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

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

W I T N E S S E T H:

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

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

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

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

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

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

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

2. Power Supply.

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

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

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

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

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

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

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

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

Delivery Point

Normal Wholesale
Delivery Voltage

Structure No. 141 of the Dale
Hollow Hydro-Burkesville 69-kV
Line

69,000

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

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

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

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

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

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

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

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

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

6. Use of Revenues.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Attest:

TENNESSEE VALLEY AUTHORITY

(s) Helen S. Drummer
Assistant Secretary

By (s) W. F. Willis
General Manager

Law

Attest:

TRI-COUNTY ELECTRIC
MEMBERSHIP CORPORATION

(s) Lee Hanes
Secretary

By (s) C. S. Hagan
President

Approved by TVA
Board of Directors
August 16, 1979

(s) HSD
Assistant Secretary

SCHEDULE OF TERMS AND CONDITIONS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

SCHEDULE OF RULES AND REGULATIONS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

TENNESSEE VALLEY AUTHORITY
SCHEDULE OF RATES AND CHARGES

WHOLESALE POWER RATE--SCHEDULE WS
(October 1976)

Availability

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

Base Charges

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

Adjustments

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

Determination of Demand

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

Facilities Rental

There shall be no facilities rental charge under this rate schedule for delivery at bulk transmission voltage levels of 161 kV or higher. For delivery at less than 161 kV, there shall be added to Distributor's bill a facilities rental charge. This charge shall be 20 cents per kW per month, except for delivery at voltages below 46 kV, in which case the charge shall be 55 cents per kW per month for the first 10,000 kW and 30 cents per kW per month for the excess over 10,000 kW. Such charge shall be applied to the highest billing demand established at each delivery point during the latest 12-consecutive-month period and shall be in addition to all other charges under this rate schedule including minimum bill charges.

Minimum Bill

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

Single-Point Delivery

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

RESIDENTIAL RATE--SCHEDULE RS-8
(October 1976)

Availability

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

Character of Service

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

Base Charges

Customer Charge: \$2.30 per delivery point per month

Energy Charge:

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

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

Adjustment

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

Minimum Monthly Bill

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

Payment

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

Single-Point Delivery

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

Service is subject to Rules and Regulations of Distributor.

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

Availability

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

Character of Service

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

Base Charges

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

Customer Charge: \$3.45 per delivery point per month

Demand Charge:

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

Energy Charge:

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

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

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

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

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

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

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

Facilities Rental Charge Applicable Under B Above

There shall be no facilities rental charge under this rate schedule for delivery at bulk transmission voltage levels of 161 kV or higher. For delivery at less than 161 kV, there shall be added to the customer's bill a facilities rental charge. This charge shall be 20 cents per kW per month except for delivery at voltages below 46 kV, in which case the charge shall be 55 cents per kW per month for the first 10,000 kW and 30 cents per kW per month for the excess over 10,000 kW. Such charge shall be applied to the customer's currently effective contract demand and shall be in addition to all other charges under this rate schedule including minimum bill charges.

Adjustment

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

Determination of Demand

Distributor shall measure the demands in kilowatts of all customers having loads in excess of 50 kilowatts. The demand for any month shall be the higher of the highest average during any 30-consecutive-minute period of the month of (a) the load measured in kilowatts or (b) 85 percent of the load in kVA plus an additional 10 percent for that part of the load over 5,000 kVA, and such amount shall be used as the billing demand except that, under B above, the billing demand for any month shall in no case be less than the sum of (1) 40 percent of the first 5,000 kilowatts, (2) 70 percent of the next 45,000 kilowatts, and (3) 90 percent of all kilowatts in excess of 50,000 kilowatts of the higher of the currently effective contract demand or the highest billing demand established during the preceding 12 months.

Minimum Bill

The monthly bill under A above shall not be less than the higher of (1) the base customer charge or (2) 70 percent of the base demand charge (adjusted for the portion of the current Adjustment Addendum applicable to the customer's billing demand as provided in Adjustment above) applied to the higher of (a) the currently effective contract demand or (b) the highest demand established during the preceding 12 months.

The monthly bill under B above shall not be less than the base demand charge (adjusted in accordance with the portion of the current Adjustment Addendum applicable to the customer's billing demand as provided in Adjustment above) applied to the higher of (a) the currently effective contract demand or (b) the highest demand established during the preceding 12 months.

Distributor may require minimum bills higher than those stated above.

Seasonal Service

Customers who contract for service on a seasonal basis shall be limited to 1,500 kilowatts and shall pay the above charges plus 10 percent of the bill computed after any adjustments are applied. For such customers the minimum monthly bill provided for above shall not apply. Instead, such customers shall pay a minimum monthly bill of \$5.00 so long as service is connected; shall pay a minimum annual bill which shall in no case be less than (a) 3 cents per kilowatthour of the maximum monthly consumption for customers whose demand does not exceed 50 kilowatts or (b) \$10.00 per kilowatt of the maximum demand established for customers whose demand is over 50 kilowatts; and shall pay in addition the actual cost of connections and disconnections in excess of one of each per-year.

Contract Requirement

Distributor may require contracts for all service provided under this rate schedule. Customers whose demand exceeds 50 kilowatts shall be required to execute contracts for an initial term of at least one year. If the customer requires in excess of 5,000 kilowatts, the contract shall be for an initial term of at least five years, and any renewal or extension of the initial contract shall also be for a term of at least five years. The customer shall contract for its maximum requirements and Distributor shall not be obligated to supply power in greater amount at any time than the customer's currently effective contract demand. If the customer uses any power other than that supplied by Distributor under this rate schedule, the contract may include other special provisions. The rate schedule in any power contract shall be subject to modification, replacement, or adjustment from time to time upon agreement between Distributor and TVA.

Payment

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

Single-Point Delivery

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

Service is subject to Rules and Regulations of Distributor.

OUTDOOR LIGHTING RATE--SCHEDULE LS
(October 1976)

Availability

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

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

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

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

Adjustment

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

- II. Investment Charge

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

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

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

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

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

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

Metering

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

Use-Period For Athletic Field Lighting

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

Revenue and Cost Review

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

PART B—CHARGES FOR OUTDOOR LIGHTING FOR INDIVIDUAL CUSTOMERS

Charge Per Fixture

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

*Incandescent fixtures not offered for new service.

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

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

Lamp Replacements

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

Payment

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

Service is subject to Rules and Regulations of Distributor.

COPY

TVA Agreement

#52337

Supplements

Via Laura Kirby

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

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

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

#19	May 4, 1989	Scottsville Substation
#20	May 5, 1989	Coincidence Factor Credit
#21 And	October 1, 1989 March 20, 1991	Growth Credit Extending through 1995
#22	September 1, 1990	Revisions in the Industrial Service Policy
#23	November 28, 1990	Revisions to the Growth Credit Program
#24 AND	May 8, 1991 June 7, 1991	Schedule A-1R Deleting Breaker 694
#25	February 13, 1992	General Electric Economy Surplus
#26	February 12, 1992	Training – “Where the Rubber Meets The Road”
#27	May 1992	Rate Change Agreement
#28	May 1, 1992	RE: Public Education and Manufacturing Account
#29	May 1, 1992	Implementation of Low-Density Credit Program
#30	October 14, 1992	Revenue Metering Arrangements at the Moss 69-kV Substation
#31	September 1994	Trial Billing Arrangement for Wholesale Billing Payments to TVA
#32		Public Educational Institutions and Manufacturing Industries Credit
#33		Arrangements for Conversion of Westmoreland
#34		Arrangements for Conversion of Hartsville
#35		Estimated Monthly Payments
#36		Texas Eastern Transmission Corporation
#37		Large Manufacturer Bill Credit Program
#38	August 13, 1994	RE: ESP Scheduling

#39		Enhanced Growth Credit Program
#40		Wholesale Billing Payments
#41		South Scottsville 161 –kV Substation
#42		Dale Hollow- Tompkinsville – Summer Shade – Also Supplement #13)
#43		Amend the Transfer of Power Contract Section
#44		Resale Rate Schedule Substitution
#45		General Electric Company
#46		Wholesale Billing Pilot
#47		Wholesale Billing Pilot
#48		Covering Elimination of 40-cent Surcharge
#49		Resale Rate Schedule Substitution
#50		West Tompkinsville Substation To Texas Eastern
#51		Five Plus Five
#52		Large Manufacturer Bill Credit
#53	December 10, 1998 (Also see #64)	Energy Right Small Commercial <u>Pilot</u> Program
#54		Wholesale Power Rate (revisions in determining reactive power billing)
#55		Forward Supported Power (FSP)
#56		Industrial Service Policy Agreement
#57		Texas Eastern Transmission Corporation
#58		Wholesale Energy to Market Test
#59		Electronic Payment
#60		Wholesale Energy to Market Agreement

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

Installation)

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

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

TENNESSEE VALLEY AUTHORITY

1719 West End Building
Nashville, Tennessee 37203

March 25, 1980

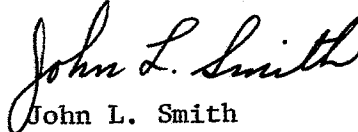
Mr. Paul T. Lee, General Manager
Tri-County Electric Membership Corp.
Lafayette, Tennessee 37083

Dear Mr. Lee:

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

Very truly yours,

TENNESSEE VALLEY AUTHORITY



John L. Smith
District Manager
Office of Power

Enclosure

November 29, 1979

RETAIL RATE CHANGE AGREEMENT

between **TENNESSEE VALLEY AUTHORITY** and

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

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

(a) New rate schedules:

Residential Rate, Schedule RS-7

(b) Existing rate schedules:

Residential Rate, Schedule RS-8

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

Rate change requested as of the date first above written.

**TRI-COUNTY ELECTRIC
MEMBERSHIP CORPORATION**

By *C. L. Hogan*
(Title) **President**

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

TENNESSEE VALLEY AUTHORITY

By *Robert O. Daniels*
Director of Power Utilization

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

Availability

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

Character of Service

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

Base Charges

Customer Charge: \$2.45 per delivery point per month

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

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

Adjustment

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

Minimum Monthly Bill

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

Payment

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

Single-Point Delivery

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

Service is subject to Rules and Regulations of Distributor.

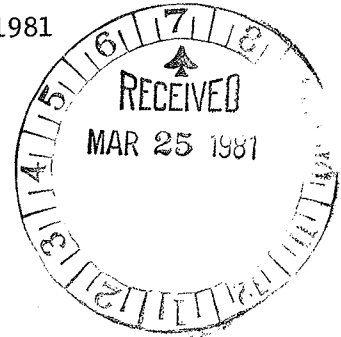
TENNESSEE VALLEY AUTHORITY

TV-52337A

Supp. 2

1719 West End Building
Nashville, Tennessee 37203

March 24, 1981



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

Dear Mr. Lee:

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

Very truly yours,

TENNESSEE VALLEY AUTHORITY

A handwritten signature in cursive script that reads "John L. Smith".

John L. Smith
District Manager
Office of Power

Enclosure

December 23, 1980

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

TV-52537A
Supp. 2

Dear Mr. Crawford:

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

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

Very truly yours,

TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION

By C. S. Hagan
(Title) President

Change in rate schedule approved

this 23 day of February, 1981.

TENNESSEE VALLEY AUTHORITY

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

W030177

OUTDOOR LIGHTING RATE--SCHEDULE LSI
(November 1980)

Availability

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

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

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

I. Energy Charge: 1.984 cents per kilowatt-hour

Adjustment

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

II. Investment Charge

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

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

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

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

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

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

Metering

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

Use-Period for Athletic Field Lighting

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

Revenue and Cost Review

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

PART B--CHARGES FOR OUTDOOR LIGHTING FOR INDIVIDUAL CUSTOMERS

Charges Per Fixture

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

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

*Incandescent fixtures not offered for new service.

Adjustment

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

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

Additional Facilities

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

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

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

Lamp Replacements

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

Payment

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

Service is subject to Rules and Regulations of Distributor.

TENNESSEE VALLEY AUTHORITY

1719 West End Building
Nashville, Tennessee 37203

November 12, 1981



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

Dear Mr. Lee:

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

Very truly yours,

TENNESSEE VALLEY AUTHORITY

Glen Burgess
G. Glen Burgess
District Manager
Office of Power

Enclosure

September 23 , 19 81

RETAIL RATE CHANGE AGREEMENT

TV-52337A
Supp. #3

between TENNESSEE VALLEY AUTHORITY and

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

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

(a) New rate schedules:

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

(b) Existing rate schedules:

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

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

Rate change requested as of the
date first above written.

TRI-COUNTY ELECTRIC
MEMBERSHIP CORPORATION

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

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

TENNESSEE VALLEY AUTHORITY

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

W060380

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

Availability

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

Character of Service

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

Base Charges

Customer Charge: \$2.60 per delivery point per month

Energy Charge:

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

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

Adjustment

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

Minimum Monthly Bill

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

Payment

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

Single-Point Delivery

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

Service is subject to Rules and Regulations of Distributor

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

Availability

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

Character of Service

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

Base Charges

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

Customer Charge: \$3.60 per delivery point per month

Demand Charge:

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

Energy Charge:

First 500 kilowatthours per month	at	3.243	cents per kWh*
Next 14,500	"	2.343	"
Next 25,000	"	1.437	"
Next 60,000	"	1.187	"
Next 400,000	"	1.087	"
Additional	"	1.047	"

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

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

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

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

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

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

Facilities Rental Charge Applicable Under B Above

There shall be no facilities rental charge under this rate schedule for delivery at bulk transmission voltage levels of 161 kV or higher. For delivery at less than 161 kV, there shall be added to the customer's bill a facilities rental charge. This charge shall be 20 cents per kW per month except for delivery at voltages below 46 kV, in which case the charge shall be 55 cents per kW per month for the first 10,000 kW and 30 cents per kW per month for the excess over 10,000 kW. Such charge shall be applied to the customer's currently effective contract demand and shall be in addition to all other charges under this rate schedule including minimum bill charges.

Adjustment

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

Determination of Demand

Distributor shall measure the demands in kilowatts of all customers having loads in excess of 50 kilowatts. The demand for any month shall be the higher of the highest average during any 30-consecutive-minute period of the month of (a) the load measured in kilowatts or (b) 85 percent of the load in kVA plus an additional 10 percent for that part of the load over 5,000 kVA, and such amount shall be used as the billing demand except that, under B above, the billing demand for any month shall in no case be less than the sum of (1) 40 percent of the first 5,000 kilowatts, (2) 70 percent of the next 45,000 kilowatts, and (3) 90 percent of all kilowatts in excess of 50,000 kilowatts of the higher of the currently effective contract demand or the highest billing demand established during the preceding 12 months.

Minimum Bill

The monthly bill under A above shall not be less than the higher of (1) the base customer charge or (2) 70 percent of the base demand charge (adjusted for the portion of the current Adjustment Addendum applicable to the customer's billing demand as provided in Adjustment above) applied to the higher of (a) the currently effective contract demand or (b) the highest demand established during the preceding 12 months.

The monthly bill under B above shall not be less than the base demand charge (adjusted in accordance with the portion of the current Adjustment Addendum applicable to the customer's billing demand as provided in Adjustment above) applied to the higher of (a) the currently effective contract demand or (b) the highest demand established during the preceding 12 months.

Distributor may require minimum bills higher than those stated above.

Seasonal Service

Customers who contract for service on a seasonal basis shall be limited to 1,500 kilowatts and shall pay the above charges plus 10 percent of the bill computed after any adjustments are applied. For such customers the minimum monthly bill provided for above shall not apply. Instead, such customers shall pay a minimum monthly bill of \$5.00 so long as service is connected; shall pay a minimum annual bill which shall in no case be less than (a) 3 cents per kilowatthour of the maximum monthly consumption for customers whose demand does not exceed 50 kilowatts or (b) \$10.00 per kilowatt of the maximum demand established for customers whose demand is over 50 kilowatts; and shall pay in addition the actual cost of connections and disconnections in excess of one of each per year.

Contract Requirement

Distributor may require contracts for all service provided under this rate schedule. Customers whose demand exceeds 50 kilowatts shall be required to execute contracts for an initial term of at least one year. If the customer requires in excess of 5,000 kilowatts, the contract shall be for an initial term of at least five years, and any renewal or extension of the initial contract shall also be for a term of at least five years. The customer shall contract for its maximum requirements and Distributor shall not be obligated to supply power in greater amount at any time than the customer's currently effective contract demand. If the customer uses any power other than that supplied by Distributor under this rate schedule, the contract may include other special provisions. The rate schedule in any power contract shall be subject to modification, replacement, or adjustment from time to time upon agreement between Distributor and TVA.

Payment

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

Single-Point Delivery

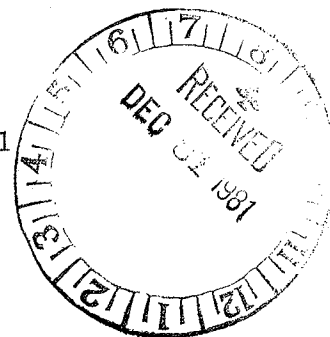
The charges under this rate schedule are based upon the supply of service through a single delivery and metering point, and at a single voltage. If service is supplied to the same customer through more than one point of delivery or at different voltages, the supply of service at each delivery and metering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

Service is subject to Rules and Regulations of Distributor.

TENNESSEE VALLEY AUTHORITY

1719 West End Building
Nashville, Tennessee 37203

December 30, 1981



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

Dear Mr. Lee:

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

Very truly yours,

TENNESSEE VALLEY AUTHORITY

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

G. Glen Burgess
District Manager
Office of Power

Enclosure

AGREEMENT
Between
TENNESSEE VALLEY AUTHORITY
And

TV-52337A
Supp. #4

TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION

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

W I T N E S S E T H:

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

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

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

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

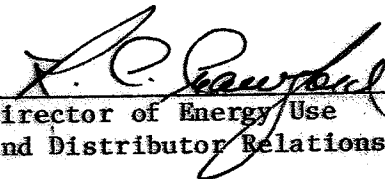
TVA may review with Cooperative or its representative, at least 30 days prior to the first day of any of the months of October, January, April, or July pertinent data concerning the current and anticipated conditions and costs affecting TVA's operations and the adequacy of its revenues from both wholesale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

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

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

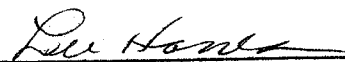
IN WITNESS WHEREOF, the parties hereto have caused this agreement to be executed by their officers thereunto duly authorized, as of the day and year first above written.

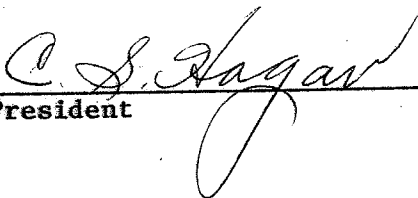
TENNESSEE VALLEY AUTHORITY

By 
Director of Energy Use
and Distributor Relations

TRI-COUNTY ELECTRIC
MEMBERSHIP CORPORATION

Attest:

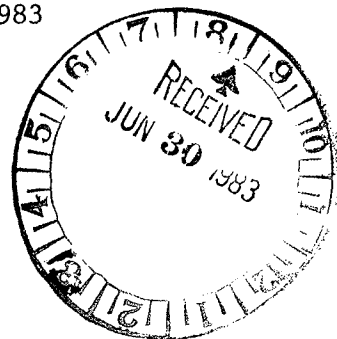

Secretary

By 
President

TENNESSEE VALLEY AUTHORITY

1719 West End Building
Nashville, Tennessee 37203

June 29, 1983



File

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

Dear Mr. Mayhew:

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

Very truly yours,

TENNESSEE VALLEY AUTHORITY

G. Glen Burgess
District Manager
Office of Power

Enclosures

AGREEMENT
Between
TENNESSEE VALLEY AUTHORITY
And

TV-52337A
Sup. 5

TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION

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

W I T N E S S E T H:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

TENNESSEE VALLEY AUTHORITY

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

TRI-COUNTY ELECTRIC
MEMBERSHIP CORPORATION

Attest: .

Lee Horn
(Title) Secretary

C. S. Hagan
(Title) President

TENNESSEE VALLEY AUTHORITY
SCHEDULE OF RATES AND CHARGES

WHOLESALE POWER RATE--SCHEDULE WP
(July 1983)

Availability

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

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

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

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

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

Except for Saturdays and Sundays and the weekdays that are observed as Federal holidays for New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day, onpeak hours for each day shall be from 10:00 a.m. to 10:00 p.m. during the calendar months of May through September and from 6:00 a.m. to 12:00 noon and from 4:00 p.m. to 10:00 p.m. during all other calendar months. All other hours of each day and all hours of such excepted days shall be offpeak hours. Such times shall be Central Standard Time or Central Daylight Time, whichever is then in effect. The onpeak and offpeak hours under this rate schedule are subject to change by TVA. In the event TVA determines that such changed onpeak and offpeak hours are appropriate, it shall so notify Distributor at least 12 months prior to the effective date of such changed hours.

Adjustments

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

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

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

such customer. Such measured demand for any month shall be the higher of the highest average during any 30-consecutive-minute period of the month of (a) the load measured in kW or (b) 85 percent of the load in kVA plus an additional 10 percent for that part of the load over 5,000 kVA.

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

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

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

Effective October 2 of each year the Hydro Allocation Adjustment shall be recomputed to take account of changed sales and customer account data and applied accordingly. In performing such computations, the latest 12-month period ending June 30 shall be used for purposes of determining the applicable annual energy amounts under (1), (3), and (4) above, and the number of residential customers being served by Distributor at the end of such 12-month period shall be the number of residential customers used in the calculation under (2) above. For annual periods ending June 30, 1985 and thereafter, the resold energy amounts used in the calculations under (1) above and the number of residential customers used in the calculations under (2) above shall be determined only from customer accounts which include service to a single family dwelling; separately metered and billed service to apartments, structures or facilities shall not be included even if billed by Distributor under the Residential Rate Schedule or Time-of-Day Residential Rate Schedule.

Determination of Demand

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

Facilities Rental

There shall be no facilities rental charge under this rate schedule for delivery at bulk transmission voltage levels of 161 kV or higher. For delivery at less than 161 kV, there shall be added to Distributor's bill a facilities rental charge. This charge shall be 33 cents per kW per month, except for delivery at voltages below 46 kV, in which case the charge shall be 87 cents per kW per month for the first 10,000 kW and 68 cents per kW per month for the excess over 10,000 kW. For each delivery point, such charge shall be applied to the higher of (1) the highest billing demand established at the delivery point during the latest 12-consecutive-month period or (2) the sum of the currently effective contract demands for all customers which are served by Distributor under part B of the General Power Rate Schedule and under the Time-of-Day General Power Rate Schedule with power and energy taken from such point. Such charge shall be in addition to all other charges under this rate schedule including minimum bill charges, and such amounts in cents per kW may be increased or decreased by TVA, effective with the effective date of any Adjustment Addendum published by TVA, to reflect changes in the costs of providing for delivery at voltage levels below 161 kV.

Minimum Bill

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

Single-Point Delivery

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

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

Availability

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

Character of Service

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

Base Charges

Customer Charge: \$3.65 per month

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

Adjustment

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

Minimum Monthly Bill

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

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

Availability

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

Character of Service

Alternating current, single or three-phase, 60 hertz. Under A below, power shall be delivered at a service voltage available in the vicinity or agreed to by Distributor. Under B below, power shall be delivered at a transmission voltage of 161 kV or, if such transmission voltage is not available, at the highest voltage available in the vicinity, unless at the customer's request a lower standard voltage is agreed upon.

Base Charges

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

Customer Charge: \$8.65 per delivery point per month

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

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

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

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

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

Energy Charge: 2.703 cents per kWh per month

Adjustment

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

Facilities Rental Charge Applicable Under B Above

There shall be no facilities rental charge under this rate schedule for delivery at bulk transmission voltage levels of 161 kV or higher. For delivery at less than 161 kV, there shall be added to the customer's bill a facilities rental charge. This charge shall be 33 cents per kW per month except for delivery at voltages below 46 kV, in which case the charge shall be 87 cents per kW per month for the first 10,000 kW and 68 cents per kW per month for the excess over 10,000 kW. Such charge shall be applied to the higher of (1) the highest billing demand established during the latest 12-consecutive-month period or (2) the customer's currently effective contract demand and shall be in addition to all other charges under this rate schedule including minimum bill charges. Such amounts in cents per kW may be increased or decreased by TVA, effective with the effective date of any Adjustment Addendum published by TVA, to reflect changes in the costs of providing for delivery at voltage levels below 161 kV.

Determination of Demand

Distributor shall measure the demands in kW of all customers having loads in excess of 50 kW. The demand for any month shall be the higher of the highest average during any 30-consecutive-minute period of the month of (a) the load measured in kW or (b) 85 percent of the load in kVA plus an additional 10 percent for that part of the load over 5,000 kVA, and such amount shall be used as the billing demand except that, under B above, the billing demand for any month shall in no case be less than the sum of (1) 40 percent of the first 5,000 kW, (2) 70 percent of the next 45,000 kW, and (3) 90 percent of all kW in excess of 50,000 kW of the higher of the currently effective contract demand or the highest billing demand established during the preceding 12 months.

Minimum Bill

The monthly bill under A above shall not be less than the higher of (1) the base customer charge or (2) 70 percent of the base demand charge, as adjusted, applied to the higher of (a) the currently effective contract demand or (b) the highest billing demand established during the preceding 12 months.

The monthly bill under B above, excluding any facilities rental charges, shall not be less than the sum of (1) the base customer charge and (2) the base demand charge, as adjusted, (but excluding the additional portion thereof applicable to excess of billing demand over contract demand) applied to the higher of (a) the currently effective contract demand or (b) the highest billing demand established during the preceding 12 months.

Distributor may require minimum bills higher than those stated above.

Seasonal Service

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

Distributor may require minimum bills higher than those stated above.

Contract Requirement

Distributor may require contracts for all service provided under this rate schedule. Customers whose demand requirements exceed 50 kW shall be required to execute contracts and such contracts shall be for an initial term of at least one year. If the customer's demand requirements are in excess of 5,000 kW, the contract shall be for an initial term of at least five years and any renewal or extension of the initial contract shall also be for a term of at least five years. If the customer's demand requirements are in excess of 15,000 kW, the contract shall be for an initial term of at least ten years and any renewal or extension of the initial contract shall be for a term of at least five years. The customer shall contract for its maximum requirements and Distributor shall not be obligated to supply power in greater amount at any time than the customer's currently effective contract demand. If the customer uses any power other than that supplied by Distributor under this rate schedule, the contract may include other special provisions. The rate schedule in any power contract shall be subject to modification, change, or replacement from time to time upon agreement between Distributor and TVA.

Payment

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

Single-Point Delivery

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

Service is subject to Rules and Regulations of Distributor.

OUTDOOR LIGHTING RATE--SCHEDULE LP
(July 1983)

Availability

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

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

Payment

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

Adjustment

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

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

I. Energy Charge: 4.019 cents per kWh per month

II. Investment Charge

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

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

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

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

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

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

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

Metering

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

Use-Period for Athletic Field Lighting

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

Revenue and Cost Review

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

PART B--CHARGES FOR OUTDOOR LIGHTING FOR INDIVIDUAL CUSTOMERS

Charges Per Fixture Per Month

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

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

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

Adjustment of Facility Charges

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

Additional Facilities

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

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

Lamp Replacements

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

Special Outdoor Lighting Installations

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

Service is subject to Rules and Regulations of Distributor.

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

Availability

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

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

Character of Service

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

Base Charges

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

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

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

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

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

2.579 cents per kWh per month for all offpeak kWh

Adjustment

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

Facilities Rental Charge

There shall be no facilities rental charge under this rate schedule for delivery at bulk transmission voltage levels of 161 kV or higher. For delivery at less than 161 kV, there shall be added to the customer's bill a facilities rental charge. This charge shall be 33 cents per kW per month except for delivery at voltages below 46 kV, in which case the charge shall be 87 cents per kW per month for the first 10,000 kW and 68 cents per kW per month for the excess over 10,000 kW. Such charge shall be applied to the higher of (1) the highest onpeak or offpeak billing demand established during the latest 12-consecutive-month period or (2) the customer's currently effective contract demand and shall be in addition to all other charges under this rate schedule including minimum bill charges. Such amounts in cents per kW may be increased or decreased by TVA, effective with the effective date of any Adjustment Addendum published by TVA, to reflect changes in the costs of providing for delivery at voltage levels below 161 kV.

Determination of Onpeak and Offpeak Hours

Except for Saturdays and Sundays and the weekdays that are observed as Federal holidays for New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day, onpeak hours for each day shall be 10:00 a.m. to 10:00 p.m. during calendar months of May through September and from 6:00 a.m. to 12:00 noon and from 4:00 p.m. to 10:00 p.m. during all other calendar months. All other hours of each day and all hours of such excepted days shall be offpeak hours. Such times shall be Central Standard Time or Central Daylight Time, whichever is then in effect. The onpeak and offpeak hours under this rate schedule are subject to change by TVA. In the event TVA determines that such changed onpeak and offpeak hours are appropriate, it shall so notify Distributor at least 12 months prior to the effective date of such changed hours, and Distributor shall promptly notify customer.

Determination of Onpeak and Offpeak Demands and Energy Amounts

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

Distributor shall measure the onpeak and offpeak demands in kW of all customers taking service under this rate schedule. The onpeak demand and the offpeak demand for any month shall be determined separately for the respective hours of the month designated under this rate schedule as onpeak and offpeak hours and in each case shall be the higher of the highest average during any 30-consecutive-minute period of the month during such hours of (a) the load measured in kW or (b) 85 percent of the load in kVA plus an additional 10 percent for that part of the load over 5,000 kVA, and, except as provided below in this section, such amounts shall be used as the onpeak and offpeak billing demands. The onpeak billing demand shall in no case be less than the sum of (1) 40 percent of the first 5,000 kW, (2) 70 percent of the next 45,000 kW, and (3) 90 percent of all kW in excess of 50,000 kW of the higher of (a) the currently effective onpeak contract demand or (b) the highest onpeak billing demand established during the preceding 12 months. The offpeak billing demand shall in no case be less than the sum of (1) 40 percent of the first 5,000 kW, (2) 70 percent of the next 45,000 kW, and (3) 90 percent of all kW in excess of 50,000 kW of the higher of (a) the currently effective offpeak contract demand or (b) the highest offpeak billing demand established during the preceding 12 months.

Minimum Bill

The monthly bill under this rate schedule, excluding any facilities rental charges, shall not be less than the sum of (1) the base customer charge, (2) the base onpeak demand charge, as adjusted, applied to the higher of (a) the currently effective onpeak contract demand or (b) the highest onpeak billing demand established during the preceding 12 months, and (3) the base offpeak demand charge, as adjusted, applied to the amount, if any, by which the higher of (a) the currently effective offpeak contract demand or (b) the highest offpeak billing demand established during the preceding 12 months exceeds the higher of the onpeak contract demand or the onpeak billing demand, whichever is applicable under (2) above.

Distributor may require minimum bills higher than those stated above.

Contract Requirement

Distributor shall require contracts for all service provided under this rate schedule. The contract shall be for an initial term of at least five years and any renewal or extension of the initial contract shall also be for a term of at least five years. If the customer's demand requirements are in excess of 15,000 kW, the contract shall be for an initial term of at least ten years and any renewal or extension of the initial contract shall be for a term of at least five years. The customer shall contract for its maximum requirements and Distributor shall not be obligated to supply power in greater amount at any time than the customer's currently effective contract demand. If the customer uses any power other than that supplied by Distributor under this rate schedule, the contract may include other special provisions. The rate schedule in any power contract shall be subject to modification, change, or replacement from time to time upon agreement between Distributor and TVA.

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

Payment

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

Single-Point Delivery

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

Service is subject to Rules and Regulations of Distributor.

TENNESSEE VALLEY AUTHORITY
Chattanooga, Tennessee 37401

TV-52337A
Sup. 6

June 13, 1983

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

Dear Mr. Hagan:

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


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

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

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

Very truly yours,

TENNESSEE VALLEY AUTHORITY


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

Enclosures

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

TRI-COUNTY ELECTRIC
MEMBERSHIP CORPORATION

By 
(Title) President

W051883

Reductions in Demand and Energy Charges and Facilities Rental Charges

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

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

Facilities Rental Charges

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

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

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

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

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

TENNESSEE VALLEY AUTHORITY

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

Ruth -
Pls. file
with power contract.
Thanks,
Jack
8/12/85

8-12-85

August 9, 1985



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

Dear Mr. Dillard:

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

Very truly yours,

TENNESSEE VALLEY AUTHORITY

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

Enclosure

TENNESSEE VALLEY AUTHORITY
Chattanooga, Tennessee 37401

TV-52337A
Supp. 7

May 31, 1985

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

Dear Mr. Hagan:

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

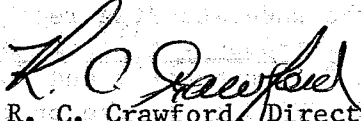
The parties hereto agree as follows with respect to computing the Hydro
Allocation Adjustment applicable under the wholesale power contract
(hereinafter called "Power Contract"), dated July 18, 1979, as it may
heretofore have been amended and supplemented. For the annual period ending
June 30, 1985,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

Mr. C. S. Hagan
May 31, 1985

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

Very truly yours,

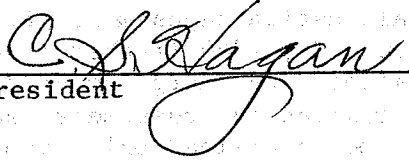
TENNESSEE VALLEY AUTHORITY


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

Enclosures

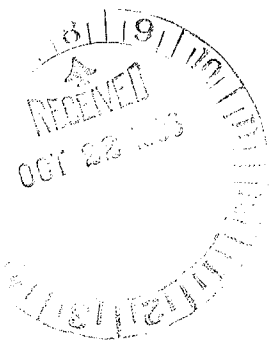
Accepted and agreed to as of
the date first above written.

TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION

By 
President

TENNESSEE VALLEY AUTHORITY

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



October 21, 1986

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

Dear Jack:

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

Very truly yours,

TENNESSEE VALLEY AUTHORITY

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

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

Enclosure

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

TV-52337A
Supp No. 8

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

W I T N E S S E T H:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

H = Wholesale base energy charge, as adjusted.

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

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

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

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

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


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

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

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


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

TENNESSEE VALLEY AUTHORITY

By 
Director of Energy Use and
Distributor Relations

TRI-COUNTY ELECTRIC
MEMBERSHIP CORPORATION

Attest:


Secretary

By 
President

TENNESSEE VALLEY AUTHORITY
SCHEDULE OF RATES AND CHARGES

WHOLESALE POWER RATE--SCHEDULE WP
(October 1986)

Availability

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

Base Charges

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

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

Energy Charge: 1.861 cents per kWh per month

Adjustments

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

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

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

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

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

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

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

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

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

Determination of Demands

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

Facilities Rental

There shall be no facilities rental charge under this rate schedule for delivery at bulk transmission voltage levels of 161 kV or higher. For delivery at less than 161 kV, there shall be added to Distributor's bill a facilities rental charge. This charge shall be 34 cents per kW per month, except for delivery at voltages below 46 kV, in which case the charge shall be 89 cents per kW per month for the first 10,000 kW and 69 cents per kW per month for the excess over 10,000 kW. For each delivery point, such charge shall be applied to the higher of (1) the highest delivery point demand established at the delivery point during the latest 12-consecutive-month period or (2) the sum of the currently effective contract demands for all customers which are served by Distributor under parts B and C of the General Power Rate Schedule and under Time-of-Day General Power Rate—Schedule TGP with power and energy taken from such point (for purposes of the calculation with respect to customers served under said Schedule TGP, the term "contract demands" shall mean the higher of the onpeak or offpeak contract demands). Such charge shall be in addition to all other charges under this rate schedule, including minimum bill charges, and such amounts in cents per kW may be increased or decreased by TVA, effective with the effective date of any Adjustment Addendum published by TVA, to reflect changes in the costs of providing for delivery at voltage levels below 161 kV.

Reactive Demand Charges

For each delivery point, if the reactive demand (in kVAR) is lagging during the 60-consecutive-minute period of the month in which the delivery point demand occurs, there shall be added to Distributor's bill a reactive charge of 78 cents per kVAR of the amount, if any, by which the reactive demand exceeds (a) 40 percent of the delivery point demand for bills rendered from meter readings taken for TVA monthly billing cycles scheduled to begin prior to October 2, 1989, and (b) 33 percent of the delivery point demand for bills rendered from meter readings taken for TVA monthly billing cycles scheduled to begin on or after October 2, 1989. If the reactive demand (in kVAR) at a delivery point is leading during the 60-consecutive-minute period of the month in which the lowest kW demand (excluding any measured demands which are less than 25 percent of the delivery point demand) occurs, there shall be added to Distributor's bill a reactive charge of 33 cents per kVAR of the amount of reactive demand. Such charges shall be in addition to all other charges under this rate schedule, including minimum bill charges, and such amounts in cents per kVAR may be increased or decreased by TVA, effective with the effective date of any Adjustment Addendum published by TVA, to reflect changes in the costs of providing reactive power.

Minimum Bill

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

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

Availability

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

Character of Service

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

Base Charges

Customer Charge: \$3.80 per month

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

Adjustment

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

Minimum Monthly Bill

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

Payment

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

Single-Point Delivery

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

Service is subject to Rules and Regulations of Distributor.

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

Availability

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

Character of Service

Alternating current, single or three-phase, 60 hertz. Under A below, power shall be delivered at a service voltage available in the vicinity or agreed to by Distributor. Under B and C below, power shall be delivered at a transmission voltage of 161 kV or, if such transmission voltage is not available, at the highest voltage available in the vicinity, unless at the customer's request a lower standard voltage is agreed upon.

Base Charges

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

Customer Charge: \$8.80 per delivery point per month

Demand Charge: First 50 kW of billing demand per month, no demand charge
Next 950 kW of billing demand per month, at \$8.69 per kW
Next 1,500 kW of billing demand per month, at \$9.06 per kW
Excess over 2,500 kW of billing demand per month, at \$9.44 per kW, plus an additional
\$9.44 per kW per month for each kW, if any, of the amount by which the customer's billing demand exceeds the higher of 2,500 kW or its contract demand.

Energy Charge: First 15,000 kWh per month at 5.832 cents per kWh
Additional kWh per month at 2.868 cents per kWh

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

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

Demand Charge: \$9.29 per kW of billing demand per month, plus an hours use of demand component of
0.436 cent per kWh per month of the lesser of (1) the amount computed by multiplying 620 hours by the customer's billing demand or (2) the customer's energy takings for the month, plus an additional
\$9.29 per kW per month for each kW, if any, of the amount by which the customer's billing demand exceeds its contract demand

Energy Charge: 2.075 cents per kWh per month

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

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

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

Energy Charge: 2.052 cents per kWh per month

Adjustment

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

Facilities Rental Charge Applicable Under B and C Above

There shall be no facilities rental charge under this rate schedule for delivery at bulk transmission voltage levels of 161 kV or higher. For delivery at less than 161 kV, there shall be added to the customer's bill a facilities rental charge. This charge shall be 34 cents per kW per month except for delivery at voltages below 46 kV, in which case the charge shall be 89 cents per kW per month for the first 10,000 kW and 69 cents per kW per month for the excess over 10,000 kW. Such charge shall be applied to the higher of (1) the highest billing demand established during the latest 12-consecutive-month period or (2) the customer's currently effective contract demand and shall be in addition to all other charges under this rate schedule, including minimum bill charges. Such amounts in cents per kW may be increased or decreased by TVA, effective with the effective date of any Adjustment Addendum published by TVA, to reflect changes in the costs of providing for delivery at voltage levels below 161 kV.

Reactive Demand Charges Applicable Under B and C Above

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

billing cycles scheduled to begin on or after October 2, 1989. If the reactive demand (in KVAR) is leading during the 30-consecutive-minute period of the month in which the customer's lowest measured demand (excluding any measured demands which are less than 25 percent of the highest measured demand) occurs, there shall be added to the customer's bill a reactive charge of 33 cents per kVAR of the amount of reactive demand. Such charges shall be in addition to all other charges under this rate schedule, including minimum bill charges, and such amounts in cents per kVAR may be increased or decreased by TVA, effective with the effective date of any Adjustment Addendum published by TVA, to reflect changes in the costs of providing reactive power.

Determination of Demand

Distributor shall measure the demands in kW of all customers having loads in excess of 50 kW. Under A above, the demand for any month shall be the higher of the highest average during any 30-consecutive-minute period of the month of (a) the load measured in kW or (b) 85 percent of the load in kVA plus an additional 10 percent for that part of the load over 5,000 kVA, and such amount shall be used as the billing demand. Under B and C above, the demand for any month shall be the highest average during any 30-consecutive-minute period of the month of the load measured in kW, and such amount shall be used as the billing demand, except that the billing demand for any month shall in no case be less than the sum of (1) 30 percent of the first 5,000 kW, (2) 40 percent of the next 20,000 kW, (3) 50 percent of the next 25,000 kW, (4) 60 percent of the next 50,000 kW, (5) 70 percent of the next 100,000 kW, (6) 80 percent of the next 150,000 kW, and (7) 85 percent of all kW in excess of 350,000 kW of the higher of the currently effective contract demand or the highest billing demand established during the preceding 12 months.

Minimum Bill

The monthly bill under A above shall not be less than the higher of (1) the sum of (a) the base customer charge, (b) the base demand charge, as adjusted, applied to 30 percent of the higher of the currently effective contract demand or the highest billing demand established during the preceding 12 months, and (c) the base energy charge, as adjusted, applied to the customer's energy takings or (2) the sum of (a) the base customer charge and (b) 20 percent of the portion of the base demand charge, as adjusted, applicable to the second block (950 kW) of billing demand, multiplied by the higher of the customer's currently effective contract demand or its highest billing demand established during the preceding 12 months.

The monthly bill under B and C above, excluding any facilities rental charges and any reactive charges, shall not be less than the sum of (1) the base customer charge, (2) the base demand charge, as adjusted (but excluding the additional portion thereof applicable to excess of billing demand over contract demand and excluding, under B above only, the hours use of demand component) applied to the customer's billing demand, (3) under B above only, the hours use of demand component of the base demand charge, as adjusted, applied to the first 620 hours use of the billing demand, and (4) the base energy charge, as adjusted, applied to the customer's energy takings.

Distributor may require minimum bills higher than those stated above.

Seasonal Service

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

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

Contract Requirement

Distributor may require contracts for all service provided under this rate schedule. Customers whose demand requirements exceed 50 kW shall be required to execute contracts and such contracts shall be for an initial term of at least one year. If the customer's demand requirements are in excess of 5,000 kW, the contract shall be for an initial term of at least five years and any renewals or extensions of the initial contract shall be for a term of at least one year; after 10 years of service, any such contract for the renewal or extension of service may provide for termination upon not less than four months' notice. If the customer's demand requirements are in excess of 25,000 kW, the contract shall be for an initial term of at least five years and any renewals or extensions of the initial contract shall be for a term of at least five years; after 10 years of service, any such contract for the renewal or extension of service may provide for termination upon not less than 16 months' notice. The customer shall contract for its maximum requirements, which shall not exceed the amount of power capable of being used by customer, and Distributor shall not be obligated to supply power in greater amount at any time than the customer's currently effective contract demand. If the customer uses any power other than that supplied by Distributor under this rate schedule, the contract may include other special provisions. The rate schedule in any power contract shall be subject to adjustment, modification, change, or replacement from time to time as provided under the power contract between Distributor and TVA.

Payment

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

Single-Point Delivery

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

Service is subject to Rules and Regulations of Distributor.

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

Availability

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

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

Character of Service

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

Base Charges

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

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

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

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

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

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

2.026 cents per kWh per month for all offpeak kWh

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

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

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

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

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

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

2.003 cents per kWh per month for all offpeak kWh

Adjustment

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

Facilities Rental Charge

There shall be no facilities rental charge under this rate schedule for delivery at bulk transmission voltage levels of 161 kV or higher. For delivery at less than 161 kV, there shall be added to the customer's bill a facilities rental charge. This charge shall be 34 cents per kW per month except for delivery at voltages below 46 kV, in which case the charge shall be 89 cents per kW per month for the first 10,000 kW and 69 cents per kW per month for the excess over 10,000 kW. Such charge shall be applied to the highest of (1) the highest onpeak or offpeak billing demand established during the latest 12-consecutive-month period, (2) the customer's currently effective onpeak contract demand, or (3) the customer's currently effective offpeak contract demand and shall be in addition to all other charges under this rate schedule, including minimum bill charges. Such amounts in cents per kW may be increased or decreased by TVA, effective with the effective date of any Adjustment Addendum published by TVA, to reflect changes in the costs of providing for delivery at voltage levels below 161 kV.

Reactive Demand Charges

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

reactive charge of 33 cents per kVAR of the amount of reactive demand. Such charges shall be in addition to all other charges under this rate schedule, including minimum bill charges, and such amounts in cents per kVAR may be increased or decreased by TVA, effective with the effective date of any Adjustment Addendum published by TVA, to reflect changes in the costs of providing reactive power.

Determination of Onpeak and Offpeak Hours

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

Determination of Onpeak and Offpeak Demands and Energy Amounts

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

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

Minimum Bill

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

Distributor may require minimum bills higher than those stated above.

Contract Requirement

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

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

Payment

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

Single-Point Delivery

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

Service is subject to Rules and Regulations of Distributor.

OUTDOOR LIGHTING RATE--SCHEDULE LP
(October 1986)

Availability

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

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

Payment

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

Adjustment

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

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

I. Energy Charge: 3.935 cents per kWh per month

II. Facility Charge

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

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

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

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

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

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

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

- A. Distributor shall bill the customer monthly for such replacements during each month at Distributor's cost of materials, including appropriate storeroom expense.
- B. Distributor shall bill the customer monthly for one-twelfth of the amount by which Distributor's cost of materials, including appropriate storeroom expense, exceeds the product of 3 mills multiplied by the number of 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

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

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

(b) Energy Charge: For each lamp size under (a) above, 3.935 cents per rated kWh per month.

Adjustment of Facility Charges

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

Additional Facilities

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

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

Lamp Replacements

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

Special Outdoor Lighting Installations

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

Service is subject to Rules and Regulations of Distributor.

TENNESSEE VALLEY AUTHORITY

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

November 19, 1986



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

Dear Jack:

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

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

Very truly yours,

TENNESSEE VALLEY AUTHORITY

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

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

Enclosure

TENNESSEE VALLEY AUTHORITY
Chattanooga, Tennessee 37402-2801

TV-52337A
Supp No. 9

July 2, 1986

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

Dear Mr. Hagan:

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

It is understood and agreed that:

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

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

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

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

Mr. C. S. Hagan
July 2, 1986

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

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

Very truly yours,

TENNESSEE VALLEY AUTHORITY

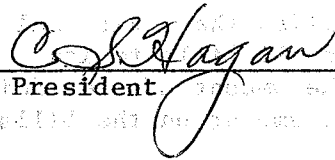


R. B. Davis, Director

Division of Energy Use
and Distributor Relations

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

TRI-COUNTY ELECTRIC
MEMBERSHIP CORPORATION

By 
President

TENNESSEE VALLEY AUTHORITY

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

November 10, 1986

TV - 52337 A
Supp. No. 10

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


Dear Jack:

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

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

Very truly yours,

TENNESSEE VALLEY AUTHORITY


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

Enclosure

TENNESSEE VALLEY AUTHORITY
Chattanooga, Tennessee 37402-2801

TV-52337A
Supp No. 10

AUG 01 1986

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

Dear Mr. Hagan:

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

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

1. During the 12-month period beginning October 2, 1986, Distributor will identify and review service arrangements for all accounts which are presently being served under the residential rate schedule and which do not include service to a dwelling (classified and hereinafter called "Code 23 Accounts"). During this period Distributor will inform customers having such accounts that a customer, by rewiring, can arrange for appurtenances to a single-family dwelling (which appurtenances are presently being served separately under Code 23 Accounts) to be served through the meter for that dwelling.

2. Effective with bills rendered from meter readings taken for TVA and Distributor monthly billing cycles scheduled to begin on or after October 2, 1987, (a) Distributor's monthly wholesale bill will no longer receive the per-customer credit provided for in item (2) of the Hydro Allocation Adjustment of the wholesale power rate schedule with respect to any remaining Code 23 Accounts, and (b) Distributor will recover such amount through a surcharge (applicable each month to the resale bill of each such remaining Code 23 Account) equal to the amount of the credit provided for in said item (2).

W072286

Mr. C. S. Hagan

AUG 01 1986

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

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

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

Very truly yours,

TENNESSEE VALLEY AUTHORITY

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

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

TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION

By *C. S. Hagan*
President

TENNESSEE VALLEY AUTHORITY

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



January 22, 1987

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

Dear Jack:

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

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

Very truly yours,

TENNESSEE VALLEY AUTHORITY

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

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

Enclosure

TENNESSEE VALLEY AUTHORITY
Chattanooga, Tennessee 37402-2801

TV-52337A
Supp No. 11

July 9, 1986

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

Dear Mr. Hagan:

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

It is understood and agreed that:

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

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

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

Mr. C. S. Hagan
July 9, 1986

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

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

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

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

Very truly yours,

TENNESSEE VALLEY AUTHORITY



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

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

TRI-COUNTY ELECTRIC
MEMBERSHIP CORPORATION

By C. S. Hagan
President

TENNESSEE VALLEY AUTHORITY

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



March 2, 1987

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

Dear Jack:

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

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

Very truly yours,

TENNESSEE VALLEY AUTHORITY

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

Enclosure

Suzanne

Pls. make copy for Jim Cauffman.

*Thanks,
Jack
3/6/87
3/9/87
JK*

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

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

W I T N E S S E T H:

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

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

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

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

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

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

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

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

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

TENNESSEE VALLEY AUTHORITY

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

TRI-COUNTY ELECTRIC
MEMBERSHIP CORPORATION

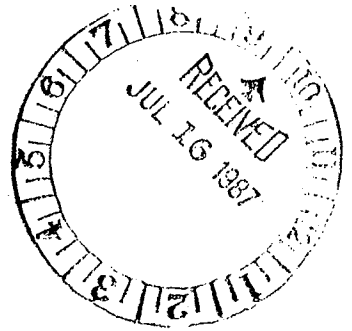
Attest:

Bruce McClard
Secretary

By C. S. Hagan
President

TENNESSEE VALLEY AUTHORITY

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



Letter -

*Please make copies for
Carruth, Law, Gumbles & Wilcher
then return original to me. Thanks*

July 15, 1987

Jack - 7/17/87

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

Dear Jack:

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

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

Very truly yours,

TENNESSEE VALLEY AUTHORITY

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

Enclosure

LEASE AND AMENDATORY AGREEMENT

Among
UNITED STATES OF AMERICA,
TENNESSEE VALLEY AUTHORITY,
And
TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION

TV-52337A
Supp No. 13

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

W I T N E S S E T H:

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

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

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

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

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

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

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

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

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

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

- (B) TVA's Summer Shade-Edmonton 69-kV Line beginning at the Summer Shade 161-kV Substation and extending approximately 6.70 miles to Cooperative's Edmonton Substation, together with the easements and rights-of-way appurtenant thereto affecting property designated on TVA's records as Tracts SSER-1, S6E-1A, and SSE-1 through SSE-29, all as shown on TVA drawing LW-5591, sheets 1, 2, 3, and 4 (which property rights are further described as those rights acquired by the United States of America by instruments of record in the office of the County Court Clerk of Metcalfe County, Kentucky, identified by book and page in the Appendix of this agreement); but excluding any facilities for which expenditures were committed by TVA after January 1, 1977.
- (C) TVA's Dale Hollow Hydro-Tompkinsville-Summer Shade (Double Circuit) No. 1 and No. 2 69-kV Lines beginning at the Dale Hollow Hydro Substation and extending approximately 30.98 miles to the Summer Shade 161-kV Substation, including the

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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TVA has taken this breaker back

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

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

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

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

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

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

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

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

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

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

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

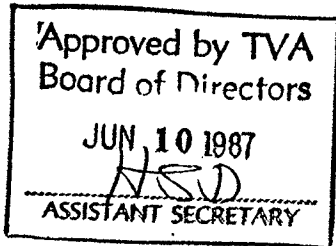
9. Term of Agreement. Except as otherwise provided herein, this agreement shall be effective as of the date first above written and shall continue in effect for the term of the Power Contract or any extension, renewal, or replacement thereof.

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

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

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

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



UNITED STATES OF AMERICA
By Tennessee Valley Authority
Its Legal Agent

and

Attest:

TENNESSEE VALLEY AUTHORITY

Helen S. Trummer
Assistant Secretary
OGC

By [Signature]
General Manager

Attest:

TRI-COUNTY ELECTRIC
MEMBERSHIP CORPORATION

Brammclard
Secretary

By [Signature]
President

STATE OF TENNESSEE)
)
COUNTY OF KNOX)

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

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

Linnie L. Ames
Notary Public

My commission expires: 9-22-87

APPENDIX

Sources of Title to Transmission Line Property Rights

Item 1(B)

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

Item 1(C)

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

Item 1(C)--Continued

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

Item 1(C)--Continued

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

Item 1(C)--Continued

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

Item 1(D)

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

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

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

Item 1(D)--Continued

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

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

Item 1(D)--Continued

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

Item 1(E)

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

Item 1(E)--Continued

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

Item 1(E)--Continued

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

Item 1(G)

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

*Involves special clearing arrangements.

**Mortgage Book

File



TRI-COUNTY
ELECTRIC MEMBERSHIP
CORPORATION



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

TV 52337A-

Supp #13

June 5, 1991

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

RE: Summer Shade Lease Agreement

Dear Mr. Callaham:

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

Sincerely,

LAURA L. KIRBY
Secretary to the
General Manager

lk

Enclosures (3)

TENNESSEE VALLEY AUTHORITY
Chattanooga, Tennessee 37402-2801

May 8, 1991

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

Dear Mr. Thompson:

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

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

It is understood and agreed that:

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

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

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

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

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

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

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

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

Very truly yours,

TENNESSEE VALLEY AUTHORITY

G. Douglas Carver, Manager
Distributor Marketing
and Services

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

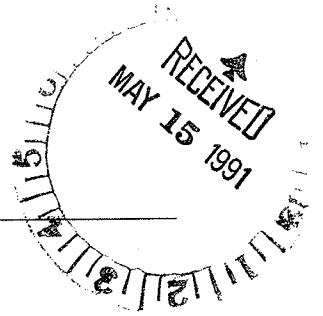
TRI-COUNTY ELECTRIC
MEMBERSHIP CORPORATION

By 
President

W050691
3594M



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



May 13, 1991

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

Dear Mr. Shafer:

SUMMER SHADE LEASE AGREEMENT

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

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

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

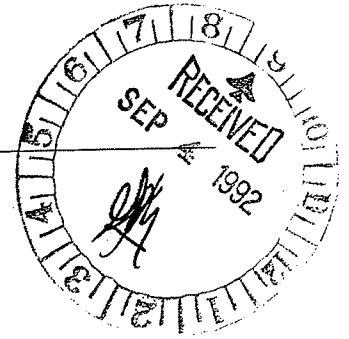
Sincerely,

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

Enclosures



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



September 2, 1992

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

Dear Mr. Nuckols:

SUMMER SHADE 161-KV LEASE

Enclosed for your permanent files are copies of Net Book Cost Schedules A-1, B-1, C-1, D-1, E-1, F-1, and G-1, which show the descriptive and cost data for the facilities and properties leased under Lease and Amending 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)

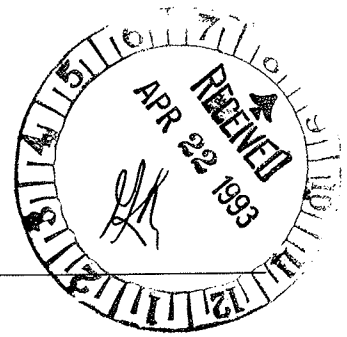
Enclosures

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



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

Copy: Ralph
4-22-93



April 21, 1993

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

Dear Mr. Nuckols:

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

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

Sincerely,

John A. Humphries

for Myron N. Callahan
Manager
Kentucky Customer Service Center

Enclosures

LIST OF DRAWINGS AND PRINTS

CONVEYED TO TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION

JULY 31, 1992

TV-52337A, SUPPLEMENT NO. 13

SUMMER SHADE, KY, 161-kV SUBSTATION

Reproducible Drawings

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

DALE HOLLOW HYDRO-BURKESVILLE 69-kV LINE

Reproducible Drawings

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

DALE HOLLOW HYDRO-CELINA 69-kV LINE

Reproducible Drawings

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

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

Reproducible Drawings

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

SUMMER SHADE-EDMONTON 69-kV LINE

Reproducible Drawings

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

SUMMER SHADE-SCOTTSVILLE 69-kV LINE

Reproducible Drawings

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

SUMMER SHADE-TOMPKINSVILLE PUMPING STATION 161-kV LINE

Reproducible Drawings

SC-26707, Sh. 2 & 3

MC-24931, Sh. 6A & 6B
MC-24933

BMC-24932, Sh. 1A-4A

LW-3097
LW-3098, Sh. 15A-15C

Transmission Line Data Sheets

Structure List
Phasing Diagram

Bill of Material

Vicinity Map
Plan and Profile



File

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

September 29, 1995

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

Dear Mr. Callis:

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

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

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

Sincerely,

John A. Humphries
for Mark C. Shults

Customer Service Manager
Kentucky Customer Service Center

Enclosure

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

TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION

By *D. M. Callis*
General Manager

Wetland Protection

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

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

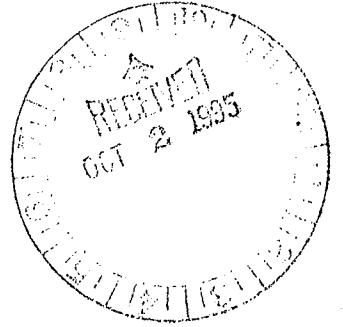
mailed 4 orig. 10/04/95
dk



See Acctng Vault
Summer Shade Substation

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

September 29, 1995



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

Dear Mr. Callis:

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

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

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

Sincerely,

John A. Humphreys
for Mark C. Shults

Customer Service Manager
Kentucky Customer Service Center

Enclosure

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

TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION

By *[Signature]*
General Manager

*E-Mailed approval
11/13/95*

*Please remain
in call me.*

John H

*for original
11/13/95*

date

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

Dear Mr. Lonas:

This will confirm the arrangements under section 1 of ~~Lease and~~
~~Amendatory Agreement IV-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 right to use the Dale Hollow-Tompkinsville-Summer Shade (Double-
Circuit) No. 1 and No. 2 69-kV Lines (Use Facilities).

It is understood and agreed that:

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

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

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

Mr. Carl D. Lonas
Page 2
date

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

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

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

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

Mr. Carl D. Lonas
Page 3
date

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

Sincerely,

Robert H. Goodson
General Manager
Business Development
Customer Group

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

TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION

By _____
President

TRI-COUNTY
ELECTRIC MEMBERSHIP
CORPORATION



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

November 14, 1995

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

Dear Mark:

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

Sincerely,

DAVID M. CALLIS
Interim General Manager

Enclosure (1)

bc: John Humphries

TRI-COUNTY
ELECTRIC MEMBERSHIP
CORPORATION



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

January 19, 1996

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

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

Dear John:

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

Please return a fully executed copy for our files.

If additional assistance is needed, please advise.

Sincerely,

LAURA L. KIRBY
Administrative Assistant

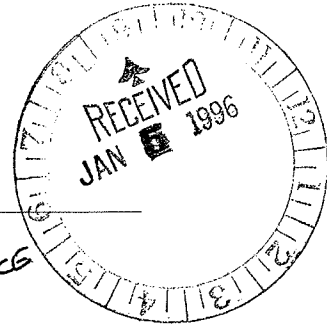
lk

Enclosures (4)

c: Ken Witcher



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



January 3, 1996

*Recommend Acceptance
By Tri-County
1/8/96*

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

Dear Mr. Callis:

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

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

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

*Lawson,
Keep
a
copy
for
file.
On*

Sincerely,

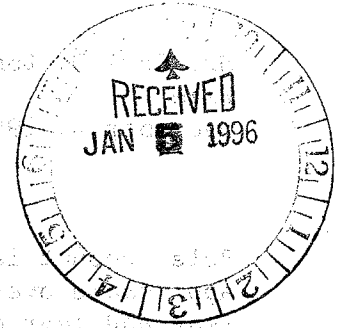
John A. Humphries

Mark C. Shults
Customer Service Manager
Kentucky Customer Service Center

Enclosures



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



December 4, 1995

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

Dear Mr. Lonas:

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

It is understood and agreed that:

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

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

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

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7797M



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

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

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

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

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

Sincerely,

Robert H. Goodson
General Manager
Business Development
Customer Group

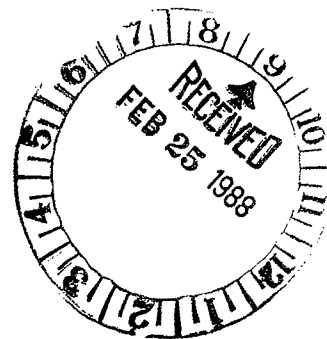
Accepted and agreed to as of
the date first above written.

TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION

By Carl W Lonas
President

TENNESSEE VALLEY AUTHORITY

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



February 23, 1988

Lama -

Please make

*copies for:
Cauter
Law*

Thanks, Jack - 2/25/88

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

Dear Jack:

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

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

Very truly yours,

TENNESSEE VALLEY AUTHORITY

G. Glen Burgess

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

Enclosure

TRI-COUNTY
ELECTRIC MEMBERSHIP
CORPORATION



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

January 8, 1988

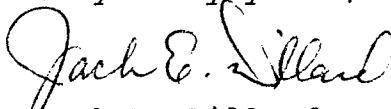
Mr. G. Glen Burgess
District Manager
Division of Energy Use and
Distributor Relations
Tennessee Valley Authority
444 Metroplex Drive
P. O. Box 110140, Suite 260
Nashville, Tennessee 37222-0140

Dear Mr. Burgess:

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

Please return to us when fully executed by TVA.

Very truly yours,


Jack E. Dillard
General Manager

sh

Enclosures 3

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

TENNESSEE VALLEY AUTHORITY
Chattanooga, Tennessee 37402-2801

TV-52337A
Supp No. 14

December 21, 1987

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

Dear Mr. Cowan:

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

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

1. The current Adjustment Addendum, which became effective on October 2, 1987 (hereinafter called the "Current Addendum"), and the other amounts, that became effective therewith and were transmitted to Distributor as Enclosure 2 (hereinafter called "Enclosure 2") with TVA's letter transmitting the Current Addendum, shall remain in full force and effect for all bills rendered from meter readings taken for TVA and Distributor monthly billing cycles scheduled to begin before January 2, 1988.
2. Beginning with bills rendered from meter readings taken for TVA and Distributor monthly billing cycles scheduled to begin on or after January 2, 1988, application of the Current Addendum and the Enclosure 2 amounts shall be discontinued and the amounts set out in the attached Substitute Adjustment Addendum (hereinafter called the "Substitute Addendum") and the other amounts set out in the attached Substitute Enclosure 2, shall be applied (a) in the case of the Substitute Addendum, in lieu of the Current Addendum, to the demand and energy charges as set out in the Schedule of Rates and Charges and (b) in the case of Substitute Enclosure 2, in lieu of Enclosure 2, in accordance with the provisions thereof.
3. Application of the amounts set out in the Substitute Addendum and in Substitute Enclosure 2 shall be discontinued beginning with bills rendered from meter readings taken for TVA and Distributor monthly billing

W122187
SAA-1

Mr. George Cowan
December 21, 1987

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

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

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

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

Very truly yours,

TENNESSEE VALLEY AUTHORITY



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

Attachments

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

TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION

By 
President

TENNESSEE VALLEY AUTHORITY

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

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

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

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

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

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

TENNESSEE VALLEY AUTHORITY

SUBSTITUTE ADJUSTMENT ADDENDUM
TO
SCHEDULES OF RATES AND CHARGES

Effective January 2, 1988

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

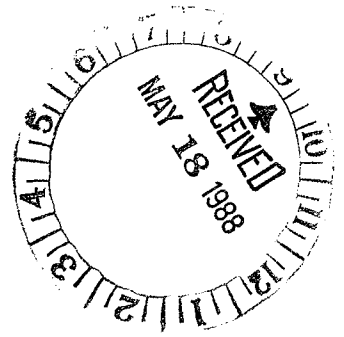
	Demand Charges		Energy Charge
	Billing Demand Per kW	Hours Use of Demand Component ^a	Per kWh
Wholesale Power Rate - WP	Add \$1.07	Add 0.058¢	Add 0.102¢
Time-of-Day Wholesale Power Rate - WPT	Add \$1.07	--	Add 0.248¢
Onpeak Charges	--	--	Add 0.109¢
Offpeak Charges	--	--	Add 0.473¢
Residential Rate Schedules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

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

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

TENNESSEE VALLEY AUTHORITY

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



Laura -

*Pls make copies for
Gambles + Law, then
return "original" to me. Thanks,*

May 17, 1988

Jack - 5/18/88

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

Dear Jack:

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

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

Very truly yours,

TENNESSEE VALLEY AUTHORITY

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

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

Enclosure

TENNESSEE VALLEY AUTHORITY
Chattanooga, Tennessee 37402-2801

TV-52337A
Supp No. 15

December 17, 1987

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

Dear Mr. Cowan:

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

It is understood and agreed that:

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

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Mr. George Cowan
December 17, 1987

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

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

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

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

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

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

Mr. George Cowan
December 17, 1987

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

Very truly yours,

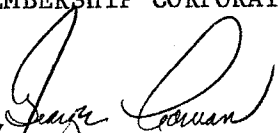
TENNESSEE VALLEY AUTHORITY



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

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

TRI-COUNTY ELECTRIC
MEMBERSHIP CORPORATION

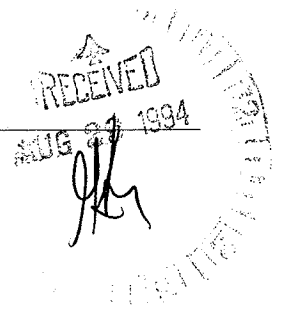
By 

President

C: David RK
8/30/94



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



August 25, 1994

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

Dear Mr. Nuckols:

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

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

Sincerely,

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

by
AG

August 23, 1994

J. William Brooks III, MR 5A-C

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

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

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



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

CHA:KG

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

0965A9

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

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

W I T N E S S E T H:

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

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

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

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

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

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

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

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

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

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

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

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

TENNESSEE VALLEY AUTHORITY

By G. D. Douglas Carne
Manager of Distributor
Marketing and Services

TRI-COUNTY ELECTRIC
MEMBERSHIP CORPORATION

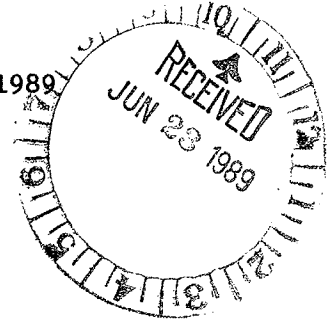
Attest:

By Barry Olyard Secretary
By Deacy Colman President

TENNESSEE VALLEY AUTHORITY

Post Office Box 20260
Bowling Green, Kentucky 42102-6260

June 20, 1989



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

Dear Mr. Dillard:

HYDRO ALLOCATION ADJUSTMENT 4 (RESIDENTIAL CREDIT)

Enclosed for your files is a fully executed copy of Agreement TV-52337A,
Supplement No. 17 dated March 1, 1989.

Very truly yours,

TENNESSEE VALLEY AUTHORITY

A handwritten signature in cursive script that reads "Myron N. Callahan".

Myron N. Callahan
District Manager

Enclosure

TENNESSEE VALLEY AUTHORITY
Chattanooga, Tennessee 37402-2801

TV-52337A
Supp No. 17

March 1, 1989

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

Dear Mr. Cowan:

This will confirm the arrangements developed between representatives of Tri-County Electric Membership Corporation (hereinafter called "Distributor") and the Tennessee Valley Authority (hereinafter called "TVA") with respect to amending the wholesale power contract dated July 18, 1979 (which contract, as heretofore amended and supplemented, is hereinafter called the "Power Contract"), between the parties as necessary to implement an alternative wholesale rate schedule which provides for calculating on a quarterly (rather than an annual) basis the credits under Adjustment 4 (Hydro Allocation Adjustment) of said schedule.

It is understood and agreed that:

1. The Schedule of Rates and Charges attached to and made a part of the Power Contract contains a wholesale rate schedule therein designated as Schedule WP (October 1986) (hereinafter referred to as the "existing wholesale schedule"). An alternative wholesale schedule, designated Schedule WPA (February 1989) (hereinafter referred to as the "alternative wholesale schedule") is attached hereto. The existing wholesale schedule shall remain in full force and effect for all bills rendered from meter readings taken for TVA monthly billing cycles scheduled to begin before July 2, 1989. The alternative wholesale schedule shall become effective in accordance with the provisions thereof for bills rendered from meter readings taken for TVA monthly billing cycles scheduled to begin on or after said date. (For purposes of this agreement and of the Power Contract, a billing cycle for any month is defined as the complete cycle of meter readings from which an accounting month's sales statistics and revenues are derived.) Commencing with the first application of the alternative wholesale schedule, all references in the Power Contract to the existing wholesale schedule shall be deemed to refer to the alternative wholesale schedule; the existing wholesale schedule shall be deleted from the Power Contract; and the alternative wholesale schedule shall be substituted therefor.

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Mr. George Cowan
March 1, 1989

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

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

Very truly yours,

TENNESSEE VALLEY AUTHORITY

G. Douglas Carver, Manager
Distributor Marketing
and Services

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

TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION

By
President

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1
TENNESSEE VALLEY AUTHORITY
SCHEDULE OF RATES AND CHARGES

ALTERNATIVE WHOLESALE POWER RATE--SCHEDULE WPA
(February 1989)

Availability

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

Base Charges

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

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

Energy Charge: 1.861 cents per kWh per month

Adjustments

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

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

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

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

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

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

7. Distributor's bill for each month shall be adjusted by applying the net of the following calculation:
(1) subtract 0.589 cent per kWh for one-third of the energy resold during the second preceding quarter by Distributor to customers entitled to service under residential rate schedules, exclusive of any energy resold to any such customer in any month in excess of 2,000 kWh, (2) subtract 4.00 dollars per customer for one-third of the sum for the second preceding quarter of the number of residential customers served by Distributor in each month, (3) add 0.500 cent per kWh

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

Effective January 2, April 2, July 2, and October 2 of each year, the Hydro Allocation Adjustment shall be recomputed to take account of changed sales and customer account data and applied accordingly; and in performing such computations, the 3-month periods ending the preceding September 30, December 31, March 31, and June 30, respectively, shall be used.

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

Determination of Demands:

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

Facilities Rental

There shall be no facilities rental charge under this rate schedule for delivery at bulk transmission voltage levels of 161 kV or higher. For delivery at less than 161 kV, there shall be added to Distributor's bill a facilities rental charge. This charge shall be 34 cents per kW per month, except for delivery at voltages below 46 kV, in which case the charge shall be 89 cents per kW per month for the first 10,000 kW and 69 cents per kW per month for the excess over 10,000 kW. For each delivery point, such charge shall be applied to the higher of (1) the highest delivery point demand established at the delivery point during the latest 12-consecutive-month period or (2) the sum of the currently effective contract demands for all customers which are served by Distributor under parts B and C of the General Power Rate Schedule and under Time-of-Day General Power Rate--Schedule TGP with power and energy taken from such point (for purposes of the calculation with respect to customers served under said Schedule TGP, the term "contract demands" shall mean the higher of the onpeak or offpeak contract demands). Such charge shall be in addition to all other charges under this rate schedule, including minimum bill charges, and such amounts in cents per kW may be increased or decreased by TVA, effective with the effective date of any Adjustment Addendum published by TVA, to reflect changes in the costs of providing for delivery at voltage levels below 161 kV.

Reactive Demand Charges

For each delivery point, if the reactive demand (in KVAR) is lagging during the 60-consecutive-minute period of the month in which the delivery point demand occurs, there shall be added to Distributor's bill a reactive charge of 78 cents per KVAR of the amount, if any, by which the reactive demand exceeds (a) 40 percent of the delivery point demand for bills rendered from meter readings taken for TVA monthly billing cycles scheduled to begin prior to October 2, 1989, and (b) 33 percent of the delivery point demand for bills rendered from meter readings taken for TVA monthly billing cycles scheduled to begin on or after October 2, 1989. If the reactive demand (in KVAR) at a delivery point is leading during the 60-consecutive-minute period of the month in which the lowest kW demand (excluding any measured demands which are less than 25 percent of the delivery point demand) occurs, there shall be added to Distributor's bill a reactive charge of 33 cents per KVAR of the amount of reactive demand. Such charges shall be in addition to all other charges under this rate schedule, including minimum bill charges, and such amounts in cents per KVAR may be increased or decreased by TVA, effective with the effective date of any Adjustment Addendum published by TVA, to reflect changes in the costs of providing reactive power.

Minimum Bill

The monthly bill, exclusive of (a) Adjustments 2, 4, and 5, (b) any applicable facilities rental charges, and (c) any reactive charges, shall not be less than the higher of (1) the base delivery point charge or (2) 70 percent of the sum of (a) the highest billing demand established during the previous 36 months multiplied by the base demand charge, as adjusted (but excluding the hours use of demand component), and (b) the cents-per-kWh charge of the hours use of demand component, as adjusted, applied to the lesser of (i) 550 hours multiplied by said highest billing demand or (ii) Distributor's energy takings for the month in which said highest billing demand occurred; provided, however, that a special minimum bill may be applied for any delivery point through which more than 75 percent of the energy taken by Distributor is resold to general power customers with demands of 50 kW or more.

TENNESSEE VALLEY AUTHORITY

Post Office Box 20260
Bowling Green, Kentucky 42102-6260

August 21, 1989

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



Dear Mr. Dillard:

OBERON RESOURCES CORPORATION

Enclosed for your files is a fully executed copy of Letter Agreement TV-52337A, Supplement No. 18, dated October 5, 1988, providing for Oberon Resources Corporation to connect to the Burkesville Line.

Very truly yours,

TENNESSEE VALLEY AUTHORITY

Myron N. Callahan, Manager
Bowling Green District

Enclosure

Laura -

*Pls. make copies of attached for
Jim Coulter + Ralph Law*

Thanks

*Joseph
8/24/89*

TENNESSEE VALLEY AUTHORITY
Chattanooga, Tennessee 37402-2801

October 5, 1988

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

Dear Mr. Cowan:

Under Lease and Amendatory Agreement TV-52337A, Supplement No. 13, dated May 1, 1987 (hereinafter called "1987 Agreement"), among the United States of America, the Tennessee Valley Authority (hereinafter called "TVA"), and the Tri-County Electric Membership Corporation (hereinafter called "Cooperative"), Cooperative leases, among other things, a section of TVA's Dale Hollow Hydro-Burkesville 69-kV Line.

It is recognized that Oberon Resources Corporation (hereinafter sometimes called "Corporation") is constructing a power production facility near Burkesville, Kentucky, and that the electric power and energy from Corporation's facility will be purchased by TVA at the point of connection of Corporation's facilities to the leased section of the Dale Hollow Hydro-Burkesville 69-kV Line (hereinafter called the "Oberon Connection"). It is also recognized that, under a separate agreement among Cooperative, Corporation, and TVA, Cooperative will, at Corporation's expense, make the connection of Corporation's facilities to the leased 69-kV line. This will confirm the arrangements developed between Cooperative and TVA with respect to amending the 1987 Agreement to provide for TVA to reserve capacity in a portion of the leased 69-kV line to transmit the power generated by Corporation into TVA's system at the Dale Hollow Hydro Plant.

It is understood and agreed that:

1. Effective as of the date on which Corporation first delivers power and energy to TVA at the Oberon Connection (approximately April 1, 1990), the 1987 Agreement is hereby amended by adding to it the following as a new section 13:

13. Reservation of Capacity. It is recognized that the Oberon Resources Corporation (hereinafter called "Corporation") plans to connect its facilities to the section of the Dale Hollow Hydro-Burkesville 69-kV Line included in the Leased Facilities and Purchased Facilities under paragraph (E) of section 1 hereof. It is further recognized that, to transmit the power and energy generated by Corporation into TVA's system,

Mr. George Cowan
October 5, 1988

TVA will require the use of a portion of said line section beginning at the Dale Hollow Hydro Plant and extending approximately 16.28 miles to the point of connection of Corporation's facilities to said line section (hereinafter called the "Burkesville Line") and that, based on current load estimates, the magnitude of said power supply use will not exceed 51 percent of the maximum capability of the Burkesville Line. TVA hereby reserves the right to use the Burkesville Line for said power supply purpose to the extent set forth in the preceding sentence. As consideration therefor, beginning on the date on which Corporation's facilities are placed in service and continuing until the date of cessation of TVA's said use, (a) the actual net book cost of the Burkesville Line shall be reduced by 51 percent for purposes of computing the annual rental specified in section 1 hereof, and (b) unless otherwise agreed, TVA will reimburse Cooperative, annually in arrears and upon receipt of a statement therefor, an amount equal to 51 percent of Cooperative's actual operation and maintenance costs, including applicable overheads, incurred for the Burkesville Line. In the event that Cooperative purchases the Leased Facilities as provided for in section 8 hereof prior to cessation of TVA's said use, Cooperative and TVA will agree on equitable compensation by TVA to Cooperative for the continuation of said use.

It is estimated, for the convenience of Cooperative and TVA only, that this amendment will decrease the monthly payment provided for in section 1 of the 1987 Agreement by \$270.

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

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

4. Except as otherwise provided herein, this agreement shall become effective as of the date first above written.

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Mr. George Cowan
October 5, 1988

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

Very truly yours,

TENNESSEE VALLEY AUTHORITY



G. Douglas Carver, Manager
Distributor Marketing
and Services

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

TRI-COUNTY ELECTRIC
MEMBERSHIP CORPORATION



By _____
President

TV-52337A

TENNESSEE VALLEY AUTHORITY

#19

Post Office Box 20260
Bowling Green, Kentucky 42102-6260

Laura - Pls. make copy
for Ralph Law, Thanks, Jack
8-24-89
8/24/89

August 22, 1989



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

Dear Mr. Dillard:

SCOTTSVILLE SUBSTATION METERING

Enclosed for your files is a fully executed letter agreement covering Tri-County's use of TVA's metering circuits at the Scottsville Substation.

Under the arrangements, TVA will perform the engineering and other work necessary to install a transducer (supplied by Tri-County) in the secondary circuits of TVA's metering transformers at Scottsville Substation.

Very truly yours,

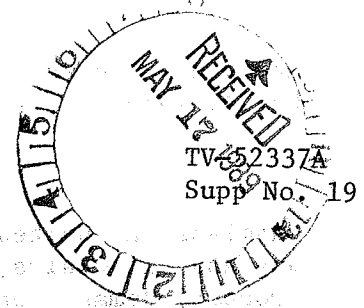
TENNESSEE VALLEY AUTHORITY

Myron N. Callahan

Myron N. Callahan, Manager
Bowling Green District

Enclosure

TENNESSEE VALLEY AUTHORITY
Chattanooga, Tennessee 37402-2801



May 4, 1989

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

Dear Mr. Cowan:

Under Lease and Amendatory Agreement TV-21448A, Supplement No. 12, dated May 24, 1978 (hereinafter called "Lease Agreement"), among the United States of America, the Tennessee Valley Authority (hereinafter called "TVA"), and the Tri-County Electric Membership Corporation (hereinafter called "Cooperative"), Cooperative leases TVA's Scottsville Substation, excluding, among other things, TVA's 13-kV revenue metering installation.

It is recognized that the aforesaid metering installation was provided by TVA for TVA's exclusive use and control and further that Cooperative has requested to use the outputs from TVA's revenue metering current and voltage transformer secondaries to activate a transducer to enable Cooperative to obtain certain outputs therefrom for use with Cooperative's voltage regulation unit. This will confirm the arrangements developed between representatives of TVA and Cooperative with respect thereto.

It is understood and agreed that: TVA will, at its expense, perform the engineering and work necessary to install in the switchhouse at the Scottsville 161-kV Substation the transducer to be supplied by Cooperative and to make the necessary connections from the secondaries of TVA's revenue metering transformers to Cooperative's said transducer. Cooperative will, at its expense, provide the equipment and materials and make the connections from its voltage regulation unit to said transducer. Cooperative will thereafter operate and maintain its facilities installed under this section 1 at its expense. It is understood that Cooperative will neither install nor change any facilities which are to be connected to TVA's secondary metering circuits hereunder without TVA's prior written approval. Such approval is to ensure that the installation or change is satisfactory to TVA insofar as required for the safe and efficient operation of TVA's metering facilities.

2. Cooperative shall reimburse TVA for any damage to TVA's property and to property in TVA's custody, and Cooperative releases the United States of America, TVA, their agents, and employees from and shall indemnify and save

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Mr. George Cowan
May 4, 1989

harmless the United States of America, TVA, their agents and employees from any and all claims, demands, or causes of action for personal injuries, property damage, or loss of life or property sustained by Cooperative, its agents and employees, or third parties arising out of or in any way connected with (a) any of Cooperative's or TVA's work under this agreement or (b) the use, operation, maintenance, repair, defect, replacement, revision, or failure of said revenue metering transformers, even though the personal injuries, property damage, or loss of life or property is caused, occasioned, or contributed to by the negligence, sole or concurrent, of the United States of America, TVA, their agents or employees.

3. The facilities and equipment and the secondary currents and voltages provided or provided and installed by TVA hereunder for Cooperative's use are provided to Cooperative as is, where is; and TVA makes no statement, representation, claim, guaranty, or warranty, express or implied, (a) as to the accuracy of the information to be furnished by the metering outputs from TVA's metering installation or as to such information's fitness for any purposes for which Cooperative uses or will use it and (b) as to quantity, kind, character, quality, capacity, design, performance, compliance with specifications, condition, size, description of any property, fitness for any use or purpose, or otherwise of any facilities and equipment or any outputs from TVA's said metering installation. All implied warranties of merchantability and fitness for a particular purpose are hereby disclaimed by TVA and excluded from this agreement.

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

5. The Lease Agreement is hereby ratified and confirmed as the continuing obligation of the parties.

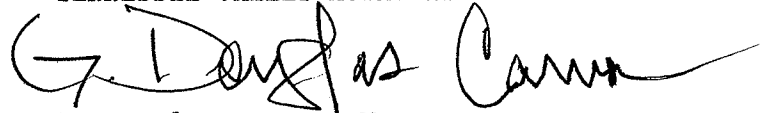
6. Except as otherwise provided herein this agreement shall become effective on the date first above written and shall continue in effect until the termination of the power contract, dated July 18, 1979, or any extension, renewal, or replacement thereof.

Mr. George Cowan
May 4, 1989

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

Very truly yours,

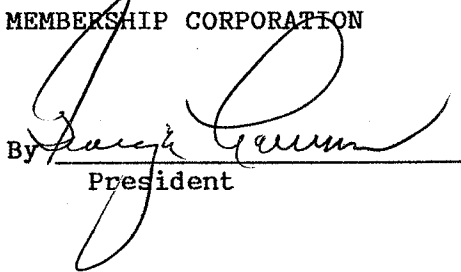
TENNESSEE VALLEY AUTHORITY



G. Douglas Carver, Manager
Distributor Marketing
and Services

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

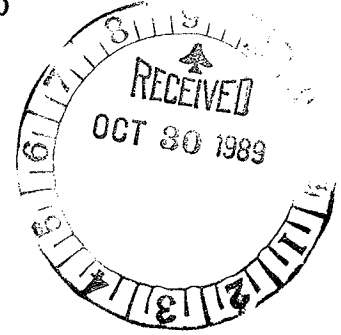
TRI-COUNTY ELECTRIC
MEMBERSHIP CORPORATION



By _____
President

TENNESSEE VALLEY AUTHORITY

Post Office Box 20260
Bowling Green, Kentucky 42102-6260
October 26, 1989



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

Dear Mr. Dillard:

COINCIDENCE FACTOR CREDIT

Enclosed for your files is a fully executed copy of Agreement TV-52337A, Supplement No. 20, dated May 5, 1989, covering application of coincidence factor credit to your wholesale bill for service to large part A loads.

Very truly yours,

TENNESSEE VALLEY AUTHORITY

John A. Humphries for

Myron N. Callaham
District Manager
Bowling Green District

Enclosure

Copy to: LAW
CAUTHEN

Jed - 10/30/89

TENNESSEE VALLEY AUTHORITY
Chattanooga, Tennessee 37402-2801

TV-52337A
Supp No. 20

May 5, 1989

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

Dear Mr. Cowan:

This will confirm the arrangements developed between representatives of Tri-County Electric Membership Corporation (hereinafter called "Distributor") and the Tennessee Valley Authority (hereinafter called "TVA"), with respect to amending the wholesale power contract dated July 18, 1979 (which contract, as heretofore amended, is hereinafter called the "Power Contract"), between TVA and Distributor to implement arrangements whereby Distributor will be assured of covering its wholesale cost of serving large Part A customers.

It is understood and agreed that:

1. The arrangements set out below with respect to large Part A Customers shall apply for annual periods (hereinafter individually called "Annual Period") consisting of Distributor's 12 consecutive monthly billing cycles beginning with the first such cycle scheduled to begin on or after October 2 of each year, except that the first Annual Period hereunder shall consist of Distributor's 7 consecutive monthly billing cycles beginning with the first such cycle scheduled to begin on or after March 2, 1989. (For purposes of this agreement, a billing cycle for any month is defined as the complete cycle of meter readings from which an accounting month's sales statistics and revenues are derived.) For purposes of this agreement the term "Large Part A Customers" shall include, for each month of each Annual Period, all of Distributor's customers with a billing demand during such month above 1,000 kW and billed under the Part A portion (hereinafter called "Part A") of Distributor's applicable general power (GP series) rate schedule, excluding any customer that contracts for service on a seasonal basis.

2. On or as soon as practicable after October 2 of each year, Distributor shall furnish to TVA for each month of the preceding Annual Period for each Large Part A Customer the billing data necessary in TVA's opinion for calculating the actual and expected contribution of each Large Part A Customer to each of the wholesale billing demands established by Distributor with respect to each of Distributor's billing cycles during that Annual Period.

3. Following receipt of the data referred to under section 2 above, TVA shall make calculations utilizing the formula set out below. The amount arrived at shall be applied as a credit on Distributor's next wholesale power bill following completion of said calculations. (If the result of the calculation is a negative number, no credit will apply.)

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Mr. George Cowan
May 5, 1989

UNITED STATES GOVERNMENT
DEPARTMENT OF ENERGY

Credit (in dollars) = A x (B - C), where

A = Dollars-per-kW portion of the wholesale base demand charge, as adjusted, applicable during the Annual Period.

B = Aggregate actual coincident demand, calculated by summing the actual contribution of each Large Part A Customer to each wholesale billing demand established by Distributor with respect to each of Distributor's billing cycles for each month of the Annual Period. (Each of said monthly contributions shall be increased by 3 percent to reflect losses except that in the case of a customer served through a delivery point which serves only that customer, actual losses, if any, shall be used instead.)

C = Aggregate expected coincident demand, calculated as follows:

$$C = (D \div 394) + (E \times 0.76) + (F \times 0.80) + (G \times 0.84),$$

where

D = Total kWh sales to all Large Part A Customers during the Annual Period billed under the portion of the Part A Energy Charge applicable to the first 15,000 kWh per month.

E = Total kW billed to Large Part A Customers during the Annual Period under the portion of the Part A demand charge applicable to the second block (950 kW) of billing demand.

F = Total kW billed to Large Part A Customers during the Annual Period under the portion of the Part A demand charge applicable to the third block (1,500 kW) of billing demand.

G = Total kW billed to Large Part A Customers during the Annual Period under the portion of the Part A demand charge applicable to the fourth block (over 2,500 kW) of billing demand.

4. It shall be Distributor's responsibility to install at its expense any replacement metering facilities necessary to record the billing data referred to in section 2 hereof. In making calculations under section 3 hereof TVA shall exclude any month in which time-differentiated metering facilities adequate to record such billing data were not operating for all of Distributor's Large Part A Customers, except that in the case of a meter failure or other unanticipated event, the parties may agree upon billing amounts estimated from the best information available.

Mr. George Cowan
May 5, 1989

5. This agreement shall become effective as of March 2, 1989, and shall continue in effect for the term of the Power Contract or of any renewal or replacement thereof; provided, however, that it shall be terminated without further action of the parties with the effective date of the first change hereafter made in the general power rate schedule in accordance with the paragraph entitled "Change" of the section entitled "Adjustment and Change of Wholesale Rate and Resale Rates" of the Schedule of Terms and Conditions attached to and made a part of the Power Contract.

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

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

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

Very truly yours,

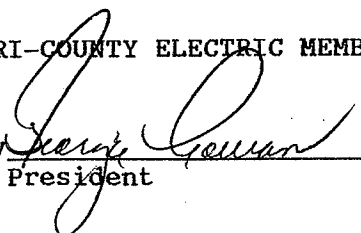
TENNESSEE VALLEY AUTHORITY



G. Douglas Carver, Manager
Distributor Marketing
and Services

Accepted and agreed to as of
the date first above written.

TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION

By 
President

W050189

1154L

TENNESSEE VALLEY AUTHORITY

Post Office Box 20260
Bowling Green, Kentucky 42102-6260
November 20, 1989



Mr. Jack E. Dillard, General Manager
Tri-County Electric Membership
Corporation
Post Office Box 40
Lafayette, Tennessee 37083

Dear Mr. Dillard:

GROWTH CREDIT PROGRAM

Enclosed for your files is a fully executed copy of Agreement TV-52337A, Supplement No 21, dated October 1, 1989 covering implementation of Growth Credit for new and expanding general power customers.

During the six years of the program, eligible new and expanding general power customers on your system can receive credits against their monthly power bills, and TVA will subsequently provide a credit on your system's wholesale bill equal to 110 percent of the credits such customers actually receive for any month.

If you have questions or need additional information, please contact John Humphries at 502-781-7653.

Very truly yours,

TENNESSEE VALLEY AUTHORITY

A handwritten signature in cursive script that reads "Myron N. Callaham".

Myron N. Callaham
District Manager
Bowling Green District

Enclosures

TENNESSEE VALLEY AUTHORITY
Chattanooga, Tennessee 37402-2801

TV-52337A
Supp No. 21

October 1, 1989

Mr. George Cowan, President
Tri-County Electric Membership Corporation
Lafayette, Tennessee 37083

Dear Mr. Cowan:

This will confirm the arrangements developed between representatives of Tri-County Electric Membership Corporation (hereinafter called "Distributor") and the Tennessee Valley Authority (hereinafter called "TVA") with respect to amending the wholesale power contract dated July 18, 1979 (which contract, as heretofore amended, is hereinafter called the "Power Contract"), between TVA and Distributor to cover arrangements for Distributor and TVA to participate in a program (hereinafter called "Program") under which eligible new and expanding general power customers of Distributor may receive credits against their electric bills.

It is understood and agreed that:

1. Distributor shall inform each of its general power customers that meets the eligibility requirements for participation as set forth in Exhibit A, attached hereto and hereby made a part hereof, about the Program. In the event that a particular customer is not clearly eligible, the Operating Representatives of the parties shall make a joint determination about such customer's eligibility.

Distributor shall enter into an agreement (hereinafter called "Participation Agreement") with each eligible customer that wishes to participate in the Program. For a customer that qualifies as a new customer (hereinafter called "New Customer") under paragraph A of Exhibit A, such agreement shall be in the form of Exhibit B attached hereto. For a customer that qualifies as an expansion customer (hereinafter called "Expansion Customer") under paragraph B of Exhibit A, such agreement shall be in the form of Exhibit C attached hereto. Exhibits B and C are hereby made a part of this agreement. Distributor shall conduct the Program in strict accordance with the provisions hereof and of the Participation Agreement; provided, however, that the Operating Representatives may agree upon a revised Participation Agreement in a case where use of Exhibit B or C is inappropriate. (Separate contractual arrangements shall be made for a qualifying nonfirm power customer or for an Expansion Customer that is combining delivery points in connection with expansion of its load.)

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Mr. George Cowan
October 1, 1989

2. It is recognized that under the Participation Agreement customers may receive credit amounts that include a component based on the number of employees hired by the customer in connection with the new load. Accordingly, on or as soon as practicable after the effective date of each Participation Agreement, Distributor shall obtain from the customer an initial notarized statement certifying the number of full-time employees the customer anticipates will be employed at the end of the 6-month period following such effective date. At the end of said 6-month period, and every 6 months thereafter, Distributor shall obtain from the customer a notarized statement certifying the actual number of full-time employees then employed in connection with the new load. Said initial notarized statement shall be in the form of Attachment A to the applicable Participation Agreement and subsequent notarized statements shall be in the form of Attachment B to the applicable Participation Agreement.

Distributor shall furnish to TVA a copy of each Participation Agreement entered into, the corresponding power supply contract (including any amendments thereto), and each notarized statement received.

3. Distributor shall apply a credit (a) to the electric bill of each New Customer for each month such customer's measured demand exceeds 1,000 kW and (b) to the electric bill of each Expansion Customer for each month such customer's measured demand exceeds 1,000 kW and is also at least 250 kW greater than an amount equal to the higher of (i) the customer's highest contract demand during the 12-consecutive-month period immediately preceding the effective date of the Participation Agreement or (ii) the highest measured demand established on or after October 1, 1988, up to the effective date of the Participation Agreement. For purposes of this agreement, for customers with contract demands above 5,000 kW, the term "measured demand" shall be deemed to refer to the highest average during any 30-consecutive-minute period of the month of the load measured in kW; for customers with contract demands of 5,000 kW or less, the term "measured demand" shall be deemed to refer to the highest average during any 30-consecutive-minute period of the month of the higher of the load measured in kW or 85 percent of the load in kVA plus an additional 10 percent for that part of the load over 5,000 kVA. The amount of the credit shall be determined each month in accordance with the provisions of the applicable Participation Agreement, including the attachments thereto. It is understood that no credit will be applied to any bills rendered from meter readings taken after September 30, 1995.

W092689
1701L

Mr. George Cowan
October 1, 1989

4. Distributor shall submit to TVA a monthly report (in a form furnished or approved by TVA) showing for each New and Expansion Customer the customer's measured demand and the amount of the credit applied during that month pursuant to section 3 hereof, together with such other information as may be required by TVA. Following receipt and verification of said information, TVA shall apply a credit to Distributor's wholesale power bill equal to 110 percent of the total credits appropriately applied by Distributor during that month. In the event that information becomes available which indicates that the credit amounts were incorrectly applied to a customer's bill for any reason (including but not limited to a difference between projected and actual employment levels), Distributor shall make an appropriate adjustment to the customer's bill and TVA shall make a corresponding adjustment to Distributor's wholesale power bill. In the event that it is determined that the customer has intentionally, or with deliberate ignorance of or reckless disregard for the truth, provided materially false information on an employment certification form, Distributor shall, if so requested by TVA, terminate the payment of any further credits to that customer.

5. (a) The section of the Power Contract entitled "Term of Contract" is hereby amended by deleting the first sentence thereof and substituting therefor the following:

This contract shall become effective as of August 16, 1979, and shall continue in effect for an initial term of 20 years from said effective date; provided, however, that beginning on the tenth anniversary of said effective date, and on each subsequent anniversary thereof (whether falling during said initial term or any renewal term as provided for herein), this contract shall be extended automatically without further action of the parties for an additional 1-year renewal term beyond its then-existing time of expiration. Notwithstanding any other provision of this section, either party may terminate this contract at any time upon not less than 10 years' prior written notice.

(b) It is hereby understood and agreed that for purposes of applying the Term of Contract section of the Power Contract as amended by (a) above, the Power Contract, as of the effective date hereof, is considered to have been extended by one 1-year renewal term and now continues in effect through August 15, 2000.

Mr. George Cowan
October 1, 1989

6. Except as otherwise provided herein, this agreement shall become effective as of October 1, 1989, and shall continue in effect until all of the obligations of the parties hereto have been fulfilled; provided, however, that in the event that (a) the cumulative total of the contract demands (including subsequent increases) of New Customers and contract demand increases of Expansion Customers covered under the Program (including New and Expansion Customers served directly by TVA) equals or exceeds 500,000 kW or (b) TVA determines, in its sole judgment, that its ability to supply its then-existing loads is threatened, TVA shall have the right, by written notice to Distributor, to suspend additional entry into the Program. Effective immediately upon receipt of such notice, (i) Distributor shall enter into no new Participation Agreements, and (ii) for purposes of determining credit amounts for customers with a Participation Agreement in effect, no contract demand increase which takes effect after receipt of such notice shall be recognized for purposes of determining credit amounts under the Participation Agreement; provided, however, that such notice of suspension shall not otherwise limit application of credit amounts under then-existing Participation Agreements.

7. TVA's Operating Representative for administration of this agreement shall be the Senior Vice President, Power, or a designee. Distributor's Operating Representative for administration of this agreement shall be the manager of its electric system or a designee. Subject to the provisions of this agreement, the Power Contract, and any applicable law, the Operating Representatives shall be authorized to agree upon such incidental administrative arrangements as are appropriate for the efficient and expeditious implementation of this agreement.

8. The Power Contract, as amended and supplemented by this agreement, is hereby ratified and confirmed as the continuing obligation of the parties.

9. No member of or delegate to Congress or Resident Commissioner, or any officer, employee, special Government employee, or agent of TVA shall be admitted to any share or part of this agreement or to any benefit that may arise therefrom unless the agreement be made with a corporation for its general benefit, nor shall Distributor offer or give, directly or indirectly, to any officer, employee, special Government employee, or agent of TVA any gift, gratuity, favor, entertainment, loan, or any other thing of monetary value, except as provided in 18 C.F.R. § 1300.735-12 or -34. Breach of this provision shall constitute a material breach of this agreement.

Mr. George Cowan
October 1, 1989

If this letter satisfactorily sets forth our understandings, please execute three counterparts hereof and return them to the TVA district office. Upon execution by TVA, this letter shall be a binding agreement, and a fully executed counterpart will be returned to you.

Very truly yours,

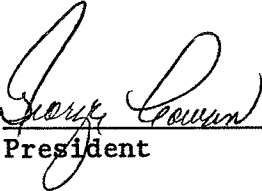
TENNESSEE VALLEY AUTHORITY



G. Douglas Carver, Manager
Distributor Marketing
and Services

Accepted and agreed to as of
the date first above written.

TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION

By 

President

Eligibility Requirements

- A. New Customer. A customer qualifies as a New Customer if it (1) either initiates operations at an entirely new facility through a new delivery point or restarts an existing facility with no current contract demand and which has been shut down for a period of at least 12 consecutive months prior to such restart, (2) on or after the effective date of this agreement enters into a power supply contract with Distributor which includes a firm contract demand greater than 1,000 kW, and (3) enters into an agreement with Distributor in the form of Exhibit B attached to this agreement. Except for a restart customer under (1) above, no customer replacing or renewing its power supply contract shall qualify as a New Customer.
- B. Expansion Customer. An existing customer qualifies as an Expansion Customer if it (1) revises its contractual arrangement with Distributor on or after the effective date of this agreement whereby the firm contract demand level is (a) greater than 1,000 kW and (b) at least 250 kW greater than the higher of (i) the highest contract demand of the customer during the 12-consecutive-month period immediately preceding the effective date of said arrangement or (ii) the highest measured demand established on or after October 1, 1988, up to the effective date of said arrangement and (2) enters into an agreement with Distributor in the form of Exhibit C attached to this agreement.

For purposes of applying the provisions of A and B above: (1) for a customer taking power under a time-of-day rate schedule, the term "contract demand" shall mean the higher of the onpeak or offpeak contract demand, and the term "measured demand" shall mean the higher of the onpeak or offpeak measured demand and (2) customers taking service on a seasonal basis shall not qualify.

amount such that different credit amounts would have applied if the actual employment at the end of 6 months had been known in advance. If so, an appropriate adjustment of the new jobs component of the credit amounts applied for the first 6 months will be made on Customer's subsequent bill. For purposes of determining the new jobs component of any credits applicable after the first 6 months of this agreement, Customer's most recent certification of actual employment shall be used.

In the event that it is found that Customer has intentionally, or with deliberate ignorance of or reckless disregard for the truth, provided materially false information in any certification or assurance submitted under the Program, it is agreed that application of all further credits hereunder may be discontinued. Customer shall promptly repay to Distributor any and all credit amounts overpaid to Customer as a result of Distributor's use of such false information. In addition, persons providing false information in connection with this Program may be subject to civil and/or criminal prosecution pursuant to the provisions of 18 U.S.C. § 1001 (1982); 31 U.S.C. §§ 3729-3733 (1982 & Supp. V 1987); 31 U.S.C. §§ 3801-3812 (Supp. V 1987).

3. Beginning with the effective date of this agreement and continuing through the last meter reading taken prior to October 1, 1995, Distributor shall apply a credit to Customer's bill for any month during which Customer's measured demand exceeds 1,000 kW. For purposes of this agreement, if Customer's contract demand is over 5,000 kW, the term "measured demand" shall be deemed to refer to the highest average during any 30-consecutive-minute period of the month of the load measured in kW; if Customer's contract demand is 5,000 kW or less, the term "measured demand" shall be deemed to refer to the highest average during any 30-consecutive-minute period of the month of the higher of the load measured in kW or 85 percent of the load in kVA plus an additional 10 percent for that part of the load over 5,000 kVA.

The dollar amount of the credit per kW in any month will be the sum of (a) the applicable base amount for the month as set out in Attachment C hereto entitled "Growth Credit Amounts (New Customer)" and (b) the applicable new jobs amount, if any, determined in accordance with said attachment. The dollar amount of the credit will be applied to each kW of Customer's measured demand in the month (excluding any kW in excess of the firm contract demand). (In the event that Customer takes power under a time-of-day rate schedule, said measured demand shall be the onpeak measured demand in the month.) Credit amounts shall be prorated for partial billing months.

4. In the event that Distributor and Customer amend the Power Supply Contract during the Program to increase the firm contract demand, the term "contract demand" as used in section 3 above shall be deemed to refer to said increased contract demand; provided, however, that in the event that TVA notifies Distributor that additional entry into the Program has been suspended, no such contract demand increase which takes effect after

Distributor's receipt of said notice shall be recognized for purposes of calculating credit amounts hereunder.

5. Customer shall keep complete and accurate books and records with respect to its employees at the Facility. Distributor, TVA, or their agents and employees, shall have the right to inspect, at any time during normal working hours and upon reasonable notice, any of Customer's books and records related thereto and to require further verification of and supporting documentation for the employment levels certified by Customer.

6. The Power Supply Contract, as supplemented by this agreement, is hereby ratified as the continuing obligation of the parties hereto.

(Distributor)

By _____
(Title)

Accepted and agreed to as of
this ____ day of _____, 19__.

(Customer)

By _____
(Title)

GROWTH CREDIT PROGRAM
EMPLOYMENT CERTIFICATION STATEMENT
New Customer Initial Certification

Customer's full legal name: _____

Customer's address: _____

Date of Initial Availability of Power: _____

Customer has agreed with _____

(hereinafter called "Distributor") to participate in a Growth Credit Program (hereinafter called "Program") offered by Distributor and the Tennessee Valley Authority (hereinafter called "TVA"), an agency and instrumentality of the United States of America. Under the Program, Customer may receive credits on its electric bills based, in part, upon the number of employees employed by Customer at Customer's new or restarted facility (hereinafter called "Facility") located at _____

For purposes of this certification, an employee shall be defined as a person directly employed by Customer on a full-time basis in a position which Customer reasonably expects to remain filled for at least 6 months beyond the date that is 6 months after the Date of Initial Availability.

Customer expects to employ _____ employees at the Facility 6 months after the Date of Initial Availability referred to above.

Customer understands that the credits it receives under the Program will be based in part on the information provided to Distributor and TVA by way of this and subsequent certifications. In the event that it is found that Customer has intentionally, or with deliberate ignorance of or reckless disregard for the truth, provided materially false information on this or any previously submitted certification, Customer understands that application of all credits under the Program may be discontinued. Customer will in any event promptly repay to Distributor any and all credit amounts overpaid to Customer as a result of Distributor's use of such false information. In addition, persons providing false information in connection with the Program may be subject to civil and/or criminal prosecution pursuant to the provisions of 18 U.S.C. § 1001 (1982); 31 U.S.C. §§ 3729-3733 (1982 & Supp. V 1987); 31 U.S.C. §§ 3801-3812 (Supp. V 1987).

Customer hereby certifies to TVA and to Distributor that the information given above is correct, accurate, and complete.

By: _____
Title: _____
Date: _____

Before me appeared _____,
to me personally known, who being by me first duly sworn, did say that
he/she is an officer of _____

_____ (Customer), duly authorized to
execute legal instruments on behalf of Customer as its legal agent, and
that he/she signed the foregoing certification in his/her individual
capacity and on behalf of Customer, and he/she acknowledged said
certification to be his/her free act and deed and the free act and deed
of Customer.

Witness my hand and official seal this _____ day of _____, 19__.

Notary Public

My commission expires: _____.

GROWTH CREDIT PROGRAM
EMPLOYMENT CERTIFICATION STATEMENT
New Customer Actual Employment Certification

Customer's full legal name: _____

Customer's address: _____

Six-month period ending: _____ (date)

Customer has agreed with _____ (hereinafter

called "Distributor") to participate in a Growth Credit Program (hereinafter called "Program") offered by Distributor and the Tennessee Valley Authority (hereinafter called "TVA"), an agency and instrumentality of the United States of America. Under the Program, Customer may receive credits on its electric bills based, in part, upon the number of employees employed by Customer at Customer's new or restarted facility (hereinafter called "Facility") located at _____

For purposes of this certification, an employee shall be defined as a person directly employed by Customer on a full-time basis in a position which Customer reasonably expects to remain filled for at least 6 months beyond the date specified above.

As of the date specified above, Customer employs _____ employees at the Facility.

Customer understands that the credits it receives under the Program will be based in part on the information provided to Distributor and TVA by way of this and subsequent certifications. In the event that it is found that Customer has intentionally, or with deliberate ignorance of or reckless disregard for the truth, provided materially false information on this or any previously submitted certification, Customer understands that application of all credits under the Program may be discontinued. Customer will in any event promptly repay to Distributor any and all credit amounts overpaid to Customer as a result of Distributor's use of such false information. In addition, persons providing false information in connection with the Program may be subject to civil and/or criminal prosecution pursuant to the provisions of 18 U.S.C. § 1001 (1982); 31 U.S.C. §§ 3729-3733 (1982 & Supp. V 1987); 31 U.S.C. §§ 3801-3812 (Supp. V 1987).

Customer hereby certifies to TVA and to Distributor that the information given above is correct, accurate, and complete.

By: _____
Title: _____
Date: _____

Before me appeared _____,
to me personally known, who being by me first duly sworn, did say that
he/she is an officer of _____

_____ (Customer), duly authorized to
execute legal instruments on behalf of Customer as its legal agent, and
that he/she signed the foregoing certification in his/her individual
capacity and on behalf of Customer, and he/she acknowledged said
certification to be his/her free act and deed and the free act and deed
of Customer.

Witness my hand and official seal this _____ day of _____, 19____.

Notary Public

My commission expires: _____

Growth Credit Amounts
(New Customer)

<u>Applicable for Bills Rendered from Meter Readings Taken From</u>	<u>Base Amount</u>	<u>New Jobs Amount</u>		
		<u>Employment Level 1*</u>	<u>Employment Level 2**</u>	<u>Employment Level 3***</u>
October 1, 1989, through September 30, 1990	\$5.00	\$0.35	\$0.75	\$1.50
October 1, 1990, through September 30, 1991	5.00	0.35	0.75	1.50
October 1, 1991, through September 30, 1992	4.00	0.30	0.60	1.20
October 1, 1992, through September 30, 1993	3.00	0.25	0.45	0.90
October 1, 1993, through September 30, 1994	2.00	0.15	0.30	0.60
October 1, 1994, through September 30, 1995	1.00	0.10	0.15	0.30

In determining additional credit amounts, the number of jobs per 1,000 kW will be rounded to the nearest whole number.

*Level 1 applies if Customer's operations utilize at least one but not more than 25 full-time employees per 1,000 kW of firm contract demand.

**Level 2 applies if Customer's operations utilize at least 26 but not more than 75 full-time employees per 1,000 kW of firm contract demand.

***Level 3 applies if Customer's operations utilize more than 75 full-time employees per 1,000 kW of firm contract demand.

AGREEMENT
between

(hereinafter called "Distributor")
and

(hereinafter called "Customer")

This agreement will confirm the understandings reached between representatives of Distributor and Customer with respect to Customer's participation in the Growth Credit Program (hereinafter called "Program") being jointly conducted by Distributor and its wholesale power supplier, the Tennessee Valley Authority (hereinafter called "TVA").

It is recognized that Customer has been taking power from Distributor for purposes of operating its facility located at _____ (hereinafter called "Facility") and is expanding the Facility in a manner that requires that an increased amount of electric power be made available. In that connection, the parties hereto have entered into a contract (hereinafter called the "Expansion Contract") dated _____ to provide for the availability of such increased amount.

It is understood and agreed that:

1. This agreement shall become effective on _____, which is the effective date of the Expansion Contract, and shall continue in effect until (a) the obligations of the parties hereunder are fulfilled or (b) Customer ceases to be a customer of Distributor, whichever is earlier.

2. On or as soon as practicable after the effective date of this agreement, Customer shall submit to Distributor an initial notarized statement (in the form of Attachment A hereto) certifying the number of employees Customer reasonably anticipates will be employed as a direct result of the expansion of the Facility at the end of the 6-month period following said effective date. At the end of said 6-month period, and every 6 months thereafter, Customer shall submit to Distributor a notarized statement (in the form of Attachment B hereto) certifying the actual number of employees then employed by Customer at the Facility as a direct result of said expansion. For purposes of this agreement, an employee shall be defined as a person directly employed by Customer on a full-time basis in a position which Customer reasonably expects to remain filled for at least 6 months following the date as of which certification is made. Independent contractors and employees of third parties are expressly excluded from this definition.

During the first 6 months of this agreement, for purposes of determining the new jobs component of any applicable credits under section 3 below, Distributor shall use the estimated number of employees set out in

Customer's initial certification; provided, however, that following receipt of the first certification of actual employment, Distributor shall determine if the actual number of employees was greater or less than the estimate by an amount such that different credit amounts would have applied if the actual employment at the end of 6 months had been known in advance. If so, an adjustment of the new jobs component of the credit amounts applied for the first 6 months will be made on Customer's subsequent bill. For purposes of determining the new jobs component of any credits applicable after the first 6 months of this agreement, Customer's most recent certification of actual employment shall be used.

In the event that it is found that Customer has intentionally, or with deliberate ignorance of or reckless disregard for the truth, provided materially false information in any certification or assurance submitted under the Program, it is agreed that application of all further credits hereunder may be discontinued. Customer shall promptly repay to Distributor any and all credit amounts overpaid to Customer as a result of Distributor's use of such false information. In addition, persons providing false information in connection with this Program may be subject to civil and/or criminal prosecution pursuant to the provisions of 18 U.S.C. § 1001 (1982); 31 U.S.C. §§ 3729-3733 (1982 & Supp. V 1987); 31 U.S.C. §§ 3801-3812 (Supp. V 1987).

3. Beginning with the effective date of this agreement and continuing through the last meter reading taken prior to October 1, 1995, Distributor shall apply a credit to Customer's bill for any month during which Customer's measured demand exceeds 1,000 kW and is at least 250 kW greater than an amount (hereinafter called the "Base Amount") equal to the higher of (a) the highest contract demand of Customer during the 12-consecutive-month period immediately preceding the effective date of the Expansion Contract or (b) the highest measured demand established on or after October 1, 1988, up to the effective date of the Expansion Contract. For purposes of this agreement, if Customer's contract demand is over 5,000 kW, the term "measured demand" shall be deemed to refer to the highest average during any 30-consecutive-minute period of the month of the load measured in kW; if customer's contract demand is 5,000 kW or less, the term "measured demand" shall be deemed to refer to the highest average during any 30-consecutive-minute period of the month of the higher of the load measured in kW or 85 percent of the load in kVA plus an additional 10 percent for that part of the load over 5,000 kVA.

The dollar amount of the credit per kW in any month will be the sum of (a) the applicable base amount for that month as set out in Attachment C hereto entitled "Growth Credit Amounts (Expansion Customer)" and (b) the applicable new jobs amount, if any, determined in accordance with said attachment. The dollar amount of the credit will be applied to each kW by which Customer's measured demand in the month (excluding any kW in excess of the firm contract demand) exceeds the Base Amount. (In the event that Customer takes power under a time-of-day rate schedule, said measured demand shall be the onpeak measured demand in the month.) Credit amounts shall be prorated for partial billing months.

4. In the event that Distributor and Customer amend the Expansion Contract during the Program to further increase the firm contract demand, the term "contract demand" as used in section 3 above shall be deemed to refer to said increased contract demand; provided, however, that in the event that TVA notifies Distributor that additional entry into the Program has been suspended, no such contract demand increase which takes effect after Distributor's receipt of such notice shall be recognized for purposes of calculating credit amounts hereunder.

5. Customer shall keep accurate books and records with respect to its employees at the Facility. Distributor, TVA, or their agents and employees, shall have the right to inspect, at any time during normal working hours and upon reasonable notice, any of Customer's books and records related thereto and to require further verification of and supporting documentation for the employment levels certified by Customer.

6. The Expansion Contract, as supplemented by this agreement, is hereby ratified and confirmed as the continuing obligation of the parties hereto.

(Distributor)

By _____
(Title)

Accepted and agreed to as of
this ____ day of _____, 19__.

(Customer)

By _____
(Title)

GROWTH CREDIT PROGRAM
EMPLOYMENT CERTIFICATION STATEMENT
Expansion Customer Initial Certification

Customer's full legal name: _____

Customer's address: _____

Customer has agreed with _____ (hereinafter

called "Distributor") to participate in a Growth Credit Program (hereinafter called "Program") offered by Distributor and the Tennessee Valley Authority (hereinafter called "TVA"), an agency and instrumentality of the United States of America. Customer qualifies for the Program, in part, because it is expanding its existing facility (hereinafter called "Facility") located at _____

and has accordingly entered into a contract (hereinafter called the "Expansion Contract") with Distributor providing for an increased amount of electric power to be made available at the Facility. The effective date of the Expansion Contract is _____.

Under the Program, Customer may receive a credit to its electric bills based, in part, upon the number of employees employed by Customer at the Facility as a direct result of the expansion. For purposes of this certification, an employee shall be defined as a person directly employed by Customer on a full-time basis in a position which Customer reasonably expects to remain filled for at least 6 months beyond the date that is 6 months after the effective date of the Expansion Contract.

Customer expects to have _____ employees employed at the Facility 6 months after the effective date of the Expansion Contract as a direct result of the expansion of the Facility.

Customer understands that the credits it receives under the Program will be based in part on the information provided to Distributor and TVA by way of this and subsequent certifications. In the event that it is found that Customer has intentionally, or with deliberate ignorance or reckless disregard for the truth, provided materially false information on this or any previously submitted certification, Customer understands that application of all credits under the Program may be discontinued. Customer will in any event promptly repay to Distributor any and all credit amounts overpaid to Customer as a result of Distributor's use of such false information. In addition, persons providing false information in connection with the Program may be subject to civil and/or criminal

prosecution pursuant to the provisions of 18 U.S.C. § 1001 (1982);
31 U.S.C. §§ 3729-3733 (1982 & Supp. V 1987); 31 U.S.C. §§ 3801-3812
(Supp. V 1987).

Customer hereby certifies to TVA and to Distributor that the information
given above is correct, accurate, and complete.

By: _____
Title: _____
Date: _____

Before me appeared _____,
to me personally known, who being by me first duly sworn, did say that
he/she is an officer of _____
_____ (Customer), duly authorized to
execute legal instruments on behalf of Customer as its legal agent, and
that he/she signed the foregoing certification in his/her individual
capacity and on behalf of Customer, and he/she acknowledged said
certification to be his/her free act and deed and the free act and deed
of Customer.

Witness my hand and official seal this _____ day of _____, 19____.

Notary Public

My commission expires: _____.

GROWTH CREDIT PROGRAM
EMPLOYMENT CERTIFICATION STATEMENT
Expansion Customer Actual Employment Certification

Customer's full legal name: _____

Customer's address: _____

Six-month period ending: _____ (date)

Customer has agreed with _____ (hereinafter called "Distributor") to participate in a Growth Credit Program (hereinafter called "Program") offered by Distributor and the Tennessee Valley Authority (hereinafter called "TVA"), an agency and instrumentality of the United States of America. Under the Program, Customer may receive a credit to its electric bills based, in part, upon the number of employees employed by Customer at Customer's expanded facility located at _____.

For purposes of this certification, an employee shall be defined as a person directly employed by Customer on a full-time basis in a position which Customer reasonably expected to remain filled for at least 6 months beyond the date specified above.

As of the date specified above, Customer employs _____ employees at the Facility as a direct result of the expansion of the Facility.

Customer understands that the credits it receives under the Program will be based in part on the information provided to Distributor and TVA by way of this and subsequent certifications. In the event that it is found that Customer has intentionally, or with deliberate ignorance of or reckless disregard for the truth, provided materially false information on this or any previously submitted certification, Customer understands that application of all credits under the Program may be discontinued. Customer will in any event promptly repay to Distributor any and all credit amounts overpaid to Customer as a result of Distributor's use of such false information. In addition, persons providing false information in connection with the Program may be subject to civil and/or criminal prosecution pursuant to the provisions of 18 U.S.C. § 1001 (1982); 31 U.S.C. §§ 3729-3733 (1982 & Supp. V 1987); 31 U.S.C. §§ 3801-3812 (Supp. V 1987).

Customer hereby certifies to TVA and to Distributor that the information given above is correct, accurate, and complete.

By: _____
Title: _____
Date: _____

Before me appeared _____,
to me personally known, who being by me first duly sworn, did say that
he/she is an officer of _____
_____ (Customer), duly authorized to
execute legal instruments on behalf of Customer as its legal agent, and
that he/she signed the foregoing certification in his/her individual
capacity and on behalf of Customer, and he/she acknowledged said
certification to be his/her free act and deed and the free act and deed
of Customer.

Witness my hand and official seal this _____ day of _____, 19__.

Notary Public

My commission expires: _____.

Growth Credit Amounts
(Expansion Customer)

<u>Applicable for Bills Rendered from Meter Readings Taken From</u>	<u>Base Amount</u>	<u>New Jobs Amount</u>		
		<u>Employment Level 1*</u>	<u>Employment Level 2**</u>	<u>Employment Level 3***</u>
October 1, 1989, through September 30, 1990	\$5.00	\$0.35	\$0.75	\$1.50
October 1, 1990, through September 30, 1991	5.00	0.35	0.75	1.50
October 1, 1991, through September 30, 1992	4.00	0.30	0.60	1.20
October 1, 1992, through September 30, 1993	3.00	0.25	0.45	0.90
October 1, 1993, through September 30, 1994	2.00	0.15	0.30	0.60
October 1, 1994, through September 30, 1995	1.00	0.10	0.15	0.30

In determining additional credit amounts, the number of jobs per 1,000 kW will be rounded to the nearest whole number.

*Level 1 applies if Customer employs as a direct result of the expansion at least one but not more than 25 full-time employees per 1,000 kW of the amount by which the expanded contract demand exceeds the Base Amount.

**Level 2 applies if Customer employs as a direct result of the expansion at least 26 but not more than 75 full-time employees per 1,000 kW of the amount by which the expanded contract demand exceeds the Base Amount.

***Level 3 applies if Customer employs as a direct result of the expansion more than 75 full-time employees per 1,000 kW of the amount by which the expanded contract demand exceeds the Base Amount.

TRI-COUNTY
ELECTRIC MEMBERSHIP
CORPORATION

EME

P. O. BOX 40 • 405 COLLEGE STREET
LAFAYETTE, TENNESSEE 37083-0040
PHONE (615) 666-2111

TV-52337A

Supp. No. 21

April 9, 1991

Mr. Myron N. Callaham, Manager
Bowling Green District
Tennessee Valley Authority
P. O. Box 20260
Bowling Green, KY 42101

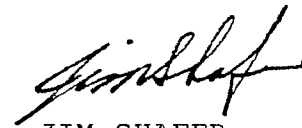
RE: Growth Credit Program

Dear Mr. Callaham:

Per your request please find enclosed three signed duplicate originals of a proposed letter agreement amending the Growth Credit Program agreements to implement the program revision approved by the TVA Board.

Please return a fully executed copy to us.

