

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

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

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

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

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

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

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

(Distributor)

By \_\_\_\_\_  
(Title)

Accepted and agreed to as of  
this \_\_\_\_ day of \_\_\_\_\_, 19\_\_.

(Customer)

By \_\_\_\_\_  
(Title)

GROWTH CREDIT PROGRAM  
EMPLOYMENT CERTIFICATION STATEMENT  
Expansion Customer Initial Certification

Customer's full legal name: \_\_\_\_\_

Customer's address: \_\_\_\_\_

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

and has accordingly entered into a contract (hereinafter called the "Expansion Contract") with Distributor providing for an increased amount of electric power to be made available at the Facility. The effective date of the Expansion Contract is \_\_\_\_\_. Under the Program, Customer may receive a credit to its electric bills based, in part, upon the number of employees employed by Customer at the Facility as a direct result of the expansion. For purposes of this certification, an employee shall be defined as a person directly employed by Customer on a full-time basis in a position which Customer reasonably expects to remain filled for at least 6 months beyond the date that is 6 months after the effective date of the Expansion Contract.

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

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

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

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

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

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

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

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

Notary Public

My commission expires: \_\_\_\_\_



GROWTH CREDIT PROGRAM  
EMPLOYMENT CERTIFICATION STATEMENT  
Expansion Customer Actual Employment Certification

Customer's full legal name: \_\_\_\_\_

Customer's address: \_\_\_\_\_

Six-month period ending: \_\_\_\_\_ (date)

Customer has agreed with \_\_\_\_\_

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

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

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

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

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

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

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

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

\_\_\_\_\_  
Notary Public

My commission expires: \_\_\_\_\_.

Growth Credit Amounts  
(Expansion Customer)

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

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

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

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

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

AGREEMENT  
between

\_\_\_\_\_  
(hereinafter called "Distributor")

and

\_\_\_\_\_  
(hereinafter called "Customer")

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

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

It is understood and agreed that:

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

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

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

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

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

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

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

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

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

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

(Distributor)

By \_\_\_\_\_  
(Title)

Accepted and agreed to as of  
this \_\_\_\_ day of \_\_\_\_\_, 199\_\_.

(Customer)

By \_\_\_\_\_  
(Title)

GROWTH CREDIT PROGRAM  
EMPLOYMENT CERTIFICATION STATEMENT  
Growth Customer Employment Certification

Customer's full legal name: \_\_\_\_\_

Customer's address: \_\_\_\_\_

Date: \_\_\_\_\_

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

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

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

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

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

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

NOTARY PUBLIC STATE OF CALIFORNIA

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)

<u>Applicable for Bills Rendered from Meter Readings Taken From</u>	<u>Credit Amount</u>		
	<u>Employment Level 1*</u>	<u>Employment Level 2**</u>	<u>Employment Level 3***</u>
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.

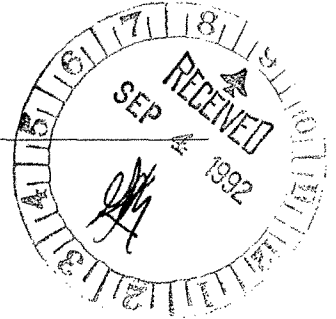
\*Level 1 applies if Customer's operations utilize at least one but not more than 25 full-time employees per 1,000 kW of applicable firm contract demand.

\*\*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



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  
payments to David  
9-4-92*

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

THIS AGREEMENT, made and entered into as of the 1st day of May, 1992, by and between TENNESSEE VALLEY AUTHORITY (TVA), a corporation created and existing under and by virtue of the Tennessee Valley Authority Act of 1933, as amended (TVA Act), and TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION (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, as amended (Power Contract), under which electric power and energy are supplied by TVA at wholesale and purchased by Distributor for resale; and

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

TENNESSEE VALLEY AUTHORITY

By Mary Sharyc Day  
President, Customer Group

Attest:

Ray Good  
Secretary

TRI-COUNTY ELECTRIC  
MEMBERSHIP CORPORATION

By Paul Thompson  
President

Eligibility Requirements

- A. Public Education Account. A Public Education Account shall be a billing account for a delivery point serving any primary, secondary, and higher education facility owned and operated by a System. Such account includes administrative offices, warehouses, and athletic field lighting installations receiving power and energy from Distributor as long as the charges for power and energy are paid all or in part from tax revenues allocated as of January 1, 1992, to said public education system.
- B. Manufacturing Account. A Manufacturing Account shall be a billing account for delivery point serving any general power customer of Distributor which is (1) served under (a) Parts 2 or 3 of Schedule GSA or under Schedules GSB, GSC, or GSD or (b) Parts 2 or 3 of Time-of-Day Schedule TGSA or under Time-of-Day Schedules TGSB, TGSC, or TGSD and (2) where the activities conducted at such delivery point are classified with a 2-digit Standard Industrial Classification code between 20 and 39, inclusive.



*File*

TRI-COUNTY  
ELECTRIC MEMBERSHIP  
CORPORATION



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

May 4, 1992

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

RE: PUBLIC EDUCATION AND MANUFACTURING CREDIT PROGRAM

Dear John:

Please find enclosed two (2) fully executed copies of an agreement regarding the public education and manufacturing credit program that our cooperative wishes to be a participant.

Once TVA has completed the agreement, please inform us of the assigned agreement number.

Sincerely,

LAURA L. KIRBY  
Secretary to the  
General Manager

lk

Enclosures (2)

✓ @: Ralph, Jackie  
L 4/28/92

JW

5/1/92  
Laura,  
Follow instructions  
I have underlined.  
Jan



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

April 27, 1992

Mr. James E. White, Interim Manager  
Tri-County Electric Membership Corporation  
Post Office Box 40  
Lafayette, Tennessee 37083-0040

Dear Mr. White:

**PUBLIC EDUCATION AND MANUFACTURING CREDITS**

Enclosed for your review and execution are three duplicate originals of a proposed agreement to implement the Public Education and Manufacturing Credit Program. This agreement has been executed by TVA. If you wish to participate in this program, please have all three duplicate originals of the proposed agreement executed on behalf of your system and return two fully executed copies to me. The third copy is for your permanent files. Once TVA has completed the agreement, we will inform you of the assigned agreement number.

To assist you in implementing the program, we have enclosed a package of materials. To ensure that all eligible education and manufacturing end-users have a chance to participate in the program, you will need a means of notifying potentially eligible consumers. To help you with this, we have provided lists of education and manufacturing consumers we are aware of. Neither of these lists should be assumed to be complete, so you will need to take additional steps to make sure other potentially eligible consumers are aware of the program.

Enclosed for your use is a list of education systems we believe are in your service area, and which may buy power from you. Each of these systems should be notified, and provided an application form (enclosed) that they complete and return to you. If you have not already done so, return to me a summary list of the accounts you feel are eligible and copies of the applications. Upon TVA's review and approval, we will return the approved list to you, and you may begin application of the public education credits.

Mr. James E. White,  
Page 2  
April 27, 1992

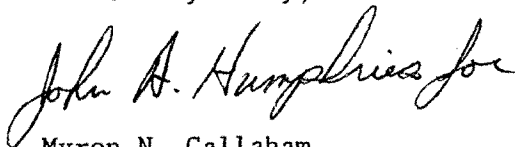
Also enclosed is a list of manufacturing industries in your service area and an application form for their use. Again, extra steps will be needed to ensure that manufacturers not on the list have a chance to participate in the program. After you review the completed manufacturers' applications, return them and a summary list to me for TVA's review and approval. When you receive an approved list back, you may begin application of the manufacturing credits.

To help with the chain of communication between you and education and manufacturing accounts in your service area, we have also enclosed sample letters from you to education and manufacturing accounts. Please feel free to use them or modify them if they will help you.

I would like to stress the importance of ensuring that a broad announcement of the program takes place so every eligible consumer has a chance to participate. We feel the program offers great potential benefits to the members of your community and the region as a whole, and would like every qualified consumer to have access to the program.

If you have questions or need further assistance, please call John Humphries at (502) 781-7653. Working together we can make this program a success and help the region at a critical time.

Yours very truly,



Myron N. Callaham  
Customer Service (Bowling Green)

Enclosures



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

August 20, 1991



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

Dear Mr. Shafer:

Enclosed for your permanent files is a fully executed copy of Agreement TV-85141U, dated June 7, 1991, covering transfer of the capacitor installations at Hartsville, Lafayette District, and Westmoreland Substations under TVA's capacitor ownership transfer program.

Also, enclosed for your permanent files is a fully executed copy of Letter Agreement TV-52337A, Supplement No. 24, dated May 8, 1991, covering arrangements to remove 69-kV circuit breaker installation 694 at Summer Shade 161-kV Substation from the leased facilities.

Sincerely,

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

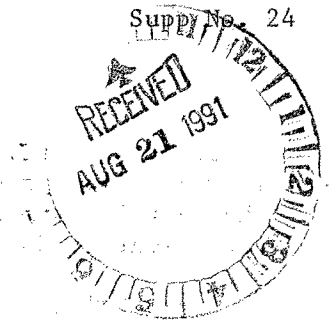
Enclosures

C. R. Law

TENNESSEE VALLEY AUTHORITY  
Chattanooga, Tennessee 37402-2801

May 8, 1991

TV-52337A  
Supply No. 24



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,

W050691  
3594M

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.

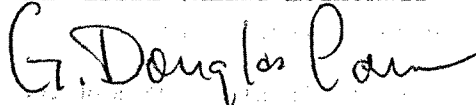
3. The 1987 Agreement, as amended by this agreement, is hereby ratified and confirmed as the continuing obligation of the parties.

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.

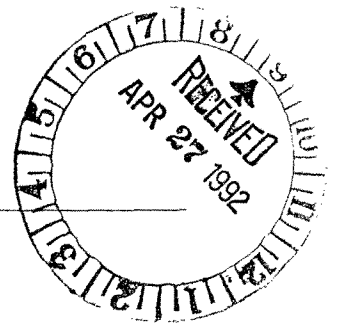
TRI-COUNTY ELECTRIC  
MEMBERSHIP CORPORATION

By   
President

W050691  
3594M



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



April 24, 1992

Mr. James E. White, Interim Manager  
Tri-County Electric Membership Corporation  
Post Office Box 40  
Lafayette, Tennessee 37083-0040

Dear Mr. White:

Enclosed for your permanent files and the company is a fully executed copy of the General Electric Economy Surplus Power Contract TV-52337A, Supplement No. 25, dated February 13, 1992. Please forward one copy of the contract to the company..

Also enclosed for your permanent file is a fully executed copy of the associated wholesale billing adjustment agreement.

Very truly yours,

Myron N. Callaham  
Customer Service (Bowling Green)

Attachments

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

THIS AGREEMENT, made and entered into as of the 13<sup>th</sup> day of February, 1992, by and between the TENNESSEE VALLEY AUTHORITY (TVA), a corporation created and existing under and by virtue of the Tennessee Valley Authority Act of 1933, as amended, and TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION (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 power contract dated as of July 18, 1979, as amended (Power Contract), under which electric power and energy are supplied by TVA at wholesale and purchased by Distributor for resale; and

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

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

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

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

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



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

3. Adjustments to Distributor's Wholesale Billing. In calculating the wholesale bill each month for Distributor, the following steps will be taken with respect to Company: (a) Distributor'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 Distributor's wholesale bill under the Hydro Allocation Adjustment of the wholesale rate schedule will be reduced by an amount reflecting Company's contribution thereto, and (c) an amount which is equal to Company's bill from Distributor (exclusive of the customer charge and any applicable facilities rental and reactive charges, but including the applicable charges billed to Company in accordance with the second and third paragraphs of section A and the third paragraph of section E of the ESP Attachment to the Company Contract), less an amount equal to 40 cents multiplied by the lower of 40,000 kW or the sum of Company's billing demands for firm power and excess power and the highest amount of ESP deemed to have been taken during the month (determined as provided in the third paragraph of section E of said ESP Attachment), will be included as part of the wholesale bill. The above calculations will further reflect, as appropriate, the application of Adjustment 3 of the wholesale rate schedule to Distributor's wholesale bill with respect to a minimum bill applicable to Company. The reference herein to "Company's billing demands for firm power and excess power" shall mean those terms as they are used in the Company Contract.

The provisions of section 3 of Supplement No. 8, dated August 1, 1986, to the Power Contract shall not be applicable with respect to Company during the term of this agreement.

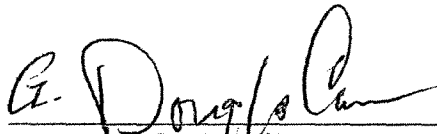
4. Metering Facilities. It is recognized that Distributor has previously installed a solid-state recorder which utilizes a telephone circuit for various data transmission and communication purposes (Recorder), and that said Recorder shall be used in the determination of the amounts of power and energy associated with ESP taken by Company under the Company Contract. Distributor hereby agrees for TVA to have access to the data stored in said Recorder through said telephone circuit and will provide to TVA any information necessary for the exercise of such access. Distributor hereby further grants to TVA access to said Recorder for the purpose of confirmation of the metering data being received by telephone. The use of the telephone circuit and access to the metering data will be coordinated by TVA's and Distributor's operating representatives to ensure unrestricted access by TVA for data retrieval purposes during such periods as specified by TVA.

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

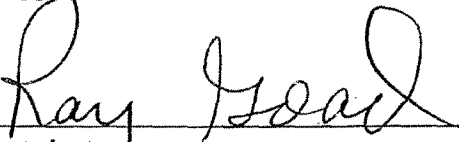
6. Affirmation of Power Contract. Except as expressly supplemented and amended herein, the Power Contract is hereby ratified as the continuing obligation of the parties.

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

TENNESSEE VALLEY AUTHORITY

By   
Manager of Distributor  
Marketing and Services

Attest:

  
Secretary

TRI-COUNTY ELECTRIC  
MEMBERSHIP CORPORATION

By   
President

POWER SUPPLY CONTRACT

TV-85859U

Among  
TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION,  
GENERAL ELECTRIC CORPORATION,  
And  
TENNESSEE VALLEY AUTHORITY

THIS CONTRACT, made and entered into as of the 13<sup>th</sup> day of February, 1992, by and among TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION (Distributor), a cooperative corporation duly created, organized, and existing under and by virtue of the laws of the State of Tennessee; GENERAL ELECTRIC CORPORATION (Company), a corporation duly created, organized, and existing under and by virtue of the laws of the State of New York; and the TENNESSEE VALLEY AUTHORITY (TVA), a corporation created and existing under and by virtue of the Tennessee Valley Authority Act of 1933, as amended;

W I T N E S S E T H:

WHEREAS, Distributor purchases power from TVA for resale under Power Contract TV-52337A, dated July 18, 1979, as amended (Power Contract); and

WHEREAS, Company has been purchasing power from Distributor under a contract dated May 7, 1991 (Previous Company Contract), for the operation of Company's plant near Scottsville, Kentucky; and

WHEREAS, the Previous Company Contract terminates effective as of the date first above written, and Company has requested a new contract providing for the supply of firm power and economy surplus power (ESP) for operation of said plant; and

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

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

1. Term of Contract. This contract shall become effective as of 0000 CST or CDT, whichever is currently effective, on the date first above written, and shall continue in effect through the meter-reading time that occurs on or next after the date that falls 5 years after the date first above written, unless this contract is sooner terminated as hereinafter provided. At any time, upon at least 5 months' written notice, Distributor or Company may terminate this contract and TVA or Distributor may terminate the

provisions hereof covering the availability of the total amount of ESP; provided, however, that Company may terminate the provisions hereunder covering availability of the total amount of ESP upon at least 7 days' written notice. The provisions covering the availability of ESP also may be terminated as provided in the ESP Attachment referenced in section 3 below.

For purposes of this contract, the term "meter-reading time" for any calendar month shall mean 0000 CST or CDT, whichever is currently effective, on the thirteenth day of that calendar month; provided, however, that TVA may change the time and date of the meter reading upon notice to Distributor and Company to achieve consistency with any change in the meter-reading time for Distributor's power and energy takings under the Power Contract.

2. Delegation of Authority. Distributor shall have primary responsibility and authority for metering and billing Company and for all matters pertaining to power service and customer relations except as provided otherwise hereunder with respect to scheduling and the availability of ESP. TVA may at any time communicate directly with Company to determine present and future estimated power requirements and levels of operation and shall have sole responsibility for scheduling, establishing charges for, and requiring reductions in availability of, ESP. TVA shall have sole responsibility for maintenance of records of the status of the availability of ESP. Company may at any time communicate directly with TVA concerning matters relating to ESP.

3. Availability of Power. Subject to the other provisions of this contract, (a) Distributor shall make available to Company hereunder 3,000 kW of firm power, which amount shall be the "firm contract demand," and (b) in addition, Distributor shall make available and Company may schedule ESP Option A in such amounts as Company requests and TVA, in its judgment, is able to supply, up to and including 3,000 kW. Various additional provisions governing the supply of ESP to Company are set out in the attachment hereto entitled "ESP Attachment," which is hereby made a part of this contract.

4. Conditions of Delivery. The point of delivery for power and energy made available to Company hereunder shall be the point of interconnection of Distributor's facilities and Company's facilities. The power made available hereunder shall be in the form of 3-phase alternating current at a frequency of approximately 60 hertz and at a nominal voltage of 12,470 volts. Except for temporary periods of abnormal operating conditions, voltage variations shall not exceed 7 percent up or down from a normal voltage to be determined from operating experience. Maintenance by Distributor at said point of delivery of the above-stated frequency and voltage within the above-stated limits shall constitute availability of power for purposes of this contract. The amounts of power and energy delivered to Company hereunder shall be measured by metering equipment installed at said point of delivery, and such measured amounts shall be the quantities delivered to Company at said point of delivery for all purposes hereunder.

It is recognized that under previous arrangements developed between Distributor and Company, Distributor at its expense provided, installed, and currently maintains in the existing metering facilities a solid-state recorder

which utilizes a telephone circuit for various data transmission and communication purposes (Recorder). Additionally, Distributor at its expense furnished the necessary telephone circuit which is connected to the Recorder. Company hereby grants to Distributor, TVA, and their representatives during the term of this contract such rights of access in, over, and across Company's property as are reasonably necessary or desirable for the operation, maintenance, replacement, or inspection of the Recorder and said telephone circuit and for the removal thereof, if and when they are no longer needed. Company further agrees that it will, if requested to do so, cooperate with Distributor in the maintenance of said circuit.

In the event that the existing metering facilities used to determine the power and energy taken by Company are inadequate for purposes of determining the amounts of power and energy associated with ESP taken hereunder, Distributor shall install, operate, and maintain additional or replacement meters and associated facilities as necessary to make such determinations. It is hereby understood and agreed that in such event, Company shall, upon expiration or termination of this contract or the termination of the availability of ESP hereunder, whichever first occurs, pay to Distributor (a) any cost incurred in removing existing metering facilities and (b) the undepreciated portion of the cost, including applicable overheads, of installing said additional or replacement meters and associated facilities; provided, however, that no such payment shall be due in the event that Company enters into a renewal or replacement contract under which ESP is made available or if the metering installation as added to or replaced is needed by Distributor at that location for other purposes. (The cost referred to in item (b) above shall be deemed to be the actual total installed cost less the original material cost of reusable materials and equipment.) The obligations of this paragraph shall survive any such expiration or termination until they are discharged.

Neither Distributor nor TVA shall be obligated to provide equipment for the protection of Company's lines, facilities, or equipment, but Distributor or TVA, as the case may be, may provide such protective equipment as it deems necessary for the protection of its own property and operations. The electrical equipment installed by Company shall, in Distributor's and TVA's judgment, be capable of satisfactory coordination with any protective equipment installed by Distributor or TVA. Company's entire load shall be connected phase to phase, with no phase-to-ground connections at any time unless otherwise agreed by Distributor and TVA. Company shall exercise all reasonable precautions and install all equipment necessary to limit its total demand, as determined in accordance with the rate schedule hereinafter specified, to the amount to which it is entitled hereunder.

**5. Determination of Billing Amounts.** A month shall be the billing period, except that any month within which there is a change in the availability of ESP will be divided for billing purposes. Each such billing period in that month shall be comprised of the intervals in which the same amounts of each type of power are available, whether or not they are consecutive intervals.

Company's "total demand" for each billing period shall be determined in the same manner as prescribed for determining the demand for any month under the Determination of Demand section of the attached rate schedule GP-13 (as modified, changed, replaced, or adjusted from time to time as provided under contractual arrangements between Distributor and TVA). If the total demand during any billing period as described in the first paragraph of this section 5 exceeds the aggregate amount of firm power and ESP available hereunder during that billing period, the amount of such excess shall be the "excess demand," and the highest excess demand as so determined in a month shall be the billing demand for excess power for the month.

For any billing period in which TVA has agreed to make ESP available to Distributor for resale to Company hereunder, the billing demand for ESP shall be the ESP scheduled, and such ESP shall be deemed to have been made available by Distributor and used by Company at 92 percent load factor during the hours scheduled for purposes of determining the amounts of ESP energy deemed to have been taken by Company hereunder.

For any billing month in which Company has scheduled any ESP, the billing demand for firm power for the month shall be the amount of firm power available, and the total metered energy for each billing period, less any ESP energy deemed to have been taken by Company hereunder, shall be the firm energy.

For any billing month in which Company has not scheduled any ESP, (a) the total demand for each billing period less any excess demand shall be the firm demand, and the highest firm demand in a month shall be the billing demand for firm power for the month; provided, however, that the billing demand for firm power shall in no case be less than the amount calculated under the exception language set out in the Determination of Demand section of the attached rate schedule GP-13 (as modified, changed, replaced, or adjusted from time to time as provided under contractual arrangements between Distributor and TVA); and provided further, that in making calculations under said exception language, the words "the higher of the currently effective contract demand or the highest billing demand established for the preceding 12 months" appearing therein shall be replaced by "the sum of (i) the firm contract demand and (ii) the highest excess demand established during the preceding 12 months," and (b) the total metered energy for each billing period shall be the firm energy.

