract 0.057¢
Outdoor Lighting Rate - LP		
Parts A and B	---	Subtract 0.128¢

Facilities Rental Charges

The amounts in cents per kW specified for delivery at less than 161 kV in the sections entitled Facilities Rental of Wholesale Power Rate--Schedule WP, Facilities Rental Charge Applicable Under B Above of the General Power Rate Schedules, and Facilities Rental Charge of Time-of-Day General Power Rate--Schedule TGP shall be reduced by 1.0 cent per kW for delivery at voltage levels of 46 kV or higher and 2.0 cents per kW for delivery at voltage levels below 46 kV.

*Applies only to the first and second components of the energy charge

**Applies only to billing demand in excess of 50 kW

***Applies to both components of demand charge under Part "B"

****Applies to first and third components of demand charge

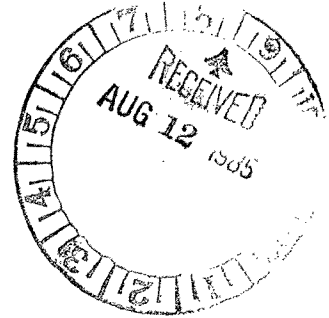
TENNESSEE VALLEY AUTHORITY

444 Metroplex Drive
P. O. Box 110140, Suite 260
Nashville, Tennessee 37222-0140

Rutth -
Pls. file
with power contract.

8/12/85
Thanks,
Jack

August 9, 1985



8/12/85

Mr. Jack E. Dillard, General Manager
Tri-County Electric Membership Corporation
P. O. Box 40
Lafayette, Tennessee 37083

Dear Mr. Dillard:

We are enclosing for your file one fully executed copy of standard-form letter agreement TV-52337A, Supplement No. 7, dated May 31, 1985, amending your power contract to defer until October 1986 the application of the dwelling-only provision of the hydro allocation adjustment.

Very truly yours,

TENNESSEE VALLEY AUTHORITY

Glen Burgess

G. Glen Burgess
District Manager
Division of Energy Use and
Distributor Relations

Enclosure

TENNESSEE VALLEY AUTHORITY
Chattanooga, Tennessee 37401

TV-52337A
Supp. 7

May 31, 1985

Mr. C. S. Hagan, President
Tri-County Electric Membership Corporation
Lafayette, Tennessee 37083

Dear Mr. Hagan:

This will confirm the understanding reached between representatives of Tri-County Electric Membership Corporation (hereinafter called "Distributor") and the Tennessee Valley Authority (hereinafter called "TVA") as to the provision of the Hydro Allocation Adjustment under which only service to single-family dwellings will be considered in computing credit amounts.


The parties hereto agree as follows with respect to computing the Hydro Allocation Adjustment applicable under the wholesale power contract (hereinafter called "Power Contract"), dated July 18, 1979, as it may heretofore have been amended and supplemented. For the annual period ending June 30, 1985, determinations as to energy amounts resold to residential customers and number of residential accounts (which are to be used for computing the Hydro Allocation Adjustment to be effective October 2, 1985) shall be based on data from the same type of Distributor customer accounts as were used in making such determinations for the Hydro Allocation Adjustment effective October 2, 1984. For annual periods ending June 30, 1986 (rather than June 30, 1985, as previously provided), and thereafter, the energy amounts resold to residential customers and the number of residential customers used in computing the Hydro Allocation Adjustment shall be determined only from customer accounts which include service to a single-family dwelling (in the manner specifically provided for under the Power Contract arrangements). The Power Contract, as supplemented and amended by this agreement, is hereby ratified and confirmed as the continuing obligation of the parties.

Mr. C. S. Hagan
May 31, 1985

If this letter correctly states the understanding between us, please execute three duplicate originals hereof and return them to the TVA power district office. Upon execution by TVA, a fully executed duplicate original will be returned to you.

Very truly yours,

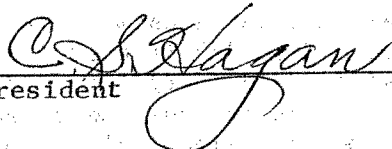
TENNESSEE VALLEY AUTHORITY


R. C. Crawford, Director
Division of Energy Use
and Distributor Relations

Enclosures

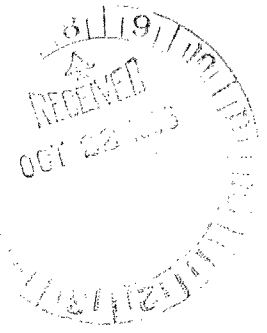
Accepted and agreed to as of
the date first above written.

TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION

By 
President

TENNESSEE VALLEY AUTHORITY

444 Metroplex Drive
P. O. Box 110140, Suite 260
Nashville, Tennessee 37222-0140



October 21, 1986

Mr. Jack E. Dillard, General Manager
Tri-County Electric Membership Corporation
P. O. Box 40
Lafayette, Tennessee 37083

Dear Jack:

Enclosed for your file is a fully executed copy of standard-form Agreement TV-52337A, Supplement No. 8, dated August 1, 1986, covering the 1986 rate change.

Very truly yours,

TENNESSEE VALLEY AUTHORITY

A handwritten signature in cursive script that reads "Glen Burgess".

G. Glen Burgess
District Manager
Division of Energy Use and
Distributor Relations

Enclosure

AGREEMENT
Between
TENNESSEE VALLEY AUTHORITY
And
TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION

TV-52337A
Supp No. 8

THIS AGREEMENT, made and entered into as of the 1st day of August, 1986, by and between TENNESSEE VALLEY AUTHORITY (hereinafter called "TVA"), a corporation created and existing under and by virtue of the Tennessee Valley Authority Act of 1933, as amended, and TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION (hereinafter called "Distributor"), a cooperative corporation duly created, organized, and existing under and by virtue of the laws of the State of Tennessee;

W I T N E S S E T H:

WHEREAS, TVA and Distributor have heretofore entered into a contract dated July 18, 1979 (which contract as amended and supplemented is hereinafter called the "Power Contract"), under which electric power and energy are supplied by TVA at wholesale and purchased by Distributor for resale; and

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

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

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

1. The Schedule of Rates and Charges attached to and made a part of the Power Contract contains a wholesale rate schedule therein designated as Schedule WP (July 1983) (hereinafter referred to as the "existing wholesale schedule") and certain resale rate schedules therein designated Schedules (July 1983) RP-M, GP-M, TGP, and LP (hereinafter referred to as the "existing resale schedules"). A substitute wholesale schedule, designated Schedule WP (October 1986) (hereinafter referred to as the "changed wholesale

schedule"), and substitute resale schedules, designated Schedules (October 1986) RP-13, GP-13, TGP, and LP (hereinafter referred to as the "changed resale schedules"), are attached hereto. The existing wholesale schedule and the existing resale schedules shall remain in full force and effect for all bills rendered from meter readings taken for TVA and Distributor monthly billing cycles scheduled to begin before October 2, 1986. The changed wholesale schedule and the changed resale schedules shall become effective in accordance with the provisions thereof for bills rendered from meter readings taken for TVA and Distributor monthly billing cycles scheduled to begin on or after said date. (For purposes of this agreement and of the Power Contract, a billing cycle for any month is defined as the complete cycle of meter readings from which an accounting month's sales statistics and revenues are derived.) Commencing with the first application of each of the changed wholesale and resale schedules, all references in the Power Contract to an existing schedule shall be deemed to refer to the corresponding changed schedule; the existing schedule shall be deleted from the Power Contract; and the corresponding changed schedule shall be substituted therefor.

2. For billing periods covered by Distributor billing cycles scheduled to begin on or after October 2, 1986, Distributor shall provide electric service to all customers only 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, except to the extent that Distributor is prevented from doing so by the provisions of any contracts with its customers which are now in effect and which cannot be modified to permit the application of such changed resale schedule. If any existing contract between Distributor and a customer cannot be modified to provide for application of the appropriate changed resale schedule in accordance with section 1 hereof, Distributor shall terminate said contract at the earliest date permitted thereunder and shall negotiate new arrangements providing for the application of the appropriate changed resale schedule.

3. It is recognized that the parties hereto wish to provide for arrangements whereby Distributor may be assured of realizing a margin on service provided to customers under part B of the General Power Rate Schedule (hereinafter called "Part B Customers") and under part I of Time-of-Day General Power Rate--Schedule TGP (hereinafter called "Part I Customers"). The arrangements hereinafter described shall involve 12-month periods (hereinafter individually called "Annual Period") beginning October 2, 1986, and each October 2 thereafter. Distributor will furnish to TVA the metering and billing data necessary to make the calculations hereinafter described. Unless Distributor informs TVA in writing as hereinafter provided, that it wishes the alternate arrangements provided for in subsection (b) below to be applicable, Distributor will be entitled to such credit as may be computed in accordance with the provisions of subsection (a) below.

(a) Arrangements under this subsection (a) are referred to as "Annual Arrangements." For each Annual Period, such credit as is determined through the following calculations (made separately for Part B and Part I Customers), shall be applied against Distributor's wholesale power bill for the second full month following the end of that Annual Period. (If the result of the calculation is a negative number, there will be no credit.)

Credit (in dollars) = $(\$0.40 \times A) - (B - C)$, where

A = Sum of the monthly billing demands of all Part B (and Part I) Customers for that Annual Period (for purposes of this calculation with respect to Part I Customers, the term "billing demand" shall mean the higher of the onpeak or offpeak billing demand).

B = Sum of the monthly bills rendered by Distributor to Part B (and Part I) Customers for that Annual Period, exclusive of customer charges and any applicable facilities rental and reactive charges.

C = Sum of the wholesale costs incurred by Distributor in serving Part B (and Part I) Customers during that Annual Period, calculated in accordance with the following:

$C = (D \times E) + (F \times G) + (H \times I) + J$, where

D = Dollars-per-kW, portion of the wholesale base demand charge, as adjusted.

E = Sum of monthly demand contributions of Part B (and Part I) Customers to Distributor's billing demand.

F = Hours-use-of-demand portion of the wholesale base demand charge, as adjusted.

G = Sum of monthly energy takings of Part B (and Part I) Customers.

H = Wholesale base energy charge, as adjusted.

I = Sum of the portions of the monthly debit amounts added to Distributor's wholesale bill pursuant to the Hydro Allocation Adjustment that are attributable to Part B (and Part I) Customers.

J = Sum of the amounts, if any, added to Distributor's wholesale bill pursuant to Adjustment 3 of the changed wholesale schedule that are attributable to Part B (and Part I) Customers.

In calculating E and G above, the monthly demand contribution and energy takings of each Part B (and Part I) Customer shall be increased by three percent to reflect losses, except that in the case of any such customer served through a delivery point (hereinafter called a "Special Delivery Point") which serves only that customer, the actual losses, if any, shall be used instead. Billing, cost, or other data relating to any customer group for which arrangements under subsection (b) are applicable will not be included in making the above calculations.

(b) In lieu of the Annual Arrangements set out in subsection (a) above, for any Annual Period, Distributor may select the arrangements provided for in this subsection (b) (hereinafter called "Monthly Arrangements") with respect to all Part B Customers collectively, all Part I Customers collectively, or all Part B and Part I Customers collectively. To make or to discontinue any such selection for any Annual Period for the Part B group, the Part I group, or both, Distributor shall give written notice to TVA at least 60 days prior to the beginning of that Annual Period. (Such notice with respect to the Annual Period beginning October 2, 1986, may be given on or before October 1, 1986.) Any such selection shall remain in effect for the entire Annual Period.

In calculating the wholesale bill each month for Distributor, the following steps will be taken with respect to each customer of Distributor for which the Monthly Arrangements apply: (1) the Distributor's measured demand and energy takings will be reduced, on a simultaneous basis, by the amount of the customer's measured demand and energy takings during the month increased by three percent to reflect losses (except that in the case of a customer served through a Special Delivery Point, the actual losses, if any, shall be used instead), (2) the debit amount applicable to Distributor's wholesale bill under the Hydro Allocation Adjustment will be reduced by an amount reflecting the customer's contribution thereto, and (3) an amount which is equal to the customer's bill from Distributor (exclusive of the customer charge and any applicable facilities rental and reactive charges), less an amount equal to 40 cents multiplied by the customer's billing demand for that month, will be included as part of the wholesale bill. The above calculations will further reflect, as appropriate, the application of Adjustment 3 of the changed wholesale schedule to Distributor's wholesale bill with respect to any such customer to which a minimum bill is applicable.


4. In the event that Distributor appropriately serves any general power customer under part C of the General Power Rate Schedule (hereinafter called "Part C Customer") or under part II of Time-of-Day General Power Rate--Schedule TGP (hereinafter called "Part II Customer"), the following arrangements, which will assure that Distributor will realize a margin on service to such customers, are available upon written notice, as hereinafter provided. The arrangements shall involve 12-month periods beginning October 2, 1986, and each October 2 thereafter. Distributor will furnish to TVA the metering and billing data necessary to make the calculations hereinafter described. To provide notice that these arrangements are to be applicable or are to be discontinued, Distributor must inform TVA in writing at least 60 days prior to the beginning of such 12-month period (notice for the 12-month period beginning October 2, 1986, may be given on or before October 1, 1986). Distributor may choose to have the arrangements apply to all Part C Customers collectively, all Part II Customers collectively, or all Part C and Part II Customers collectively. Upon request, Distributor will furnish to TVA information necessary to confirm that any such customer has the capability of using over 25,000 kW of power. Any such choice shall remain in effect for the entire 12-month period.

In calculating the wholesale bill each month for Distributor, the following steps will be taken with respect to each customer for which the arrangement under this section 4 applies: (1) the Distributor's measured demand and energy takings will be reduced, on a simultaneous basis, by the amount of the customer's measured demand and energy takings during the month increased by three percent to reflect losses (except that in the case of a customer served through a Special Delivery Point, the actual losses, if any, shall be used instead), (2) the debit amount applicable to Distributor's wholesale bill under the Hydro Allocation Adjustment will be reduced by an amount reflecting the customer's contribution thereto, and (3) an amount which is equal to the customer's bill from Distributor, (exclusive of the customer charge and any applicable facilities rental and reactive charges), less an amount equal to 40 cents multiplied by the lower of 40,000 kW or the customer's billing demand for that month, will be included as part of the wholesale bill. The above calculations will further reflect, as appropriate, the application of Adjustment 3 of the changed wholesale schedule to Distributor's wholesale bill with respect to any such customer to which a minimum bill is applicable.

5. Except as otherwise specifically provided herein, this agreement shall become effective on October 2, 1986, and shall continue in effect until the expiration of the Power Contract. The Power Contract as supplemented and amended by this agreement is hereby ratified and confirmed as the continuing obligation of the parties.


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

TENNESSEE VALLEY AUTHORITY

By 
Director of Energy Use and
Distributor Relations

TRI-COUNTY ELECTRIC
MEMBERSHIP CORPORATION

Attest:


Secretary

By 
President

TENNESSEE VALLEY AUTHORITY
SCHEDULE OF RATES AND CHARGES

WHOLESALE POWER RATE--SCHEDULE WP
(October 1986)

Availability

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

Base Charges

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

Demand Charge: \$8.99 per kW of billing demand per month, plus an hours use of demand component of
0.436 cent per kWh per month of the lesser of (1) the kWh amount computed by multiplying
550 hours by the billing demand or (2) Distributor's energy takings for the month

Energy Charge: 1.861 cents 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 adding to the bill 0 cents per kW and 0.000 cent per kWh for power and energy resold by Distributor in the preceding month to any customer of Distributor which has a billing demand of more than 10,000 kW or which uses more than 5 million kWh (herein referred to as a large load), except that such adjustment shall not apply to any portion of a large load up to the following respective amounts: 10,000 kW plus an amount (not to exceed 20,000 kW) equal to that portion of Distributor's delivery point demand at the TVA delivery point from which such large load is served by Distributor which is in excess of the sum of the billing demands of all large loads served by Distributor from that delivery point; 5 million kWh plus an amount (not to exceed 15 million kWh) equal to that portion of Distributor's purchases of energy at the TVA delivery point from which such large load is served by Distributor which is in excess of the energy resold to all large loads served by Distributor from that delivery point. Such amounts in cents per kW and in cent per kWh may be increased or decreased by TVA, effective with the effective date of any Adjustment Addendum published by TVA, to compensate for a change in the differential between the base demand and energy charges, as adjusted, under this rate schedule and under the resale rate schedules applicable to large loads, when such change arises out of application of Adjustment Addendums.

3. In any case in which a minimum bill involving a measured demand less than the billing demand is applicable to a customer of Distributor under part B of the General Power Rate Schedule or under part I of Time-of-Day General Power Rate--Schedule TGP, Distributor's bill under this rate schedule shall be adjusted by adding thereto for each such customer 50 percent of the amount by which such applicable minimum bill exceeds an amount computed by applying the appropriate base charges, as adjusted, under part B of the General Power Rate Schedule or under part I of Time-of-Day General Power Rate--Schedule TGP to the measured demand and energy taken by such customer. Such measured demand for any month shall be the highest average during any 30-consecutive-minute period of the month of the load measured in kW.

In any case in which a minimum bill involving a measured demand less than the billing demand is applicable to a customer of Distributor under part C of the General Power Rate Schedule or under part II of Time-of-Day General Power Rate--Schedule TGP, Distributor's bill under this rate schedule shall be adjusted by adding thereto for each such customer 75 percent of the amount by which such applicable minimum bill exceeds an amount computed by applying the appropriate base charges, as adjusted, under part C of the General Power Rate Schedule or under part II of Time-of-Day General Power Rate--Schedule TGP to the measured demand and energy taken by such customer. Such measured demand for any month shall be the highest average during any 30-consecutive-minute period of the month of the load measured in kW.

If a customer of Distributor fails to pay any minimum bill obligations (involving a measured demand less than the billing demand) arising under part B or C of the General Power Rate Schedule or under part I or II of Time-of-Day General Power Rate--Schedule TGP, Distributor shall promptly so notify TVA in writing. Within 90 days after the date on which a customer becomes past due in making payment on any such minimum bill obligations, Distributor, after consultation with TVA, shall institute litigation to enforce payment of the minimum bill obligations. To the extent determined by TVA to be appropriate, TVA will assist Distributor in such efforts. Upon failure of Distributor to do so, TVA may institute such litigation in the name of Distributor, or in the name of TVA, or in the name of both, and any actions taken by TVA in connection with such litigation shall be binding on Distributor.

For all bills rendered under this rate schedule after the initiation of any such litigation, the amounts applicable under this Adjustment 3 as a result of service to a customer being sued shall continue to accrue but shall not become payable by Distributor until collections are being made from the customer. If all legal remedies are pursued and less than full recovery is realized, Distributor's payment obligations to TVA on the amounts which accrue under this Adjustment 3 shall be limited to 50 percent of the amount recovered from a customer referred to in the first paragraph of this Adjustment 3 and to 75 percent of the amount recovered from a customer referred to in the second paragraph of this Adjustment 3. If all legal remedies are pursued by Distributor, Distributor's payment obligations to TVA on the amounts which accrue under this Adjustment 3 shall be reduced (a) by 50 percent of the costs (not recovered from the customer) reasonably incurred by Distributor in the prosecution of such litigation with respect to a customer referred to in the first paragraph of this Adjustment 3, and (b) by 75 percent of the costs (not recovered from the customer) reasonably incurred by Distributor in the prosecution of such litigation with respect to a customer referred to in the second paragraph of this Adjustment 3. Notwithstanding any other provision of this Adjustment 3, in the event litigation was brought by TVA under the preceding paragraph, unless otherwise agreed by TVA and Distributor, all costs (including personnel costs of attorneys and all other employees engaged in the prosecution of such litigation) incurred by TVA in its collection efforts shall be reimbursed to TVA from the portion of any amounts recovered that Distributor would otherwise be entitled to receive or retain.

4. Distributor's bill for each month shall be adjusted by applying the net of the following calculation: (1) subtract 0.589 cent per kWh for one-fifth of the energy annually resold by Distributor to customers entitled to service under residential rate schedules exclusive of any energy resold to any such customer in any month in excess of 2,000 kWh, (2) subtract 4.00 dollars per customer for each such customer served by Distributor, (3) add 0.500 cent per kWh for one-third of the energy resold during the second preceding quarter by Distributor under (a) part A of the General Power Rate Schedule, (b) the time-of-day general power rate schedules applicable to loads of 5,000 kW or less, and (c) the Outdoor Lighting Rate Schedule, and (4) add (with respect to power and energy resold by Distributor to customers under parts B and C of the General Power Rate Schedule and under Time-of-Day General Power Rate--Schedule TGP) (a) 0.158 cent per kWh for one-third of all such energy resold during the second preceding quarter by Distributor and (b) 0.75 dollar per kW for one-third of the sum for the second preceding quarter of the billing demands of all such customers (for purposes of the calculation with respect to customers served under said Schedule TGP, the term "billing demands" shall mean the higher of the onpeak or offpeak billing demands). The adjustment applied under the preceding sentence (hereinafter referred to as the "Hydro Allocation Adjustment") shall remain constant for 12 consecutive months from October 2 of each year with respect to (1) and (2) above and shall remain constant during each quarterly period (beginning October 2, January 2, April 2, and July 2) with respect to (3) and (4) above; provided, however, that the dollar and cent amounts specified above may be increased or decreased by TVA, effective with the effective date of any Adjustment Addendum published by TVA, to appropriately reflect changes in the unit value of the hydro generation benefits allocated to residential customers, and in such event the Hydro Allocation Adjustment shall be recomputed and applied accordingly; and provided further, that the amounts in cent per kWh and dollar per kW applicable under (4) above will be increased by an additional 0.0115 cent and 0.055 dollar, respectively, effective with the effective date of each of the next eight Adjustment Addendums published by TVA after October 1986 (TVA will make corresponding increases of 0.0115 cent and 0.055 dollar for the base energy and demand charges applicable for customers served under part B of the General Power Rate Schedule and under part I of Time-of-Day General Power Rate--Schedule TGP).

Effective October 2 of each year the Hydro Allocation Adjustment shall be recomputed with respect to (1) and (2) above 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 applicable annual energy amounts under (1) above, and the number of customers entitled to service under residential rate schedules at the end of such 12-month period shall be used in the calculation under (2) above. Effective January 2, April 2, July 2, and October 2 of each year, the Hydro Allocation Adjustment shall be recomputed with respect to (3) and (4) above to take account of changed sales data and applied accordingly; and in performing such computations, the 3-month periods ending the preceding September 30, December 31, March 31, and June 30, respectively, shall be used.

5. Distributor's bill for each month shall be adjusted by adding thereto the amount, if any, by which (1) one-twelfth of the amount computed by multiplying \$7.89 by the kW difference between (a) the sum of the monthly delivery point demands for the 12-month period ending September 30, 1985, for all delivery points to Distributor and (b) the sum of the highest monthly simultaneous demands for the 12-month period ending September 30, 1985, for all delivery points to Distributor exceeds (2) the amount computed by multiplying \$500 by the number of delivery points (as of September 30, 1985) to Distributor in excess of one. For purposes of this Adjustment 5, the simultaneous demand for any 60-consecutive-minute period of any month shall be the sum of the average demands measured in kW during such period for all delivery points to Distributor. (In the event that Distributor served any general power customer with a contract demand greater than 5,000 kW during said 12-month period, for any month in which that load's contribution to Distributor's highest simultaneous demand was less than that load's contribution to the delivery point demand at the delivery point through which that load was served, said contributions shall be deducted from the simultaneous demand and delivery point demand, respectively, for purposes of computing the amount applicable under this Adjustment 5.) The monthly adjustment provided for hereunder shall remain constant except that the amount of the adjustment shall be reduced to reflect the elimination after September 30, 1985, of any delivery point to Distributor pursuant to an agreement between Distributor and TVA.

Determination of Demands

Distributor's system demand shall be determined on a simultaneous basis. For any 60-consecutive-minute period of the month the system demand shall be the sum of the average demands measured in kW in such period for all delivery points to Distributor, and the highest such system demand for any month shall be the billing demand for the month, except that no such system demand shall be considered for purposes of determining the billing demand for any month if it occurred within the three calendar days following the previous month's highest system demand. (The delivery point demand, which shall be the highest average during any 60-consecutive-minute period in a month of the load measured in kW for any delivery point to Distributor, shall be used for certain computations under this rate schedule.)

Facilities Rental

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 Distributor's bill a facilities rental charge. This charge shall be 34 cents per kW per month, except for delivery at voltages below 45 kV, in which case the charge shall be 89 cents per kW per month for the first 10,000 kW and 69 cents per kW per month for the excess over 10,000 kW. For each delivery point, such charge shall be applied to the higher of (1) the highest delivery point demand established at the delivery point during the latest 12-consecutive-month period or (2) the sum of the currently effective contract demands for all customers which are served by Distributor under parts B and C of the General Power Rate Schedule and under Time-of-Day General Power Rate Schedule TGP with power and energy taken from such point (for purposes of the calculation with respect to customers served under said Schedule TGP, the term "contract demands" shall mean the higher of the onpeak or offpeak contract demands). Such 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, 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 a reactive charge of 78 cents per kVAR of the amount, if any, by which the reactive demand exceeds (a) 40 percent of the delivery point demand for bills rendered from meter readings taken for TVA monthly billing cycles scheduled to begin prior to October 2, 1989, and (b) 33 percent of the delivery point demand for bills rendered from meter readings taken for TVA monthly billing cycles scheduled to begin on or after October 2, 1989. If the reactive demand (in kVAR) at a delivery point is leading during the 60-consecutive-minute period of the month in which the lowest kW 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 a reactive charge of 33 cents per kVAR of the amount of reactive demand. Such charges shall be in addition to all other charges under this rate schedule, including minimum bill charges, and such amounts in cents per kVAR may be increased or decreased by TVA, effective with the effective date of any Adjustment Addendum published by TVA, to reflect changes in the costs of providing reactive power.

Minimum Bill

The monthly bill, exclusive of (a) Adjustments 2, 4, and 5, (b) any applicable facilities rental charges, and (c) any reactive charges, shall not be less than the higher of (i) the base delivery point charge or (2) 70 percent of the sum of (a) the highest billing demand established during the previous 36 months multiplied by the base demand charge, as adjusted (but excluding the hours use of demand component), and (b) the cents-per-kWh charge of the hours use of demand component, as adjusted, applied to the lesser of (i) 550 hours multiplied by said highest billing demand or (ii) Distributor's energy takings for the month in which said highest billing demand occurred; provided, however, that a special minimum bill may be applied for any delivery point through which more than 75 percent of the energy taken by Distributor is resold to general power customers with demands of 50 kW or more.

RESIDENTIAL RATE--SCHEDULE RP-13
(October 1986)

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. Multi-phase service shall be supplied in accordance with Distributor's standard policy.

Base Charges

Customer Charge: \$3.80 per month

Energy Charge: First 2,000 kWh per month at 4.948 cents per kWh
Additional " " " " 5.537 " " kWh

Adjustment

The base energy charge shall be increased or decreased in accordance with the current Adjustment Addendum published by TVA.

Minimum Monthly Bill

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

Payment

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

Single-Point Delivery

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

Service is subject to Rules and Regulations of Distributor.

GENERAL POWER RATE--SCHEDULE GP-13
(October 1986)

Availability

This rate shall apply to the firm power requirements for electric service to commercial, industrial, and governmental customers; institutional customers including, without limitation, churches, clubs, fraternities, orphanages, nursing homes, rooming or boarding houses, and like customers; and other customers except those to whom service is available under other resale rate schedules.

Character of Service

Alternating current, single or three-phase, 60 hertz. Under A below, power shall be delivered at a service voltage available in the vicinity or agreed to by Distributor. Under B and C below, 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

- A. If the customer's contract demand is 5,000 kW or less or if the customer has no contract demand:

Customer Charge: \$8.80 per delivery point per month

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

Next 950 kW of billing demand per month, at \$8.69 per kW

Next 1,500 kW of billing demand per month, at \$9.06 per kW

Excess over 2,500 kW of billing demand per month, at \$9.44 per kW, plus an additional

\$9.44 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: First 15,000 kWh per month at 5.832 cents per kWh

Additional kWh per month at 2.868 cents per kWh

- B. If the customer's contract demand is greater than 5,000 kW but not more than 25,000 kW:

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

Demand Charge: \$9.29 per kW of billing demand per month, plus an hours use of demand component of

0.436 cent per kWh per month of the lesser of (1) the amount computed by multiplying 620 hours by the customer's billing demand or (2) the customer's energy takings for the month, plus an additional

\$9.29 per kW per month for each kW, if any, of the amount by which the customer's billing demand exceeds its contract demand

Energy Charge: 2.075 cents per kWh per month

- C. If the customer's contract demand is greater than 25,000 kW:

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

Demand Charge: \$10.66 per kW of billing demand per month, plus an additional

\$10.66 per kW per month for each kW, if any, of the amount by which the customer's billing demand exceeds its contract demand

Energy Charge: 2.052 cents 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.

Facilities Rental Charge Applicable Under B and C Above

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 34 cents per kW per month except for delivery at voltages below 46 kV, in which case the charge shall be 89 cents per kW per month for the first 10,000 kW and 69 cents 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. 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 Applicable Under B and C Above

If the reactive demand (in kVAR) is lagging during the 30-consecutive-minute period of the month in which the customer's highest measured demand occurs, there shall be added to the customer's bill a reactive charge of 78 cents per kVAR of the amount, if any, by which the reactive demand exceeds (a) 40 percent of such measured demand for bills rendered from meter readings taken for Distributor's monthly billing cycles scheduled to begin prior to October 2, 1989, and (b) 33 percent of such measured demand for bills rendered from meter readings taken for Distributor's monthly

billing cycles scheduled to begin on or after October 2, 1989. If the reactive demand (in kVAR) is leading during the 30-consecutive-minute period of the month in which the customer's lowest measured demand (excluding any measured demands which are less than 25 percent of the highest measured demand) occurs, there shall be added to the customer's bill a reactive charge of 33 cents 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 Demand

Distributor shall measure the demands in kW of all customers having loads in excess of 50 kW. Under A above, the 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 measured 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 amount shall be used as the billing demand. Under B and C above, the demand for any month shall be the highest average during any 30-consecutive-minute period of the month of the load measured 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 A above shall not be less than the higher of (1) the sum of (a) the base customer charge, (b) the base demand charge, as adjusted, applied to 30 percent of the higher of the currently effective contract demand or the highest billing demand established during the preceding 12 months, and (c) the base energy charge, as adjusted, applied to the customer's energy takings or (2) 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 (950 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.

The monthly bill under B and C above, 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 and excluding, under B above only, the hours use of demand component) applied to the customer's billing demand, (3) under B above only, the hours use of demand component of the base demand charge, as adjusted, applied to the first 620 hours use of the billing demand, and (4) the base energy charge, as adjusted, applied to the customer's energy takings.

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 the sum of 1.33 cents 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. 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 all 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 one year. If the customer's demand requirements are in excess of 5,000 kW, the contract shall be for an initial term of at least five years and any renewals or extensions of the initial contract shall be for a term of at least one year; after 10 years of service, any such contract for the renewal or extension of service may provide for termination upon not less than four months' notice. If the customer's demand requirements are in excess of 25,000 kW, the contract shall be for an initial term of at least five years and any renewals or extensions of the initial contract shall be for a term of at least five years; after 10 years of service, any such contract for the renewal or extension of service may provide for termination upon not less than 16 months' notice. The customer shall contract for its maximum requirements, which shall not exceed the amount of power capable of being used by customer, and Distributor shall not be obligated to supply power in greater amount at any time than the customer's currently effective contract demand. If the customer uses any power other than that supplied by Distributor under this rate schedule, the contract may include other special provisions. The rate schedule in any power contract shall be subject to adjustment, modification, change, or replacement from time to time as provided under the power contract between Distributor and TVA.