Very truly yours,



JIM SHAFER
General Manager

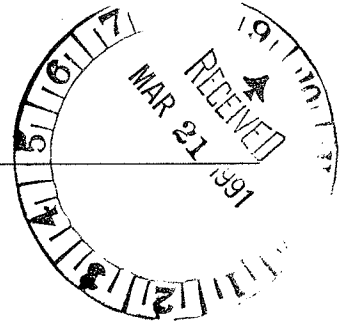
JS/lk

Enclosures (3)

c: Ken Witcher



Tennessee Valley Authority, Post Office Box 20260, Bowling Green, Kentucky 42101



March 20, 1991

Mr. Jim Shafer, Interim Manager
Tri-County Electric Membership Corporation
Post Office Box 40
Lafayette, Tennessee 37083

Dear Mr. Shafer:

GROWTH CREDIT PROGRAM

The Growth Credit Program was originally approved on October 1, 1989, and planned to extend through 1995. The program rewards business that locate or expand in the Tennessee Valley with substantial credits on their power bills. Qualified customers with billed demands of more than 1,000 kilowatts are eligible for a maximum \$6.50 credit per kilowatt demand for adding new load and jobs.

The program has been successful and is being expanded to make it even more attractive to industries. Since last October, 145 of TVA's 160 power distributors have signed up for the program bringing more than 5,500 new jobs to the Valley region and an additional 155,000 kilowatts to the power system.

The program is being amended to extend through 1997, giving industrial customers an additional two years in which to receive maximum benefits. The Growth Credit Program is also being enhanced to provide incentives for industries to expand their operations within existing kilowatt demand levels. The Growth Credit for new jobs will be available to industrial customers of 1,000 kilowatts or more that increase their full-time employment by at least 15 percent. Customers that qualify will receive credits of up to \$1.50 per kilowatt. These credits will be applied to a portion of the customer's billing demand proportionate to the increase in jobs. With the application of the Growth Credit for new jobs, industries that expand their operations can save up to 10 percent on the cost of their additional power purchases.

As with the original Growth Credit Program, TVA will credit your wholesale power bills for the amounts of the growth credits, plus an additional 10 percent to help cover administrative costs.

Enclosed for your approval are three duplicate originals of a proposed letter agreement amending the Growth Credit Program agreements to implement the program revision approved by the TVA Board. Also enclosed is a brochure explaining the program changes. If you are agreeable, the amendment will become effective as of November 28, 1990, the date on which the program

2

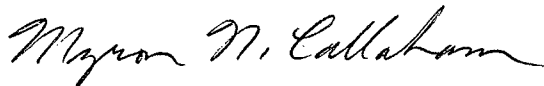
Mr. Jim Shafer
March 20, 1991

revision was approved. If the agreement is satisfactory, please sign and return each copy for further handling by TVA. Upon completion by TVA a fully executed copy will be provided for your files.

Thank you for your continued support of our industrial development efforts, and we hope you will be pleased with these changes in the Growth Credit Program. If you have questions about the program, please contact John Humphries of this office.

Very truly yours,

TENNESSEE VALLEY AUTHORITY

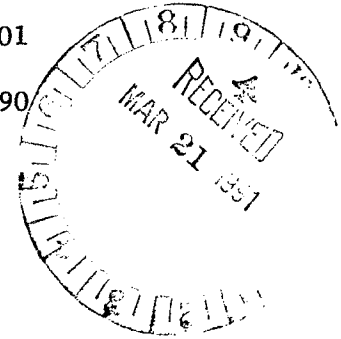
A handwritten signature in cursive script that reads "Myron N. Callahan".

Myron N. Callahan, Manager
Bowling Green District

Enclosures

TENNESSEE VALLEY AUTHORITY
Chattanooga, Tennessee 37402-2801

November 28, 1990



Mr. Tom Price Thompson, Jr., President
Tri-County Electric Membership Corporation
Lafayette, Tennessee 37083

Dear Mr. Thompson:

Letter Agreement TV-52337A, Supplement No. 21, dated October 1, 1989 (hereinafter called the "1989 Agreement"), between the Tennessee Valley Authority (hereinafter called "TVA") and Tri-County Electric Membership Corporation (hereinafter called "Distributor") covers arrangements for Distributor and TVA to participate in a program (hereinafter called "Program") under which eligible new and expanding general power customers of Distributor may receive credits against their electric bills. This will confirm the understanding reached between representatives of the parties with respect to amending the 1989 Agreement to (1) extend the period in which qualifying new and expanding customers may receive credits, and (2) include arrangements (hereinafter called "New Jobs Option") designed to provide for the application of credits against the electric bills of qualifying general power customers that increase their employment level without substantially increasing contract demand.

It is understood and agreed that:

1. The 1989 Agreement is hereby amended by (a) deleting from the last sentence of section 3 thereof the date "September 30, 1995" and substituting therefor the date "September 30, 1997," and (b) removing Exhibits A, B, and C, attached thereto, and substituting therefor Exhibits A1, B1, and C1, attached hereto. Thereafter, all references in the 1989 Agreement to Exhibits A, B, and C shall be deemed to refer to Exhibits A1, B1, and C1, respectively.

2. For any customer of Distributor that has qualified as a New Customer or Expansion Customer pursuant to section 1 of the 1989 Agreement and has entered into a participation agreement prior to the effective date of this agreement, Distributor shall enter into supplemental arrangements to extend the period in which each such New or Expansion Customer may receive a credit on its electric bill through the last meter reading period taken prior to October 1, 1997. Such supplemental arrangements shall be in a form approved by TVA.

Tom Price Thompson
November 28, 1990

3. For each customer (hereinafter called "Growth Customer" [redacted]) meeting eligibility requirements of paragraph C of Exhibit A1 that wish [redacted] to participate in the New Jobs Option, Distributor shall enter into an [redacted] agreement (hereinafter called "New Jobs Participation Agreement") in the form [redacted] of Exhibit attached hereto and hereby made a part of this agreement. Distributor [redacted] shall conduct the New Jobs Option in strict accordance with the provisions [redacted] of and of the New Jobs Participation Agreement; provided, however, [redacted] that Operating Representatives may agree upon a revised New Jobs Participation Agreement in a case where use of Exhibit D is inappropriate. In the event [redacted] a particular customer is not clearly eligible for participation [redacted] in the New Jobs Option, the Operating Representatives of the parties shall [redacted] make a determination about such customer's eligibility.

4. It is recognized that under the New Jobs Option, qualifying [redacted] Growth Customers are eligible to receive credit amounts based upon [redacted] the number of employees hired in connection with a specific initiative for expansion [redacted] at a facility. Accordingly, at such time following the effective [redacted] of the New Jobs Participation Agreement that the number of employees of Growth Customer at a facility exceeds 115 percent of the pre-expansion [redacted] employment level at the facility, the Growth Customer will furnish [redacted] to distributor a notarized statement (hereinafter called "Employment Certification") certifying the number of full-time employees then employed [redacted] in connection with the expansion initiative. Thereafter, the Growth Customer [redacted] shall furnish an Employment Certification every 6 months; provided, [redacted] however, if the Growth Customer's total employment level at the end of [redacted] any 6-month period does not exceed 115 percent of the pre-expansion employment [redacted] level, no Employment Certification will be submitted until the employment level [redacted] does so exceed such level.

For purposes of this agreement, the term "pre-expansion employment [redacted]" shall be defined as the average number of employees employed [redacted] at customer's facility during the 6-consecutive-month period immediately [redacted] preceding the effective date of the customer's New Jobs Participation [redacted] agreement.

With respect to each Growth Customer, Distributor shall furnish [redacted] to a copy of the New Jobs Participation Agreement, the Growth Customer's [redacted] supply contract with Distributor (including any amendments thereto), and [redacted] employment certification received.

5. Following receipt of each Employment Certification appropriately [redacted] applied under section 4 above, Distributor shall apply a credit to [redacted] each of 6 consecutive bills rendered to the Growth Customer under the power supply [redacted] contract; provided, however, that no such credit shall be allowed in [redacted] any month

demand does not exceed 1,000 kW; and will be applied by Distributor to any bill _____ after September 30, 1997; and provided _____ ed by Distributor following said _____ shall not apply any such credit unless and _____ Employment Certification from the Growth _____ it shall be determined each month in _____ the New Jobs Participation Agreement,

_____ pursuant to section 4 of the 1989 TVA a monthly report containing certain _____ cation of credits to New and Expansion _____ agreed that Distributor shall also include _____ in _____ ch Customer the measured demand, billing _____ applied during that month pursuant to _____ all apply to Distributor's wholesale bill _____ an _____ e amount of such credits to each Growth _____ Distributor during the month.

_____ be effective as of the date first above _____ ect until all obligations of the parties _____ ed, however, that in the event TVA suspen _____ ds _____ in accordance with section 6 of the 1989 _____ ate by written notice to Distributor _____ s Option, and, upon receipt of such notice _____ , _____ ore New Jobs Participation Agreements; _____ ce of suspension shall not otherwise limit _____ er then-existing New Jobs Participation

_____ as amended and supplemented by this _____ confirmed as the continuing obligation of _____

_____ gate to Congress or Resident Commissioner _____ or _____ vernment employee, or agent of TVA shall _____ e _____ this agreement or to any benefit that may _____ ent be made with a corporation for its _____ outor offer or give, directly or indirect _____ y, _____ Government employee, or agent of TVA any _____ ent, loan, or any other thing of monetary _____ .F.R. § 1300.735-12 or -34. Breach of th _____ s _____ rial breach of this agreement.

r. Tom Price Thompson
November 28, 1990

If this letter satisfactorily sets forth our understandings, please execute ~~_____~~
three counterparts hereof and return them to the TVA district office. Upon ~~_____~~
execution by TVA, this letter shall be a binding agreement, and a fully
executed counterpart will be returned to you.

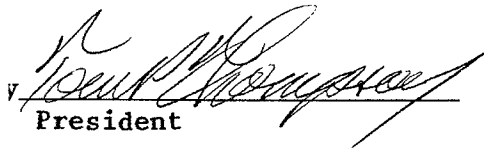
Very truly yours,

TENNESSEE VALLEY AUTHORITY

G. Douglas Carver, Manager
Distributor Marketing
and Services

Accepted and agreed to as of
the date first above written.

DEKALB COUNTY ELECTRIC MEMBERSHIP CORPORATION


President

Eligibility Requirements

- A. New Customer. A customer qualifies as a New Customer if it (1) either initiates operations at an entirely new facility through a new delivery point or restarts an existing facility with no current contract demand and which has been shut down for a period of at least 12 consecutive months prior to such restart, (2) on or after the effective date of this agreement enters into a power supply contract with Distributor which includes a firm contract demand greater than 1,000 kW, and (3) enters into an agreement with Distributor in the form of Exhibit B1 attached to this agreement. Except for a restart customer under (1) above, no customer replacing or renewing its power supply contract shall qualify as a New Customer.
- B. Expansion Customer. An existing customer qualifies as an Expansion Customer if it (1) revises its contractual arrangement with Distributor on or after the effective date of this agreement whereby the firm contract demand level is (a) greater than 1,000 kW, and (b) at least 250 kW greater than the higher of (i) the highest contract demand of the customer during the 12-consecutive-month period immediately preceding the effective date of said arrangement, or (ii) the highest measured demand established on or after October 1, 1988, up to the effective date of said arrangement, and (2) enters into an agreement with Distributor in the form of Exhibit C1 attached to this agreement.
- C. Growth Customer. An existing customer qualifies as a Growth Customer under the New Jobs Option if it (1) has existing contractual arrangements with Distributor specifying a firm contract demand which is greater than 1,000 kW or revises its contractual arrangements whereby the firm contract demand is increased to a level greater than 1,000 kW without meeting the eligibility requirements of B above, (2) on or after the date on which the New Jobs Option is made available by Distributor, certifies that it plans to expand its operations such that it will increase the number of its employees to a level that exceeds 115 percent of its average employment level in the 6-consecutive-month period immediately preceding the date of such certification, and (3) enters into an agreement with Distributor in the form of Exhibit D attached to this agreement.

For purposes of applying the provisions of A, B, and C above: (1) for a customer taking power under a time-of-day rate schedule, the term "contract demand" shall mean the higher of the onpeak or offpeak contract demand, and the term "measured demand" shall mean the higher of the onpeak or offpeak measured demand, and (2) customers taking service on a seasonal basis shall not qualify.

AGREEMENT
between

(hereinafter called "Distributor")
and

(hereinafter called "Customer")

This agreement will confirm the understandings reached between representatives of Distributor and Customer with respect to Customer's participation in the Growth Credit Program (hereinafter called "Program") being jointly conducted by Distributor and its wholesale power supplier, the Tennessee Valley Authority (hereinafter called "TVA").

It is understood and agreed that:

1. This agreement shall become effective on _____ which is the date of initial availability of power under the power supply contract (hereinafter called "Power Supply Contract") dated _____, between Customer and Distributor, covering the provision of electric service to Customer's new or restarted facility (hereinafter called "Facility") located at _____

This agreement shall continue in effect until (a) the obligations of the parties hereunder are fulfilled or (b) Customer ceases to be a customer of Distributor, whichever is earlier.

2. On or as soon as practicable after the effective date of this agreement, Customer shall submit to Distributor a notarized statement (in the form of Attachment A hereto) certifying the number of employees Customer reasonably anticipates will be employed at the Facility at the end of the 6-month period following said effective date. At the end of said 6-month period, and every 6 months thereafter, Customer shall submit to Distributor a notarized statement (in the form of Attachment B hereto) certifying the actual number of employees then employed by Customer at the Facility. For purposes of this agreement, an employee shall be defined as a person directly employed by Customer on a full-time basis in a position which Customer reasonably expects to remain filled for at least 6 months following the date as of which certification is made. Independent contractors and employees of third parties are expressly excluded from this definition.

During the first 6 months of this agreement, for purposes of determining the new jobs component of any applicable credits under section below, Distributor shall use the estimated number of employees set out in Customer's initial certification; provided, however, that following receipt of the first certification of actual employment, Distributor shall determine if the actual number of employees was greater or less than the estimate by an

amount such that different credit amounts would have applied if the actual employment at the end of 6 months had been known in advance. If so, an appropriate adjustment of the new jobs component of the credit amounts applied for the first 6 months will be made on Customer's subsequent bill. For purposes of determining the new jobs component of any credits applicable after the first 6 months of this agreement, Customer's most recent certification of actual employment shall be used.

In the event that it is found that Customer has intentionally, or with deliberate ignorance of or reckless disregard for the truth, provided materially false information in any certification or assurance submitted under the Program, it is agreed that application of all further credits hereunder may be discontinued. Customer shall promptly repay to Distributor any and all credit amounts overpaid to Customer as a result of Distributor's use of such false information. In addition, persons providing false information in connection with this Program may be subject to civil and/or criminal prosecution pursuant to the provisions of 18 U.S.C. § 1001; 31 U.S.C. §§ 3729-3733; 31 U.S.C. §§ 3801-3812.

3. Beginning with the effective date of this agreement and continuing through the last meter reading taken prior to October 1, 1997, Distributor shall apply a credit to Customer's bill for any month during which Customer's measured demand exceeds 1,000 kW. For purposes of this agreement, if Customer's contract demand is over 5,000 kW, the term "measured demand" shall be deemed to refer to the highest average during any 30-consecutive-minute period of the month of the load measured in kW; if Customer's contract demand is 5,000 kW or less, the term "measured demand" shall be deemed to refer to the highest average during any 30-consecutive-minute period of the month of the higher of the load measured in kW or 85 percent of the load in kVA plus an additional 10 percent for that part of the load over 5,000 kVA.

The dollar amount of the credit per kW in any month will be the sum of (a) the applicable base amount for the month as set out in Attachment C hereto entitled "Growth Credit Amounts (New Customer)" and (b) the applicable new jobs amount, if any, determined in accordance with said attachment. The dollar amount of the credit will be applied to each kW of Customer's measured demand in the month (excluding any kW in excess of the firm contract demand). (In the event that Customer takes power under a time-of-day rate schedule, said measured demand shall be the onpeak measured demand in the month.) Credit amounts shall be prorated for partial billing months.

4. In the event that Distributor and Customer amend the Power Supply Contract during the Program to increase the firm contract demand, the term "contract demand" as used in section 3 above shall be deemed to refer to said increased contract demand; provided, however, that in the event that TVA notifies Distributor that additional entry into the Program has been suspended, no such contract demand increase which takes effect after

Distributor's receipt of said notice shall be recognized for purposes of calculating credit amounts hereunder.

5. Customer shall keep complete and accurate books and records with respect to its employees at the Facility. Distributor, TVA, or their agents and employees, shall have the right to inspect, at any time during normal working hours and upon reasonable notice, any of Customer's books and records related thereto and to require further verification of and supporting documentation for the employment levels certified by Customer.

6. The Power Supply Contract, as supplemented by this agreement, is hereby ratified as the continuing obligation of the parties hereto.

(Distributor)

By _____
(Title)

Accepted and agreed to as of
this ____ day of _____, 199__.

(Customer)

By _____
(Title)

GROWTH CREDIT PROGRAM
EMPLOYMENT CERTIFICATION STATEMENT
New Customer Initial Certification

Customer's full legal name: _____

Customer's address: _____

Date of Initial Availability of Power: _____

Customer has agreed with _____

(hereinafter called "Distributor") to participate in a Growth Credit Program hereinafter called "Program" offered by Distributor and the Tennessee Valley Authority (hereinafter called "TVA"), an agency and instrumentality of the United States of America. Under the Program, Customer may receive credits on its electric bills based, in part, upon the number of employees employed by Customer at Customer's new or started facility (hereinafter called "Facility") located

For purposes of this certification, an employee shall be defined as a person directly employed by Customer on a full-time basis in a position which Customer reasonably expects to remain filled for at least 6 months beyond the date that is 6 months after the Date of Initial Availability.

Customer expects to employ _____ employees at the Facility _____ months after the Date of Initial Availability referred to above.

Customer understands that the credits it receives under the Program will be based in part on the information provided to Distributor and TVA by this and subsequent certifications. In the event that it is found that Customer has intentionally, or with deliberate ignorance or reckless disregard for the truth, provided materially false information in this or any previously submitted certification, Customer understands that application of all credits under the Program may be discontinued. Customer will in any event promptly repay to Distributor any and all credit amounts overpaid to Customer as a result of Distributor's use of such false information. In addition, persons providing false information in connection with the Program may be subject to civil and/or criminal prosecution pursuant to the provisions of 18 U.S.C. § 1001; 31 U.S.C. 3729-3733; 31 U.S.C. §§ 3801-3812.

Customer hereby certifies to TVA and to Distributor that the information given above is correct, accurate, and complete.

By: _____
Title: _____
Date: _____

Before me appeared _____,
to me personally known, who being by me first duly sworn, did say that
he/she is an officer of _____

_____ (Customer), duly authorized to
execute legal instruments on behalf of Customer as its legal agent, and
that he/she signed the foregoing certification in his/her individual
capacity and on behalf of Customer, and he/she acknowledged said
certification to be his/her free act and deed and the free act and deed
of Customer.

Witness my hand and official seal this _____ day of _____, 19__.

Notary Public

My commission expires: _____.

GROWTH CREDIT PROGRAM
EMPLOYMENT CERTIFICATION STATEMENT
New Customer Actual Employment Certification

Customer's full legal name: _____

Customer's address: _____

Six-month period ending: _____ (date)

Customer has agreed with _____ (hereinafter

called "Distributor") to participate in a Growth Credit Program (hereinafter called "Program") offered by Distributor and the Tennessee Valley Authority (hereinafter called "TVA"), an agency and instrumentality of the United States of America. Under the Program, Customer may receive credits on its electric bills based, in part, upon the number of employees employed by Customer at Customer's new or restarted facility (hereinafter called "Facility") located at _____.

For purposes of this certification, an employee shall be defined as a person directly employed by Customer on a full-time basis in a position which Customer reasonably expects to remain filled for at least 6 months beyond the date specified above.

As of the date specified above, Customer employs _____ employees at the Facility.

Customer understands that the credits it receives under the Program will be based in part on the information provided to Distributor and TVA by way of this and subsequent certifications. In the event that it is found that Customer has intentionally, or with deliberate ignorance of or reckless disregard for the truth, provided materially false information on this or any previously submitted certification, Customer understands that application of all credits under the Program may be discontinued. Customer will in any event promptly repay to Distributor any and all credit amounts overpaid to Customer as a result of Distributor's use of such false information. In addition, persons providing false information in connection with the Program may be subject to civil and/or criminal prosecution pursuant to the provisions of 18 U.S.C. § 1001; 31 U.S.C. §§ 3729-3733; 31 U.S.C. §§ 3801-3812.

Customer hereby certifies to TVA and to Distributor that the information given above is correct, accurate, and complete.

By: _____
Title: _____
Date: _____

d _____,
known, who being by me first duly sworn, did say that
cer of _____

_____ (Customer), duly authorized to
truments on behalf of Customer as its legal agent, and
d the foregoing certification in his/her individual
ehalf of Customer, and he/she acknowledged said
be his/her free act and deed and the free act and deed

nd official seal this _____ day of _____, 19____

ires: _____.

Attachment ~~_____~~

Growth Credit Amounts
(New Customer)

Billing Year	Base Amount	New Jobs Amount		
		Employment Level 1*	Employment Level 2**	Employment Level 3***
1993	\$5.00	\$0.35	\$0.75	1.50
1994	4.00	0.30	0.60	1.20
1995	3.00	0.25	0.45	0.90
1996	2.00	0.15	0.30	0.60
1997	1.00	0.10	0.15	0.30

In addition to the credit amounts, the number of jobs per 1,000 kW will be the nearest whole number.

If Customer's operations utilize at least one but not more than 25 full-time employees per 1,000 kW of firm contract demand.

If Customer's operations utilize at least 26 but not more than 75 full-time employees per 1,000 kW of firm contract demand.

If Customer's operations utilize more than 75 full-time employees per 1,000 kW of firm contract demand.

AGREEMENT
between

(hereinafter called "Distributor")
and

(hereinafter called "Customer")

This agreement will confirm the understandings reached between representatives of Distributor and Customer with respect to Customer's participation in the Growth Credit Program (hereinafter called "Program") being jointly conducted by Distributor and its wholesale power supplier, the Tennessee Valley Authority (hereinafter called "TVA").

It is recognized that Customer has been taking power from Distributor for purposes of operating its facility located at _____ (hereinafter called "Facility") and is expanding the Facility in a manner that requires that an increased amount of electric power be made available. In that connection, the parties hereto have entered into a contract (hereinafter called the "Expansion Contract") dated _____ to provide for the availability of such increased amount.

It is understood and agreed that:

1. This agreement shall become effective on _____, which is the effective date of the Expansion Contract, and shall continue in effect until (a) the obligations of the parties hereunder are fulfilled or (b) Customer ceases to be a customer of Distributor, whichever is earlier.

2. On or as soon as practicable after the effective date of this agreement, Customer shall submit to Distributor an initial notarized statement (in the form of Attachment A hereto) certifying the number of employees Customer reasonably anticipates will be employed as a direct result of the expansion of the Facility at the end of the 6-month period following said effective date. At the end of said 6-month period, and every 6 months thereafter, Customer shall submit to Distributor a notarized statement (in the form of Attachment B hereto) certifying the actual number of employees then employed by Customer at the Facility as a direct result of said expansion. For purposes of this agreement, an employee shall be defined as a person directly employed by Customer on a full-time basis in a position which Customer reasonably expects to remain filled for at least 6 months following the date as of which certification is made. Independent contractors and employees of third parties are expressly excluded from this definition.

During the first 6 months of this agreement, for purposes of determining the new jobs component of any applicable credits under section 3 below, Distributor shall use the estimated number of employees set out in

Customer's initial certification; provided, however, that following receipt of the first certification of actual employment, Distributor shall determine if the actual number of employees was greater or less than the estimate by an amount such that different credit amounts would have applied if the actual employment at the end of 6 months had been known in advance. If so, an adjustment of the new jobs component of the credit amounts applied for the first 6 months will be made on Customer's subsequent bill. For purposes of determining the new jobs component of any credits applicable after the first 6 months of this agreement, Customer's most recent certification of actual employment shall be used.

In the event that it is found that Customer has intentionally, or with deliberate ignorance of or reckless disregard for the truth, provided materially false information in any certification or assurance submitted under the Program, it is agreed that application of all further credits hereunder may be discontinued. Customer shall promptly repay to Distributor any and all credit amounts overpaid to Customer as a result of Distributor's use of such false information. In addition, persons providing false information in connection with this Program may be subject to civil and/or criminal prosecution pursuant to the provisions of 18 U.S.C. § 1001; 31 U.S.C. §§ 3729-3733; 31 U.S.C. §§ 3801-3812.

3. Beginning with the effective date of this agreement and continuing through the last meter reading taken prior to October 1, 1997, Distributor shall apply a credit to Customer's bill for any month during which Customer's measured demand exceeds 1,000 kW and is at least 250 kW greater than an amount (hereinafter called the "Base Amount") equal to the higher of (a) the highest contract demand of Customer during the 12-consecutive-month period immediately preceding the effective date of the Expansion Contract or (b) the highest measured demand established on or after October 1, 1988, up to the effective date of the Expansion Contract. For purposes of this agreement, if Customer's contract demand is over 5,000 kW, the term "measured demand" shall be deemed to refer to the highest average during any 30-consecutive-minute period of the month of the load measured in kW; if customer's contract demand is 5,000 kW or less, the term "measured demand" shall be deemed to refer to the highest average during any 30-consecutive-minute period of the month of the higher of the load measured in kW or 85 percent of the load in kVA plus an additional 10 percent for that part of the load over 5,000 kVA.

The dollar amount of the credit per kW in any month will be the sum of (a) the applicable base amount for that month as set out in Attachment C hereto entitled "Growth Credit Amounts (Expansion Customer)" and (b) the applicable new jobs amount, if any, determined in accordance with said attachment. The dollar amount of the credit will be applied to each kW by which Customer's measured demand in the month (excluding any kW in excess of the firm contract demand) exceeds the Base Amount. (In the event that Customer takes power under a time-of-day rate schedule, said measured demand shall be the onpeak measured demand in the month.) Credit amounts shall be prorated for partial billing months.

4. In the event that Distributor and Customer amend the Expansion Contract during the Program to further increase the firm contract demand, the term "contract demand" as used in section 3 above shall be deemed to refer to said increased contract demand; provided, however, that in the event that TVA notifies Distributor that additional entry into the Program has been suspended, no such contract demand increase which takes effect after Distributor's receipt of such notice shall be recognized for purposes of calculating credit amounts hereunder.

5. Customer shall keep accurate books and records with respect to its employees at the Facility. Distributor, TVA, or their agents and employees, shall have the right to inspect, at any time during normal working hours and upon reasonable notice, any of Customer's books and records related thereto and to require further verification of and supporting documentation for the employment levels certified by Customer.

6. The Expansion Contract, as supplemented by this agreement, is hereby ratified and confirmed as the continuing obligation of the parties hereto.

(Distributor)

By _____
(Title)

Accepted and agreed to as of
this ____ day of _____, 19__.

(Customer)

By _____
(Title)

GROWTH CREDIT PROGRAM
EMPLOYMENT CERTIFICATION STATEMENT
Expansion Customer Initial Certification

Customer's full legal name: _____

Customer's address: _____

Customer has agreed with _____ (hereinafter called "Distributor") to participate in a Growth Credit Program (hereinafter called "Program") offered by Distributor and the Tennessee Valley Authority (hereinafter called "TVA"), an agency and instrumentality of the United States of America. Customer qualifies for the Program, in part, because it is expanding its existing facility (hereinafter called "Facility") located at _____,

and has accordingly entered into a contract (hereinafter called the "Expansion Contract") with Distributor providing for an increased amount of electric power to be made available at the Facility. The effective date of the Expansion Contract is _____. Under the Program, Customer may receive a credit to its electric bills based, in part, upon the number of employees employed by Customer at the Facility as a direct result of the expansion. For purposes of this certification, an employee shall be defined as a person directly employed by Customer on a full-time basis in a position which Customer reasonably expects to remain filled for at least 6 months beyond the date that is 6 months after the effective date of the Expansion Contract.

Customer expects to have _____ employees employed at the Facility 6 months after the effective date of the Expansion Contract as a direct result of the expansion of the Facility.

Customer understands that the credits it receives under the Program will be based in part on the information provided to Distributor and TVA by way of this and subsequent certifications. In the event that it is found that Customer has intentionally, or with deliberate ignorance of or reckless disregard for the truth, provided materially false information on this or any previously submitted certification, Customer understands that application of all credits under the Program may be discontinued. Customer will in any event promptly repay to Distributor any and all credit amounts overpaid to Customer as a result of Distributor's use of such false information. In addition, persons providing false information in connection with the Program may be subject to civil and/or criminal

prosecution pursuant to the provisions of 18 U.S.C. § 1001; 31 U.S.C. §§ 3729-3733; 31 U.S.C. §§ 3801-3812.

Customer hereby certifies to TVA and to Distributor that the information given above is correct, accurate, and complete.

By: _____
Title: _____
Date: _____

Before me appeared _____,
to me personally known, who being by me first duly sworn, did say that
he/she is an officer of _____
_____(Customer), duly authorized to
execute legal instruments on behalf of Customer as its legal agent, and
that he/she signed the foregoing certification in his/her individual
capacity and on behalf of Customer, and he/she acknowledged said
certification to be his/her free act and deed and the free act and deed
of Customer.

Witness my hand and official seal this _____ day of _____, 19_____.

Notary Public

My commission expires: _____.

GROWTH CREDIT PROGRAM
EMPLOYMENT CERTIFICATION STATEMENT
Expansion Customer Actual Employment Certification

Customer's full legal name: _____

Customer's address: _____

Month period ending: _____ (date)

Customer has agreed with _____ (hereinafter

called "Distributor") to participate in a Growth Credit Program (hereinafter called "Program") offered by Distributor and the Tennessee Valley Authority (hereinafter called "TVA"), an agency and instrumentality of the United States of America. Under the Program, Customer may receive a credit to its electric bills based, in part, upon the number of employees employed by Customer at Customer's expanded facility located at _____.

For the purposes of this certification, an employee shall be defined as a person who is directly employed by Customer on a full-time basis in a position which Customer reasonably expects to remain filled for at least 6 months and the date specified above.

As of the date specified above, Customer employs _____ employees at the Facility as a direct result of the expansion of the Facility.

Customer understands that the credits it receives under the Program will be based in part on the information provided to Distributor and TVA by this and subsequent certifications. In the event that it is found that Customer has intentionally, or with deliberate ignorance of or reckless disregard for the truth, provided materially false information on this or any previously submitted certification, Customer understands that the application of all credits under the Program may be discontinued. Customer will in any event promptly repay to Distributor any and all amounts overpaid to Customer as a result of Distributor's use of false information. In addition, persons providing false information in connection with the Program may be subject to civil and/or criminal prosecution pursuant to the provisions of 18 U.S.C. § 1001; 31 U.S.C. 729-3733; 31 U.S.C. §§ 3801-3812.

Customer hereby certifies to TVA and to Distributor that the information provided 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 or a notarized statement (hereinafter called "Employment Certification") in the form of Attachment A hereto certifying the number of employees in excess of the Pre-expansion Level then employed by Customer. Thereafter, Customer shall submit to Distributor such an Employment Certification every 6 months; provided, however, that if the Customer's total employment level at the end of any 6-month period does not exceed 115 percent of the Pre-expansion Level, no

Employment Certification will be submitted until the employment level does so exceed such level. For purposes of this agreement, an employee shall be defined as a person directly employed by Customer on a full-time basis in a position which Customer reasonably expects to remain filled for at least 6 months. Independent contractors and employees of third parties are expressly excluded from this definition.

In the event that it is found that Customer has intentionally, or with deliberate ignorance of or reckless disregard for the truth, provided materially false information in any certification or assurance submitted under the Program, it is agreed that application of all further credits hereunder may be discontinued. Customer shall promptly repay to Distributor any and all credit amounts overpaid to Customer as a result of Distributor's use of such false information. In addition, persons providing false information in connection with this Program may be subject to civil and/or criminal prosecution pursuant to the provisions of 18 U.S.C. § 1001; 31 U.S.C. §§ 3729-3733; 31 U.S.C. §§ 3801-3812.

3. Following receipt of each Employment Certification appropriately provided under section 2 above, Distributor shall apply a credit to each of the next 6 consecutive bills rendered by Distributor to Customer under the Power Supply Contract; provided, however, that no such credit shall be allowed on any of said 6 bills for any month in which Customer's measured demand during the month does not exceed 1,000 kW. It is expressly understood and agreed that no credit will be applied by Distributor to any bill after said 6 consecutive bills until such time that Distributor has received an appropriate new Employment Certification from Customer. For purposes of this agreement, if Customer's contract demand is over 5,000 kW, the term "measured demand" shall be deemed to refer to the highest average during any 30-consecutive-minute period of the month of the load measured in kW; if Customer's contract demand is 5,000 kW or less, the term "measured demand" shall be deemed to refer to the highest average during any 30-consecutive-minute period of the month of the higher of the load measured in kW or 85 percent of the load in kVA, plus an additional 10 percent for that part of the load over 5,000 kVA.

The dollar amount of the credit per kW in any month will be the applicable new jobs amount determined in accordance with Attachment B hereto entitled "New Jobs Credit Amounts (Growth Customer)." The dollar amount of the credit will be applied to a portion of Customer's billing demand during the month as determined hereinbelow (hereinafter called "Qualifying Demand"). The Qualifying Demand shall be equal to the amount determined by multiplying (a) the ratio of (i) the number of new employees certified by Customer pursuant to section 2 hereof to (ii) the sum of such number of new employees and the Pre-expansion Level times (b) Customer's billing demand (excluding any billing demand in excess of the firm contract demand) determined in accordance with the section headed "Determination of Demand" of TVA's General Power Rate--Schedule GP-____ (as it may be modified, changed, replaced, or adjusted

from time to time as provided under contractual arrangements between Distributor and TVA). Credit amounts shall be prorated for partial billing months.

4. Customer shall keep accurate books and records with respect to its employees at the Facility. Distributor, TVA, or their agents and employees, shall have the right to inspect, at any time during normal working hours and upon reasonable notice, any of Customer's books and records related thereto and to require further verification of and supporting documentation for the employment levels certified by Customer.

5. The Power Supply Contract, as supplemented by this agreement, is hereby ratified and confirmed as the continuing obligation of the parties hereto.

(Distributor)

By _____
(Title)

Accepted and agreed to as of
this ____ day of _____, 199__.

(Customer)

By _____
(Title)

GROWTH CREDIT PROGRAM
EMPLOYMENT CERTIFICATION STATEMENT
Growth Customer Employment Certification

Customer's full legal name: _____

Customer's address: _____

Date: _____

Customer has agreed with _____ (hereinafter

called "Distributor") to participate in a Growth Credit Program (hereinafter called "Program") offered by Distributor and the Tennessee Valley Authority (hereinafter called "TVA"), an agency and instrumentality of the United States of America. Under the Program, Customer may receive a credit to its electric bills based upon the number of new employees employed by Customer as a result of expansion initiatives at Customer's facility (hereinafter called "Facility") located at _____.

For purposes of this certification, an employee shall be defined as a person directly employed by Customer on a full-time basis in a position which Customer reasonably expects to remain filled for at least 6 months beyond the date specified above.

As of the date specified above, Customer employs _____ employees at the Facility as a direct result of the expansion initiatives at the Facility.

Customer understands that the credits it receives under the Program will be based in part on the information provided to Distributor and TVA by way of this and subsequent certifications. In the event that it is found that Customer has intentionally, or with deliberate ignorance of or reckless disregard for the truth, provided materially false information on this or any previously submitted certification, Customer understands that application of all credits under the Program may be discontinued. Customer will in any event promptly repay to Distributor any and all credit amounts overpaid to Customer as a result of Distributor's use of such false information. In addition, persons providing false information in connection with the Program may be subject to civil and/or criminal prosecution pursuant to the provisions of 18 U.S.C. § 1001; 31 U.S.C. §§ 3729-3733; 31 U.S.C. §§ 3801-3812.

Customer hereby certifies to TVA and to Distributor that the information given above is correct, accurate, and complete.

By: _____
Title: _____
Date: _____

Before me appeared _____,
to me personally known, who being by me first duly sworn, did say that
he/she is an officer of _____,

_____ (Customer), duly authorized to
execute legal instruments on behalf of Customer as its legal agent, and
that he/she signed the foregoing certification in his/her individual
capacity and on behalf of Customer, and he/she acknowledged said
certification to be his/her free act and deed and the free act and deed
of Customer.

Witness my hand and official seal this _____ day of _____, 19____.

Notary Public

My commission expires: _____.

**New Jobs Credit Amounts
(Growth Customer)**

<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.

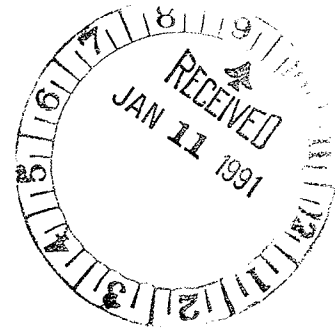
*Level 1 applies if Customer's operations utilize at least one but not more than 25 full-time employees per 1,000 kW of applicable firm contract demand.

**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 42102-6260
January 9, 1991



Mr. Jack E. Dillard
Tri-County Electric Membership Corporation
Post Office Box 40
Lafayette, Tennessee 37083-0040

Dear Mr. Dillard:

LETTER AGREEMENTS COVERING REVISIONS IN INDUSTRIAL SERVICE POLICY

Enclosed for your permanent files is a fully executed copies of Agreement TV-52337A, Supplement 22, dated September 1, 1990 covering revisions in the Industrial Service Policy.

Very truly yours,

TENNESSEE VALLEY AUTHORITY

A handwritten signature in cursive script that reads "John A. Humphreys for".

Myron N. Callahan, Manager
Bowling Green District

Enclosure

TENNESSEE VALLEY AUTHORITY
Chattanooga, Tennessee 37402-2801

TV-52337A
Supp No. 22

September 1, 1990

Mr. Tom Price Thompson, Jr., President
Tri-County Electric Membership Corporation
Lafayette, Tennessee 37083

Dear Mr. Thompson:

This will confirm the arrangements developed between representatives of Tri-County Electric Membership Corporation (hereinafter called "Distributor") and the Tennessee Valley Authority (hereinafter called "TVA") with respect to amending the wholesale power contract dated July 18, 1979 (which contract as heretofore amended and supplemented is hereinafter called the "Power Contract"), between the parties to implement certain revisions with respect to service to industrial loads.

It is understood and agreed that:

1. Section 2 of the Power Contract is hereby amended by deleting the second sentence of subsection (b) thereof and inserting in lieu thereof the following:

TVA shall be entitled to serve directly any consumer to whom said resale rate schedules are not applicable, any Federal installations excepting those with loads less than 5,000 kilowatts served from a general delivery point, and, except as otherwise provided hereinbelow, any consumer whose base energy amount (determined as provided in the sentence next following) in any month is more than the sum of (i) 10 million kilowatthours plus (ii) the amount determined by multiplying 1,250 kilowatthours times the number of residential consumers, if any, that were being served by Cooperative as of the preceding June 30 with energy received from TVA at the delivery point through which Cooperative would receive the energy for such consumer if it were served by Cooperative. For purposes of this subsection (b), a consumer's base energy amount for a month shall be the lesser of (i) the average of said consumer's monthly energy use in kilowatthours during the latest 12-consecutive-month period or (ii) 547.5 hours multiplied by the average of the highest monthly demand established by said consumer in each month of said period (with each such highest monthly demand being determined by taking the highest average during any 30-consecutive-minute period of each month of the

Mr. Tom Price Thompson
September 1, 1990

load measured in kilowatts). (For a consumer with less than 12 months of service, said monthly energy use and average of the highest monthly demands shall be determined from the actual months of service.) Notwithstanding any of the above provisions, once service to any consumer is transferred from one party to the other party hereunder, the party transferring service to the other shall not be entitled to have such service transferred back to it until 12 months after the effective date of such transfer.

2. In the event a consumer is transferred from Distributor to TVA pursuant to section 2(b) of the Power Contract, beginning with the first month of service by TVA and continuing for 48 consecutive months thereafter, TVA shall credit Distributor's monthly wholesale power bill by an amount equal to the product of (a) the average of the highest monthly demand (determined by taking the highest average during any 30-consecutive-minute period of the month of the load measured in kW) established by said consumer in each of the 12 months immediately prior to service being transferred to TVA, not to exceed 40,000 kW (or if the consumer was served by Distributor for a period of less than 12 months, said average monthly demand shall be determined from the actual months of service by Distributor), multiplied by (b) the applicable credit amount (determined as provided in the final sentence of this section 2); provided, however, that said credit shall automatically terminate effective with the date, whichever first occurs, on which (A) contractual arrangements for service to the consumer either expire or are terminated (without being renewed or replaced) or (B) Distributor resumes service to the consumer pursuant to section 2(b) of the Power Contract. With respect to any transferred consumer, the applicable credit amount under (b) above shall be (1) 32 cents per kW for the first 12 consecutive months; (2) 24 cents per kW for the next 12 consecutive months; (3) 16 cents per kW for the next 12 consecutive months; and (4) 8 cents per kW for the next 12 consecutive months.

3. For purposes of calculating each month the charges for power and energy supplied by TVA to Distributor under the Power Contract in accordance with the then-effective wholesale power rate schedule, commencing with the transfer of a consumer from Distributor to TVA pursuant to section 2(b) of the Power Contract, appropriate adjustments shall be made in Distributor's wholesale bill with respect to the Hydro Allocation Adjustment and any wholesale facilities rental charges to remove any continuing effects of Distributor having served said consumer prior to the transfer.

4. No member of or delegate to Congress or Resident Commissioner, or any officer, employee, special Government employee, or agent of TVA shall be admitted to any share or part of this agreement or to any benefit that may arise therefrom unless the agreement be made with a corporation for its general benefit, nor shall Distributor offer or give, directly or indirectly, to any officer, employee, special

Mr. Tom Price Thompson
September 1, 1990

Government employee, or agent of TVA any gift, gratuity, favor, entertainment, loan, or any other thing of monetary value, except as provided in 18 C.F.R. § 1300.735-12 or -34. Breach of this provision shall constitute a material breach of this agreement.

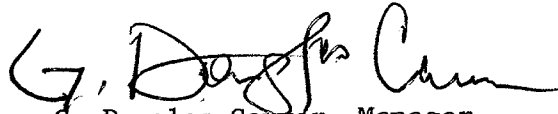
5. This agreement shall become effective as of the date first above written and shall continue in effect for the term of the Power Contract.

6. The Power Contract, as amended and supplemented by this agreement, is hereby ratified and confirmed as the continuing obligation of the parties.

If this letter satisfactorily sets forth our understandings, please execute three counterparts hereof and return them to the TVA district office. Upon execution by TVA, this letter shall be a binding agreement, and a fully executed counterpart will be returned to you.

Very truly yours,

TENNESSEE VALLEY AUTHORITY



G. Douglas Carver, Manager
Distributor Marketing
and Services

Accepted and agreed to as of
the date first above written.

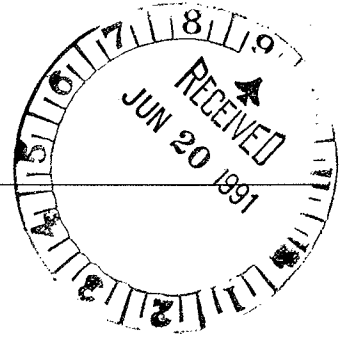
TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION

By 
President



Tennessee Valley Authority, Post Office Box

*Laura
Please file
JS*



June 18, 1991

Mr. Jim Shafer, Interim Manager
Tri-County Electric Membership Corporation
Post Office Box 40
Lafayette, Tennessee 37083

Dear Mr. Shafer:

GROWTH CREDIT PROGRAM

Enclosed for your permanent files is a fully executed copy of Agreement TV-52337A, Supplement No. 23, dated November 28, 1990, implementing revisions to the Growth Credit Program.

Sincerely,

Myron N. Callahan, Manager
Regional Service (Bowling Green)
Customer Service

Enclosure

TENNESSEE VALLEY AUTHORITY
Chattanooga, Tennessee 37402-2801

November 28, 1990

Mr. Tom Price Thompson, Jr., President
Tri-County Electric Membership Corporation
Lafayette, Tennessee 37083

Dear Mr. Thompson:

Letter Agreement TV-52337A, Supplement No. 21, dated October 1, 1989 (hereinafter called the "1989 Agreement"), between the Tennessee Valley Authority (hereinafter called "TVA") and Tri-County Electric Membership Corporation (hereinafter called "Distributor") covers arrangements for Distributor and TVA to participate in a program (hereinafter called "Program") under which eligible new and expanding general power customers of Distributor may receive credits against their electric bills. This will confirm the understanding reached between representatives of the parties with respect to amending the 1989 Agreement to (1) extend the period in which qualifying new and expanding customers may receive credits, and (2) include arrangements (hereinafter called "New Jobs Option") designed to provide for the application of credits against the electric bills of qualifying general power customers that increase their employment level without substantially increasing contract demand.

It is understood and agreed that:

1. The 1989 Agreement is hereby amended by (a) deleting from the last sentence of section 3 thereof the date "September 30, 1995" and substituting therefor the date "September 30, 1997," and (b) removing Exhibits A, B, and C, attached thereto, and substituting therefor Exhibits A1, B1, and C1, attached hereto. Thereafter, all references in the 1989 Agreement to Exhibits A, B, and C shall be deemed to refer to Exhibits A1, B1, and C1, respectively.

2. For any customer of Distributor that has qualified as a New Customer or Expansion Customer pursuant to section 1 of the 1989 Agreement and has entered into a participation agreement prior to the effective date of this agreement, Distributor shall enter into supplemental arrangements to extend the period in which each such New or Expansion Customer may receive a credit on its electric bill through the last meter reading period taken prior to October 1, 1997. Such supplemental arrangements shall be in a form approved by TVA.

Mr. Tom Price Thompson
November 28, 1990

3. For each customer (hereinafter called "Growth Customer") meeting the eligibility requirements of paragraph C of Exhibit A1 that wishes to participate in the New Jobs Option, Distributor shall enter into an agreement (hereinafter called "New Jobs Participation Agreement") in the form of Exhibit D, attached hereto and hereby made a part of this agreement. Distributor shall conduct the New Jobs Option in strict accordance with the provisions hereof and of the New Jobs Participation Agreement; provided, however, that the Operating Representatives may agree upon a revised New Jobs Participation Agreement in a case where use of Exhibit D is inappropriate. In the event that a particular customer is not clearly eligible for participation in the New Jobs Option, the Operating Representatives of the parties shall make a joint determination about such customer's eligibility.

4. It is recognized that under the New Jobs Option, qualifying Growth Customers are eligible to receive credit amounts based upon the number of employees hired in connection with a specific initiative for expanded operation at a facility. Accordingly, at such time following the effective date of the New Jobs Participation Agreement that the number of employees of the Growth Customer at a facility exceeds 115 percent of the pre-expansion employment level at the facility, the Growth Customer will furnish to Distributor a notarized statement (hereinafter called "Employment Certification") certifying the number of full-time employees then employed in connection with the expansion initiative. Thereafter, the Growth Customer will furnish an Employment Certification every 6 months; provided, however, that if the Growth Customer's total employment level at the end of any 6-month period does not exceed 115 percent of the pre-expansion employment level, no Employment Certification will be submitted until the employment level does so exceed such level.

For purposes of this agreement, the term "pre-expansion employment level" shall be defined as the average number of employees employed at Customer's facility during the 6-consecutive-month period immediately preceding the effective date of the customer's New Jobs Participation Agreement.

With respect to each Growth Customer, Distributor shall furnish to TVA a copy of the New Jobs Participation Agreement, the Growth Customer's power supply contract with Distributor (including any amendments thereto), and each employment certification received.

5. Following receipt of each Employment Certification appropriately provided under section 4 above, Distributor shall apply a credit to each of the 6 consecutive bills rendered to the Growth Customer under the power supply contract; provided, however, that no such credit shall be allowed in any month

Mr. Tom Price Thompson
November 28, 1990

in which such customer's measured demand does not exceed 1,000 kW; and provided further, that no credit will be applied by Distributor to any bill rendered from meter readings taken after September 30, 1997; and provided further, that for any bill rendered by Distributor following said 6 consecutive bills, Distributor shall not apply any such credit unless and until it has received a subsequent Employment Certification from the Growth Customer. The amount of the credit shall be determined each month in accordance with the provisions of the New Jobs Participation Agreement, including the attachments thereto.

6. It is recognized that pursuant to section 4 of the 1989 Agreement, Distributor submits to TVA a monthly report containing certain information relative to the application of credits to New and Expansion Customers. It is understood and agreed that Distributor shall also include in said monthly report for each Growth Customer the measured demand, billing demand, and the amount of credit applied during that month pursuant to section 5 hereof, and that TVA shall apply to Distributor's wholesale bill an amount equal to 110 percent of the amount of such credits to each Growth Customer appropriately applied by Distributor during the month.

7. This agreement shall be effective as of the date first above written and shall continue in effect until all obligations of the parties hereto have been fulfilled; provided, however, that in the event TVA suspends additional entry into the Program in accordance with section 6 of the 1989 Agreement, TVA may likewise terminate by written notice to Distributor additional entry into the New Jobs Option, and, upon receipt of such notice, Distributor shall enter into no more New Jobs Participation Agreements; provided, further, that such notice of suspension shall not otherwise limit application of credit amounts under then-existing New Jobs Participation Agreements.

8. The 1989 Agreement, as amended and supplemented by this agreement, is hereby ratified and confirmed as the continuing obligation of the parties.

9. No member of or delegate to Congress or Resident Commissioner, or any officer, employee, special Government employee, or agent of TVA shall be admitted to any share or part of this agreement or to any benefit that may arise therefrom unless the agreement be made with a corporation for its general benefit, nor shall Distributor offer or give, directly or indirectly, to any officer, employee, special Government employee, or agent of TVA any gift, gratuity, favor, entertainment, loan, or any other thing of monetary value, except as provided in 18 C.F.R. § 1300.735-12 or -34. Breach of this provision shall constitute a material breach of this agreement.

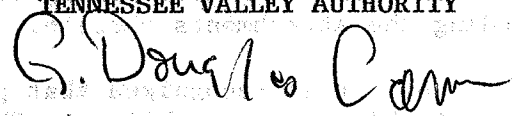
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Mr. Tom Price Thompson
November 28, 1990

If this letter satisfactorily sets forth our understandings, please execute three counterparts hereof and return them to the TVA district office. Upon execution by TVA, this letter shall be a binding agreement, and a fully executed counterpart will be returned to you.

Very truly yours,

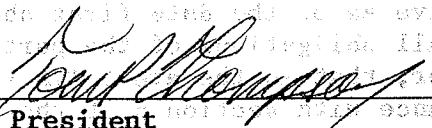
TENNESSEE VALLEY AUTHORITY



G. Douglas Carver, Manager
Distributor Marketing
and Services

Accepted and agreed to as of
the date first above written.

TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION

By 
President

W021991
3020L

Eligibility Requirements

- A. New Customer. A customer qualifies as a New Customer if it (1) either initiates operations at an entirely new facility through a new delivery point or restarts an existing facility with no current contract demand and which has been shut down for a period of at least 12 consecutive months prior to such restart, (2) on or after the effective date of this agreement enters into a power supply contract with Distributor which includes a firm contract demand greater than 1,000 kW, and (3) enters into an agreement with Distributor in the form of Exhibit B1 attached to this agreement. Except for a restart customer under (1) above, no customer replacing or renewing its power supply contract shall qualify as a New Customer.
- B. Expansion Customer. An existing customer qualifies as an Expansion Customer if it (1) revises its contractual arrangement with Distributor on or after the effective date of this agreement whereby the firm contract demand level is (a) greater than 1,000 kW, and (b) at least 250 kW greater than the higher of (i) the highest contract demand of the customer during the 12-consecutive-month period immediately preceding the effective date of said arrangement, or (ii) the highest measured demand established on or after October 1, 1988, up to the effective date of said arrangement, and (2) enters into an agreement with Distributor in the form of Exhibit C1 attached to this agreement.
- C. Growth Customer. An existing customer qualifies as a Growth Customer under the New Jobs Option if it (1) has existing contractual arrangements with Distributor specifying a firm contract demand which is greater than 1,000 kW or revises its contractual arrangements whereby the firm contract demand is increased to a level greater than 1,000 kW without meeting the eligibility requirements of B above, (2) on or after the date on which the New Jobs Option is made available by Distributor, certifies that it plans to expand its operations such that it will increase the number of its employees to a level that exceeds 115 percent of its average employment level in the 6-consecutive-month period immediately preceding the date of such certification, and (3) enters into an agreement with Distributor in the form of Exhibit D attached to this agreement.

For purposes of applying the provisions of A, B, and C above: (1) for a customer taking power under a time-of-day rate schedule, the term "contract demand" shall mean the higher of the onpeak or offpeak contract demand, and the term "measured demand" shall mean the higher of the onpeak or offpeak measured demand, and (2) customers taking service on a seasonal basis shall not qualify.

AGREEMENT

between

(hereinafter called "Distributor")

and

(hereinafter called "Customer")

This agreement will confirm the understandings reached between representatives of Distributor and Customer with respect to Customer's participation in the Growth Credit Program (hereinafter called "Program") being jointly conducted by Distributor and its wholesale power supplier, the Tennessee Valley Authority (hereinafter called "TVA").

It is understood and agreed that:

1. This agreement shall become effective on 2/17/71, which is the date of initial availability of power under the power supply contract (hereinafter called "Power Supply Contract") dated 2/17/71, between Customer and Distributor, covering the provision of electric service to Customer's new or restarted facility (hereinafter called "Facility") located at 1000 E. Main St., Memphis, Tenn.

This agreement shall continue in effect until (a) the obligations of the parties hereunder are fulfilled or (b) Customer ceases to be a customer of Distributor, whichever is earlier.

2. On or as soon as practicable after the effective date of this agreement, Customer shall submit to Distributor a notarized statement (in the form of Attachment A hereto) certifying the number of employees Customer reasonably anticipates will be employed at the Facility at the end of the 6-month period following said effective date. At the end of said 6-month period, and every 6 months thereafter, Customer shall submit to Distributor a notarized statement (in the form of Attachment B hereto) certifying the actual number of employees then employed by Customer at the Facility. For purposes of this agreement, an employee shall be defined as a person directly employed by Customer on a full-time basis in a position which Customer reasonably expects to remain filled for at least 6 months following the date as of which certification is made. Independent contractors and employees of third parties are expressly excluded from this definition.

During the first 6 months of this agreement, for purposes of determining the new jobs component of any applicable credits under section 3 below, Distributor shall use the estimated number of employees set out in Customer's initial certification; provided, however, that following receipt of the first certification of actual employment, Distributor shall determine if the actual number of employees was greater or less than the estimate by an

amount such that different credit amounts would have applied if the actual employment at the end of 6 months had been known in advance. If so, an appropriate adjustment of the new jobs component of the credit amounts applied for the first 6 months will be made on Customer's subsequent bill. For purposes of determining the new jobs component of any credits applicable after the first 6 months of this agreement, Customer's most recent certification of actual employment shall be used.

In the event that it is found that Customer has intentionally, or with deliberate ignorance of or reckless disregard for the truth, provided materially false information in any certification or assurance submitted under the Program, it is agreed that application of all further credits hereunder may be discontinued. Customer shall promptly repay to Distributor any and all credit amounts overpaid to Customer as a result of Distributor's use of such false information. In addition, persons providing false information in connection with this Program may be subject to civil and/or criminal prosecution pursuant to the provisions of 18 U.S.C. § 1001; 31 U.S.C. §§ 3729-3733; 31 U.S.C. §§ 3801-3812.

3. Beginning with the effective date of this agreement and continuing through the last meter reading taken prior to October 1, 1997, Distributor shall apply a credit to Customer's bill for any month during which Customer's measured demand exceeds 1,000 kW. For purposes of this agreement, if Customer's contract demand is over 5,000 kW, the term "measured demand" shall be deemed to refer to the highest average during any 30-consecutive-minute period of the month of the load measured in kW; if Customer's contract demand is 5,000 kW or less, the term "measured demand" shall be deemed to refer to the highest average during any 30-consecutive-minute period of the month of the higher of the load measured in kW or 85 percent of the load in kVA plus an additional 10 percent for that part of the load over 5,000 kVA.

The dollar amount of the credit per kW in any month will be the sum of (a) the applicable base amount for the month as set out in Attachment C hereto entitled "Growth Credit Amounts (New Customer)" and (b) the applicable new jobs amount, if any, determined in accordance with said attachment. The dollar amount of the credit will be applied to each kW of Customer's measured demand in the month (excluding any kW in excess of the firm contract demand). (In the event that Customer takes power under a time-of-day rate schedule, said measured demand shall be the onpeak measured demand in the month.) Credit amounts shall be prorated for partial billing months.

4. In the event that Distributor and Customer amend the Power Supply Contract during the Program to increase the firm contract demand, the term "contract demand" as used in section 3 above shall be deemed to refer to said increased contract demand; provided, however, that in the event that TVA notifies Distributor that additional entry into the Program has been suspended, no such contract demand increase which takes effect after

Distributor's receipt of said notice shall be recognized for purposes of calculating credit amounts hereunder.

5. Customer shall keep complete and accurate books and records with respect to its employees at the Facility. Distributor, TVA, or their agents and employees, shall have the right to inspect, at any time during normal working hours and upon reasonable notice, any of Customer's books and records related thereto and to require further verification of and supporting documentation for the employment levels certified by Customer.

6. The Power Supply Contract, as supplemented by this agreement, is hereby ratified as the continuing obligation of the parties hereto.

(Distributor)

By _____
(Title)

Accepted and agreed to as of
this ____ day of _____, 199__.

(Customer)

By _____
(Title)

GROWTH CREDIT PROGRAM
EMPLOYMENT CERTIFICATION STATEMENT
New Customer Initial Certification

Customer's full legal name: _____

Customer's address: _____

Date of Initial Availability of Power: _____

Customer has agreed with _____

(hereinafter called "Distributor") to participate in a Growth Credit Program (hereinafter called "Program") offered by Distributor and the Tennessee Valley Authority (hereinafter called "TVA"), an agency and instrumentality of the United States of America. Under the Program, Customer may receive credits on its electric bills based, in part, upon the number of employees employed by Customer at Customer's new or restarted facility (hereinafter called "Facility") located at _____

For purposes of this certification, an employee shall be defined as a person directly employed by Customer on a full-time basis in a position which Customer reasonably expects to remain filled for at least 6 months beyond the date that is 6 months after the Date of Initial Availability.

Customer expects to employ _____ employees at the Facility 6 months after the Date of Initial Availability referred to above.

Customer understands that the credits it receives under the Program will be based in part on the information provided to Distributor and TVA by way of this and subsequent certifications. In the event that it is found that Customer has intentionally, or with deliberate ignorance of or reckless disregard for the truth, provided materially false information on this or any previously submitted certification, Customer understands that application of all credits under the Program may be discontinued. Customer will in any event promptly repay to Distributor any and all credit amounts overpaid to Customer as a result of Distributor's use of such false information. In addition, persons providing false information in connection with the Program may be subject to civil and/or criminal prosecution pursuant to the provisions of 18 U.S.C. § 1001; 31 U.S.C. §§ 3729-3733; 31 U.S.C. §§ 3801-3812.

Customer hereby certifies to TVA and to Distributor that the information given above is correct, accurate, and complete.

By: _____
Title: _____
Date: _____

Before me appeared _____,
to me personally known, who being by me first duly sworn, did say that
he/she is an officer of _____,

_____ (Customer), duly authorized to
execute legal instruments on behalf of Customer as its legal agent, and
that he/she signed the foregoing certification in his/her individual
capacity and on behalf of Customer, and he/she acknowledged said
certification to be his/her free act and deed and the free act and deed
of Customer.

Witness my hand and official seal this _____ day of _____, 19__.

Notary Public

My commission expires: _____.

GROWTH CREDIT PROGRAM
EMPLOYMENT CERTIFICATION STATEMENT
New Customer Actual Employment Certification

Customer's full legal name: _____

Customer's address: _____

Six-month period ending: _____ (date)

Customer has agreed with _____

(hereinafter called "Distributor") to participate in a Growth Credit Program (hereinafter called "Program") offered by Distributor and the Tennessee Valley Authority (hereinafter called "TVA"), an agency and instrumentality of the United States of America. Under the Program, Customer may receive credits on its electric bills based, in part, upon the number of employees employed by Customer at Customer's new or restarted facility (hereinafter called "Facility") located at _____

For purposes of this certification, an employee shall be defined as a person directly employed by Customer on a full-time basis in a position which Customer reasonably expects to remain filled for at least 6 months beyond the date specified above.

As of the date specified above, Customer employs _____ employees at the Facility.

Customer understands that the credits it receives under the Program will be based in part on the information provided to Distributor and TVA by way of this and subsequent certifications. In the event that it is found that Customer has intentionally, or with deliberate ignorance or reckless disregard for the truth, provided materially false information on this or any previously submitted certification, Customer understands that application of all credits under the Program may be discontinued. Customer will in any event promptly repay to Distributor any and all credit amounts overpaid to Customer as a result of Distributor's use of such false information. In addition, persons providing false information in connection with the Program may be subject to civil and/or criminal prosecution pursuant to the provisions of 18 U.S.C. § 1001; 31 U.S.C. §§ 3729-3733; 31 U.S.C. §§ 3801-3812.

Customer hereby certifies to TVA and to Distributor that the information given above is correct, accurate, and complete.

By: _____
Title: _____
Date: _____

Before me appeared _____,
to me personally known, who being by me first duly sworn, did say that
he/she is an officer of _____

_____ (Customer), duly authorized to
execute legal instruments on behalf of Customer as its legal agent, and
that he/she signed the foregoing certification in his/her individual
capacity and on behalf of Customer, and he/she acknowledged said
certification to be his/her free act and deed and the free act and deed
of Customer.

Witness my hand and official seal this _____ day of _____, 19____.

Notary Public

My commission expires: _____

**Growth Credit Amounts
(New Customer)**

<u>Applicable for Bills Rendered from Meter Readings Taken From</u>	<u>Base Amount</u>	<u>New Jobs Amount</u>		
		<u>Employment Level 1*</u>	<u>Employment Level 2**</u>	<u>Employment Level 3***</u>
October 1, 1989, through September 30, 1993	\$5.00	\$0.35	\$0.75	\$1.50
October 1, 1993, through September 30, 1994	4.00	0.30	0.60	1.20
October 1, 1994, through September 30, 1995	3.00	0.25	0.45	0.90
October 1, 1995, through September 30, 1996	2.00	0.15	0.30	0.60
October 1, 1996, through September 30, 1997	1.00	0.10	0.15	0.30

In determining additional credit amounts, the number of jobs per 1,000 kW will be rounded to the nearest whole number.

*Level 1 applies if Customer's operations utilize at least one but not more than 25 full-time employees per 1,000 kW of firm contract demand.

**Level 2 applies if Customer's operations utilize at least 26 but not more than 75 full-time employees per 1,000 kW of firm contract demand.

***Level 3 applies if Customer's operations utilize more than 75 full-time employees per 1,000 kW of firm contract demand.

AGREEMENT
between

_____ (hereinafter called "Distributor")

and

_____ (hereinafter called "Customer")

This agreement will confirm the understandings reached between representatives of Distributor and Customer with respect to Customer's participation in the Growth Credit Program (hereinafter called "Program") being jointly conducted by Distributor and its wholesale power supplier, the Tennessee Valley Authority (hereinafter called "TVA").

It is recognized that Customer has been taking power from Distributor for purposes of operating its facility located at _____ (hereinafter called "Facility") and is expanding the Facility in a manner that requires that an increased amount of electric power be made available. In that connection, the parties hereto have entered into a contract (hereinafter called the "Expansion Contract") dated _____ to provide for the availability of such increased amount.

It is understood and agreed that:

1. This agreement shall become effective on _____, which is the effective date of the Expansion Contract, and shall continue in effect until (a) the obligations of the parties hereunder are fulfilled or (b) Customer ceases to be a customer of Distributor, whichever is earlier.

2. On or as soon as practicable after the effective date of this agreement, Customer shall submit to Distributor an initial notarized statement (in the form of Attachment A hereto) certifying the number of employees Customer reasonably anticipates will be employed as a direct result of the expansion of the Facility at the end of the 6-month period following said effective date. At the end of said 6-month period, and every 6 months thereafter, Customer shall submit to Distributor a notarized statement (in the form of Attachment B hereto) certifying the actual number of employees then employed by Customer at the Facility as a direct result of said expansion. For purposes of this agreement, an employee shall be defined as a person directly employed by Customer on a full-time basis in a position which Customer reasonably expects to remain filled for at least 6 months following the date as of which certification is made. Independent contractors and employees of third parties are expressly excluded from this definition.

During the first 6 months of this agreement, for purposes of determining the new jobs component of any applicable credits under section 3 below, Distributor shall use the estimated number of employees set out in

Customer's initial certification; provided, however, that following receipt of the first certification of actual employment, Distributor shall determine if the actual number of employees was greater or less than the estimate by an amount such that different credit amounts would have applied if the actual employment at the end of 6 months had been known in advance. If so, an adjustment of the new jobs component of the credit amounts applied for the first 6 months will be made on Customer's subsequent bill. For purposes of determining the new jobs component of any credits applicable after the first 6 months of this agreement, Customer's most recent certification of actual employment shall be used.

In the event that it is found that Customer has intentionally, or with deliberate ignorance of or reckless disregard for the truth, provided materially false information in any certification or assurance submitted under the Program, it is agreed that application of all further credits hereunder may be discontinued. Customer shall promptly repay to Distributor any and all credit amounts overpaid to Customer as a result of Distributor's use of such false information. In addition, persons providing false information in connection with this Program may be subject to civil and/or criminal prosecution pursuant to the provisions of 18 U.S.C. § 1001; 31 U.S.C. §§ 3729-3733; 31 U.S.C. §§ 3801-3812.

3. Beginning with the effective date of this agreement and continuing through the last meter reading taken prior to October 1, 1997, Distributor shall apply a credit to Customer's bill for any month during which Customer's measured demand exceeds 1,000 kW and is at least 250 kW greater than an amount (hereinafter called the "Base Amount") equal to the higher of (a) the highest contract demand of Customer during the 12-consecutive-month period immediately preceding the effective date of the Expansion Contract or (b) the highest measured demand established on or after October 1, 1988, up to the effective date of the Expansion Contract. For purposes of this agreement, if Customer's contract demand is over 5,000 kW, the term "measured demand" shall be deemed to refer to the highest average during any 30-consecutive-minute period of the month of the load measured in kW; if customer's contract demand is 5,000 kW or less, the term "measured demand" shall be deemed to refer to the highest average during any 30-consecutive-minute period of the month of the higher of the load measured in kW or 85 percent of the load in kVA plus an additional 10 percent for that part of the load over 5,000 kVA.

The dollar amount of the credit per kW in any month will be the sum of (a) the applicable base amount for that month as set out in Attachment C hereto entitled "Growth Credit Amounts (Expansion Customer)" and (b) the applicable new jobs amount, if any, determined in accordance with said attachment. The dollar amount of the credit will be applied to each kW by which Customer's measured demand in the month (excluding any kW in excess of the firm contract demand) exceeds the Base Amount. (In the event that Customer takes power under a time-of-day rate schedule, said measured demand shall be the onpeak measured demand in the month.) Credit amounts shall be prorated for partial billing months.

4. In the event that Distributor and Customer amend the Expansion Contract during the Program to further increase the firm contract demand, the term "contract demand" as used in section 3 above shall be deemed to refer to said increased contract demand; provided, however, that in the event that TVA notifies Distributor that additional entry into the Program has been suspended, no such contract demand increase which takes effect after Distributor's receipt of such notice shall be recognized for purposes of calculating credit amounts hereunder.

5. Customer shall keep accurate books and records with respect to its employees at the Facility. Distributor, TVA, or their agents and employees, shall have the right to inspect, at any time during normal working hours and upon reasonable notice, any of Customer's books and records related thereto and to require further verification of and supporting documentation for the employment levels certified by Customer.

6. The Expansion Contract, as supplemented by this agreement, is hereby ratified and confirmed as the continuing obligation of the parties hereto.

(Distributor)

By _____
(Title)

Accepted and agreed to as of
this ____ day of _____, 19__.

(Customer)

By _____
(Title)

GROWTH CREDIT PROGRAM
EMPLOYMENT CERTIFICATION STATEMENT
Expansion Customer Initial Certification

Customer's full legal name: _____

Customer's address: _____

Customer has agreed with _____

(hereinafter called "Distributor") to participate in a Growth Credit Program (hereinafter called "Program") offered by Distributor and the Tennessee Valley Authority (hereinafter called "TVA"), an agency and instrumentality of the United States of America. Customer qualifies for the Program, in part, because it is expanding its existing facility (hereinafter called "Facility") located at _____

and has accordingly entered into a contract (hereinafter called the "Expansion Contract") with Distributor providing for an increased amount of electric power to be made available at the Facility. The effective date of the Expansion Contract is _____

Under the Program, Customer may receive a credit to its electric bills based, in part, upon the number of employees employed by Customer at the Facility as a direct result of the expansion. For purposes of this certification, an employee shall be defined as a person directly employed by Customer on a full-time basis in a position which Customer reasonably expects to remain filled for at least 6 months beyond the date that is 6 months after the effective date of the Expansion Contract.

Customer expects to have _____ employees employed at the Facility 6 months after the effective date of the Expansion Contract as a direct result of the expansion of the Facility.

Customer understands that the credits it receives under the Program will be based in part on the information provided to Distributor and TVA by way of this and subsequent certifications. In the event that it is found that Customer has intentionally, or with deliberate ignorance of or reckless disregard for the truth, provided materially false information on this or any previously submitted certification, Customer understands that application of all credits under the Program may be discontinued. Customer will in any event promptly repay to Distributor any and all credit amounts overpaid to Customer as a result of Distributor's use of such false information. In addition, persons providing false information in connection with the Program may be subject to civil and/or criminal

prosecution pursuant to the provisions of 18 U.S.C. § 1001; 31 U.S.C. §§ 3729-3733; 31 U.S.C. §§ 3801-3812.

Customer hereby certifies to TVA and to Distributor that the information given above is correct, accurate, and complete.

By: _____
Title: _____
Date: _____

Before me appeared _____, to me personally known, who being by me first duly sworn, did say that he/she is an officer of _____ (Customer), duly authorized to

execute legal instruments on behalf of Customer as its legal agent, and that he/she signed the foregoing certification in his/her individual capacity and on behalf of Customer, and he/she acknowledged said certification to be his/her free act and deed and the free act and deed of Customer.

Witness my hand and official seal this _____ day of _____, 19____.

Notary Public

My commission expires: _____.

GROWTH CREDIT PROGRAM
EMPLOYMENT CERTIFICATION STATEMENT
Expansion Customer Actual Employment Certification

Customer's full legal name: _____

Customer's address: _____

Six-month period ending: _____ (date)

Customer has agreed with _____

(hereinafter called "Distributor") to participate in a Growth Credit Program (hereinafter called "Program") offered by Distributor and the Tennessee Valley Authority (hereinafter called "TVA"), an agency and instrumentality of the United States of America. Under the Program, Customer may receive a credit to its electric bills based, in part, upon the number of employees employed by Customer at Customer's expanded facility located at _____

For purposes of this certification, an employee shall be defined as a person directly employed by Customer on a full-time basis in a position which Customer reasonably expects to remain filled for at least 6 months beyond the date specified above.

As of the date specified above, Customer employs _____ employees at the Facility as a direct result of the expansion of the Facility.

Customer understands that the credits it receives under the Program will be based in part on the information provided to Distributor and TVA by way of this and subsequent certifications. In the event that it is found that Customer has intentionally, or with deliberate ignorance of or reckless disregard for the truth, provided materially false information on this or any previously submitted certification, Customer understands that application of all credits under the Program may be discontinued. Customer will in any event promptly repay to Distributor any and all credit amounts overpaid to Customer as a result of Distributor's use of such false information. In addition, persons providing false information in connection with the Program may be subject to civil and/or criminal prosecution pursuant to the provisions of 18 U.S.C. § 1001; 31 U.S.C. §§ 3729-3733; 31 U.S.C. §§ 3801-3812.

Customer hereby certifies to TVA and to Distributor that the information given above is correct, accurate, and complete.

By: _____
Title: _____
Date: _____

Before me appeared _____,
to me personally known, who being by me first duly sworn, did say that
he/she is an officer of _____

_____ (Customer), duly authorized to
execute legal instruments on behalf of Customer as its legal agent, and
that he/she signed the foregoing certification in his/her individual
capacity and on behalf of Customer, and he/she acknowledged said
certification to be his/her free act and deed and the free act and deed
of Customer.

Witness my hand and official seal this _____ day of _____, 19____.

Notary Public

My commission expires: _____.

Growth Credit Amounts
(Expansion Customer)

Applicable for Bills Rendered from Meter Readings Taken From	Base Amount	New Jobs Amount		
		Employment Level 1*	Employment Level 2**	Employment Level 3***
October 1, 1989, through September 30, 1993	\$5.00	\$0.35	\$0.75	\$1.50
October 1, 1993, through September 30, 1994	4.00	0.30	0.60	1.20
October 1, 1994, through September 30, 1995	3.00	0.25	0.45	0.90
October 1, 1995, through September 30, 1996	2.00	0.15	0.30	0.60
October 1, 1996, through September 30, 1997	1.00	0.10	0.15	0.30

In determining additional credit amounts, the number of jobs per 1,000 kW will be rounded to the nearest whole number.

*Level 1 applies if Customer employs as a direct result of the expansion at least one but not more than 25 full-time employees per 1,000 kW of the amount by which the expanded contract demand exceeds the Base Amount.

**Level 2 applies if Customer employs as a direct result of the expansion at least 26 but not more than 75 full-time employees per 1,000 kW of the amount by which the expanded contract demand exceeds the Base Amount.

***Level 3 applies if Customer employs as a direct result of the expansion more than 75 full-time employees per 1,000 kW of the amount by which the expanded contract demand exceeds the Base Amount.

AGREEMENT

between

_____ (hereinafter called "Distributor")

and

_____ (hereinafter called "Customer")

This agreement will confirm the understandings reached between representatives of Distributor and Customer with respect to Customer's participation in the New Jobs Option portion of the Growth Credit Program (hereinafter called "Program") being jointly conducted by Distributor and its wholesale power supplier, the Tennessee Valley Authority (hereinafter called "TVA").

It is recognized that Distributor and Customer have heretofore entered into a contract dated _____ (hereinafter called "Power Supply Contract"), under which firm power is made available to Customer for the operation of its facility located at _____ (hereinafter called "Facility"). It is further recognized that Customer is in the process of hiring new employees in connection with the following expansion initiative at the Facility: _____

It is understood and agreed that:

1. This agreement shall become effective on _____, which is the beginning of the above initiative, and shall continue in effect until (a) the obligations of the parties hereunder are fulfilled, or (b) Customer ceases to be a customer of Distributor, whichever is earlier.

2. Customer's pre-expansion employment level at the Facility (hereinafter called "Pre-expansion Level") is _____, which is the average number of employees employed at Customer's Facility during the 6-consecutive-month period immediately preceding the effective date of this agreement.

At such time after the effective date of this agreement that the total number of employees employed by Customer at the Facility exceeds 115 percent of the Pre-expansion Level, Customer shall submit to Distributor a notarized statement (hereinafter called "Employment Certification") in the form of Attachment A hereto certifying the number of employees in excess of the Pre-expansion Level then employed by Customer. Thereafter, Customer shall submit to Distributor such an Employment Certification every 6 months; provided, however, that if the Customer's total employment level at the end of any 6-month period does not exceed 115 percent of the Pre-expansion Level, no

Employment Certification will be submitted until the employment level does so exceed such level. For purposes of this agreement, an employee shall be defined as a person directly employed by Customer on a full-time basis in a position which Customer reasonably expects to remain filled for at least 6 months. Independent contractors and employees of third parties are expressly excluded from this definition.

In the event that it is found that Customer has intentionally, or with deliberate ignorance of or reckless disregard for the truth, provided materially false information in any certification or assurance submitted under the Program, it is agreed that application of all further credits hereunder may be discontinued. Customer shall promptly repay to Distributor any and all credit amounts overpaid to Customer as a result of Distributor's use of such false information. In addition, persons providing false information in connection with this Program may be subject to civil and/or criminal prosecution pursuant to the provisions of 18 U.S.C. § 1001; 31 U.S.C. §§ 3729-3733; 31 U.S.C. §§ 3801-3812.

3. Following receipt of each Employment Certification appropriately provided under section 2 above, Distributor shall apply a credit to each of the next 6 consecutive bills rendered by Distributor to Customer under the Power Supply Contract; provided, however, that no such credit shall be allowed on any of said 6 bills for any month in which Customer's measured demand during the month does not exceed 1,000 kW. It is expressly understood and agreed that no credit will be applied by Distributor to any bill after said 6 consecutive bills until such time that Distributor has received an appropriate new Employment Certification from Customer. For purposes of this agreement, if Customer's contract demand is over 5,000 kW, the term "measured demand" shall be deemed to refer to the highest average during any 30-consecutive-minute period of the month of the load measured in kW; if Customer's contract demand is 5,000 kW or less, the term "measured demand" shall be deemed to refer to the highest average during any 30-consecutive-minute period of the month of the higher of the load measured in kW or 85 percent of the load in kVA, plus an additional 10 percent for that part of the load over 5,000 kVA.

The dollar amount of the credit per kW in any month will be the applicable new jobs amount determined in accordance with Attachment B hereto entitled "New Jobs Credit Amounts (Growth Customer)." The dollar amount of the credit will be applied to a portion of Customer's billing demand during the month as determined hereinbelow (hereinafter called "Qualifying Demand"). The Qualifying Demand shall be equal to the amount determined by multiplying (a) the ratio of (i) the number of new employees certified by Customer pursuant to section 2 hereof to (ii) the sum of such number of new employees and the Pre-expansion Level times (b) Customer's billing demand (excluding any billing demand in excess of the firm contract demand) determined in accordance with the section headed "Determination of Demand" of TVA's General Power Rate--Schedule GP-____ (as it may be modified, changed, replaced, or adjusted

from time to time as provided under contractual arrangements between Distributor and TVA). Credit amounts shall be prorated for partial billing months.

4. Customer shall keep accurate books and records with respect to its employees at the Facility. Distributor, TVA, or their agents and employees, shall have the right to inspect, at any time during normal working hours and upon reasonable notice, any of Customer's books and records related thereto and to require further verification of and supporting documentation for the employment levels certified by Customer.

5. The Power Supply Contract, as supplemented by this agreement, is hereby ratified and confirmed as the continuing obligation of the parties hereto.

(Distributor)

By _____
(Title)

Accepted and agreed to as of
this ____ day of _____, 199__.

(Customer)

By _____
(Title)

GROWTH CREDIT PROGRAM
EMPLOYMENT CERTIFICATION STATEMENT
Growth Customer Employment Certification

Customer's full legal name: _____

Customer's address: _____

Date: _____

Customer has agreed with _____

(hereinafter called "Distributor") to participate in a Growth Credit Program (hereinafter called "Program") offered by Distributor and the Tennessee Valley Authority (hereinafter called "TVA"), an agency and instrumentality of the United States of America. Under the Program, Customer may receive a credit to its electric bills based upon the number of new employees employed by Customer as a result of expansion initiatives at Customer's facility (hereinafter called "Facility") located at _____.

For purposes of this certification, an employee shall be defined as a person directly employed by Customer on a full-time basis in a position which Customer reasonably expects to remain filled for at least 6 months beyond the date specified above.

As of the date specified above, Customer employs _____ employees at the Facility as a direct result of the expansion initiatives at the Facility.

Customer understands that the credits it receives under the Program will be based in part on the information provided to Distributor and TVA by way of this and subsequent certifications. In the event that it is found that Customer has intentionally, or with deliberate ignorance of or reckless disregard for the truth, provided materially false information on this or any previously submitted certification, Customer understands that application of all credits under the Program may be discontinued. Customer will in any event promptly repay to Distributor any and all credit amounts overpaid to Customer as a result of Distributor's use of such false information. In addition, persons providing false information in connection with the Program may be subject to civil and/or criminal prosecution pursuant to the provisions of 18 U.S.C. § 1001; 31 U.S.C. §§ 3729-3733; 31 U.S.C. §§ 3801-3812.

Customer hereby certifies to TVA and to Distributor that the information given above is correct, accurate, and complete.

By: _____
Title: _____
Date: _____

Before me appeared _____,
to me personally known, who being by me first duly sworn, did say that
he/she is an officer of _____

_____ (Customer), duly authorized to
execute legal instruments on behalf of Customer as its legal agent, and
that he/she signed the foregoing certification in his/her individual
capacity and on behalf of Customer, and he/she acknowledged said
certification to be his/her free act and deed and the free act and deed
of Customer.

Witness my hand and official seal this _____ day of _____, 19__.

Notary Public

My commission expires: _____

New Jobs Credit Amounts
(Growth Customer)

Applicable for Bills Rendered from Meter Readings Taken From	Credit Amount		
	Employment Level 1*	Employment Level 2**	Employment Level 3***
Inception of Program through September 30, 1993	\$0.35	\$0.75	\$1.50
October 1, 1993, through September 30, 1994	0.30	0.60	1.20
October 1, 1994, through September 30, 1995	0.25	0.45	0.90
October 1, 1995, through September 30, 1996	0.15	0.30	0.60
October 1, 1996, through September 30, 1997	0.10	0.15	0.30

In determining credit amounts, the number of employees will be equal to the sum of Customer's Pre-expansion Employment Level and the number of employees reported under Customer's most recently submitted Employment Certification Statement, and the resulting number of employees per 1,000 kW will be rounded to the nearest whole number.

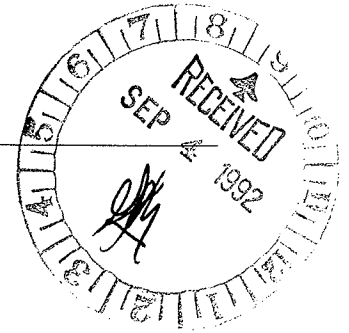
*Level 1 applies if Customer's operations utilize at least one but not more than 25 full-time employees per 1,000 kW of applicable firm contract demand.

**Level 2 applies if Customer's operations utilize at least 26 but not more than 75 full-time employees per 1,000 kW of applicable firm contract demand.

***Level 3 applies if Customer's operations utilize more than 75 full-time employees per 1,000 kW of applicable firm contract demand.



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
presentants 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 Dwyer
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:

Handwritten initials, possibly 'JH', in cursive script.

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,

Handwritten signature of Laura L. Kirby in cursive script.

LAURA L. KIRBY
Secretary to the
General Manager

lk

Enclosures (2)

✓ C: Ralph, Jackie
L 4/28/92
JW

5/11/92
Laura,
Follow instructions
I have underlined.
Jaw



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

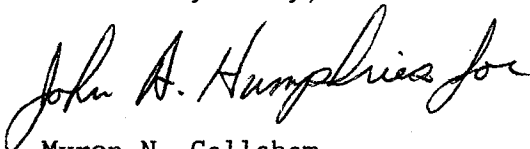
Also enclosed is a list of manufacturing industries in your service area and an application form for their use. Again, extra steps will be needed to ensure that manufacturers not on the list have a chance to participate in the program. After you review the completed manufacturers' applications, return 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. Callahan
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. Callaham, Manager
Regional Service (Bowling Green)
Customer Service

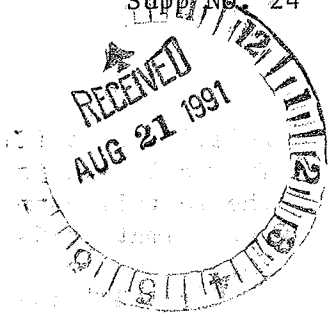
Enclosures

C. R. Law

TENNESSEE VALLEY AUTHORITY
Chattanooga, Tennessee 37402-2801

TV-52337A
Supply No. 24

May 8, 1991



Mr. Tom Price Thompson, Jr., President
Tri-County Electric Membership Corporation
LaFayette, Tennessee 37083

Dear Mr. Thompson:

Under Lease and Amendatory Agreement TV-52337A, Supplement No. 13, dated May 1, 1987 (which agreement, as amended, is hereinafter called the "1987 Agreement"), among the United States of America, the Tennessee Valley Authority (hereinafter called "TVA"), and the Tri-County Electric Membership Corporation (hereinafter called "Cooperative"), Cooperative leases certain power supply facilities (in the 1987 Agreement and hereinafter called "Leased Facilities"), including circuit breaker installation 694 (hereinafter sometimes called "Breaker 694") and three associated bus voltage transformers at the Summer Shade 161-kV Substation.

It is recognized that TVA and the East Kentucky Power Cooperative presently maintain as an emergency interconnection a 69-kV interchange point at the line side of Breaker 694 (referenced in the last paragraph of section 4 of the 1987 Agreement). Based on operating experience, TVA and Cooperative now wish to exclude Breaker 694 and the associated voltage transformers from the Leased Facilities and transfer responsibility for operating and maintaining Breaker 694 back to TVA. This will confirm the arrangements developed by representatives of TVA and Cooperative relative to amending the 1987 Agreement with respect thereto.

It is understood and agreed that:

1. To delete Breaker 694 and the three associated bus voltage transformers from the Leased Facilities, effective as of May 13, 1991, the 1987 Agreement is hereby amended by replacing item (c) of paragraph (A) of section 1 thereof (setting out exclusions to the Leased Facilities) with the following:

(c) 69-kV circuit breaker installation 694 (including associated foundations, busses, insulators, isolating and bypass disconnect switches, conduit, cable, and control facilities), the three 69-kV bus voltage transformers (including associated support structures, foundations, conduit, and cable), and the 69-kV interchange metering current transformers located in the bay for 69-kV circuit breaker installation 694 on Parcel 1,

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.

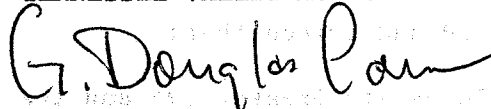
3. The 1987 Agreement, as amended by this agreement, is hereby ratified and confirmed as the continuing obligation of the parties.

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.

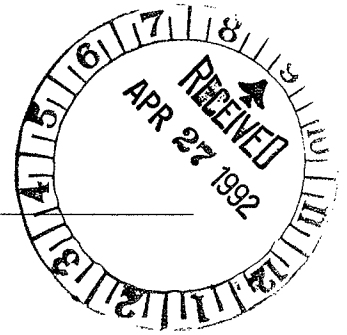
TRI-COUNTY ELECTRIC
MEMBERSHIP CORPORATION

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 13th 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;

WITNESSETH:

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 G. Douglas
Manager of Distributor
Marketing and Services

Attest:

Ray Good
Secretary

TRI-COUNTY ELECTRIC
MEMBERSHIP CORPORATION

By Paul Thompson
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 13th 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;

WITNESSETH:

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 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.

Attest: **TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION**

Ray Good
Secretary

By Paul Thompson
President

Attest: **GENERAL ELECTRIC CORPORATION**

Herbert Vernon Riley
(Title)

By Thomas R. Lee, Plant Mgr.
(Title)

TENNESSEE VALLEY AUTHORITY

By G. Douglas
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.

GENERAL POWER RATE--SCHEDULE GP-13
(October 1986)

Availability

This rate shall apply to the firm power requirements for electric service to commercial, industrial, and governmental customers; institutional customers including, without limitation, churches, clubs, fraternities, orphanages, nursing homes, rooming or boarding houses, and like customers; and other customers except those to whom service is available under other resale rate schedules.

Character of Service

Alternating current, single or three-phase, 60 hertz. Under A below, power shall be delivered at a service voltage available in the vicinity or agreed to by Distributor. Under B and C below, power shall be delivered at a transmission voltage of 161 kV or, if such transmission voltage is not available, at the highest voltage available in the vicinity, unless at the customer's request a lower standard voltage is agreed upon.

Base Charges

A. If the customer's contract demand is 5,000 kW or less or if the customer has no contract demand:

Customer Charge: \$8.80 per delivery point per month

Demand Charge: First 50 kW of billing demand per month, no demand charge

Next 950 kW of billing demand per month, at \$8.69 per kW

Next 1,500 kW of billing demand per month, at \$9.06 per kW

Excess over 2,500 kW of billing demand per month, at \$9.44 per kW, plus an additional

\$9.44 per kW per month for each kW, if any, of the amount by which the customer's billing demand exceeds the higher of 2,500 kW or its contract demand

Energy Charge: First 15,000 kWh per month at 5.832 cents per kWh

Additional kWh per month at 2.868 cents per kWh

B. If the customer's contract demand is greater than 5,000 kW but not more than 25,000 kW:

Customer Charge: \$1,500 per delivery point per month

Demand Charge: \$9.29 per kW of billing demand per month, plus an hours use of demand component of

0.436 cent per kWh per month of the lesser of (1) the amount computed by multiplying 620 hours by the customer's billing demand or (2) the customer's energy takings for the month, plus an additional

\$9.29 per kW per month for each kW, if any, of the amount by which the customer's billing demand exceeds its contract demand

Energy Charge: 2.075 cents per kWh per month

C. If the customer's contract demand is greater than 25,000 kW:

Customer Charge: \$1,500 per delivery point per month

Demand Charge: \$10.66 per kW of billing demand per month, plus an additional

\$10.66 per kW per month for each kW, if any, of the amount by which the customer's billing demand exceeds its contract demand

Energy Charge: 2.052 cents per kWh per month

Adjustment

The base demand and energy charges shall be increased or decreased in accordance with the current Adjustment Addendum published by TVA.

Facilities Rental Charge Applicable Under B and C Above

There shall be no facilities rental charge under this rate schedule for delivery at bulk transmission voltage levels of 161 kV or higher. For delivery at less than 161 kV, there shall be added to the customer's bill a facilities rental charge. This charge shall be 34 cents per kW per month except for delivery at voltages below 46 kV, in which case the charge shall be 89 cents per kW per month for the first 10,000 kW and 69 cents per kW per month for the excess over 10,000 kW. Such charge shall be applied to the higher of (1) the highest billing demand established during the latest 12-consecutive-month period or (2) the customer's currently effective contract demand and shall be in addition to all other charges under this rate schedule, including minimum bill charges. Such amounts in cents per kW may be increased or decreased by TVA, effective with the effective date of any Adjustment Addendum published by TVA, to reflect changes in the costs of providing for delivery at voltage levels below 161 kV.

Reactive Demand Charges Applicable Under B and C Above

If the reactive demand (in kVAR) is lagging during the 30-consecutive-minute period of the month in which the customer's highest measured demand occurs, there shall be added to the customer's bill a reactive charge of 78 cents per kVAR of the amount, if any, by which the reactive demand exceeds (a) 40 percent of such measured demand for bills rendered from meter readings taken for Distributor's monthly billing cycles scheduled to begin prior to October 2, 1989, and (b) 33 percent of such measured demand for bills rendered from meter readings taken for Distributor's monthly

billing cycles scheduled to begin on or after October 2, 1989. If the reactive demand (in kVAR) is leading during the 30-consecutive-minute period of the month in which the customer's lowest measured demand (excluding any measured demands which are less than 25 percent of the highest measured demand) occurs, there shall be added to the customer's bill a reactive charge of 33 cents per kVAR of the amount of reactive demand. Such charges shall be in addition to all other charges under this rate schedule, including minimum bill charges, and such amounts in cents per kVAR may be increased or decreased by TVA, effective with the effective date of any Adjustment Addendum published by TVA, to reflect changes in the costs of providing reactive power.

Determination of Demand

Distributor shall measure the demands in kW of all customers having loads in excess of 50 kW. Under A above, the demand for any month shall be the higher of the highest average during any 30-consecutive-minute period of the month of (a) the load measured in kW or (b) 85 percent of the load in kVA plus an additional 10 percent for that part of the load over 5,000 kVA, and such amount shall be used as the billing demand. Under B and C above, the demand for any month shall be the highest average during any 30-consecutive-minute period of the month of the load measured in kW, and such amount shall be used as the billing demand, except that the billing demand for any month shall in no case be less than the sum of (1) 30 percent of the first 5,000 kW, (2) 40 percent of the next 20,000 kW, (3) 50 percent of the next 25,000 kW, (4) 60 percent of the next 50,000 kW, (5) 70 percent of the next 100,000 kW, (6) 80 percent of the next 150,000 kW, and (7) 85 percent of all kW in excess of 350,000 kW of the higher of the currently effective contract demand or the highest billing demand established during the preceding 12 months.

Minimum Bill

The monthly bill under A above shall not be less than the higher of (1) the sum of (a) the base customer charge, (b) the base demand charge, as adjusted, applied to 30 percent of the higher of the currently effective contract demand or the highest billing demand established during the preceding 12 months, and (c) the base energy charge, as adjusted, applied to the customer's energy takings or (2) the sum of (a) the base customer charge and (b) 20 percent of the portion of the base demand charge, as adjusted, applicable to the second block (950 kW) of billing demand, multiplied by the higher of the customer's currently effective contract demand or its highest billing demand established during the preceding 12 months.

The monthly bill under B and C above, excluding any facilities rental charges and any reactive charges, shall not be less than the sum of (1) the base customer charge, (2) the base demand charge, as adjusted (but excluding the additional portion thereof applicable to excess of billing demand over contract demand and excluding, under B above only, the hours use of demand component) applied to the customer's billing demand, (3) under B above only, the hours use of demand component of the base demand charge, as adjusted, applied to the first 620 hours use of the billing demand, and (4) the base energy charge, as adjusted, applied to the customer's energy takings.

Distributor may require minimum bills higher than those stated above.

Seasonal Service
Customers who contract for service on a seasonal basis shall be limited to 2,500 kW and shall pay the above charges, as adjusted, plus an additional seasonal use charge equal to the sum of 1.33 cents per kWh for the first 15,000 kWh per month and \$4.00 per kW per month of billing demand in excess of 50 kW. Consistent with Distributor's standard policy, the customer may arrange for seasonal testing of equipment during offpeak hours.

For such customers, the minimum bill provided for above shall not apply. Distributor may require additional charges to provide recovery of costs for customer-specific distribution facilities.

Contract Requirement

Distributor may require contracts for all service provided under this rate schedule. Customers whose demand requirements exceed 50 kW shall be required to execute contracts and such contracts shall be for an initial term of at least one year. If the customer's demand requirements are in excess of 5,000 kW, the contract shall be for an initial term of at least five years and any renewals or extensions of the initial contract shall be for a term of at least one year; after 10 years of service, any such contract for the renewal or extension of service may provide for termination upon not less than four months' notice. If the customer's demand requirements are in excess of 25,000 kW, the contract shall be for an initial term of at least five years and any renewals or extensions of the initial contract shall be for a term of at least five years; after 10 years of service, any such contract for the renewal or extension of service may provide for termination upon not less than 16 months' notice. The customer shall contract for its maximum requirements, which shall not exceed the amount of power capable of being used by customer, and Distributor shall not be obligated to supply power in greater amount at any time than the customer's currently effective contract demand. If the customer uses any power other than that supplied by Distributor under this rate schedule, the contract may include other special provisions. The rate schedule in any power contract shall be subject to adjustment, modification, change, or replacement from time to time as provided under the power contract between Distributor and TVA.

Payment

Bills under this rate schedule will be rendered monthly. Any amount of bill unpaid after due date specified on bill may be subject to additional charges under Distributor's standard policy.

Single-Point Delivery

The charges under this rate schedule are based upon the supply of service through a single delivery and metering point, and at a single voltage. If service is supplied to the same customer through more than one point of delivery or at different voltages, the supply of service at each delivery and metering point and at each different voltage shall be separately metered and billed.

Service is subject to Rules and Regulations of Distributor.

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 ^a	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 - RPI Series ^b :			
Onpeak kWh	--	--	Add 0.874¢
Offpeak kWh	--	--	Add 0.183¢
General Power Rates - GP Series			
Charges Under Part "A"			
First 50 kW	--	--	--
Next 950 kW	Add \$0.81	--	--
Next 1,500 kW	Add \$0.86	--	--
Excess over 2,500 kW	Add \$0.90 ^c	--	--
First 15,000 kWh	--	--	Add 0.446¢
Additional kWh	--	--	Add 0.166¢
Charges Under Part "B"	Add \$1.07 ^d	Add 0.058¢	Add 0.118¢
Charges Under Part "C"	Add \$1.35 ^d	--	Add 0.102¢
Time-of-Day General Power Rates - GPI Series			
Charges Under Part "I":			
Onpeak kWh	--	--	Add 0.778¢
Offpeak kWh	--	--	Add 0.192¢
Charges Under Part "II":			
Onpeak Charges	--	--	Add 0.235¢
First 1,000 kW	Add \$0.81	--	--
Next 1,500 kW	Add \$0.86	--	--
Excess over 2,500 kW	Add \$0.90 ^c	--	--
Offpeak Charges	--	--	Add 0.117¢
Time-of-Day Seasonal Power Rates - SPT Series			
Charges Under Part "I":			
Onpeak kWh	--	--	Add 0.778¢
Offpeak kWh	--	--	Add 0.192¢
Charges Under Part "II":			
Onpeak Charges	--	--	Add 0.235¢
First 1,000 kW	Add \$0.81	--	--
Excess over 1,000 kW	Add \$0.86 ^e	--	--
Offpeak Charges	--	--	Add 0.117¢
Time-of-Day General Power Rate - IGP			
Charges Under Part "I":			
Onpeak Charges	Add \$1.07 ^d	--	Add 0.234¢
Offpeak Charges	--	--	Add 0.121¢
Charges Under Part "II":			
Onpeak Charges	Add \$1.36 ^d	--	Add 0.106¢
Offpeak Charges	--	--	Add 0.099¢
Outdoor Lighting Rate - LP			
Parts A and B	--	--	Add 0.286¢

- Applicable to each kWh per month, up to the maximum set out in the applicable rate schedule, for each kW of billing demand (hours use of demand).
- Applicable only to the first and second components of the energy charge.
- Also applicable to the additional amount applicable for any billing demand in excess of the higher of 2,500 kW or contract demand.
- Also applicable to the additional amount applicable for any billing demand in excess of contract demand.
- Also applicable to the additional amount applicable for any billing demand in excess of 2,500 kW.

This Substitute Adjustment Addendum supersedes and replaces the addendum that became effective on October 2, 1987.

TENNESSEE VALLEY AUTHORITY

Increases in Facilities Rental Charges to become effective with the Substitute Adjustment Addendum effective January 2, 1988.

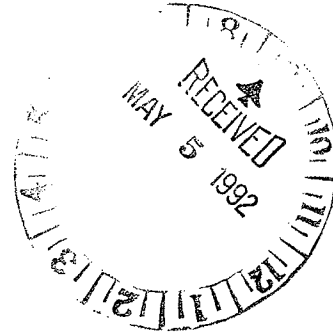
The amounts in cents per kW specified for delivery at less than 161 kV in the sections entitled Facilities Rental of Wholesale Power Rate--Schedule WP and Time-of-Day Wholesale Power Rate--Schedule WPT, Facilities Rental Charge Applicable Under B and C Above of the General Power Rate Schedules, and Facilities 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 D. Humphries for".

Myron N. Callaham
Manager
Customer Service (Kentucky)

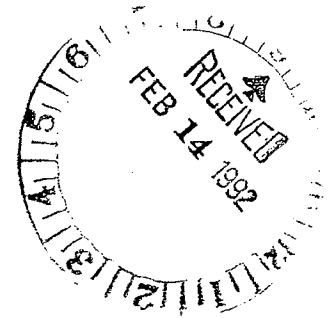
Enclosure



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 14th day of FEBRUARY, 1992.

By H. Wayne Wilkins
General Manager

FEB 18 1992

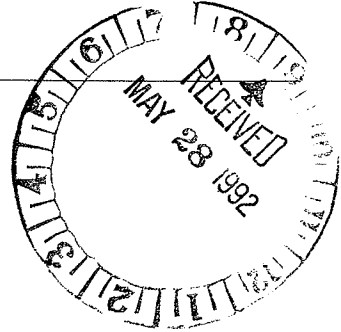
B/E/pease

C: Jackie
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 ~~1992~~
~~rate change agreement supplement 27~~

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 TGS 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.

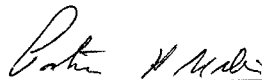
(b) For any month during which supplemental power is scheduled by Texas Eastern, the total dollar amount of base demand and energy charges calculated under the Changed Wholesale Schedule shall be increased by adding thereto an amount equal to (i) Distributor's monthly charges to Texas Eastern for supplemental 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.

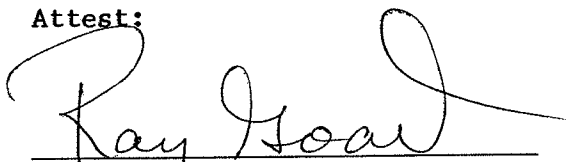
IN WITNESS WHEREOF, the parties hereto have caused this agreement to be executed by their duly authorized officers as of the day and year first above written.

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

any measured demands which are less than 25 percent of the Delivery Point Demand) occurs, there shall be added to Distributor's bill for the following month a reactive charge of 33¢ per kVAR of the amount of reactive demand. Such charges shall be in addition to all other charges under this rate schedule, including minimum bill charges, and such amounts in cents per kVAR may be increased or decreased by TVA, effective with the effective date of any Adjustment Addendum published by TVA, to reflect changes in the costs of providing reactive power.

Minimum Bill

The monthly bill under this rate schedule, exclusive of any applicable facilities rental charges and any reactive charges, shall not be less than the higher of (a) the base delivery point charge or (b) 35 percent of the highest bill to Distributor, exclusive of any applicable facilities rental charge and any reactive charges, rendered under this rate schedule in the preceding 36-consecutive-month period.

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.

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.

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.

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.

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.

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

(a) <u>Type of Fixture</u>	<u>Lamp Size</u>		<u>Rated kWh</u>	<u>Facility Charge</u>
	<u>(Watts)</u>	<u>(Lumens)</u>		
Mercury Vapor or Incandescent	175	7,650	70	\$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.

Service is subject of Rules and Regulations of Distributor.

Class	Rate	Minimum	Maximum	Notes
1	1.00	100.00	500.00	
2	1.50	100.00	500.00	
3	2.00	100.00	500.00	
4	2.50	100.00	500.00	
5	3.00	100.00	500.00	

Additional Information

Customers who wish to install special outdoor lighting should contact the Distributor for a copy of the Rules and Regulations governing such installations. The Distributor shall not be responsible for the design or installation of such lighting unless it is installed by the Distributor's electric system.

Remarks

This schedule is subject to the Rules and Regulations of the Distributor. The Distributor reserves the right to change the rates and conditions of service without notice.

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.

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.

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 Sherrill Day
President, Customer Group

Attest:

TRI-COUNTY ELECTRIC
MEMBERSHIP CORPORATION

Ray Good
Secretary

By Ben P. Thompson
President

Eligibility Requirements

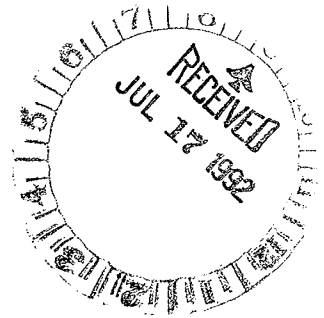
- A. Public Education Account. A Public Education Account shall be a billing account for a delivery point serving any primary, secondary, and higher education facility owned and operated by a System. Such account includes administrative offices, warehouses, and athletic field lighting installations receiving 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

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,

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

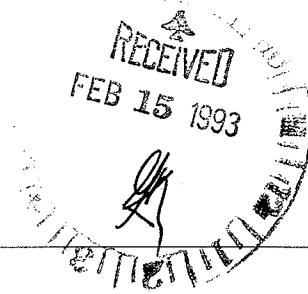
Line Density Factor = Distributor's total wholesale energy takings for the Annual Period prior to the most recently completed Annual Period divided by the number of pole-miles of distribution lines of Distributor as of the end of the Base Annual Period

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
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.

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

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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

W101392
4741L

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.

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

W101392
4741L

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

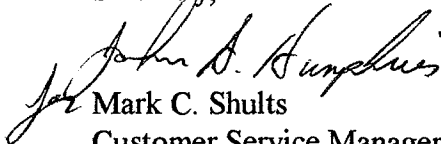
Dear Mr. Freehling:

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

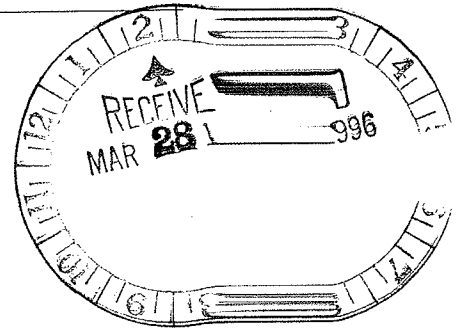
Accepted and agreed to as of
the 23rd day of September, 1996.

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 29th 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

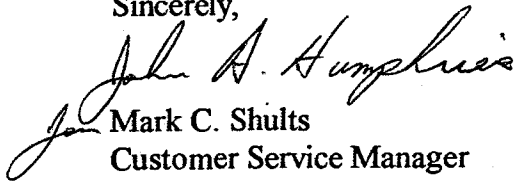
Dear Mr. Callis:

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,

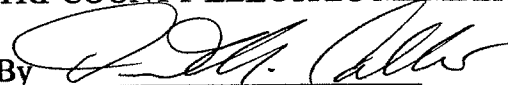


Mark C. Shults
Customer Service Manager
Kentucky Customer Service Center

Enclosures

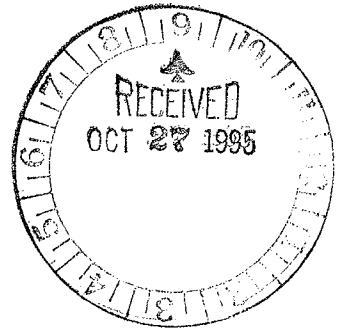
Accepted and agreed to as of
the 29th day of March, 1996.

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. Hungalus
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 *David 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. 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 13th 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.

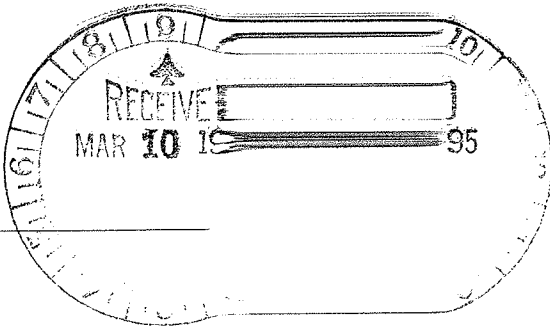
Sincerely,

Laura L. Kirby

for
G. KELLY NUCKOLS
General Manager

lk

Enclosures (2)



i-County Electric
ding a letter agreement
31), which covers a
payments to TVA on an

(a) the loss factor
s charges will be
mated monthly payment
\$14,000.

ng, please so indicate
of the three duplicates
to us and retain one for



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

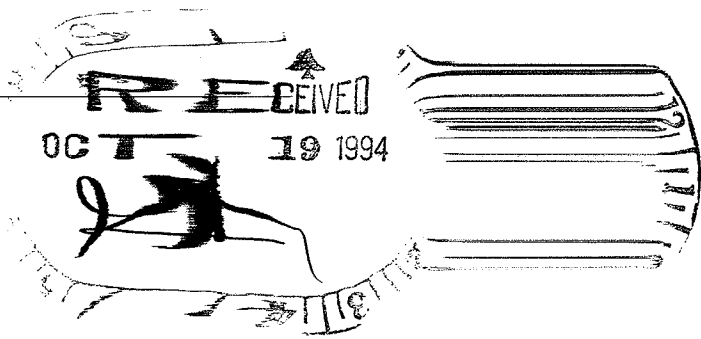
for Myron N. Callaham
Manager
Kentucky Customer Service Center

Enclosure

Accepted and agreed to as of
the 13th 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

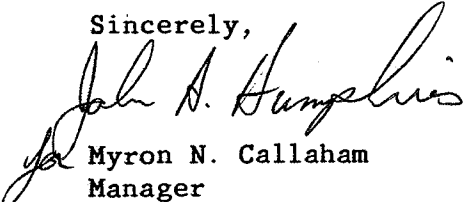
Dear Mr. Nuckols:

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. Callahan
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. 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 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

lk



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

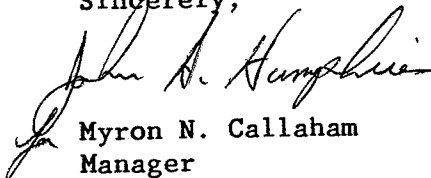
Dear Mr. Nuckols:

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.

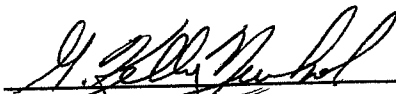
Sincerely,



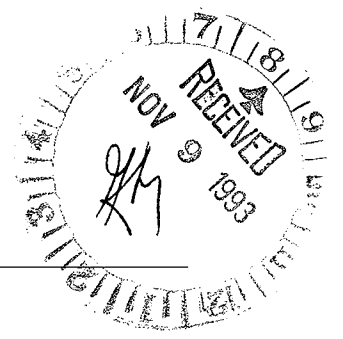
Myron N. Callaham
Manager
Kentucky Customer Service Center

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. Humphreys
John Myron N. Callaham

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

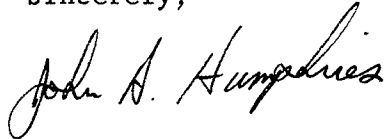
September 14, 1993

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.

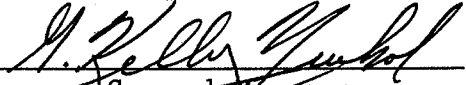
Sincerely,


for Myron N. Callahan

Manager
Kentucky Customer Service Center

Accepted and agreed to as of
the 23rd day of September, 1993.

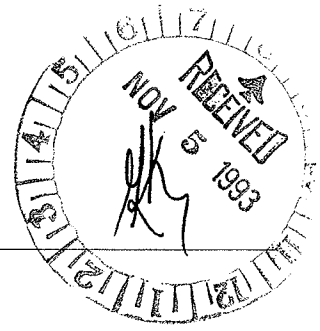
TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION

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. Neumann
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 by Laura

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.

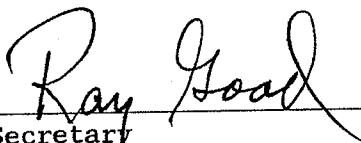
IN WITNESS WHEREOF, the parties hereto have caused this agreement to be executed by their duly authorized officers, as of the day and year first above written.

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

JAR:KG

Attachment

cc: G. E. Wolfe, MR SE-C
RIMS, MR 2F-C (K10 930430 001)

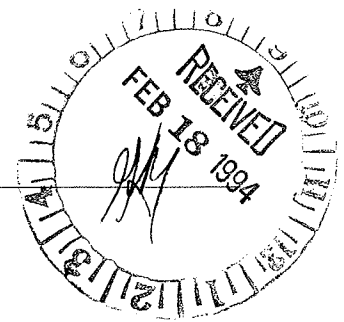
Prepared by J. A. Humphries/CUST SER (427-1121).

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.

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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.

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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.

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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

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Mr. Tom Price Thompson, Jr.
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November 16, 1993

Mr. Tom Price Thompson, Jr.
Page 5
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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.

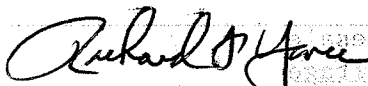
Mr. Tom Price Thompson, Jr.
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November 16, 1993

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.

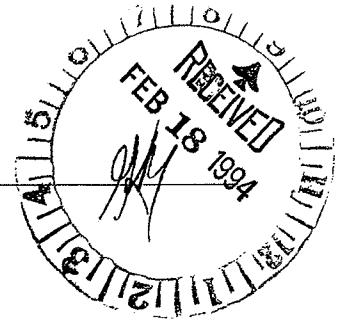
TRI-COUNTY ELECTRIC
MEMBERSHIP CORPORATION

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. Humphries

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.

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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 Cooperative'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 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

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Mr. Tom Price Thompson, Jr.

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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

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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.

W111693
5824M

Mr. Tom Price Thompson, Jr.

Page 6

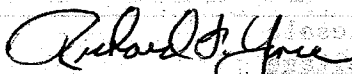
November 16, 1993

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

W072993
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



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:

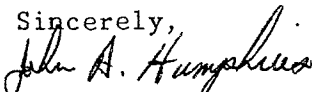
This is to confirm the understanding between Tri-County EMC and TVA relative to amending a letter agreement dated September 14, 1993, which covers a trial billing arrangement whereby Tri-County EMC would make monthly wholesale billing payments to TVA on an estimated basis and TVA would make an annual 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,

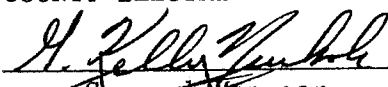

for Myron N. Callaham

Manager
Kentucky Customer Service Center

Accepted and agreed to as of
the 30th day of December, 1993.

TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION

By


General Manager



100
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,

Thank
JH

AGREEMENT

between

TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION

and
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

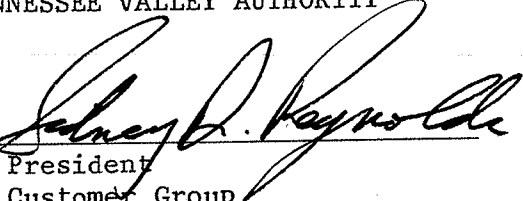
No member of or delegate to Congress or Resident Commissioner, or any officer, employee, special Government employee, or agent of TVA shall be admitted to any share or part of this agreement or to any benefit that may arise from it unless the agreement be made with a corporation for its general benefit. 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

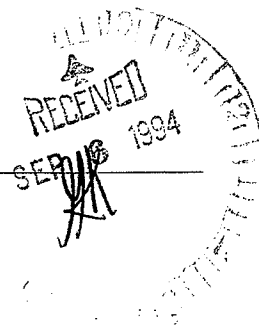
Attest:


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 ~~W~~-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

✓
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 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.

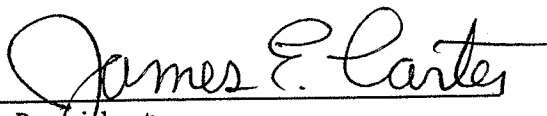
TENNESSEE VALLEY AUTHORITY

By 
Manager of Business Resources

Attest:

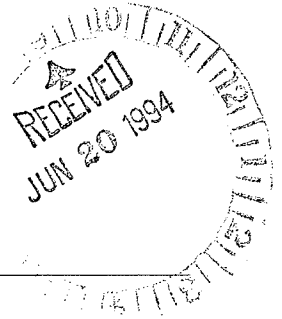
TRI-COUNTY ELECTRIC
MEMBERSHIP CORPORATION


Secretary

By 
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:

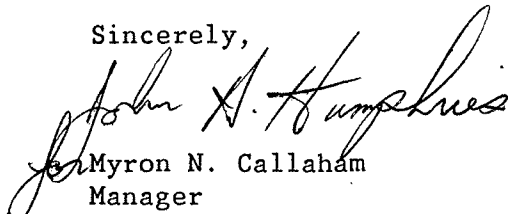
Enclosed are four copies of an agreement covering implementation of the Large Manufacturer Bill Credit Program for your system.

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

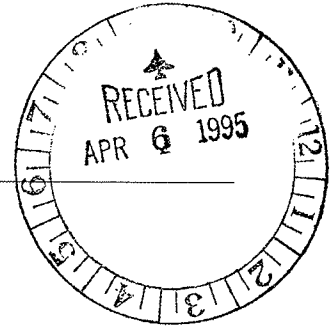
By /s/ James E. Carter
President

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 Hinton

for Myron N. Callahan
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

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 O'Quinn
Secretary

By James E. Cortes
President

TENNESSEE VALLEY AUTHORITY

By William C. Bath
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. Kurlig

for

G. KELLY NUCKOLS
General Manager

lk

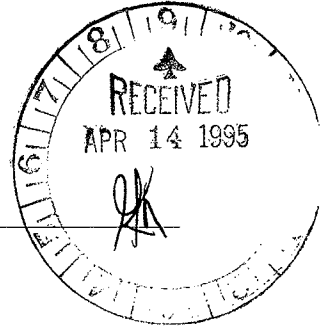
Enclosures (3)

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 ~~TV-50337A, Supplement No. 40~~, dated March 9, 1995, covering trial billing arrangements for wholesale billing payments to TVA on an estimated basis.

Sincerely,

Bruce D. Henton

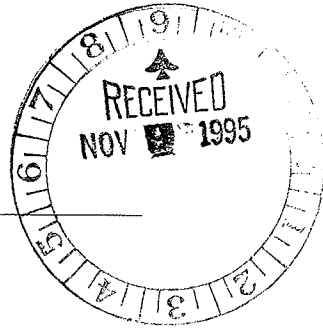
for Myron N. Callahan
Manager
Kentucky Customer Service Center

Enclosure



Tennessee Valley Authority, Post Office Box 20260, Bowling Green, Kentucky 42102-6260

File



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,

John A. Humphries

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
~~Mr. James H. Carter~~, President
Tri-County Electric Membership Corporation
P.O. Box 40
Lafayette, Tennessee 37083

Lonas:
Dear Mr. ~~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 E. Carter~~

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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

Mr. Carl D. Lonas
~~Mr. James B. Carter~~
Page 3
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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

Mr. Carl D. Lonas

~~Dr. James E. Carter~~

Page 4

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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

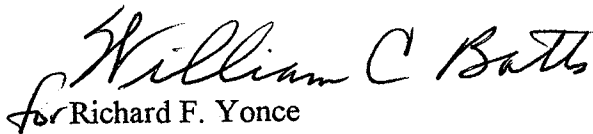
~~By James F. Carter~~

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.

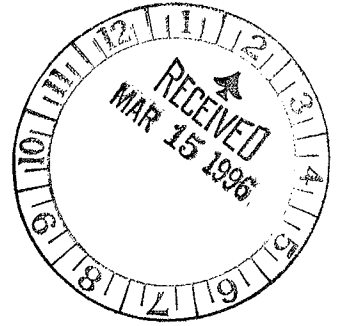
TRI-COUNTY ELECTRIC
MEMBERSHIP CORPORATION

By 
President

W032995
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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.

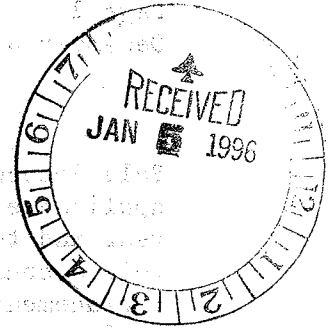
Sincerely,

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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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

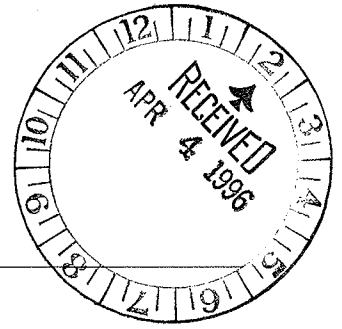
Accepted and agreed to as of
the date first above written.

TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION

By Carl D Lonas
President



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,

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



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

W022696-STD.
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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

(a) <u>Type of Fixture</u>	<u>Lamp Size</u>		<u>Rated kWh</u>	<u>Facility Charge</u>
	<u>(Watts)</u>	<u>(Lumens)</u>		
Mercury Vapor or Incandescent	175	7,650	70	\$ 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

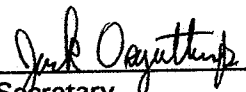
to ensure unrestricted access by TVA for data retrieval purposes during such periods as specified by TVA.

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.

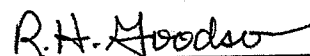
Attest:


Secretary

**TRI-COUNTY ELECTRIC
MEMBERSHIP CORPORATION**

By 
President

TENNESSEE VALLEY AUTHORITY

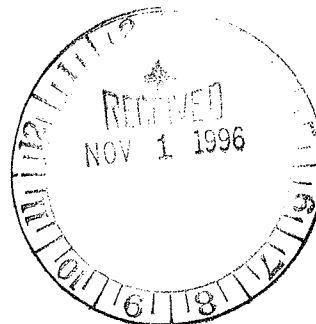
By 
General Manager
Business Development
Customer Group



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

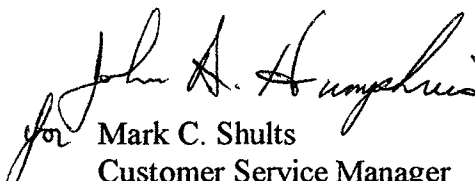


Dear Mr. Freehling:

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

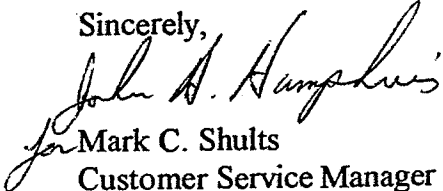
Dear Mr. Callis:

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.

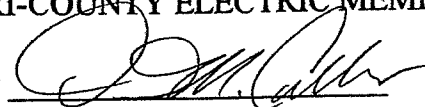
Sincerely,


for Mark C. Shults
Customer Service Manager
Kentucky Customer Service Center

Enclosures

Accepted and agreed to as of
the 29th 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

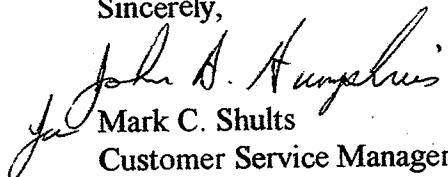
Dear Mr. Freehling:

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.