6. Unscheduled ESP. Notwithstanding any other provision of this contract, for any billing period in which Company establishes any excess demand (determined as provided for in the second paragraph of section 5 (b) hereof) for billing purposes under said section 5 the excess demand (if any) established in each 30-consecutive-minute period of said billing period shall be reduced by the amount of the difference between (a) the amount of ESP available to Company for scheduling during the clock hour in which such excess demand was established and (b) the amount of ESP actually scheduled during that hour, except that in no case shall the amount of such reduction exceed the amount of such excess demand. The greatest amount of such reduction

during any hour shall be the "unscheduled ESP amount" for that hour. For purposes of determining the amounts of ESP energy deemed to have been taken by Company as provided for in the third paragraph of section 5 hereof, the amount of ESP actually scheduled for any hour of the month shall be increased by the unscheduled ESP amount for that hour.

In addition, Company's bill hereunder for that month shall be increased by adding thereto an amount calculated by multiplying the highest unscheduled ESP amount established during the month times the higher of (a) TVA's average investment cost of combustion turbines or (b) the capacity charge, if any, being paid by TVA for off-system purchases during the hour said highest unscheduled ESP amount for the month occurred. The amount of TVA's average cost of combustion turbines (currently \$1.13 per kW) will be revised by TVA from time to time to reflect changes in such cost.

7. Rates. Company shall pay Distributor monthly for power and energy available under this contract. Each and every charge and payment provided for under this contract shall be separate and cumulative and except as otherwise provided shall be in accordance with the rates and provisions of TVA's General Power Rate—Schedule GP-13 (as it is modified, changed, replaced, or adjusted from time to time as provided under contractual arrangements between Distributor and TVA), which schedule, together with the currently effective Adjustment Addendum and the statement setting out the increases in facilities rental charges that became effective therewith, is attached hereto and made a part hereof; provided that

(a) for all purposes of applying said rate schedule, Company shall be considered to be a part B load; provided, however, that in the event the provisions covering availability of ESP hereunder are terminated in accordance with any provision of this contract, effective with the billing month following such termination, (i) the provisions of sections 5 and 6 hereof, the second and third paragraphs of section A of the ESP Attachment, and the provisions of subsections (b), (c), and (d) below shall be of no further force and effect, and (ii) Company shall be billed for firm power as a part A load in accordance with the provisions of the rate schedule;

(b) for purposes of applying the charges set out in the section headed "Base Charges" of said rate schedule, the words "billing demand" shall be deemed to refer to the sum of the billing demand for excess power and the billing demand for firm power, and the words "energy takings" shall be deemed to refer to the firm energy, except that it is understood that the additional amount which, under said section, is to be applied as a part of the demand charge to each kW "by which the customer's billing demand exceeds its contract demand" shall, for purposes of this contract, be an additional amount applied to each kW of Company's billing demand for excess power;

(c) in calculating the minimum monthly bill as provided for in the second paragraph of the section headed "Minimum Bill" of said rate schedule, (i) the base demand charge, as adjusted, referred to in item 2 shall be applied to the sum of (A) the firm power billing demand and (B) the excess

power billing demand, (ii) the hours use of demand component of the base demand charge, as adjusted, referred to in item 3, shall be applied to the first 620 hours of use of the sum of the billing demand for excess power and the billing demand for firm power, and (iii) the base energy charge, as adjusted, referred to in item 4 shall be applied to the firm energy;

(d) for purposes of applying the facilities rental charges provided for in the section headed "Facilities Rental Charge Applicable Under B and C Above" of said rate schedule, the words "highest billing demand" in said section shall be deemed to refer to the highest total demand from any billing period as determined in accordance with section 5 hereof, and the words "contract demand" in said section shall be deemed to be the total of the firm power and ESP available; and

(e) the section headed "Seasonal Service" of said rate schedule shall be of no force and effect.

In the event of any conflict between said rate schedule and the body of this contract or the ESP Attachment, either the body of this contract or the ESP Attachment, as the case may be, shall control.

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

9. Rules and Regulations. The power and energy made available to Company by Distributor hereunder shall be delivered, taken, and paid for in accordance with the terms hereof and the Schedule of Rules and Regulations of Distributor (as such Rules and Regulations now exist or may hereafter be modified). In the event of any conflict between the provisions of said Schedule and the other provisions of this contract, the latter shall control. It is understood that nothing contained in this contract shall be construed as making Company a directly served customer of TVA.

10. Interference with Availability of Power. The term "force majeure" shall be deemed to be a cause reasonably beyond the control of Distributor or TVA, such as, but without limitation to, injunction, strike of employees, war, invasion, fire, accident, floods, backwater caused by floods, acts of God, or inability to obtain or ship essential services, materials, or equipment because of the effect of similar causes on suppliers or carriers.



Acts of God shall include without limitation the effects of drought if the drought is of such severity as to have a probability of occurrence not more often than an average of once in 40 years.

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

11. Notices. Any notice required by this contract shall be deemed properly given if mailed, postage prepaid, to the Plant Engineer, General Electric Corporation, Hermetic Motors Productions Plant, 636 Holt Drive, Scottsville, Kentucky 42164, on behalf of Company; or to the General Manager, Tri-County Electric Membership Corporation, P.O. Box 40, Lafayette, Tennessee 37083, on behalf of Distributor; or to the Manager of Distributor Marketing and Services, Tennessee Valley Authority, Chattanooga, Tennessee 37402-2801, on behalf of TVA, except that oral notices between the authorized operating representatives of the parties (other than notice of termination pursuant to paragraph 1 of section 1 hereof, which must be in writing) will be sufficient if confirmed in writing. The designation of the person to be so notified or the address of such person may be changed at any time and from time to time by any party hereto by similar notice.

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

13. Successors and Assigns. This contract may be assigned by TVA or Distributor, but shall not be assignable by Company without written consent of Distributor and TVA except to a wholly owned subsidiary of Company or Company's successor by any bona fide merger, reorganization, or consolidation.

In the event of any such assignment, the parties hereto shall remain liable for the faithful performance of this contract in all respects by their respective assigns, and such assigns by acceptance of such transfer or assignment shall likewise become bound for the full performance of this contract until the expiration thereof.

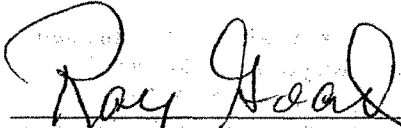
14. Restriction of Benefits. No member of or delegate to Congress or Resident Commissioner, or any officer, employee, special Government employee, or agent of TVA shall be admitted to any share or part of this contract or to any benefit that may arise therefrom unless the contract be made with a corporation for its general benefit, nor shall Distributor or Company 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 contract.

15. **Counterparts.** This contract may be executed in any number of counterparts, and all such counterparts, each executed and delivered as an original, shall constitute but one and the same instrument.

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.

**TRI-COUNTY ELECTRIC  
MEMBERSHIP CORPORATION**

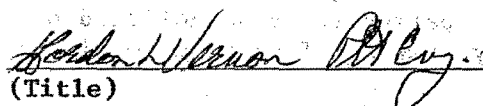
Attest:

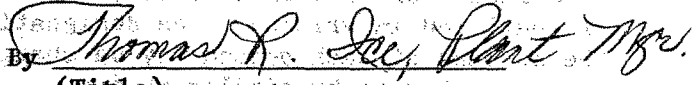
  
\_\_\_\_\_  
Secretary

By   
\_\_\_\_\_  
President

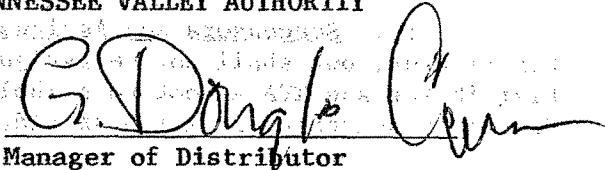
Attest:

**GENERAL ELECTRIC CORPORATION**

  
\_\_\_\_\_  
(Title)

By   
\_\_\_\_\_  
(Title)

**TENNESSEE VALLEY AUTHORITY**

By   
\_\_\_\_\_  
Manager of Distributor  
Marketing and Services

ESP Attachment

A. Online Computer System. For Company's convenience in scheduling ESP, TVA will endeavor to make available to Company hourly, daily, weekly, and monthly price estimates for ESP, as set out in B below, on a continuous basis by means of an online computer system (System). The System will also allow Company to schedule ESP as set out in C below. The System will be owned, operated, and maintained by TVA. TVA will furnish to Company for its use appropriate terminal facilities. Company shall reimburse TVA for any damage to such terminal facilities caused by the negligence or other wrongful act or omission of Company or its agents or employees and Company shall promptly return said facilities to TVA upon expiration or termination of this contract or the termination of the availability of ESP hereunder. Company shall use the System only in connection with obtaining information about ESP and in scheduling ESP under this contract.

To help TVA recover its cost of providing the System and other costs of making ESP available to Company, Distributor's monthly power invoice to Company shall include, and Company shall pay, a monthly system access and administrative costs charge (currently \$1,075). Said charge shall become payable when the System becomes operational for scheduling ESP under this contract and shall be due and payable each month on the due date for said monthly power invoice. Charges for any period of less than 1 month shall be prorated. The system access and administrative costs charge may be increased or decreased by TVA from time to time upon notice to Distributor and Company to reflect changes in the cost of providing the System or other administrative costs.

Company shall also pay a charge for each computer transaction that it initiates on the System. Said charge shall be the sum of (i) 2.5 cents, plus (ii) 33 cents per cpu (central processing unit) second, plus (iii) 64 cents per 1,000 excps (execute channel programs). The amounts set out in the preceding sentence may be increased or decreased from time to time by TVA upon notice to Distributor and Company to reflect changes in the cost of computer time. Said charges shall be included in Distributor's monthly power invoice to Company for the billing month following that in which the transaction occurred.

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

**B. Price Estimates.** TVA will endeavor: (1) by 5 p.m. of the second day prior to the beginning of each month to make available an average price estimate in mills per kWh for ESP scheduled for the month, (2) by 11 a.m. on Friday of the preceding week to make available a price estimate for ESP scheduled for the week, and (3) by 5 p.m. of the preceding day to make available a price estimate for ESP scheduled for the day. TVA will endeavor 30 minutes preceding each clock hour to make available a price estimate for ESP scheduled for the hour and will endeavor each clock half-hour to make available a revised estimate of the price for ESP for that hour. TVA may adjust the times under (1), (2), and (3) above to accommodate changes in its computer programming and other operations, but in any event TVA will endeavor to make the information available under (1) and (2) above at least 24 hours prior to the beginning of the scheduling period and under (3) above at least 2 hours prior to the beginning of the scheduling period.

**C. Scheduling.** Hourly scheduling periods shall begin and end with each clock hour. Daily scheduling periods shall begin at 0000 hours and end at 2400 hours of each day. Weekly scheduling periods shall begin at 0000 hours on Sunday and end at 2400 hours on the following Saturday. Monthly scheduling periods shall begin at 0000 hours on the first day of the calendar month and end at 2400 hours on the last day of the calendar month. All times shall be CST or CDT, whichever is then in effect. Company may schedule ESP for a scheduling period at any time prior to the beginning of that period. Company may schedule in any combination of hourly, daily, weekly, and monthly periods. Any ESP schedule may be revised at any time by mutual agreement of TVA and Company.

Company may modify or cancel any schedule during the remaining hours of the scheduling period by notification to TVA, but any such modification or cancellation shall become effective only upon TVA's receipt and confirmation of such notification. After the beginning of any clock hour, the amount of ESP scheduled for that hour shall continue for the entire hour, and Company shall be deemed to have taken from Distributor, and shall pay for, the ESP scheduled.

**D. Termination of Availability.** ESP is intended to be made available by Distributor and taken by Company only in addition to any firm power and limited interruptible power made available under this contract. Accordingly, Company's total demand, during hours when ESP is scheduled, shall be maintained at levels substantially equivalent to the sum of (1) the total amount of firm and limited interruptible power available and (2) the amount of ESP scheduled. In the event that such levels are not maintained, either Distributor or TVA may terminate the availability of ESP at any time upon at least 7 days' written notice to Company.

**E. Price.** The price for each kWh of each ESP Option deemed to have been taken in any hour shall be calculated by multiplying TVA's actual hourly incremental cost per kWh of providing ESP to all consumers which had scheduled ESP during that hour by the applicable Markup Factor for that ESP Option from the table at the end of this attachment and multiplying the resulting figure

by 1.053. The price per kWh for Options D and E as so calculated shall then be increased by adding thereto the product of 8 mills multiplied by 1.053. For purposes of determining such incremental cost, the ESP load will be deemed to be that load immediately above TVA's firm, 5 percent interruptible, and limited interruptible power loads. The summation of all hourly charges for ESP in the month will be Company's monthly charge for ESP for the month.

The Markup Factors set out in the table below (except that for Option A, which will remain constant) may be increased or decreased by TVA from time to time, upon at least 60 days' notice, to assure TVA of such cost recovery as the TVA Board determines to be necessary to meet the then-existing circumstances; provided that any such changed markup for any ESP Option shall be applied to all customers to which TVA makes said ESP Option available. In the event that any Markup Factor to an ESP Option available to Company under this contract is so increased by more than 0.05 in any 12-month period, Company may discontinue that ESP Option upon at least 15 days' written notice to Distributor and TVA prior to the effective date of such increase. In the event that Company so discontinues any ESP Option, it will be allowed to replace the power available to it under that ESP Option by contracting for an equal amount of any other type of power available at that time, subject to Distributor's and TVA's standard terms and provisions then applicable for that type of power.

In order to enable Distributor to recover more adequately the cost of making ESP available to Company, Distributor each month will add to Company's bill, and Company will pay, a surcharge derived by multiplying 40 cents times the highest kW amount of ESP deemed to have been taken during the month. Said highest kW amount shall be the highest hourly sum obtained by adding together for each clock hour of the month the kW amount of each ESP Option scheduled during that hour plus any "unscheduled ESP amount" (determined as provided in the body of this contract) for that hour. Said 40-cent amount may be increased or decreased from time to time, upon agreement of TVA and Distributor, to reflect changes in the distribution-type costs of making ESP available.

F. Suspensions. TVA may, at any time and from time to time, suspend the availability of ESP upon notice to Company. Following such notice with respect to any ESP Option, such suspension shall become effective at the expiration of the respective notice period set out in the table at the end of this attachment. Company shall cease taking ESP under any option by the time any suspension of that option becomes effective. Notwithstanding anything herein which may be construed to the contrary, the availability of ESP remains at all times subject to the provisions of the body of this contract covering interference with availability or use of power. For billing purposes, each period of suspension shall begin when the suspension for that ESP Option becomes effective and shall end at the time notice is given of the restoration of the availability of ESP. Notices under this paragraph may be oral but shall be confirmed in writing.

**TABLE**

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

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 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.



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 <sup>a</sup>	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 <sup>b</sup> :			
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 <sup>c</sup>	--	--
First 15,000 kWh	--	--	Add 0.446¢
Additional kWh	--	--	Add 0.166¢
Charges Under Part "B"	Add \$1.07 <sup>d</sup>	Add 0.058¢	Add 0.118¢
Charges Under Part "C"	Add \$1.35 <sup>d</sup>	--	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 <sup>c</sup>	--	--
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 <sup>e</sup>	--	--
Offpeak Charges	--	--	Add 0.117¢
Time-of-Day General Power Rate - IGP			
Charges Under Part "I":			
Onpeak Charges	Add \$1.07 <sup>d</sup>	--	Add 0.234¢
Offpeak Charges	--	--	Add 0.121¢
Charges Under Part "II":			
Onpeak Charges	Add \$1.36 <sup>d</sup>	--	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

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

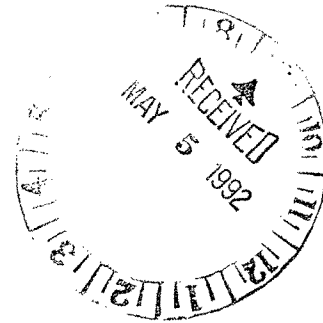
The amounts in cents per kW specified for delivery at less than 161 kV in the sections entitled Facilities Rental of Wholesale Power Rate--Schedule WP and Time-of-Day Wholesale Power Rate--Schedule WPT, Facilities Rental Charge Applicable Under B and C Above of the General Power Rate Schedules, and Facilities 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.



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

May 4, 1992

Mr. James E. White  
Tri-County Electric Membership Corporation  
Post Office Box 40  
Lafayette, Tennessee 37083-0040



Dear Mr. White:

Enclosed for your permanent files is a fully executed copy of Letter of Understanding TV-52337A, Supplement No. 26, dated February 12, 1992, covering cooperation by TVA and Tri-County EMC in a Marketing Training Program entitled "Where the Rubber Meets the Road."

Sincerely,

A handwritten signature in cursive script that reads "John A. Humphries for".

Myron N. Callaham  
Manager  
Customer Service (Kentucky)

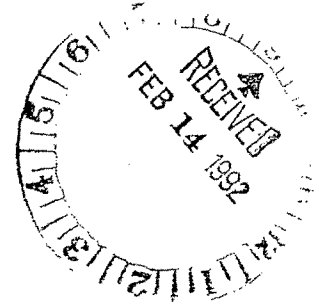
Enclosure



TV-52337A  
Supp No. 26

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

February 12, 1992



Mr. H. Wayne Wilkins, Manager  
Tri-County Electric Membership Corporation  
Post Office Box 40  
Lafayette, Tennessee 37083

Dear Mr. Wilkins:

This is to confirm our understanding relative to supplementing the wholesale power contract dated July 18, 1979, between TVA and Tri-County EMC to cover our cooperation in a marketing training program to help promote the better use of electricity.

We understand that Tri-County will arrange with AHP Systems, Inc., to conduct for Tri-County's employees a training seminar entitled "Where the Rubber Meets the Road." Tri-County will schedule and make all necessary arrangements (including providing the facilities) with AHP Systems for this training seminar. If attendance space permits, Tri-County will arrange for TVA's employees to attend this seminar as well. Following receipt of an invoice from Tri-County, TVA will reimburse Tri-County in the amount of \$2,000, which is about one-half the seminar costs (as billed to Tri-County by AHP Systems).

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

Sincerely,

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

Enclsoure

Accepted and agreed to as of  
the 14<sup>th</sup> day of FEBRUARY, 1992.

By H. Wayne Wilkins  
General Manager

FEB 18 1992

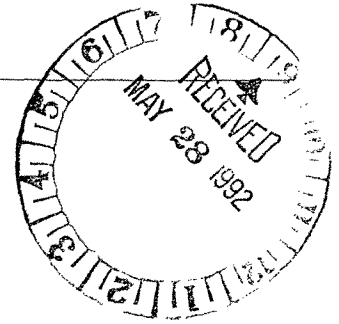
B/G/psw

C: Gankie  
Ralph



*[Handwritten signature]*

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



May 26, 1992

Mr. James E. White  
Tri-County Electric Membership Corporation  
Post Office Box 40  
Lafayette, Tennessee 37083-0040

Dear Mr. White:

Enclosed for your permanent files is a fully executed copy of the ~~\_\_\_\_\_~~  
~~\_\_\_\_\_~~

Sincerely,

*John A. Humphries for*

# 27

Myron N. Callahan  
Manager  
Customer Service (Kentucky)

Enclosure

AGREEMENT

Between  
TENNESSEE VALLEY AUTHORITY

And

TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION

THIS AGREEMENT, made and entered into as of the 1st day of May, 1992, by and between TENNESSEE VALLEY AUTHORITY (TVA), a corporation created and existing under and by virtue of the Tennessee Valley Authority Act of 1933, as amended (TVA Act), and TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION (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, as amended (Power Contract), under which electric power and energy are supplied by TVA at wholesale and purchased by Distributor for resale; and

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

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

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

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

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

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

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

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

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

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



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

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

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

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

8. It is recognized that the parties have heretofore entered into an agreement dated August 1, 1986 (1986 Agreement), placing into effect changes developed for the wholesale and resale rate schedules. Effective with the effective date of this agreement (except to the extent necessary to allow any final applications of the Existing Wholesale Schedule or of the existing Resale Schedules), the 1986 Agreement is hereby terminated.

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

<u>Agreement Nos. and Dates</u>	<u>Customers</u>
TV-52337A, Supp. 25      February 13, 1992	General Electric Company

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

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

(b) The total dollar amount of base demand and energy charges calculated under the Changed Wholesale Schedule shall be increased by adding thereto an amount equal to the sum of Distributor's monthly charges (exclusive of any surcharge for distribution costs) to the customer for ESP energy and unscheduled ESP (as determined under the Company Contract and adjusted to reflect losses as provided in (c) below). In addition, an amount equal to the sum of (i) the monthly charge (currently \$1,075 each month) applicable under the Company Contract for system access and administrative costs and (ii) any computer transaction charges applicable under said contract and included in the invoice to the customer for that month will be included as part of the wholesale bill.

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

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

10. It is recognized that TVA and Distributor have heretofore entered into an agreement dated October 31, 1988, and numbered TV-52337A, Supplement No. 16, amending the Power Contract to provide for wholesale billing arrangements in connection with the supply of supplemental power to the Texas Eastern Transmission Corporation (Texas Eastern) under a power supply contract among TVA, Distributor, and Texas Eastern, dated October 31, 1988, and numbered TV-75708A (Texas Eastern Contract).