Payment

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

Single-Point Delivery

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

Service is subject to Rules and Regulations of Distributor.

TIME-OF-DAY GENERAL POWER RATE--SCHEDULE TGP
(October 1986)

Availability

This rate shall be available for the firm power requirements of any customer with a firm contract demand greater than 5,000 kW provided the customer enters into appropriate contractual arrangements with Distributor. Service under this rate schedule is for a term of not less than one year.

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

- I. If neither the customer's onpeak nor offpeak contract demand exceeds 25,000 kW:

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

Demand Charge: \$9.29 per kW per month of the customer's onpeak billing demand, plus

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

\$9.29 per kW per month for each kW, if any, of the amount by which (1) the customer's onpeak billing demand exceeds its onpeak contract demand or (2) the customer's offpeak billing demand exceeds its offpeak contract demand, whichever is higher

Energy Charge: 3.368 cents per kWh per month for all onpeak kWh

2.026 cents per kWh per month for all offpeak kWh

- II. If either the customer's onpeak or offpeak contract demand exceeds 25,000 kW:

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

Demand Charge: \$10.75 per kW per month of the customer's onpeak billing demand, plus

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

\$10.75 per kW per month for each kW, if any, of the amount by which (1) the customer's onpeak billing demand exceeds its onpeak contract demand or (2) the customer's offpeak billing demand exceeds its offpeak contract demand, whichever is higher

Energy Charge: 2.143 cents per kWh per month for all onpeak kWh

2.003 cents 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.

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 34 cents per kW per month except for delivery at voltages below 46 kV, in which case the charge shall be 89 cents per kW per month for the first 10,000 kW and 69 cents per kW per month for the excess over 10,000 kW. Such charge shall be applied to the highest of (1) the highest onpeak or offpeak billing demand established during the latest 12-consecutive-month period, (2) the customer's currently effective onpeak contract demand, or (3) the customer's currently effective offpeak contract demand and shall be in addition to all other charges under this rate schedule, including minimum bill charges. 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

If the reactive demand (in kVAR) is lagging during the 30-consecutive-minute period of the month in which the customer's highest measured demand occurs, there shall be added to the customer's bill a reactive charge of 78 cents per kVAR of the amount, if any, by which the reactive demand exceeds (a) 40 percent of such measured demand for bills rendered from meter readings taken for Distributor's monthly billing cycles scheduled to begin prior to October 2, 1989, and (b) 33 percent of such measured demand for bills rendered from meter readings taken for Distributor's monthly billing cycles scheduled to begin on or after October 2, 1989. If the reactive demand (in kVAR) is leading during the 30-consecutive-minute period of the month in which the customer's lowest measured demand (excluding any measured demands which are less than 25 percent of the highest measured demand) occurs, there shall be added to the customer's bill a

reactive charge of 33 cents 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 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 measure 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 highest average during any 30-consecutive-minute period of the month during such hours of the load measured in kW and, except as provided below in this section, such amounts shall be used as the onpeak and offpeak billing demands. The onpeak billing demand shall in no case be less than the sum of (1) 30 percent of the first 5,000 kW, (2) 40 percent of the next 20,000 kW, (3) 50 percent of the next 25,000 kW, (4) 60 percent of the next 50,000 kW, (5) 70 percent of the next 100,000 kW, (6) 80 percent of the next 150,000 kW, and (7) 85 percent of all kW in excess of 350,000 kW of the higher of (a) the currently effective onpeak contract demand or (b) 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 (a) the currently effective offpeak contract demand or (b) 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, applicable to onpeak billing demand applied to the customer's onpeak billing demand, (3) the portion of the base demand charge, as adjusted, applicable to any excess of offpeak over onpeak billing demand applied to the amount, if any, by which the customer's offpeak billing demand exceeds its onpeak billing demand, (4) the base onpeak energy charge, as adjusted, applied to the customer's onpeak energy takings, and (5) the base offpeak energy charge, as adjusted, applied to the customer's offpeak energy takings.

Distributor may require minimum bills higher than those stated above.

Contract Requirement

Distributor shall require contracts for all service provided under this rate schedule. The contract shall be for an initial term of at least five years and any renewals or extensions of the initial contract shall be for a term of at least one year; after 10 years of service, any such contract for the renewal or extension of service may provide for termination upon not less than four months' notice. If the customer's demand requirements are in excess of 25,000 kW, the contract shall be for an initial term of at least five years and any renewals or extensions of the initial contract shall be for a term of at least five years; after 10 years of service, any such contract for the renewal or extension of service may provide for termination upon not less than 16 months' notice. The customer shall contract for its maximum requirements, which shall not exceed the amount of power capable of being used by customer, and Distributor shall not be obligated to supply power in greater amount at any time than the customer's currently effective contract demand. If the customer uses any power other than that supplied by Distributor under this rate schedule, the contract may include other special provisions. The rate schedule in any power contract shall be subject to adjustment, modification, change, or replacement from time to time as provided under the power contract between Distributor and TVA.

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

Payment

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

Single-Point Delivery

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

Service is subject to Rules and Regulations of Distributor.

OUTDOOR LIGHTING RATE--SCHEDULE LP
(October 1986)

Availability

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

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

Payment

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

Adjustment

The energy charge in Part A and Part B of this rate schedule shall be increased or decreased in accordance with the current Adjustment Addendum published by TVA.

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

I. Energy Charge: 3.935 cents per kWh per month

II. Facility Charge

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

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

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

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

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

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

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

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

Metering

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

Revenue and Cost Review

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

PART B--CHARGES FOR OUTDOOR LIGHTING FOR INDIVIDUAL CUSTOMERS

Charges Per Fixture Per Month

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

*Mercury vapor and incandescent fixtures not offered for new service.

(b) Energy Charge: For each lamp size under (a) above, 9.935 cents per rated kWh per month.

Adjustment of Facility Charges

Each Facility Charge shown above may be adjusted by Distributor by an amount not to exceed the greater of \$1 or 20 percent of said charge.

Additional Facilities

The above charges in this Part B are limited to service from a photoelectrically controlled standard lighting fixture installed on a pole already in place. If the customer wishes to have the fixture installed at a location other than on a pole already in place, Distributor may apply an additional monthly charge not to exceed \$3 per pole for additional poles required to serve the fixture from Distributor's nearest available source.

If Distributor wishes to make additional lamp sizes and/or types of fixtures available to individual customers under this Part B, appropriate rated kWh values and Facility Charges will be established by TVA.

Lamp Replacements

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

Special Outdoor Lighting Installations

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

Service is subject to Rules and Regulations of Distributor.

TENNESSEE VALLEY AUTHORITY

444 Metroplex Drive
P. O. Box 110140, Suite 260
Nashville, Tennessee 37222-0140

November 19, 1986



Mr. Jack E. Dillard, General Manager
Tri-County Electric Membership Corporation
P. O. Box 40
Lafayette, Tennessee 37083

Dear Jack:

Enclosed for your file is a fully executed copy of Letter Agreement TV-52337A, Supplement No. 9, dated July 2, 1986, covering the uniform application by distributors of the Kentucky Utility gross receipts license tax for schools.

If we can be of further service please let us know.

Very truly yours,

TENNESSEE VALLEY AUTHORITY

A handwritten signature in cursive script that reads "G. Glen Burgess".

G. Glen Burgess
District Manager
Division of Energy Use and
Distributor Relations

Enclosure

TENNESSEE VALLEY AUTHORITY
Chattanooga, Tennessee 37402-2801

TV-52337A
Supp No. 9

July 2, 1986

Mr. C. S. Hagan, President,
Tri-County Electric
Membership Corporation
Lafayette, Tennessee 37083

Dear Mr. Hagan:

This will confirm the understanding reached between representatives of the Tri-County Electric Membership Corporation (hereinafter called "Distributor") and the Tennessee Valley Authority (hereinafter called "TVA") with respect to supplementing and amending Power Contract TV-52337A, dated July 18, 1979 (which contract as heretofore amended and supplemented is hereinafter called the "Power Contract"), between Distributor and TVA, in the respects necessary to provide for the application by Distributor of an additional charge to its consumers located in school districts levying the Kentucky utility gross receipts license tax for schools in order to facilitate payment of the tax.

It is understood and agreed that:

1. Beginning with billings based on meter readings taken on and after July 2, 1986, and continuing until Distributor is no longer subject to the Kentucky utility gross receipts license tax for schools or until termination of the Power Contract, whichever is earlier, Distributor may add a uniform charge to its monthly billings to all consumers in any school district levying said tax (excluding any consumers whose purchases are exempt from this tax). Said charge shall be determined by multiplying by three (3) percent the amount of each consumer's bill computed in accordance with the Schedule of Rates and Charges under the Power Contract as such schedule may be adjusted or changed from time to time, including any surcharges applied thereunder other than the uniform charge authorized by this agreement.

2. For such period of time as Distributor applies the additional charge provided for above, it shall state separately on all bills to its affected consumers in the aforesaid school districts the amount of the additional charge provided for above and shall identify the amount on the bills by the following statement: "Increase for School Tax."

3. This agreement shall become effective as of the date first above written.

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

Mr. C. S. Hagan
July 2, 1986

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

If this letter correctly sets forth the understanding between us, please execute three duplicate originals hereof and return them to the TVA power district office. Upon execution by TVA, a fully executed duplicate original will be returned to you.

Very truly yours,
Tennessee Valley Authority



R. B. Davis, Director
Division of Energy Use and
Distributor Relations

Accepted and agreed to as of
the date first above written.
TRI-COUNTY ELECTRIC
MEMBERSHIP CORPORATION

By C. S. Hagan
President

TENNESSEE VALLEY AUTHORITY

444 Metroplex Drive
P. O. Box 110140, Suite 260
Nashville, Tennessee 37222-0140

November 10, 1986

TV - 52337 A
Supp. No. 10

Mr. Jack E. Dillard, General Manager
Tri-County Electric Membership Corporation
P. O. Box 40
Lafayette, Tennessee 37083


Dear Jack:

Enclosed for your file is a fully executed copy of the standard-form letter agreement covering the transition of Code 23 Accounts under the 1986 Rate Change.

If you have any questions on this matter, please let us know.

Very truly yours,

TENNESSEE VALLEY AUTHORITY


G. Glen Burgess
District Manager
Division of Energy Use and
Distributor Relations

Enclosure

TENNESSEE VALLEY AUTHORITY
Chattanooga, Tennessee 37402-2801

TV-52337A
Supp No. 10

AUG 01 1986

Mr. C. S. Hagan, President
Tri-County Electric Membership Corporation
Lafayette, Tennessee 37083

Dear Mr. Hagan:

By agreement of even date herewith, Tri-County Electric Membership Corporation (hereinafter called "Distributor") and the Tennessee Valley Authority (hereinafter called "TVA") have supplemented and amended the wholesale power contract between them dated July 18, 1979, to implement certain changes in the Schedule of Rates and Charges attached thereto and made a part thereof, including modifications in the availability provisions of the residential rate schedule. This confirms the understanding between Distributor and TVA with respect to facilitating the transition whereby only accounts which include service to a dwelling will be served under said schedule.

It is hereby understood and agreed between the parties that, notwithstanding any provisions of said contract, including the Schedule of Rates and Charges, the following steps will be applicable for Distributor's system in making such transition:

1. During the 12-month period beginning October 2, 1986, Distributor will identify and review service arrangements for all accounts which are presently being served under the residential rate schedule and which do not include service to a dwelling (classified and hereinafter called "Code 23 Accounts"). During this period Distributor will inform customers having such accounts that a customer, by rewiring, can arrange for appurtenances to a single-family dwelling (which appurtenances are presently being served separately under Code 23 Accounts) to be served through the meter for that dwelling.
2. Effective with bills rendered from meter readings taken for TVA and Distributor monthly billing cycles scheduled to begin on or after October 2, 1987, (a) Distributor's monthly wholesale bill will no longer receive the per-customer credit provided for in item (2) of the Hydro Allocation Adjustment of the wholesale power rate schedule with respect to any remaining Code 23 Accounts, and (b) Distributor will recover such amount through a surcharge (applicable each month to the resale bill of each such remaining Code 23 Account) equal to the amount of the credit provided for in said item (2).

W072286

Mr. C. S. Hagan

AUG 01 1986

3. Effective with bills rendered from meter readings taken for TVA and Distributor monthly billing cycles scheduled to begin on or after October 2, 1988, (a) the credit provided for in item (1) of the Hydro Allocation Adjustment for the first 2,000 kWh of sales to each residential customer each month will no longer be applied to Distributor's wholesale bill with respect to any remaining Code 23 Accounts, and (b) Distributor will recover such amount through a surcharge (applicable each month to the first 2,000 kWh of each Code 23 Account's energy takings) equal to the amount of the credit provided for in said item (1).

4. Effective with bills rendered from meter readings taken for Distributor monthly billing cycles scheduled to begin on or after October 2, 1989, all then remaining Code 23 Accounts will be served under the appropriate nonresidential rate schedule.

If this letter correctly states the understanding between us, please execute three duplicate originals hereof on behalf of Distributor and return them to the TVA power district office. Upon execution by TVA, a fully executed duplicate original will be returned to you.

Very truly yours,

TENNESSEE VALLEY AUTHORITY



R. B. Davis, Director
Division of Energy Use and
Distributor Relations

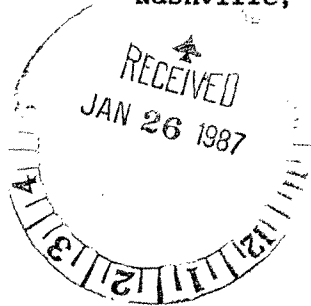
Accepted and agreed to as of
the date first above written.

TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION

By C. S. Hagan
President

TENNESSEE VALLEY AUTHORITY

444 Metroplex Drive
P. O. Box 110140, Suite 260
Nashville, Tennessee 37222-0140



January 22, 1987

Mr. Jack E. Dillard, General Manager
Tri-County Electric Membership Corporation
P. O. Box 40
Lafayette, Tennessee 37083

Dear Jack:

This refers to Letter Agreement TV-52337A, Supplement No. 11, Dated July 9, 1986, covering arrangements for service to Arbone Luggage Company, Inc., at Hartsville Nuclear Plant site.

Enclosed is a fully executed copy of the subject letter agreement. We will contact you soon to establish arrangements with Power System Operations for handling the billing amounts for your service to Arbone Luggage Company.

Ralph -
What does this mean?
Jack
1/26/87

Very truly yours,

TENNESSEE VALLEY AUTHORITY

Glen Burgess
G. Glen Burgess
District Manager
Division of Energy Use and
Distributor Relations

Enclosure

TENNESSEE VALLEY AUTHORITY
Chattanooga, Tennessee 37402-2801

TV-52337A
Supp No. 11

July 9, 1986

Mr. C. S. Hagan, President
Tri-County Electric Membership Corporation
LaFayette, Tennessee 37083

Dear Mr. Hagan:

Under License Agreement TV-68370A, dated December 16, 1985, as amended by Letter Agreement TV-68370A, Supplement No. 1, dated April 23, 1986 (hereinafter called the "License Agreement"), between the Tennessee Valley Authority (hereinafter called "TVA") and the Arbone Luggage Company, Inc. (hereinafter called "Company"), TVA granted Company a license to use a portion of the Hartsville Nuclear Plant site for the purposes of manufacturing luggage and related items and other agreed-upon activities. We understand that the Tri-County Electric Membership Corporation (hereinafter called "Cooperative") and Company have entered into three contracts for electric service by Cooperative to Company for Company's said manufacturing operations at various locations on said site. This will confirm the understanding reached between representatives of Cooperative and TVA with respect to arrangements under which power and energy will be delivered by TVA to Cooperative for resale to Company under said electric service contracts.

It is understood and agreed that:

1. Power and energy provided by TVA to Cooperative for resale and delivery to Company will be single-phase, 120/240-volt service and 3-phase, 240-volt service at the Admin. 1 Building and single-phase, 120/240-volt service at the Personnel Building. It is recognized that the power to be supplied by Cooperative to Company at each location shall not be more than 50 kVA. Accordingly, Cooperative shall, as soon as practicable and at its expense, furnish and install and thereafter operate and maintain for each of the separate locations referred to hereunder only a kWh meter for use in determining the amount of energy taken by Cooperative for resale and delivery to Company at each of said locations. Cooperative shall make the results of the readings of said meters available to TVA for purposes of billing Cooperative for deliveries of energy by TVA to Cooperative as provided in section 2 hereof.

2. Subject to the completion of Cooperative's work under section 1 hereof, TVA shall deliver to Cooperative at the 120/240-volt sides of TVA's 4,160-240/120-volt transformers at TVA's Hartsville Nuclear Plant construction substation the power and energy required by Cooperative for resale and delivery to Company at each of said locations.

The amounts of energy as measured by Cooperative's three meters referred to in section 1 hereof shall be added to the energy amounts delivered by TVA to Cooperative at the 69-kV power delivery point at the Hartsville

Mr. C. S. Hagan
July 9, 1986

Substation under the power contract dated July 18, 1979, between Cooperative and TVA (which contract as amended and supplemented is hereinafter called the "Power Contract"). Except as otherwise provided in this agreement, the power and energy supplied hereunder shall be delivered, metered, taken, and paid for in accordance with and subject to all of the provisions of the Power Contract.

3. This agreement shall become effective as of the date first above written and shall continue in effect until the earliest of the following dates: (1) the termination of all three of said electric service contracts between Cooperative and Company, (2) the termination of the Power Contract, or (3) the termination of the License Agreement. Upon termination of this agreement, Cooperative shall promptly and at its expense remove its meters installed hereunder.

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

If this letter correctly states the understanding between us, please execute three duplicate originals hereof and return them to the TVA power district office. Upon execution by TVA, a fully executed duplicate original will be returned to you.

Very truly yours,

TENNESSEE VALLEY AUTHORITY



R. B. Davis, Director
Division of Energy Use
and Distributor Relations

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

TRI-COUNTY ELECTRIC
MEMBERSHIP CORPORATION

By C. S. Hagan
President

TENNESSEE VALLEY AUTHORITY

444 Metroplex Drive
P. O. Box 110140, Suite 260
Nashville, Tennessee 37222-0140



March 2, 1987

Mr. Jack E. Dillard, General Manager
Tri-County Electric Membership Corporation
P. O. Box 40
Lafayette, Tennessee 37083

Dear Jack:

Enclosed for your files is a fully executed Standard-Form Agreement TV-52337A, Supplement No. 12, dated December 8, 1986, amending your power contract to modify a section of the Schedule of Terms and Conditions on the Financial and Accounting Policy.

If we can be of further service in this matter, please let us know.

Very truly yours,

TENNESSEE VALLEY AUTHORITY

G. Glen Burgess
District Manager
Division of Energy Use and
Distributor Relations

Enclosure

Suzanne

Pls. make copy for Jim Carthen.

*Thanks,
Jack*

3/6/87

*3/9/87
JK*

AGREEMENT
Between
TENNESSEE VALLEY AUTHORITY
And

TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION

THIS AGREEMENT, made and entered into as of the 8th day of December, 1986, by and between TENNESSEE VALLEY AUTHORITY (hereinafter called "TVA"), a corporation created and existing under and by virtue of the Tennessee Valley Authority Act of 1933, as amended, and TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION (hereinafter called "Distributor"), a cooperative corporation duly created, organized, and existing under and by virtue of the laws of the State of Tennessee;

W I T N E S S E T H:

WHEREAS, TVA and Distributor have heretofore entered into a contract dated July 18, 1979 (which contract as amended and supplemented is hereinafter called the "Power Contract"); under which electric power and energy are supplied by TVA at wholesale and purchased by Distributor for resale; and

WHEREAS, the parties wish to amend the Schedule of Terms and Conditions attached to and made a part of the Power Contract;

NOW, THEREFORE, for and in consideration of the mutual covenants herein contained, and subject to the provisions of the Tennessee Valley Authority Act of 1933, as amended, the parties hereto covenant and agree as follows:

1. The section entitled "Financial and Accounting Policy" of the Schedule of Terms and Conditions attached to and made a part of the Power Contract is hereby amended by deleting paragraphs (c) and (d) therein and inserting in lieu thereof the following:

(c) Cooperative shall supply TVA not later than August 15 of each year with an annual financial report in such form as may be requested, of electric system transactions for the preceding year ending June 30 and of electric system assets and liabilities as of June 30. Cooperative shall furnish to TVA such printed operating, statistical, and financial reports relating to electric system monthly operations as may reasonably be requested by TVA. Such monthly reports to TVA should be submitted not later than 30 days after each calendar monthly end. (Where information relating to such statistical reports is maintained on computers Cooperative will also

AM 1:57 PM
11.03.58

provide such statistical report information by a computer medium, working with TVA in developing a satisfactory format.) In the event of failure by Cooperative to furnish promptly any such reports, TVA, following written notification to Cooperative of intention to do so, may with its own staff perform at Cooperative's expense all work necessary to collect and process the data necessary to provide the information that should have been furnished in the reports.

(d) Cooperative shall have the electric system financial statements examined annually by independent certified public accountants in accordance with generally accepted auditing standards. A copy of the audit report and any related letters to Cooperative from the certified public accountants shall be provided to TVA. These documents should be provided to TVA not later than October 31 of each year.

2. This agreement shall become effective as of the date first above written and shall continue in effect until the expiration of the Power Contract. The Power Contract as supplemented and amended by this agreement is hereby ratified and confirmed as the continuing obligation of the parties.

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

TENNESSEE VALLEY AUTHORITY
By R. B. Davis
Director of Energy Use
and Distributor Relations

Attest:

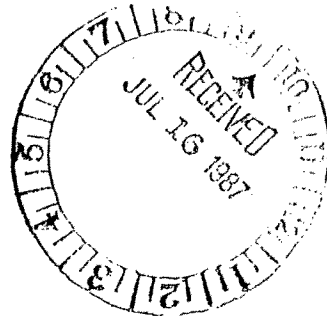
Bumclard
Secretary

TRI-COUNTY ELECTRIC
MEMBERSHIP CORPORATION
By C. S. Hagan
President

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TENNESSEE VALLEY AUTHORITY

444 Metroplex Drive
P. O. Box 110140, Suite 260
Nashville, Tennessee 37222-0140



July 15, 1987

Letter -
Please make copies for
Caruthers, Lamb, Gumbles & Wulcher -
then return original to me. Thanks.

Jack - 7/17/87

Mr. Jack E. Dillard, General Manager
Tri-County Electric Membership Corporation
P. O. Box 40
Lafayette, Tennessee 37083

Dear Jack:

Enclosed for your file is a fully executed copy of Lease and Amendatory Agreement TV-52337A, Supplement No. 13, dated May 1, 1987, covering arrangements for 161-kV delivery at TVA's Summer Shade 161-kV Substation.

If we can be of further service, please let us know.

Very truly yours,

TENNESSEE VALLEY AUTHORITY

G. Glen Burgess
District Manager
Division of Energy Use and
Distributor Relations

Enclosure

LEASE AND AMENDATORY AGREEMENT

Among

UNITED STATES OF AMERICA,
TENNESSEE VALLEY AUTHORITY,

And

TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION

TV-52337A

Supp No. 13

THIS AGREEMENT, made and entered into as of the 1st day of May, 1987, by and among the UNITED STATES OF AMERICA, acting by and through its legal agent, the Tennessee Valley Authority, a corporation created and existing under and by virtue of the Tennessee Valley Authority Act of 1933, as amended; TENNESSEE VALLEY AUTHORITY (hereinafter called "TVA"); and TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION (hereinafter called "Cooperative"), a cooperative corporation duly created, organized, and existing under and by virtue of the laws of the State of Tennessee;

W I T N E S S E T H:

WHEREAS, TVA and Cooperative have heretofore entered into a contract dated as of July 18, 1979 (which contract as amended and supplemented is hereinafter called the "Power Contract"), under which electric power and energy are supplied by TVA at wholesale and purchased by Cooperative for resale; and

WHEREAS, under the Power Contract, Cooperative takes a portion of its power requirements from a 13-kV delivery point at TVA's Summer Shade 161-kV Substation, a 12.5-kV delivery point at the terminus of TVA's Summer Shade-Edmonton 69-kV Line, and 69-kV delivery points at structure No. 141 of the Dale Hollow Hydro-Burkesville 69-kV Line and at the Celina, Fountain Run, and Tompkinsville Substations; and

WHEREAS, TVA presently makes available electric power at 161 kV in specified amounts for three gas compressor stations of the Texas Eastern Transmission Corporation (hereinafter called "Company"), including a station near Tompkinsville, Kentucky (hereinafter called "Tompkinsville Pumping Station"), under a contract dated November 1, 1978, and numbered TV-49971A (which contract as amended and supplemented is hereinafter called the "Texas Eastern Contract"); and Cooperative and TVA wish to provide for the assignment and transfer to Cooperative of TVA's rights and obligations under the Texas Eastern Contract relating to firm electric power service to Company at the Tompkinsville Pumping Station; and

WHEREAS, Cooperative wishes to lease and have the option of purchasing the 161-69-13-kV stepdown and related 13- and 69-kV facilities at TVA's Summer Shade 161-kV Substation and certain 161-kV and 69-kV lines interconnecting said 161-kV substation to said 12.5- and 69-kV delivery

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points and the Tompkinsville Pumping Station, including certain of the appurtenant interests in land which are owned by the United States of America, all to permit replacement of said delivery points with and service to the Tompkinsville Pumping Station from a 161-kV delivery point at the Summer Shade 161-kV Substation; and

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

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

1. Lease of TVA's Facilities. Beginning on June 13, 1987 (hereinafter called "Initial Lease Date"), and extending for a term not to exceed 6 years thereafter, the United States of America and TVA hereby lease to Cooperative the following properties (hereinafter collectively called "Leased Facilities") located in Clay County, Tennessee, and in Allen, Barren, Cumberland, Metcalfe, and Monroe Counties, Kentucky, for an annual rental (payable in equal monthly installments) equal to (a) 5 percent of the actual net book cost as of the Initial Lease Date of that portion of the Leased Facilities for which expenditures were committed by TVA prior to September 2, 1967, plus (b) 9 percent of the actual net book cost as of the Initial Lease Date of that portion of the Leased Facilities for which expenditures were committed by TVA after September 1, 1967, but prior to January 2, 1977, all as determined from TVA's records. The monthly payment is estimated, for convenience of the parties only, to be approximately \$2,570.

- (A) The approximately 4.69-acre portion (hereinafter called "Parcel 1") of TVA's Summer Shade 161-kV Substation site (identified on TVA's records as part of Tracts SSSS-1, SSSSA-1, and SSSSA-2, being further described as that property acquired by the United States of America by instruments of record in Deed Book 38, page 14, and Deed Book 41, pages 367, 369, 465, and 479, in the office of the County Court Clerk of Metcalfe County, Kentucky), which portion is indicated by a red outline on TVA drawing CC-12951, R-21, marked Exhibit A attached hereto and hereby made a part hereof, together with (1) the 161-69-13-kV transformer facilities, the 69-kV and 13-kV switching facilities, and all other facilities on Parcel 1 except as excluded hereinbelow, (2) the 161-kV overhead busses extending from said transformer facilities on Parcel 1 to and including the pulloff insulators on the 161-kV switching structure located on the remaining portion (hereinafter called "Parcel 2") of said substation site, (3) the

transformer track located partially on Parcel 1 and partially on Parcel 2, and (4) the control and relaying facilities in TVA's switchhouse located on Parcel 2 associated exclusively with said transformer facilities and said 69-kV and 13-kV switching facilities, including switchboard panels, cables, and associated apparatus; but excluding (a) the 13-kV metering current and voltage transformers in the 13-kV switching structure on Parcel 1 and the metering cables extending therefrom to the switchhouse, (b) the 161-kV, 3-phase grounding transformer on Parcel 1, (c) the 69-kV interchange metering current transformers located in the bay for 69-kV circuit breaker installation 694 on Parcel 1, (d) the complete 69-kV line circuit breaker installation 654 on Parcel 1, (e) the 161-kV steel transmission line structure on Parcel 1 and the transmission lines extending therefrom across Parcel 1, (f) the overhead ground wires extending from the ground wire structures on Parcel 1 to the ground wire structures on Parcel 2, (g) any transfer-trip, communication, supervisory, and remote alarm facilities, (h) any facilities for which expenditures were committed by TVA after January 1, 1977, and (i) any portable facilities and equipment (bearing TVA's numbered tags) on Parcel 1 which TVA chooses to remove.

- (B) TVA's Summer Shade-Edmonton 69-kV Line beginning at the Summer Shade 161-kV Substation and extending approximately 6.70 miles to Cooperative's Edmonton Substation, together with the easements and rights-of-way appurtenant thereto affecting property designated on TVA's records as Tracts SSER-1, SSE-1A, and SSE-1 through SSE-29, all as shown on TVA drawing LW-5591, sheets 1, 2, 3, and 4 (which property rights are further described as those rights acquired by the United States of America by instruments of record in the office of the County Court Clerk of Metcalfe County, Kentucky, identified by book and page in the Appendix of this agreement); but excluding any facilities for which expenditures were committed by TVA after January 1, 1977.
- (C) TVA's Dale Hollow Hydro-Tompkinsville-Summer Shade (Double Circuit) No. 1 and No. 2 69-kV Lines beginning at the Dale Hollow Hydro Substation and extending approximately 30.98 miles to the Summer Shade 161-kV Substation, including the

Tompkinsville Tapline, together with the easements and rights-of-way appurtenant thereto affecting property designated on TVA's records as Tracts DHSS-1 through DHSS-27, DHSS-27A, DHSS-27B, DHSS-28 through DHSS-84, DHSS-84A, DHSS-85 through DHSS-98, DHSS-100 through DHSS-103, DHSS-103A, DHSS-103B, DHSS-104, DHSS-105, DHSS-106, DHSS-106A, DHSS-107 through DHSS-111, and DHST-1 through DHST-4, all as shown on TVA drawing LW-2712, sheets 1 through 14 and sheet 9A (which property rights are further described as those rights acquired by the United States of America by instruments of record in the office of the County Court Clerk of Metcalfe County, Kentucky, the office of the County Court Clerk of Monroe County, Kentucky, and the office of the Register of Clay County, Tennessee, identified by book and page in the Appendix of this agreement); but excluding (a) the conductors, insulators, and attachment facilities associated with said line No. 1, (b) all communication facilities supported by or associated with said line, (c) any easement rights or other permanent interests in the Dale Hollow Hydro Reservation property, and (d) any facilities for which expenditures were committed by TVA after January 1, 1977.

- (D) The section of TVA's Scottsville-Summer Shade 69-kV Line beginning at the Fountain Run Substation and extending approximately 23.09 miles to the Summer Shade 161-kV Substation including the 69-kV tap and switch structure 419A at station 685+32.8, together with the easements and rights-of-way appurtenant thereto affecting property designated on TVA's records as 1279.8 feet of Tract SSSV-54, Tracts SSSV-55 through SSSV-120, SSSVR-1, SSSVR-2, and FORT-1 through FORT-27, all as shown on TVA drawing LW-2419, sheets 6 through 14 and sheets 6A, 6B, 6C, and 6D (which property rights are further described as those rights acquired by the United States of America by instruments of record in the office of the County Court Clerk of Allen County, Kentucky, the office of the County Court Clerk of Barren County, Kentucky, the office of County Court Clerk of Metcalfe County, Kentucky, and the office of the County Court Clerk of Monroe County, Kentucky, identified by book and page in the Appendix of this agreement); but excluding (a) the conductors, insulators, and attachment facilities for TVA's 69-kV line to Scottsville extending from said structure 419A and (b) any facilities for which expenditures were committed by TVA after January 1, 1977.