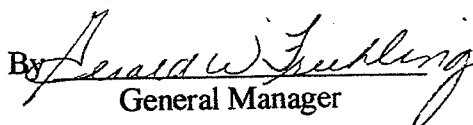
Sincerely,


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

J. Yacki

RK 2/06/95



47

RECEIVED
DEC 29 1994
[Signature]

Tennessee Valley Authority, Post Office Box 20260, Bowling Green, Kentucky 42102-6260

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 ~~Enhanced 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. Humphries

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

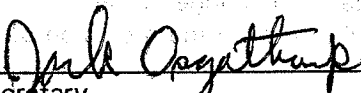
The Power Contract, as amended and supplemented by the provisions of this agreement, is ratified and confirmed as the continuing obligation of the parties.

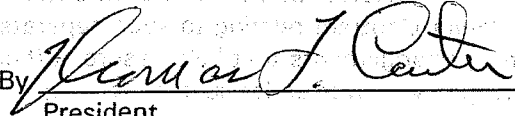
IN WITNESS WHEREOF, the parties to this agreement have caused it to be executed by their duly authorized officers, as of the day and year first above written.

Attest:

**TRI-COUNTY ELECTRIC
MEMBERSHIP CORPORATION**

Secretary



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)*

Electric service is provided to residential customers under this rate schedule. This rate schedule is subject to the terms and conditions of the Electric Service Agreement and the Electric Service Rules and Regulations. The Electric Service Agreement and the Electric Service Rules and Regulations are available to all customers at the time of service connection and are also available to all customers upon request.

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

Electric Service Agreement
Electric Service Rules and Regulations
Electric Service Agreement and Rules and Regulations

Schedule RS
October 1997, R1
Page 1 of 2

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.

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.)

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

(a) <u>Type of Fixture</u>	<u>Lamp Size</u>		<u>Rated kWh</u>	<u>Facility Charge</u>
	<u>(Watts)</u>	<u>(Lumens)</u>		
Mercury Vapor or Incandescent	175	7,650	70	\$ 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.

Service is subject of Rules and Regulations of Distributor.



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:

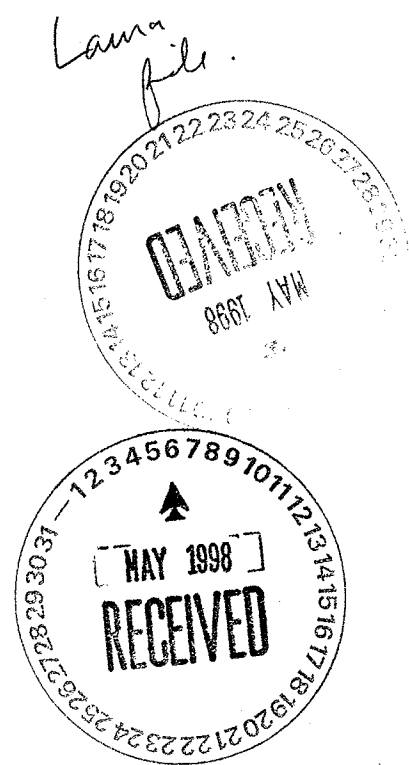
Enclosed is a fully executed copy of the New Delivery Point agreement TV-52337A, Supplement No. 50, dated November 6, 1997. This agreement covers the arrangements for service to West Tompkinsville 161-kV substation from your tap point to Texas Eastern Pumping Station 161-kV tapline.

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



**Tri-County Electric
Membership Corporation**

405 College Street
P.O. Box 40
Lafayette, TN 37083-0040

Telephone: (615) 666-2111
Fax: (615) 666-5009

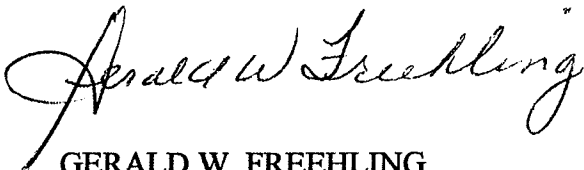
October 24, 1997

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;

W I T N E S S E T H:

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

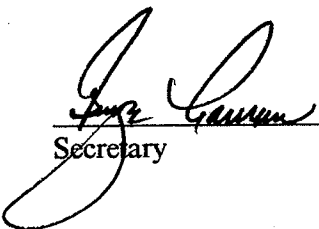
The attached Terms and Conditions are made a part of this agreement. In the event of any conflict between the body of this agreement and the Terms and Conditions, the former shall control.

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.

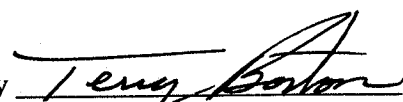
Attest;


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

please file

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

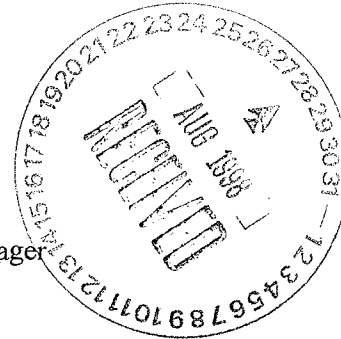
By 
Manager, Pricing
Customer Service and Marketing



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

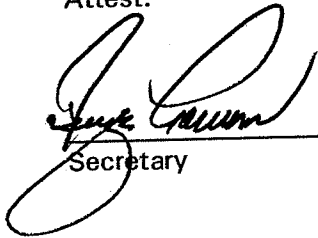
This agreement shall become effective with Distributor's October 1997 revenue month, and shall continue in effect for the term of the LMBC Agreement.

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.

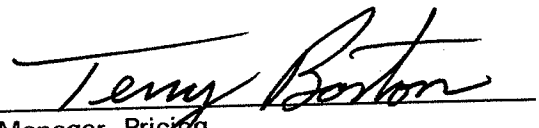
Attest:


Secretary

**TRI-COUNTY ELECTRIC
MEMBERSHIP CORPORATION**

By 
President

TENNESSEE VALLEY AUTHORITY

By 
Manager, Pricing
Customer Service and Marketing

Nov 30, 2001
[Signature]

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



Tennessee Valley Authority, Post Office Box 292409, Nashville, Tennessee 37229-2409

October 1, 2001

TV-52337A, Supp. No. ____
(Reference TV-52337A, Supp. No. 53)

Dr. James E. Carter, President
Tri-County Electric Membership Corporation
Post Office Box 40
Lafayette, Tennessee 37083-0040

Dear Dr. Carter:

Under a contract numbered TV-52337A, Supplement No. 53, and dated December 10, 1998, as amended (Pilot Agreement), Tri-County Electric Membership Corporation (Distributor) and Tennessee Valley Authority (TVA) participate in an *energy right*® Small Commercial Pilot Program (Pilot). This confirms the agreement reached between the parties concerning an extension of the Pilot. The extension shall be effective as of October 1, 2001.

The parties agree to amend the Pilot Agreement to provide that the Pilot shall continue in effect until the earliest of the following:

- 1) March 31, 2002;
- 2) the effective date of an early termination by either party in accordance with Section 2(B) of the Pilot Agreement;
- 3) the effective date of any new small commercial program offered by TVA (whether or not Distributor elects to participate in the new program); or
- 4) the effective date on which Distributor begins participating in any other pilot or program offered by TVA (including the then-current residential program) that includes incentives or matching funds for small commercial customers for heat pumps, night-time lighting, or electric water heaters.

Except as provided for by this letter, the provisions of the Pilot Agreement remain unchanged.

Dr. James E. Carter
Page 2
October 1, 2001

If this correctly states our agreement, please so indicate by having a duly authorized representative execute each of the two enclosed originals on behalf of Distributor and return the signed originals to us for further processing. We will return a fully executed original to you for your files.

Sincerely,

James D. Keiffer
Senior Vice President, Marketing

TRI-COUNTY ELECTRIC
MEMBERSHIP CORPORATION

By: James E. Carter
Title: Board President



Tennessee Valley Authority, 6045 Russellville Road, Bowling Green, Kentucky 42101-7319



October 19, 2001

Mr. Paul Thompson
Executive Vice President and
General Manager
Tri-County Electric Membership Corporation
Post Office Box 40
Lafayette, Tennessee 37083

Dear Paul:

I have enclosed two duplicate originals of a proposed letter agreement covering the *energy right*® Small Commercial Pilot Program Extension. The previous extension for this program expired September 30, 2001.

If you wish to participate, please have Dr. Carter sign the documents as your representative. After they are executed please return the originals to my office for completion by TVA. A fully executed original will be returned to you for your files.

James E.

If you have questions or comments, please do not hesitate to call me at (270) 846-7040.

Sincerely,

Myron N. Callaham
Senior Customer Service Manager
Kentucky

Enclosures

File



Tennessee Valley Authority, 6045 Russellville Road, Bowling Green, Kentucky 42101-7319

November 13, 2000

Mr. David Callis, Executive Vice President
and General Manager
Tri-County Electric Membership Corporation
Post Office Box 40
Lafayette, Tennessee 37083

Dear David:

Enclosed is a fully executed original of Agreement TV-52337A, Supplement No. 53, dated July 17, 2000, covering the *energy right*® Small Commercial Pilot Program 18-month extension for Tri-County Electric Membership Corporation.

If you have any questions, please call me at (270) 846-7040.

Sincerely,

A handwritten signature in cursive script, appearing to read "Myron".

Myron N. Callaham
Senior Customer Service Manager
Kentucky

Enclosure



Tennessee Valley Authority, Post Office Box 292409, Nashville, Tennessee 37229-2409

James D. Keiffer
Senior Vice President
Marketing

July 17, 2000

File With
TV-52337A
Supp. No. 53

Mr. Boyd Alexancer, President
Tri-County Electric Membership
Corporation
Post Office Box 40
Lafayette, Tennessee 37083-0040

Dear Mr. Alexander:

Under a contract numbered TV-52337A, Supplement No. 53, and dated December 10, 1998, as amended (Pilot Agreement), Tri-County Electric Membership (Distributor), and Tennessee Valley Authority (TVA) participate in an *energy right*[®] Small Commercial Pilot Program (Pilot). This confirms the agreement reached between the parties concerning a revision to and an extension of the Pilot. The revision and extension both shall be effective as of September 30, 1999.

Section 3 of the Pilot Agreement describes the Customers that are eligible under the Pilot and provides that such Customers must have a typical peak monthly demand of less than 100 kW. The parties agree to amend the Pilot Agreement to apply the Pilot to Customers with a typical peak monthly demand of less than 200 kW, provided that such Customers fulfill all other eligibility requirements of Section 3 of the Pilot Agreement.

The parties also agree to amend the Pilot Agreement to provide that the Pilot shall continue in effect until the earliest of the following:


- 1) March 31, 2001;
- 2) the effective date of an early termination by either party in accordance with Section 2(B) of the Pilot Agreement;
- 3) the effective date of any new small commercial program offered by TVA (whether or not Distributor elects to participate in the new program); or
- 4) the effective date on which Distributor begins participating in any other pilot or program offered by TVA (including the then-current residential program) that includes incentives or matching funds for small commercial customers for heat pumps, night-time lighting, or electric water heaters.

Except as provided for by this letter, the provisions of the Pilot Agreement remain unchanged.

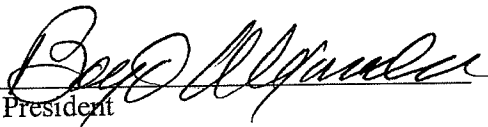
Mr. Boyd Alexander
Page 2
July 17, 2000

If this correctly states our agreement, please so indicate by having a duly authorized representative execute both of the enclosed originals on behalf of Tri-County Electric Membership Corporation and return the signed originals to us for further processing. We will return a fully executed original to you for your files.

Sincerely,


James D. Keiffer
Senior Vice President
Marketing

TRI-COUNTY ELECTRIC
MEMBERSHIP CORPORATION

By 
President

Tri-County Electric Membership Corporation

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

September 29, 2000

Mr. Myron N. Callaham
Senior Customer Service Manager - KY
Tennessee Valley Authority
6045 Russellville Road
Bowling Green, KY 42101-7319

RE: *energy right* Small Commercial Pilot Program 18-Month Extension

Dear Myron:

Please find enclosed two (2) executed letter agreements regarding the above referenced program.

The return of a fully executed original will be appreciated.

If additional information is needed, please advise.

Sincerely,

David M. Callis
LK

DAVID M. CALLIS
Executive Vice President
and General Manager

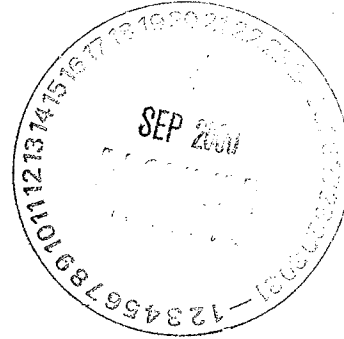
DMC/lk

Enclosures (2)



Tennessee Valley Authority, 6045 Russellville Road, Bowling Green, Kentucky 42101-7319

September 15, 2000



Mr. David Callis, Executive Vice President
and General Manager
Tri-County Electric Membership Corporation
Post Office Box 40
Lafayette, Tennessee 37083

Dear David:

Enclosed are three duplicate originals of a proposed letter agreement covering the *energy right*® Small Commercial Pilot Program 18-Month Extension.

Upon execution of these agreements, please return two to my office for further handling. A fully executed original will be returned to Tri-County Electric Membership Corporation.

If you have any questions, please do not hesitate to give me a call at (270) 846-7040.

Sincerely,

Myron N. Callahan
Senior Customer Service Manager
Kentucky

Enclosures

2 09/21/00

Tennessee Valley Authority, Post Office Box 292409, Nashville, Tennessee 37229-2409

James D. Keiffer
Senior Vice President
Marketing

July 17, 2000

File With
TV-52337A
Supp. No. 53

Mr. Boyd Alexancer, President
Tri-County Electric Membership
Corporation
Post Office Box 40
Lafayette, Tennessee 37083-0040

Dear Mr. Alexander:

Under a contract numbered TV-52337A, Supplement No. 53, and dated December 10, 1998, as amended (Pilot Agreement), Tri-County Electric Membership (Distributor), and Tennessee Valley Authority (TVA) participate in an *energy right*[®] Small Commercial Pilot Program (Pilot). This confirms the agreement reached between the parties concerning a revision to and an extension of the Pilot. The revision and extension both shall be effective as of September 30, 1999.

Section 3 of the Pilot Agreement describes the Customers that are eligible under the Pilot and provides that such Customers must have a typical peak monthly demand of less than 100 kW. The parties agree to amend the Pilot Agreement to apply the Pilot to Customers with a typical peak monthly demand of less than 200 kW, provided that such Customers fulfill all other eligibility requirements of Section 3 of the Pilot Agreement.

The parties also agree to amend the Pilot Agreement to provide that the Pilot shall continue in effect until the earliest of the following:

- 1) March 31, 2001;
- 2) the effective date of an early termination by either party in accordance with Section 2(B) of the Pilot Agreement;
- 3) the effective date of any new small commercial program offered by TVA (whether or not Distributor elects to participate in the new program); or
- 4) the effective date on which Distributor begins participating in any other pilot or program offered by TVA (including the then-current residential program) that includes incentives or matching funds for small commercial customers for heat pumps, night-time lighting, or electric water heaters.

Except as provided for by this letter, the provisions of the Pilot Agreement remain unchanged.

Mr. Boyd Alexander
Page 2
July 17, 2000

If this correctly states our agreement, please so indicate by having a duly authorized representative execute both of the enclosed originals on behalf of Tri-County Electric Membership Corporation and return the signed originals to us for further processing. We will return a fully executed original to you for your files.

Sincerely,

James D. Keiffer
Senior Vice President
Marketing

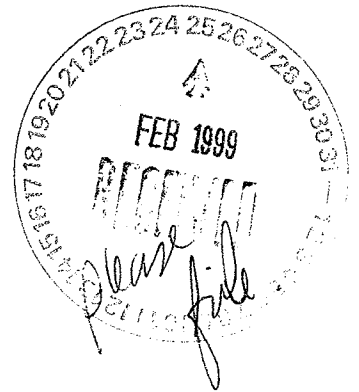
TRI-COUNTY ELECTRIC
MEMBERSHIP CORPORATION

By 
President



Tennessee Valley Authority, 6045 Russellville Road, Bowling Green, Kentucky 42101-7319

February 23, 1999



Mr. David Callis, Executive Vice President and
General Manager
Tri-County Electric Membership Corporation
Post Office Box 40
Lafayette, Tennessee 37083

Dear David:

Enclosed is a fully executed original of Agreement TV-52337A, Supplement No. 53,
dated December 10, 1998, covering the *energy right*® Small Commercial Pilot Program.

If you should have any questions, please feel free to call me at (502) 846-7042.

Sincerely,

A handwritten signature in cursive script that reads 'Mark'.

Mark C. Shults
Customer Service Manager
Kentucky

Enclosure

energy right[®] SMALL COMMERCIAL Pilot Program

AGREEMENT

Between

TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION

And

TENNESSEE VALLEY AUTHORITY

Date: December 10, 1998

TV-52337A, Supp. No. 53

THIS AGREEMENT is made and entered into 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).

SECTION 1 - OVERVIEW

TVA, pursuant to authority granted it by the TVA Act, operates and maintains an electric power generation and transmission system serving parts of seven States. Distributor and TVA (the Parties) heretofore have entered into a contract numbered TV-52337A and dated July 18, 1979, as amended and supplemented (Power Contract), under which TVA supplies electric power to Distributor at wholesale and Distributor resells such power to its customers. The TVA Act provides that among TVA's objectives TVA shall promote the wider and better use of electric power and shall supply electric power at the lowest feasible rates.

The Parties now supplement the Power Contract to provide for cooperation in a Small Commercial Pilot Program (Program) to help achieve these objectives with small-commercial customers in the Distributor's service area. The Program is designed to encourage the installation and utilization of electric water heaters, night-time lighting, and unitary heat pumps.

SECTION 2 - TERM OF AGREEMENT

A. Agreement Term / Program Duration:

This Agreement shall become effective as of the date first written above and shall continue in effect until September 30, 1999, unless otherwise agreed, in writing, by both Parties, or unless sooner terminated as provided in Section 2(B), below.

B. Early Termination:

Either Party may terminate this Agreement before its expiration upon thirty-days' written notification to the other Party.

C. Continuing Obligations:

Nothing contained in this Agreement shall be construed as relieving either TVA or Distributor of its obligations arising or accruing prior to the date of expiration or termination of this Agreement.

SECTION 3 - ELIGIBLE CUSTOMERS

The Parties shall apply the Program to non-residential customers (Customers) with new construction or retrofit applications and shall target those Customers with typical peak monthly demand of less than 100 kW that can be effectively reached by mass marketing. The Program does not include Customers with commercial cooking, process technology, central station systems, or built-up systems. Customers with those systems may be eligible for incentives under TVA's Large Commercial Program.

SECTION 4 - MATCHING FUND INCENTIVES

The Parties shall provide incentives for the installation of water heaters, night-time lighting, and unitary heat pumps meeting Program requirements, as described in more detail below. Distributor, at its discretion, shall provide monetary incentives or non-monetary incentives of equivalent value to Customers or to other third parties involved in the installations (e.g., building owners, contractors, equipment wholesalers, and developers). TVA shall provide funds matching the value of the incentive provided by Distributor, and the Parties thus shall fund incentives on a 50/50 basis up to the limits set out in detail below. Administrative costs and inspection costs incurred by Distributor shall not be considered incentives and shall not be eligible for matching funds.

Each month, Distributor shall complete and send to TVA its Program Reporting Forms (in substantially the form of Attachment 1, Reporting Forms). Distributor's submission of Program Reporting Forms (Forms) shall constitute a certification and guarantee from Distributor that the work described in the Forms has been completed and that the funds requested from TVA are properly due and owing under the Program. TVA, upon receipt and verification of each such Form, shall reimburse Distributor for TVA's share of disbursed Program incentives. Upon request from TVA, Distributor shall make available all records related to eligibility for incentives.

SECTION 5 - WATER HEATER MATCHING FUNDS INCENTIVE PROGRAM

The Parties shall provide incentives for Customer installation of water heaters. Distributor shall determine tank size requirements for each Customer. TVA shall participate in the provision of Program incentives as follows:

A. Electric to electric retrofit:

TVA shall provide matching funds of up to \$60 for standard tanks or up to \$120 for tanks designated as "lifetime warranty tanks."

B. Gas to electric conversion:

TVA shall provide matching funds of up to \$200 for standard tanks or up to \$260 for tanks designated as "lifetime warranty tanks."

C. New Construction:

TVA shall provide matching funds of up to \$60 for standard tanks or up to \$120 for tanks designated as "lifetime warranty tanks."

Inspections are not required. Distributor's records shall include the Customer's water heater invoice, which must indicate the type of water heater and tank size. Distributor must review, verify, and document Customer account number and water heater invoice before disbursing incentives.

SECTION 6 - NIGHT-TIME LIGHTING MATCHING FUNDS INCENTIVE PROGRAM

The Parties shall provide incentives for Customer installation of eligible night-time lighting systems. Eligible systems are those outdoor lighting systems with photo cell switches utilizing high-pressure sodium, mercury vapor, and metal halide lamps. TVA shall provide matching funds of up to 2.5 cents per watt for eligible systems.

Distributor shall visually verify each lighting system for which the Parties provide Program incentives. Distributor also may perform in-depth installation inspections at its discretion.

SECTION 7 - UNITARY HEAT PUMPS MATCHING FUNDS INCENTIVE PROGRAM

The Parties shall provide incentives for Customer installation of unitary heat pumps. The Program applies to unitary heat pumps that are rated by the Air Conditioning and Refrigeration Institute (ARI) and have a minimum Seasonal Energy Efficiency Ratio (SEER) of 9.7 and Heating Seasonal Performance Factor (HSPF) of 6.6. The Program also applies to advanced heat pumps, which include geothermal, water source, triple function, and variable speed (compressor) heat pumps.

TVA shall participate in the provision of Program incentives as follows:

A. Department of Energy (DOE) Standard Heat Pumps:

TVA shall provide matching funds of up to \$50 per ton for package heat pumps with a minimum SEER of 9.7 and HSPF of 6.6 and for split heat pumps with a minimum SEER of 10 and HSPF of 6.8.

B. High Efficiency Heat Pumps:

TVA shall provide matching funds of up to \$75 per ton for package heat pumps with a minimum SEER of 11 and HSPF of 6.8 and for split heat pumps with a minimum SEER of 12 and HSPF of 7.1.

C. Advanced Heat Pumps:

TVA shall provide matching funds of up to \$100 per ton for advanced heat pumps.

Installations must satisfy the equipment manufacturer's guidelines and have a manufacturer's warranty. The Parties will encourage Customers to contract with members of the Quality Contractor Network for heat pump installation. Before disbursing Program incentives, Distributor shall perform visual verification to determine that the heat pump meets the Program requirements. Distributor also may perform in-depth installation inspections at its discretion.

SECTION 8 - RELATIONSHIP OF PARTIES

Neither Distributor nor TVA shall be considered the agent of the other for any purpose under this Agreement.

SECTION 9 - PROHIBITION OF LOBBYING

Certain transactions under this Agreement are subject to the requirements of Public Law No. 101-121 (codified at 31 U.S.C. § 1352), which prohibits certain lobbying activities and requires disclosure of certain others, and to TVA's implementing regulations published at 55 Fed. Reg. 6736 (codified at 18 C.F.R. § 1315). Distributor's execution of this Agreement constitutes execution by Distributor of the Certification for Contracts, Grants, Loans, and Cooperative Agreements attached to and made a part of this Agreement.

SECTION 10 - FEDERAL FINANCIAL ASSISTANCE.

A. Compliance:

Distributor shall comply with requirements of Title VI of the Civil Rights Act of 1964, section 504 of the Rehabilitation Act of 1973, the Age Discrimination Act of 1975, and TVA regulations issued at 18 C.F.R. parts 1302, 1307, and 1309, the provisions of which, and all future amendments of such statutes and regulations, are incorporated by reference as a part of this agreement.

B. Notice:

Unless otherwise approved by TVA, Distributor shall, in carrying out its obligations under this section, include the following statement in all handbooks, manuals, pamphlets, and other material ordinarily distributed to the public to describe the **Program**, including, where TVA deems appropriate, notices posted by Distributor:

This program is offered on a nondiscriminatory basis without regard to race, color, national origin, age, sex, or disability.

C. Accessibility of Information:

Distributor shall make this information available in a form accessible to persons who do not understand written English, including the visually impaired, in a manner to be determined by Distributor and TVA.

SECTION 11 - ENTIRE AGREEMENT

This Agreement sets forth all the understandings between the Parties about the Program. All prior understandings about the Program are taken in and made a part of this Agreement, which constitutes the entire agreement between the Parties. This Agreement may not be modified except in writing by the Parties' authorized representatives.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by their duly authorized representatives as of the date first written above.

Attest:

**TRI-COUNTY ELECTRIC
MEMBERSHIP CORPORATION**

Carl Lonar
Secretary

By M. L. Stone
President

TENNESSEE VALLEY AUTHORITY

By James D. Keffer
Senior Vice President, Marketing

energy right® SMALL COMMERCIAL Pilot Program - Heat Pump Incentive Reporting Form

Distributor	Reporting Period
Name:	From:
Number:	To:

MAIL TO: Christopher Chaney, TVA, PO Box 292409, TRN 3M-NST, Nashville, TN 37229-2409
 FAX TO: (615) 882-2727 E-MAIL TO: cchaney@va.gov Phone: (615) 882-2726

Completed by:	Fax:	Phone:
Name:		

1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	Business Type (✓ one)						Type of HP/SEER (✓ one)			Total Incentive Paid To Customer by Distributor	TVA Matching Incentive (up to 50%)					
										Relail	Free-standing Office	Medical (small)	Lodging	Other	Gas Available ?	GCN Contractor?	New Construction?	Square Footage (000s)			# of Tons (nearest 1/2 ton)	9.7mIn (Maximum TVA Incentive \$50/ton)	12mIn (Maximum TVA Incentive \$75/ton)	ADV. (Maximum TVA Incentive \$100/ton)	
FOR TVA OFFICE USE ONLY										✓ = YES	Blank = NO														
(For participants with multiple heat pump installation incentives please list each heat pump on a separate line)	Name	Phone (include area code)	Customer Account #	Date of Verification / Inspection																					
TOTALS																									

Vendor Number: _____

Contract Number: _____

Short Code: _____

Approval To Reimburse - Product Manager _____

energy right® SMALL COMMERCIAL Pilot Program - Night Lighting Incentive Reporting Form

Attachment 1

Distributor Name:	Reporting Period From:
Number:	To:

MAIL TO: Christopher Chaney, TVA, PO Box 292409, TRN 3M-NST, Nashville, TN 37229-2409
 FAX TO: (615) 882-2727 E-MAIL TO: cchaney@tva.gov Phone: (615) 982-2726

Completed by: Name:	Fax:
	Phone:

1.	Name (Identical lighting types can be listed on the same line. For participants with multiple lighting incentives please list each installation on a separate line)	Phone (Include area code)	Customer Account #	Date of Verification / Inspection	Business Type (✓ one)				Outdoor Lighting Type with Protocol (✓ one)			# of Fixtures	Total Wattage Installed	Installed Cost	System (✓ one)		Total Incentive Paid To Customer by Distributor	TVA Matching (up to 50%)	
					Retail	Free-standing Office	Medical (small)	Lodging	Other	High Pressure Sodium (Maximum TVA Incentive 2.5 \$/Watt)	Mercury Vapor (Maximum TVA Incentive 2.5 \$/Watt)				Metal Halide (Maximum TVA Incentive 2.5 \$/Watt)	Customer Owned			Leased
2.																			
3.																			
4.																			
5.																			
6.																			
7.																			
8.																			
9.																			
10.																			
TOTALS																			

FOR TVA OFFICE USE ONLY

Vendor Number: _____

Contract Number: _____ Approval To Reimburse - Product Manager

Short Code: _____

energy right® SMALL COMMERCIAL Pilot Program - Water Heater Incentive Reporting Form

Distributor	Reporting Period
Name:	From:
Number:	To:

MAIL TO: Christopher Chaney, TVA, PO Box 292409, TRN 3MHNST, Nashville, TN 37229-2409
 FAX TO: (615) 882-2727 E-MAIL TO: cchaney@tva.gov Phone: (615) 882-2726

Completed by:	Fax:	Phone:
Name:		

1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	Business Type (✓ one)					Installation (✓ one)				Total Incentive Paid To Customer by Distributor	TVA Matching (up to 50%)								
										Gas Available ?	Other	Lodging	Medical (small)	Free-standing Office	Retail	New Construction	Replaces Electric	Gas to Electric Conversion			Lifetime Warranty (Maximum TVA Incentive \$120)	Std. WH TVA Incentive (\$60)	Lifetime Warranty (Maximum TVA Incentive \$120)	Std. WH TVA Incentive (\$60)	Std. WH TVA Incentive (\$200)	Lifetime Warranty (Maximum TVA Incentive \$260)		
Name (For participants with multiple water heater installation incentives please list each water heater on a separate line)	Phone (Include area code)	Customer Account #	Date of Verification / Inspection																									
TOTALS																												

FOR TVA OFFICE USE ONLY

Vendor Number: _____

Contract Number: _____

Short Code: _____

Approval To Reimburse - Product Manager

**Certification for Contracts, Grants,
Loans, and Cooperative Agreements**

The undersigned certifies, to the best of his or her knowledge and belief, that:

- (1) No Federal appropriated funds have been paid or will be paid by or on behalf of the undersigned to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
- (2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure of Lobbying Activities," in accordance with its instructions.
- (3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by 31 U.S.C. § 1352. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

**energy right[®] SMALL COMMERCIAL Pilot Program
Program Implementation Plan (PIP)**

Power Distributor
Representative

Tri-County Electric
Paul Thompson

Date
Phone

Nov. 17, 1998
615-666-2111

The Program Implementation Plan (PIP) represents the road map or strategy for managing and administering various aspects of your incentive program. The PIP ensures that your activities and expenditures are consistent with the goals and objectives of the *energy right* Small Commercial Pilot Program. All activities should be conducted in accordance with your PIP. To prepare your PIP, please read and/or complete sections I, II, III, and IV below.

I. Matching Funds Incentive Program

You can provide incentives for installation of unitary heat pumps. The pilot program applies to unitary heat pumps that are rated by the Air Conditioning and Refrigeration Institute (ARI) and have a minimum Seasonal Energy Efficiency Ratio (SEER) of 9.7 and Heating Seasonal Performance Factor (HSPF) of 6.6. The pilot program also applies to advanced heat pumps, which include geothermal, water source, triple function, and variable speed (compressor) heat pumps. TVA will provide you with matching funds according to the following pilot program requirements:

- A. **Department of Energy Standard Heat Pumps:** TVA will provide matching funds of up to \$50 per ton for package heat pumps with a minimum SEER of 9.7 and HSPF of 6.6 and for split heat pumps with a minimum SEER of 10 and HSPF of 6.8.
- B. **High Efficiency Heat Pumps:** TVA will provide matching funds of up to \$75 per ton for package heat pumps with a minimum SEER of 11 and HSPF of 6.8 and for split heat pumps with a minimum SEER of 12 and HSPF of 7.1.
- C. **Advanced Heat Pumps:** TVA will provide matching funds of up to \$100 per ton for advanced heat pumps.

Installations must satisfy the equipment manufacturer's guidelines and have a manufacturer's warranty. End-use consumers and third parties involved in the installations should be encouraged to contract with members of the Quality Contractor Network for heat pump installation. Before disbursing incentives, you must perform visual verification to determine that the heat pump meets the pilot program requirements. You also may perform in-depth installation inspections at your discretion.

II. Targets or Recipients of Matching Funds Incentive Program

At your discretion, you can provide monetary or non-monetary incentives of equivalent value to end-use customers and/or to other third parties involved in the installations. Please check all applicable boxes:

- Building and/or Property Owners
- Tenants (small business owners)
- Retailers
- Manufacturers
- Contractors
- A&E Design Firms (architecture and engineering)
- Equipment Wholesalers/Distributors
- Builders / Developers
- Others (please specify) _____

energy right[®] SMALL COMMERCIAL Pilot Program
Program Implementation Plan (PIP)

III. Matching Funds Incentive Program (A, B, and C)

Refer to section I of this form for description and program requirements for the 'Heat Pump' matching fund incentives program. Suggested program incentives or type of incentives for end use customers and/or third parties include cash, electric bill credit, reduced cost appliance, free appliance, etc. Please check desired incentive program(A, B, and/or C), describe type of incentives, and indicate recipient(s) of incentives.

A. Department of Energy (DOE) Standard Heat Pumps

Package Heat Pumps

Minimum SEER of 9.7 & Minimum HSPF of 6.6 (ASHP/DFHP/SCTTWHP)

- Total cash incentive of \$ _____ per _____
Specify target/recipient of cash incentive _____
Describe additional requirements, conditions and/or limitations:

- Other incentive option (please specify) \$50.00/ton cash from TVA, \$50.00/ton credit TCEM
Value of incentive \$100.00/ton Specify target/recipient of incentive Building or Property Owners
Describe additional requirements, conditions and/or limitations: Builders / Developers

Split Heat Pumps

Minimum SEER of 10.00 & Minimum HSPF of 6.8 (ASHP/DFHP/SCTTWHP)

- Total cash incentive of \$ _____ per _____
Specify target/recipient of cash incentive _____
Describe additional requirements, conditions and/or limitations:

- Other incentive option (please specify) \$50.00/ton cash from TVA, \$50.00/ton credit TCEM
Value of incentive \$100.00 Specify target/recipient of incentive Building or Property Owners
Describe additional requirements, conditions and/or limitations: Builders / Developers

~~Small commercial maximum incentive is \$500.00 (TOTAL)~~

energy right[®] SMALL COMMERCIAL Pilot Program
Program Implementation Plan (PIP)

B. High Efficiency Heat Pumps

Package Heat Pumps

Minimum SEER of 11 & Minimum HSPF of 6.8 (ASHP/DFHP/SCTTWHP)

- Total cash incentive of \$ _____ per _____
Specify target/recipient of cash incentive _____
Describe additional requirements, conditions and/or limitations: _____

- Other incentive option (please specify) \$50.00/TON cash from TVA \$50.00/TON credit from TCEMC
Value of incentive \$100.00/TON Specify target/recipient of incentive Building or Property Owners
Describe additional requirements, conditions and/or limitations: Builders/Developers

Split Heat Pumps

Minimum SEER of 12 & Minimum HSPF of 7.1 (ASHP/DFHP/SCTTWHP)

- Total cash incentive of \$ _____ per _____
Specify target/recipient of cash incentive _____
Describe additional requirements, conditions and/or limitations: _____

- Other incentive option (please specify) \$50.00/TON cash from TVA \$50.00/TON CREDIT FROM TCEMC
Value of incentive \$100.00/TON Specify target/recipient of incentive Building or Property Owners, Builders/Developers
Describe additional requirements, conditions and/or limitations: _____

C. Advanced Heat Pumps

- Total cash incentive of \$ _____ per _____
Specify target/recipient of cash incentive _____
Describe additional requirements, conditions and/or limitations: _____

- Other incentive option (please specify) \$50.00/TON cash from TVA \$50.00/TON credit from TCEMC
Value of incentive \$100.00/TON Specify target/recipient of incentive Building or Property Owners
Describe additional requirements, conditions and/or limitations: Builders/Developers

** Small commercial maximum incentive is \$500.00 (TOTAL)

**energy right[®] SMALL COMMERCIAL Pilot Program
Program Implementation Plan (PIP)**

IV. Marketing and Promotional Activities

Recommended Target Audience Members:

At your discretion, you can market monetary or non-monetary incentives of equivalent value to end-use customers and/or to key third parties involved in the installations. Indicate the target audience to whom you intent to market your incentive program, please check applicable boxes:

End-Use Customers

- Building and/or Property Owners
- Tenants (small business owners)

Influential Third Parties

- Tenants (small business owners)
- Retailers
- Manufacturers
- Contractors
- A&E Design Firms
- Equipment Wholesalers / Distributors
- Builders / Developers
- Others (please specify) _____

Recommended Marketing & Promotional Vehicles:

Marketing and promotional activities refer to special events, arrangements, or activities that further the goals of the *energy right* Small Commercial Pilot Program and can involve cost sharing with trade allies or other distributors. Please indicate those marketing and promotional activities that will support your incentive program:

Media

- Radio
- Newspaper
- News conference

- Television
- Demo or exhibits for the media
- Others (please specify) _____

Advertising

- Direct Mail
- Trade magazines
- Internet/ e-mail
- Posters/ flyers

- Statement enclosures (bill stuffers)
- Brochures / fact sheets
- Bill boards
- Others (please specify) _____

Public Relations / Publicity

- Newsletters
- Special events
- Annual reports
- Annual trade meetings

- Community events or activities
- Community or trade activity sponsorships
- News Releases
- Others (please specify) _____

Sales & Promotions

- Trade shows
- Demonstrations
- Word-of-Mouth Promotions
- Annual trade meetings
- Exhibits

- Annual reports
- News Releases
- Prize/incentive program for customer recommendations resulting in installations
- Others (please specify) _____

**energy right[®] SMALL COMMERCIAL Pilot Program
Program Implementation Plan (PIP)**

Power Distributor
Representative

Tri-County Electric
Paul Thompson

Date

Nov. 17, 1998

Phone

615-666-2111

The Program Implementation Plan (PIP) represents the road map or strategy for managing and administering various aspects of your incentive program. The PIP ensures that your activities and expenditures are consistent with the goals and objectives of the *energy right* Small Commercial Pilot Program. All activities should be conducted in accordance with your PIP. To prepare your PIP, please read and/or complete sections I, II, III, and IV below.

I. Matching Funds Incentive Program

You can provide incentives for the installation of water heaters and determine tank size requirements to end-use consumers and/or influential third parties. TVA will provide you with matching funds according to the following pilot program requirements:

- A. **Electric to electric retrofit:** TVA will provide matching funds of up to \$60 for standard tanks or up to \$120 for tanks designated as "lifetime warranty tanks."
- B. **Gas to electric conversion:** TVA will provide matching funds of up to \$200 for standard tanks or up to \$260 for tanks designated as "lifetime warranty tanks."
- C. **New Construction:** TVA will provide matching funds of up to \$60 for standard tanks or up to \$120 for tanks designated as "lifetime warranty tanks."

Inspections are not required. Your records should include the end-use customer's water heater invoice, which must indicate the type of water heater and tank size. Please review, verify, and document the end-use customer's account number and water heater invoice before disbursing incentives.

II. Targets or Recipients of Matching Funds Incentive Program

At your discretion, you can provide monetary or non-monetary incentives of equivalent value to end-use customers and/or to other third parties involved in the installations. Please check all applicable boxes:

- Building and/or Property Owners
- Tenants (small business owners)
- Retailers
- Manufacturers
- Contractors
- A&E Design Firms (architecture and engineering)
- Equipment Wholesalers/Distributors
- Builders / Developers
- Others (please specify) _____

III. Distributor-Funded Incentive Programs (A, B, and C)

**energy right[®] SMALL COMMERCIAL Pilot Program
Program Implementation Plan (PIP)**

Refer to section I of this form for description and program requirements for the 'Water Heaters' matching fund incentives program. Suggested program incentives or type of incentives for end use customers and/or third parties include cash, electric bill credit, reduced cost appliance, free appliance, etc. Please check desired incentive program(A, B, and/or C), describe type of incentives, and indicate recipient(s) of incentives.

STANDARD TANKS (please use next page for Lifetime Warranty Tanks)

A. Electric to Electric Retrofit

Total cash incentive of \$ _____ per _____
Specify target/recipient of cash incentive _____
Describe additional requirements, conditions and/or limitations:

Other incentive option(please specify) _____
Value of incentive \$/ _____ Specify target/recipient of incentive _____
Describe additional requirements, conditions and/or limitations:

B. Gas to Electric Conversion Tank and Installation

Total cash incentive of \$ _____ per _____
Specify target/recipient of cash incentive _____
Describe additional requirements, conditions and/or limitations:

Other incentive option(please specify) _____
Value of incentive \$ _____ Specify target/recipient of incentive _____
Describe additional requirements, conditions and/or limitations:

C. New Construction

Total cash incentive of \$ _____ per _____
Specify target/recipient of cash incentive _____
Describe additional requirements, conditions and/or limitations:

Other incentive option(please specify) _____
Value of incentive \$ _____ Specify target/recipient of incentive _____
Describe additional requirements, conditions and/or limitations:

III. Distributor-Funded Incentive Programs (A, B, and C)

Refer to section I of this form for description and program requirements for the 'Water Heaters' matching fund incentives program. Suggested program incentives or type of incentives for end use customers and/or third parties include cash, electric bill credit, reduced cost appliance, free appliance, etc. Please check desired incentive program(A, B, and/or C), describe type of incentives, and indicate recipient(s) of incentives.

**energy right[®] SMALL COMMERCIAL Pilot Program
Program Implementation Plan (PIP)**

LIFETIME WARRANTY TANKS



A. Electric to Electric Retrofit

Total cash incentive of \$ 120.00 per Tank
Specify target/recipient of cash incentive Building/Property Owner Builders/Developers
Describe additional requirements, conditions and/or limitations:

Other incentive option (please specify) _____
Value of incentive \$ _____ Specify target/recipient of incentive _____
Describe additional requirements, conditions and/or limitations:



B. Gas to Electric Conversion Tank and Installation

Total cash incentive of \$ 120.00 per Tank
Specify target/recipient of cash incentive Building/Property Owner Builders/Developers
Describe additional requirements, conditions and/or limitations:

Other incentive option (please specify) _____
Value of incentive \$ _____ Specify target/recipient of incentive _____
Describe additional requirements, conditions and/or limitations:



C. New Construction

Total cash incentive of \$ 120.00 per Tank
Specify target/recipient of cash incentive Building/Property Owner Builders/Developers
Describe additional requirements, conditions and/or limitations:

Other incentive option (please specify) _____
Value of incentive \$ _____ Specify target/recipient of incentive _____
Describe additional requirements, conditions and/or limitations:

IV. Marketing and Promotional Activities

Recommended Target Audience Members:

At your discretion, you can market monetary or non-monetary incentives of equivalent value to end-use customers and/or to key third parties involved in the installations. Indicate the target audience to whom you intent to market your incentive program, please check applicable boxes:

End-Use Customers
Building and/or Property Owners
Tenants (small business owners)

Influential Third Parties
Tenants (small business owners)
Retailers

**energy right[®] SMALL COMMERCIAL Pilot Program
Program Implementation Plan (PIP)**

Manufacturers
Contractors
A&E Design Firms
Equipment Wholesalers / Distributors
Builders / Developers
Others (please specify) _____

Recommended Marketing & Promotional Vehicles:

Marketing and promotional activities refer to special events, arrangements, or activities that further the goals of the *energy right* Small Commercial Pilot Program and can involve cost sharing with trade allies or other distributors. Please indicate those marketing and promotional activities that will support your incentive program:

Media

- Radio
- Newspaper
- News conference

- Television
- Demo or exhibits for the media
- Others (please specify) _____

Advertising

- Direct Mail
- Trade magazines
- Internet/ e-mail
- Posters/ flyers

- Statement enclosures (bill stuffers)
- Brochures / fact sheets
- Bill boards
- Others (please specify) _____

Public Relations / Publicity

- Newsletters
- Special events
- Annual reports
- Annual trade meetings

- Community events or activities
- Community or trade activity sponsorships
- News Releases
- Others (please specify) _____

Sales & Promotions

- Trade shows
- Demonstrations
- Word-of Mouth Promotions
- Annual trade meetings
- Exhibits

- Annual reports
- News Releases
- Prize/incentive program for customer recommendations resulting in installations
- Others (please specify) _____



Tennessee Valley Authority, 6045 Russellville Road, Bowling Green, Kentucky 42101-7319

Lanna,
Please file.
Trent
8/27/99

August 26, 1999

Mr. David Callis, Executive Vice President
and General Manager
Tri-County Electric Membership Corporation
Post Office Box 40
Lafayette, Tennessee 37083

Dear David:

Enclosed please find a fully executed original of Agreement TV-52337A, Supplement No. 54, dated June 2, 1999, covering revisions in determining reactive power billing amounts under Wholesale Rate Schedule WS.

If you should have any questions, please feel free to call me at (270) 846-7042.

Sincerely,

Mark C. Shults
Customer Service Manager
Kentucky

Enclosure

AGREEMENT
Between
TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION
And
TENNESSEE VALLEY AUTHORITY

Date: June 2, 1999

TV-52337A, Supp. No. 54

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 and Distributor wish to amend the Power Contract to provide for certain revisions in the determination of reactive power amounts delivered by TVA to Distributor and billed under Wholesale Power Rate--Schedule WS (Schedule WS) of the Schedule of Rates and Charges of the Power Contract;

NOW, THEREFORE, for and in consideration of the premises and of the mutual 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 date first above written (Effective Date) and shall continue for the term of the Power Contract.

SECTION 2 - DETERMINATION OF REACTIVE DEMAND ON SIMULTANEOUS BASIS

For all bills rendered from wholesale meter readings scheduled to be taken on or after June 2, 1999, for purposes of determining any applicable reactive charges under the Reactive Demand Charges section of Schedule WS, that section shall be applied to all delivery points to Distributor considered together, and the terms "Delivery Point Demand" and "lowest measured demand" appearing in that section shall mean the highest sum and the lowest sum, respectively, of the average demands measured in kW for all delivery points to Distributor.

SECTION 3 - SUSPENSION OF VOLTAGE LIMITATIONS

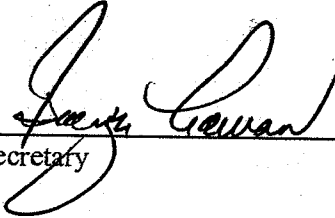
It is recognized that any reactive demand for any delivery point to Distributor that would have (except for section 2 above) resulted in a charge to Distributor under the Reactive Demand Charges section of Schedule WS may adversely affect TVA's ability to maintain voltage at the delivery point within the 3-percent voltage limitations set out in section 3 of the Power Contract. Accordingly, Distributor and TVA hereby agree that the 3-percent voltage limitations of that section shall not be applicable for any delivery point to Distributor during a billing month when a charge for reactive demand at that delivery point would have (except for section 2 above) been applicable under the Reactive Demand Charges section of Schedule WS.

SECTION 4 - AFFIRMATION OF POWER CONTRACT

The Power Contract, as supplemented and amended by this agreement, is ratified and confirmed as the continuing obligation of the parties.

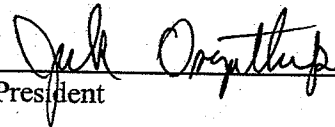
IN WITNESS WHEREOF, the parties have caused this agreement to be executed by their duly authorized officers, as of the day and year first above written.

Attest:



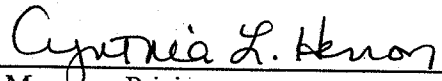
Secretary

**TRI-COUNTY ELECTRIC
MEMBERSHIP CORPORATION**

By 

President

TENNESSEE VALLEY AUTHORITY

By 

Manager, Pricing
Customer Service and Marketing

Tri-County Electric Membership Corporation

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

June 28, 1999

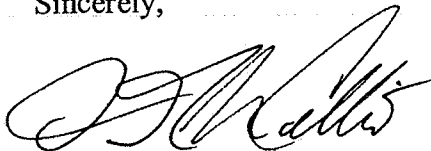
Mr. Mark Shults
Customer Service Manager
Tennessee Valley Authority
6045 Russellville Road
Bowling Green, KY 42101

Dear Mark:

Per your written request dated June 7, 1999, please find enclosed 3 (three) partially executed agreements amending Power Contract TV-52337A, dated July 18, 1979, as amended, to provide for the determination of reactive charges applicable under wholesale rate schedule WS on a system basis.

Upon execution by TVA please return one agreement for our files.

Sincerely,



DAVID M. CALLIS
Executive Vice President and General Manager

DMC/lk

Enclosures (3)

FAX TRANSMISSION
TRI-COUNTY ELECTRIC MEMBERSHIP CORP.

405 COLLEGE STREET/P O BOX 40
LAFAYETTE, TN 37083
1-615-666-2111/or 1-800-369-2111
FAX#1-615-688-2141

TO: Ken DATE: 06/24/99

COMPANY: _____ PAGES: _____

FAX# _____

FROM: Laura

COMMENTS: Agreement per your request.
Also, David will have "language"
re retirement plan sometime tomorrow.



Tennessee Valley Authority, 6045 Russellville Road, Bowling Green, Kentucky 42101-7319



June 7, 1999

Mr. David Callis, Executive Vice President
and General Manager
Tri-County Electric Membership Corporation
Post Office Box 40
Lafayette, Tennessee 37083

Dear David:

Enclosed are four duplicate originals of a proposed agreement amending Power Contract TV-52337A, dated July 18, 1979, as amended, to provide for the determination of reactive charges applicable under wholesale rate schedule WS on a system (rather than delivery point) basis. These arrangements will become effective with your June 1999 billing month.

Under these arrangements, the three percent voltage limitations specified in section three of the Power Contract will not apply to any delivery point during a billing month in which a charge for reactive power would have otherwise been applicable at that delivery point.

After these agreements have been signed, please return three copies to me for further handling.

Sincerely,

Mark C. Shults
Customer Service Manager
Kentucky

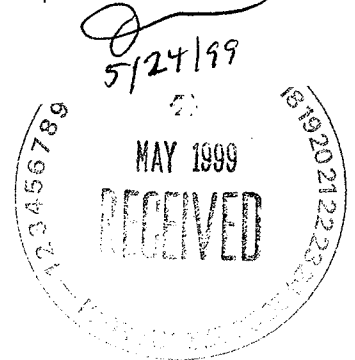
Enclosures



Tennessee Valley Authority, 6045 Russellville Road, Bowling Green, Kentucky 42101-7319

May 12, 1999

Handwritten notes:
Kama,
Copy for DJ: JB
Ret. original to me.
Mark, 5/24/99



Mr. David Callis, Executive Vice President & General Manager
Tri-County Electric Membership Corporation
Post Office Box 40
Lafayette, Tennessee 37083

Dear David:

The enclosed letter from Terry Boston, TVA's Manager of Pricing, is your notification of TVA's action to reinstate wholesale reactive billing charges beginning with the June wholesale billing month.

Information is enclosed on TVA's incentive program to encourage the installation of capacitors as soon as possible.

After you have reviewed this information, if you have questions or concerns, please do not hesitate to contact me at (270) 846-7040.

Sincerely,

Mark C. Shults
Customer Service Manager
Kentucky



Tennessee Valley Authority, Post Office Box 292409, Nashville, Tennessee 37229-2409

May 10, 1999

TV-52337A
Supp No. 54

Mr. David Callis, Exec. Vice President & General Manager
Tri-County Electric Membership Corporation
Post Office Box 40
Lafayette, Tennessee 37083-0040

Dear Mr. Callis:

In 1993 TVA informed all distributors of a temporary suspension in application of the reactive charges set out in the wholesale rate schedule. We pointed out that TVA would continue to monitor distributors' power factors and would expect to reinstate the reactive charges if circumstances, including deterioration of power factors on distributors' systems, made such reinstatement necessary.

During last summer's hottest periods, TVA experienced severe transmission system problems, including unacceptable voltage sags in some areas. Our records indicate that for June through September of last year over half of the distributors had lagging system power factors below the 95 percent level required by the wholesale rate schedule. Almost 100 distributors had lagging power factors below the 95 percent level during July. Unless some steps are taken to improve the situation, the problems on the transmission system will almost certainly be worse this summer.

As you know, the best way of supplying the reactive requirements is the installation by distributors of capacitors on their systems. In order to encourage the installation of sufficient amounts of capacitors to meet the requirements of the wholesale rate, TVA has decided to reinstate wholesale reactive charges beginning with the June 1999 billing month. Initially, TVA will resume billing for lagging reactive demand only. Beginning with the October 1999 billing month, billing for leading reactive demand will also resume. The reason for the delay in the leading reactive charges until October is to encourage all distributors to have all capacitors switched and fixed in service during hot weather this summer.

Mr. David Callis
Page 2
May 10, 1999

Recognizing that distributors will want to immediately begin taking steps to avoid the charges, TVA has developed a program to help. TVA is willing to credit back to distributors certain of the reactive charges actually imposed if capacitors are purchased and installed within three months after application of the charges. In addition, in view of the urgent need to get such installations made before this summer, we are willing to increase such credit, under certain circumstances, by the amount of any reactive charges that would have applied to the distributor during June 1998 if the reactive charges had not been suspended. Enclosure A to this letter describes the arrangement in more detail, and Enclosure B includes several examples of application of the credit.

If you have any questions, please contact your local TVA customer service center.

Sincerely,

A handwritten signature in cursive script that reads "Terry Boston".

W. Terry Boston
Manager, Pricing
Customer Service and Marketing

Enclosures

Reactive Charge Credit Program

It is recognized that the wholesale rate schedule applicable to each distributor provides for the application of a lagging reactive charge during any month in which the distributor's power factor is less than 95 percent at the time of maximum demand and for the application of a leading reactive charge during any month in which the distributor's power factor is leading at the time of the minimum system demand (with certain exclusions).

To assist distributors in improving their power factors in a manner which will both avoid these charges and improve the operation of TVA's transmission system, TVA has developed a program under which a distributor may get a rebate of such charges to help cover the costs of purchasing capacitors for installation on its system as follows:

- At such time as a distributor furnishes information in a form acceptable to TVA indicating that capacitor equipment (including switches for existing fixed capacitors if the distributor has a leading power factor offpeak) has been installed on its system after April 1, 1999, the distributor will receive a wholesale bill credit reflecting the portion of the equipment cost up to the sum of the reactive charges imposed on the distributor during the three months immediately preceding the month of the installation.
- Since it is especially important that capacitors be installed in time to help the transmission system this summer, TVA is willing to increase the three-month amount available for credits to cover any capacitor equipment installed by July 30, 1999, by the amount of reactive charges that would have applied for the June 1998 billing month if the wholesale charges had actually been applied. The specific amount of this potential increase for any distributor will be available from the local Customer Service Center office.
- It is expected that most distributors have enough fixed capacitors on their systems such that all new capacitors should be switched capacitors that are on only during onpeak periods. In addition, for some distributors, switching equipment will need to be purchased and installed on fixed capacitors to avoid leading reactive charges.
- The local Customer Service Center will be available to assist distributors in determining the proper amount of capacitors and/or switches to install. Since the proper balance between fixed and switched capacitors is important in avoiding unacceptable lagging power factors at maximum load while avoiding leading power factors at minimum load, some distributors may need help in determining this proper balance.

Credit Examples - Reactive Billing

The following examples are for illustrative purposes only and are not meant to reflect real conditions.

Example 1: Distributor begins paying reactive charges of \$5,000 per month. Distributor reviews its reactive needs and installs several switched capacitor banks of which the cost of materials total \$10,500. During the fourth month the Distributor submits the invoices for the capacitor equipment and by letter certifies that it has installed the capacitor banks on its system. Its June 1998 reactive charge would have been \$4,000.

The credit would be accounted as follows:

Wholesale Billing Period	Reactive Charges Account	Credit Applied	Balance of Reactive Charges Account
June 1998	\$4,000	\$4,000	\$0,000
June 1999	\$5,000	\$5,000	\$0,000
July 1999	\$5,000	\$1,500	\$3,500
August 1999	\$5,000	<u>\$0,000</u>	\$5,000
	Total Credit Received:	\$10,500	

Note that the balances in the right column are amounts that are still available for credits during the next few months as long as the amount falls within the "three preceding months."

Example 2: The same distributor, after installing \$10,500 of capacitors in September 1999, installs another \$10,500 of capacitors the very next month and submits for the credit from TVA.

The credit would be accounted as follows:

Wholesale Billing Period	Reactive Charges Account	Credit Applied	Balance of Reactive Charges Account
June 1999	\$ 0000	\$0,000	\$0,000
July 1999	\$3,500	\$3,500	\$0,000
August 1999	\$5,000	<u>\$5,000</u>	\$0,000
	Total Credit Received:	\$8,500	

Note that the July 1999 amount is the balance of the reactive charges (see Example 1) for the month. The original charge totaled \$5,000.

Note that the distributor did not get total reimbursement of the material costs for the capacitor equipment.



FAX COVER

Send To:

Name: Power Distributor Mgr. Date: 5/14/99

Company: _____

Address: _____

Phone: _____

Fax: _____

Verification Number: _____

Number of pages (including cover): 2

Subject: Reactive Billing Charges

From: Tennessee Valley Authority

Name: Mark C. Shults, Customer Service Manager

Organization: Kentucky Customer Service Center

Address: 6045 Russellville Road, Bowling Green, Kentucky 42101-7318

Phone: (502) 846-7040

Fax: (502) 846-7045

Verification Number: (502) 846-7040

Special Instructions: _____

Important! If you do not receive all pages, call us back immediately.



Tennessee Valley Authority, 6045 Russellville Road, Bowling Green, Kentucky 42101-7319

May 14, 1999

Mr. David Callis, Executive Vice President & General Manager
Tri-County Electric Membership Corporation
Post Office Box 40
Lafayette, Tennessee 37083

Dear David:

Terry Boston's letter of May 10 informed you that, in connection with the planned resumption of wholesale reactive billing in June 1999, TVA has developed a credit program to encourage distributors to install capacitors on their systems. As an additional incentive to stimulate the installation of capacitors in time for maximum system benefit this summer, a feature of the program provides an increase in credits for capacitors installed by the end of July, the increase being the amount that a distributor's reactive charges would have been during June 1998 if they had been in effect.

We understand from discussions with the chairmen of TVPPA's Operations Coordination Committee and Rates and Contracts Committee that some distributors may not be able to purchase and install capacitor facilities by July 31 because of six- to eight-week delivery times for new capacitors. Although it is important that distributors make every effort to install additional capacitors as early in the summer as possible, in order to allow them the opportunity to take advantage of the June 1998 credit amounts, we have agreed to extend the July 31 deadline to August 15, 1999.

Again, notwithstanding the extension, we urge you to take all reasonable steps to complete any needed capacitor installations on your system at the earliest possible date. As mentioned in the May 10 letter, it is essential that power factors on the transmission and distribution systems be improved as soon as possible to avoid unacceptable voltage sags this summer.

If you have any questions, please contact my office at (270) 846-7040.

Sincerely,

A handwritten signature in cursive script that reads 'Mark'.

Mark C. Shults
Customer Service Manager
Kentucky



Tennessee Valley Authority, 6045 Russellville Road, Bowling Green, Kentucky 42101-7319

July 29, 1999

Mr. David Callis, Executive Vice President and
and General Manager
Tri-County Electric Membership Corporation
Post Office Box 40
Lafayette, Tennessee 37083

Dear David:

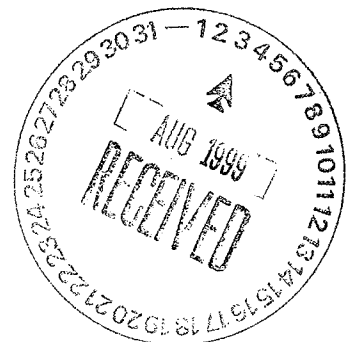
Enclosed is fully executed Forward Supported Power (FSP) agreement, ~~TV-52337A~~,
Supplement No. 55, for Tri-County Electric Membership Corporation.

If you should have any questions, please feel free to call our office at (270) 846-7040.

Sincerely,

Mark C. Shults
Customer Service Manager
Kentucky

Enclosure





Tennessee Valley Authority, Post Office Box 292409, Nashville, Tennessee 37229-2409

April 1, 1999

TV-52337A
Supp. No. 55

Mr. Melvin Grace, President
Tri-County Electric Membership Corporation
Post Office Box 40
Lafayette, Tennessee 37083-0040

Dear Mr. Grace:

As a supplement to the economy surplus power (ESP) programs offered by TVA, you may choose to offer an enhancement to that program called forward supported power (FSP) to your customers that are currently being supplied with ESP. Under this FSP arrangement, TVA would endeavor to make forward purchases as described in the enclosures to this letter for those ESP customers electing the greater reliability that would be afforded by FSP.

This offering is fully described in the enclosed draft letter agreement (which will amend the power supply contract providing for the supply of ESP to participating customers) and the enclosures entitled "Forward Supported Power Guidelines (Distributor-Served Customers, April 1999)" and "ESP Pricing Confidentiality Provisions (April 1999)." In accordance with the provisions of Guideline 3, participating customers may elect or withdraw from FSP for any month (FSP Month) by notifying your system and TVA at least 10 business days prior to the beginning of that month.

If your system wishes to participate in this offering, please sign the enclosed three duplicate originals of this letter and return two of them to TVA. Upon return of this letter, individual letter agreements (in the form of the enclosed draft letter) will be forwarded for execution by your system and your ESP customers.

Mr. Melvin Grace
Page 2
April 1, 1999

Please note that by signing this letter, the wholesale billing provisions associated with the supply of ESP under each ESP contract will be deemed to be amended in the respects necessary to provide that for wholesale billing purposes any FSP energy supplied to participating customers will be treated as if it were ESP energy.

Sincerely,

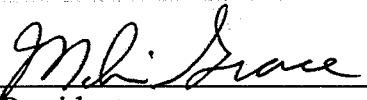


W. Terry Boston
Manager, Pricing
Customer Service and Marketing

Enclosures

Accepted and agreed to as of
the date first above written.

**TRI-COUNTY ELECTRIC
MEMBERSHIP CORPORATION**

By 
President

<<<Addressed to ESP customers>>>

Dear _____:

_____ (Distributor) and TVA are pleased to offer forward supported power (FSP) as an optional enhancement to the economy surplus power (ESP) provided for under the power supply contract numbered TV _____ and dated _____ (ESP Contract).

Detailed contract provisions regarding the FSP option are set forth in Enclosure A to this letter, entitled "Forward Supported Power Guidelines (Distributor-Served Customers, April 1999)," and in Enclosure B to this letter, entitled "ESP Pricing Confidentiality Provisions (April 1999)." The FSP option will be available to Company beginning with electric usage measured from meter readings scheduled to occur after May 1, 1999. In accordance with the provisions of Guideline 3, Company may elect or withdraw from FSP for any month (FSP Month) by notifying Distributor and TVA at least 10 business days prior to the beginning of that month. For any FSP Month, TVA would endeavor to purchase forward power options (Forwards) in accordance with Guideline 4.1 for periods of anticipated tight power supply. Accordingly, TVA's ability to require FSP customers to suspend their takings in any such month would be subject to the restrictions in Guideline 4.2.

Following the implementation of FSP, Forwards will not otherwise be purchased by TVA for the purpose of providing for the reliability of ESP load and no additional amount to reflect the cost of Forwards will be included in the incremental cost used to determine the hourly ESP energy charges paid by customers not selecting FSP. Accordingly, during periods of tight power supply, there could be an increased suspension risk for those ESP customers that have not elected the FSP option for those periods.

The hourly energy charge to be paid by all ESP customers in any hour will continue to reflect TVA's actual hourly incremental cost per kWh of providing ESP to all consumers during that hour based on either (a) TVA's cost of generating the top 100 MW increment of ESP load from TVA's resources or (b) the cost of power purchased to serve the top 100 MW increment of ESP load, as applicable in any hour. In addition to the hourly ESP price otherwise provided for under their contracts, in accordance with Guideline 5 and for any FSP Month, FSP customers would also pay an additional amount (FSP Charge) to reflect the cost of Forwards.

In conjunction with the implementation of FSP, TVA also plans to begin providing additional information via the system used to provide ESP price estimates (System). This additional information will be available to all ESP customers with access to the System, without regard to whether a customer enters into the umbrella FSP arrangements provided for by this letter or to whether a customer doing so selects FSP in any particular month. Because of the increased sensitivity of such planned additional information, access to the System after June 1, 1999, will require a customer's agreement to the revised confidentiality provisions set forth in Enclosure B.

If Company believes it might be interested in FSP for any month, the YES box at the end of this letter should be checked and three duplicate originals of this letter duly executed on behalf of Company and returned to Distributor. Thereafter, for any months covered by an enrollment form submitted in accordance with the provisions of Enclosure A, the enrollment form, together with this letter and its enclosures (as said enclosures may be modified, revised or replaced), will

supplement and amend the ESP Contract in the respects necessary to provide for the obligations of the parties with respect to FSP.

Note that merely returning the executed letter agreement marked **YES** will not in itself obligate Company to pay any FSP Charges for any month and that such an obligation will arise only under the enrollment form. However, if Company does not wish to enter into even the umbrella agreement to allow for possibly later activating FSP via an enrollment form, please check the **NO** box and return a duly executed copy to acknowledge Company's agreement to the revised ESP pricing confidentiality obligations set forth in Enclosure B. (Checking **NO** will not prevent Company from executing an umbrella agreement for FSP at a later date so long as such agreements are still being made available at that time by both TVA and Distributor.)

Sincerely,

TENNESSEE VALLEY AUTHORITY

W. Terry Boston
Manager, Pricing
Customer Service and Marketing

{ INSERT DISTRIBUTOR NAME }

{Name/Title}

YES, Company would like the option to select FSP arrangements. Accordingly, the signature of its authorized agent below shall be deemed to confirm its agreement to the supplementation and amendment of the ESP Contract in the respects necessary to reflect the terms and conditions set forth in this letter, Enclosure A, and Enclosure B.

NO, Company does not desire the option of selecting FSP. Accordingly, the signature of its authorized agent below shall be deemed to confirm its agreement to the supplementation and amendment of the ESP Contract to reflect the revised ESP pricing confidentiality provisions set forth in Enclosure B as a condition of continued access to the pricing System but shall not be deemed to supplement or amend the ESP Contract to provide for FSP.

{INSERT CUSTOMER NAME}

By: _____
Title:

FORWARD SUPPORTED POWER GUIDELINES
(Distributor-Served Customers, April 1999)

GUIDELINE 1 - GUIDELINE APPLICABILITY

The customer that is a party to the forward supported power (FSP) letter agreement (FSP Agreement) with which these Guidelines are an enclosure (which customer is referred to in said letter and below as "Company"), may elect the FSP option of the economy surplus power (ESP) program in accordance with and subject to the terms and conditions set forth in these Guidelines and said agreement. ESP is made available to Company by the Distributor referred to in said letter under arrangements with the Tennessee Valley Authority (referred to in said letter and below as "TVA").

GUIDELINE 2 - DEFINITION OF TERMS

As used in these Guidelines:

2.1 "ESP Contract" shall mean the power supply contract, as amended, which is identified by number and date in the FSP Agreement to which these Guidelines are an enclosure.

2.2 "FSP Agreement" shall mean the letter agreement to which these Guidelines are an enclosure, including, without limitation, these Guidelines and all other enclosures referenced in said letter.

2.3 "Month" shall mean the monthly billing period provided for under Company's ESP Contract; provided, however, that upon at least 60 days' notice to Company, TVA may change the definition of Month for all purposes of applying these Guidelines from and after the effective date of said notice.

2.4 "FSP Enrollment Form" shall mean the document to be used by Company to elect FSP for any FSP Month under Guideline 3.1 below. The FSP Enrollment Form shall be substantially in the form of the enrollment form attached as Exhibit A to these Guidelines, as said attached form may be revised or replaced by TVA from time to time upon at least 60 days' notice to Company.

2.5 "FSP Withdrawal Form" shall mean the document to be used by Company under Guideline 3.2 to withdraw from its election of FSP for any Month. The FSP Withdrawal Form shall be substantially in the form of the withdrawal form attached as Exhibit B to these Guidelines, as said attached form may be revised or replaced by TVA from time to time upon at least 60 days' notice to Company.

2.6 "Business Days" shall mean all days except Saturdays and Sundays and any weekdays that are observed as Federal holidays.

2.7 "FSP Month" shall mean any Month for which an FSP election is effective under the provisions of Guidelines 3 and 6 below.

GUIDELINE 3 - ENROLLMENT IN FSP

3.1 Election of FSP. Company shall elect FSP for a specific ESP option for any Month or Months through an FSP Enrollment Form sent to TVA via such means specified in said form and received by TVA at least 10 Business Days prior to the first Month for which said election is to be effective. At the same time, Company shall also provide the FSP Enrollment Form to Distributor via the means designated by Distributor for that purpose. Upon confirmation by both Distributor and TVA that the election is timely and otherwise in accordance with the requirements of the FSP Agreement (which confirmation shall be sent by FAX to the other parties), the provisions of the FSP Agreement, including, without limitation, Guidelines 4 and 5 below, will supplement and amend the ESP Contract in the respects necessary to provide for the obligations of the parties with respect to FSP during any Months so elected by Company.

3.2 Withdrawal of FSP Election. Similarly, Company may elect to withdraw its FSP election for a specific ESP option for any Month or Months through an FSP Withdrawal Form sent to TVA via a means specified in said form and received by TVA at least 10 Business Days prior to the first Month for which said withdrawal for that ESP option is to be effective. Upon confirmation by both TVA and Distributor that the withdrawal is timely and otherwise in accordance with the requirements of the FSP Agreement (which confirmation shall be by the same means provided for confirmation in 3.1 above), the election made for any such Months under 3.1 above shall be deemed to be of no force and effect.

GUIDELINE 4 - FORWARD PURCHASES FOR RELIABILITY OF FSP LOAD

4.1 Forwards. TVA will purchase forward power options (Forwards) for those periods of anticipated tight power supply where TVA deems it appropriate to do so in order to decrease the probability of a need to suspend the availability of ESP to customers electing FSP for the such periods.

4.2 Suspensions. Accordingly, notwithstanding the suspension provisions of the ESP Contract, for any FSP Month, the ESP available to Company shall:

(a) only be suspended in a power supply emergency and

(b) only after (or if necessary due to extreme conditions, at the same time that) TVA has sought to require the suspension of ESP other than that for which an election of FSP is then in effect.

GUIDELINE 5 - FSP BILLING

5.1 Hourly ESP Charges. For any FSP Month, Company's hourly charges for ESP energy may also include additional charges (FSP Charges) as determined by TVA under this paragraph to reflect the cost of Forwards. The FSP Charge for any hour will be determined by allocating the additional cost determined by TVA to result from each Forward over the critical hours for which the Forward is purchased, using the spot-market pricing curve projected for those hours by TVA. For any Month for which an FSP election is effective under Guideline 3 above, TVA will endeavor to include the amount of the FSP Charge

component, if any, to be included in the ESP energy price for each hour in the weekly, daily, and hourly price estimates made available to Company to the extent that Forwards have been purchased prior to the time that a particular price estimate is given.

5.2 Resale of Forwards. To the extent that the power supply resources represented by any Forward reflected in an FSP Charge are later resold, credits will be applied to the bills of the customers that paid the charge to appropriately reflect TVA's determination of its net margin from the resale. The amount of each customer's share of such net margin will be a pro rata portion based on each customer's actual ESP takings during the period for which such Forward was purchased.

GUIDELINE 6 - TERMINATION OF FSP AGREEMENT

Distributor or TVA may terminate the FSP Agreement at any time upon 6 months' notice. From and after the effective date of any such notice, any election of FSP made by Company under Guideline 3 above shall be of no further force and effect.

GUIDELINE 7 - OTHER ESP CONTRACT PROVISIONS

Except as expressly modified by any provision of the FSP Agreement, including, without limitation, the provisions of these Guidelines, the provisions of Company's ESP Contract shall remain in full force and effect.

FSP Enrollment Form

<p>FAX to TVA at: TVA Real Time Pricing Manager (423) 751- 4607</p>	<p>Mail to: TVA Power Business Center 1101 Market Street Chattanooga, TN 37402 Attn: Real Time Pricing Manager</p>
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(or such different person or number as TVA may designate by notice to Company and Distributor)
At the same time this form should also be sent to Distributor via the means designated by Distributor.

In accordance with Guideline 3.1 of the FSP Agreement supplementing and amending the ESP Contract numbered _____ and dated _____, and subject to the other provisions of said FSP Agreement, the Company on whose behalf this form has been executed by the authorized agent signing below desires to elect FSP under said agreement (a) for all of the Option(s) _____ available under its ESP Contract and (b) for the Months indicated by the block checked below (check and complete only one):

- The Month beginning as of the first meter-reading time under the ESP Contract falling at least 10 Business Days after the date that this notice is received by Distributor and TVA, and for all Months thereafter.

- The Month beginning as of the first meter-reading time under the ESP Contract falling at least 10 Business Days after the date that this notice is received by Distributor and TVA, and for all Months thereafter through the meter-reading time on _____ (mm/dd/yy).

- The Month(s) beginning as of the meter-reading time(s) on _____

 (mm/dd for each such Month) each year, effective with the first such Month beginning as of the first meter-reading time under the ESP Contract falling at least 10 Business Days after the date that this notice is received by Distributor and TVA.

(Check and complete only one box above. Where both ESP Option B and ESP Option C are available under the ESP Contract, FSP may be elected for either one or both Options. If different Months are to be elected for each Option, a separate form should be used for each Option.)

Confirmation of receipt of this form should be provided to Company at fax number (____) _____. (Note: Company should not be considered to have elected FSP until confirmation by FAX from TVA and Distributor has been received. If confirmation is not promptly received, contact TVA's Real Time Pricing Manager at (423) 751-7412.)

It is expressly recognized that the election(s) made above (1) will become effective upon confirmation by TVA in accordance with Guideline 3.1 of the FSP Agreement and (2) is subject to (a) withdrawal by Company under Guideline 3.2 of the FSP Agreement or (b) termination by

Distributor or TVA under Guideline 6 of the FSP Agreement (to the extent, if any, that said termination provisions are applicable to any Month for which Company elects FSP by this form).

Company's authorized agent:

Print: _____
_____ (Agent's name & title)
for _____
_____ Company's name)

Sign: _____ Date _____

FSP Withdrawal Form

FAX to TVA at: TVA Real Time Pricing Manager (423) 751- 4607	Mail to: TVA Power Business Center 1101 Market Street Chattanooga, TN 37402 Attn: Real Time Pricing Manager
---	--

(or such different person or number as TVA may designate by notice to Company and Distributor)
 At the same time this form should also be sent to Distributor via the means designated by Distributor.

In accordance with Guideline 3.2 of the FSP Agreement supplementing and amending the ESP Contract numbered _____ and dated _____, and subject to the other provisions of said FSP Agreement, the Company on whose behalf this form has been executed by the authorized agent signing below desires to withdraw the FSP election previously made under said agreement (a) for all of the Option(s) _____ available under its ESP Contract and (b) for the Months indicated by the block checked below (check and complete only one):

The Month beginning as of the first meter-reading time under the ESP Contract falling at least 10 Business Days after the date that this notice is received by Distributor and TVA, and for all Months thereafter.

The Month(s) beginning as of the meter-reading time(s) on _____

 (mm/dd/yy), effective with the first such Month beginning as of the first meter-reading time under the ESP Contract falling at least 10 Business Days after the date that this notice is received by Distributor and TVA.

(Check and complete only one box above. Where both ESP Option B and ESP Option C are available under the ESP Contract, FSP may have been elected for either one or both Options. If FSP election withdrawal is to be made for different Months for each Option, a separate form should be used for each Option.)

Confirmation of receipt of this form should be provided to Company at fax number (____) _____. (Note: Company should not be considered to have elected FSP until confirmation by FAX from TVA and Distributor has been received. If confirmation is not promptly received, contact TVA's Real Time Pricing Manager at (423) 751-7412.)

Company's authorized agent:

Print: _____ (Agent's name & title)
 for _____ Company's name)

Sign: _____ Date _____

ESP PRICING CONFIDENTIALITY PROVISIONS
(APRIL 1999)

From and after the effective date of the letter agreement with which these Provisions are enclosed, such Provisions shall apply to provide for obligations of the customer that is a party to such agreement (which customer is referred to in said agreement and below as "Company") with respect to maintaining the confidentiality of certain information, proprietary to Tennessee Valley Authority (TVA), as described in 1(c) below.

1. As used in these Provisions:

(a) "ESP Contract" shall mean the contract, as amended, which is identified by number and date in the letter agreement with which these Provisions are enclosed and under which economy surplus power (ESP) is made available to Company.

(b) "System" shall mean the computer bulletin board system or such other system designated by TVA in accordance with the provisions of the ESP Contract for the purpose of making available ESP, and if applicable forward supported power (FSP), price estimates to Company.

(c) "Proprietary Information" shall mean any and all ESP or FSP pricing and related information, including, without limitation, projected estimates of ESP and FSP prices, projected forecasts of TVA's power system operations, and other forecasts relative to potential suspensions of ESP and FSP disclosed by TVA to Company whether via the System or otherwise.

2. As a condition of access to the System and in consideration of TVA's making Proprietary Information available to Company:

(a) except as may be required by law, Company agrees not to divulge Proprietary Information to third parties without the written consent of TVA, and

(b) Company further agrees not to use the Proprietary Information disclosed to it by TVA (i) to compete with TVA or (ii) for any purpose other than those set forth in the ESP Contract and for otherwise planning Company's utilization of ESP or FSP.

3. Notwithstanding section 2 above, Company may disclose, after having given TVA written notice five working days before the disclosure, Proprietary Information to its contractors so long as the disclosure (a) is not to a competitor of TVA; (b) is made subject to a nondisclosure agreement entered into by Company's contractor and those employees of the contractor who will have access to the Proprietary Information, which agreement is subject to TVA's approval; (c) is made solely on a "need to know" basis; (d) is made subject to a restriction that Company's contractor and the contractor's employees use the Proprietary Information solely in performing work for Company in connection with Company's evaluation of the Proposed FSP Arrangements; and (e) is made subject to the requirement that all copies of the Proprietary Information be returned to Company upon conclusion of the contractor's work for Company. Company

will make reasonable efforts (consistent, however, with its requirements) to minimize the amount of any such information disclosed to its contractors.

4. In the event that Company is legally required to disclose any Proprietary Information to others, Company shall endeavor to secure the agreement of such other party to maintain the information in confidence. In the event that Company is unable to secure such agreement, Company shall notify TVA with reasonable promptness so that TVA may join Company in the pursuit of such an agreement of confidence, work with such other party to revise the information in a manner consistent with its interests and the interests of the other party, or take any other action it deems appropriate.
5. Company shall afford Proprietary Information the same security and care in handling and storage as Company provides for its own confidential or proprietary information and data.
6. The foregoing obligations of Company shall terminate if and when, but only to the extent that, such Proprietary Information (a) is or shall become publicly known through no fault of Company, (b) is in company's possession as supported by written records prior to receipt of said Proprietary Information from TVA, or (c) is disclosed to Company by a third party who is legally free to disclose such Proprietary Information.
7. TVA makes no representations or warranties to Company concerning the Proprietary Information made available. TVA shall have no obligation or liability to Company for or as a result of the furnishing of any Proprietary Information. Company agrees that if it elects to rely on any of the information, it does so at its sole risk.
8. It is acknowledged that money damages may be an inadequate remedy for breach of this Company's obligations with respect to Proprietary Information. Accordingly, Company agrees in advance to the granting of injunctive or other equitable relief in favor of TVA without proof of actual damages.
9. Company's obligations with respect to Proprietary Information shall inure to the benefit of, and shall be binding upon, Company and TVA, and, as applicable, their respective subsidiaries, successors and assigns. In addition, Company's obligations with respect to Proprietary Information shall be binding upon any and all directors, officers, and employees of Company and Company shall secure the compliance by all of the foregoing with all of the terms and conditions of obligations with respect to Proprietary Information required to be observed or performed hereunder.
10. It is recognized that Company may have previously entered into other confidentiality or nondisclosure arrangements with TVA that continue to be applicable to some or all of the Proprietary Information. In the event of any conflict between such prior arrangements and these Provisions, these Provisions shall control.



Tennessee Valley Authority, 6045 Russellville Road, Bowling Green, Kentucky 42101-7319

May 6, 2000



Mr. David Callis, Executive Vice President
and General Manager
Tri-County Electric Membership Corporation
Post Office Box 40
Lafayette, Tennessee 37083

Dear David:

Enclosed is a fully executed original of the Industrial Service Policy Agreement, TV-52337A, Supplement No. 56, dated February 1, 1999, for Tri-County Electric Membership Corporation.

If you have any questions, please feel free to call me at (270) 846-7042.

Sincerely,

A handwritten signature in cursive script that reads 'Mark'.

Mark C. Shults
Customer Service Manager
Kentucky

Enclosure

AGREEMENT
Between
TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION
And
TENNESSEE VALLEY AUTHORITY

DATE: February 1, 1999

TV-52337A, Supp. No. 56

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, section 2 of the Power Contract, as such section may have heretofore been amended and supplemented, covers arrangements with respect to service to certain consumers of electricity; and

WHEREAS, the parties wish to amend the Power Contract to change the provisions of section 2 in order to implement certain alternative arrangements for service to such consumers;

NOW, THEREFORE, for and in consideration of the premises and of the mutual agreements set forth below, and subject to the Tennessee Valley Authority Act of 1933, as amended, the parties mutually agree as follows:

SECTION 1 - EFFECTIVE DATE

This agreement shall become effective as of the date first above written (Effective Date) and, subject to the provisions of section 7 below, shall continue in effect for the term of the Power Contract.

SECTION 2 - ALTERNATIVE ARRANGEMENTS

During the term of this agreement, in lieu of the provisions of sections 2(b) and 2(c) of the Power Contract, the alternative arrangements set out in this agreement shall apply.

SECTION 3 - SERVICE BY DISTRIBUTOR

Distributor shall be entitled to use the power made available under the Power Contract to serve all consumers except those TVA is entitled to serve directly as provided in section 4 below. However, notwithstanding the provisions of section 4, Distributor shall remain entitled to serve all consumers it was serving as of the Effective Date.

SECTION 4 - SERVICE BY TVA

4.1 Consumers Served by TVA. TVA shall be entitled to serve directly the following consumers:

(a) any consumer to whom the resale rate schedules specified in section 5(b) of the Power Contract (or other resale rate arrangements agreed to by TVA) are not applicable,

(b) any Federal installations excepting those with loads less than 5,000 kilowatts served from a general delivery point,

(c) any existing consumer being served by TVA directly in accordance with section 2 of the Power Contract immediately prior to the Effective Date, and

(d) any new consumer that begins taking electric service after the Effective Date if the consumer's Projected Monthly Base Energy Amount (as determined in 4.2 below) exceeds the sum of 15 million kilowatthours plus the amount determined by multiplying 1,250 kilowatthours times the applicable number of residential consumers of Distributor (as determined in 4.3 below).

4.2 Projected Monthly Base Energy Amount. The Projected Monthly Base Energy Amount for any new consumer shall be the lesser of (i) the consumer's projection of its highest expected average monthly energy use in kilowatthours or (ii) 547.5 hours multiplied by the consumer's projection of its highest expected monthly demand. Such projections shall be made by the consumer at the earliest feasible time during discussions regarding the supply of power to such consumer. Further, these projections shall reflect the energy and demand amounts expected by the consumer when its production facilities are in full operation, but in no event later than 36 months after initial service to the consumer. Both TVA and Distributor shall have the right to participate in discussions with the consumer involving establishment of such projections, and either may request from the consumer such data and other information as it considers desirable in support of the consumer's projections. Such projections shall become accepted as the Projected Monthly Base Energy Amount only after TVA and Distributor agree that such projections are realistic, which agreement shall not be unreasonably withheld.

4.3 Determination of Applicable Number of Residential Consumers. If TVA provides no transmission facilities (except such metering facilities, tap point or loop connection point facilities, communication facilities, and manual or sectionalizing switches as are determined by TVA to be necessary) to serve a new consumer, the number of

residential consumers used in the computation in 4.1(d) above shall be the total number of residential consumers that were being served by Distributor as of the June 30 immediately preceding the date of such computation. Otherwise, the number of residential consumers used in that computation shall be only the residential consumers, if any, that were being served by Distributor as of the immediately preceding June 30 with energy received from TVA at the delivery point through which Distributor would receive the energy for such new consumer if it were served by Distributor.

SECTION 5 - SUPPLY TO CONSUMERS OF 5,000 KILOWATTS OR MORE

The supply of power by TVA to Distributor for resale to any consumer which has a supply of 5,000 kilowatts or more of power other than that furnished by Distributor under the resale rate schedules specified in section 5(b) of the Power Contract, and the contract for such resale between Distributor and such consumer, shall be subject to such special arrangements as TVA may reasonably require.

SECTION 6 - TRANSFER OF CONSUMERS

The party entitled to serve a new consumer, as provided under sections 3 and 4 of this agreement, shall continue to be entitled to serve the consumer during the full term of this agreement. Transfer between TVA and Distributor of service to a consumer shall be made only upon specific request by Distributor and upon agreement among TVA, Distributor, and the consumer.

SECTION 7 - TERMINATION

On the date of receipt by TVA of any notice of Power Contract termination provided by Distributor under the section of the Power Contract entitled "Term of Contract," this agreement shall automatically terminate with respect to the entitlement of service to new consumers initiating service on and after such date and the provisions of sections 2(b) and 2(c) of the Power Contract, as they were effective immediately prior to the Effective Date, shall become automatically reinstated with respect to any such consumers and shall continue in effect for the then remaining term of the Power Contract. Notwithstanding anything in this agreement to the contrary, until the end of the term of the Power Contract TVA and Distributor shall each be entitled to continue serving all existing consumers being served by them on such date of receipt of notice of Power Contract termination.

SECTION 8 - POWER CONTRACT AFFIRMED

The Power Contract, as supplemented and amended by this agreement, is ratified and confirmed as the continuing obligation of the parties.

IN WITNESS WHEREOF, the parties have caused this agreement to be executed by their duly authorized officers, as of the day and year first above written.

Attest:

**TRI-COUNTY ELECTRIC
MEMBERSHIP CORPORATION**

Carl Lorus
Secretary

By Melissa
President

TENNESSEE VALLEY AUTHORITY

By Terry Boston
Manager, Pricing
Customer Service and Marketing

Tri-County Electric
Membership Corporation

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

February 1, 1999

Mr. Mark Shults
Customer Service Manager
Kentucky
Tennessee Valley Authority
6045 Russellville Road
Bowling Green, KY 42101

RE: Agreement TV-52337A, Supp. No. 56

Dear Mark:

Please find enclosed three executed agreements for the amended power contract referenced above.

If I may be of additional assistance, please feel free to call.

Sincerely,

David M. Callis

DAVID M. CALLIS
Executive Vice-President
and General Manager

By LK

Enclosures (3)



Tennessee Valley Authority, 6045 Russellville Road, Bowling Green, Kentucky 42101-7319

Laura,
Please mail
contract to
TETCO.
Thanks,
Jan 2000

January 26, 2000

Mr. David Callis, Executive Vice President
and General Manager
Tri-County Electric Membership Corporation
Post Office Box 40
Lafayette, Tennessee 37083

Dear David:

Enclosed are two fully executed originals of Power Supply Contract 00PCG-260588 dated October 31, 1999, covering arrangements associated with the supply of firm and supplemental power for resale to ~~Texas Eastern Transmission Corporation~~. Please retain one original for your records and forward the other to Texas Eastern Transmission Corporation.

Also enclosed is a fully executed original of the associated Wholesale Agreement TV-52337A, Supplement No 57, dated October 31, 1999, for your records.

If you should have any questions, please feel free to call me at (270) 846-7042.

Sincerely,

Mark C. Shults
Customer Service Manager
Kentucky

Enclosures

AGREEMENT

between

TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION

and

TENNESSEE VALLEY AUTHORITY

Date: October 31, 1999 TV-52337A, Supp. No. 57

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 supplemental power was scheduled, and the price for supplemental power, so that Distributor may 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 - AFFIRMATION OF POWER CONTRACT

The Power Contract, as supplemented and amended by this agreement, shall be the continuing obligation of the parties.

IN WITNESS WHEREOF, the parties have caused this agreement to be executed by their duly authorized representatives, as of the day and year first above written.

Attest:



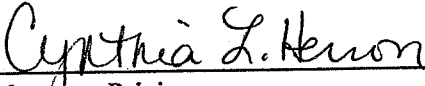
Secretary

**TRI-COUNTY ELECTRIC
MEMBERSHIP CORPORATION**

By 

President

TENNESSEE VALLEY AUTHORITY

By 

Manager, Pricing
Customer Service and Marketing

**Tri-County Electric
Membership Corporation**

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

December 1, 1999

Mr. Mark Shults
Customer Service Manager - KY
Tennessee Valley Authority
6045 Russellville Road
Bowling Green, KY 42101-7319

RE: TV-52337A

Dear Mark:

Please find enclosed four (4) partially executed original agreements between Tri-County Electric Membership Corporation and TVA regarding resale of power for operation of Texas Eastern Transmission Corporation gas compressor station near Tompkinsville, Kentucky.

If additional information is needed, please advise.

Sincerely,

David *by LK*

DAVID M. CALLIS
Executive Vice President
and General Manager

DMC/lk

Enclosures (4)



Tennessee Valley Authority, 6045 Russellville Road, Bowling Green, Kentucky 42101-7319

*Kama,
Please file
8/10/00*

August 8, 2000

Mr. David Callis, Executive Vice President
and General Manager
Tri-County Electric Membership Corporation
Post Office Box 40
Lafayette, Tennessee 37083

Dear David:

Enclosed is a fully executed Wholesale Energy to Market Agreement, TV-52337A,
Supplement No. 58, dated April 3, 2000, for Tri-County Electric Membership
Corporation.

If you have any questions, please give me a call at (270) 846-7042.

Sincerely,

Mark C. Shults
Customer Service Manager
Kentucky

Enclosure



**WHOLESALE ENERGY TO MARKET
AGREEMENT
Between
TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION
And
TENNESSEE VALLEY AUTHORITY**

Date: April 3, 2000

TV-52337A, Supp. No. 58

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 (TVA Act);

WITNESSETH:

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 power and energy supplied by TVA to Distributor emanates primarily from TVA-owned generation but at times is supplemented by short-term purchases of power and energy by TVA from suppliers outside its system and delivered to TVA at specific locations of interchange of such system with the systems of certain other utilities; and

WHEREAS, TVA and Distributor wish to cooperate in a test program (Test Program) under which (a) on a week-by-week basis Distributor may at its expense arrange for the purchase, and delivery to TVA at one or more of such locations of interchange, of power and energy for use on the TVA system to supplement TVA-owned generation and (b) in consideration for such purchase for the TVA system of such power and energy and its delivery to the TVA system Distributor will receive certain credits against its wholesale power bill from TVA; and

WHEREAS, the parties wish to supplement the Power Contract in the respects necessary to implement the Test 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 - DEFINITION OF TERMS

As used in this agreement:

1.1 "Outside Supplier" shall mean any entity that has, or is able to obtain, electric power supply resources which could be purchased for use on the TVA electric power system.

1.2 "Purchased Block" shall mean a block of not less than 25,000 kilowatts (any Purchased Block over 25,000 kilowatts shall be in one or more 1,000-kilowatt increments above such amount) of electric power that may be purchased by Distributor for delivery to the TVA system during a period each day Monday through Friday beginning at 6:00 AM for energy accounting hour ending 7:00 AM and ending at 10:00 PM for energy accounting hour ending 10:00 PM. Under this agreement, no purchase by Distributor for any week shall exceed 12,026 kilowatts, which represents (a) 5 percent of the average weekly energy taken by Distributor from TVA during the TVA fiscal year beginning October 1, 1997, divided by (b) 80 hours. The times specified in this definition and elsewhere in this agreement shall mean Central Standard Time or Central Daylight Time, whichever is currently effective. It is recognized that this definition of Purchased Block will be modified, as provided in the Program Guidelines defined in 1.8 below, for weeks that include North American Electric Reliability Council holidays, and may also be modified from time to time in accordance with the provisions of section 6 below. It is also recognized that if the amount set out in the second sentence above is less than 25,000 kilowatts, Distributor may only participate in the Test Program as part of an Aggregate Group in accordance with section 7 below.

1.3 "Interconnection Point" shall mean the point of interconnection of TVA's electric power system and the electric power system of any other utility through which a Purchased Block arranged by Distributor under the Test Program is to be delivered to the TVA system.

1.4 "Transmission Path" shall mean the specific electric transmission facilities over which a Purchased Block arranged by Distributor under the Test Program is to be delivered through the Interconnection Point to the TVA system.

1.5 "System Value(s)" shall mean an amount(s) (expressed in cents per kilowatt-hour) that TVA determines each week to reflect the value to the TVA system of Distributor purchasing a Purchased Block(s) from an Outside Supplier for use on the TVA system the following week. Such values may be expressed as decreasing amounts for successive megawatt blocks of power in such total amount as is determined by TVA to be appropriate each week.

1.6 "Undelivered Energy" shall mean any undelivered portion of the scheduled energy in a Purchased Block that Distributor has arranged for any hour.

1.7 "Replacement Cost" shall mean the amount charged by TVA to be paid by Distributor for TVA's cost, including lost opportunity cost, of supplying power and energy to replace any Undelivered Energy. Such Replacement Cost for each kWh of Undelivered Energy shall be the highest amount, if any, by which:

(a) the market price per kWh (as determined by TVA in a commercially reasonable manner) for the Undelivered Energy, or

(b) the revenue lost by TVA (acting in a commercially reasonable manner), expressed as a cost per kWh, as a result of interrupting a previously arranged sale to provide the Undelivered Energy, including any damages paid by TVA as a result of interrupting the sale,

exceeds the System Value which would have been credited to Distributor if the Undelivered Energy had been delivered.

1.8 "Program Guidelines" shall mean such detailed standards, procedures, and other guidelines as may from time to time be furnished or approved by TVA to ensure the proper and efficient operation of the Test Program. In the event of any conflict between the provisions of the Program Guidelines and the provisions of this agreement, the provisions of this agreement shall control.

1.9 "Information System" shall mean the procedure or system specified in the Program Guidelines for communicating information between TVA and Distributor in connection with operation of the Test Program.

1.10 "Test Program Agreement" shall mean both (a) this agreement and (b) an agreement between TVA and any other distributor of TVA power which (i) provides for such distributor's participation in the Test Program and (ii) contains provisions in the form of those specified in section 7 below (Aggregate Provisions) under which distributors may participate in the Test Program on an aggregate basis.

1.11 "Aggregate Group" shall mean two or more distributors of TVA power that have entered into Test Program Agreements with TVA and that have further elected to form a group so as to participate from time to time in the Test Program on an aggregate basis as provided for in accordance with the Aggregate Provisions.

1.12 "Aggregate Group Amount" shall mean a kW amount equal to the portion of the allocation set out in the second sentence in subsection 1.2 above which Distributor assigns to an Aggregate Group. It is expressly recognized that if Distributor elects to participate in two Aggregate Groups, the sum of the Aggregate Group Amounts assigned by Distributor to those groups shall not be greater than said allocation.

1.13 "Remaining Individual Amount" shall mean a kW amount equal to the kW amount, if any, which remains after any then-effective Aggregate Group Amounts are deducted from the allocation set out in the second sentence in subsection 1.2 above.

1.14 "Purchase Agent" shall mean the specific distributor within an Aggregate Group appointed by the Aggregate Group under the Aggregate Provisions to act as its legal agent to carry out the activities of, and to act for and legally bind, the Aggregate Group and each distributor member of the Aggregate Group under the distributor's Test Program Agreement. In lieu of a distributor member of the Aggregate Group being appointed as the Purchase Agent, TVA and the distributor members of an Aggregate Group may agree to the appointment of a Purchase Agent from outside the Aggregate Group through appropriate contractual arrangements.

1.15 "Purchase Group" shall mean the specific distributors of an Aggregate Group that are involved for a particular week in a purchase, as such specific distributors are designated by the Purchase Agent under the provisions of sections 3 and 7 below.

1.16 "Participation Amount" shall mean the kW amount to be used for each distributor member of a Purchase Group in determining the ratio to be applied for prorating any applicable credits and debits under item (c) of subsection 7.2 below. Unless a lesser amount is specified by the Purchase Agent under item (b) of said subsection, a group member's Participation Amount shall be deemed to be the full amount of the member's Aggregate Group Amount for the Aggregate Group from which the Purchase Group is created.

SECTION 2 - SYSTEM VALUE

Each week during the term of this agreement, TVA shall, not later than 1:00 PM on Thursday of the week and by use of the Information System, inform Distributor of the amount of the System Value that will be applicable for the following week to any Purchased Block for which arrangements are made by Distributor in accordance with the provisions of this agreement.

It is recognized that the System Value reflects information which is proprietary to TVA, the public release of which, or use for purposes other than the Test Program, could cause competitive harm to TVA and hinder TVA in carrying out the purposes of the TVA Act. Accordingly, as a condition of participating in the Test Program, Distributor:

- (a) shall access the Information System only in accordance with the Program Guidelines,
- (b) shall not use the System Value information provided by TVA under this section 2 for any purpose other than determining if it wishes to arrange to provide a Purchased Block to TVA for the following week, and
- (c) shall maintain the confidentiality of such System Value information in accordance with the provisions of the attached "System Value Confidentiality Attachment" which is made a part of this agreement and the Power Contract.

SECTION 3 - DISTRIBUTOR PURCHASE OF PURCHASED BLOCK

If Distributor wishes to arrange for the delivery of a Purchased Block to the TVA system for the next week in exchange for the System Value specified by TVA under section 2 above, it shall:

- (a) promptly make arrangements at its expense for the purchase, transmission, and delivery of that Purchased Block, and
- (b) by use of the Information System notify TVA of those arrangements.

The notices to TVA under item (b) shall include the name and address of the Outside Supplier, the size in kilowatts of the Purchased Block, and such information regarding

Transmission Path, Interconnection Point, and other aspects of the arrangements as TVA may reasonably require, all as specified in the Program Guidelines.

It is expressly recognized and agreed that with respect to any arrangements made by Distributor for a Purchased Block:

- (i) except as may be otherwise provided in Program Guidelines, such arrangements shall include only a single Outside Supplier and a single Interconnection Point,
- (ii) Distributor shall be solely responsible for arranging for the purchase of the Purchased Block and for its transmission to the TVA system, including, without limitation, arranging for delivery of the Purchased Block to the TVA system through an Interconnection Point where TVA has the capability to receive delivery of the Purchased Block (considering such other deliveries as may already be scheduled by TVA and others for delivery at such points and consistent with TVA's Transmission Service Guidelines),
- (iii) Distributor shall be solely responsible for paying the purchase price of the power and energy represented by a Purchased Block and for all other costs associated with the purchase of the Purchased Block and its transmission to the TVA system, and
- (iv) TVA shall assume no liability to the Outside Supplier or to any transmission provider.

SECTION 4 - TRANSFER OF OWNERSHIP TO TVA

Upon delivery of power and energy represented by a Purchased Block to the TVA system at an Interconnection Point, such power and energy shall become the property of TVA, and title shall pass to TVA without further action of TVA or Distributor.

SECTION 5 - ADJUSTMENTS TO DISTRIBUTOR'S WHOLESALE BILLING

In calculating the wholesale bill each month for Distributor, the following steps will be taken with respect to each hour of any month for which Distributor has agreed under section 3 above to arrange for the delivery of a Purchased Block to TVA:

5.1 System Value Credit. A credit shall be applied to the wholesale bill equal to (a) the applicable System Value multiplied by (b) the amount of the Purchased Block in kilowatt-hours scheduled and actually delivered to the TVA system in that hour.

5.2 Undelivered Energy. For any scheduled but Undelivered Energy for which TVA incurs a Replacement Cost, a debit shall be applied to the wholesale bill equal to (a) the amount in kilowatt-hours of Undelivered Energy for the hour multiplied by (b) the amount of the Replacement Cost for that hour.

SECTION 6 - ADDITIONS AND CHANGES TO THE TEST PROGRAM

By either (a) mutual agreement of the parties evidenced in writing or (b) at least 60 days' written notice from TVA, additions to and changes in the Test Program as provided for above may be made to:

- (a) provide for additional Purchased Block offerings to be made each week covering different hours and/or different days,
- (b) revise the hours and/or days of any Purchased Block offering to be made each week,
- (c) revise the kilowatt amount of any Purchased Block,
- (d) increase the maximum kilowatt amount applicable to any purchase by Distributor in a week, and/or
- (e) revise the time deadline provided for under section 2 or section 3 above; provided, however, that unless made by the mutual agreement of the parties, no such revision shall result in there being less than 1 hour between said deadlines.

SECTION 7 - AGGREGATE PROVISIONS

7.1 Aggregate Participation by Distributors. It is recognized that, in lieu of, or in addition to, individual participation by Distributor in the Test Program, Distributor may wish to participate in up to two Aggregate Groups. In such event, and for each Aggregate Group in which Distributor elects to participate, Distributor shall so notify TVA in writing and shall provide TVA:

- (a) the names of the other distributors in the Aggregate Group,
- (b) a designation of the Aggregate Group Amount assigned by the Distributor to the Aggregate Group, and
- (c) the name of the Purchase Agent.

Distributor may change the Aggregate Group Amount originally assigned by the Distributor under (b) above by a notice given within the time period for such notice specified by TVA in the Program Guidelines; provided, however, that the notice period so specified shall be no longer than 14 calendar days. In addition, it is expressly recognized and agreed that Distributor:

- (i) shall not participate in more than two Aggregate Groups at any one time, and
- (ii) may only participate individually (in addition to participation in either one or two Aggregate Groups) to the extent of its Remaining Individual Amount and only if its Remaining Individual Amount is sufficient to fulfill the minimum kilowatt requirements of a Purchased Block provided for in subsection 1.2 above.

7.2 Aggregate Groups. During such time that Distributor is a member of an Aggregate Group (and for each such group):

(a) for the purpose of (i) fulfilling the minimum kilowatt requirements of a Purchased Block provided for in subsection 1.2 above and (ii) determining the maximum amount that may be purchased in a specific week under the Test Program, Aggregate Group Amounts assigned to the Aggregate Group by each distributor member of the Purchase Group shall be combined,

(b) at the time of the Purchase Agent's notification to TVA of arrangements for delivery of a Purchased Block under the provisions of section 3 of this Test Program Agreement, the Purchase Agent shall specify, in such manner as may be provided for in the Program Guidelines, (i) the specific distributors of the Aggregate Group that will constitute the Purchase Group for that Purchased Block and (ii) for any distributors so participating based on less than their full Aggregate Group Amount, the lesser Participation Amount to be used for that distributor, and

(c) with respect to any Purchased Block, any applicable credits and debits provided for in section 5 of the Test Program Agreements shall be computed by TVA for the entire Purchase Group and prorated among the distributor members of the Purchase Group in a ratio equal to (i) the distributor member's Participation Amount divided by (ii) the sum of the Participation Amounts for all members of the Purchase Group.

It is recognized that, at least at the present time, TVA may administratively be able to accommodate having only one Purchase Group per Aggregate Group each week, with one Participation Amount per each member of that group. Accordingly, except to the extent that TVA may otherwise later provide in Program Guidelines, it is expressly recognized that the specifications to be made under item (b) above shall be so limited.

7.3 Purchase Agent Authority. If Distributor becomes a part of an Aggregate Group under 7.1 above, Distributor:

(a) shall remain a part of that Aggregate Group, and

(b) with respect to the Aggregate Group Amount assigned by Distributor to said group, may only act under the Test Program Agreement through the actions of the Purchase Agent appointed under 7.1 above for the Aggregate Group

until the effective date of any written notification by Distributor to TVA that Distributor will no longer be a part of that Aggregate Group. Further, it is expressly recognized and agreed that, with respect to the Aggregate Group Amount assigned by Distributor to said group:

(i) except as provided in item (c) of subsection 7.2 above, all actions referred to in this agreement as being the right or responsibility of Distributor shall instead be the right or responsibility of the Purchase Agent on behalf of the Aggregate Group and each member of the Aggregate Group,

(ii) the Purchase Agent shall have full and complete legal authority to act for and bind the Aggregate Group and each member of the Aggregate Group with respect to such rights and responsibilities,

(iii) Distributor agrees to be bound by the actions of the Purchase Agent, including, without limitation, each notification form submitted by the Purchase Agent under item (b) of 7.2 above, and

(iv) notwithstanding the provisions of section 8 of this agreement, the Operating Representative designated by the Purchase Agent shall be the Operating Representative for the Aggregate Group, the Purchase Group, and each distributor member of those groups.

SECTION 8 - OPERATING REPRESENTATIVES

TVA's Operating Representative for administration of this agreement shall be the Executive Vice President, Customer Service and Marketing, or a designee. Except as otherwise provided in section 7 with respect to an Aggregate Group and a Purchase Group, 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 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 9 - TERM OF AGREEMENT

9.1 Agreement Term. This agreement shall become effective as of the date first above written. Unless sooner terminated as provided below, it shall continue in effect until the expiration or termination of the Power Contract.

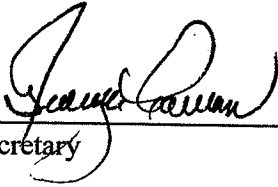
9.2 Termination of Agreement. Either party may terminate this agreement effective as of April 7, 2001, or as of anytime thereafter, by giving written notice to the other party at least 3 months prior to the effective date of the notice.

SECTION 10 - AFFIRMATION OF POWER CONTRACT

The Power Contract, as supplemented by this agreement, is hereby 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 representatives, as of the day and year first above written.

Attest:



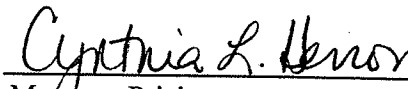
Secretary

**TRI-COUNTY ELECTRIC
MEMBERSHIP CORPORATION**

By 

President

TENNESSEE VALLEY AUTHORITY

By 

Manager, Pricing
Customer Service and Marketing

System Value Confidentiality Attachment

The provisions in this attachment shall apply to provide for Distributor's obligations with respect to maintaining the confidentiality of System Value information.

1. Except as may be otherwise required by law, as a condition of participation in the Test Program, and in consideration of TVA's making System Value information available to Distributor or to a Purchase Agent, Distributor agrees not to divulge System Value information to third parties without the written consent of TVA.
2. In the event that Distributor is legally required to disclose any System Value information to another party, Distributor shall notify TVA with reasonable promptness so that TVA may join Distributor in the pursuit of an agreement of confidence with such other party, work with such other party to revise the information in a manner consistent with TVA's interests and the interests of the other party, or take any other action TVA deems appropriate.
3. The foregoing obligations of Distributor shall terminate if and when, but only to the extent that, such System Value information is or shall become publicly known through no fault of Distributor. Accordingly, it is expressly recognized and agreed that the obligations of the parties under this attachment shall survive any expiration or termination of the Test Program Agreement until all of Distributor's obligations with respect to any System Value information so terminates.
4. It is acknowledged that money damages may be an inadequate remedy for breach of Distributor's obligations with respect to System Value information. Accordingly, without waiving any right not expressly waived by this sentence, Distributor agrees in advance to the granting of injunctive or other equitable relief in favor of TVA, if TVA can make each and every showing required for such injunctive or equitable relief, except that TVA need not demonstrate that it suffered actual money damages before being entitled to injunctive or equitable relief.
5. Distributor's obligations with respect to System Value information shall inure to the benefit of, and shall be binding upon, Distributor and TVA, and, as applicable, their respective subsidiaries, successors and assigns. In addition, Distributor's obligations with respect to System Value information shall be binding upon any Purchase Agent for Distributor, as well as all directors, officers, and employees of Distributor, and Distributor shall secure the compliance by all of the foregoing with all of the terms and conditions of obligations with respect to System Value information required to be observed or performed hereunder.

Tri-County Electric Membership Corporation

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

March 30, 2000

Mr. Mark Shults
Customer Service Manager
Tennessee Valley Authority
6045 Russellville Road
Bowling Green, KY 42101-7319

Dear Mark:

Enclosed are three (3) partially executed agreements regarding the Wholesale to Market Test Program between Tri-County Electric Membership Corporation and TVA.

Please return one fully executed agreement for our file.

If additional information is needed, please advise.

Sincerely,



DAVID M. CALLIS
Executive Vice President and
General Manager

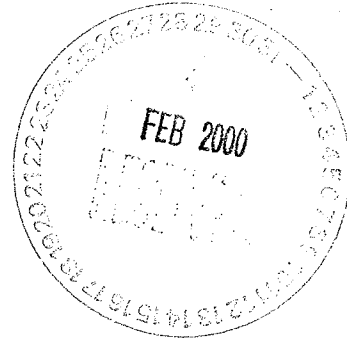
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Enclosures (3)



Tennessee Valley Authority, 6045 Russellville Road, Bowling Green, Kentucky 42101-7319

February 25, 2000



Mr. David Callis, Executive Vice President & General Manager
Tri-County Electric Membership Corporation
Post Office Box 40
Lafayette, Tennessee 37083

Dear David:

Enclosed are four original agreements which frame the cooperation between Tri-County Electric Membership Corporation and TVA in the Wholesale to Market Test Program.

I use the term '*cooperation*' because this is not a TVA program in the traditional sense. Upon request, TVA is permitting Tri-County Electric Membership Corporation and your agents to buy power on TVA's behalf. In this role as a purchaser for TVA, participating distributors have certain responsibilities spelled out in the enclosed agreement. TVA has structured this test program to be an extremely safe and enjoyable learning experience for participating distributors, and I encourage you to participate.

If needed, I will be happy to meet in person with you or your board at your earliest convenience to explain the criteria of this program. It is anticipated that distributors could start making purchases by April 6. By executing the enclosed agreements, Tri-County Electric Membership Corporation is not obligated financially nor required to participate in trading activities.

Please return three executed originals of the enclosed agreements to me for further handling.

Thank you for your consideration and happy trading.

Sincerely,

Mark C. Shults
Customer Service Manager
Kentucky

Enclosures



Tennessee Valley Authority, 6045 Russellville Road, Bowling Green, Kentucky 42101-7319



May 18, 2001

Mr. Paul Thompson, Executive Vice President
and General Manager
Tri-County Electric Membership Corporation
Post Office Box 40
Lafayette, Tennessee 37083

Dear Paul:

Enclosed please find a fully executed original of letter agreement TV-52337A, Supplement No. 59, dated March 15, 2001, covering the electronic payment of wholesale power invoices by Tri-County Electric Membership Corporation.

If you have any questions, please feel free to contact me at (270) 846-7040.

Sincerely,

A handwritten signature in cursive script, appearing to read "Myron".

Myron N. Callaham
Senior Customer Service Manager
Kentucky

Enclosure

File

Tri-County Electric Membership Corporation

405 College Street
P.O. Box 40
Lafayette, TN 37083-0040

Telephone: (615) 666-2111
Fax: (615) 666-5009

April 26, 2001

Mr. Myron N. Callaham
KY Senior Customer Service Manager
Tennessee Valley Authority
6045 Russellville Road
Bowling Green, KY 42101-7319


RE: Electronic Payments

Dear Myron:

Enclosed please find two executed originals of the above referenced Agreement TV-52337A. Please return a fully executed copy 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

Enclosures (2)



Tennessee Valley Authority, 6045 Russellville Road, Bowling Green, Kentucky 42101-7319

April 3, 2001

Mr. Paul Thompson, Interim Executive Vice President
and General Manager
Tri-County Electric Membership Corporation
Post Office Box 40
Lafayette, Tennessee 37083

Dear Paul:

Enclosed are two duplicate originals of a letter agreement covering arrangements for Tri-County Electric Membership (TCEMC) to participate in a program under which TCEMC will make electronic payments of its monthly wholesale power invoice.

Upon execution of the agreements by TCEMC, please return both duplicate original agreements to me for further handling. A fully executed original agreement will be returned to you for your records.

Sincerely,

A handwritten signature in cursive script that reads "Myron".

Myron N. Callaham
Senior Customer Service Manager
Kentucky

Enclosures





Tennessee Valley Authority, Post Office Box 292409, Nashville, Tennessee 37229-2409

March 15, 2001

TV-52337A
Supp. No. 59

Mr. Boyd Alexander, President
Tri-County Electric Membership Corporation
Post Office Box 40
Lafayette, Tennessee 37083-0040

Dear Mr. Alexander:

This will confirm the arrangements developed between representatives of Tri-County Electric Membership Corporation (Distributor), and Tennessee Valley Authority (TVA) with respect to amending the wholesale power contract dated July 18, 1979, as amended (Power Contract), between the parties to provide for electronic payment of Distributor's monthly wholesale power bill.

It is understood and agreed that effective with the March 2001 wholesale billing month:

1. Definition of Terms. For the purposes of this agreement:
 - a. The time shall be Eastern Standard Time or Eastern Daylight Time, whichever is then applicable.
 - b. A business day shall be any day except Saturday, Sunday, or a weekday that is observed by TVA as a Federal holiday.
 - c. Federal holidays currently include New Year's Day, Martin Luther King's Birthday, Presidents' Day, Memorial Day, Independence Day, Labor Day, Columbus Day, Veterans' Day, Thanksgiving Day, and Christmas Day.
 - d. The Due Date for payment of the wholesale power bill shall be 15 calendar days after TVA's meter reading date or 7 calendar days after the date of the bill, whichever is later.
 - e. For the purpose of applying the late payment charges under section 5 of this agreement, the last date for electronic bill payment shall be the first business day that falls at least 17 calendar days after the Due Date.
 - f. For the purpose of applying the early payment credit under section 6 of this agreement, the last date for electronic bill payment shall be 17 calendar days after the due date.

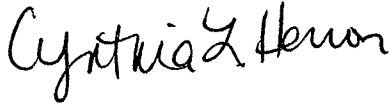
- g. TVA's average short-term interest rate shall be determined in the same manner set out in the first paragraph of the section headed "Billing" of the Schedule of Terms and Conditions of the Power Contract.
 - h. The section headed "Billing" of the Schedule of Terms and Conditions of the Power Contract shall be called the "Billing Section."
2. Electronic Payment of Wholesale Bill. Distributor agrees to pay its wholesale bill to TVA using one of the electronic payment methods approved by TVA. There are currently two methods available: Automatic Clearing House (ACH) Credit and ACH Debit. Distributor will inform TVA of the method it selects, and TVA will supply Distributor with detailed instructions on using the method selected. Distributor may change to any other TVA-approved method upon 30 days' notice. A third payment method, Fedwire Transfer, is only to be used on an emergency basis. If Distributor is currently using this method, unless otherwise agreed by TVA, Distributor will promptly arrange for the conversion from the Fedwire Transfer method to one of the above ACH payment methods following execution of this agreement.
 3. All Invoice Items Covered. The provisions of this agreement will apply to all items shown on the monthly wholesale power invoice, whether or not such items are directly related to payment for power and energy used in the monthly billing period.
 4. When Payment Is Considered Received. Payment will be considered to have been received by TVA on a particular business day if (a) the electronic fund transfer to TVA's account is effective that day and (b) Distributor notifies TVA, in the manner specified by TVA, of the pending electronic payment by no later than 12:00 p.m. on the preceding business day. Otherwise, the business day following the date that the transfer is effective will be considered to be the date of payment for all purposes of this agreement.
 5. Late Charge. To any amount not considered received on or before the last date for electronic bill payment, there shall be added an additional charge. This charge shall be equal to the sum of (a) \$150 and (b) an amount calculated by applying TVA's average short-term interest rate to the unreceived portion of the bill for each day of the period from the Due Date to the date payment in full is considered received.
 6. Early Payment Credit. If payment is considered received by TVA at least 5 calendar days prior to the last date for electronic bill payment, TVA will allow Distributor an early payment credit. Such credit will be determined by applying TVA's average short-term interest rate to the amount of the early payment for each day of the period (not to exceed 25 days) from the date payment was considered received to the last date for electronic bill payment. Distributor may deduct the amount of this credit from its wholesale power bill. In such case, Distributor will send a credit advice showing how the credit amount was calculated.

Mr. Boyd Alexander
Page 3
March 15, 2001

7. Term of Agreement. This agreement shall remain in effect for the term of the Power Contract, unless terminated by either party upon 30 days' prior written notice.
8. Suspension of Certain Existing Billing Provisions. During the term of this agreement certain provisions of the Billing Section are suspended. Those provisions are the first four sentences of the first paragraph and the entire second paragraph. In the event this agreement is terminated under section 7 above, the suspended provisions will be automatically reinstated.
9. Power Contract Affirmed. Except as expressly provided otherwise under this agreement, the provisions of the Billing Section shall remain in full force and effect. The Power Contract, as supplemented and amended by this agreement, is hereby ratified and confirmed as the continuing obligation of the parties.

If this letter satisfactorily sets forth our understandings, please have a duly authorized representative execute each of the three duplicate originals on behalf of Distributor and return them to the TVA customer service center. Upon execution by TVA, this letter shall be a binding agreement, and a fully executed original will be returned to you.


Very truly yours,



Cynthia L. Herron
Manager, Contracts and Pricing
Customer Service and Marketing

Accepted and agreed to as of
the date first above written.

**TRI-COUNTY ELECTRIC
MEMBERSHIP CORPORATION**

By 
Title: PRESIDENT



Tennessee Valley Authority, 6045 Russellville Road, Bowling Green, Kentucky 42001-7319



July 12, 2001

Mr. Paul Thompson, Executive Vice President
and General Manager
Tri-County Electric Membership Corporation
Post Office Box 40
Lafayette, Tennessee 37083

Dear Paul:

Enclosed please find a fully executed original Wholesale Energy To Market
Amendatory Agreement, TV-52337A, Supplement No. 60, dated May 29, 2001, for Tri-
County Electric Membership Corporation.

If you have any questions, please feel free to call me at (270) 846-7041.

Sincerely,

Myron N. Callahan
Senior Customer Service Manager
Kentucky

Enclosure

WETM AMENDATORY AGREEMENT
Between
TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION
And
TENNESSEE VALLEY AUTHORITY

Date: May 29, 2001

TV-52337A, Supp. No. 60

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 (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, TVA and Distributor have also entered into a Wholesale Energy to Market Agreement dated April 3, 2000 (WETM Agreement); and

WHEREAS, the parties wish to supplement and amend the WETM Agreement in the respects necessary to provide for force majeure relief under the conditions set forth in the new section 10 of the WETM Agreement provided for by section 3 below; and

WHEREAS, the parties also wish to supplement and amend the WETM Agreement in the respects necessary to provide for a credit to reflect damages sustained by Distributor for a failure by TVA to accept delivery which is not an excused failure under said new section 10 or which is not otherwise caused by Distributor or any agent acting for Distributor, said credit to be applicable under the conditions set forth in the new section 11 of the WETM Agreement also provided for by said section 3 below;

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. **ADDITIONAL WETM AGREEMENT DEFINITIONS.** Section 1 of the WETM Agreement is hereby amended by adding the following additional definitions:

1.17 "Transmission Provider" shall mean any entity transmitting or transporting all or a portion of a Purchased Block.

1.18 "Firm Transmission" shall mean arrangements for firm transmission under the Transmission Provider's tariff applicable to such arrangements.

1.19 "Scheduled Firm Transmission" shall mean arrangements for the delivery of a Purchased Block or a portion thereof which:

(a) are arranged for by Distributor in accordance with the provisions of item (ii) in the last paragraph of section 3 of this agreement, and

(b) include both (i) Firm Transmission over all Transmission Providers' systems from the generation source to the Interconnection Point and (ii) TVA capability to accept delivery at the Interconnection Point on a firm basis.

1.20 "Scheduled Firm Interconnection Point" shall mean arrangements for the delivery of a Purchased Block or a portion thereof which:

(a) are arranged for by Distributor in accordance with the provisions of item (ii) in the last paragraph of section 3 of this agreement, and

(b) include TVA capability to accept delivery at the Interconnection Point on a firm basis, whether or not transmission to the Interconnection Point is Scheduled Firm Transmission.

It is expressly recognized and agreed that no TVA obligation to accept delivery at an Interconnection Point shall be deemed to arise under this agreement except to the extent that such delivery arrangements include a Scheduled Firm Interconnection Point.

1.21 "Transmission Service Guidelines" and "TVA's Transmission Service Guidelines" shall mean the Tennessee Valley Authority Transmission Service Guidelines or any successor TVA tariff of general applicability.

1.22 "Sales Price" (as used in calculating the amount, if any, of a credit applicable under section 11 of this agreement) shall mean:

(a) the price (expressed in cents per kilowatt hour) at which Distributor, acting in a commercially reasonable manner, resells (if at all) any electric energy not received by TVA, reduced by additional transmission charges, if any, incurred by Distributor to effect such resale, less any costs Distributor avoids as a consequence of TVA's failure to take delivery, or

(b) absent any such sale, the market price for such quantity of substitute or replacement electric energy delivered at the Scheduled Firm Interconnection Point during the applicable period of delivery as determined by Distributor in a commercially reasonable manner;

provided, however, in no event shall the Sales Price include any penalties, ratcheted demand or similar charges or any stranded costs.

2. REPLACEMENT COST DEFINITION. Section 1 of the WETM Agreement is hereby further amended by replacing subsection 1.7 with the following language:

1.7 "Replacement Cost" (as used in calculating the amount, if any, of a debit to Distributor's wholesale bill for Undelivered Energy in accordance with subsection 5.2) shall mean the amount by which:

(a) the revenue lost by TVA (acting in a commercially reasonable manner), expressed in cents per kWh, as a result of interrupting a previously arranged sale to provide the Undelivered Energy, including any damages paid by TVA as a result of interrupting the sale, or

(b) (absent any such interruption as set forth in (a) above) the market price per kWh (as determined by TVA in a commercially reasonable manner) for the Undelivered Energy,

exceeds the System Value, which would have been credited to Distributor if the Undelivered Energy had been delivered. It is expressly recognized and agreed that nothing in this subsection 1.7 shall be construed to require TVA to interrupt a previously arranged sale as the preferred method of obtaining energy to replace Undelivered Energy.