Effective with the first application of the Changed Wholesale Schedule to Distributor, section 3 of said agreement is hereby amended in the respects necessary to provide that the following steps will be taken, in lieu of the wholesale billing arrangement set out thereunder, with respect to the wholesale bill each month to Distributor for the power and energy delivered to Texas Eastern:

(a) In accordance with the Changed Wholesale Schedule, Distributor will be billed demand and energy charges as provided in the Changed Wholesale Schedule for any firm power and energy resold to Texas Eastern under the Texas Eastern Contract; provided, however, that for the purposes of calculating said charges, the terms "metered onpeak demand" and "metered offpeak demand" in the Changed Wholesale Schedule shall be deemed to refer to the "onpeak metered demand" and "offpeak metered demand" as determined in accordance with the Determination of Onpeak and Offpeak Demands and Energy Amounts section of the time-of-day resale rate schedule applicable for billing Texas Eastern, except that in making such determination, the load metered in kW during any 30-consecutive-minute period beginning or ending on a clock hour of the month shall first be adjusted by deducting therefrom the kW amount, if any, of supplemental power (not to exceed such metered kW amount) scheduled during said period.

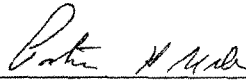
(b) For any month during which supplemental power is scheduled by Texas Eastern, the total dollar amount of base demand and energy charges calculated under the Changed Wholesale Schedule shall be increased by adding thereto an amount equal to (i) Distributor's monthly charges to Texas Eastern for supplemental power and energy delivered to Texas Eastern during that month divided by (ii) a factor of 1.03 to reflect losses.

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

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

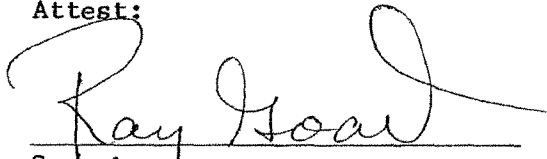
IN WITNESS WHEREOF, the parties hereto have caused this agreement to be executed by their duly authorized officers as of the day and year first above written.

TENNESSEE VALLEY AUTHORITY

By   
Manager of Business Resources

TRI-COUNTY ELECTRIC  
MEMBERSHIP CORPORATION

Attest:

  
Secretary

By   
President

RESALE SCHEDULES REPLACEMENT TABLE

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

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

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

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

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

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

Availability

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

Base Charges

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

Demand and Energy Charges:

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

**STANDARD SERVICE**

Residential Service

Schedule RS

Energy Charge: 4.427¢ per kWh per month

**General Power Service**

**Schedule GSA**

Part 1 Energy Charge: 5.112¢ per kWh per month

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

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

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

Energy Charge: 2.921¢ per kWh per month

**Schedule GSB**

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

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

**Schedule GSC**

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

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

**Schedule GSD**

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

Energy Charge: 2.154¢ per kWh per month

**Outdoor Lighting Service**

**Schedule LS**

Energy Charge: 2.921¢ per kWh per month

## TIME-OF-DAY SERVICE

### Residential Service

#### Schedule TRS

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

### General Power Service

#### Schedule TGSA

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

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

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

Part 3 Demand Charge: \$8.06 for each kW of measured onpeak demand per month

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

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

#### Schedule TGSB

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

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

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



Schedule TGSC

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

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

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

Schedule TGSD

Demand Charge: \$11.71 for each kW of metered onpeak demand per month

\$1.60 per month for each kW, if any, by which metered offpeak demand exceeds metered onpeak demand

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

Adjustments

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

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

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

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

#### Distribution Loss Charge

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

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

#### Facilities Rental Charge

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

#### Reactive Demand Charges

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



## TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION

### RESIDENTIAL RATE--SCHEDULE RS

(May 1992)

#### Availability

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

#### Character of Service

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

#### Base Charges

Customer Charge: \$8.92 per month, less

Hydro Allocation Credit: \$4.00 per month

Energy Charge: 5.537¢ per kWh per month

#### Adjustment

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

#### Minimum Monthly Bill

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

**Payment**

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

**Single-Point Delivery**

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

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**Service is subject to Rules and Regulations of Distributor.**

## TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION

### GENERAL POWER RATE--SCHEDULE GSA

(May 1992)

#### Availability

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

#### Character of Service

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

#### Base Charges

1. If (a) the higher of (i) the customer's currently effective contract demand, if any, or (ii) its highest billing demand during the latest 12-month period is not more than 50 kW and (b) customer's monthly energy takings for any month during such period do not exceed 15,000 kWh:
  - Customer Charge: \$10.09 per delivery point per month
  - Energy Charge: 6.278¢ per kWh per month
2. If (a) the higher of (i) the customer's currently effective contract demand or (ii) its highest billing demand during the latest 12-month period is greater than 50 kW but not more than 1,000 kW or (b) the customer's billing demand is less than 50 kW and its energy takings for any month during such period exceed 15,000 kWh:
  - Customer Charge: \$26.72 per delivery point per month
  - Demand Charge: First 50 kW of billing demand per month, no demand charge  
Excess over 50 kW of billing demand per month, at \$9.81 per kW
  - Energy Charge: First 15,000 kWh per month at 6.409¢ per kWh  
Additional kWh per month at 3.099¢ per kWh

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

Customer Charge: \$26.72 per delivery point per month

Demand Charge: First 1,000 kW of billing demand per month, at \$9.32 per kW

Excess over 1,000 kW of billing demand per month, at \$10.43 per kW, plus an additional

\$10.43 per kW per month for each kW, if any, of the amount by which the customer's billing demand exceeds the higher of 2,500 kW or its contract demand

Energy Charge: 3.173¢ per kWh per month

#### Adjustment

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

#### Determination of Demand

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

#### Minimum Bill

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

Distributor may require minimum bills higher than those stated above.

### Seasonal Service

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

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

### Contract Requirement

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

### Payment

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

### Single-Point Delivery

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

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Service is subject to Rules and Regulations of Distributor.



## TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION

### GENERAL POWER RATE--SCHEDULE GSB

(May 1992)

#### Availability

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

#### Character of Service

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

#### Base Charges

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

#### Adjustment

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

#### Facilities Rental Charge

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

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

### Reactive Demand Charges

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

### Determination of Demand

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

### Minimum Bill

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

Distributor may require minimum bills higher than those stated above.

### Contract Requirement

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

### Payment

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

### Single-Point Delivery

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

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Service is subject to Rules and Regulations of Distributor.

## TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION

### GENERAL POWER RATE--SCHEDULE GSC

(May 1992)

#### Availability

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

#### Character of Service

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

#### Base Charges

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

#### Adjustment

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

#### Facilities Rental Charge

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

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

### Reactive Demand Charges

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

### Determination of Demand

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

### Minimum Bill

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

Distributor may require minimum bills higher than those stated above.

### Contract Requirement

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

### Payment

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

### Single-Point Delivery

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

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Service is subject to Rules and Regulations of Distributor.

## TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION

### GENERAL POWER RATE--SCHEDULE GSD

(May 1992)

#### Availability

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

#### Character of Service

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

#### Base Charges

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

#### Adjustment

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

#### Facilities Rental Charge

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

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

### Reactive Demand Charges

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

### Determination of Demand

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

### Minimum Bill

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

Distributor may require minimum bills higher than those stated above.



### Contract Requirement

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

### Payment

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

### Single-Point Delivery

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

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Service is subject to Rules and Regulations of Distributor.

**TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION**

**OUTDOOR LIGHTING RATE--SCHEDULE LS**

(May 1992)

Availability

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

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

Payment

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

Adjustment

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

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

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

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

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

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

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

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

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

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

Customer shall be billed and shall pay for replacements as provided in paragraph 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.

## Revenue and Cost Review

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

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

#### Charges Per Fixture Per Month

<u>(a) Type of Fixture</u>	<u>Lamp Size</u>		<u>Rated</u>	<u>Facility</u>
	<u>(Watts)</u>	<u>(Lumens)</u>	<u>kWh</u>	<u>Charge</u>
Mercury Vapor or Incandescent	175	7,650	70	\$3.05
	400	19,100	155	\$3.20
High Pressure Sodium	100	8,550	42	\$4.48
	200	18,900	82	\$4.79
	400	45,000	165	\$5.03

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

#### Additional Facilities

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

#### Lamp Replacements

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

**Special Outdoor Lighting Installations**

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

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Service is subject of Rules and Regulations of Distributor.

**TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION**  
**TIME-OF-DAY GENERAL POWER RATE--SCHEDULE TGSB**  
(May 1992)

Availability

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

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

Character of Service

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

Base Charges

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

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

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

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

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

2.147¢ per kWh per month for all offpeak kWh

### Adjustment

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

### Facilities Rental Charge

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

### Reactive Demand Charges

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

### Determination of Onpeak and Offpeak Hours

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

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

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

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

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

### Minimum Bill

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

Distributor may require minimum bills higher than those stated above.



### Contract Requirement

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

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

### Payment

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

### Single-Point Delivery

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

Service is subject to Rules and Regulations of Distributor.

# TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION

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

(May 1992)

### Availability

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

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

### Character of Service

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

### Base Charges

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

### Adjustment

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

### Facilities Rental Charge

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

### Reactive Demand Charges

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

### Determination of Onpeak and Offpeak Hours

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

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

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

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

### Minimum Bill

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

Distributor may require minimum bills higher than those stated above.

### Contract Requirement

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

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

### Payment

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

### Single-Point Delivery

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

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### Service is subject to Rules and Regulations of Distributor.

## TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION

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

(May 1992)

#### Availability

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

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

#### Character of Service

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

#### Base Charges

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

### Adjustment

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

### Facilities Rental Charge

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

### Reactive Demand Charges

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

### Determination of Onpeak and Offpeak Hours

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

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

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

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

### Minimum Bill

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

Distributor may require minimum bills higher than those stated above.

### Contract Requirement

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



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

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

#### Payment

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

#### Single-Point Delivery

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

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Service is subject to Rules and Regulations of Distributor.

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

THIS AGREEMENT, made and entered into as of the 1st day of May, 1992, by and between TENNESSEE VALLEY AUTHORITY (TVA), a corporation created and existing under and by virtue of the Tennessee Valley Authority Act of 1933, as amended (TVA Act), and TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION (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, as amended (Power Contract), under which electric power and energy are supplied by TVA at wholesale and purchased by Distributor for resale; and

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

TENNESSEE VALLEY AUTHORITY

By Mary Sherry May  
President, Customer Group

Attest:

Ray Good  
Secretary

TRI-COUNTY ELECTRIC  
MEMBERSHIP CORPORATION

By Tom P. Thompson  
President

Eligibility Requirements

- A. Public Education Account. A Public Education Account shall be a billing account for a delivery point serving any primary, secondary, and higher education facility owned and operated by a System. Such account includes administrative offices, warehouses, and athletic field lighting installations receiving power and energy from Distributor as long as the charges for power and energy are paid all or in part from tax revenues allocated as of January 1, 1992, to said public education system.
- B. Manufacturing Account. A Manufacturing Account shall be a billing account for delivery point serving any general power customer of Distributor which is (1) served under (a) Parts 2 or 3 of Schedule GSA or under Schedules GSB, GSC, or GSD or (b) Parts 2 or 3 of Time-of-Day Schedule TGSA or under Time-of-Day Schedules TGSB, TGSC, or TGSD and (2) where the activities conducted at such delivery point are classified with a 2-digit Standard Industrial Classification code between 20 and 39, inclusive.

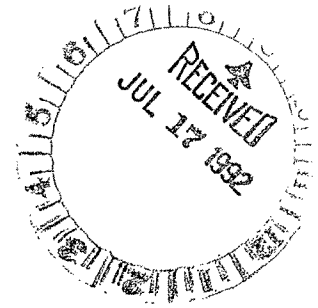


Tennessee Valley Authority, Post Office Box 20260, Bowling Green, Kentucky 42102

July 15, 1992

A handwritten signature in cursive, appearing to be 'Jaw'.

Mr. James E. White  
Tri-County Electric Membership Corporation  
Post Office Box 40  
Lafayette, Tennessee 37083-0040



Dear Mr. White:

Enclosed for your permanent files is a fully executed copy of Agreement TV-52337A, Supplement No. 29, dated May 1, 1992, covering implementation of Low-Density Credit Program.

Sincerely,

A handwritten signature in cursive, appearing to be 'John A. Humphries for'.

Myron N. Callahan  
Manager  
Customer Service (Kentucky)

Enclosure



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

THIS AGREEMENT, made and entered into as of the 1st day of May, 1992, by and between TENNESSEE VALLEY AUTHORITY (TVA), a corporation created and existing under and by virtue of the Tennessee Valley Authority Act of 1933, as amended (TVA Act); and TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION (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, as amended (Power Contract), under which electric power and energy are supplied by TVA at wholesale and purchased by Distributor for resale; and

WHEREAS, TVA has developed a 5-year program (Program) to help distributors with extremely low load density to improve their customer mix by making available to such distributors wholesale bill credits; and

WHEREAS, TVA and Distributor desire to agree upon the arrangements for Distributor to participate in the Program;

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

1. Initial Credit. Beginning with the May 1992 wholesale billing month and continuing through the June 1993 wholesale billing month, TVA will apply to Distributor's wholesale bill a credit of \$2,057.65. This credit is the amount calculated for Distributor's 12 wholesale billing months ending June 1991 under the attachment to this agreement entitled "Calculation of Low Density Credits" (Attachment), which is made a part of this agreement.

2. Recalculation of Credit. As soon as practicable after June 30 of each year of the Program, beginning in 1993 and ending in 1996, TVA will recalculate the Distributor's applicable monthly credit amount, if any, under the Attachment and this amount will be applied to each of the 12 wholesale billing months beginning with July of that calendar year; provided, however, that the amount recalculated following June 30, 1996, shall be applied to the 10 wholesale billing months beginning with July 1996.



Calculation of Low Density Credits

The monthly amount of any Low Density Credits available to Distributor shall be calculated in accordance with the formula set out below. For purposes of application of the formula, the term "Annual Period" shall mean the 12-month period beginning with Distributor's July wholesale billing month in any calendar year and ending with its June wholesale billing month in the following calendar year, and the term "Base Annual Period" shall mean the Annual Period ending with Distributor's June 1991 wholesale billing month. In determining the values of B, C, and D below, each shall be calculated and rounded to the nearest hundredth of a percent; the maximum value of each shall be 3 percent; and the minimum value of each shall be 0 percent.

Low Density Credit (in Dollars) = [ A x (B + C + D)] / 12, where

A = The sum of all charges that would have resulted from application of the Wholesale Power Rate--Schedule WS (May 1992) to power and energy resold by Distributor during the Base Annual Period

B = 5.03 - (.067 x Area Factor), where

Area Factor = Distributor's maximum system demand (determined from the sum of all wholesale delivery point demands to Distributor on a simultaneous basis) for the Annual Period prior to the most recently completed Annual Period divided by the number of square miles of area served by Distributor as of the end of the Base Annual Period

C = 5.49 - (.000032 x Line Density Factor), where

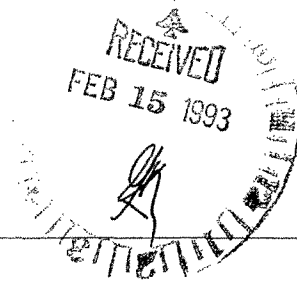
Line Density Factor = Distributor's total wholesale energy takings for the Annual Period prior to the most recently completed Annual Period divided by the number of pole-miles of distribution lines of Distributor as of the end of the Base Annual Period

D = 7.61 - (.423 x Investment Factor), where

Investment Factor = Distributor's total wholesale energy takings for the Annual Period prior to the most recently completed Annual Period divided by Distributor's depreciated electric plant as of the end of the Base Annual Period



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



February 12, 1993

*Copy: Ralph [signature]  
File: TVA contract*

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

Dear Mr. Nuckols:

Enclosed for your permanent files is a fully executed copy of Letter Agreement ~~TV-52337A~~, Supplement No. 30, dated October 14, 1992, covering revenue metering arrangements at the Moss 69-kV Substation.

Sincerely,

*John A. Humphries*  
*for* Myron N. Callahan

Manager  
Kentucky Customer Service Center

Enclosure



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

October 14, 1992

Mr. G. Kelly Nuckols, General Manager  
Tri-County Electric Membership Corporation  
P.O. Box 40  
Lafayette, Tennessee 37083

Dear Mr. Nuckols:

This will confirm the arrangements developed between representatives of Tri-County Electric Membership Corporation (Cooperative) and the Tennessee Valley Authority (TVA) with respect to supplementing and amending the wholesale power contract dated July 18, 1979, as amended (Power Contract) between the parties to provide for a 13-kV revenue metering installation at a new 69-13-kV substation (Moss Substation) being constructed by Cooperative.

It is understood and agreed that:

1. TVA at its expense shall provide and install in a mutually satisfactory location on the 13-kV side of the Moss Substation the revenue meter, meter cabinet, and related items necessary to determine the power and energy taken by Cooperative at said substation. Said revenue meter shall be a solid-state type with telephone dial-up feature (Electronic Meter) which utilizes a telephone circuit for various data transmission and communication purposes (such as remote meter reading and data retrieval). Cooperative shall, at its expense and in accordance with plans and specifications furnished or approved by TVA, install, on the low voltage side of the transformer, the metering current and voltage transformers which are to be furnished by TVA and provide and install all other facilities required for the metering installation, including the foundation (if necessary) for TVA's meter cabinet, the primary connections from said metering transformers to Cooperative's facilities, and the conduit (together with any required test boxes) and cable extending from the metering transformer secondaries to said meter cabinet, except that TVA will furnish said cable and test boxes. TVA shall coordinate its work hereunder with the work of Cooperative to the extent necessary and practicable. Cooperative hereby grants to TVA the right to install, operate, maintain, test, calibrate, repair, replace, and remove TVA's meter, meter cabinet, and related items in said substation; and TVA shall have free access to said metering facilities at all times.

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Mr. G. Kelly Nuckols

Page 2

October 14, 1992

2. For TVA's metering purposes described above, Cooperative shall provide and install, or cause to be installed, and thereafter operate and maintain at its expense at the Moss Substation a telephone circuit, together with a conduit (necessary to protect said telephone circuit) extending from TVA's meter cabinet to a location specified by TVA, to be connected by TVA to its Electronic Meter. Said telephone circuit shall be installed in accordance with guidelines and specifications furnished or approved by TVA. In exchange for the use of Cooperative's telephone circuit, TVA hereby agrees to permit Cooperative remote access to TVA's metering data through use of the telephone circuit. In addition, TVA hereby also agrees to permit Cooperative access to the metering information available from the readout display of the Electronic Meter. The use of the telephone circuit and access to TVA's metering data will be coordinated by TVA's and Cooperative's operating representatives to ensure unrestricted telephone access by TVA for data retrieval purposes during such periods as specified by TVA. It is recognized that Cooperative will require equipment not provided by TVA to obtain said metering data by remote telephone access. TVA will assist Cooperative in determining the equipment to be utilized, but it is understood that acquisition of such equipment shall be the sole responsibility of Cooperative.

It is recognized that Cooperative may wish to obtain access to metering outputs from TVA's metering equipment for such purposes as monitoring and load control and that TVA is willing to make such access available at no charge to Cooperative. Accordingly, Cooperative may, at such time as it deems appropriate, provide and install at its expense such additional facilities as are necessary for obtaining access to metering outputs hereunder, including the provision and installation of a cable to be connected by TVA to a terminal block in TVA's meter cabinet. Cooperative will keep TVA informed as to Cooperative's plans for installation of said cable to the extent necessary and practicable. Cooperative will neither install any facilities which are to be connected to TVA's metering equipment, nor, once installed, change them, without prior written notification from TVA that such installation or change is satisfactory to TVA. It is understood that the arrangements set out under this paragraph may be terminated by TVA or Cooperative at any time upon at least 120 days' written notice to the other party. As soon as practicable following the effective date of such termination, TVA will disconnect said metering cable from said terminal block.

It is recognized that the metering installation is being installed, operated, and maintained for measuring the power and energy taken by Cooperative at the Moss Substation. In recognition of the

W101392

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Mr. G. Kelly Nuckols  
Page 3  
October 14, 1992

allowance of access to the metering outputs at no charge to Cooperative, it is understood and agreed that Cooperative shall reimburse TVA for any damage to TVA's property and to property in TVA's custody, and Cooperative hereby waives, and releases the United States of America, TVA, and their agents and employees from, and shall indemnify and save harmless the United States of America, TVA, and their agents and employees from, any and all claims, demands, or causes of action, including, without limitation, those for personal injuries, property damage, loss of life or property, or consequential damages sustained by Cooperative, its agents or employees, or third parties, arising out of or in any way connected with (a) any of Cooperative's or TVA's work performed under this agreement to allow Cooperative access to the metering outputs or (b) Cooperative's exercise of access to the metering outputs; provided, however, that the provisions of this sentence shall apply only if the personal injuries, property damage, loss of life or property, consequential damages, or other damage or loss is caused by the negligence or other wrongful act or omission of Cooperative or its agents or employees.

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

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

Except as otherwise provided for herein, the metering installation shall be for TVA's exclusive use and control unless

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Mr. G. Kelly Nuckols  
Page 4  
October 14, 1992

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 such installation provided and installed by TVA. Cooperative at its expense shall as requested by TVA from time to time perform necessary maintenance (including making of replacements) of the remaining portion of the metering installation; provided, however, that TVA will furnish for installation by Cooperative any replacements required for the current and voltage transformers, metering cable, and test boxes. TVA will place its seals on the meter and metering facilities in said metering installation, and Cooperative shall assure that said seals are not broken except upon request by TVA.