- (E) The section of TVA's Dale Hollow Hydro-Burkesville 69-kV Line beginning at the Dale Hollow Hydro Substation and extending approximately 17.28 miles to but excluding structure 141 at station 912+25, together with the easements and rights-of-way appurtenant thereto affecting property designated on TVA's records as Tracts DHB-1 through DHB-11, DHB-11A, DHB-12 through DHB-18, DHB-18A, DHB-18B, DHB-19 through DHB-45, DHB-45A, DHB-46 through DHB-64, DHB-66, 1,693 feet of DHB-67, DHBR-1 through DHBR-4, DHBR-6 through DHBR-8, DHBR-10, DHBR-11, DHBR-15 through DHBR-22, and DHBR-22B, all as shown on TVA drawing LW-3876, sheets 1 through 9 (which property rights are further described as those rights acquired by the United States of America by instruments of record in the office of the County Court Clerk of Cumberland County, Kentucky, and the office of the Register of Clay County, Tennessee, identified by book and page in the Appendix of this agreement); but excluding (a) any easement rights or other permanent interests in the Dale Hollow Hydro Reservation property and (b) any facilities for which expenditures were committed by TVA after January 1, 1977.
- (F) TVA's Dale Hollow Hydro-Celina 69-kV Line beginning at the Dale Hollow Hydro Substation and extending approximately 0.39 mile to the Celina Substation, all as shown on TVA drawing LW-3513, sheets 8B and 8C; but excluding (a) any easement rights or other permanent interests in the Dale Hollow Hydro Reservation property and (b) any facilities for which expenditures were committed by TVA after January 1, 1977.
- (G) TVA's Summer Shade-Tompkinsville Pumping Station 161-kV Line beginning at but excluding structure 124 of TVA's Wolf Creek-Summer Shade No. 2 161-kV Line and extending approximately 3.74 miles to the Tompkinsville Pumping Station, together with the easements and rights-of-way appurtenant thereto affecting property designated on TVA's records as Tracts WCSTET-1 through WCSTET-19, all as shown on TVA drawing LW-3098, sheets 15A, 15B, and 15C (which property rights are further described as those rights acquired by the United States of America by instruments of record in the office of the County Court Clerk of Metcalfe County, Kentucky, and the office of the County Court Clerk

of Monroe County, Kentucky, identified by book and page in the Appendix of this agreement); but excluding (a) any communication, supervisory, and remote alarm facilities attached to said line and (b) any facilities for which expenditures were committed by TVA after January 1, 1977.

The parties recognize that there may be facilities described above but excluded from the Leased Facilities under items (A)(h), (C)(d), (D)(b), (E)(b), (F)(b), and (G)(b) and paragraph (B) above (hereinafter called "Purchased Facilities") for which expenditures were committed by TVA after January 1, 1977. In such event, TVA will submit to Cooperative, as soon as practicable after the Initial Lease Date, an itemized statement in the amount of the actual net book cost of the Purchased Facilities, as determined by TVA from TVA's records as of the Initial Lease Date. Upon receipt of said statement, Cooperative shall promptly pay TVA the amount specified therein, and effective with the date of such payment the Purchased Facilities shall become the property of Cooperative without further action by the parties.

TVA hereby retains the right to keep in place the facilities excluded from the Leased Facilities under item (A)(a) above for operation pursuant to the provisions of section 3 hereof and under item (A)(c) above for operation pursuant to the provisions of the last paragraph of section 4 hereof. TVA hereby further retains the right to keep in place the facilities excluded from the Leased Facilities under items (A)(b) through (A)(g), (C)(a), (C)(b), and (G)(a) above, together with such rights of access in, on, over, and across the Leased Facilities and Purchased Facilities as are necessary for the use, operation, maintenance, and replacement of said facilities and for the removal thereof if and when no longer required by TVA, or TVA makes alternate arrangements for its purposes. On or as soon as practicable after the Initial Lease Date, TVA will remove the facilities excluded from the Leased Facilities under item (A)(i) above.

TVA hereby further retains on behalf of the East Kentucky Power Cooperative (formerly the East Kentucky Rural Electric Cooperative Corporation and hereinafter called "East Kentucky") such privileges as East Kentucky may have under its license agreements with TVA entered into as of February 29, 1956 (TV-18649A) and February 14, 1978 (TV-48315A) (hereinafter called "License Agreements") for use of portions of the Summer Shade 161-kV Substation site (for a road and fence and for a microwave reflector respectively).

It is recognized that certain easements and rights-of-way retained by TVA overlap portions of the easements and rights-of-way included in the Leased Facilities and Purchased Facilities under paragraph (B) above. Accordingly, it is understood that the easements and rights-of-way included in the Leased Facilities and Purchased Facilities are subject to easements and rights-of-way held by the United States of America in favor of TVA for the use, operation, maintenance, repair, replacement, rebuilding, and removal of TVA's South Nashville-Green River 161-kV Line (which easements and rights-of-way overlap portions of easements and rights-of-way appurtenant to the Summer Shade-Edmonton 69-kV Line).

TVA, to the extent it is legally able to do so, hereby provides Cooperative with permission to keep in place such of the Leased Facilities and Purchased Facilities as are located on Parcel 2 at the Summer Shade 161-kV Substation, together with such permission for access in, on, over, and across Parcel 2, including TVA's switchhouse located thereon, as may be necessary for Cooperative's purposes under this agreement.

TVA hereby also provides Cooperative with permission to use without charge the 161-kV transmission line and bus facilities between structure 124 of TVA's Wolf Creek-Summer Shade No. 2 161-kV Line referred to in item (G) above and the 161-kV overhead busses included in the Leased Facilities under item (A)(2) above, which transmission line and bus facilities must be retained by TVA for its purposes.

The parties also recognize that the easements and rights-of-way set forth in paragraphs (B), (C), (D), (E), and (G) above do not necessarily include the right to cross any roadways, railroads, utility lines, or other ways. Upon request, TVA will cooperate with Cooperative in the acquisition by Cooperative of any necessary crossing rights, but it is understood that such acquisition is the sole obligation of Cooperative.

The parties further recognize that there are no landrights included in the Leased Facilities and Purchased Facilities for portions of the lines described in paragraphs (C) and (E) above or for any of the line described in paragraph (F) above and that the landrights upon which such lines are located are owned by the United States of America and are in the custody of the United States Army Corps of Engineers. Upon request, TVA will cooperate with Cooperative in the acquisition by Cooperative of any necessary rights for access to and operation, maintenance, repair, and replacement of said lines, but it is understood that such acquisition is the sole obligation of Cooperative.

It is also recognized and understood that under the Power Contract Cooperative, and not TVA, is responsible for providing protective equipment for Cooperative's facilities. However, it is also recognized that the Leased Facilities and Purchased Facilities derive some protection from protective facilities which are not included in the Leased Facilities or Purchased Facilities. Such facilities (hereinafter collectively called "Protective Facilities") include, but are not limited to, 161-kV circuit breakers 994 and 998 at TVA's Summer Shade 161-kV Substation. In entering into this agreement, TVA undertakes no duty and makes no warranties, express or implied, concerning the protection of the Leased Facilities and Purchased Facilities by the Protective Facilities, and TVA assumes no obligation to keep the Protective Facilities in service; provided, however, that in the event that the above-designated protective facilities are to be taken out of service, TVA will coordinate its actions with Cooperative so as to permit Cooperative sufficient time to provide such alternate protective facilities as it deems proper and desirable. It is recognized further that, so long as the Protective Facilities are in service, Cooperative will continue to benefit from such protection, and it is accordingly agreed that, until Cooperative provides alternate protective facilities and so notifies TVA in writing, the release and

indemnification provisions of section 6 of this agreement shall be deemed to apply to the Protective Facilities as though they were included in the Leased Facilities under this section 1; provided, however, that said indemnification provisions as so applied to the Protective Facilities shall apply only to claims, demands, or causes of action for personal injuries, property damage, or loss of life or property sustained by Cooperative, its agents and employees, or sustained by third parties, through or in connection with the operation of any of Cooperative's facilities, including the Leased Facilities.

It is further recognized that for the Leased Facilities and Purchased Facilities there are special clearing arrangements such as those for Tracts DHSS-3, DHSS-25, DHSS-31, DHSS-32, DHSS-36, DHSS-46, DHSS-48, DHSS-50, DHSS-59, DHSS-60, DHSS-71, DHSS-82, DHSS-85, DHSS-94, DHSS-95, DHSS-100, DHSS-106, FORT-10, FORT-18, and DHBR-15 (referred to in paragraphs (C), (D), and (E) above) in the drawings and documents to be furnished in connection with this agreement.

It is recognized that the Dale Hollow-Tompkinsville-Summer Shade (Double Circuit) No. 1 and No. 2 69-kV Lines are included in the Leased Facilities, but that the No. 1 line conductors, insulators, and attachment facilities and 69-kV line circuit breaker 654 at the Summer Shade 161-kV Substation, on which said No. 1 line is terminated, are excluded from the Leased Facilities. It is also recognized that TVA uses said No. 1 line primarily to transmit power from the Dale Hollow Hydro Plant into TVA's power system and as the primary communication circuit between TVA and the Dale Hollow Hydro Plant. Under these circumstances it is agreed that TVA will compensate Cooperative, as hereinafter provided, for TVA's use of the No. 1 line and that the compensation will include a share of the expense of replacing the poles due to normal wear and tear.

Beginning on the Initial Lease Date and continuing until the date of cessation of TVA's said use of said No. 1 line for its purposes, (a) the actual net book cost of the portion of said No. 1 and No. 2 69-kV lines included in the Leased Facilities shall be reduced by 50 percent for purposes of computing the annual rental specified in section 1 hereof; (b) unless otherwise agreed, TVA will reimburse Cooperative, annually in arrears and as soon as practicable following receipt of a statement therefor, an amount equal to 50 percent of Cooperative's actual costs, including applicable overheads, incurred for operation and maintenance (including, but not limited to, replacement of the insulators for said No. 1 and No. 2 lines) for said portion of the Leased Facilities; and (c) TVA will pay Cooperative, annually in arrears and as soon as practicable following receipt of a statement therefor, an amount equal to 12 percent of the amount chargeable to TVA as of December 31 of each calendar year after the Initial Lease Date in Cooperative's pole replacement account established as described below (hereinafter called "Pole Account"). Cooperative's Pole Account shall be established as an account containing the replacement costs, including applicable overheads, of Cooperative for replacement due to normal wear and tear of the poles in said lines. The amount in the Pole Account chargeable to TVA shall be one-half the sum of the replacement costs for the poles. During the calendar year in which a replacement pole is

put in service, the replacement costs for that pole shall be proportionately reduced by multiplying its replacement costs by the number of months the pole was in service that year and dividing by 12. For purposes of the calculation in the preceding sentence, a replacement pole shall be considered to have been in service during a month only if it was put in service before the 15th day of that month. Cooperative shall furnish to TVA upon request certified statements of the individual and cumulative installed costs in the Pole Account and of the in-service dates of all replacement poles. The operating representatives of TVA and Cooperative will meet regularly to review and mutually determine the poles in said No. 1 and No. 2 lines that should be replaced. In the event that TVA no longer requires said No. 1 line for its purposes during the lease term, effective as of the date TVA's use ceases (hereinafter called "Final Use Date") the No. 1 line conductors, insulators, and attachment facilities and 69-kV line circuit breaker 654 at the Summer Shade 161-kV Substation shall be included in the Leased Facilities and Purchased Facilities for all purposes under this agreement (including the indemnity provisions of section 6 hereof), except that the Final Use Date shall be considered to be the Initial Lease Date for purposes of determining the annual rental on and the purchase price for said facilities as part of the Leased Facilities in accordance with sections 1 and 8 of this agreement, respectively. In the event that Cooperative purchases the Leased Facilities as provided for in section 8 hereof prior to cessation of TVA's said use, Cooperative and TVA will agree on equitable compensation by TVA to Cooperative for the continuation of said use.

2. Transfer of Customer. Effective as of the Initial Lease Date, TVA hereby assigns and transfers to Cooperative all of TVA's rights and obligations, and Cooperative assumes in full all of TVA's obligations, under the Texas Eastern Contract with respect to delivery and receipt of, and payment for, firm electric power and energy made available to Company at the Tompkinsville Pumping Station. TVA hereby retains its rights and obligations with respect to making supplemental power and energy available to Company under the Texas Eastern Contract, and TVA hereby reserves the right to use the Leased Facilities described in paragraph (G) of section 1 hereof for transmitting such supplemental power and energy to Company. It is recognized that the assignment and transfer of rights and obligations hereunder is being made pursuant to section 2 of the Power Contract, and nothing contained herein shall be construed to waive or otherwise alter the rights or obligations of either Cooperative or TVA under section 2 or any other section of the Power Contract, except as herein expressly provided otherwise. The parties also recognize that pursuant to the provisions of section 2 of the Power Contract the rights and obligations assigned to Cooperative hereunder may be reassigned to TVA; therefore, Cooperative shall enter into no agreement altering the arrangements for the supply of power by Cooperative to Company without approval in advance by TVA. Notwithstanding any other provisions of this agreement including its termination, said assignment and transfer to Cooperative shall remain in effect until the earliest of (a) the termination or expiration of the Power Contract, (b) the termination or expiration of the Texas Eastern Contract insofar as it relates to service to the Tompkinsville Pumping Station, or (c) the reassignment to TVA pursuant to section 2 of the Power Contract of the rights and obligations assigned to Cooperative hereunder.

3. Metering Facilities. It is recognized that pursuant to the Texas Eastern Contract, TVA owns the meters and related items in the revenue metering installation on the low-tension side of Company's substation supplying the Tompkinsville Pumping Station and that Company owns the remaining facilities in the metering installation, including the current and voltage transformers. Cooperative shall assure that this revenue metering installation shall be for TVA's exclusive use and control, unless otherwise agreed by TVA, and may be used by TVA separately or in conjunction with any other metering facilities of TVA. TVA, at its expense, will test, calibrate, operate, maintain, and replace the portion of this metering installation owned by TVA, and Cooperative, at its expense, shall be responsible for providing for the necessary maintenance (including making of replacements) of the remaining portion of this metering installation, including the metering facilities owned by Company. If such maintenance includes replacement of the current and voltage transformers, Cooperative shall furnish TVA a certified copy of the manufacturer's standard accuracy test report on each replacement current and voltage transformer provided at Company's substation. TVA will place its seals on all meters and metering facilities in this metering installation, and Cooperative shall assure that said seals are not broken except upon request by TVA. TVA will make the results of the readings of the meters at Company's substation available to Cooperative each month for purposes of billing Company.

The 13-kV revenue metering installations used in determining deliveries to Cooperative at the Summer Shade 161-kV Substation and Cooperative's Edmonton Substation shall be for TVA's exclusive use and control unless otherwise agreed by TVA and may be used by TVA separately or in conjunction with any other metering facilities of TVA. TVA at its expense will test, calibrate, operate, maintain, and replace the portions of said metering installations excluded from the Leased Facilities and Purchased Facilities at the Summer Shade 161-kV Substation or provided and installed by TVA at Cooperative's Edmonton Substation, and Cooperative at its expense shall as requested by TVA from time to time perform necessary maintenance (including making of replacements) of the remaining portions of said metering installations. Notwithstanding the exclusion of the current and voltage transformers and the metering cables from the Leased Facilities at the Summer Shade 161-kV Substation, Cooperative at its expense shall as requested by TVA from time to time perform necessary maintenance (including making of replacements) of the current and voltage transformers and metering cables at the Summer Shade 161-kV Substation and at Cooperative's Edmonton Substation; provided, however, that TVA will furnish for installation by Cooperative any replacements as may be required for said current and voltage transformers and metering cables. TVA will place its seals on all meters and metering facilities in said metering installations, and Cooperative shall not break said seals except upon request by TVA.

TVA may install separate metering facilities for its purposes at such time or times as it may elect either at the substations identified in the preceding paragraph in mutually satisfactory locations or at such other point or points on TVA's system as TVA may deem necessary or desirable. On or as soon as practicable after the date on which TVA provides any such separate metering

facilities, which shall be and remain TVA's property, unless otherwise agreed TVA will remove from each replaced metering installation the magnetic tape demand recorder and such other TVA-owned facilities as deemed feasible by TVA, and Cooperative will thereafter assume full responsibility for and control over all facilities remaining in each replaced metering installation. Cooperative hereby agrees that TVA shall have the right to exercise its operational and maintenance rights and responsibilities under this section 3, together with such rights of access in, on, over, and across the Leased Facilities and Purchased Facilities, Cooperative's Edmonton Substation, and Company's substation as are necessary therefor.

It is recognized that, in addition to the revenue metering installations referred to in the preceding paragraphs of this section 3, TVA will continue to require for billing purposes under section 4 hereof the use of the 13-kV revenue metering installations at the Burkesville, Celina, Fountain Run, and Tompkinsville Substations.

4. Amendment to Power Contract. Effective as of the Initial Lease Date, section 3 of the Power Contract is hereby amended by striking from the tabulation appearing therein all references to (1) the 12.5-kV delivery point at the terminus of TVA's Summer Shade-Edmonton 69-kV Transmission Line, (2) the 13-kV delivery point at the 13-kV side of TVA's Summer Shade 161-kV Substation, and (3) the 69-kV delivery points at structure No. 141 of the Dale Hollow Hydro-Burkesville 69-kV Line and at the 69-kV sides of the Celina, Fountain Run, and Tompkinsville Substations and substituting therefor the following:

<u>Delivery point</u>	<u>Normal Wholesale Delivery Voltage</u>
161-kV side of the Summer Shade 161-kV Substation	161,000

The respective amounts of power and energy measured by the 13-kV revenue metering installations at the Edmonton, Fountain Run, and Tompkinsville Substations and Company's substation shall be appropriately adjusted by taking into account transformer and transmission losses, and at the Fountain Run Substation regulator losses as well, to reflect delivery at the 161-kV side of the Summer Shade 161-kV Substation; the respective amounts of power and energy measured by the 13-kV revenue metering installations at the Burkesville and Celina Substations shall be appropriately adjusted by taking into account transformer and transmission losses to reflect power takings at the 69-kV side of the Dale Hollow Hydro Substation and, as so adjusted, shall be considered as if delivered at the 161-kV side of the Summer Shade 161-kV Substation; the respective amounts of power and energy measured by the 13-kV revenue metering installation at the Summer Shade 161-kV Substation shall be appropriately adjusted by taking into account transformer, regulator, and phase reactor losses at said 161-kV substation to reflect delivery at the 161-kV side thereof; and such adjusted amounts at each said substation shall be combined on a simultaneous basis and used for billing purposes hereunder and under the

Power Contract. Cooperative shall furnish to TVA such loss data as may be necessary from time to time to permit TVA to determine such losses in Cooperative's Edmonton Substation and Company's substation. In addition, Cooperative's nonmetered station service requirements, if any, at the Summer Shade 161-kV, Burkesville, Celina, Edmonton, Fountain Run, and Tompkinsville Substations shall be equitably accounted for in billings rendered hereunder and under the Power Contract.

It is recognized that (1) in accordance with section 2 hereof TVA is retaining its rights and obligations under the Texas Eastern Contract relative to making supplemental power and energy available to Company and (2) any amounts of supplemental power and energy so supplied by TVA to Company will be registered on the metering facilities (at Company's substation) which also register the amounts of firm power and energy delivered by TVA to Cooperative under this agreement for resale to Company. Accordingly, in the event supplemental power is scheduled during any month by Company at the Tompkinsville Pumping Station, in calculating Cooperative's wholesale bill for that month, Cooperative's demand and energy takings at the 161-kV delivery point at the Summer Shade 161-kV Substation will be reduced, on a simultaneous basis, by the supplemental demand scheduled by Company and the supplemental energy deemed taken by Company (increased to reflect appropriate demand and energy losses between said metering facilities and said delivery point).

It is recognized that the transmission lines included in the Leased Facilities under paragraphs (C), (E), and (F) of section 1 hereof will remain terminated on 69-kV circuit breakers located at the United States Army Corps of Engineers' Dale Hollow Hydro Substation. TVA, consistent with its July 1, 1984 memorandum of understanding with the United States Army Corps of Engineers relative to the Dale Hollow Hydro Substation, will arrange for the provision and maintenance of said 69-kV circuit breakers, and Cooperative will, unless otherwise agreed by TVA, maintain said transmission lines intact to permit TVA's use thereof for purposes of transmitting power generated at the Dale Hollow Hydro Plant into TVA's system.

It is also recognized (a) that TVA and East Kentucky presently maintain a 69-kV interchange point between their respective systems at the line side of breaker installation 694 at the Summer Shade 161-kV Substation under provisions of agreement TV-24847A, dated January 22, 1964, as amended, between TVA and East Kentucky, (b) that, as a result of system improvements by TVA and East Kentucky and other arrangements, said 69-kV interchange point is no longer required by either TVA or East Kentucky but maintenance of the point as an emergency interconnection is desired by East Kentucky, and (c) that Cooperative also wishes to realize the benefits of such an emergency interconnection. Accordingly, beginning on the Initial Lease Date and continuing until such time, if any, as TVA, East Kentucky, and Cooperative may agree upon alternate arrangements, (1) in coordination with TVA and East Kentucky,

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12

TVA has taken this breaker back

Cooperative shall be responsible for the operation of said breaker 694, which shall be operated normally open and shall not be closed without the prior approvals of TVA's and East Kentucky's system dispatchers, (2) any amounts of power and energy that may flow through said interconnection point in emergencies shall be appropriately taken account of in billings to Cooperative for deliveries at the 161-kV side of the Summer Shade 161-kV Substation, and (3) TVA will continue to operate, maintain, and be responsible for the existing metering facilities associated with said interconnection point.

5. Operation and Maintenance Under Lease. During the lease term, Cooperative at its expense shall, except as provided in section 3 hereof with respect to the metering facilities, operate and maintain the Leased Facilities and Purchased Facilities in accordance with good, modern practices and procedures, making all repairs, additions, and replacements. Any such additions to the Leased Facilities shall be and remain the property of Cooperative and may be removed by Cooperative at any time thereafter. Any such replacements of the Leased Facilities shall become the property of TVA, unless otherwise agreed, without further action of the parties and shall become a part of the Leased Facilities for all purposes hereunder except that such replacements shall not be considered in calculating the annual rental on or purchase price for the Leased Facilities in accordance with sections 1 and 8 hereof, respectively. Cooperative may move, modify, rearrange, or retire any of the Leased Facilities or Purchased Facilities, except said metering facilities, but only upon agreement with TVA as to such changes.

It is recognized (a) that the station service transformer installation at the Summer Shade 161-kV Substation is included in the Leased Facilities and Purchased Facilities and (b) that the station battery installation located in TVA's switchhouse at said substation is excluded from the Leased Facilities and will remain the property of TVA. From and after the Initial Lease Date, TVA shall have the right to use without charge said station service transformer installation for its requirements, and, as consideration therefor, TVA will furnish without charge the direct current requirements of Cooperative for the Leased Facilities and Purchased Facilities at said substation.

It is further recognized that the access driveway at the Summer Shade 161-kV Substation is located on Parcel 2. TVA hereby provides Cooperative with permission to use without charge said driveway. TVA will at its expense perform any maintenance of said driveway as may be required from time to time; provided, however, that in the event resurfacing of said driveway is required, unless otherwise agreed, Cooperative shall reimburse TVA for one-half the cost, including applicable overheads, incurred by TVA therefor.

It is further recognized that portions of the Summer Shade 161-kV Substation site will remain subject to the License Agreements until terminated, and Cooperative agrees, during the term of the License Agreements, not to operate or utilize the Leased Facilities or Purchased Facilities in any way inconsistent with such privileges as East Kentucky may have under the License Agreements.

It is also recognized that certain control circuits included in the Leased Facilities and Purchased Facilities at the Summer Shade 161-kV Substation overlap control circuits to be retained by TVA at said substation. From and after the Initial Lease Date, the operational testing of such overlapping circuits shall be coordinated between the operating representatives of Cooperative and TVA, and Cooperative shall give TVA adequate notice of its plans for testing and calibration of other control facilities which are deemed by TVA to require coordination with TVA's facilities so that TVA may have representatives present if it so desires.

During the lease term, Cooperative shall make every reasonable effort, including timely application for judicial relief, to discourage, prevent, and eliminate any encroachment on or other interference with its leasehold interest in the Leased Facilities or with its proper and safe use and operation of the Leased Facilities and Purchased Facilities. TVA retains at its option, however, the right to take all actions necessary to discourage, prevent, and eliminate any such encroachment on or interference with the rights of TVA or the United States of America or, to the extent it is legally able to do so, those of Cooperative.

6. Indemnity. Cooperative shall reimburse TVA for any damage to TVA's property and to property in TVA's custody, and Cooperative releases the United States of America, TVA, their agents and employees from and shall indemnify and save harmless the United States of America, TVA, their agents and employees from any and all claims, demands, or causes of action for personal injuries, property damage, or loss of life or property sustained by Cooperative, its agents and employees, or third parties arising out of or in any way connected with (a) Cooperative's use of Parcel 2 including the access driveway and TVA's switchhouse at the Summer Shade 161-kV Substation or (b) the use, occupancy, maintenance, operation, failure, revision, repair, replacement, or removal of any of the Leased Facilities or the Purchased Facilities, even though the personal injuries, property damage, or loss of life or property is caused, occasioned, or contributed to by the negligence, sole or concurrent, of the United States of America, TVA, their agents or employees. This release and indemnification shall continue to apply in the event Cooperative takes title to the Leased Facilities by exercise of the option to purchase as provided for in section 8 hereof.

7. Termination of Agreement. Effective as of the Initial Lease Date, the circuit breaker rental agreement dated February 16, 1983 (TV-61109A), between TVA and Cooperative is hereby terminated; provided, however, that nothing contained herein shall be construed as terminating section 3 of said agreement insofar as that section applies to accidents, claims, or damages in any way arising out of or in any way connected with the use, maintenance, defect, failure, or operation of the circuit breaker facilities prior to the Initial Lease Date.

8. Option to Purchase Leased Facilities. During the lease term, Cooperative shall have the option to purchase the Leased Facilities for a purchase price equal to the actual net book cost thereof as of the Initial Lease Date, as determined from TVA's records, less an annual reduction at the rate of 3 percent of the original installed cost of the Leased Facilities as of the Initial Lease Date for the period from the Initial Lease Date to the date of conveyance. Said option may be exercised at any time during said lease term upon written notice by Cooperative to TVA. Upon exercising the option, Cooperative shall pay the purchase price promptly upon receipt of a statement therefor, and title to the Leased Facilities will be conveyed by TVA to Cooperative by a quitclaim deed and bill of sale on, or as soon as practicable after, the date on which Cooperative pays said purchase price. Said deed and bill of sale shall contain (a) a proper description of the Leased Facilities, (b) appropriate reservations for any third-party rights subject to which the United States of America acquired its interests in the Leased Facilities, (c) appropriate reservations consistent with TVA's rights and responsibilities under this agreement, (d) appropriate reservations for any then outstanding privileges East Kentucky may have under the License Agreements, and (e) appropriate reservations for such TVA-owned substation, transmission, and communication facilities as are then located on the Leased Facilities and Purchased Facilities and are not provided for in this agreement.

If Cooperative has not exercised said option to purchase the Leased Facilities by the end of the lease term, Cooperative shall return possession of the Leased Facilities to TVA in as good condition as received, less normal wear and tear. Thereafter, TVA shall be under no obligation to maintain the Leased Facilities in place and may remove, abandon, or otherwise dispose of any or all of them whenever it is desirable, in TVA's judgment, to do so; and, unless otherwise agreed with TVA, it shall be Cooperative's responsibility thereafter to arrange for alternate stepdown and transmission facilities for the power made available by TVA at 161 kV in accordance with the amendment to the Power Contract contained in section 4 hereof; provided, however, that after returning possession of the Leased Facilities to TVA, Cooperative shall have a reasonable period in which to remove the Purchased Facilities and any other of its facilities then located on or connected to the Leased Facilities.

9. Term of Agreement. Except as otherwise provided herein, this agreement shall be effective as of the date first above written and shall continue in effect for the term of the Power Contract or any extension, renewal, or replacement thereof.

10. Successors and Assigns. This agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, but shall not be transferred or assigned by any party without the written consent of the others. In addition, Cooperative agrees that during the lease term it will not sublet, license any use of, or grant any other rights in or to use all or any portion of the Leased Facilities or Purchased Facilities without the prior written consent of TVA.

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

12. Section Headings. The section headings in this agreement are for convenience of reference only and are not a part of the agreement among the parties.

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



UNITED STATES OF AMERICA
By Tennessee Valley Authority
Its Legal Agent

and

Attest:

TENNESSEE VALLEY AUTHORITY

Helen S. Trummer
Assistant Secretary
OGC

By [Signature]
General Manager

Attest:

TRI-COUNTY ELECTRIC
MEMBERSHIP CORPORATION

[Signature]
Secretary

By [Signature]
President

STATE OF TENNESSEE)
)
COUNTY OF KNOX)

On this 10th day of June, 1987, before me appeared W. F. WILLIS and HELEN S. DRUMMER, to me personally known, who, being by me duly sworn, did say that they are the General Manager and an Assistant Secretary, respectively, of the TENNESSEE VALLEY AUTHORITY, a corporation, and that the seal affixed to the foregoing instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation in its individual capacity and in its capacity as legal agent of the UNITED STATES OF AMERICA, by authority of its Board of Directors; and the said W. F. WILLIS and HELEN S. DRUMMER severally acknowledged said instrument to be the free act and deed of said corporation for itself and as legal agent of the UNITED STATES OF AMERICA.

Witness my hand and official seal at Knoxville, Tennessee, the day and year aforesaid.