3. NEW WETM AGREEMENT SECTIONS. The WETM Agreement is hereby amended to (1) renumber Section 10 as Section 12 and (2) add the following new Sections 10 and 11:

SECTION 10 FORCE MAJEURE RELIEF

10.1 Scheduled Firm Transmission. To the extent that Distributor has first completed arrangements for Scheduled Firm Transmission, (a) Distributor may be relieved of its obligation to deliver energy as provided for in 10.2 or 10.4 below and (b) TVA may be relieved of its obligation to accept delivery of energy as provided for in 10.3 or 10.4 below. It is expressly recognized and agreed that no such relief shall be based on (i) the loss of TVA's markets, (ii) TVA's inability economically to use or resell any portion of the Purchased Block arranged hereunder, (iii) the loss or failure of Distributor's supply, (iv) Distributor's ability to sell any portion of the Purchased Block arranged hereunder at a price greater than the applicable System Value, or (v) loss, interruption, or curtailment of transmission except as provided in subsections 10.2 and 10.3 below.

10.2 Distributor Relief. To the extent that any undelivered portion of a Purchased Block for which Scheduled Firm Transmission has been arranged is not delivered due to a loss, interruption, or curtailment of Firm Transmission caused by an event which excuses performance by the Transmission Provider under a "force majeure" provision, an "uncontrollable forces" provision, or a similar provision in the Transmission Provider's tariff, Distributor shall be excused from its obligation to deliver such energy and any such undelivered portion shall be deemed not to be Undelivered Energy for purposes of applying the provisions of subsections 1.6, 1.7, and 5.2 of this agreement.

10.3 TVA Relief. To the extent that any failure by TVA to accept delivery of any portion of a Purchased Block for which Scheduled Firm Transmission has been arranged is due to a cause which would excuse TVA from accepting delivery under the Force Majeure provisions of the Transmission Service Guidelines in effect on the date that such Scheduled Firm Transmission arrangements are completed by Distributor, TVA shall be excused from its obligation to accept such delivery.

10.4. Distributor or TVA Relief. In addition to the relief afforded by subsections 10.2 or 10.3, either party may be excused from performance to the extent said party is prevented from completing its performance by an event or circumstance not anticipated as of the date when Scheduled Firm Transmission arrangements are completed, which event or circumstance is not within the reasonable control of, or the result of the negligence of, said party and which by the exercise of due diligence said party is unable to overcome or avoid or cause to be avoided.

10.5 Relief Process. Either party may seek relief from the other party as provided for in subsections 10.1, 10.2, 10.3 and 10.4 above by notifying the other party as soon as practicable after the beginning of an event or circumstance that the party seeking relief believes to be an event or circumstance entitling the party to relief under this section 10.

SECTION 11- TVA FAILURE TO ACCEPT DELIVERY

11.1 Distributor Credit. To the extent that TVA fails to take delivery of any portion of a Purchased Block as to which Distributor has completed arrangements with TVA for a Scheduled Firm Interconnection Point and unless such failure by TVA is excused under subsection 10.3 or 10.4 above or is caused by Distributor or any agent acting for Distributor with respect to the Purchased Block, in lieu of the System Value Credit which would have been applicable for delivered energy under the provisions of subsection 5.1 of this agreement, distributor shall be entitled to a credit, if any, equal to the product of:

(a) the amount of energy not so taken

multiplied by

(b) the positive difference, if any, obtained by subtracting the Sales Price from the applicable System Value.

11.2 Distributor Claim. If Distributor believes that it is due a credit under 11.1 above, as soon as practicable after the end of the period for which it is claimed that TVA failed to accept delivery, Distributor shall notify TVA in writing of the amount of the credit which it claims is due, which notice shall include a written statement explaining in reasonable detail the calculation of such amount.

11.3 Exclusive Remedy. The remedy set forth above in this section 11:

(a) shall be the sole and exclusive remedy of Distributor for the failure of TVA to accept delivery of a Purchased Block, or any portion thereof, and

(b) Distributor waives all rights to seek or collect any other damages for such failure.

4. **WETM AGREEMENT SECTION 5.** Section 5 of the WETM Agreement is amended in the respects necessary to expressly recognize that

(a) the remedy set forth in subsection 5.2 of the WETM Agreement shall be the sole and exclusive remedy of TVA for Undelivered Energy, and

(b) TVA waives all rights to seek or collect any other damages for Undelivered Energy.

5. **AMENDATORY AGREEMENT TERM.** This agreement shall become effective as of the date first above written. It shall continue in effect until the expiration or termination of the WETM Agreement.

IN WITNESS WHEREOF, the parties have caused this agreement to be executed by their duly authorized representatives, as of the day and year first above written.

Attest:

**TRI-COUNTY ELECTRIC
MEMBERSHIP CORPORATION**

Ray Good
Secretary

By [Signature]
President

TENNESSEE VALLEY AUTHORITY

By Cynthia L. Henry
Manager, Pricing
Customer Service and Marketing

**Tri-County Electric
Membership Corporation**

405 College Street
P.O. Box 40
Lafayette, TN 37083-0040

Telephone: (615) 666-2111
Fax: (615) 666-5009

March 29, 2001

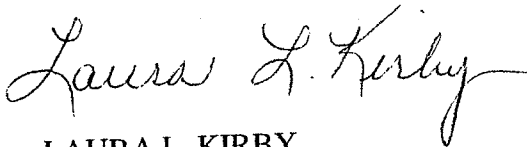
Mr. Myron N. Callahan
KY Senior Customer Service Manager
Tennessee Valley Authority
6045 Russellville Road
Bowling Green, KY 42101-7319

RE: Wholesale Energy to Market Agreement

Dear Myron:

Please find enclosed two executed duplicate originals of the agreement amending the Wholesale Energy to Market Agreement. Please return a fully executed copy for our files.

Sincerely,



LAURA L. KIRBY
Administrative Assistant

For Paul Thompson
Interim General Manager



Tennessee Valley Authority, 6045 Russellville Road, Bowling Green, Kentucky 42101-7319

March 5, 2001

Mr. Paul Thompson, Interim Executive Vice President & General Manager
Tri-County Electric Membership Corporation
Post Office Box 40
Lafayette, Tennessee 37083

Dear Paul:

Enclosed are three duplicate originals of an agreement amending the Wholesale Energy to Market agreement to include the following:

- A replacement subsection 1.7 (Replacement Cost definition) which provides that Replacement Costs are not calculated on the higher of the two methods set out in (a) and (b), but rather whichever method is applicable.
- A new section 10 to include Force Majeure relief under certain conditions.
- A new section 11 which provides for a credit to reflect damages sustained by a distributor should TVA fail to take delivery of any portion of a Purchased Block that is not an excused failure.

Upon execution by Tri-County Electric Membership Corporation, please return two duplicate originals to me for completion. A fully executed original will be returned to you for Tri-County Electric Membership Corporation's files.

Sincerely,

A handwritten signature in black ink that reads "Myron N. Callahan". The signature is fluid and cursive, with a long horizontal flourish at the end.

Myron N. Callahan
Senior Customer Service Manager
Kentucky

Enclosures

Please file
8/2/2001 PT



Tennessee Valley Authority, 6045 Russellville Road, Bowling Green, Kentucky 42101-7319



July 30, 2001

Mr. Paul Thompson, Executive Vice President
and General Manager
Tri-County Electric Membership Corporation
Post Office Box 40
Lafayette, Tennessee 37083

Dear Paul:

Enclosed please find a fully executed original of letter agreement TV-52337A,
Supplement No. 61, dated March 20, 2001, covering the *energy right*® Small
Commercial Pilot Program six-month extension for Tri-County Electric Membership
Corporation.

If you have any questions, please feel free to contact me at (270) 846-7040.

Sincerely,

A handwritten signature in cursive script that reads 'Myron'.

Myron N. Callaham
Senior Customer Service Manager
Kentucky

Enclosure



Tennessee Valley Authority, Post Office Box 292409, Nashville, Tennessee 37229-2409

March 20, 2001

TV-52337A, Supp. No. 61
(Reference TV-52337A, Supp. No. 53)

Mr. Boyd Alexander, President
Tri-County Electric Membership Corporation
Post Office Box 40
Lafayette, Tennessee 37083-0040

Dear Mr. Alexander:

Under a contract numbered TV-52337A, Supplement No. 53, and dated December 10, 1998, as amended (Pilot Agreement), Tri-County Electric Membership Corporation (Distributor) and Tennessee Valley Authority (TVA) participate in an *energy right*[®] Small Commercial Pilot Program (Pilot). This confirms the agreement reached between the parties concerning a 6-month extension of the Pilot. The extension shall be effective as of March 31, 2001.

The parties agree to amend the Pilot Agreement to provide that the Pilot shall continue in effect until the earliest of the following:

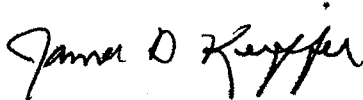
- 1) September 30, 2001;
- 2) the effective date of an early termination by either party in accordance with Section 2(B) of the Pilot Agreement;
- 3) the effective date of any new small commercial program offered by TVA (whether or not Distributor elects to participate in the new program); or
- 4) the effective date on which Distributor begins participating in any other pilot or program offered by TVA (including the then-current residential program) that includes incentives or matching funds for small commercial customers for heat pumps, night-time lighting, or electric water heaters.

Except as provided for by this letter, the provisions of the Pilot Agreement remain unchanged.

Mr. Boyd Alexander
Page 2
March 20, 2001


If this correctly states our agreement, please so indicate by having a duly authorized representative execute each of the two enclosed originals on behalf of Distributor and return the signed originals to us for further processing. We will return a fully executed original to you for your files.

Sincerely,



James D. Keiffer
Senior Vice President, Marketing

TRI-COUNTY ELECTRIC
MEMBERSHIP CORPORATION

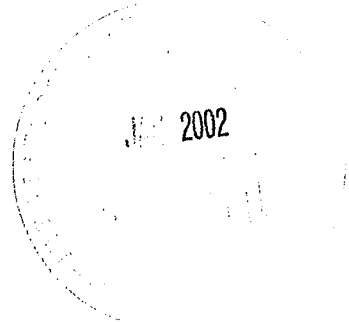
By: 
President

Jan. 14, 2002
Laura,
Please file.
Thanks,
Paul



Tennessee Valley Authority, 6045 Russellville Road, Bowling Green, Kentucky 42101-7319

January 10, 2002



Mr. Paul Thompson, Executive Vice President
and General Manager
Tri-County electric Member Corporation
Post Office Box 40
Lafayette, Tennessee 37083

Dear Paul:

Enclosed please find a fully executed original of the Enhanced Security Deposit Program Agreement, TV-52337A, Supplement No. 63, dated December 7, 2001, for Tri-County Electric Membership Corporation's records.

If you have any questions, please feel free to contact me at (270) 846-7040.

Sincerely,

Myron N. Callaham
Senior Customer Service Manager
Kentucky

Enclosure

Please see
File



Tennessee Valley Authority, Post Office Box 292409, Nashville, Tennessee 37229-2409

October 1, 2001

Pass. Print 20010098
TV-52337A, Supp. No. *604*
(Reference TV-52337A, Supp. No. 53)

Dr. James E. Carter, President
Tri-County Electric Membership Corporation
Post Office Box 40
Lafayette, Tennessee 37083-0040

Dear Dr. Carter:

Under a contract numbered TV-52337A, Supplement No. 53, and dated December 10, 1998, as amended (Pilot Agreement), Tri-County Electric Membership Corporation (Distributor) and Tennessee Valley Authority (TVA) participate in an *energy right*® Small Commercial Pilot Program (Pilot). This confirms the agreement reached between the parties concerning an extension of the Pilot. The extension shall be effective as of October 1, 2001.

The parties agree to amend the Pilot Agreement to provide that the Pilot shall continue in effect until the earliest of the following:

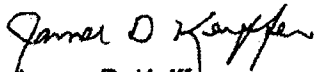
- 1) March 31, 2002;
- 2) the effective date of an early termination by either party in accordance with Section 2(B) of the Pilot Agreement;
- 3) the effective date of any new small commercial program offered by TVA (whether or not Distributor elects to participate in the new program); or
- 4) the effective date on which Distributor begins participating in any other pilot or program offered by TVA (including the then-current residential program) that includes incentives or matching funds for small commercial customers for heat pumps, night-time lighting, or electric water heaters.

Except as provided for by this letter, the provisions of the Pilot Agreement remain unchanged.

Dr. James E. Carter
Page 2
October 1, 2001

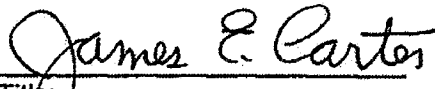
If this correctly states our agreement, please so indicate by having a duly authorized representative execute each of the two enclosed originals on behalf of Distributor and return the signed originals to us for further processing. We will return a fully executed original to you for your files.

Sincerely,



James D. Keiffer
Senior Vice President, Marketing

TRI-COUNTY ELECTRIC
MEMBERSHIP CORPORATION

By: 
Title: Board President

Tri-County Electric Membership Corporation

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

April 25, 2002

Mr. Myron N. Callaham
Senior Customer Service Manager - Kentucky
Tennessee Valley Authority
6045 Russellville Road
Bowling Green, KY 42101-7319

RE: Outdoor Lighting Rate

Dear Myron:

Please find enclosed one executed duplicate original of the above referenced Agreement (Reference TV-52337A, Supp. No. 65). We have kept one duplicate original for our files.

If additional information is needed, please advise.

Sincerely,



PAUL THOMPSON
Executive Vice President and General Manager
Tri-County Electric Membership Corporation

LK

Enclosure



Tennessee Valley Authority, 6045 Russellville Road, Bowling Green, Kentucky 42101-7319

April 1, 2002

04/25/2002
Laura,
Please mail (1) copy
of the contract to
Myron Callaham.
Thanks,
Paul

Mr. Paul Thompson, Executive Vice President
and General Manager
Tri-County Electric Membership Corporation
Post Office Box 40
Lafayette, Tennessee 37083

Dear Paul:

Enclosed are two duplicate originals of a standard-form resale rate schedule substitution agreement to provide for the substitution of Schedule LS (July 2002) for Schedule LS (October 1997, R1). This substitution will be effective for bills rendered for Tri-County Electric Membership Corporation's (TCEMC) revenue months beginning with the July 2002 revenue month.

Please note that in an effort to meet customer requests to shorten contract turn around time, TVA has already signed the enclosed proposed contract agreement. If TCEMC wishes to accept and enter into the proposed agreement, please have a duly authorized representative sign both duplicate originals on behalf of TCEMC and return one fully signed original to my office by May 23. If we do not receive the signed agreement from TCEMC by May 23, TVA's offer to enter into the proposed arrangements shall be withdrawn and of no further force and effect.

If you have any questions, please feel free to contact me at (270) 846-7040.

Sincerely,

Myron N. Callaham/BCW

Myron N. Callaham
Senior Customer Service Manager
Kentucky

Enclosures



March 28, 2002

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 schedule specified in (a) below, a copy of which is attached, for the resale rate schedule specified in (b) below, which is now in effect under provisions of Power Contract TV-52337A, dated July 18, 1979, as amended (Power Contract), between TVA and Distributor. This substitution is to be effective for all bills rendered from resale meter readings taken for revenue months of Distributor beginning with the July 2002 revenue month.

- (a) New resale rate schedules:
Outdoor Lighting Rate--Schedule LS (July 2002)
- (b) Existing resale rate schedules:
Outdoor Lighting Rate--Schedule LS (October 1997, R1)

It is understood that, upon execution of this agreement by TVA and Distributor, all references in the Power Contract to the existing resale rate schedule specified in (b) above, or to any predecessor schedules, shall be deemed to refer to the appropriate new resale rate schedule specified in (a) above.

**TRI-COUNTY ELECTRIC
MEMBERSHIP CORPORATION**

By _____

Title:

James F. Carter
Tri-County EMC Board President

Rate schedule substitution agreed to as of
the date first above written.

TENNESSEE VALLEY AUTHORITY

By _____

Manager, Contracts and Pricing
Customer Service and Marketing

For

TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION

OUTDOOR LIGHTING RATE--SCHEDULE LS

(July 2002)

Availability

Available for service to street and park lighting systems, traffic signal systems, athletic field lighting installations, and outdoor lighting for individual customers.

Service under this schedule is for a term of not less than 1 year.

Payment

Bills under this rate schedule will be rendered monthly. Any amount of bill unpaid after due date specified on bill may be subject to additional charges under Distributor's standard policy.

Adjustment

The energy charge in Part A and Part B of this rate schedule shall be increased or decreased in accordance with the current Adjustment Addendum published by TVA. (In addition, the energy charge in Part A and Part B of this rate schedule shall be increased or decreased to correspond to increases or decreases determined by TVA in the value of the hydro generation benefit allocated to residential customers.)

PART A--CHARGES FOR STREET AND PARK LIGHTING SYSTEMS, TRAFFIC SIGNAL SYSTEMS, AND ATHLETIC FIELD LIGHTING INSTALLATIONS

I. Energy Charge: 4.500¢ 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 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.

* Incorporates June 1993 Hydro Realignment Adjustments and adjustments set out in October 1997 Adjustment Addendum

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 \$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

(a) <u>Type of Fixture</u>	<u>Lamp Size</u>		<u>Rated kWh</u>	<u>Facility Charge</u>
	<u>(Watts)</u>	<u>(Lumens)</u>		
Mercury Vapor or Incandescent	175	7,650	70	\$ 5.17
	400	19,100	155	\$ 7.83
High Pressure Sodium	100	8,550	42	\$ 7.81
	200	18,900	82	\$ 12.91
	250	22,500	105	\$ 11.36
	400	45,000	165	\$ 12.35
Metal Halide	400	45,000	165	\$ 10.21
	1,000	125,000	398	\$ 14.81

(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.

Service is subject of Rules and Regulations of Distributor.

Jan. 2002 meeting

Tri-County Electric Membership Corporation
Security Light Cost Analysis
December, 2001

Size	Type Light	Existing Rate	Average Install Cost	KWH Per Month	Energy Cost/Mo. @ 0.045/KWH	(A) Facility Cost Light	Total Monthly Cost	Monthly Loss per Light	Number Of Lights	Total Loss per Month	Proposed Monthly Charge	Rate Increase	Additional Revenue
175	MV	7.00	250.00	70	3.15	5.17	8.32	(1.32)	7,610	(10,045.20)	8.50	1.50	11,415.00
400	MV	11.00	382.50	155	6.98	7.83	14.81	(3.81)	3,111	(11,852.91)	15.00	4.00	12,444.00
100	HPS	7.50	284.38	42	1.89	7.81	9.70	(2.20)	1,123	(2,470.60)	10.00	2.50	2,807.50
200	HPS	9.75	476.88	82	3.69	12.91	16.60	(6.85)	1,490	(10,206.50)	17.00	7.25	10,802.50
250	HPS	10.75	418.75	105	4.73	11.36	16.09	(5.34)	26	(138.84)	16.50	5.75	149.50
400	HPS	13.25	456.25	165	7.43	12.35	19.78	(6.53)	23	(150.19)	20.00	6.75	155.25
400	MH	16.25	491.88	165	7.43	10.21	17.64	(1.39)	286	(397.54)	18.00	1.75	500.50
1000	MH	28.25	724.38	398	17.91	14.81	32.72	(4.47)	43	(192.21)	33.00	4.75	204.25
Monthly Loss - Lights:										(35,453.99)			
Annual Loss:										(425,447.88)			
										x 12 months			
										38,478.50			
										x 12 months			
										461,742.00			

(A) See individual calculation sheets for detail of Facility Charge

* (MV) Mercury Vapor (5-10 yr. life)
* (HPS) High Pressure Sodium (2yr life)

Sec_Lights

Tri-County Electric
Membership Corporation

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

August 29, 2002

Mr. Myron N. Callaham
Senior Customer Service Manager - Kentucky
Tennessee Valley Authority
6045 Russellville Road
Bowling Green, KY 42101-7319

RE: Resale Rate Schedule Substitution Agreement

Dear Myron:

Please find enclosed one (1) executed duplicate original of the above referenced Agreement (Reference TV-52337A, Supp. No. 66). As stated this agreement will be effective with the September 2002 revenue month.

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

Enclosure

August 8, 2002

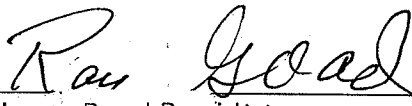
RESALE RATE SCHEDULE SUBSTITUTION AGREEMENT
Between
TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION (DISTRIBUTOR)
And
TENNESSEE VALLEY AUTHORITY (TVA)

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 Power Contract TV-52337A, date July 18, 1979, as amended (Power Contract), between TVA and Distributor. This substitution is to be effective for all bills rendered from resale meter readings taken for revenue months of Distributor beginning with the September 2002 revenue month.

- (a) New resale rate schedules:
Residential Rate--Schedule RS (September 2002)
General Power Rate--Schedule GSA (September 2002)
- (b) Existing resale rate schedules:
Residential Rate--Schedule RS (October 1997, R1)
General Power Rate--Schedule GSA (October 1997, R1)

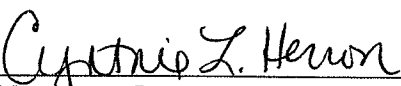
It is understood that, upon execution of this agreement by TVA and Distributor, all references in the Power Contract to the existing resale rate schedules specified in (b) above, or to any predecessor schedules, shall be deemed to refer to the appropriate new resale rate schedules specified in (a) above.

**TRI-COUNTY ELECTRIC
MEMBERSHIP CORPORATION**

By 
Title: Board President

Rate schedule substitution agreed to as of
the date first above written.

TENNESSEE VALLEY AUTHORITY

By 
Manager, Contracts and Pricing
Customer Service and Marketing

TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION

RESIDENTIAL RATE--SCHEDULE RS

(September 2002)*

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: \$14.98 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.

Payment

Bills under this rate schedule will be rendered monthly. Any amount of bill unpaid after due date specified on bill may be subject to additional charges under Distributor's standard policy.

Single-Point Delivery

The charges under this rate schedule are based upon the supply of service through a single delivery and metering point, and at a single voltage.

Service is subject to Rules and Regulations of Distributor.

TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION

GENERAL POWER RATE--SCHEDULE GSA

(September 2002)*

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: \$17.50 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: \$50.00 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: \$100.00 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.

Service is subject to Rules and Regulations of Distributor.



Tennessee Valley Authority, 6045 Russellville Road, Bowling Green, Kentucky 42101-7319

August 12, 2002

Mr. Paul Thompson, Executive Vice President
and General Manager
Tri-County Electric Membership Corporation
Post Office Box 40
Lafayette, Tennessee 37083

Dear Paul:

Enclosed are two duplicate originals of a standard-form resale rate schedule substitution agreement to provide for the substitution of Schedule RS (September 2002) for Schedule RS (October 1997, R1) and Schedule GSA (September 2002) for Schedule GSA (October 1997, R1). This substitution will be effective for bills rendered for Tri-County Electric Membership Corporation's (TCEMC) revenue months beginning with the September 2002 revenue month.

Please note that in an effort to shorten contract turnaround times, TVA has tentatively executed the enclosed agreement which will go into effect September 2002. In order for the contract to be legally effective, it is necessary for one signed copy be returned to TVA by October 9, 2002. If this is not possible, please let us know as soon as you can so that we can work together on other arrangements.

Upon execution of the agreement, please retain one fully executed duplicate original for TCEMC's records and return one fully executed duplicate original to me.

If you have any questions, please give Hugh Meyer a call at (270) 846-7042.

Sincerely,

A handwritten signature in black ink that reads "Myron N. Callaham". The signature is written in a cursive style with a large, looping "C" for the last name.

Myron N. Callaham
Senior Customer Service Manager
Kentucky

Enclosures



Tennessee Valley Authority, 6045 Russellville Road, Bowling Green, Kentucky 42101-7819

September 17, 2003

Mr. Paul Thompson, Executive Vice President
and General Manager
Tri-County Electric Membership Corporation
Post Office Box 40
Lafayette, Tennessee 37083

Dear Paul:

Enclosed are two fully executed originals of Power Supply contract 00027235 dated July 13, 2003, covering supply of firm power and Variable Price Interruptible power (VPI). Please keep one original for Tri-County Electric Membership Corporation's records and forward the other original to A. O. Smith Electrical Products Company.

Also enclosed is a fully executed original of the Wholesale Billing Adjustment Agreement, TV-52337A, Supplement No. 67, dated July 13, 2003.

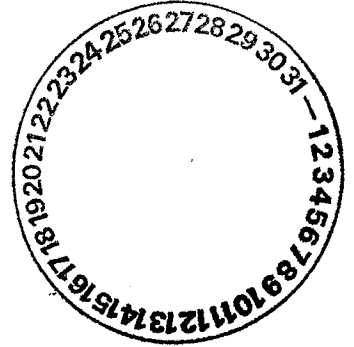
If you have any questions, please contact Hugh Meyer at (270) 846-7042.

Sincerely,

Myron N. Callaham
Senior Customer Service Manager
Kentucky

Enclosures

09/22/2003
Laura,
Please file a copy of
the Power Supply Contract #
Wholesale Billing Adjustment. Give
Tammy a copy of the Power Supply
Contract to deliver to A.O. Smith #
copy for her records.
Thanks
JAW
09/23/03
JK



AGREEMENT
Between
TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION
And
TENNESSEE VALLEY AUTHORITY

Date: July 13, 2003 TV-52337A, Supp. No. 67

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, TVA, Distributor, and A. O. Smith Electrical Products Company (Company) have entered into a contract of even date herewith (Company Contract) covering arrangements under which TVA will make available to Distributor for resale to Company a supply of firm power and of variable price interruptible power (VPI) for operation of Company's plant near 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, or until VPI is no longer available under the Company Contract, whichever first occurs.

SECTION 2 - BILLING DATA

Data obtained from the metering facilities referred to in section 4 of this agreement will be used (a) by Distributor for the purposes of determining the power and energy taken by Company and (b) by TVA for determining applicable adjustments for Distributor's wholesale bill. Accordingly, TVA will supply Distributor by the fourth working day following Company's scheduled meter-reading date the information regarding the amounts of VPI deemed to have been taken by Company, the times this VPI was taken, the price for this VPI, and such other information as may be necessary so that Distributor may be able to calculate Company's bill under the Company Contract. In order to facilitate TVA's preparation of the bill to Distributor for power and energy made available under the Power Contract, each month Distributor shall furnish to TVA a copy of Distributor's bill to Company for power and energy made available under the Company Contract when it is rendered and such other information related to Company's power and energy takings as TVA may require.

SECTION 3 - ADJUSTMENTS TO DISTRIBUTOR'S WHOLESALE BILLING

In calculating the wholesale bill each month for Distributor, the following steps will be taken with respect to Company:

3.1 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 excess billing demands established under the Company Contract and for any 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 VPI energy under the Company Contract, the term "metered demand" in the Wholesale Schedule shall be deemed to refer to an amount equal to any billing demand for excess power (as that demand is calculated under the Company Contract).

3.2 Adjustment to Base Charges. (a) The total dollar amount of base demand and energy charges calculated under the Wholesale Schedule shall be increased by adding thereto an amount equal to Distributor's monthly (i) charge to Company for VPI energy under section 6.3 of the Company Contract and (ii) per kW charge to Company under subsection 6.2.2 of the Company Contract (as both charges are determined under the Company Contract and adjusted to reflect losses as provided in (b) below).

(b) The loss adjustment provided for in (a) above shall be made by dividing the charge to be adjusted by 1.03.

(c) The amount added to the base charges of the wholesale bill pursuant to (a) above shall also be added to the "sum of all charges" used for the distribution loss calculation under the section entitled "Distribution Loss Charge" of the Wholesale Schedule.

3.3 Administrative Costs Charge. An amount equal to the charge billed to Company in accordance with subsection 6.2.1 of the Company Contract will be included as part of the wholesale bill.

3.4 Suspension Tier 3 Monthly Charge. If Article III of the Company Contract provides for Suspension Tier 3, an amount equal to the charge billed to Company in accordance with subsection 6.2.3 of the Company Contract will be included as part of the wholesale bill.

3.5 Credit for Distributor Margin. In order to enable Distributor to recover more adequately the cost of making VPI available to Company, TVA will apply a credit to the wholesale bill derived by multiplying 40 cents times the highest VPI Demand established under the Company Contract during the month.

SECTION 4 - METERING FACILITIES

4.1 Revenue Meter. Under previous power supply arrangements with Company, Distributor and TVA arranged to replace the revenue meter in Distributor's former metering facilities with a solid-state type revenue meter (Replacement Meter) capable of remote telephone access. Distributor, at its expense, provided the equipment and materials and performed the work necessary to install the Replacement Meter, which was provided by TVA at its expense. TVA will continue to provide the Replacement Meter for Distributor's use in determining the amounts of power and energy associated with VPI. Distributor shall continue to test, calibrate, operate, maintain, repair, and replace all facilities in the metering installation, except that TVA shall provide any necessary replacements for the Replacement Meter.

4.2 Distributor Responsibility. Distributor will not use the Replacement Meter for any purpose other than as specifically provided in this agreement unless it first obtains TVA's written agreement. Distributor shall reimburse TVA for any damage to the Replacement Meter caused by the negligence or other wrongful act or omission of Distributor or its agents or employees and shall promptly return the Replacement Meter to TVA upon expiration or termination of this agreement. The obligations of this paragraph shall survive such expiration or termination until they are discharged.

4.3 Telephone Circuit for Remote Access. To allow remote access to the metering data recorded by the Replacement Meter, Distributor, at its expense shall continue to provide and maintain, or to cause the provision and maintenance of, a telephone circuit connected (through a modem furnished by TVA at its expense) to the Replacement Meter. The telephone circuit shall be installed in accordance with guidelines furnished or approved by TVA. TVA agrees to permit Distributor remote access through the telephone circuit to the metering data, and TVA will provide Distributor any information necessary for the exercise of such access. Distributor will require equipment not provided by TVA to exercise such access and TVA will assist Distributor in determining the equipment to be utilized; however, the acquisition of such equipment shall be the sole responsibility of Distributor. The use of the telephone circuit and access to the metering data will be coordinated by

TVA's and Distributor's operating representatives to ensure unrestricted access by
TVA for data retrieval purposes during such periods as specified by TVA.

IN WITNESS WHEREOF, the parties have caused this agreement to be
executed by their duly authorized representatives, as of the day and year first above
written.

**TRI-COUNTY ELECTRIC
MEMBERSHIP CORPORATION**

By Paul Thompson
Title:
Exec. V.P. & Gen. Mgr.

TENNESSEE VALLEY AUTHORITY

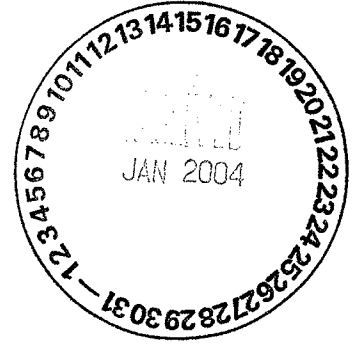
By Cynthia L. Heron
General Manager, Contracts and Pricing
Customer Service and Marketing



Tennessee Valley Authority, 604 Russellville Road, Bowling Green, Kentucky 42101-7319

January 13, 2004

*Jan. 15, 2004
Laura,
Please file.
Thanks
Paul*



#68
#69

Mr. Paul Thompson, Executive Vice President
and General Manager
Tri-County Electric Membership Corporation
Post Office Box 40
Lafayette, Tennessee 37083

Dear Paul:

Enclosed please find one fully executed original of Agreement TV-52337A, Supplement No. 68, Enhanced Growth Credit Program, and Supplement No. 69, Small Manufacturing Bill Credit Agreement for Tri-County Electric Membership Corporation's files. Both Agreements are effective October 1, 2003.

If you have any questions regarding the enclosed agreements, please give Hugh Meyer a call at (270) 846-7042.

Sincerely,

Myron N. Callahan
General Manager
Customer Service
Kentucky

Enclosures

AGREEMENT
Between
TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION
And
TENNESSEE VALLEY AUTHORITY

Effective Date: October 1, 2003 TV-52337A, Supp. No. 108

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 (TVA Act);

WITNESSETH:

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 supplement and amend the Power Contract in the respects necessary to revise the Enhanced Growth Credit Program in the respects necessary to provide for expanded credits to customers which qualify for participation in the Program on or after October 1, 2003;

NOW, THEREFORE, for and in consideration of the premises and of the mutual agreements set forth below, and subject to the TVA Act, the parties mutually agree as follows:

SECTION 1 - EGCP AGREEMENT AMENDED

(a) Under an agreement numbered TV-52337A, Supp. No. 39, and dated May 5, 1994 (EGCP Agreement), TVA and Distributor are participating in an Enhanced Growth Credit Program (Program) to encourage the fuller and better balanced development of the resources of the region by applying credits against the electric bills of certain eligible new and expanding general power customers of Distributor. The parties wish to revise the Program in the respects necessary to provide for expanded credits to customers which qualify for participation in the Program on or after October 1, 2003. Accordingly, effective as of said date, the EGCP Agreement is amended as follows:

(i) Unless otherwise specified, terms appearing in (ii) and (iii) below shall have the meaning set out in the EGCP Agreement.

(ii) The definition of Customer provided in Guideline 1.1 of the EGCP Participation Agreement Guidelines attached to and made a part of the EGCP

Agreement (Guidelines) shall be deemed to also refer to any customer of Distributor purchasing power under Standard Manufacturing Service Schedules MSB, MSC, or MSD, or Time-of-Day Manufacturing Service Schedules TMSB, TMSC, or TMSD.

(iii) Guideline 4 of the Guidelines is amended by adding the following new Guidelines 4.4 and 4.5:

4.4 Declining 8 Year Credit Option. If this credit option is selected, Distributor shall apply the following schedule of credit amounts in calculating the credits to be applied under a Participation Agreement entered into on or after October 1, 2003. Such credits will be applied for an 8-year period beginning with the first month in which the Customer qualifies for a credit under 2.2(c) or 3.2(c) above.

\$6.00 per kW for the first 12-consecutive-month period.

\$5.25 per kW for the second 12-consecutive-month period.

\$4.50 per kW for the third 12-consecutive-month period.

\$3.75 per kW for the fourth 12-consecutive-month period.

\$3.00 per kW for the fifth 12-consecutive-month period.

\$2.25 per kW for the sixth 12-consecutive-month period.

\$1.50 per kW for the seventh 12-consecutive-month period.

\$0.75 per kW for the eighth 12-consecutive-month period.

4.5 Flat 4 Year Credit Option. If this credit option is selected, Distributor will apply a credit amount of \$6.00 per kW in calculating the credits to be applied under a Participation Agreement entered into on or after October 1, 2003. Such credits will be applied for a 4-year period beginning with the first month in which the Customer qualifies for a credit under 2.2(c) or 3.2(c) above.

(iv) Any reference to Guideline 4.2 or 4.3 appearing in the Guidelines shall be deemed to also refer to Guideline 4.4 or 4.5.

(b) It is expressly recognized and agreed that Distributor will continue to apply the credit amounts provided for in Guideline 4.2 or 4.3 to any Customer which is eligible to receive credits under a Participation Agreement entered into prior to October 1, 2003. It is further expressly recognized and agreed that in the event of any Power Contract termination notice, TVA will be obligated to pay all credits provided for by any then-existing Participation Agreement until the earlier of (i) the end of the credit period provided for by Guideline 4.2, 4.3, 4.4, or 4.5 (as applicable under said Participation Agreement) or (ii) the end of the Power Contract.

SECTION 2 - TERM

Except as otherwise specifically provided herein, this agreement shall become effective as of the Effective Date first above written, and shall continue in effect until expiration of the Power Contract, or any renewal, extension, or replacement thereof.

SECTION 3 - POWER CONTRACT AFFIRMED

Except as expressly set out above, nothing in this agreement shall affect the other terms of the Power Contract.

IN WITNESS WHEREOF, the parties have caused this agreement to be executed by their duly authorized representatives, as of the day and year first above written.

**TRI-COUNTY ELECTRIC
MEMBERSHIP CORPORATION**

By James E. Carter
Title: *President*

TENNESSEE VALLEY AUTHORITY

By Cynthia L. Heron
General Manager, Contracts and Pricing
Customer Service and Marketing



Tennessee Valley Authority, 6045 Russellville Road, Bowling Green, Kentucky 42101-7319

January 13, 2004

*Jan. 15, 2004
Laura,
Please file.
Thanks
Jaw*



*#68
#69*

Mr. Paul Thompson, Executive Vice President
and General Manager
Tri-County Electric Membership Corporation
Post Office Box 40
Lafayette, Tennessee 37083

Dear Paul:

Enclosed please find one fully executed original of Agreement TV-52337A, Supplement No. 68, Enhanced Growth Credit Program, and Supplement No. 69, Small Manufacturing Bill Credit Agreement for Tri-County Electric Membership Corporation's files. Both Agreements are effective October 1, 2003.

If you have any questions regarding the enclosed agreements, please give Hugh Meyer a call at (270) 846-7042.

Sincerely,

Myron N. Callahan
General Manager
Customer Service
Kentucky

Enclosures

AGREEMENT
Between
TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION
And
TENNESSEE VALLEY AUTHORITY

Effective Date: October 1, 2003 TV-52337A, Supp. No. 69

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 (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, the parties wish to supplement and amend the Power Contract in the respects necessary to provide for revised and extended manufacturing credits for small manufacturing loads;

NOW, THEREFORE, for and in consideration of the premises and of the mutual agreements set forth below, and subject to the TVA Act, the parties mutually agree as follows:

SECTION 1 – REVISED GSA AND TGSA MANUFACTURING CREDITS

1.1 Previous Agreement. It is recognized that the agreement numbered TV-52337A, Supp. No. 37, and dated June 1, 1994, as supplemented and amended by an agreement numbered TV-52337A, Supp. No. 52, and dated October 1, 1997 (Manufacturing Credit Agreement), is due to terminate and be of no further force and effect after Distributor's September 2003 revenue month. Notwithstanding that scheduled termination, it is agreed that said Manufacturing Credit Agreement shall continue in effect for the limited purpose provided for below in this section 1.

1.2 Revised Credits. (a) Notwithstanding the scheduled termination of the Manufacturing Credit Agreement, it shall be deemed amended in the respects necessary to provide that effective with Distributor's October 2003 revenue month:

(i) the Manufacturing Credit Agreement shall continue to apply, in its entirety, to provide for the revised Expanded Credits specified in (ii) and (iii) below;

(ii) only customers served under Part 3 of either Schedule GSA or Time-of-Day Schedule TGSA shall be deemed to be Expanded Eligible Accounts eligible for the revised Expanded Credits; and

(iii) section 3a of the Manufacturing Credit Agreement shall be replaced with the following:

3a. Allowance of Expanded Credit. Notwithstanding anything in the Power Contract (including the Schedule of Rates and Charges) that may be construed to the contrary, beginning with Distributor's October 2003 revenue month (as that term is defined in Wholesale Power Rate--Schedule WS of the Schedule of Rates and Charges), Distributor shall apply a credit against the electric bill of each Expanded Eligible Account as provided below. Allowance of the Expanded Credit shall continue until implementation of the next Rate Change as provided for in the section of the Power Contract's Schedule of Terms and Conditions headed "Adjustment and Change of Wholesale Rate and Resale Rates." Distributor may, at its option, provide monthly credit amounts as a direct cash payment.

(a) **Application of Credit.** Except as provided in the next paragraph with respect to accounts taking time-of-day service, the dollar amount of the Expanded Credit applicable to each Expanded Eligible Account shall be equal to the sum of:

(i) \$1.38 per kW multiplied by the first 1,000 kW of metered demand applicable in calculating the firm billing demand determined for the customer's monthly bill;

(ii) \$1.63 per kW multiplied by any amount in excess of 1,000 kW of such metered demand; and

(iii) 0.54¢ per kWh multiplied by the firm energy determined for the customer's monthly bill;

provided, however, that no Expanded Credit shall be applied in any month in which the customer's metered demand for that account does not exceed 1,000 kW.

The dollar amount of the Expanded Credit applicable to each Expanded Eligible Account taking time-of-day service shall be equal to the sum of:

(i) \$1.52 per kW multiplied by the metered onpeak demand applicable in calculating the firm billing demand determined for the customer's monthly bill;

(ii) \$0.16 per kW multiplied by each kW of metered offpeak demand applicable in calculating such firm billing demand (which shall be the kW amount, if any, by which the metered offpeak demand exceeds the metered onpeak demand);

(iii) 0.708¢ per kWh multiplied by the firm onpeak energy determined for the customer's monthly bill; and

(iv) 0.433¢ per kWh multiplied by the firm offpeak energy determined for the customer's monthly bill;

provided, however, that no Expanded Credit shall be applied in any month in which the customer's metered demand for that account does not exceed 1,000 kW.

(b) Application of Other Credits. The customer's bill shall be reduced by the amount of the Expanded Credit prior to the application of any credits applicable under the Growth Credit Program, or any comparable program, for which the customer may be eligible.

(b) It is expressly recognized that effective with Distributor's October 2003 revenue month, no credits other than the revised Expanded Credits provided for above in this section 3 shall be applicable under the Manufacturing Credit Agreement.

SECTION 2 - TERM

Except as otherwise specifically provided herein, this agreement shall become effective as of the Effective Date first above written, and shall continue in effect until expiration of the Power Contract, or any renewal, extension, or replacement thereof.

SECTION 3 - POWER CONTRACT AFFIRMED

Except as expressly set out above, nothing in this agreement shall affect the other terms of the Power Contract.

IN WITNESS WHEREOF, the parties have caused this agreement to be executed by their duly authorized representatives, as of the day and year first above written.

**TRI-COUNTY ELECTRIC
MEMBERSHIP CORPORATION**

By James E. Carter
Title: President

TENNESSEE VALLEY AUTHORITY

By Cynthia L. Henry
General Manager, Contracts and Pricing
Customer Service and Marketing

Tri-County Electric Membership Corporation

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

September 25, 2003

Mr. Myron N. Callahan
General Manager – Customer Service – Kentucky
Tennessee Valley Authority
6045 Russellville Road
Bowling Green, KY 42101-7319

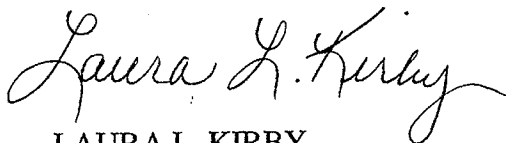
RE: Enhanced Growth Credit Program Agreement
And Manufacturing Credit Agreement

Dear Myron:

Please find enclosed two executed duplicate originals of the above referenced Agreements (Reference TV-52337A, Supp. No. ____). Please return an original of each 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

Enclosures (4)



Tennessee Valley Authority, 6045 Russellville Road, Bowling Green, Kentucky 42101-7319

02/19/2004

Laura,

Please file.

February 12, 2004

Thanks,
Call

Mr. Paul Thompson, Executive Vice President
and General Manager
Tri-County Electric Membership Corporation
Post Office Box 40
Lafayette, Tennessee 37083

Dear Paul:

Enclosed please find a fully executed original of Resale Rate Substitution Agreement (GSA October 2003, R1) and an amendment to the Enhanced Growth Credit Program Agreement TV-52337A, Supplement No. 70, dated October 1, 2003.

If you have any questions regarding the attached, please give Hugh Meyer a call at (270) 846-7042.

Sincerely,

Myron N. Callaham

Myron N. Callaham
General Manager
Customer Service
Kentucky

Enclosure

AGREEMENT
Between
TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION
And
TENNESSEE VALLEY AUTHORITY

Effective Date: October 1, 2003. TVA-52337A, Supp. No. 70

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 (TVA Act);

WITNESSETH:

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 substitute Distributor's General Power Rate--Schedule GSA to provide for a change in the kVA percentage used to calculate measured demand; and

WHEREAS, the parties further wish to supplement and amend the Power Contract in the respects necessary to revise the Enhanced Growth Credit Program in association with this change in Schedule GSA;

NOW, THEREFORE, for and in consideration of the premises and of the mutual agreements set forth below, and subject to the TVA Act, the parties mutually agree as follows:

SECTION 1 - SUBSTITUTION OF RESALE RATE SCHEDULE GSA

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, as adjusted, is now in effect as a part of the Schedule of Rates and Charges attached to and made a part of the Power Contract. This substitution is to be effective for all bills rendered from resale meter readings taken for revenue months of Distributor beginning with the October 2003 revenue month. It is expressly recognized that the adjustments set forth in the Adjustment Addendum to said Schedule of Rates and Charges dated October 1, 2003, and entitled "Environmental Adjustment," shall continue to apply to the charges provided for by the attached schedule specified in (a) below.

- (a) New resale rate schedule:
General Power Rate--Schedule GSA (October 2003, R1)
- (b) Existing resale rate schedule:
General Power Rate--Schedule GSA (October 2003)

It is understood that, upon execution of this agreement by TVA and Distributor, all references in the Power Contract to the existing resale rate schedule specified in (b) above, or to any predecessor schedules, shall be deemed to refer to the appropriate new resale rate schedule specified in (a) above.

SECTION 2 - EGCP AGREEMENT AMENDED

2.1 EGCP Amendment. Under an agreement numbered TV-52337A, Supp. No. 39, and dated May 5, 1994, as amended (EGCP Agreement), TVA and Distributor are participating in an Enhanced Growth Credit Program (Program) to encourage the fuller and better balanced development of the resources of the region by applying credits against the electric bills of certain eligible new and expanding general power customers of Distributor. The parties wish to revise the Program in accordance with the change in the kVA percentage used to calculate measured demand under Distributor's Schedule GSA. Accordingly, effective as of October 1, 2003, the EGCP Agreement is amended as provided in this Section 2.

2.2 Definition of Terms. Unless otherwise specified, terms appearing in this Section 2 shall have the meaning set out in the EGCP Agreement.

2.3 Credit Amounts for Existing Customers. For any customer served under Distributor's General Power Rate--Schedule GSA that is eligible to receive Retail Credits under a Participation Agreement entered into prior to October 1, 2003 (Existing GSA Customer), notwithstanding the Retail Credits applicable under the EGCP Agreement, such Participation Agreement, and the provisions of the section headed "Determination of Demand" of the new resale rate schedule specified in 1(a) above, the provisions in (a) and (b) below shall be applicable in determining the Wholesale Credit to which Distributor shall be entitled each month. For the sole purpose of calculating such Wholesale Credit:

(a) the billing demand used to determine the Actual Firm Demand of any such Existing GSA Customer shall be deemed to be the higher of the highest average during any 30-consecutive-minute period of the month of (i) the load metered in kW or (ii) 85 percent of the load in kVA plus an additional 10 percent for that part of the load over 5,000 kVA, and

(b) the amount of Retail Credits deemed to have been applied by Distributor to any such Existing GSA Customer shall be calculated using the Actual Firm Demand determined under (a) above.

2.4 Credit Amounts for New Customers. As applicable to Customers which qualify for participation in the Program on or after October 1, 2003, Guideline 1.5.1 of the EGCP Participation Agreement Guidelines attached to and made a part of the EGCP Agreement (Guidelines) shall be deemed to be revised as follows:

1.5.1 Standard Service. Except as provided in the next paragraph with respect to Customers served under General Power Rate--Schedule GSA, 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.

Under a Power Supply Contract served under General Power Rate--Schedule GSA, "Actual Firm Demand" shall mean an amount equal to the highest metered demand for firm power in any month computed under the Power Supply Contract.

2.5 Term. This agreement shall continue in effect until expiration of the Power Contract, or any renewal, extension, or replacement thereof.

SECTION 3 - POWER CONTRACT AFFIRMED

Except as expressly set out above, nothing in this agreement shall affect the other terms of the Power Contract.

IN WITNESS WHEREOF, the parties have caused this agreement to be executed by their duly authorized representatives, as of the day and year first above written.

TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION

By Paul Thompson
Title: Executive V.P. & General Manager

TENNESSEE VALLEY AUTHORITY

By Cynthia L. Henon
General Manager, Contracts and Pricing
Customer Service and Marketing

TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION

GENERAL POWER RATE--SCHEDULE GSA

(October 2003, R1)

Availability

This rate shall apply to the firm power requirements (where a customer's contract demand is 5,000 kW or less) for electric service to commercial, industrial, and governmental customers, and to institutional customers including, without limitation, churches, clubs, fraternities, orphanages, nursing homes, rooming or boarding houses, and like customers. This rate shall also apply to customers to whom service is not available under any other resale rate schedule.

Character of Service

Alternating current, single- or three-phase, 60 hertz. Power shall be delivered at a service voltage available in the vicinity or agreed to by Distributor.

Base Charges

1. If (a) the higher of (i) the customer's currently effective contract demand, if any, or (ii) its highest billing demand during the latest 12-month period is not more than 50 kW and (b) customer's monthly energy takings for any month during such period do not exceed 15,000 kWh:

Customer Charge: \$17.50 per delivery point per month

Energy Charge: First 300 kWh per month at 7.321¢ per kWh

Next 600 kWh per month at 6.821¢ per kWh

Additional kWh per month at 6.571¢ 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: \$50.00 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 \$10.50 per kW

Energy Charge: First 15,000 kWh per month at 6.771¢ per kWh

Additional kWh per month at 3.339¢ per kWh

3. If the higher of (a) the customer's currently effective contract demand or (b) its highest billing demand during the latest 12-month period is greater than 1,000 kW:

Customer Charge: \$100.00 per delivery point per month

Demand Charge: First 1,000 kW of billing demand per month, at \$10.43 per kW
Next 1,500 kW of billing demand per month, at \$11.46 per kW
Excess over 2,500 kW of billing demand per month, at \$11.96 per kW,
plus an additional
\$11.96 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: 3.439¢ per kWh per month

Adjustment

The base demand and energy charges shall be increased or decreased in accordance with the current Adjustment Addendum published by TVA. (In addition, such charges shall be increased or decreased to correspond to increases or decreases determined by TVA under Adjustment 2 or Adjustment 4 of the wholesale power rate schedule applicable under contractual arrangements between TVA and Distributor.)

Determination of Demand

Distributor shall meter the demands in kW of all customers having loads in excess of 50 kW. The metered demand for any month shall be the highest average during any 30-consecutive-minute period of the month of the load metered in kW. The measured demand for any month shall be the higher of the highest average during any 30-consecutive-minute period of the month of (a) the load metered in kW or (b) 93 percent of the load in kVA plus an additional 2 percent for that part of the load over 5,000 kVA, and such measured demand shall be used as the billing demand, except that the billing demand for any month shall in no case be less than 30 percent of the higher of the currently effective contract demand or the highest billing demand established during the preceding 12 months.

Minimum Bill

The monthly bill under this rate schedule shall not be less than the sum of (a) the base customer charge, (b) the base demand charge, as adjusted, applied to the customer's billing demand, and (c) the base energy charge, as adjusted, applied to the customer's energy takings; provided, however, that, under 2 of the Base Charges, the monthly bill shall in no event be less than the sum of (a) the base customer charge and (b) 20 percent of the portion of the base demand charge, as adjusted, applicable to the second block (excess over 50 kW) of billing demand, multiplied by the higher of the customer's currently effective contract demand or its highest billing demand established during the preceding 12 months.

Distributor may require minimum bills higher than those stated above.

Seasonal Service

Customers who contract for service on a seasonal basis shall be limited to 2,500 kW and shall pay the above charges, as adjusted, plus an additional seasonal use charge equal to (1) 1.33¢ per kWh per month under 1 of the Base Charges, (2) the sum of 1.33¢ per kWh for the first 15,000 kWh per month and \$4.00 per kW per month of billing demand in excess of 50 kW under 2 of the Base Charges, and

(3) \$4.00 per kW per month of billing demand under 3 of the Base Charges. Consistent with Distributor's standard policy, the customer may arrange for seasonal testing of equipment during offpeak hours.

For such customers, the minimum bill provided for above shall not apply. Distributor may require additional charges to provide recovery of costs for customer-specific distribution facilities.

Contract Requirement

Distributor may require contracts for service provided under this rate schedule. Customers whose demand requirements exceed 50 kW shall be required to execute contracts and such contracts shall be for an initial term of at least 1 year. The customer shall contract for its maximum requirements, which shall not exceed the amount of power capable of being used by customer, and Distributor shall not be obligated to supply power in greater amount at any time than the customer's currently effective contract demand. If the customer uses any power other than that supplied by Distributor under this rate schedule, the contract may include other special provisions. The rate schedule in any power contract shall be subject to adjustment, modification, change, or replacement from time to time as provided under the power contract between Distributor and TVA.

Payment

Bills under this rate schedule will be rendered monthly. Any amount of bill unpaid after due date specified on bill may be subject to additional charges under Distributor's standard policy.

Single-Point Delivery

The charges under this rate schedule are based upon the supply of service through a single delivery and metering point, and at a single voltage. If service is supplied to the same customer through more than one point of delivery or at different voltages, the supply of service at each delivery and metering point and at each different voltage shall be separately metered and billed.

Service is subject to Rules and Regulations of Distributor.

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

January 19, 2004

Mr. Myron N. Callahan
General Manager – Customer Service – Kentucky
Tennessee Valley Authority
6045 Russellville Road
Bowling Green, KY 42101-7319

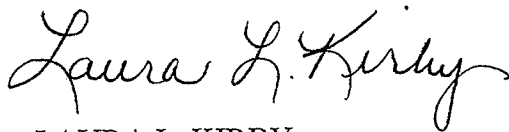
RE: Substitution Agreement for Schedule GSA
And changes in the Enhanced Growth Credit Program

Dear Myron:

Please find enclosed two executed duplicate originals of the above referenced Agreement (Reference TV-52337A, Supp. No.70). Please return an original for our files.

If additional information is needed, please advise.

Sincerely,



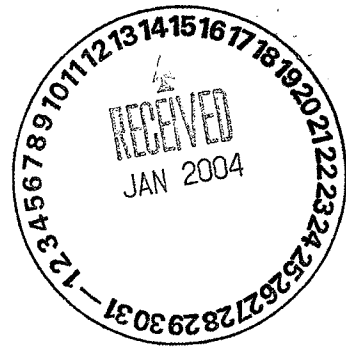
LAURA L. KIRBY
Administrative Assistant

For Paul Thompson
Executive Vice President and General Manager
Tri-County Electric Membership Corporation

Enclosures (2)



Tennessee Valley Authority, 6045 Russellville Road, Bowling Green, Kentucky 42101-7319



January 12, 2004

Mr. Paul Thompson, Executive Vice President
and General Manager
Tri-County Electric Membership Corporation
Post Office Box 40
Lafayette, Tennessee 37083

Dear Paul:

Enclosed are two duplicate originals of a proposed agreement providing for the substitution of Schedule GSA (October 2003, R1) for Schedule GSA (October 2003) to change the kVA percentage used to calculate measured demand. This substitution will be effective for bills rendered for Tri-County Electric Membership Corporation's (TCEMC) revenue months beginning with the October 2003 revenue month.

The proposed agreement also implements associated changes in the Enhanced Growth Credit Program. Specifically, the revisions limit TVA's obligation for Wholesale Credits to the amount TVA would have paid if TCEMC had not implemented the replacement Schedule GSA (October 2003, R1). Please note that TCEMC may be obligated to pay Retail Credits under an existing Participation Agreement with a GSA customer that are greater than the amount of Retail Credits that will be deemed to have been paid for the purpose of determining TCEMC's Wholesale Credit.

Also enclosed are two copies of an updated schedule GSA, which incorporates the increase in resale charges specified in the October 2003 Adjustment Addendum. Please note that this version is for TCEMC's convenience only and is not an official schedule replacement.

Upon execution of the agreements by TCEMC, please return both duplicate originals to me for further handling.

If you have any questions regarding the enclosed, please give Hugh Meyer a call at (270) 846-7042.

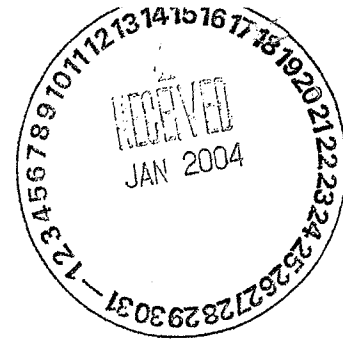
Sincerely,

Myron N. Callaham
General Manager
Customer Service
Kentucky

Enclosures



Tennessee Valley Authority, 6045 Russellville Road, Bowling Green, Kentucky 42101-7319



January 12, 2004

Mr. Paul Thompson, Executive Vice President
and General Manager
Tri-County Electric Membership Corporation
Post Office Box 40
Lafayette, Tennessee 37083

Dear Paul:

Enclosed are two duplicate originals of a proposed agreement providing for the substitution of Schedule GSA (October 2003, R1) for Schedule GSA (October 2003) to change the kVA percentage used to calculate measured demand. This substitution will be effective for bills rendered for Tri-County Electric Membership Corporation's (TCEMC) revenue months beginning with the October 2003 revenue month.

The proposed agreement also implements associated changes in the Enhanced Growth Credit Program. Specifically, the revisions limit TVA's obligation for Wholesale Credits to the amount TVA would have paid if TCEMC had not implemented the replacement Schedule GSA (October 2003, R1). Please note that TCEMC may be obligated to pay Retail Credits under an existing Participation Agreement with a GSA customer that are greater than the amount of Retail Credits that will be deemed to have been paid for the purpose of determining TCEMC's Wholesale Credit.

Also enclosed are two copies of an updated schedule GSA, which incorporates the increase in resale charges specified in the October 2003 Adjustment Addendum. Please note that this version is for TCEMC's convenience only and is not an official schedule replacement.

Upon execution of the agreements by TCEMC, please return both duplicate originals to me for further handling.

If you have any questions regarding the enclosed, please give Hugh Meyer a call at (270) 846-7042.

Sincerely,

Myron N. Callahan
General Manager
Customer Service
Kentucky

Enclosures

TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION

GENERAL POWER RATE--SCHEDULE GSA

(October 2003, R1)*

Availability

This rate shall apply to the firm power requirements (where a customer's contract demand is 5,000 kW or less) for electric service to commercial, industrial, and governmental customers, and to institutional customers including, without limitation, churches, clubs, fraternities, orphanages, nursing homes, rooming or boarding houses, and like customers. This rate shall also apply to customers to whom service is not available under any other resale rate schedule.

Character of Service

Alternating current, single- or three-phase, 60 hertz. Power shall be delivered at a service voltage available in the vicinity or agreed to by Distributor.

Base Charges

1. If (a) the higher of (i) the customer's currently effective contract demand, if any, or (ii) its highest billing demand during the latest 12-month period is not more than 50 kW and (b) customer's monthly energy takings for any month during such period do not exceed 15,000 kWh:

Customer Charge: \$17.50 per delivery point per month

Energy Charge: First 300 kWh per month at 7.675¢ per kWh

Next 600 kWh per month at 7.175¢ per kWh

Additional kWh per month at 6.925¢ 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: \$50.00 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 \$10.97 per kW

Energy Charge: First 15,000 kWh per month at 7.125¢ per kWh

Additional kWh per month at 3.538¢ per kWh

* Incorporates adjustments set out in October 2003 Adjustment Addendum (Environmental Adjustment)

3. If the higher of (a) the customer's currently effective contract demand or (b) its highest billing demand during the latest 12-month period is greater than 1,000 kW:

Customer Charge: \$100.00 per delivery point per month

Demand Charge: First 1,000 kW of billing demand per month, at \$10.90 per kW

Next 1,500 kW of billing demand per month, at \$12.06 per kW

Excess over 2,500 kW of billing demand per month, at \$12.56 per kW, plus an additional \$12.56 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: 3.638¢ per kWh per month

Adjustment

The base demand and energy charges shall be increased or decreased in accordance with the current Adjustment Addendum published by TVA. (In addition, such charges shall be increased or decreased to correspond to increases or decreases determined by TVA under Adjustment 2 or Adjustment 4 of the wholesale power rate schedule applicable under contractual arrangements between TVA and Distributor.)

Determination of Demand

Distributor shall meter the demands in kW of all customers having loads in excess of 50 kW. The metered demand for any month shall be the highest average during any 30-consecutive-minute period of the month of the load metered in kW. The measured demand for any month shall be the higher of the highest average during any 30-consecutive-minute period of the month of (a) the load metered in kW or (b) 93 percent of the load in kVA plus an additional 2 percent for that part of the load over 5,000 kVA, and such measured demand shall be used as the billing demand, except that the billing demand for any month shall in no case be less than 30 percent of the higher of the currently effective contract demand or the highest billing demand established during the preceding 12 months.

Minimum Bill

The monthly bill under this rate schedule shall not be less than the sum of (a) the base customer charge, (b) the base demand charge, as adjusted, applied to the customer's billing demand, and (c) the base energy charge, as adjusted, applied to the customer's energy takings; provided, however, that, under 2 of the Base Charges, the monthly bill shall in no event be less than the sum of (a) the base customer charge and (b) 20 percent of the portion of the base demand charge, as adjusted, applicable to the second block (excess over 50 kW) of billing demand, multiplied by the higher of the customer's currently effective contract demand or its highest billing demand established during the preceding 12 months.

Distributor may require minimum bills higher than those stated above.

Seasonal Service

Customers who contract for service on a seasonal basis shall be limited to 2,500 kW and shall pay the above charges, as adjusted, plus an additional seasonal use charge equal to (1) 1.33¢ per kWh per month under 1 of the Base Charges, (2) the sum of 1.33¢ per kWh for the first 15,000 kWh per month and \$4.00 per kW per month of billing demand in excess of 50 kW under 2 of the Base Charges, and (3) \$4.00 per kW per month of billing demand under 3 of the Base Charges. Consistent with Distributor's standard policy, the customer may arrange for seasonal testing of equipment during offpeak hours.

For such customers, the minimum bill provided for above shall not apply. Distributor may require additional charges to provide recovery of costs for customer-specific distribution facilities.

Contract Requirement

Distributor may require contracts for service provided under this rate schedule. Customers whose demand requirements exceed 50 kW shall be required to execute contracts and such contracts shall be for an initial term of at least 1 year. The customer shall contract for its maximum requirements, which shall not exceed the amount of power capable of being used by customer, and Distributor shall not be obligated to supply power in greater amount at any time than the customer's currently effective contract demand. If the customer uses any power other than that supplied by Distributor under this rate schedule, the contract may include other special provisions. The rate schedule in any power contract shall be subject to adjustment, modification, change, or replacement from time to time as provided under the power contract between Distributor and TVA.

Payment

Bills under this rate schedule will be rendered monthly. Any amount of bill unpaid after due date specified on bill may be subject to additional charges under Distributor's standard policy.

Single-Point Delivery

The charges under this rate schedule are based upon the supply of service through a single delivery and metering point, and at a single voltage. If service is supplied to the same customer through more than one point of delivery or at different voltages, the supply of service at each delivery and metering point and at each different voltage shall be separately metered and billed.

Service is subject to Rules and Regulations of Distributor.

TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION

GENERAL POWER RATE--SCHEDULE GSA

(October 2003, R1)*

Availability

This rate shall apply to the firm power requirements (where a customer's contract demand is 5,000 kW or less) for electric service to commercial, industrial, and governmental customers, and to institutional customers including, without limitation, churches, clubs, fraternities, orphanages, nursing homes, rooming or boarding houses, and like customers. This rate shall also apply to customers to whom service is not available under any other resale rate schedule.

Character of Service

Alternating current, single- or three-phase, 60 hertz. Power shall be delivered at a service voltage available in the vicinity or agreed to by Distributor.

Base Charges

1. If (a) the higher of (i) the customer's currently effective contract demand, if any, or (ii) its highest billing demand during the latest 12-month period is not more than 50 kW and (b) customer's monthly energy takings for any month during such period do not exceed 15,000 kWh:

Customer Charge: \$17.50 per delivery point per month

Energy Charge: First 300 kWh per month at 7.675¢ per kWh

Next 600 kWh per month at 7.175¢ per kWh

Additional kWh per month at 6.925¢ 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: \$50.00 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 \$10.97 per kW

Energy Charge: First 15,000 kWh per month at 7.125¢ per kWh

Additional kWh per month at 3.538¢ per kWh

* Incorporates adjustments set out in October 2003 Adjustment Addendum (Environmental Adjustment)

3. If the higher of (a) the customer's currently effective contract demand or (b) its highest billing demand during the latest 12-month period is greater than 1,000 kW:

Customer Charge: \$100.00 per delivery point per month

Demand Charge: First 1,000 kW of billing demand per month, at \$10.90 per kW

Next 1,500 kW of billing demand per month, at \$12.06 per kW

Excess over 2,500 kW of billing demand per month, at \$12.56 per kW, plus an additional

\$12.56 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: 3.638¢ per kWh per month

Adjustment

The base demand and energy charges shall be increased or decreased in accordance with the current Adjustment Addendum published by TVA. (In addition, such charges shall be increased or decreased to correspond to increases or decreases determined by TVA under Adjustment 2 or Adjustment 4 of the wholesale power rate schedule applicable under contractual arrangements between TVA and Distributor.)

Determination of Demand

Distributor shall meter the demands in kW of all customers having loads in excess of 50 kW. The metered demand for any month shall be the highest average during any 30-consecutive-minute period of the month of the load metered in kW. The measured demand for any month shall be the higher of the highest average during any 30-consecutive-minute period of the month of (a) the load metered in kW or (b) 93 percent of the load in kVA plus an additional 2 percent for that part of the load over 5,000 kVA, and such measured demand shall be used as the billing demand, except that the billing demand for any month shall in no case be less than 30 percent of the higher of the currently effective contract demand or the highest billing demand established during the preceding 12 months.

Minimum Bill

The monthly bill under this rate schedule shall not be less than the sum of (a) the base customer charge, (b) the base demand charge, as adjusted, applied to the customer's billing demand, and (c) the base energy charge, as adjusted, applied to the customer's energy takings; provided, however, that, under 2 of the Base Charges, the monthly bill shall in no event be less than the sum of (a) the base customer charge and (b) 20 percent of the portion of the base demand charge, as adjusted, applicable to the second block (excess over 50 kW) of billing demand, multiplied by the higher of the customer's currently effective contract demand or its highest billing demand established during the preceding 12 months.

Distributor may require minimum bills higher than those stated above.

Seasonal Service

Customers who contract for service on a seasonal basis shall be limited to 2,500 kW and shall pay the above charges, as adjusted, plus an additional seasonal use charge equal to (1) 1.33¢ per kWh per month under 1 of the Base Charges, (2) the sum of 1.33¢ per kWh for the first 15,000 kWh per month and \$4.00 per kW per month of billing demand in excess of 50 kW under 2 of the Base Charges, and (3) \$4.00 per kW per month of billing demand under 3 of the Base Charges. Consistent with Distributor's standard policy, the customer may arrange for seasonal testing of equipment during offpeak hours.

For such customers, the minimum bill provided for above shall not apply. Distributor may require additional charges to provide recovery of costs for customer-specific distribution facilities.

Contract Requirement

Distributor may require contracts for service provided under this rate schedule. Customers whose demand requirements exceed 50 kW shall be required to execute contracts and such contracts shall be for an initial term of at least 1 year. The customer shall contract for its maximum requirements, which shall not exceed the amount of power capable of being used by customer, and Distributor shall not be obligated to supply power in greater amount at any time than the customer's currently effective contract demand. If the customer uses any power other than that supplied by Distributor under this rate schedule, the contract may include other special provisions. The rate schedule in any power contract shall be subject to adjustment, modification, change, or replacement from time to time as provided under the power contract between Distributor and TVA.

Payment

Bills under this rate schedule will be rendered monthly. Any amount of bill unpaid after due date specified on bill may be subject to additional charges under Distributor's standard policy.

Single-Point Delivery

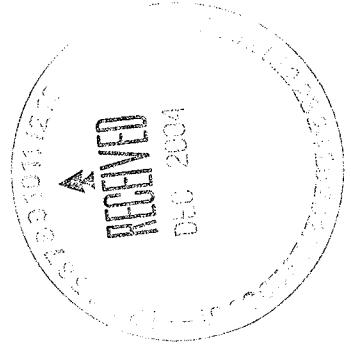
The charges under this rate schedule are based upon the supply of service through a single delivery and metering point, and at a single voltage. If service is supplied to the same customer through more than one point of delivery or at different voltages, the supply of service at each delivery and metering point and at each different voltage shall be separately metered and billed.

Service is subject to Rules and Regulations of Distributor.



Tennessee Valley Authority, 6045 Russellville Road, Bowling Green, Kentucky 42101-7319

October 19, 2004



12/10/2004
Laura,
Please file & copy Tammy.
Thanks,
Paul

Mr. Paul Thompson, Executive Vice President
and General Manager
Tri-County Electric Membership Corporation
Post Office Box 40
Lafayette, Tennessee 37083

Dear Paul:

Enclosed are two fully executed originals of TV-52337A, Supplement No. 71, which covers the supply of up to 0 kW of firm power and 7,250 kW of FPI to the A. O. Smith Electrical Products Company for the operation of its plant near Scottsville, Kentucky. Please deliver one copy to A. O. Smith Company for their files and retain one copy for Tri-County's files.

Also enclosed is a fully executed original covering the wholesale billing adjustments necessary for the supply of FPI to A. O. Smith Electrical Products Company for your files.

If you have any questions, please feel free to call Hugh A. Meyer at (270) 846-7042.

Sincerely,

Myron N. Callahan

Myron N. Callahan
General Manager
Customer Service
Kentucky

Enclosures

12/10/2004
Laura,
Please copy Glenn,
Tammy & file.
Thanks
JWW

307

**AGREEMENT
Between**

**TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION
And
TENNESSEE VALLEY AUTHORITY**

Date: December 13, 2004 of TV-52337A, Supp. No. 71

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 (TVA Act);

WITNESSETH:

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, TVA and Distributor wish to cooperate in making Flat Price Interruptible Power (FPI) available to eligible general power customers of Distributor; and

WHEREAS, Distributor and TVA wish to supplement and amend the Power Contract and to enter into such other arrangements as are necessary between Distributor and TVA with respect to Distributor offering and providing FPI to such eligible customers;

NOW, THEREFORE, for and in consideration of the premises and of the mutual agreements set forth below, and subject to the TVA Act, the parties mutually agree as follows:

SECTION 1 - TERM OF AGREEMENT

This agreement shall become effective as of the date first above written and shall continue in effect until all obligations of the parties have been fulfilled.

SECTION 2 - COMPANY CONTRACTS

Distributor and TVA shall enter into a contract (Company Contract) with each customer (Company) to which Distributor resells a supply of FPI.

Y909

Tennant & H/c
James' copy
12/10/2007

SECTION 3 - BILLING DATA

3.1 Metering Data. Data obtained from the metering facilities referred to in section 6 of this agreement will be used (a) by Distributor for the purposes of determining the power and energy taken by each Company and (b) by TVA for determining applicable adjustments for Distributor's wholesale bill.

3.2 Billing Data Supplied by Distributor. To facilitate TVA's preparation of the bill to Distributor for power and energy made available under the Power Contract, each month Distributor shall furnish to TVA a copy of Distributor's bill to each Company for power and energy made available under the applicable Company Contract when it is rendered and such other information related to each Company's power and energy takings as TVA may require. In addition, Distributor shall provide a monthly summary of the total amounts of FPI demand and FPI energy resold by Distributor in the month, including a listing of the associated charges, credits, and Credit Reduction Charges.

3.3 TVA Billing Analysis.

3.3.1 Analysis Provided by TVA. It is recognized that Distributor has requested that TVA perform certain monthly meter-reading services and billing data analysis (Billing Analysis) with respect to the amounts of power and energy supplied by Distributor to each Company. Accordingly, TVA will supply Distributor by the fourth working day following each Company's scheduled meter-reading date the information regarding the amounts of FPI deemed to have been taken by such Company and such other information as may be necessary for Distributor to calculate Company's bill under the Company Contract and to meet its obligations under 3.2 above.

3.3.2 Termination of Services. The Billing Analysis provided for under this section 3.3 may be terminated by TVA or Distributor at any time upon at least 30 days' written notice to the other party.

SECTION 4 - ADJUSTMENTS TO DISTRIBUTOR'S WHOLESALE BILLING

In calculating the wholesale bill each month for Distributor, the following steps will be taken with respect to the Company Contracts:

4.1 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 the demand and the energy deemed to have been taken by each Company under its Company Contract.

4.2 FPI Credits. TVA will apply a credit to the wholesale power bill equal to the sum of the FPI credits applied to Company bills in accordance with the Company Contracts.

4.3 Credit Reduction Charges. An amount equal to the sum of the Credit Reduction Charges applied to Company bills in accordance with Company Contracts will be included as part of the wholesale bill.

4.4 Administrative Costs Charge. (a) For so long as TVA is providing Billing Analysis to Distributor under subsection 3.3 above, an amount equal to the Administrative Costs Charge billed to each Company (in accordance with each Company Contract) will be included as part of the wholesale bill.

(b) After any termination of Billing Analysis is effective under said subsection 3.3:

(i) an amount equal to the portion of the Administrative Costs Charge billed to each Company (in accordance with each Company Contract) which is for coverage of TVA's other costs other than the no longer applicable Billing Analysis costs will continue to be included as part of the wholesale bill, and

(ii) the amount of the total Administrative Costs Charge then allocated to reflect said portion (currently \$350) shall not be increased without a corresponding increase of the total Administrative Costs Charge applicable under the Company Contracts.

(c) TVA and Distributor also agree to coordinate, and to cooperate with each other to implement, any increase of said total Administrative Costs Charge that the other party deems necessary to address any increase in its costs.

SECTION 5 - BILL CREDITS

5.1 Small Manufacturing Bill Credits. It is recognized that (a) under an agreement numbered TV-52337A, Supp. No. 69, and dated October 01, 2003 (Small Manufacturing Credit Agreement), TVA and Distributor are participating in a program (Small Manufacturing Credit Program) to provide for the application of credits to the electric bills of small manufacturing industries served under Part 3 of either Schedule GSA or Time-of-Day Schedule TGSA, as either may be modified, changed, replaced, or adjusted, and (b) some of the Companies may meet the eligibility requirements of the Small Manufacturing Credit Program. Accordingly, notwithstanding anything appearing in the Small Manufacturing Credit Agreement which might otherwise be construed to the contrary, as to each Company that otherwise meets the Small Manufacturing Credit Program eligibility requirements:

(a) the portion of the Company's bill for FPI power calculated using the Base Charges section of the Distributor's resale rate schedule shall be eligible for application of the credit provided by the Small Manufacturing Credit Agreement, and

(b) Company's bill shall be reduced by the amount of the FPI credits applied in accordance with the Company Contract before application of any credit provided by the Small Manufacturing Credit Agreement.

5.2 Other Credit Programs. It is expressly recognized and agreed that no other credits provided for under bill credit program agreements between TVA and Distributor are applicable to any Company's FPI takings under the Company Contracts.

SECTION 6 - METERING FACILITIES

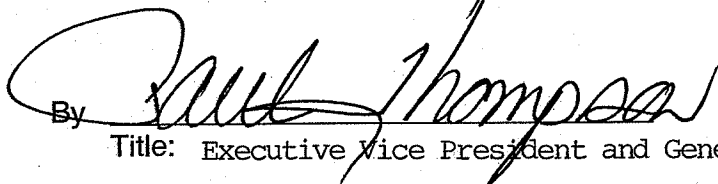
6.1 Revenue Meter. It is recognized and agreed that Distributor is responsible for providing, installing, and maintaining the meters and associated equipment which in TVA's judgment are needed for determining the amounts of power and energy associated with FPI. Such metering facilities shall be solid-state type revenue meters (Revenue Meters) capable of remote telephone access. Distributor will, at its expense, provide the equipment and materials and perform the work necessary to install the Revenue Meters. Thereafter, Distributor shall test, calibrate, operate, maintain, repair, and replace all facilities in the metering installation.

6.2 Remote Access. In accordance with guidelines or specifications furnished or approved by TVA, Distributor shall provide or otherwise arrange for a telephone circuit and all other equipment necessary to allow remote access by TVA to the metering data recorded by the Revenue Meters under each Company Contract.

6.3 Access by TVA. Distributor agrees for TVA to have access to the data stored in the Revenue Meters through the telephone circuits 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 circuits and access to the metering data will be coordinated by TVA's and Distributor's operating representatives to ensure unrestricted access by TVA for data retrieval purposes during such periods as specified by TVA.

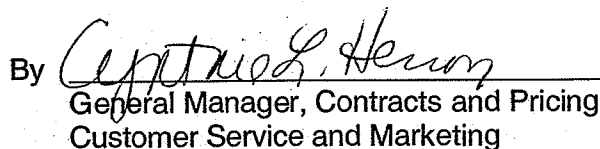
IN WITNESS WHEREOF, the parties have caused this agreement to be executed by their duly authorized representatives, as of the day and year first above written.

**TRI-COUNTY ELECTRIC
MEMBERSHIP CORPORATION**

By 

Title: Executive Vice President and General Manager

TENNESSEE VALLEY AUTHORITY

By 
General Manager, Contracts and Pricing
Customer Service and Marketing

**FIRM POWER AND FPI
POWER SUPPLY CONTRACT**

Date: December 13, 2004 Contract No. 00040622

THIS CONTRACT is made and entered into by and among the following parties:

COMPANY: **A. O. SMITH ELECTRICAL PRODUCTS COMPANY**, a division of
A. O. Smith Corporation
Legal Status: a corporation created and existing under and by virtue of the laws of
the State of Delaware

Mail Notices

to: Plant Engineer
at: A. O. Smith Electrical Products Company, 636 Holt Drive
Scottsville, Kentucky 42164

Telephone numbers for suspension notices: (270) 237-5060 is the number of the
dedicated line designated in accordance with subsection 6.3.3 below. Suspension
notices may also be given to (270) 618-0074, (270) 991-0975, and (270) 618-5516.

DISTRIBUTOR: TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION

Legal Status: a cooperative corporation created and existing under and by virtue of
the laws of the State of Tennessee

Mail Notices

to: Executive Vice President and General Manager
at: Tri-County Electric Membership Corporation, Post Office Box 40
Lafayette, Tennessee 37083-0040

TVA: TENNESSEE VALLEY AUTHORITY

Legal Status: a corporation created and existing under and by virtue of the
Tennessee Valley Authority Act of 1933, as amended (TVA Act)

Mail Notices

to: Executive Vice President, Customer Service and Marketing
at: Tennessee Valley Authority, Post Office Box 292409
Nashville, Tennessee 37229-2409

WITNESSETH:

WHEREAS, Distributor purchases power from TVA for resale under Power
Contract TV-52337A, dated July 18, 1979, as amended; and

WHEREAS, Company has been purchasing power from Distributor under
Power Supply Contract 00027235, dated July 13, 2003, (2003 Contract), for the
operation of Company's motor manufacturing plant near Scottsville, Kentucky; and

WHEREAS, the parties wish to replace the 2003 Contract with a new contract under which specified amounts of firm power and Flat Price Interruptible Power (FPI) will be made available by Distributor to Company;

NOW, THEREFORE, for and in consideration of the premises and of the mutual agreements set forth below, and subject to the provisions of the TVA Act, the parties mutually agree as follows and enter into this contract consisting of the Articles and contract attachments listed in Article I below:

COMPANY: A. O. SMITH ELECTRICAL PRODUCTS COMPANY, a division of A. O. Smith Corporation, a corporation organized and existing under and by virtue of the laws of the State of Tennessee, with its principal office at 638 Holt Drive, Memphis, Tennessee 38104. Telephone numbers for attention to the Company are listed in subsection 5.3 below. Distribution notices may also be given to (901) 618-0074, (901) 637-0775, and (901) 618-2578.

DISTRIBUTOR: TAYLOR COUNTY ELECTRIC MEMBERSHIP CORPORATION, a cooperative corporation created and existing under and by virtue of the laws of the State of Tennessee, with its principal office at Taylor County Electric Membership Corporation, Post Office Box 10, Taylor, Tennessee 37588-0010. Executive Vice President and General Manager.

TVA: TENNESSEE VALLEY AUTHORITY, a corporation created and existing under and by virtue of the Tennessee Valley Authority Act of 1933, as amended (TVA Act), with its principal office at 425 North 4th Street, Nashville, Tennessee 37243-5009. Executive Vice President, Customer Service and Marketing.

WITNESSETH:

WITNESSETH, that the parties have entered into this contract for the purpose of providing power to the Company under the terms of the 2003 Contract, and that the parties have entered into this contract for the purpose of providing power to the Company under the terms of the 2003 Contract.

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CONTRACT CONTENTS

ARTICLE I **CONTRACT CONTENTS**

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- Termination of Contract

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- Rates

ADMINISTRATIVE

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ARTICLE II

DEFINITIONS

SECTION 2.1 - METER-READING TIME

"Meter-Reading Time" for any calendar month shall mean 0000 hours CST or CDT, whichever is currently effective, on the date specified in section 3.6 below, except that Distributor, after first obtaining TVA's concurrence, may change the time and date of the meter reading upon notice to Company and TVA.

SECTION 2.2 - FIRM CONTRACT DEMAND

"Firm Contract Demand" shall mean the amount of firm power made available under this contract.

SECTION 2.3 - BILLING PERIOD

"Billing Period" shall mean the period of time from the Meter-Reading Time in one calendar month to the Meter-Reading Time in the next calendar month used to determine the power and energy amounts for which Company is to be billed.

SECTION 2.4 - TOTAL DEMAND

"Total Demand" for each clock half-hour shall be the average amount during that half-hour of Company's load measured in kW.

SECTION 2.5 - RATE SCHEDULE

"Rate Schedule" shall mean the rate schedule attached to and made a part of this contract, as it may be modified, changed, replaced, or adjusted from time to time as provided under contractual arrangements between Distributor and TVA; provided, however, that effective with the Billing Period following any termination of the provisions of this contract covering the availability and supply of the total amount of FPI under any provision of this contract:

(a) Rate Schedule shall mean the rate schedule (as modified, changed, replaced, or adjusted from time to time) applicable for service by Distributor to a customer with a contract demand equal to the Firm Contract Demand; and

(b) Company shall be billed for firm power as provided for in that schedule, without regard to the provisions of section 5.1 and subsections 5.2.2, 5.2.3, 5.2.4, and 5.2.5 below.

SECTION 2.6 - FPI DEMAND

"FPI Demand" for any clock half-hour shall be the amount (up to and including the kW amount of FPI available in that half-hour), if any, by which the Total Demand for that half-hour exceeds the Firm Contract Demand.

SECTION 2.7 - EXCESS DEMAND

"Excess Demand" for any clock half-hour shall be the amount, if any, by which the Total Demand for that half-hour exceeds the aggregate amount of (a) the Firm Contract Demand and (b) the FPI Demand for that clock half-hour.

SECTION 2.8 - DEMAND RATCHET

"Demand Ratchet" shall mean the exception language set out in the section headed "Determination of Demand" of the Rate Schedule which establishes the level below which billing demand cannot fall.

SECTION 2.9 - 5-MINUTE PERIOD

"5-Minute Period" for any clock hour shall mean the first 5-consecutive-minute clock interval measured from the beginning of that hour and each 5-consecutive-minute clock interval thereafter in that hour.

SECTION 2.10 - SYSTEM

"System" shall mean the computer-based information system or other information system designated by TVA under Article VI of this contract.

SECTION 2.11 - PROPRIETARY INFORMATION

"Proprietary Information" shall mean any and all information related to projected forecasts of TVA's power system operations and other forecasts relative to potential suspensions of FPI disclosed by TVA to Company whether via the System or otherwise.

"Rate Schedule" shall mean the rate schedule attached to and made a part of this contract, as it may be modified, amended, replaced, or adjusted from time to time as provided under contractual arrangements between Distribution and TVA, provided, however, that effective with the billing period following any termination of the provisions of this contract covering the availability and supply of the total amount of FPI under any provision of this contract.

(c) Rate Schedule shall mean the rate schedule (as modified, amended, replaced, or adjusted from time to time) applicable for service by Distribution to a customer with a contract amount equal to the Firm Contract Demand; and

(d) Company shall be billed for firm power as provided for in that schedule, without regard to the provisions of section 2.1 and subsections 2.1.1, 2.1.2, 2.1.3, and 2.1.4 below.

SECTION 2.12 - FPI DEMAND

"FPI Demand" for any clock half-hour shall mean the amount of firm power (as defined in section 2.1) available in that half-hour, less the amount of firm power available in that half-hour under the Firm Contract Demand.

ARTICLE III
POWER AVAILABILITY, DELIVERY, AND CONTRACT TERM

SECTION 3.1 - AVAILABILITY OF POWER

Subject to the other provisions of this contract, including Distributor's General Power Rate--Schedule MSB:

(a) Distributor shall make available firm power to Company in the amount of the Firm Contract Demand specified in 3.2 below, and

(b) in addition to firm power, Distributor shall make available FPI in such amounts as TVA, in its judgment, is able to supply, up to and including the kW amount specified in 3.3 below.

SECTION 3.2 - FIRM CONTRACT DEMAND

0 kW Firm Contract Demand

SECTION 3.3 - FPI AVAILABILITY

7,250 kW of FPI

SECTION 3.4 - DELIVERY VOLTAGE

12,470 volts shall be the nominal delivery voltage for power made available under this contract, and such power shall be delivered at said nominal voltage, subject to the provisions of subsection 1.1 of the Terms and Conditions attached to this contract.

SECTION 3.5 - DELIVERY POINT

The point of delivery for power and energy made available under this contract shall be the point of interconnection between:

- (a) Customer's 12.47-kV facilities
- and
- (b) Distributor's 12.47-kV facilities.

SECTION 3.6 - EFFECTIVE DATE AND TERM

Effective Date: December 13, 2004

Final Billing Period: December 2009

For any calendar month, the Meter-Reading Time will be on:

- the 13th day of that month
- the first day of the following month

This contract shall become effective as of 0000 hours CST or CDT, whichever is currently effective, on said Effective Date. Except as otherwise provided, it shall continue in effect through the Meter-Reading Time for said final Billing Period, which shall be the first Meter-Reading Time that falls at least 5 years after the Effective Date.

ARTICLE IV CONTRACT TERMINATION

This contract may be terminated:

- (a) by any party at any time upon at least 24 months' written notice, or
- (b) as provided in Article VI of this contract.

Further, it is also expressly recognized that this contract may be terminated by Distributor, or power supply from Distributor under this contract may be suspended; in accordance with the Rules and Regulations of Distributor.

The energy provided by the Distributor shall be used for the purpose of applying the energy charge set out in the "Energy Charge" section of the Rate Schedule. It is expressly recognized that the cost of energy and other charges associated with the energy provided by the Distributor shall be used for the purpose of applying the energy charge set out in the "Energy Charge" section of the Rate Schedule.

SECTION 4.1 - PAYMENT

4.1.1 Monthly payment of charges. Company shall pay Distributor monthly for power and energy provided under this contract. Each and every charge and payment provided for under this contract shall be payable on a monthly basis except as otherwise provided in accordance with the rules and provisions of the Rate Schedule.

4.1.2 Demand Charges. For purposes of applying the charges set out in this section, the "Demand Charge" shall be the highest demand charge for any month of the calendar year. The demand charge shall be the highest demand charge for any month of the calendar year. The demand charge shall be the highest demand charge for any month of the calendar year. The demand charge shall be the highest demand charge for any month of the calendar year.

SECTION 4.2 - ENERGY CHARGES

(a) The energy charge shall be based on the energy provided by the Distributor. The energy charge shall be based on the energy provided by the Distributor. The energy charge shall be based on the energy provided by the Distributor.

(b) For any month of the calendar year which Company fails to purchase the energy provided by the Distributor, the energy charge shall be based on the energy provided by the Distributor. The energy charge shall be based on the energy provided by the Distributor.

4.2.1 Billing. The energy charge shall be based on the energy provided by the Distributor. The energy charge shall be based on the energy provided by the Distributor. The energy charge shall be based on the energy provided by the Distributor.

ARTICLE V
BILLING PROVISIONS AND RATES

SECTION 5.1 - DETERMINATION OF BILLING AMOUNTS

For purposes of applying the charges for power and energy provided for by the Rate Schedule, power and energy billing amounts shall be determined as follows:

5.1.1 Billing Demand. The highest Total Demand in a Billing Period shall be the billing demand; provided, however, that the billing demand shall in no case be less than the amount calculated under the Demand Ratchet.

5.1.2 Energy. The total metered energy for a Billing Period shall be used for the purpose of applying the energy charge set out in the "Base Charges" section of the Rate Schedule. It is expressly recognized that this total metered energy amount will include the energy associated with all FPI Demands and any Excess Demands.

SECTION 5.2 - RATES

5.2.1 Monthly Payment of Charges. Company shall pay Distributor monthly for power and energy available under this contract. Each and every charge and payment provided for under this contract shall be separate and cumulative and except as otherwise provided shall be in accordance with the rates and provisions of the Rate Schedule.

5.2.2 Base Charges. For purposes of applying the charges set out in the section headed "Base Charges" of the Rate Schedule, if this section provides for an additional amount to be applied as a part of the demand charge to each kW "by which the customer's billing demand exceeds its contract demand," for purposes of this contract, this additional amount shall be applied to each kW of Company's highest Excess Demand established during a Billing Period.

5.2.3 FPI Credits. Notwithstanding 5.2.2 above:

(a) a monthly credit calculated under section 6.2 below based on Company's highest FPI Demand shall be applied to reduce Company's bill, and

(b) for any Billing Period during which Company fails to suspend its FPI in accordance with the requirements of this contract, Company's bill shall be increased by the applicable credit reduction charge provided for in said section 6.2.

5.2.4 Facilities Rental Charge. For purposes of applying the facilities rental charges provided for in the section headed "Facilities Rental Charge" of the Rate Schedule:

(a) the words "highest billing demand" shall be deemed to refer to the highest Total Demand, and

(b) the words "contract demand" shall be deemed to refer to the sum of (i) the Firm Contract Demand and (ii) the kW amount of FPI made available under this contract.

(It is recognized that said facilities rental charges will only be applicable if the delivery voltage provided for in this contract is not 161 kV or higher.)

5.2.5 Minimum Bill. In calculating the minimum monthly bill as provided for in the section headed "Minimum Bill" of the Rate Schedule:

(a) the base demand charge, as adjusted, referred to in item 2 shall be applied to the billing demand,

(b) the base energy charge, as adjusted, referred to in item 3 shall be applied to the total metered energy, and

(c) any applicable credits and charges referenced in 5.2.3 above shall be applied as provided for in section 6.2 below.

5.2.6 Conflicts. In the event of any conflict between the Rate Schedule and the body of this contract or the attached Terms and Conditions, either the body of this contract or the Terms and Conditions, as the case may be, shall control.

Contract shall be applied to Company's bill in an amount equal to the sum of (a) and (b) below.

(a) The highest kW amount (up to and including the kW amount of FPI available) specified in section 5.3 above by which Company's average load exceeds the Firm Contract Demand during the suspension period of the suspension period shall be applied to the sum of

(i) the highest kW amount (up to and including the kW amount of FPI available) specified in section 5.3 above by which Company's average load during any 5-minute period of the suspension period exceeds the Firm Contract Demand and

(ii) the average kW amount (up to and including the kW amount of FPI available) specified in section 5.3 above by which Company's average load during each 5-minute period of the suspension period exceeds the Firm Contract Demand.

If it is determined that the suspension period specified in section 5.3 above shall be applied to any other terms of the contract or any other terms of the contract, the suspension period shall be applied to the sum of (a) and (b) above.

(b) The average kW amount (up to and including the kW amount of FPI available) specified in section 5.3 above by which Company's average load during each 5-minute period of the suspension period exceeds the Firm Contract Demand.

ARTICLE VI
FPI PROVISIONS

SECTION 6.1 - ADMINISTRATIVE COSTS CHARGE

To help recover administrative and other costs of making FPI available (Administrative Costs), Distributor's monthly power invoice to Company shall include, and Company shall pay, a monthly Administrative Costs Charge (currently \$700 for the first meter and \$50 for each additional meter at the delivery point identified in section 3.5 above). This charge shall be due and payable each month on the due date for the monthly power invoice. Not more frequently than annually, by at least 60 days' written notice to Company, TVA may increase or decrease the Administrative Costs Charge to reflect changes in TVA's or Distributor's Administrative Costs.

SECTION 6.2 - FPI CREDIT

6.2.1 Credit Amount. A credit of \$3.40 per kW of the highest FPI Demand established each month shall be applied to Company's bill.

6.2.2 Credit Reduction Charge: In each Billing Period during which Company fails to suspend its FPI takings as required under 6.3 below, a charge (Credit Reduction Charge) shall be applied to Company's bill in an amount equal to the sum of (a) and (b) below.

(a) \$3.40 per kW shall be applied to the highest kW amount (up to and including the kW amount of FPI availability specified in section 3.3 above) by which Company's average load exceeds its Firm Contract Demand during any 5-Minute Period of any suspension period in the Billing Period.

(b) For each suspension period in the Billing Period, \$3.40 per kW shall be applied to the kW amount equal to the sum of

(i) the highest kW amount (up to and including the kW amount of FPI availability specified in section 3.3 above) by which Company's average load during any 5-Minute Period of the suspension period exceeds its Firm Contract Demand and

(ii) the average kW amount (up to and including the kW amount of FPI availability specified in section 3.3 above) by which Company's average load during each 5-Minute Period of the suspension period exceeds its Firm Contract Demand.

It is expressly recognized that application of the Credit Reduction Charge shall be without prejudice to any other rights of Distributor or TVA which may arise due to any failure by Company to comply with an FPI suspension.

6.2.3 Adjustments. (a) Not more frequently than annually, by at least 60 days' written notice to Company, TVA may adjust:

(i) the credit amount provided for in 6.2.1 above,
(ii) the amount of the Credit Reduction Charge provided for in 6.2.2 above, or
(iii) both said credit amount and said Credit Reduction Charge,
to assure TVA of such cost recovery as the TVA Board determines to be necessary
to meet the then-existing circumstances; provided, however, that any such adjusted
amounts shall be applied to all customers to which FPI is made available.

(b) In the event that any annual decrease in the credit under (a)(i) above is more
than 12 percent, Company may terminate the provisions of this contract covering
the availability and supply of the total amount of FPI upon at least 15 days' written
notice to TVA prior to the effective date of such decrease.

(c) In the event that Company terminates the availability of FPI under (b) above,
Company will be allowed to replace such FPI 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. It is expressly
recognized and agreed that while the provisions of this item (c) set forth a right of
Company to contract for replacement power:

(i) Company may elect to terminate FPI availability under (b) above without also
contracting for replacement power under this item (c), and

(ii) nothing in this item (c) shall be construed to obligate Company to so
contract with Distributor for any such replacement power.

SECTION 6.3 - SUSPENSIONS OF FPI AVAILABILITY

6.3.1 FPI Subject to Suspension by Notice. TVA may, at any time and from time to
time, suspend the availability of FPI upon 5 minutes' notice to Company. Any such
suspension shall become effective, and Company shall cease taking FPI, at the
expiration of the 5 minute notice period. Notwithstanding anything which may be
construed to the contrary, the availability of FPI remains at all times subject to the
provisions of the Terms and Conditions to this contract covering interference with
availability or use of power.

6.3.2 Suspension Periods. For billing purposes, each period of suspension shall
begin when the suspension becomes effective and shall end at the time notice is
given of the restoration of the availability of FPI; provided, however, that if such
notice is not given before the end of the Billing Period in which the suspension
period began, the suspension shall be deemed to end at the end of the Billing
Period and a new period of suspension shall be deemed to begin at the start of the
next Billing Period and continue until the time notice is given of the restoration of the
availability of FPI.

6.3.3 Telephone Line for Suspension Notices. Company shall at all times maintain,
in accordance with guidelines furnished or approved by TVA, a telephone line (or an

alternative system approved by TVA) dedicated to the receipt of notices under this paragraph. Such notices may be oral but shall be confirmed in writing.

SECTION 6.4 – POWER SYSTEM INFORMATION

(a) For Company's convenience, TVA may from time to time endeavor to provide Company with information related to projected forecasts of TVA's power system operations and other forecasts relative to potential suspensions of FPI availability via a System designated by TVA for obtaining access to such information or via other means. The System will be owned, operated, and maintained by TVA.

(b) For Company's access to the System, Company shall provide, at its expense, such software, hardware, or other equipment as may be necessary. In addition, Company shall be responsible for any telephone or other communications charges incurred in connecting to the System in the manner designated by TVA. Company shall access the System only in accordance with guidelines furnished or approved by TVA and shall use the System only in connection with obtaining information about FPI under this contract.

(c) Nothing in this section 6.4 shall restrict or limit TVA's right to suspend FPI provided for in section 6.3 above and TVA may suspend FPI under said section 6.3 without regard to whether or not a potential suspension has been projected. Further, the failure or inability for any reason of Company to access information about a potential suspension, through the System or otherwise, shall not alter Company's obligation to comply with any suspension of FPI.

(d) Neither Distributor nor TVA makes any statement, representation, claim, guarantee, assurance, or warranty of any kind whatsoever, including, but not limited to, representations or warranties, express or implied, of merchantability, fitness for a particular use or purpose, accuracy, or completeness, of any estimates, information, service, or equipment furnished or made available to Company under this section 6.4. Company hereby waives, and releases Distributor, the United States of America, TVA, and their directors, officers, agents, and employees from any and all claims, demands, or causes of action, including, without limitation, consequential damages, arising out of or in any way connected with any estimates, information, service, or equipment furnished or made available under this section.

SECTION 6.5 - TERMINATION OF FPI AVAILABILITY

It is recognized that the provisions of 6.3 above are the essence of this contract. It is accordingly expressly agreed that Distributor or TVA may terminate the provisions of this contract covering the availability and supply of the total amount of FPI at any time upon at least 7 days' written notice if Company (1) fails to cease taking FPI within the specified time period after receipt of a notice under 6.3, (2) fails to respond properly to a test of any system that would be utilized by TVA to suspend FPI in accordance with 6.3, or (3) fails to be ready and able at all times (a) to receive suspension notices under 6.3 and (b) to respond to those notices by ceasing its FPI takings within the specified time period.

ARTICLE VII **CONFIDENTIALITY PROVISIONS**

SECTION 7.1 - CONFIDENTIALITY OF PROPRIETARY INFORMATION

As a condition of access to the System and in consideration of TVA's making Proprietary Information available to Company:

(a) except as may be required by law, Company agrees not to divulge Proprietary Information to third parties without the written consent of TVA, and

(b) Company further agrees not to use the Proprietary Information disclosed to it by TVA (i) to compete with TVA or (ii) for any purpose other than those set forth in Article VI of this contract and for otherwise planning Company's utilization of FPI;

provided, however, that it is expressly recognized and agreed that nothing herein shall be construed to prohibit Company from disclosing Proprietary Information to directors, officers, agents, and employees of Company who have a need to know such information for the purposes provided for hereunder, so long as the compliance of such directors, officers, agents, and employees is secured as required by the last paragraph of this section 7.1.

Company shall afford Proprietary Information the same security and care in handling and storage as Company provides for its own confidential or proprietary information and data. TVA makes no representations or warranties to Company concerning the Proprietary Information made available. TVA shall have no obligation or liability to Company for or as a result of the furnishing of any Proprietary Information. Company agrees that if it elects to rely on any of the information, it does so at its sole risk.

Company's obligations with respect to Proprietary Information shall inure to the benefit of, and shall be binding upon, Company and TVA, and, as applicable, their respective subsidiaries, successors and assigns. In addition, Company's obligations with respect to Proprietary Information shall be binding upon any and all directors, officers, attorneys, agents, and employees of Company and Company shall secure the compliance by all of the foregoing with all of the terms and conditions of obligations with respect to Proprietary Information required to be observed or performed hereunder.

SECTION 7.2 - DISCLOSURES TO COMPANY CONTRACTORS

Notwithstanding 7.1 above, Company may disclose, after having given TVA written notice five working days before the disclosure, Proprietary Information to its contractors so long as the disclosure (a) is not to a competitor of TVA, (b) is made subject to a nondisclosure agreement entered into by Company's contractor and those employees of the contractor who will have access to the Proprietary Information, which agreement is subject to TVA's approval, (c) is made solely on a "need to know" basis, (d) is made subject to a restriction that Company's contractor and the contractor's employees use the Proprietary Information solely in performing work for Company in connection with Company's use of FPI, and (e) is made subject to the requirement that all copies of the Proprietary Information be returned to Company upon conclusion of the contractor's

work for Company. Company will make reasonable efforts (consistent, however, with its requirements) to minimize the amount of any such information disclosed to its contractors.

SECTION 7.3 - DISCLOSURES REQUIRED BY LAW

In the event that Company is legally required to disclose any Proprietary Information to others, Company shall endeavor to secure the agreement of such other party to maintain the information in confidence. In the event that Company is unable to secure such agreement, Company shall notify TVA with reasonable promptness so that TVA may join Company in the pursuit of such an agreement of confidence, work with such other party to revise the information in a manner consistent with its interests and the interests of the other party, or take any other action it deems appropriate.

SECTION 7.4 - INJUNCTIVE RELIEF

It is acknowledged that money damages may be an inadequate remedy for breach of Company's obligations with respect to Proprietary Information. Accordingly, without waiving any right not expressly waived by this sentence, Company agrees in advance to the granting of injunctive or other equitable relief in favor of TVA if TVA can make each and every showing required for such injunctive or equitable relief, except that TVA need not demonstrate that it suffered actual monetary damages before being entitled to injunctive or equitable relief.

SECTION 7.5 - TERM OF ARTICLE VII OBLIGATIONS

The obligations of Company under this Article VII shall terminate if and when, but only to the extent that, such Proprietary Information (a) is or shall become publicly known through no fault of Company, (b) is in Company's possession as supported by written records prior to receipt of said Proprietary Information from TVA, or (c) is disclosed to Company by a third party who is legally free to disclose such Proprietary Information. Accordingly, it is expressly recognized and agreed that the obligations of the parties under this Article VII shall survive any expiration or termination of this contract until all of Company's obligations with respect to any Proprietary Information so terminate.

ARTICLE VIII
MISCELLANEOUS PROVISIONS

SECTION 8.1 - NOTICES

8.1.1 Persons to Receive Notice. Any notice required by this contract shall be deemed properly given if mailed, postage prepaid, to the persons specified at the beginning of this contract for each party.

8.1.2 Certain Notices May Be Oral. Notices between the authorized operating representatives of the parties may be oral, except for notice of termination under Articles IV or VI of this contract, which must be in writing. Notices that may be oral shall be confirmed in writing.

8.1.3 Changes in Persons to Receive Notice. The designation of the person to be so notified, or the address of such person, may be changed at any time and from time to time by any party by similar notice.

SECTION 8.2 - INCORPORATION OF TERMS AND CONDITIONS

The attached Terms and Conditions are made a part of this contract; provided, however, that the provisions of subsection 4.3 of the Terms and Conditions shall be of no force and effect. In the event of any conflict between the body of this contract and the Terms and Conditions, the former shall control.

SECTION 8.3 - PREVIOUS ARRANGEMENTS

The 2003 Contract is hereby terminated as of the Effective Date of this contract.

IN WITNESS WHEREOF, the parties have caused this contract to be executed by their duly authorized representatives, as of the day and year first above written.

**TRI-COUNTY ELECTRIC
MEMBERSHIP CORPORATION**

By


Title: Executive Vice President and General Manager

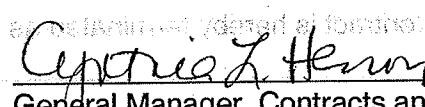
**A. O. SMITH ELECTRICAL
PRODUCTS COMPANY**

By


Title: Plant Manager - Jim Thompson

TENNESSEE VALLEY AUTHORITY

By


General Manager, Contracts and Pricing
Customer Service and Marketing

TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION

MANUFACTURING SERVICE RATE--SCHEDULE MSB

(October 2003)*

Availability

This rate shall apply to the firm electric power requirements where (a) a customer's currently effective contract demand is greater than 5,000 kW but not more than 15,000 kW and (b) the major use of electricity is for activities conducted at the delivery point serving that customer which are classified with a 2-digit Standard Industrial Classification Code between 20 and 39, inclusive.

Prior to initially taking any service under this schedule, and from time to time thereafter as may be required by Distributor or the Tennessee Valley Authority (TVA), a customer shall certify to both Distributor and TVA that it meets the requirements set forth in condition (b) above. The certification form to be used shall be (i) furnished or approved by TVA, (ii) provided by Distributor to the customer, and (iii) signed and promptly returned by the customer to Distributor. Further, such customer shall promptly certify any change in the status of any of the information contained in the certification form to Distributor.

Service during any period for which a customer does not meet the eligibility requirements set forth in condition (b) above will be made available by Distributor under, and billed in accordance with, the applicable General Power schedule.

Character of Service

Alternating current, single- or three-phase, 60 hertz. Power shall be delivered at a transmission voltage of 161 kV or, if such transmission voltage is not available, at the highest voltage available in the vicinity, unless at the customer's request a lower standard voltage is agreed upon.

Base Charges

1. If the customer's metered demand for the month is not more than 5,000 kW:

Customer Charge: \$1,500 per delivery point per month

Demand Charge: \$10.01 per kW of billing demand per month, plus an additional \$10.01 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: 2.584¢ per kWh for up to 620 hours use of metered demand per month

2.109¢ per kWh for all additional kWh per month

2. If the customer's metered demand for the month is greater than 5,000 kW:

Customer Charge: \$1,500 per delivery point per month

* Incorporates adjustments set out in October 2003 Adjustment Addendum (Environmental Adjustment)

Demand Charge: \$9.51 per kW of billing demand per month, plus an additional \$9.51 per kW per month for each kW, if any, of the amount by which the customer's billing demand exceeds its contract demand

Energy Charge: 2.454¢ per kWh for up to 620 hours use of metered demand per month

2.003¢ per kWh for all additional kWh per month

Adjustment

The base demand and energy charges shall be increased or decreased in accordance with the current Adjustment Addendum published by TVA. (In addition, such charges shall be increased or decreased to correspond to increases or decreases determined by TVA under Adjustment 2 or Adjustment 4 of the wholesale power rate schedule applicable under contractual arrangements between TVA and Distributor.)

Facilities Rental Charge

There shall be no facilities rental charge under this rate schedule for delivery at bulk transmission voltage levels of 161 kV or higher. For delivery at less than 161 kV, there shall be added to the customer's bill a facilities rental charge. This charge shall be 36¢ per kW per month except for delivery at voltages below 46 kV, in which case the charge shall be 93¢ per kW per month for the first 10,000 kW and 73¢ per kW per month for the excess over 10,000 kW. Such charge shall be applied to the higher of (1) the highest billing demand established during the latest 12-consecutive-month period or (2) the customer's currently effective contract demand and shall be in addition to all other charges under this rate schedule, including minimum bill charges.

Reactive Demand Charges

If the reactive demand (in kVAR) is lagging during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's highest metered demand occurs, there shall be added to the customer's bill a reactive charge of \$1.46 per kVAR of the amount, if any, by which the reactive demand exceeds 33 percent of such metered demand. If the reactive demand (in kVAR) is leading during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's lowest metered demand (excluding any metered demands which are less than 25 percent of the highest metered demand) occurs, there shall be added to the customer's bill a reactive charge of \$1.14 per kVAR of the amount of reactive demand. Such charges shall be in addition to all other charges under this rate schedule, including minimum bill charges.

Determination of Demand

Distributor shall meter the demands in kW of all customers served under this rate schedule. The metered demand for any month shall be the highest average during any 30-consecutive-minute period beginning or ending on a clock hour of the month of the load metered in kW, and such amount shall be used as the billing demand, except that the billing demand for any month shall in no case be less than the sum of (1) 30 percent of the first 5,000 kW and (2) 40 percent of any kW in excess of 5,000 kW of the higher of the currently effective contract demand or the highest billing demand established during the preceding 12 months.

Minimum Bill

The monthly bill under this rate schedule, excluding any facilities rental charges and any reactive charges, shall not be less than the sum of (1) the base customer charge, (2) the base demand charge, as adjusted (but excluding the additional portion thereof applicable to excess of billing demand over contract demand) applied to the customer's billing demand, and (3) the base energy charge, as adjusted, applied to the customer's energy takings.

Distributor may require minimum bills higher than those stated above.

Contract Requirement

Distributor shall require contracts for all service provided under this rate schedule. The contract shall be for an initial term of at least 5 years and any renewals or extensions of the initial contract shall be for a term of at least 1 year; after 10 years of service, any such contract for the renewal or extension of service may provide for termination upon not less than 4 months' notice. The customer shall contract for its maximum requirements, which shall not exceed the amount of power capable of being used by customer, and Distributor shall not be obligated to supply power in greater amount at any time than the customer's currently effective contract demand. If the customer uses any power other than that supplied by Distributor under this rate schedule, the contract may include other special provisions. The rate schedule in any power contract shall be subject to adjustment, modification, change, or replacement from time to time as provided under the power contract between Distributor and TVA.

Payment

Bills under this rate schedule will be rendered monthly. Any amount of bill unpaid after due date specified on bill may be subject to additional charges under Distributor's standard policy.

Single-Point Delivery

The charges under this rate schedule are based upon the supply of service through a single delivery and metering point, and at a single voltage. If service is supplied to the same customer through more than one point of delivery or at different voltages, the supply of service at each delivery and metering point and at each different voltage shall be separately metered and billed.

Service is subject to Rules and Regulations of Distributor.

TERMS AND CONDITIONS

(FPI)

SECTION 1 - CONDITIONS OF DELIVERY

1.1 Delivery Voltage and Frequency

The power made available at the delivery point specified in this contract shall be in the form of 3-phase alternating current and at a frequency of approximately 60 hertz. Except for temporary periods of abnormal operating conditions, voltage variations shall not exceed 7 percent up or down from a normal voltage to be determined from operating experience. Maintenance by Distributor at the point of delivery of the above-stated frequency and voltage within the above-stated limits shall constitute availability of power for purposes of this contract.

1.2 Protective Equipment

Neither Distributor nor TVA shall be obligated to provide equipment for the protection of Company's lines, facilities, or equipment, but Distributor or TVA, as the case may be, may provide such protective equipment as it deems necessary for the protection of its own property and operations. The electrical equipment installed by Company shall, in Distributor's and TVA's judgment, be capable of satisfactory coordination with any protective equipment installed by Distributor or TVA. Company shall exercise all reasonable precautions and install all equipment necessary to limit its Total Demand to the amount to which it is entitled under this contract.

1.3 Phase Balancing

Company shall endeavor to take and use power and energy in such manner that the current will be reasonably balanced on the three phases. In the event that any check indicates that the current on the most heavily loaded phase exceeds the current on either of the other phases by more than 20 percent, Company shall make at its expense, upon request, the changes necessary to correct the unbalanced condition. If an unbalanced condition is not corrected within 60 days, or such other period as may be agreed upon, Distributor may elect to meter the load on individual phases and compute the Total Demand as being equal to three times the maximum kW load on any phase. For all purposes under this contract, the load on any phase shall be the load measured by a wattmeter connected with its current coil in that phase wire and its potential coil connected between that phase wire and the neutral voltage point.

1.4 Interference With Availability of Power

The term "force majeure" shall be deemed to be a cause reasonably beyond the control of Distributor or TVA, such as, but without limitation to, injunction, administrative order, strike of employees, war, invasion, fire, accident, floods, backwater caused by floods, acts of God, or inability to obtain or ship essential services, materials, or equipment because of the effect of similar causes on

suppliers or carriers. Acts of God shall include without limitation the effects of drought if the drought is of such severity as to have a probability of occurrence not more often than an average of once in 40 years.

It is recognized by the parties that the availability of power to Company may be interrupted or curtailed from time to time during the term of this contract because of force majeure or otherwise. Company shall be solely responsible for providing and maintaining such equipment in its plant and such emergency operating procedures as may be required to safeguard persons on its property, its property, and its operations from the effects of such interruptions or curtailments. Company assumes all risk of loss, injury, or damage to Company resulting from such interruptions or curtailments.

SECTION 2 - METERING

2.1 Determination of Power and Energy

Distributor shall be responsible for the installation and maintenance of the meters and associated equipment which in Distributor's and TVA's judgment are needed to determine the amounts of power and energy used by Company. If the metering equipment is not located at the point of delivery defined in the contract, all amounts so metered shall be appropriately adjusted to reflect delivery at the point of delivery. (Company shall from time to time furnish loss data for any Company facilities as may be needed to allow Distributor or TVA to make such adjustments.) The amounts so metered, and so adjusted if appropriate, shall be the amounts used as the basis for billing, except as otherwise provided.

2.2 Telephone Circuit for Remote Access

It is recognized that remote telephone access to each meter is necessary to facilitate billing for FPI under this contract. Any telephone circuit or other equipment necessary for such access to a meter shall be installed by Distributor in accordance with guidelines and specifications furnished or approved by TVA. Company shall reimburse Distributor for the expenses incurred in installing and maintaining any necessary telephone circuit or other equipment and shall, if requested to do so, cooperate in the installation or maintenance of said circuit and equipment.

SECTION 3 - FACILITIES

Company grants to Distributor for its use and without cost to Distributor, such rights in, on, over, and across Company's property as may be necessary or desirable in connection with the installation, maintenance, operation, repair, and replacement of any electrical and metering facilities required to serve Company (including, without limitation, the metering facilities and telephone circuit provided for in section 2 above). Notwithstanding anything in this contract which might be construed to the contrary, any of the transmission facilities used in supplying power to Company under this contract may be used in serving other loads in any manner which Distributor may deem necessary or desirable.

SECTION 4 - RELATIONSHIP OF PARTIES

4.1 Company to Remain a Customer of Distributor

It is expressly recognized that Company remains a customer of Distributor and is not a directly served customer of TVA. TVA is a party to this contract only because of the unique nature of FPI. Distributor retains responsibility for all power service and customer relations matters except as provided otherwise with respect to FPI.

4.2 FPI Arrangements

In connection with the supply of FPI:

- (a) TVA may communicate directly with Company about power requirements and levels of operation,
- (b) Company may at any time communicate directly with TVA concerning matters relating to FPI,
- (c) TVA shall have sole responsibility for requiring reductions in availability of FPI, and
- (d) TVA shall have sole responsibility for maintenance of records of the status of the availability of FPI.

4.3 Effect of Termination of FPI

If the FPI Provisions are terminated under any provision of this contract, TVA shall cease to be a party to this contract and, from and after the date of such termination, it shall be deemed to be a contract between Distributor and Company.

SECTION 5 - RULES AND REGULATIONS

The power and energy made available to Company by Distributor under this contract shall be delivered, taken, and paid for in accordance with the terms of this contract and the Schedule of Rules and Regulations of Distributor (as amended, supplemented, or replaced). In the event of any conflict between the provisions of that Schedule and the other provisions of this contract, the latter shall control.

SECTION 6 - WAIVERS

A waiver of one or more defaults under this contract shall not be considered a waiver of any other or subsequent default.

SECTION 7 - SUCCESSORS AND ASSIGNS

This contract may be assigned by TVA or Distributor, but shall not be assignable by Company without written consent of Distributor and TVA except to a wholly owned subsidiary of Company or Company's successor by any bona fide merger, reorganization, or consolidation. In the event of any such assignment, the parties hereto shall remain liable for the faithful performance of this contract in all respects by their respective assigns, and such assigns by acceptance of such transfer or assignment shall likewise become bound for the full performance of this contract until its expiration.

SECTION 8 - DUPLICATE ORIGINALS

Any number of duplicate originals of this contract may be executed, and all such duplicates shall constitute but one and the same instrument.

(a) TVA shall have sole responsibility for maintenance of records of this contract and shall be deemed to be a party to this contract and, from and after the date of termination, it shall be deemed to be a contract between Distributor and Company.

SECTION 9 - WARRANTY

The power and energy made available to Company by Distributor under this contract shall be delivered, taken and paid for in accordance with the terms of this contract and the Schedules of Rates and Regulations of Distributor (as amended, supplemented, or replaced). In the event of any conflict between the provisions of this Schedule and the other provisions of this contract, the latter shall control.

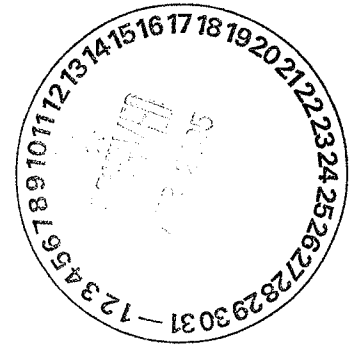
SECTION 10 - WARRANTY

A waiver of one or more details under this contract shall not be construed as a waiver of any other or subsequent details.



Tennessee Valley Authority, 6845 Russellville Road, Bowling Green, Kentucky 42101-7319

04/13/2005
Laura,
Please file.



April 7, 2005

Thanks,
Paul

72

Mr. Paul Thompson
Executive Vice President and General Manager
Tri-County Electric Membership Corporation
Post Office Box 40
Lafayette, Tennessee 37083

Dear Paul:

I have enclosed a fully executed original of the Bill of Sale and Agreement covering arrangements for TVA to purchase the Scottsville-South Scottsville 161 kV Section for TVA transmission system needs and for Tri-County EMC to continue to use the same. this document is for Tri-County's files.

After you have reviewed this document, if you have questions, please do not hesitate to call Hugh Meyer at (270) 846-7042.

Sincerely,

Myron N. Callaham

Myron N. Callaham
General Manager
Customer Service
Kentucky

Enclosure

BILL OF SALE AND AGREEMENT
Between
TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION
And
TENNESSEE VALLEY AUTHORITY

DATE: March 18, 2005

TV-52337A, Supp. No. 72
00037068

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, Distributor and TVA 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 Lease and Amendatory Agreement TV-21448A, Supplement No. 12, dated May 24, 1978, as amended (in particular by letter agreements dated September 27, 1979, and January 20, 1982) (1978 Agreement), Distributor purchased a section of TVA's Scottsville-Lafayette 69-kV Line and converted this section to 161-kV operation (the Scottsville-South Scottsville 161-kV Section); and

WHEREAS, Distributor uses the Scottsville-South Scottsville 161-kV Section for supply to its South Scottsville 161-kV Substation from the 161-kV delivery point at the 161-kV side of the Scottsville 161-kV Substation; and

WHEREAS, TVA wishes to purchase the Scottsville-South Scottsville 161-kV Section for TVA transmission system needs; and

WHEREAS, Distributor wishes to continue supply to its South Scottsville 161-kV Substation from the 161-kV delivery point at the 161-kV side of the Scottsville 161-kV Substation and to have such use of the Scottsville-South Scottsville 161-kV Section as may be needed for this; and

WHEREAS, the parties wish to amend and supplement the Power Contract and to enter into such other arrangements as are necessary to implement such a plan;

NOW, THEREFORE, for and in consideration of the 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 - LINE SECTION SALE AND PURCHASE

Effective as of July 1, 2004 (Sale Date) Distributor sells to TVA and TVA purchases for Seventy-eight Thousand Sixty-nine Dollars and Nine Cents (\$78,069.09) the following:

The Scottsville-South Scottsville 161-kV Section beginning at and including structure 1B (identified in TVA's records as TVA structure 217 at station 0+10) at the Scottsville 161-kV Substation and extending approximately 2.38 miles to and including structure 30 (identified in TVA's records as TVA structure 247 at station 125+50) at TVA's South Scottsville 161-kV Switching Station, including the structures, poles, anchors and guys, crossarms, insulators, pole hardware and fixtures, wires and conductors, all as shown on TVA drawing LW-2949, sheets 1 and 2

Upon payment by TVA to Distributor of the above-stated amount, the Scottsville-South Scottsville 161-kV Section becomes the property of TVA without further action by the parties. This sale of the Scottsville-South Scottsville 161-kV Section is made to TVA "as is," and Distributor makes no warranties of any kind whatsoever (including any warranty of merchantability), express or implied, as to same.

SECTION 2 - CONTINUATION OF SERVICE

On and after the Sale Date until the expiration of the Power Contract or any extension, renewal, or replacement of it (Use Period), TVA provides Distributor such use of the Scottsville-South Scottsville 161-kV Section as may be needed to continue supply to the South Scottsville 161-kV Substation from the 161-kV delivery point at the 161-kV side of the Scottsville 161-kV Substation. This use of the Scottsville-South Scottsville 161-kV Section is made available to Distributor "as is," and TVA makes no warranties of any kind whatsoever (including any warranty of merchantability), express or implied, as to same.

SECTION 3 - OPTION TO REACQUIRE LINE SECTION

During the Use Period if TVA determines it no longer needs the Scottsville-South Scottsville 161-kV Section, TVA shall offer to sell and Distributor may purchase the Scottsville-South Scottsville 161-kV Section at TVA's net book cost for the Scottsville-South Scottsville 161-kV Section under TVA's then standard transmission line sale arrangements as of the sale date.

SECTION 4 - AFFIRMATION OF AGREEMENT

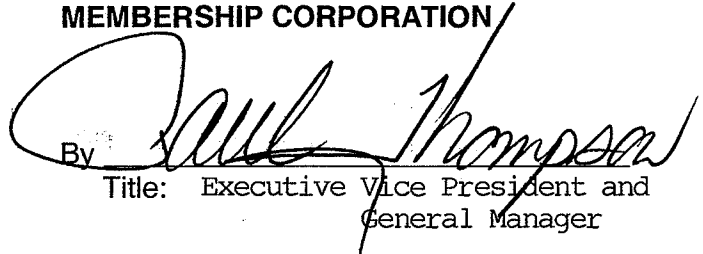
The 1978 Agreement, as amended by this agreement, shall be the continuing obligation of the parties.