4. It is recognized that the Moss Substation will be supplied from the 69-kV side of the Dale Hollow Hydro Substation, where the power takings of Cooperative are currently treated as if delivered at the 161-kV delivery point to Cooperative at the Summer Shade 161-kV Substation as set out under section 4 of Lease and Amendatory Agreement TV-52337A, Supplement No. 13, dated May 1, 1987, as amended (1987 Lease Agreement), covering establishment of said 161-kV delivery point. Accordingly, effective as of the date on which the Moss Substation is first placed in service, section 4 of the 1987 Lease Agreement is hereby amended to the extent necessary to provide that, for billing purposes under the 1987 Lease Agreement and under the Power Contract, the amounts of power and energy measured by the revenue meter at the Moss Substation will be appropriately adjusted to account for losses and nonmetered station service usage (if any) to reflect power takings at the 69-kV side of the Dale Hollow Hydro Substation, and such adjusted amounts shall be considered as if delivered to Cooperative at the 161-kV side of the Summer Shade 161-kV Substation.

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

6. 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 renewal, extension, or replacement thereof.

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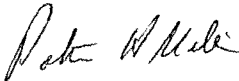
Mr. G. Kelly Nuckols  
Page 5  
October 14, 1992

7. The Power Contract and the 1987 Lease Agreement, as amended by this agreement, are hereby ratified and confirmed as the continuing obligation of the parties.

8. 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 district office. Upon execution by TVA, this letter shall be a binding agreement, and a fully executed counterpart will be returned to you.


Sincerely,



Patricia H. Miller  
Manager of Business Resources

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

TRI-COUNTY ELECTRIC  
MEMBERSHIP CORPORATION

By   
President

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TRI-COUNTY  
ELECTRIC MEMBERSHIP  
CORPORATION



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

September 23, 1996

Mr. Mark C. Shults  
Kentucky Customer Service Manager  
Tennessee Valley Authority  
P. O. Box 20260  
Bowling Green, KY 42102-6260

RE: TV-52337A, Supp. No. 31

Dear Mark:

Enclosed are the two endorsed copies of letter of agreement dated September 14, 1993 (TV-52337A, Supp. No. 31) as requested in your letter dated September 17, 1996.

Sincerely,

A handwritten signature in cursive script that reads "Jerry".

GERALD W. FREEHLING  
General Manager

GWF/lk

Enclosures (2)



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

September 17, 1996

Gerald W. Freehling, General Manager  
Tri-County EMC  
Post Office Box 40  
Lafayette, Tennessee 37083-0040

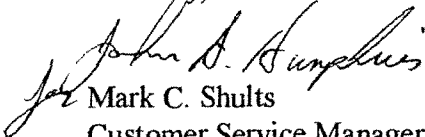
Dear Mr. Freehling:

This is to confirm the understanding between Tri-County Electric Membership Corporation and TVA relative to amending a letter agreement dated September 14, 1993 (TV-52337A, Supp. No. 31), which covers a trial billing arrangement for wholesale billing payments to TVA on an estimated basis.

Effective with the October 1996 billing month, (a) the loss factor being used to estimate monthly distribution loss charges will be changed from 7.25 percent to 6.5 percent and (b) the estimated monthly payment for wholesale facilities rental charges will be \$15,784.92.

If this letter correctly states our understanding, please so indicate by signing in the space provided below for each of the three duplicates enclosed. Please return two signed duplicates to us and retain one for your files.

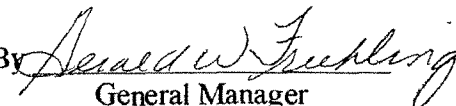
Sincerely,

  
Mark C. Shults  
Customer Service Manager  
Kentucky Customer Service Center

Enclosures

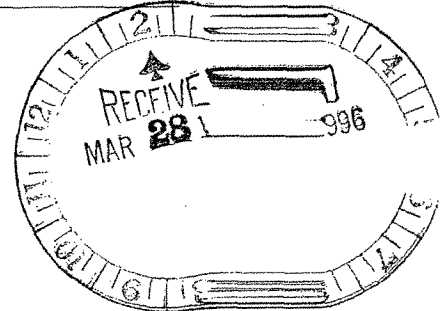
Accepted and agreed to as of  
the 23rd day of September, 1996.

TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION

By   
General Manager



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



March 25, 1996

Mr. David M. Callis, Interim Manager  
Tri-County EMC  
Post Office Box 40  
Lafayette, Tennessee 37083-0040

Dear Mr. Callis:

This is to confirm the understanding between Tri-County Electric Membership Corporation and TVA relative to amending a letter agreement dated September 14, 1993 (TV-52337A, Supp. No. 31), which covers a trial billing arrangement for wholesale billing payments to TVA on an estimated basis.

Effective with the February 1996 billing month, (a) the loss factor being used to estimate monthly distribution loss charges will be changed from 6.500 percent to 7.25 percent and (b) the estimated monthly payment for wholesale facilities rental charges will be \$14,000.

If this letter correctly states our understanding, please so indicate by signing in the space provided below for each of the three duplicates enclosed. Please return two signed duplicates to us and retain one for your files.

Sincerely,

Mark C. Shults  
Customer Service Manager  
Kentucky Customer Service Center

Enclosures

Accepted and agreed to as of  
the 29<sup>th</sup> day of March, 1996.

TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION

By   
General Manager



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

March 25, 1996

Mr. David M. Callis, Interim Manager  
Tri-County EMC  
Post Office Box 40  
Lafayette, Tennessee 37083-0040

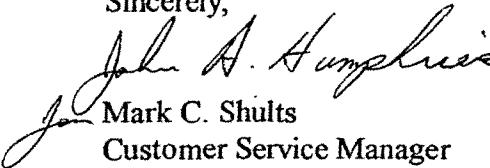
Dear Mr. Callis:

This is to confirm the understanding between Tri-County Electric Membership Corporation and TVA relative to amending a letter agreement dated September 14, 1993 (TV-52337A, Supp. No. 31), which covers a trial billing arrangement for wholesale billing payments to TVA on an estimated basis.

Effective with the February 1996 billing month, (a) the loss factor being used to estimate monthly distribution loss charges will be changed from 6.500 percent to 7.25 percent and (b) the estimated monthly payment for wholesale facilities rental charges will be \$14,000.

If this letter correctly states our understanding, please so indicate by signing in the space provided below for each of the three duplicates enclosed. Please return two signed duplicates to us and retain one for your files.

Sincerely,

  
Mark C. Shults  
Customer Service Manager  
Kentucky Customer Service Center

Enclosures

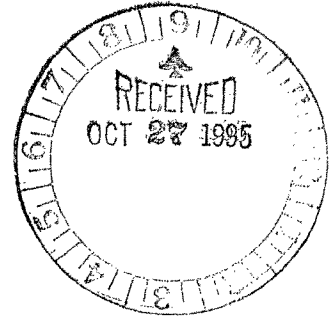
Accepted and agreed to as of  
the 29<sup>th</sup> day of March, 1996.

TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION

By   
General Manager



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



October 26, 1995

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

Dear Mr. Callis:

This is to confirm the understanding between Tri-County Electric Membership Corporation and TVA relative to amending a letter agreement dated September 14, 1993 (TV-52337A, Supp. No. 31), which covers a trial billing arrangement for wholesale billing payments to TVA on an estimated basis.

Effective with the September 1995 billing month, a) the loss factor being used to estimate monthly distribution loss charges will be changed from 5.5 percent to 6.25 percent, and b) the estimated monthly payment for wholesale facilities rental charges will be \$14,000.

If this letter correctly states our understanding, please so indicate by signing in the space provided below for each of the three duplicates enclosed. Please return two signed duplicates to us and retain one for your files.

Sincerely,

*John A. Hungalies*  
Mark C. Shults  
Customer Service Manager  
Kentucky Customer Service Center

Enclosure

Accepted and agreed to as of  
the 30th day of October, 1995.

TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION  
By *D.M. Callis*  
Interim General Manager

*M-10/31/95*



TV-52337A  
Supp. No. 40

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

March 9, 1995

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

Dear Mr. Nuckols:

This is to confirm the understanding between Tri-County Electric Membership Corporation and TVA relative to amending a letter agreement dated September 14, 1993 ~~TV-52337A, Supp. No. 40~~ which covers a trial billing arrangement for wholesale billing payments to TVA on an estimated basis.

Effective with the February 1995 billing month, (a) the loss factor being used to estimate monthly distribution loss charges will be changed from 6.500% to 5.500%, and (b) the estimated monthly payment for wholesale facilities rental charges will be \$14,000.

If this letter correctly states our understanding, please so indicate by signing in the space provided below for each of the three duplicates enclosed. Please return two signed duplicates to us and retain one for your files.

Sincerely,

*Bruce Henton*

*for* Myron N. Callaham  
Manager  
Kentucky Customer Service Center

Enclosure

Accepted and agreed to as of  
the 13<sup>th</sup> day of March, 1995.

TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION

By *G. Kelly Nuckols*  
General Manager

TRI-COUNTY  
ELECTRIC MEMBERSHIP  
CORPORATION



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

March 24, 1995

Mr. Myron N. Callaham  
Manager  
Kentucky Customer Service Center  
Tennessee Valley Authority  
P. O. Box 20260  
Bowling Green, KY 42102

RE: TV-52337A - Supp. No. 31

Dear Myron:

Per your written request dated March 9, 1995, please find enclosed two (2) signed duplicates of the letter agreement which covers a trial billing arrangement for wholesale billing payments to TVA on an estimated basis.

We have retained a copy for our files.

Sincerely,

*Laura L. Kirby*

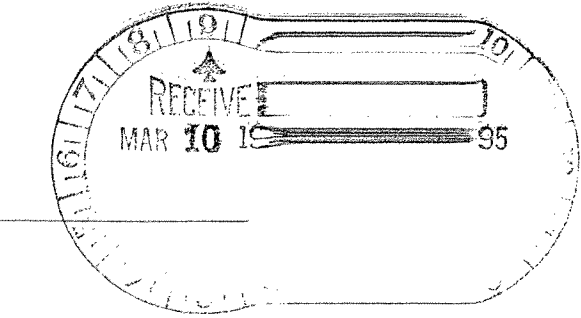
*for*  
G. KELLY NUCKOLS  
General Manager

lk

Enclosures (2)



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OK



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

March 9, 1995

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

Dear Mr. Nuckols:

This is to confirm the understanding between Tri-County Electric Membership Corporation and TVA relative to amending a letter agreement dated September 14, 1993 (TV-52337A, Supp. No. 31), which covers a trial billing arrangement for wholesale billing payments to TVA on an estimated basis.

Effective with the February 1995 billing month, (a) the loss factor being used to estimate monthly distribution loss charges will be changed from 6.500% to 5.500%, and (b) the estimated monthly payment for wholesale facilities rental charges will be \$14,000.

If this letter correctly states our understanding, please so indicate by signing in the space provided below for each of the three duplicates enclosed. Please return two signed duplicates to us and retain one for your files.

Sincerely,

*Bruce Henton*

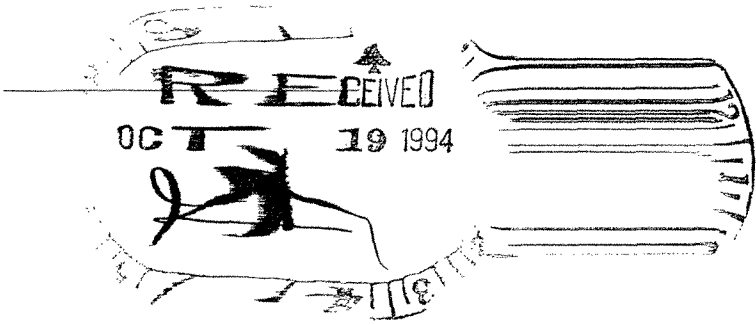
*for* Myron N. Callahan  
Manager  
Kentucky Customer Service Center

Enclosure

Accepted and agreed to as of  
the 13<sup>th</sup> day of March, 1995.

TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION

By *G. Kelly Nuckols*  
General Manager



f the  
31 dated  
wholesale

contact



File With  
TV-52337A  
Supp. No. 31

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

September 20, 1994

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

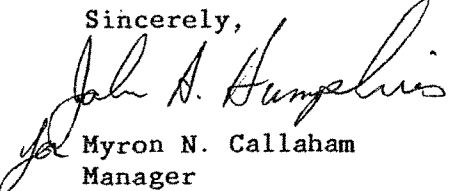
Dear Mr. Nuckols:

This is to confirm the understanding between Tri-County Electric Membership Corporation and TVA relative to amending a letter agreement dated September 14, 1993 (TV-52337A, Supp. No. 31), which covers a trial billing arrangement for wholesale billing payments to TVA on an estimated basis.

Effective with the September 1994 billing month, (a) the loss factor being used to estimate monthly distribution loss charges will be changed from 6.911% to 6.500%, and (b) the estimated monthly payment for wholesale facilities rental charges will be \$16,000.

If this correctly reflects our understanding, please sign and date this letter in the space provided below for each of the three duplicates enclosed. Please return two signed duplicates to us and retain one for your files.


Sincerely,

  
Myron N. Callaham  
Manager  
Kentucky Customer Service Center

Accepted and agreed to as of  
the 23rd day of September, 1994.

TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION

By

  
General Manager

TRI-COUNTY  
ELECTRIC MEMBERSHIP  
CORPORATION



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

September 23, 1994

Mr. Myron N. Callahan  
Manager  
Kentucky Customer Service Center  
Tennessee Valley Authority  
P. O. Box 20260  
Bowling Green, KY 42102

RE: TV-52337A, Supp. No. 31

Dear Myron:

Per your written request dated September 20, 1994, please find enclosed one (1) original and two (2) fully executed copies of the letter agreement between Tri-County EMC and TVA which covers a trial billing arrangement for wholesale billing payments to TVA on an estimated basis.

Sincerely,

G. KELLY NUCKOLS  
General Manager

lk

Enclosures (3)

bc: David  
Bill

JK



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

September 20, 1994

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

Dear Mr. Nuckols:

This is to confirm the understanding between Tri-County Electric Membership Corporation and TVA relative to amending a letter agreement dated September 14, 1993 (TV-52337A, Supp. No. 31), which covers a trial billing arrangement for wholesale billing payments to TVA on an estimated basis.

Effective with the September 1994 billing month, (a) the loss factor being used to estimate monthly distribution loss charges will be changed from 6.911% to 6.500%, and (b) the estimated monthly payment for wholesale facilities rental charges will be \$16,000.

If this correctly reflects our understanding, please sign and date this letter in the space provided below for each of the three duplicates enclosed. Please return two signed duplicates to us and retain one for your files.

Sincerely,

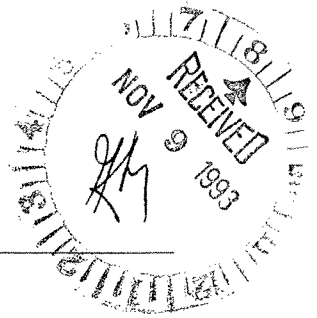
Myron N. Callaham  
Manager  
Kentucky Customer Service Center

Accepted and agreed to as of  
the 23rd day of September, 1994.

TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION

By   
General Manager

Copy: David  
Ralph  
11-09-93



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

November 8, 1993

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

Dear Mr. Nuckols:

Enclosed for your permanent files is a fully executed copy of Letter of Understanding TV-52337A, Supplement No. 31, dated September 14, 1993, covering the trial billing arrangement for wholesale billing payments to TVA on an estimated basis.

Sincerely,

*John A. Humphries*  
*John* Myron N. Callahan

Manager  
Kentucky Customer Service Center

Enclosure



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

September 14, 1993

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

Dear Mr. Nuckols:

This is to confirm the understanding between Tri-County EMC and TVA relative to a trial billing arrangement whereby Tri-County EMC will make monthly wholesale billing payments to TVA on an estimated basis and TVA will make an annual adjustment to reconcile the difference between estimated bill payments and actual wholesale charges incurred.

Therefore, beginning with the September 1993 billing month, TVA and Tri-County EMC agree to the following:

1. Tri-County EMC will not receive a monthly power invoice from TVA. Rather, Tri-County EMC will estimate the power bill in the manner set out below and make payment to TVA based on such estimated amount. Tri-County EMC will submit an itemized statement together with each estimated bill payment to show how each component of the bill was determined.
2. Tri-County EMC's wholesale meters are currently read on the 13th of each month. Thus, the payment due date for the estimated bill will be the 28th of each month (e.g., the same date that would normally be applicable if the bill were rendered by TVA), and the last day for payment without incurring additional charges will be 15 days from the due date. Payment will be subject to the same terms and conditions as the normal power bill payment. The due date and last day for payment would, of course, be changed to correspond to any future changes in the wholesale meter-reading date.
3. The wholesale end-use charges will be determined by Tri-County EMC in the same manner as currently done (utilizing the format of TVA's power invoice Schedule 1) based on resale billing data from Tri-County EMC's revenue month.
4. The July 1993 Loss Factor of 6.911%, which represents Tri-County EMC's annual true-up Loss Factor for the 1993 annual period (July 1992-June 1993 billing months), will be applied each month to the



Mr. G. Kelly Nuckols, Manager  
Page 2  
September 14, 1993

end-use charges (determined under item 3 above) as a means of estimating the monthly distribution loss charges for the 1994 annual period. Similarly, a new Loss Factor (calculated for July of each subsequent calendar year) will be used to estimate the monthly distribution loss charges for each subsequent annual period. A loss true-up will, of course, be done at the end of the each annual period to determine actual distribution loss charges. For the 1994 annual period, the July 1994 Loss Factor will be used to true up the loss charges. This could result in a billing debit or credit depending on how the July 1994 Loss Factor (actual loss factor) compares with the July 1993 Loss Factor (estimated loss factor). For instance, if the July 1994 Loss Factor turns out to be 7.911%, Tri-County EMC would owe TVA a billing debit (for loss true-up) of about 1% of the wholesale end-use charges for the 1994 annual period. On the other hand, if the July 1994 Loss Factor turns out to be 5.911%, Tri-County EMC should receive a billing credit of about 1% of the 1994 end-use charges.

5. The residential hydro credit (currently \$2.48 per customer), Growth Credit, and Public Education & Manufacturing Credit will be determined by Tri-County EMC in the same manner as currently done--utilizing the format of TVA's power invoice Schedule 1.
6. A monthly delivery point charge of \$9,500 will be included based on five delivery point currently established under Tri-County EMC's wholesale power contract with TVA. This amount would, of course, be changed accordingly to reflect any future change in the number of delivery points to Tri-County EMC.
7. Tri-County EMC is not, at this time, required to include a monthly amount for estimated reactive charges since TVA has decided to temporarily suspend the application of wholesale reactive power billings, effective with the July 1993 billing month. Should TVA reinstate reactive charges at some point in the future, we will then require Tri-County EMC to start paying an estimated monthly amount so as to approximate the actual level of reactive charges then incurred by Tri-County EMC.
8. Tri-County EMC will include, for estimated billing payment purpose, a monthly amount of \$27,200 for wholesale facilities rental charges based on Tri-County EMC's average monthly charges over the previous 12 months. TVA may request Tri-County EMC to revise this estimated amount from time to time as TVA determines necessary to better approximate the actual level of wholesale facilities rental charges then incurred by Tri-County EMC.

Mr. G. Kelly Nuckols, Manager

Page 3

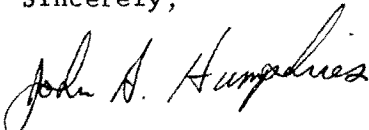
September 14, 1993

9. A monthly charge of \$2,025.70 will be included for payment of services provided by TVA under Tri-County EMC's Electrical Development Contract (EDC) with TVA. This amount is based on the annual charge of \$24,308.40 as computed for Tri-County EMC's 1994 EDC annual period. It is subject to revision by TVA each July (beginning of a new annual period) when EDC charges are recomputed for the new annual period.
10. Based on Tri-County EMC's currently supplying ESP to two customers, a monthly charge of \$2,150 will be included for ESP system access charges. This amount would be changed accordingly to reflect any future increase or decrease in the number of ESP customers served by Tri-County EMC. Tri-County EMC is not, at this time, required to include a monthly amount for ESP computer transaction charges since TVA has decided to temporarily suspend the application of these charges, effective with the July 1993 billing month. Should TVA reinstate these charges at some point in the future, we will then require Tri-County EMC to start including an amount for ESP computer transaction charges based on the charges actually billed to the ESP customers during the previous month.
11. At the end of each annual wholesale billing period (which now ends with the June billing month), TVA will determine the actual amounts of all billings (including distribution loss true-up adjustments) that would otherwise have been rendered by TVA based on contractual arrangements with Tri-County EMC and the wholesale rate schedule provisions. A billing adjustment will then be made to account for the difference between estimated payments and actual charges incurred.
13. This estimated billing payment arrangement is intended for billing convenience of the parties only. For this reason, it may be discontinued at any time by either party by written notice to the other party, after which the current billing process (whereby TVA prepares and renders monthly power invoices to distributors) will resume. This arrangement will under no circumstances be construed as relieving Tri-County EMC of the obligations (set out under the wholesale rate schedule provisions and Tri-County EMC's contractual arrangements with TVA) to pay TVA for the charges actually incurred.

Mr. G. Kelly Nuckols, Manager  
Page 4  
September 14, 1993

If this correctly reflects the understanding between Tri-County EMC and TVA regarding this billing arrangement, please so indicate by signing in the space provided below and returning two copies to me. The original is for your files.

Sincerely,

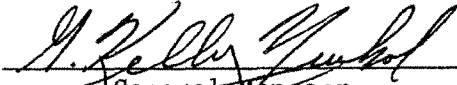
  
for Myron N. Callahan

Manager  
Kentucky Customer Service Center

Accepted and agreed to as of  
the 23rd day of September, 1993.

TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION

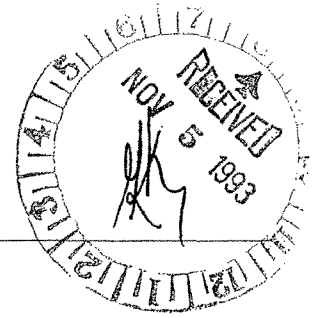
By

  
General Manager

1196D



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



November 3, 1993

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

Dear Mr. Nuckols:

Enclosed for your permanent files is a fully executed copy of Agreement TV-52337A, Supplement No. 32, dated May 1, 1993, covering extension of credit to public education and manufacturing accounts.

Sincerely,

*John A. Humphries*  
for Myron N. Callahan

Manager  
Kentucky Customer Service Center

Enclosure

BILL CREDIT EXTENSION AGREEMENT

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

THIS AGREEMENT, made and entered into as of the 1st day of May, 1993, by and between TENNESSEE VALLEY AUTHORITY (TVA), a corporation created and existing under and by virtue of the Tennessee Valley Authority Act of 1933, as amended (TVA Act), and TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION (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, as amended (Power Contract), under which electric power and energy are supplied by TVA at wholesale and purchased by Distributor for resale; and

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

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

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

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

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

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

TENNESSEE VALLEY AUTHORITY

By John W. Newnam for  
Mary Sharpe Hayes  
President  
Customer Group

Attest:

Ray Good  
Secretary

TRI-COUNTY ELECTRIC  
MEMBERSHIP CORPORATION

By Tom P. Thompson  
President

"Executed on TVA's written statement and assurance that the PROGRAM is lawful".

TRI-COUNTY  
ELECTRIC MEMBERSHIP  
CORPORATION



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

August 2, 1993

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

RE: Public Educational Institutions and  
Manufacturing Industries Credit

Dear John:

Please find enclosed three (3) partially executed copies of an agreement regarding the above referenced agreement.

Please return a fully executed copy to us for our files.

Sincerely,

G. KELLY NUCKOLS  
General Manager

GKN/lk

Enclosures (3)

BILL CREDIT EXTENSION AGREEMENT

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

THIS AGREEMENT, made and entered into as of the 1st day of May, 1993, by and between TENNESSEE VALLEY AUTHORITY (TVA), a corporation created and existing under and by virtue of the Tennessee Valley Authority Act of 1933, as amended (TVA Act), and TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION (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, as amended (Power Contract), under which electric power and energy are supplied by TVA at wholesale and purchased by Distributor for resale; and

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

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

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

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



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

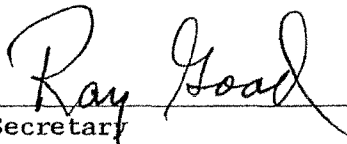
IN WITNESS WHEREOF, the parties hereto have caused this agreement to be executed by their duly authorized officers, as of the day and year first above written.

TENNESSEE VALLEY AUTHORITY

By \_\_\_\_\_  
President  
Customer Group

TRI-COUNTY ELECTRIC  
MEMBERSHIP CORPORATION

Attest:

  
\_\_\_\_\_  
Secretary

By   
\_\_\_\_\_  
President

"Executed on TVA's written statement and assurance that the PROGRAM is lawful".

R17 930505 002

May 5, 1993

**THIS WAS INDIVIDUALLY ADDRESSED TO ALL DISTRIBUTORS**

Dear :

**PUBLIC EDUCATION AND MANUFACTURING PROGRAM**

Enclosed for your review and approval are three copies of a proposed agreement to extend the term of the Public Education and Manufacturing Program.

Under these arrangements, credits will continue to be applied to the electric bills of Public Education and Manufacturing accounts through your June 1994 revenue month or until the implementation of the next rate charge as provided in the "changes" paragraph of the Power Contract's Terms and Conditions (whichever is earlier). Additionally, please note that the alternative payment option for Public Education accounts (under which a lump sum is made to public school systems) will not be available during the extension period. Other provisions of the program, including the method by which credits are determined, remain unchanged.

If the agreement is satisfactory, please return three copies to me for further handling. Upon execution by TVA, a fully executed copy of the agreement will be provided for your files.

Sincerely,

Myron N. Callahan  
Manager  
Kentucky Customer Service Center

JAH:KG

Attachment

cc: G. E. Wolfe, MR SE-C  
RIMS, MR 2F-C (K10 930430 001)

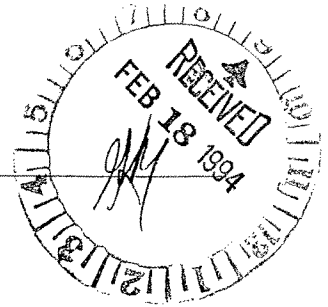
Prepared by J. A. Humphries/CUST SER (427-1121).

0493A

Route: Kelly - Laura (file)  
LK



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



February 17, 1994

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

Dear Mr. Nuckols:

Enclosed for your permanent files is a fully executed copy of Agreements TV-52337A, Supplement No. 34 and Supplement No. 33, both dated November 16, 1993, covering arrangements for conversion of Westmoreland and Hartsville to 161-kV operation.

Sincerely,

*John A. Humphries*

Myron N. Callahan  
Manager  
Kentucky Customer Service Center

Enclosure



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

November 16, 1993

Mr. Tom Price Thompson, Jr., President  
Tri-County Electric Membership Corporation  
P.O. Box 40  
Lafayette, Tennessee 37083

Dear Mr. Thompson:

This will confirm the arrangements developed between representatives of Tennessee Valley Authority (TVA) and Tri-County Electric Membership Corporation (Cooperative) with respect to Cooperative's conversion of the Hartsville Substation from 69-kV to 161-kV operation, replacing the existing 69-kV delivery point with a 161-kV delivery point at Cooperative's converted 161-13-kV substation (Hartsville 161-kV Substation), and amending the wholesale power contract between the parties, dated July 18, 1979, as amended and supplemented (Power Contract), in connection therewith.

It is understood and agreed that:

1. Cooperative shall provide the materials and equipment and perform the work necessary to convert the existing Hartsville Substation to 161-13-kV operation. Except as otherwise expressly provided herein, the Hartsville 161-kV Substation shall be designed, constructed, operated, and maintained by Cooperative at its expense in accordance with good, modern practices and procedures and shall be constructed in accordance with plans and specifications satisfactory to TVA.

Additionally, Cooperative hereby agrees to submit its plans for the installation, operation, testing, calibration, and maintenance of the protective devices to be installed in and the protective scheme proposed for the Hartsville 161-kV Substation to TVA's operating representatives for review. Cooperative further agrees not to install, operate, or maintain said protective devices until TVA gives Cooperative approval in writing of the protective scheme proposed for the Hartsville 161-kV Substation.

2. TVA at its expense will furnish all materials and equipment and perform the work required to (a) install a tap point

Mr. Tom Price Thompson, Jr.

Page 2

November 16, 1993

between structure 84 and 85 in the Gallatin-Lafayette 161-kV Line and (b) connect said tap point to the Hartsville 161-kV Substation. Cooperative shall at its expense perform all work necessary on its distribution system to enable it to take power and energy at the 161-kV delivery point specified in section 5 of this agreement on or as soon as practicable after the date on which Cooperative completes said substation. The parties will coordinate their work under this section 2 to the extent necessary and practicable.

3. TVA at its expense shall provide and install in a mutually satisfactory location on the 13-kV side of the Hartsville 161-kV Substation, as replacements for the existing revenue meter, a solid-state revenue meter, a meter cabinet, and related items necessary to determine the power and energy taken by Cooperative at said substation. Said revenue meter shall be a solid-state type with telephone dial-up feature (Electronic Meter) which utilizes a telephone circuit for various data transmission and communication purposes (such as remote meter reading and data retrieval).

Cooperative shall, at its expense and in accordance with plans and specifications furnished or approved by TVA, install, on the source side of any station service transformer or any voltage correction equipment at said substation, the metering current and voltage transformers which are to be furnished by TVA and provide and install all other facilities required for the metering installation, including the foundation (if necessary) for TVA's meter cabinet, the primary connections from said metering transformers to Cooperative's facilities, and the conduit (together with any required test boxes) and cable extending from the metering transformer secondaries to said meter cabinet, except that TVA will furnish said cable and test boxes. Cooperative hereby grants to TVA the right to install, operate, maintain, test, calibrate, repair, replace, and remove TVA's meters, meter cabinet, and related items in said substation; and TVA shall have free access to said metering facilities at all times.

For TVA's metering purposes described above, Cooperative shall at its expense (a) modify its existing telephone circuit to permit the connection by TVA of said telephone circuit to TVA's Electronic Meter, (b) provide and install, or cause to be installed, a conduit (necessary to protect said telephone circuit) extending from TVA's meter cabinet to a location specified by TVA, and (c) thereafter operate and maintain said telephone circuit (and conduit) for TVA's use. Said telephone circuit shall be modified, operated, and maintained in accordance with guidelines and specifications furnished

Mr. Tom Price Thompson, Jr.

Page 3

November 16, 1993

or approved by TVA. In exchange for the use of Cooperative's telephone circuit, TVA hereby agrees to permit Cooperative remote access to TVA's metering data through use of the telephone circuit. In addition, TVA hereby also agrees to permit Cooperative access to the metering information available from the readout display of the Electronic Meter. The use of the telephone circuit and access to TVA's metering data will be coordinated by TVA's and Cooperative's operating representatives to ensure unrestricted telephone access by TVA for data retrieval purposes during such periods as specified by TVA. It is recognized that Cooperative will require equipment not provided by TVA to obtain said metering data by remote telephone access. TVA will assist Cooperative in determining the equipment to be utilized, but it is understood that acquisition of such equipment shall be the sole responsibility of Cooperative.

It is recognized that Cooperative may wish to obtain access to metering outputs from TVA's metering equipment for such purposes as monitoring and load control and that TVA is willing to make such access available at no charge to Cooperative. Accordingly, Cooperative may, at such time as it deems appropriate, provide and install at its expense such additional facilities as are necessary for obtaining access to metering outputs hereunder, including the provision and installation of a cable to be connected by TVA to a terminal block in TVA's meter cabinet. Cooperative will keep TVA informed as to Cooperative's plans for installation of said cable to the extent necessary and practicable. Cooperative will neither install any facilities which are to be connected to TVA's metering equipment, nor, once installed, change them, without prior written notification from TVA that such installation or change is satisfactory to TVA. It is understood that the arrangements set out under this paragraph may be terminated by TVA or Cooperative at any time upon at least 120 days' prior written notice to the other party. As soon as practicable following the effective date of such termination, TVA will disconnect said metering cable from said terminal block.

It is recognized that the metering installation, including the Electronic Meter, is installed, operated, and maintained for measuring the power and energy taken by Cooperative at the Hartsville 161-kV Substation. In recognition of the allowance of access to the metering outputs at no charge to Cooperative, it is understood and agreed that Cooperative shall reimburse TVA for any damage to TVA's property and to property in TVA's custody, and Cooperative hereby waives, and releases the United States of America, TVA, and their agents and employees from, and shall indemnify and save harmless the

Mr. Tom Price Thompson, Jr.

Page 4

November 16, 1993

United States of America, TVA, and their agents and employees from, any and all claims, demands, or causes of action, including, without limitation, those for personal injuries, property damage, loss of life or property, or consequential damages sustained by Cooperative, its agents or employees, or third parties, arising out of or in any way connected with (a) any of Cooperative's or TVA's work performed under this agreement to allow Cooperative access to the metering outputs or (b) Cooperative's exercise of access to the metering outputs; provided, however, that the provisions of this sentence shall apply only if the personal injuries, property damage, loss of life or property, consequential damages, or other damage or loss is caused by the negligence or other wrongful act or omission of Cooperative or its agents or employees.

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

In exercising its access to metering outputs hereunder Cooperative shall not interfere with TVA's operation and use of the Electronic Meter. In this regard Cooperative agrees to immediately modify its facilities and operations in any manner as may be requested by TVA to avoid any such interference.

Except as otherwise provided for herein, the metering installation, including the Electronic Meter, at the Hartsville 161-kV 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

Mr. Tom Price Thompson, Jr.  
Page 5  
November 16, 1993

1. Thompson, Jr. Tom Price  
Page 5  
November 16, 1993

portion of such installation provided and installed by TVA Cooperative at its expense shall as requested by TVA from time to time perform necessary maintenance (including making of replacements) of the remaining portion of the metering installation; provided, however, that TVA will furnish for installation by Cooperative any replacements required for the current and voltage transformers, metering cables, and test boxes. TVA will place its seals on the meters and metering facilities in said metering installation, and Cooperative shall assure that said seals are not broken except upon request by TVA.

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

5. Effective as of the date (161-kV Delivery Date) on which Cooperative first takes power at 161 kV at the Hartsville 161-kV Substation, section 3 of the Power Contract is hereby amended by striking from the tabulation appearing therein all references to the 69-kV delivery point at the Hartsville Substation and substituting therefor the following:

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

Effective as of the 161-kV Delivery Date, the respective amounts of power and energy measured by the meters in the 13-kV revenue metering installation at the Hartsville 161-kV Substation shall be appropriately adjusted to account for losses and non-metered station service usage (if any) to reflect delivery at the 161-kV delivery point specified above, and such adjusted amounts shall be used for billing purposes under the Power Contract. Cooperative shall furnish TVA such loss data as may be necessary from time to time to permit TVA to determine the losses in Cooperative's facilities.

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



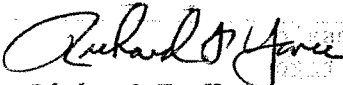
Mr. Tom Price Thompson, Jr.  
Page 6  
November 16, 1993

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 Cooperative offer or give, directly or indirectly, to any officer, employee, special Government employee, or agent of TVA any gift, gratuity, favor, entertainment, loan, or any other thing of monetary value, except as provided in 5 C.F.R. part 2635 (as amended, supplemented, or replaced). Breach of this provision shall constitute a material breach of this agreement.

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

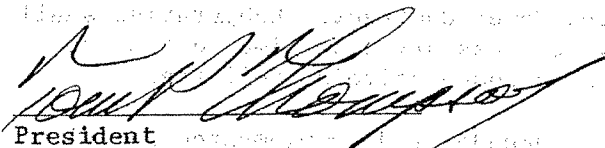
If this letter satisfactorily sets forth our understandings, please have a duly authorized officer execute three counterparts, on behalf of Cooperative and return them to the TVA customer service center. Upon execution by TVA, this letter shall be a binding agreement, and a fully executed counterpart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

Sincerely,

  
Richard F. Yonce  
Manager of Business Resources

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

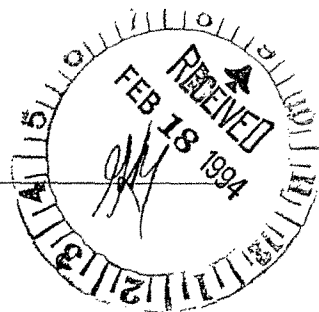
TRI-COUNTY ELECTRIC  
MEMBERSHIP CORPORATION

By   
President

Route: Kelly - Laura (file)  
LK



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



February 17, 1994

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

Dear Mr. Nuckols:

Enclosed for your permanent files is a fully executed copy of Agreements TV-52337A, Supplement No. 34, and Supplement No. 33, both dated November 16, 1993, covering arrangements for conversion of Westmoreland and Hartsville to 161-kV operation.

Sincerely,

*John A. Humphreys*

for Myron N. Callahan  
Manager  
Kentucky Customer Service Center

Enclosure



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

November 16, 1993

Mr. Tom Price Thompson, Jr., President  
Tri-County Electric Membership Corporation  
P.O. Box 40  
Lafayette, Tennessee 37083

Dear Mr. Thompson:

This will confirm the arrangements developed between representatives of Tennessee Valley Authority (TVA) and Tri-County Electric Membership Corporation (Cooperative) with respect to Cooperative's conversion of the Westmoreland Substation from 69-kV to 161-kV operation, replacing the existing 69-kV delivery point with a 161-kV delivery point at Cooperative's converted 161-13-kV substation (Westmoreland 161-kV Substation), and amending the wholesale power contract between the parties, dated July 18, 1979, as amended and supplemented (Power Contract), in connection therewith.

It is understood and agreed that:

1. Cooperative shall provide the materials and equipment and perform the work necessary to convert the existing Westmoreland Substation to 161-13-kV operation. Except as otherwise expressly provided herein, the Westmoreland 161-kV Substation shall be designed, constructed, operated, and maintained by Cooperative at its expense in accordance with good, modern practices and procedures and shall be constructed in accordance with plans and specifications satisfactory to TVA.

Additionally, Cooperative hereby agrees to submit its plans for the installation, operation, testing, calibration, and maintenance of the protective devices to be installed in and the protective scheme proposed for the Westmoreland 161-kV Substation to TVA's operating representatives for review. Cooperative further agrees not to install, operate, or maintain said protective devices until TVA gives Cooperative approval in writing of the protective scheme proposed for the Westmoreland 161-kV Substation.

2. TVA at its expense will furnish all materials and equipment and perform the work required to (a) install a tap point at

Mr. Tom Price Thompson, Jr.

Page 2

November 16, 1993

structure 145 of the Gallatin Steam Plant-Lafayette 161-kV Line and (b) connect said tap point to the Westmoreland 161-kV Substation. Cooperative shall at its expense perform all work necessary on its distribution system to enable it to take power and energy at the 161-kV delivery point specified in section 5 of this agreement on or as soon as practicable after the date on which Cooperative completes said substation. The parties will coordinate their work under this section 2 to the extent necessary and practicable.

3. TVA at its expense shall provide and install in a mutually satisfactory location on the 13-kV side of the Westmoreland 161-kV Substation, as replacements for the existing revenue meter, a solid-state revenue meter, a meter cabinet, and related items necessary to determine the power and energy taken by Cooperative at said substation. Said revenue meter shall be a solid-state type with telephone dial-up feature (Electronic Meter) which utilizes a telephone circuit for various data transmission and communication purposes (such as remote meter reading and data retrieval).

Cooperative shall, at its expense and in accordance with plans and specifications furnished or approved by TVA, install, on the source side of any station service transformer or any voltage correction equipment at said substation, the metering current and voltage transformers which are to be furnished by TVA and provide and install all other facilities required for the metering installation, including the foundation (if necessary) for TVA's meter cabinet, the primary connections from said metering transformers to Cooperative's facilities, and the conduit (together with any required test boxes) and cable extending from the metering transformer secondaries to said meter cabinet, except that TVA will furnish said cable and test boxes. Cooperative hereby grants to TVA the right to install, operate, maintain, test, calibrate, repair, replace, and remove TVA's meters, meter cabinet, and related items in said substation; and TVA shall have free access to said metering facilities at all times.

For TVA's metering purposes described above, Cooperative shall at its expense (a) modify its existing telephone circuit to permit the connection by TVA of said telephone circuit to TVA's Electronic Meter, (b) provide and install, or cause to be installed, a conduit (necessary to protect said telephone circuit) extending from TVA's meter cabinet to a location specified by TVA, and (c) thereafter operate and maintain said telephone circuit (and conduit) for TVA's use. Said telephone circuit shall be modified, operated, and maintained in accordance with guidelines and specifications furnished

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Mr. Tom Price Thompson, Jr.

Page 3

November 16, 1993

or approved by TVA. In exchange for the use of Cooperative's telephone circuit, TVA hereby agrees to permit Cooperative remote access to TVA's metering data through use of the telephone circuit. In addition, TVA hereby also agrees to permit Cooperative access to the metering information available from the readout display of the Electronic Meter. The use of the telephone circuit and access to TVA's metering data will be coordinated by TVA's and Cooperative's operating representatives to ensure unrestricted telephone access by TVA for data retrieval purposes during such periods as specified by TVA. It is recognized that Cooperative will require equipment not provided by TVA to obtain said metering data by remote telephone access. TVA will assist Cooperative in determining the equipment to be utilized, but it is understood that acquisition of such equipment shall be the sole responsibility of Cooperative.

It is recognized that Cooperative may wish to obtain access to metering outputs from TVA's metering equipment for such purposes as monitoring and load control and that TVA is willing to make such access available at no charge to Cooperative. Accordingly, Cooperative may, at such time as it deems appropriate, provide and install at its expense such additional facilities as are necessary for obtaining access to metering outputs hereunder, including the provision and installation of a cable to be connected by TVA to a terminal block in TVA's meter cabinet. Cooperative will keep TVA informed as to Cooperative's plans for installation of said cable to the extent necessary and practicable. Cooperative will neither install any facilities which are to be connected to TVA's metering equipment, nor, once installed, change them, without prior written notification from TVA that such installation or change is satisfactory to TVA. It is understood that the arrangements set out under this paragraph may be terminated by TVA or Cooperative at any time upon at least 120 days' prior written notice to the other party. As soon as practicable following the effective date of such termination, TVA will disconnect said metering cable from said terminal block.

It is recognized that the metering installation, including the Electronic Meter, is installed, operated, and maintained for measuring the power and energy taken by Cooperative at the Westmoreland 161-kV Substation. In recognition of the allowance of access to the metering outputs at no charge to Cooperative, it is understood and agreed that Cooperative shall reimburse TVA for any damage to TVA's property and to property in TVA's custody, and Cooperative hereby waives, and releases the United States of America, TVA, and their agents and employees from, and shall indemnify and save

W111693

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Mr. Tom Price Thompson, Jr.

Page 4

November 16, 1993

harmless the United States of America, TVA, and their agents and employees from, any and all claims, demands, or causes of action, including, without limitation, those for personal injuries, property damage, loss of life or property, or consequential damages sustained by Cooperative, its agents or employees, or third parties, arising out of or in any way connected with (a) any of Cooperative's or TVA's work performed under this agreement to allow Cooperative access to the metering outputs or (b) Cooperative's exercise of access to the metering outputs; provided, however, that the provisions of this sentence shall apply only if the personal injuries, property damage, loss of life or property, consequential damages, or other damage or loss is caused by the negligence or other wrongful act or omission of Cooperative or its agents or employees.