Linnie L. Ames
Notary Public

My commission expires: 9-22-87

APPENDIX

Sources of Title to Transmission Line Property Rights

Item 1(B)

<u>Tract</u>	<u>Recorded Date</u>	<u>Deed Book</u>	<u>Page</u>	<u>County</u>	<u>State</u>
SSER-1	11- 1-76	63	109	Metcalfe	Kentucky
SSE-1A	6-13-67	54	342	"	"
SSE-1	12-12-66	54	120	"	"
SSE-2	11-30-66	54	98	"	"
SSE-3	12-12-66	54	118	"	"
SSE-4	11-30-66	54	100	"	"
SSE-5	12-13-66	54	124	"	"
SSE-6	12-12-66	54	116	"	"
SSE-7	11-30-66	54	102	"	"
SSE-8	11-30-66	54	104	"	"
SSE-9	11-30-66	54	106	"	"
SSE-10	12-13-66	54	122	"	"
SSE-11	2-14-67	54	226	"	"
SSE-12	2-14-67	54	222	"	"
SSE-13	2-14-67	54	228	"	"
SSE-14	2-14-67	54	224	"	"
SSE-15	2-28-67	54	245	"	"
SSE-16	2-14-67	54	218	"	"
SSE-17	6-14-67	54	353	"	"
SSE-18	6-14-67	54	345	"	"
SSE-19	7-26-67	54	402) 405)	"	"
SSE-20 and SSE-22	4-17-67	54	301	"	"
SSE-21	6-14-67	54	347	"	"
SSE-23 and SSE-25	12-15-66	54	127	"	"
SSE-24	6-14-67	54	349	"	"
SSE-26	6-14-67	54	351	"	"
SSE-27	2-14-67	54	216	"	"
SSE-28	7-26-67	54	409	"	"
SSE-29	2-14-67	54	220	"	"

Item 1(C)

<u>Tract</u>	<u>Recorded Date</u>	<u>Deed Book</u>	<u>Page</u>	<u>County</u>	<u>State</u>
DHSS-1	9- 1-48	42	248	Metcalfe	Kentucky
DHSS-2	8- 5-48	42	228	"	"
DHSS-3*	9- 1-48	42	249	"	"
DHSS-4	10- 8-48	42	342	"	"
DHSS-5	9- 1-48	42	251	"	"
DHSS-6 and DHSS-8	8- 4-48	42	213	"	"

Item 1(C)--Continued

<u>Tract</u>	<u>Recorded Date</u>	<u>Deed Book</u>	<u>Page</u>	<u>County</u>	<u>State</u>
DHSS-7	8- 5-48	42	224	Metcalfe	Kentucky
DHSS-9	11- 4-48	42	376	"	"
DHSS-10	8- 4-48	42	207	"	"
DHSS-11	8- 4-48	42	209	"	"
DHSS-12	8- 4-48	42	210	"	"
DHSS-13	8- 4-48	42	212	"	"
DHSS-14	1- 5-49	42	455	"	"
	12-11-48	23	26	Monroe	Kentucky
DHSS-15 and DHSS-17	11- 5-48	22	627	"	"
DHSS-16	12- 2-48	23	13	"	"
DHSS-18	9-13-48	22	468	"	"
DHSS-19	8- 3-48	22	342	"	"
DHSS-20	8- 2-48	22	346	"	"
DHSS-21	8-30-48	22	391	"	"
DHSS-22	9- 7-48	22	442	"	"
DHSS-23	8- 6-48	22	344	"	"
DHSS-24	8- 6-48	22	339	"	"
DHSS-25*	8- 6-48	22	335	"	"
DHSS-26	8-31-48	22	456	"	"
DHSS-27, DHSS-27A, and DHSS-27B	3-17-49	23	241	"	"
DHSS-28	2-24-49	23	234	"	"
DHSS-29	5-25-53	27	571	"	"
DHSS-30	8- 6-48	22	333	"	"
DHSS-31*	8-30-48	22	393	"	"
DHSS-32*	8- 6-48	22	337	"	"
DHSS-33	9-13-48	22	462	"	"
DHSS-34	8-30-48	22	399	"	"
DHSS-35	8-30-48	22	397	"	"
DHSS-36* and DHSS-38	8-31-48	22	450	"	"
DHSS-37 and DHSS-39	8-31-48	22	435	"	"
DHSS-40	8-30-48	22	395	"	"
DHSS-41	9- 2-48	22	453	"	"
DHSS-42	9- 2-48	22	413	"	"
DHSS-43	9-14-48	22	481	"	"
DHSS-44	8-31-48	22	404	"	"
DHSS-45	10- 4-48	22	549	"	"
DHSS-46*	8-31-48	22	409	"	"
DHSS-47	9- 2-48	22	419	"	"
DHSS-48*	9- 8-48	22	444	"	"
DHSS-49	8-31-48	22	407	"	"
DHSS-50*	9- 2-48	22	417	"	"
DHSS-51	9- 9-48	22	464	"	"
DHSS-52	8-31-48	22	411	"	"
DHSS-53	9- 2-48	22	415	"	"
DHSS-54	9- 3-48	22	448	"	"

Item 1(C)--Continued

<u>Tract</u>	<u>Recorded Date</u>	<u>Deed Book</u>	<u>Page</u>	<u>County</u>	<u>State</u>
DHSS-55	9-13-48	22	474	Monroe	Kentucky
DHSS-56	9- 3-48	22	426	"	"
DHSS-57	9- 3-48	22	433	"	"
DHSS-58	11- 5-48	22	620	"	"
DHSS-59*	9- 3-48	22	438	"	"
DHSS-60*	9- 3-48	22	446	"	"
DHSS-61	10- 6-48	22	544	"	"
DHSS-62	2- 3-49	23	175	"	"
DHSS-63 and DHSS-65	10- 5-48	22	538	"	"
DHSS-64	10- 5-48	22	540	"	"
DHSS-66	10- 7-48	22	565	"	"
DHSS-67	12-13-49	24	273	"	"
DHSS-68 and DHSS-70	10- 5-48	22	543	"	"
DHSS-69	10- 6-48	22	551	"	"
DHSS-71*	10- 5-48	22	536	"	"
DHSS-72	2- 3- 49	23	173	"	"
DHSS-73	10- 6-48	22	555	"	"
DHSS-74 and DHSS-76	11- 5-48	22	622	"	"
DHSS-75	10-20-48	22	591	"	"
DHSS-77	10-20-48	22	589	"	"
DHSS-78	11- 4-48	22	618	"	"
DHSS-79	10-20-48	22	596	"	"
DHSS-80	10-20-48	22	587	"	"
DHSS-81	10-20-48	22	585	"	"
DHSS-82*	10-20-48	22	582	"	"
DHSS-83	10-20-48	22	593	"	"
DHSS-84	11- 4-48	22	616	"	"
DHSS-84A	4-18-50	24	517	"	"
DHSS-85*	8-31-48	22	401	"	"
	7-28-48	9	65	Clay	Tennessee
DHSS-86	8-26-48	9	71)	"	"
			73)	"	"
			75)	"	"
DHSS-87	7-28-48	9	63	"	"
DHSS-88	6- 4-48	8	565	"	"
DHSS-89	6- 4-48	8	569	"	"
DHSS-90	6-14-48	8	591	"	"
DHSS-91	6-15-48	8	599	"	"
DHSS-92	6-14-48	8	589	"	"
DHSS-93	6-15-48	8	601	"	"
DHSS-94*	7-27-48	9	53	"	"
DHSS-95*	10-12-48	9	93)	"	"
			95)	"	"
			97)	"	"
			99)	"	"
DHSS-96	7-27-48	9	57	"	"

Item 1(C)--Continued

<u>Tract</u>	<u>Recorded Date</u>	<u>Deed Book</u>	<u>Page</u>	<u>County</u>	<u>State</u>
DHSS-97	7-28-48	9	59	Clay	Tennessee
DHSS-98	6- 9-49	9	369	"	"
DHSS-100*	7- 1-48	9	51	"	"
DHSS-101	4- 9-77	33	157	"	"
DHSS-102	6-16-48	8	605	"	"
DHSS-103 and DHSS-103B	7-27-48	9	55	"	"
DHSS-103A	6-14-48	8	587	"	"
DHSS-104	6-16-48	8	607	"	"
DHSS-105	6-15-48	8	603	"	"
DHSS-106*	7-28-48	9	61	"	"
DHSS-106A	12-14-48	9	133	"	"
DHSS-107	2- 2-49	9	221	"	"
DHSS-108	6-15-48	8	597	"	"
DHSS-109	6- 4-48	8	567	"	"
DHSS-110	6-15-48	8	593	"	"
DHSS-111	6-15-48	8	595	"	"
DHST-1	4-23-52	26	620	Monroe	Kentucky
DHST-2	3-15-52	26	531	"	"
DHST-3	3-15-52	26	533	"	"
DHST-4	3-15-52	26	535	"	"

Item 1(D)

<u>Tract</u>	<u>Recorded Date</u>	<u>Deed Book</u>	<u>Page</u>	<u>County</u>	<u>State</u>
SSSVR-1	12- 2-48	42	406	Metcalfe	Kentucky
SSSVR-2	12- 2-48	42	405	"	"

The following SSSV tracts were acquired from Tri-County Electric Membership Corporation by deed dated April 1, 1948, and recorded as follows:

<u>Tract</u>	<u>Recorded Date</u>	<u>Book</u>	<u>Page</u>	<u>County</u>	<u>State</u>
SSSV-54 through -107	9-1-48	Misc.) Book 7)	576	Barren	Kentucky
SSSV-108 through -120	8-4-48	Deed) Book) 42)	218	Metcalfe	"

Item 1(D)--Continued

The following FORT tracts were acquired by the United States of America as follows:

<u>Tract:</u>	<u>Recorded Date</u>	<u>Deed Book</u>	<u>Page</u>	<u>County</u>	<u>State</u>
FORT-1	2-23-62	157	146)	Barren	Kentucky
			151)	"	"
			153)	"	"
			155)	"	"
			157)	"	"
			159)	"	"
FORT-2	11-21-61	156	12	"	"
FORT-3	3-27-62	157	372)	"	"
			374)	"	"
			376)	"	"
			378)	"	"
			380)	"	"
FORT-4	11-21-61	156	10	"	"
FORT-5	3-27-62	157	383)	"	"
			386)	"	"
			388)	"	"
			390)	"	"
			392)	"	"
			394)	"	"
			395)	"	"
FORT-6	11-21-61	156	8	"	"
FORT-7	3-27-62	157	397)		
			399)		
			401)	"	"
			403)	"	"
			404)	"	"
			406)	"	"
			407)	"	"
FORT-8	11-22-61	156	27	"	"
FORT-9	12-18-61	156	238	"	"
FORT-10*	12-18-61	156	235	"	"
FORT-11	11-21-61	156	6	"	"
FORT-12	2-21-62	157	119	"	"
FORT-13	11-21-61	156	20	"	"
FORT-14	2-19-62	157	96	"	"
FORT-15	3-27-62	157	409	"	"
FORT-16	11-21-61	156	15	"	"
FORT-17	11-21-61	156	17	"	"
FORT-18*	11-21-61	156	23	"	"
FORT-19	11-21-61	156	3	"	"
FORT-20	2-23-62	157	149	"	"
FORT-21	11-21-61	156	25	"	"

Item 1(D)--Continued

<u>Tract</u>	<u>Recorded Date</u>	<u>Deed Book</u>	<u>Page</u>	<u>County</u>	<u>State</u>
FORT-22	11-22-61	34	534	Monroe	Kentucky
FORT-23	11-22-61	34	536	"	"
FORT-24	11-22-61	67	181	Allen	Kentucky
FORT-25	12-18-61	34	563	Monroe	Kentucky
FORT-26	11-22-61	67	179	Allen	Kentucky
FORT-27	11-22-61	34	538	Monroe	Kentucky

Item 1(E)

<u>Tract</u>	<u>Recorded Date</u>	<u>Deed Book</u>	<u>Page</u>	<u>County</u>	<u>State</u>
DHB-1	2- 8-54	11	421	Clay	Tennessee
DHB-2	12- 9-53	11	389	"	"
DHB-3	12- 8-53	11	381	"	"
DHB-4	12- 9-53	11	391	"	"
DHB-5	11-13-53	11	331	"	"
DHB-6	11-13-53	11	333	"	"
DHB-7	11-17-53	11	343	"	"
DHB-8	11-17-53	11	341	"	"
DHB-9	11-13-53	11	335	"	"
DHB-10	11-17-53	11	339	"	"
DHB-11	11-17-53	11	337	"	"
DHB-11A	11-13-53	11	329	"	"
DHB-12	11-17-53	11	447	"	"
DHB-13	11-17-53	11	445	"	"
DHB-14	11-17-53	11	449	"	"
DHB-15	11-25-53	11	371	"	"
DHB-16	3-17-54	11	447	"	"
DHB-17	12- 8-53	11	383	"	"
DHB-18	11-17-53	11	451	"	"
DHB-18A	2- 1-54	11	413	"	"
DHB-18B	12- 8-53	11	385	"	"
DHB-19	11-17-53	11	453	"	"
DHB-20	11-17-53	11	455	"	"
DHB-21	11-17-53	11	457	"	"
DHB-22	11-17-53	11	459	"	"
DHB-23	11-17-53	11	461	"	"
DHB-24	2- 2-54	62	338)	Cumberland	Kentucky
			339)	"	"
DHB-25	11-24-53	62	179	"	"
DHB-26	12- 4-53	62	222	"	"
DHB-27	11-24-53	62	181	"	"
DHB-28	11-30-53	62	201	"	"
DHB-29	12- 9-53	62	238	"	"
DHB-30	11-19-53	62	168	"	"

Item 1(E)--Continued

<u>Tract</u>	<u>Recorded Date</u>	<u>Deed Book</u>	<u>Page</u>	<u>County</u>	<u>State</u>
DHB-31	11-19-53	62	169	Cumberland	Kentucky
DHB-32	11-24-53	62	177	"	"
DHB-33	11-19-53	62	159	"	"
DHB-34	2- 2-54	62	326	"	"
DHB-35	11-19-53	62	173	"	"
DHB-36	2- 8-54	62	345	"	"
DHB-37	2- 1-54	62	327)	"	"
			329)	"	"
DHB-38	11-25-53	62	191	"	"
DHB-39	11-25-53	62	193	"	"
DHB-40	11-24-53	62	175	"	"
DHB-41	2- 1-54	62	333)	"	"
			334)	"	"
			336)	"	"
DHB-42	11-27-53	62	218	"	"
DHB-43	9-10-54	62	616	"	"
DHB-44	11-25-53	62	195	"	"
DHB-45	11-25-53	62	189	"	"
DHB-45A	11-25-53	62	183	"	"
DHB-46	12- 1-53	62	203	"	"
DHB-47	12-14-53	62	245	"	"
DHB-48	12- 1-53	62	215	"	"
DHB-49	11-30-53	62	197	"	"
DHB-50)	12- 9-53	62	240	"	"
DHB-54)					
DHB-51	12- 8-53	62	230	"	"
DHB-52	11-30-53	62	205	"	"
DHB-53	11-27-53	62	213	"	"
DHB-55	11-30-53	62	207	"	"
DHB-56	11-30-53	62	209	"	"
DHB-57	2- 3-54	62	341)	"	"
			343)		
DHB-58	11-30-53	62	211	"	"
DHB-59	12- 8-53	62	231	"	"
DHB-60)	3-17-54	62	429)	"	"
DHB-62)			431)	"	"
DHB-61)	12- 8-53	62	233	"	"
DHB-63)					
DHB-64	1- 6-56	63	322	"	"
DHB-66	3-10-55	63	103	"	"
DHB-67	8-27-55	Q**	603	"	"
DHBR-1	7-15-83	43	234	Clay	Tennessee
DHBR-2	6-14-83	43	144	"	"
DHBR-3 and DHBR-10	7-15-83	43	237	"	"
DHBR-4	6-16-83	43	167	"	"

W020287

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L&AA XXX-34

Item 1(E)--Continued

<u>Tract</u>	<u>Recorded Date</u>	<u>Deed Book</u>	<u>Page</u>	<u>County</u>	<u>State</u>
DHBR-6	6-14-83	43	146	Clay	Tennessee
DHBR-7 and DHBR-11	6-14-83	43	148	"	"
DHBR-8	5-18-84	44	331	"	"
DHBR-15*	6-14-83	43	152	"	"
DHBR-16	6-14-83	43	154	"	"
DHBR-17	6-14-83	43	156	"	"
DHBR-18	6-14-83	43	158) 160)	"	"
DHBR-19	6-14-83	43	163	"	"
DHBR-20	6-14-83	43	165	"	"
DHBR-21	9-1-83	43	451	"	"
DHBR-22 and DHBR-22B	6-16-83	43	169	"	"

Item 1(G)

<u>Tract</u>	<u>Recorded Date</u>	<u>Deed Book</u>	<u>Page</u>	<u>County</u>	<u>State</u>
WCSTET-1	12-28-55	48	165	Metcalf	Kentucky
WCSTET-2 and WCSTET-4	1-26-56	48	209	"	"
WCSTET-3	1-26-56	48	211	"	"
WCSTET-5	2-17-56	48	257) 260) 261) 263)	"	"
WCSTET-6 and WCSTET-9	1-25-56	48	193	"	"
WCSTET-7	1-25-56	48	195	"	"
WCSTET-8 and WCSTET-10	1-25-56	48	197	"	"
WCSTET-11	1-25-56	48	198	"	"
WCSTET-12	1-25-56	48	203	"	"
WCSTET-13	1-25-56	48	204	"	"
WCSTET-14	1-25-56	48	206	"	"
WCSTET-15	3- 3-56	48	275) 277)	"	"
WCSTET-16	1-25-56	48	207	"	"
WCSTET-17	1-25-56	48	191	"	"
	1-26-56	30	296	Monroe	Kentucky
WCSTET-18	2-17-56	30	305	"	"
WCSTET-19	12-28-55	30	282	"	"

*Involves special clearing arrangements.

**Mortgage Book

File



TRI-COUNTY
ELECTRIC MEMBERSHIP
CORPORATION



P. O. BOX 40 • 405 COLLEGE STREET
LAFAYETTE, TENNESSEE 37083-0040
PHONE (615) 666-2111

TV 52337A-

Supp #13

June 5, 1991

Mr. Myron N. Callaham, Manager
Regional Service (Bowling Green)
Tennessee Valley Authority
P. O. Box 20260
Bowling Green, KY 42101

RE: Summer Shade Lease Agreement

Dear Mr. Callaham:

Enclosed please find three executed copies of the letter agreement covering exclusion of 69-kV circuit breaker installation 694, together with associated voltage transformers, at Summer Shade 161-kV Substation. Please return a fully executed copy to us.

Sincerely,

LAURA L. KIRBY
Secretary to the
General Manager

lk

Enclosures (3)

TENNESSEE VALLEY AUTHORITY
Chattanooga, Tennessee 37402-2801

May 8, 1991

Mr. Tom Price Thompson, Jr., President
Tri-County Electric Membership Corporation
LaFayette, Tennessee 37083

Dear Mr. Thompson:

Under Lease and Amendatory Agreement TV-52337A, Supplement No. 13, dated May 1, 1987 (which agreement, as amended, is hereinafter called the "1987 Agreement"), among the United States of America, the Tennessee Valley Authority (hereinafter called "TVA"), and the Tri-County Electric Membership Corporation (hereinafter called "Cooperative"), Cooperative leases certain power supply facilities (in the 1987 Agreement and hereinafter called "Leased Facilities"), including circuit breaker installation 694 (hereinafter sometimes called "Breaker 694") and three associated bus voltage transformers at the Summer Shade 161-kV Substation.

It is recognized that TVA and the East Kentucky Power Cooperative presently maintain as an emergency interconnection a 69-kV interchange point at the line side of Breaker 694 (referenced in the last paragraph of section 4 of the 1987 Agreement). Based on operating experience, TVA and Cooperative now wish to exclude Breaker 694 and the associated voltage transformers from the Leased Facilities and transfer responsibility for operating and maintaining Breaker 694 back to TVA. This will confirm the arrangements developed by representatives of TVA and Cooperative relative to amending the 1987 Agreement with respect thereto.

It is understood and agreed that:

1. To delete Breaker 694 and the three associated bus voltage transformers from the Leased Facilities, effective as of May 13, 1991, the 1987 Agreement is hereby amended by replacing item (c) of paragraph (A) of section 1 thereof (setting out exclusions to the Leased Facilities) with the following:

(c) 69-kV circuit breaker installation 694 (including associated foundations, busses, insulators, isolating and bypass disconnect switches, conduit, cable, and control facilities), the three 69-kV bus voltage transformers (including associated support structures, foundations, conduit, and cable), and the 69-kV interchange metering current transformers located in the bay for 69-kV circuit breaker installation 694 on Parcel 1,

Mr. Tom Price Thompson, Jr.
May 8, 1991

Deletion of said facilities shall be for all purposes under the 1987 Agreement. This deletion is estimated, for the convenience of the parties only, to reduce the monthly payment referred to in section 1 of the 1987 Agreement by approximately \$40.

2. The 1987 Agreement is hereby further amended by deleting the last paragraph of section 4 therefrom.

3. The 1987 Agreement, as amended by this agreement, is hereby ratified and confirmed as the continuing obligation of the parties.

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

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

Very truly yours,

TENNESSEE VALLEY AUTHORITY

G. Douglas Carver, Manager
Distributor Marketing
and Services

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

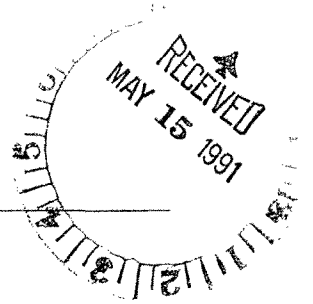
TRI-COUNTY ELECTRIC
MEMBERSHIP CORPORATION

By 
President

W050691
3594M



Tennessee Valley Authority, Post Office Box 20260, Bowling Green, Kentucky 42101



May 13, 1991

Mr. Jim Shafer, Interim Manager
Tri-County Electric Membership Corporation
Post Office Box 40
Lafayette, Tennessee 37083-0040

Dear Mr. Shafer:

SUMMER SHADE LEASE AGREEMENT

This further responds to discussions with you and your staff concerning the need for TVA to restore, from Tri-County, responsibility for operation and maintenance of leased circuit breaker 694 which serves as an emergency interconnection between TVA and East Kentucky Power Cooperative.

Enclosed for your consideration are three duplicate originals of a proposed letter agreement covering exclusion of 69-kV circuit breaker installation 694, together with associated voltage transformers, at Summer Shade 161-kV Substation. These facilities are currently covered under Lease and Amendatory Agreement TV-52337A, Supplement No. 13, dated May 1, 1987. Deletion of the breaker facilities is estimated to reduce the monthly lease payment by approximately \$40.

If the agreement is satisfactory, please sign and return each copy for further handling. Upon completion by TVA, a fully executed copy will be provided for your permanent files.

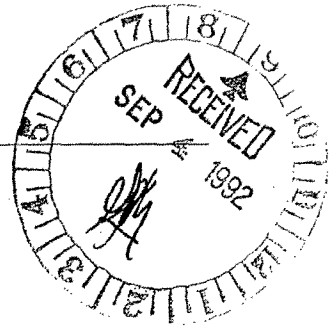
Sincerely,

Myron N. Callahan, Manager
Regional Service (Bowling Green)
Customer Service

Enclosures



Tennessee Valley Authority, Post Office Box 20260, Bowling Green, Kentucky 42102



September 2, 1992

G. Kelly Nuckols, Manager
Tri-County Electric Membership
Corporation
Post Office Box 40
Lafayette, Tennessee 37083-0040

Dear Mr. Nuckols:

SUMMER SHADE 161-KV LEASE

Enclosed for your permanent files are copies of Net Book Cost Schedules A-1, B-1, C-1, D-1, E-1, F-1, and G-1, which show the descriptive and cost data for the facilities and properties leased under Lease and Amendatory Agreement ~~TV-52337A, Supplement No. 13,~~ dated May 1, 1987, as amended. Also enclosed is a copy of Schedule A-1R showing the facilities deleted from the agreement in accordance with Agreement TV-52337A, Supplement No. 24, dated May 8, 1991.

Under the arrangements, Tri-County Electric Membership Corporation has paid TVA an estimated monthly lease amount of \$2,570 covering the leased facilities. TVA has completed the necessary accounting and all costs associated with the leased facilities are shown on the enclosures. Based on the enclosed schedules, the actual lease payments are \$2,958 (representing an increase of \$388 above the estimated monthly amount). The revised monthly lease payment will be included on future wholesale power invoices. Also, a retroactive adjustment of approximately \$24,400 will be billed to account for previous underpayments to June 13, 1987.

If you have questions or need additional information, please contact John Humphries at 502-781-7653.

Sincerely,

Myron N. Callaham
Manager
Customer Service (Kentucky)

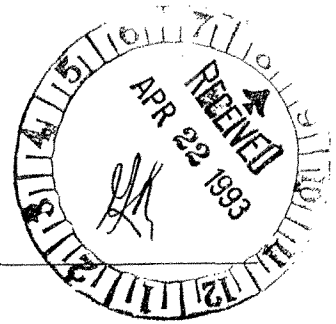
Enclosures

*Copy of cover letter
& originals of
printouts to David
9-4-92*



Tennessee Valley Authority, Post Office Box 20260, Bowling Green, Kentucky 42101

*Copy: Ralph
4-22-93*



April 21, 1993

Mr. G. Kelly Nuckols, Manager
Tri-County Electric Membership Corporation
Post Office Box 40
Lafayette, Tennessee 37083-0040

Dear Mr. Nuckols:

Under separate cover, reproducibles covering the facilities under Lease and Amendatory Agreement TV-52337A, Supplement No. 13, dated May 1, 1987, covering lease of certain facilities at Summer Shade, Kentucky, 161-kV Substation; Dale Hollow-Tompkinsville-Summer Shade 69-kV No. 1 and 2, Summer Shade-Edmonton 69-kV, Summer Shade-Scottsville 69-kV, Summer Shade-Tompkinsville Pumping Station 161-kV Transmission Lines.

A list of the reproducibles is enclosed for your convenience. If you have questions or need additional information, please contact John Humphries at 502-781-7653.

Sincerely,

John A. Humphries
for Myron N. Callahan

Manager
Kentucky Customer Service Center

Enclosures

LIST OF DRAWINGS AND PRINTS

CONVEYED TO TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION

JULY 31, 1992

TV-52337A, SUPPLEMENT NO. 13

SUMMER SHADE, KY, 161-kV SUBSTATION

Reproducible Drawings

LC-20587	Arrangement of Overhead Ground Wire
LW-2016	Property and Contour Map

DALE HOLLOW HYDRO-BURKESVILLE 69-kV LINE

Reproducible Drawings

SC-31687, Sh. 1-3	Transmission Line Data Sheets
MC-31604	Arrangement of Guys
MC-31662, Sh. 1-8	Structure List
MC-31672	Phasing Diagram
MC-31686, Sh. 1 & 2	List of Drawings
BMC-31714, Sh. 1-5	Bill of Material
LW-3875	Vicinity Map
LW-3876, Sh. 1-9	Plan and Profile

DALE HOLLOW HYDRO-CELINA 69-kV LINE

Reproducible Drawings

SC-28293, Sh. 1 & 3	Transmission Line Data Sheets
MC-28192, Sh. 3	Arrangement of Guys
MC-28258, Sh. 7 & 7A	Structure List
MC-28260	Phasing Diagram
BMC-28259, Sh. 1A-4A	Bill of Material
LW-3512	Vicinity Map
LW-3513, Sh. 8B & 8C	Plan and Profile

DALE HOLLOW HYDRO-TOMPKINSVILLE-SUMMER SHADE NO. 1 & 2 69-kV LINE

Reproducible Drawings

SC-20243	Transmission Line Data Sheet
MC-20236, Sh. 1-12 & 8A	Structure List
MC-20238, Sh. 1 & 2	Arrangement of Guys
MC-20242	Phasing Diagram
BMC-20237, Sh. 1-8	Bill of Material
LW-2711	Vicinity Map
LW-2712, Sh. 1-14 & 9A	Plan and Profile

SUMMER SHADE-EDMONTON 69-kV LINE

Reproducible Drawings

SC-45144	Transmission Line Data Sheet
MC-45139, Sh. 1-4	Structure List
MC-45141	Phasing Diagram
MC-45143	Arrangement of Guys
BMC-45140, Sh. 1-3	Bill of Material
LW-5590	Vicinity Map
LW-5591, Sh. 1-4	Plan and Profile

SUMMER SHADE-SCOTTSVILLE 69-kV LINE

Reproducible Drawings

MC-16615, Sh. 1-3	Arrangement of Guys
MC-16926, Sh. 6-13 & 6A-6C	Structure List
MC-16928, Sh. 1 & 2	Phasing Diagram
BMC-16927, Sh. 1-3 & 1C-3C	Bill of Material
LW-2418	Vicinity Map
LW-2419, Sh. 6-14 & 6A-6D	Plan and Profile

SUMMER SHADE-TOMPKINSVILLE PUMPING STATION 161-kV LINE

Reproducible Drawings

SC-26707, Sh. 2 & 3	Transmission Line Data Sheets
MC-24931, Sh. 6A & 6B	Structure List
MC-24933	Phasing Diagram
BMC-24932, Sh. 1A-4A	Bill of Material
LW-3097	Vicinity Map
LW-3098, Sh. 15A-15C	Plan and Profile



File

Tennessee Valley Authority, Post Office Box 20260, Bowling Green, Kentucky 42102-6260

September 29, 1995

David M. Callis, Interim General Manager
Tri-County Electric Membership Corporation
Post Office Box 40
Lafayette, TN 37083-0040

Dear Mr. Callis:

This is to acknowledge that we have received from Tri-County Electric Membership Corporation the sum of Two Hundred Sixty-six Thousand Two Hundred Twenty-six Dollars and Eighty-one Cents (\$266,226.81) as consideration for the conveyance by TVA and the United States of America of certain leased facilities, which are more particularly described in the Bill of Sale and Quitclaim Deed duly executed and delivered herewith. These facilities were previously leased to your electric system under Lease and Amendatory Agreement TV-52337A, Supplement No. 13, dated May 1, 1987, as amended.

Based on the result of TVA's environmental review, we would like to make you aware that the conveyed Tennessee portions of the Dale Hollow-Tompkinsville-Summer Shade (Double-circuit) Nos. 1 and 2 and Dale Hollow Hydro-Burkesville 69-kV Lines appear to cross wetlands at a number of locations. Therefore, we recommend taking the measures listed on the enclosure (Wetland Protection) during future right-of-way maintenance or line upgrading activities to mitigate potential wetlands impacts. Please feel free to call me if you have any questions or would like assistance in identifying the wetlands areas.

Please acknowledge receipt of the conveyance instrument on four of the enclosed copies of this letter and return them to me.

Sincerely,

John A. Humphries
for Mark C. Shults

Customer Service Manager
Kentucky Customer Service Center

Enclosure

Receipt of Bill of Sale and Quitclaim Deed
acknowledged this 29th day of September, 19 95.

TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION

By *David M. Callis*
General Manager

Wetland Protection

To reduce the potential for adverse impacts to these wetlands resulting from future operation, maintenance, or upgrading activities, we suggest that (1) the transferee be advised of the occurrence of wetlands and (2) that the transfer of landrights be conditioned to require that all reasonable steps are taken to avoid, minimize, or mitigate potential adverse impacts. In our opinion, impacts can best be avoided or minimized if future maintenance or upgrading activities are conducted in accordance with the following best management practices (BMPs).