SECTION 5 - AMENDMENTS

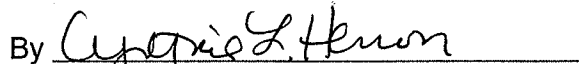
This agreement may be amended only by a writing signed by the parties.

IN WITNESS WHEREOF, the parties have caused this agreement to be executed by their duly authorized representatives, as of the day and year first above written.

**TRI-COUNTY ELECTRIC
MEMBERSHIP CORPORATION**

By 
Title: Executive Vice President and
General Manager

TENNESSEE VALLEY AUTHORITY

By 
General Manager, Contracts and Pricing
Customer Service and Marketing

405 College Street
P. O. Box 40
Lafayette, TN 37083-0040

Tri-County
Electric
Membership Corporation
www.tcemc.org

Telephone: (615) 666-2111
Toll Free: 1-800-369-2111
Fax: (615) 688-2141

October 27, 2005

Mr. Myron N. Callahan
General Manager – Customer Service – Kentucky
Tennessee Valley Authority
6045 Russellville Road
Bowling Green, KY 42101-7319

RE: Resale Rate Schedule Substitution Agreement

Dear Myron:

Please find enclosed one (1) executed duplicate original of the above referenced Agreement (Reference TV-52337A, Supp. No.73). We have kept a 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 (1)

September 19, 2005

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, as adjusted, are now in effect as a part of the Schedule of Rates and Charges attached to and made a part of the Power Contract, TV-52337A, dated July 18, 1979, as amended (Power Contract), between TVA and Distributor. This substitution is to be effective for all bills rendered from resale meter readings taken for revenue months of Distributor beginning with the October 2005 revenue month. It is expressly recognized that the adjustments set forth in the Adjustment Addendum to said Schedule of Rates and Charges dated October 1, 2005, shall continue to apply to the charges provided for by the attached schedules specified in (a) below.

(a) New resale rate schedules:

General Power Rate--Schedule GSC (October 2005)

Time-of-Day General Power Rate--Schedule TGSC (October 2005)

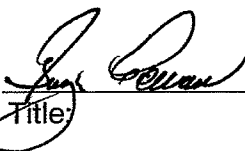
(b) Existing resale rate schedules:

General Power Rate--Schedule GSC (October 2003)

Time-of-Day General Power Rate--Schedule TGSC (October 2003)

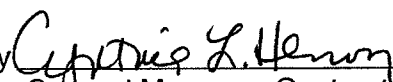
It is understood that, upon execution of this agreement by TVA and Distributor, all references in the Power Contract to the existing resale rate schedules specified in (b) above, or to any predecessor schedules, shall be deemed to refer to the appropriate new resale rate schedules specified in (a) above.

**TRI-COUNTY ELECTRIC
MEMBERSHIP CORPORATION**

By  _____
 Title:

Rate schedule substitution agreed to as of
the date first above written.

TENNESSEE VALLEY AUTHORITY

By  _____
 General Manager, Contracts and Pricing
 Customer Service and Marketing

TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION

GENERAL POWER RATE--SCHEDULE GSC

(October 2005)

Availability

This rate shall apply to the firm electric power requirements where a customer's currently effective contract demand is greater than 15,000 kW but not more than 25,000 kW.

Character of Service

Alternating current, single- or three-phase, 60 hertz. Power shall be delivered at a transmission voltage of 161 kV or, if such transmission voltage is not available, at the highest voltage available in the vicinity, unless at the customer's request a lower standard voltage is agreed upon.

Base Charges

Customer Charge:	\$1,500 per delivery point per month
Demand Charge:	\$10.97 per kW of billing demand per month, plus an additional \$10.97 per kW per month for each kW, if any, of the amount by which the customer's billing demand exceeds its contract demand
Energy Charge:	2.860¢ per kWh for up to 620 hours use of metered demand per month 2.334¢ per kWh for all additional kWh per month

Adjustment

The base demand and energy charges shall be increased or decreased in accordance with the current Adjustment Addendum published by TVA. (In addition, such charges shall be increased or decreased to correspond to increases or decreases determined by TVA under Adjustment 2 or Adjustment 4 of the wholesale power rate schedule applicable under contractual arrangements between TVA and Distributor.)

Facilities Rental Charge

There shall be no facilities rental charge under this rate schedule for delivery at bulk transmission voltage levels of 161 kV or higher. For delivery at less than 161 kV, there shall be added to the customer's bill a facilities rental charge. This charge shall be 36¢ per kW per month except for delivery at voltages below 46 kV, in which case the charge shall be 93¢ per kW per month for the first 10,000 kW and 73¢ per kW per month for the excess over 10,000 kW. Such charge shall be applied to the higher of (1) the highest billing demand established during the latest 12-consecutive-month period or (2) the customer's currently effective contract demand and shall be in addition to all other charges under this rate schedule, including minimum bill charges.

Reactive Demand Charges

If the reactive demand (in kVAR) is lagging during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's highest metered demand occurs, there shall be added to the customer's bill a reactive charge of \$1.46 per kVAR of the amount, if any, by which the reactive demand exceeds 33 percent of such metered demand. If the reactive demand (in kVAR) is leading during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's lowest metered demand (excluding any metered demands which are less than 25 percent of the highest metered demand) occurs, there shall be added to the customer's bill a reactive charge of \$1.14 per kVAR of the amount of reactive demand. Such charges shall be in addition to all other charges under this rate schedule, including minimum bill charges.

Determination of Demand

Distributor shall meter the demands in kW of all customers served under this rate schedule. The metered demand for any month shall be the highest average during any 30-consecutive-minute period beginning or ending on a clock hour of the month of the load metered in kW, and such amount shall be used as the billing demand, except that the billing demand for any month shall in no case be less than the sum of (1) 30 percent of the first 5,000 kW, (2) 40 percent of the next 20,000 kW, and (3) 50 percent of any kW in excess of 25,000 kW of the higher of the currently effective contract demand or the highest billing demand established during the preceding 12 months.

Minimum Bill

The monthly bill under this rate schedule, excluding any facilities rental charges and any reactive charges, shall not be less than the sum of (1) the base customer charge, (2) the base demand charge, as adjusted (but excluding the additional portion thereof applicable to excess of billing demand over contract demand) applied to the customer's billing demand, and (3) the base energy charge, as adjusted, applied to the customer's energy takings.

Distributor may require minimum bills higher than those stated above.

Contract Requirement

Distributor shall require contracts for all service provided under this rate schedule. The contract shall be for an initial term of at least 5 years and any renewals or extensions of the initial contract shall be for a term of at least 1 year; after 10 years of service, any such contract for the renewal or extension of service may provide for termination upon not less than 4 months' notice. The customer shall contract for its maximum requirements, which shall not exceed the amount of power capable of being used by customer, and Distributor shall not be obligated to supply power in greater amount at any time than the customer's currently effective contract demand. If the customer uses any power other than that supplied by Distributor under this rate schedule, the contract may include other special provisions. The rate schedule in any power contract shall be subject to adjustment, modification, change, or replacement from time to time as provided under the power contract between Distributor and TVA.

Payment

Bills under this rate schedule will be rendered monthly. Any amount of bill unpaid after due date specified on bill may be subject to additional charges under Distributor's standard policy.

Single-Point Delivery

The charges under this rate schedule are based upon the supply of service through a single delivery and metering point, and at a single voltage. If service is supplied to the same customer through more than one point of delivery or at different voltages, the supply of service at each delivery and metering point and at each different voltage shall be separately metered and billed.

Service is subject to Rules and Regulations of Distributor.

TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION
TIME-OF-DAY GENERAL POWER RATE--SCHEDULE TGSC
(October 2005)

Availability

This rate shall be available for the firm electric power requirements where the higher of a customer's currently effective onpeak or offpeak contract demand is greater than 15,000 kW but not more than 25,000 kW, provided that the other conditions of this section are met.

For a customer requesting that its onpeak contract demand be different from its offpeak contract demand, this schedule shall be available only for (1) a new contract, (2) a replacement or renewal contract following expiration of the existing contract, or (3) a replacement or renewal contract or an amended existing contract in which the customer is increasing its demand requirements above the existing contract demand level, but under this item (3) neither the new onpeak nor the new offpeak contract demand shall be lower than the customer's existing contract demand.

Character of Service

Alternating current, single- or three-phase, 60 hertz. Power shall be delivered at a transmission voltage of 161 kV or, if such transmission voltage is not available, at the highest voltage available in the vicinity, unless at the customer's request a lower standard voltage is agreed upon.

Base Charges

Customer Charge:	\$1,500 per delivery point per month
Demand Charge:	\$10.97 per kW per month of the customer's onpeak billing demand, plus \$1.89 per month for each kW, if any, of the amount by which the customer's offpeak billing demand exceeds its onpeak billing demand, plus an additional \$10.97 per kW per month for each kW, if any, of the amount by which (1) the customer's onpeak billing demand exceeds its onpeak contract demand or (2) the customer's offpeak billing demand exceeds its offpeak contract demand, whichever is higher
Energy Charge:	3.851¢ per kWh per month for all onpeak kWh 2.274¢ per kWh per month for all offpeak kWh

Adjustment

The base demand and energy charges shall be increased or decreased in accordance with the current Adjustment Addendum published by TVA. (In addition, such charges shall be increased or decreased to correspond to increases or decreases determined by TVA under Adjustment 2 or Adjustment 4 of the wholesale power rate schedule applicable under contractual arrangements between TVA and Distributor.)

Facilities Rental Charge

There shall be no facilities rental charge under this rate schedule for delivery at bulk transmission voltage levels of 161 kV or higher. For delivery at less than 161 kV, there shall be added to the customer's bill a facilities rental charge. This charge shall be 36¢ per kW per month except for delivery at voltages below 46 kV, in which case the charge shall be 93¢ per kW per month for the first 10,000 kW and 73¢ per kW per month for the excess over 10,000 kW. Such charge shall be applied to the highest of (1) the highest onpeak or offpeak billing demand established during the latest 12-consecutive-month period, (2) the customer's currently effective onpeak contract demand, or (3) the customer's currently effective offpeak contract demand and shall be in addition to all other charges under this rate schedule, including minimum bill charges.

Reactive Demand Charges

If the reactive demand (in kVAR) is lagging during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's highest metered demand occurs, there shall be added to the customer's bill a reactive charge of \$1.46 per kVAR of the amount, if any, by which the reactive demand exceeds 33 percent of such metered demand. If the reactive demand (in kVAR) is leading during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's lowest metered demand (excluding any metered demands which are less than 25 percent of the highest metered demand) occurs, there shall be added to the customer's bill a reactive charge of \$1.14 per kVAR of the amount of reactive demand. Such charges shall be in addition to all other charges under this rate schedule, including minimum bill charges.

Determination of Onpeak and Offpeak Hours

Except for Saturdays and Sundays and the weekdays that are observed as Federal holidays for New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day, onpeak hours for each day shall be 10 a.m. to 10 p.m. during calendar months of May through September and from 6 a.m. to 12 noon and from 4 p.m. to 10 p.m. during all other calendar months. All other hours of each day and all hours of such excepted days shall be offpeak hours. Such times shall be Central Standard Time or Central Daylight Time, whichever is then in effect. The onpeak and offpeak hours under this rate schedule are subject to change by TVA. In the event TVA determines that such changed onpeak and offpeak hours are appropriate, it shall so notify Distributor at least 12 months prior to the effective date of such changed hours, and Distributor shall promptly notify customer.

Determination of Onpeak and Offpeak Demands and Energy Amounts

The onpeak and offpeak kWh for any month shall be the energy amounts taken during the respective hours of the month designated under this rate schedule as onpeak and offpeak hours.

Distributor shall meter the onpeak and offpeak demands in kW of all customers taking service under this rate schedule. The onpeak metered demand and offpeak metered demand for any month shall be determined separately for the respective hours of the month designated under this rate schedule as onpeak and offpeak hours and in each case shall be the highest average during any 30-consecutive-minute period beginning or ending on a clock hour of the month of the load metered in kW, and, except as provided below in this section, such amounts shall be used as the onpeak and offpeak billing demands. The onpeak billing demand shall in no case be less than the sum of (1) 30 percent of the first 5,000 kW, (2) 40 percent of the next 20,000 kW, and (3) 50 percent of any kW in excess of 25,000 kW of the higher of the currently effective onpeak contract demand or the highest onpeak billing demand established during the preceding 12 months. The offpeak billing demand shall in no case be less than the sum of (1) 30 percent of the first 5,000 kW, (2) 40 percent of the next 20,000 kW, and (3) 50 percent of any kW in excess of 25,000 kW of the higher of the currently effective offpeak contract demand or the highest offpeak billing demand established during the preceding 12 months.

Minimum Bill

The monthly bill, excluding any facilities rental charges and any reactive charges, shall not be less than the sum of (1) the base customer charge, (2) the portion of the base demand charge, as adjusted, applicable to onpeak billing demand applied to the customer's onpeak billing demand, (3) the portion of the base demand charge, as adjusted, applicable to any excess of offpeak over onpeak billing demand applied to the amount, if any, by which the customer's offpeak billing demand exceeds its onpeak billing demand, (4) the base onpeak energy charge, as adjusted, applied to the customer's onpeak energy takings, and (5) the base offpeak energy charge, as adjusted, applied to the customer's offpeak energy takings.

Distributor may require minimum bills higher than those stated above.

Contract Requirement

Distributor shall require contracts for all service provided under this rate schedule. The contract shall be for an initial term of at least 5 years and any renewals or extensions of the initial contract shall be for a term of at least 1 year; after 10 years of service, any such contract for the renewal or extension of service may provide for termination upon not less than 4 months' notice. The customer shall contract for its maximum requirements, which shall not exceed the amount of power capable of being used by customer, and Distributor shall not be obligated to supply power in greater amount at any time than the customer's currently effective contract demand. If the customer uses any power other than that supplied by Distributor under this rate schedule, the contract may include other special provisions. The rate schedule in any power contract shall be subject to adjustment, modification, change, or replacement from time to time as provided under the power contract between Distributor and TVA.

After having received service for at least 1 year under this rate schedule, the customer, subject to appropriate amendments in its power contract with Distributor, may receive service under the General Power Rate--Schedule GSC. In such case the term of the power contract shall remain the same and the contract demand for service under the General Power Rate--Schedule GSC shall not be less than the onpeak contract demand in effect when service was taken under this rate schedule.

Payment

Bills under this rate schedule will be rendered monthly. Any amount of bill unpaid after due date specified on bill may be subject to additional charges under Distributor's standard policy.

Single-Point Delivery

The charges under this rate schedule are based upon the supply of service through a single delivery and metering point, and at a single voltage. If service is supplied to the same customer through more than one point of delivery or at different voltages, the supply of service at each delivery and metering point and at each different voltage shall be separately metered and billed.

Service is subject to Rules and Regulations of Distributor.

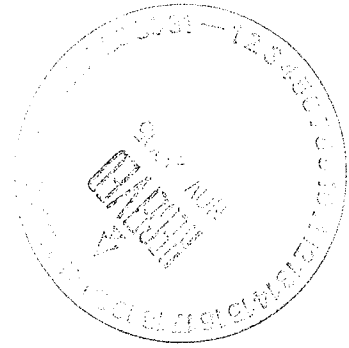
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Tennessee Valley Authority, 6045 Russellville Road, Bowling Green, Kentucky 42101-7319



November 17, 2005

Mr. Paul Thompson, Executive Vice President
and General Manager
Tri-County Electric Membership Corporation
Post Office Box 40
Lafayette, Tennessee 37083

Dear Paul:

I have enclosed a fully executed original of Tri County's Green Power Switch Agreement, TV-562337A, Supplement No. 74, dated October 26, 2005.

If you have any questions, please feel free to call Hugh A. Meyer at (270) 846-7042.

Sincerely,

A handwritten signature in cursive script that reads "Myron N. Callahan".

Myron N. Callahan
General Manager
Customer Service
Kentucky

Enclosures

GREEN POWER SWITCH® AGREEMENT

Between

TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION

And

TENNESSEE VALLEY AUTHORITY

Date:

Oct. 26, 2005

TV-52337A, Supp. No. 74

THIS AGREEMENT, made and entered into 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);

WITNESSETH:

WHEREAS, TVA, pursuant to authority granted it by the TVA Act, operates and maintains an electric power generation and transmission system serving parts of seven States; and

WHEREAS, Distributor and TVA 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 TVA Act provides that among TVA's objectives shall be those of promoting the wider and better use of electric power and of supplying electric power at the lowest feasible rates; and

WHEREAS, TVA and Distributor wish to participate in a program (Program) in which TVA will provide renewable generation from generation sources acceptable for the Green Power Switch® Program, including photovoltaic solar, wind turbines, and methane gas sources (which generation sources are collectively referred to as "Green Power Sources"), for resale at a premium by Distributor to its participating customers; and

WHEREAS, TVA and Distributor desire to agree upon the respective rights and obligations of the parties with respect to the development, implementation, and administration of the Program;

NOW, THEREFORE, for and in consideration of the premises and of the mutual agreements set forth below, and subject to the provisions of the TVA Act and applicable federal, state, and local laws, the parties mutually agree as follows:

SECTION 1 - GREEN POWER PROGRAM

1.1 Purpose. The Program is designed to offer end-use customers a choice in the supply of power by offering participating customers the option of paying for power and energy generated by Green Power Sources.

1.2 Customer Participation. Customers of Distributor who participate in the Program (Participants) will do so by entering into appropriate arrangements with Distributor providing for the selection of and premium payment for one or more 150-kWh blocks of energy (Energy Blocks) generated by Green Power Sources.

1.3 Green Power Switch[®] Charges. A Participant will pay a charge (Green Power Switch[®] Charge) for each Energy Block that the Participant commits to pay for each month. This Green Power Switch[®] Charge will be determined in accordance with Appendix A, attached to and made a part of this agreement, as such Appendix A may be modified, changed, replaced, or adjusted by TVA from time to time in accordance with the Green Power Switch[®] Program.

SECTION 2 - RESPONSIBILITY OF PARTIES

2.1 TVA. TVA will provide, construct, or otherwise obtain the output of various facilities to provide generating capacity from Green Power Sources to meet Participant demand.

2.2 Distributor. Distributor will, consistent with the provisions of this agreement, develop and implement appropriate arrangements with its customers wishing to enroll in the Program and will thereafter conduct the Program with each Participant in accordance with the provisions of this agreement and such participation arrangements.

SECTION 3 - RETAIL CHARGE AND WHOLESALE BILLING ADJUSTMENT

3.1 Retail Charge. Beginning with the first billing month following the effective date of each Participant's enrollment in the Program and for each month thereafter, Distributor will add to that Participant's bill, in addition to all other charges for power and energy determined in accordance with Distributor's rate schedule applicable to that Participant, an amount equal to the applicable Green Power Switch[®] Charge.

3.2 Wholesale Billing Adjustment. The total dollar amount of base demand and energy charges calculated under the wholesale rate schedule attached to and made a part of the Power Contract shall be increased by adding thereto an amount equal to the total Green Power Switch[®] Charges determined in accordance with subsection 3.1 above; provided, however, that any such amounts billed to a Participant but not paid to Distributor will be deducted from the amount due to TVA.

3.3 Reimbursement of Distributor's Costs. In order to compensate Distributor for its Program costs, TVA will for each Participant that enrolls in the Program allow a one-time \$4 credit to Distributor. Such credits will be applied to Distributor's monthly wholesale bill for power and energy.

SECTION 4 - JOINT RESPONSIBILITIES

4.1 **Promotion.** Distributor will promote the Program using promotional materials, resources, and methods agreed upon by Distributor and TVA and provide TVA annually Distributor's plan of marketing activities to promote the Program. A sample outline of a marketing plan for this purpose is attached to this agreement as Appendix B. Prior to its execution of this agreement Distributor will prepare its own marketing plan (Plan), which will be attached to and made a part of this agreement as a replacement for the sample outline marketing plan. Distributor will update its Plan prior to each anniversary date of this agreement. TVA will support the Program with its marketing personnel and with advertising and promotional campaigns in the TVA region. TVA and Distributor will agree in advance on the cost sharing between TVA and Distributor for any joint marketing and promotional campaigns.

4.2 **Evaluation of Program.** At TVA's request, Distributor will provide information to TVA regarding the results of Distributor's participation in the Program. Such information may include, but is not limited to, profile data of Participants' in the Program, Distributor personnel working on the Program, results of promotional activities, and customer surveys. TVA, after consultation with Distributor, will compare these results with the objectives set forth in the Plan to determine further funding levels in Distributor's service area for the Program.

4.3 **Trademark License.** During the term of this agreement TVA grants to Distributor the revocable non-exclusive right and license to adopt and use the trademark, trade name, and logo (Service Marks) developed and owned by TVA for advertising and promoting the Program, in accordance with the terms of the Green Power Switch® Application Guidelines, attached to and made a part of this agreement as Appendix C. Distributor acknowledges that TVA is the sole owner of all rights to such Service Marks, including but not limited to, the "good will" associated with them.

SECTION 5 - TERM OF AGREEMENT

5.1 **Term of Agreement.** This agreement shall become effective as of the date first above written, and shall remain in effect unless sooner terminated as provided below.

5.2 **Termination of Agreement.** Either party may terminate this agreement as of one year from its effective date, or as of any time thereafter, by giving written notice to the other party at least 30 days prior to the effective date of termination. This agreement will terminate as of the date that the Power Contract and any renewal, extension, or replacement of it terminates or expires. From and after the effective date of such a termination, Distributor shall not be authorized to enroll any new Participants into the Program and shall terminate its arrangements with existing Participants.

5.3 **Continuing Obligations.** Nothing contained in this agreement shall be construed as relieving either TVA or Distributor of its obligations arising or accruing prior to the date of termination of this agreement. Upon sending or receiving such a

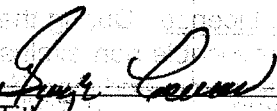
termination notice, Distributor shall make no further commitments affected by the termination.

SECTION 6 - OPERATING REPRESENTATIVES

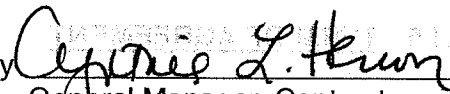
TVA's Operating Representative for administration of this agreement shall be the Executive Vice President, Customer Service and Marketing, or a designee. Distributor's Operating Representative for administration of this agreement shall be the manager of its electric system or a designee. Subject to the 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.

IN WITNESS WHEREOF, the parties to this agreement have caused it to be executed by their duly authorized representatives, as of the day and year first above written.

**TRI-COUNTY ELECTRIC
MEMBERSHIP CORPORATION**

By 
Title

TENNESSEE VALLEY AUTHORITY

By 
General Manager, Contracts and Pricing
Customer Service and Marketing

APPENDIX A

GREEN POWER SWITCH® CHARGE (May 2004)

<u>Resale Schedule Applicable to Participant</u>	<u>Energy Block (kWh)</u>	<u>Charge</u>	<u>Minimum Number of Energy Blocks to be Purchased</u>
Schedule RS and Time-of-Day Schedule TRS	150 kWh	\$4.00 per Energy Block	One
Schedule GSA, Part 1 and Time-of-Day Schedule TGSA, Part 1	150 kWh	\$4.00 per Energy Block	Five
Schedule GSA, Part 2 and Time-of-Day Schedule TGSA, Part 2	150 kWh	\$4.00 per Energy Block	Higher of (a) 25 or (b) the number (rounded to the next following whole number) determined by dividing (i) an amount equal to five percent of Participant's average monthly Energy Load (as defined below) by (ii) 150 kWh *See note for a possible alternative.
Schedule GSA, Part 3 and Time-of-Day Schedule TGSA, Part 3	150 kWh	\$4.00 per Energy Block	250
Schedules GSB, GSC, and GSD and Time-of-Day Schedules TGSB, TGSC, and TGSD	150 kWh	\$4.00 per Energy Block	375

For determining the minimum number of Energy Blocks to be purchased by Participants served under Schedule GSA, Part 2 and Time-of-Day Schedule TGSA, Part 2, Participant's average monthly Energy Load is the monthly kWh average during the 12-consecutive-month period immediately preceding the month in which Participant enrolls in the Program. (After a Participant enrolls in the Program, the minimum number of Energy Blocks to be purchased by the Participant remains constant.)

*Participants with multiple locations in the TVA region that commit to meet the U.S. EPA's Green Power Partnership requirements may have an alternative minimum number of energy blocks to be purchased. Contact TVA Marketing at (615) 232-6688 for information and Participant eligibility.

**Tri-County Electric
Green Power Switch
Marketing Plan
October 2005**

Situation:

There is limited awareness of the Green Power Switch in the Tri-County Electric service area. There is some recognition in areas where the generic Green Power Switch radio ads have played, prior to Tri-County Electric entering the program.

Our approach will be to treat the program as an introduction to our member-owners.

Plan Objectives:

Our initial goal is to build awareness among at least half of our residential member-owners. We hope to have a minimum of 10% participation from this group.

While we expect to increase awareness among our commercial and industrial member-owners at the same time, our push to enroll these accounts will follow residential accounts.

Strategy:

Our objectives will be accomplished through advertising, press releases, office displays and the display and distribution of information at community events.

First, we want our member-owners to be aware of environmentally friendly generation. We would like for this awareness to translate into a desire to be involved in doing something to help protect the environment. Finally, we want the "desire to do something" to be replaced with the understanding that for a minimal investment each month, everyone "can do something".

Target Audience:

As mentioned in the previous section, the primary audience will be the member-owners who want to do something to help protect the environment, but perhaps are not completely sure what one individual or family can do. At Tri-County Electric's Annual Meeting in May 2005, over half of our member-owners stated that they would be willing to purchase renewable energy for all or part of their energy needs. Senior citizens comprised a majority of this group so that is additional audience we will target.

All of our member-owners will have the opportunity to hear, read and see information regarding the Green Power Switch program.

**Tri-County Electric
GPS Marketing Plan
Page Two**

Tactics:

Our approach to increase awareness and participation in the Green Power Switch program includes newspaper ads, radio ads, a billboard located at the intersection of Highway 52 and Highway 31E in Westmoreland, Tennessee and literature in each of our eight offices.

Tri-County Electric's participation in the Green Power Switch program was announced through press releases to all newspapers and radio stations in our service area.

We are featuring the program in Power Lines, our monthly member newsletter, Kentucky Living and the Tennessee Magazine. A registration form is included with the information. Displays with brochures and registration forms are set up in each of our offices along with posters and decals at our drive-through windows.

We have also participated in radio programs regarding Green Power Switch and have asked TVA to participate in programs at our Chambers of Commerce, Rotary Clubs and other civic organizations.

Budget:

The expense of the billboard (over \$10,000 for two years) in Westmoreland, Tennessee was split between Tri-County Electric and TVA.

Tri-County Electric has budgeted for radio ads and quarterly newspaper ads. We will also continue to provide information in our newsletter and magazines.

TVA has provided three customized newspaper ads, generic radio ads for a couple of weeks, displays, bookmarks, brochures and registration forms. It is our understanding that they will continue to provide generic ads, giveaways, brochures and registration forms.

APPENDIX C

APPLICATION GUIDELINES

SECTION 1 - GUIDELINES FOR THE GREEN POWER SWITCH® LOGO

1.1 A registration symbol (®) must always appear with the name and logo. This symbol indicates that the Green Power Switch® name and logo are always marks of TVA, registered with the U. S. Patent and Trademark Office.

1.2 The Pantone® colors used are 116 yellow, 279 blue, and 368 green.

1.3 It can be reproduced in the three-color format, or as a one-color logo in Pantone® 368 green, black, or white.

1.4 The typeface used for the Green Power Switch® letterform (the words "Green Power Switch" that accompany the logo) is 95 Helvetica Black with capital and lower-case letters as shown.

1.5 The color for the letterform used on the 3-color logo is generally green, however, in situations where legibility might be compromised, it can be white.

1.6 Digital files or camera-ready artwork are available through TVA, or may be downloaded from www.tva.com/greenpowerswitch/logo.htm.

SECTION 2 - USING THE GREEN POWER SWITCH® LOGO

2.1 The logo should always be placed on a background that provides a strong visual contrast.

2.2 Green Power Switch® is offered in the Tennessee Valley by TVA and by distributors of TVA power, so multiple logos are often shown in Green Power Switch® products. When used in conjunction with the Green Power Switch® logo, other logos should be shown in black.

2.3 When using multiple logos, the Green Power Switch® logo should be equal to or more prominent than the other logos.

2.4 Logos of TVA and participating power distributors should have about the same size, weight, and importance; leave an equal distance between the various logos not less than half the size of the smallest one. (TVA logo usage guidelines are available from TVA Corporate Branding.)

2.5 In large blocks of text, the words Green Power Switch® are often highlighted in bolder type. When they appear, use the ® symbol as a superscript following the words. The symbol ® should be approximately one-third of the Green Power Switch® font size superscripted beside the words in the upper right-hand corner. If the phrase Green Power Switch® is mentioned several times in a brochure or letter, the symbol only needs to be used in the first reference.



04/19/2006

Laura,

Please file.

Thanks,
Paul

Tennessee Valley Authority, 6045 Russellville Road, Bowling Green, Kentucky 42101-7319

April 18, 2006

Mr. Paul Thompson
Executive Vice President and
General Manager
Tri-County Electric Membership Corporation
Post Office Box 40
Lafayette, Tennessee 37083-0040

Dear Paul:

I have enclosed a fully executed original of the Statement on Auditing Standards. No. 70 (SAS 70), TV-52337A, Supplement No. 75, for your files.

If you have questions concerning this document or any material therein, please contact Hugh Meyer at (270) 846-7042.

Sincerely,

Myron N. Callahan

Myron N. Callahan
General Manager
Customer Service
Kentucky

Enclosure





Tennessee Valley Authority, Post Office Box 292409, Nashville, Tennessee 37229-2409

March 23, 2006

TV-52337A
Supp. No. 75

Mr. Paul Thompson
EVP & General Manager
Tri-County Electric
Membership Corporation
Post Office Box 40
Lafayette, Tennessee 37083-0040

Dear Mr. Thompson:

This is to confirm the understanding between Tri-County Electric Membership Corporation (Distributor) and Tennessee Valley Authority (TVA) concerning the reimbursement plan for Distributor's costs of preparing or having prepared a Statement on Auditing Standards No. 70 (SAS 70) Type II audit of internal controls (Report) including an opinion of a certified public accountant (Opinion) as described in section 1 below in support of TVA efforts related to Section 404 of the Sarbanes-Oxley Act of 2002. It is recognized that (a) TVA's internal control structure is impacted by the nature of its current end-use billing arrangements with Distributor, (b) that under these arrangements, Distributor calculates major components of its power bills, and (c) that TVA will rely on the Report provided for by this agreement in assessing the effectiveness of TVA's internal controls over the end-use billing process as well as the effectiveness of related controls performed by Distributor.

In accordance with the following timetable and conditions, TVA will reimburse Distributor at the flat rate provided for in Attachment A to this agreement:

1. Distributor agrees to prepare or have prepared a Report.
 - a. The Report will cover, at least, the following 12 control objectives:
 - i. Correct billing rates are associated with contractual end-use customer classifications in the computer system(s) used by Distributor, and only valid changes are made by authorized individuals;
 - ii. The end-use customer master file, including end-use customer classifications and applicable SIC codes, is accurate, and only valid changes are made to the file by authorized individuals;
 - iii. Meter readings for energy usage (kWh) and peak demands (kW) accurately report the service provided;

- iv. All actual power usage for the period is captured and meter readings for energy usage (kWh) and peak demands (kW) are transferred completely and accurately to the computer system used to compute the "Schedule 1" power invoice;
- v. All adjustments to energy usage (kWh) and interval meter data (kW) are valid (for example, based on prior inaccurate meter readings or other valid support) and made by authorized personnel;
- vi. Processes are in place to verify periodically the proper performance of commercial and industrial meters used for demand charge calculations;
- vii. "Schedule 1" summaries are accurately calculated (using correct power usage, product and credit charge codes, customer classifications, usage calculations, credit calculations, contract terms, valid rates, and appropriate factors) and conveyed completely and accurately to TVA on a timely basis;
- viii. Logical access controls exist in Distributor and/or third party processor systems for proper system security and segregation of duties;
- ix. Data that has been recorded, processed, and reported remains complete, accurate, and valid throughout the update and storage process;
- x. Controls are in place for computer operations, program development and change, and records management;
- xi. Related spreadsheets and reports are controlled and validated; and
- xii. System backups are maintained and tested to ensure that recovery of systems can occur.

If Distributor relies on a third party to perform any of the control objectives above, Distributor is to obtain a separate Report, including Opinion, from the third party on the related controls.

- b. The Opinion will address the following four components:
 - i. Fair presentation of the description of controls,

- ii. Design effectiveness of controls,
 - iii. Operating effectiveness as of a specified date, and
 - iv. Whether or not the Distributor's or third party possessor's controls are operating effectively over a specified period of time.
2. On or before August 31, 2006, Distributor will submit to TVA the required Report(s), including Opinion(s) and descriptions of controls performed to meet each of the 12 control objectives listed under subsection 1a above; the nature of the tests conducted; and the results of each test as described in TVA's "Audit Plan-End-Use Billing Process;" provided, however, that if Distributor informs TVA of adequate explanation of why the Report(s) cannot be ready by August 31, 2006, TVA may agree in writing to accept the Report(s) after August 31, 2006.

Distributor agrees to submit the Report(s) by either mail or e-mail as listed below. If submitted by mail, two (2) copies of the Report(s) will be included.

By Mail: Tennessee Valley Authority
Attn: Controller
400 West Summit Hill Drive
WT 4B-K
Knoxville, Tennessee 37902

E-mail: dsasrepo@tva.gov

3. TVA will provide an advance of one-half of the applicable flat rate, set out under Attachment A to this agreement, by applying a credit equal to that amount on the Distributor's next power invoice calculated after the execution of this agreement.
4. If TVA receives the Report(s) meeting the requirements of section 1 above on or before the deadline provided for in section 2 above (as such deadline may be extended in accordance with the provisions of that section), TVA will reimburse the second half of the applicable flat rate by applying a credit on the Distributor's next power invoice.
5. If TVA does not receive such Report(s) by such deadline, Distributor's next power invoice will be subject to a charge equal to the advance reimbursement provided by TVA under section 3 above.

Mr. Paul Thompson
Page 4
March 23, 2006

6. Nothing in this agreement is intended to subject a distributor that is not otherwise legally subject to the provisions of the Sarbanes-Oxley Act of 2002 to this act. The Report(s) and Opinion(s) described in this agreement support TVA's efforts under the act.

If this correctly states our understanding, please have a duly authorized representative sign and date both duplicate originals of this letter on behalf of Distributor and return them to your TVA Customer Service Manager. A fully executed original will be returned to you.

Sincerely,

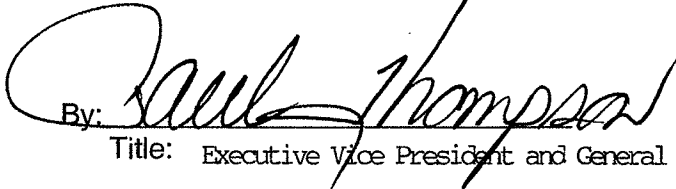


Kenneth R. Breeden
Executive Vice President
Customer Service and Marketing

Accepted and agreed to as of
the 29th day of March, 2006

TRI-COUNTY ELECTRIC
MEMBERSHIP CORPORATION

By:



Title: Executive Vice President and General Manager

SAS 70 Audit Cost - Reimbursement Amounts

Fiscal Year 2006

Distributor MWh Usage TVA's FY 2005	Reimbursement Amounts
Less Than 500,000	\$ 25,000
500,000 to 1 Million	\$ 35,000
1 to 2 Million	\$ 45,000
2 to 5 Million	\$ 55,000
5 to 10 Million	\$ 75,000
Over 10 Million	\$ 100,000

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

March 29, 2006

Mr. Kenneth R. Breeden
Executive Vice President
Customer Service and Marketing
Tennessee Valley Authority
Post Office Box 292409
Nashville, TN 37229-2409

RE: Statement on Auditing Standard No. 70 (SAS 70)

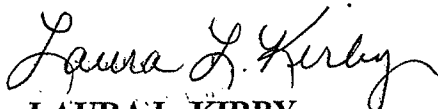
Dear Mr. Breeden:

Per your written letter dated March 23, 2006, please find enclosed the above referenced agreement signed by our Executive Vice President and General Manager, Paul Thompson.

Please return a fully executed agreement for our files.

If additional information is needed, please advise.

Sincerely,



LAURA L. KIRBY
Administrative Assistant

Lk

Enclosures (2)



Tennessee Valley Authority, Post Office Box 292409, Nashville, Tennessee 37229-2409

June 28, 2006

TV-52337A, Supp. No. 76

Mr. Paul Thompson
EVP & General Manager
Tri-County Electric Membership Corporation
Post Office Box 40
Lafayette, Tennessee 37083-0040

Dear Mr. Thompson:

It is recognized that (1) Tri-County Electric Membership Corporation (Distributor), under its power contract with Tennessee Valley Authority (TVA), dated July 18, 1979, as amended (Power Contract), purchases power at specified delivery points, including a 161-kV delivery point at the 161-kV side of the Scottsville 161-kV Substation, and (2) Distributor is building its North Scottsville 161-kV Substation (Substation), which will be served by TVA through the Scottsville 161-kV Substation. This will confirm the arrangements developed between representatives of TVA and Distributor to provide for two 13-kV revenue metering installations at the Substation.

It is understood and agreed that:

1. The attachment entitled "Terms and Conditions (New Metering Installation)" (the Terms and Conditions) is made a part of this agreement. In the event of any conflict between the body of this agreement and this attachment, the former controls.
2. TVA and Distributor will cooperate in providing at the Substation two new 13-kV revenue metering installations (one for each new power transformer), each in accordance with the Terms and Conditions.
3. Distributor shall provide a telephone circuit for use with the new metering installations. Accordingly, section 1.3.1 of the Terms and Conditions applies and addresses access to the new metering installations. TVA shall furnish a telephone switcher for Distributor to install at its expense in its switchhouse. TVA will allow Distributor access to potentials from the metering voltage transformers.
4. Section 3 of the Terms and Conditions applies since neither of the 13-kV metering installation at the Substation is at the point of delivery specified in the Power Contract, which is the 161-kV side of the Scottsville 161-kV Substation.

Mr. Paul Thompson
Page 2
June 28, 2006

5. TVA and Distributor will cooperate in providing at the Substation an underfrequency/undervoltage and lockout relay with accessory equipment (Relay). In accordance with plans and specifications satisfactory to TVA, Distributor shall at its expense install the Relay and thereafter remove and replace it at TVA's request. TVA shall at its expense furnish the Relay and any needed replacements for it and shall operate, maintain, and repair the Relay.
6. TVA and Distributor will cooperate in providing a connection from the Scottsville 161-kV Substation to the Substation. TVA shall at its expense modify the existing tap point for the Scottsville 161-kV Substation to provide a dead-end structure. Distributor, shall at its expense and in accordance with plans and specifications satisfactory to TVA, attach to this structure Distributor's isolating switch and tap line extending approximately 1.5 miles to the Substation.

If this letter satisfactorily sets forth our understandings, please have a duly authorized representative execute the two enclosed originals on behalf of Distributor and return them to the TVA customer service center. Upon execution by TVA, this letter shall be a binding agreement, and a fully executed original will be returned to you.

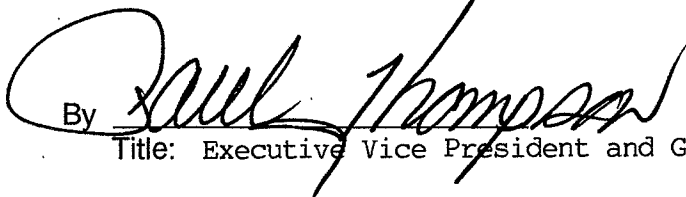
Sincerely,



Theresa A. Flaim
Senior Vice President
Pricing and Strategic Planning
Customer Service and Marketing

Accepted and agreed to as of the date first above written.

TRI-COUNTY ELECTRIC
MEMBERSHIP CORPORATION



By

Paul Thompson

Title: Executive Vice President and General Manager

TERMS AND CONDITIONS **(New Metering Installation)**

SECTION 1 - METERING

1.1 TVA's Installation Work. TVA at its expense shall provide and install the revenue meter and related items necessary to determine the power and energy taken by Distributor at the Substation. This metering installation will be at a mutually satisfactory location in the Substation.

1.2 Distributor's Installation Work.

1.2.1 Current and Voltage Transformers. Distributor shall, at its expense and in accordance with plans and specifications furnished or approved by TVA, install the metering current and voltage transformers (supplied by TVA). This will be done on the source side of any station service transformers and voltage correction equipment.

1.2.2 Miscellaneous Facilities. Distributor shall install all other facilities required for the metering installation, including a prewired meter cabinet (supplied by TVA) and the foundation (if necessary) for TVA's meter cabinet, the primary connections from the metering transformers to Distributor's facilities and the conduit (together with any required test boxes) and cable extending from the metering transformer secondaries to the meter cabinet. Distributor will provide the supplies and materials needed under this subsection 1.2.2, except that TVA will supply the cable and test boxes.

1.3 Remote Access to Metering Installation.

1.3.1 Telephone Circuit. If Distributor provides and installs a telephone circuit:

1.3.1.1 Installation of Circuit. For TVA's metering purposes, including power quality monitoring, Distributor shall provide and install (or have installed) a telephone circuit (Circuit) and, if needed, protective conduit extending from TVA's revenue meter to a location specified by TVA. If TVA furnishes a telephone switcher, Distributor shall install it at an agreed upon location. Distributor installation of the Circuit and telephone switcher shall be in accordance with guidelines and specifications furnished or approved by TVA. Distributor shall install and then operate and maintain the Circuit (and any such conduit) at its expense. TVA will connect the Circuit to the revenue meter.

1.3.1.2 Distributor Access to Meter Data. Distributor may have (a) remote access to TVA's metering data through the Circuit and (b) access to the metering information available from the readout display of the revenue meter. TVA's and Distributor's operating representatives will coordinate use of the Circuit and access to the readout display to ensure unrestricted telephone access by TVA for data retrieval purposes during periods specified by TVA.

1.3.1.3 Remote Access Equipment. Distributor will need equipment not provided by TVA to obtain metering data by remote telephone access. If requested, TVA will assist Distributor in selecting such equipment, but acquisition of the equipment is Distributor's responsibility.

1.3.2 Cellular Phone. If TVA provides and installs a cellular phone:

1.3.2.1 Installation of Cellular Phone. For TVA's metering purposes, TVA will provide (for its exclusive use) a cellular phone for remote access to the metering installation, and Distributor will provide TVA at no charge 120-volt power for TVA's cellular phone.

1.3.2.2 Distributor Access to Meter Data. Distributor may have access to the metering information available from the readout display of the revenue meter. TVA's and Distributor's operating representatives will coordinate access to the readout display.

1.4 Control of Metering Installation. Except as specifically provided otherwise in this agreement (or as agreed otherwise by TVA), the metering installation shall be for TVA's exclusive use and control. It may be used by TVA separately or in conjunction with any other metering facilities of TVA. TVA will place its seals on the revenue meter and metering facilities in the metering installation, and Distributor shall assure that those seals are not broken except at TVA's request.

1.5 Maintenance of Metering Installation.

1.5.1 TVA's Responsibilities. TVA at its expense shall test, calibrate, operate, maintain, and replace the portion of the metering installation provided and installed by TVA.

1.5.2 Distributor's Responsibilities. As requested by TVA from time to time, Distributor at its expense shall perform necessary maintenance (including making of replacements) of the remaining portion of the metering installation. In doing this work Distributor shall supply the necessary materials, except that TVA shall supply for installation by Distributor any replacements required for the current and voltage transformers, metering cable, and test boxes.

SECTION 2 - METERING OUTPUTS

2.1 Access to Outputs. Distributor may have access at no charge to metering outputs from the metering installation for such purposes as monitoring and load control. Accordingly, Distributor may, at such time as it deems appropriate, provide and install at its expense such additional facilities as are necessary for obtaining access to metering outputs. This includes provision and installation of cable to be connected by TVA to a terminal block in TVA's meter cabinet. Distributor shall also furnish and install any protective facilities requested by TVA for the protection of TVA's metering installation.

2.2 Approval of Facilities. Distributor shall keep TVA informed as to Distributor's plans for installation of any such additional facilities consistent with TVA's Revenue Metering Guide for Customer-Owned Substations. Distributor shall neither install any facilities which are to be connected to the metering installation nor, once installed, change them without prior written notification from TVA that such installation or change is satisfactory to TVA insofar as required for the safe and efficient operation of the metering installation.

2.3 Noninterference with Metering. In exercising access to metering outputs, Distributor shall not interfere with any operation, use of, or access to the metering installation by TVA. In this regard Distributor agrees to immediately modify its facilities and operations, in any manner requested by TVA, to avoid any such interference.

2.4 No Warranty of Outputs. TVA makes no statement, representation, claim, guarantee, assurance, or warranty of any kind whatsoever, including, but not limited to, representations or warranties, express or implied, (a) as to the accuracy or completeness of the metering outputs or as to such outputs' merchantability or fitness for any purposes for which Distributor uses or will use them or (b) as to quantity, kind, character, quality, capacity, design, performance, compliance with specifications, condition, size, description of any property, merchantability, or fitness for any use or purpose of any facilities through which the metering outputs are supplied. Distributor hereby waives, and releases the United States of America, TVA, and their agents and employees from, any and all claims, demands, or causes of action, including, without limitation, those for consequential damages, arising out of or in any way connected with Distributor's use of the metering outputs.

2.5 Termination of Arrangements. The arrangements set out under this section 2, may be terminated by TVA or Distributor at any time upon at least 120 days' written notice. As soon as practicable following the effective date of such termination, TVA will disconnect the cable from the metering installation.

SECTION 3 - ADJUSTMENT OF METERED AMOUNTS

If the metering installation at the Substation is not at the point of delivery specified in the Power Contract, TVA shall adjust the metered amounts of power and energy appropriately to reflect losses (and non-metered station service or equipment use, if any) between the point of delivery and the metering installation and use these adjusted amounts for billing purposes under the Power Contract. Distributor shall from time to time furnish TVA with the loss data for Distributor's facilities needed to allow TVA to make such adjustments.

SECTION 4 - COORDINATION AND REVIEW

4.1 Coordination. TVA and Distributor will coordinate their work under section 1 above to the extent necessary and practicable to avoid jeopardizing (a) the safety and reliability of the parties' operations, (b) the reliability of TVA's supply of power to Distributor at the Substation, and (c) the safety of the parties' personnel.

4.2 TVA Review. Any plans, specifications, requirements, guidelines, or coordination, and any review or approvals, provided by TVA under this agreement are only for TVA's purposes and are not to be considered a confirmation or endorsement that they are adequate for Distributor's purposes. TVA's purposes include helping to assure (a) the safe and efficient operation of TVA's facilities and (b) that the arrangements under this agreement do not cause undue hazards to TVA's facilities and operations.

SECTION 5 - RIGHTS OF ACCESS

Distributor hereby grants to TVA such rights to use Distributor's property as are reasonably necessary or desirable to enable TVA to carry out its responsibilities under this agreement. These rights include installation, operation, maintenance, replacement, removal, and inspection of TVA's metering installation and related equipment.

SECTION 6 - POWER REQUIREMENTS

Distributor shall at its expense provide the battery and station service power requirements for TVA's facilities and equipment (including metering equipment) installed at the Substation.

SECTION 7 - TERM OF AGREEMENT

Except as otherwise provided, this agreement becomes effective as of the date of the agreement and continues in effect for the term of the Power Contract or any renewal, extension, or replacement of it.

SECTION 8 - RESTRICTION OF BENEFITS

No member of or delegate to Congress or Resident Commissioner, or any officer, employee, special Government employee, or agent of TVA shall be admitted to any share or part of this agreement or to any benefit that may arise from it unless the agreement be made with a corporation for its general benefit. Distributor shall not offer or give, directly or indirectly, to any officer, employee, special Government employee, or agent of TVA any gift, gratuity, favor, entertainment, loan, or any other thing of monetary value, except as provided in 5 C.F.R. part 2635 (as amended, supplemented, or replaced). Breach of this provision shall constitute a material breach of this agreement.

SECTION 9 - AMENDMENT

This agreement may be amended only by a writing signed by the parties.

405 College Street
P. O. Box 40
Lafayette, TN 37083-0040

Tri-County
Electric
Membership Corporation
www.tcemc.org

Telephone: (615) 666-2111
Toll Free: 1-800-369-2111
Fax: (615) 688-2141

July 24, 2006

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. 76

Dear Myron:

Please find enclosed two (2) executed duplicate originals of the above referenced Agreement (Reference TV-52337A, Supp. No.76) regarding arrangements for TVA's installation of two 13-kV revenue meters and additional facilities at the North Scottsville 161-kV Substation.

We have kept a copy for our files.

If additional information is needed, please advise.

Sincerely,



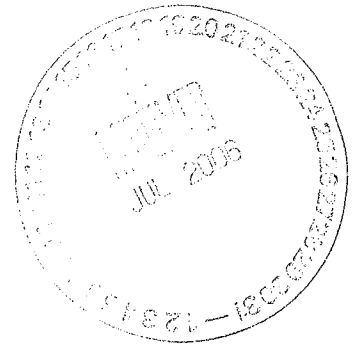
PAUL THOMPSON
Executive Vice President and General Manager
Tri-County Electric Membership Corporation

Enclosures (2)



Tennessee Valley Authority, 6045 Russellville Road, Bowling Green, Kentucky 42101-7319

June 28, 2006



52337-A
#76

Mr. Paul Thompson
Executive Vice President and
General Manager
Tri-County Electric Membership Corporation
Post Office Box 40
Lafayette, Tennessee 37083-0040

Dear Paul:

I have enclosed two duplicate originals of a proposed letter agreement covering arrangements for TVA's installation of two 13-kV revenue meters and additional facilities at the North Scottsville 161-kV Substation.

After you have reviewed the enclosed documents, please have the authorized representative from Tri-County EMC sign both originals and send them back to my office for further handling.

If you have questions regarding this agreement, please call me at (270) 846-7041 or Hugh Meyer at (270) 846-7042.

Sincerely,

Myron N. Callaham
General Manager
Customer Service
Kentucky

Enclosures

File
Copy *SK*



Tennessee Valley Authority, 6045 Russellville Road, Bowling Green, Kentucky 42101-7319

November 16, 2006

Nov. 21, 2006

Laura,

Please file.

Thanks,
Jaw

77

NOV 2006

Mr. Paul Thompson
Executive VP and General Manager
Tri-County Electric Membership Corporation
Post Office Box 40
Lafayette, Tennessee 37083

Dear Paul:

I have enclosed a fully executed original of ~~TVA 52337A~~, ~~Supplement No. 77~~, dated October 6, 2006, resale rate schedule substitution agreement.

If you have questions, please call me at (270) 846-7042.

Sincerely,

Hugh A. Meyer

Hugh A. Meyer
Customer Service Engineer
Kentucky

Enclosure

October 6, 2006

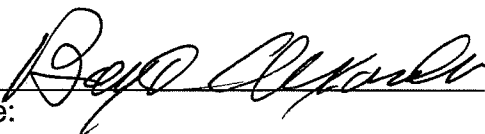
RESALE RATE SCHEDULE SUBSTITUTION AGREEMENT
Between
TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION (DISTRIBUTOR)
And
TENNESSEE VALLEY AUTHORITY (TVA)

Distributor and TVA agree to substitute the new resale rate schedule specified in (a) below, a copy of which is attached, for the resale rate schedule specified in (b) below, which, as adjusted, is now in effect as a part of the Schedule of Rates and Charges attached to and made a part of the Power Contract, TV-52337A, dated July 18, 1979, as amended (Power Contract), between TVA and Distributor. This substitution is to be effective for all bills rendered from resale meter readings taken for revenue months of Distributor beginning with the October 2006 revenue month. It is expressly recognized that the adjustments set forth in the Adjustment Addendum to said Schedule of Rates and Charges dated October 1, 2006, shall continue to apply to the charges provided for by the attached schedule specified in (a) below.

- (a) New resale rate schedule:
 Outdoor Lighting Rate--Schedule LS (October 2006)
- (b) Existing resale rate schedule:
 Outdoor Lighting Rate--Schedule LS (October 2003)


It is understood that, upon execution of this agreement by TVA and Distributor, all references in the Power Contract to the existing resale rate schedule specified in (b) above, or to any predecessor schedules, shall be deemed to refer to the new resale rate schedule specified in (a) above.

**TRI-COUNTY ELECTRIC MEMBERSHIP
 CORPORATION**

By 
 Title:

Rate schedule substitution agreed to as of
 the date first above written.

TENNESSEE VALLEY AUTHORITY

By 
 Executive Vice President
 Customer Resources

TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION

OUTDOOR LIGHTING RATE--SCHEDULE LS

(October 2006)

Availability

Available for service to street and park lighting systems, traffic signal systems, athletic field lighting installations, and outdoor lighting for individual customers.

Service under this schedule is for a term of not less than 1 year.

Payment

Bills under this rate schedule will be rendered monthly. Any amount of bill unpaid after due date specified on bill may be subject to additional charges under Distributor's standard policy.

Adjustment

The energy charge in Part A and Part B of this rate schedule shall be increased or decreased in accordance with the current Adjustment Addendum published by TVA. (In addition, the energy charge in Part A and Part B of this rate schedule shall be increased or decreased to correspond to increases or decreases determined by TVA under Adjustment 2 or Adjustment 4 of the wholesale power rate schedule applicable under contractual arrangements between TVA and Distributor.)

PART A--CHARGES FOR STREET AND PARK LIGHTING SYSTEMS, TRAFFIC SIGNAL SYSTEMS, AND ATHLETIC FIELD LIGHTING INSTALLATIONS

- I. Energy Charge: 4.541¢ per kWh per month
- II. Facility Charge

The annual facility charge shall be 15 percent of the installed cost to Distributor's electric system of the facilities devoted to street and park lighting service specified in this Part A. Such installed cost shall be recomputed on July 1 of each year, or more often if substantial changes in the facilities are made. Each month, one-twelfth of the then total annual facility charge shall be billed to the customer. If any part of the facilities has not been provided at the electric system's expense or if the installed cost of any portion thereof is reflected on the books of another municipality or agency or department, the annual facility charge shall be adjusted to reflect properly the remaining cost to be borne by the electric system.

Traffic signal systems and athletic field lighting installations shall be provided, owned, and maintained by and at the expense of the customer, except as Distributor may agree otherwise in accordance with the provisions of the paragraph next following in this section II. The facilities necessary to provide service to such systems and installations shall be provided by and at the expense of Distributor's electric system, and the annual facility charge provided for first above in this section II shall apply to the installed cost of such facilities.

When so authorized by policy duly adopted by Distributor's governing board, traffic signal systems and athletic field lighting installations may be provided, owned, and maintained by Distributor's electric system for the customer's benefit. In such cases Distributor may require reimbursement from the customer for a portion of the initial installed cost of any such system or installation and shall require payment by the customer of a facility charge sufficient to cover all of Distributor's costs (except reimbursed costs), including appropriate overheads, of providing, owning, and maintaining such system or installation; provided that, for athletic field lighting installations, such facility charge shall in no case be less than 12 percent per year of such costs. Said facility charge shall be in addition to the annual facility charge on the facilities necessary to provide service to such system or installation as provided for in the preceding paragraph. Replacement of lamps and related glassware for traffic signal systems and athletic field lighting installations provided under this paragraph shall be paid for under the provisions of paragraph A in Section IV.

III. Customer Charge - Traffic Signal Systems and Athletic Field Lighting Installations.

Distributor shall apply a uniform monthly customer charge of \$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

(a) <u>Type of Fixture</u>	<u>Lamp Size</u>		<u>Rated kWh</u>	<u>Facility Charge</u>
	<u>(Watts)</u>	<u>(Lumens)</u>		
Mercury Vapor or Incandescent	175	7,650	80	\$ 4.83
	400	19,100	171	\$ 7.18
High Pressure Sodium	100	8,550	49	\$ 7.75
	200	18,900	95	\$ 12.63
	250	22,500	116	\$ 11.19
	400	45,000	180	\$ 11.78
Metal Halide	400	45,000	171	\$ 10.25
	1,000	125,000	408	\$ 14.57

(b) Energy Charge: For each lamp size under (a) above, 4.541¢ 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.

TENNESSEE VALLEY AUTHORITY

ADJUSTMENT ADDENDUM

SCHEDULE OF RATES AND CHARGES

FOR

TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION

Effective October 1, 2006

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's monthly billing cycles scheduled to begin on or after the effective date of this Adjustment Addendum. As provided for by the previous Adjustment Addendum dated October 1, 2003 (Environmental Adjustment), the amounts listed under each column (1) are designated, subject to any future Rate Adjustment or Rate Change, to remain in effect for ten (10) years from the effective date of said Environmental Adjustment.

	Wholesale Power Rate - Schedule WS			Resale Schedules		
	(1)	(2)	(3)	(1)	(2)	(3)
STANDARD SERVICE						
Residential Service						
<u>Schedule RS</u>						
Energy Charge	Add 0.283¢ + 0.649¢ + A _q			Add 0.306¢ * + 0.705¢ ** + (1.08669 x A _q) *		
General Power Service						
<u>Schedule GSA</u>						
Part 1						
Energy Charge	Add 0.333¢ + 0.745¢ + A _q			Add 0.354¢ * + 0.795¢ ** + (1.06684 x A _q) *		
Part 2						
Demand Charge						
First 50 kW	Add \$0.00 + \$0.00			Add \$0.00 + \$0.00		
Excess over 50 kW	Add \$0.46 + \$1.03			Add \$0.47 + \$1.07		
Energy Charge						
First 15,000 kWh	Add 0.333¢ + 0.745¢ + A _q			Add 0.354¢ + 0.795¢ + (1.06684 x A _q)		
Additional kWh	Add 0.191¢ + 0.425¢ + A _q			Add 0.199¢ + 0.443¢ + (1.04417 x A _q)		
Part 3						
Demand Charge						
First 1,000 kW	Add \$0.48 + \$1.08			Add \$0.47 + \$1.13		
Excess over 1,000 kW	Add \$0.58 + \$1.29			Add \$0.60 ** + \$1.35 **		
Energy Charge						
Additional kWh	Add 0.191¢ + 0.425¢ + A _q			Add 0.199¢ * + 0.443¢ ** + (1.04417 x A _q) *		
<u>Schedule GSB</u>						
Demand Charge						
Additional kWh	Add \$0.59 + \$1.32			Add \$0.61 + \$1.37		
Energy Charge						
First 620 hours use of demand	Add 0.170¢ + 0.380¢ + A _q			Add 0.175¢ + 0.392¢ + (1.03000 x A _q)		
Additional kWh	Add 0.139¢ + 0.310¢ + A _q			Add 0.143¢ + 0.319¢ + (1.03000 x A _q)		
<u>Schedule GSC</u>						
Demand Charge						
Additional kWh	Add \$0.59 + \$1.32			Add \$0.61 + \$1.37		
Energy Charge						
First 620 hours use of demand	Add 0.170¢ + 0.380¢ + A _q			Add 0.175¢ + 0.392¢ + (1.03000 x A _q)		
Additional kWh	Add 0.139¢ + 0.310¢ + A _q			Add 0.143¢ + 0.319¢ + (1.03000 x A _q)		
<u>Schedule GSD</u>						
Demand Charge						
Additional kWh	Add \$0.73 + \$1.64			Add \$0.75 + \$1.69		
Energy Charge						
Additional kWh	Add 0.136¢ + 0.305¢ + A _q			Add 0.140¢ + 0.314¢ + (1.03000 x A _q)		

* Applicable also to additional components of the resale energy charge.

**Applicable also to additional components of the resale demand charge.

	Wholesale Power Rate - Schedule WS			Resale Schedules		
	(1)	(2)	(3)	(1)	(2)	(3)
Manufacturing Service						
Schedule MSB						
Part 1						
Demand Charge	Add	\$0.50 + \$1.13		Add	\$0.52 + \$1.17	
Energy Charge						
First 620 hours use of demand	Add	0.145¢ + 0.324¢ + A _q		Add	0.149¢ + 0.334¢ + (1.03000 x A _q)	
Additional kWh	Add	0.118¢ + 0.264¢ + A _q		Add	0.122¢ + 0.271¢ + (1.03000 x A _q)	
Part 2						
Demand Charge	Add	\$0.48 + \$1.06		Add	\$0.49 + \$1.10	
Energy Charge						
First 620 hours use of demand	Add	0.138¢ + 0.307¢ + A _q		Add	0.142¢ + 0.317¢ + (1.03000 x A _q)	
Additional kWh	Add	0.112¢ + 0.251¢ + A _q		Add	0.115¢ + 0.259¢ + (1.03000 x A _q)	
Schedule MSC						
Demand Charge	Add	\$0.48 + \$1.06		Add	\$0.49 + \$1.10	
Energy Charge						
First 620 hours use of demand	Add	0.138¢ + 0.307¢ + A _q		Add	0.142¢ + 0.317¢ + (1.03000 x A _q)	
Additional kWh	Add	0.112¢ + 0.251¢ + A _q		Add	0.115¢ + 0.259¢ + (1.03000 x A _q)	
Schedule MSD						
Demand Charge	Add	\$0.59 + \$1.32		Add	\$0.61 + \$1.37	
Energy Charge	Add	0.140¢ + 0.246¢ + A _q		Add	0.113¢ + 0.254¢ + (1.03000 x A _q)	
Outdoor Lighting Service						
Schedule LS Part A and B						
Energy Charge	Add	0.191¢ + 0.425¢ + A _q		Add	0.206¢ + 0.462¢ + (1.08669 x A _q)	
Drainage Pumping Station						
Schedule DPS						
Energy Charge	Add	0.191¢ + 0.425¢ + A _q		Add	N/A + N/A + (N/A x A _q)	
TIME-OF-DAY SERVICE						
Residential Service						
Schedule TRS						
Energy Charge						
Onpeak	Add	0.481¢ + 1.103¢ + A _q		Add	N/A + N/A + (N/A x A _q)	
Offpeak	Add	0.156¢ + 0.359¢ + A _q		Add	N/A + N/A + (N/A x A _q)	
General Power Service						
Schedule TGSA						
Part 1						
Energy Charge						
Onpeak	Add	0.592¢ + 1.322¢ + A _q		Add	N/A + N/A + (N/A x A _q)	
Offpeak	Add	0.156¢ + 0.350¢ + A _q		Add	N/A + N/A + (N/A x A _q)	
Part 2						
Demand Charge						
Onpeak	Add	\$0.46 + \$1.03		Add	N/A + N/A	
Excess Offpeak	Add	\$0.06 + \$0.12		Add	N/A + N/A	
Energy Charge						
Onpeak	Add	0.250¢ + 0.558¢ + A _q		Add	N/A + N/A + (N/A x A _q)	
Offpeak	Add	0.153¢ + 0.341¢ + A _q		Add	N/A + N/A + (N/A x A _q)	
Part 3						
Demand Charge						
Onpeak	Add	\$0.54 + \$1.20		Add	N/A + N/A	
Excess Offpeak	Add	\$0.06 + \$0.12		Add	N/A + N/A	
Energy Charge						
Onpeak	Add	0.250¢ + 0.558¢ + A _q		Add	N/A + N/A + (N/A x A _q)	
Offpeak	Add	0.153¢ + 0.341¢ + A _q		Add	N/A + N/A + (N/A x A _q)	

N/A indicates not applicable

	Wholesale Power			Resale Schedules		
	Rate - Schedule WS			(1)	(2)	(3)
	(1)	(2)	(3)			
Schedule TGSB						
Demand Charge						
Onpeak	Add \$0.59	+ \$1.32		Add \$0.61	+ \$1.37	
Excess Offpeak	Add \$0.05	+ \$0.12		Add \$0.05	+ \$0.13	
Energy Charge						
Onpeak	Add 0.229¢	+ 0.512¢ + A _q		Add 0.236¢	+ 0.528¢ + (1.03000 x A _q)	
Offpeak	Add 0.135¢	+ 0.302¢ + A _q		Add 0.139¢	+ 0.311¢ + (1.03000 x A _q)	
Schedule TGSC						
Demand Charge						
Onpeak	Add \$0.59	+ \$1.32		Add \$0.61	+ \$1.37	
Excess Offpeak	Add \$0.05	+ \$0.12		Add \$0.05	+ \$0.13	
Energy Charge						
Onpeak	Add 0.229¢	+ 0.512¢ + A _q		Add 0.236¢	+ 0.528¢ + (1.03000 x A _q)	
Offpeak	Add 0.135¢	+ 0.302¢ + A _q		Add 0.139¢	+ 0.311¢ + (1.03000 x A _q)	
Schedule TGSD						
Demand Charge						
Onpeak	Add \$0.74	+ \$1.65		Add \$0.76	+ \$1.70	
Excess Offpeak	Add \$0.09	+ \$0.21		Add \$0.09	+ \$0.22	
Energy Charge						
Onpeak	Add 0.143¢	+ 0.319¢ + A _q		Add 0.147¢	+ 0.329¢ + (1.03000 x A _q)	
Offpeak	Add 0.133¢	+ 0.297¢ + A _q		Add 0.137¢	+ 0.306¢ + (1.03000 x A _q)	
Manufacturing Service						
Schedule TMSB						
Part 1						
Demand Charge						
Onpeak	Add \$0.50	+ \$1.13		Add \$0.52	+ \$1.17	
Excess Offpeak	Add \$0.04	+ \$0.10		Add \$0.04	+ \$0.11	
Energy Charge						
Onpeak	Add 0.195¢	+ 0.435¢ + A _q		Add 0.201¢	+ 0.447¢ + (1.03000 x A _q)	
Offpeak	Add 0.115¢	+ 0.257¢ + A _q		Add 0.118¢	+ 0.266¢ + (1.03000 x A _q)	
Part 2						
Demand Charge						
Onpeak	Add \$0.48	+ \$1.06		Add \$0.49	+ \$1.10	
Excess Offpeak	Add \$0.04	+ \$0.08		Add \$0.04	+ \$0.09	
Energy Charge						
Onpeak	Add 0.185¢	+ 0.413¢ + A _q		Add 0.191¢	+ 0.426¢ + (1.03000 x A _q)	
Offpeak	Add 0.109¢	+ 0.244¢ + A _q		Add 0.112¢	+ 0.252¢ + (1.03000 x A _q)	
Schedule TMSC						
Demand Charge						
Onpeak	Add \$0.48	+ \$1.06		Add \$0.49	+ \$1.10	
Excess Offpeak	Add \$0.04	+ \$0.08		Add \$0.04	+ \$0.10	
Energy Charge						
Onpeak	Add 0.185¢	+ 0.413¢ + A _q		Add 0.191¢	+ 0.426¢ + (1.03000 x A _q)	
Offpeak	Add 0.109¢	+ 0.244¢ + A _q		Add 0.112¢	+ 0.252¢ + (1.03000 x A _q)	
Schedule TMSD						
Demand Charge						
Onpeak	Add \$0.62	+ \$1.37		Add \$0.64	+ \$1.41	
Excess Offpeak	Add \$0.07	+ \$0.15		Add \$0.07	+ \$0.16	
Energy Charge						
Onpeak	Add 0.149¢	+ 0.265¢ + A _q		Add 0.123¢	+ 0.273¢ + (1.03000 x A _q)	
Offpeak	Add 0.111¢	+ 0.249¢ + A _q		Add 0.114¢	+ 0.257¢ + (1.03000 x A _q)	

The amounts applicable for "A_q" under column (3) shall be determined for each three-month interval (October through December, January through March, April through June, July through September) by applying data from TVA's forecasts of TVA's actual operations, as well as actual data when it becomes available in accordance with the formula below. TVA will endeavor to publish the calculated amounts 45 days in advance of the quarter of application (but shall in no event publish these calculated amounts any later than 15 days in advance of the quarter of application), and such amounts will be applicable to bills rendered from meter readings taken for TVA and Distributor monthly billing cycles beginning on and after the first day of each month beginning October 1, 2006.

$$A_q = \frac{CF_q + DAR_q}{95\%}$$

q = a particular quarter

A_q = The FCA adjustment to be applied to the kilowatt-hour sales during the current billing period and rounded to the nearest one-thousandth of a cent per kilowatt-hour.

CF_q = The core FCA adjustment for a particular quarter. $CF_q = (FF_q / SF_q) - B_q$

FF = TVA's estimate of FA (as described below) for quarter q , based on the latest TVA Financial Forecast.

SF = TVA's estimate of SA (as described below) for quarter q , based on the latest TVA Financial Forecast.

B = The quarterly per kWh Base Fuel Rates are as follows:

October, November, December	1.661¢
January, February, March	1.795¢
April, May, June	1.595¢
July, August, September	1.950¢

DAR_q = The adjustment that collects a portion of DA (as described below) in a quarter, rounded to the nearest one-thousandth of a cent. $DAR_q = R \times DA_q / FISF_q$

R = The collection ratio of 50%.

FISF = TVA's estimate of FISA (as described below) for quarter q , based on the latest TVA Financial Forecast.

DA = The deferred account that provides the true-up adjustment necessary to reconcile prior estimates to actual data, which shall be computed with the formulas below.

$$DA_q = \underbrace{DA_{q-1}}_{\text{Accumulated Core FCA DA}} + \underbrace{TU_{q-2}}_{\text{Core FCA true-up}} - \underbrace{DAR_{q-1} \times FISF_{q-1}}_{\text{Estimate of DAR collections}} - \underbrace{DAR_{q-2} \times (FISA_{q-2} - FISF_{q-2}) + Rev}_{\text{Collections estimate or other true-up amounts}}$$

FISA = Actual TVA firm-based rate energy sales (in kWh) for quarter q , as recorded in TVA's General Ledger with specific accounts 442, 445, 447, 447.1, and 448 (or such similar or successor accounts as may be prescribed by FERC in the future).

Rev = Any additional revisions needed because of any inaccuracies in SA or FISA in previous quarters. Any remedy of a previous inaccuracy will be reported by the TVA Chief Financial Officer.

TU_q = The core true-up amount. $TU_q = FISA_q \times ((FA_q / SA_q) - (FF_q / SF_q))$

FA = Actual total fuel and purchased power expenses (in cents) under the framework and accounts provided below (or such similar or successor accounts as may be prescribed by FERC in the future).

(1) Fossil Fuel Expense - Account 501 - Direct cost of fuel burned in TVA coal plants, including transportation and fuel treatments. Costs to be excluded are lease payments for rail cars, maintenance on rail cars, sampling and fuel analysis, and fuel handling expenses in unloading fuel from shipping media and the handling of fuel up to the point where fuel enters the bunker or other boiler-house structure.

(2) Reagents Expense - Account 501.L - Cost of emission reagents such as limestone and ammonia that are directly related to the level of generation output.

(3) Allowances Expense - Account 509 - Cost of emission allowance expense such as SO₂ and NO_x that are directly related to the level of generation output.

(4) Nuclear Fuel Expense - Account 518 - Cost of nuclear fuel amortization expense dependent upon burn, including DOE spent fuel disposal charges.

(5) Gas Turbine Fuel Expense - Account 547 - Direct cost of gas and oil burned in TVA plants, including transportation. Costs to be excluded are costs of gas storage facilities and sampling and fuel analysis that do not vary with changes in generation volume.

(6) Purchased Power Expense - Account 555 - Energy cost of purchased power to serve native load demand or to displace higher cost generation. Costs to be excluded are fixed demand or capacity payments in tolling agreements and purchased power agreements that do not vary with volume and costs of purchased power linked to off-system sales transactions.

SA = Actual total TVA energy sales (in kWh) for quarter q , as recorded in TVA's General Ledger with specific accounts 442, 445, 447, 447.1, and 448 (or such similar or successor accounts as may be prescribed by FERC in the future), excluding any displacement sales reflected in account 447.1.

COPY

405 College Street
P. O. Box 40
Lafayette, TN 37083-0040

Tri-County
Electric
Membership Corporation
www.tcemc.org

Telephone: (615) 666-2111
Toll Free: 1-800-369-2111
Fax: (615) 688-2141

October 26, 2006

Mr. Myron N. Callahan
General Manager – Customer Service – Kentucky
Tennessee Valley Authority
6045 Russellville Road
Bowling Green, KY 42101-7319

RE: TV-52337A, Suppl. No. 77

Dear Myron:

Please find enclosed two (2) executed duplicate originals of the above referenced Agreement (Reference TV-52337A, Supp. No.77) regarding the standard-form resale rate schedule substitution agreement of Schedule LS (October 2006) for Schedule LS (October 2003) beginning with the October 2006 revenue month.

Please return a fully executed copy for our files.

If additional information is needed, please advise.

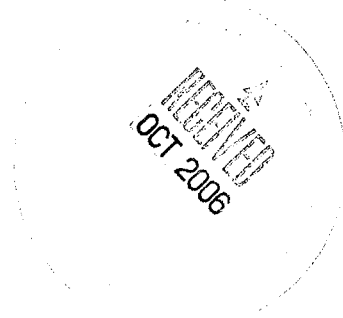
Sincerely,



PAUL THOMPSON
Executive Vice President and General Manager
Tri-County Electric Membership Corporation

Enclosures (2)

C: Ken Witcher



Tennessee Valley Authority, 6045 Russellville Road, Bowling Green, Kentucky 42101-7319

October 13, 2006

Mr. Paul Thompson, Executive Vice President
and General Manager
Tri-County Electric Membership Corporation
Post Officer Box 40
Lafayette, Tennessee 37083

Dear Paul:

I have enclosed two partially executed duplicate originals of a standard-form resale rate schedule substitution agreement to provide for the substitution of Schedule LS (October 2006) for Schedule LS (October 2003) This substitution will be effective for bills rendered for Tri-County Electric Membership Corporation's revenue months beginning with the October 2006 revenue month.

I have also enclosed a copy of the Adjustment Addendum to be effective October 1, 2006. Please note that Tri-County Electric Membership Corporation's resale charges to your customers will be the sum of the base charges in the proposed schedule and the corresponding resale rate adjustment amounts set forth in the Adjustment Addendum.

Please note that in order for the contract to go into effect for the October 2006 revenue month, it is necessary for both originals to be returned to my office by October 27, 2006. If this is not possible, please let us know as soon as you can so that we can work together on other arrangements.

If you have questions or concerns regarding these documents, please call Hugh Meyer at (270) 846-7042.

Sincerely,

Myron N. Callahan
General Manager
Customer Service
Kentucky

10/25/2006

Laura,
Please copy for our records
& mail the originals to Myron.
Thanks, [Signature]



10/25/2006

Laura,
Please file.

Tennessee Valley Authority, 6045 Russellville Road, Bowling Green, Kentucky 42101-7319

October 20, 2006

Thanks,
Paul

Paul Thompson
Executive Vice President & General Manager
Tri-County Electric Membership Cooperation
Post Office Box 40
Lafayette, Tennessee 37083-0040

Dear Paul:

I have enclosed a fully executed Fuel Cost Adjustment Agreement, TV-52337A, Supp. No. 78, for Tri-County Electric Membership Corporation's files.

If you have questions, please call me at (270) 846-7042.

Sincerely,

Hugh A. Meyer
Customer Service Engineer
Kentucky

Enclosure

AGREEMENT
Between
TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION
And
TENNESSEE VALLEY AUTHORITY

Date: October 1, 2006

TV-52337A, Supp. No. 78

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 (TVA Act);

W I T N E S S E T H:

WHEREAS, TVA and Distributor have a longstanding relationship as seller and buyer of power, under which Distributor currently purchases all of its power requirements from TVA pursuant to Power Contract TV-52337A, dated July 18, 1979, as amended (Power Contract); and

WHEREAS, in accordance with the rate adjustment provisions in section 6 of the Terms and Conditions to the Power Contract, TVA has published an Adjustment Addendum, effective October 1, 2006, which includes a Fuel Cost Adjustment (FCA) formula under which rates will be automatically adjusted quarterly to reflect changes in costs for fuel and purchased power; and

WHEREAS, TVA and Distributor wish to agree upon a communication and oversight process under which FCA issues could be raised with TVA staff, TVA management, and the TVA Chief Executive Officer (CEO), and following such process, FCA policy issues could be ultimately appealed to the TVA Board; and

WHEREAS, TVA and Distributor also wish to agree upon an additional process to be applicable with respect to any proposed changes to or replacement of the FCA formula;

NOW, THEREFORE, for and in consideration of the premises and of the mutual agreements set forth below, and subject to the provisions of the TVA Act, the parties agree as follows:

1. Communication and Oversight Process.

- 1.1 FCA Information. TVA will endeavor to provide the following Information related to the FCA at least 45 days prior to the quarterly operation of the FCA or as soon thereafter as practicable; provided, however, that such information shall in no event be provided later than 15 days in advance of such quarterly operation:

- (a) The FCA adjustment amounts for the following quarter.
- (b) Reconciliation between the prior quarter's forecast data and actual data, including the resulting deferred account impact.
- (c) A revised preliminary forecast for each of the next four quarters following the quarter for which FCA adjustment amounts are provided under (a).

1.2 Oversight. TVA and Distributor agree to use their best efforts to resolve any FCA issues that may arise informally at the lowest possible levels of decision making. Accordingly, any such issues may be submitted by Distributor to TVA in accordance with an oversight process consisting of the following progressive steps:

Step 1: Review by TVA Customer Service & Marketing (CS&M).

- (a) As a part of this step, Distributor may request additional information from TVA supporting the FCA amounts and TVA will provide that information subject to the qualifications in section 3 below.
- (b) Unless otherwise agreed, this step shall be completed within 30 days of its being initiated by Distributor.
- (c) If this step does not result in resolution of the issue(s), CS&M will provide Distributor with contact information for the appropriate senior TVA management representative(s) for step 2.

Step 2: Review by appropriate senior TVA management.

Unless otherwise agreed, this step shall be completed within 30 days of its being initiated by Distributor.

Step 3: Review by the TVA CEO.

Unless otherwise agreed, this step shall be completed within 30 days of its being initiated by Distributor.

Step 4: Appeal to the TVA Board.

If an FCA issue which has first been the subject of steps 1, 2, and 3 above presents policy questions, it may be appealed to the TVA Board by the distributor submitting a written request for review to the Finance, Strategy and Rates Committee of the Board, or to such other committee as may be designated by the Board, for such committee's recommendation to the Board. Any such request for Board review shall include:

- (a) a description of the issue(s),
- (b) a statement of the Distributor's position on the issue(s) and why it does not consider the results of the previous steps to have resulted in a satisfactory resolution of the issues, and
- (c) such other information as might be reasonably specified by TVA in procedures relating to such appeals.

- 1.3 **Board Decision Final.** The decision made by the TVA Board on any appeal to it under 1.2 above shall be final and shall not be subject to further review under, or based on or arising out of, any provision of this section 1. Further, it is expressly recognized and agreed that nothing in this section 1, shall be deemed to
- (a) create any right to any review of or oversight of TVA actions and decisions other than the process expressly provided for in this section 1;
 - (b) waive any otherwise applicable rights related to such review or oversight,
 - (c) relieve either Distributor or TVA of any obligation to continue to perform its contract obligations to the other party pending the outcome of said process; or
 - (d) in any way impair or restrict either party's ability to bring any action to enforce the FCA formula or the provisions of the other sections of this agreement.


- 1.4 **Process Revisions.** If either party believes that the oversight process provided for by 1.2 above should be revised for any reason, it shall propose such revisions and the parties shall endeavor to reach agreement upon revisions to the process. If after 90 days the parties have not reached agreement, TVA may, upon 30 days' written notice to Distributor implement:
- (a) any revisions related to steps 1, 2, and 3 of the process as are determined to be necessary or appropriate by its CEO, or
 - (b) any revisions related to step 4 of the process as are determined to be necessary or appropriate by its Board.

2. **Changes to FCA.** Section 6 of the Terms and Conditions to the Power Contract is amended in the respects necessary to provide that if TVA believes that any factors warrant a rate adjustment which would involve any change to or replacement of the FCA formula, TVA will not implement any such change or replacement of the FCA formula without first requesting that the parties or their representatives meet and endeavor to reach agreement upon the change or replacement. If within 90 days after any such request the parties have not reached agreement, TVA may, following a quarterly rate review as provided for in the paragraph entitled "Adjustment" of said section, publish an Adjustment Addendum implementing any such change or replacement of the FCA formula determined to be appropriate under the provisions of said paragraph.
3. **Confidentiality.** As a condition of any information provided by TVA to Distributor under this agreement, TVA may require Distributor to execute a confidentiality agreement in a form acceptable to TVA. Further, where deemed necessary by TVA to protect confidential or proprietary information, any such agreement may require that specified information provided for Distributor review remain in the possession of TVA, or a Distributor representative (such as the Tennessee Valley Public Power Association) that also enters into a confidentiality agreement with TVA, and that such information not be retained by Distributor or maintained as part of the record system of Distributor.


4. **No Limitation of Rate Adjustments.** Except as expressly set out in section 2 above with respect to any change to or replacement of the FCA formula, nothing in this agreement shall limit TVA's ability to adjust rates under the paragraph entitled "Adjustment" in section 6 of the Terms and Conditions to the Power Contract; provided, however, that it is further expressly recognized and agreed that nothing in this agreement shall be deemed to expand TVA's authority under said "Adjustment" paragraph or to in any way modify the rights and obligations of either party under any other provision of section 6 of the Terms and Conditions to the Power Contract.

IN WITNESS WHEREOF, the parties have caused this agreement to be executed by their duly authorized officers, as of the day and year first above written.

**TRI-COUNTY ELECTRIC
MEMBERSHIP CORPORATION**

By 
Title:

TENNESSEE VALLEY AUTHORITY

By 
Executive Vice President
Customer Service and Marketing

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

September 28, 2006

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. __

Dear Myron:

Please find enclosed two (2) executed duplicate originals of the above referenced Agreement (Reference TV-52337A, Suppl. No. __) regarding a proposed Fuel Cost Adjustment Agreement.

As stated in your letter, 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

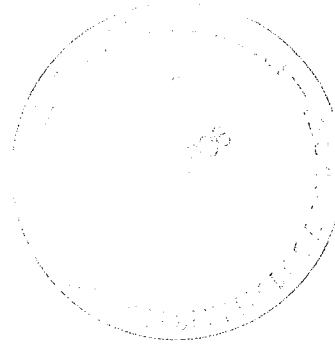
Enclosures (2)

C: Ken Witcher



Tennessee Valley Authority, 6045 Russellville Road, Bowling Green, Kentucky 42101-7319

August 24, 2006



Mr. Paul Thompson, Executive Vice President & General Manager
Tri-County Electric Membership Corporation
Post Office Box 40
Lafayette, Tennessee 37083

Dear Paul:

I have enclosed two duplicate originals of a proposed Fuel Cost Adjustment Agreement that provides for:

1. A communication and oversight process for handling FCA issues, and
2. A process to be applicable with respect to any proposed changes to or replacement of the FCA formula.

After the originals have been signed by your official representative, please send both of them back to my office for further handling. After final execution by TVA, we will send you an original for your files.

Sincerely,

Myron N. Callahan
General Manager
Customer Service
Kentucky

Enclosures

09/27/2006

Laura,

Please copy for our files & mail to Myron.

Thanks.
Caul

Note: Please copy Ken W.



06/29/2007
Paul

1006
3007

Tennessee Valley Authority, 6045 Russellville Road, Bowling Green, Kentucky 42101-7319

March 30, 2007

Mr. Paul Thompson
Executive Vice-President and General Manager
Tri-County Electric Membership Corporation
Post Office Box 40
Lafayette, Tennessee 37083

Dear Paul:

I have enclosed a fully executed original of TV-52337A, Supplement No. 79, dated March 13, 2007, a new delivery point agreement for East Sumner 161-kV Substation.

If you have questions, please call me at (270) 846-7042.

Sincerely,

A handwritten signature in black ink that reads "Hugh A. Meyer". The signature is written in a cursive style with a large, sweeping "H" and "M".

Hugh A. Meyer
Customer Service Engineer
Kentucky

Enclosures

NEW DELIVERY POINT AGREEMENT
Between
TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION
And
TENNESSEE VALLEY AUTHORITY

Date: March 13, 2007 TV-52337A, Supp. No. 79

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 (TVA Act);

WITNESSETH:

WHEREAS, Distributor purchases power from TVA for resale at specified delivery points under Power Contract TV-52337A dated July 18, 1979, as amended (Power Contract); and

WHEREAS, Distributor is building the East Sumner 161-kV Substation (New Substation) near Westmoreland, Tennessee, with a target in-service date of January 16, 2007; and

WHEREAS, the parties wish to amend the Power Contract to add a new delivery point at the New Substation;

NOW, THEREFORE, for and in consideration of the premises and of the mutual agreements set forth below, and subject to the TVA Act, the parties mutually agree as follows:

SECTION 1 - CONSTRUCTION BY DISTRIBUTOR

Distributor shall at its expense:

- (a) provide the New Substation and
- (b) perform all work on its distribution system necessary to enable it to take power and energy at the New Substation on or as soon as practicable after the date the New Substation is completed.

SECTION 2 - CONSTRUCTION BY TVA

TVA shall at its expense:

- (a) provide a tap point in TVA's Portland-Lafayette 161-kV Line,
- (b) construct approximately 0.6 mile of 161-kV tap line from this tap point to the New Substation, and
- (c) connect this tap line to the New Substation.

SECTION 3 - AMENDMENT TO POWER CONTRACT

Effective as of the date on which the New Substation is first energized, 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 East Sumner 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 controls.

SECTION 5 - REVENUE METERING INSTALLATION


TVA and Distributor will cooperate in providing at the New Substation two 13-kV revenue metering installations (one for each transformer bank) each in accordance with the attached Terms and Conditions. TVA will furnish a telephone switcher and will provide connection points from the metering voltage transformer secondary circuits in the revenue metering installations for connection to Distributor's equipment. Distributor may use these voltage transformers and the potentials from them only in a manner acceptable to TVA (as set out in TVA's Revenue Metering Guide for Customer-Owned Substations) which will not affect the safe and efficient operation of TVA's facilities. These potentials are outputs from the metering installation and are subject to the provisions applicable to metering outputs under section 3 of the Terms and Conditions.

SECTION 6 - RELAY INSTALLATION

TVA and Distributor will cooperate in providing at the New Substation an underfrequency loadshed relay and a lockout relay (Relays). In accordance with plans and specifications satisfactory to TVA, Distributor shall at its expense install the Relays and thereafter remove or replace them at TVA's request. TVA shall at its expense furnish the Relays and any needed replacements for them and shall operate, maintain, and repair the Relays.

IN WITNESS WHEREOF, the parties have caused this agreement to be executed by their duly authorized representatives, as of the day and year first above written.

**TRI-COUNTY ELECTRIC
MEMBERSHIP CORPORATION**

By 
Title
Exec. V.P. & Gen. Mgr.

TENNESSEE VALLEY AUTHORITY

By 
Senior Vice President
Pricing and Strategic Planning
Customer Resources

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, (d) prevention of any undue hazards to TVA's facilities and operations, and (e) the safety of the parties' personnel. Each party will use reasonable diligence in carrying out its responsibilities under this agreement and will notify the other of any significant changes in schedule.

1.2 New Substation Plans and Specifications. Distributor shall consult with TVA in designing the New Substation and shall use plans and specifications that TVA concurs will ensure consistency with objectives (c) and (d) in subsection 1.1 above. Distributor will design, construct, operate, and maintain the New Substation in accordance with good, modern practices and procedures.

1.3 New Substation Protective Scheme. Distributor shall also consult with TVA in planning for the installation, operation, testing, calibration, and maintenance of the protective scheme for the New Substation. Such protective scheme shall include backup protection for the New Substation in the event of failure of primary interrupting devices. As a minimum, backup protection would involve equipment (such as backup relays and fault initiating switches) to trigger operation of secondary interrupting devices (typically remote line breakers). Distributor agrees not to install, operate, or maintain any protective devices without TVA's concurrence that objectives (c) and (d) in subsection 1.1 above will be fully met.

1.4 TVA Review. Any review by TVA of Distributor's plans provided for in this agreement should not be considered an endorsement that they are adequate for Distributor's purposes. TVA will not unreasonably withhold its concurrence following any such review.

1.5 Metering. TVA and Distributor will coordinate their work under section 2 below to the extent necessary and practicable.

SECTION 2 - METERING

2.1 TVA's Installation Work. TVA at its expense shall provide and install the revenue meter and related items necessary to determine the power and energy taken by Distributor at the New Substation. This metering installation will be at a mutually satisfactory location in the New Substation.

2.2 Distributor's Installation Work.

2.2.1 Current and Voltage Transformers. Distributor shall, at its expense and in accordance with plans and specifications furnished or approved by TVA, install the metering current and voltage transformers (furnished by TVA). This will be done on the source side of any station service transformers and voltage correction equipment.

2.2.2 Miscellaneous Facilities. Distributor shall install all other facilities required for the metering installation, including a prewired meter cabinet (provided by TVA) and the foundation (if necessary) for TVA's meter cabinet, the primary connections from the metering transformers to Distributor's facilities and the conduit (together with any required test boxes) and cable extending from the metering transformer secondaries to the meter cabinet. Distributor will furnish the supplies and materials needed under this subsection 2.2.2, except that TVA will furnish the cable and test boxes.

2.3 Remote Access to Metering Installation.

2.3.1 Installation of Circuit. For TVA's metering purposes, including power quality monitoring, Distributor shall provide and install (or have installed) a telephone circuit (Circuit) and, if needed, protective conduit extending from TVA's revenue meter to a location specified by TVA. If TVA furnishes a telephone switcher, Distributor shall install it at an agreed upon location. Distributor installation of the Circuit and telephone switcher shall be in accordance with guidelines and specifications furnished or approved by TVA. Distributor shall install and then operate and maintain the Circuit (and any such conduit) at its expense. TVA will connect the Circuit to the revenue meter.

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 becomes effective as of the date of the agreement and continues in effect for the term of the Power Contract or any renewal, extension, or replacement of it.

SECTION 8 - RESTRICTION OF BENEFITS

No member of or delegate to Congress or Resident Commissioner, or any officer, employee, special Government employee, or agent of TVA shall be admitted to any share or part of this agreement or to any benefit that may arise from it unless the agreement be made with a corporation for its general benefit. Distributor shall not offer or give, directly or indirectly, to any officer, employee, special Government employee, or agent of TVA any gift, gratuity, favor, entertainment, loan, or any other thing of monetary value, except as provided in 5 C.F.R. part 2635 (as amended, supplemented, or replaced). Breach of this provision shall constitute a material breach of this agreement.

SECTION 9 - AMENDMENT

This agreement may be amended only by a writing signed by the parties.



03/12/2007

Laura,
Please file.

Tennessee Valley Authority, 6045 Russellville Road, Bowling Green, Kentucky 42101-7319

March 9, 2007

Thanks,
JAW

Mr. Paul Thompson
Executive Vice President and
General Manager
Tri-County Electric Membership Corporation
Post Office Box 40
Lafayette, Tennessee 37083-0040

Dear Paul:

I have enclosed two duplicate originals of a proposed letter agreement covering arrangements for establishment of a 161-kV delivery point of power at its proposed East Sumner 161-kV Substation from TVA's Portland-Lafayette 161-kV Line.

After you have reviewed the enclosed documents, please have the authorized representative from Tri-County EMC sign both originals and send them back to my office for further handling.

If you have questions regarding this agreement, please call me at (270) 846-7041 or Hugh Meyer at (270) 846-7042.

Sincerely,

Myron N. Callahan
General Manager
Customer Service
Kentucky

Enclosures



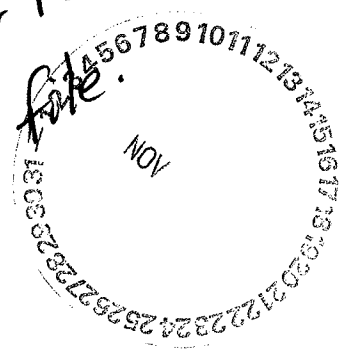
Tennessee Valley Authority, 6045 Russellville Road, Bowling Green, Kentucky 42101-7919

November 8, 2007

Nov. 12, 2007

Tommy,

Please copy for your records & give to Laura to file.



Thank you!

80

Mr. Paul Thompson
Executive Vice-President and General Manager
Tri-County Electric Membership Corporation
Post Office Box 40
Lafayette, Tennessee 37083

Dear Paul:

I have enclosed a fully executed original of the Enhanced Growth NCL Amendment 2007 Agreement for Tri-County EMC's records. If you have questions regarding this document, please give me a call at (270) 846-7042.

Sincerely,

Hugh A. Meyer
Customer Service Engineer
Kentucky

Enclosure

AGREEMENT
Between
TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION
And
TENNESSEE VALLEY AUTHORITY

Effective Date: December 1, 2007 TV-52337A, Supp. No. 80

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 (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, notwithstanding the termination notice dated August 13, 2007, the parties wish to supplement and amend the Power Contract in the respects necessary to reaffirm and revise the Enhanced Growth Credit Program to exclude large loads with certain operating characteristics;

NOW, THEREFORE, for and in consideration of the premises and of the mutual agreements set forth below, and subject to the TVA Act, the parties mutually agree as follows:

SECTION 1 - EGCP AGREEMENT AMENDED

Under an agreement numbered TV-52337A, Supp. No. 39 and dated May 5, 1994 as amended (EGCP Agreement), TVA and Distributor are participating in an Enhanced Growth Credit Program (Program) to encourage the fuller and better balanced development of the resources of the region by applying credits against the electric bills of certain eligible new and expanding general power customers of Distributor.

(a) The parties wish to revise the Program in the respects necessary to exclude large industrial customers that exhibit certain adverse load characteristics (Nonconforming Loads). Accordingly, effective as of the Effective Date, (i) as is more expressly set forth in the EGC Participation Agreement Guidelines (December 2007), attached to and made a part of this agreement (Revised Guidelines), the EGCP Agreement is amended in the respects necessary to provide that the definition of Customer provided in Guideline 1.1 shall be not deemed to include

Nonconforming Loads, and (ii) all references to "Guidelines" in the EGCP Agreement shall be deemed to refer to the Revised Guidelines.

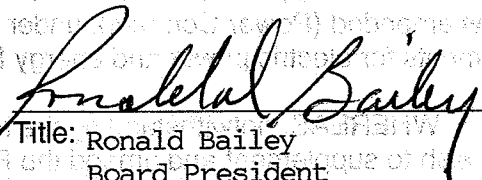
(b) It is expressly recognized and agreed that Distributor will continue to apply the credit amounts provided for in the Guidelines to any Customer which is eligible to receive credits under a Participation Agreement entered into prior to the Effective Date of this agreement.

SECTION 2 - POWER CONTRACT AFFIRMED

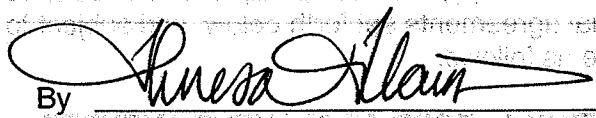
Except as expressly set out above, nothing in this agreement shall affect the other terms of the Power Contract and the termination notice shall be of no force and effect.

IN WITNESS WHEREOF, the parties have caused this agreement to be executed by their duly authorized representatives, as of the day and year first above written.

TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION

By 
Title: Ronald Bailey
Board President

TENNESSEE VALLEY AUTHORITY

By 
Senior Vice President
Pricing and Contracts

EGC PARTICIPATION AGREEMENT GUIDELINES

(December 2007)

GUIDELINE 1 - DEFINITION OF TERMS

As used in these guidelines:

1.1 "**Customer**" shall mean a customer of Distributor purchasing power under one of the following rate schedules:

(a) Standard Service Schedules GSA, GSB, GSC, or GSD,

(b) Time-of-Day Service Schedules TGSA, TGSB, TGSC, or TGSD,

(c) Standard Manufacturing Service Schedules MSB, MSC, or MSD, or

(d) Time-of-Day Manufacturing Service Schedules TMSB, TMSC, or TMSD;

except that "**Customer**" shall not be deemed to include customers taking service under the seasonal service provisions of schedules GSA or TGSA. (All references to a rate schedule in this Guideline 1.1 shall be deemed to refer to that schedule as modified, changed, replaced, or adjusted from time to time in accordance with the provisions of the Power Contract.)

Further, "**Customer**" shall not be deemed to include customers with a total contract demand of more than 50 MW and with one or more of the following load characteristics (Nonconforming Loads):

(i) expected load swings of approximately 50 MW or more and ramp rates of approximately 10 MW or more per minute,

(ii) loads with expected daily reactive power ramp rates of 50 MVAR or more per minute,

(iii) loads known to create voltage flicker exceeding the limits set out in the Institute of Electrical and Electronics Engineers (IEEE) Standard 1453, or

(iv) loads known to create harmonic current distortions exceeding the limits set out in IEEE Standard 519;

provided, however, that for purposes of determining eligibility for any Nonconforming Load that is expanding under Guideline 3, if in TVA's sole discretion, the expansion load itself exhibits no Nonconforming Load characteristics (without regard to size), the expansion load could qualify for credits under the Program.

1.2 "**Power Supply Contract**" shall mean a contract between Distributor and a **Customer** for the sale of power through a specific delivery point.

1.3 "Participation Agreement" shall mean an agreement entered into between Distributor and a Customer in accordance with Guideline 2 or Guideline 3 below.

1.4 Contract Demand

1.4.1 Standard Service. Under a Power Supply Contract with a Standard Service Schedule, "Contract Demand" shall mean the amount of firm power made available under that contract.

1.4.2 Time-of-Day Service. Under a Power Supply Contract with a Time-of-Day Service Schedule, "Contract Demand" shall mean the amount of firm power made available under that contract during onpeak periods.

1.5 Actual Firm Demand

1.5.1 Standard Service. Under a Power Supply Contract with a Standard Service Schedule, "Actual Firm Demand" shall mean an amount equal to the highest billing demand for firm power in any month computed under the Power Supply Contract but without regard to the exception language (Demand Ratchet) set out in the section headed "Determination of Demand" of that rate schedule.

1.5.2 Time-of-Day Service. Under a Power Supply Contract with a Time-of-Day Service Schedule, "Actual Firm Demand" shall mean an amount equal to the highest onpeak billing demand for firm power in any month computed under the Power Supply Contract but without regard to the exception language (Demand Ratchet) set out in the section headed "Determination of Demand" of that rate schedule.

1.6 "Base Amount" shall mean the highest Actual Firm Demand established at the Customer's delivery point during the 12-consecutive-month period immediately preceding the effective date of the Participation Agreement. (In the event that the necessary demand metering data is not available for any part of such a period, Distributor and TVA will jointly develop a reasonable approximation of the metered demands necessary to determine a particular Base Amount.)

1.7 "Total Metered Demand" shall mean the highest average during any 30-consecutive-minute period beginning or ending on a clock hour of the total load at the Customer's delivery point metered in kW.

1.8 "Total Metered Base Amount" shall mean the highest Total Metered Demand established during the 12-consecutive-month period immediately preceding the effective date of the Participation Agreement.

1.9. "SIC Customer" shall mean a Customer with a Contract Demand of at least 100 kW using power taken under a written Power Supply Contract to conduct activities which are classified with one of the following 2-digit Standard Industrial Classification (SIC) codes:

- Division B: Mining 10 through 14, inclusive
- Division D: Manufacturing 20 through 39, inclusive
- Division E: 40 - Railroad Transportation
42 - Motor Freight Transportation and Warehousing
44 - Water Transportation
45 - Transportation by Air

It is recognized that the above SIC codes have been selected to encourage new and expanded electrical loads in cases where the price of electricity has a particularly significant impact upon location, expansion, or fuel choice decisions. TVA may from time to time, by written notice to Distributor, modify the above listing of SIC codes when it deems it necessary to do so in order to better serve such purpose. In addition, in the event that TVA determines that a particular Customer is within the intended scope of the EGC Program but is excluded only because of the technical definition of an SIC code category, TVA and the Distributor may agree to consider that Customer to be an SIC Customer.

1.10. "All-Electric Customer" shall mean a Customer with a Contract Demand of at least 250 kW using power under a written Power Supply Contract where

(a) the Customer's space conditioning is accomplished solely by an all-electric heating, ventilating, and air conditioning system (HVAC System),

(b) at least fifty percent (50%) of the Customer's interior floor space at that location is heated and cooled by the all-electric HVAC System; and

(c) at least fifty percent (50%) of the rated electric load served under the Power Supply Contract is for interior lighting, cooking, and the HVAC System.

GUIDELINE 2 - NEW CUSTOMERS

2.1 Qualification. An SIC Customer or an All-Electric Customer is eligible to enter into a Participation Agreement under 2.2 below if the Customer

(a) initiates operations at an entirely new facility through a new delivery point, or

(b) restarts an existing facility with no current Contract Demand which has been operationally shut down for a period of at least 12 consecutive months.

2.2 New Customer Participation Agreement. To participate in the EGC Program, a Customer qualifying under 2.1 above must enter into a Participation Agreement.

The Participation Agreement shall:

(a) be in a form furnished or approved by TVA;

(b) include (i) a certification by the Customer showing that it qualifies under 2.1 above and (ii) a requirement that the Customer promptly notify Distributor of any change in any aspect of such qualifying status;

(c) provide for a monthly credit to the Customer for the time period and in the credit amount specified in Guideline 4.2, 4.3, 4.4, or 4.5 below for each kW of the Customer's Actual Firm Demand in the month (up to and including the kW amount of the Contract Demand); provided, however, to receive a credit in any month

(i) an SIC Customer must establish an Actual Firm Demand of at least 100 kW in that month, and

(ii) an All-Electric Customer must establish an Actual Firm Demand of at least 250 kW in that month;

(d) provide that a Customer billed under part 2 of the section of schedule GSA or TGSA entitled "Base Charges" shall not receive a credit in any month which exceeds fifty percent (50%) of the amount of the charges billed to the Customer under that section; and

(e) provide for the automatic termination of the Participation Agreement if the Customer (i) does not qualify for a credit under (c), and where applicable (d), above within 12 months of the effective date of the Participation Agreement or (ii) ceases at any time to qualify for participation in the EGC Program under 2.1 above.

GUIDELINE 3 - EXPANSION CUSTOMER

3.1 Qualification

3.1.1 SIC Customer. An SIC Customer is eligible to enter into a Participation Agreement under 3.2 below if the Customer

(a) initiates an expansion of its facilities served through an existing delivery point, and

(b) on or before the effective date of the Participation Agreement, enters into a written Power Supply Contract specifying a Contract Demand which is at least 100 kW greater than the Base Amount applicable for that Customer.

3.1.2 All-Electric Customer. An All-Electric Customer is eligible to enter into a Participation Agreement under 3.2 below if the Customer

(a) initiates an expansion of its facilities served through an existing delivery point, and

(b) on or before the effective date of the Participation Agreement, enters into a written Power Supply Contract specifying a Contract Demand which

is at least 250 kW greater than the Base Amount applicable for that Customer.

3.1.3 Other Qualified Customer. A Customer is eligible to enter into a Participation Agreement under 3.2 below if the Customer

(a) initiates an expansion of its facilities (served through an existing delivery point) where it adds at least 250 kW in load for the purpose(s) of all-electric space conditioning, all-electric water conditioning, and/or all-electric cooking, and

(b) on or before the effective date of the Participation Agreement, enters into a written Power Supply Contract specifying a Contract Demand which is at least 250 kW greater than the Base Amount applicable for that Customer.

3.2 Expansion Customer Participation Agreement. To participate in the EGC Program, a Customer qualifying under 3.1 above must enter into a Participation Agreement. The Participation Agreement shall:

(a) be in a form furnished or approved by TVA;

(b) include (i) a certification by the Customer showing that it qualifies under 3.1 above and (ii) a requirement that the Customer promptly notify Distributor of any change in any aspect of such qualifying status;

(c) provide for a monthly credit to the Customer for the time period and in the amount specified in Guideline 4.2, 4.3, 4.4, or 4.5 below for each kW by which the Customer's Actual Firm Demand (up to and including the kW amount of the Contract Demand) in the month exceeds the applicable Base Amount; provided, however, that

(i) for an SIC Customer, no credit shall be applicable unless such Actual Firm Demand exceeds the Base Amount by at least 100 kW, and

(ii) for an All-Electric Customer, or a Customer that qualifies under 3.1.3 above, no credit shall be applicable unless such Actual Firm Demand exceeds the Base Amount by at least 250 kW;

(d) provide that a Customer billed under part 2 of the section of schedule GSA or TGSA entitled "Base Charges" shall not receive a credit in any month which exceeds fifty percent (50%) of the amount of the charges billed to the Customer under that section;

(e) provide that where any type of power other than firm power was available at the Customer's delivery point at any time during the period used to calculate the applicable Base Amount

(i) for an SIC Customer no credit shall be applicable in any month unless the highest Total Metered Demand (up to and including the kW amount of

the amount of power available) in that month exceeds the Total Metered Base Amount by at least 100 kW,

(ii) for an All-Electric Customer, or a Customer that qualifies under 3.1.3 above, no credit shall be applicable in any month unless the highest Total Metered Demand (up to and including the kW amount of the total amount of power available) in that month exceeds the Total Metered Base Amount by at least 250 kW, and

(iii) the kW amount eligible for a credit will be the lesser of the kW amount calculated under (c) above or the kW amount by which the highest Total Metered Demand (up to and including the kW amount of the total amount of power available) in the month exceeds the Total Metered Base Amount; and

(f) provide for the automatic termination of the Participation Agreement if (i) the Customer does not qualify for a credit under (c), and where applicable (d) and (e), above within 12 months of the effective date of the Participation Agreement or (ii) ceases at any time to qualify for participation in the EGC Program under 3.1 above.

GUIDELINE 4 - CREDITS

4.1 Credit Method. Distributor shall make available to each Customer that qualifies for participation in the Program:

(a) one of the two credit options set forth in 4.2 and 4.3 below, for those customers which qualify for participation in the Program before October 1, 2003, or

(b) one of the two credit options set forth in 4.4 and 4.5 below, for those customers which qualify for participation in the Program on or after October 1, 2003

and shall specify in the Participation Agreement with such Customer the credit option so selected.

4.2 Declining 6 Year Credit Option: If this credit option is selected, Distributor shall apply the following schedule of credit amounts in calculating the credits to be applied under a Participation Agreement, entered into before October 1, 2003. Such credits will be applied for a 6-year period beginning with the first month in which the Customer qualifies for a credit under 2.2(c) or 3.2(c) above.

\$6.00 per kW for the first 12-consecutive-month period.

\$5.00 per kW for the second 12-consecutive-month period.

\$4.00 per kW for the third 12-consecutive-month period.

\$3.00 per kW for the fourth 12-consecutive-month period.

\$2.00 per kW for the fifth 12-consecutive-month period.

\$1.00 per kW for the sixth 12-consecutive-month period.

4.3 Flat 3 Year Credit Option. If this credit option is selected, Distributor will apply a credit amount of \$6.00 per kW in calculating the credits to be applied under a Participation Agreement, entered into before October 1, 2003. Such credits will be applied for a 3-year period beginning with the first month in which the Customer qualifies for a credit under 2.2(c) or 3.2(c) above.

4.4 Declining 8 Year Credit Option. If this credit option is selected, Distributor shall apply the following schedule of credit amounts in calculating the credits to be applied under a Participation Agreement entered into on or after October 1, 2003. Such credits will be applied for an 8-year period beginning with the first month in which the Customer qualifies for a credit under 2.2(c) or 3.2(c) above.

\$6.00 per kW for the first 12-consecutive-month period.

\$5.25 per kW for the second 12-consecutive-month period.

\$4.50 per kW for the third 12-consecutive-month period.

\$3.75 per kW for the fourth 12-consecutive-month period.

\$3.00 per kW for the fifth 12-consecutive-month period.

\$2.25 per kW for the sixth 12-consecutive-month period.

\$1.50 per kW for the seventh 12-consecutive-month period.

\$0.75 per kW for the eighth 12-consecutive-month period.

4.5 Flat 4 Year Credit Option. If this credit option is selected, Distributor will apply a credit amount of \$6.00 per kW in calculating the credits to be applied under a Participation Agreement entered into on or after October 1, 2003. Such credits will be applied for a 4-year period beginning with the first month in which the Customer qualifies for a credit under 2.2(c) or 3.2(c) above.

GUIDELINE 5 - EXPANSION DURING GROWTH CREDIT PARTICIPATION

It is recognized that a Customer receiving credits under the EGC Program may subsequently expand its facilities in a manner which would qualify the Customer for additional credits under Guideline 3.1 above. In such event, the Customer may enter into a Participation Agreement (Additional Credit Agreement) to cover credits for the expanded load except that

(a) a Customer shall not be eligible to enter into such an Additional Credit Agreement within the 12-month period immediately following the month in

which the Customer begins to receive credits under any Participation Agreement, and

(b) the Additional Credit Agreement shall provide that any kW amount of Actual Firm Demand for which the Customer receives a credit under the Additional Credit Agreement shall not be counted for purposes of determining the credit applicable under any previous EGC agreements which are still effective.



Tennessee Valley Authority, Post Office Box 292409, Nashville, Tennessee 37229-2409

August 13, 2007

Mr. Paul Thompson
EVP & General Manager
Tri-County Electric Membership Corporation
Post Office Box 40
Lafayette, Tennessee 37083-0040

Dear Mr. Thompson:

As I described to you in my letter dated May 2, 2007, TVA has determined that the regulation costs imposed by Nonconforming Loads on the TVA system outweigh the benefits to the system that are the basis for offering credits under the Enhanced Growth Credit (EGC) program. Based on this determination, TVA is making changes in the eligibility requirements of the EGC program that will allow the continued availability of growth credits in those situations where attracting a new customer, or encouraging an existing customer to expand, will help keep rates lower for other consumers of TVA power. Accordingly, a customer with a total contract demand of more than 50 MW and with one or more of the following load characteristics:

- (a) expected load swings of approximately 50 MW or more and ramp rates of approximately 10 MW or more per minute, or
- (b) loads with expected daily reactive power ramp rates of 50 MVAR or more per minute, or
- (c) loads known to create voltage flicker exceeding the limits set out in the Institute of Electrical and Electronics Engineers (IEEE) Standard 1453, or
- (d) loads known to create harmonic current distortions exceeding the limits set out in IEEE Standard 519

will not be eligible to receive billing credits under the EGC program after the effective date of the amendment described below. TVA believes that this change is necessary in order for the EGC program to continue to achieve the original intent of the program to have a balanced development of the resources of the region in the future.

Mr. Paul Thompson
Page 2
August 13, 2007

We want to encourage your continued participation in the EGC program, and therefore, it will be necessary to amend Enhanced Growth Credit Program Agreement, TV-52337A, Supp. No. 39, as amended, to put this modification in place. If you are agreeable to the proposed change in the program, please have a duly authorized representative sign both originals of the enclosed agreement on behalf of Tri-County Electric Membership Corporation and return them both to your TVA Customer Service Manager. A fully executed original will be returned to you following signature on TVA's behalf.

If you do not wish to execute the enclosed agreement, this letter serves as TVA's notice that from and after December 1, 2007, Tri-County Electric Membership Corporation will not be authorized to enter into any new agreements with its customers to provide for billing credits under the EGC program.

Please do not hesitate to call Myron Callahan if you have any questions.

Sincerely,



Kenneth R. Breeden
Executive Vice President
Customer Resources

Enclosures

08/23/2007

Laura,

Please copy for our files
type in Ronald's title & mail
both originals to Myron.

Thanks,
Caw

06/19/2008

Laura,
Please file.

c: G. Hale 06/20/08 XK



Tennessee Valley Authority, 400 West Summit Hill Drive, Knoxville, Tennessee 37902-1401

March 26, 2008

TV-52337A, Supp. No. 81

Mr. Paul Thompson
EVP & General Manager
Tri-County Electric Membership Corporation
Post Office Box 40
Lafayette, Tennessee 37083-0040

Dear Mr. Thompson:

This letter confirms the understanding between the Tri-County Electric Membership Corporation (Distributor) and the Tennessee Valley Authority (TVA) concerning the reimbursement plan for Distributor's costs of preparing or having prepared a Statement on Auditing Standards No. 70 (SAS 70) Type II audit of internal controls (Report) including an opinion of a certified public accountant (Opinion) as described in section 1 below in support of TVA's efforts related to Section 404 of the Sarbanes-Oxley Act of 2002. It is recognized (a) that TVA's internal control structure is impacted by the nature of its current end-use billing arrangements with Distributor, (b) that under these arrangements, Distributor calculates major components of its power bills, and (c) that TVA will rely on the Report provided for by this agreement in assessing the effectiveness of TVA's internal controls over the end-use billing process as well as the effectiveness of related controls performed by Distributor.

In accordance with the following timetable and conditions, TVA will reimburse Distributor the applicable amount provided for in Attachment A to this agreement:

1. Distributor agrees to prepare or have prepared a Report.

a. The Report shall provide TVA assurance that controls are in place to achieve the following control objectives related to the end-use billing process:

- i. The end-use customer master file, including end-use customer classifications and applicable industry codes (such as SIC or NAICS), is accurate, and only valid changes are made to the file by authorized individuals;
- ii. All actual power usage for the period is captured and meter readings for energy usage (kWh) and peak demands (kW) are transferred completely and accurately to the computer system used to compute the "Schedule 1" power invoice;
- iii. All adjustments to energy usage (kWh) and interval meter data (kW) are valid (e.g., based on prior inaccurate meter readings or other valid support), are made by authorized personnel, and are calculated using the appropriate billing rate in effect at the time of the original billing;

- 18
- iv. Processes are in place to periodically verify the proper performance of commercial and industrial meters used for demand charge calculations;
 - v. "Schedule 1" summaries and any other billing information reported to TVA (e.g., minimum bill data, itemized statements, and support for adjustments) are accurately calculated (using correct power usage, product and credit charge codes, customer classifications, usage calculations, credit calculations, contract terms, valid rates, and appropriate factors) and are conveyed completely and accurately to TVA on a timely basis;
 - vi. Logical access to system resources (e.g., programs, data, tables, and parameters) in distributor and third party processor systems used in the end-use billing process is restricted for proper system security and segregation of duties;
 - vii. New systems and applications purchased or developed for use in the end-use billing process are authorized, tested, approved, properly implemented and documented;
 - viii. Changes to existing systems and applications used in the end-use billing process are approved, tested, and documented to ensure data that has been recorded, processed, and reported remains complete, accurate, and valid throughout the update and storage process;
 - ix. System and application processing (such as batch jobs and interfaces) are appropriately authorized and scheduled. Deviations or problems arising from scheduled processing are identified and resolved through a properly controlled computer operations environment including the appropriate maintenance and testing of system backups; and
 - x. Key spreadsheets and reports used as data sources or inputs to the end-use billing process are controlled and validated.

If Distributor relies on a third party to perform any of the control objectives above, Distributor is to obtain a separate Report, including Opinion, from the third party on the related controls.

b. The Opinion shall address the following four components:

- i. Fair presentation of the description of controls,
- ii. Design effectiveness of controls,
- iii. Operating effectiveness as of a specified date, and

Mr. Paul Thompson
Page 3
March 26, 2008

- iv. Whether or not the Distributor's or third party billing agencies' controls are operating effectively over a specified period of time.
2. On or before August 31, 2008, Distributor shall submit to TVA the required Report(s), including Opinion(s) and descriptions of controls performed to meet each of the control objectives and audit requirements listed under section 1 above; the nature of the tests conducted; and the results of each test as described in TVA's "End-Use Billing Process" Audit Plan.

Distributor agrees to submit the Report(s) by either mail or e-mail as listed below. If submitted by mail, two (2) copies of the Report(s) shall be included.

By Mail: Tennessee Valley Authority
Attn: Controller
400 West Summit Hill Drive
WT 4B-K
Knoxville, Tennessee 37902

E-mail: dsasrepo@tva.gov

3. If (1) TVA receives the Report(s) and Opinion(s) meeting the requirements of section 1 above on or before the deadline provided for in section 2 above, (2) TVA receives a copy of the auditor's invoice, and (3) TVA's specific concerns on deficiencies identified in the Report(s) are satisfactorily addressed, TVA shall reimburse Distributor in accordance with Attachment A by applying a credit on the Distributor's next power invoice. TVA will not reimburse Distributor if the auditor cannot express an opinion on Distributor's internal controls or if the Report(s) include a disclaimer.
4. Nothing in this agreement is intended to subject a Distributor that is not otherwise legally subject to the provisions of the Sarbanes-Oxley Act of 2002 to this act. The Report(s) and Opinion(s) described in this agreement support TVA's efforts under the act.

Mr. Paul Thompson
Page 4
March 26, 2008

If this correctly states our understanding, please have a duly authorized representative sign and date both duplicate originals of this letter on behalf of Distributor and return them to Myron Callaham. A fully executed original will be returned to you.

Sincerely,



John M. Thomas III
Vice President & Controller

Accepted and agreed to as of
the ___ day of _____, 2008.

**TRI-COUNTY ELECTRIC
MEMBERSHIP CORPORATION**

By:

Title:

Paul Thompson
Exec. V.P. & Gen. Mgr.

SAS 70 Audit Cost - Reimbursement Scale

Fiscal Year 2008

Distributor MWh Usage TVA's FY 2007	Reimbursement Amounts
Less Than 500,000	\$ 20,000
500,000 up to but not including 1 Million	\$ 25,000
1 Million up to but not including 2 Million	\$ 30,000
2 Million up to but not including 6 Million	\$ 40,000
6 Million or More	\$ 80,000

The above table presents the reimbursement amounts distributors will receive for their SAS 70 Type II audit reports and opinions provided in accordance with the preceding letter agreement. The reimbursement will be in the form of a credit to the most current power invoice after the following requirements are met: TVA is in receipt of the completed SAS 70 audit report(s) and opinion(s) meeting the requirements of section 1 of this agreement on or before the deadline provided for in section 2 of this agreement; TVA receives a copy of the auditor's invoice; and TVA's specific concerns on deficiencies identified in the report are satisfactorily addressed. There will be no reimbursement for an audit in which the auditor cannot express an opinion on the distributor's internal controls or for a report that includes a disclaimer.



Tennessee Valley Authority, 400 West Summit Hill Drive, Knoxville, Tennessee 37902-1401

February 24, 2009

TV-52337A, Supp. No. 82

Mr. Paul Thompson
EVP & General Manager
Tri-County Electric Membership Corporation
Post Office Box 40
Lafayette, Tennessee 37083-0040

02/27/2009
copy mailed today
to E. Peterson.

Dear Mr. Thompson:

This letter confirms the understanding between the Tri-County Electric Membership Corporation (Distributor) and the Tennessee Valley Authority (TVA) concerning the reimbursement plan for Distributor's costs of preparing or having prepared a Statement on Auditing Standards No. 70 (SAS 70) Type II audit of internal controls (Report) including an opinion of a certified public accountant (Opinion) as described in section 1 below in support of TVA efforts related to Section 404 of the Sarbanes-Oxley Act of 2002. It is recognized that (a) TVA's internal control structure is impacted by the nature of its current end-use billing arrangements with Distributor, (b) that under these arrangements, Distributor calculates major components of its power bills, and (c) that TVA will rely on the Report provided for by this agreement in assessing the effectiveness of TVA's internal controls over the end-use billing process as well as the effectiveness of related controls performed by Distributor.

In accordance with the following timetable and conditions, TVA will reimburse Distributor the applicable amount provided for in Attachment A to this agreement:

1. Distributor agrees to prepare or have prepared a Report.
 - a. The Report shall provide TVA assurance that controls are in place to achieve the following control objectives related to the end-use billing process:
 - i. The end-use customer master file, including end-use customer classifications and applicable industry codes (such as SIC or NAICS), is accurate, and only valid changes are made to the file by authorized individuals;
 - ii. All actual power usage for the period is captured and meter readings for energy usage (kWh) and peak demands (kW) are transferred completely and accurately to the computer system used to compute the "Schedule 1" power invoice;
 - iii. All adjustments to energy usage (kWh) and interval meter data (kW) are valid (e.g., based on prior inaccurate meter readings or other valid support), are made by authorized personnel, and are calculated using the appropriate billing rate in effect at the time of the original billing;

- iv. Processes are in place to periodically verify the proper performance of commercial and industrial meters used for demand charge calculations;
- v. "Schedule 1" summaries and any other billing information reported to TVA (e.g., minimum bill data, itemized statements, and support for adjustments) are accurately calculated (using correct power usage, product and credit charge codes, customer classifications, usage calculations, credit calculations, contract terms, valid rates, and appropriate factors) and are conveyed completely and accurately to TVA on a timely basis;
- vi. Logical access to system resources (e.g., programs, data, tables, and parameters) in distributor and third party processor systems used in the end-use billing process is restricted for proper system security and segregation of duties;
- vii. New systems and applications purchased or developed for use in the end-use billing process are authorized, tested, approved, properly implemented and documented;
- viii. Changes to existing systems and applications used in the end-use billing process are approved, tested, and documented to ensure data that has been recorded, processed, and reported remains complete, accurate, and valid throughout the update and storage process;
- ix. System and application processing (such as batch jobs and interfaces) are appropriately authorized and scheduled. Deviations or problems arising from scheduled processing are identified and resolved through a properly controlled computer operations environment including the appropriate maintenance and testing of system backups; and
- x. Key spreadsheets and reports used as data sources or inputs to the end-use billing process are controlled and validated.