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

In exercising its access to metering outputs hereunder Cooperative shall not interfere with TVA's operation and use of the Electronic Meter. In this regard Cooperative agrees to immediately modify its facilities and operations in any manner as may be requested by TVA to avoid any such interference.

Except as otherwise provided for herein, the metering installation, including the Electronic Meter, at the Westmoreland 161-kV 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

W111693

5824M

Mr. Tom Price Thompson, Jr.

Page 5

November 16, 1993

portion of such installation provided and installed by TVA. Cooperative at its expense shall as requested by TVA from time to time perform necessary maintenance (including making of replacements) of the remaining portion of the metering installation; provided, however, that TVA will furnish for installation by Cooperative any replacements required for the current and voltage transformers, metering cables, and test boxes. TVA will place its seals on the meters and metering facilities in said metering installation, and Cooperative shall assure that said seals are not broken except upon request by TVA.

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

5. Effective as of the date (161-kV Delivery Date) on which Cooperative first takes power at 161 kV at the Westmoreland 161-kV Substation, section 3 of the Power Contract is hereby amended by striking from the tabulation appearing therein all references to the 69-kV delivery point at the Westmoreland Substation and substituting therefor the following:

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

Effective as of the 161-kV Delivery Date, the respective amounts of power and energy measured by the meters in the 13-kV revenue metering installation at the Westmoreland 161-kV Substation shall be appropriately adjusted to account for losses and non-metered station service usage (if any) to reflect delivery at the 161-kV delivery point specified above, and such adjusted amounts shall be used for billing purposes under the Power Contract. Cooperative shall furnish TVA such loss data as may be necessary from time to time to permit TVA to determine the losses in Cooperative's facilities.

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

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Mr. Tom Price Thompson, Jr.

Page 6

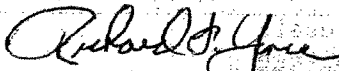
November 16, 1993

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 Cooperative offer or give, directly or indirectly, to any officer, employee, special Government employee, or agent of TVA any gift, gratuity, favor, entertainment, loan, or any other thing of monetary value, except as provided in 5 C.F.R. part 2635 (as amended, supplemented, or replaced). Breach of this provision shall constitute a material breach of this agreement.

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

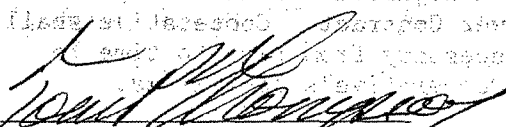
If this letter satisfactorily sets forth our understandings, please have a duly authorized officer execute three counterparts on behalf of Cooperative and return them to the TVA customer service center. Upon execution by TVA, this letter shall be a binding agreement, and a fully executed counterpart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

Sincerely,

  
Richard F. Yonce  
Manager of Business Resources

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

TRI-COUNTY ELECTRIC  
MEMBERSHIP CORPORATION

By   
President

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5824M





*File TVA contact*



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

March 30, 1994

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

Dear Mr. Nuckols:

Enclosed for your permanent files is a fully executed copy of Letter of Understanding TV-52337A, Supplement No. 35, dated December 15, 1993, covering trial billing arrangements for wholesale billing payments to TVA on an estimated basis.

Sincerely,

*John D. Humphries*

*for* Myron N. Callahan  
Manager  
Kentucky Customer Service Center

Enclosure



TV-52337A  
Supp No. 35

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

December 15, 1993

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

Dear Mr. Nuckols:

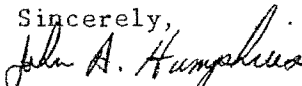
This is to confirm the understanding between Tri-County EMC and TVA relative to amending a letter agreement dated September 14, 1993, which covers a trial billing arrangement whereby Tri-County EMC would make monthly wholesale billing payments to TVA on an estimated basis and TVA would make an annual adjustment to reconcile the difference between estimated bill payments and actual wholesale charges incurred. This amendment is to revise the estimated monthly payment of facilities rental charges so as to reflect Tri-County EMC's conversion of the Westmoreland and Hartsville 69-kV delivery points to 161 kV, effective with the December 1993, billing month.

Therefore, effective with the December 1993, billing month, the above referenced letter agreement is hereby amended by modifying Item 8 to read as follows:

8. Tri-County EMC will include, for estimated billing payment purpose, a monthly amount of \$13,723.56 for wholesale facilities rental charges. TVA may request Tri-County to revise this estimated amount from time to time as TVA determines necessary to better approximate the actual level of wholesale facilities rental charges then incurred by Tri-County EMC.

If this correctly reflects the understanding between your system and TVA, please so indicate by signing in the space provided below and returning two copies to me. The original is for your files.

Sincerely,

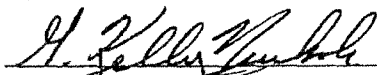
  
John A. Humphreys

for Myron N. Callahan  
Manager  
Kentucky Customer Service Center

Accepted and agreed to as of  
the 30<sup>th</sup> day of December, 1993.

TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION

By

  
General Manager



RECEIVED  
AUG 23 1994  
JH

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

August 16, 1994

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

Dear Mr. Nuckols:

TEXAS EASTERN TRANSMISSION CORPORATION

Enclosed are two fully executed copies of Power Supply Contract TV-88537U and one fully executed copy of Agreement TV-52337A, Supplement No. 36, both dated October 31, 1993, covering supply of firm and supplemental power to Texas Eastern Transmission Corporation for operation of their gas compressor station near Tomkinsville, Kentucky.

Please forward one copy of the contract to the company for their permanent files.

Sincerely,

*John D. Humphries*  
for Myron N. Callahan  
Manager  
Kentucky Customer Service Center

Enclosures

8/23/94 LK  
Laura: Please forward to Texas Eastern.  
Thanks  
JH

AGREEMENT

between

TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION

TENNESSEE VALLEY AUTHORITY

DATE: October 31, 1993

TV- 52337A

Supp. No. 36

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

W I T N E S S E T H :

WHEREAS, under Power Contract TV-52337A, dated July 18, 1979, as amended (Power Contract), electric power and energy are supplied by TVA at wholesale and purchased by Distributor for resale; and

WHEREAS, TVA, Distributor, and Texas Eastern Transmission Corporation (Company) have entered into a contract of even date herewith (Company Contract) covering arrangements under which TVA will make available to Distributor for resale to Company a supply of firm power and of supplemental power for operation of Company's gas compressor station near Tompkinsville, Kentucky; and

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

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

SECTION 1 - TERM OF AGREEMENT

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

## SECTION 2 - BILLING DATA

Data obtained from the TVA Metering Installation referred to in the Company Contract will be used by Distributor for the purposes of determining the power and energy taken by Company and by TVA for determining applicable adjustments for Distributor's wholesale bill. Accordingly, TVA will supply Distributor 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 that power was scheduled, and the price for that power, so that Distributor may be able to calculate Company's bill for firm and supplemental power and energy. In order to facilitate TVA's preparation of the bill to Distributor for power and energy made available under the Power Contract, each month Distributor shall furnish to TVA a copy of Distributor's bill to Company for power and energy made available under the Company Contract when it is rendered.

## SECTION 3 - ADJUSTMENTS TO DISTRIBUTOR'S WHOLESALE BILLING

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

3.1 Firm Power and Energy. Distributor will be billed demand and energy charges as provided in the wholesale rate schedule (Wholesale Schedule), which is contained in the Schedule of Rates and Charges attached to and made a part of the Power Contract, for any firm power and energy resold under the Company Contract; provided, however, that for the purposes of calculating said charges, the terms "metered onpeak demand" and "metered offpeak demand" in the Wholesale Schedule shall be deemed to refer to the "onpeak metered demand" and "offpeak metered demand" as determined in accordance with the Determination of Onpeak and Offpeak Demands and Energy Amounts section of the time-of-day resale rate schedule applicable for billing Company, except that in making such determination, the load metered in kW during any 30-consecutive-minute period beginning or ending on a clock hour of the month shall first be adjusted by deducting therefrom the kW amount, if any, of supplemental power (not to exceed such metered kW amount) scheduled during that period.

3.2 Supplemental Power and Energy. (a) The total dollar amount of base demand and energy charges calculated under the Wholesale Schedule shall be increased by adding thereto an amount equal to (i) Distributor's monthly charges to Company for supplemental power and energy (as determined under the Company Contract) divided by (ii) a factor of 1.03 to reflect losses.

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

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

**SECTION 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 from it unless the agreement be made with a corporation for its general benefit. Distributor shall not offer or give, directly or indirectly, to any officer, employee, special Government employee, or agent of TVA any gift, gratuity, favor, entertainment, loan, or any other thing of monetary value, except as provided in 5 C.F.R. part 2635 (as amended, supplemented, or replaced). Breach of this provision shall constitute a material breach of this agreement.

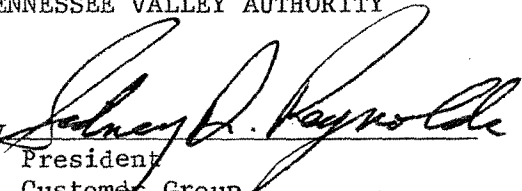
**SECTION 5 - AFFIRMATION OF POWER CONTRACT**

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

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


TENNESSEE VALLEY AUTHORITY

By

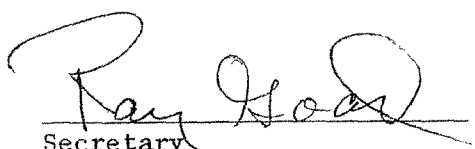
  
President  
Customer Group

TRI-COUNTY ELECTRIC  
MEMBERSHIP CORPORATION

By

  
President

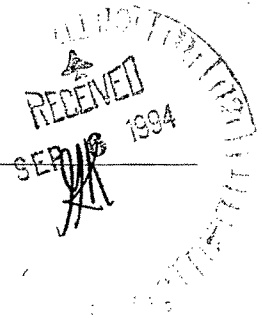
Attest:

  
Secretary

Route Kelly-Laura (file)



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



September 2, 1994

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

Dear Mr. Nuckols:

Enclosed for your permanent files is a fully executed copy of the agreement TW-52337A, Supplement No. 37, dated June 1, 1994, covering the implementation of the Large Manufacturer Bill Credit Program.

Sincerely,

*Bruce Hinton*

*for* Myron N. Callaham  
Manager  
Kentucky Customer Service Center

Enclosure

LARGE MANUFACTURER BILL CREDIT AGREEMENT

Between

TENNESSEE VALLEY AUTHORITY

And

TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION

THIS AGREEMENT, made and entered into as of the 1st day of June, 1994, by and between TENNESSEE VALLEY AUTHORITY (TVA), a corporation created and existing under and by virtue of the Tennessee Valley Authority Act of 1933, as amended (TVA Act), and TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION (Distributor), a cooperative corporation created 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, as amended (Power Contract), under which electric power and energy are supplied by TVA at wholesale and purchased by Distributor for resale; and

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

any of its obligations under this agreement or by the negligence or other wrongful acts of TVA or its agents or employees.

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

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

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

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

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

TENNESSEE VALLEY AUTHORITY

By *Richard P. Jones*  
Manager of Business Resources

Attest:

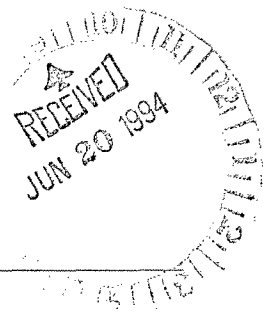
TRI-COUNTY ELECTRIC  
MEMBERSHIP CORPORATION

*Jack Asgathump*  
Secretary

By *James E. Carter*  
President



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



June 17, 1994

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

Dear Mr. Nuckols:

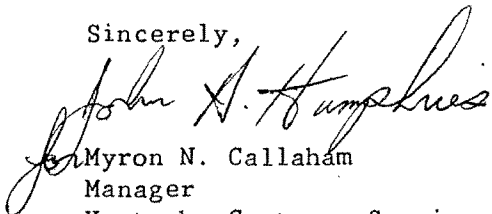
Enclosed are four copies of an agreement covering implementation of the Large Manufacturer Bill Credit Program for your system.

The program will begin with your July 1994 revenue month. Under the program, bill credits will be applied to the bills of manufacturing accounts where the activities being conducted are classified with Standard Industrial Classification codes between 20 and 39, inclusive. The credit will be equal to 5 percent of the portion of the customers' monthly bill calculated under the Base Charges section of distributors' applicable General Power Rate Schedule and will only be applied in months in which the metered demand at that account exceeds 5,000 kW.

Customers that meet the eligibility requirements of the program must submit an application form for approval by TVA. Credits should not be applied for any account until the form has been received and approved by TVA. A brief summary of the program and the application form are enclosed for your information.

Upon execution by your system, please return three copies of each agreement to me for further handling. If you have any questions on this matter, please contact John Humphries at 502-781-7653.

Sincerely,



John A. Humphries  
Myron N. Callahan  
Manager  
Kentucky Customer Service Center

Enclosures

TRI-COUNTY  
ELECTRIC MEMBERSHIP  
CORPORATION



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

June 24, 1994

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

RE: 5% Manufacturing Credit Agreements

Dear John:

Please find enclosed three (3) partially executed agreements covering implementation of the Large Manufacturer Bill Credit Program. For information purposes the agreements were signed by our Officers that were elected at the May 19, 1994 Board Meeting: President, Dr. James E. Carter and Secretary, Jack Osgatharp.

Also, for your information, Robert Celsor is our Vice-President.

Sincerely,

G. KELLY NUCKOLS  
General Manager

lk

Enclosures (3)

WHOLESALE ADJUSTMENT AGREEMENT  
Between  
TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION  
(Distributor)  
And  
TENNESSEE VALLEY AUTHORITY  
(TVA)

DATE: August 13, 1994

TV-52337A, Supp. No. 38

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

W I T N E S S E T H:

WHEREAS, Distributor purchases power from TVA for resale under a contract dated July 18, 1979, as amended (Power Contract); and

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

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

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

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

**SECTION 1 - EFFECTIVE DATE**

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

## SECTION 2 - ADJUSTMENTS TO DISTRIBUTOR'S WHOLESALE BILLING

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

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

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

2.4 ESP Charges. With regard to any Company Contract:

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

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



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

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

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

**SECTION 3 - RATIFICATION OF POWER CONTRACT.**

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

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

Attest:

TRI-COUNTY ELECTRIC  
MEMBERSHIP CORPORATION

/s/ Jack Osgatharp  
Secretary

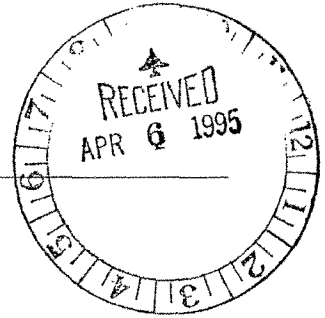
By /s/ James E. Carter  
President

TENNESSEE VALLEY AUTHORITY

By /s/ Sidney D. Reynolds  
Senior Vice President (Acting)  
Customer Group



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



April 3, 1995

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

Dear Mr. Nuckols:

Enclosed for your permanent records is a fully executed copy of Agreement TV-52337A, Supplement No. 39, dated May 5, 1994, covering implementation of the Enhanced Growth Credit Program.

Sincerely,

*Bruce Heston*

*for* Myron N. Callaham  
Manager  
Kentucky Customer Service Center

Enclosure

**Tri-County**  
*Electric*  
**Membership Corporation**  
www.tcemc.org

405 College Street  
P. O. Box 40  
Lafayette, TN 37083-0040

Telephone: (615) 666-2111  
Toll Free: 1-800-369-2111  
Fax: (615) 688-2141

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August 23, 2007

Mr. Myron N. Callaham  
General Manager – Customer Service – Kentucky  
Tennessee Valley Authority  
6045 Russellville Road  
Bowling Green, KY 42101-7319

RE: TV-52337A, Suppl. No. 39

Dear Myron:

Please find enclosed two (2) executed duplicate originals of the above referenced Agreement (Reference TV-52337A, Suppl. No.39) regarding amendments to the Enhanced Growth Credit Program.

Please return a fully executed copy for our files.

If additional information is needed, please advise.

Sincerely,



PAUL THOMPSON  
Executive Vice President and General Manager  
Tri-County Electric Membership Corporation

Enclosures (2)

C: Ken Witcher

ENHANCED GROWTH CREDIT PROGRAM AGREEMENT  
Between  
TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION  
And  
TENNESSEE VALLEY AUTHORITY

DATE: May 5, 1994

TV-52337A, Supp. No. 39

THIS AGREEMENT, made and entered into between TENNESSEE VALLEY AUTHORITY (TVA), a corporation created and existing under and by virtue of the Tennessee Valley Authority Act of 1933, as amended (TVA Act), and TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION (Distributor), a cooperative corporation created 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 entered into a contract dated July 18, 1979, as amended (Power Contract), under which electric power and energy are supplied by TVA at wholesale and purchased by Distributor for resale; and

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

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

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

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

**SECTION 1 - ELIGIBILITY**

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

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

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

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

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

## SECTION 2 - CREDITS

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

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

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

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

### **SECTION 3 - TERMINATION OF ADDITIONAL PARTICIPATION**

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

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

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

### **SECTION 4 - OPERATING REPRESENTATIVES**

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

### **SECTION 5 - INDEMNITY**

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

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

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

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

#### **SECTION 6 - RESTRICTION OF BENEFITS**

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

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

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

#### **SECTION 8 - AFFIRMATION OF POWER CONTRACT**

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

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

Attest:

TRI-COUNTY ELECTRIC  
MEMBERSHIP CORPORATION

Jack Osguthorpe  
Secretary

By James E. Cortes  
President

TENNESSEE VALLEY AUTHORITY

By William C. Batts  
for Senior Vice President  
Customer Group



## EGC PARTICIPATION AGREEMENT GUIDELINES

### GUIDELINE 1 -- DEFINITION OF TERMS

As used in these guidelines:

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

- (a) Standard Service Schedules GSA, GSB, GSC, or GSD, or
- (b) Time-of-Day Service Schedules TGSA, TGSB, TGSC, or TGSD;

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

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

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

#### 1.4 Contract Demand

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

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

#### 1.5 Actual Firm Demand

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

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

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

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

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

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

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

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

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

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

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

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

## **GUIDELINE 2 - NEW CUSTOMERS**

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

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

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

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

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

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

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

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

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

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

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

### GUIDELINE 3 - EXPANSION CUSTOMER

#### 3.1 Qualification

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

#### GUIDELINE 4 - CREDITS.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

TRI-COUNTY  
ELECTRIC MEMBERSHIP  
CORPORATION



52337 A  
P. O. BOX 40 • 405 COLLEGE STREET  
LAFAYETTE, TENNESSEE 37083-0040  
PHONE (615) 666-2111

February 28, 1995

Mr. Myron N. Callaham  
Manager  
Kentucky Customer Service Center  
Tennessee Valley Authority  
P. O. Box 20260  
Bowling Green, KY 42102

RE: LETTER AGREEMENT COVERING ENHANCED GROWTH CREDIT PROGRAM

Dear Myron:

Per your written request dated January 19, 1995, please find enclosed three (3) executed copies of the letter agreement to revise the above referenced agreement effective as of May 5, 1994. This revised agreement includes the modifications made by the TVPPA Rates and Contracts Committee.

We have retained a copy for our files.

Sincerely,

*Laura L. Kurlay*

*for*

G. KELLY NUCKOLS  
General Manager

lk

Enclosures (3)

bc: *James White*  
*Jackie Woodard*

*LK*  
*02/28/95*



*File  
TVA  
agreements*



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

April 13, 1995

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

Dear Mr. Nuckols:

Enclosed for your permanent records is a photocopy of the completed Letter of Understanding ~~TW-52337A~~ Supplement No. 40, dated March 9, 1995, covering trial billing arrangements for wholesale billing payments to TVA on an estimated basis.

Sincerely,

*Bruce D. Hinton*

*for* Myron N. Callaham  
Manager  
Kentucky Customer Service Center

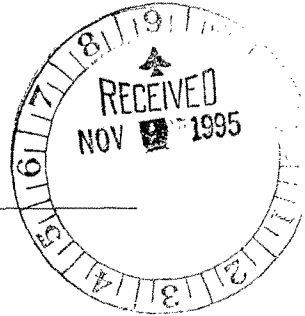
Enclosure





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

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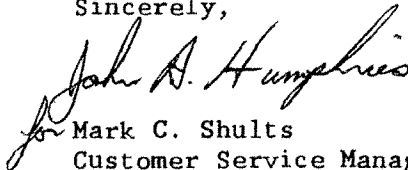
November 8, 1995

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

Dear Mr. Callis:

Enclosed for your permanent files is a fully executed copy of Letter Agreement TV-52337A, Supplement No. 41, dated May 23, 1995, covering the 13-kV revenue metering arrangement at your South Scottsville 161-kV Substation.

Sincerely,

*for* 

Mark C. Shults  
Customer Service Manager  
Kentucky Customer Service Center

Enclosure



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

May 23, 1995

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

Dear Mr. <sup>Lonas:</sup> ~~Carter:~~

This will confirm the arrangements developed between representatives of Tri-County Electric Membership Corporation (Cooperative), and the Tennessee Valley Authority (TVA) relative to amending Lease and Amendatory Agreement TV-21448A, Supplement No. 12, dated May 24, 1978, as amended (1978 Agreement), to provide for an additional 13-kV revenue metering installation (New Metering Installation) at the South Scottsville 161-kV Substation.