1. During line maintenance and upgrading, identified wetlands, streams, and drainways will not be modified so as to alter their natural hydrological patterns.
2. Hydric soils will not be disturbed or modified in any way that would alter their hydrological properties.
3. Within forested wetlands, future ROW clearing should be accomplished by hand or light-duty equipment.
4. If heavy equipment is required to accomplish ROW maintenance or line upgrading within wetlands, lay-down pads and/or helicopters will be used where necessary to remove vegetation, restring transmission line cable, or accomplish other upgrade activities.
5. Felled, sheared, or otherwise cleared vegetation will be windrowed along the downslope side of the ROW to assist in erosion/sediment control and provide habitat for small mammals and other nongame wildlife.
6. Within wetland areas or along streams, tree stumps will not be uprooted or removed.
7. If mechanical means (i.e., mowing) are used in maintaining ROW areas surrounding or proximal to identified wetlands, then such maintenance should be conducted during traditionally dry periods (i.e., late summer or early fall). Additionally, this maintenance should be accomplished without the use of heavy (i.e., tracked) equipment.
8. Where herbicides are used in maintaining ROW within identified wetlands, only those chemicals approved by the Environmental Protection Agency for use in wetlands will be used. Furthermore, these chemicals will be used in strict compliance with label instructions and applied by trained applicators.

mailed 4 orig. 10/04/95

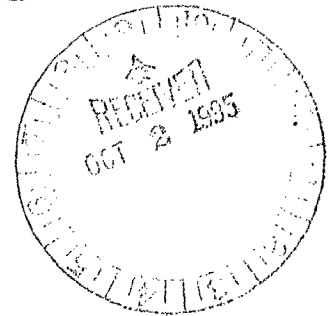
dk



See Acctng Vault
Summer Shade Substation

Tennessee Valley Authority, Post Office Box 20260, Bowling Green, Kentucky 42102-6260

September 29, 1995



David M. Callis, Interim General Manager
Tri-County Electric Membership Corporation
Post Office Box 40
Lafayette, TN 37083-0040

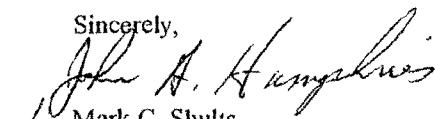
Dear Mr. Callis:

This is to acknowledge that we have received from Tri-County Electric Membership Corporation the sum of Two Hundred Sixty-six Thousand Two Hundred Twenty-six Dollars and Eighty-one Cents (\$266,226.81) as consideration for the conveyance by TVA and the United States of America of certain leased facilities, which are more particularly described in the Bill of Sale and Quitclaim Deed duly executed and delivered herewith. These facilities were previously leased to your electric system under Lease and Amendatory Agreement TV-52337A, Supplement No. 13, dated May 1, 1987, as amended.

Based on the result of TVA's environmental review, we would like to make you aware that the conveyed Tennessee portions of the Dale Hollow-Tompkinsville-Summer Shade (Double-circuit) Nos. 1 and 2 and Dale Hollow Hydro-Burkesville 69-kV Lines appear to cross wetlands at a number of locations. Therefore, we recommend taking the measures listed on the enclosure (Wetland Protection) during future right-of-way maintenance or line upgrading activities to mitigate potential wetlands impacts. Please feel free to call me if you have any questions or would like assistance in identifying the wetlands areas.

Please acknowledge receipt of the conveyance instrument on four of the enclosed copies of this letter and return them to me.

Sincerely,

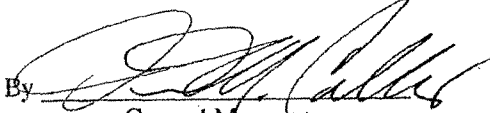
for 
Mark C. Shults

Customer Service Manager
Kentucky Customer Service Center

Enclosure

Receipt of Bill of Sale and Quitclaim Deed
acknowledged this 2nd day of October, 1995.

TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION

By 
General Manager

E-Mailed approval 11/17/95

Please review and call me.

John H

*Langley,
file on hold
for original.*

11/13/95

date

Mr. Carl D. Lonas, President
Tri-County Electric Membership Corporation
P.O. Box 40
Lafayette, Tennessee 37083

Dear Mr. Lonas:

This will confirm the arrangements under section 1 of ~~Lease and~~
~~Amendatory Agreement IV-52137A, Supplement No. 13,~~ dated May 1, 1987
(1987 Agreement), among the United States of America, Tennessee Valley
Authority (TVA), and Tri-County Electric Membership Corporation
(Cooperative), for equitable compensation by TVA to Cooperative for
TVA's right to use the Dale Hollow-Tompkinsville-Summer Shade (Double-
Circuit) No. 1 and No. 2 69-kV Lines (Use Facilities).

It is understood and agreed that:

1. TVA uses said No. 1 line primarily to transmit power from
the Dale Hollow Hydro Plant into TVA's power system and as the primary
communication circuit between TVA and the Dale Hollow Hydro Plant.
TVA will compensate Cooperative, as hereinafter provided, for TVA's
use of the No. 1 line.

The Use Period under this agreement shall begin on June 13,
1995, and continue as long as TVA's wholesale power contract with
Cooperative dated July 18, 1979, or any extension, renewal, or
replacement continues in effect, or until any earlier date for which
TVA has given Cooperative written notice of TVA's election to
terminate the use arrangements provided for hereunder.

2. TVA will pay Cooperative, annually in arrears and as soon
as practicable following receipt of a statement therefor, an amount
equal to 12 percent of the amount chargeable to TVA as of December 31
of each calendar year in Cooperative's pole replacement account
established as described below (Pole Account). Cooperative's Pole
Account was established as an account containing the replacement
costs, including applicable overheads, of Cooperative for replacement
due to normal wear and tear of the poles in said lines. The amount in
the Pole Account chargeable to TVA shall be one-half the sum of the

Mr. Carl D. Lonas

Page 2

date

replacement costs for the poles. During the calendar year in which a replacement pole is put in service, the replacement costs for that pole shall be proportionately reduced by multiplying its replacement cost by the number of months the pole was in service that year and dividing by 12. For purposes of the calculation in the preceding sentence, a replacement pole shall be considered to have been in service during a month only if it was put in service before the 15th day of that month. Cooperative shall furnish to TVA upon request certified statements of the individual and cumulative installed costs in the Pole Account and of the in-service dates of all replacement poles. The operating representative of TVA and Cooperative will meet regularly to review and mutually determine the poles in said No. 1 and No. 2 lines that should be replaced.

3. During the Use Period, Cooperative at its expense shall maintain the Use Facilities in an operable condition in accordance with good, modern practices and procedures and consistent with TVA's use provided for under this agreement. Before Cooperative makes changes to the No. 1 and No. 2 lines which may affect TVA's use provided for under this agreement, Cooperative will consult with TVA. In this consultation the parties will determine, as a result of such changes (a) the best way for TVA to continue transmitting power from the Dale Hollow Hydro Plant and (b) equitable compensation by TVA to Cooperative for the continuation of TVA's use provided for under this agreement.

4. Cooperative hereby provides permission to TVA for TVA to keep its line conductors, insulators, and attachment facilities connected to the No. 1 line.

5. The 1987 Agreement, as amended by this agreement, is hereby ratified and confirmed as the continuing obligation of the parties.

W092095
7797M

Mr. Carl D. Lonas
Page 3
date

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

Sincerely,

Robert H. Goodson
General Manager
Business Development
Customer Group

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

TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION

By _____
President

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7797M

TOTAL P.03

TRI-COUNTY
ELECTRIC MEMBERSHIP
CORPORATION



P. O. BOX 40 • 405 COLLEGE STREET
LAFAYETTE, TENNESSEE 37083-0040
PHONE (615) 666-2111

November 14, 1995

Mr. Mark C. Shults
Customer Service Manager
Kentucky Customer Service Center
Tennessee Valley Authority
P. O. Box 20260
Bowling Green, KY 42102

Dear Mark:

The facilities and properties leased by Tri-County Electric Membership Corporation under Lease and Amendatory Agreement TV-52337A, Supplement No. 13, dated May 1, 1987, have been maintained in accordance with normal practices and procedures for such facilities, and the oil-filled equipment (including any leased substation capacitors) either contains below 50 parts per million of polychlorinated biphenyls or is currently in a nonleaking condition.

Sincerely,

DAVID M. CALLIS
Interim General Manager

Enclosure (1)

bc: John Humphries

TRI-COUNTY
ELECTRIC MEMBERSHIP
CORPORATION



P. O. BOX 40 • 405 COLLEGE STREET
LAFAYETTE, TENNESSEE 37083-0040
PHONE (615) 666-2111

January 19, 1996

Mr. John Humphries
District Engineer
Tennessee Valley Authority
P. O. Box 20260
Bowling Green, KY 42102-6260

RE: Lease and Amendatory Agreement TV-52337A, Supplement No. 13

Dear John:

Please find enclosed three (3) executed copies of the above referenced letter agreement covering arrangements for TVA's continued use of the Dale Hollow-Tompkinsville-Summer Shade (double-circuit) No. 1 and No. 2 69-kV Transmission Line.

Please return a fully executed copy for our files.

If additional assistance is needed, please advise.

Sincerely,

LAURA L. KIRBY
Administrative Assistant

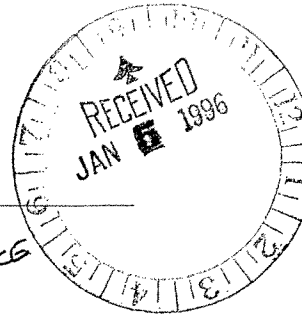
lk

Enclosures (4)

c: Ken Witcher



Tennessee Valley Authority, Post Office Box 20260, Bowling Green, Kentucky 42102-6260



*Recommend Acceptance
By Tri-County
1/3/96*

January 3, 1996

David M. Callis, Interim General Manager
Tri-County Electric Membership Corporation
Post Office Box 40
Lafayette, Tennessee 37083-0040

Dear Mr. Callis:

Enclosed for your review and approval are three copies of a proposed letter agreement amending Lease and Amendatory Agreement TV-52337A, Supplement No. 13, dated May 1, 1987, covering arrangements for TVA's continued use of the Dale Hollow-Tompkinsville-Summer Shade (double-circuit) No. 1 and No. 2 69-kV Transmission Line.

Under the proposed arrangements, TVA would continue to use a portion of the 69-kV transmission lines to transmit power from the Dale Hollow Hydro Plant into TVA's power system and to communicate between TVA and the Dale Hollow Hydro Plant. The arrangement is proposed to become effective June 13, 1993 (the date on which the leased facilities were to be conveyed to your system). Under the agreement, TVA will pay annually, in arrears, an amount equal to 12 percent of the amount chargeable to TVA as of December 31 of each calendar year in your system's pole replacement account.

If the agreement is satisfactory, please have each enclosed copy executed on behalf of your system and return them for further handling. Upon completion by TVA, a fully executed copy will be provided for your permanent files. If you have questions or need additional information, please contact John Humphries at 502 781-7653.

*Laura,
Keep
a
copy
for
file.
On*

Sincerely,

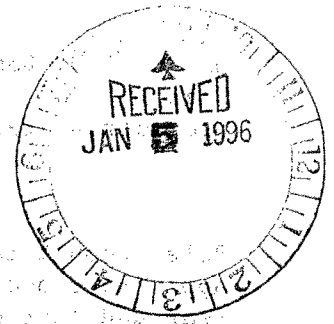
John A. Humphries

Mark C. Shults
Customer Service Manager
Kentucky Customer Service Center

Enclosures



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



December 4, 1995
Mr. Carl D. Lonas, President
Tri-County Electric Membership Corporation
P.O. Box 40
Lafayette, Tennessee 37083

Dear Mr. Lonas:
This will confirm the arrangements under section 1 of Lease and
Amendatory Agreement TV-52337A, Supplement No. 13, dated May 1, 1987
(1987 Agreement), among the United States of America, Tennessee Valley
Authority (TVA), and Tri-County Electric Membership Corporation
(Cooperative), for equitable compensation by TVA to Cooperative for
TVA's continued right to use the portion of the Dale Hollow
Tompkinsville-Summer Shade (Double-Circuit) No. 1 and No. 2 69-kV
Lines identified as facilities leased by Cooperative in paragraph (C)
of said section 1 (Use Facilities):

It is understood and agreed that:

1. The Use Period under this agreement begins on June 13, 1993, and continues (a) as long as the parties' wholesale power contract dated July 18, 1979, or any extension, renewal, or replacement of it continues in effect or (b) until any earlier date for which TVA gives Cooperative written notice of TVA's election to terminate the use arrangements provided for hereunder.

During the Use Period TVA will have the right to use the Use Facilities for the conductors, insulators, and attachment facilities for the Dale Hollow-Tompkinsville-Summer Shade No. 1 69-kV Line and for all communication facilities supported by or associated with said line, primarily to transmit power from the Dale Hollow Hydro Plant into TVA's power system and to communicate between TVA and the Dale Hollow Hydro Plant. TVA will compensate Cooperative as provided in section 2 for this use.

2. During the Use Period TVA will pay Cooperative, annually in arrears and as soon as practicable following receipt of a statement therefor, an amount equal to 12 percent of the amount chargeable to TVA as of December 31 of each calendar year in Cooperative's pole replacement account described below (Pole Account). Cooperative's

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Mr. Carl D. Lonas
Page 2
December 4, 1995

Pole Account is an account containing the replacement costs, including applicable overheads, of Cooperative for replacement due to normal wear and tear of the poles in the Use Facilities. The amount in the Pole Account chargeable to TVA shall be one-half the sum of the replacement costs for the poles. During the calendar year in which a replacement pole is put in service, the replacement costs for that pole shall be proportionately reduced by multiplying its replacement cost by the number of months the pole was in service that year and dividing by 12. For purposes of the calculation in the preceding sentence, a replacement pole shall be considered to have been in service during a month only if it was put in service before the 15th day of that month. Cooperative shall furnish to TVA upon request certified statements of the individual and cumulative installed costs in the Pole Account and of the in-service dates of all replacement poles. The operating representatives of TVA and Cooperative will meet regularly to review and mutually determine the poles in the Use Facilities that should be replaced.

3. During the Use Period Cooperative at its expense shall maintain the Use Facilities in an operable condition in accordance with good, modern practices and procedures and consistent with TVA's use provided for under this agreement. Before Cooperative makes any changes to the Use Facilities which may affect TVA's use provided for under this agreement, Cooperative will consult with TVA prior to developing firm plans for such changes. In this consultation the parties will determine, with respect to such changes, the most economical overall plan to follow for TVA's power supply from and communications with the Dale Hollow Hydro Plant.

4. The 1987 Agreement, as amended by this agreement, is hereby ratified and confirmed as the continuing obligation of the parties.

Mr. Carl D. Lonas
Page 3
December 4, 1995

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

Sincerely,

Robert H. Goodson
General Manager
Business Development
Customer Group

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

TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION

By Carl W Lonas
President

TENNESSEE VALLEY AUTHORITY

444 Metroplex Drive
P. O. Box 110140, Suite 260
Nashville, Tennessee 37222-0140



Laura -

*Pls make copies for:
Carthen
Law*

February 23, 1988

Thanks, Jack - 2/25/88

Mr. Jack E. Dillard, General Manager
Tri-County Electric Membership Corporation
P. O. Box 40
Lafayette, Tennessee 37083

Dear Jack:

Enclosed for your files is a fully executed copy of Standard-Form Letter Agreement TV-52337A, Supplement No. 14, dated December 21, 1987, amending your power contract to place into effect the January 2, 1988 Substitute Adjustment Addendum.

If we can be of further service, please let us know.

Very truly yours,

TENNESSEE VALLEY AUTHORITY

G. Glen Burgess

G. Glen Burgess
Power District Manager
Division of Energy Use and
Distributor Relations

Enclosure

TRI-COUNTY
ELECTRIC MEMBERSHIP
CORPORATION



P. O. BOX 40 • 405 COLLEGE STREET
LAFAYETTE, TENNESSEE 37083
PHONE (615) 666-2111

January 8, 1988

Mr. G. Glen Burgess
District Manager
Division of Energy Use and
Distributor Relations
Tennessee Valley Authority
444 Metroplex Drive
P. O. Box 110140, Suite 260
Nashville, Tennessee 37222-0140

Dear Mr. Burgess:

Enclosed are three partially executed duplicate originals of the letter agreement dated December 21, 1987, amending our wholesale power contract to place the Substitute Adjustment Addendum into effect as of January 2, 1988.

Please return to us when fully executed by TVA.

Very truly yours,

Jack E. Dillard
General Manager

sh

Enclosures 3

*Copy of attached to Ken W.
1/15/88
JD*

TENNESSEE VALLEY AUTHORITY
Chattanooga, Tennessee 37402-2801

TV-52337A
Supp No. 14

December 21, 1987

Mr. George Cowan, President
Tri-County Electric Membership Corporation
Lafayette, Tennessee 37083

Dear Mr. Cowan:

This will confirm the understanding reached between representatives of the Tennessee Valley Authority (hereinafter called "TVA") and Tri-County Electric Membership Corporation (hereinafter called "Distributor") with respect to replacing the currently applicable Adjustment Addendum with a Substitute Adjustment Addendum as of January 2, 1988.

It is understood and agreed that, notwithstanding anything to the contrary appearing in the wholesale power contract dated July 18, 1979 (which contract as heretofore amended and supplemented is hereinafter called the "Power Contract"), including the Schedule of Rates and Charges or the Schedule of Terms and Conditions attached thereto and made a part thereof:

1. The current Adjustment Addendum, which became effective on October 2, 1987 (hereinafter called the "Current Addendum"), and the other amounts, that became effective therewith and were transmitted to Distributor as Enclosure 2 (hereinafter called "Enclosure 2") with TVA's letter transmitting the Current Addendum, shall remain in full force and effect for all bills rendered from meter readings taken for TVA and Distributor monthly billing cycles scheduled to begin before January 2, 1988.

2. Beginning with bills rendered from meter readings taken for TVA and Distributor monthly billing cycles scheduled to begin on or after January 2, 1988, application of the Current Addendum and the Enclosure 2 amounts shall be discontinued and the amounts set out in the attached Substitute Adjustment Addendum (hereinafter called the "Substitute Addendum") and the other amounts set out in the attached Substitute Enclosure 2, shall be applied (a) in the case of the Substitute Addendum, in lieu of the Current Addendum, to the demand and energy charges as set out in the Schedule of Rates and Charges and (b) in the case of Substitute Enclosure 2, in lieu of Enclosure 2, in accordance with the provisions thereof.

3. Application of the amounts set out in the Substitute Addendum and in Substitute Enclosure 2 shall be discontinued beginning with bills rendered from meter readings taken for TVA and Distributor monthly billing

W122187
SAA-1

Mr. George Cowan
December 21, 1987

cycles scheduled to begin on or after the effective date of the first adjustment or change hereafter made in accordance with the paragraphs entitled "Adjustment" or "Change" of the section entitled "Adjustment and Change of Wholesale Rate and Resale Rates" of said Schedule of Terms and Conditions.

4. There shall be no application of the final proviso of the final sentence of the first paragraph of Adjustment 4 of the Wholesale Rate Schedule as a result of or in connection with the implementation of the Substitute Addendum.

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

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

Very truly yours,

TENNESSEE VALLEY AUTHORITY



R. B. Davis, Director
Division of Energy Use
and Distributor Relations

Attachments

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

TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION

By 
President

TENNESSEE VALLEY AUTHORITY

Increases in Facilities Rental Charges to become effective with the Substitute Adjustment Addendum effective January 2, 1988.

The amounts in cents per kW specified for delivery at less than 161 kV in the sections entitled Facilities Rental of Wholesale Power Rate--Schedule WP and Time-of-Day Wholesale Power Rate--Schedule WPT, Facilities Rental Charge Applicable Under B and C Above of the General Power Rate Schedules, and Facilities Rental Charge of Time-of-Day General Power Rate--Schedule TGP shall be increased by (a) 2 cents per kW for delivery at voltage levels of 46 kV or higher and (b) 4 cents per kW for delivery at voltage levels below 46 kV for the first 10,000 kW and 4 cents per kW for the excess over 10,000 kW.

Increases in Standby Power Charges under Standby Power Rate Schedule SP, which increases are to become effective with the Substitute Adjustment Addendum effective January 2, 1988.

Under the section entitled Standby Power Charges of Standby Power Rate Schedule SP (April 1, 1984), (a) the charge per month per kilowatt of customer's standby contract demand shall be increased by 49 cents per month per kilowatt, (b) the charge per month per kilowatt of aggregate production capacity shall be increased by 20 cents per month per kilowatt, (c) the charge per week per kilowatt of maintenance standby power shall be increased by \$1.00 per week per kilowatt, and (d) the charge per week per kilowatt of emergency standby power shall be increased by \$2.00 per week per kilowatt.

Decreases in Standard Prices under Dispersed Power Price Schedule CSPP, which decreases are to become effective with the Substitute Adjustment Addendum effective January 2, 1988.

Under the section entitled Standard Prices of Dispersed Power Price Schedule CSPP (April 1, 1984), the following decreases in prices in cents per kWh apply: (a) under Part A, the price shall be decreased by 0.130 cent, (b) under Part B, the onpeak price shall be decreased by 0.020 cent and the offpeak price shall be decreased by 0.190 cent, and (c) under Part C, the onpeak price shall be decreased by 0.020 cent and the offpeak price shall be decreased by 0.190 cent.

TENNESSEE VALLEY AUTHORITY

SUBSTITUTE ADJUSTMENT ADDENDUM
TO
SCHEDULES OF RATES AND CHARGES

Effective January 2, 1988

The following table lists the adjustments applicable to the designated rate schedules. All adjustments shall be applicable to bills rendered from meter readings taken for TVA and Distributor monthly billing cycles scheduled to begin on or after the effective date of this Adjustment Addendum.

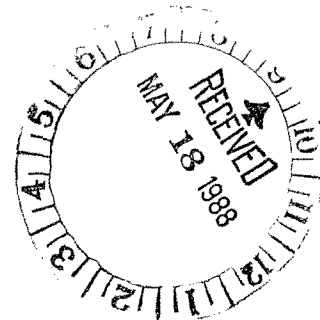
	Demand Charges		Energy Charge
	Billing Demand Per kW	Hours Use of Demand Component ^B	Per kWh
Wholesale Power Rate - WP	Add \$1.07	Add 0.058¢	Add 0.102¢
Time-of-Day Wholesale Power Rate - WPT			
Onpeak Charges	Add \$1.07	--	Add 0.248¢
Offpeak Charges	--	--	Add 0.109¢
Residential Rate Schedules - RP Series	--	--	Add 0.473¢
Time-of-Day Residential Rates - RPT Series ^b :			
Onpeak kWh	--	--	Add 0.874¢
Offpeak kWh	--	--	Add 0.183¢
General Power Rates - GP Series			
Charges Under Part "A"			
First 50 kW	--	--	--
Next 950 kW	Add \$0.81	--	--
Next 1,500 kW	Add \$0.86	--	--
Excess over 2,500 kW	Add \$0.90 ^c	--	--
First 15,000 kWh	--	--	Add 0.446¢
Additional kWh	--	--	Add 0.166¢
Charges Under Part "B"	Add \$1.07 ^d	Add 0.058¢	Add 0.118¢
Charges Under Part "C"	Add \$1.35 ^d	--	Add 0.102¢
Time-of-Day General Power Rates - GPT Series			
Charges Under Part "I":			
Onpeak kWh	--	--	Add 0.778¢
Offpeak kWh	--	--	Add 0.192¢
Charges Under Part "II":			
Onpeak Charges	--	--	Add 0.235¢
First 1,000 kW	Add \$0.81	--	--
Next 1,500 kW	Add \$0.86	--	--
Excess over 2,500 kW	Add \$0.90 ^c	--	--
Offpeak Charges	--	--	Add 0.117¢
Time-of-Day Seasonal Power Rates - SPT Series			
Charges Under Part "I":			
Onpeak kWh	--	--	Add 0.778¢
Offpeak kWh	--	--	Add 0.192¢
Charges Under Part "II":			
Onpeak Charges	--	--	Add 0.235¢
First 1,000 kW	Add \$0.81	--	--
Excess over 1,000 kW	Add \$0.86 ^e	--	--
Offpeak Charges	--	--	Add 0.117¢
Time-of-Day General Power Rate - TGP			
Charges Under Part "I":			
Onpeak Charges	Add \$1.07 ^d	--	Add 0.234¢
Offpeak Charges	--	--	Add 0.121¢
Charges Under Part "II":			
Onpeak Charges	Add \$1.36 ^d	--	Add 0.106¢
Offpeak Charges	--	--	Add 0.099¢
Outdoor Lighting Rate - LP			
Parts A and B	--	--	Add 0.286¢

- Applicable to each kWh per month, up to the maximum set out in the applicable rate schedule, for each kW of billing demand (hours use of demand).
- Applicable only to the first and second components of the energy charge.
- Also applicable to the additional amount applicable for any billing demand in excess of the higher of 2,500 kW or contract demand.
- Also applicable to the additional amount applicable for any billing demand in excess of contract demand.
- Also applicable to the additional amount applicable for any billing demand in excess of 2,500 kW.

This Substitute Adjustment Addendum supersedes and replaces the addendum that became effective on October 2, 1987.

TENNESSEE VALLEY AUTHORITY

444 Metroplex Drive
P. O. Box 110140, Suite 260
Nashville, Tennessee 37222-0140



Laura -

Pls make copies for LS-18-88

May 17, 1988

Gambles + Land, then

return "original" to me. Thanks,

Jack - 5/18/88

Mr. Jack E. Dillard, General Manager
Tri-County Electric Membership Corporation
P. O. Box 40
Lafayette, Tennessee 37083

Dear Jack:

Enclosed for your files is a fully executed copy of Letter Agreement TV-52337A, Supplement No. 15, dated December 17, 1987, covering arrangements for service to Mueller Brass Company and Lamsteel Corporation of America at TVA's Hartsville Nuclear Plant Site.

If we can be of further service, please let us know.

Very truly yours,

TENNESSEE VALLEY AUTHORITY

G. Glen Burgess
Power District Manager
Division of Energy Use and
Distributor Relations

Enclosure

TENNESSEE VALLEY AUTHORITY
Chattanooga, Tennessee 37402-2801

TV-52337A
Supp No. 15

December 17, 1987

Mr. George Cowan, President
Tri-County Electric Membership Corporation
LaFayette, Tennessee 37083

Dear Mr. Cowan:

License Agreement TV-73257A, dated July 30, 1987 (hereinafter called "Mueller License"), between the Tennessee Valley Authority (hereinafter called "TVA") and the Mueller Brass Company (hereinafter called "Mueller") and License Agreement TV-73269A, dated August 15, 1987 (hereinafter called "Lamsteel License"), between TVA and the Lamsteel Corporation of America (hereinafter called "Lamsteel") grant Mueller and Lamsteel permission to utilize a portion of TVA's Hartsville Nuclear Plant Site for manufacturing and warehousing operations, respectively. We understand that the Tri-County Electric Membership Corporation (hereinafter called "Cooperative") has entered into separate contracts for electric service to each company. This will confirm the arrangements developed between representatives of Cooperative and TVA under which power and energy will be delivered by TVA to Cooperative for resale to Mueller and Lamsteel under said electric service contracts.

It is understood and agreed that:

1. The power and energy provided by TVA to Cooperative hereunder (a) for resale and delivery to Mueller shall be in the form of three-phase alternating current at a voltage of 480 volts at the Power Stores Building and (b) for resale and delivery to Lamsteel shall be in the form of single-phase alternating current at voltages of 120 and 240 volts at the Weld-Test Shop. It is recognized that the power to be supplied by Cooperative to Mueller shall be up to a maximum of 300 kW and the power to be supplied by Cooperative to Lamsteel shall not be more than 50 kVA. Accordingly, Cooperative shall, as soon as practicable and at its expense, furnish and install and thereafter operate and maintain for each of the separate locations referred to hereunder the meters for use in determining the amounts of power and energy taken by Cooperative for resale and delivery to Mueller and the amount of energy taken by Cooperative for resale and delivery to Lamsteel. TVA will provide, for use with the metering facilities for Mueller, a solid-state recorder for use in conjunction with TVA's load research program. Cooperative will make arrangements for the installation and connection of said recorder to Mueller's or Cooperative's telephone equipment. Cooperative shall make results of the readings of said meters available to TVA for purposes of billing Cooperative for deliveries of power and energy by TVA to Cooperative as provided in section 2 hereof.

W121687
LA VII-71

Mr. George Cowan
December 17, 1987

2. Subject to the completion of Cooperative's work under section 1 hereof, TVA shall deliver to Cooperative at the voltages specified above at TVA's Hartsville Nuclear Plant construction substation the power and energy required by Cooperative for resale and delivery to Mueller and Lamsteel at each of said locations.

Except as otherwise expressly provided in this agreement, the power and energy supplied to Cooperative hereunder shall be delivered, metered, taken, and paid for in accordance with and subject to all of the provisions of the power contract dated July 18, 1979, between Cooperative and TVA (which contract as amended and supplemented is hereinafter called the "Power Contract").

Each month the amounts of energy, as measured by Cooperative's meters referred to in section 1 hereof, for Cooperative's service to Mueller and Lamsteel shall be added to the amounts of energy delivered by TVA to Cooperative at the 69-kV power delivery point at the Hartsville Substation under the Power Contract.

Each month during which power, as measured by Cooperative's meters referred to in section 1 hereof, is delivered to Mueller by Cooperative, the wholesale billing demand as determined in accordance with the then applicable wholesale power rate schedule shall be adjusted by adding thereto seventy-six percent (76%) of the resale billing demand amount used by Cooperative in calculating the resale bill to Mueller. Annually, TVA will utilize the billing data obtained from the solid-state recorder installed in conjunction with TVA's load research program to determine the actual adjustments to be made to the wholesale billing demand for each month during the previous 12-month period and will adjust the wholesale bill to Cooperative to compensate for any differences between the monthly percentage adjustments and the actual demand adjustments.

3. This agreement shall become effective as of the date on which Cooperative first takes power at TVA's Hartsville Nuclear Plant construction substation for service to either Mueller or Lamsteel and shall continue in effect until the earliest of the following dates: (1) the termination of both of Cooperative's contracts for electric service to said companies; (2) the termination of the Power Contract, or (3) the termination of the Mueller License and the Lamsteel License.

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

W121687
LA VII-72

Mr. George Cowan
December 17, 1987

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

Very truly yours,

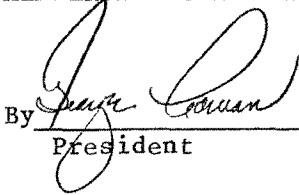
TENNESSEE VALLEY AUTHORITY



R. B. Davis, Director
Division of Energy Use
and Distributor Relations

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

TRI-COUNTY ELECTRIC
MEMBERSHIP CORPORATION

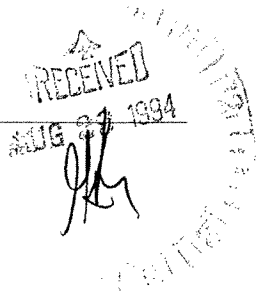


By _____
President

✓: David RK
8/30/94



Tennessee Valley Authority, Post Office Box 20260, Bowling Green, Kentucky 42102-6260



August 25, 1994

Mr. G. Kelly Nuckols, Manager
Tri-County Electric Membership Corporation
Post Office Box 40
Lafayette, Tennessee 37083-0040

Dear Mr. Nuckols:

BILLING MEMO - BOWLING GREEN CUSTOMER SERVICE CENTER - BGR 9408-001

Enclosed is a copy of the billing memo for Tri-County EMC - Hartsville
161-kV Substation - M-9488. This memo is to let you know a billing
adjustment was made and the amount of the adjustment.

Sincerely,

A handwritten signature in cursive that reads "C. Harrison Alewine".

C. Harrison Alewine
Engineering Unit Supervisor
Kentucky CSC (Bowling Green)

Handwritten initials "AG" in cursive, positioned to the right of the typed name.

August 23, 1994

J. William Brooks III, MR 5A-C

BILLING MEMO - BOWLING GREEN CUSTOMER SERVICE CENTER - BGR 9408-001

TRI-COUNTY EMC - HARTSVILLE 161-KV SUBSTATION - M-9488 AND DIVISION OF
OPERATION SUPPORT - HARTSVILLE CONSTRUCTION SUBSTATION M-7280

Per Agreement TV-52337A, Supplement 15, dated December 17, 1987,
146,140 kWh and 470.720 kW should be added to Hartsville, Tennessee,
161-kV Substation M-9488 and subtracted from Hartsville Construction
69-kV Substation M-7280. This amount covers the period from
June 13, 1994 to July 13, 1994.