If Distributor relies on a third party to perform any of the control objectives above, Distributor is to obtain a separate Report, including Opinion, from the third party on the related controls.

b. The Opinion shall address the following four components:

- i. Fair presentation of the description of controls,
- ii. Design effectiveness of controls,
- iii. Operating effectiveness as of a specified date, and

iv. Whether or not the Distributor's or third party billing agencies' controls are operating effectively over a specified period of time.

2. On or before August 31, 2009 Distributor shall submit to TVA the required Report(s), including Opinion(s) and descriptions of controls performed to meet each of the control objectives and audit requirements listed under section 1 above; the nature of the tests conducted; and the results of each test as described in TVA's "End-Use Billing Process" Audit Plan.

Distributor agrees to submit the Report(s) by either mail or e-mail as listed below. If submitted by mail, two (2) copies of the Report(s) shall be included.

By Mail: Tennessee Valley Authority
Attn: Controller
400 West Summit Hill Drive
WT 4B-K
Knoxville, Tennessee 37902

E-mail: dsasrepo@tva.gov

3. If TVA receives the Report(s) and Opinion(s) meeting the requirements of section 1 above on or before the deadline provided for in section 2 above, (2) TVA receives a copy of the auditor's invoice; and (3) TVA's specific concerns on deficiencies identified in the Report(s) are satisfactorily addressed, TVA shall reimburse Distributor in accordance with Attachment A by applying a credit on the Distributor's next power invoice. TVA will not reimburse Distributor if the auditor cannot express an opinion on Distributor's internal controls or if the Report(s) include a disclaimer.
4. Nothing in this agreement is intended to subject a Distributor that is not otherwise legally subject to the provisions of the Sarbanes-Oxley Act of 2002 to this act. The Report(s) and Opinion(s) described in this agreement support TVA's efforts under the act.

Mr. Paul Thompson
Page 4
February 24, 2009

If this correctly states our understanding, please have a duly authorized representative sign and date both duplicate originals of this letter on behalf of Distributor and return them to Ernie Peterson. A fully executed original will be returned to you.

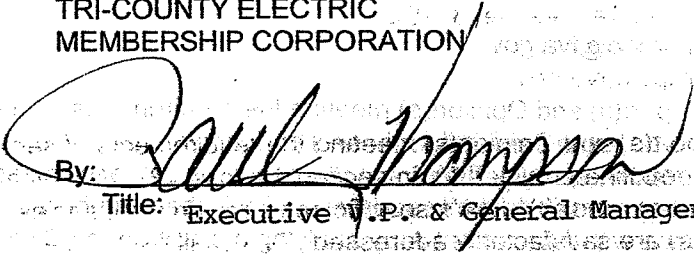
Sincerely,



John M. Thomas III
Vice President & Controller

Accepted and agreed to as of
the 27 day of February, 2009

TRI-COUNTY ELECTRIC
MEMBERSHIP CORPORATION



By: _____
Title: Executive V.P. & General Manager

July 8, 2010

Tammy,

Please send (1) copy of the 5MR agreement to Kingsford, keep copies of both the 5MR # TV-52337A, Supp. #83 for your records # copy Laura on both. Glenn needs a copy of TV-52337A, Supp. #83 to adjust the billing,



Tennessee Valley Authority, 6045 Russellville Road, Bowling Green, Kentucky 42101-7319

July 7, 2010

Mr. Paul Thompson
Executive Vice President/General Manager
Tri-County Electric Membership Corporation
405 College Street
Lafayette, Tennessee 37083

Thanks,
[Signature]

Dear Paul:

**TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION – KINGSFORD
MANUFACTURING COMPANY – EXECUTED 5 MR AGREEMENT, CONTRACT
NO. 3168, and AGREEMENT TV-52337A, SUPP. NO. 83**

Enclosed are two fully executed originals of tri-party 5 MR Agreement, Contract No. 3168, dated July 1, 2010, covering arrangements for (a) 1,000 kW of Kingsford's contract demand to be designated as protected load and (b) 4,000 kW of Kingsford's contract demand to be designated as 5 MR and subject to suspension of availability upon 5 minutes' notice. Please present one fully executed original of 5 MR Agreement 3168 to Kingsford Manufacturing and retain the other fully executed original for your files.

Also, enclosed for your files is one fully executed original of Agreement TV-52337A, Supplement No. 83, dated July 1, 2010, covering the wholesale billing adjustments needed for Kingsford's participation in the 5 MR program.

If you have questions or concerns, please call me at 270-846-7042.

Sincerely,

[Signature]

Hugh A. Meyer
Customer Service Engineer
Kentucky

Enclosures

AGREEMENT
Between
TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION
And
TENNESSEE VALLEY AUTHORITY

Date: July 1, 2010

TV-52337A, Supp. No. 83

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 (TVA Act);

WITNESSETH:

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, Distributor and Kingsford Manufacturing Company (Company) have entered into a power supply contract dated December 29, 2010 (Company Contract), under which Company purchases power from Distributor for a term of at least five years for the operation of Company's plant near Summer Shade, Kentucky; and

WHEREAS, TVA, Distributor, and Company have entered into an agreement of even date herewith (5 MR Agreement) covering arrangements for Distributor and Company to participate in TVA's 5 Minute Response (5 MR) Interruptible Program under which a portion of Company's contract demand will be designated as 5 MR interruptible power; 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 5 MR Agreement;

NOW, THEREFORE, for and in consideration of the premises and of the mutual agreements set forth below, and subject to the provisions of the TVA Act, the parties mutually agree as follows:

SECTION 1 - TERM OF AGREEMENT

This agreement shall become effective as of the effective date of the 5 MR Agreement, and shall continue in effect until expiration or termination of the 5 MR Agreement, or of the Power Contract, whichever first occurs.

SECTION 2 - BILLING DATA

2.1 Metering Data. Data obtained from the metering facilities referred to in section 5 of this agreement will be used (a) by Distributor for the purposes of determining the power and energy taken by Company and (b) by TVA for determining applicable adjustments for Distributor's wholesale bill.

2.2 Billing Data Supplied by Distributor. As a condition for TVA making 5 MR available to Distributor, Distributor shall provide TVA the following information related to Company's power and energy takings under the 5 MR program.

2.2.1 Bills to Company. 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.

2.2.2 5 MR Data. Distributor shall also provide such other information related to Company's power and energy takings as TVA may require, including but not limited to, any charges associated with 5 MR, 5 MR credits, and Credit Reduction Charges.

2.3 TVA Billing Analysis.

2.3.1 Analysis Provided by TVA. It is recognized that Distributor has requested that TVA perform certain monthly meter-reading services and billing data analysis (Billing Analysis) with respect to Company. Accordingly, TVA will supply Distributor as soon as practicable after Company's scheduled meter-reading date the information regarding the amounts of power designated as 5 MR deemed to have been taken by Company and such other information as may be necessary for Distributor to calculate Company's bill under the Company Contract and to meet its obligations under 2.2 above.

2.3.2 Termination of Services. The Billing Analysis provided for under this subsection 2.3 may be terminated by TVA or Distributor at any time upon at least 30 days' written notice to the other party.

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 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 the demand and the energy deemed to have been taken by Company under the Company Contract and the 5 MR Agreement.

3.2 5 MR Credits. TVA will apply a credit to the wholesale power bill equal to any 5 MR credit applied to Company's bill in accordance with the 5 MR Agreement.

3.3 Credit Reduction Charges. In the event that any Credit Reduction Charges are applied to Company's bill in accordance with the 5 MR Agreement, the amount of the Credit Reduction Charges will be included in a subsequent wholesale bill as provided for in section 4 below.

3.4 Administrative Costs Charge. (a) For so long as TVA is providing Billing Analysis to Distributor under subsection 2.3 above, an amount equal to the Administrative Costs Charge billed to Company (in accordance with the 5 MR Agreement) will be included as part of the wholesale bill.

(b) After any termination of Billing Analysis is effective under said subsection 2.3:

(i) an amount equal to the portion of the Administrative Costs Charge billed to Company (in accordance with the 5 MR Agreement) which is for coverage of TVA's other costs other than the no longer applicable Billing Analysis costs will continue to be included as part of the wholesale bill, and

(ii) the amount of the total Administrative Costs Charge then allocated to reflect said portion (currently \$350) shall not be increased without a corresponding increase of the total Administrative Costs Charge applicable under the 5 MR Agreement.

(c) TVA and Distributor also agree to coordinate, and to cooperate with each other to implement, any increase of said total Administrative Costs Charge that the other party deems necessary to address any increase in its costs.

SECTION 4 - CREDIT REDUCTION CHARGES

(a) In the event that any Credit Reduction Charges are applied to Company's bill in accordance with the 5 MR Agreement, except as otherwise provided in (b) below, the amount of the Credit Reduction Charges will be included in the wholesale bill for the first wholesale billing month occurring at least 60 days after the date that such Credit Reduction Charge is to be paid by Company.

(b) In the event that Company fails to pay any Credit Reduction Charges when due:

(i) Distributor shall promptly notify TVA in writing. Within 90 days after the date on which Company becomes past due in the payment of any Credit Reduction Charges, Distributor, after consultation with TVA, shall institute litigation to enforce payment. 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.

(ii) The amounts applicable under (a) above shall accrue but shall not become payable by Distributor until collection is made from Company. If all legal remedies are pursued, Distributor's payment obligations to TVA shall be limited to the amount recovered from Company reduced by the costs (not recovered from the Company) reasonably incurred by Distributor in the prosecution of such litigation.

SECTION 5 - METERING FACILITIES

5.1 Revenue Meter. It is recognized and agreed that Distributor is responsible for providing, installing, and maintaining the meter and associated equipment which in TVA's judgment are needed for determining the amounts of power and energy associated with 5 MR. Such metering facilities shall include a solid-state type revenue meter (Revenue Meter) capable of remote telephone access. Distributor will, at its expense, provide the equipment and materials and perform the work necessary to install the Revenue Meter. Thereafter, Distributor shall test, calibrate, operate, maintain, repair, and replace all facilities in the metering installation.

5.2 Remote Access. In accordance with guidelines or specifications furnished or approved by TVA, Distributor shall provide or otherwise arrange for a telephone circuit (or an alternative system approved by TVA) and all other equipment necessary to allow remote access by TVA to the metering data recorded by the Revenue Meter under the 5 MR Agreement.

5.3 Access by TVA. Distributor agrees for TVA to have access to the data stored in the Revenue Meter through the telephone circuit (or alternative system approved under 5.2 above) and will provide to TVA any information necessary for the exercise of such access. Distributor further grants to TVA access to the metering facilities for the purpose of confirmation of the metering data being received by telephone. The use of the telephone circuit and access to the metering data will be coordinated by TVA's and Distributor's operating representatives to ensure unrestricted access by TVA for data retrieval purposes during such periods as specified by TVA.

IN WITNESS WHEREOF, the parties have caused this agreement to be executed by their duly authorized representatives, as of the day and year first above written.

**TRI-COUNTY ELECTRIC
MEMBERSHIP CORPORATION**

By 

Title: Executive V.P. & General Manager

TENNESSEE VALLEY AUTHORITY

By 

Senior Vice President
Commercial Operations and Pricing

5 MR AGREEMENT

Date: July 1, 2010

Contract No. 3168

THIS AGREEMENT (5 MR Agreement) is made and entered into by and among the following parties:

COMPANY: KINGSFORD MANUFACTURING COMPANY

Legal Status: a corporation created and existing under and by virtue of the laws of the State of Delaware

Mail Notices

to: Rob Service, Plant Manager
at: 5126 Summer Shade Road
P.O. Box 42166
Summer Shade, Kentucky 42166

Telephone number for suspension notices: (270) 428-6254 is the number of the dedicated line designed in accordance with subsection 3.6.3 below.

If no one is reached at the dedicated line, TVA may (without obligation) also provide suspension notices at the following number(s): (270) 427-0739 and (270) 428-6250.

DISTRIBUTOR: TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION

Legal Status: a cooperative corporation created and existing under and by virtue of the laws of the State of Tennessee

Mail Notices

to: EVP & General Manager
at: Tri-County Electric Membership Corporation
Post Office Box 40
Lafayette, Tennessee 37083-0040

TVA: TENNESSEE VALLEY AUTHORITY

Legal Status: a corporation created and existing under and by virtue of the Tennessee Valley Authority Act of 1933, as amended (TVA Act)

Mail Notices

to: Executive Vice President, Customer Resources
at: Tennessee Valley Authority
Post Office Box 292409
Nashville, Tennessee 37229-2409

WITNESSETH:

WHEREAS, Distributor purchases power from TVA for resale under Power Contract TV-52337A, dated July 18, 1979, as amended; and

WHEREAS, the power supply contract between Distributor and Company, dated December 29, 2009 (Company Contract), provides for a Contract Demand of 5,000 kW for a term of at least five years for the operation of Company's plant near Summer Shade, Kentucky; and

WHEREAS, Distributor and Company wish to participate in TVA's 5 Minute Response (5 MR) Interruptible Program under which a portion of Company's Contract Demand will be designated as 5 MR interruptible power; and

WHEREAS, Company, Distributor, and TVA wish to supplement and amend the Company Contract in the respects necessary to provide for such participation during the term of this 5 MR Agreement;

NOW, THEREFORE, for and in consideration of the premises and of the mutual agreements set forth below, and subject to the provisions of the TVA Act, the parties enter into this 5 MR Agreement by agreeing as follows:

SECTION 1 - DEFINITIONS

As used in this 5 MR Agreement:

- 1.1 "**5 MR Demand**" for any clock half-hour shall mean the amount (up to and including the 5 MR available in that half-hour), if any, by which the Total Demand for that half-hour exceeds the Protected Demand.
- 1.2 "**Billing Period**" shall mean the period of time from the Meter-Reading Time in one calendar month to the Meter-Reading Time in the next calendar month used to determine the power and energy amounts for which Company is to be billed.
- 1.3 "**Contract Demand**" shall mean the total kW amount of power made available under the Company Contract.
- 1.4 "**Demand Ratchet**" shall mean the exception language set out in the section headed "Determination of Demand" of the Rate Schedule which establishes the level below which billing demand cannot fall.
- 1.5 "**Effective Interruptible Demand**" shall mean the kW amount of 5 MR Demand that TVA, in its reasonable judgment, deems to be available for suspension at the time of the 200 highest hourly average kW amounts of TVA's system load each year.
- 1.6 "**Guidelines**" shall mean the Suspension Noncompliance Guidelines attached to and made a part of this 5 MR Agreement. The Guidelines may be changed or adjusted by TVA from time-to-time upon 60 days' notice; provided, however, that (a) any Credit Reduction Charge amount provided for by the Guidelines may only be changed or adjusted as provided for in 3.5 below and (b) with respect to Guideline 6 – Termination, no change or adjustment to the Guidelines shall reduce (i) the noncompliance threshold giving rise to TVA's termination right to an amount less than 10 percent or (ii) the notice period for any such termination to less than 60 days.
- 1.7 "**Load Factor**" for any Billing Period shall mean a percentage calculated by dividing the total metered energy for that Billing Period by the product of the Metered Demand for that Billing Period and the number of clock hours in that Billing Period.
- 1.8 "**Metered Demand**" for any Billing Period shall mean the highest average amount during any clock half-hour of that Billing Period of Company's load measured in kW.

1.9 "**Meter-Reading Time**" for any calendar month shall mean 0000 hours Central Prevailing Time, on the ~~5th~~^{1st} day of ~~that~~^{the following} calendar month, except that Distributor, after first obtaining TVA's concurrence, may change the time and date of the meter reading upon notice to Company and TVA.

1.10 "**Proprietary Information**" shall mean any and all information related to projected forecasts of TVA's power system operations and other forecasts relative to potential suspensions of 5 MR disclosed by TVA to Company whether via the System or otherwise.

1.11 "**Protected Demand**" shall mean the portion of the Contract Demand specified in 3.1 below that is not subject to suspension of availability under 3.6 below.

1.12 "**Rate Schedule**" shall mean Distributor's rate schedule applicable for billing Company under the Company Contract, as it may be modified, changed, replaced, or adjusted from time to time as provided under contractual arrangements between Distributor and TVA (together with the currently effective Adjustment Addendum).

1.13 "**System**" shall mean the computer-based information system or other information system designated by TVA under 3.7 below.

1.14 "**Total Demand**" for each clock half-hour shall be the higher of the average amount during that half-hour of (a) Company's load measured in kW or (b) 93 percent of Company's load measured in kVA plus an additional 2 percent for that part of the load over 5,000 kVA.

SECTION 2 - TERM AND TERMINATION

2.1 **Effective Date and Term.** This 5 MR Agreement shall become effective as of 0000 hours Central Prevailing Time on July 1, 2010 (Effective Date). Except as otherwise provided, it shall continue in effect through the first Meter-Reading Time that falls at least 5 years after the Effective Date of this 5 MR Agreement.

2.2 **Termination of 5 MR Agreement.** This 5 MR Agreement may be terminated:

- (a) by any party effective on or after the 3rd anniversary of the Effective Date by such party giving at least 2 years' notice;
- (b) by Company in the event that any annual decrease in the 5 MR Credit Amount is more than 12 percent, upon at least 15 days' notice to TVA prior to the effective date of such decrease;
- (c) by Company in the event that any annual increase in the 5 MR Credit Reduction Charge is more than 12 percent, upon at least 15 days' notice to TVA prior to the effective date of such increase;
- (d) by TVA or Distributor in accordance with the Guidelines; or
- (e) by TVA or Distributor upon at least 60 days' notice if: (i) Company does not maintain a current Load Reduction Plan, (ii) Company's Effective Interruptible Demand drops below 500 kW, (iii) Company's average of the most recent 12 monthly Load Factors (Average Yearly Load Factor) drops below 40 percent, or (iv) Company fails to respond

properly to a test of any system that would be utilized by TVA to suspend 5 MR in accordance with 3.6 below.

2.3 Termination of Company Contract. Notwithstanding anything in the Company Contract that may be construed to the contrary, except as otherwise provided below, the parties agree that during the term of this 5 MR Agreement, no notice by Company or Distributor to terminate the Company Contract shall be effective sooner than the date on which termination of this 5 MR Agreement can be achieved under 2.2 (a) above. It is expressly recognized that this 5 MR Agreement and the Company Contract may be terminated by Distributor, or power supply from Distributor under the Company Contract may be suspended, in accordance with the Rules and Regulations of Distributor.

SECTION 3 - 5 MR

3.1 Protected Demand and 5 MR Availability. Subject to the other provisions of this 5 MR Agreement and the Company Contract, during the term of this 5 MR Agreement the provisions of the Company Contract providing for Company's Contract Demand shall be deemed amended in the respects necessary to provide:

- (a) that 1,000 kW of Company's Contract Demand is designated to be Protected Demand,
- (b) that 4,000 kW shall be the portion of Company's Contract Demand designated as 5 MR and subject to suspension of availability under 3.6 below, and
- (c) that Distributor shall make the 5 MR portion of Company's Contract Demand available, in such amounts as TVA, in its judgment, is able to supply, up to and including the kW amount of 5 MR specified in (b) above.

Further, it is expressly recognized and agreed that the Protected Demand and the kW amount of 5 MR made available under this 5 MR Agreement may be adjusted by TVA in accordance with the Guidelines.

3.2 Determination of Billing Amounts. For purposes of determining the charges under the Rate Schedule, the following shall apply:

3.2.1 Billing Demand. The highest Total Demand in a Billing Period shall be the billing demand; provided, however, that the billing demand shall in no case be less than the amount calculated under the Demand Ratchet.

3.2.2 Excess Demand. For purposes of applying the charges set out in the section headed "Base Charges" of the Rate Schedule, if this section provides for an additional amount to be applied as a part of the demand charge applicable under part 3 of said section to each kW "by which the customer's billing demand exceeds the higher of 2,500 kW or its contract demand," for purposes of this 5 MR Agreement, this additional amount shall be applied to the kW amount, if any, equal to the higher of:

- (a) any amount by which the highest Total Demand in any clock half-hour during which 5 MR is available exceeds the higher of 2,500 kW or the Contract Demand, or

(b) any amount by which the highest Total Demand in any clock half-hour during which the availability of 5 MR is suspended exceeds the higher of 2,500 kW or the Protected Demand.

3.3 Conflicts. In the event of any conflict between the Rate Schedule and this 5 MR Agreement, this 5 MR Agreement shall control. In the event of any conflicts between the Company Contract and this 5 MR Agreement, this 5 MR Agreement shall control.

3.4 Administrative Costs Charge. To help recover administrative and other costs of making the 5 MR program available (Administrative Costs), Distributor's monthly power invoice to Company shall include, and Company shall pay, a monthly Administrative Costs Charge (currently \$700 for the first meter and \$50 for each additional meter at the delivery point identified in the Company Contract). This charge shall be due and payable each month on the due date for the monthly power invoice. Not more frequently than annually, by at least 60 days' notice to Company, TVA may increase or decrease the Administrative Costs Charge to reflect changes in TVA's or Distributor's Administrative Costs.

3.5 5 MR Credit.

3.5.1 Credit Amount. In each month that Company's Load Factor exceeds 50 percent, a credit of \$4.00 per kW (Credit Amount) of the highest 5 MR Demand established in that month shall be applied to Company's bill.

3.5.2 Credit Reduction Charge. In each Billing Period during which Company fails to suspend its 5 MR takings as required under 3.6 below, a charge (Credit Reduction Charge) shall be applied to Company's bill as set out in the Guidelines.

It is expressly recognized that application of the Credit Reduction Charge shall be without prejudice to any other rights of Distributor or TVA that may arise due to any failure by Company to comply with a 5 MR suspension.

3.5.3 Adjustments. Not more frequently than once in any 12-month period, by at least 60 days' notice to Company, TVA may change or adjust:

- (a) the Credit Amount provided for in 3.5.1 above, and/or
- (b) any Credit Reduction Charge amount provided for in the Guidelines,

to assure TVA of such cost recovery as the TVA Board determines to be necessary to meet the then-existing circumstances; provided, however, that any such changed or adjusted amounts shall be applied to all customers to which 5 MR is made available.

3.6 Reliability Suspensions of Availability.

3.6.1 5 MR Subject to Suspension by Notice. TVA may suspend the availability of 5 MR upon 5 minutes' notice to Company. Such availability of 5 MR may be suspended at any time that TVA determines, in its sole judgment, that such a suspension is necessary or appropriate to address the reliability of the TVA system or the reliability of any portion of the TVA system.

Any such suspension shall become effective, and Company shall cease taking 5 MR, at the expiration of the 5-minute notice period. Notwithstanding anything that may be construed to the contrary, the availability of 5 MR remains at all times subject to the provisions of subsection 4.3 below covering interference with availability or use of power.

3.6.2 Suspension Periods. For billing purposes, each period of suspension shall begin when the suspension becomes effective and shall end at the time notice is given of the restoration of the availability of 5 MR; provided, however, that if such notice is not given before the end of the Billing Period in which a period of suspension begins, that period of suspension shall be deemed to end at the end of the Billing Period and a new period of suspension shall be deemed to begin at the start of the next Billing Period and continue until the time notice is given of the restoration of the availability of 5 MR.

3.6.3 Telephone Line for Suspension Notices. Company shall at all times maintain, in accordance with guidelines furnished or approved by TVA, a telephone line (or an alternative system approved by TVA) dedicated to the receipt of notices under this paragraph.

3.6.4 Load Reduction Plan. It is recognized that prior to the Effective Date of this agreement Company provided Distributor a plan certified by its authorized representative (Load Reduction Plan) describing the actions that will be taken by Company to suspend its 5 MR takings as required under this subsection 3.6. Company shall update the Load Reduction Plan annually and provide Distributor with the updated plan by March 1 of each year. Annual updates of the Load Reduction Plan, acceptable to Distributor and TVA, shall be certified by an authorized representative of Company. Within 24 months of the Effective Date of this agreement, Company shall demonstrate its Load Reduction Plan by completing a Load Demonstration in accordance with the Guidelines.

3.7 Power System Information.

- (a) For Company's convenience, TVA may from time to time provide Company with information related to projected forecasts of TVA's power system operations and other forecasts relative to potential suspensions of 5 MR availability via a System designated by TVA for obtaining access to such information or via other means. All such forecast information shall be deemed to be Proprietary Information and it is expressly recognized and agreed that Company's obligations with respect to such Proprietary Information provided during the term of this agreement shall survive its termination or expiration. The System will be owned, operated, and maintained by TVA.

As a condition of access to the System and in consideration of TVA's making Proprietary Information available to Company, (i) Company agrees not to divulge Proprietary Information to third parties without the written consent of TVA, and (ii) Company further agrees not to use the Proprietary Information disclosed to it by TVA to compete with TVA or for any purpose other than those set forth in this section 3. Nothing in this paragraph shall prevent Company from making disclosures to other parties that are required by law; provided, however, Company shall endeavor to secure the agreement of such other party to maintain the information in confidence. In the event that Company is unable to secure such agreement, Company shall notify TVA with reasonable promptness so that TVA may join Company in the pursuit of such an agreement of confidence, or take any other action it deems appropriate.

- (b) For Company's access to the System, Company shall provide, at its expense, such software, hardware, or other equipment as may be necessary. In addition, Company shall be responsible for any telephone or other communications charges incurred in connecting to the System in the manner designated by TVA. Company shall access the System only in accordance with guidelines furnished or approved by TVA and shall use the System only in connection with obtaining information about 5 MR under this 5 MR Agreement.
- (c) Nothing in this subsection 3.7 shall restrict or limit TVA's right to suspend 5 MR provided for in subsection 3.6 above and TVA may suspend 5 MR under said subsection 3.6 without regard to whether or not a potential suspension has been projected. Further, the failure or inability for any reason of Company to access information about a potential suspension, through the System or otherwise, shall not alter Company's obligation to comply with any suspension of 5 MR.
- (d) 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, 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 subsection 3.7. Company hereby waives, and releases the United States of America, TVA, and their directors, officers, agents, and employees from any and all claims, demands, or causes of action, including, without limitation, consequential damages, arising out of or in any way connected with any estimates, information, service, or equipment furnished or made available under this section.

SECTION 4 - MISCELLANEOUS PROVISIONS

4.1 Notices.

4.1.1 Notice. Any notice required by this 5 MR Agreement shall be deemed properly given if posted by TVA electronically on the System as defined under 3.7 above or delivered in writing to the address specified by this 5 MR Agreement: (a) personally, (b) by recognized overnight courier service, or (c) by United States Mail, postage prepaid.

4.1.2 Certain Notices May Be Oral. Notices between the authorized operating representatives of the parties may be oral, except for notice of termination under section 2 of this 5 MR Agreement, which must be in writing. Notices that may be oral shall be confirmed as provided by one of the methods in 4.1.1 above. Notwithstanding anything else in this subsection 4.1, notices of suspension under subsection 3.6 may be oral and shall not require confirmation by TVA consistent with subsection 4.1.1 above.

4.1.3 Changes in Persons to Receive Notice. The designation of the person to be so notified, or the address of such person, may be changed at any time and from time to time by either party by similar notice.

4.2 Relationship of Distributor, Company, and TVA.

4.2.1 Company to Remain a Customer of Distributor. It is expressly recognized that Company remains a customer of Distributor and is not a directly served customer of TVA. TVA is a party to this 5 MR Agreement only because of the unique nature of 5 MR.

Distributor retains responsibility for all power service and customer relations matters except as provided otherwise with respect to 5 MR. TVA and Company may at any time communicate directly concerning matters relating to 5 MR; further TVA shall have sole responsibility for

(a) requiring reductions in availability of 5 MR, and

(b) maintenance of records of the status of the availability of 5 MR.

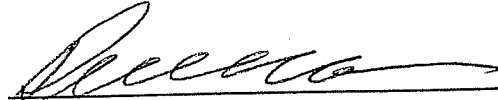
4.2.2 Additional Contract Amendments. No assignment of Company Contract or amendments of Company Contract relating to Contract Demand or term, shall be effective unless they are approved by TVA.

4.3 Interference With Availability of Power. The term "force majeure" shall be deemed to be a cause reasonably beyond the control of Distributor or TVA, such as, but without limitation to, injunction, administrative order, strike of employees, war, invasion, fire, accident, floods, backwater caused by floods, acts of God, or inability to obtain or ship essential services, materials, or equipment because of the effect of similar causes on suppliers or carriers. Acts of God shall include without limitation the effects of drought if the drought is of such severity as to have a probability of occurrence not more often than an average of once in 40 years.

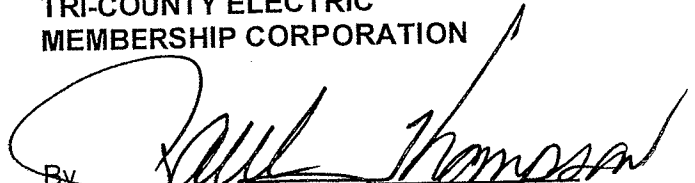
It is recognized by the parties that the availability of power to Company may be interrupted or curtailed from time to time during the term of this contract because of force majeure or otherwise. Company shall be solely responsible for providing and maintaining such equipment in its plant and such emergency operating procedures as may be required to safeguard persons on its property, its property, and its operations from the effects of such interruptions or curtailments. Company assumes all risk of loss, injury, or damage to Company resulting from such interruptions or curtailments.

IN WITNESS WHEREOF, the parties have caused this 5 MR Agreement to be executed by their duly authorized representatives, as of the day and year first above written.


KINGSFORD MANUFACTURING COMPANY

By 
Title: R.C. SERVICE
PLANT MANAGER

**TRI-COUNTY ELECTRIC
MEMBERSHIP CORPORATION**

By 
Title: Executive V.P. & General Manager

TENNESSEE VALLEY AUTHORITY

By 
Senior Vice President
Commercial Operations and Pricing

Suspension Noncompliance Guidelines

Guideline 1 - Definition of terms:

5-Minute Period: For any clock hour, the first 5-consecutive-minute clock interval measured from the beginning of that hour and each 5-consecutive-minute clock interval thereafter in that hour.

Average Noncompliant Load: During any suspension of the availability of 5 MR, the average kW amount by which Company's average load during each 5-Minute Period of the suspension period exceeds its Protected Demand, up to and including the amount of 5 MR available under subsection 3.1 of the Overlay.

Credit Reduction Charge: The charge that shall apply to Company in the event of a Noncompliance situation.

Company: Shall have the same definition as in the Overlay.

Guidelines: Shall have the same definition as in the Overlay.

Load Demonstration: A live test of Company's ability to achieve its Protected Demand level within 5 minutes' notice. If such live test is not an actual TVA suspension, Company shall provide Distributor and TVA at least 48 hours' notice of such Load Demonstration. If TVA calls for a suspension of the availability of 5 MR, and if Company is successful in achieving its Protected Demand level within 5 minutes' notice, such successful suspension shall count as Company's Load Demonstration. A Load Demonstration shall be completed within 24 months of the beginning of the Overlay.

Maximum Noncompliant Load: During any suspension of the availability of 5 MR, the maximum kW amount by which Company's average load in any 5-Minute Period of the suspension period exceeds the Protected Demand, up to and including the amount of 5 MR available under subsection 3.1 of the Overlay.

Noncompliance: The situation when TVA suspends the availability of 5 MR and Company does not suspend its entire 5 MR takings during any 5-Minute Period of a suspension in accordance with subsection 3.6 of the Overlay.

Noncompliance Percentage: The percentage calculated by dividing the Maximum Noncompliant Load by the kW amount of 5 MR made available under subsection 3.1 of the Overlay.

Overlay: The 5 MR Agreement (as it may be amended) to which these Guidelines are attached.

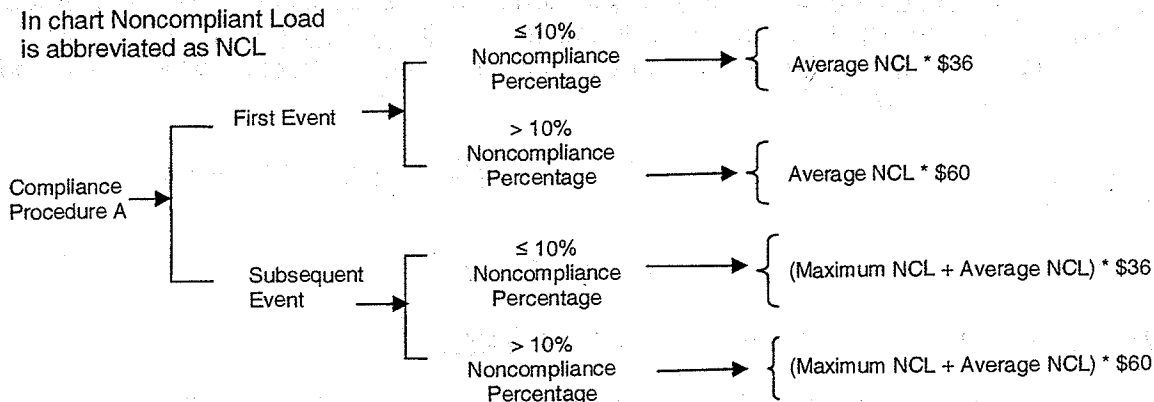
Protected Demand: Shall have the same definition as in the Overlay.

Guideline 2 - Company has completed Load Demonstration: In the event of a Noncompliance, if Company has completed its Load Demonstration or if it is in the first 24 months of the Overlay, a Credit Reduction Charge of:

- a) \$36 per kW if Company has a less than or equal to 10% Noncompliance Percentage during a suspension, or
- b) \$60 per kW if Company has a greater than 10% Noncompliance Percentage during a suspension

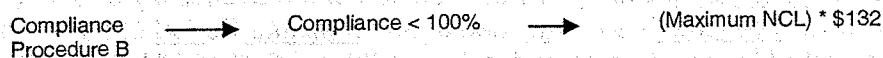
shall be applied (i) to the Average Noncompliant Load following the first Noncompliance and (ii) to the sum of the Maximum Noncompliant Load and the Average Noncompliant Load for any subsequent Noncompliance.

GUIDELINE 2 CREDIT REDUCTION CHARGE CHART



Guideline 3 - Company has not completed Load Demonstration: In the event of a Noncompliance, if Company has not completed its Load Demonstration within 24 months of the effective date of the Overlay, a Credit Reduction Charge of \$132 per kW shall be applied to Company's Maximum Noncompliant Load.

GUIDELINE 3 CREDIT REDUCTION CHARGE CHART



Guideline 4 - Credit Reduction Charge cap: Each Credit Reduction Charge shall be capped so that the maximum charge will not exceed the aggregate amount of 5 MR credits that Distributor has paid Company, during the most recent 12 months, by more than 20 percent. If Company has not been in the 5 MR program for 12 months, the Credit Reduction Charge would be capped at the amount of credits TVA calculates Company would receive over a year based on Company's average monthly credits plus 20 percent. If Company has a Noncompliance in the first month of the Overlay, then the Credit Reduction Charge would be capped at the amount of credits TVA calculates Company would receive over a year based on the 5 MR credit that Company receives in that first month plus 20 percent.

Guideline 5 - Adjustment of Protected Demand: TVA may increase the Protected Demand of Company by an amount equal to the Maximum Noncompliant Load upon at least 60 days' notice following any Noncompliance.

Guideline 6 - Termination: It is recognized that suspension compliance is the essence of the Overlay. Accordingly, it is expressly agreed that after the first Noncompliance under Guideline 2, on any subsequent Noncompliance, if such Noncompliance is over 10 percent, TVA or Distributor may terminate the Overlay upon not less than 60 days' notice. In the event of a Noncompliance under Guideline 3, TVA shall terminate the Overlay upon not less than 60 days' notice.

VALLEY INVESTMENT INITIATIVE
PARTICIPATION AGREEMENT

Among

KINGSFORD MANUFACTURING COMPANY,
TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION,

And

TENNESSEE VALLEY AUTHORITY

Date: _____

VII-E Contract No. 3207

TV- 52337A, Supp. No. 84

THIS AGREEMENT will confirm the understandings among KINGSFORD MANUFACTURING COMPANY (Company), TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION (Distributor), and TENNESSEE VALLEY AUTHORITY (TVA) with respect to Company's participation in the Valley Investment Initiative for Existing Customers (VII-E) being jointly conducted by Distributor and TVA.

It is understood and agreed that:

SECTION 1 – DEFINITIONS AND ELIGIBILITY REQUIREMENTS

1.1 Definitions. Except as otherwise provided below, underlined terms used in this agreement are defined in Company's "Valley Investment Initiative for Existing Customers VII-E Award Application" (VII-E Award Application) which is attached to and made a part of this agreement.

1.1.1 Notwithstanding A.1.2 of Attachment 1 to the VII-E Award Application, Annual Base Charges shall mean for any 12-month period the sum of customer charge, demand charges, and energy charges under the applicable Rate Schedule and Adjustment Addendum (if any) during that period which are attributable to a Customer's Qualifying Plant; provided, however, that in calculating the Annual Base Charges, any portion of the energy charge designated as fuel costs shall be excluded, and the Annual Base Charges shall be reduced by the amount of any credits attributable to a Customer's Qualifying Plant which the Customer received under any contract overlays, credit programs, and/or any award programs offered by TVA and/or Distributor, during that period.

1.1.2 Notwithstanding A.1.12 of Attachment 1 to the VII-E Award Application, Meter Data shall mean Plant interval data during Peak Hours and other Plant power use data necessary to calculate the following:

- (a) total Plant kWh usage and highest Total Metered Demand for each month of the Evaluation Period,
- (b) Annual Load Factor,
- (c) Coincident Load Factor.

1.1.3 Notwithstanding A.1.16 of Attachment 1 to the VII-E Award Application, Plant shall mean all (a) physical personal property and (b) things attached, annexed, or fixed to the Customer's real property (such as Customer's building) that are (1) used in Customer's trade or business characterized by the same NAICS code(s),

(2) depreciable for federal income tax purposes, and (3) located on contiguous real property in the TVA service area.

1.2 Eligibility Requirements. It is expressly recognized that in determining Company's initial and continued eligibility for participation in VII, the following applies:

1.2.1 Section A.2.2 of Attachment 2 of the VII-E Award Application is replaced with the following:

Contractual Requirements. A Customer's power supply contract(s) for power supplied to its Plant must provide for the Customer to purchase firm power for a term of at least 66 months from the date of submission of the Customer's completed VII-E Award Application under a general service rate schedule or a manufacturing service rate schedule, or any replacement schedule of the general service or manufacturing service rate schedule. The power supply contract(s) may include a pricing overlay under a separate agreement implementing a TVA-approved program, subject to all of the standard terms and conditions under which the program is offered.

1.2.2 Section A.2.8 of Attachment 2 of the VII-E Award Application is replaced with the following:

Financial Review. A Qualifying Customer must be determined by TVA to be financially viable. In order to facilitate TVA's evaluation of a Customer's financial condition, a Customer will provide, upon request by TVA: (i) copies of Customer's commercial credit ratings, where "commercial credit ratings" shall mean an estimate of creditworthiness as assigned by a recognized rating agency (such as Standard & Poor's, Moody's Investor Services, Inc. or Fitch Ratings) to a rated entity's unsecured, senior long-term debt obligations; and (ii) a copy of Customer's three most recent annual reports containing consolidated financial statements and its most recent quarterly report containing financial statements; and (iii) such different or additional financial information as TVA may from time to time request for TVA's use in evaluating Customer's financial condition. The financial statements to be provided by Customer shall be prepared in accordance with generally accepted accounting principles.

A Customer may provide the commercial credit ratings and/or financial statements requested in subsection (i) above for a parent entity of Customer, if Customer-level ratings and statements are not available. Such a Customer must certify that Customer is a wholly owned subsidiary of the parent entity and Customer's financial information is consolidated within the financial statements of the parent entity.

TVA will consider a Customer financially unviable and ineligible for VII under the following conditions:

- (a) Customer or Customer's parent entity is reorganizing or winding down in bankruptcy as of the date it submits a VII-E Award Application;

- (b) Customer's risk levels exceed allowable levels as solely determined by TVA; or
- (c) Customer fails to provide adequate power contract performance assurance as required by TVA or Distributor.

1.2.3 Section A.2.9 of Attachment 2 of the VII-E Award Application is replaced with the following:

Meter Data. A Qualifying Plant must have metering in place capable of recording Plant interval data during Peak Hours and other Plant power use data necessary to calculate the VII Metrics. A Qualifying Customer must have arrangements in place with TVA and/or Customer's Distributor to provide for the collection, processing (if any), and transmission to TVA of all Plant Meter Data and corresponding VII Metrics.

SECTION 2 - TERM

This agreement shall become effective on the date first written above (Effective Date), and shall continue in effect through the end of the Award Period described below, except that the provisions of sections 3.2, 6.2, 7.3, 7.4, 9.3, and 10 below shall continue in effect until the obligations of the parties under them are fulfilled.

SECTION 3 - ELIGIBILITY FOR VII-E

3.1 Company's Certification. Company's eligibility for the VII-E award provided for in section 4 below is based on TVA's determination that Company meets the criteria of a Qualifying Customer at Company's Qualifying Plant. It is expressly recognized that such determination is based on information provided and certified by Company in the VII-E Award Application.

3.2 Access to Records. Company shall keep and make available accurate records and books of accounts related to Company's VII Metrics, as well as data to support compliance with the terms and conditions of this agreement. Company shall allow Distributor, TVA, and their agents and employees, free access, at any time during normal working hours and upon reasonable notice, to all such books, records, and other documents of Company until the completion of all close-out procedures respecting this agreement and the final settlement and conclusion of all issues arising out of this agreement.

SECTION 4 - VII-E AWARDS

Based on Company's projections and the information contained in the VII-E Award Application, Company will be eligible to receive a VII-E award in the form of monthly credits on Company's power bill (Bill Credits) for a 5-year Award Period, beginning on June 2, 2010. Except as otherwise provided below, Distributor shall apply the monthly Bill Credits for each year of the 5-year period in amounts equal to 1/12 of the Maximum Annual Award amounts set out in the table below.

Year	Maximum Annual Award
1	\$144,179.44
2	\$144,179.44
3	\$144,179.44
4	\$144,179.44
5	\$144,179.44

In the event that Company receives more than one power bill in any month for its Qualifying Plant, a pro rata portion of the Bill Credit will be applied to each power bill in proportion to the total retail amount of each power bill. Company shall not be eligible for and will not earn or receive any Bill Credits for any amount that exceeds the amount of Company's monthly power bill(s) attributable to Company's Qualifying Plant in any given month.

SECTION 5 - REPORTING BY COMPANY

5.1 Annual Reporting. Within 30 days after the first 12 months of Company's Evaluation Period, and within 30 days after each 12-month period of the Evaluation Period thereafter, Company shall provide TVA a report certified by Company's duly authorized officer (Annual Certification), and verified by Distributor pursuant to section 6.1 below, showing Company's VII Metrics for the previous year. The Annual Certification shall be in a form furnished by TVA.

5.2 Continuing Reporting Obligation. Company shall immediately notify Distributor and TVA of any material changes in the information provided in its VII-E Award Application or its Annual Certifications. Upon receipt of such notice, TVA may at that time calculate an Adjusted Award pursuant to section 7 below.

SECTION 6- DATA SUPPLIED BY DISTRIBUTOR

6.1 Annual Certification. It is recognized that Company's eligibility to receive the Bill Credits provided for in this agreement is based on information provided by Company and, where applicable, verified by Distributor in Company's VII-E Award Application and Annual Certifications. Distributor shall review Company's Annual Certification each year and, where requested by TVA, shall certify the accuracy of certain items, including:

- (a) Company's payment history under its power supply contract with Distributor,

- (b) total kWh usage and highest Total Metered Demand of Company's Qualifying Plant for each of the previous 12 months,
- (c) total kWh usage of Company's Qualifying Plant during Peak Hours,
- (d) whether Company's Qualifying Plant is a Nonconforming Load, and
- (e) Company's Annual Base Charges.

6.2 Monthly Data. It is recognized that Distributor may be responsible for providing and maintaining metering facilities which are capable of recording the data specified in items (b) and (c) above. If requested by TVA, Distributor shall make available to TVA any such meter data necessary for TVA to verify Company's eligibility for participation in VII-E or calculate Bill Credits under this agreement. Distributor shall also furnish to TVA a copy of Company's power bill each month, which shall itemize the amount of any Bill Credit for that month, and any other information related to Company's eligibility for and participation in VII-E as TVA may reasonably request.

6.3 Other Information. Distributor shall promptly notify TVA if Company materially breaches the power supply contract under which power is supplied to Company's Qualifying Plant or materially breaches any overlay, supplement, or amendment to that contract, such that Distributor either suspends or terminates power supply, or suspends or terminates any product or other arrangements made available as an overlay, supplement, or amendment to the power supply contract.

SECTION 7 - AWARD ADJUSTMENT AND RECOVERY

7.1 Annual Award Adjustments. Each year, and immediately upon receipt of any notice pursuant to section 5.2 above, TVA will calculate adjusted Maximum Annual Awards (Adjusted Awards) for the Evaluation Period. The Adjusted Awards will be calculated by applying the VII Metrics provided in Company's Annual Certification or notice to the same formula that was used in calculating the Maximum Annual Awards set out in the tabulation in section 4 above, except that if the Annual Base Charges for the previous year are at least 80% of the Annual Base Charges for the Base Year, the Base Year's Annual Base Charges will be used in the calculation. If the Adjusted Awards are less than the Maximum Annual Awards for those years set out in section 4 above, the sum of Company's monthly Bill Credits in the remaining Award Period years will be equal to the Adjusted Awards for the remaining Award Period minus the difference between the monthly Bill Credits Company received and the amount that the Bill Credits would have been if they had been calculated using the VII Metrics provided in Company's Annual Certification or notice. Notwithstanding TVA's calculation of Adjusted Awards, it is expressly recognized that Company shall neither earn nor receive in any month Bill Credits greater than 1/12 the Maximum Annual Awards set out above.

7.2 Disqualification. During the term of this agreement, TVA will use Company's VII Metrics and other information available to TVA during the Evaluation Period and Award Period to determine whether Company remains eligible to participate in VII-E. If at any time during the term of this agreement TVA determines that Company ceases to qualify for VII-E, the Bill Credits provided under section 4 above shall be discontinued. At such time, if any, during the Award Period that Company provides certification that it again meets the VII-E eligibility requirements set forth in the VII-E Award Application, the Bill Credits will resume. Company shall not be eligible for and will not earn or receive any Bill Credits for those periods when it does not qualify for VII-E.

7.3 Award Recovery. Company shall not be eligible to receive Bill Credits under section 4 above if at any time any of the following occurs:

- (a) Company provides materially false information on its VII-E Award Application or Annual Certifications;
- (b) Company fails to notify TVA of material changes in information provided in its VII-E Award Application or Annual Certification;
- (c) Company materially breaches the power supply contract under which power is supplied to Company's Qualifying Plant or materially breaches any overlay, supplement, or amendment to that contract, such that Distributor either suspends or terminates power supply, or suspends or terminates any product or other arrangements made available as an overlay, supplement, or amendment to the power supply contract;
- (d) Company's power supply contract otherwise expires or is terminated without being renewed or replaced by a power supply contract meeting the requirements of the VII-E Award Application; or
- (e) Company ceases commercial operation of its Qualifying Plant.

If any of the events identified in (a) – (e) above occur, this agreement shall be deemed to have automatically terminated as of the date of said occurrence, and promptly upon receipt of an invoice, Company shall immediately pay to Distributor any and all award amounts paid to Company during any period when Company was ineligible to receive Bill Credits as well as any and all award amounts in excess of those to which Company was entitled based on its actual VII Metrics.

7.4 Final Adjustment and Recovery. Upon receipt of Company's final Annual Certification and calculation of the corresponding Adjusted Award, Company's remaining monthly Bill Credits will be reduced by the difference between the monthly Bill Credits Company received and the amount that the Bill Credits would have been if they had been calculated using the VII Metrics provided in Company's final Annual Certification. In the event that the remaining Bill Credits are insufficient to recover the difference, Company shall immediately pay to Distributor the unrecovered balance of the difference.

SECTION 8 - ENHANCED GROWTH CREDIT

It is understood and agreed that Company and Distributor shall not enter into an Enhanced Growth Credit (EGC) participation agreement during the term of this agreement.

SECTION 9 - WHOLESALE ADJUSTMENTS

9.1 Company Credit. Each month Distributor shall apply the Bill Credit to Company's power bill. TVA shall notify Distributor of (a) any adjustment to the Bill Credits provided for under section 7.1 of this agreement and (b) any discontinuance of Bill Credits in accordance with sections 7.2, 7.3, or 7.4 of this agreement.

9.2 Distributor Credit. TVA will apply a monthly credit to Distributor's wholesale power bill equal to the Bill Credit applied by Distributor to Company's bill in that month.

9.3 Award Recovery. In the event that under the provisions of section 7.3 of this agreement it is determined that Company received Bill Credits for which it was not eligible, Distributor and TVA shall fully cooperate in (a) endeavoring to collect from Company any

amounts due under said sections 7.3 and/or 7.4 and (b) making appropriate adjustments to Distributor's wholesale power bill to pass through to TVA amounts collected from Company. The obligations of this paragraph shall survive any expiration or termination of the VII-E Participation Agreement until they are discharged.

SECTION 10 - CONFIDENTIALITY

It is expressly recognized that the VII-E Award Application and the Annual Certification are the property of TVA and are not intended for further distribution. Except as may be otherwise required by law, (a) Company shall not disclose those documents or their contents except to TVA or Distributor and (b) TVA and Distributor will not disclose confidential information provided by Company in those documents without Company's consent.

SECTION 11 - NOTICES

11.1 Persons to Receive Notice. Any notice required by this agreement shall be deemed properly given if delivered in writing to the address specified below: (a) personally, (b) by recognized overnight courier service, or (c) by United States Mail, postage prepaid.

To TVA:

Jared E. Mitchem
Valley Investment Manager
TVA Economic Development
26 Century Blvd., Suite 100 OCP 2
Nashville, TN 37214

To Company:

Plant Manager
Kingsford Manufacturing Company
5126 Summer Shade Rd
Summer Shade, Kentucky 42166

To Distributor:

Paul Thompson, EVP & General Manager
Tri-County Electric Membership Corporation
Post Office Box 40
Lafayette, Tennessee 37083-0040

11.2 Changes in Persons to Receive Notice. The designation of the person to be so notified, or the address of such person, may be changed at any time and from time to time by any party by similar notice.

SECTION 12 - WAIVERS

A waiver of one or more defaults shall not be considered a waiver of any other or subsequent default.

SECTION 13 - ATTACHMENT CORRECTION

Notwithstanding the information provided by Company on page 2, item 15, of the VII-E Award Application, the parties acknowledge and agree that proper value of the Annual Base Charges for the Plant for the twelve months prior to the date of the VII-E Award Application is \$1,057,034.

Notwithstanding the information provided by Company on page 2, item 18, of the VII-E Award Application, the parties acknowledge and agree that the proper value of the Annual Energy Efficiency Improvement for the five year period are projected to be Year 1 - 5.7%, Year 2 - 20%, Year 3 - 0%, Year 4 - 0% and Year 5 - 0%.

SECTION 14 - ENTIRE AGREEMENT

All terms and conditions with respect to this agreement are expressly contained herein and Company agrees that no representative or agent of TVA or Distributor has made any representation or promise with respect to this agreement not expressly contained herein.

SECTION 15 - SUCCESSORS AND ASSIGNS

This agreement may be assigned by TVA, but shall not be assignable by Company or Distributor without written consent of TVA.

**VALLEY INVESTMENT INITIATIVE FOR EXISTING CUSTOMERS
VII-E AWARD APPLICATION**

Please provide the following information and sign the certification below to apply for a Valley Investment Initiative Award. See Attachments 1 and 2 for definitions of relevant terms. The Evaluation Period for any Award based upon this application begins on the date of this VII-E Award Application. Your projections must be based upon such an Evaluation Period. Your distributor of TVA power must verify the items indicated before your VII-E Award Application is submitted to TVA. TVA reserves the right to request additional information to supplement this VII-E Award Application.

1. Customer Name: Kingsford Manufacturing Company
2. Customer DUNS Number: 00-913-8033
3. Plant Location: [5126 Summer Shade Rd, Summer Shade, Kentucky 42166]
4. Distributor of TVA power to Customer's Plant: Tri-County Electric Cooperative
5. Physical Description of the Plant: Charcoal manufacturing and distribution plant located on approximately 109 acres of land
6. Project Name/Description: Project Power Cost Savings
7. Plant's NAICS code: 325191
8. Did the Plant have peak monthly demand of 250kW or greater in each of the last 12 months? YES NO Distributor verified: [PT]
If yes, what was the average monthly peak demand?
9. Did the Customer have 25 or more Plant Full-Time Equivalent Employees (FTEs) in each of the previous 12 months? YES NO If yes, what was the average number of FTE's in the previous 12 months? 88
10. Does the Customer have any plans to reduce the number of FTE's at the Plant by 50% or more during five-year Evaluation Period? YES NO
11. Is the Customer projecting 25% Total Capital Investment in its Plant (as a percentage of Plant Book Value) over the five-year VII-E Evaluation Period with at least 5% in Year 1 and at least 3% per year in Years 2-4? YES NO
12. Power Contracts serving Customer's Plant: [193926-02]
Distributor verified:

TVA RESTRICTED INFORMATION:

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13. Does the Customer have at least 66 months remaining on each standard firm power contract for the Plant? YES NO Distributor verified: PK

If no, will the Customer, within the next 180 days, make the contractual commitment necessary to purchase firm power for the Plant from Distributor for a term to end no earlier than 66 months from the date of submission of a completed VII-E Award Application? YES NO Distributor verified: PK

14. Does the Customer have half-hour interval metering in place at the Plant? YES NO Distributor verified: PK

If no, will the Customer have such metering installed in the next 180 days and arrangements in place for reading and reporting meter data to TVA? YES NO Distributor verified: PK

15. What were Annual Base Charges for the Plant for the previous twelve months? \$ 1,296,762 Distributor verified: PK

16. What is the Plant's Book Value? \$ 32,279,743

17. Award Payment Options (select one): Decreasing Flat Increasing

18. What are the Customer's projections for the Plant in the following categories:

	Year 1	Year 2	Year 3	Year 4	Year 5
<u>Annual Capital Investment</u>	\$ 2,350k	\$ 2,350k	\$ 2,350k	\$ 2,350k	\$ 12,350k
<u>Annual Energy Efficiency Improvement</u>	4 %	1.4 %	1 %	1 %	1 %
<u>Average Full-Time Equivalent Employees</u>	88	88	100	100	100
<u>Customer Average Wage</u>	\$ 22.98	\$ 23.66	\$ 24.37	\$ 25.11	\$ 25.86
<u>Annual Load Factor</u>	69.5 %	69.5 %	69.5 %	69.5 %	69.5 %
<u>Coincident Load Factor</u>	102.9 %	102.9 %	102.9 %	102.9 %	102.9 %

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Required Documentation:

- Energy Efficiency Improvement Description:

Provide with this VII-E Award Application documentation describing the discrete, verifiable Energy Efficiency Improvement measures Customer intends to implement at the Plant and setting forth calculations which support the projected per cent Energy Efficiency Improvements based upon those measures.


- Billing Documents

Provide with this VII-E Award Application copies of Customer's power bills for the 12-month period preceding the date of this Award Application.

- Financial Documents:

Provide with this VII-E Award Application copies of Customer's most recent annual and quarterly reports containing consolidated financial statements.

I, Rob Service, am an authorized representative of Customer, and I certify to TVA that the above information is true and correct.


Signature

PLANT MANAGER
Title

DEC. 1ST, 2009
Date

I, Paul Thompson, am an authorized representative of Distributor, and I certify to TVA that the information verified above is true and correct.


Signature

Exec. V.P. & Gen. Mgr.
Title

12/03/2009
Date

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Attachment 1

Definitions

- A.1.1 "Annual Average Demand" shall mean for any 12-month period the kW amount calculated by dividing a Plant's total kWh usage during that period by the total number of clock hours in the period.
- A.1.2 "Annual Base Charges" shall mean for any 12-month period the sum of customer charge, demand charges, and energy charges under the applicable Rate Schedule and Adjustment Addendum (if any) during that period which are attributable to a Customer's Plant; provided, however, that in calculating the Annual Base Charges, any portion of the energy charge designated as fuel costs shall be excluded, and the Annual Base Charges shall be reduced by the amount of any credits attributable to a Customer's Plant which the Customer received under any contract overlays, credit programs, and/or any award programs offered by TVA and/or Distributor during that period.
- A.1.3 "Annual Load Factor" shall mean the percentage calculated by dividing a Plant's total metered energy for any year by the product of the highest Total Metered Demand for that year and the number of clock hours in that year.
- A.1.4 "Award Period" shall mean the period from the first billing period in which a Customer is scheduled to receive a VII Bill Credit through the 5th anniversary of said billing period.
- A.1.5 "Base Year" shall mean the 12-month period immediately preceding the date a Customer submits a VII-E Award Application.
- A.1.6 "Coincident Load Factor" shall mean for any 12-month period the percentage calculated by dividing the Annual Average Demand for that period by the Peak Period Average Demand for that period.
- A.1.7 "Customer" shall mean a customer purchasing power for its Plant from TVA or a distributor of TVA power under a written power supply contract(s).
- A.1.8 "Customer Average Wage" shall mean the Customer's total annual payroll (minus benefits) for Full-Time Equivalent Employees divided by the number of Full-Time Equivalent Employees.
- A.1.9 "Energy Efficiency Improvement" shall mean the projected percentage improvement during the Evaluation Period in a Plant's Energy Efficiency Measurement (as defined below) resulting from the implementation of either building improvements (Commercial Metric) or process-based improvements (Manufacturing Metric) at the Plant. The projected improvement in the Energy Efficiency Measurement will be based on calculations either performed or approved by TVA.

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The Energy Efficiency Measurement to be used in determining the Commercial Metric is the Customer's annual kWh usage per square foot of Plant area. The Energy Efficiency Measurement to be used in determining the Manufacturing Metric is the measurement submitted by the Customer and approved by TVA. This measurement may be the Plant's annual kWh usage per unit of plant output, the total Btu energy usage per unit of plant output, the ratio of the Plant's annual kWh usage and the Customer Average Wage, or such other measurement that is approved by TVA.

A.1.10 "Evaluation Period" shall mean the period from the date of submission of a Customer's completed VII-E Award Application through the 5th anniversary of said date.

A.1.11 "Full-Time Equivalent Employee" for any month shall mean the sum of (a) the number of full-time on-site Plant employees and contractors of a Customer who spend 100% of their work time on Plant-related matters in that month and (b) a number equal to the sum of total hours worked on Plant-related matters in that month by (i) full-time on-site Plant employees of Customer who spend less than 100% of their work time on Plant-related matters and (ii) part-time on-site Plant employees of Customer divided by the number of work hours in that month (based on an 8-hour work day, Monday through Friday).

A.1.12 "Meter Data" shall mean Plant half-hourly interval data during Peak Hours and other Plant power use data necessary to calculate the following:

- (a) total Plant kWh usage and highest Total Metered Demand for each month of the Evaluation Period,
- (b) Annual Load Factor,
- (c) Coincident Load Factor.

A.1.13 "Nonconforming Loads" as currently defined, shall mean electrical loads with one or more of the following characteristics:

- (a) expected load swings of approximately 50 MW or more and ramp rates of approximately 10 MW or more per minute,
- (b) loads with expected daily reactive power ramp rates of 50 MVAR or more per minute,
- (c) loads known to create voltage flicker exceeding the limits set out in the Institute of Electrical and Electronics Engineers (IEEE) Standard 1453, or
- (d) loads known to create harmonic current distortions exceeding the limits set out in IEEE Standard 519.

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- A.1.14 "Peak Hours" shall mean from 13:00:00 to 18:59:59 Central Prevailing Time (CPT) during the calendar months of July and August; provided, however, that Peak Hours shall not include hours that fall on Saturdays, Sundays, or Independence Day.
- A.1.15 "Peak Period Average Demand" for any 12-month period shall mean the kW amount calculated by dividing a Plant's total kWh usage during the Peak Hours of that 12-month period by the total number of those Peak Hours.
- A.1.16 "Plant" shall mean all physical personal property and fixtures used in the Customer's trade or business characterized by the same NAICS code(s) that is depreciable for federal income tax purposes and which is affixed to contiguous real property in the TVA service area.
- A.1.17 "Plant Book Value" shall mean the most recent depreciated value of a Customer's Plant for Federal income tax purposes.
- A.1.18 "Qualifying Customer" shall mean a Customer that submits a VII-E Award Application and is found by TVA to meet the Customer eligibility requirements.
- A.1.19 "Qualifying Plant" shall mean a Plant for which a Customer has submitted a VII-E Award Application and is found by TVA to meet the Plant eligibility requirements.
- A.1.20 "Total Metered Demand" shall mean the average during any 30-consecutive-minute period beginning or ending on a clock hour of the total load at the Customer's Plant measured in kW.
- A.1.21 "Total Capital Investment" shall mean the sum of all projected Plant investments during the Evaluation Period which Customer intends to depreciate for Federal income tax purposes.
- A.1.22 "VII Metrics" shall mean the information necessary for TVA to determine a Qualifying Customer's monthly award under the VII Program. For any year, the VII Metrics shall include that year's:
- (a) Annual Base Charges,
 - (b) total Plant kWh usage and highest Total Metered Demand for each month,
 - (c) contribution towards the Total Capital Investment,
 - (d) completed Energy Efficiency Improvements identified in Customer's VII-E Award Application,
 - (e) average number of Full-Time Equivalent Employees,
 - (f) Customer Average Wage,
 - (g) Annual Load Factor, and
 - (h) Coincident Load Factor.

The VII Metrics shall be based on the most current data available and certified by Customer's duly authorized officer.

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Attachment 2
Eligibility

- A.2.1 A Qualifying Customer with a Qualifying Plant will be eligible for a VII award.
- A.2.2 Contractual Requirements. A Customer's power supply contract(s) for power supplied to its Plant must provide for the Customer to purchase firm power for a term of at least five years from the date of submission of the Customer's completed VII-E Award Application under a general service rate schedule or a manufacturing service rate schedule, or any replacement schedule of the general service or manufacturing service rate schedule. The power supply contract(s) may include a pricing overlay under a separate agreement implementing a TVA-approved program, subject to all of the standard terms and conditions under which the program is offered.
- A.2.3 Minimum Demand Requirements. A Customer must establish a Total Metered Demand of at least 250 kW in each of the 12 billing months preceding the effective date of its Valley Investment Initiative Participation Agreement (VII Participation Agreement). Further, a Customer will not be eligible to receive a monthly award under the VII Participation Agreement, in any month where the Total Metered Demand is not at least 250 kW.
- A.2.4 Minimum Capital Investment. A Customer must make a Total Capital Investment of at least 25 percent of its Plant Book Value, including capital investment of at least
- (a) 5 percent of its Plant Book Value during the first year,
 - (b) 8 percent of its Plant Book Value during the first two years,
 - (c) 11 percent of its Plant Book Value during the first three years,
 - (d) 14 percent of its Plant Book Value during the first four years, and
 - (e) 25 percent of its Plant Book Value during the first five years
- of the Customer's Evaluation Period.
- A.2.5 Minimum Workforce Requirements. A Customer must employ at least 25 Full-Time Equivalent Employees during each month of the Customer's Base Year and in each month during the Evaluation Period. Further, a Customer that eliminates, or projects the elimination of, 50% or more of its Full-Time Equivalent Employees during the Evaluation Period shall not be a Qualifying Customer.
- A.2.6 Nonconforming Loads. A Plant with Nonconforming Load characteristics shall not be a Qualifying Plant.
- A.2.7 Ineligible Industry Sectors. A Plant where the major use of electricity is for activities which are classified with one of the following North American Industry Classification System (NAICS) codes shall not be a Qualifying Plant:

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Sector	Related NAICS
Agriculture, Forestry, Fishing, and Hunting	11
Mining	21
Utilities	22
Construction	23
Retail Trade	44-45
Transportation	48, 491, 492
Real Estate and Rental and Leasing	53
Administrative and Support and Waste Management and Remediation Services	56
Educational Services	61
Health care and Social Assistance	62
Arts, Entertainment, and Recreation	71
Accommodations and Food Service	72
Other Services	81
Public Administration	92

Provided however that a Plant where the major use of electricity is for activities within an excluded NAICS code may participate in the program if the Customer and Plant under the following conditions:

- a. The Plant's sub-sector industry multiplier and Customer Average Wage exceed the Valley average;
- b. The Customer provides documentation demonstrating economic development support and/or incentives being provided by state and/or local economic development partners; and
- c. TVA's VII Committee determines that the customer meets the above requirements, other VII qualification criteria, and programmatic intent.

A.2.8 **Financial Review.** A Qualifying Customer must be determined by TVA to be financially sound. In order to facilitate TVA's evaluation of a Customer's financial condition, a Customer will provide: (i) a copy of its annual report containing consolidated financial statements for its current fiscal year; (ii) a copy of its quarterly report containing consolidated financial statements for such fiscal quarter; and (iii) such different or additional financial information as TVA may from time to time request for TVA's use in evaluating Customer's financial condition. The statements to be provided by Customer shall be for the then most recent accounting period and prepared in accordance with generally accepted accounting principles.

TVA will consider a Customer financially unsound and ineligible for the VII program under the following conditions:

TVA RESTRICTED INFORMATION:

This VII-E Award Application is the property of TVA and is not intended for further distribution. Except as may be otherwise required by law, (a) neither Customer nor Distributor shall disclose this document or its contents except to one another and/or TVA; and (b) TVA and Distributor will not disclose confidential information provided by Customer herein without Customer's consent.

- (a) Customer is reorganizing or winding down in bankruptcy as of the date it submits a VII-E Award Application;
- (b) Customer's risk levels exceed allowable levels as solely determined by TVA; or
- (c) Customer fails to provide adequate power contract performance assurance as required by TVA or Distributor.

A.2.9 Meter Data. A Qualifying Plant must have metering in place capable of recording Plant half-hourly interval data during Peak Hours and other Plant power use data necessary to calculate the VII Metrics. A Qualifying Customer must have arrangements in place with TVA and/or Customer's Distributor to provide for the collection, processing (if any), and transmission to TVA of all Plant Meter Data and corresponding VII Metrics.

TVA RESTRICTED INFORMATION:

This VII-E Award Application is the property of TVA and is not intended for further distribution. Except as may be otherwise required by law, (a) neither Customer nor Distributor shall disclose this document or its contents except to one another and/or TVA; and (b) TVA and Distributor will not disclose confidential information provided by Customer herein without Customer's consent.

Attachment 3

Worksheets

Load Factor

1. Annual Plant total metered energy: _____ kWh
2. Highest Plant 30-minute average demand for the year: _____ kW
3. Multiply line 2 by 8760 hours* = _____ kWh
4. Divide line 1 by the result from line 3 = _____ %

Coincident Load Factor

1. Annual Plant total metered energy: _____ kWh
2. Divide line 1 by 8760 hours* = _____ kW
3. Average demand during Peak Hours: _____ kW
4. Divide the result from line 2 by the amount from line 3 = _____ %

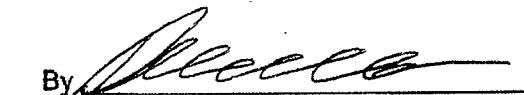
*For Leap Years, use 8784 hours.

TVA RESTRICTED INFORMATION:


This VII-E Award Application is the property of TVA and is not intended for further distribution. Except as may be otherwise required by law, (a) neither Customer nor Distributor shall disclose this document or its contents except to one another and/or TVA; and (b) TVA and Distributor will not disclose confidential information provided by Customer herein without Customer's consent.

IN WITNESS WHEREOF, the parties have caused this agreement to be executed by their duly authorized representatives, as of the day and year first above written.

KINGSFORD MANUFACTURING COMPANY

By 
Title: R. C. SERVICE
PLANT MANAGER

TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION

By 
Title: Executive V.P. & General Manager

TENNESSEE VALLEY AUTHORITY

By _____
Executive Vice President
Customer Relations



Tennessee Valley Authority, 6045 Russellville Road, Bowling Green, Kentucky 42101-7319

07/07/2010

07/07/10
JK

Laura

Please copy Ralph, Jim, Glenn & file.

Thanks
Paul

July 6, 2010

Mr. Paul Thompson
Executive Vice President/General Manager
Tri-County Electric Membership Corporation
405 College Street
Lafayette, Tennessee 37083

Dear Paul:

Enclosed is one fully executed original of the Resale Rate Schedule Substitution Agreement, TV-52337A, Supp. No. 85, dated July 1, 2010, providing for the substitution of:

- Schedule RS (July 2010) for Schedule RS (October 2003)
- Schedule GSA (July 2010) for Schedule GSA (October 2003, R1)
- Schedule LS (July 2010) for Schedule LS (October 2006)

If you have questions concerning this document or any material therein, please contact me at 270-846-7042.

Sincerely,

Hugh A. Meyer
Customer Service Engineer
Kentucky

Enclosure

July 1, 2010

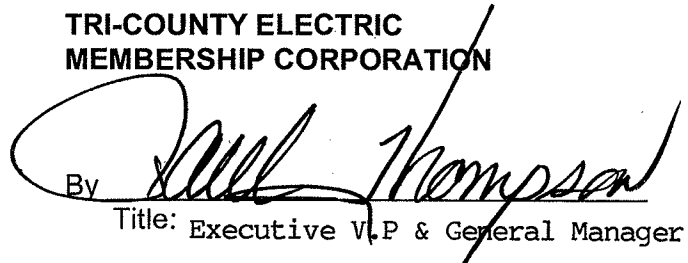
RESALE RATE SCHEDULE SUBSTITUTION AGREEMENT
Between
TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION (DISTRIBUTOR)
And
TENNESSEE VALLEY AUTHORITY (TVA)

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, as adjusted, are now in effect as a part of the Schedule of Rates and Charges attached to and made a part of the Power Contract TV-52337A, dated July 18, 1979, as amended (Power Contract), between TVA and Distributor. This substitution is to be effective for all bills rendered from resale meter readings taken for revenue months of Distributor beginning with the July 2010 revenue month. It is expressly recognized that the adjustments set forth in the applicable Adjustment Addendum to said Schedule of Rates and Charges shall continue to apply to the charges provided for by the attached schedules specified in (a) below.

- (a) New resale rate schedules:
 Residential Rate – Schedule RS (July 2010)
 General Power Rate – Schedule GSA (July 2010)
 Outdoor Lighting Rate – Schedule LS (July 2010)
- (b) Existing resale rate schedules:
 Residential Rate – Schedule RS (October 2003)
 General Power Rate – Schedule GSA (October 2003, R1)
 Outdoor Lighting Rate – Schedule LS (October 2006)


It is understood that, upon execution of this agreement by TVA and Distributor, all references in the Power Contract to the existing resale rate schedules specified in (b) above, or to any predecessor schedules, shall be deemed to refer to the appropriate new resale rate schedules specified in (a) above.

**TRI-COUNTY ELECTRIC
MEMBERSHIP CORPORATION**

By 
 Title: Executive V.P. & General Manager

Rate schedule substitution agreed to as of
the date first above written.

TENNESSEE VALLEY AUTHORITY

By 
 Senior Vice President
 Commercial Operations and Pricing

Single-Point Delivery

The charges under this rate schedule are based upon the supply of service through a single delivery and metering point, and at a single voltage.

Service is subject to Rules and Regulations of Distributor.

TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION

RESIDENTIAL RATE--SCHEDULE RS

(July 2010)

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: \$19.71 per month, less

Hydro Allocation Credit: \$1.71 per month

Energy Charge: First 300 kWh per month at 6.302¢ per kWh

Next 700 kWh per month at 6.002¢ per kWh

Additional kWh per month at 5.702¢ 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 under Adjustment 2 or Adjustment 4 of the wholesale power rate schedule applicable under contractual arrangements between TVA and Distributor.)

Minimum Monthly Bill

The base customer charge, as reduced by the hydro allocation credit, constitutes the minimum monthly bill for all customers served under this rate schedule except those customers for which a higher minimum monthly bill is required under Distributor's standard policy because of special circumstances affecting Distributor's cost of rendering service.

Payment

Bills under this rate schedule will be rendered monthly. Any amount of bill unpaid after due date specified on bill may be subject to additional charges under Distributor's standard policy.

TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION

GENERAL POWER RATE--SCHEDULE GSA

(July 2010)

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: \$25.00 per delivery point per month

Energy Charge: First 300 kWh per month at 7.321¢ per kWh

Next 600 kWh per month at 6.821¢ per kWh

Additional kWh per month at 6.571¢ 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: \$50.00 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 \$10.50 per kW

Energy Charge: First 15,000 kWh per month at 6.771¢ per kWh

Additional kWh per month at 3.339¢ per kWh

3. If the higher of (a) the customer's currently effective contract demand or (b) its highest billing demand during the latest 12-month period is greater than 1,000 kW:

Customer Charge: \$100.00 per delivery point per month

Demand Charge: First 1,000 kW of billing demand per month, at \$10.43 per kW

Next 1,500 kW of billing demand per month, at \$11.46 per kW

Excess over 2,500 kW of billing demand per month, at \$11.96 per kW,
plus an additional

\$11.96 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: 3.439¢ per kWh per month

Adjustment

The base demand and energy charges shall be increased or decreased in accordance with the current Adjustment Addendum published by TVA. (In addition, such charges shall be increased or decreased to correspond to increases or decreases determined by TVA under Adjustment 2 or Adjustment 4 of the wholesale power rate schedule applicable under contractual arrangements between TVA and Distributor.)

Determination of Demand

Distributor shall meter the demands in kW of all customers having loads in excess of 50 kW. The metered demand for any month shall be the highest average during any 30-consecutive-minute period of the month of the load metered in kW. The measured demand for any month shall be the higher of the highest average during any 30-consecutive-minute period of the month of (a) the load metered in kW or (b) 93 percent of the load in kVA plus an additional 2 percent for that part of the load over 5,000 kVA, and such measured demand shall be used as the billing demand, except that the billing demand for any month shall in no case be less than 30 percent of the higher of the currently effective contract demand or the highest billing demand established during the preceding 12 months.

Minimum Bill

The monthly bill under this rate schedule shall not be less than the sum of (a) the base customer charge, (b) the base demand charge, as adjusted, applied to the customer's billing demand, and (c) the base energy charge, as adjusted, applied to the customer's energy takings; provided, however, that, under 2 of the Base Charges, the monthly bill shall in no event be less than the sum of (a) the base customer charge and (b) 20 percent of the portion of the base demand charge, as adjusted, applicable to the second block (excess over 50 kW) of billing demand, multiplied by the higher of the customer's currently effective contract demand or its highest billing demand established during the preceding 12 months.

Distributor may require minimum bills higher than those stated above.

Seasonal Service

Customers who contract for service on a seasonal basis shall be limited to 2,500 kW and shall pay the above charges, as adjusted, plus an additional seasonal use charge equal to (1) 1.33¢ per kWh per month under 1 of the Base Charges, (2) the sum of 1.33¢ per kWh for the first 15,000 kWh per month and \$4.00 per kW per month of billing demand in excess of 50 kW under 2 of the Base Charges, and (3) \$4.00 per kW per month of billing demand under 3 of the Base Charges. Consistent with Distributor's standard policy, the customer may arrange for seasonal testing of equipment during offpeak hours.

For such customers, the minimum bill provided for above shall not apply. Distributor may require additional charges to provide recovery of costs for customer-specific distribution facilities.

Contract Requirement

Distributor may require contracts for service provided under this rate schedule. Customers whose demand requirements exceed 50 kW shall be required to execute contracts and such contracts shall be for an initial term of at least 1 year. The customer shall contract for its maximum requirements, which shall not exceed the amount of power capable of being used by customer, and Distributor shall not be obligated to supply power in greater amount at any time than the customer's currently effective contract demand. If the customer uses any power other than that supplied by Distributor under this rate schedule, the contract may include other special provisions. The rate schedule in any power contract shall be subject to adjustment, modification, change, or replacement from time to time as provided under the power contract between Distributor and TVA.

Payment

Bills under this rate schedule will be rendered monthly. Any amount of bill unpaid after due date specified on bill may be subject to additional charges under Distributor's standard policy.

Single-Point Delivery

The charges under this rate schedule are based upon the supply of service through a single delivery and metering point, and at a single voltage. If service is supplied to the same customer through more than one point of delivery or at different voltages, the supply of service at each delivery and metering point and at each different voltage shall be separately metered and billed.

Service is subject to Rules and Regulations of Distributor.

TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION

OUTDOOR LIGHTING RATE--SCHEDULE LS

(July 2010)

Availability

Available for service to street and park lighting systems, traffic signal systems, athletic field lighting installations, and outdoor lighting for individual customers.

Service under this schedule is for a term of not less than 1 year.

Payment

Bills under this rate schedule will be rendered monthly. Any amount of bill unpaid after due date specified on bill may be subject to additional charges under Distributor's standard policy.

Adjustment

The energy charge in Part A and Part B of this rate schedule shall be increased or decreased in accordance with the current Adjustment Addendum published by TVA. (In addition, the energy charge in Part A and Part B of this rate schedule shall be increased or decreased to correspond to increases or decreases determined by TVA under Adjustment 2 or Adjustment 4 of the wholesale power rate schedule applicable under contractual arrangements between TVA and Distributor.)

PART A--CHARGES FOR STREET AND PARK LIGHTING SYSTEMS, TRAFFIC SIGNAL SYSTEMS, AND ATHLETIC FIELD LIGHTING INSTALLATIONS

I. Energy Charge: 4.541¢ per kWh per month

II. Facility Charge

The annual facility charge shall be 15 percent of the installed cost to Distributor's electric system of the facilities devoted to street and park lighting service specified in this Part A. Such installed cost shall be recomputed on July 1 of each year, or more often if substantial changes in the facilities are made. Each month, one-twelfth of the then total annual facility charge shall be billed to the customer. If any part of the facilities has not been provided at the electric system's expense or if the installed cost of any portion thereof is reflected on the books of another municipality or agency or department, the annual facility charge shall be adjusted to reflect properly the remaining cost to be borne by the electric system.

Traffic signal systems and athletic field lighting installations shall be provided, owned, and maintained by and at the expense of the customer, except as Distributor may agree otherwise in accordance with the provisions of the paragraph next following in this section II. The facilities necessary to provide service to such systems and installations shall be provided by and at the expense of Distributor's electric system, and the annual facility charge provided for first above in this section II shall apply to the installed cost of such facilities.

When so authorized by policy duly adopted by Distributor's governing board, traffic signal systems and athletic field lighting installations may be provided, owned, and maintained by Distributor's electric system for the customer's benefit. In such cases Distributor may require reimbursement from the customer for a portion of the initial installed cost of any such system or installation and shall require payment by the customer of a facility charge sufficient to cover all of Distributor's costs (except reimbursed costs), including appropriate overheads, of providing, owning, and maintaining such system or installation; provided that, for athletic field lighting installations, such facility charge shall in no case be less than 12 percent per year of such costs. Said facility charge shall be in addition to the annual facility charge on the facilities necessary to provide service to such system or installation as provided for in the preceding paragraph. Replacement of lamps and related glassware for traffic signal systems and athletic field lighting installations provided under this paragraph shall be paid for under the provisions of paragraph A in Section IV.

III. Customer Charge - Traffic Signal Systems and Athletic Field Lighting Installations.

Distributor shall apply a uniform monthly customer charge of \$17.50 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

(a) <u>Type of Fixture</u>	<u>Lamp Size</u>		<u>Rated kWh</u>	<u>Facility Charge</u>
	<u>(Watts)</u>	<u>(Lumens)</u>		
Mercury Vapor or Incandescent	175	7,650	80	\$ 4.83
	400	19,100	171	\$ 7.18
High Pressure Sodium	100	8,550	49	\$ 7.75
	200	18,900	95	\$ 12.63
	250	22,500	116	\$ 11.19
	400	45,000	180	\$ 11.78
Metal Halide	400	45,000	171	\$ 10.25
	1,000	125,000	408	\$ 14.57

(b) Energy Charge: For each lamp size under (a) above, 4.541¢ 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.



Tennessee Valley Authority, 6045 Russellville Road, Bowling Green, Kentucky 42101-7319

June 21, 2010

06/25/2010

Laura,
Please file.

Thanks,
Paul

Mr. Paul Thompson
Executive Vice President & General Manager
Tri-County Electric Membership Corporation
405 College Street
Lafayette, Tennessee 37083

Dear Paul:

TRI-COUNTY EMC – PROPOSED RESALE RATE SCHEDULE SUBSTITUTION AGREEMENT, TV-52337A, SUPP. NO. 85

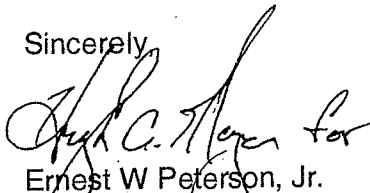
Enclosed are two duplicate originals of a standard-form resale rate schedule substitution agreement to provide for the substitution of Schedule RS (July 2010) for Schedule RS (October 2003), Schedule GSA (July 2010) for Schedule GSA (October 2003, R1), and Schedule LS (July 2010) for Schedule LS (October 2006). This substitution will be effective for bills rendered for Tri-County EMC's revenue months beginning with the July 2010 revenue month.

Also enclosed is a copy of the October 2009 Adjustment Addendum. Please note that Tri-County EMC's resale charges to its customers will be the sum of the base charges in the proposed schedule and the corresponding resale rate adjustment amounts set forth in the October 2009 Adjustment Addendum (including the applicable FCA amounts).

Upon execution of the enclosed agreement by the authorized representative of Tri-County EMC, please return both originals to my office for further handling. After final execution by TVA, a fully executed original will be returned to you for your files.

If you have questions or concerns regarding this document, please call either me (270-846-7040) or Hugh Meyer (270-846-7042).

Sincerely,


Ernest W. Peterson, Jr.
General Manager
Customer Service
Kentucky

Enclosures

#86

Tennessee Valley Authority, Post Office Box 292409 Nashville, Tennessee 37229-2409

John J. Bradley
Senior Vice President, Economic Development

September 17, 2010

Ms. Tammy Dixon
Manager of Marketing/Key Accounts
Tri-County Electric Membership Corporation
Post Office Box 40
Lafayette, Tennessee 37083-0040

Dear Ms. Dixon:

VALLEY INVESTMENT INITIATIVE PARTICIPATION AGREEMENT

Enclosed is a fully executed original of the Valley Investment Initiative Participation Agreement between TVA, Tri-County Electric Membership Corporation, and Sumitomo Electric Wiring Systems dated and effective September 16, 2010.

TVA appreciates Tri-County's partnership and Sumitomo's long-term commitment to capital investment and quality jobs in the Tennessee Valley.

Sincerely,



John J. Bradley

Enclosure

**VALLEY INVESTMENT INITIATIVE
PARTICIPATION AGREEMENT**

**Among
SUMITOMO ELECTRIC WIRING SYSTEMS, INC.,
TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION,
And
TENNESSEE VALLEY AUTHORITY**

Date: 9/16/2010

VII-E Contract No. 3855

TV- 52337A, Supp. No. 86

THIS AGREEMENT will confirm the understandings among SUMITOMO ELECTRIC WIRING SYSTEMS, INC. (Company), TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION (Distributor), and TENNESSEE VALLEY AUTHORITY (TVA) with respect to Company's participation in the Valley Investment Initiative for Existing Customers (VII-E) being jointly conducted by Distributor and TVA.

It is understood and agreed that:

SECTION 1 - DEFINITIONS AND ELIGIBILITY REQUIREMENTS

1.1 Definitions. Except as otherwise provided below, underlined terms used in this agreement are defined in Company's "Valley Investment Initiative for Existing Customers VII-E Award Application" (VII-E Award Application) which is attached to and made a part of this agreement.

1.1.1 Notwithstanding A.1.12 of Attachment 1 to the VII-E Award Application, Meter Data shall mean Plant interval data during Peak Hours and other Plant power use data necessary to calculate the following:

- (a) total Plant kWh usage and highest Total Metered Demand for each month of the Evaluation Period,
- (b) Annual Load Factor,
- (c) Coincident Load Factor.

1.1.2 Notwithstanding A.1.16 of Attachment 1 to the VII-E Award Application, Plant shall mean all (a) physical personal property and (b) things attached, annexed, or fixed to the Customer's real property (such as Customer's building) that are (1) used in Customer's trade or business characterized by the same NAICS code(s), (2) depreciable for federal income tax purposes, and (3) located on contiguous real property in the TVA service area.

1.2 Eligibility Requirements. It is expressly recognized that in determining Company's initial and continued eligibility for participation in VII, the following applies:

1.2.1 Section A.2.2 of Attachment 2 of the VII-E Award Application is replaced with the following:

Contractual Requirements. A Customer's power supply contract(s) for power supplied to its Plant must provide for the Customer to purchase firm power for a

term of at least 66 months from the date of submission of the Customer's completed VII-E Award Application under a general service rate schedule or a manufacturing service rate schedule, or any replacement schedule of the general service or manufacturing service rate schedule. The power supply contract(s) may include a pricing overlay under a separate agreement implementing a TVA-approved program, subject to all of the standard terms and conditions under which the program is offered.

1.2.2 Section A.2.8 of Attachment 2 of the VII-E Award Application is replaced with the following:

Financial Review. A Qualifying Customer must be determined by TVA to be financially viable. In order to facilitate TVA's evaluation of a Customer's financial condition, a Customer will provide, upon request by TVA: (i) copies of Customer's commercial credit ratings, where "commercial credit ratings" shall mean an estimate of creditworthiness as assigned by a recognized rating agency (such as Standard & Poor's, Moody's Investor Services, Inc. or Fitch Ratings) to a rated entity's unsecured, senior long-term debt obligations; and (ii) a copy of Customer's three most recent annual reports containing consolidated financial statements and its most recent quarterly report containing financial statements; and (iii) such different or additional financial information as TVA may from time to time request for TVA's use in evaluating Customer's financial condition. The financial statements to be provided by Customer shall be prepared in accordance with generally accepted accounting principles.

A Customer may provide the commercial credit ratings and/or financial statements requested in subsection (i) above for a parent entity of Customer, if Customer-level ratings and statements are not available. Such a Customer must certify that Customer is a wholly owned subsidiary of the parent entity and Customer's financial information is consolidated within the financial statements of the parent entity.

TVA will consider a Customer financially unviable and ineligible for VII under the following conditions:

- (a) Customer or Customer's parent entity is reorganizing or winding down in bankruptcy as of the date it submits a VII-E Award Application;
- (b) Customer's risk levels exceed allowable levels as solely determined by TVA; or
- (c) Customer fails to provide adequate power contract performance assurance as required by TVA or Distributor.

1.2.3 Section A.2.9 of Attachment 2 of the VII-E Award Application is replaced with the following:

Meter Data. A Qualifying Plant must have metering in place capable of recording Plant interval data during Peak Hours and other Plant power use data necessary to calculate the VII Metrics. A Qualifying Customer must have arrangements in place with TVA and/or Customer's Distributor to provide for

the collection, processing (if any), and transmission to TVA of all Plant Meter Data and corresponding VII Metrics.

SECTION 2 - TERM

This agreement shall become effective on the date first written above (Effective Date), and shall continue in effect through the end of the Award Period described below, except that the provisions of sections 3.2, 6.2, 7.3, 7.4, 9.3, and 10 below shall continue in effect until the obligations of the parties under them are fulfilled.

SECTION 3 - ELIGIBILITY FOR VII-E

3.1 Company's Certification. Company's eligibility for the VII-E award provided for in section 4 below is based on TVA's determination that Company meets the criteria of a Qualifying Customer at Company's Qualifying Plant. It is expressly recognized that such determination is based on information provided and certified by Company in the VII-E Award Application.

3.2 Access to Records. Company shall keep and make available accurate records and books of accounts related to Company's VII Metrics, as well as data to support compliance with the terms and conditions of this agreement. Company shall allow Distributor, TVA, and their agents and employees, free access, at any time during normal working hours and upon reasonable notice, to all such books, records, and other documents of Company until the completion of all close-out procedures respecting this agreement and the final settlement and conclusion of all issues arising out of this agreement.

SECTION 4 - VII-E AWARDS

Based on Company's projections and the information contained in the VII-E Award Application, Company will be eligible to receive a VII-E award in the form of monthly credits on Company's power bill (Bill Credits) for a 5-year Award Period, beginning on December 10, 2010. Except as otherwise provided below, Distributor shall apply the monthly Bill Credits for each year of the 5-year period in amounts equal to 1/12 of the Maximum Annual Award amounts set out in the table below.

Year	Maximum Annual Award
1	\$81,630.58
2	\$81,630.58
3	\$81,630.58
4	\$81,630.58
5	\$81,630.58

In the event that Company receives more than one power bill in any month for its Qualifying Plant, a pro rata portion of the Bill Credit will be applied to each power bill in proportion to the total retail amount of each power bill. Company shall not be eligible for and will not earn or receive any Bill Credits for any amount that exceeds the amount of Company's monthly power bill(s) attributable to Company's Qualifying Plant in any given month.

SECTION 5 - REPORTING BY COMPANY

5.1 Annual Reporting. Within 30 days after the first 12 months of Company's Evaluation Period, and within 30 days after each 12-month period of the Evaluation Period thereafter, Company shall provide TVA a report certified by Company's duly authorized officer (Annual Certification), and verified by Distributor pursuant to section 6.1 below, showing Company's VII Metrics for the previous year. The Annual Certification shall be in a form furnished by TVA.

5.2 Continuing Reporting Obligation. Company shall immediately notify Distributor and TVA of any material changes in the information provided in its VII-E Award Application or its Annual Certifications. Upon receipt of such notice, TVA may at that time calculate an Adjusted Award pursuant to section 7 below.

SECTION 6 - DATA SUPPLIED BY DISTRIBUTOR

6.1 Annual Certification. It is recognized that Company's eligibility to receive the Bill Credits provided for in this agreement is based on information provided by Company and, where applicable, verified by Distributor in Company's VII-E Award Application and Annual Certifications. Distributor shall review Company's Annual Certification each year and, where requested by TVA, shall certify the accuracy of certain items, including:

- (a) Company's payment history under its power supply contract with Distributor,
- (b) total kWh usage and highest Total Metered Demand of Company's Qualifying Plant for each of the previous 12 months,
- (c) total kWh usage of Company's Qualifying Plant during Peak Hours,
- (d) whether Company's Qualifying Plant is a Nonconforming Load, and
- (e) Company's Annual Base Charges.

6.2 Monthly Data. It is recognized that Distributor may be responsible for providing and maintaining metering facilities which are capable of recording the data specified in items (b) and (c) above. If requested by TVA, Distributor shall make available to TVA any such meter data necessary for TVA to verify Company's eligibility for participation in VII-E or calculate Bill Credits under this agreement. Distributor shall also furnish to TVA a copy of Company's power bill each month, which shall itemize the amount of any Bill Credit for that month, and any other information related to Company's eligibility for and participation in VII-E as TVA may reasonably request.

6.3 Other Information. Distributor shall promptly notify TVA if Company materially breaches the power supply contract under which power is supplied to Company's Qualifying Plant or materially breaches any overlay, supplement, or amendment to that contract, such that Distributor either suspends or terminates power supply, or suspends or terminates any product or other arrangements made available as an overlay, supplement, or amendment to the power supply contract.

SECTION 7 - AWARD ADJUSTMENT AND RECOVERY

7.1 Annual Award Adjustments. Each year, and immediately upon receipt of any notice pursuant to section 5.2 above, TVA will calculate adjusted Maximum Annual Awards (Adjusted Awards) for the Evaluation Period. The Adjusted Awards will be calculated by applying the VII Metrics provided in Company's Annual Certification or notice to the same formula that was used in calculating the Maximum Annual Awards set out in the tabulation in section 4 above, except that if the Annual Base Charges for the previous year are at least 80% of the Annual Base Charges for the Base Year, the Base Year's Annual Base Charges will be used in the calculation. If the Adjusted Awards are less than the Maximum Annual Awards for those years set out in section 4 above, the sum of Company's monthly Bill Credits in the remaining Award Period years will be equal to the Adjusted Awards for the remaining Award Period minus the difference between the monthly Bill Credits Company received and the amount that the Bill Credits would have been if they had been calculated using the VII Metrics provided in Company's Annual Certification or notice. Notwithstanding TVA's calculation of Adjusted Awards, it is expressly recognized that Company shall neither earn nor receive in any month Bill Credits greater than 1/12 the Maximum Annual Awards set out above.

7.2 Disqualification. During the term of this agreement, TVA will use Company's VII Metrics and other information available to TVA during the Evaluation Period and Award Period to determine whether Company remains eligible to participate in VII-E. If at any time during the term of this agreement TVA determines that Company ceases to qualify for VII-E, the Bill Credits provided under section 4 above shall be discontinued. At such time, if any, during the Award Period that Company provides certification that it again meets the VII-E eligibility requirements set forth in the VII-E Award Application, the Bill Credits will resume. Company shall not be eligible for and will not earn or receive any Bill Credits for those periods when it does not qualify for VII-E.

7.3 Award Recovery. Company shall not be eligible to receive Bill Credits under section 4 above if at any time any of the following occurs:

- (a) Company provides materially false information on its VII-E Award Application or Annual Certifications;
- (b) Company fails to notify TVA of material changes in information provided in its VII-E Award Application or Annual Certification;
- (c) Company materially breaches the power supply contract under which power is supplied to Company's Qualifying Plant or materially breaches any overlay, supplement, or amendment to that contract, such that Distributor either suspends or terminates power supply, or suspends or terminates any product or other arrangements made available as an overlay, supplement, or amendment to the power supply contract;
- (d) Company's power supply contract otherwise expires or is terminated without being renewed or replaced by a power supply contract meeting the requirements of the VII-E Award Application; or
- (e) Company ceases commercial operation of its Qualifying Plant.

If any of the events identified in (a) – (e) above occur, this agreement shall be deemed to have automatically terminated as of the date of said occurrence, and promptly upon receipt of an invoice, Company shall immediately pay to Distributor any and all award amounts paid to Company during any period when Company was ineligible to receive Bill Credits as

well as any and all award amounts in excess of those to which Company was entitled based on its actual VII Metrics.

7.4 Final Adjustment and Recovery. Upon receipt of Company's final Annual Certification and calculation of the corresponding Adjusted Award, Company's remaining monthly Bill Credits will be reduced by the difference between the monthly Bill Credits Company received and the amount that the Bill Credits would have been if they had been calculated using the VII Metrics provided in Company's final Annual Certification. In the event that the remaining Bill Credits are insufficient to recover the difference, Company shall immediately pay to Distributor the unrecovered balance of the difference.

SECTION 8 - ENHANCED GROWTH CREDIT

It is understood and agreed that Company and Distributor shall not enter into an Enhanced Growth Credit (EGC) participation agreement during the term of this agreement.

It is expressly recognized and agreed that the EGC participation agreement between Company and Distributor dated June 1, 2005, is hereby terminated as of December 10, 2010.

SECTION 9 - WHOLESALE ADJUSTMENTS

9.1 Company Credit. Each month Distributor shall apply the Bill Credit to Company's power bill. TVA shall notify Distributor of (a) any adjustment to the Bill Credits provided for under section 7.1 of this agreement and (b) any discontinuance of Bill Credits in accordance with sections 7.2, 7.3, or 7.4 of this agreement.

9.2 Distributor Credit. TVA will apply a monthly credit to Distributor's wholesale power bill equal to the Bill Credit applied by Distributor to Company's bill in that month.

9.3 Award Recovery. In the event that under the provisions of section 7.3 of this agreement it is determined that Company received Bill Credits for which it was not eligible, Distributor and TVA shall fully cooperate in (a) endeavoring to collect from Company any amounts due under said sections 7.3 and/or 7.4 and (b) making appropriate adjustments to Distributor's wholesale power bill to pass through to TVA amounts collected from Company. The obligations of this paragraph shall survive any expiration or termination of the VII-E Participation Agreement until they are discharged.

SECTION 10 - CONFIDENTIALITY

It is expressly recognized that the VII-E Award Application and the Annual Certification are the property of TVA and are not intended for further distribution. Except as may be otherwise required by law, (a) Company shall not disclose those documents or their contents except to TVA or Distributor and (b) TVA and Distributor will not disclose confidential information provided by Company in those documents or confidential information provided pursuant to 3.2 above without Company's consent.

SECTION 11 - NOTICES

11.1 Persons to Receive Notice. Any notice required by this agreement shall be deemed properly given if delivered in writing to the address specified below: (a) personally, (b) by recognized overnight courier service, or (c) by United States Mail, postage prepaid.

To TVA:

Jared E. Mitchem
Valley Investment Manager
TVA Economic Development
26 Century Blvd., Suite 100 OCP 2
Nashville, Tennessee 37214

To Company:

Chuck Threlkel
Sumitomo Electric Wiring Systems, Inc.
Assistant Manager, Maintenance, Engineering & Safety
2687 Old Gallatin Road
Scottsville, Kentucky 42164

To Distributor:

EVP & General Manager
Tri-County Electric Membership Corporation
Post Office Box 40
Lafayette, Tennessee 37083-0040

11.2 Changes in Persons to Receive Notice. The designation of the person to be so notified, or the address of such person, may be changed at any time and from time to time by any party by similar notice.

SECTION 12 - WAIVERS

A waiver of one or more defaults shall not be considered a waiver of any other or subsequent default.

SECTION 13 - APPLICATION CORRECTION

Notwithstanding the information provided by Company on page 2 of the attached VII-E Award Application, the parties acknowledge and agree that proper value of the Annual Base Charges for the Plant for the twelve months prior to the date of the VII-E Award Application is \$789,464.28.

SECTION 14 - ENTIRE AGREEMENT


All terms and conditions with respect to this agreement are expressly contained herein and Company agrees that no representative or agent of TVA or Distributor has made any representation or promise with respect to this agreement not expressly contained herein.

SECTION 15 - SUCCESSORS AND ASSIGNS

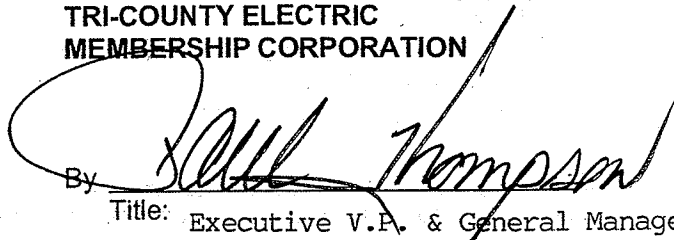
This agreement may be assigned by TVA, but shall not be assignable by Company or Distributor without written consent of TVA.

IN WITNESS WHEREOF, the parties have caused this agreement to be executed by their duly authorized representatives, as of the day and year first above written.


**SUMITOMO ELECTRIC WIRING SYSTEMS,
INC.**

By 
Title: DEP. DIV. MGR.

**TRI-COUNTY ELECTRIC
MEMBERSHIP CORPORATION**

By 
Title: Executive V.P. & General Manager

TENNESSEE VALLEY AUTHORITY

By 
Executive Vice President
Customer Relations

**VALLEY INVESTMENT INITIATIVE FOR EXISTING CUSTOMERS
VII-E AWARD APPLICATION**

Please provide the following information and sign the certification below to apply for a Valley Investment Initiative Award. See Attachments 1 and 2 for definitions of relevant terms. The Evaluation Period for any Award based upon this application begins on the date of this VII-E Award Application. Your projections must be based upon such an Evaluation Period. Your distributor of TVA power must verify the items indicated before your VII-E Award Application is submitted to TVA. TVA reserves the right to request additional information to supplement this VII-E Award Application.

1. Customer Name: Sumitomo Electric Wiring Systems, Inc.
2. Customer DUNS Number:
3. Plant Location: 2687 Old Gallatin Road, Scottsville, Allen, KY, 42164
4. Distributor of TVA power to Customer's Plant: Tri County Electric
5. Physical Description of the Plant: SEWS Components manufacturing plant (SV-5).
Processes include injection molding, metal stamping and automated assembly processes.
Shipping and receiving also conducted in this facility.
6. Project Name/Description: SEWS SV Business Growth Plan
7. Plant's NAICS code: 335931
8. Did the Plant have peak monthly demand of 250kW or greater in each of the last 12 months? YES NO Distributor verified: [Distributor Representative Initials Here] **PT**
If yes, what was the average monthly peak demand?
9. Did the Customer have 25 or more Plant Full-Time Equivalent Employees (FTEs) in each of the previous 12 months? YES NO If yes, what was the average number of FTE's in the previous 12 months? 171
10. Does the Customer have any plans to reduce the number of FTE's at the Plant by 50% or more during five-year Evaluation Period? YES NO
11. Is the Customer projecting 25% Total Capital Investment in its Plant (as a percentage of Plant Book Value) over the five-year VII-E Evaluation Period with at least 5% in Year 1 and at least 3% per year in Years 2-4? YES NO
12. Power Contracts serving Customer's Plant: [List Contract Number(s)]
Distributor verified: **PT**

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13. Does the Customer have at least 66 months remaining on each standard firm power contract for the Plant? YES NO Distributor verified: PT

If no, will the Customer, within the next 180 days, make the contractual commitment necessary to purchase firm power for the Plant from Distributor for a term to end no earlier than 66 months from the date of submission of a completed VII-E Award Application?

YES NO Distributor verified: PT

14. Does the Customer have half-hour interval metering in place at the Plant? YES NO

Distributor verified:

If no, will the Customer have such metering installed in the next 180 days and arrangements in place for reading and reporting meter data to TVA? YES NO

Distributor verified: PT

15. Is the Customer presently complying with the performance assurance provisions of its standard firm power contract? YES NO

Distributor verified: PT

16. What were Annual Base Charges for the Plant for the previous twelve months? \$ 895293

Distributor verified: PT

17. What is the Plant's Book Value? \$ 16,000,000

18. Award Payment Options (select one): Decreasing Flat Increasing

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19. What are the Customer's projections for the Plant in the following categories:

	Year 1	Year 2	Year 3	Year 4	Year 5
Annual Capital Investment	\$ 5000000	\$ 7600000	\$ 8200000	\$ 9700000	\$ 11200000
Annual Energy Efficiency Improvement	0 %	1 %	1 %	0 %	0 %
Average Full-Time Equivalent Employees	170	173	176	179	182
Customer Average Wage	\$ 36,890	\$ 37,996	\$ 39,136	\$ 40,310	\$ 41,520
Annual Load Factor	55.8 %	55.8 %	55.8 %	55.8 %	55.8 %
Coincident Load Factor	77 %	77 %	77 %	77 %	77 %

Required Documentation:

- Energy Efficiency Improvement Description:

Provide with this VII-E Award Application documentation describing the discrete, verifiable Energy Efficiency Improvement measures Customer intends to implement at the Plant and setting forth calculations which support the projected per cent Energy Efficiency Improvements based upon those measures.

- Billing Documents

Provide with this VII-E Award Application copies of Customer's power bills for the 12-month period preceding the date of this Award Application.

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• Financial Documents:

Provide with this VII-E Award Application copies of Customer-level financial statements, if available. If Customer-level statements are not available, provide copies of financial statements for a parent entity of Customer. "Financial documents" means the most recent quarterly report and the three most recent annual statements containing consolidated financial statements.

If Customer has chosen to provide parent entity financial statements, Customer certifies that Customer is a wholly owned subsidiary of the parent entity and Customer's financial information is consolidated within the financial statements of the parent entity.

I, Alan Bomar, am an authorized representative of Customer, and I certify to TVA that the above information is true and correct.

Alan Bomar
Signature

PLANT GENERAL MANAGER
Title

ALAN BOMAR
Printed

6-10-10
Date

I, [Type Name Here], am an authorized representative of Distributor, and I certify to TVA that the information verified above is true and correct.

Paul Thompson
Signature

Executive V.P. & General Manager
Title

Paul Thompson
Printed

June 10, 2010
Date

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Attachment 1
Definitions

- A.1.1 "Annual Average Demand" shall mean for any 12-month period the kW amount calculated by dividing a Plant's total kWh usage during that period by the total number of clock hours in the period.
- A.1.2 "Annual Base Charges" shall mean for any 12-month period the sum of customer charge, demand charges, and energy charges under the applicable Rate Schedule and Adjustment Addendum (if any) during that period which are attributable to a Customer's Qualifying Plant; provided, however, that in calculating the Annual Base Charges, any portion of the energy charge designated as fuel costs shall be excluded, and the Annual Base Charges shall be reduced by the amount of any credits attributable to a Customer's Qualifying Plant which the Customer received under any contract overlays, credit programs, and/or any award programs offered by TVA and/or Distributor during that period.
- A.1.3 "Annual Load Factor" shall mean the percentage calculated by dividing a Plant's total metered energy for any year by the product of the highest Total Metered Demand for that year and the number of clock hours in that year.
- A.1.4 "Award Period" shall mean the period from the first billing period in which a Customer is scheduled to receive a VII Bill Credit through the 5th anniversary of said billing period.
- A.1.5 "Base Year" shall mean the 12-month period immediately preceding the date a Customer submits a VII-E Award Application.
- A.1.6 "Coincident Load Factor" shall mean for any 12-month period the percentage calculated by dividing the Annual Average Demand for that period by the Peak Period Average Demand for that period.
- A.1.7 "Customer" shall mean a customer purchasing power for its Plant from TVA or a distributor of TVA power under a written power supply contract(s).
- A.1.8 "Customer Average Wage" shall mean the Customer's total annual payroll (minus benefits) for Full-Time Equivalent Employees divided by the number of Full-Time Equivalent Employees.
- A.1.9 "Energy Efficiency Improvement" shall mean the projected percentage improvement during the Evaluation Period in a Plant's Energy Efficiency Measurement (as defined below) resulting from the implementation of either building improvements (Commercial Metric) or process-based improvements (Manufacturing Metric) at the Plant. The projected improvement in the Energy Efficiency Measurement will be based on calculations either performed or approved by TVA.

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The Energy Efficiency Measurement to be used in determining the Commercial Metric is the Customer's annual kWh usage per square foot of Plant area. The Energy Efficiency Measurement to be used in determining the Manufacturing Metric is the measurement submitted by the Customer and approved by TVA. This measurement may be the Plant's annual kWh usage per unit of plant output, the total Btu energy usage per unit of plant output, the ratio of the Plant's annual kWh usage and the Customer Average Wage, or such other measurement that is approved by TVA.

- A.1.10 "Evaluation Period" shall mean the period from the date of submission of a Customer's completed VII-E Award Application through the 5th anniversary of said date.
- A.1.11 "Full-Time Equivalent Employee" for any month shall mean the sum of (a) the number of full-time on-site Plant employees and contractors of a Customer who spend 100% of their work time on Plant-related matters in that month and (b) a number equal to the sum of total hours worked on Plant-related matters in that month by (i) full-time on-site Plant employees of Customer who spend less than 100% of their work time on Plant-related matters and (ii) part-time on-site Plant employees of Customer divided by the number of work hours in that month (based on an 8-hour work day, Monday through Friday).
- A.1.12 "Meter Data" shall mean Plant half-hourly interval data during Peak Hours and other Plant power use data necessary to calculate the following:
- (a) total Plant kWh usage and highest Total Metered Demand for each month of the Evaluation Period,
 - (b) Annual Load Factor,
 - (c) Coincident Load Factor.
- A.1.13 "Nonconforming Loads" as currently defined, shall mean electrical loads with one or more of the following characteristics:
- (a) expected load swings of approximately 50 MW or more and ramp rates of approximately 10 MW or more per minute,
 - (b) loads with expected daily reactive power ramp rates of 50 MVAR or more per minute,
 - (c) loads known to create voltage flicker exceeding the limits set out in the Institute of Electrical and Electronics Engineers (IEEE) Standard 1453, or
 - (d) loads known to create harmonic current distortions exceeding the limits set out in IEEE Standard 519.

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- A.1.14 "Peak Hours" shall mean from 13:00:00 to 18:59:59 Central Prevailing Time (CPT) during the calendar months of July and August; provided, however, that Peak Hours shall not include hours that fall on Saturdays, Sundays, or Independence Day.
- A.1.15 "Peak Period Average Demand" for any 12-month period shall mean the kW amount calculated by dividing a Plant's total kWh usage during the Peak Hours of that 12-month period by the total number of those Peak Hours.
- A.1.16 "Plant" shall mean all physical personal property and fixtures used in the Customer's trade or business characterized by the same NAICS code(s) that is depreciable for federal income tax purposes and which is affixed to contiguous real property in the TVA service area.
- A.1.17 "Plant Book Value" shall mean the most recent depreciated value of a Customer's Plant for Federal income tax purposes.
- A.1.18 "Qualifying Customer" shall mean a Customer that submits a VII-E Award Application and is found by TVA to meet the Customer eligibility requirements.
- A.1.19 "Qualifying Plant" shall mean a Plant for which a Customer has submitted a VII-E Award Application and is found by TVA to meet the Plant eligibility requirements.
- A.1.20 "Total Metered Demand" shall mean the average during any 30-consecutive-minute period beginning or ending on a clock hour of the total load at the Customer's Plant measured in kW.
- A.1.21 "Total Capital Investment" shall mean the sum of all projected Plant investments during the Evaluation Period which Customer intends to depreciate for Federal income tax purposes.
- A.1.22 "VII Metrics" shall mean the information necessary for TVA to determine a Qualifying Customer's monthly award under the VII Program. For any year, the VII Metrics shall include that year's:
- (a) Annual Base Charges,
 - (b) total Plant kWh usage and highest Total Metered Demand for each month,
 - (c) contribution towards the Total Capital Investment,
 - (d) completed Energy Efficiency Improvements identified in Customer's VII-E Award Application,
 - (e) average number of Full-Time Equivalent Employees,
 - (f) Customer Average Wage,
 - (g) Annual Load Factor, and
 - (h) Coincident Load Factor.

The VII Metrics shall be based on the most current data available and certified by Customer's duly authorized officer.

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Attachment 2

Eligibility

- A.2.1 A Qualifying Customer with a Qualifying Plant will be eligible for a VII award.
- A.2.2 Contractual Requirements. A Customer's power supply contract(s) for power supplied to its Plant must provide for the Customer to purchase firm power for a term of at least five years from the date of submission of the Customer's completed VII-E Award Application under a general service rate schedule or a manufacturing service rate schedule, or any replacement schedule of the general service or manufacturing service rate schedule. The power supply contract(s) may include a pricing overlay under a separate agreement implementing a TVA-approved program, subject to all of the standard terms and conditions under which the program is offered.
- A.2.3 Minimum Demand Requirements. A Customer must establish a Total Metered Demand of at least 250 kW in each of the 12 billing months preceding the effective date of its Valley Investment Initiative Participation Agreement (VII Participation Agreement). Further, a Customer will not be eligible to receive a monthly award under the VII Participation Agreement, in any month where the Total Metered Demand is not at least 250 kW.
- A.2.4 Minimum Capital Investment. A Customer must make a Total Capital Investment of at least 25 percent of its Plant Book Value, including capital investment of at least
- (a) 5 percent of its Plant Book Value during the first year,
 - (b) 8 percent of its Plant Book Value during the first two years,
 - (c) 11 percent of its Plant Book Value during the first three years,
 - (d) 14 percent of its Plant Book Value during the first four years, and
 - (e) 25 percent of its Plant Book Value during the first five years
- of the Customer's Evaluation Period.
- A.2.5 Minimum Workforce Requirements. A Customer must employ at least 25 Full-Time Equivalent Employees during each month of the Customer's Base Year and in each month during the Evaluation Period. Further, a Customer that eliminates, or projects the elimination of, 50% or more of its Full-Time Equivalent Employees during the Evaluation Period shall not be a Qualifying Customer.
- A.2.6 Nonconforming Loads. A Plant with Nonconforming Load characteristics shall not be a Qualifying Plant.
- A.2.7 Ineligible Industry Sectors. A Plant where the major use of electricity is for activities which are classified with one of the following North American Industry Classification System (NAICS) codes shall not be a Qualifying Plant:

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Sector	Related NAICS
Agriculture, Forestry, Fishing, and Hunting	11
Mining	21
Utilities	22
Construction	23
Retail Trade	44-45
Transportation	48, 491, 492
Real Estate and Rental and Leasing	53
Administrative and Support and Waste Management and Remediation Services	56
Educational Services	61
Health care and Social Assistance	62
Arts, Entertainment, and Recreation	71
Accommodations and Food Service	72
Other Services	81
Public Administration	92

Provided however that a Plant where the major use of electricity is for activities within an excluded NAICS code may participate in the program if the Customer and Plant under the following conditions:

- a. The Plant's sub-sector industry multiplier and Customer Average Wage exceed the Valley average;
- b. The Customer provides documentation demonstrating economic development support and/or incentives being provided by state and/or local economic development partners; and
- c. TVA's VII Committee determines that the customer meets the above requirements, other VII qualification criteria, and programmatic intent.

A.2.8 Financial Review. A Qualifying Customer must be determined by TVA to be financially sound. In order to facilitate TVA's evaluation of a Customer's financial condition, a Customer will provide: (i) a copy of Customer's three most recent annual reports containing consolidated financial statements and its most recent quarterly report containing consolidated financial statements; and (ii) such different or additional financial information as TVA may from time to time request for TVA's use in evaluating Customer's financial condition. The statements to be provided by Customer shall be prepared in accordance with generally accepted accounting principles.

A Customer may provide the statements requested in subsection (i) above for a parent entity of Customer, if Customer-level statements are not available. Such a Customer must certify that Customer is a wholly owned subsidiary of the parent entity and

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Customer's financial information is consolidated within the financial statements of the parent entity.

TVA will consider a Customer financially unsound and ineligible for the VII program under the following conditions:

- (a) Customer or Customer's parent entity is reorganizing or winding down in bankruptcy as of the date it submits a VII-E Award Application;
- (b) Customer's risk levels exceed allowable levels as solely determined by TVA; or
- (c) Customer fails to provide adequate power contract performance assurance as required by TVA.

A.2.9 Meter Data. A Qualifying Plant must have metering in place capable of recording Plant half-hourly interval data during Peak Hours and other Plant power use data necessary to calculate the VII Metrics. A Qualifying Customer must have arrangements in place with TVA and/or Customer's Distributor to provide for the collection, processing (if any), and transmission to TVA of all Plant Meter Data and corresponding VII Metrics.

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Attachment 3
Worksheets

Load Factor

1. Annual Plant total metered energy: _____ kWh
2. Highest Plant 30-minute average demand for the year: _____ kW
3. Multiply line 2 by 8760 hours* = _____ kWh
4. Divide line 1 by the result from line 3 = ____%

Coincident Load Factor

1. Annual Plant total metered energy: _____ kWh
2. Divide line 1 by 8760 hours* = _____ kW
3. Average demand during Peak Hours: _____ kW
4. Divide the result from line 2 by the amount from line 3 = ____%

*For Leap Years, use 8784 hours.

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405 College Street
P. O. Box 40
Lafayette, TN 37083-0040

Tri-County
Electric
Membership Corporation
www.tcemc.org

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Toll Free: 1-800-369-2111
Fax: (615) 688-2141

September 14, 2010

**Mr. Ernest W. Peterson, Jr., PE
General Manager/Customer Service/Kentucky
Tennessee Valley Authority
6045 Russellville Road
Bowling Green, Kentucky 42101-7319**

RE: TV – 52337A Supp. No. 87

Dear Ernie:

Per your letter dated August 30, 2010 please find enclosed the executed original regarding the above referenced Agreement.

As stated in your letter we have retained one copy for our files.

If I may be of additional assistance, please do not hesitate to contact me at X100.

Sincerely,



**PAUL THOMPSON
Executive Vice President
and General Manager**

**lk
Enclosure**



Tennessee Valley Authority, 6045 Russellville Road, Bowling Green, Kentucky 42101-7319

August 30, 2010

TV-52337A
Supp No. 87

Mr. Paul Thompson, General Manager
Tri-County Electric Membership Corporation
Post Office Box 40
Lafayette, Tennessee 37083


Dear Paul:

This responds to the request by Tri-County Electric Membership Corporation (TCEMC) to revise the 6.5% fixed loss factor to estimate its monthly distribution loss charges payable on each wholesale power invoice to the Tennessee Valley Authority (TVA).

Accordingly, effective with the September 2010 wholesale billing month, TCEMC will make such monthly distribution loss payments by applying a 5.0% fixed loss factor each month to the wholesale end-use charges (on Schedule 1 of the invoice). TCEMC may request to revise this percentage from time to time to better approximate the actual level of distribution losses on TCEMC's system. The normal annual loss true-up calculations (which now occur at the end of the June billing period) will continue to be used to determine actual distribution losses for the annual period.


If this letter correctly represents our understanding, please sign and date each of the two duplicate originals enclosed. Please retain one copy for your files and return one copy to me.

Sincerely,


Ernest W. Peterson, Jr., PE
General Manager
Customer Service
Kentucky

Accepted and agreed to as of
the 14th day of Sept., 2010,

TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION

By: 
(Title) Exec. V.P. & Gen. Mgr.



Tennessee Valley Authority, 6045 Russellville Road, Bowling Green, Kentucky 42101-7319

August 30, 2010

TV-52337A
Supp No. 87

9/14/2010
Laura,
Please file
Thank you Paul

Mr. Paul Thompson, General Manager
Tri-County Electric Membership Corporation
Post Office Box 40
Lafayette, Tennessee 37083

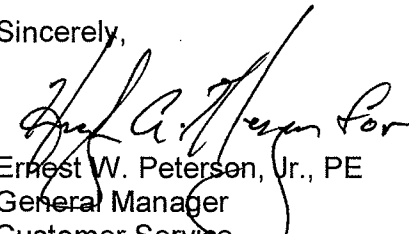
Dear Paul:

This responds to the request by Tri-County Electric Membership Corporation (TCEMC) to revise the 6.5% fixed loss factor to estimate its monthly distribution loss charges payable on each wholesale power invoice to the Tennessee Valley Authority (TVA).

Accordingly, effective with the September 2010 wholesale billing month, TCEMC will make such monthly distribution loss payments by applying a 5.0% fixed loss factor each month to the wholesale end-use charges (on Schedule 1 of the invoice). TCEMC may request to revise this percentage from time to time to better approximate the actual level of distribution losses on TCEMC's system. The normal annual loss true-up calculations (which now occur at the end of the June billing period) will continue to be used to determine actual distribution losses for the annual period.

If this letter correctly represents our understanding, please sign and date each of the two duplicate originals enclosed. Please retain one copy for your files and return one copy to me.

Sincerely,


Ernest W. Petersen, Jr., PE
General Manager
Customer Service
Kentucky

Accepted and agreed to as of
the _____ day of _____, 2010

TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION

By: _____
(Title)



Tennessee Valley Authority, 6045 Russellville Road, Bowling Green, Kentucky 42101-7319

10/06/2010

Laura,

Please copy

10/07/10
JK

Jim, Tammy

& file.

Thanks,

October 4, 2010

Mr. Paul Thompson
Executive Vice President/General Manager
Tri-County Electric Membership Corporation
405 College Street
Lafayette, Tennessee 37083

Dear Paul:

TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION -- EXECUTED SDE/TD HUD FALL PILOT AGREEMENT -- TV-52337A, SUPP. NO. 88

Enclosed is one fully executed original of the SDE/TD HUD Fall Pilot Agreement, TV-52337A, Supp. No. 88, dated August 30, 2010, for your files.

If you have questions or concerns regarding this document, please call Hugh Meyer (270-846-7042).

Sincerely,

Ernest W. Peterson, Jr., PE
General Manager
Customer Service
Kentucky

Enclosure

AGREEMENT
Between
TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION
And
TENNESSEE VALLEY AUTHORITY

Date: 8/30/10

TV-52337A, Supp. No. 88

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 (TVA Act);

WITNESSETH:

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, TVA and Distributor wish to cooperate in making Time Differentiated Hours Use of Demand (TD HUD) rates and Pilot Seasonal Demand and Energy (SDE) rates available as alternatives to General Power or Manufacturing Service rates for qualifying customers of Distributor for a 12-month period; and

WHEREAS, the parties wish to supplement and amend the Power Contract to provide for the application of the TD HUD rates and SDE rates to Distributor's customers that elect such alternative rates;

NOW, THEREFORE, in consideration of the foregoing premises and the mutual covenants herein contained, and subject to the provisions of the TVA Act, the parties agree as follows:

SECTION 1 - TERM OF AGREEMENT

This agreement shall become effective as of the date first above written and will continue until the expiration or termination of each Company Agreement provided for in section 2 below.

SECTION 2 - COMPANY AGREEMENTS

For each customer (Company) to which Distributor supplies power under TD HUD rates or SDE rates, as they may be modified, changed, replaced, or adjusted from time to time, Distributor shall enter into an appropriate agreement (Company Agreement) amending Company's power supply contract with Distributor in the respects necessary to provide for Company to be billed at TD HUD rates or SDE rates, whichever is applicable, in lieu of the otherwise applicable General Power or Manufacturing Service rate schedule. All such Company Agreements shall be for a term of 12 months and shall

become effective no earlier than October 1, 2010, and no later than March 1, 2011. The parties recognize and agree that Distributor shall supply power under TD HUD rates and SDE rates only to those customers that satisfy the "Availability" requirements of the applicable rate schedule specified in section 3 of this agreement.