It is understood and agreed that:

1. TVA at its expense shall provide and install, in a mutually satisfactory location on the 13-kV side of the second 161-13-kV power transformer bank being installed by Cooperative at the South Scottsville 161-kV Substation, the revenue meter, meter cabinet, and related items necessary to determine the power and energy taken by Cooperative through said transformer bank at said substation. Said revenue meter shall be a solid-state type with telephone dial-up feature (Electronic Meter) which utilizes a telephone circuit for various data transmission and communication purposes (such as remote meter reading and data retrieval). Cooperative shall, at its expense and in accordance with plans and specifications furnished or approved by TVA, install, on the source side of any station service transformer and any voltage correction equipment at said substation, the metering current and voltage transformers which are to be furnished by TVA and provide and install all other facilities required for the metering installation, including the foundation (if necessary) for TVA's meter cabinet, primary connections from said metering transformers to Cooperative's facilities, and the conduit (together with any required test boxes) and cable extending from the metering transformer secondaries to said meter cabinet, except that TVA will furnish said cable and test boxes. TVA shall coordinate its work hereunder

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Mr. Carl D. Lonas

~~Dr. James B. Carter~~

Page 2

May 23, 1995

with the work of Cooperative to the extent necessary and practicable. Cooperative hereby grants to TVA the right to install, operate, maintain, test, calibrate, repair, replace, and remove TVA's meter, meter cabinet, and related items in said substation; and TVA shall have free access to said metering facilities at all times.

2. For TVA's metering purposes described above, Cooperative shall at its expense (a) make the changes necessary in its existing telephone circuit so as to permit the connection by TVA of said circuit to TVA's Electronic Meter, (b) provide and install, or cause to be installed, a conduit (necessary to protect said telephone circuit) extending from TVA's meter cabinet to a location specified by TVA, and (c) thereafter operate and maintain said telephone circuit (and conduit) for TVA's use. Said telephone circuit shall be installed in accordance with guidelines and specifications furnished or approved by TVA. In exchange for the use of Cooperative's telephone circuit, TVA hereby agrees to permit Cooperative remote access to TVA's metering data through use of the telephone circuit. In addition, TVA hereby also agrees to permit Cooperative access to the metering information available from the readout display of the Electronic Meter. The use of the telephone circuit and access to TVA's metering data will be coordinated by TVA's and Cooperative's operating representatives to ensure unrestricted telephone access by TVA for data retrieval purposes during such periods as specified by TVA. It is recognized that Cooperative will require equipment not provided by TVA to obtain said metering data by remote telephone access. TVA will assist Cooperative in determining the equipment to be utilized, but it is understood that acquisition of such equipment shall be the sole responsibility of Cooperative.

It is recognized that Cooperative may wish to obtain access to metering outputs from TVA's metering equipment for such purposes as monitoring and load control and that TVA is willing to make such access available at no charge to Cooperative. Accordingly, Cooperative may, at such time as it deems appropriate, provide and install at its expense such additional facilities as are necessary for obtaining access to metering outputs hereunder, including the provision and installation of a cable to be connected by TVA to a terminal block in TVA's meter cabinet. Cooperative will keep TVA informed as to Cooperative's plans for installation of said cable to the extent necessary and practicable. Cooperative will neither install any facilities which are to be connected to TVA's metering equipment, nor, once installed, change them, without prior written notification from TVA that such installation or change is satisfactory to TVA. It is understood that the arrangements set out under this paragraph may be terminated by TVA or Cooperative at

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Mr. Carl D. Lonas

~~XXXXXXXXXXXX~~

Page 3

May 23, 1995

any time upon at least 120 days' written notice to the other party. As soon as practicable following the effective date of such termination, TVA will disconnect said metering cable from said terminal block.

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

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

Except as otherwise provided for herein, the 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 such installation provided and installed by TVA. Cooperative at its expense shall as requested by TVA from time to time perform necessary maintenance (including making of replacements) of the remaining portion of the metering installation; provided, however, that TVA will furnish for installation by Cooperative any replacements required for the current and voltage transformers, metering cable, and test boxes. TVA will place its seals on the meter and metering facilities in said metering installation, and Cooperative shall assure that said seals are not broken except upon request by TVA.

3. Any plans, specifications, requirements, guidelines, or coordination, and any review or approvals, provided by TVA hereunder are only for TVA's purposes, which

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Mr. Carl D. Lonas

~~Dr. James E. Carter~~

Page 4

May 23, 1995

include helping to assure (a) the safe and efficient operation of TVA's facilities and (b) that the arrangements provided for hereunder do not cause undue hazards to TVA's facilities and operations. They are not to be construed as confirming or endorsing such arrangements for Cooperative's purposes.

4. 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 renewal, extension, or replacement thereof.

5. The 1978 Agreement, as amended by this agreement, is hereby ratified and confirmed as the continuing obligation of the parties.

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


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Mr. Carl D. Lonas  
~~Ex James E. Carter~~  
Page 5  
May 23, 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,

  
for Richard F. Yonce  
Manager of Business Resources  
Customer Group

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

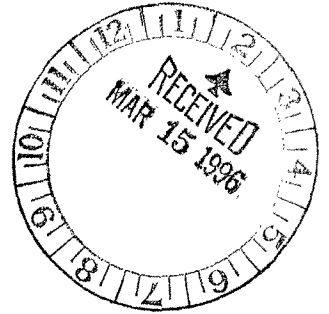
TRI-COUNTY ELECTRIC  
MEMBERSHIP CORPORATION

By   
President

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



March 12, 1996

David Callis, Interim Manager  
Tri-County EMC  
Post Office Box 40  
Lafayette, Tennessee 37083

Dear Mr. Callis:

Enclosed for your permanent files is one fully executed copy of Letter Agreement TV-52337A, Supplement No. 42, dated December 4, 1995, covering arrangements for TVA's use of the Dale Hollow-Tompkinsville-Summer Shade (Double-Circuit) No. 1 and No. 2, 69-kV Transmission Lines in accordance with Lease and Amendatory Agreement TV-52337A, Supplement No. 13, dated May 1, 1987.

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

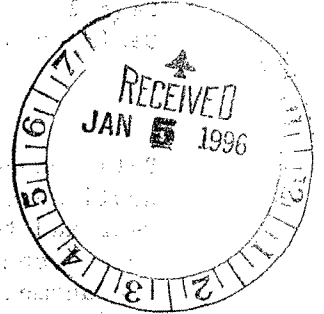
Sincerely,

for Mark C. Shults  
Customer Service Manager  
Kentucky Customer Service Center

Enclosures (1)



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.

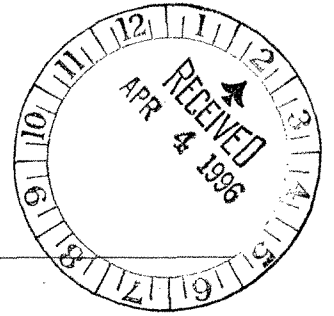
TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION

By Carl D Lonas  
President

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



April 1, 1996

David M. Callis, Interim Manager  
Tri-County EMC  
Post Office Box 40  
Lafayette, Tennessee 37083-0040

Dear Mr. Callis:

Enclosed for your permanent files is one fully executed copy of Agreement TV-52337A, supplement No. 43, dated February 6, 1996, to amend the transfer of power contract section of the power contract.

If you have questions or need additional information, please contact John Humphries at 501-781-7653.

Sincerely,

A handwritten signature in cursive script that reads "John A. Humphries".

John A. Humphries

Mark C. Shults  
Customer Service Manager  
Kentucky Customer Service Center

Enclosure (1)

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

DATE: February 6, 1996

TV-52337A, Supp. No. 43

THIS AGREEMENT, made and entered into between TENNESSEE VALLEY AUTHORITY (TVA), a corporation created and existing under and by virtue of the Tennessee Valley Authority Act of 1933, as amended (TVA Act), and TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION (Distributor), a cooperative corporation created 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 entered into a contract dated July 18, 1979, as amended (Power Contract), under which electric power and energy are supplied by TVA at wholesale and purchased by Distributor for resale; and

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

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

**SECTION 1 - POWER CONTRACT AMENDED**

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

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

**SECTION 2 - TERM**

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

**SECTION 3 - POWER CONTRACT AFFIRMED**

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

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

Attest:

TRI-COUNTY ELECTRIC  
MEMBERSHIP CORPORATION

*M. L. Stone*  
Secretary

By *Carl D. Lonas*  
President

TENNESSEE VALLEY AUTHORITY

By *R. H. Goodson for*  
Senior Vice President  
Customer Group

*X. Greening*

*D. Callis*

*J. Woodard*



*LK*

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



April 30, 1996

Gerald W. Freehling, General Manager  
Tri-County Electric Membership Corporation  
Post Office Box 40  
Lafayette, TN 37083-0040

Enclosed for your permanent files is a fully executed copy of Resale Rate Schedule \*  
Substitution Agreement TV-52337A, Supplement No. 44, dated February 26, 1996.

Sincerely,

*John A. Humphreys*

*for* Mark C. Shults  
Customer Service Manager  
Kentucky Customer Service Center

Enclosure

February 26, 1996

RESALE RATE SCHEDULE SUBSTITUTION AGREEMENT  
Between  
TENNESSEE VALLEY AUTHORITY (TVA)  
And  
TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION (DISTRIBUTOR)

Distributor and TVA agree to substitute the new resale rate schedule specified in (a) below, a copy of which is attached, for the resale rate schedule specified in (b) below, which is now in effect under provisions of the Power Contract dated July 18, 1979, between TVA and Distributor. This substitution is to be effective for all bills rendered from resale meter readings taken for revenue months of Distributor beginning with the January 1996 revenue month.

- (a) New resale rate schedule:  
Outdoor Lighting Rate--Schedule LS (January 1996)
- (b) Existing resale rate schedule:  
Outdoor Lighting Rate--Schedule LS (June 1993)

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

TRI-COUNTY ELECTRIC  
MEMBERSHIP CORPORATION

By Carl W. Loras  
President

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

TENNESSEE VALLEY AUTHORITY

By R.H. Goodson  
General Manager  
Business Development  
Customer Group

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**TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION**

**OUTDOOR LIGHTING RATE--SCHEDULE LS**

(January 1996)

Availability

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

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

Payment

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

Adjustment

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

---

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

- I. Energy Charge: 4.159¢ 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 kilowatthours used for street and park lighting during the fiscal year immediately preceding the fiscal year in which such month occurs.

Metering

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

## Revenue and Cost Review

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

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

#### Charges Per Fixture Per Month

<u>(a) Type of Fixture</u>	<u>Lamp Size</u> <u>(Watts)</u>	<u>(Lumens)</u>	<u>Rated</u> <u>kWh</u>	<u>Facility</u> <u>Charge</u>
Mercury Vapor or Incandescent	175	7,650	70	\$ 3.05
	400	19,100	155	\$ 3.20
High Pressure Sodium	100	8,550	42	\$ 4.48
	200	18,900	82	\$ 4.79
	400	45,000	165	\$ 5.03
Metal Halide	400	45,000	159.2	\$ 7.38
	1,000	125,000	397.8	\$ 8.46

(b) Energy Charge: For each lamp size under (a) above, 4.159¢ per rated kWh per month

#### Additional Facilities

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

#### Lamp Replacements

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

### Special Outdoor Lighting Installations

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

---

Service is subject of Rules and Regulations of Distributor.

TRI-COUNTY  
ELECTRIC MEMBERSHIP  
CORPORATION



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

June 28, 1996

Mr. John Humphries  
TVA  
P. O. Box 20260  
Bowling Green, KY 42102-6260

RE: General Electric Company

Dear John:

Per your telephone request, please find enclosed the "missing" Power Contract TV-52337A between TVA, Tri-County EMC and the General Electric Company.

#45

Sorry for the delay.

Sincerely,

LAURA L. KIRBY  
Administrative Assistant

lk

Enclosure

**AGREEMENT**  
**Between**  
**TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION**  
**and**  
**TENNESSEE VALLEY AUTHORITY**

DATE: May 13, 1996

TV-52337A, Supp. No. 45

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

**WITNESSETH:**

WHEREAS, under Power Contract TV-52337A, dated July 18, 1979, as amended (Power Contract), electric power and energy are supplied by TVA at wholesale and purchased by Distributor for resale; and

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

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

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

**SECTION 1 - TERM OF AGREEMENT**

This agreement shall become effective as of the effective date of the Company Contract, and shall continue in effect until expiration or termination of the Company Contract, or of the Power Contract, whichever first occurs.

**SECTION 2 - BILLING DATA**

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

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

### **SECTION 3 - ADJUSTMENTS TO DISTRIBUTOR'S WHOLESALE BILLING**

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

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

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

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

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

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

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

Distributor has previously installed a solid-state recorder which utilizes a telephone circuit for various data transmission and communication purposes (Recorder) and which will be used in the determination of the amounts of power and energy taken by Company under the Company Contract. Distributor agrees for TVA to have access to the data stored in said Recorder through the telephone circuit and will provide to TVA any information necessary for the exercise of such access. Distributor further grants to TVA access to the metering facilities for the purpose of confirmation of the metering data being received by telephone. The use of the telephone circuit and access to the metering data will be coordinated by TVA's and Distributor's operating representatives

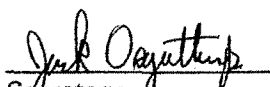
to ensure unrestricted access by TVA for data retrieval purposes during such periods as specified by TVA.

**SECTION 5 - AFFIRMATION OF POWER CONTRACT**

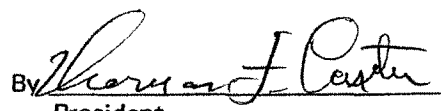
Except as expressly supplemented and amended by this agreement, the Power Contract shall be the continuing obligation of the parties.

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

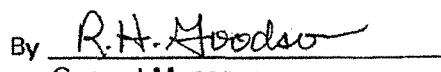
Attest:

  
Secretary

**TRI-COUNTY ELECTRIC  
MEMBERSHIP CORPORATION**

By   
President

**TENNESSEE VALLEY AUTHORITY**

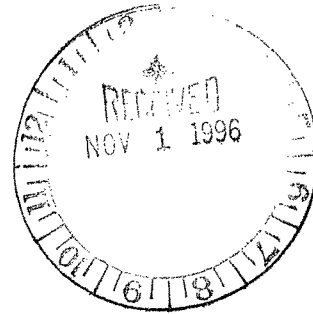
By   
General Manager  
Business Development  
Customer Group



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

October 30, 1996

Gerald W. Freehling, General Manager  
Tri-County Electric Membership Corporation  
Post Office Box 40  
Lafayette, TN 37083-0040

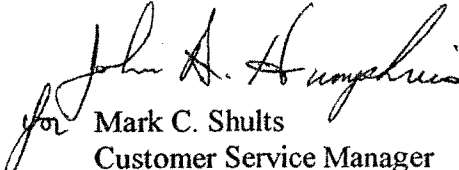


Dear Mr. Freehling:

**WHOLESALE BILLING PILOT**

Enclosed for your permanent files is a fully executed copy of Letter Agreement TV-52337A, Supplement No. 46, dated March 25, 1996, and TV-52337A, Supplement No. 47, dated September 17, 1996, covering revisions to the wholesale billing arrangement.

Sincerely,

  
for Mark C. Shults

Customer Service Manager  
Kentucky Customer Service Center

Enclosures (2)





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

March 25, 1996

Mr. David M. Callis, Interim Manager  
Tri-County EMC  
Post Office Box 40  
Lafayette, Tennessee 37083-0040

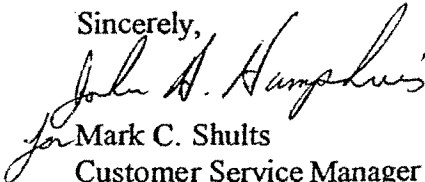
Dear Mr. Callis:

This is to confirm the understanding between Tri-County Electric Membership Corporation and TVA relative to amending a letter agreement dated September 14, 1993 (TV-52337A, Supp. No. 31), which covers a trial billing arrangement for wholesale billing payments to TVA on an estimated basis.

Effective with the February 1996 billing month, (a) the loss factor being used to estimate monthly distribution loss charges will be changed from 6.500 percent to 7.25 percent and (b) the estimated monthly payment for wholesale facilities rental charges will be \$14,000.

If this letter correctly states our understanding, please so indicate by signing in the space provided below for each of the three duplicates enclosed. Please return two signed duplicates to us and retain one for your files.

Sincerely,

  
for Mark C. Shults

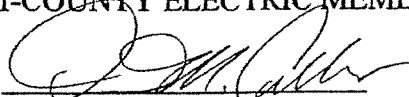
Customer Service Manager  
Kentucky Customer Service Center

Enclosures

Accepted and agreed to as of  
the 29<sup>th</sup> day of March, 1996.

TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION

By

  
General Manager



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

September 17, 1996

Gerald W. Freehling, General Manager  
Tri-County EMC  
Post Office Box 40  
Lafayette, Tennessee 37083-0040

Dear Mr. Freehling:

This is to confirm the understanding between Tri-County Electric Membership Corporation and TVA relative to amending a letter agreement dated September 14, 1993 (TV-52337A, Supp. No. 31), which covers a trial billing arrangement for wholesale billing payments to TVA on an estimated basis.

Effective with the October 1996 billing month, (a) the loss factor being used to estimate monthly distribution loss charges will be changed from 7.25 percent to 6.5 percent and (b) the estimated monthly payment for wholesale facilities rental charges will be \$15,784.92.

If this letter correctly states our understanding, please so indicate by signing in the space provided below for each of the three duplicates enclosed. Please return two signed duplicates to us and retain one for your files.

Sincerely,

A handwritten signature in cursive script that reads "Mark C. Shults".

Mark C. Shults  
Customer Service Manager  
Kentucky Customer Service Center

Enclosures

Accepted and agreed to as of  
the 23rd day of September, 1996.

TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION

By A handwritten signature in cursive script that reads "Gerald W. Freehling".  
General Manager

J. Yachi

RK 2/06/95



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

47

RECEIVED  
DEC 23 1994

December 28, 1994

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

Dear Mr. Nuckols:

As you know, we recently sent for your consideration a proposed agreement to implement the ~~Advanced Growth Credit Program~~

Since that time, we have been discussing the agreement with TVPPA's Rates and Contracts Committee. The committee had several suggested revisions, which are highlighted on the enclosure.

TVA is agreeable to incorporating these revisions into the Program Agreement. We will be getting in touch with you soon to discuss how you would like to proceed on this.

If you have any questions, please call Bruce Hinton at 502-781-7653.

Sincerely,

*Bruce Hinton*

*for* Myron N. Callahan  
Manager  
Kentucky Customer Service Center

Enclosure

ENHANCED GROWTH CREDIT PROGRAM AGREEMENT  
REVISED PROVISIONS

BASE AGREEMENT

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

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

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

SECTION 5 - INDEMNITY

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

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

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

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

#### EGC PARTICIPATION AGREEMENT GUIDELINES

##### 1.4 Contract Demand

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

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

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



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

April 16, 1997



Gerald W. Freehling, General Manager  
Tri-County Electric Membership  
Corporation  
Post Office Box 40  
Lafayette, Tennessee 37083-0040

Dear Mr. Freehling:

Enclosed for your permanent files is a fully executed copy of the Agreement TV-52337A, Supplement No. 48, dated October 2, 1996, covering elimination of 40-cent surcharge for distributor-served customers and application of credit equal to amount of surcharge.

Sincerely,

*John A. Humphreys*

Mark C. Shults  
Customer Service Manager  
Kentucky

enclosure

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

DATE: October 2, 1996 TV-52337A, Supp. No. 48

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

WITNESSETH:

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

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

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

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

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

**SECTION 1 - DEFINITION OF INTERRUPTIBLE POWER CONTRACT**

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

**SECTION 2 - TERM OF AGREEMENT**

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

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

**SECTION 3 - ELIMINATION OF SURCHARGE TO DISTRIBUTOR CUSTOMERS**

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

**SECTION 4 - WHOLESALE BILLING ADJUSTMENT**

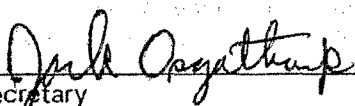
In calculating the wholesale bill during the term of this agreement, in order to enable Distributor to continue to adequately recover its cost of making interruptible power available, with respect to each type of interruptible power available under each Interruptible Power Contract TVA will apply a credit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

**SECTION 5 - AFFIRMATION OF POWER CONTRACT**

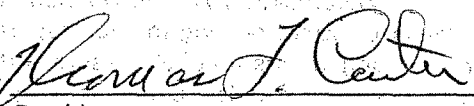
The Power Contract, as amended and supplemented by the provisions of this agreement, is ratified and confirmed as the continuing obligation of the parties.

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

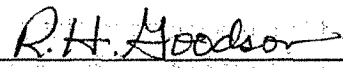
Attest:

  
Secretary

**TRI-COUNTY ELECTRIC  
MEMBERSHIP CORPORATION**

By   
President

**TENNESSEE VALLEY AUTHORITY**

By   
General Manager  
Business Development  
Customer Group





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



January 30, 1998

Mr. David Callis, Manager  
Tri-County Electric Membership Corporation  
Post Office Box 40  
Lafayette, Tennessee 37083

Dear David:

Enclosed please find a fully executed copy of the Resale Rate Schedule Substitution Agreement, TV-52337A, Supplement No. 49, dated October 1, 1997, for Tri-County Electric Membership Corporation.

If you have any questions, please do not hesitate to give me a call at (502) 782-6559.

Sincerely,

A handwritten signature in cursive script that reads 'Mark'.

Mark C. Shults  
Customer Service Manager  
Kentucky

Enclosures

October 1, 1997

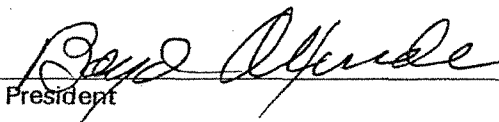
**RESALE RATE SCHEDULE SUBSTITUTION AGREEMENT**  
**Between**  
**TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION (DISTRIBUTOR)**  
**And**  
**TENNESSEE VALLEY AUTHORITY (TVA)**

Distributor and TVA agree to substitute the new resale rate schedules specified in (a) below, copies of which are attached, for the resale rate schedules specified in (b) below, which are now in effect under provisions of the Power Contract dated July 18, 1979, between TVA and Distributor. This substitution is to be effective for all bills rendered from resale meter readings taken for revenue months of Distributor beginning with the October 1997 revenue month.