C. Harrison Alewine
Engineering Unit Supervisor
Kentucky CSC (Bowling Green)
Box 20260, Bowling Green, KY 42102

CHA:KG

cc: Jenelle Archie, MR 5A-C (e-mailed)
James R. Barnwell, MR 5A-C (e-mailed)
Karen L. Haun-Wood, WT 4A-K (e-mailed)
Richard L. Tallent, NBP 18A-NSH
RIMS, CST 13B-C

0965A9

AGREEMENT
Between
TENNESSEE VALLEY AUTHORITY
And
TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION

THIS AGREEMENT, made and entered into as of the 31st day of October, 1988, by and between TENNESSEE VALLEY AUTHORITY (hereinafter called "TVA"), a corporation created and existing under and by virtue of the Tennessee Valley Authority Act of 1933, as amended, and TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION (hereinafter called "Cooperative"), a cooperative corporation duly created, organized, and existing under and by virtue of the laws of the State of Tennessee;

W I T N E S S E T H:

WHEREAS, TVA and Cooperative have heretofore entered into a contract dated July 18, 1979 (which contract, as amended and supplemented, is hereinafter called the "Power Contract"), under which electric power and energy are supplied by TVA at wholesale and purchased by Cooperative for resale; and

WHEREAS, Cooperative, Texas Eastern Transmission Corporation (hereinafter called "Company"), and TVA have entered into an agreement of even date herewith (hereinafter called the "Company Contract") covering arrangements under which Cooperative will make available to Company a supply of firm and supplemental power for operation of Company's gas compressor station in Tompkinsville, Kentucky; and

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

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

1. Term of Agreement. This agreement shall become effective as of 0900 CST on October 31, 1988, and shall continue in effect until expiration or termination of the Company Contract, or of the Power Contract, or until supplemental power is no longer available under the Company Contract, whichever first occurs.

2. Metering and Billing. It is recognized that data obtained from the metering facilities located near Company's plant will be used for the purposes of determining the power and energy taken by Company and adjusting Cooperative's wholesale bill from TVA. Accordingly, TVA will supply Cooperative as soon as practicable after Company's scheduled meter-reading date the information regarding (a) the amounts of firm power taken and (b) the amounts of supplemental power scheduled, the times such power was scheduled, and the price for such power, so that Cooperative may be able to calculate Company's bill for firm and supplemental power and energy. At the time Distributor renders such bill to Company, it shall send a copy thereof to TVA.

3. Adjustments to Cooperative's Wholesale Billing. It is recognized that pursuant to the provisions of section 3 of Supplement No. 8, dated August 1, 1986, to the Power Contract (hereinafter called the "1986 Supplement"), Cooperative has selected the Annual Arrangements for assuring itself of realizing a margin on service to the customer group which includes Company.

For as long as said Annual Arrangements remain in effect with respect to service to Company, notwithstanding any provisions of the Power Contract, including section 4 of Supplement No. 13, dated May 1, 1987, thereto (hereinafter called the "1987 Supplement"), that may be construed to the contrary, in calculating the wholesale bill each month for Cooperative, the following steps will be taken with respect to Company: (a) during periods when supplemental power is scheduled by Company, Cooperative's measured demand at the 161-kV delivery point at the Summer Shade 161-kV Substation (established in accordance with the 1987 Supplement) will be reduced, on a simultaneous basis, by the lower of (i) the amount of the supplemental power scheduled by Company, or (ii) Company's measured demand; (b) Cooperative's metered energy for the month will be reduced by the lower of (i) the supplemental energy deemed to have been taken by Company or (ii) Company's metered energy; and (c) an amount which is equal to the portion of Company's bill from Cooperative for supplemental power and energy will be included as part of the wholesale bill. For purposes of making the adjustment provided for in item (a) above, if Company schedules supplemental power for a portion of Cooperative's hourly demand period, the kW amount scheduled shall be averaged over the full 60-minute period to determine the appropriate kW amount to be deducted from Cooperative's measured demand. For purposes of making the adjustments provided for in items (a) and (b) above, the amounts in (i) and (ii) in both items will be increased by 3 percent to reflect losses.

In the event Cooperative elects to discontinue said Annual Arrangements and select in lieu thereof the Monthly Arrangements (as provided for under section 3 of the 1986 Supplement) with respect to the customer group which includes Company, notwithstanding any provisions of the Power Contract, including section 4 of the 1987 Supplement, that may be construed to the contrary, in calculating the wholesale bill each month for Cooperative, the following steps will be taken with respect to Company: (a) Cooperative's measured demand and energy takings will be reduced, on a simultaneous basis, by the amount of Company's measured demand and energy takings during the month increased by 3 percent to reflect losses; (b) the debit amount applicable to Cooperative's wholesale bill under the Hydro Allocation Adjustment of the wholesale rate schedule will be reduced by an amount reflecting Company's contribution thereto; (c) an amount which is equal to Company's bill from Cooperative (exclusive of the customer charge and any applicable facilities rental and reactive charges, but including the applicable charges billed to Company for supplemental power and energy), less an amount equal to 40 cents multiplied by the lower of (i) 40,000 kW or (ii) the higher of (A) the sum of the onpeak excess billing demand and the firm onpeak billing demand or (B) the sum of the offpeak excess billing demand and the firm offpeak billing demand for that month, will be included as part of the wholesale bill; and (d) the provisions of section 3 of the 1986 Supplement shall not be applicable with respect to Company. The above calculations will further reflect, as appropriate, the application of Adjustment 3 of the wholesale rate schedule to Cooperative's wholesale bill with respect to a minimum bill applicable to Company. The reference herein to "onpeak excess billing demand," "firm onpeak billing demand," "offpeak excess billing demand," and "firm offpeak billing demand" shall mean those terms as they are used in the Company Contract.

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

5. Affirmation of Power Contract. Except as expressly supplemented and amended herein, the Power Contract is hereby ratified as the continuing obligation of the parties, and the power and energy being made available to Cooperative for resale to Company shall be delivered, metered, taken, and paid for in accordance with and subject to all the provisions of the Power Contract.

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

TENNESSEE VALLEY AUTHORITY

By G. J. Douglas Carr
Manager of Distributor
Marketing and Services

Attest:

TRI-COUNTY ELECTRIC
MEMBERSHIP CORPORATION

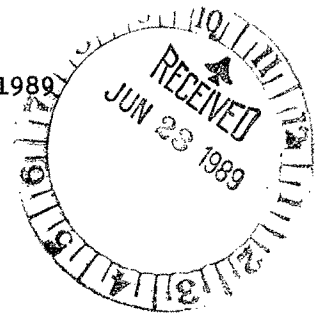
Barry O'Connell
Secretary

By Deary L. Luman
President

TENNESSEE VALLEY AUTHORITY

Post Office Box 20260
Bowling Green, Kentucky 42102-6260

June 20, 1989



Mr. Jack E. Dillard, General Manager
Tri-County Electric Membership
Cooperative Corporation
Post Office Box 40
Lafayette, Tennessee 37083

Dear Mr. Dillard:

HYDRO ALLOCATION ADJUSTMENT 4 (RESIDENTIAL CREDIT)

Enclosed for your files is a fully executed copy of Agreement TV-52337A,
Supplement No. 17 dated March 1, 1989.

Very truly yours,

TENNESSEE VALLEY AUTHORITY

A handwritten signature in cursive script that reads "Myron N. Callahan".

Myron N. Callahan
District Manager

Enclosure

TENNESSEE VALLEY AUTHORITY
Chattanooga, Tennessee 37402-2801

TV-52337A
Supp No. 17

March 1, 1989

Mr. George Cowan, President

Tri-County Electric Membership Corporation

Lafayette, Tennessee 37083

Dear Mr. Cowan:

This will confirm the arrangements developed between representatives of Tri-County Electric Membership Corporation (hereinafter called "Distributor") and the Tennessee Valley Authority (hereinafter called "TVA") with respect to amending the wholesale power contract dated July 18, 1979 (which contract, as heretofore amended and supplemented, is hereinafter called the "Power Contract"), between the parties as necessary to implement an alternative wholesale rate schedule which provides for calculating on a quarterly (rather than an annual) basis the credits under Adjustment 4 (Hydro Allocation Adjustment) of said schedule.

It is understood and agreed that:

1. The Schedule of Rates and Charges attached to and made a part of the Power Contract contains a wholesale rate schedule therein designated as Schedule WP (October 1986) (hereinafter referred to as the "existing wholesale schedule"). An alternative wholesale schedule, designated Schedule WPA (February 1989) (hereinafter referred to as the "alternative wholesale schedule") is attached hereto. The existing wholesale schedule shall remain in full force and effect for all bills rendered from meter readings taken for TVA monthly billing cycles scheduled to begin before July 2, 1989. The alternative wholesale schedule shall become effective in accordance with the provisions thereof for bills rendered from meter readings taken for TVA monthly billing cycles scheduled to begin on or after said date. (For purposes of this agreement and of the Power Contract, a billing cycle for any month is defined as the complete cycle of meter readings from which an accounting month's sales statistics and revenues are derived.) Commencing with the first application of the alternative wholesale schedule, all references in the Power Contract to the existing wholesale schedule shall be deemed to refer to the alternative wholesale schedule; the existing wholesale schedule shall be deleted from the Power Contract; and the alternative wholesale schedule shall be substituted therefor.

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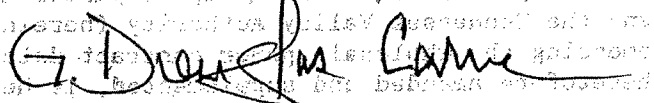
Mr. George Cowan
March 1, 1989

2. The Power Contract, including the Schedule of Rates and Charges, as amended and supplemented by this agreement, is hereby ratified and confirmed as the continuing obligation of the parties.

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

Very truly yours,

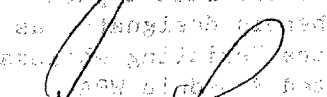
TENNESSEE VALLEY AUTHORITY



G. Douglas Carver, Manager
Distributor Marketing
and Services

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

TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION


By George Cowan
President

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1
TENNESSEE VALLEY AUTHORITY
SCHEDULE OF RATES AND CHARGES

ALTERNATIVE WHOLESALE POWER RATE--SCHEDULE WPA
(February 1989)

Availability

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

Base Charges

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

Demand Charge: \$8.99 per kW of billing demand per month, plus an hours use of demand component of
0.436 cent per kWh per month of the lesser of (1) the kWh amount computed by multiplying
550 hours by the billing demand or (2) Distributor's energy takings for the month

Energy Charge: \$11.861 cents 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 adding to the bill 0 cents per kW and 0.000 cent per kWh for power and energy resold by Distributor in the preceding month to any customer of Distributor which has a billing demand of more than 10,000 kW or which uses more than 5 million kWh (herein referred to as a large load), except that such adjustment shall not apply to any portion of a large load up to the following respective amounts: 10,000 kW plus an amount (not to exceed 20,000 kW) equal to that portion of Distributor's delivery point demand at the TVA delivery point from which such large load is served by Distributor which is in excess of the sum of the billing demands of all large loads served by Distributor from that delivery point; 5 million kWh plus an amount (not to exceed 15 million kWh) equal to that portion of Distributor's purchases of energy at the TVA delivery point from which such large load is served by Distributor which is in excess of the energy resold to all large loads served by Distributor from that delivery point. Such amounts in cents per kW and in cent per kWh may be increased or decreased by TVA, effective with the effective date of any Adjustment Addendum published by TVA, to compensate for a change in the differential between the base demand and energy charges, as adjusted, under this rate schedule and under the resale rate schedules applicable to large loads, when such change arises out of application of Adjustment Addendums.

3. In any case in which a minimum bill involving a measured demand less than the billing demand is applicable to a customer of Distributor under part B of the General Power Rate Schedule or under part I of Time-of-Day General Power Rate--Schedule TGP, Distributor's bill under this rate schedule shall be adjusted by adding thereto for each such customer 50 percent of the amount by which such applicable minimum bill exceeds an amount computed by applying the appropriate base charges, as adjusted, under part B of the General Power Rate Schedule or under part I of Time-of-Day General Power Rate--Schedule TGP to the measured demand and energy taken by such customer. Such measured demand for any month shall be the highest average during any 30-consecutive-minute period of the month of the load measured in kW.

In any case in which a minimum bill involving a measured demand less than the billing demand is applicable to a customer of Distributor under part C of the General Power Rate Schedule or under part II of Time-of-Day General Power Rate--Schedule TGP, Distributor's bill under this rate schedule shall be adjusted by adding thereto for each such customer 75 percent of the amount by which such applicable minimum bill exceeds an amount computed by applying the appropriate base charges, as adjusted, under part C of the General Power Rate Schedule or under part II of Time-of-Day General Power Rate--Schedule TGP to the measured demand and energy taken by such customer. Such measured demand for any month shall be the highest average during any 30-consecutive-minute period of the month of the load measured in kW.

If a customer of Distributor fails to pay any minimum bill obligations (involving a measured demand less than the billing demand) arising under part B or C of the General Power Rate Schedule or under part I or II of Time-of-Day General Power Rate--Schedule TGP, Distributor shall promptly so notify TVA in writing. Within 90 days after the date on which a customer becomes past due in making payment on any such minimum bill obligations, Distributor, after consultation with TVA, shall institute litigation to enforce payment of the minimum bill obligations. To the extent determined by TVA to be appropriate, TVA will assist Distributor in such efforts. Upon failure of Distributor to do so, TVA may institute such litigation in the name of Distributor, or in the name of TVA, or in the name of both, and any actions taken by TVA in connection with such litigation shall be binding on Distributor.

For all bills rendered under this rate schedule after the initiation of any such litigation, the amounts applicable under this Adjustment 3 as a result of service to a customer being sued shall continue to accrue but shall not become payable by Distributor until collections are being made from the customer. If all legal remedies are pursued and less than full recovery is realized, Distributor's payment obligations to TVA on the amounts which accrue under this Adjustment 3 shall be limited to 50 percent of the amount recovered from a customer referred to in the first paragraph of this Adjustment 3 and to 75 percent of the amount recovered from a customer referred to in the second paragraph of this Adjustment 3. If all legal remedies are pursued by Distributor, Distributor's payment obligations to TVA on the amounts which accrue under this Adjustment 3 shall be reduced (a) by 50 percent of the costs (not recovered from the customer) reasonably incurred by Distributor in the prosecution of such litigation with respect to a customer referred to in the first paragraph of this Adjustment 3, and (b) by 75 percent of the costs (not recovered from the customer) reasonably incurred by Distributor in the prosecution of such litigation with respect to a customer referred to in the second paragraph of this Adjustment 3. Notwithstanding any other provision of this Adjustment 3, in the event litigation was brought by TVA under the preceding paragraph, unless otherwise agreed by TVA and Distributor, all costs (including personnel costs of attorneys and all other employees engaged in the prosecution of such litigation) incurred by TVA in its collection efforts shall be reimbursed to TVA from the portion of any amounts recovered that Distributor would otherwise be entitled to receive or retain.

4. Distributor's bill for each month shall be adjusted by applying the net of the following calculation:
(1) subtract 0.589 cent per kWh for one-third of the energy resold during the second preceding quarter by Distributor to customers entitled to service under residential rate schedules, exclusive of any energy resold to any such customer in any month in excess of 2,000 kWh, (2) subtract 4.00 dollars per customer for one-third of the sum for the second preceding quarter of the number of residential customers served by Distributor in each month, (3) add 0.500 cent per kWh

for one-third of the energy resold during the second preceding quarter by Distributor under (a) part A of the General Power Rate Schedule, (b) the time-of-day general power rate schedules applicable to loads of 5,000 kW or less, and (c) the Outdoor Lighting Rate Schedule, and (4) add (with respect to power and energy resold by Distributor to customers under parts B and C of the General Power Rate Schedule and under Time-of-Day General Power Rate--Schedule TGP) (a) 0.158 cent per kWh for one-third of all such energy resold during the second preceding quarter by Distributor and (b) 0.75 dollar per kW for one-third of the sum for the second preceding quarter of the billing demands of all such customers (for purposes of the calculation with respect to customers served under said Schedule TGP, the term "billing demands" shall mean the higher of the onpeak or offpeak billing demands). The adjustment applied under the preceding sentence (hereinafter referred to as the "Hydro Allocation Adjustment") shall remain constant during each quarterly period (beginning October 2, January 2, April 2, and July 2); provided, however, that the dollar and cent amounts specified above may be increased or decreased by TVA, effective with the effective date of any Adjustment Addendum published by TVA, to appropriately reflect changes in the unit value of the hydro generation benefits allocated to residential customers, and in such event the Hydro Allocation Adjustment shall be recomputed and applied accordingly; and provided further, that the amounts in cent per kWh and dollar per kW applicable under (4) above will be increased by an additional 0.0115 cent and 0.055 dollar, respectively, effective with the effective date of each of the next eight Adjustment Addendums published by TVA after October 1986 (TVA will make corresponding increases of 0.0115 cent and 0.055 dollar for the base energy and demand charges applicable for customers served under part B of the General Power Rate Schedule and under part I of Time-of-Day General Power Rate--Schedule TGP).

Effective January 2, April 2, July 2, and October 2 of each year, the Hydro Allocation Adjustment shall be recomputed to take account of changed sales and customer account data and applied accordingly; and in performing such computations, the 3-month periods ending the preceding September 30, December 31, March 31, and June 30, respectively, shall be used.

5. Distributor's bill for each month shall be adjusted by adding thereto the amount, if any, by which (1) one-twelfth of the amount computed by multiplying \$7.89 by the kW difference between (a) the sum of the monthly delivery point demands for the 12-month period ending September 30, 1985, for all delivery points to Distributor and (b) the sum of the highest monthly simultaneous demands for the 12-month period ending September 30, 1985, for all delivery points to Distributor exceeds (2) the amount computed by multiplying \$500 by the number of delivery points (as of September 30, 1985) to Distributor in excess of one. For purposes of this Adjustment 5, the simultaneous demand for any 60-consecutive-minute period of any month shall be the sum of the average demands measured in kW during such period for all delivery points to Distributor. (In the event that Distributor served any general power customer with a contract demand greater than 5,000 kW during said 12-month period, for any month in which that load's contribution to Distributor's highest simultaneous demand was less than that load's contribution to the delivery point demand at the delivery point through which that load was served, said contributions shall be deducted from the simultaneous demand and delivery point demand, respectively, for purposes of computing the amount applicable under this Adjustment 5.) The monthly adjustment provided for hereunder shall remain constant except that the amount of the adjustment shall be reduced to reflect the elimination after September 30, 1985, of any delivery point to Distributor pursuant to an agreement between Distributor and TVA.

Determination of Demands

Distributor's system demand shall be determined on a simultaneous basis. For any 60-consecutive-minute period of the month the system demand shall be the sum of the average demands measured in kW in such period for all delivery points to Distributor, and the highest such system demand for any month shall be the billing demand for the month, except that no such system demand shall be considered for purposes of determining the billing demand for any month if it occurred within the three calendar days following the previous month's highest system demand. (The delivery point demand, which shall be the highest average during any 60-consecutive-minute period in a month of the load measured in kW for any delivery point to Distributor, shall be used for certain computations under this rate schedule.)

Facilities Rental

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 Distributor's bill a facilities rental charge. This charge shall be 34 cents per kW per month, except for delivery at voltages below 46 kV, in which case the charge shall be 89 cents per kW per month for the first 10,000 kW and 69 cents per kW per month for the excess over 10,000 kW. For each delivery point, such charge shall be applied to the higher of (1) the highest delivery point demand established at the delivery point during the latest 12-consecutive-month period or (2) the sum of the currently effective contract demands for all customers which are served by Distributor under parts B and C of the General Power Rate Schedule and under Time-of-Day General Power Rate--Schedule TGP with power and energy taken from such point (for purposes of the calculation with respect to customers served under said Schedule TGP, the term "contract demands" shall mean the higher of the onpeak or offpeak contract demands). Such 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, 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 a reactive charge of 78 cents per kVAR of the amount, if any, by which the reactive demand exceeds (a) 40 percent of the delivery point demand for bills rendered from meter readings taken for TVA monthly billing cycles scheduled to begin prior to October 2, 1989, and (b) 33 percent of the delivery point demand for bills rendered from meter readings taken for TVA monthly billing cycles scheduled to begin on or after October 2, 1989. If the reactive demand (in kVAR) at a delivery point is leading during the 60-consecutive-minute period of the month in which the lowest kW 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 a reactive charge of 33 cents per kVAR of the amount of reactive demand. Such charges shall be in addition to all other charges under this rate schedule, including minimum bill charges, and such amounts in cents per kVAR may be increased or decreased by TVA, effective with the effective date of any Adjustment Addendum published by TVA, to reflect changes in the costs of providing reactive power.

Minimum Bill

The monthly bill, exclusive of (a) Adjustments 2, 4, and 5, (b) any applicable facilities rental charges, and (c) any reactive charges, shall not be less than the higher of (1) the base delivery point charge or (2) 70 percent of the sum of (a) the highest billing demand established during the previous 36 months multiplied by the base demand charge, as adjusted (but excluding the hours use of demand component), and (b) the cents-per-kWh charge of the hours use of demand component, as adjusted, applied to the lesser of (i) 550 hours multiplied by said highest billing demand or (ii) Distributor's energy takings for the month in which said highest billing demand occurred; provided, however, that a special minimum bill may be applied for any delivery point through which more than 75 percent of the energy taken by Distributor is resold to general power customers with demands of 50 kW or more.

TENNESSEE VALLEY AUTHORITY

Post Office Box 20260
Bowling Green, Kentucky 42102-6260

August 21, 1989

Mr. Jack E. Dillard, General Manager
Tri-County Electric Membership
Corporation
Post Office Box 40
Lafayette, Tennessee 37083



Dear Mr. Dillard:

OBERON RESOURCES CORPORATION

Enclosed for your files is a fully executed copy of Letter Agreement TV-52337A, Supplement No. 18, dated October 5, 1988, providing for Oberon Resources Corporation to connect to the Burkesville Line.

Very truly yours,

TENNESSEE VALLEY AUTHORITY

Myron N. Callahan

Myron N. Callahan, Manager
Bowling Green District

Enclosure

Laura -

*Pls. make copies of attached for
Jim Conther + Ralph Law*

Thanks

*Joan
8/24/89*

TENNESSEE VALLEY AUTHORITY
Chattanooga, Tennessee 37402-2801

October 5, 1988

Mr. George Cowan, President
Tri-County Electric Membership Corporation
LaFayette, Tennessee 37083

Dear Mr. Cowan:

Under Lease and Amendatory Agreement TV-52337A, Supplement No. 13, dated May 1, 1987 (hereinafter called "1987 Agreement"), among the United States of America, the Tennessee Valley Authority (hereinafter called "TVA"), and the Tri-County Electric Membership Corporation (hereinafter called "Cooperative"), Cooperative leases, among other things, a section of TVA's Dale Hollow Hydro-Burkesville 69-kV Line.

It is recognized that Oberon Resources Corporation (hereinafter sometimes called "Corporation") is constructing a power production facility near Burkesville, Kentucky, and that the electric power and energy from Corporation's facility will be purchased by TVA at the point of connection of Corporation's facilities to the leased section of the Dale Hollow Hydro-Burkesville 69-kV Line (hereinafter called the "Oberon Connection"). It is also recognized that, under a separate agreement among Cooperative, Corporation, and TVA, Cooperative will, at Corporation's expense, make the connection of Corporation's facilities to the leased 69-kV line. This will confirm the arrangements developed between Cooperative and TVA with respect to amending the 1987 Agreement to provide for TVA to reserve capacity in a portion of the leased 69-kV line to transmit the power generated by Corporation into TVA's system at the Dale Hollow Hydro Plant.

It is understood and agreed that:

1. Effective as of the date on which Corporation first delivers power and energy to TVA at the Oberon Connection (approximately April 1, 1990), the 1987 Agreement is hereby amended by adding to it the following as a new section 13:

13. Reservation of Capacity. It is recognized that the Oberon Resources Corporation (hereinafter called "Corporation") plans to connect its facilities to the section of the Dale Hollow Hydro-Burkesville 69-kV Line included in the Leased Facilities and Purchased Facilities under paragraph (E) of section 1 hereof. It is further recognized that, to transmit the power and energy generated by Corporation into TVA's system,

Mr. George Cowan
October 5, 1988

TVA will require the use of a portion of said line section beginning at the Dale Hollow Hydro Plant and extending approximately 16.28 miles to the point of connection of Corporation's facilities to said line section (hereinafter called the "Burkesville Line") and that, based on current load estimates, the magnitude of said power supply use will not exceed 51 percent of the maximum capability of the Burkesville Line. TVA hereby reserves the right to use the Burkesville Line for said power supply purpose to the extent set forth in the preceding sentence. As consideration therefor, beginning on the date on which Corporation's facilities are placed in service and continuing until the date of cessation of TVA's said use, (a) the actual net book cost of the Burkesville Line shall be reduced by 51 percent for purposes of computing the annual rental specified in section 1 hereof, and (b) unless otherwise agreed, TVA will reimburse Cooperative, annually in arrears and upon receipt of a statement therefor, an amount equal to 51 percent of Cooperative's actual operation and maintenance costs, including applicable overheads, incurred for the Burkesville Line. In the event that Cooperative purchases the Leased Facilities as provided for in section 8 hereof prior to cessation of TVA's said use, Cooperative and TVA will agree on equitable compensation by TVA to Cooperative for the continuation of said use.

It is estimated, for the convenience of Cooperative and TVA only, that this amendment will decrease the monthly payment provided for in section 1 of the 1987 Agreement by \$270.

2. The 1987 Agreement, as amended by this agreement, is hereby ratified and confirmed as the continuing obligation of the parties.

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

4. Except as otherwise provided herein, this agreement shall become effective as of the date first above written.

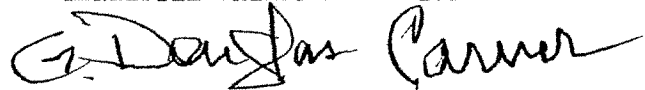
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Mr. George Cowan
October 5, 1988

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

Very truly yours,

TENNESSEE VALLEY AUTHORITY



G. Douglas Carver, Manager
Distributor Marketing
and Services

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

TRI-COUNTY ELECTRIC
MEMBERSHIP CORPORATION



By _____
President

TV-52337A

#19

TENNESSEE VALLEY AUTHORITY

Post Office Box 20260
Bowling Green, Kentucky 42102-6260

August 22, 1989

Laura - Pls, make copy
for Ralph Law, Thanks, Jack
8/24/89



Mr. Jack E. Dillard, General Manager
Tri-County Electric Membership
Corporation
Post Office Box 40
Lafayette, Tennessee 37083

Dear Mr. Dillard:

SCOTTSVILLE SUBSTATION METERING

Enclosed for your files is a fully executed letter agreement covering Tri-County's use of TVA's metering circuits at the Scottsville Substation.

Under the arrangements, TVA will perform the engineering and other work necessary to install a transducer (supplied by Tri-County) in the secondary circuits of TVA's metering transformers at Scottsville Substation.

Very truly yours,

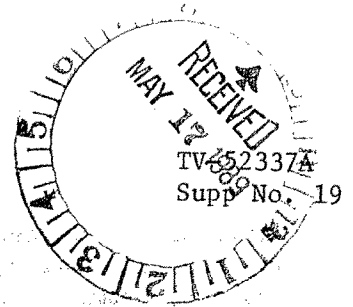
TENNESSEE VALLEY AUTHORITY

Myron N. Callahan

Myron N. Callahan, Manager
Bowling Green District

Enclosure

TENNESSEE VALLEY AUTHORITY
Chattanooga, Tennessee 37402-2801



May 4, 1989

Mr. George Cowan, President
Tri-County Electric Membership Corporation
LaFayette, Tennessee, 37083

Dear Mr. Cowan:

Under Lease and Amendatory Agreement TV-21448A, Supplement No. 12, dated May 24, 1978 (hereinafter called "Lease Agreement"), among the United States of America, the Tennessee Valley Authority (hereinafter called "TVA"), and the Tri-County Electric Membership Corporation (hereinafter called "Cooperative"), Cooperative leases TVA's Scottsville Substation, excluding, among other things, TVA's 13-kV revenue metering installation.

It is recognized that the aforesaid metering installation was provided by TVA for TVA's exclusive use and control and further that Cooperative has requested to use the outputs from TVA's revenue metering current and voltage transformer secondaries to activate a transducer to enable Cooperative to obtain certain outputs therefrom for use with Cooperative's voltage regulation unit. This will confirm the arrangements developed between representatives of TVA and Cooperative with respect thereto.

It is understood and agreed that:

1. TVA will, at its expense, perform the engineering and work necessary to install in the switchhouse at the Scottsville 161-kV Substation the transducer to be supplied by Cooperative and to make the necessary connections from the secondaries of TVA's revenue metering transformers to Cooperative's said transducer. Cooperative will, at its expense, provide the equipment and materials and make the connections from its voltage regulation unit to said transducer. Cooperative will thereafter operate and maintain its facilities installed under this section 1 at its expense. It is understood that Cooperative will neither install nor change any facilities which are to be connected to TVA's secondary metering circuits hereunder without TVA's prior written approval. Such approval is to ensure that the installation or change is satisfactory to TVA insofar as required for the safe and efficient operation of TVA's metering facilities.

2. Cooperative shall reimburse TVA for any damage to TVA's property and to property in TVA's custody, and Cooperative releases the United States of America, TVA, their agents, and employees from and shall indemnify and save

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Mr. George Cowan
May 4, 1989

harmless the United States of America, TVA, their agents and employees from any and all claims, demands, or causes of action for personal injuries, property damage, or loss of life or property sustained by Cooperative, its agents and employees, or third parties arising out of or in any way connected with (a) any of Cooperative's or TVA's work under this agreement or (b) the use, operation, maintenance, repair, defect, replacement, revision, or failure of said revenue metering transformers, even though the personal injuries, property damage, or loss of life or property is caused, occasioned, or contributed to by the negligence, sole or concurrent, of the United States of America, TVA, their agents or employees.

3. The facilities and equipment and the secondary currents and voltages provided or provided and installed by TVA hereunder for Cooperative's use are provided to Cooperative as is, where is; and TVA makes no statement, representation, claim, guaranty, or warranty, express or implied, (a) as to the accuracy of the information to be furnished by the metering outputs from TVA's metering installation or as to such information's fitness for any purposes for which Cooperative uses or will use it and (b) as to quantity, kind, character, quality, capacity, design, performance, compliance with specifications, condition, size, description of any property, fitness for any use or purpose, or otherwise of any facilities and equipment or any outputs from TVA's said metering installation. All implied warranties of merchantability and fitness for a particular purpose are hereby disclaimed by TVA and excluded from this agreement.

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

5. The Lease Agreement is hereby ratified and confirmed as the continuing obligation of the parties.

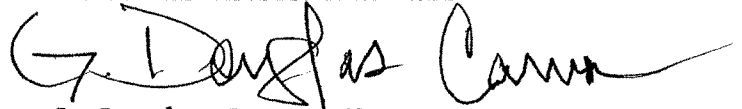
6. Except as otherwise provided herein this agreement shall become effective on the date first above written and shall continue in effect until the termination of the power contract, dated July 18, 1979, or any extension, renewal, or replacement thereof.