If, under previous arrangements with TVA, Distributor has entered into an agreement with a Company (Previous Agreement) providing for the Company to be billed under TD HUD rates, said Previous Agreement may be extended or renewed for a 12-month term, effective upon its expiration.

SECTION 3 - PILOT RATE SCHEDULES

The following schedules (attached as Exhibit A and referred to collectively as "Pilot Schedules" and individually as "Pilot Schedule"):

- (a) Time Differentiated Hours Use Of Demand General Power Rate-- Schedule TDGSB,
- (b) Time Differentiated Hours Use Of Demand General Power Rate-- Schedule TDGSC,
- (c) Time Differentiated Hours Use Of Demand General Power Rate-- Schedule TDGSD,
- (d) Time Differentiated Hours Use Of Demand Manufacturing Service Rate-- Schedule TDMSB,
- (e) Time Differentiated Hours Use Of Demand Manufacturing Service Rate-- Schedule TDMSC,
- (f) Time Differentiated Hours Use Of Demand Manufacturing Service Rate-- Schedule TDMSD,
- (g) Pilot Seasonal Demand and Energy General Power Rate--Schedule PSGSB,
- (h) Pilot Seasonal Demand and Energy General Power Rate--Schedule PSGSC,
- (i) Pilot Seasonal Demand and Energy General Power Rate--Schedule PSGSD,
- (j) Pilot Seasonal Demand and Energy Manufacturing Service Rate-- Schedule PSMSB,
- (k) Pilot Seasonal Demand and Energy Manufacturing Service Rate-- Schedule PSMSC,
- (l) Pilot Seasonal Demand and Energy Manufacturing Service Rate-- Schedule PSMSD,

are made a part of this agreement and of the Schedule of Rates and Charges to the Power Contract. Further, the Supplemental Adjustment Addendum applicable to the TDHUD rates and the Supplemental Adjustment Addendum applicable to the SDE rates (attached collectively as Exhibit B) are made part of this agreement and of the Adjustment Addendum to Schedule of Rates and Charges for Distributor dated October 1, 2009 (Adjustment Addendum). Notwithstanding anything appearing in the Power Contract to the contrary, during the term of this agreement, Distributor shall bill each Company for power and energy made available to the Company in accordance with the Pilot Schedule applicable to that Company (together with the currently effective Adjustment Addendum as supplemented to cover the Pilot Schedules), as such Pilot Schedule may be further adjusted, changed, modified, or replaced from time to time.

SECTION 4 - WHOLESALE BILLING

4.1 Riders to Wholesale Rate Schedule. Wholesale Power Rate--Schedule WS, in the Schedule of Rates and Charges to the Power Contract (Schedule WS), is hereby amended by (a) adding to the "Demand and Energy Charges" of Schedule WS the charges for the Pilot Schedules listed in the Riders to said Schedule WS (Riders) attached to this agreement collectively as Exhibit C, and (b) revising the section headed "Adjustments" in said Schedule WS as described in the Rider applicable to the TDHUD rates. The Riders are made a part of this agreement and of Schedule WS.

4.2 Wholesale Charges. In calculating the wholesale bill each month for Distributor, the charges set out in the attached Riders (together with the currently effective Adjustment Addendum as supplemented to cover the Pilot Schedules) will be applied to demand and energy amounts resold by Distributor under each Pilot Schedule.

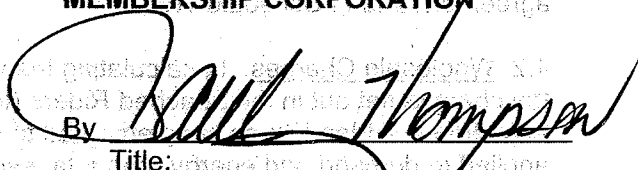
SECTION 5 - BILLING DATA

5.1 TVA Billing Analysis. It is recognized and agreed that TVA shall perform monthly meter-reading services and billing data analysis (Billing Analysis) with respect to the amounts of power and energy supplied by Distributor to each Company. Accordingly, each month TVA shall, as soon as practicable after the scheduled meter-reading date for each Company, furnish to Distributor the information regarding the amounts of power and energy taken by each Company and such other information as may be necessary for Distributor to calculate each Company's monthly bill and to meet its obligations under 5.2 below.

5.2 Billing Data Supplied by Distributor. To facilitate TVA's preparation of the bill to Distributor for power and energy made available under the Power Contract, each month Distributor shall furnish to TVA a copy of Distributor's bill to each Company for power and energy made available under the applicable Pilot Schedule when it is rendered and such other information related to each Company's power and energy takings as TVA may require.

IN WITNESS WHEREOF, the parties have caused this agreement to be executed by their duly authorized representatives as of the day and year first above written.

**TRI-COUNTY ELECTRIC
MEMBERSHIP CORPORATION**

By 
Title: **Exec. V.P. & Gen. Mgr.**

TENNESSEE VALLEY AUTHORITY

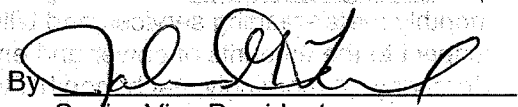
By 
Senior Vice President
Commercial Operations and Pricing

Exhibit A

TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION

TIME DIFFERENTIATED HOURS USE OF DEMAND GENERAL POWER RATE--SCHEDULE TDGSB

(October 2010)

Availability

This rate shall be available for firm electric power requirements where the customer's currently effective onpeak or offpeak contract demand, whichever is higher, is greater than 1,000 kW but not more than 15,000 kW and where this rate schedule is elected as an alternative to service under Schedules GSA, GSB, TGSA, or TGSB for a 12-month period beginning no earlier than October 1, 2010, and no later than March 1, 2011; provided that the other conditions of this section are met.

For customers served under this rate schedule, the customer's "meter-reading time" shall be 0000 hours CST or CDT, whichever is currently effective, on the first day of the calendar month following the month for which a bill under this rate schedule is being calculated. Further, in accordance with TVA furnished or approved guidelines or specifications, TVA shall have unrestricted remote access to the metering data at all times, as well as unrestricted physical access to the metering facilities for the purpose of confirming remotely-accessed data during such periods as are specified by TVA.

For a customer requesting that its onpeak contract demand be different from its offpeak contract demand, this rate schedule shall be available only for (1) a new contract, (2) a replacement or renewal contract following expiration of the existing contract, or (3) a replacement or renewal contract or an amended existing contract in which the customer is increasing its demand requirements above the existing contract demand level, but under this item (3) neither the new onpeak nor the new offpeak contract demand shall be lower than the customer's existing contract demand.

A customer may not be on this rate schedule and participate in any demand response program which is designated by TVA as inconsistent with service under this schedule. A customer may not be on this rate schedule and participate in the small manufacturing credit program. A customer may not be on this rate schedule and participate in TVA's Enhanced Growth Credit (EGC) Program unless it agrees to a modification of its EGC agreement to provide for the EGC credits to be capped according to applicable guidelines. A customer may not be on this rate schedule and participate in TVA's 5 Minute Response (5 MR) or 60 Minute Response (60 MR) Interruptible Programs unless it agrees to a modification of its 5 MR or 60 MR Agreement to provide for the 5 MR or 60 MR credit amounts to be shaped according to applicable guidelines.

Character of Service

Alternating current, single- or three-phase, 60 hertz. Power shall be delivered at a transmission voltage of 161 kV or, if such transmission voltage is not available, at the highest voltage available in the vicinity, unless at the customer's request a lower standard voltage is agreed upon.

Base Charges

Customer Charge: \$1,500 per delivery point per month

Administrative Charge: \$350 per delivery point per month

Demand Charge:

- Summer Period** \$11.85 per kW per month of the customer's onpeak billing demand, plus
\$3.15 per kW per month of the amount, if any, by which the customer's offpeak billing demand exceeds its onpeak billing demand, plus
\$11.85 per kW per month of the amount, if any, by which (1) the customer's onpeak billing demand exceeds its onpeak contract demand or (2) the customer's offpeak billing demand exceeds its offpeak contract demand, whichever is higher
- Winter Period** \$6.88 per kW per month of the customer's onpeak billing demand, plus
\$3.15 per kW per month of the amount, if any, by which the customer's offpeak billing demand exceeds its onpeak billing demand, plus
\$6.88 per kW per month of the amount, if any, by which (1) the customer's onpeak billing demand exceeds its onpeak contract demand or (2) the customer's offpeak billing demand exceeds its offpeak contract demand, whichever is higher
- Transition Period** \$3.15 per kW of offpeak billing demand per month, plus
\$6.88 per kW per month of the amount, if any, by which the customer's offpeak billing demand exceeds its offpeak contract demand

Energy Charge:

- Summer Period** 6.411¢ per kWh per month for all onpeak kWh, plus
3.807¢ per kWh (adjusted for hours use of maximum metered demand as provided below) per month for all offpeak kWh
- Winter Period** 4.281¢ per kWh per month for all onpeak kWh, plus
3.807¢ per kWh (adjusted for hours use of maximum metered demand as provided below) per month for all offpeak kWh
- Transition Period** 3.807¢ per kWh (adjusted for hours use of maximum metered demand as provided below) per month for all kWh

Offpeak Hours Use of Demand Adjustment:

The above offpeak energy charges for the Summer Period and the Winter Period shall be increased or decreased in accordance with the hours use of maximum metered demand as follows:

- 0.195¢ per kWh for the first 425 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy
- 1.101¢ per kWh for the next 195 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy
- 2.202¢ per kWh for the hours use of maximum metered demand in excess of 620 hours multiplied by the ratio of offpeak energy to total energy

The above energy charge for a Transition Period shall be increased or decreased in accordance with the hours use of maximum metered demand as follows:

0.195¢ per kWh for the first 425 hours use of maximum metered demand

-1.101¢ per kWh for the next 195 hours use of maximum metered demand

-2.202¢ per kWh for the hours use of maximum metered demand in excess of 620 hours

For the Summer Period, Winter Period and Transition Period, no Offpeak Hours Use of Demand Adjustment would apply to the portion, if any, of the minimum offpeak energy takings amount that is greater than the metered energy.

Adjustment

The base demand and energy charges, and the adjustment amounts provided for in the Offpeak Hours Use of Demand Adjustment shall be increased or decreased in accordance with the current Adjustment Addendum published by TVA. (In addition, such charges shall be increased or decreased to correspond to increases or decreases determined by TVA under Adjustment 2 or Adjustment 4 of the wholesale power rate schedule applicable under contractual arrangements between TVA and Distributor.)

Facilities Rental Charge

There shall be no facilities rental charge under this rate schedule for delivery at bulk transmission voltage levels of 161 kV or higher. For delivery at less than 161 kV, there shall be added to the customer's bill a facilities rental charge. This charge shall be 36¢ per kW per month except for delivery at voltages below 46 kV, in which case the charge shall be 93¢ per kW per month for the first 10,000 kW and 73¢ per kW per month for the excess over 10,000 kW. Such charge shall be applied to the higher of (1) the highest billing demand established during the latest 12-consecutive-month period or (2) the customer's currently effective onpeak or offpeak contract demand, whichever is higher, and shall be in addition to all other charges under this rate schedule, including minimum bill charges.

Reactive Demand Charges

If the reactive demand (in kVAR) is lagging during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's highest metered demand occurs; there shall be added to the customer's bill a reactive charge of \$1.46 per kVAR of the amount, if any, by which the reactive demand exceeds 33 percent of such metered demand. If the reactive demand (in kVAR) is leading during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's lowest metered demand (excluding any metered demands which are less than 25 percent of the highest metered demand) occurs; there shall be added to the customer's bill a reactive charge of \$1.14 per kVAR of the amount of reactive demand. Such charges shall be in addition to all other charges under this rate schedule, including minimum bill charges.

Determination of Seasonal Periods

Summer Period shall mean the June, July, August, and September billing months. Winter Period shall mean the December, January, February, and March billing months. Transition Period shall mean the April, May, October, and November billing months. The Seasonal Periods under this rate schedule are subject to change by TVA. In the event TVA determines that changed Seasonal Periods are

appropriate, it shall so notify Distributor at least 12 months prior to the effective date of such changed periods, and Distributor shall promptly notify customer.

Determination of Onpeak and Offpeak Hours

Except for Saturdays and Sundays and the weekdays that are observed as Federal holidays for New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day, onpeak hours for each day shall be 1 p.m. to 7 p.m. during the Summer Period and from 4 a.m. to 10 a.m. during the Winter Period. For the Summer Period and the Winter Period, all other hours of each year that are not otherwise defined as onpeak hours and all hours of such excepted days shall be offpeak hours. Such times shall be Central Standard Time or Central Daylight Time, whichever is then in effect. Said onpeak and offpeak hours are subject to change by TVA. In the event TVA determines that such changed onpeak and offpeak hours are appropriate, it shall so notify Distributor at least 12 months prior to the effective date of such changed hours, and Distributor shall promptly notify customer.

For the Transition Period, all hours shall be offpeak hours.

Determination of Onpeak and Offpeak Demands, Maximum Metered Demand, and Energy Amounts

The onpeak and offpeak kWh for any month shall be the energy amounts taken during the respective hours of the month designated under this rate schedule as onpeak and offpeak hours; provided, however, that notwithstanding the metered energy amount, the offpeak energy for any month shall in no case be less than the product of (1) the offpeak billing demand as calculated in the last sentence of the paragraph below and (2) 110 hours (reflecting a 15 percent load factor applied to the average number of hours in a month).

Distributor shall meter the onpeak and offpeak demands in kW of all customers taking service under this rate schedule. The onpeak metered demand and offpeak metered demand for any month shall be determined separately for the respective hours of the month designated under this rate schedule as onpeak and offpeak hours and in each case shall be the highest average during any 30-consecutive-minute period beginning or ending on a clock hour of the month of the load metered in kW, and, except as provided below in this section, such amounts shall be used as the onpeak and offpeak billing demands. The maximum metered demand for any month shall be the higher of (1) the highest onpeak metered demand in the month or (2) the highest offpeak metered demand in the month. The onpeak billing demand shall in no case be less than the sum of (1) 30 percent of the first 5,000 kW and (2) 40 percent of any kW in excess of 5,000 kW of the higher of the currently effective onpeak contract demand or the highest onpeak billing demand established during the preceding 12 months. The offpeak billing demand shall in no case be less than the sum of (1) 30 percent of the first 5,000 kW and (2) 40 percent of any kW in excess of 5,000 kW of the higher of the currently effective offpeak contract demand or the highest offpeak billing demand established during the preceding 12 months.

Minimum Bill

The monthly bill under this rate schedule, excluding any facilities rental charges and any reactive charges, shall not be less than the sum of (1) the base customer charge, (2) the portion of the base demand charge, as adjusted, (but excluding the additional portion thereof applicable to excess of billing demand over contract demand) applicable to onpeak billing demand applied to the customer's onpeak billing demand, (3) the portion of the base demand charge, as adjusted, (but excluding the additional portion thereof applicable to excess of billing demand over contract demand) applicable to any excess of offpeak over onpeak billing demand applied to the amount, if any, by which the customer's offpeak billing demand exceeds its onpeak billing demand, (4) the base onpeak energy charge, as adjusted, applied to the customer's onpeak energy takings, and (5) the base offpeak energy charge, as adjusted, applied to

the higher of customer's actual offpeak energy takings or the minimum offpeak energy takings amount provided for in the first paragraph of the section of this rate schedule entitled "Determination of Onpeak and Offpeak Demands, Maximum Metered Demand, and Energy Amounts". It is recognized that no Offpeak Hours Use of Demand Adjustment would apply to the portion, if any, of the minimum offpeak energy takings amount that is greater than the metered energy.

Distributor may require minimum bills higher than those stated above, including, without limitation, charges to cover any additional metering and related costs.

Contract Requirement

The contract requirement of the schedule (GSA, GSB, TGSA, or TGSB) for which this rate schedule is selected as an alternative shall continue to apply, both during the time this alternative rate schedule is in effect under that contract and afterwards. In addition, at the time that this rate schedule becomes effective for billing, there must be at least one year remaining on the contract required by such Schedule GSA, GSB, TGSA or TGSB. The customer shall contract for its maximum requirements, which shall not exceed the amount of power capable of being used by customer, and Distributor shall not be obligated to supply power in greater amount at any time than the customer's currently effective onpeak or offpeak contract demand. If the customer uses any power other than that supplied by Distributor under this rate schedule, the contract may include other special provisions. The rate schedule in any power contract shall be subject to adjustment, modification, change, or replacement from time to time as provided under the power contract between Distributor and TVA.

At the end of the period of service under this rate schedule, the customer, subject to appropriate amendments to its power contract with Distributor, may receive service under Schedule GSA, GSB, TGSA, or TGSB for any required contract term then remaining; provided, however, that the contract demand for any such service under Schedule GSA or GSB shall not be less than the onpeak contract demand in effect when service was taken under this rate schedule.

Payment

Bills under this rate schedule will be rendered monthly. Any amount of bill unpaid after due date specified on bill may be subject to additional charges under Distributor's standard policy.

Single-Point Delivery

The charges under this rate schedule are based upon the supply of service through a single delivery and metering point, and at a single voltage. If service is supplied to the same customer through more than one point of delivery or at different voltages, the supply of service at each delivery and metering point and at each different voltage shall be separately metered and billed.

Service is subject to Rules and Regulations of Distributor.

TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION

**TIME DIFFERENTIATED HOURS USE OF DEMAND
GENERAL POWER RATE--SCHEDULE TDGSC**

(October 2010)

Availability

This rate shall be available for firm electric power requirements where the customer's currently effective onpeak or offpeak contract demand, whichever is higher, is greater than 15,000 kW but not more than 25,000 kW and where this rate schedule is elected as an alternative to service under Schedule GSC or Schedule TGSC for a 12-month period beginning no earlier than October 1, 2010, and no later than March 1, 2011; provided that the other conditions of this section are met.

For customers served under this rate schedule, the customer's "meter-reading time" shall be 0000 hours CST or CDT, whichever is currently effective, on the first day of the calendar month following the month for which a bill under this rate schedule is being calculated. Further, in accordance with TVA furnished or approved guidelines or specifications, TVA shall have unrestricted remote access to the metering data at all times, as well as unrestricted physical access to the metering facilities for the purpose of confirming remotely-accessed data during such periods as are specified by TVA.

For a customer requesting that its onpeak contract demand be different from its offpeak contract demand, this rate schedule shall be available only for (1) a new contract, (2) a replacement or renewal contract following expiration of the existing contract, or (3) a replacement or renewal contract or an amended existing contract in which the customer is increasing its demand requirements above the existing contract demand level, but under this item (3) neither the new onpeak nor the new offpeak contract demand shall be lower than the customer's existing contract demand.

A customer may not be on this rate schedule and participate in any demand response program which is designated by TVA as inconsistent with service under this schedule. A customer may not be on this rate schedule and participate in TVA's Enhanced Growth Credit (EGC) Program unless it agrees to a modification of its EGC agreement to provide for the EGC credits to be capped according to applicable guidelines. A customer may not be on this rate schedule and participate in TVA's 5 Minute Response (5 MR) or 60 Minute Response (60 MR) Interruptible Programs unless it agrees to a modification of its 5 MR or 60 MR Agreement to provide for the 5 MR or 60 MR credit amounts to be shaped according to applicable guidelines.

Character of Service

Alternating current, single- or three-phase, 60 hertz. Power shall be delivered at a transmission voltage of 161 kV or, if such transmission voltage is not available, at the highest voltage available in the vicinity, unless at the customer's request a lower standard voltage is agreed upon.

Base Charges

Customer Charge: \$1,500 per delivery point per month

Administrative Charge: \$350 per delivery point per month

Demand Charge:

- Summer Period** \$11.85 per kW per month of the customer's onpeak billing demand, plus
\$3.15 per kW per month of the amount, if any, by which the customer's offpeak billing demand exceeds its onpeak billing demand, plus
\$11.85 per kW per month of the amount, if any, by which (1) the customer's onpeak billing demand exceeds its onpeak contract demand or (2) the customer's offpeak billing demand exceeds its offpeak contract demand, whichever is higher
- Winter Period** \$6.88 per kW per month of the customer's onpeak billing demand, plus
\$3.15 per kW per month of the amount, if any, by which the customer's offpeak billing demand exceeds its onpeak billing demand, plus
\$6.88 per kW per month of the amount, if any, by which (1) the customer's onpeak billing demand exceeds its onpeak contract demand or (2) the customer's offpeak billing demand exceeds its offpeak contract demand, whichever is higher
- Transition Period** \$3.15 per kW of offpeak billing demand per month, plus
\$6.88 per kW per month of the amount, if any, by which the customer's offpeak billing demand exceeds its offpeak contract demand

Energy Charge:

- Summer Period** 6.160¢ per kWh per month for all onpeak kWh, plus
3.624¢ per kWh (adjusted for hours use of maximum metered demand as provided below) per month for all offpeak kWh
- Winter Period** 4.082¢ per kWh per month for all onpeak kWh, plus
3.624¢ per kWh (adjusted for hours use of maximum metered demand as provided below) per month for all offpeak kWh
- Transition Period** 3.624¢ per kWh (adjusted for hours use of maximum metered demand as provided below) per month for all kWh

Offpeak Hours Use of Demand Adjustment:

The above offpeak energy charges for the Summer Period and the Winter Period shall be increased or decreased in accordance with the hours use of maximum metered demand as follows:

- 0.195¢ per kWh for the first 425 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy
- 1.101¢ per kWh for the next 195 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy
- 2.202¢ per kWh for the hours use of maximum metered demand in excess of 620 hours multiplied by the ratio of offpeak energy to total energy

The above energy charge for a Transition Period shall be increased or decreased in accordance with the hours use of maximum metered demand as follows:

0.195¢ per kWh for the first 425 hours use of maximum metered demand

-1.101¢ per kWh for the next 195 hours use of maximum metered demand

-2.202¢ per kWh for the hours use of maximum metered demand in excess of 620 hours

For the Summer Period, Winter Period and Transition Period, no Offpeak Hours Use of Demand Adjustment would apply to the portion, if any, of the minimum offpeak energy takings amount that is greater than the metered energy.

Adjustment

The base demand and energy charges, and the adjustment amounts provided for in the Offpeak Hours Use of Demand Adjustment shall be increased or decreased in accordance with the current Adjustment Addendum published by TVA. (In addition, such charges shall be increased or decreased to correspond to increases or decreases determined by TVA under Adjustment 2 or Adjustment 4 of the wholesale power rate schedule applicable under contractual arrangements between TVA and Distributor.)

Facilities Rental Charge

There shall be no facilities rental charge under this rate schedule for delivery at bulk transmission voltage levels of 161 kV or higher. For delivery at less than 161 kV, there shall be added to the customer's bill a facilities rental charge. This charge shall be 36¢ per kW per month except for delivery at voltages below 46 kV, in which case the charge shall be 93¢ per kW per month for the first 10,000 kW and 73¢ per kW per month for the excess over 10,000 kW. Such charge shall be applied to the higher of (1) the highest billing demand established during the latest 12-consecutive-month period or (2) the customer's currently effective onpeak or offpeak contract demand, whichever is higher, and shall be in addition to all other charges under this rate schedule, including minimum bill charges.

Reactive Demand Charges

If the reactive demand (in kVAR) is lagging during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's highest metered demand occurs, there shall be added to the customer's bill a reactive charge of \$1.46 per kVAR of the amount, if any, by which the reactive demand exceeds 33 percent of such metered demand. If the reactive demand (in kVAR) is leading during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's lowest metered demand (excluding any metered demands which are less than 25 percent of the highest metered demand) occurs, there shall be added to the customer's bill a reactive charge of \$1.14 per kVAR of the amount of reactive demand. Such charges shall be in addition to all other charges under this rate schedule, including minimum bill charges.

Determination of Seasonal Periods

Summer Period shall mean the June, July, August, and September billing months. Winter Period shall mean the December, January, February, and March billing months. Transition Period shall mean the April, May, October, and November billing months. The Seasonal Periods under this rate schedule

are subject to change by TVA. In the event TVA determines that changed Seasonal Periods are appropriate, it shall so notify Distributor at least 12 months prior to the effective date of such changed periods, and Distributor shall promptly notify customer.

Determination of Onpeak and Offpeak Hours

Except for Saturdays and Sundays and the weekdays that are observed as Federal holidays for New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day, onpeak hours for each day shall be 1 p.m. to 7 p.m. during the Summer Period and from 4 a.m. to 10 a.m. during the Winter Period. For the Summer Period and the Winter Period, all other hours of each year that are not otherwise defined as onpeak hours and all hours of such excepted days shall be offpeak hours. Such times shall be Central Standard Time or Central Daylight Time, whichever is then in effect. Said onpeak and offpeak hours are subject to change by TVA. In the event TVA determines that such changed onpeak and offpeak hours are appropriate, it shall so notify Distributor at least 12 months prior to the effective date of such changed hours, and Distributor shall promptly notify customer.

For the Transition Period, all hours shall be offpeak hours.

Determination of Onpeak and Offpeak Demands, Maximum Metered Demand, and Energy Amounts

The onpeak and offpeak kWh for any month shall be the energy amounts taken during the respective hours of the month designated under this rate schedule as onpeak and offpeak hours; provided, however, that notwithstanding the metered energy amount, the offpeak energy for any month shall in no case be less than the product of (1) the offpeak billing demand as calculated in the last sentence of the paragraph below and (2) 110 hours (reflecting a 15 percent load factor applied to the average number of hours in a month).

Distributor shall meter the onpeak and offpeak demands in kW of all customers taking service under this rate schedule. The onpeak metered demand and offpeak metered demand for any month shall be determined separately for the respective hours of the month designated under this rate schedule as onpeak and offpeak hours and in each case shall be the highest average during any 30-consecutive-minute period beginning or ending on a clock hour of the month of the load metered in kW, and, except as provided below in this section, such amounts shall be used as the onpeak and offpeak billing demands. The maximum metered demand for any month shall be the higher of (1) the highest onpeak metered demand in the month or (2) the highest offpeak metered demand in the month. The onpeak billing demand shall in no case be less than the sum of (1) 30 percent of the first 5,000 kW, (2) 40 percent of the next 20,000 kW, and (3) 50 percent of any kW in excess of 25,000 kW of the higher of the currently effective onpeak contract demand or the highest onpeak billing demand established during the preceding 12 months. The offpeak billing demand shall in no case be less than the sum of (1) 30 percent of the first 5,000 kW, (2) 40 percent of the next 20,000 kW, and (3) 50 percent of any kW in excess of 25,000 kW of the higher of the currently effective offpeak contract demand or the highest offpeak billing demand established during the preceding 12 months.

Minimum Bill

The monthly bill under this rate schedule, excluding any facilities rental charges and any reactive charges, shall not be less than the sum of (1) the base customer charge, (2) the portion of the base demand charge, as adjusted, (but excluding the additional portion thereof applicable to excess of billing demand over contract demand) applicable to onpeak billing demand applied to the customer's onpeak billing demand, (3) the portion of the base demand charge, as adjusted, (but excluding the additional portion thereof applicable to excess of billing demand over contract demand) applicable to any excess of offpeak over onpeak billing demand applied to the amount, if any, by which the customer's offpeak billing

demand exceeds its onpeak billing demand, (4) the base onpeak energy charge, as adjusted, applied to the customer's onpeak energy takings, and (5) the base offpeak energy charge, as adjusted, applied to the higher of customer's actual offpeak energy takings or the minimum offpeak energy takings amount provided for in the first paragraph of the section of this rate schedule entitled "Determination of Onpeak and Offpeak Demands, Maximum Metered Demand, and Energy Amounts". It is recognized that no Offpeak Hours Use of Demand Adjustment would apply to the portion, if any, of the minimum offpeak energy takings amount that is greater than the metered energy.

Distributor may require minimum bills higher than those stated above, including, without limitation, charges to cover any additional metering and related costs.

Contract Requirement

The contract requirement of the schedule (GSC or TGSC) for which this rate schedule is selected as an alternative shall continue to apply, both during the time this alternative rate schedule is in effect under that contract and afterwards. In addition, at the time that this rate schedule becomes effective for billing, there must be at least one year remaining on the contract required by such Schedule GSC or TGSC. The customer shall contract for its maximum requirements, which shall not exceed the amount of power capable of being used by customer, and Distributor shall not be obligated to supply power in greater amount at any time than the customer's currently effective onpeak or offpeak contract demand. If the customer uses any power other than that supplied by Distributor under this rate schedule, the contract may include other special provisions. The rate schedule in any power contract shall be subject to adjustment, modification, change, or replacement from time to time as provided under the power contract between Distributor and TVA.

At the end of the period of service under this rate schedule, the customer, subject to appropriate amendments to its power contract with Distributor, may receive service under Schedule GSC or TGSC for any required contract term then remaining; provided, however, that the contract demand for any such service under Schedule GSC shall not be less than the onpeak contract demand in effect when service was taken under this rate schedule.

Payment

Bills under this rate schedule will be rendered monthly. Any amount of bill unpaid after due date specified on bill may be subject to additional charges under Distributor's standard policy.

Single-Point Delivery

The charges under this rate schedule are based upon the supply of service through a single delivery and metering point, and at a single voltage. If service is supplied to the same customer through more than one point of delivery or at different voltages, the supply of service at each delivery and metering point and at each different voltage shall be separately metered and billed.

Service is subject to Rules and Regulations of Distributor.

TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION
TIME DIFFERENTIATED HOURS USE OF DEMAND
GENERAL POWER RATE--SCHEDULE TDGSD
(October 2010)

Availability

This rate shall be available for firm electric power requirements where the customer's currently effective onpeak or offpeak contract demand, whichever is higher, is greater than 25,000 kW and where this rate schedule is elected as an alternative to service under Schedule GSD or Schedule TGSD for a 12-month period beginning no earlier than October 1, 2010, and no later than March 1, 2011; provided that the other conditions of this section are met.

For customers served under this rate schedule, the customer's "meter-reading time" shall be 0000 hours CST or CDT, whichever is currently effective, on the first day of the calendar month following the month for which a bill under this rate schedule is being calculated. Further, in accordance with TVA furnished or approved guidelines or specifications, TVA shall have unrestricted remote access to the metering data at all times, as well as unrestricted physical access to the metering facilities for the purpose of confirming remotely-accessed data during such periods as are specified by TVA.

For a customer requesting that its onpeak contract demand be different from its offpeak contract demand, this rate schedule shall be available only for (1) a new contract, (2) a replacement or renewal contract following expiration of the existing contract, or (3) a replacement or renewal contract or an amended existing contract in which the customer is increasing its demand requirements above the existing contract demand level, but under this item (3) neither the new onpeak nor the new offpeak contract demand shall be lower than the customer's existing contract demand.

A customer may not be on this rate schedule and participate in any demand response program which is designated by TVA as inconsistent with service under this schedule. A customer may not be on this rate schedule and participate in TVA's Enhanced Growth Credit (EGC) Program unless it agrees to a modification of its EGC agreement to provide for the EGC credits to be capped according to applicable guidelines. A customer may not be on this rate schedule and participate in TVA's 5 Minute Response (5 MR) or 60 Minute Response (60 MR) Interruptible Programs unless it agrees to a modification of its 5 MR or 60 MR Agreement to provide for the 5 MR or 60 MR credit amounts to be shaped according to applicable guidelines.

Character of Service

Alternating current, single- or three-phase, 60 hertz. Power shall be delivered at a transmission voltage of 161 kV or, if such transmission voltage is not available, at the highest voltage available in the vicinity, unless at the customer's request a lower standard voltage is agreed upon.

Base Charges

Customer Charge: \$1,500 per delivery point per month

Administrative Charge: \$350 per delivery point per month

Demand Charge:

- Summer Period** \$11.24 per kW per month of the customer's onpeak billing demand, plus
\$2.54 per kW per month of the amount, if any, by which the customer's offpeak billing demand exceeds its onpeak billing demand, plus
\$11.24 per kW per month of the amount, if any, by which (1) the customer's onpeak billing demand exceeds its onpeak contract demand or (2) the customer's offpeak billing demand exceeds its offpeak contract demand, whichever is higher
- Winter Period** \$6.27 per kW per month of the customer's onpeak billing demand, plus
\$2.54 per kW per month of the amount, if any, by which the customer's offpeak billing demand exceeds its onpeak billing demand, plus
\$6.27 per kW per month of the amount, if any, by which (1) the customer's onpeak billing demand exceeds its onpeak contract demand or (2) the customer's offpeak billing demand exceeds its offpeak contract demand, whichever is higher
- Transition Period** \$2.54 per kW of offpeak billing demand per month, plus

\$6.27 per kW per month of the amount, if any, by which the customer's offpeak billing demand exceeds its offpeak contract demand

Energy Charge:

- Summer Period** 6.053¢ per kWh per month for all onpeak kWh, plus
3.443¢ per kWh (adjusted for hours use of maximum metered demand as provided below) per month for all offpeak kWh
- Winter Period** 3.915¢ per kWh per month for all onpeak kWh, plus
3.443¢ per kWh (adjusted for hours use of maximum metered demand as provided below) per month for all offpeak kWh
- Transition Period** 3.443¢ per kWh (adjusted for hours use of maximum metered demand as provided below) per month for all kWh

Offpeak Hours Use of Demand Adjustment:

The above offpeak energy charges for the Summer Period and the Winter Period shall be increased or decreased in accordance with the hours use of maximum metered demand as follows:

- 0.195¢ per kWh for the first 425 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy
- 1.101¢ per kWh for the next 195 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy
- 2.202¢ per kWh for the hours use of maximum metered demand in excess of 620 hours multiplied by the ratio of offpeak energy to total energy

The above energy charge for a Transition Period shall be increased or decreased in accordance with the hours use of maximum metered demand as follows:

0.195¢ per kWh for the first 425 hours use of maximum metered demand

-1.101¢ per kWh for the next 195 hours use of maximum metered demand

-2.202¢ per kWh for the hours use of maximum metered demand in excess of 620 hours

For the Summer Period, Winter Period and Transition Period, no Offpeak Hours Use of Demand Adjustment would apply to the portion, if any, of the minimum offpeak energy takings amount that is greater than the metered energy.

Adjustment

The base demand and energy charges, and the adjustment amounts provided for in the Offpeak Hours Use of Demand Adjustment shall be increased or decreased in accordance with the current Adjustment Addendum published by TVA. (In addition, such charges shall be increased or decreased to correspond to increases or decreases determined by TVA under Adjustment 2 or Adjustment 4 of the wholesale power rate schedule applicable under contractual arrangements between TVA and Distributor.)

Facilities Rental Charge

There shall be no facilities rental charge under this rate schedule for delivery at bulk transmission voltage levels of 161 kV or higher. For delivery at less than 161 kV, there shall be added to the customer's bill a facilities rental charge. This charge shall be 36¢ per kW per month except for delivery at voltages below 46 kV, in which case the charge shall be 93¢ per kW per month for the first 10,000 kW and 73¢ per kW per month for the excess over 10,000 kW. Such charge shall be applied to the higher of (1) the highest billing demand established during the latest 12-consecutive-month period or (2) the customer's currently effective onpeak or offpeak contract demand, whichever is higher, and shall be in addition to all other charges under this rate schedule, including minimum bill charges.

Reactive Demand Charges

If the reactive demand (in kVAR) is lagging during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's highest metered demand occurs, there shall be added to the customer's bill a reactive charge of \$1.46 per kVAR of the amount, if any, by which the reactive demand exceeds 33 percent of such metered demand. If the reactive demand (in kVAR) is leading during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's lowest metered demand (excluding any metered demands which are less than 25 percent of the highest metered demand) occurs, there shall be added to the customer's bill a reactive charge of \$1.14 per kVAR of the amount of reactive demand. Such charges shall be in addition to all other charges under this rate schedule, including minimum bill charges.

Determination of Seasonal Periods

Summer Period shall mean the June, July, August, and September billing months. Winter Period shall mean the December, January, February, and March billing months. Transition Period shall mean the April, May, October, and November billing months. The Seasonal Periods under this rate schedule

are subject to change by TVA. In the event TVA determines that changed Seasonal Periods are appropriate, it shall so notify Distributor at least 12 months prior to the effective date of such changed periods, and Distributor shall promptly notify customer.

Determination of Onpeak and Offpeak Hours

Except for Saturdays and Sundays and the weekdays that are observed as Federal holidays for New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day, onpeak hours for each day shall be 1 p.m. to 7 p.m. during the Summer Period and from 4 a.m. to 10 a.m. during the Winter Period. For the Summer Period and the Winter Period, all other hours of each year that are not otherwise defined as onpeak hours and all hours of such excepted days shall be offpeak hours. Such times shall be Central Standard Time or Central Daylight Time, whichever is then in effect. Said onpeak and offpeak hours are subject to change by TVA. In the event TVA determines that such changed onpeak and offpeak hours are appropriate, it shall so notify Distributor at least 12 months prior to the effective date of such changed hours, and Distributor shall promptly notify customer.

For the Transition Period, all hours shall be offpeak hours.

Determination of Onpeak and Offpeak Demands, Maximum Metered Demand, and Energy Amounts

The onpeak and offpeak kWh for any month shall be the energy amounts taken during the respective hours of the month designated under this rate schedule as onpeak and offpeak hours; provided, however, that notwithstanding the metered energy amount, the offpeak energy for any month shall in no case be less than the product of (1) the offpeak billing demand as calculated in the last sentence of the paragraph below and (2) 110 hours (reflecting a 15 percent load factor applied to the average number of hours in a month).

Distributor shall meter the onpeak and offpeak demands in kW of all customers taking service under this rate schedule. The onpeak metered demand and offpeak metered demand for any month shall be determined separately for the respective hours of the month designated under this rate schedule as onpeak and offpeak hours and in each case shall be the highest average during any 30-consecutive-minute period beginning or ending on a clock hour of the month of the load metered in kW, and, except as provided below in this section, such amounts shall be used as the onpeak and offpeak billing demands. The maximum metered demand for any month shall be the higher of (1) the highest onpeak metered demand in the month or (2) the highest offpeak metered demand in the month. The onpeak billing demand shall in no case be less than the sum of (1) 30 percent of the first 5,000 kW, (2) 40 percent of the next 20,000 kW, (3) 50 percent of the next 25,000 kW, (4) 60 percent of the next 50,000 kW, (5) 70 percent of the next 100,000 kW, (6) 80 percent of the next 150,000 kW, and (7) 85 percent of all kW in excess of 350,000 kW of the higher of the currently effective onpeak contract demand or the highest onpeak billing demand established during the preceding 12 months. The offpeak billing demand shall in no case be less than the sum of (1) 30 percent of the first 5,000 kW, (2) 40 percent of the next 20,000 kW, (3) 50 percent of the next 25,000 kW, (4) 60 percent of the next 50,000 kW, (5) 70 percent of the next 100,000 kW, (6) 80 percent of the next 150,000 kW, and (7) 85 percent of all kW in excess of 350,000 kW of the higher of the currently effective offpeak contract demand or the highest offpeak billing demand established during the preceding 12 months.

Minimum Bill

The monthly bill under this rate schedule, excluding any facilities rental charges and any reactive charges, shall not be less than the sum of (1) the base customer charge, (2) the portion of the base demand charge, as adjusted, (but excluding the additional portion thereof applicable to excess of billing demand over contract demand) applicable to onpeak billing demand applied to the customer's onpeak

billing demand, (3) the portion of the base demand charge, as adjusted, (but excluding the additional portion thereof applicable to excess of billing demand over contract demand) applicable to any excess of offpeak over onpeak billing demand applied to the amount, if any, by which the customer's offpeak billing demand exceeds its onpeak billing demand, (4) the base onpeak energy charge, as adjusted, applied to the customer's onpeak energy takings, and (5) the base offpeak energy charge, as adjusted, applied to the higher of customer's actual offpeak energy takings or the minimum offpeak energy takings amount provided for in the first paragraph of the section of this rate schedule entitled "Determination of Onpeak and Offpeak Demands, Maximum Metered Demand, and Energy Amounts". It is recognized that no Offpeak Hours Use of Demand Adjustment would apply to the portion, if any, of the minimum offpeak energy takings amount that is greater than the metered energy.

Distributor may require minimum bills higher than those stated above, including, without limitation, charges to cover any additional metering and related costs.

Contract Requirement

The contract requirement of the schedule (GSD or TGSD) for which this rate schedule is selected as an alternative shall continue to apply, both during the time this alternative rate schedule is in effect under that contract and afterwards. In addition, at the time that this rate schedule becomes effective for billing, there must be at least one year remaining on the contract required by such Schedule GSD or TGSD. The customer shall contract for its maximum requirements, which shall not exceed the amount of power capable of being used by customer, and Distributor shall not be obligated to supply power in greater amount at any time than the customer's currently effective onpeak or offpeak contract demand. If the customer uses any power other than that supplied by Distributor under this rate schedule, the contract may include other special provisions. The rate schedule in any power contract shall be subject to adjustment, modification, change, or replacement from time to time as provided under the power contract between Distributor and TVA.

At the end of the period of service under this rate schedule, the customer, subject to appropriate amendments to its power contract with Distributor, may receive service under Schedule GSD or TGSD for any required contract term then remaining; provided, however, that the contract demand for any such service under Schedule GSD shall not be less than the onpeak contract demand in effect when service was taken under this rate schedule.

Payment

Bills under this rate schedule will be rendered monthly. Any amount of bill unpaid after due date specified on bill may be subject to additional charges under Distributor's standard policy.

Single-Point Delivery

The charges under this rate schedule are based upon the supply of service through a single delivery and metering point, and at a single voltage. If service is supplied to the same customer through more than one point of delivery or at different voltages, the supply of service at each delivery and metering point and at each different voltage shall be separately metered and billed.

Service is subject to Rules and Regulations of Distributor.

TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION

TIME DIFFERENTIATED HOURS USE OF DEMAND MANUFACTURING SERVICE RATE--SCHEDULE TDMSB

(October 2010)

Availability

This rate shall be available for firm electric power requirements where (a) a customer's currently effective onpeak or offpeak contract demand, whichever is higher, is greater than 1,000 kW but not more than 15,000 kW, (b) the major use of electricity is for activities conducted at the delivery point serving that customer which are classified with a 2-digit Standard Industrial Classification Code between 20 and 39, inclusive, or classified with 2002 North American Industry Classification System (NAICS) code 5181, or 2007 NAICS codes 5182, 522320, and 541214; provided, however, customers qualifying for service under this schedule on the basis of such a NAICS code shall have a currently effective onpeak or offpeak contract demand greater than 5,000 kW, and shall have an average monthly load factor of at least 80 percent during the preceding 12 months; provided further, however, that for the first 12 months of service to a new customer this load factor requirement shall be based on the customer's expected load factor for those 12 months as projected before the customer begins taking service, and (c) this rate schedule is elected as an alternative to service under Schedules GSA, MSB, TGSA, or TMSB for a 12-month period beginning no earlier than October 1, 2010, and no later than March 1, 2011; provided that the other conditions of this section are met. As used in the previous sentence "monthly load factor" shall mean a percentage calculated by dividing the total metered energy for a month by the product of the metered demand for that month and the number of clock hours in that month, exclusive of any hours during which power was unavailable due to an interruption or curtailment of the customer's service and of any hours in which the customer was unable to use power due to a Force Majeure event reasonably beyond the customer's control.

Prior to initially taking any service under this schedule, and from time to time thereafter as may be required by Distributor or the Tennessee Valley Authority (TVA), a customer shall certify to both Distributor and TVA that it meets the requirements set forth in condition (b) above. The certification form to be used shall be (i) furnished or approved by TVA, (ii) provided by Distributor to the customer, and (iii) signed and promptly returned by the customer to Distributor. Further, such customer shall promptly certify any change in the status of any of the information contained in the certification form to Distributor.

Service during any period for which a customer does not meet the eligibility requirements set forth in condition (b) above will be made available by Distributor under, and billed in accordance with, the applicable General Power schedule.

For customers served under this rate schedule, the customer's "meter-reading time" shall be 0000 hours CST or CDT, whichever is currently effective, on the first day of the calendar month following the month for which a bill under this rate schedule is being calculated. Further, in accordance with TVA furnished or approved guidelines or specifications, TVA shall have unrestricted remote access to the metering data at all times, as well as unrestricted physical access to the metering facilities for the purpose of confirming remotely-accessed data during such periods as are specified by TVA.

For a customer requesting that its onpeak contract demand be different from its offpeak contract demand, this rate schedule shall be available only for (1) a new contract, (2) a replacement or renewal contract following expiration of the existing contract, or (3) a replacement or renewal contract or an amended existing contract in which the customer is increasing its demand requirements above the existing contract demand level, but under this item (3) neither the new onpeak nor the new offpeak contract demand shall be lower than the customer's existing contract demand.

A customer may not be on this rate schedule and participate in any demand response program which is designated by TVA as inconsistent with service under this schedule. A customer may not be on this rate schedule and participate in the small manufacturing credit program. A customer may not be on this rate schedule and participate in TVA's Enhanced Growth Credit (EGC) Program unless it agrees to a modification of its EGC agreement to provide for the EGC credits to be capped according to applicable guidelines. A customer may not be on this rate schedule and participate in TVA's 5 Minute Response (5 MR) or 60 Minute Response (60 MR) Interruptible Programs unless it agrees to a modification of its 5 MR or 60 MR Agreement to provide for the 5 MR or 60 MR credit amounts to be shaped according to applicable guidelines.

Character of Service

Alternating current, single- or three-phase, 60 hertz. Power shall be delivered at a transmission voltage of 161 kV or, if such transmission voltage is not available, at the highest voltage available in the vicinity, unless at the customer's request a lower standard voltage is agreed upon.

Base Charges

Customer Charge: \$1,500 per delivery point per month

Administrative Charge: \$350 per delivery point per month

Demand Charge:

Summer Period: \$11.86 per kW per month of the customer's onpeak billing demand, plus

\$3.16 per kW per month of the amount, if any, by which the customer's offpeak billing demand exceeds its onpeak billing demand, plus

\$11.86 per kW per month of the amount, if any, by which (1) the customer's onpeak billing demand exceeds its onpeak contract demand or (2) the customer's offpeak billing demand exceeds its offpeak contract demand, whichever is higher

Winter Period: \$6.89 per kW per month of the customer's onpeak billing demand, plus

\$3.16 per kW per month of the amount, if any, by which the customer's offpeak billing demand exceeds its onpeak billing demand, plus

\$6.89 per kW per month of the amount, if any, by which (1) the customer's onpeak billing demand exceeds its onpeak contract demand or (2) the customer's offpeak billing demand exceeds its offpeak contract demand, whichever is higher

Transition Period: \$3.16 per kW of offpeak billing demand per month, plus

\$6.89 per kW per month of the amount, if any, by which the customer's offpeak billing demand exceeds its offpeak contract demand

Energy Charge:

Summer Period	5.356¢ per kWh per month for all onpeak kWh, plus 2.778¢ per kWh (adjusted for hours use of maximum metered demand as provided below) per month for all offpeak kWh
Winter Period	3.270¢ per kWh per month for all onpeak kWh, plus 2.778¢ per kWh (adjusted for hours use of maximum metered demand as provided below) per month for all offpeak kWh
Transition Period	2.778¢ per kWh (adjusted for hours use of maximum metered demand as provided below) per month for all kWh

Offpeak Hours Use of Demand Adjustment:

The above offpeak energy charges for the Summer Period and the Winter Period shall be increased or decreased in accordance with the hours use of maximum metered demand as follows:

- 0.195¢ per kWh for the first 425 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy
- 1.101¢ per kWh for the next 195 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy
- 2.202¢ per kWh for the hours use of maximum metered demand in excess of 620 hours multiplied by the ratio of offpeak energy to total energy

The above energy charge for a Transition Period shall be increased or decreased in accordance with the hours use of maximum metered demand as follows:

- 0.195¢ per kWh for the first 425 hours use of maximum metered demand
- 1.101¢ per kWh for the next 195 hours use of maximum metered demand
- 2.202¢ per kWh for the hours use of maximum metered demand in excess of 620 hours

For the Summer Period, Winter Period and Transition Period, no Offpeak Hours Use of Demand Adjustment would apply to the portion, if any, of the minimum offpeak energy takings amount that is greater than the metered energy.

Adjustment

The base demand and energy charges, and the adjustment amounts provided for in the Offpeak Hours Use of Demand Adjustment shall be increased or decreased in accordance with the current Adjustment Addendum published by TVA. (In addition, such charges shall be increased or decreased to correspond to increases or decreases determined by TVA under Adjustment 2 or Adjustment 4 of the wholesale power rate schedule applicable under contractual arrangements between TVA and Distributor.)

Facilities Rental Charge

There shall be no facilities rental charge under this rate schedule for delivery at bulk transmission voltage levels of 161 kV or higher. For delivery at less than 161 kV, there shall be added to the customer's bill a facilities rental charge. This charge shall be 36¢ per kW per month except for delivery at voltages below 46 kV, in which case the charge shall be 93¢ per kW per month for the first 10,000 kW and 73¢ per kW per month for the excess over 10,000 kW. Such charge shall be applied to the higher of (1) the highest billing demand established during the latest 12-consecutive-month period or (2) the customer's currently effective onpeak or offpeak contract demand, whichever is higher, and shall be in addition to all other charges under this rate schedule, including minimum bill charges.

Reactive Demand Charges

If the reactive demand (in kVAR) is lagging during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's highest metered demand occurs, there shall be added to the customer's bill a reactive charge of \$1.46 per kVAR of the amount, if any, by which the reactive demand exceeds 33 percent of such metered demand. If the reactive demand (in kVAR) is leading during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's lowest metered demand (excluding any metered demands which are less than 25 percent of the highest metered demand) occurs, there shall be added to the customer's bill a reactive charge of \$1.14 per kVAR of the amount of reactive demand. Such charges shall be in addition to all other charges under this rate schedule, including minimum bill charges.

Determination of Seasonal Periods

Summer Period shall mean the June, July, August, and September billing months. Winter Period shall mean the December, January, February, and March billing months. Transition Period shall mean the April, May, October, and November billing months. The Seasonal Periods under this rate schedule are subject to change by TVA. In the event TVA determines that changed Seasonal Periods are appropriate, it shall so notify Distributor at least 12 months prior to the effective date of such changed periods, and Distributor shall promptly notify customer.

Determination of Onpeak and Offpeak Hours

Except for Saturdays and Sundays and the weekdays that are observed as Federal holidays for New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day, onpeak hours for each day shall be 1 p.m. to 7 p.m. during the Summer Period and from 4 a.m. to 10 a.m. during the Winter Period. For the Summer Period and the Winter Period, all other hours of each year that are not otherwise defined as onpeak hours and all hours of such excepted days shall be offpeak hours. Such times shall be Central Standard Time or Central Daylight Time, whichever is then in effect. Said onpeak and offpeak hours are subject to change by TVA. In the event TVA determines that such changed onpeak and offpeak hours are appropriate, it shall so notify Distributor at least 12 months prior to the effective date of such changed hours, and Distributor shall promptly notify customer.

For the Transition Period, all hours shall be offpeak hours.

Determination of Onpeak and Offpeak Demands, Maximum Metered Demand, and Energy Amounts

The onpeak and offpeak kWh for any month shall be the energy amounts taken during the respective hours of the month designated under this rate schedule as onpeak and offpeak hours; provided, however, that notwithstanding the metered energy amount, the offpeak energy for any month

shall in no case be less than the product of (1) the offpeak billing demand as calculated in the last sentence of the paragraph below and (2) 110 hours (reflecting a 15 percent load factor applied to the average number of hours in a month).

Distributor shall meter the onpeak and offpeak demands in kW of all customers taking service under this rate schedule. The onpeak metered demand and offpeak metered demand for any month shall be determined separately for the respective hours of the month designated under this rate schedule as onpeak and offpeak hours and in each case shall be the highest average during any 30-consecutive-minute period beginning or ending on a clock hour of the month of the load metered in kW, and, except as provided below in this section, such amounts shall be used as the onpeak and offpeak billing demands. The maximum metered demand for any month shall be the higher of (1) the highest onpeak metered demand in the month or (2) the highest offpeak metered demand in the month. The onpeak billing demand shall in no case be less than the sum of (1) 30 percent of the first 5,000 kW and (2) 40 percent of any kW in excess of 5,000 kW of the higher of the currently effective onpeak contract demand or the highest onpeak billing demand established during the preceding 12 months. The offpeak billing demand shall in no case be less than the sum of (1) 30 percent of the first 5,000 kW and (2) 40 percent of any kW in excess of 5,000 kW of the higher of the currently effective offpeak contract demand or the highest offpeak billing demand established during the preceding 12 months.

Minimum Bill

The monthly bill under this rate schedule, excluding any facilities rental charges and any reactive charges, shall not be less than the sum of (1) the base customer charge, (2) the portion of the base demand charge, as adjusted, (but excluding the additional portion thereof applicable to excess of billing demand over contract demand) applicable to onpeak billing demand applied to the customer's onpeak billing demand, (3) the portion of the base demand charge, as adjusted, (but excluding the additional portion thereof applicable to excess of billing demand over contract demand) applicable to any excess of offpeak over onpeak billing demand applied to the amount, if any, by which the customer's offpeak billing demand exceeds its onpeak billing demand, (4) the base onpeak energy charge, as adjusted, applied to the customer's onpeak energy takings, and (5) the base offpeak energy charge, as adjusted, applied to the higher of customer's actual offpeak energy takings or the minimum offpeak energy takings amount provided for in the first paragraph of the section of this rate schedule entitled "Determination of Onpeak and Offpeak Demands, Maximum Metered Demand, and Energy Amounts". It is recognized that no Offpeak Hours Use of Demand Adjustment would apply to the portion, if any, of the minimum offpeak energy takings amount that is greater than the metered energy.

Distributor may require minimum bills higher than those stated above, including, without limitation, charges to cover any additional metering and related costs.

Contract Requirement

The contract requirement of the schedule (GSA, MSB, TGSA, or TMSB) for which this rate schedule is selected as an alternative shall continue to apply, both during the time this alternative rate schedule is in effect under that contract and afterwards. In addition, at the time that this rate schedule becomes effective for billing, there must be at least one year remaining on the contract required by such Schedule GSA, MSB, TGSA, or TMSB. The customer shall contract for its maximum requirements, which shall not exceed the amount of power capable of being used by customer, and Distributor shall not be obligated to supply power in greater amount at any time than the customer's currently effective onpeak or offpeak contract demand. If the customer uses any power other than that supplied by Distributor under this rate schedule, the contract may include other special provisions. The rate schedule in any power contract shall be subject to adjustment, modification, change, or replacement from time to time as provided under the power contract between Distributor and TVA.

At the end of the period of service under this rate schedule, the customer, subject to appropriate amendments to its power contract with Distributor, may receive service under Schedule GSA, MSB, TGSA, or TMSB for any required contract term then remaining; provided, however, that the contract demand for any such service under Schedule GSA or MSB shall not be less than the onpeak contract demand in effect when service was taken under this rate schedule.

Payment

Bills under this rate schedule will be rendered monthly. Any amount of bill unpaid after due date specified on bill may be subject to additional charges under Distributor's standard policy.

Single-Point Delivery

The charges under this rate schedule are based upon the supply of service through a single delivery and metering point, and at a single voltage. If service is supplied to the same customer through more than one point of delivery or at different voltages, the supply of service at each delivery and metering point and at each different voltage shall be separately metered and billed.

Service is subject to Rules and Regulations of Distributor.

TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION
TIME DIFFERENTIATED HOURS USE OF DEMAND
MANUFACTURING SERVICE RATE--SCHEDULE TDMSC
(October 2010)

Availability

This rate shall be available for firm electric power requirements where (a) a customer's currently effective onpeak or offpeak contract demand, whichever is higher, is greater than 15,000 kW but not more than 25,000 kW, (b) the major use of electricity is for activities conducted at the delivery point serving that customer which are classified with a 2-digit Standard Industrial Classification Code between 20 and 39, inclusive, or classified with 2002 North American Industry Classification System (NAICS) code 5181, or 2007 NAICS codes 5182, 522320, and 541214; provided, however, customers qualifying for service under this schedule on the basis of such a NAICS code shall have an average monthly load factor of at least 80 percent during the preceding 12 months; provided further, however, that for the first 12 months of service to a new customer this load factor requirement shall be based on the customer's expected load factor for those 12 months as projected before the customer begins taking service, and (c) this rate schedule is elected as an alternative to service under Schedule MSC or TMSC for a 12-month period beginning no earlier than October 1, 2010, and no later than March 1, 2011; provided that the other conditions of this section are met. As used in the previous sentence "monthly load factor" shall mean a percentage calculated by dividing the total metered energy for a month by the product of the metered demand for that month and the number of clock hours in that month, exclusive of any hours during which power was unavailable due to an interruption or curtailment of the customer's service and of any hours in which the customer was unable to use power due to a Force Majeure event reasonably beyond the customer's control.

Prior to initially taking any service under this schedule, and from time to time thereafter as may be required by Distributor or the Tennessee Valley Authority (TVA), a customer shall certify to both Distributor and TVA that it meets the requirements set forth in condition (b) above. The certification form to be used shall be (i) furnished or approved by TVA, (ii) provided by Distributor to the customer, and (iii) signed and promptly returned by the customer to Distributor. Further, such customer shall promptly certify any change in the status of any of the information contained in the certification form to Distributor.

Service during any period for which a customer does not meet the eligibility requirements set forth in condition (b) above will be made available by Distributor under, and billed in accordance with, the applicable General Power schedule.

For customers served under this rate schedule, the customer's "meter-reading time" shall be 0000 hours CST or CDT, whichever is currently effective, on the first day of the calendar month following the month for which a bill under this rate schedule is being calculated. Further, in accordance with TVA furnished or approved guidelines or specifications, TVA shall have unrestricted remote access to the metering data at all times, as well as unrestricted physical access to the metering facilities for the purpose of confirming remotely-accessed data during such periods as are specified by TVA.

For a customer requesting that its onpeak contract demand be different from its offpeak contract demand, this rate schedule shall be available only for (1) a new contract, (2) a replacement or renewal contract following expiration of the existing contract, or (3) a replacement or renewal contract or an amended existing contract in which the customer is increasing its demand requirements above the existing contract demand level, but under this item (3) neither the new onpeak nor the new offpeak contract demand shall be lower than the customer's existing contract demand.

A customer may not be on this rate schedule and participate in any demand response program which is designated by TVA as inconsistent with service under this schedule. A customer may not be on

this rate schedule and participate in TVA's Enhanced Growth Credit (EGC) Program unless it agrees to a modification of its EGC agreement to provide for the EGC credits to be capped according to applicable guidelines. A customer may not be on this rate schedule and participate in TVA's 5 Minute Response (5 MR) or 60 Minute Response (60 MR) Interruptible Programs unless it agrees to a modification of its 5 MR or 60 MR Agreement to provide for the 5 MR or 60 MR credit amounts to be shaped according to applicable guidelines.

Character of Service

Alternating current, single- or three-phase, 60 hertz. Power shall be delivered at a transmission voltage of 161 kV or, if such transmission voltage is not available, at the highest voltage available in the vicinity, unless at the customer's request a lower standard voltage is agreed upon.

Base Charges

- Customer Charge:** \$1,500 per delivery point per month
- Administrative Charge:** \$350 per delivery point per month
- Demand Charge:**
 - Summer Period** \$11.35 per kW per month of the customer's onpeak billing demand, plus \$2.65 per kW per month of the amount, if any, by which the customer's offpeak billing demand exceeds its onpeak billing demand, plus \$11.35 per kW per month of the amount, if any, by which (1) the customer's onpeak billing demand exceeds its onpeak contract demand or (2) the customer's offpeak billing demand exceeds its offpeak contract demand, whichever is higher.
 - Winter Period** \$6.38 per kW per month of the customer's onpeak billing demand, plus \$2.65 per kW per month of the amount, if any, by which the customer's offpeak billing demand exceeds its onpeak billing demand, plus \$6.38 per kW per month of the amount, if any, by which (1) the customer's onpeak billing demand exceeds its onpeak contract demand or (2) the customer's offpeak billing demand exceeds its offpeak contract demand, whichever is higher
 - Transition Period** \$2.65 per kW of offpeak billing demand per month, plus \$6.38 per kW per month of the amount, if any, by which the customer's offpeak billing demand exceeds its offpeak contract demand

Energy Charge:

- Summer Period** 5.414¢ per kWh per month for all onpeak kWh, plus
2.770¢ per kWh (adjusted for hours use of maximum metered demand as provided below) per month for all offpeak kWh
- Winter Period** 3.280¢ per kWh per month for all onpeak kWh, plus
2.770¢ per kWh (adjusted for hours use of maximum metered demand as provided below) per month for all offpeak kWh
- Transition Period** 2.770¢ per kWh (adjusted for hours use of maximum metered demand as provided below) per month for all kWh

Offpeak Hours Use of Demand Adjustment:

The above offpeak energy charges for the Summer Period and the Winter Period shall be increased or decreased in accordance with the hours use of maximum metered demand as follows:

- 0.195¢ per kWh for the first 425 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy
- 1.101¢ per kWh for the next 195 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy
- 2.202¢ per kWh for the hours use of maximum metered demand in excess of 620 hours multiplied by the ratio of offpeak energy to total energy

The above energy charge for a Transition Period shall be increased or decreased in accordance with the hours use of maximum metered demand as follows:

- 0.195¢ per kWh for the first 425 hours use of maximum metered demand
- 1.101¢ per kWh for the next 195 hours use of maximum metered demand
- 2.202¢ per kWh for the hours use of maximum metered demand in excess of 620 hours

For the Summer Period, Winter Period and Transition Period, no Offpeak Hours Use of Demand Adjustment would apply to the portion, if any, of the minimum offpeak energy takings amount that is greater than the metered energy.

Adjustment

The base demand and energy charges, and the adjustment amounts provided for in the Offpeak Hours Use of Demand Adjustment shall be increased or decreased in accordance with the current Adjustment Addendum published by TVA. (In addition, such charges shall be increased or decreased to correspond to increases or decreases determined by TVA under Adjustment 2 or Adjustment 4 of the wholesale power rate schedule applicable under contractual arrangements between TVA and Distributor.)

Facilities Rental Charge

There shall be no facilities rental charge under this rate schedule for delivery at bulk transmission voltage levels of 161 kV or higher. For delivery at less than 161 kV, there shall be added to the customer's bill a facilities rental charge. This charge shall be 36¢ per kW per month except for delivery at voltages below 46 kV, in which case the charge shall be 93¢ per kW per month for the first 10,000 kW and 73¢ per kW per month for the excess over 10,000 kW. Such charge shall be applied to the higher of (1) the highest billing demand established during the latest 12-consecutive-month period or (2) the customer's currently effective onpeak or offpeak contract demand, whichever is higher, and shall be in addition to all other charges under this rate schedule, including minimum bill charges.

Reactive Demand Charges

If the reactive demand (in kVAR) is lagging during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's highest metered demand occurs, there shall be added to the customer's bill a reactive charge of \$1.46 per kVAR of the amount, if any, by which the reactive demand exceeds 33 percent of such metered demand. If the reactive demand (in kVAR) is leading during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's lowest metered demand (excluding any metered demands which are less than 25 percent of the highest metered demand) occurs, there shall be added to the customer's bill a reactive charge of \$1.14 per kVAR of the amount of reactive demand. Such charges shall be in addition to all other charges under this rate schedule, including minimum bill charges.

Determination of Seasonal Periods

Summer Period shall mean the June, July, August, and September billing months. Winter Period shall mean the December, January, February, and March billing months. Transition Period shall mean the April, May, October, and November billing months. The Seasonal Periods under this rate schedule are subject to change by TVA. In the event TVA determines that changed Seasonal Periods are appropriate, it shall so notify Distributor at least 12 months prior to the effective date of such changed periods, and Distributor shall promptly notify customer.

Determination of Onpeak and Offpeak Hours

Except for Saturdays and Sundays and the weekdays that are observed as Federal holidays for New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day, onpeak hours for each day shall be 1 p.m. to 7 p.m. during the Summer Period and from 4 a.m. to 10 a.m. during the Winter Period. For the Summer Period and the Winter Period, all other hours of each year that are not otherwise defined as onpeak hours and all hours of such excepted days shall be offpeak hours. Such times shall be Central Standard Time or Central Daylight Time, whichever is then in effect. Said onpeak and offpeak hours are subject to change by TVA. In the event TVA determines that such changed onpeak and offpeak hours are appropriate, it shall so notify Distributor at least 12 months prior to the effective date of such changed hours, and Distributor shall promptly notify customer.

For the Transition Period, all hours shall be offpeak hours.

Determination of Onpeak and Offpeak Demands, Maximum Metered Demand, and Energy Amounts

The onpeak and offpeak kWh for any month shall be the energy amounts taken during the respective hours of the month designated under this rate schedule as onpeak and offpeak hours; provided, however, that notwithstanding the metered energy amount, the offpeak energy for any month

shall in no case be less than the product of (1) the offpeak billing demand as calculated in the last sentence of the paragraph below and (2) 110 hours (reflecting a 15 percent load factor applied to the average number of hours in a month).

Distributor shall meter the onpeak and offpeak demands in kW of all customers taking service under this rate schedule. The onpeak metered demand and offpeak metered demand for any month shall be determined separately for the respective hours of the month designated under this rate schedule as onpeak and offpeak hours and in each case shall be the highest average during any 30-consecutive-minute period beginning or ending on a clock hour of the month of the load metered in kW, and, except as provided below in this section, such amounts shall be used as the onpeak and offpeak billing demands. The maximum metered demand for any month shall be the higher of (1) the highest onpeak metered demand in the month or (2) the highest offpeak metered demand in the month. The onpeak billing demand shall in no case be less than the sum of (1) 30 percent of the first 5,000 kW, (2) 40 percent of the next 20,000 kW, and (3) 50 percent of any kW in excess of 25,000 kW of the higher of the currently effective onpeak contract demand or the highest onpeak billing demand established during the preceding 12 months. The offpeak billing demand shall in no case be less than the sum of (1) 30 percent of the first 5,000 kW, (2) 40 percent of the next 20,000 kW, and (3) 50 percent of any kW in excess of 25,000 kW of the higher of the currently effective offpeak contract demand or the highest offpeak billing demand established during the preceding 12 months.

Minimum Bill

The monthly bill under this rate schedule, excluding any facilities rental charges and any reactive charges, shall not be less than the sum of (1) the base customer charge, (2) the portion of the base demand charge, as adjusted, (but excluding the additional portion thereof applicable to excess of billing demand over contract demand) applicable to onpeak billing demand applied to the customer's onpeak billing demand, (3) the portion of the base demand charge, as adjusted, (but excluding the additional portion thereof applicable to excess of billing demand over contract demand) applicable to any excess of offpeak over onpeak billing demand applied to the amount, if any, by which the customer's offpeak billing demand exceeds its onpeak billing demand, (4) the base onpeak energy charge, as adjusted, applied to the customer's onpeak energy takings, and (5) the base offpeak energy charge, as adjusted, applied to the higher of customer's actual offpeak energy takings or the minimum offpeak energy takings amount provided for in the first paragraph of the section of this rate schedule entitled "Determination of Onpeak and Offpeak Demands, Maximum Metered Demand, and Energy Amounts". It is recognized that no Offpeak Hours Use of Demand Adjustment would apply to the portion, if any, of the minimum offpeak energy takings amount that is greater than the metered energy.

Distributor may require minimum bills higher than those stated above, including, without limitation, charges to cover any additional metering and related costs.

Contract Requirement

The contract requirement of the schedule (MSC or TMSC) for which this rate schedule is selected as an alternative shall continue to apply, both during the time this alternative rate schedule is in effect under that contract and afterwards. In addition, at the time that this rate schedule becomes effective for billing, there must be at least one year remaining on the contract required by such Schedule MSC or TMSC. The customer shall contract for its maximum requirements, which shall not exceed the amount of power capable of being used by customer, and Distributor shall not be obligated to supply power in greater amount at any time than the customer's currently effective onpeak or offpeak contract demand. If the customer uses any power other than that supplied by Distributor under this rate schedule, the contract may include other special provisions. The rate schedule in any power contract shall be subject to adjustment, modification, change, or replacement from time to time as provided under the power contract between Distributor and TVA.

At the end of the period of service under this rate schedule, the customer, subject to appropriate amendments to its power contract with Distributor, may receive service under Schedule MSC or TMSC for any required contract term then remaining; provided, however, that the contract demand for any such service under Schedule MSC shall not be less than the onpeak contract demand in effect when service was taken under this rate schedule.

Payment

Bills under this rate schedule will be rendered monthly. Any amount of bill unpaid after due date specified on bill may be subject to additional charges under Distributor's standard policy.

Single-Point Delivery

The charges under this rate schedule are based upon the supply of service through a single delivery and metering point, and at a single voltage. If service is supplied to the same customer through more than one point of delivery or at different voltages, the supply of service at each delivery and metering point and at each different voltage shall be separately metered and billed.

Service is subject to Rules and Regulations of Distributor.

TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION
TIME DIFFERENTIATED HOURS USE OF DEMAND
MANUFACTURING SERVICE RATE--SCHEDULE TDMSD
(October 2010)

Availability

This rate shall be available for firm electric power requirements where (a) a customer's currently effective onpeak or offpeak contract demand, whichever is higher, is greater than 25,000 kW, (b) the major use of electricity is for activities conducted at the delivery point serving that customer which are classified with a 2-digit Standard Industrial Classification Code between 20 and 39, inclusive, or classified with 2002 North American Industry Classification System (NAICS) code 5181, or 2007 NAICS codes 5182, 522320, and 541214; provided, however, customers qualifying for service under this schedule on the basis of such a NAICS code shall have an average monthly load factor of at least 80 percent during the preceding 12 months; provided further, however, that for the first 12 months of service to a new customer this load factor requirement shall be based on the customer's expected load factor for those 12 months as projected before the customer begins taking service, and (c) this rate schedule is elected as an alternative to service under Schedule MSD or TMSD for a 12-month period beginning no earlier than October 1, 2010, and no later than March 1, 2011; provided that the other conditions of this section are met. As used in the previous sentence "monthly load factor" shall mean a percentage calculated by dividing the total metered energy for a month by the product of the metered demand for that month and the number of clock hours in that month, exclusive of any hours during which power was unavailable due to an interruption or curtailment of the customer's service and of any hours in which the customer was unable to use power due to a Force Majeure event reasonably beyond the customer's control.

Prior to initially taking any service under this schedule, and from time to time thereafter as may be required by Distributor or the Tennessee Valley Authority (TVA), a customer shall certify to both Distributor and TVA that it meets the requirements set forth in condition (b) above. The certification form to be used shall be (i) furnished or approved by TVA, (ii) provided by Distributor to the customer, and (iii) signed and promptly returned by the customer to Distributor. Further, such customer shall promptly certify any change in the status of any of the information contained in the certification form to Distributor.

Service during any period for which a customer does not meet the eligibility requirements set forth in condition (b) above will be made available by Distributor under, and billed in accordance with, the applicable General Power schedule.

For customers served under this rate schedule, the customer's "meter-reading time" shall be 0000 hours CST or CDT, whichever is currently effective, on the first day of the calendar month following the month for which a bill under this rate schedule is being calculated. Further, in accordance with TVA furnished or approved guidelines or specifications, TVA shall have unrestricted remote access to the metering data at all times, as well as unrestricted physical access to the metering facilities for the purpose of confirming remotely-accessed data during such periods as are specified by TVA.

For a customer requesting that its onpeak contract demand be different from its offpeak contract demand, this rate schedule shall be available only for (1) a new contract, (2) a replacement or renewal contract following expiration of the existing contract, or (3) a replacement or renewal contract or an amended existing contract in which the customer is increasing its demand requirements above the existing contract demand level, but under this item (3) neither the new onpeak nor the new offpeak contract demand shall be lower than the customer's existing contract demand.

A customer may not be on this rate schedule and participate in any demand response program which is designated by TVA as inconsistent with service under this schedule. A customer may not be on

this rate schedule and participate in TVA's Enhanced Growth Credit (EGC) Program unless it agrees to a modification of its EGC agreement to provide for the EGC credits to be capped according to applicable guidelines. A customer may not be on this rate schedule and participate in TVA's 5 Minute Response (5 MR) or 60 Minute Response (60 MR) Interruptible Programs unless it agrees to a modification of its 5 MR or 60 MR Agreement to provide for the 5 MR or 60 MR credit amounts to be shaped according to applicable guidelines.

Character of Service

Alternating current, single- or three-phase, 60 hertz. Power shall be delivered at a transmission voltage of 161 kV or, if such transmission voltage is not available, at the highest voltage available in the vicinity, unless at the customer's request a lower standard voltage is agreed upon.

Base Charges

Customer Charge: \$1,500 per delivery point per month

Administrative Charge: \$350 per delivery point per month

Demand Charge:

Summer Period \$11.24 per kW per month of the customer's onpeak billing demand, plus \$2.54 per kW per month of the amount, if any, by which the customer's offpeak billing demand exceeds its onpeak billing demand, plus \$11.24 per kW per month of the amount, if any, by which (1) the customer's onpeak billing demand exceeds its onpeak contract demand or (2) the customer's offpeak billing demand exceeds its offpeak contract demand, whichever is higher

Winter Period \$6.27 per kW per month of the customer's onpeak billing demand, plus \$2.54 per kW per month of the amount, if any, by which the customer's offpeak billing demand exceeds its onpeak billing demand, plus \$6.27 per kW per month of the amount, if any, by which (1) the customer's onpeak billing demand exceeds its onpeak contract demand or (2) the customer's offpeak billing demand exceeds its offpeak contract demand, whichever is higher

Transition Period \$2.54 per kW of offpeak billing demand per month, plus \$6.27 per kW per month of the amount, if any, by which the customer's offpeak billing demand exceeds its offpeak contract demand

Energy Charge:

- Summer Period** 5.297¢ per kWh per month for all onpeak kWh, plus
2.655¢ per kWh (adjusted for hours use of maximum metered demand as provided below) per month for all offpeak kWh
- Winter Period** 3.152¢ per kWh per month for all onpeak kWh, plus
2.655¢ per kWh (adjusted for hours use of maximum metered demand as provided below) per month for all offpeak kWh
- Transition Period** 2.655¢ per kWh (adjusted for hours use of maximum metered demand as provided below) per month for all kWh

Offpeak Hours Use of Demand Adjustment:

The above offpeak energy charges for the Summer Period and the Winter Period shall be increased or decreased in accordance with the hours use of maximum metered demand as follows:

- 0.195¢ per kWh for the first 425 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy
- 1.101¢ per kWh for the next 195 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy
- 2.202¢ per kWh for the hours use of maximum metered demand in excess of 620 hours multiplied by the ratio of offpeak energy to total energy

The above energy charge for a Transition Period shall be increased or decreased in accordance with the hours use of maximum metered demand as follows:

- 0.195¢ per kWh for the first 425 hours use of maximum metered demand
- 1.101¢ per kWh for the next 195 hours use of maximum metered demand
- 2.202¢ per kWh for the hours use of maximum metered demand in excess of 620 hours

For the Summer Period, Winter Period and Transition Period, no Offpeak Hours Use of Demand Adjustment would apply to the portion, if any, of the minimum offpeak energy takings amount that is greater than the metered energy.

Adjustment

The base demand and energy charges, and the adjustment amounts provided for in the Offpeak Hours Use of Demand Adjustment shall be increased or decreased in accordance with the current Adjustment Addendum published by TVA. (In addition, such charges shall be increased or decreased to correspond to increases or decreases determined by TVA under Adjustment 2 or Adjustment 4 of the wholesale power rate schedule applicable under contractual arrangements between TVA and Distributor.)

Facilities Rental Charge

There shall be no facilities rental charge under this rate schedule for delivery at bulk transmission voltage levels of 161 kV or higher. For delivery at less than 161 kV, there shall be added to the customer's bill a facilities rental charge. This charge shall be 36¢ per kW per month except for delivery at voltages below 46 kV, in which case the charge shall be 93¢ per kW per month for the first 10,000 kW and 73¢ per kW per month for the excess over 10,000 kW. Such charge shall be applied to the higher of (1) the highest billing demand established during the latest 12-consecutive-month period or (2) the customer's currently effective onpeak or offpeak contract demand, whichever is higher, and shall be in addition to all other charges under this rate schedule, including minimum bill charges.

Reactive Demand Charges

If the reactive demand (in kVAR) is lagging during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's highest metered demand occurs, there shall be added to the customer's bill a reactive charge of \$1.46 per kVAR of the amount, if any, by which the reactive demand exceeds 33 percent of such metered demand. If the reactive demand (in kVAR) is leading during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's lowest metered demand (excluding any metered demands which are less than 25 percent of the highest metered demand) occurs, there shall be added to the customer's bill a reactive charge of \$1.14 per kVAR of the amount of reactive demand. Such charges shall be in addition to all other charges under this rate schedule, including minimum bill charges.

Determination of Seasonal Periods

Summer Period shall mean the June, July, August, and September billing months. Winter Period shall mean the December, January, February, and March billing months. Transition Period shall mean the April, May, October, and November billing months. The Seasonal Periods under this rate schedule are subject to change by TVA. In the event TVA determines that changed Seasonal Periods are appropriate, it shall so notify Distributor at least 12 months prior to the effective date of such changed periods, and Distributor shall promptly notify customer.

Determination of Onpeak and Offpeak Hours

Except for Saturdays and Sundays and the weekdays that are observed as Federal holidays for New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day, onpeak hours for each day shall be 1 p.m. to 7 p.m. during the Summer Period and from 4 a.m. to 10 a.m. during the Winter Period. For the Summer Period and the Winter Period, all other hours of each year that are not otherwise defined as onpeak hours and all hours of such excepted days shall be offpeak hours. Such times shall be Central Standard Time or Central Daylight Time, whichever is then in effect. Said onpeak and offpeak hours are subject to change by TVA. In the event TVA determines that such changed onpeak and offpeak hours are appropriate, it shall so notify Distributor at least 12 months prior to the effective date of such changed hours, and Distributor shall promptly notify customer.

For the Transition Period, all hours shall be offpeak hours.

Determination of Onpeak and Offpeak Demands, Maximum Metered Demand, and Energy Amounts

The onpeak and offpeak kWh for any month shall be the energy amounts taken during the respective hours of the month designated under this rate schedule as onpeak and offpeak hours; provided, however, that notwithstanding the metered energy amount, the offpeak energy for any month

shall in no case be less than the product of (1) the offpeak billing demand as calculated in the last sentence of the paragraph below and (2) 110 hours (reflecting a 15 percent load factor applied to the average number of hours in a month).

Distributor shall meter the onpeak and offpeak demands in kW of all customers taking service under this rate schedule. The onpeak metered demand and offpeak metered demand for any month shall be determined separately for the respective hours of the month designated under this rate schedule as onpeak and offpeak hours and in each case shall be the highest average during any 30-consecutive-minute period beginning or ending on a clock hour of the month of the load metered in kW, and, except as provided below in this section, such amounts shall be used as the onpeak and offpeak billing demands. The maximum metered demand for any month shall be the higher of (1) the highest onpeak metered demand in the month or (2) the highest offpeak metered demand in the month. The onpeak billing demand shall in no case be less than the sum of (1) 30 percent of the first 5,000 kW, (2) 40 percent of the next 20,000 kW, (3) 50 percent of the next 25,000 kW, (4) 60 percent of the next 50,000 kW, (5) 70 percent of the next 100,000 kW, (6) 80 percent of the next 150,000 kW, and (7) 85 percent of all kW in excess of 350,000 kW of the higher of the currently effective onpeak contract demand or the highest onpeak billing demand established during the preceding 12 months. The offpeak billing demand shall in no case be less than the sum of (1) 30 percent of the first 5,000 kW, (2) 40 percent of the next 20,000 kW, (3) 50 percent of the next 25,000 kW, (4) 60 percent of the next 50,000 kW, (5) 70 percent of the next 100,000 kW, (6) 80 percent of the next 150,000 kW, and (7) 85 percent of all kW in excess of 350,000 kW of the higher of the currently effective offpeak contract demand or the highest offpeak billing demand established during the preceding 12 months.

Minimum Bill

The monthly bill under this rate schedule, excluding any facilities rental charges and any reactive charges, shall not be less than the sum of (1) the base customer charge, (2) the portion of the base demand charge, as adjusted, (but excluding the additional portion thereof applicable to excess of billing demand over contract demand) applicable to onpeak billing demand applied to the customer's onpeak billing demand, (3) the portion of the base demand charge, as adjusted, (but excluding the additional portion thereof applicable to excess of billing demand over contract demand) applicable to any excess of offpeak over onpeak billing demand applied to the amount, if any, by which the customer's offpeak billing demand exceeds its onpeak billing demand, (4) the base onpeak energy charge, as adjusted, applied to the customer's onpeak energy takings, and (5) the base offpeak energy charge, as adjusted, applied to the higher of customer's actual offpeak energy takings or the minimum offpeak energy takings amount provided for in the first paragraph of the section of this rate schedule entitled "Determination of Onpeak and Offpeak Demands, Maximum Metered Demand, and Energy Amounts". It is recognized that no Offpeak Hours Use of Demand Adjustment would apply to the portion, if any, of the minimum offpeak energy takings amount that is greater than the metered energy.

Distributor may require minimum bills higher than those stated above, including, without limitation, charges to cover any additional metering and related costs.

Contract Requirement

The contract requirement of the schedule (MSD or TMSD) for which this rate schedule is selected as an alternative shall continue to apply, both during the time this alternative rate schedule is in effect under that contract and afterwards. In addition, at the time that this rate schedule becomes effective for billing, there must be at least one year remaining on the contract required by such Schedule MSD or TMSD. The customer shall contract for its maximum requirements, which shall not exceed the amount of power capable of being used by customer, and Distributor shall not be obligated to supply power in greater amount at any time than the customer's currently effective onpeak or offpeak contract demand. If the customer uses any power other than that supplied by Distributor under this rate schedule, the contract may include other special provisions. The rate schedule in any power contract shall be subject to

adjustment, modification, change, or replacement from time to time as provided under the power contract between Distributor and TVA.

At the end of the period of service under this rate schedule, the customer, subject to appropriate amendments to its power contract with Distributor, may receive service under Schedule MSD or TMSD for any required contract term then remaining; provided, however, that the contract demand for any such service under Schedule MSD shall not be less than the onpeak contract demand in effect when service was taken under this rate schedule.

Payment

Bills under this rate schedule will be rendered monthly. Any amount of bill unpaid after due date specified on bill may be subject to additional charges under Distributor's standard policy.

Single-Point Delivery

The charges under this rate schedule are based upon the supply of service through a single delivery and metering point, and at a single voltage. If service is supplied to the same customer through more than one point of delivery or at different voltages, the supply of service at each delivery and metering point and at each different voltage shall be separately metered and billed.

Service is subject to Rules and Regulations of Distributor.

TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION

PILOT SEASONAL DEMAND AND ENERGY GENERAL POWER RATE--SCHEDULE PSGSB

(October 2010)

Availability

This rate shall be available for firm electric power requirements where the customer's currently effective contract demand is greater than 5,000 kW but not more than 15,000 kW and where this rate schedule is elected as an alternative to service under Schedules GSB or TGSB for a 12-month period beginning no earlier than October 1, 2010, and no later than March 1, 2011.

Unless otherwise provided for in a written agreement between TVA and the distributor providing service under this rate schedule, for customers served under this rate schedule, the customer's "meter-reading time" shall be 0000 hours CST or CDT, whichever is currently effective, on the first day of the calendar month following the month for which a bill under this rate schedule is being calculated. Further, unless otherwise provided for in a written agreement between TVA and the distributor providing service under this rate schedule, in accordance with TVA furnished or approved guidelines or specifications, TVA shall have unrestricted remote access to the metering data at all times, as well as unrestricted physical access to the metering facilities for the purpose of confirming remotely-accessed data during such periods as are specified by TVA.

Character of Service

Alternating current, single- or three-phase, 60 hertz. Power shall be delivered at a transmission voltage of 161 kV or, if such transmission voltage is not available, at the highest voltage available in the vicinity, unless at the customer's request a lower standard voltage is agreed upon.

Base Charges

Customer Charge: \$1,500 per delivery point per month

Administrative Charge: \$350 per delivery point per month

Demand Charge:

Summer Period \$15.26 per kW per month of the customer's billing demand, plus
\$15.26 per kW per month of the amount, if any, by which the customer's
billing demand exceeds its contract demand

Winter Period \$10.90 per kW per month of the customer's billing demand, plus
\$10.90 per kW per month of the amount, if any, by which the customer's
billing demand exceeds its contract demand

Transition Period \$7.61 per kW per month of the customer's billing demand, plus
\$7.61 per kW per month of the amount, if any, by which the customer's
billing demand exceeds its contract demand

Energy Charge:

Summer Period 3.119¢ per kWh per month

Winter Period 2.835¢ per kWh per month

Transition Period 2.773¢ per kWh per month

Adjustment

The base demand and energy charges shall be increased or decreased in accordance with the current Adjustment Addendum published by TVA. In addition, such charges shall be increased or decreased to correspond to increases or decreases determined by TVA under Adjustment 2 or Adjustment 4 of the wholesale power rate schedule applicable under contractual arrangements between TVA and Distributor.

Facilities Rental Charge

There shall be no facilities rental charge under this rate schedule for delivery at bulk transmission voltage levels of 161 kV or higher. For delivery at less than 161 kV, there shall be added to the customer's bill a facilities rental charge. This charge shall be 36¢ per kW per month except for delivery at voltages below 46 kV, in which case the charge shall be 93¢ per kW per month for the first 10,000 kW and 73¢ per kW per month for the excess over 10,000 kW. Such charge shall be applied to the higher of (1) the highest billing demand established during the latest 12-consecutive-month period or (2) the customer's currently effective contract demand and shall be in addition to all other charges under this rate schedule, including minimum bill charges.

Reactive Demand Charges

If the reactive demand (in kVAR) is lagging during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's highest metered demand occurs, there shall be added to the customer's bill a reactive charge of \$1.46 per kVAR of the amount, if any, by which the reactive demand exceeds 33 percent of such metered demand. If the reactive demand (in kVAR) is leading during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's lowest metered demand (excluding any metered demands which are less than 25 percent of the highest metered demand) occurs, there shall be added to the customer's bill a reactive charge of \$1.14 per kVAR of the amount of reactive demand. Such charges shall be in addition to all other charges under this rate schedule, including minimum bill charges.

Determination of Seasonal Periods

Summer Period shall mean the June, July, August, and September billing months. Winter Period shall mean the December, January, February, and March billing months. Transition Period shall mean the April, May, October, and November billing months.

Determination of Demand

Distributor shall meter the demands in kW of all customers served under this rate schedule. The metered demand for any month shall be the highest average during any 30-consecutive-minute period beginning or ending on a clock hour of the month of the load metered in kW, and such amount shall be used as the billing demand, except that the billing demand for any month shall in no case be less than the sum of (1) 30 percent of the first 5,000 kW and (2) 40 percent of any kW in excess of 5,000 kW of the higher of the currently effective contract demand or the highest billing demand established during the preceding 12 months.

Minimum Bill

The monthly bill under this rate schedule, excluding any facilities rental charges and any reactive charges, shall not be less than the sum of (1) the base customer charge, (2) the base demand charge, as adjusted (but excluding the additional portion thereof applicable to excess of billing demand over contract demand) applied to the customer's billing demand, and (3) the base energy charge, as adjusted, applied to the customer's energy takings.

Distributor may require minimum bills higher than those stated above.

Contract Requirement

The contract requirement of the schedule (GSB or TGSB) for which this rate schedule is selected as an alternative shall continue to apply, both during the time this alternative rate schedule is in effect under that contract and afterwards. In addition, at the time that this rate schedule becomes effective for billing, there must be at least one year remaining on the contract required by such Schedule GSB or TGSB. The customer shall contract for its maximum requirements, which shall not exceed the amount of power capable of being used by customer, and Distributor shall not be obligated to supply power in greater amount at any time than the customer's currently effective contract demand. If the customer uses any power other than that supplied by Distributor under this rate schedule, the contract may include other special provisions. The rate schedule in any power contract shall be subject to adjustment, modification, change, or replacement from time to time as provided under the power contract between Distributor and TVA.

At the end of the period of service under this rate schedule, the customer, subject to appropriate amendments in its power contract with Distributor, may receive service under Schedule GSB or TGSB for any required contract term then remaining; provided, however, that the onpeak contract demand for any such service under Schedule TGSB shall not be less than the contract demand in effect when service was taken under this rate schedule.

Payment

Bills under this rate schedule will be rendered monthly. Any amount of bill unpaid after due date specified on bill may be subject to additional charges under Distributor's standard policy.

Single-Point Delivery

The charges under this rate schedule are based upon the supply of service through a single delivery and metering point, and at a single voltage. If service is supplied to the same customer through more than one point of delivery or at different voltages, the supply of service at each delivery and metering point and at each different voltage shall be separately metered and billed.

Service is subject to Rules and Regulations of Distributor.

TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION

PILOT SEASONAL DEMAND AND ENERGY GENERAL POWER RATE--SCHEDULE PSGSC

(October 2010)

Availability

This rate shall be available for firm electric power requirements where the customer's currently effective contract demand is greater than 15,000 kW but not more than 25,000 kW and where this rate schedule is elected as an alternative to service under Schedules GSC or TGSC for a 12-month period beginning no earlier than October 1, 2010, and no later than March 1, 2011.

Unless otherwise provided for in a written agreement between TVA and the distributor providing service under this rate schedule, for customers served under this rate schedule, the customer's "meter-reading time" shall be 0000 hours CST or CDT, whichever is currently effective, on the first day of the calendar month following the month for which a bill under this rate schedule is being calculated. Further, unless otherwise provided for in a written agreement between TVA and the distributor providing service under this rate schedule, in accordance with TVA furnished or approved guidelines or specifications, TVA shall have unrestricted remote access to the metering data at all times, as well as unrestricted physical access to the metering facilities for the purpose of confirming remotely-accessed data during such periods as are specified by TVA.

Character of Service

Alternating current, single- or three-phase, 60 hertz. Power shall be delivered at a transmission voltage of 161 kV or, if such transmission voltage is not available, at the highest voltage available in the vicinity, unless at the customer's request a lower standard voltage is agreed upon.

Base Charges

Customer Charge:	\$1,500 per delivery point per month
Administrative Charge:	\$350 per delivery point per month
Demand Charge:	
Summer Period	\$15.26 per kW per month of the customer's billing demand, plus \$15.26 per kW per month of the amount, if any, by which the customer's billing demand exceeds its contract demand
Winter Period	\$10.90 per kW per month of the customer's billing demand, plus \$10.90 per kW per month of the amount, if any, by which the customer's billing demand exceeds its contract demand
Transition Period	\$7.61 per kW per month of the customer's billing demand, plus \$7.61 per kW per month of the amount, if any, by which the customer's billing demand exceeds its contract demand
Energy Charge:	
Summer Period	3.127¢ per kWh per month
Winter Period	2.838¢ per kWh per month
Transition Period	2.777¢ per kWh per month

Adjustment

The base demand and energy charges shall be increased or decreased in accordance with the current Adjustment Addendum published by TVA. In addition, such charges shall be increased or decreased to correspond to increases or decreases determined by TVA under Adjustment 2 or Adjustment 4 of the wholesale power rate schedule applicable under contractual arrangements between TVA and Distributor.

Facilities Rental Charge

There shall be no facilities rental charge under this rate schedule for delivery at bulk transmission voltage levels of 161 kV or higher. For delivery at less than 161 kV, there shall be added to the customer's bill a facilities rental charge. This charge shall be 36¢ per kW per month except for delivery at voltages below 46 kV, in which case the charge shall be 93¢ per kW per month for the first 10,000 kW and 73¢ per kW per month for the excess over 10,000 kW. Such charge shall be applied to the higher of (1) the highest billing demand established during the latest 12-consecutive-month period or (2) the customer's currently effective contract demand and shall be in addition to all other charges under this rate schedule, including minimum bill charges.

Reactive Demand Charges

If the reactive demand (in kVAR) is lagging during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's highest metered demand occurs, there shall be added to the customer's bill a reactive charge of \$1.46 per kVAR of the amount, if any, by which the reactive demand exceeds 33 percent of such metered demand. If the reactive demand (in kVAR) is leading during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's lowest metered demand (excluding any metered demands which are less than 25 percent of the highest metered demand) occurs, there shall be added to the customer's bill a reactive charge of \$1.14 per kVAR of the amount of reactive demand. Such charges shall be in addition to all other charges under this rate schedule, including minimum bill charges.

Determination of Seasonal Periods

Summer Period shall mean the June, July, August, and September billing months. Winter Period shall mean the December, January, February, and March billing months. Transition Period shall mean the April, May, October, and November billing months.

Determination of Demand

Distributor shall meter the demands in kW of all customers served under this rate schedule. The metered demand for any month shall be the highest average during any 30-consecutive-minute period beginning or ending on a clock hour of the month of the load metered in kW, and such amount shall be used as the billing demand, except that the billing demand for any month shall in no case be less than the sum of (1) 30 percent of the first 5,000 kW, (2) 40 percent of the next 20,000 kW, and (3) 50 percent of any kW in excess of 25,000 kW of the higher of the currently effective contract demand or the highest billing demand established during the preceding 12 months.

Minimum Bill

The monthly bill under this rate schedule, excluding any facilities rental charges and any reactive charges, shall not be less than the sum of (1) the base customer charge, (2) the base demand charge, as adjusted (but excluding the additional portion thereof applicable to excess of billing demand over contract demand) applied to the customer's billing demand, and (3) the base energy charge, as adjusted, applied to the customer's energy takings.

Distributor may require minimum bills higher than those stated above.

Contract Requirement

The contract requirement of the schedule (GSC or TGSC) for which this rate schedule is selected as an alternative shall continue to apply, both during the time this alternative rate schedule is in effect under that contract and afterwards. In addition, at the time that this rate schedule becomes effective for billing, there must be at least one year remaining on the contract required by such Schedule GSC or TGSC. The customer shall contract for its maximum requirements, which shall not exceed the amount of power capable of being used by customer, and Distributor shall not be obligated to supply power in greater amount at any time than the customer's currently effective contract demand. If the customer uses any power other than that supplied by Distributor under this rate schedule, the contract may include other special provisions. The rate schedule in any power contract shall be subject to adjustment, modification, change, or replacement from time to time as provided under the power contract between Distributor and TVA.

At the end of the period of service under this rate schedule, the customer, subject to appropriate amendments in its power contract with Distributor, may receive service under Schedule GSC or TGSC for any required contract term then remaining; provided, however, that the onpeak contract demand for any such service under Schedule TGSC shall not be less than the contract demand in effect when service was taken under this rate schedule.

Payment

Bills under this rate schedule will be rendered monthly. Any amount of bill unpaid after due date specified on bill may be subject to additional charges under Distributor's standard policy.

Single-Point Delivery

The charges under this rate schedule are based upon the supply of service through a single delivery and metering point, and at a single voltage. If service is supplied to the same customer through more than one point of delivery or at different voltages, the supply of service at each delivery and metering point and at each different voltage shall be separately metered and billed.

Service is subject to Rules and Regulations of Distributor.

TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION

PILOT SEASONAL DEMAND AND ENERGY GENERAL POWER RATE--SCHEDULE PSGSD

(October 2010)

Availability

This rate shall be available for firm electric power requirements where the customer's currently effective contract demand is greater than 25,000 kW and where this rate schedule is elected as an alternative to service under Schedules GSD or TGSD for a 12-month period beginning no earlier than October 1, 2010, and no later than March 1, 2011.

Unless otherwise provided for in a written agreement between TVA and the distributor providing service under this rate schedule, for customers served under this rate schedule, the customer's "meter-reading time" shall be 0000 hours CST or CDT, whichever is currently effective, on the first day of the calendar month following the month for which a bill under this rate schedule is being calculated. Further, unless otherwise provided for in a written agreement between TVA and the distributor providing service under this rate schedule, in accordance with TVA furnished or approved guidelines or specifications, TVA shall have unrestricted remote access to the metering data at all times, as well as unrestricted physical access to the metering facilities for the purpose of confirming remotely-accessed data during such periods as are specified by TVA.

Character of Service

Alternating current, single- or three-phase, 60 hertz. Power shall be delivered at a transmission voltage of 161 kV or, if such transmission voltage is not available, at the highest voltage available in the vicinity, unless at the customer's request a lower standard voltage is agreed upon.

Base Charges

Customer Charge: \$1,500 per delivery point per month

Administrative Charge: \$350 per delivery point per month

Demand Charge:

Summer Period: \$17.11 per kW per month of the customer's billing demand, plus

\$17.11 per kW per month of the amount, if any, by which the customer's billing demand exceeds its contract demand

Winter Period: \$12.73 per kW per month of the customer's billing demand, plus

\$12.73 per kW per month of the amount, if any, by which the customer's billing demand exceeds its contract demand

Transition Period: \$9.45 per kW per month of the customer's billing demand, plus

\$9.45 per kW per month of the amount, if any, by which the customer's billing demand exceeds its contract demand

Energy Charge:

Summer Period: 2.640¢ per kWh per month

Winter Period: 2.388¢ per kWh per month

Transition Period: 2.332¢ per kWh per month

Adjustment

The base demand and energy charges shall be increased or decreased in accordance with the current Adjustment Addendum published by TVA. In addition, such charges shall be increased or decreased to correspond to increases or decreases determined by TVA under Adjustment 2 or Adjustment 4 of the wholesale power rate schedule applicable under contractual arrangements between TVA and Distributor.

Facilities Rental Charge

There shall be no facilities rental charge under this rate schedule for delivery at bulk transmission voltage levels of 161 kV or higher. For delivery at less than 161 kV, there shall be added to the customer's bill a facilities rental charge. This charge shall be 36¢ per kW per month except for delivery at voltages below 46 kV, in which case the charge shall be 93¢ per kW per month for the first 10,000 kW and 73¢ per kW per month for the excess over 10,000 kW. Such charge shall be applied to the higher of (1) the highest billing demand established during the latest 12-consecutive-month period or (2) the customer's currently effective contract demand and shall be in addition to all other charges under this rate schedule, including minimum bill charges.

Reactive Demand Charges

If the reactive demand (in kVAR) is lagging during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's highest metered demand occurs, there shall be added to the customer's bill a reactive charge of \$1.46 per kVAR of the amount, if any, by which the reactive demand exceeds 33 percent of such metered demand. If the reactive demand (in kVAR) is leading during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's lowest metered demand (excluding any metered demands which are less than 25 percent of the highest metered demand) occurs, there shall be added to the customer's bill a reactive charge of \$1.14 per kVAR of the amount of reactive demand. Such charges shall be in addition to all other charges under this rate schedule, including minimum bill charges.

Determination of Seasonal Periods

Summer Period shall mean the June, July, August, and September billing months. Winter Period shall mean the December, January, February, and March billing months. Transition Period shall mean the April, May, October, and November billing months.

Determination of Demand

Distributor shall meter the demands in kW of all customers served under this rate schedule. The metered demand for any month shall be the highest average during any 30-consecutive-minute period beginning or ending on a clock hour of the month of the load metered in kW, and such amount shall be used as the billing demand, except that the billing demand for any month shall in no case be less than the sum of (1) 30 percent of the first 5,000 kW, (2) 40 percent of the next 20,000 kW, (3) 50 percent of the next 25,000 kW, (4) 60 percent of the next 50,000 kW, (5) 70 percent of the next 100,000 kW, (6) 80 percent of the next 150,000 kW, and (7) 85 percent of all kW in excess of 350,000 kW of the higher of the currently effective contract demand or the highest billing demand established during the preceding 12 months.

Minimum Bill

The monthly bill under this rate schedule, excluding any facilities rental charges and any reactive charges, shall not be less than the sum of (1) the base customer charge, (2) the base demand charge, as adjusted (but excluding the additional portion thereof applicable to excess of billing demand over contract demand) applied to the customer's billing demand, and (3) the base energy charge, as adjusted, applied to the customer's energy takings.

Distributor may require minimum bills higher than those stated above.

Contract Requirement

The contract requirement of the schedule (GSD or TGSD) for which this rate schedule is selected as an alternative shall continue to apply, both during the time this alternative rate schedule is in effect under that contract and afterwards. In addition, at the time that this rate schedule becomes effective for billing, there must be at least one year remaining on the contract required by such Schedule GSD or TGSD. The customer shall contract for its maximum requirements, which shall not exceed the amount of power capable of being used by customer, and Distributor shall not be obligated to supply power in greater amount at any time than the customer's currently effective contract demand. If the customer uses any power other than that supplied by Distributor under this rate schedule, the contract may include other special provisions. The rate schedule in any power contract shall be subject to adjustment, modification, change, or replacement from time to time as provided under the power contract between Distributor and TVA.

At the end of the period of service under this rate schedule, the customer, subject to appropriate amendments in its power contract with Distributor, may receive service under Schedule GSD or TGSD for any required contract term then remaining; provided, however, that the onpeak contract demand for any such service under Schedule TGSD shall not be less than the contract demand in effect when service was taken under this rate schedule.

Payment

Bills under this rate schedule will be rendered monthly. Any amount of bill unpaid after due date specified on bill may be subject to additional charges under Distributor's standard policy.

Single-Point Delivery

The charges under this rate schedule are based upon the supply of service through a single delivery and metering point, and at a single voltage. If service is supplied to the same customer through more than one point of delivery or at different voltages, the supply of service at each delivery and metering point and at each different voltage shall be separately metered and billed.

Service is subject to Rules and Regulations of Distributor.

TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION
PILOT SEASONAL DEMAND AND ENERGY
MANUFACTURING SERVICE RATE--SCHEDULE PSMSB
(October 2010)

Availability

This rate shall be available for firm electric power requirements where (a) a customer's currently effective contract demand is greater than 5,000 kW but not more than 15,000 kW, (b) the major use of electricity is for activities conducted at the delivery point serving that customer which are classified with a 2-digit Standard Industrial Classification Code between 20 and 39, inclusive, or classified with 2002 North American Industry Classification System (NAICS) code 5181, or 2007 NAICS codes 5182, 522320, and 541214; provided, however, customers qualifying for service under this schedule on the basis of such a NAICS code shall have an average monthly load factor of at least 80 percent during the preceding 12 months; provided further, however, that for the first 12 months of service to a new customer this load factor requirement shall be based on the customer's expected load factor for those 12 months as projected before the customer begins taking service, and (c) this rate schedule is elected as an alternative to service under Schedules MSB or TMSB for a 12-month period beginning no earlier than October 1, 2010, and no later than March 1, 2011. As used in the previous sentence "monthly load factor" shall mean a percentage calculated by dividing the total metered energy for a month by the product of the metered demand for that month and the number of clock hours in that month, exclusive of any hours during which power was unavailable due to an interruption or curtailment of the customer's service and of any hours in which the customer was unable to use power due to a Force Majeure event reasonably beyond the customer's control.

Prior to initially taking any service under this schedule, and from time to time thereafter as may be required by Distributor or the Tennessee Valley Authority (TVA), a customer shall certify to both Distributor and TVA that it meets the requirements set forth in condition (b) above. The certification form to be used shall be (i) furnished or approved by TVA, (ii) provided by Distributor to the customer, and (iii) signed and promptly returned by the customer to Distributor. Further, such customer shall promptly certify any change in the status of any of the information contained in the certification form to Distributor.

Service during any period for which a customer does not meet the eligibility requirements set forth in condition (b) above will be made available by Distributor under, and billed in accordance with, the applicable General Power schedule.

Unless otherwise provided for in a written agreement between TVA and the distributor providing service under this rate schedule, for customers served under this rate schedule, the customer's "meter-reading time" shall be 0000 hours CST or CDT, whichever is currently effective, on the first day of the calendar month following the month for which a bill under this rate schedule is being calculated. Further, unless otherwise provided for in a written agreement between TVA and the distributor providing service under this rate schedule, in accordance with TVA furnished or approved guidelines or specifications, TVA shall have unrestricted remote access to the metering data at all times, as well as unrestricted physical access to the metering facilities for the purpose of confirming remotely-accessed data during such periods as are specified by TVA.

Character of Service

Alternating current, single- or three-phase, 60 hertz. Power shall be delivered at a transmission voltage of 161 kV or, if such transmission voltage is not available, at the highest voltage available in the vicinity, unless at the customer's request a lower standard voltage is agreed upon.

Base Charges

Customer Charge: \$1,500 per delivery point per month

Administrative Charge: \$350 per delivery point per month

Demand Charge:

Summer Period \$13.26 per kW per month of the customer's billing demand, plus
\$13.26 per kW per month of the amount, if any, by which the customer's
billing demand exceeds its contract demand

Winter Period \$8.89 per kW per month of the customer's billing demand, plus
\$8.89 per kW per month of the amount, if any, by which the customer's
billing demand exceeds its contract demand

Transition Period \$5.60 per kW per month of the customer's billing demand, plus
\$5.60 per kW per month of the amount, if any, by which the customer's
billing demand exceeds its contract demand

Energy Charge:

Summer Period 2.589¢ per kWh per month

Winter Period 2.268¢ per kWh per month

Transition Period 2.194¢ per kWh per month

Adjustment

The base demand and energy charges shall be increased or decreased in accordance with the current Adjustment Addendum published by TVA. In addition, such charges shall be increased or decreased to correspond to increases or decreases determined by TVA under Adjustment 2 or Adjustment 4 of the wholesale power rate schedule applicable under contractual arrangements between TVA and Distributor.

Facilities Rental Charge

There shall be no facilities rental charge under this rate schedule for delivery at bulk transmission voltage levels of 161 kV or higher. For delivery at less than 161 kV, there shall be added to the customer's bill a facilities rental charge. This charge shall be 36¢ per kW per month except for delivery at voltages below 46 kV, in which case the charge shall be 93¢ per kW per month for the first 10,000 kW and 73¢ per kW per month for the excess over 10,000 kW. Such charge shall be applied to the higher of (1) the highest billing demand established during the latest 12-consecutive-month period or (2) the customer's currently effective contract demand and shall be in addition to all other charges under this rate schedule, including minimum bill charges.

Reactive Demand Charges

If the reactive demand (in kVAR) is lagging during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's highest metered demand occurs, there shall be added to the customer's bill a reactive charge of \$1.46 per kVAR of the amount, if any, by which the reactive demand exceeds 33 percent of such metered demand. If the reactive demand (in kVAR) is leading during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's lowest metered demand (excluding any metered demands which are less than 25 percent of the highest metered demand) occurs, there shall be added to the customer's bill a reactive charge of \$1.14 per kVAR of the amount of reactive demand. Such charges shall be in addition to all other charges under this rate schedule, including minimum bill charges.

Determination of Seasonal Periods

Summer Period shall mean the June, July, August, and September billing months. Winter Period shall mean the December, January, February, and March billing months. Transition Period shall mean the April, May, October, and November billing months.

Determination of Demand

Distributor shall meter the demands in kW of all customers served under this rate schedule. The metered demand for any month shall be the highest average during any 30-consecutive-minute period beginning or ending on a clock hour of the month of the load metered in kW, and such amount shall be used as the billing demand, except that the billing demand for any month shall in no case be less than the sum of (1) 30 percent of the first 5,000 kW and (2) 40 percent of any kW in excess of 5,000 kW of the higher of the currently effective contract demand or the highest billing demand established during the preceding 12 months.

Minimum Bill

The monthly bill under this rate schedule, excluding any facilities rental charges and any reactive charges, shall not be less than the sum of (1) the base customer charge, (2) the base demand charge, as adjusted (but excluding the additional portion thereof applicable to excess of billing demand over contract demand) applied to the customer's billing demand, and (3) the base energy charge, as adjusted, applied to the customer's energy takings.

Distributor may require minimum bills higher than those stated above.

Contract Requirement

The contract requirement of the schedule (MSB or TMSB) for which this rate schedule is selected as an alternative shall continue to apply, both during the time this alternative rate schedule is in effect under that contract and afterwards. In addition, at the time that this rate schedule becomes effective for billing, there must be at least one year remaining on the contract required by such Schedule MSB or TMSB. The customer shall contract for its maximum requirements, which shall not exceed the amount of power capable of being used by customer, and Distributor shall not be obligated to supply power in greater amount at any time than the customer's currently effective contract demand. If the customer uses any power other than that supplied by Distributor under this rate schedule, the contract may include other special provisions. The rate schedule in any power contract shall be subject to adjustment, modification, change, or replacement from time to time as provided under the power contract between Distributor and TVA.

At the end of the period of service under this rate schedule, the customer, subject to appropriate amendments in its power contract with Distributor, may receive service under Schedule MSB or TMSB for any required contract term then remaining; provided, however, that the onpeak contract demand for any such service under Schedule TMSB shall not be less than the contract demand in effect when service was taken under this rate schedule.

Payment

Bills under this rate schedule will be rendered monthly. Any amount of bill unpaid after due date specified on bill may be subject to additional charges under Distributor's standard policy.

Single-Point Delivery

The charges under this rate schedule are based upon the supply of service through a single delivery and metering point, and at a single voltage. If service is supplied to the same customer through more than one point of delivery or at different voltages, the supply of service at each delivery and metering point and at each different voltage shall be separately metered and billed.

Service is subject to Rules and Regulations of Distributor.

This rate schedule is subject to the Rules and Regulations of the Distributor. The Distributor reserves the right to modify or terminate this rate schedule at any time without notice. The Distributor is not responsible for any loss of service or damage to property caused by power interruptions. The Distributor is not responsible for any loss of data or other information stored on any equipment connected to the power system. The Distributor is not responsible for any loss of service or damage to property caused by power interruptions.

Other

This rate schedule is subject to the Rules and Regulations of the Distributor. The Distributor reserves the right to modify or terminate this rate schedule at any time without notice. The Distributor is not responsible for any loss of service or damage to property caused by power interruptions. The Distributor is not responsible for any loss of data or other information stored on any equipment connected to the power system. The Distributor is not responsible for any loss of service or damage to property caused by power interruptions.

TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION
PILOT SEASONAL DEMAND AND ENERGY
MANUFACTURING SERVICE RATE--SCHEDULE PSMSC
(October 2010)

Availability

This rate shall be available for firm electric power requirements where (a) a customer's currently effective contract demand is greater than 15,000 kW but not more than 25,000 kW, (b) the major use of electricity is for activities conducted at the delivery point serving that customer which are classified with a 2-digit Standard Industrial Classification Code between 20 and 39, inclusive, or classified with 2002 North American Industry Classification System (NAICS) code 5181, or 2007 NAICS codes 5182, 522320, and 541214; provided, however, customers qualifying for service under this schedule on the basis of such a NAICS code shall have an average monthly load factor of at least 80 percent during the preceding 12 months; provided further, however, that for the first 12 months of service to a new customer this load factor requirement shall be based on the customer's expected load factor for those 12 months as projected before the customer begins taking service, and (c) this rate schedule is elected as an alternative to service under Schedules MSC or TMSO for a 12-month period beginning no earlier than October 1, 2010, and no later than March 1, 2011. As used in the previous sentence "monthly load factor" shall mean a percentage calculated by dividing the total metered energy for a month by the product of the metered demand for that month and the number of clock hours in that month, exclusive of any hours during which power was unavailable due to an interruption or curtailment of the customer's service and of any hours in which the customer was unable to use power due to a Force Majeure event reasonably beyond the customer's control.

Prior to initially taking any service under this schedule, and from time to time thereafter as may be required by Distributor or the Tennessee Valley Authority (TVA), a customer shall certify to both Distributor and TVA that it meets the requirements set forth in condition (b) above. The certification form to be used shall be (i) furnished or approved by TVA, (ii) provided by Distributor to the customer, and (iii) signed and promptly returned by the customer to Distributor. Further, such customer shall promptly certify any change in the status of any of the information contained in the certification form to Distributor.

Service during any period for which a customer does not meet the eligibility requirements set forth in condition (b) above will be made available by Distributor under, and billed in accordance with, the applicable General Power schedule.

Unless otherwise provided for in a written agreement between TVA and the distributor providing service under this rate schedule, for customers served under this rate schedule, the customer's "meter-reading time" shall be 0000 hours CST or CDT, whichever is currently effective, on the first day of the calendar month following the month for which a bill under this rate schedule is being calculated. Further, unless otherwise provided for in a written agreement between TVA and the distributor providing service under this rate schedule, in accordance with TVA furnished or approved guidelines or specifications, TVA shall have unrestricted remote access to the metering data at all times; as well as unrestricted physical access to the metering facilities for the purpose of confirming remotely-accessed data during such periods as are specified by TVA.

Character of Service

Alternating current, single- or three-phase, 60 hertz. Power shall be delivered at a transmission voltage of 161 kV or, if such transmission voltage is not available, at the highest voltage available in the vicinity, unless at the customer's request a lower standard voltage is agreed upon.

Base Charges

Customer Charge: \$1,500 per delivery point per month

Administrative Charge: \$350 per delivery point per month

Demand Charge:

Summer Period \$12.75 per kW per month of the customer's billing demand, plus

\$12.75 per kW per month of the amount, if any, by which the customer's billing demand exceeds its contract demand

Winter Period \$8.38 per kW per month of the customer's billing demand, plus

\$8.38 per kW per month of the amount, if any, by which the customer's billing demand exceeds its contract demand

Transition Period \$5.09 per kW per month of the customer's billing demand, plus

\$5.09 per kW per month of the amount, if any, by which the customer's billing demand exceeds its contract demand

Energy Charge:

Summer Period 2.569¢ per kWh per month

Winter Period 2.268¢ per kWh per month

Transition Period 2.196¢ per kWh per month

Adjustment

The base demand and energy charges shall be increased or decreased in accordance with the current Adjustment Addendum published by TVA. In addition, such charges shall be increased or decreased to correspond to increases or decreases determined by TVA under Adjustment 2 or Adjustment 4 of the wholesale power rate schedule applicable under contractual arrangements between TVA and Distributor.

Facilities Rental Charge

There shall be no facilities rental charge under this rate schedule for delivery at bulk transmission voltage levels of 161 kV or higher. For delivery at less than 161 kV, there shall be added to the customer's bill a facilities rental charge. This charge shall be 36¢ per kW per month except for delivery at voltages below 46 kV, in which case the charge shall be 93¢ per kW per month for the first 10,000 kW and 73¢ per kW per month for the excess over 10,000 kW. Such charge shall be applied to the higher of (1) the highest billing demand established during the latest 12-consecutive-month period or (2) the customer's currently effective contract demand and shall be in addition to all other charges under this rate schedule, including minimum bill charges.

Reactive Demand Charges

If the reactive demand (in kVAR) is lagging during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's highest metered demand occurs, there shall be added to the customer's bill a reactive charge of \$1.46 per kVAR of the amount, if any, by which the reactive demand exceeds 33 percent of such metered demand. If the reactive demand (in kVAR) is leading during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's lowest metered demand (excluding any metered demands which are less than 25 percent of the highest metered demand) occurs, there shall be added to the customer's bill a reactive charge of \$1.14 per kVAR of the amount of reactive demand. Such charges shall be in addition to all other charges under this rate schedule, including minimum bill charges.

Determination of Seasonal Periods

Summer Period shall mean the June, July, August, and September billing months. Winter Period shall mean the December, January, February, and March billing months. Transition Period shall mean the April, May, October, and November billing months.

Determination of Demand

Distributor shall meter the demands in kW of all customers served under this rate schedule. The metered demand for any month shall be the highest average during any 30-consecutive-minute period beginning or ending on a clock hour of the month of the load metered in kW, and such amount shall be used as the billing demand, except that the billing demand for any month shall in no case be less than the sum of (1) 30 percent of the first 5,000 kW, (2) 40 percent of the next 20,000 kW, and (3) 50 percent of any kW in excess of 25,000 kW of the higher of the currently effective contract demand or the highest billing demand established during the preceding 12 months.

Minimum Bill

The monthly bill under this rate schedule, excluding any facilities rental charges and any reactive charges, shall not be less than the sum of (1) the base customer charge, (2) the base demand charge, as adjusted (but excluding the additional portion thereof applicable to excess of billing demand over contract demand) applied to the customer's billing demand, and (3) the base energy charge, as adjusted, applied to the customer's energy takings.

Distributor may require minimum bills higher than those stated above.

Contract Requirement

The contract requirement of the schedule (MSC or TMSC) for which this rate schedule is selected as an alternative shall continue to apply, both during the time this alternative rate schedule is in effect under that contract and afterwards. In addition, at the time that this rate schedule becomes effective for billing, there must be at least one year remaining on the contract required by such Schedule MSC or TMSC. The customer shall contract for its maximum requirements, which shall not exceed the amount of power capable of being used by customer, and Distributor shall not be obligated to supply power in greater amount at any time than the customer's currently effective contract demand. If the customer uses any power other than that supplied by Distributor under this rate schedule, the contract may include other special provisions. The rate schedule in any power contract shall be subject to adjustment, modification, change, or replacement from time to time as provided under the power contract between Distributor and TVA.

At the end of the period of service under this rate schedule, the customer, subject to appropriate amendments in its power contract with Distributor, may receive service under Schedule MSC or TMSC for any required contract term then remaining; provided, however, that the onpeak contract demand for any such service under Schedule TMSC shall not be less than the contract demand in effect when service was taken under this rate schedule.

Payment

Bills under this rate schedule will be rendered monthly. Any amount of bill unpaid after due date specified on bill may be subject to additional charges under Distributor's standard policy.

Single-Point Delivery

The charges under this rate schedule are based upon the supply of service through a single delivery and metering point, and at a single voltage. If service is supplied to the same customer through more than one point of delivery or at different voltages, the supply of service at each delivery and metering point and at each different voltage shall be separately metered and billed.

Service is subject to Rules and Regulations of Distributor.

TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION
PILOT SEASONAL DEMAND AND ENERGY
MANUFACTURING SERVICE RATE--SCHEDULE PSMSD
(October 2010)

Availability

This rate shall be available for firm electric power requirements where (a) a customer's currently effective contract demand is greater than 25,000 kW, (b) the major use of electricity is for activities conducted at the delivery point serving that customer which are classified with a 2-digit Standard Industrial Classification Code between 20 and 39, inclusive, or classified with 2002 North American Industry Classification System (NAICS) code 5181, or 2007 NAICS codes 5182, 522320, and 541214; provided, however, customers qualifying for service under this schedule on the basis of such a NAICS code shall have an average monthly load factor of at least 80 percent during the preceding 12 months; provided further, however, that for the first 12 months of service to a new customer this load factor requirement shall be based on the customer's expected load factor for those 12 months as projected before the customer begins taking service, and (c) this rate schedule is elected as an alternative to service under Schedules MSD or TMSD for a 12-month period beginning no earlier than October 1, 2010, and no later than March 1, 2011. As used in the previous sentence "monthly load factor" shall mean a percentage calculated by dividing the total metered energy for a month by the product of the metered demand for that month and the number of clock hours in that month, exclusive of any hours during which power was unavailable due to an interruption or curtailment of the customer's service and of any hours in which the customer was unable to use power due to a Force Majeure event reasonably beyond the customer's control.

Prior to initially taking any service under this schedule, and from time to time thereafter as may be required by Distributor or the Tennessee Valley Authority (TVA), a customer shall certify to both Distributor and TVA that it meets the requirements set forth in condition (b) above. The certification form to be used shall be (i) furnished or approved by TVA, (ii) provided by Distributor to the customer, and (iii) signed and promptly returned by the customer to Distributor. Further, such customer shall promptly certify any change in the status of any of the information contained in the certification form to Distributor.

Service during any period for which a customer does not meet the eligibility requirements set forth in condition (b) above will be made available by Distributor under, and billed in accordance with, the applicable General Power schedule.

Unless otherwise provided for in a written agreement between TVA and the distributor providing service under this rate schedule, for customers served under this rate schedule, the customer's "meter-reading time" shall be 0000 hours CST or CDT, whichever is currently effective, on the first day of the calendar month following the month for which a bill under this rate schedule is being calculated. Further, unless otherwise provided for in a written agreement between TVA and the distributor providing service under this rate schedule, in accordance with TVA furnished or approved guidelines or specifications, TVA shall have unrestricted remote access to the metering data at all times, as well as unrestricted physical access to the metering facilities for the purpose of confirming remotely-accessed data during such periods as are specified by TVA.

Character of Service

Alternating current, single- or three-phase, 60 hertz. Power shall be delivered at a transmission voltage of 161 kV or, if such transmission voltage is not available, at the highest voltage available in the vicinity, unless at the customer's request a lower standard voltage is agreed upon.

Base Charges

Customer Charge: \$1,500 per delivery point per month

Administrative Charge: \$350 per delivery point per month

Demand Charge:

Summer Period \$14.64 per kW per month of the customer's billing demand, plus

\$14.64 per kW per month of the amount, if any, by which the customer's billing demand exceeds its contract demand

Winter Period \$10.28 per kW per month of the customer's billing demand, plus

\$10.28 per kW per month of the amount, if any, by which the customer's billing demand exceeds its contract demand

Transition Period \$6.99 per kW per month of the customer's billing demand, plus

\$6.99 per kW per month of the amount, if any, by which the customer's billing demand exceeds its contract demand

Energy Charge:

Summer Period 2.076¢ per kWh per month

Winter Period 1.836¢ per kWh per month

Transition Period 1.778¢ per kWh per month

Adjustment

The base demand and energy charges shall be increased or decreased in accordance with the current Adjustment Addendum published by TVA. In addition, such charges shall be increased or decreased to correspond to increases or decreases determined by TVA under Adjustment 2 or Adjustment 4 of the wholesale power rate schedule applicable under contractual arrangements between TVA and Distributor.