- (a) New resale rate schedules:  
Residential Rate--Schedule RS (October 1997, R1)  
General Power Rate--Schedule GSA (October 1997, R1)  
Outdoor Lighting Rate--Schedule LS (October 1997, R1)
- (b) Existing resale rate schedules:  
Residential Rate--Schedule RS (June 1993)  
General Power Rate--Schedule GSA (June 1993)  
Outdoor Lighting Rate--Schedule LS (January 1996)

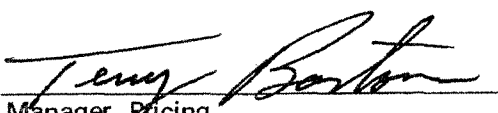
It is understood that, upon execution of this agreement by TVA and Distributor, all references in the Power Contract to the existing resale rate schedules specified in (b) above, or to any predecessor schedules, shall be deemed to refer to the appropriate new resale rate schedules specified in (a) above.

**TRI-COUNTY ELECTRIC  
MEMBERSHIP CORPORATION**

By   
President

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

**TENNESSEE VALLEY AUTHORITY**

By   
Manager, Pricing  
Customer Service and Marketing

# TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION

## RESIDENTIAL RATE--SCHEDULE RS

(October 1997, R1)\*

### Availability

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

### Character of Service

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

### Base Charges

Customer Charge: \$9.98 per month, less

Hydro Allocation Credit: \$2.48 per month

Energy Charge: First 300 kWh per month at 6.300¢ per kWh

Next 700 kWh per month at 6.000¢ per kWh

Additional kWh per month at 5.700¢ per kWh

### Adjustment

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

### Minimum Monthly Bill

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

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

## TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION

### GENERAL POWER RATE--SCHEDULE GSA

(October 1997, R1)\*

#### Availability

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

#### Character of Service

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

#### Base Charges

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

Customer Charge: \$11.50 per delivery point per month

Energy Charge: First 300 kWh per month at 7.250¢ per kWh

Next 600 kWh per month at 6.750¢ per kWh

Additional kWh per month at 6.500¢ per kWh

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

Customer Charge: \$35.00 per delivery point per month

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

Excess over 50 kW of billing demand per month, at \$10.25 per kW

Energy Charge: First 15,000 kWh per month at 6.700¢ per kWh

Additional kWh per month at 3.300¢ per kWh

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

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

Customer Charge: \$50.00 per delivery point per month

Demand Charge: First 1,000 kW of billing demand per month, at \$10.25 per kW

Next 1,500 kW of billing demand per month, at \$11.00 per kW

Excess over 2,500 kW of billing demand per month, at \$11.50 per kW,  
plus an additional

\$11.50 per kW per month for each kW, if any, of the amount by which the  
customer's billing demand exceeds the higher of 2,500 kW or its contract  
demand

Energy Charge: 3.400¢ per kWh per month

### Adjustment

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

### Determination of Demand

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

### Minimum Bill

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

Distributor may require minimum bills higher than those stated above.

### Seasonal Service

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

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

### Contract Requirement

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

### Payment

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

### Single-Point Delivery

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

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Service is subject to Rules and Regulations of Distributor.

**TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION**

**OUTDOOR LIGHTING RATE--SCHEDULE LS**

(October 1997, R1)\*

Availability

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

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

Payment

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

Adjustment

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

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

- I. Energy Charge: 4.500¢ per kWh per month
  
- II. Facility Charge

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

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

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

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 15 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 \$3.50 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 kilowatthours used for street and park lighting during the fiscal year immediately preceding the fiscal year in which such month occurs.

Metering

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



## Revenue and Cost Review

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

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

#### Charges Per Fixture Per Month

<u>(a) Type of Fixture</u>	<u>Lamp Size</u>		<u>Rated</u>	<u>Facility</u>
	<u>(Watts)</u>	<u>(Lumens)</u>	<u>kWh</u>	<u>Charge</u>
Mercury Vapor or Incandescent	175	7,650	70	\$ 3.85
	400	19,100	155	\$ 4.02
High Pressure Sodium	100	8,550	42	\$ 5.61
	200	18,900	82	\$ 6.06
	250	22,500	105	\$ 6.02
	400	45,000	156	\$ 6.23
Metal Halide	400	45,000	159.2	\$ 9.09
	1,000	125,000	397.8	\$ 10.34

(b) Energy Charge: For each lamp size under (a) above, 4.500¢ per rated kWh per month

#### Additional Facilities

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

#### Lamp Replacements

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

### Special Outdoor Lighting Installations

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

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Service is subject of Rules and Regulations of Distributor.

*File*



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

May 1, 1998

Mr. David Callis, Manager  
Tri-County Electric Membership Corporation  
Post Office Box 40  
Lafayette, Tennessee 37083

Dear David:

Enclosed is a fully executed copy of the New Delivery Point agreement TV-52337A, Supplement No. 50, dated November 6, 1997. This agreement covers the arrangements for service to West Tompkinsville 161-kV substation from your tap point to Texas Eastern Pumping Station 161-kV tapline.

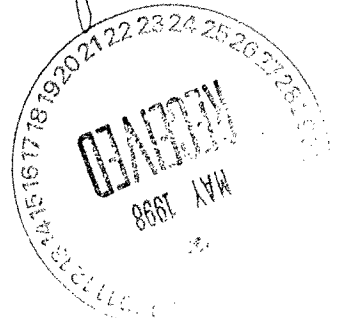
If you should have any questions, please feel free to call me at (502) 782-6559.

Sincerely,

Mark C. Shults  
Customer Service Manager  
Kentucky

Enclosure

*Laura file*



Tri-County Electric  
Membership Corporation

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405 College Street  
P.O. Box 40  
Lafayette, TN 37083-0040

Telephone: (615) 666-2111  
Fax: (615) 666-5009

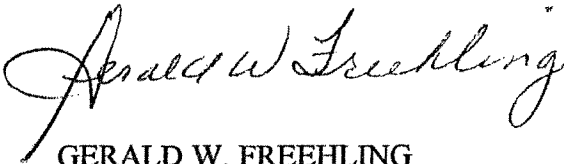
October 24, 1997

Mr. Mark Shults  
Customer Service Manager  
Kentucky Customer Service Center  
Tennessee Valley Authority  
Post Office Box 20260  
Bowling Green, KY 42102-6260

Dear Mark:

Enclosed are the three (3) duplicate endorsed originals of the proposed agreement for the 161-kV delivery point for the West Tompkinsville 161-kV Substation.

Sincerely,



GERALD W. FREEHLING  
General Manager

GWF/lk

Enclosures (3)

**NEW DELIVERY POINT AGREEMENT**  
**Between**  
**TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION**  
**And**  
**TENNESSEE VALLEY AUTHORITY**

DATE: 11/6/97

TV-52337A, Supp. No. 50

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

**WITNESSETH:**

WHEREAS, Distributor purchases power at specified delivery points from TVA for resale under Power Contract TV-52337A, dated July 18, 1979, as amended (Power Contract); and

WHEREAS, Distributor is building the West Tompkinsville 161-kV Substation (New Substation) in West Tompkinsville, Tennessee; and

WHEREAS, the parties wish to amend the Power Contract to add a new delivery point at the New Substation with a target in-service date of November 1, 1998;

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

**SECTION 1 - CONSTRUCTION BY DISTRIBUTOR**

Distributor shall at its expense:

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

**SECTION 2 - CONSTRUCTION BY TVA**

TVA shall at its expense:

(a) provide a 161-kV tap line extending approximately 9 miles from Distributor's tap to the Texas Eastern Pumping Station 161-kV Tapline (at structure 32 ) to the New Substation and

(b) connect this tap line to the New Substation.

**SECTION 3 - AMENDMENT TO POWER CONTRACT**

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

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

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

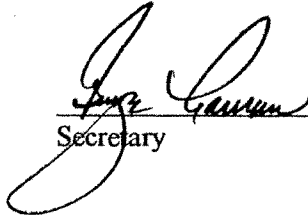
The attached Terms and Conditions are made a part of this agreement. In the event of any conflict between the body of this agreement and the Terms and Conditions, the former shall control.

**SECTION 5 - METERING**

TVA and Distributor will cooperate in providing at the New Substation a 13-kV revenue metering installation in accordance with the Terms and Conditions.

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

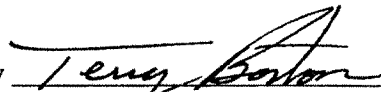
Attest;

  
Secretary

**TRI-COUNTY ELECTRIC  
MEMBERSHIP CORPORATION**

By   
President

**TENNESSEE VALLEY AUTHORITY**

By   
Manager, Pricing  
Customer Service and Marketing

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

**SECTION 1 - COORDINATION**

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

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

1.3 New Substation Protective Scheme. Distributor shall also consult with TVA in planning for the installation, operation, testing, calibration, and maintenance of the protective scheme for the New Substation. Distributor agrees not to install, operate, or maintain any protective devices without TVA's concurrence that objectives (c) and (d) in subsection 1.1 above will be fully met.

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

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

**SECTION 2 - METERING**

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

2.2 Distributor's Installation Work.

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



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

2.3 Remote Access to Metering Installation.

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

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

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

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

2.5 Maintenance of Metering Installation.

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

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

### **SECTION 3 - METERING OUTPUTS**

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

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

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

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

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

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

If the metering installation at the New Substation is not at the point of delivery specified in the Power Contract, the metered amounts of power and energy shall be appropriately adjusted to reflect losses (and non-metered station service or equipment use, if any)

between the point of delivery and the metering installation. Distributor shall from time to time furnish TVA with the loss data for Distributor's facilities needed to allow TVA to make such adjustments.

**SECTION 5 - RIGHTS OF ACCESS**

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

**SECTION 6 - POWER REQUIREMENTS**

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

**SECTION 7 - TERM OF AGREEMENT**

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

**SECTION 8 - AFFIRMATION OF POWER CONTRACT**

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

**SECTION 9 - RESTRICTION OF BENEFITS**

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



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

May 20, 1998



Mr. David Callis, Manager  
Tri-County Electric Membership Corporation  
Post Office Box 40  
Lafayette, Tennessee 37083

Dear David:

Enclosed is a fully executed 5+5 Term Agreement, TV-52337A, Supplement No. 51 dated October 1, 1997, for Tri-County Electric Membership Corporation.

If you have any questions, please feel free to call me at (502) 782-6559.

Sincerely,

Mark C. Shults  
Customer Service Manager  
Kentucky

Enclosure

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

DATE: October 1, 1997

TV-52337A, Supp. No. 51

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

W I T N E S S E T H:

WHEREAS, TVA and Distributor have entered into a contract dated July 18, 1979, as amended (Power Contract), under which Distributor purchases its entire requirements for electric power and energy from TVA for resale; and

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

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

**SECTION 1 - EFFECTIVE DATE**

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

**SECTION 2 - POWER CONTRACT AMENDED**

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

**SECTION 3 - NOTICE OF POWER CONTRACT TERMINATION**

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

#### **SECTION 4 - COST RECOVERY**

- (a) It is recognized that in providing service to Distributor, TVA has made investments, thereby incurring fixed costs, in generation, transformation, and transmission facilities. In consideration of the agreements set out in sections 2 and 3 above, TVA fully releases and discharges all claims against Distributor for the recovery of those fixed costs to the extent they are not recovered through payment of charges billed for service during the term of the Power Contract. Without limiting the foregoing release and discharge, TVA represents and covenants that, following the termination of the Power Contract in accordance with the notice provisions set out in the Power Contract and in this agreement, TVA will neither charge nor impose upon Distributor (or any retail customer of Distributor) charges for unrecovered fixed costs (commonly referred to as "stranded investment"), whether such charges are denominated as exit fees, wire surcharges, transmission surcharges, or terms having similar effect, nor shall such costs be otherwise assigned by TVA to Distributor or any retail customer of Distributor; provided, however, that with respect to any retail customer of Distributor, the provisions of this sentence are expressly made subject to the provisions of (c) below. Accordingly, nothing in this agreement shall be construed to relieve any retail customer of Distributor of any obligation to Distributor or TVA for unrecovered investment in the event that retail open access occurs in Distributor's service area and the retail customer of Distributor discontinues the retail purchase of power and energy from Distributor. It is further understood and agreed that nothing in this agreement shall be construed to (i) relieve Distributor from the obligation to pay all invoices submitted by TVA in accordance with the terms of the Power Contract for power, energy, property, materials or services furnished to Distributor during the term of the Power Contract, or (ii) relieve Distributor from paying the agreed-upon price for any power, energy, property, materials or services (including, but not limited to, transmission service) that TVA may furnish to Distributor after the termination of the Power Contract.
- (b) Notwithstanding any provision of (a) above, there shall be no discharge or release of any claim for any investment made in connection with additions to or changes in facilities as provided under the last sentence of the section of the Power contract entitled Term of Contract (as amended by section 2 above).
- (c) It is further understood and agreed that if retail open access occurs in Distributor's service area, TVA and Distributor will work together to (i) identify the amount of unrecovered investment by Distributor and TVA in generation, transformation, transmission, and distribution facilities and (ii) collect such amounts from departing retail customers of Distributor or the successor power supplier of the departing retail customer to the extent allowed by law. It is expressly understood and agreed that neither TVA nor Distributor by this agreement releases or discharges any claim that either may have against any retail customer of Distributor or of TVA for any such amounts.
- (d) For the purposes of this section 4, the words "retail customer of Distributor" shall mean a person or entity who purchases from Distributor electric power and energy that Distributor has purchased from a wholesale supplier and which Distributor in turn sells at retail to such person or entity connected to its distribution lines.

**SECTION 5 - FUTURE ADJUSTMENTS AND CHANGES IN RATES AND CHARGES**

In evaluating whether there is any need for future rate increases to recover its fixed costs, TVA will (a) abide by the requirements of the TVA Act, including particularly section 15d(f), having due regard for the primary objectives of the Act, including the objective now set out in that section that power shall be sold at rates as low as are feasible and (b) meet all tests and comply with the provisions of TVA's bond resolutions (as from time to time adopted and amended) in such a manner as to assure TVA's ability to continue to finance and operate its power program at the lowest feasible cost.

**SECTION 6 - POWER CONTRACT AFFIRMED**

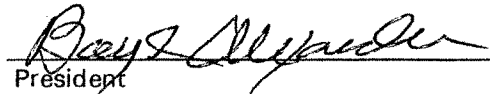
The Power Contract, as supplemented and amended by this agreement, is ratified and confirmed as the continuing obligation of the parties.

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


Attest:

  
Secretary

**TRI-COUNTY ELECTRIC  
MEMBERSHIP CORPORATION**

By   
President

**TENNESSEE VALLEY AUTHORITY**

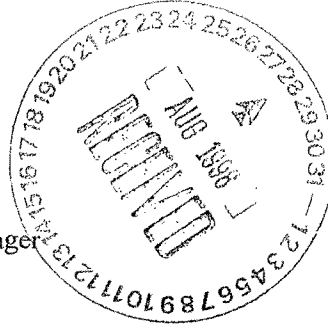
By   
Manager, Pricing  
Customer Service and Marketing



Tennessee Valley Authority, 6045 Russellville Road, Bowling Green, Kentucky 42101-7319

August 25, 1998

*Please file  
TVA Power Contracts*



Mr. David Callis, Executive Vice President & General Manager  
Tri-County Electric Membership Corporation  
Lafayette, Tennessee 37083

Dear David:

Enclosed is a fully executed Large Manufacturer Bill Credit (LMBC) agreement, TV-52337A, Supplement No. 52, for Tri-County Electric Membership Corporation.

If you should have any questions, please feel free to contact me. At (502) 846-7042.

Sincerely,

Mark C. Shults  
Customer Service Manager  
Kentucky

Enclosure



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

DATE: October 1, 1997

TV-52337A, Supp No. 52

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

W I T N E S S E T H:

WHEREAS, TVA and Distributor have entered into a contract dated July 18, 1979, as amended (Power Contract), under which Distributor purchases its entire requirements for electric power and energy from TVA for resale; and

WHEREAS, under an agreement dated June 1, 1994 (LMBC Agreement), TVA and Distributor have been participating in a Large Manufacturer Bill Credit Program (LMBC Program) to encourage the fuller and better balanced development of the resources of the region by the application of credits against the electric bills of manufacturing industries with demands greater than 5,000 kW; and

WHEREAS, in connection with TVA's publishing of the October 1997 Adjustment Addendum, the LMBC Program is being expanded to provide for the application of additional credits to the electric bills of manufacturing industries with demands greater than 1,000 kW to offset the adjustment amounts specified in that Adjustment Addendum; and

WHEREAS, the parties wish to supplement the LMBC Agreement and the Power Contract in the respects necessary to provide for the application of these additional credits;

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

**SECTION 1 - EXPANDED CREDITS**

TVA and Distributor agree to participate in an expanded program under which certain credits (Expanded Credits) will be applied to the bills of manufacturing customers with loads greater than 1,000 kW. Accordingly, the LMBC Agreement is hereby supplemented and amended by inserting the following new section 1a (between sections 1 and 2) and the following new section 3a (between sections 3 and 4) to provide for the application of such Expanded Credits:

1a. Identification of Expanded Eligible Accounts. An Expanded Eligible Account shall be a billing account for a delivery point serving any general power

customer of Distributor (a) which is served under Part 3 of either Schedule GSA or Time-of-Day Schedule TGSA or under Schedules GSB, GSC, GSD or Time-of-Day Schedules TGSB, TGSC, or TGSD and (b) where the activities conducted are classified with a 2-digit Standard Industrial Classification code between 20 and 39, inclusive. The provisions of this agreement (except for those in sections 1 and 3) applicable to Eligible Accounts shall also apply to Expanded Eligible Accounts.

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

3a. Allowance of Expanded Credit. Notwithstanding anything in the Power Contract (including the Schedule of Rates and Charges and the October 1997 Adjustment Addendum (Adjustment Addendum)) that may be construed to the contrary, beginning with Distributor's October 1997 revenue month (as that term is defined in Wholesale Power Rate--Schedule WS of the Schedule of Rates and Charges), Distributor shall apply a credit against the electric bill of each Expanded Eligible Account as provided below. Allowance of the Expanded Credits shall continue until implementation of the next Rate Change as provided for in the section of the Power Contract's Schedule of Terms and Conditions headed "Adjustment and Change of Wholesale Rate and Resale Rates." Distributor may, at its option, provide monthly credit amounts as a direct cash payment.

(a) Application of Credit. The dollar amount of the Expanded Credit shall be equal to (i) the amount of the kW and kWh increases set out in the column of the Adjustment Addendum entitled "Resale Schedules" for the General Power Rate Schedule applicable to each Expanded Eligible Account multiplied by (ii) the respective kW components of firm billing demand and kWh components of firm energy determined for the customer's monthly bill; provided, however, that no Expanded Credit shall be applied in any month in which the customer's measured demand for that account does not exceed 1,000 kW. For purposes of so determining measured demand:

(A) if the customer is served under Part 3 of either Schedule GSA or Time-of-Day Schedule TGSA, the term "measured demand" shall be deemed to refer to the highest average during any 30-consecutive-minute period of the month of the higher of the load measured in kW or 85 percent of the load in kVA plus an additional 10 percent for that part of the load over 5,000 kVA; or

(B) if the customer is served under any other general power rate schedule, the term "measured demand" shall be deemed to refer to the highest average during any 30-consecutive-minute period of the month of the load measured in kW.

(b) Application of Other Credits. The customer's bill shall be reduced by the amount of the Expanded Credit prior to the application of any credit amounts provided for under section 3 of this agreement, and any credits applicable under the Growth Credit Program, or any comparable program, for which the customer may be eligible.

**SECTION 2 - TERM**

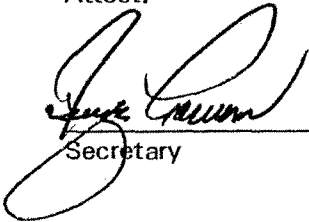
This agreement shall become effective with Distributor's October 1997 revenue month, and shall continue in effect for the term of the LMBC Agreement.

**SECTION 3 - RATIFICATION OF CONTRACTS**

The Power Contract and the LMBC Agreement, as supplemented and amended by this agreement, are ratified and confirmed as the continuing obligations of the parties.

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

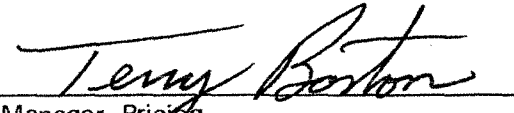
Attest:

  
Secretary

**TRI-COUNTY ELECTRIC  
MEMBERSHIP CORPORATION**

By   
President

**TENNESSEE VALLEY AUTHORITY**

By   
Manager, Pricing  
Customer Service and Marketing

Nov. 30, 2001  
AW

File  
**COPY**

November 29, 2001

Mr. Myron N. Callaham  
Senior Customer Service Manager - Kentucky  
Tennessee Valley Authority  
6045 Russellville Road  
Bowling Green, KY 42101-7319

RE: *energy right*® Small Commercial Pilot Program Extension

Dear Myron:

Please find enclosed two executed duplicate originals of the above referenced Agreement (Reference TV-52337A, Supp. No. 53). Please return an original for our files.

If additional information is needed, please advise.

Sincerely,

LAURA L. KIRBY  
Administrative Assistant

For Paul Thompson  
Executive Vice President and General Manager  
Tri-County Electric Membership Corporation