Mr. George Cowan
May 4, 1989

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

Very truly yours,

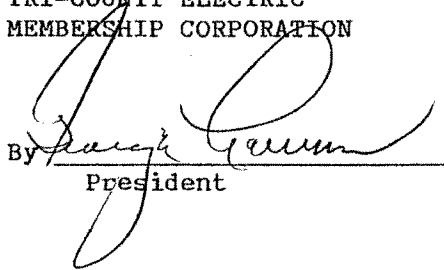
TENNESSEE VALLEY AUTHORITY



G. Douglas Carver, Manager
Distributor Marketing
and Services

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

TRI-COUNTY ELECTRIC
MEMBERSHIP CORPORATION



By _____
President

TENNESSEE VALLEY AUTHORITY

Post Office Box 20260
Bowling Green, Kentucky 42102-6260
October 26, 1989



Mr. Jack E. Dillard, General Manager
Tri-County Electric Membership
Corporation
Post Office Box 40
Lafayette, Tennessee 37083

Dear Mr. Dillard:

COINCIDENCE FACTOR CREDIT

Enclosed for your files is a fully executed copy of Agreement TV-52337A, Supplement No. 20, dated May 5, 1989, covering application of coincidence factor credit to your wholesale bill for service to large part A loads.

Very truly yours,

TENNESSEE VALLEY AUTHORITY

John A. Humphries for

Myron N. Callahan
District Manager
Bowling Green District

Enclosure

Copy to: LAW
CAUTHEN

Jed - 10/30/89

TENNESSEE VALLEY AUTHORITY
Chattanooga, Tennessee 37402-2801

TV-52337A
Supp No. 20

May 5, 1989

Mr. George Cowan, President
Tri-County Electric Membership Corporation
Lafayette, Tennessee 37083

Dear Mr. Cowan:

This will confirm the arrangements developed between representatives of Tri-County Electric Membership Corporation (hereinafter called "Distributor") and the Tennessee Valley Authority (hereinafter called "TVA"), with respect to amending the wholesale power contract dated July 18, 1979 (which contract, as heretofore amended, is hereinafter called the "Power Contract"), between TVA and Distributor to implement arrangements whereby Distributor will be assured of covering its wholesale cost of serving large Part A customers.

It is understood and agreed that:

1. The arrangements set out below with respect to large Part A Customers shall apply for annual periods (hereinafter individually called "Annual Period") consisting of Distributor's 12 consecutive monthly billing cycles beginning with the first such cycle scheduled to begin on or after October 2 of each year, except that the first Annual Period hereunder shall consist of Distributor's 7 consecutive monthly billing cycles beginning with the first such cycle scheduled to begin on or after March 2, 1989. (For purposes of this agreement, a billing cycle for any month is defined as the complete cycle of meter readings from which an accounting month's sales statistics and revenues are derived.) For purposes of this agreement the term "Large Part A Customers" shall include, for each month of each Annual Period, all of Distributor's customers with a billing demand during such month above 1,000 kW and billed under the Part A portion (hereinafter called "Part A") of Distributor's applicable general power (GP series) rate schedule, excluding any customer that contracts for service on a seasonal basis.

2. On or as soon as practicable after October 2 of each year, Distributor shall furnish to TVA for each month of the preceding Annual Period for each Large Part A Customer the billing data necessary in TVA's opinion for calculating the actual and expected contribution of each Large Part A Customer to each of the wholesale billing demands established by Distributor with respect to each of Distributor's billing cycles during that Annual Period.

3. Following receipt of the data referred to under section 2 above, TVA shall make calculations utilizing the formula set out below. The amount arrived at shall be applied as a credit on Distributor's next wholesale power bill following completion of said calculations. (If the result of the calculation is a negative number, no credit will apply.)

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Mr. George Cowan
May 5, 1989

Credit (in dollars) = A x (B - C), where

A = Dollars-per-kW portion of the wholesale base demand charge, as adjusted, applicable during the Annual Period.

B = Aggregate actual coincident demand, calculated by summing the actual contribution of each Large Part A Customer to each wholesale billing demand established by Distributor with respect to each of Distributor's billing cycles for each month of the Annual Period. (Each of said monthly contributions shall be increased by 3 percent to reflect losses except that in the case of a customer served through a delivery point which serves only that customer, actual losses, if any, shall be used instead.)

C = Aggregate expected coincident demand, calculated as follows:

$$C = (D \div 394) + (E \times 0.76) + (F \times 0.80) + (G \times 0.84),$$

where

D = Total kWh sales to all Large Part A Customers during the Annual Period billed under the portion of the Part A Energy Charge applicable to the first 15,000 kWh per month

E = Total kW billed to Large Part A Customers during the Annual Period under the portion of the Part A demand charge applicable to the second block (950 kW) of billing demand

F = Total kW billed to Large Part A Customers during the Annual Period under the portion of the Part A demand charge applicable to the third block (1,500 kW) of billing demand.

G = Total kW billed to Large Part A Customers during the Annual Period under the portion of the Part A demand charge applicable to the fourth block (over 2,500 kW) of billing demand

4. It shall be Distributor's responsibility to install at its expense any replacement metering facilities necessary to record the billing data referred to in section 2 hereof. In making calculations under section 3 hereof TVA shall exclude any month in which time-differentiated metering facilities adequate to record such billing data were not operating for all of Distributor's Large Part A Customers, except that in the case of a meter failure or other unanticipated event, the parties may agree upon billing amounts estimated from the best information available.

Mr. George Cowan
May 5, 1989

5. This agreement shall become effective as of March 2, 1989, and shall continue in effect for the term of the Power Contract or of any renewal or replacement thereof; provided, however, that it shall be terminated without further action of the parties with the effective date of the first change hereafter made in the general power rate schedule in accordance with the paragraph entitled "Change" of the section entitled "Adjustment and Change of Wholesale Rate and Resale Rates" of the Schedule of Terms and Conditions attached to and made a part of the Power Contract.

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

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

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

Very truly yours,

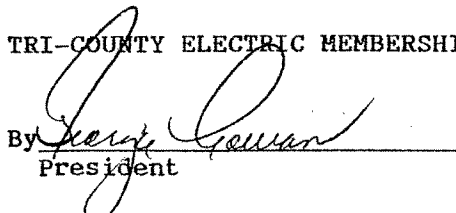
TENNESSEE VALLEY AUTHORITY



G. Douglas Carver, Manager
Distributor Marketing
and Services

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

TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION



By _____
President

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TENNESSEE VALLEY AUTHORITY

Post Office Box 20260
Bowling Green, Kentucky 42102-6260
November 20, 1989



Mr. Jack E. Dillard, General Manager
Tri-County Electric Membership
Corporation
Post Office Box 40
Lafayette, Tennessee 37083

Dear Mr. Dillard:

GROWTH CREDIT PROGRAM

Enclosed for your files is a fully executed copy of Agreement TV-52337A, Supplement No 21, dated October 1, 1989 covering implementation of Growth Credit for new and expanding general power customers.

During the six years of the program, eligible new and expanding general power customers on your system can receive credits against their monthly power bills, and TVA will subsequently provide a credit on your system's wholesale bill equal to 110 percent of the credits such customers actually receive for any month.

If you have questions or need additional information, please contact John Humphries at 502-781-7653.

Very truly yours,

TENNESSEE VALLEY AUTHORITY

A handwritten signature in cursive script that reads "Myron N. Callahan".

Myron N. Callahan
District Manager
Bowling Green District

Enclosures

TENNESSEE VALLEY AUTHORITY
Chattanooga, Tennessee 37402-2801

TV-52337A
Supp No. 21

October 1, 1989

Mr. George Cowan, President
Tri-County Electric Membership Corporation
Lafayette, Tennessee 37083

Dear Mr. Cowan:

This will confirm the arrangements developed between representatives of Tri-County Electric Membership Corporation (hereinafter called "Distributor") and the Tennessee Valley Authority (hereinafter called "TVA") with respect to amending the wholesale power contract dated July 18, 1979 (which contract, as heretofore amended, is hereinafter called the "Power Contract"), between TVA and Distributor to cover arrangements for Distributor and TVA to participate in a program (hereinafter called "Program") under which eligible new and expanding general power customers of Distributor may receive credits against their electric bills.

It is understood and agreed that:

1. Distributor shall inform each of its general power customers that meets the eligibility requirements for participation as set forth in Exhibit A, attached hereto and hereby made a part hereof, about the Program. In the event that a particular customer is not clearly eligible, the Operating Representatives of the parties shall make a joint determination about such customer's eligibility.

Distributor shall enter into an agreement (hereinafter called "Participation Agreement") with each eligible customer that wishes to participate in the Program. For a customer that qualifies as a new customer (hereinafter called "New Customer") under paragraph A of Exhibit A, such agreement shall be in the form of Exhibit B attached hereto. For a customer that qualifies as an expansion customer (hereinafter called "Expansion Customer") under paragraph B of Exhibit A, such agreement shall be in the form of Exhibit C attached hereto. Exhibits B and C are hereby made a part of this agreement. Distributor shall conduct the Program in strict accordance with the provisions hereof and of the Participation Agreement; provided, however, that the Operating Representatives may agree upon a revised Participation Agreement in a case where use of Exhibit B or C is inappropriate. (Separate contractual arrangements shall be made for a qualifying nonfirm power customer or for an Expansion Customer that is combining delivery points in connection with expansion of its load.)

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Mr. George Cowan
October 1, 1989

2. It is recognized that under the Participation Agreement customers may receive credit amounts that include a component based on the number of employees hired by the customer in connection with the new load. Accordingly, on or as soon as practicable after the effective date of each Participation Agreement, Distributor shall obtain from the customer an initial notarized statement certifying the number of full-time employees the customer anticipates will be employed at the end of the 6-month period following such effective date. At the end of said 6-month period, and every 6 months thereafter, Distributor shall obtain from the customer a notarized statement certifying the actual number of full-time employees then employed in connection with the new load. Said initial notarized statement shall be in the form of Attachment A to the applicable Participation Agreement and subsequent notarized statements shall be in the form of Attachment B to the applicable Participation Agreement.

Distributor shall furnish to TVA a copy of each Participation Agreement entered into, the corresponding power supply contract (including any amendments thereto), and each notarized statement received.

3. Distributor shall apply a credit (a) to the electric bill of each New Customer for each month such customer's measured demand exceeds 1,000 kW and (b) to the electric bill of each Expansion Customer for each month such customer's measured demand exceeds 1,000 kW and is also at least 250 kW greater than an amount equal to the higher of (i) the customer's highest contract demand during the 12-consecutive-month period immediately preceding the effective date of the Participation Agreement or (ii) the highest measured demand established on or after October 1, 1988, up to the effective date of the Participation Agreement. For purposes of this agreement, for customers with contract demands above 5,000 kW, the term "measured demand" shall be deemed to refer to the highest average during any 30-consecutive-minute period of the month of the load measured in kW; for customers with contract demands of 5,000 kW or less, the term "measured demand" shall be deemed to refer to the highest average during any 30-consecutive-minute period of the month of the higher of the load measured in kW or 85 percent of the load in kVA plus an additional 10 percent for that part of the load over 5,000 kVA. The amount of the credit shall be determined each month in accordance with the provisions of the applicable Participation Agreement, including the attachments thereto. It is understood that no credit will be applied to any bills rendered from meter readings taken after September 30, 1995.

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Mr. George Cowan
October 1, 1989

4. Distributor shall submit to TVA a monthly report (in a form furnished or approved by TVA) showing for each New and Expansion Customer the customer's measured demand and the amount of the credit applied during that month pursuant to section 3 hereof, together with such other information as may be required by TVA. Following receipt and verification of said information, TVA shall apply a credit to Distributor's wholesale power bill equal to 110 percent of the total credits appropriately applied by Distributor during that month. In the event that information becomes available which indicates that the credit amounts were incorrectly applied to a customer's bill for any reason (including but not limited to a difference between projected and actual employment levels), Distributor shall make an appropriate adjustment to the customer's bill and TVA shall make a corresponding adjustment to Distributor's wholesale power bill. In the event that it is determined that the customer has intentionally, or with deliberate ignorance of or reckless disregard for the truth, provided materially false information on an employment certification form, Distributor shall, if so requested by TVA, terminate the payment of any further credits to that customer.

5. (a) The section of the Power Contract entitled "Term of Contract" is hereby amended by deleting the first sentence thereof and substituting therefor the following:

This contract shall become effective as of August 16, 1979, and shall continue in effect for an initial term of 20 years from said effective date; provided, however, that beginning on the tenth anniversary of said effective date, and on each subsequent anniversary thereof (whether falling during said initial term or any renewal term as provided for herein), this contract shall be extended automatically without further action of the parties for an additional 1-year renewal term beyond its then-existing time of expiration. Notwithstanding any other provision of this section, either party may terminate this contract at any time upon not less than 10 years' prior written notice.

(b) It is hereby understood and agreed that for purposes of applying the Term of Contract section of the Power Contract as amended by (a) above, the Power Contract, as of the effective date hereof, is considered to have been extended by one 1-year renewal term and now continues in effect through August 15, 2000.

Mr. George Cowan
October 1, 1989

6. Except as otherwise provided herein, this agreement shall become effective as of October 1, 1989, and shall continue in effect until all of the obligations of the parties hereto have been fulfilled; provided, however, that in the event that (a) the cumulative total of the contract demands (including subsequent increases) of New Customers and contract demand increases of Expansion Customers covered under the Program (including New and Expansion Customers served directly by TVA) equals or exceeds 500,000 kW or (b) TVA determines, in its sole judgment, that its ability to supply its then-existing loads is threatened, TVA shall have the right, by written notice to Distributor, to suspend additional entry into the Program. Effective immediately upon receipt of such notice, (i) Distributor shall enter into no new Participation Agreements, and (ii) for purposes of determining credit amounts for customers with a Participation Agreement in effect, no contract demand increase which takes effect after receipt of such notice shall be recognized for purposes of determining credit amounts under the Participation Agreement; provided, however, that such notice of suspension shall not otherwise limit application of credit amounts under then-existing Participation Agreements.

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

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

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

Mr. George Cowan
October 1, 1989

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

Very truly yours,

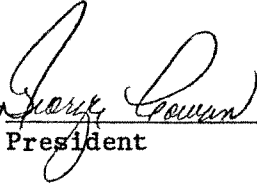
TENNESSEE VALLEY AUTHORITY



G. Douglas Carver, Manager
Distributor Marketing
and Services

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

TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION



By _____
President

Eligibility Requirements

- A. New Customer. A customer qualifies as a New Customer if it (1) either initiates operations at an entirely new facility through a new delivery point or restarts an existing facility with no current contract demand and which has been shut down for a period of at least 12 consecutive months prior to such restart, (2) on or after the effective date of this agreement enters into a power supply contract with Distributor which includes a firm contract demand greater than 1,000 kW, and (3) enters into an agreement with Distributor in the form of Exhibit B attached to this agreement. Except for a restart customer under (1) above, no customer replacing or renewing its power supply contract shall qualify as a New Customer.
- B. Expansion Customer. An existing customer qualifies as an Expansion Customer if it (1) revises its contractual arrangement with Distributor on or after the effective date of this agreement whereby the firm contract demand level is (a) greater than 1,000 kW and (b) at least 250 kW greater than the higher of (i) the highest contract demand of the customer during the 12-consecutive-month period immediately preceding the effective date of said arrangement or (ii) the highest measured demand established on or after October 1, 1988, up to the effective date of said arrangement and (2) enters into an agreement with Distributor in the form of Exhibit C attached to this agreement.

For purposes of applying the provisions of A and B above: (1) for a customer taking power under a time-of-day rate schedule, the term "contract demand" shall mean the higher of the onpeak or offpeak contract demand, and the term "measured demand" shall mean the higher of the onpeak or offpeak measured demand and (2) customers taking service on a seasonal basis shall not qualify.

AGREEMENT
between

(hereinafter called "Distributor")
and

(hereinafter called "Customer")

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

It is understood and agreed that:

1. This agreement shall become effective on _____, which is the date of initial availability of power under the power supply contract (hereinafter called "Power Supply Contract") dated _____, between Customer and Distributor, covering the provision of electric service to Customer's new or restarted facility (hereinafter called "Facility") located at _____.

This agreement shall continue in effect until (a) the obligations of the parties hereunder are fulfilled or (b) Customer ceases to be a customer of Distributor, whichever is earlier.

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

During the first 6 months of this agreement, for purposes of determining the new jobs component of any applicable credits under section 3 below, Distributor shall use the estimated number of employees set out in Customer's initial certification; provided, however, that following receipt of the first certification of actual employment, Distributor shall determine if the actual number of employees was greater or less than the estimate by an

amount such that different credit amounts would have applied if the actual employment at the end of 6 months had been known in advance. If so, an appropriate adjustment of the new jobs component of the credit amounts applied for the first 6 months will be made on Customer's subsequent bill. For purposes of determining the new jobs component of any credits applicable after the first 6 months of this agreement, Customer's most recent certification of actual employment shall be used.

In the event that it is found that Customer has intentionally, or with deliberate ignorance of or reckless disregard for the truth, provided materially false information in any certification or assurance submitted under the Program, it is agreed that application of all further credits hereunder may be discontinued. Customer shall promptly repay to Distributor any and all credit amounts overpaid to Customer as a result of Distributor's use of such false information. In addition, persons providing false information in connection with this Program may be subject to civil and/or criminal prosecution pursuant to the provisions of 18 U.S.C. § 1001 (1982); 31 U.S.C. §§ 3729-3733 (1982 & Supp. V 1987); 31 U.S.C. §§ 3801-3812 (Supp. V 1987).

3. Beginning with the effective date of this agreement and continuing through the last meter reading taken prior to October 1, 1995, Distributor shall apply a credit to Customer's bill for any month during which Customer's measured demand exceeds 1,000 kW. For purposes of this agreement, if Customer's contract demand is over 5,000 kW, the term "measured demand" shall be deemed to refer to the highest average during any 30-consecutive-minute period of the month of the load measured in kW; if Customer's contract demand is 5,000 kW or less, the term "measured demand" shall be deemed to refer to the highest average during any 30-consecutive-minute period of the month of the higher of the load measured in kW or 85 percent of the load in kVA plus an additional 10 percent for that part of the load over 5,000 kVA.

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

4. In the event that Distributor and Customer amend the Power Supply Contract during the Program to increase the firm contract demand, the term "contract demand" as used in section 3 above shall be deemed to refer to said increased contract demand; provided, however, that in the event that TVA notifies Distributor that additional entry into the Program has been suspended, no such contract demand increase which takes effect after

Distributor's receipt of said notice shall be recognized for purposes of calculating credit amounts hereunder.

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

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

(Distributor)

By _____
(Title)

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

(Customer)

By _____
(Title)

GROWTH CREDIT PROGRAM
EMPLOYMENT CERTIFICATION STATEMENT
New Customer Initial Certification

Customer's full legal name: _____

Customer's address: _____

Date of Initial Availability of Power: _____

Customer has agreed with _____

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

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

Customer expects to employ _____ employees at the Facility 6 months after the Date of Initial Availability referred to above.

Customer understands that the credits it receives under the Program will be based in part on the information provided to Distributor and TVA by way of this and subsequent certifications. In the event that it is found that Customer has intentionally, or with deliberate ignorance of or reckless disregard for the truth, provided materially false information on this or any previously submitted certification, Customer understands that application of all credits under the Program may be discontinued. Customer will in any event promptly repay to Distributor any and all credit amounts overpaid to Customer as a result of Distributor's use of such false information. In addition, persons providing false information in connection with the Program may be subject to civil and/or criminal prosecution pursuant to the provisions of 18 U.S.C. § 1001 (1982); 31 U.S.C. §§ 3729-3733 (1982 & Supp. V 1987); 31 U.S.C. §§ 3801-3812 (Supp. V 1987).

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

By: _____
Title: _____
Date: _____

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

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

Notary Public

My commission expires: _____.

GROWTH CREDIT PROGRAM
EMPLOYMENT CERTIFICATION STATEMENT
New Customer Actual Employment Certification

Customer's full legal name: _____

Customer's address: _____

Six-month period ending: _____ (date)

Customer has agreed with _____ (hereinafter

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

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

As of the date specified above, Customer employs _____ employees at the Facility.

Customer understands that the credits it receives under the Program will be based in part on the information provided to Distributor and TVA by way of this and subsequent certifications. In the event that it is found that Customer has intentionally, or with deliberate ignorance of or reckless disregard for the truth, provided materially false information on this or any previously submitted certification, Customer understands that application of all credits under the Program may be discontinued. Customer will in any event promptly repay to Distributor any and all credit amounts overpaid to Customer as a result of Distributor's use of such false information. In addition, persons providing false information in connection with the Program may be subject to civil and/or criminal prosecution pursuant to the provisions of 18 U.S.C. § 1001 (1982); 31 U.S.C. §§ 3729-3733 (1982 & Supp. V 1987); 31 U.S.C. §§ 3801-3812 (Supp. V 1987).

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

By: _____
Title: _____
Date: _____

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

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

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

Notary Public

My commission expires: _____.

Growth Credit Amounts
(New Customer)

<u>Applicable for Bills Rendered from Meter Readings Taken From</u>	<u>Base Amount</u>	<u>New Jobs Amount</u>		
		<u>Employment Level 1*</u>	<u>Employment Level 2**</u>	<u>Employment Level 3***</u>
October 1, 1989, through September 30, 1990	\$5.00	\$0.35	\$0.75	\$1.50
October 1, 1990, through September 30, 1991	5.00	0.35	0.75	1.50
October 1, 1991, through September 30, 1992	4.00	0.30	0.60	1.20
October 1, 1992, through September 30, 1993	3.00	0.25	0.45	0.90
October 1, 1993, through September 30, 1994	2.00	0.15	0.30	0.60
October 1, 1994, through September 30, 1995	1.00	0.10	0.15	0.30

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

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

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

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

AGREEMENT
between

(hereinafter called "Distributor")
and

(hereinafter called "Customer")

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

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

It is understood and agreed that:

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

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

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

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

In the event that it is found that Customer has intentionally, or with deliberate ignorance of or reckless disregard for the truth, provided materially false information in any certification or assurance submitted under the Program, it is agreed that application of all further credits hereunder may be discontinued. Customer shall promptly repay to Distributor any and all credit amounts overpaid to Customer as a result of Distributor's use of such false information. In addition, persons providing false information in connection with this Program may be subject to civil and/or criminal prosecution pursuant to the provisions of 18 U.S.C. § 1001 (1982); 31 U.S.C. §§ 3729-3733 (1982 & Supp. V 1987); 31 U.S.C. §§ 3801-3812 (Supp. V 1987).

3. Beginning with the effective date of this agreement and continuing through the last meter reading taken prior to October 1, 1995, Distributor shall apply a credit to Customer's bill for any month during which Customer's measured demand exceeds 1,000 kW and is at least 250 kW greater than an amount (hereinafter called the "Base Amount") equal to the higher of (a) the highest contract demand of Customer during the 12-consecutive-month period immediately preceding the effective date of the Expansion Contract or (b) the highest measured demand established on or after October 1, 1988, up to the effective date of the Expansion Contract. For purposes of this agreement, if Customer's contract demand is over 5,000 kW, the term "measured demand" shall be deemed to refer to the highest average during any 30-consecutive-minute period of the month of the load measured in kW; if customer's contract demand is 5,000 kW or less, the term "measured demand" shall be deemed to refer to the highest average during any 30-consecutive-minute period of the month of the higher of the load measured in kW or 85 percent of the load in kVA plus an additional 10 percent for that part of the load over 5,000 kVA.

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

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

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

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

(Distributor)

By _____
(Title)

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

(Customer)

By _____
(Title)

GROWTH CREDIT PROGRAM
EMPLOYMENT CERTIFICATION STATEMENT
Expansion Customer Initial Certification

Customer's full legal name: _____

Customer's address: _____

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

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

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

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

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

prosecution pursuant to the provisions of 18 U.S.C. § 1001 (1982);
31 U.S.C. §§ 3729-3733 (1982 & Supp. V 1987); 31 U.S.C. §§ 3801-3812
(Supp. V 1987).

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

By: _____
Title: _____
Date: _____

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

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

Notary Public

My commission expires: _____.

GROWTH CREDIT PROGRAM
EMPLOYMENT CERTIFICATION STATEMENT
Expansion Customer Actual Employment Certification

Customer's full legal name: _____

Customer's address: _____

Six-month period ending: _____ (date)

Customer has agreed with _____ (hereinafter

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

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

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

Customer understands that the credits it receives under the Program will be based in part on the information provided to Distributor and TVA by way of this and subsequent certifications. In the event that it is found that Customer has intentionally, or with deliberate ignorance of or reckless disregard for the truth, provided materially false information on this or any previously submitted certification, Customer understands that application of all credits under the Program may be discontinued. Customer will in any event promptly repay to Distributor any and all credit amounts overpaid to Customer as a result of Distributor's use of such false information. In addition, persons providing false information in connection with the Program may be subject to civil and/or criminal prosecution pursuant to the provisions of 18 U.S.C. § 1001 (1982); 31 U.S.C. §§ 3729-3733 (1982 & Supp. V 1987); 31 U.S.C. §§ 3801-3812 (Supp. V 1987).

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

By: _____
Title: _____
Date: _____

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

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

Notary Public

My commission expires: _____.

Growth Credit Amounts
(Expansion Customer)

<u>Applicable for Bills Rendered from Meter Readings Taken From</u>	<u>Base Amount</u>	<u>New Jobs Amount</u>		
		<u>Employment Level 1*</u>	<u>Employment Level 2**</u>	<u>Employment Level 3***</u>
October 1, 1989, through September 30, 1990	\$5.00	\$0.35	\$0.75	\$1.50
October 1, 1990, through September 30, 1991	5.00	0.35	0.75	1.50
October 1, 1991, through September 30, 1992	4.00	0.30	0.60	1.20
October 1, 1992, through September 30, 1993	3.00	0.25	0.45	0.90
October 1, 1993, through September 30, 1994	2.00	0.15	0.30	0.60
October 1, 1994, through September 30, 1995	1.00	0.10	0.15	0.30

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

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

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

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

TRI-COUNTY
ELECTRIC MEMBERSHIP
CORPORATION

EME

P. O. BOX 40 • 405 COLLEGE STREET
LAFAYETTE, TENNESSEE 37083-0040
PHONE (615) 666-2111

TV-52337A

Supp. No. 21

April 9, 1991

Mr. Myron N. Callaham, Manager
Bowling Green District
Tennessee Valley Authority
P. O. Box 20260
Bowling Green, KY 42101

RE: Growth Credit Program

Dear Mr. Callaham:

Per your request please find enclosed three signed duplicate originals of a proposed letter agreement amending the Growth Credit Program agreements to implement the program revision approved by the TVA Board.

Please return a fully executed copy to us.

Very truly yours,



JIM SHAFER
General Manager

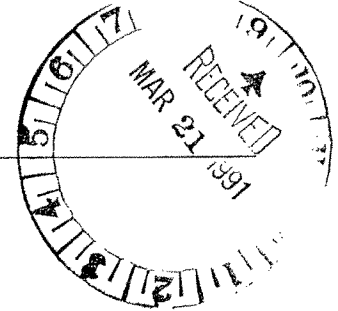
JS/lk

Enclosures (3)

@: Ken Witcher



Tennessee Valley Authority, Post Office Box 20260, Bowling Green, Kentucky 42101



March 20, 1991

Mr. Jim Shafer, Interim Manager
Tri-County Electric Membership Corporation
Post Office Box 40
Lafayette, Tennessee 37083

Dear Mr. Shafer:

GROWTH CREDIT PROGRAM

The Growth Credit Program was originally approved on October 1, 1989, and planned to extend through 1995. The program rewards business that locate or expand in the Tennessee Valley with substantial credits on their power bills. Qualified customers with billed demands of more than 1,000 kilowatts are eligible for a maximum \$6.50 credit per kilowatt demand for adding new load and jobs.

The program has been successful and is being expanded to make it even more attractive to industries. Since last October, 145 of TVA's 160 power distributors have signed up for the program bringing more than 5,500 new jobs to the Valley region and an additional 155,000 kilowatts to the power system.

The program is being amended to extend through 1997, giving industrial customers an additional two years in which to receive maximum benefits. The Growth Credit Program is also being enhanced to provide incentives for industries to expand their operations within existing kilowatt demand levels. The Growth Credit for new jobs will be available to industrial customers of 1,000 kilowatts or more that increase their full-time employment by at least 15 percent. Customers that qualify will receive credits of up to \$1.50 per kilowatt. These credits will be applied to a portion of the customer's billing demand proportionate to the increase in jobs. With the application of the Growth Credit for new jobs, industries that expand their operations can save up to 10 percent on the cost of their additional power purchases.

As with the original Growth Credit Program, TVA will credit your wholesale power bills for the amounts of the growth credits, plus an additional 10 percent to help cover administrative costs.

Enclosed for your approval are three duplicate originals of a proposed letter agreement amending the Growth Credit Program agreements to implement the program revision approved by the TVA Board. Also enclosed is a brochure explaining the program changes. If you are agreeable, the amendment will become effective as of November 28, 1990, the date on which the program

2

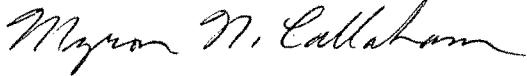
Mr. Jim Shafer
March 20, 1991

revision was approved. If the agreement is satisfactory, please sign and return each copy for further handling by TVA. Upon completion by TVA a fully executed copy will be provided for your files.

Thank you for your continued support of our industrial development efforts, and we hope you will be pleased with these changes in the Growth Credit Program. If you have questions about the program, please contact John Humphries of this office.

Very truly yours,

TENNESSEE VALLEY AUTHORITY

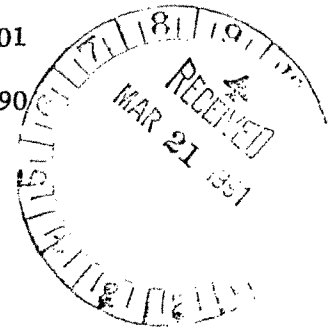


Myron N. Callahan, Manager
Bowling Green District

Enclosures

TENNESSEE VALLEY AUTHORITY
Chattanooga, Tennessee 37402-2801

November 28, 1990



Mr. Tom Price Thompson, Jr., President
Tri-County Electric Membership Corporation
Lafayette, Tennessee 37083

Dear Mr. Thompson:

Letter Agreement TV-52337A, Supplement No. 21, dated October 1, 1989 (hereinafter called the "1989 Agreement"), between the Tennessee Valley Authority (hereinafter called "TVA") and Tri-County Electric Membership Corporation (hereinafter called "Distributor") covers arrangements for Distributor and TVA to participate in a program (hereinafter called "Program") under which eligible new and expanding general power customers of Distributor may receive credits against their electric bills. This will confirm the understanding reached between representatives of the parties with respect to amending the 1989 Agreement to (1) extend the period in which qualifying new and expanding customers may receive credits, and (2) include arrangements (hereinafter called "New Jobs Option") designed to provide for the application of credits against the electric bills of qualifying general power customers that increase their employment level without substantially increasing contract demand.

It is understood and agreed that:

1. The 1989 Agreement is hereby amended by (a) deleting from the last sentence of section 3 thereof the date "September 30, 1995" and substituting therefor the date "September 30, 1997," and (b) removing Exhibits A, B, and C, attached thereto, and substituting therefor Exhibits A1, B1, and C1, attached hereto. Thereafter, all references in the 1989 Agreement to Exhibits A, B, and C shall be deemed to refer to Exhibits A1, B1, and C1, respectively.

2. For any customer of Distributor that has qualified as a New Customer or Expansion Customer pursuant to section 1 of the 1989 Agreement and has entered into a participation agreement prior to the effective date of this agreement, Distributor shall enter into supplemental arrangements to extend the period in which each such New or Expansion Customer may receive a credit on its electric bill through the last meter reading period taken prior to October 1, 1997. Such supplemental arrangements shall be in a form approved by TVA.

Tom Price Thompson
November 28, 1990

3. For each customer (hereinafter called "Growth Customer" [redacted]) meeting eligibility requirements of paragraph C of Exhibit A1 that wish [redacted] to participate in the New Jobs Option, Distributor shall enter into an [redacted] agreement (hereinafter called "New Jobs Participation Agreement") in the form [redacted] of Exhibit attached hereto and hereby made a part of this agreement. Distributor shall conduct the New Jobs Option in strict accordance with the provisions of and of the New Jobs Participation Agreement; provided, however, that Operating Representatives may agree upon a revised New Jobs Participation Agreement in a case where use of Exhibit D is inappropriate. In the event a particular customer is not clearly eligible for participation in the New Jobs Option, the Operating Representatives of the parties shall make a determination about such customer's eligibility.

4. It is recognized that under the New Jobs Option, qualifying Growth Customers are eligible to receive credit amounts based upon the number of employees hired in connection with a specific initiative for expansion at a facility. Accordingly, at such time following the effective date of the New Jobs Participation Agreement that the number of employees of Growth Customer at a facility exceeds 115 percent of the pre-expansion employment level at the facility, the Growth Customer will furnish to Distributor a notarized statement (hereinafter called "Employment Certification") certifying the number of full-time employees then employed in connection with the expansion initiative. Thereafter, the Growth Customer shall furnish an Employment Certification every 6 months; provided, however, if the Growth Customer's total employment level at the end of any 6-month period does not exceed 115 percent of the pre-expansion employment level, no Employment Certification will be submitted until the employment level does so.

For purposes of this agreement, the term "pre-expansion employment level" shall be defined as the average number of employees employed at Customer's facility during the 6-consecutive-month period immediately preceding the effective date of the customer's New Jobs Participation Agreement.

With respect to each Growth Customer, Distributor shall furnish to a copy of the New Jobs Participation Agreement, the Growth Customer's supply contract with Distributor (including any amendments thereto), and employment certification received.

5. Following receipt of each Employment Certification appropriately provided under section 4 above, Distributor shall apply a credit to each of 6 consecutive bills rendered to the Growth Customer under the power supply contract; provided, however, that no such credit shall be allowed in any month

demand does not exceed 1,000 kW; and will be applied by Distributor to any bill _____ after September 30, 1997; and provided _____ ed by Distributor following said _____ shall not apply any such credit unless and _____ : Employment Certification from the Growth _____ it shall be determined each month in _____ the New Jobs Participation Agreement,

: pursuant to section 4 of the 1989 TVA a monthly report containing certain :ation of credits to New and Expansion agreed that Distributor shall also include _____ in :h Customer the measured demand, billing applied during that month pursuant to all apply to Distributor's wholesale bill _____ an : amount of such credits to each Growth Distributor during the month.

be effective as of the date first above :ct until all obligations of the parties led, however, that in the event TVA suspen _____ ds in accordance with section 6 of the 1989 :ate by written notice to Distributor : Option, and, upon receipt of such notic _____ , :ore New Jobs Participation Agreements; :e of suspension shall not otherwise limit _____ :er then-existing New Jobs Participation

as amended and supplemented by this confirmed as the continuing obligation of _____

gate to Congress or Resident Commissioner _____ or :vernment employee, or agent of TVA shall _____ e this agreement or to any benefit that may :nt be made with a corporation for its :utor offer or give, directly or indirect _____ y, : Government employee, or agent of TVA any :nt, loan, or any other thing of monetary :.F.R. § 1300.735-12 or -34. Breach of th _____ s :cial breach of this agreement.

r. Tom Price Thompson
November 28, 1990

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

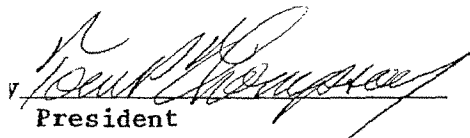
Very truly yours,

TENNESSEE VALLEY AUTHORITY

G. Douglas Carver, Manager
Distributor Marketing
and Services

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

TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION


President

021991
020L

Eligibility Requirements

- A. New Customer. A customer qualifies as a New Customer if it (1) either initiates operations at an entirely new facility through a new delivery point or restarts an existing facility with no current contract demand and which has been shut down for a period of at least 12 consecutive months prior to such restart, (2) on or after the effective date of this agreement enters into a power supply contract with Distributor which includes a firm contract demand greater than 1,000 kW, and (3) enters into an agreement with Distributor in the form of Exhibit B1 attached to this agreement. Except for a restart customer under (1) above, no customer replacing or renewing its power supply contract shall qualify as a New Customer.
- B. Expansion Customer. An existing customer qualifies as an Expansion Customer if it (1) revises its contractual arrangement with Distributor on or after the effective date of this agreement whereby the firm contract demand level is (a) greater than 1,000 kW, and (b) at least 250 kW greater than the higher of (i) the highest contract demand of the customer during the 12-consecutive-month period immediately preceding the effective date of said arrangement, or (ii) the highest measured demand established on or after October 1, 1988, up to the effective date of said arrangement, and (2) enters into an agreement with Distributor in the form of Exhibit C1 attached to this agreement.
- C. Growth Customer. An existing customer qualifies as a Growth Customer under the New Jobs Option if it (1) has existing contractual arrangements with Distributor specifying a firm contract demand which is greater than 1,000 kW or revises its contractual arrangements whereby the firm contract demand is increased to a level greater than 1,000 kW without meeting the eligibility requirements of B above, (2) on or after the date on which the New Jobs Option is made available by Distributor, certifies that it plans to expand its operations such that it will increase the number of its employees to a level that exceeds 115 percent of its average employment level in the 6-consecutive-month period immediately preceding the date of such certification, and (3) enters into an agreement with Distributor in the form of Exhibit D attached to this agreement.

For purposes of applying the provisions of A, B, and C above: (1) for a customer taking power under a time-of-day rate schedule, the term "contract demand" shall mean the higher of the onpeak or offpeak contract demand, and the term "measured demand" shall mean the higher of the onpeak or offpeak measured demand, and (2) customers taking service on a seasonal basis shall not qualify.

AGREEMENT
between

(hereinafter called "Distributor")
and

(hereinafter called "Customer")

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

It is understood and agreed that:

1. This agreement shall become effective on _____ which is the date of initial availability of power under the power supply contract (hereinafter called "Power Supply Contract") dated _____, between Customer and Distributor, covering the provision of electric service to Customer's new or restarted facility (hereinafter called "Facility") located at _____

_____ This agreement shall continue in effect until (a) the obligations of the parties hereunder are fulfilled or (b) Customer ceases to be a customer of Distributor, whichever is earlier.

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

During the first 6 months of this agreement, for purposes of determining the new jobs component of any applicable credits under section _____ below, Distributor shall use the estimated number of employees set out in Customer's initial certification; provided, however, that following receipt of the first certification of actual employment, Distributor shall determine if the actual number of employees was greater or less than the estimate by an

amount such that different credit amounts would have applied if the actual employment at the end of 6 months had been known in advance. If so, an appropriate adjustment of the new jobs component of the credit amounts applied for the first 6 months will be made on Customer's subsequent bill. For purposes of determining the new jobs component of any credits applicable after the first 6 months of this agreement, Customer's most recent certification of actual employment shall be used.

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

3. Beginning with the effective date of this agreement and continuing through the last meter reading taken prior to October 1, 1997, Distributor shall apply a credit to Customer's bill for any month during which Customer's measured demand exceeds 1,000 kW. For purposes of this agreement, if Customer's contract demand is over 5,000 kW, the term "measured demand" shall be deemed to refer to the highest average during any 30-consecutive-minute period of the month of the load measured in kW; if Customer's contract demand is 5,000 kW or less, the term "measured demand" shall be deemed to refer to the highest average during any 30-consecutive-minute period of the month of the higher of the load measured in kW or 85 percent of the load in kVA plus an additional 10 percent for that part of the load over 5,000 kVA.

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

4. In the event that Distributor and Customer amend the Power Supply Contract during the Program to increase the firm contract demand, the term "contract demand" as used in section 3 above shall be deemed to refer to said increased contract demand; provided, however, that in the event that TVA notifies Distributor that additional entry into the Program has been suspended, no such contract demand increase which takes effect after

Distributor's receipt of said notice shall be recognized for purposes of calculating credit amounts hereunder.

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

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

(Distributor)

By _____
(Title)

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

(Customer)

By _____
(Title)

GROWTH CREDIT PROGRAM
EMPLOYMENT CERTIFICATION STATEMENT
New Customer Initial Certification

Customer's full legal name: _____

Customer's address: _____

Date of Initial Availability of Power: _____

Customer has agreed with _____

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

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

Customer expects to employ _____ employees at the Facility _____ months after the Date of Initial Availability referred to above.

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

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

By: _____
Title: _____
Date: _____

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

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

Notary Public

My commission expires: _____.

GROWTH CREDIT PROGRAM
EMPLOYMENT CERTIFICATION STATEMENT
New Customer Actual Employment Certification

Customer's full legal name: _____

Customer's address: _____

Six-month period ending: _____ (date)

Customer has agreed with _____ (hereinafter

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

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

As of the date specified above, Customer employs _____ employees at the Facility.

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

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

By: _____
Title: _____
Date: _____

d _____,

known, who being by me first duly sworn, did say that

cer of _____

(Customer), duly authorized to
truments on behalf of Customer as its legal agent, and
d the foregoing certification in his/her individual
ehalf of Customer, and he/she acknowledged said
be his/her free act and deed and the free act and deed

nd official seal this _____ day of _____, 19____

ires: _____.

Attachment ~~_____~~

Growth Credit Amounts
(New Customer)

Fiscal Year	Base Amount	New Jobs Amount		
		Employment Level 1*	Employment Level 2**	Employment Level 3***
through 1993	\$5.00	\$0.35	\$0.75	_____ \$1.50
through 1994	4.00	0.30	0.60	1.20
through 1995	3.00	0.25	0.45	0.90
through 1996	2.00	0.15	0.30	0.60
through 1997	1.00	0.10	0.15	0.30

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

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

If Customer's operations utilize at least 26 but not more than 75 full-time employees per 1,000 kW of firm contract demand.

If Customer's operations utilize more than 75 full-time employees per 1,000 kW of firm contract demand.

AGREEMENT
between

(hereinafter called "Distributor")
and

(hereinafter called "Customer")

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

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

It is understood and agreed that:

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

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

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

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

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

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

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

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

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

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

(Distributor)

By _____
(Title)

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

(Customer)

By _____
(Title)

GROWTH CREDIT PROGRAM
EMPLOYMENT CERTIFICATION STATEMENT
Expansion Customer Initial Certification

Customer's full legal name: _____

Customer's address: _____

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

and has accordingly entered into a contract (hereinafter called the "Expansion Contract") with Distributor providing for an increased amount of electric power to be made available at the Facility. The effective date of the Expansion Contract is _____. Under the Program, Customer may receive a credit to its electric bills based, in part, upon the number of employees employed by Customer at the Facility as a direct result of the expansion. For purposes of this certification, an employee shall be defined as a person directly employed by Customer on a full-time basis in a position which Customer reasonably expects to remain filled for at least 6 months beyond the date that is 6 months after the effective date of the Expansion Contract.

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

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

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

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

By: _____
Title: _____
Date: _____

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

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

Notary Public

My commission expires: _____.

GROWTH CREDIT PROGRAM
EMPLOYMENT CERTIFICATION STATEMENT
Expansion Customer Actual Employment Certification

Customer's full legal name: _____

Customer's address: _____

Month period ending: _____ (date)

Customer has agreed with _____

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

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

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

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

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

By: _____
Title: _____
Date: _____

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

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

Notary Public

My commission expires: _____.

Attachment C

Growth Credit Amounts
(Expansion Customer)

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

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

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

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

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

AGREEMENT
between

(hereinafter called "Distributor")
and

(hereinafter called "Customer")

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

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

It is understood and agreed that:

1. This agreement shall become effective on _____, which is the beginning of the above initiative, and shall continue in effect until (a) the obligations of the parties hereunder are fulfilled, or (b) Customer ceases to be a customer of Distributor, whichever is earlier.
2. Customer's pre-expansion employment level at the Facility (hereinafter called "Pre-expansion Level") is _____, which is the average number of employees employed at Customer's Facility during the 6-consecutive-month period immediately preceding the effective date of this agreement.

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

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

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

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

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

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

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

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

(Distributor)

By _____
(Title)

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

(Customer)

By _____
(Title)

GROWTH CREDIT PROGRAM
EMPLOYMENT CERTIFICATION STATEMENT
Growth Customer Employment Certification

Customer's full legal name: _____

Customer's address: _____

Date: _____

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

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

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

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

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

By: _____
Title: _____
Date: _____

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

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

Notary Public

My commission expires: _____.

**New Jobs Credit Amounts
(Growth Customer)**

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

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

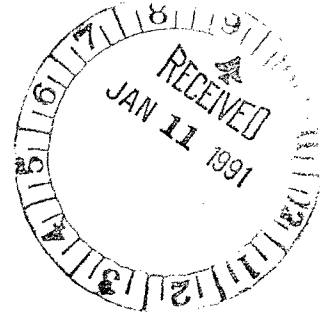
*Level 1 applies if Customer's operations utilize at least one but not more than 25 full-time employees per 1,000 kW of applicable firm contract demand.

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

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

TENNESSEE VALLEY AUTHORITY

Post Office Box 20260
Bowling Green, Kentucky 42102-6260
January 9, 1991



Mr. Jack E. Dillard
Tri-County Electric Membership Corporation
Post Office Box 40
Lafayette, Tennessee 37083-0040

Dear Mr. Dillard:

LETTER AGREEMENTS COVERING REVISIONS IN INDUSTRIAL SERVICE POLICY

Enclosed for your permanent files is a fully executed copies of Agreement TV-52337A, Supplement 22, dated September 1, 1990 covering revisions in the Industrial Service Policy.

Very truly yours,

TENNESSEE VALLEY AUTHORITY

A handwritten signature in cursive script that reads "John A. Humphries for".

Myron N. Callaham, Manager
Bowling Green District

Enclosure

TENNESSEE VALLEY AUTHORITY
Chattanooga, Tennessee 37402-2801

TV-52337A
Supp No. 22

September 1, 1990

Mr. Tom Price Thompson, Jr., President
Tri-County Electric Membership Corporation
Lafayette, Tennessee 37083

Dear Mr. Thompson:

This will confirm the arrangements developed between representatives of Tri-County Electric Membership Corporation (hereinafter called "Distributor") and the Tennessee Valley Authority (hereinafter called "TVA") with respect to amending the wholesale power contract dated July 18, 1979 (which contract as heretofore amended and supplemented is hereinafter called the "Power Contract"), between the parties to implement certain revisions with respect to service to industrial loads.

It is understood and agreed that:

1. Section 2 of the Power Contract is hereby amended by deleting the second sentence of subsection (b) thereof and inserting in lieu thereof the following:

TVA shall be entitled to serve directly any consumer to whom said resale rate schedules are not applicable, any Federal installations excepting those with loads less than 5,000 kilowatts served from a general delivery point, and, except as otherwise provided hereinbelow, any consumer whose base energy amount (determined as provided in the sentence next following) in any month is more than the sum of (i) 10 million kilowatthours plus (ii) the amount determined by multiplying 1,250 kilowatthours times the number of residential consumers, if any, that were being served by Cooperative as of the preceding June 30 with energy received from TVA at the delivery point through which Cooperative would receive the energy for such consumer if it were served by Cooperative. For purposes of this subsection (b), a consumer's base energy amount for a month shall be the lesser of (i) the average of said consumer's monthly energy use in kilowatthours during the latest 12-consecutive-month period or (ii) 547.5 hours multiplied by the average of the highest monthly demand established by said consumer in each month of said period (with each such highest monthly demand being determined by taking the highest average during any 30-consecutive-minute period of each month of the

Mr. Tom Price Thompson
September 1, 1990

load measured in kilowatts). (For a consumer with less than 12 months of service, said monthly energy use and average of the highest monthly demands shall be determined from the actual months of service.)

Notwithstanding any of the above provisions, once service to any consumer is transferred from one party to the other party hereunder, the party transferring service to the other shall not be entitled to have such service transferred back to it until 12 months after the effective date of such transfer.

2. In the event a consumer is transferred from Distributor to TVA pursuant to section 2(b) of the Power Contract, beginning with the first month of service by TVA and continuing for 48 consecutive months thereafter, TVA shall credit Distributor's monthly wholesale power bill by an amount equal to the product of (a) the average of the highest monthly demand (determined by taking the highest average during any 30-consecutive-minute period of the month of the load measured in kW) established by said consumer in each of the 12 months immediately prior to service being transferred to TVA, not to exceed 40,000 kW (or if the consumer was served by Distributor for a period of less than 12 months, said average monthly demand shall be determined from the actual months of service by Distributor), multiplied by (b) the applicable credit amount (determined as provided in the final sentence of this section 2); provided, however, that said credit shall automatically terminate effective with the date, whichever first occurs, on which (A) contractual arrangements for service to the consumer either expire or are terminated (without being renewed or replaced) or (B) Distributor resumes service to the consumer pursuant to section 2(b) of the Power Contract. With respect to any transferred consumer, the applicable credit amount under (b) above shall be (1) 32 cents per kW for the first 12 consecutive months; (2) 24 cents per kW for the next 12 consecutive months; (3) 16 cents per kW for the next 12 consecutive months; and (4) 8 cents per kW for the next 12 consecutive months.

3. For purposes of calculating each month the charges for power and energy supplied by TVA to Distributor under the Power Contract in accordance with the then-effective wholesale power rate schedule, commencing with the transfer of a consumer from Distributor to TVA pursuant to section 2(b) of the Power Contract, appropriate adjustments shall be made in Distributor's wholesale bill with respect to the Hydro Allocation Adjustment and any wholesale facilities rental charges to remove any continuing effects of Distributor having served said consumer prior to the transfer.

4. No member of or delegate to Congress or Resident Commissioner, or any officer, employee, special Government employee, or agent of TVA shall be admitted to any share or part of this agreement or to any benefit that may arise therefrom unless the agreement be made with a corporation for its general benefit, nor shall Distributor offer or give, directly or indirectly, to any officer, employee, special

Mr. Tom Price Thompson
September 1, 1990

Government employee, or agent of TVA any gift, gratuity, favor, entertainment, loan, or any other thing of monetary value, except as provided in 18 C.F.R. § 1300.735-12 or -34. Breach of this provision shall constitute a material breach of this agreement.


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

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

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

Very truly yours,

TENNESSEE VALLEY AUTHORITY


G. Douglas Carver, Manager
Distributor Marketing
and Services

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

TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION

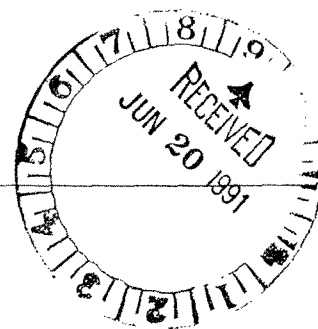
By 
President

90



Tennessee Valley Authority, Post Office Box

Laura
Please file
90



June 18, 1991

Mr. Jim Shafer, Interim Manager
Tri-County Electric Membership Corporation
Post Office Box 40
Lafayette, Tennessee 37083

Dear Mr. Shafer:

GROWTH CREDIT PROGRAM

Enclosed for your permanent files is a fully executed copy of Agreement TV-52337A, Supplement No. 23, dated November 28, 1990, implementing revisions to the Growth Credit Program.

Sincerely,

Myron N. Callahan, Manager
Regional Service (Bowling Green)
Customer Service

Enclosure

TENNESSEE VALLEY AUTHORITY
Chattanooga, Tennessee 37402-2801

November 28, 1990

Mr. Tom Price Thompson, Jr., President
Tri-County Electric Membership Corporation
Lafayette, Tennessee 37083

Dear Mr. Thompson:

Letter Agreement TV-52337A, Supplement No. 21, dated October 1, 1989 (hereinafter called the "1989 Agreement"), between the Tennessee Valley Authority (hereinafter called "TVA") and Tri-County Electric Membership Corporation (hereinafter called "Distributor") covers arrangements for Distributor and TVA to participate in a program (hereinafter called "Program") under which eligible new and expanding general power customers of Distributor may receive credits against their electric bills. This will confirm the understanding reached between representatives of the parties with respect to amending the 1989 Agreement to (1) extend the period in which qualifying new and expanding customers may receive credits, and (2) include arrangements (hereinafter called "New Jobs Option") designed to provide for the application of credits against the electric bills of qualifying general power customers that increase their employment level without substantially increasing contract demand.

It is understood and agreed that:

1. The 1989 Agreement is hereby amended by (a) deleting from the last sentence of section 3 thereof the date "September 30, 1995" and substituting therefor the date "September 30, 1997," and (b) removing Exhibits A, B, and C, attached thereto, and substituting therefor Exhibits A1, B1, and C1, attached hereto. Thereafter, all references in the 1989 Agreement to Exhibits A, B, and C shall be deemed to refer to Exhibits A1, B1, and C1, respectively.

2. For any customer of Distributor that has qualified as a New Customer or Expansion Customer pursuant to section 1 of the 1989 Agreement and has entered into a participation agreement prior to the effective date of this agreement, Distributor shall enter into supplemental arrangements to extend the period in which each such New or Expansion Customer may receive a credit on its electric bill through the last meter reading period taken prior to October 1, 1997. Such supplemental arrangements shall be in a form approved by TVA.

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November 28, 1990

3. For each customer (hereinafter called "Growth Customer") meeting the eligibility requirements of paragraph C of Exhibit A1 that wishes to participate in the New Jobs Option, Distributor shall enter into an agreement (hereinafter called "New Jobs Participation Agreement") in the form of Exhibit D, attached hereto and hereby made a part of this agreement. Distributor shall conduct the New Jobs Option in strict accordance with the provisions hereof and of the New Jobs Participation Agreement; provided, however, that the Operating Representatives may agree upon a revised New Jobs Participation Agreement in a case where use of Exhibit D is inappropriate. In the event that a particular customer is not clearly eligible for participation in the New Jobs Option, the Operating Representatives of the parties shall make a joint determination about such customer's eligibility.

4. It is recognized that under the New Jobs Option, qualifying Growth Customers are eligible to receive credit amounts based upon the number of employees hired in connection with a specific initiative for expanded operation at a facility. Accordingly, at such time following the effective date of the New Jobs Participation Agreement that the number of employees of the Growth Customer at a facility exceeds 115 percent of the pre-expansion employment level at the facility, the Growth Customer will furnish to Distributor a notarized statement (hereinafter called "Employment Certification") certifying the number of full-time employees then employed in connection with the expansion initiative. Thereafter, the Growth Customer will furnish an Employment Certification every 6 months; provided, however, that if the Growth Customer's total employment level at the end of any 6-month period does not exceed 115 percent of the pre-expansion employment level, no Employment Certification will be submitted until the employment level does so exceed such level.

For purposes of this agreement, the term "pre-expansion employment level" shall be defined as the average number of employees employed at Customer's facility during the 6-consecutive-month period immediately preceding the effective date of the customer's New Jobs Participation Agreement.

With respect to each Growth Customer, Distributor shall furnish to TVA a copy of the New Jobs Participation Agreement, the Growth Customer's power supply contract with Distributor (including any amendments thereto), and each employment certification received.

5. Following receipt of each Employment Certification appropriately provided under section 4 above, Distributor shall apply a credit to each of the 6 consecutive bills rendered to the Growth Customer under the power supply contract; provided, however, that no such credit shall be allowed in any month

Mr. Tom Price Thompson
November 28, 1990

in which such customer's measured demand does not exceed 1,000 kW; and provided further, that no credit will be applied by Distributor to any bill rendered from meter readings taken after September 30, 1997; and provided further, that for any bill rendered by Distributor following said 6 consecutive bills, Distributor shall not apply any such credit unless and until it has received a subsequent Employment Certification from the Growth Customer. The amount of the credit shall be determined each month in accordance with the provisions of the New Jobs Participation Agreement, including the attachments thereto.

6. It is recognized that pursuant to section 4 of the 1989 Agreement, Distributor submits to TVA a monthly report containing certain information relative to the application of credits to New and Expansion Customers. It is understood and agreed that Distributor shall also include in said monthly report for each Growth Customer the measured demand, billing demand, and the amount of credit applied during that month pursuant to section 5 hereof, and that TVA shall apply to Distributor's wholesale bill an amount equal to 110 percent of the amount of such credits to each Growth Customer appropriately applied by Distributor during the month.

7. This agreement shall be effective as of the date first above written and shall continue in effect until all obligations of the parties hereto have been fulfilled; provided, however, that in the event TVA suspends additional entry into the Program in accordance with section 6 of the 1989 Agreement, TVA may likewise terminate by written notice to Distributor additional entry into the New Jobs Option, and, upon receipt of such notice, Distributor shall enter into no more New Jobs Participation Agreements; provided, further, that such notice of suspension shall not otherwise limit application of credit amounts under then-existing New Jobs Participation Agreements.

8. The 1989 Agreement, as amended and supplemented by this agreement, is hereby ratified and confirmed as the continuing obligation of the parties.

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

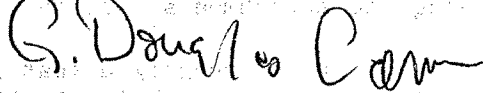
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Mr. Tom Price Thompson
November 28, 1990

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

Very truly yours,

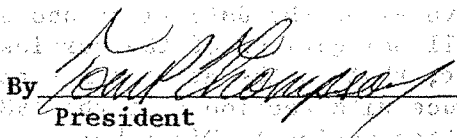
TENNESSEE VALLEY AUTHORITY



G. Douglas Carver, Manager
Distributor Marketing
and Services

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

TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION

By 
President

W021991
3020L

Eligibility Requirements

- A. New Customer. A customer qualifies as a New Customer if it (1) either initiates operations at an entirely new facility through a new delivery point or restarts an existing facility with no current contract demand and which has been shut down for a period of at least 12 consecutive months prior to such restart, (2) on or after the effective date of this agreement enters into a power supply contract with Distributor which includes a firm contract demand greater than 1,000 kW, and (3) enters into an agreement with Distributor in the form of Exhibit B1 attached to this agreement. Except for a restart customer under (1) above, no customer replacing or renewing its power supply contract shall qualify as a New Customer.
- B. Expansion Customer. An existing customer qualifies as an Expansion Customer if it (1) revises its contractual arrangement with Distributor on or after the effective date of this agreement whereby the firm contract demand level is (a) greater than 1,000 kW, and (b) at least 250 kW greater than the higher of (i) the highest contract demand of the customer during the 12-consecutive-month period immediately preceding the effective date of said arrangement, or (ii) the highest measured demand established on or after October 1, 1988, up to the effective date of said arrangement, and (2) enters into an agreement with Distributor in the form of Exhibit C1 attached to this agreement.
- C. Growth Customer. An existing customer qualifies as a Growth Customer under the New Jobs Option if it (1) has existing contractual arrangements with Distributor specifying a firm contract demand which is greater than 1,000 kW or revises its contractual arrangements whereby the firm contract demand is increased to a level greater than 1,000 kW without meeting the eligibility requirements of B above, (2) on or after the date on which the New Jobs Option is made available by Distributor, certifies that it plans to expand its operations such that it will increase the number of its employees to a level that exceeds 115 percent of its average employment level in the 6-consecutive-month period immediately preceding the date of such certification, and (3) enters into an agreement with Distributor in the form of Exhibit D attached to this agreement.

For purposes of applying the provisions of A, B, and C above: (1) for a customer taking power under a time-of-day rate schedule, the term "contract demand" shall mean the higher of the onpeak or offpeak contract demand, and the term "measured demand" shall mean the higher of the onpeak or offpeak measured demand, and (2) customers taking service on a seasonal basis shall not qualify.

AGREEMENT

between

(hereinafter called "Distributor")

and

(hereinafter called "Customer")

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

It is understood and agreed that:

1. This agreement shall become effective on , which is the date of initial availability of power under the power supply contract (hereinafter called "Power Supply Contract") dated , between Customer and Distributor, covering the provision of electric service to Customer's new or restarted facility (hereinafter called "Facility") located at .

This agreement shall continue in effect until (a) the obligations of the parties hereunder are fulfilled or (b) Customer ceases to be a customer of Distributor, whichever is earlier.

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

During the first 6 months of this agreement, for purposes of determining the new jobs component of any applicable credits under section 3 below, Distributor shall use the estimated number of employees set out in Customer's initial certification; provided, however, that following receipt of the first certification of actual employment, Distributor shall determine if the actual number of employees was greater or less than the estimate by an

amount such that different credit amounts would have applied if the actual employment at the end of 6 months had been known in advance. If so, an appropriate adjustment of the new jobs component of the credit amounts applied for the first 6 months will be made on Customer's subsequent bill. For purposes of determining the new jobs component of any credits applicable after the first 6 months of this agreement, Customer's most recent certification of actual employment shall be used.

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

3. Beginning with the effective date of this agreement and continuing through the last meter reading taken prior to October 1, 1997, Distributor shall apply a credit to Customer's bill for any month during which Customer's measured demand exceeds 1,000 kW. For purposes of this agreement, if Customer's contract demand is over 5,000 kW, the term "measured demand" shall be deemed to refer to the highest average during any 30-consecutive-minute period of the month of the load measured in kW; if Customer's contract demand is 5,000 kW or less, the term "measured demand" shall be deemed to refer to the highest average during any 30-consecutive-minute period of the month of the higher of the load measured in kW or 85 percent of the load in kVA plus an additional 10 percent for that part of the load over 5,000 kVA.

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

4. In the event that Distributor and Customer amend the Power Supply Contract during the Program to increase the firm contract demand, the term "contract demand" as used in section 3 above shall be deemed to refer to said increased contract demand; provided, however, that in the event that TVA notifies Distributor that additional entry into the Program has been suspended, no such contract demand increase which takes effect after

Distributor's receipt of said notice shall be recognized for purposes of calculating credit amounts hereunder.

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

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

(Distributor)

By _____
(Title)

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

(Customer)

By _____
(Title)

GROWTH CREDIT PROGRAM
EMPLOYMENT CERTIFICATION STATEMENT
New Customer Initial Certification

Customer's full legal name: _____

Customer's address: _____

Date of Initial Availability of Power: _____

Customer has agreed with _____

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

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

Customer expects to employ _____ employees at the Facility 6 months after the Date of Initial Availability referred to above.

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

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

By: _____
Title: _____
Date: _____

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

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

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

Notary Public

My commission expires: _____.

GROWTH CREDIT PROGRAM
EMPLOYMENT CERTIFICATION STATEMENT
New Customer Actual Employment Certification

Customer's full legal name: _____

Customer's address: _____

Six-month period ending: _____ (date)

Customer has agreed with _____ (hereinafter

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

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

As of the date specified above, Customer employs _____ employees at the Facility.

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

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

By: _____
Title: _____
Date: _____

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

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

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

Notary Public

My commission expires: _____

Growth Credit Amounts
(New Customer)

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

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

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

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

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

AGREEMENT

between

_____ (hereinafter called "Distributor")

and

_____ (hereinafter called "Customer")

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

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

It is understood and agreed that:

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

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

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