Facilities Rental Charge

There shall be no facilities rental charge under this rate schedule for delivery at bulk transmission voltage levels of 161 kV or higher. For delivery at less than 161 kV, there shall be added to the customer's bill a facilities rental charge. This charge shall be 36¢ per kW per month except for delivery at voltages below 46 kV, in which case the charge shall be 93¢ per kW per month for the first 10,000 kW and 73¢ per kW per month for the excess over 10,000 kW. Such charge shall be applied to the higher of (1) the highest billing demand established during the latest 12-consecutive-month period or (2) the customer's currently effective contract demand and shall be in addition to all other charges under this rate schedule, including minimum bill charges.

Reactive Demand Charges

If the reactive demand (in kVAR) is lagging during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's highest metered demand occurs, there shall be added to the customer's bill a reactive charge of \$1.46 per kVAR of the amount, if any, by which the reactive demand exceeds 33 percent of such metered demand. If the reactive demand (in kVAR) is leading during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's lowest metered demand (excluding any metered demands which are less than 25 percent of the highest metered demand) occurs, there shall be added to the customer's bill a reactive charge of \$1.14 per kVAR of the amount of reactive demand. Such charges shall be in addition to all other charges under this rate schedule, including minimum bill charges.

Determination of Seasonal Periods

Summer Period shall mean the June, July, August, and September billing months. Winter Period shall mean the December, January, February, and March billing months. Transition Period shall mean the April, May, October, and November billing months.

Determination of Demand

Distributor shall meter the demands in kW of all customers served under this rate schedule. The metered demand for any month shall be the highest average during any 30-consecutive-minute period beginning or ending on a clock hour of the month of the load metered in kW, and such amount shall be used as the billing demand, except that the billing demand for any month shall in no case be less than the sum of (1) 30 percent of the first 5,000 kW, (2) 40 percent of the next 20,000 kW, (3) 50 percent of the next 25,000 kW, (4) 60 percent of the next 50,000 kW, (5) 70 percent of the next 100,000 kW, (6) 80 percent of the next 150,000 kW, and (7) 85 percent of all kW in excess of 350,000 kW of the higher of the currently effective contract demand or the highest billing demand established during the preceding 12 months.

Minimum Bill

The monthly bill under this rate schedule, excluding any facilities rental charges and any reactive charges, shall not be less than the sum of (1) the base customer charge, (2) the base demand charge, as adjusted (but excluding the additional portion thereof applicable to excess of billing demand over contract demand) applied to the customer's billing demand, and (3) the base energy charge, as adjusted, applied to the customer's energy takings.

Distributor may require minimum bills higher than those stated above.

Contract Requirement

The contract requirement of the schedule (MSD or TMSD) for which this rate schedule is selected as an alternative shall continue to apply, both during the time this alternative rate schedule is in effect under that contract and afterwards. In addition, at the time that this rate schedule becomes effective for billing, there must be at least one year remaining on the contract required by such Schedule MSD or TMSD. The customer shall contract for its maximum requirements, which shall not exceed the amount of power capable of being used by customer, and Distributor shall not be obligated to supply power in greater amount at any time than the customer's currently effective contract demand. If the customer uses any power other than that supplied by Distributor under this rate schedule, the contract may include other special provisions. The rate schedule in any power contract shall be subject to adjustment, modification, change, or replacement from time to time as provided under the power contract between Distributor and TVA.

At the end of the period of service under this rate schedule, the customer, subject to appropriate amendments in its power contract with Distributor, may receive service under Schedule MSD or TMSD for any required contract term then remaining; provided, however, that the onpeak contract demand for any such service under Schedule TMSD shall not be less than the contract demand in effect when service was taken under this rate schedule.

Payment

Bills under this rate schedule will be rendered monthly. Any amount of bill unpaid after due date specified on bill may be subject to additional charges under Distributor's standard policy.

Single-Point Delivery

The charges under this rate schedule are based upon the supply of service through a single delivery and metering point, and at a single voltage. If service is supplied to the same customer through more than one point of delivery or at different voltages, the supply of service at each delivery and metering point and at each different voltage shall be separately metered and billed.

Service is subject to Rules and Regulations of Distributor.

Exhibit B

TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION

SUPPLEMENTAL ADJUSTMENT ADDENDUM

The following adjustments shall be deemed to be a part of the Adjustment Addendum to Schedule of Rates and Charges for Distributor dated October 1, 2009. As provided for by the previous Adjustment Addendum dated October 1, 2003 (Environmental Adjustment), the amounts listed under each column (1) are designated, subject to any future Rate Adjustment or Rate Change, to remain in effect for ten (10) years from the effective date of said Environmental Adjustment.

		Wholesale Power Rate - Schedule WS			Resale Schedules			
		(1)	(2)	(3)	(1)	(2)	(3)	
TIME DIFFERENTIATED HOURS								
USE OF DEMAND SERVICE								
General Power Service								
<u>Schedule TDGSB</u>								
Demand Charge								
Summer Period								
Onpeak	Add	\$0.54	+	\$3.55	Add	\$0.56	+	\$3.66
Excess Offpeak	Add	\$0.11	+	\$0.70	Add	\$0.11	+	\$0.72
Winter Period								
Onpeak	Add	\$0.29	+	\$1.92	Add	\$0.30	+	\$1.98
Excess Offpeak	Add	\$0.11	+	\$0.70	Add	\$0.11	+	\$0.72
Transition Period	Add	\$0.11	+	\$0.70	Add	\$0.11	+	\$0.72
Energy Charge								
Summer Period								
Onpeak	Add	0.329¢	+	2.140¢ + A _q	Add	0.339¢	+	2.204¢ + (1.03 x A _q)
Offpeak	Add	0.195¢	+	1.270¢ + A _q	Add	0.201¢	+	1.308¢ + (1.03 x A _q)
Winter Period								
Onpeak	Add	0.220¢	+	1.428¢ + A _q	Add	0.227¢	+	1.471¢ + (1.03 x A _q)
Offpeak	Add	0.195¢	+	1.270¢ + A _q	Add	0.201¢	+	1.308¢ + (1.03 x A _q)
Transition Period	Add	0.195¢	+	1.270¢ + A _q	Add	0.201¢	+	1.308¢ + (1.03 x A _q)
Offpeak Hours Use of Demand Adjustment								
Summer Period and Winter Period								
First 425 hours	Add	0.010¢	+	0.068¢	Add	0.010¢	+	0.068¢
Next 195 hours	Add	-0.058¢	+	-0.379¢	Add	-0.058¢	+	-0.379¢
Additional kWh	Add	-0.116¢	+	-0.757¢	Add	-0.116¢	+	-0.757¢
Transition Period								
First 425 hours	Add	0.010¢	+	0.068¢	Add	0.010¢	+	0.068¢
Next 195 hours	Add	-0.058¢	+	-0.379¢	Add	-0.058¢	+	-0.379¢
Additional kWh	Add	-0.116¢	+	-0.757¢	Add	-0.116¢	+	-0.757¢

	Wholesale Power			Resale Schedules		
	Rate - Schedule WS					
	(1)	(2)	(3)	(1)	(2)	(3)
Schedule TDGSC						
Demand Charge						
Summer Period						
Onpeak	Add	\$0.54	+	\$3.55	Add	\$0.56 + \$3.66
Excess Offpeak	Add	\$0.11	+	\$0.70	Add	\$0.11 + \$0.72
Winter Period						
Onpeak	Add	\$0.29	+	\$1.92	Add	\$0.30 + \$1.98
Excess Offpeak	Add	\$0.11	+	\$0.70	Add	\$0.11 + \$0.72
Transition Period	Add	\$0.11	+	\$0.70	Add	\$0.11 + \$0.72
Energy Charge						
Summer Period						
Onpeak	Add	0.316¢	+	2.056¢ + A _q	Add	0.325¢ + 2.118¢ + (1.03 x A _q)
Offpeak	Add	0.186¢	+	1.210¢ + A _q	Add	0.192¢ + 1.246¢ + (1.03 x A _q)
Winter Period						
Onpeak	Add	0.210¢	+	1.363¢ + A _q	Add	0.216¢ + 1.404¢ + (1.03 x A _q)
Offpeak	Add	0.186¢	+	1.210¢ + A _q	Add	0.192¢ + 1.246¢ + (1.03 x A _q)
Transition Period	Add	0.186¢	+	1.210¢ + A _q	Add	0.192¢ + 1.246¢ + (1.03 x A _q)
Offpeak Hours Use of Demand Adjustment						
Summer Period and Winter Period						
First 425 hours	Add	0.010¢	+	0.068¢	Add	0.010¢ + 0.068¢
Next 195 hours	Add	-0.058¢	+	-0.379¢	Add	-0.058¢ + -0.379¢
Additional kWh	Add	-0.116¢	+	-0.757¢	Add	-0.116¢ + -0.757¢
Transition Period						
First 425 hours	Add	0.010¢	+	0.068¢	Add	0.010¢ + 0.068¢
Next 195 hours	Add	-0.058¢	+	-0.379¢	Add	-0.058¢ + -0.379¢
Additional kWh	Add	-0.116¢	+	-0.757¢	Add	-0.116¢ + -0.757¢
Schedule TDGSD						
Demand Charge						
Summer Period						
Onpeak	Add	\$0.54	+	\$3.55	Add	\$0.56 + \$3.66
Excess Offpeak	Add	\$0.11	+	\$0.70	Add	\$0.11 + \$0.72
Winter Period						
Onpeak	Add	\$0.29	+	\$1.92	Add	\$0.30 + \$1.98
Excess Offpeak	Add	\$0.11	+	\$0.70	Add	\$0.11 + \$0.72
Transition Period	Add	\$0.11	+	\$0.70	Add	\$0.11 + \$0.72
Energy Charge						
Summer Period						
Onpeak	Add	0.310¢	+	2.022¢ + A _q	Add	0.319¢ + 2.083¢ + (1.03 x A _q)
Offpeak	Add	0.176¢	+	1.151¢ + A _q	Add	0.181¢ + 1.186¢ + (1.03 x A _q)
Winter Period						
Onpeak	Add	0.201¢	+	1.308¢ + A _q	Add	0.207¢ + 1.347¢ + (1.03 x A _q)
Offpeak	Add	0.176¢	+	1.151¢ + A _q	Add	0.181¢ + 1.186¢ + (1.03 x A _q)
Transition Period	Add	0.176¢	+	1.151¢ + A _q	Add	0.181¢ + 1.186¢ + (1.03 x A _q)

	Wholesale Power			Resale Schedules		
	Rate - Schedule WS					
	(1)	(2)	(3)	(1)	(2)	(3)
Offpeak Hours Use of Demand Adjustment						
Summer Period and Winter Period						
First 425 hours	Add	0.010¢ + 0.068¢		Add	0.010¢ + 0.068¢	
Next 195 hours	Add	-0.058¢ + -0.379¢		Add	-0.058¢ + -0.379¢	
Additional kWh	Add	-0.116¢ + -0.757¢		Add	-0.116¢ + -0.757¢	
Transition Period						
First 425 hours	Add	0.010¢ + 0.068¢		Add	0.010¢ + 0.068¢	
Next 195 hours	Add	-0.058¢ + -0.379¢		Add	-0.058¢ + -0.379¢	
Additional kWh	Add	-0.116¢ + -0.757¢		Add	-0.116¢ + -0.757¢	

Manufacturing Service

Schedule TDMSB

Demand Charge

Summer Period

Onpeak	Add	\$0.54 + \$3.55	Add	\$0.56 + \$3.66
Excess Offpeak	Add	\$0.11 + \$0.70	Add	\$0.11 + \$0.72

Winter Period

Onpeak	Add	\$0.29 + \$1.92	Add	\$0.30 + \$1.98
Excess Offpeak	Add	\$0.11 + \$0.70	Add	\$0.11 + \$0.72

Transition Period

	Add	\$0.11 + \$0.70	Add	\$0.11 + \$0.72
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Energy Charge

Summer Period

Onpeak	Add	0.276¢ + 1.787¢ + A _q	Add	0.284¢ + 1.841¢ + (1.03 x A _q)
Offpeak	Add	0.143¢ + 0.927¢ + A _q	Add	0.147¢ + 0.955¢ + (1.03 x A _q)

Winter Period

Onpeak	Add	0.168¢ + 1.091¢ + A _q	Add	0.173¢ + 1.124¢ + (1.03 x A _q)
Offpeak	Add	0.143¢ + 0.927¢ + A _q	Add	0.147¢ + 0.955¢ + (1.03 x A _q)

Transition Period

	Add	0.143¢ + 0.927¢ + A _q	Add	0.147¢ + 0.955¢ + (1.03 x A _q)
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Offpeak Hours Use of Demand Adjustment

Summer Period and Winter Period

First 425 hours	Add	0.010¢ + 0.068¢	Add	0.010¢ + 0.068¢
Next 195 hours	Add	-0.058¢ + -0.379¢	Add	-0.058¢ + -0.379¢

Additional kWh	Add	-0.116¢ + -0.757¢	Add	-0.116¢ + -0.757¢
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Transition Period

First 425 hours	Add	0.010¢ + 0.068¢	Add	0.010¢ + 0.068¢
Next 195 hours	Add	-0.058¢ + -0.379¢	Add	-0.058¢ + -0.379¢

Additional kWh	Add	-0.116¢ + -0.757¢	Add	-0.116¢ + -0.757¢
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Schedule TDMSC

Demand Charge

Summer Period

Onpeak	Add	\$0.54 + \$3.55	Add	\$0.56 + \$3.66
Excess Offpeak	Add	\$0.11 + \$0.70	Add	\$0.11 + \$0.72

Winter Period

Onpeak	Add	\$0.29 + \$1.92	Add	\$0.30 + \$1.98
Excess Offpeak	Add	\$0.11 + \$0.70	Add	\$0.11 + \$0.72

Transition Period

	Add	\$0.11 + \$0.70	Add	\$0.11 + \$0.72
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	Wholesale Power Rate - Schedule WS			Resale Schedules		
	(1)	(2)	(3)	(1)	(2)	(3)
Energy Charge						
Summer Period						
Onpeak	Add	0.279¢ + 1.806¢ + A _q		Add	0.287¢ + 1.860¢ + (1.03 x A _q)	
Offpeak	Add	0.143¢ + 0.924¢ + A _q		Add	0.147¢ + 0.952¢ + (1.03 x A _q)	
Winter Period						
Onpeak	Add	0.169¢ + 1.094¢ + A _q		Add	0.174¢ + 1.127¢ + (1.03 x A _q)	
Offpeak	Add	0.143¢ + 0.924¢ + A _q		Add	0.147¢ + 0.952¢ + (1.03 x A _q)	
Transition Period	Add	0.143¢ + 0.924¢ + A _q		Add	0.147¢ + 0.952¢ + (1.03 x A _q)	
Offpeak Hours Use of Demand Adjustment						
Summer Period and Winter Period						
First 425 hours	Add	0.010¢ + 0.068¢		Add	0.010¢ + 0.068¢	
Next 195 hours	Add	-0.058¢ + -0.379¢		Add	-0.058¢ + -0.379¢	
Additional kWh	Add	-0.116¢ + -0.757¢		Add	-0.116¢ + -0.757¢	
Transition Period						
First 425 hours	Add	0.010¢ + 0.068¢		Add	0.010¢ + 0.068¢	
Next 195 hours	Add	-0.058¢ + -0.379¢		Add	-0.058¢ + -0.379¢	
Additional kWh	Add	-0.116¢ + -0.757¢		Add	-0.116¢ + -0.757¢	
Schedule TDMSD						
Demand Charge						
Summer Period						
Onpeak	Add	\$0.54 + \$3.55		Add	\$0.56 + \$3.66	
Excess Offpeak	Add	\$0.11 + \$0.70		Add	\$0.11 + \$0.72	
Winter Period						
Onpeak	Add	\$0.29 + \$1.92		Add	\$0.30 + \$1.98	
Excess Offpeak	Add	\$0.11 + \$0.70		Add	\$0.11 + \$0.72	
Transition Period	Add	\$0.11 + \$0.70		Add	\$0.11 + \$0.72	
Energy Charge						
Summer Period						
Onpeak	Add	0.271¢ + 1.768¢ + A _q		Add	0.279¢ + 1.821¢ + (1.03 x A _q)	
Offpeak	Add	0.136¢ + 0.886¢ + A _q		Add	0.140¢ + 0.913¢ + (1.03 x A _q)	
Winter Period						
Onpeak	Add	0.161¢ + 1.052¢ + A _q		Add	0.166¢ + 1.084¢ + (1.03 x A _q)	
Offpeak	Add	0.136¢ + 0.886¢ + A _q		Add	0.140¢ + 0.913¢ + (1.03 x A _q)	
Transition Period	Add	0.136¢ + 0.886¢ + A _q		Add	0.140¢ + 0.913¢ + (1.03 x A _q)	
Offpeak Hours Use of Demand Adjustment						
Summer Period and Winter Period						
First 425 hours	Add	0.010¢ + 0.068¢		Add	0.010¢ + 0.068¢	
Next 195 hours	Add	-0.058¢ + -0.379¢		Add	-0.058¢ + -0.379¢	
Additional kWh	Add	-0.116¢ + -0.757¢		Add	-0.116¢ + -0.757¢	
Transition Period						
First 425 hours	Add	0.010¢ + 0.068¢		Add	0.010¢ + 0.068¢	
Next 195 hours	Add	-0.058¢ + -0.379¢		Add	-0.058¢ + -0.379¢	
Additional kWh	Add	-0.116¢ + -0.757¢		Add	-0.116¢ + -0.757¢	

TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION

SUPPLEMENTAL ADJUSTMENT ADDENDUM

The following adjustments shall be deemed to be a part of the Adjustment Addendum to Schedule of Rates and Charges for Distributor dated October 1, 2009. As provided for by the previous Adjustment Addendum dated October 1, 2003 (Environmental Adjustment), the amounts listed under each column (1) are designated, subject to any future Rate Adjustment or Rate Change, to remain in effect for ten (10) years from the effective date of said Environmental Adjustment.

	Wholesale Power Rate - Schedule WS			Resale Schedules		
	(1)	(2)	(3)	(1)	(2)	(3)
PILOT SEASONAL DEMAND AND ENERGY SERVICE						
<u>General Power Service</u>						
<u>Schedule PSGSB</u>						
Demand Charge						
Summer Period	Add	\$0.82	+	\$4.78	Add	\$0.84 + \$4.92
Winter Period	Add	\$0.57	+	\$3.31	Add	\$0.59 + \$3.41
Transition Period	Add	\$0.38	+	\$2.21	Add	\$0.39 + \$2.28
Energy Charge						
Summer Period	Add	0.180¢	+	1.047¢ + A _q	Add	0.185¢ + 1.078¢ + (1.03 x A _q)
Winter Period	Add	0.164¢	+	0.952¢ + A _q	Add	0.169¢ + 0.981¢ + (1.03 x A _q)
Transition Period	Add	0.160¢	+	0.931¢ + A _q	Add	0.165¢ + 0.959¢ + (1.03 x A _q)
<u>Schedule PSGSC</u>						
Demand Charge						
Summer Period	Add	\$0.82	+	\$4.78	Add	\$0.84 + \$4.92
Winter Period	Add	\$0.57	+	\$3.31	Add	\$0.59 + \$3.41
Transition Period	Add	\$0.38	+	\$2.21	Add	\$0.39 + \$2.28
Energy Charge						
Summer Period	Add	0.181¢	+	1.050¢ + A _q	Add	0.186¢ + 1.082¢ + (1.03 x A _q)
Winter Period	Add	0.164¢	+	0.953¢ + A _q	Add	0.169¢ + 0.982¢ + (1.03 x A _q)
Transition Period	Add	0.161¢	+	0.932¢ + A _q	Add	0.166¢ + 0.960¢ + (1.03 x A _q)
<u>Schedule PSGSD</u>						
Demand Charge						
Summer Period	Add	\$0.96	+	\$5.61	Add	\$0.99 + \$5.78
Winter Period	Add	\$0.71	+	\$4.14	Add	\$0.73 + \$4.26
Transition Period	Add	\$0.52	+	\$3.04	Add	\$0.54 + \$3.13
Energy Charge						
Summer Period	Add	0.152¢	+	0.886¢ + A _q	Add	0.157¢ + 0.913¢ + (1.03 x A _q)
Winter Period	Add	0.138¢	+	0.801¢ + A _q	Add	0.142¢ + 0.825¢ + (1.03 x A _q)
Transition Period	Add	0.134¢	+	0.783¢ + A _q	Add	0.138¢ + 0.806¢ + (1.03 x A _q)

	Wholesale Power Rate - Schedule WS			Resale Schedules								
	(1)	(2)	(3)	(1)	(2)	(3)						
<u>Manufacturing Service</u>												
<u>Schedule PSM5B</u>												
Demand Charge												
Summer Period	Add	\$0.71	+	\$4.11	Add	\$0.73	+	\$4.23				
Winter Period	Add	\$0.46	+	\$2.64	Add	\$0.47	+	\$2.72				
Transition Period	Add	\$0.27	+	\$1.54	Add	\$0.28	+	\$1.59				
Energy Charge												
Summer Period	Add	0.150¢	+	0.869¢	+	A _q	Add	0.154¢	+	0.895¢	+	(1.03 x A _q)
Winter Period	Add	0.132¢	+	0.762¢	+	A _q	Add	0.136¢	+	0.785¢	+	(1.03 x A _q)
Transition Period	Add	0.127¢	+	0.737¢	+	A _q	Add	0.131¢	+	0.759¢	+	(1.03 x A _q)
<u>Schedule PSM5C</u>												
Demand Charge												
Summer Period	Add	\$0.71	+	\$4.11	Add	\$0.73	+	\$4.23				
Winter Period	Add	\$0.46	+	\$2.64	Add	\$0.47	+	\$2.72				
Transition Period	Add	\$0.27	+	\$1.54	Add	\$0.28	+	\$1.59				
Energy Charge												
Summer Period	Add	0.149¢	+	0.862¢	+	A _q	Add	0.153¢	+	0.888¢	+	(1.03 x A _q)
Winter Period	Add	0.132¢	+	0.761¢	+	A _q	Add	0.136¢	+	0.784¢	+	(1.03 x A _q)
Transition Period	Add	0.127¢	+	0.737¢	+	A _q	Add	0.131¢	+	0.759¢	+	(1.03 x A _q)
<u>Schedule PSM5D</u>												
Demand Charge												
Summer Period	Add	\$0.82	+	\$4.78	Add	\$0.84	+	\$4.92				
Winter Period	Add	\$0.57	+	\$3.31	Add	\$0.59	+	\$3.41				
Transition Period	Add	\$0.38	+	\$2.21	Add	\$0.39	+	\$2.28				
Energy Charge												
Summer Period	Add	0.120¢	+	0.697¢	+	A _q	Add	0.124¢	+	0.718¢	+	(1.03 x A _q)
Winter Period	Add	0.106¢	+	0.616¢	+	A _q	Add	0.109¢	+	0.634¢	+	(1.03 x A _q)
Transition Period	Add	0.103¢	+	0.597¢	+	A _q	Add	0.106¢	+	0.615¢	+	(1.03 x A _q)

Exhibit C

RIDER TO WHOLESALE POWER RATE--SCHEDULE WS TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION

Wholesale Power Rate--Schedule WS is hereby amended by (a) adding the following under "Demand and Energy Charges" as a reference to additional resale schedules applicable to TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION and (b) revising the section headed "Adjustments" in said Schedule WS as further described below.

TIME DIFFERENTIATED HOURS USE OF DEMAND SERVICE

General Power Service

Schedule TDGSB

Administrative Charge:	\$350 per delivery point per month
Demand Charge:	
Summer Period	\$10.52 per kW of metered onpeak demand per month \$2.08 per kW per month of the amount, if any, by which metered offpeak demand exceeds metered onpeak demand
Winter Period	\$5.70 per kW of metered onpeak demand per month \$2.08 per kW per month of the amount, if any, by which metered offpeak demand exceeds metered onpeak demand
Transition Period	\$2.08 per kW of metered offpeak demand per month
Energy Charge:	
Summer Period	6.224¢ per kWh per month for all metered onpeak kWh 3.696¢ per kWh (adjusted for hours use of maximum metered demand as provided below) per month for all metered offpeak kWh
Winter Period	4.156¢ per kWh per month for all metered onpeak kWh 3.696¢ per kWh (adjusted for hours use of maximum metered demand as provided below) per month for all metered offpeak kWh
Transition Period	3.696¢ per kWh (adjusted for hours use of maximum metered demand as provided below) per month for all metered kWh
Offpeak Hours Use of Demand Adjustment:	
Summer Period and Winter Period	0.195¢ per kWh for up to 425 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy -1.101¢ per kWh for the next 195 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy -2.202¢ per kWh for the hours use of maximum metered demand in excess of 620 hours multiplied by the ratio of offpeak energy to total energy
Transition Period	0.195¢ per kWh for up to 425 hours use of maximum metered demand -1.101¢ per kWh for the next 195 hours use of maximum metered demand -2.202¢ per kWh for the hours use of maximum metered demand in excess of 620 hours

Schedule TDGSC

Administrative Charge:	\$350 per delivery point per month
Demand Charge:	
Summer Period	\$10.52 per kW of metered onpeak demand per month \$2.08 per kW per month of the amount, if any, by which metered offpeak demand exceeds metered onpeak demand
Winter Period	\$5.70 per kW of metered onpeak demand per month \$2.08 per kW per month of the amount, if any, by which metered offpeak demand exceeds metered onpeak demand
Transition Period	\$2.08 per kW of metered offpeak demand per month
Energy Charge:	
Summer Period	5.981¢ per kWh per month for all metered onpeak kWh 3.518¢ per kWh (adjusted for hours use of maximum metered demand as provided below) per month for all metered offpeak kWh
Winter Period	3.963¢ per kWh per month for all metered onpeak kWh 3.518¢ per kWh (adjusted for hours use of maximum metered demand as provided below) per month for all metered offpeak kWh
Transition Period	3.518¢ per kWh (adjusted for hours use of maximum metered demand as provided below) per month for all metered kWh

Offpeak Hours Use
of Demand Adjustment:

Summer Period and Winter Period	0.195¢ per kWh for up to 425 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy -1.101¢ per kWh for the next 195 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy -2.202¢ per kWh for the hours use of maximum metered demand in excess of 620 hours multiplied by the ratio of offpeak energy to total energy
Transition Period	0.195¢ per kWh for up to 425 hours use of maximum metered demand -1.101¢ per kWh for the next 195 hours use of maximum metered demand -2.202¢ per kWh for the hours use of maximum metered demand in excess of 620 hours

Schedule TDGSD

Administrative Charge:	\$350 per delivery point per month
Demand Charge:	
Summer Period	\$10.52 per kW of metered onpeak demand per month \$2.08 per kW per month of the amount, if any, by which metered offpeak demand exceeds metered onpeak demand
Winter Period	\$5.70 per kW of metered onpeak demand per month \$2.08 per kW per month of the amount, if any, by which metered offpeak demand exceeds metered onpeak demand
Transition Period	\$2.08 per kW of metered offpeak demand per month

Energy Charge:

Summer Period	5.877¢ per kWh per month for all metered onpeak kWh 3.343¢ per kWh (adjusted for hours use of maximum metered demand as provided below) per month for all metered offpeak kWh
Winter Period	3.801¢ per kWh per month for all metered onpeak kWh 3.343¢ per kWh (adjusted for hours use of maximum metered demand as provided below) per month for all metered offpeak kWh
Transition Period	3.343¢ per kWh (adjusted for hours use of maximum metered demand as provided below) per month for all metered kWh

Offpeak Hours Use of Demand Adjustment:

Summer Period and Winter Period	0.195¢ per kWh for up to 425 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy -1.101¢ per kWh for the next 195 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy -2.202¢ per kWh for the hours use of maximum metered demand in excess of 620 hours multiplied by the ratio of offpeak energy to total energy
Transition Period	0.195¢ per kWh for up to 425 hours use of maximum metered demand -1.101¢ per kWh for the next 195 hours use of maximum metered demand -2.202¢ per kWh for the hours use of maximum metered demand in excess of 620 hours

Manufacturing Service

Schedule TDMSB

Administrative Charge: \$350 per delivery point per month

Demand Charge:

Summer Period	\$10.52 per kW of metered onpeak demand per month \$2.08 per kW per month of the amount, if any, by which metered offpeak demand exceeds metered onpeak demand
Winter Period	\$5.70 per kW of metered onpeak demand per month \$2.08 per kW per month of the amount, if any, by which metered offpeak demand exceeds metered onpeak demand
Transition Period	\$2.08 per kW of metered offpeak demand per month

Energy Charge:

Summer Period	5.200¢ per kWh per month for all metered onpeak kWh 2.697¢ per kWh (adjusted for hours use of maximum metered demand as provided below) per month for all metered offpeak kWh
Winter Period	3.175¢ per kWh per month for all metered onpeak kWh 2.697¢ per kWh (adjusted for hours use of maximum metered demand as provided below) per month for all metered offpeak kWh

Transition Period 2.697¢ per kWh (adjusted for hours use of maximum metered demand as provided below) per month for all metered kWh

Offpeak Hours Use
of Demand Adjustment:
Summer Period and
Winter Period

0.195¢ per kWh for up to 425 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy
-1.101¢ per kWh for the next 195 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy
-2.202¢ per kWh for the hours use of maximum metered demand in excess of 620 hours multiplied by the ratio of offpeak energy to total energy

Transition Period

0.195¢ per kWh for up to 425 hours use of maximum metered demand multiplied
-1.101¢ per kWh for the next 195 hours use of maximum metered demand
-2.202¢ per kWh for the hours use of maximum metered demand in excess of 620 hours

Schedule TDMSC

Administrative Charge: \$350 per delivery point per month

Demand Charge:

Summer Period

\$10.52 per kW of metered onpeak demand per month
\$2.08 per kW per month of the amount, if any, by which metered offpeak demand exceeds metered onpeak demand

Winter Period

\$5.70 per kW of metered onpeak demand per month
\$2.08 per kW per month of the amount, if any, by which metered offpeak demand exceeds metered onpeak demand

Transition Period

\$2.08 per kW of metered offpeak demand per month

Energy Charge:

Summer Period

5.256¢ per kWh per month for all metered onpeak kWh
2.689¢ per kWh (adjusted for hours use of maximum metered demand as provided below) per month for all metered offpeak kWh

Winter Period

3.184¢ per kWh per month for all metered onpeak kWh
2.689¢ per kWh (adjusted for hours use of maximum metered demand as provided below) per month for all metered offpeak kWh

Transition Period

2.689¢ per kWh (adjusted for hours use of maximum metered demand as provided below) per month for all metered kWh

Offpeak Hours Use
of Demand Adjustment:

Summer Period and
Winter Period

0.195¢ per kWh for up to 425 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy
-1.101¢ per kWh for the next 195 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy

-2.202¢ per kWh for the hours use of maximum metered demand in excess of 620 hours multiplied by the ratio of offpeak energy to total energy

Transition Period 0.195¢ per kWh for up to 425 hours use of maximum metered demand

-1.101¢ per kWh for the next 195 hours use of maximum metered demand

-2.202¢ per kWh for the hours use of maximum metered demand in excess of 620 hours

Schedule TDMSD

Administrative Charge: \$350 per delivery point per month

Demand Charge:

Summer Period \$10.52 per kW of metered onpeak demand per month
 \$2.08 per kW per month of the amount, if any, by which metered offpeak demand exceeds metered onpeak demand

Winter Period \$5.70 per kW of metered onpeak demand per month
 \$2.08 per kW per month of the amount, if any, by which metered offpeak demand exceeds metered onpeak demand

Transition Period \$2.08 per kW of metered offpeak demand per month

Energy Charge:

Summer Period 5.143¢ per kWh per month for all metered onpeak kWh
 2.578¢ per kWh (adjusted for hours use of maximum metered demand as provided below) per month for all metered offpeak kWh

Winter Period 3.060¢ per kWh per month for all metered onpeak kWh
 2.578¢ per kWh (adjusted for hours use of maximum metered demand as provided below) per month for all metered offpeak kWh

Transition Period 2.578¢ per kWh (adjusted for hours use of maximum metered demand as provided below) per month for all metered kWh

Offpeak Hours Use of Demand Adjustment:

Summer Period and Winter Period 0.195¢ per kWh for up to 425 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy

-1.101¢ per kWh for the next 195 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy

-2.202¢ per kWh for the hours use of maximum metered demand in excess of 620 hours multiplied by the ratio of offpeak energy to total energy

Transition Period 0.195¢ per kWh for up to 425 hours use of maximum metered demand

-1.101¢ per kWh for the next 195 hours use of maximum metered demand

-2.202¢ per kWh for the hours use of maximum metered demand in excess of 620 hours

Adjustments

Schedule WS is further amended by replacing item 3 in the section headed "Adjustments" with the following:

3. In any case in which a bill involving a metered demand less than the billing demand is applicable to a customer of Distributor with a contract demand in excess of 5,000 kW, Distributor's bill under this rate schedule shall be adjusted by adding thereto for each such customer an amount computed as provided below. When such bill involves a customer served under a standard schedule, the amount added shall be computed by multiplying (except as provided in the last paragraph of this section) 50 percent of the amount by which the customer's billing demand exceeds the metered demand times the appropriate base demand charge, as adjusted, of this rate schedule. When such bill involves a customer served under a time-of-day rate schedule or a Time Differentiated Hours Use of Demand rate schedule, the amount added shall be (except as provided in the last paragraph of this section) 50 percent of the amount by which (a) the amount computed by applying the appropriate base demand charges of this rate schedule, as adjusted, to the customer's onpeak billing demand and to its excess of offpeak billing demand over onpeak billing demand exceeds (b) the amount computed by applying the appropriate base demand charges of this rate schedule, as adjusted, to the customer's metered onpeak demand and to its excess of metered offpeak demand over metered onpeak demand.

For any customer of Distributor served under a Time Differentiated Hours Use of Demand rate schedule, in any case in which a bill involving metered offpeak energy less than the billed offpeak energy is applicable to such a customer with a contract demand in excess of 5,000 kW, Distributor's bill under this rate schedule shall be adjusted by adding thereto for each such customer an amount which shall be (except as provided in the last paragraph of this section) 50 percent of the amount by which (a) the amount computed by applying the appropriate base offpeak energy charges of this rate schedule, as adjusted, to the customer's billed offpeak energy exceeds (b) the amount computed by applying the appropriate base offpeak energy charges of this rate schedule, as adjusted, to the customer's metered offpeak energy.

For purposes of applying these adjustments with respect to customers with contract demands in excess of 25,000 kW, all references to the term "50 percent" in the preceding paragraphs shall be replaced with the term "75 percent."

RIDER TO WHOLESALE POWER RATE--SCHEDULE WS TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION

Wholesale Power Rate--Schedule WS is hereby amended by adding the following under "Demand and Energy Charges" as a reference to additional resale schedules applicable to TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION.

PILOT SEASONAL DEMAND AND ENERGY SERVICE

General Power Service

Schedule PSGSB

Administrative Charge:	\$350 per delivery point per month
Demand Charge:	
Summer Period	\$13.83 per kW of metered demand per month
Winter Period	\$9.59 per kW of metered demand per month
Transition Period	\$6.40 per kW of metered demand per month
Energy Charge:	
Summer Period	3.028¢ per kWh per month
Winter Period	2.752¢ per kWh per month
Transition Period	2.692¢ per kWh per month

Schedule PSGSC

Administrative Charge:	\$350 per delivery point per month
Demand Charge:	
Summer Period	\$13.83 per kW of metered demand per month
Winter Period	\$9.59 per kW of metered demand per month
Transition Period	\$6.40 per kW of metered demand per month
Energy Charge:	
Summer Period	3.036¢ per kWh per month
Winter Period	2.755¢ per kWh per month
Transition Period	2.696¢ per kWh per month

Schedule PSGSD

Administrative Charge:	\$350 per delivery point per month
Demand Charge:	
Summer Period	\$16.22 per kW of metered demand per month
Winter Period	\$11.97 per kW of metered demand per month
Transition Period	\$8.79 per kW of metered demand per month
Energy Charge:	
Summer Period	2.563¢ per kWh per month
Winter Period	2.318¢ per kWh per month
Transition Period	2.264¢ per kWh per month

Manufacturing Service

Schedule PSMSB

Administrative Charge:	\$350 per delivery point per month
Demand Charge:	
Summer Period	\$11.88 per kW of metered demand per month
Winter Period	\$7.64 per kW of metered demand per month
Transition Period	\$4.45 per kW of metered demand per month
Energy Charge:	
Summer Period	2.514¢ per kWh per month
Winter Period	2.202¢ per kWh per month
Transition Period	2.130¢ per kWh per month

Schedule PSMSC

Administrative Charge:	\$350 per delivery point per month
Demand Charge:	
Summer Period	\$11.88 per kW of metered demand per month
Winter Period	\$7.64 per kW of metered demand per month
Transition Period	\$4.45 per kW of metered demand per month
Energy Charge:	
Summer Period	2.494¢ per kWh per month
Winter Period	2.202¢ per kWh per month
Transition Period	2.132¢ per kWh per month

Schedule PSMSD

Administrative Charge:	\$350 per delivery point per month
Demand Charge:	
Summer Period	\$13.83 per kW of metered demand per month
Winter Period	\$9.59 per kW of metered demand per month
Transition Period	\$6.40 per kW of metered demand per month
Energy Charge:	
Summer Period	2.016¢ per kWh per month
Winter Period	1.783¢ per kWh per month
Transition Period	1.726¢ per kWh per month

TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION

SUPPLEMENTAL ADJUSTMENT ADDENDUM

The following adjustments shall be deemed to be a part of the Adjustment Addendum to Schedule of Rates and Charges for Distributor dated October 1, 2010. As provided for by the previous Adjustment Addendum dated October 1, 2003 (Environmental Adjustment), the amounts listed under each column (1) are designated, subject to any future Rate Adjustment or Rate Change, to remain in effect for ten (10) years from the effective date of said Environmental Adjustment.

	Wholesale Power Rate - Schedule WS			Resale Schedules		
	(1)	(2)	(3)	(1)	(2)	(3)
PILOT SEASONAL DEMAND AND ENERGY SERVICE						
<u>General Power Service</u>						
<u>Schedule PSGSB</u>						
Demand Charge						
Summer Period	Add \$0.82	+ \$4.78		Add \$0.84	+ \$4.92	
Winter Period	Add \$0.57	+ \$3.31		Add \$0.59	+ \$3.41	
Transition Period	Add \$0.38	+ \$2.21		Add \$0.39	+ \$2.28	
Energy Charge						
Summer Period	Add 0.180¢	+ 1.047¢	+ A _q	Add 0.185¢	+ 1.078¢	+ (1.03 x A _q)
Winter Period	Add 0.164¢	+ 0.952¢	+ A _q	Add 0.169¢	+ 0.981¢	+ (1.03 x A _q)
Transition Period	Add 0.160¢	+ 0.931¢	+ A _q	Add 0.165¢	+ 0.959¢	+ (1.03 x A _q)
<u>Schedule PSGSC</u>						
Demand Charge						
Summer Period	Add \$0.82	+ \$4.78		Add \$0.84	+ \$4.92	
Winter Period	Add \$0.57	+ \$3.31		Add \$0.59	+ \$3.41	
Transition Period	Add \$0.38	+ \$2.21		Add \$0.39	+ \$2.28	
Energy Charge						
Summer Period	Add 0.181¢	+ 1.050¢	+ A _q	Add 0.186¢	+ 1.082¢	+ (1.03 x A _q)
Winter Period	Add 0.164¢	+ 0.953¢	+ A _q	Add 0.169¢	+ 0.982¢	+ (1.03 x A _q)
Transition Period	Add 0.161¢	+ 0.932¢	+ A _q	Add 0.166¢	+ 0.960¢	+ (1.03 x A _q)
<u>Schedule PSGSD</u>						
Demand Charge						
Summer Period	Add \$0.96	+ \$5.61		Add \$0.99	+ \$5.78	
Winter Period	Add \$0.71	+ \$4.14		Add \$0.73	+ \$4.26	
Transition Period	Add \$0.52	+ \$3.04		Add \$0.54	+ \$3.13	
Energy Charge						
Summer Period	Add 0.152¢	+ 0.886¢	+ A _q	Add 0.157¢	+ 0.913¢	+ (1.03 x A _q)
Winter Period	Add 0.138¢	+ 0.801¢	+ A _q	Add 0.142¢	+ 0.825¢	+ (1.03 x A _q)
Transition Period	Add 0.134¢	+ 0.783¢	+ A _q	Add 0.138¢	+ 0.806¢	+ (1.03 x A _q)

	Wholesale Power Rate - Schedule WS			Resale Schedules		
	(1)	(2)	(3)	(1)	(2)	(3)
<u>Manufacturing Service</u>						
<u>Schedule PSMSB</u>						
Demand Charge						
Summer Period	Add	\$0.71	+	\$4.11	Add	\$0.73 + \$4.23
Winter Period	Add	\$0.46	+	\$2.64	Add	\$0.47 + \$2.72
Transition Period	Add	\$0.27	+	\$1.54	Add	\$0.28 + \$1.59
Energy Charge						
Summer Period	Add	0.150¢	+	0.869¢ + A _q	Add	0.154¢ + 0.895¢ + (1.03 x A _q)
Winter Period	Add	0.132¢	+	0.762¢ + A _q	Add	0.136¢ + 0.785¢ + (1.03 x A _q)
Transition Period	Add	0.127¢	+	0.737¢ + A _q	Add	0.131¢ + 0.759¢ + (1.03 x A _q)
<u>Schedule PSMSC</u>						
Demand Charge						
Summer Period	Add	\$0.71	+	\$4.11	Add	\$0.73 + \$4.23
Winter Period	Add	\$0.46	+	\$2.64	Add	\$0.47 + \$2.72
Transition Period	Add	\$0.27	+	\$1.54	Add	\$0.28 + \$1.59
Energy Charge						
Summer Period	Add	0.149¢	+	0.862¢ + A _q	Add	0.153¢ + 0.888¢ + (1.03 x A _q)
Winter Period	Add	0.132¢	+	0.761¢ + A _q	Add	0.136¢ + 0.784¢ + (1.03 x A _q)
Transition Period	Add	0.127¢	+	0.737¢ + A _q	Add	0.131¢ + 0.759¢ + (1.03 x A _q)
<u>Schedule PSMSD</u>						
Demand Charge						
Summer Period	Add	\$0.82	+	\$4.78	Add	\$0.84 + \$4.92
Winter Period	Add	\$0.57	+	\$3.31	Add	\$0.59 + \$3.41
Transition Period	Add	\$0.38	+	\$2.21	Add	\$0.39 + \$2.28
Energy Charge						
Summer Period	Add	0.120¢	+	0.697¢ + A _q	Add	0.124¢ + 0.718¢ + (1.03 x A _q)
Winter Period	Add	0.106¢	+	0.616¢ + A _q	Add	0.109¢ + 0.634¢ + (1.03 x A _q)
Transition Period	Add	0.103¢	+	0.597¢ + A _q	Add	0.106¢ + 0.615¢ + (1.03 x A _q)

TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION

SUPPLEMENTAL ADJUSTMENT ADDENDUM

The following adjustments shall be deemed to be a part of the Adjustment Addendum to Schedule of Rates and Charges for Distributor dated October 1, 2010. As provided for by the previous Adjustment Addendum dated October 1, 2003 (Environmental Adjustment), the amounts listed under each column (1) are designated, subject to any future Rate Adjustment or Rate Change, to remain in effect for ten (10) years from the effective date of said Environmental Adjustment.

	Wholesale Power Rate - Schedule WS			Resale Schedules		
	(1)	(2)	(3)	(1)	(2)	(3)
TIME DIFFERENTIATED HOURS USE OF DEMAND SERVICE						
General Power Service						
<u>Schedule TDGSB</u>						
Demand Charge						
Summer Period						
Onpeak	Add	\$0.54	+	\$3.55	Add	\$0.56 + \$3.66
Excess Offpeak	Add	\$0.11	+	\$0.70	Add	\$0.11 + \$0.72
Winter Period						
Onpeak	Add	\$0.29	+	\$1.92	Add	\$0.30 + \$1.98
Excess Offpeak	Add	\$0.11	+	\$0.70	Add	\$0.11 + \$0.72
Transition Period	Add	\$0.11	+	\$0.70	Add	\$0.11 + \$0.72
Energy Charge						
Summer Period						
Onpeak	Add	0.329¢	+	2.140¢	+	A _q
Offpeak	Add	0.195¢	+	1.270¢	+	A _q
Winter Period						
Onpeak	Add	0.220¢	+	1.428¢	+	A _q
Offpeak	Add	0.195¢	+	1.270¢	+	A _q
Transition Period	Add	0.195¢	+	1.270¢	+	A _q
Offpeak Hours Use of Demand Adjustment						
Summer Period and Winter Period						
First 425 hours	Add	0.010¢	+	0.068¢	Add	0.010¢ + 0.068¢
Next 195 hours	Add	-0.058¢	+	-0.379¢	Add	-0.058¢ + -0.379¢
Additional kWh	Add	-0.116¢	+	-0.757¢	Add	-0.116¢ + -0.757¢
Transition Period						
First 425 hours	Add	0.010¢	+	0.068¢	Add	0.010¢ + 0.068¢
Next 195 hours	Add	-0.058¢	+	-0.379¢	Add	-0.058¢ + -0.379¢
Additional kWh	Add	-0.116¢	+	-0.757¢	Add	-0.116¢ + -0.757¢

	Wholesale Power Rate - Schedule WS			Resale Schedules		
	(1)	(2)	(3)	(1)	(2)	(3)
Schedule TDGSC						
Demand Charge						
Summer Period						
Onpeak	Add	\$0.54	+	\$3.55	Add	\$0.56 + \$3.66
Excess Offpeak	Add	\$0.11	+	\$0.70	Add	\$0.11 + \$0.72
Winter Period						
Onpeak	Add	\$0.29	+	\$1.92	Add	\$0.30 + \$1.98
Excess Offpeak	Add	\$0.11	+	\$0.70	Add	\$0.11 + \$0.72
Transition Period	Add	\$0.11	+	\$0.70	Add	\$0.11 + \$0.72
Energy Charge						
Summer Period						
Onpeak	Add	0.316¢	+	2.056¢	+	A _q
Offpeak	Add	0.186¢	+	1.210¢	+	A _q
Winter Period						
Onpeak	Add	0.210¢	+	1.363¢	+	A _q
Offpeak	Add	0.186¢	+	1.210¢	+	A _q
Transition Period	Add	0.186¢	+	1.210¢	+	A _q
Offpeak Hours Use of Demand Adjustment						
Summer Period and Winter Period						
First 425 hours	Add	0.010¢	+	0.068¢	Add	0.010¢ + 0.068¢
Next 195 hours	Add	-0.058¢	+	-0.379¢	Add	-0.058¢ + -0.379¢
Additional kWh	Add	-0.116¢	+	-0.757¢	Add	-0.116¢ + -0.757¢
Transition Period						
First 425 hours	Add	0.010¢	+	0.068¢	Add	0.010¢ + 0.068¢
Next 195 hours	Add	-0.058¢	+	-0.379¢	Add	-0.058¢ + -0.379¢
Additional kWh	Add	-0.116¢	+	-0.757¢	Add	-0.116¢ + -0.757¢
Schedule TDGSD						
Demand Charge						
Summer Period						
Onpeak	Add	\$0.54	+	\$3.55	Add	\$0.56 + \$3.66
Excess Offpeak	Add	\$0.11	+	\$0.70	Add	\$0.11 + \$0.72
Winter Period						
Onpeak	Add	\$0.29	+	\$1.92	Add	\$0.30 + \$1.98
Excess Offpeak	Add	\$0.11	+	\$0.70	Add	\$0.11 + \$0.72
Transition Period	Add	\$0.11	+	\$0.70	Add	\$0.11 + \$0.72
Energy Charge						
Summer Period						
Onpeak	Add	0.310¢	+	2.022¢	+	A _q
Offpeak	Add	0.176¢	+	1.151¢	+	A _q
Winter Period						
Onpeak	Add	0.201¢	+	1.308¢	+	A _q
Offpeak	Add	0.176¢	+	1.151¢	+	A _q
Transition Period	Add	0.176¢	+	1.151¢	+	A _q

	Wholesale Power Rate - Schedule WS			Resale Schedules		
	(1)	(2)	(3)	(1)	(2)	(3)
Offpeak Hours Use of Demand Adjustment						
Summer Period and Winter Period						
First 425 hours	Add	0.010¢ +	0.068¢	Add	0.010¢ +	0.068¢
Next 195 hours	Add	-0.058¢ +	-0.379¢	Add	-0.058¢ +	-0.379¢
Additional kWh	Add	-0.116¢ +	-0.757¢	Add	-0.116¢ +	-0.757¢
Transition Period						
First 425 hours	Add	0.010¢ +	0.068¢	Add	0.010¢ +	0.068¢
Next 195 hours	Add	-0.058¢ +	-0.379¢	Add	-0.058¢ +	-0.379¢
Additional kWh	Add	-0.116¢ +	-0.757¢	Add	-0.116¢ +	-0.757¢

Manufacturing Service

Schedule TDMSB

Demand Charge

Summer Period

Onpeak

Add \$0.54 + \$3.55

Add \$0.56 + \$3.66

Excess Offpeak

Add \$0.11 + \$0.70

Add \$0.11 + \$0.72

Winter Period

Onpeak

Add \$0.29 + \$1.92

Add \$0.30 + \$1.98

Excess Offpeak

Add \$0.11 + \$0.70

Add \$0.11 + \$0.72

Transition Period

Add \$0.11 + \$0.70

Add \$0.11 + \$0.72

Energy Charge

Summer Period

Onpeak

Add 0.276¢ + 1.787¢ + A_q

Add 0.284¢ + 1.841¢ + (1.03 x A_q)

Offpeak

Add 0.143¢ + 0.927¢ + A_q

Add 0.147¢ + 0.955¢ + (1.03 x A_q)

Winter Period

Onpeak

Add 0.168¢ + 1.091¢ + A_q

Add 0.173¢ + 1.124¢ + (1.03 x A_q)

Offpeak

Add 0.143¢ + 0.927¢ + A_q

Add 0.147¢ + 0.955¢ + (1.03 x A_q)

Transition Period

Add 0.143¢ + 0.927¢ + A_q

Add 0.147¢ + 0.955¢ + (1.03 x A_q)

Offpeak Hours Use of Demand Adjustment

Summer Period and Winter Period

First 425 hours

Add 0.010¢ + 0.068¢

Add 0.010¢ + 0.068¢

Next 195 hours

Add -0.058¢ + -0.379¢

Add -0.058¢ + -0.379¢

Additional kWh

Add -0.116¢ + -0.757¢

Add -0.116¢ + -0.757¢

Transition Period

First 425 hours

Add 0.010¢ + 0.068¢

Add 0.010¢ + 0.068¢

Next 195 hours

Add -0.058¢ + -0.379¢

Add -0.058¢ + -0.379¢

Additional kWh

Add -0.116¢ + -0.757¢

Add -0.116¢ + -0.757¢

Schedule TDMSC

Demand Charge

Summer Period

Onpeak

Add \$0.54 + \$3.55

Add \$0.56 + \$3.66

Excess Offpeak

Add \$0.11 + \$0.70

Add \$0.11 + \$0.72

Winter Period

Onpeak

Add \$0.29 + \$1.92

Add \$0.30 + \$1.98

Excess Offpeak

Add \$0.11 + \$0.70

Add \$0.11 + \$0.72

Transition Period

Add \$0.11 + \$0.70

Add \$0.11 + \$0.72

	Wholesale Power Rate - Schedule WS			Resale Schedules		
	(1)	(2)	(3)	(1)	(2)	(3)
Energy Charge						
Summer Period						
Onpeak	Add	0.279¢	+ 1.806¢	+ A _q	Add	0.287¢ + 1.860¢ + (1.03 x A _q)
Offpeak	Add	0.143¢	+ 0.924¢	+ A _q	Add	0.147¢ + 0.952¢ + (1.03 x A _q)
Winter Period						
Onpeak	Add	0.169¢	+ 1.094¢	+ A _q	Add	0.174¢ + 1.127¢ + (1.03 x A _q)
Offpeak	Add	0.143¢	+ 0.924¢	+ A _q	Add	0.147¢ + 0.952¢ + (1.03 x A _q)
Transition Period	Add	0.143¢	+ 0.924¢	+ A _q	Add	0.147¢ + 0.952¢ + (1.03 x A _q)

Offpeak Hours Use of Demand Adjustment

Summer Period and Winter Period

First 425 hours	Add	0.010¢	+ 0.068¢	Add	0.010¢ + 0.068¢
Next 195 hours	Add	-0.058¢	+ -0.379¢	Add	-0.058¢ + -0.379¢
Additional kWh	Add	-0.116¢	+ -0.757¢	Add	-0.116¢ + -0.757¢

Transition Period

First 425 hours	Add	0.010¢	+ 0.068¢	Add	0.010¢ + 0.068¢
Next 195 hours	Add	-0.058¢	+ -0.379¢	Add	-0.058¢ + -0.379¢
Additional kWh	Add	-0.116¢	+ -0.757¢	Add	-0.116¢ + -0.757¢

Schedule TDMSD

Demand Charge

Summer Period

Onpeak	Add	\$0.54	+ \$3.55	Add	\$0.56 + \$3.66
Excess Offpeak	Add	\$0.11	+ \$0.70	Add	\$0.11 + \$0.72

Winter Period

Onpeak	Add	\$0.29	+ \$1.92	Add	\$0.30 + \$1.98
Excess Offpeak	Add	\$0.11	+ \$0.70	Add	\$0.11 + \$0.72

Transition Period

	Add	\$0.11	+ \$0.70	Add	\$0.11 + \$0.72
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Energy Charge

Summer Period

Onpeak	Add	0.271¢	+ 1.768¢	+ A _q	Add	0.279¢ + 1.821¢ + (1.03 x A _q)
Offpeak	Add	0.136¢	+ 0.886¢	+ A _q	Add	0.140¢ + 0.913¢ + (1.03 x A _q)

Winter Period

Onpeak	Add	0.161¢	+ 1.052¢	+ A _q	Add	0.166¢ + 1.084¢ + (1.03 x A _q)
Offpeak	Add	0.136¢	+ 0.886¢	+ A _q	Add	0.140¢ + 0.913¢ + (1.03 x A _q)

Transition Period

	Add	0.136¢	+ 0.886¢	+ A _q	Add	0.140¢ + 0.913¢ + (1.03 x A _q)
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Offpeak Hours Use of Demand Adjustment

Summer Period and Winter Period

First 425 hours	Add	0.010¢	+ 0.068¢	Add	0.010¢ + 0.068¢
Next 195 hours	Add	-0.058¢	+ -0.379¢	Add	-0.058¢ + -0.379¢
Additional kWh	Add	-0.116¢	+ -0.757¢	Add	-0.116¢ + -0.757¢

Transition Period

First 425 hours	Add	0.010¢	+ 0.068¢	Add	0.010¢ + 0.068¢
Next 195 hours	Add	-0.058¢	+ -0.379¢	Add	-0.058¢ + -0.379¢
Additional kWh	Add	-0.116¢	+ -0.757¢	Add	-0.116¢ + -0.757¢

405 College Street
P. O. Box 40
Lafayette, TN 37083-0040

Tri-County
Electric
Membership Corporation
www.tcemc.org

COPY
Telephone: (615) 666-2111
Toll Free: 1-800-369-2111
Fax: (615) 688-2141

August 26, 2010

**Mr. Ernest W. Peterson, Jr., PE
General Manager/Customer Service/Kentucky
Tennessee Valley Authority
6045 Russellville Road
Bowling Green, Kentucky 42101-7319**

**RE: Pilot SDE & Pilot TD HUD Agreements for October 2010
(TV-52337A)**

Dear Ernie:

**Per your letter dated August 12, 2010 please find enclosed two (2)
partially executed duplicate originals re the above referenced
Agreement.**

**As stated in your letter a fully executed original will be returned for our
files.**

**If I may be of additional assistance, please do not hesitate to contact me
at X100.**

Sincerely,



**PAUL THOMPSON
Executive Vice President
and General Manager**

**lk
Enclosures**



Tennessee Valley Authority, 6045 Russellville Road, Bowling Green, Kentucky 42101-7319

August 12, 2010

Mr. Paul Thompson
Executive Vice President & General Manager
Tri-County Electric Membership Corporation
405 College Street
Lafayette, Tennessee 37083

Dear Paul:

PILOT SDE & PILOT TD HUD AGREEMENTS FOR OCTOBER 2010 (TV-52337A)

Enclosed are two duplicate originals of a package of documents addressing the optional PILOT SDE and TD HUD rates that will be available effective October 2010. This package includes duplicate originals of the following:

- a) Contract amendment allowing Tri-County EMC to offer SDE or TD HUD Pilot rates
- b) General and manufacturing service rate schedules for B,C,D customers under SDE
- c) General and manufacturing service rate schedules for B,C,D customers under TD HUD
- d) Supplemental Adjustment Addendums for both SDE and TD HUD
- e) Wholesale Riders for both SDE and TD HUD

Please note that these pilot rates are subject to TVA Board review and approval at the TVA Board of Directors meeting on August 20, 2010. To expedite implementation of these rates, we encourage you to consider adding these rates for your large power customers subject to that approval. These pilots will allow for B,C,D customers to begin the new rates in October 2010 instead of waiting until the rate change effective April 2011.

Upon execution of these agreements and attachments by the authorized representative of Tri-County EMC, please return two partially executed originals of these packages to me for further handling. After final execution by TVA, one package of fully executed originals will be returned to you for your file.

If you have questions or concerns regarding this document, please call Hugh Meyer (270-846-7042).

Sincerely,

Ernest W Peterson, Jr., PE
General Manager
Customer Service
Kentucky

Enclosures

8/26/2010
Laura,
Please copy for our files & mail the original to Ernie.
08/26/2010
JK
Thanks
[Signature]

AMENDATORY AGREEMENT
Between
TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION
And
TENNESSEE VALLEY AUTHORITY

Date: February 11, 2011

TV-52337A, Supp. No. 89

THIS AGREEMENT, made and entered into 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);

WITNESSETH:

WHEREAS, Distributor and TVA 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, Distributor and TVA have entered into a contract dated December 7, 2001 (ESDP Agreement), under which Distributor participates in the Enhanced Security Deposit Program (Enhanced Program); and

WHEREAS, TVA has given Distributor notice that effective March 1, 2011, the ESDP Agreement will terminate; and

WHEREAS, notwithstanding such notice of termination and in lieu of the ESDP Agreement terminating pursuant to it, the parties wish to supplement and amend the ESDP Agreement to provide for the ESDP Agreement to remain in effect to the limited extent described below in this agreement;

NOW, THEREFORE, for and in consideration of the premises and of the mutual agreements set forth below, and subject to the TVA Act, the parties mutually agree as follows:

SECTION 1 - ESDP AGREEMENT AMENDED

Effective March 1, 2011, the provisions of the ESDP Agreement shall terminate except with respect to Distributor's Enhanced Program Insured Accounts in effect on that date (Existing Accounts). Continued coverage for said Existing Accounts shall otherwise remain subject to all terms and conditions of the ESDP Agreement as it is amended and supplemented by the provisions of section 2 through 7 below.

SECTION 2 - NEW ACCOUNTS

It is expressly recognized and agreed that effective March 1, 2011, the provisions of Article III of the ESDP Agreement, providing for the nomination of new accounts, shall be of no further force and effect. Accordingly, on and after that date, no new accounts may be enrolled for coverage under the ESDP Agreement.

SECTION 3 - EARLY TERMINATION

Section 6.2 of the ESDP Agreement is replaced by the following:

Either party may terminate this agreement at any time upon sixty (60) days' written notice.

SECTION 4 - PREMIUM CONTRIBUTION FOR EXISTING ACCOUNTS

Effective October 1, 2011, for the TVA Fiscal Year that begins on that date and for subsequent TVA Fiscal Years, Distributor shall be responsible for twenty percent (20%) of the total annual cost of the premiums for coverage for its Existing Accounts (Premium Contribution). TVA shall annually invoice Distributor for the Premium Contribution by adding the amount due to Distributor's power invoice each December.

It is expressly recognized and agreed that Distributor, at its election, may require its Existing Accounts to pay or reimburse Distributor for the portion of the Premium Contribution attributable to each such account.

SECTION 5 - ANNUAL EXISTING ACCOUNTS CERTIFICATION

By October 1, 2011, and by October 1 each year thereafter, Distributor shall complete and submit to TVA the form designated by TVA for the purpose of confirming the Existing Accounts that Distributor wishes to continue to have covered under the ESDP Agreement.

SECTION 6 - WHOLESALE PORTION CALCULATION AFTER APRIL 2011 RATE CHANGE


It is expressly recognized that after the April 2011 Rate Change, TVA will no longer have the requisite data necessary to calculate the Wholesale Portion of its retail bill for certain Existing Accounts. Accordingly, for any months after March 31, 2011, for which the Wholesale Portion must be calculated under sections 5.3.2, 5.5, and 5.6.2 of the ESDP Agreement, TVA will require and Distributor shall provide (except as provided in the following sentence) full hourly interval load data (kW and kWh) for each such Existing Account (in a format acceptable to TVA) in order for TVA to be able to calculate such Existing Account's contribution to the wholesale bill. If Distributor does not have the capability to provide such hourly data, such Wholesale Portion will be deemed to be 90 percent of the retail demand and energy charges.

SECTION 7 - ESDP AGREEMENT AFFIRMED


Except as expressly set out above, nothing in this agreement shall affect the other terms of the ESDP Agreement.

IN WITNESS WHEREOF, the parties to this agreement have caused it to be executed by their duly authorized representatives, as of the day and year first above written.

**TRI-COUNTY ELECTRIC
MEMBERSHIP CORPORATION**

By 
Title: Exec. V.P. & Gen. Mgr.

TENNESSEE VALLEY AUTHORITY

By 
Executive Vice President
Customer Relations



Tennessee Valley Authority, 6045 Russellville Road, Bowling Green, Kentucky 42101-7319

3/15/2011
Laura,
Please copy 03/15/11
J. Beecham
to file.
Thanks,
Paul

March 11, 2011

Mr. Paul Thompson
Executive Vice President/General Manager
Tri-County Electric Membership Corporation
405 College Street
Lafayette, Tennessee 37083

Dear Paul:

TRI-COUNTY EMC -- EXECUTED LETTER AGREEMENT PROVIDING REIMBURSEMENT FOR PROJECT WORK AT POWERCOM INDUSTRIAL SITE AND HARTSVILLE NUCLEAR PLANT SITE -- TV-52337A, SUPP. NO. 90, MAXIMO NO. 208956

Enclosed is one fully executed original of subject agreement covering arrangements for Tri-County EMC to modify power supply facilities at PowerCom and Hartsville sites.

If you have questions or concerns, please call me (270-846-7042).

Sincerely,

Hugh A. Meyer
Customer Service Engineer
Kentucky

Enclosures



Tennessee Valley Authority, 1101 Market Street, Chattanooga, Tennessee 37402-2801

February 9, 2011

TV-52337A, Supp. No. 90
Maximo No. 208956

Mr. Paul Thompson, Executive Vice President & General Manager
Tri-County Electric Membership Corporation
Post Office Box 40
Lafayette, Tennessee 37083-0040

Dear Mr. Thompson:

This letter agreement confirms the arrangements between Tri-County Electric Membership Corporation (Distributor) and Tennessee Valley Authority (TVA) relative to the parties' cooperation in a project to modify power supply facilities at the PowerCom Industrial site (PowerCom Site) and the Hartsville Nuclear Plant site (Hartsville Site) located near Hartsville, Tennessee. In conjunction with the project, TVA has scheduled an outage of TVA's Hartsville Nuclear Construction 69-kV Substation. During the outage, Distributor shall install certain facilities to provide an alternate power supply source (Alternate Source) to certain customers of Distributor (Distributor Loads) located at the PowerCom Site and to certain buildings used by TVA (TVA Loads) at the Hartsville Site, all of which are served through TVA's Hartsville Nuclear Construction 69-kV Substation.

Accordingly, it is understood and agreed that:

1. Distributor shall:

- (a) provide and install one 2500 kVA, 13-4-kV autotransformer to serve the Distributor Loads and the TVA Loads from Distributor's existing 13-kV line located on the PowerCom Site,
- (b) provide and install one 4-kV gang operated air break (GOAB) switch (4-kV Switch) on the existing 4-kV distribution circuit between the Distributor Loads and the TVA Loads, and
- (c) provide and install one 4-kV metering installation (4-kV Meter Installation) to measure power and energy supplied to the TVA Loads from the Alternate Source.

In any month when power is supplied to the TVA Loads from the Alternate Source, Distributor shall provide TVA meter data from the 4-kV Meter Installation for the purpose of determining the power and energy taken by the TVA Loads. Said meter

Mr. Paul Thompson
Page 2
February 9, 2011

data shall be subtracted from TVA's wholesale meter readings at the Hartsville 161-kV delivery point of power and energy to Distributor.

2. Distributor shall perform its work under this agreement in accordance with plans satisfactory to TVA and on a schedule to be developed by representatives of TVA and Distributor. The target completion date for Distributor's work is April 15, 2011.
3. After Distributor's work is completed, Distributor shall submit an invoice to TVA and TVA shall, consistent with the Billing and Payment Terms (enclosed and made a part of this agreement), reimburse Distributor for the actual cost incurred by Distributor for its work. For convenience only, Distributor has estimated the actual cost of this work to be \$77,500.
4. This agreement may be amended only by a writing signed by the parties.
5. This agreement becomes effective as of the Effective Date specified below and remains in effect until all obligations of the parties under this agreement have been fulfilled.

If this letter correctly reflects our understanding on this matter, please have a duly authorized representative of Distributor execute the two enclosed originals and return them to the TVA Bowling Green Customer Service Center. Upon execution by TVA, a fully executed original will be returned to you.

Sincerely,



Clayton L. Clem
Vice President
Electric System Projects

Accepted and agreed to as of
the 1st day of March, 2011 (Effective Date).

TRI-COUNTY ELECTRIC
MEMBERSHIP CORPORATION

By



Title: Executive Vice President and General Manager

Accepted and agreed to as of
the 10th day of February, 2011.

BILLING AND PAYMENT TERMS

(Payments by TVA)

(11/16/2009 version)

SECTION 1 - DEFINITION OF TERMS

"TVA" means the Tennessee Valley Authority.

"Reimbursable Contract" means the agreement or contract to which these Billing and Payment Terms are made a part as an attachment or exhibit.

"Billing Party" means the party owed any amount due under the Reimbursable Contract in accordance with these Billing and Payment Terms.

"Billed Party" means the party obligated to pay any amount due under the Reimbursable Contract in accordance with these Billing and Payment Terms. (The same party to the Reimbursable Contract may be the Billing Party or the Billed Party or both.)

"Payment Due Date" means the date by which payment is due the Billing Party as defined in Section 2 below.

"Deliverables" means the work or services performed, or property or equipment furnished, by the Billing Party under the Reimbursable Contract for the ownership benefit of the Billed Party.

SECTION 2 - INVOICING AND PAYMENT DUE DATE

The Billing Party shall submit an invoice to the Billed Party for the amount due. When TVA is the Billed Party, invoices shall be submitted to TVA Accounts Payable, P.O. Box 15500, Knoxville, Tennessee 37901, or may be submitted electronically to TVA Accounts Payable at accountspayable@tva.gov. When TVA is not the Billed Party, the invoice may be submitted in electronic form, if permitted under the Reimbursable Contract. For accounting reference purposes, the invoice shall be numbered and dated and shall include (a) the contract number assigned under Section 11 (**Assignment of Contract Number**) below and (b) reasonably sufficient detail or supporting documentation to permit the Billed Party to verify the appropriateness or accuracy of the amount owed. Unless a later due date is specified in the Reimbursable Contract, the Payment Due Date shall be 30 days from the date of receipt of the invoice. Payment by TVA will be made by electronic fund transfer (after the Billing Party completes a TVA Electronic Vendor Payment Form).

SECTION 3 - INTEREST ON UNDERPAYMENTS OR OVERPAYMENTS

If the Billed Party fails to pay the amount due by the Payment Due Date, the Billed Party shall pay interest on the unpaid amount based on the maximum rate under the United States Prompt Payment Act, (31 U.S.C. §§ 3901-3907) as published in the Federal Register and adjusted periodically (currently semi-annually). Interest shall accrue from the Payment Due Date until the date the Billing Party receives

payment. Failure to pay within 90 days after the Payment Due Date shall constitute a material breach of the Reimbursable Contract. If the Billed Party overpays (such as, due to erroneous or inaccurate invoicing by the Billing Party or due to refund of an excess deposit payment), the Billing Party shall promptly refund the amount overpaid.

SECTION 4 - DELAY OR SUSPENSION OF WORK DUE TO PAYMENT FAILURE

If the Billed Party fails to pay the amount due by the Payment Due Date, the Billing Party shall have the right to delay or suspend the work or services being performed until after such payment failure has been satisfactorily resolved. Nothing herein contained shall be construed as relieving the Billed Party of the obligation to pay the Billing Party for the work completed as of the date such work or services are delayed or suspended.

SECTION 5 - PAYMENT DISPUTE

The Billed Party may dispute the payment of all or a portion of the amount due in an invoice if the Billed Party has a reasonable basis to demonstrate that such amount is inappropriate or questionable. In that case, the Billed Party shall promptly advise the Billing Party in writing of the reasons for disputing all or a portion of the invoiced amount. Upon receipt of the Billed Party's written statement of reasons, the dispute resolution provisions of Section 12 below shall apply. If as a result of the dispute resolution, one party is required to pay the other for the amount overpaid or underpaid, such amount shall include interest calculated in accordance with Section 3 (**Interest on Underpayments or Overpayments**) above.

SECTION 6 - OFFSET

Each party reserves the right to offset any amount owed to the other party against any amount owed by the other party.

SECTION 7 - WARRANTIES AND LIMITATION OF LIABILITY

Unless otherwise provided in the Reimbursable Contract, the Billing Party warrants the Deliverables to be in conformance with generally accepted professional standards prevailing at the time of delivery. Any Deliverables not in accordance with such standards shall be corrected at no cost to the Billed Party as long as such nonconformance is reported in writing within one year from the date of delivery. The Billing Party expressly disclaims any other warranties, including implied warranties of merchantability or fitness for any particular use or purpose, as to any Deliverables provided hereunder.

SECTION 8 - TIME OF COMPLETION AND FORCE MAJEURE

Any delays in or failure of performance by the Billing Party or its contractors shall not constitute default hereunder if and to the extent such delays or failures of performance are caused by occurrences beyond the reasonable control of Billing Party or its contractors, and Billing Party shall not be liable for any loss or damage due to or arising out of any such delays or failure of performance. Such occurrences include, but are not limited to, acts of God or the public enemy, fires,

epidemics, quarantines, strikes, freight embargoes or delays in transportation, priorities or other acts or orders of Governmental authority, or unforeseeable severe weather or floods, or any causes, whether or not of the same class or kind of those specifically above named, which are not within the control of Billing Party or its contractors.

SECTION 9 - ACCESS TO BILLING RECORDS AND CONFIDENTIALITY

Upon written request by the Billed Party, the Billing Party shall provide access during normal working hours to its records as necessary to permit the Billed Party to verify the accuracy or appropriateness of the invoice. The Billed Party shall keep the information examined confidential. If a billing dispute is submitted to dispute resolution as set out in Section 12 below, the Billing Party agrees to provide the pertinent records or information to counsel and independent experts of the Billed Party and those attempting to resolve the dispute, provided such third parties agree to keep such records or information confidential. Nothing in this Section shall be construed as in any way impairing the ability pursuant to statutory authority of the Office of the Inspector General of TVA or of any other Federal agency having auditing jurisdiction over TVA to examine the records of the Billing Party to the extent relating to any amount billed TVA by the Billing Party.

SECTION 10 - ENTIRE CONTRACT

The Reimbursable Contract and all exhibits or attachments thereto (including these Billing and Payment Terms) shall constitute the entire agreement between the parties. In the event of any conflict between the provisions of the Reimbursable Contract and these Billing and Payment Terms, the Reimbursable Contract shall prevail.

SECTION 11 - ASSIGNMENT OF CONTRACT NUMBER

The Reimbursable Contract will have a contract number assigned by TVA for all parties to use as a reference as part of the invoicing and payment processes.

SECTION 12 - DISPUTE RESOLUTION

If a billing amount dispute arises out of or relates to the Reimbursable Contract, including these Billing and Payment Terms, or the breach thereof, the parties agree to use their best efforts to resolve such a dispute informally at the lowest possible levels of decisionmaking. Such a dispute not resolved at the working level should be referred to higher levels of management of both parties for consideration, as necessary. If said dispute cannot be so settled, the parties further agree to develop and use consensual alternative dispute resolution processes, such as facilitation and mediation to try in good faith to settle said dispute, before resorting to arbitration, litigation, or some other dispute resolution procedure. The parties may, for example, try to resolve the dispute by mediation administered by the American Arbitration Association under its Commercial Mediation Rules.

SECTION 13 - RESTRICTION OF BENEFITS

No member of or delegate to Congress or Resident Commissioner, or any officer, employee, special Government employee, or agent of TVA shall be admitted to any share or part of the Reimbursable Contract or to any benefit that may arise from it unless the agreement be made with a corporation for its general benefit. The other party to the Reimbursable Contract shall not offer or give, directly or indirectly, to any officer, employee, special Government employee, or agent of TVA any gift, 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 the Reimbursable Contract.

SECTION 14 - CONFORMANCE WITH WORK SCOPE AND COST ESTIMATE

It is recognized that depending on the nature or extent of the work involved, the Reimbursable Contract may include a detailed work scope and a cost estimate (or cost limitation) for work subject to reimbursement based on actual costs incurred. In that case, the Billing Party shall use its best efforts to perform the work within the specified work scope and cost estimate. If at any time the Billing Party becomes aware that the actual costs will likely exceed the cost estimate by 15 percent or more, the Billing Party shall use its best efforts to obtain concurrence or resolution with the Billed Party regarding such cost estimate overrun. This shall include notification of the Billed Party in writing of the cost estimate overrun together with a revised cost estimate and an explanation for the cost estimate overrun so as to provide the Billed Party an opportunity for input and/or consultation. For work or services in excess of the work scope, unless mutually agreed by the parties in advance (such as in the form of an amendment to the Reimbursable Contract), the Billing Party shall not be obligated to perform such work or services, and the Billed Party shall not be obligated to pay for such work or services. The Billing Party may elect to suspend the work in question until it has obtained concurrence or resolution with the Billed Party regarding work in excess of the work scope and/or cost estimate.



Tennessee Valley Authority, 6045 Russellville Road, Bowling Green, Kentucky 42101-7319

3/15/2011
Laura,
Please file.
Thanks
Paul

March 11, 2011

Mr. Paul Thompson
Executive Vice President/General Manager
Tri-County Electric Membership Corporation
405 College Street
Lafayette, Tennessee 37083

Dear Paul:

**TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION -- EXECUTED RATE
CHANGE AGREEMENT -- TV-52337A, SUPP. NO. 91, DATED APRIL 1, 2011**

Enclosed is one fully executed original of the Rate Change Agreement, TV-52337A, Supp. No. 91, dated April 1, 2011, covering arrangements pertaining to wholesale rate schedules, resale rate schedules, renewal of the Manufacturing Credit Program, and reporting requirements.

If you have questions concerning this document or any material therein, please contact me at 270-846-7042.

Sincerely,

Hugh A. Meyer
Customer Service Engineer
Kentucky

Enclosures

AGREEMENT
Between
TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION
And
TENNESSEE VALLEY AUTHORITY

Effective Date: April 1, 2011

TV-52337A, Supp. No. 91

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 (TVA Act);

WITNESSETH:

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 Power Contract in the respects necessary to place into effect changed wholesale and resale schedules and in certain other respects;

NOW, THEREFORE, for and in consideration of the premises and of the mutual agreements set forth below, and subject to the TVA Act, the parties mutually agree as follows:

SECTION 1 - WHOLESALE RATE SCHEDULE SUBSTITUTION

1.1 Implementation of Time-Of-Use Wholesale Rate. The Schedule of Rates and Charges attached to and made a part of the Power Contract contains a wholesale rate schedule (Existing Wholesale Schedule). A substitute wholesale schedule, designated Schedule WS-TOU (Changed Wholesale Schedule WS-TOU), dated April 2011, is attached hereto. The Existing Wholesale Schedule shall remain in full force and effect for all bills rendered from wholesale meter readings scheduled to be taken before April 2, 2011, and the Changed Wholesale Schedule shall become effective in accordance with the provisions thereof for all bills rendered from wholesale meter readings scheduled to be taken on and after April 2, 2011. Commencing with the first application of the Changed Wholesale Schedule WS-TOU, all references in the Power Contract to the Existing Wholesale Schedule shall be deemed to refer to the Changed Wholesale Schedule WS-TOU.

1.2 Demand and Energy Wholesale Rate Option Available Until October 2012.

1.2.1 Schedules WS-DE and WS-DE Modified. An optional wholesale schedule, designated as Schedule WS-DE (Optional Wholesale Schedule WS-DE), dated April 2011-September 2012, is attached hereto. As used in 1.2.3 below, "Optional Wholesale Schedule WS-DE Modified" shall mean a modified version of said attached optional schedule in which the Standard Service energy charges of the schedule are replaced by the Standard Service energy charges of Changed Wholesale Schedule WS-TOU (but not including the Standard Service TOU Amounts).

1.2.2 Initial Option to Elect Schedule WS-DE. Notwithstanding 1.1 above, by providing written notice to TVA no later than December 31, 2010, Distributor may elect to put into place Optional Wholesale Schedule WS-DE. In such case, the Optional Wholesale Schedule WS-DE shall become effective in accordance with the provisions thereof for all bills rendered from wholesale meter readings scheduled to be taken on and after April 2, 2011.

1.2.3 Subsequent Election of Schedule WS-DE Modified. After April 2, 2011, Distributor may elect Optional Wholesale Schedule WS-DE Modified by providing at least 45 days' written notice for said Schedule WS-DE Modified to become effective for all bills rendered from wholesale meter readings scheduled to be taken on or after the second day of a month specified in such notice.

1.2.4 Term of Optional Schedule Election. If an optional schedule is elected and put into effect under 1.2.2 or 1.2.3 above, said elected optional schedule will remain in effect for all bills rendered from wholesale meter readings scheduled to be taken before October 2, 2012; provided, however, that Distributor may cancel that election upon at least 45 days' written notice to TVA to become effective for all bills rendered from wholesale meter readings scheduled to be taken on or after the second day of a month specified in such notice. During the period when such an optional schedule is in effect, all references in the Power Contract to the Existing Wholesale Schedule shall be deemed to refer to such optional schedule. Changed Wholesale Schedule WS-TOU shall become effective as provided in 1.1 above for all bills rendered from wholesale meter readings scheduled to be taken on and after the earlier of (a) the second day of a month specified in any cancellation notice given under the proviso to the first sentence of this subsection 1.2.4 or (b) October 2, 2012.

1.3 Rates Applicable to Summer Period 2011.

Notwithstanding the Standard Service rates in Schedules WS-TOU and WS-DE, during the Summer Period of 2011 only, (i) the Demand Charge is hereby agreed to be \$8.30 per kW of Billing Demand per month (plus any applicable adjustment addendum Demand Charges) and (ii) the Non-Fuel Energy Charge is hereby agreed to be 3.076 ¢ per kWh per month (plus any applicable adjustment addendum Energy Charges and any TOU Amount applicable for Schedule WS-TOU).

SECTION 2 - RESALE RATE SCHEDULE SUBSTITUTION

2.1 Changed Resale Schedules. The Schedule of Rates and Charges attached to and made a part of the Power Contract contains various resale rate schedules (Existing Resale Schedules). Substitute resale schedules, designated Schedules RS, GSA, GSB, GSC, GSD, LS, MSB, MSC, MSD, SGSB, SGSC, SGSD, SMSB, SMSC, and SMSD (Changed Resale Schedules), all dated April 2011, are attached to this agreement.

2.2 Resale Effective Date. The Existing Resale Schedules shall remain in full force and effect for all bills rendered from resale meter readings taken for revenue months of Distributor prior to Distributor's April 2011 revenue month, and the respective Changed Resale Schedules shall become effective in accordance with the provisions thereof for all bills rendered from resale meter readings taken for revenue months of Distributor beginning with the April 2011 revenue month. Beginning with Distributor's April 2011 revenue month, Distributor shall provide electric service to all customers at and in accordance with the rates, charges, and provisions of the appropriate Changed Resale Schedule and the provisions of the Power Contract as supplemented and amended by this agreement.

The table below lists the Existing Resale Schedules and the corresponding Changed Resale Schedules that will replace each one of them in accordance with this section 2.

Existing Resale Schedule (Where applicable)		Changed Resale Schedule (Where applicable)
RS	corresponds to	RS
GSA	corresponds to	GSA
GSA, Part 3	corresponds to	TDGSA or TDMSA if SIC qualified (optional)
GSB	corresponds to	GSB
GSB	corresponds to	SGSB (optional)
GSC	corresponds to	GSC
GSC	corresponds to	SGSC (optional)
GSD	corresponds to	GSD
GSD	corresponds to	SGSD (optional)
MSB	corresponds to	MSB
MSB	corresponds to	SMSB (optional)
MSC	corresponds to	MSC
MSC	corresponds to	SMSC (optional)
MSD	corresponds to	MSD
MSD	corresponds to	SMSD (optional)
PSGSB	corresponds to	SGSB
PSGSC	corresponds to	SGSC
PSGSD	corresponds to	SGSD
PSMSB	corresponds to	SMSB
PSMSC	corresponds to	SMSC
PSMSD	corresponds to	SMSD
TRS	corresponds to	TRS
TGSA	corresponds to	TGSA

TGSA, Part 3	corresponds to	TDGSA or TDMSA if SIC qualified (optional)
TGSB	corresponds to	GSB
TGSC	corresponds to	GSC
TGSD	corresponds to	GSD
TMSB	corresponds to	MSB
TMSC	corresponds to	MSC
TMSD	corresponds to	MSD
LS	corresponds to	LS
TDGSB	corresponds to	TDGSA (optional for customers with contract demands greater than 1,000 kW but not more than 5,000 kW)
TDGSB	corresponds to	GSB
TDGSC	corresponds to	GSC
TDGSD	corresponds to	GSD
TDMSB	corresponds to	TDMSA (optional for customers with contract demands greater than 1,000 kW but not more than 5,000 kW)
TDMSB	corresponds to	MSB
TDMSC	corresponds to	MSC
TDMSD	corresponds to	MSD

SECTION 3 - SMALL MANUFACTURING CREDITS

3.1 Previous Agreement. It is expressly recognized that certain manufacturing credits (Small Manufacturing Credits) are provided for under the agreement numbered TV-52337A, Supp. No. 37, and dated June 1, 1994, as amended (Manufacturing Credit Agreement). Notwithstanding the rate change reflected in this agreement, the Manufacturing Credit Agreement shall continue in effect and shall be deemed amended as provided below in this section 3.

3.2 Changed Resale Schedules. Beginning with Distributor's April 2011 revenue month, the Manufacturing Credit Agreement shall be deemed amended in the respects necessary to provide that customers served under Part 3 of the applicable Changed Resale Schedule GSA or TGSA shall be deemed to be Expanded Eligible Accounts eligible for Expanded Credits. It is expressly recognized that customers served under Schedules TDGSA and TDMSA are not eligible for such credits.

The Manufacturing Credit Agreement shall be deemed further amended to provide that, if the applicable TGSA resale schedule does not provide for different demand charges for a customer's onpeak and offpeak billing demand, in lieu of the credit amounts specified for the metered demands of customers taking time-of-day service, the credits amounts specified or the metered demands of customers taking standard service shall apply.

3.3 Wholesale Credits. Beginning with the April 2011 billing month, the Manufacturing Credit Agreement shall be amended in the respects necessary to provide that:

- (a) Except as otherwise provided below, each month TVA's wholesale bill to Distributor shall include a wholesale credit (Estimated Small Manufacturing Credit) for that month equal to the total amount of credits applied to each Eligible Account by Distributor in the preceding month and reported in Distributor's ESS Report to TVA (as provided in section 5 below).
- (b) The wholesale bill will then be adjusted to reflect the difference between the actual amount of credits applied to each Eligible Account by Distributor in the preceding month and the Estimated Small Manufacturing Credit applied to Distributor's wholesale bill for the preceding month.
- (c) If TVA does not receive Distributor's ESS Report at least 10 calendar days prior to the wholesale billing date, Distributor shall not receive an Estimated Small Manufacturing Credit on that month's wholesale bill. Instead, upon receipt of Distributor's ESS Report, the wholesale bill for the following month will include a credit equal to the actual amount of credits applied to each Eligible Account and reported to TVA for that month.

3.4 Application Forms. The Manufacturing Credit Agreement is amended to provide that Distributor shall keep on file a copy of each completed application form for audit purposes. This responsibility to maintain application forms and TVA's ability to audit shall replace any requirement of TVA approval of completed application forms in the existing Manufacturing Credit Agreement.

SECTION 4 - ENHANCED GROWTH CREDIT PROGRAM

Under an agreement numbered TV-52337A, Supp. No. 39 and dated May 5, 1994, as amended (EGCP Agreement), TVA and Distributor are participating in an Enhanced Growth Credit (EGC) Program to encourage the fuller and better balanced development of the resources of the region by applying credits against the electric bills of certain eligible new and expanding general power customers of Distributor.

Beginning with the April 2011 billing month, the EGCP Agreement shall be amended in the respects necessary to provide that:

- (a) Except as otherwise provided below, each month TVA's wholesale bill to Distributor shall include a wholesale credit (Estimated Enhanced Growth Credit) for that month equal to 110 percent of the total Retail Credits applied by Distributor in the preceding month and reported in Distributor's ESS Report to TVA (as provided in section 5 below).
- (b) The wholesale bill will then be adjusted to reflect the difference between 110 percent of the actual amount of Retail Credits applied by Distributor in the preceding month and the Estimated Enhanced Growth Credit applied to Distributor's wholesale bill for the preceding month.

(c) If TVA does not receive Distributor's ESS Report at least 10 calendar days prior to the wholesale billing date, Distributor shall not receive an Estimated Enhanced Growth Credit on that month's wholesale bill. Instead, upon receipt of Distributor's ESS Report, the wholesale bill for the following month will include a credit equal to 110 percent of the actual amount of Retail Credits applied by Distributor and reported to TVA for that month.

SECTION 5 - REPORTING

It is recognized that the monthly statistical information to be furnished to TVA under the Terms and Conditions of the Power Contract is currently provided by Distributor in a monthly Electric Sales Statistics (ESS) Report. Beginning with Distributor's April 2011 revenue month, Distributor shall include in its ESS Report monthly data showing:

- (a) for each Eligible Account under the Manufacturing Credit Agreement, the amounts billed to each customer for firm power and energy and the amount of the credit applied during that revenue month, together with such other information as may be reasonably required by TVA under the Manufacturing Credit Agreement;
- (b) for each customer participating in the EGC Program (i) the amount of any Retail Credit for the month and (ii) the billing data used to calculate that Retail Credit, together with such other information as may be reasonably required by TVA under of the EGCP Agreement;
- (c) the amount of any Hydro Allocation Adjustment applied in accordance with Adjustment 2 of the Changed Wholesale Schedule or the Optional Wholesale Schedule and the billing data used to calculate such adjustment;
- (d) the generation output and applicable credits from each individual type of Qualifying System at each Site, as required under the Generation Partners pilot;
- (e) the number of Participants enrolled in the Green Power Switch Program, the number of energy blocks purchased by Participants, and the total Green Power Switch Charges determined under the Green Power Switch Agreement, numbered TV-52337A, Supp. No. 74, and dated October 26, 2005;
- (f) the amounts of any PCA and the billing data for each rate class used to calculate such amounts.

The information furnished under this section 5 shall be provided in accordance with TVA's ESS Reporting Guidelines, as they may be modified, changed, or replaced by TVA from time to time.

SECTION 6 - NOTICES OF ADJUSTMENT OR CHANGE OF RATES

Notwithstanding the section entitled "Adjustment and Change of Wholesale Rate and Resale Rates" in the Schedule of Terms and Conditions attached to and made part of the Power Contract, (a) any Adjustment Addendum providing for adjustments to the charges of the Schedule of Rates and Charges shall be deemed properly published and (b) any notice required to place into effect any changes in the Schedule of Rates and

Charges shall be deemed properly given if provided electronically either by electronic mail or by posting electronically on a computer-based information system designated by TVA for such purpose.

SECTION 7 - TERM

Except as otherwise specifically provided herein, this agreement shall become effective as of the Effective Date first above written, and shall continue in effect until expiration of the Power Contract, or any renewal, extension, or replacement thereof.

SECTION 8 - ADJUSTMENT ADDENDUM COST RECOVERY

It is expressly recognized:

- (a) that the schedules attached to this agreement do not include any charges to recover TVA's fuel costs or any charges to cover the costs currently being recovered by the Environmental Adjustment amounts currently provided for in the Adjustment Addendum, and
- (b) that accordingly all fuel cost recovery (including the current Fuel Cost Adjustment and current base fuel charges) and the costs currently being recovered by the Environmental Adjustment amounts will be addressed through an Adjustment Addendum.

SECTION 9 - POWER CONTRACT AFFIRMED

Except as expressly set out above, nothing in this agreement shall affect the other terms of the Power Contract.

IN WITNESS WHEREOF, the parties have caused this agreement to be executed by their duly authorized representatives, as of the day and year first above written.

**TRI-COUNTY ELECTRIC
MEMBERSHIP CORPORATION**

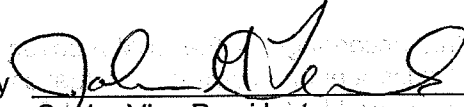
By



Title:

TENNESSEE VALLEY AUTHORITY

By



Senior Vice President

Commercial Operations and Pricing

Large Customers under the Standard Billing Arrangement shall be metered in accordance with TVA furnished or approved guidelines or specifications. Distributor shall provide to TVA, in accordance with TVA furnished or approved guidelines or specifications, unrestricted remote access to the metering data at all times, as well as physical access to the metering facilities for the purpose of confirming remotely-accessed data during such periods as are specified by TVA. Further, for each Large Customer, Distributor shall furnish TVA with such contract information as TVA reasonably requests for purposes of performing monthly billing analysis for each such customer. In the event that TVA is not given such access to all such metering data, or is not provided such contract information, all power and energy taken hereunder shall be billed in accordance with the Alternate Billing Arrangement.

STANDARD SERVICE

Demand Charge:	Summer Period	\$ 8.83 per kW of Billing Demand per month
	Winter Period	\$ 8.04 per kW of Billing Demand per month
	Transition Period	\$ 8.04 per kW of Billing Demand per month
Non-Fuel Energy Charge:	Summer Period	3.076¢ per kWh per month
	Winter Period	3.076¢ per kWh per month
	Transition Period	3.076¢ per kWh per month

TOU SERVICE

General Power Service

Schedule GSB

Administrative Charge:	\$350 per delivery point per month	
Demand Charge:	Summer Period	\$14.00 per kW of metered onpeak demand per month \$ 2.71 per kW per month of the amount, if any, by which metered offpeak demand exceeds metered onpeak demand
	Winter Period	\$ 7.56 per kW of metered onpeak demand per month \$ 2.71 per kW per month of the amount, if any, by which metered offpeak demand exceeds metered onpeak demand
	Transition Period	\$ 2.71 per kW of metered offpeak demand per month
Non-Fuel Energy Charge:	Summer Period	6.512¢ per kWh per month for all metered onpeak kWh 3.370¢ per kWh per month for the first 425 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy 1.678¢ per kWh per month for the next 195 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy 0.243¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours multiplied by the ratio of offpeak energy to total energy
	Winter Period	3.733¢ per kWh per month for all metered onpeak kWh 3.370¢ per kWh per month for the first 425 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy 1.678¢ per kWh per month for the next 195 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy 0.243¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours multiplied by the ratio of offpeak energy to total energy

Transition Period 3.370¢ per kWh per month for the first 425 hours use of maximum metered demand
 1.678¢ per kWh per month for the next 195 hours use of maximum metered demand
 0.243¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours

Schedule GSC

Administrative Charge: \$350 per delivery point per month

Demand Charge:

Summer Period \$14.00 per kW of metered onpeak demand per month
 \$ 2.71 per kW per month of the amount, if any, by which metered offpeak demand exceeds metered onpeak demand
 Winter Period \$ 7.56 per kW of metered onpeak demand per month
 \$ 2.71 per kW per month of the amount, if any, by which metered offpeak demand exceeds metered onpeak demand
 Transition Period \$ 2.71 per kW of metered offpeak demand per month

Non-Fuel Energy Charge:

Summer Period 6.186¢ per kWh per month for all metered onpeak kWh
 3.132¢ per kWh per month for the first 425 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy
 1.439¢ per kWh per month for the next 195 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy
 0.004¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours multiplied by the ratio of offpeak energy to total energy
 Winter Period 3.475¢ per kWh per month for all metered onpeak kWh
 3.132¢ per kWh per month for the first 425 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy
 1.439¢ per kWh per month for the next 195 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy
 0.004¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours multiplied by the ratio of offpeak energy to total energy
 Transition Period 3.132¢ per kWh per month for the first 425 hours use of maximum metered demand
 1.439¢ per kWh per month for the next 195 hours use of maximum metered demand
 0.004¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours

Schedule GSD

Administrative Charge: \$350 per delivery point per month

Demand Charge:

Summer Period \$14.00 per kW of metered onpeak demand per month
 \$ 2.71 per kW per month of the amount, if any, by which metered offpeak demand exceeds metered onpeak demand
 Winter Period \$ 7.56 per kW of metered onpeak demand per month
 \$ 2.71 per kW per month of the amount, if any, by which metered offpeak demand exceeds metered onpeak demand
 Transition Period \$ 2.71 per kW of metered offpeak demand per month

Non-Fuel Energy Charge:

Summer Period

6.048¢ per kWh per month for all metered onpeak kWh
2.899¢ per kWh per month for the first 425 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy
1.207¢ per kWh per month for the next 195 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy
-0.230¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours multiplied by the ratio of offpeak energy to total energy

Winter Period

3.258¢ per kWh per month for all metered onpeak kWh
2.899¢ per kWh per month for the first 425 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy
1.207¢ per kWh per month for the next 195 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy
-0.230¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours multiplied by the ratio of offpeak energy to total energy

Transition Period

2.899¢ per kWh per month for the first 425 hours use of maximum metered demand
1.207¢ per kWh per month for the next 195 hours use of maximum metered demand
-0.230¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours

Schedule TDGSA

Administrative Charge: \$350 per delivery point per month

Demand Charge:

Summer Period

\$14.00 per kW of metered onpeak demand per month
\$ 2.71 per kW per month of the amount, if any, by which metered offpeak demand exceeds metered onpeak demand

Winter Period

\$ 7.56 per kW of metered onpeak demand per month
\$ 2.71 per kW per month of the amount, if any, by which metered offpeak demand exceeds metered onpeak demand

Transition Period

\$ 2.71 per kW of metered offpeak demand per month

Non-Fuel Energy Charge:

Summer Period

6.512¢ per kWh per month for all metered onpeak kWh
3.370¢ per kWh per month for the first 425 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy
1.678¢ per kWh per month for the next 195 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy
0.243¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours multiplied by the ratio of offpeak energy to total energy

Winter Period

3.733¢ per kWh per month for all metered onpeak kWh
3.370¢ per kWh per month for the first 425 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy
1.678¢ per kWh per month for the next 195 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy
0.243¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours multiplied by the ratio of offpeak energy to total energy

Transition Period 3.370¢ per kWh per month for the first 425 hours use of maximum metered demand
 1.678¢ per kWh per month for the next 195 hours use of maximum metered demand
 0.243¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours

Manufacturing Service

Schedule MSB

Administrative Charge: \$350 per delivery point per month
 Demand Charge:
 Summer Period \$14.00 per kW of metered onpeak demand per month
 \$ 2.71 per kW per month of the amount, if any, by which metered offpeak demand exceeds metered onpeak demand
 Winter Period \$ 7.56 per kW of metered onpeak demand per month
 \$ 2.71 per kW per month of the amount, if any, by which metered offpeak demand exceeds metered onpeak demand
 Transition Period \$ 2.71 per kW of metered offpeak demand per month

Non-Fuel Energy Charge:
 Summer Period 5.136¢ per kWh per month for all metered onpeak kWh
 2.029¢ per kWh per month for the first 425 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy
 0.338¢ per kWh per month for the next 195 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy
 -1.098¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours multiplied by the ratio of offpeak energy to total energy
 Winter Period 2.415¢ per kWh per month for all metered onpeak kWh
 2.029¢ per kWh per month for the first 425 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy
 0.338¢ per kWh per month for the next 195 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy
 -1.098¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours multiplied by the ratio of offpeak energy to total energy
 Transition Period 2.029¢ per kWh per month for the first 425 hours use of maximum metered demand
 0.338¢ per kWh per month for the next 195 hours use of maximum metered demand
 -1.098¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours

Schedule MSC

Administrative Charge: \$350 per delivery point per month
 Demand Charge:
 Summer Period \$14.00 per kW of metered onpeak demand per month
 \$ 2.71 per kW per month of the amount, if any, by which metered offpeak demand exceeds metered onpeak demand
 Winter Period \$ 7.56 per kW of metered onpeak demand per month
 \$ 2.71 per kW per month of the amount, if any, by which metered offpeak demand exceeds metered onpeak demand
 Transition Period \$ 2.71 per kW of metered offpeak demand per month

Non-Fuel Energy Charge:

Summer Period 5.211¢ per kWh per month for all metered onpeak kWh
2.016¢ per kWh per month for the first 425 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy
0.325¢ per kWh per month for the next 195 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy
-1.110¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours multiplied by the ratio of offpeak energy to total energy

Winter Period 2.428¢ per kWh per month for all metered onpeak kWh
2.016¢ per kWh per month for the first 425 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy
0.325¢ per kWh per month for the next 195 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy
-1.110¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours multiplied by the ratio of offpeak energy to total energy

Transition Period 2.016¢ per kWh per month for the first 425 hours use of maximum metered demand
0.325¢ per kWh per month for the next 195 hours use of maximum metered demand
-1.110¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours

Schedule MSD

Administrative Charge: \$350 per delivery point per month
Demand Charge:

Summer Period \$14.00 per kW of metered onpeak demand per month
\$ 2.71 per kW per month of the amount, if any, by which metered offpeak demand exceeds metered onpeak demand

Winter Period \$ 7.56 per kW of metered onpeak demand per month
\$ 2.71 per kW per month of the amount, if any, by which metered offpeak demand exceeds metered onpeak demand

Transition Period \$ 2.71 per kW of metered offpeak demand per month

Non-Fuel Energy Charge:

Summer Period 5.060¢ per kWh per month for all metered onpeak kWh
1.868¢ per kWh per month for the first 425 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy
0.176¢ per kWh per month for the next 195 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy
-1.259¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours multiplied by the ratio of offpeak energy to total energy

Winter Period 2.262¢ per kWh per month for all metered onpeak kWh
1.868¢ per kWh per month for the first 425 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy
0.176¢ per kWh per month for the next 195 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy
-1.259¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours multiplied by the ratio of offpeak energy to total energy

Transition Period 1.868¢ per kWh per month for the first 425 hours use of maximum metered demand
 0.176¢ per kWh per month for the next 195 hours use of maximum metered demand
 -1.259¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours

Schedule TDMSA

Administrative Charge: \$350 per delivery point per month
 Demand Charge:
 Summer Period \$14.00 per kW of metered onpeak demand per month
 \$ 2.71 per kW per month of the amount, if any, by which metered offpeak demand exceeds metered onpeak demand
 Winter Period \$ 7.56 per kW of metered onpeak demand per month
 \$ 2.71 per kW per month of the amount, if any, by which metered offpeak demand exceeds metered onpeak demand
 Transition Period \$ 2.71 per kW of metered offpeak demand per month

Non-Fuel Energy Charge:
 Summer Period 5.136¢ per kWh per month for all metered onpeak kWh
 2.029¢ per kWh per month for the first 425 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy
 0.338¢ per kWh per month for the next 195 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy
 -1.098¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours multiplied by the ratio of offpeak energy to total energy
 Winter Period 2.415¢ per kWh per month for all metered onpeak kWh
 2.029¢ per kWh per month for the first 425 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy
 0.338¢ per kWh per month for the next 195 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy
 -1.098¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours multiplied by the ratio of offpeak energy to total energy
 Transition Period 2.029¢ per kWh per month for the first 425 hours use of maximum metered demand
 0.338¢ per kWh per month for the next 195 hours use of maximum metered demand
 -1.098¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours

SEASONAL DEMAND AND ENERGY SERVICE

General Power Service

Schedule SGSB

Administrative Charge: \$350 per delivery point per month
 Demand Charge:
 Summer Period \$18.61 per kW of metered demand per month
 Winter Period \$12.90 per kW of metered demand per month
 Transition Period \$ 8.61 per kW of metered demand per month

Non-Fuel Energy Charge:
 Summer Period 2.224¢ per kWh per month
 Winter Period 1.853¢ per kWh per month
 Transition Period 1.772¢ per kWh per month

Schedule SGSC

Administrative Charge: \$350 per delivery point per month
Demand Charge:
 Summer Period \$18.61 per kW of metered demand per month
 Winter Period \$12.90 per kW of metered demand per month
 Transition Period \$8.61 per kW of metered demand per month

Non-Fuel Energy Charge:
 Summer Period 2.235¢ per kWh per month
 Winter Period 1.857¢ per kWh per month
 Transition Period 1.777¢ per kWh per month

Schedule SGSD

Administrative Charge: \$350 per delivery point per month
Demand Charge:
 Summer Period \$21.83 per kW of metered demand per month
 Winter Period \$16.11 per kW of metered demand per month
 Transition Period \$11.83 per kW of metered demand per month

Non-Fuel Energy Charge:
 Summer Period 1.598¢ per kWh per month
 Winter Period 1.268¢ per kWh per month
 Transition Period 1.196¢ per kWh per month

Manufacturing Service

Schedule SMSB

Administrative Charge: \$350 per delivery point per month
Demand Charge:
 Summer Period \$15.99 per kW of metered demand per month
 Winter Period \$10.28 per kW of metered demand per month
 Transition Period \$5.99 per kW of metered demand per month

Non-Fuel Energy Charge:
 Summer Period 1.532¢ per kWh per month
 Winter Period 1.113¢ per kWh per month
 Transition Period 1.016¢ per kWh per month

Schedule SMSC

Administrative Charge: \$350 per delivery point per month
Demand Charge:
 Summer Period \$15.99 per kW of metered demand per month
 Winter Period \$10.28 per kW of metered demand per month
 Transition Period \$5.99 per kW of metered demand per month

Non-Fuel Energy Charge:
 Summer Period 1.505¢ per kWh per month
 Winter Period 1.112¢ per kWh per month
 Transition Period 1.018¢ per kWh per month

Schedule SMSD

Administrative Charge: \$350 per delivery point per month

Demand Charge:

Summer Period \$18.61 per kW of metered demand per month

Winter Period \$12.90 per kW of metered demand per month

Transition Period \$ 8.61 per kW of metered demand per month

Non-Fuel Energy Charge:

Summer Period 0.862¢ per kWh per month

Winter Period 0.548¢ per kWh per month

Transition Period 0.472¢ per kWh per month

Adjustments

1. The base demand and energy charges in this rate schedule shall be increased or decreased in accordance with the current Adjustment Addendum published by TVA.

2. Distributor's bill for each month shall be adjusted by applying the net of the following calculations: (1) subtract 0.297¢ per kWh for the energy resold by Distributor in the previous month to customers entitled to service under residential rate schedules, (2) subtract \$1.60 per customer for each such customer, (3) add 0.279¢ per kWh for the energy resold by Distributor in the previous month to other customers whose contract demands do not exceed 5,000 kW, but excluding any customers served under schedules TDGSA and TDMSA, and (4) where Distributor is billed under the Alternate Billing Arrangement, add 45¢ per kW and 0.096¢ per kWh for the power and energy resold by Distributor in the previous month (i) to other customers whose contract demands exceed 5,000 kW and (ii) other customers served under schedules TDGSA and TDMSA. The dollar and cent amounts used in determining the adjustment applied under the preceding sentence (hereafter referred to as the "Hydro Allocation Adjustment") shall remain constant for 12 consecutive months from October 1 of each year.

Effective October 1 of each year, the dollar and cent amounts used in determining the Hydro Allocation Adjustment shall be recomputed to take account of changed sales and customer account data and applied accordingly. In performing such computations, the latest 12-month period ending June 30 shall be used for purposes of determining the amounts used in (1), (3), and (4) above and the number of customers entitled to be served under Distributor's residential rate schedules at the end of such 12-month period shall be used for purposes of determining the amount used in (2) above.

Each month Distributor shall report, in a form specified by TVA, the kWh amounts of energy used in determining components (1), (3), and (4) above and the number of customers used in determining component (2) above for purposes of computing the Hydro Allocation Adjustment for the upcoming month. To the extent that such data is not so reported on a timely manner, the Hydro Allocation Adjustment shall be computed from estimates determined by TVA.

3. In any case in which a bill involving a metered demand less than the billing demand is applicable to a customer of Distributor with a contract demand in excess of 5,000 kW, Distributor's bill under this rate schedule shall be adjusted by adding thereto for each such customer an amount computed as provided below. When such a bill involves a customer served under a resale schedule that provides for a different onpeak and offpeak billing demand, the amount added shall be (except as provided in the last paragraph of this section) 50 percent of the amount by which (a) the amount computed by applying the appropriate base demand charges of this rate schedule, as adjusted, to the customer's onpeak billing demand and to its excess of offpeak billing demand over onpeak billing demand exceeds (b) the amount computed by applying the appropriate base demand charges of this rate schedule, as adjusted, to the customer's metered onpeak demand and to its excess of metered offpeak demand over metered onpeak demand. When such a bill

involves a customer served under a resale schedule that does not provide for a different onpeak and offpeak billing demand, the amount shall be computed by multiplying (except as provided in the last paragraph of this section) 50 percent of the amount by which the customer's billing demand exceeds the metered demand times the appropriate base demand charge, as adjusted, of this rate schedule.

In any case in which a bill involving metered offpeak energy less than the billed offpeak energy is applicable to such a customer with a contract demand in excess of 5,000 kW, Distributor's bill under this rate schedule shall be adjusted by adding thereto for each such customer an amount which shall be (except as provided in the last paragraph of this section) 50 percent of the amount by which (a) the amount computed by applying the appropriate base offpeak energy charges of this rate schedule, as adjusted, to the customer's billed offpeak energy exceeds (b) the amount computed by applying the appropriate base offpeak energy charges of this rate schedule, as adjusted, to the customer's metered offpeak energy.

For purposes of applying these adjustments with respect to customers with contract demands in excess of 25,000 kW, all references to the term "50 percent" in the preceding paragraphs shall be replaced with the term "75 percent."

4. It is recognized that the TOU Service and Seasonal Demand and Energy Service demand and energy charges listed above contain debit and credit components designed, together with the components (1) – (4) of Adjustment No. 2 above, to reflect the value of the hydro generation benefits allocated by TVA to residential customers. The dollar and cent amounts listed above in Adjustment No. 2 and the base TOU Service and Seasonal Demand and Energy Service demand and energy charges listed above may be increased or decreased by TVA from time to time to appropriately reflect changes in the value of the hydro generation benefits allocated by TVA to residential customers.

In addition, said charges and components may be adjusted by TVA from time to time for the purpose of ensuring that (a) TVA does not pay out more in credits for sales to residential consumers than it receives in debits for sales to other consumers and (b) TVA does not receive more in debits for sales to other consumers than it pays out in credits for sales to residential consumers.

In the event of an adjustment under either paragraph of this Adjustment No. 4, TVA shall make corresponding adjustments in all of Distributor's resale schedules.

Facilities Rental Charge

There shall be no facilities rental charge under this rate schedule for delivery at bulk transmission voltage levels of 161 kV or higher. For delivery to Distributor at less than 161 kV, there shall be added to Distributor's bill a facilities rental charge. This charge shall be 36¢ per kW per month, except for delivery at voltages below 46 kV, in which case the charge shall be 93¢ per kW per month for the first 10,000 kW and 73¢ per kW per month for the excess over 10,000 kW. For each delivery point, such charge shall be applied to the highest average demand during any 60-consecutive-minute period (beginning on the clock hour) for each month of the preceding 12-consecutive-month period of the load measured in kW (Delivery Point Demand). The facilities rental charge shall be in addition to all other charges under this rate schedule, including minimum bill charges, and such amounts in cents per kW may be increased or decreased by TVA, effective with the effective date of any Adjustment Addendum published by TVA, to reflect changes in the costs of providing for delivery at voltage levels below 161 kV.

Reactive Demand Charges

For each delivery point to Distributor, if the reactive demand (in kVAR) is lagging during the 60-consecutive-minute period of the month in which the Delivery Point Demand occurs, there shall be added to Distributor's bill for the following month a reactive charge of \$1.46 per kVAR of the amount, if any, by which the reactive demand exceeds 33 percent of the Delivery Point Demand. If the reactive demand (in kVAR) at a delivery point is leading during the 60-consecutive-minute period (beginning on the clock hour) of the month in

which Distributor's lowest measured demand (excluding any measured demands which are less than 25 percent of the Delivery Point Demand) occurs, there shall be added to Distributor's bill for the following month a reactive charge of \$1.14 per kVAR of the amount of reactive demand. Such charges shall be in addition to all other charges under this rate schedule, including minimum bill charges, and such amounts in cents per kVAR may be increased or decreased by TVA, effective with the effective date of any Adjustment Addendum published by TVA, to reflect changes in the costs of providing reactive power.

Determination of Seasonal Periods

Summer Period shall mean the months of June, July, August, and September. Winter Period shall mean the months of December, January, February, and March. The Transition Period shall mean the months of April, May, October, and November.

Determination of Standard Service Demand and Energy Billing Amounts

For every 60-consecutive-minute period (beginning on the clock hour) of the month, the average of the loads measured in kW for each customer served under the TOU Service and Seasonal Demand and Energy Service subsections above shall be subtracted from the average loads measured in kW at all delivery points. The highest difference computed in accordance with the previous sentence will be the Billing Demand for Standard Service provided for any month.

The Standard Service Energy for any month shall be the kWh amount equal to the total energy measured in kWh at all delivery points less the sum of the energy amounts used in calculating charges for that month under said TOU Service and Seasonal Demand and Energy Service subsections.

Minimum Bill

The monthly bill under this rate schedule, exclusive of any applicable facilities rental charges and any reactive charges, shall not be less than the higher of (a) the base delivery point charge or (b) 35 percent of the highest bill to Distributor, exclusive of any applicable facilities rental charge and any reactive charges, rendered under this rate schedule in the preceding 36-consecutive-month period.

RIDER TO WHOLESALE POWER RATE--SCHEDULE WS-DE

Wholesale Power Rate--Schedule WS-DE, to which this rider is attached, is hereby amended by adding the following section:

Distribution Loss Adjustment

It is recognized that under the provisions of the section entitled "Distribution Loss Charge" of the wholesale schedule designated Wholesale Power Rate--Schedule WS, dated October 2003, an Annual Loss Adjustment has been applied to Distributors wholesale bill each year to reflect distribution losses incurred during the preceding 12-month period. Notwithstanding anything appearing in said section, as soon as practicable after Distributor's wholesale billing date for March 2011, a loss adjustment will be applied to Distributor's wholesale bill to appropriately reflect distribution losses actually incurred during the period from the end of the period of the last determination of the Annual Loss Adjustment to such date.

If (1) Distributor's wholesale billing date is not on the first day of the calendar month prior to April 1, 2011, and (2) Distributor changes its wholesale billing date to the first day of the calendar month on April 1, 2011, for purposes of calculating the final Distribution Loss Adjustment provided for above, Distributor may choose one of the two reporting options described below:

- (a) Distributor may report the energy resold from the end of the period of Distributor's last Annual Loss Adjustment through Distributor's last wholesale billing date before April 1, 2011; or
- (b) Distributor may report the sum of (i) energy resold from the end of the period of Distributor's last Annual Loss Adjustment through Distributor's last wholesale billing date, plus (ii) an estimate of the additional energy resold from Distributor's last wholesale billing date to April 1, 2011. To facilitate Distributor's estimate under (ii), TVA will provide wholesale meter data for the additional period.

The Distribution Loss Adjustment will then be calculated based on the difference between (a) the energy takings of Distributor measured at each delivery point to Distributor from the end of the period of Distributor's last Annual Loss Adjustment to April 1, 2011, and (b) the amount of energy reported by Distributor under (a) or (b) above.

**TENNESSEE VALLEY AUTHORITY
SCHEDULE OF RATES AND CHARGES**

**WHOLESALE POWER RATE--SCHEDULE WS-TOU
(April 2011)**

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:

Power and energy taken hereunder shall be billed according to the charges set out in the Standard Service subsection below except that, for any power and energy taken by Distributor for resale to one or more customers whose contract demands are greater than 5,000 kW, as well as customers served under schedules TDGSA and TDMSA, if applicable (collectively, Large Customers), the charges set out in the TOU Service or the Seasonal Demand and Energy Service subsection below shall be applied to the portion of the power and energy so resold by Distributor each month under each of the resale rate schedules (Resale Schedules) referred to in the TOU Service or the Seasonal Demand and Energy Service subsection, in accordance with their availability provisions (including any necessary certifications from such customers, which Distributor shall provide to TVA). Terms used in the TOU Service and Seasonal Demand and Energy Service subsections shall have the same meaning as they have in the corresponding Resale Schedules. The remaining power and energy, if any, taken by Distributor and determined as provided for below in the section of this schedule entitled "Determination of Standard Service Demand and Energy Billing Amounts" shall be billed under the charges set out in Standard Service subsection below.

Notwithstanding the provisions set out in the paragraph above (Standard Billing Arrangement), Distributor may elect an alternative arrangement (Alternate Billing Arrangement) under which power and energy taken by Distributor for resale to Large Customers shall be billed in accordance with the charges set out in the Standard Service subsection below (in lieu of the charges set out in the TOU Service and Seasonal Demand and Energy Service subsections below). Distributor shall provide written notice to TVA by no later than December 31, 2010, if it chooses to implement such Alternate Billing Arrangement beginning with Distributor's April 2011 billing month. Thereafter, Distributor may change its election of billing arrangements commencing with the October billing month of any subsequent year by giving TVA at least 45 days' prior written notice. Except as otherwise provided herein, Distributor's election of either the Standard Billing Arrangement or the Alternate Billing Arrangement shall apply to all Large Customers. If Distributor has elected the Alternate Billing Arrangement and it acquires a new Large Customer, Distributor may choose to apply the Standard Billing Arrangement to the new customer; provided, however, that the Standard Billing Arrangement shall then apply to all Large Customers beginning with the following October billing month.

Large Customers under the Standard Billing Arrangement shall be metered in accordance with TVA furnished or approved guidelines or specifications. Distributor shall provide to TVA, in accordance with TVA furnished or approved guidelines or specifications, unrestricted remote access to the metering data at all times, as well as physical access to the metering facilities for the purpose of confirming remotely-accessed data during such periods as are specified by TVA. Further, for each Large Customer, Distributor shall furnish TVA with such contract information as TVA reasonably requests for purposes of performing monthly billing analysis for each such customer. In the event that TVA is not given such access to all such metering data, or is not provided such contract information, all power and energy taken hereunder shall be billed in accordance with the Alternate Billing Arrangement.

STANDARD SERVICE

Demand Charge:	Summer Period	\$8.83 per kW of Billing Demand per month
	Winter Period	\$8.04 per kW of Billing Demand per month
	Transition Period	\$8.04 per kW of Billing Demand per month

Non-Fuel Energy Charge:	Summer Period	3.301¢ per kWh per month (as adjusted by TOU Amount below)
	Winter Period	3.020¢ per kWh per month (as adjusted by TOU Amount below)
	Transition Period	2.908¢ per kWh per month

TOU Amounts to be added to Non-Fuel Energy Charge:

Summer Period	
Onpeak:	0.750¢ per kWh per month
Offpeak:	-0.350¢ per kWh per month
Winter Period	
Onpeak:	0.400¢ per kWh per month
Offpeak:	-0.100¢ per kWh per month

The above TOU Amounts shall not be subject to adjustment under Adjustment 1 below.

TOU SERVICE

General Power Service

Schedule GSB

Administrative Charge: \$350 per delivery point per month

Demand Charge:

Summer Period	\$14.00 per kW of metered onpeak demand per month
	\$ 2.71 per kW per month of the amount, if any, by which metered offpeak demand exceeds metered onpeak demand
Winter Period	\$ 7.56 per kW of metered onpeak demand per month
	\$ 2.71 per kW per month of the amount, if any, by which metered offpeak demand exceeds metered onpeak demand
Transition Period	\$ 2.71 per kW of metered offpeak demand per month

Non-Fuel Energy Charge:

Summer Period	6.512¢ per kWh per month for all metered onpeak kWh
	3.370¢ per kWh per month for the first 425 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy
	1.678¢ per kWh per month for the next 195 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy

0.243¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours multiplied by the ratio of offpeak energy to total energy

Winter Period 3.733¢ per kWh per month for all metered onpeak kWh
 3.370¢ per kWh per month for the first 425 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy
 1.678¢ per kWh per month for the next 195 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy
 0.243¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours multiplied by the ratio of offpeak energy to total energy

Transition Period 3.370¢ per kWh per month for the first 425 hours use of maximum metered demand
 1.678¢ per kWh per month for the next 195 hours use of maximum metered demand
 0.243¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours

Schedule GSC

Administrative Charge: \$350 per delivery point per month
Demand Charge:

Summer Period \$14.00 per kW of metered onpeak demand per month
 \$ 2.71 per kW per month of the amount, if any, by which metered offpeak demand exceeds metered onpeak demand

Winter Period \$ 7.56 per kW of metered onpeak demand per month
 \$ 2.71 per kW per month of the amount, if any, by which metered offpeak demand exceeds metered onpeak demand

Transition Period \$ 2.71 per kW of metered offpeak demand per month

Non-Fuel Energy Charge:

Summer Period 6.186¢ per kWh per month for all metered onpeak kWh
 3.132¢ per kWh per month for the first 425 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy
 1.439¢ per kWh per month for the next 195 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy
 0.004¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours multiplied by the ratio of offpeak energy to total energy

Winter Period 3.475¢ per kWh per month for all metered onpeak kWh
 3.132¢ per kWh per month for the first 425 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy
 1.439¢ per kWh per month for the next 195 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy
 0.004¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours multiplied by the ratio of offpeak energy to total energy

Transition Period 3.132¢ per kWh per month for the first 425 hours use of maximum metered demand
 1.439¢ per kWh per month for the next 195 hours use of maximum metered demand
 0.004¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours

Schedule GSD

Administrative Charge: \$350 per delivery point per month

Demand Charge:

Summer Period \$14.00 per kW of metered onpeak demand per month

\$ 2.71 per kW per month of the amount, if any, by which metered offpeak demand exceeds metered onpeak demand

Winter Period \$ 7.56 per kW of metered onpeak demand per month

\$ 2.71 per kW per month of the amount, if any, by which metered offpeak demand exceeds metered onpeak demand

Transition Period \$ 2.71 per kW of metered offpeak demand per month

Non-Fuel Energy Charge:

Summer Period 6.048¢ per kWh per month for all metered onpeak kWh

2.899¢ per kWh per month for the first 425 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy

1.207¢ per kWh per month for the next 195 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy

-0.230¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours multiplied by the ratio of offpeak energy to total energy

Winter Period 3.258¢ per kWh per month for all metered onpeak kWh

2.899¢ per kWh per month for the first 425 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy

1.207¢ per kWh per month for the next 195 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy

-0.230¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours multiplied by the ratio of offpeak energy to total energy

Transition Period 2.899¢ per kWh per month for the first 425 hours use of maximum metered demand

1.207¢ per kWh per month for the next 195 hours use of maximum metered demand

-0.230¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours

Schedule TDGSA

Administrative Charge: \$350 per delivery point per month

Demand Charge:

Summer Period \$14.00 per kW of metered onpeak demand per month

\$ 2.71 per kW per month of the amount, if any, by which metered offpeak demand exceeds metered onpeak demand

Winter Period \$ 7.56 per kW of metered onpeak demand per month

\$ 2.71 per kW per month of the amount, if any, by which metered offpeak demand exceeds metered onpeak demand

Transition Period \$ 2.71 per kW of metered offpeak demand per month

Non-Fuel Energy Charge:

Summer Period 6.512¢ per kWh per month for all metered onpeak kWh

3.370¢ per kWh per month for the first 425 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy

1.678¢ per kWh per month for the next 195 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy

0.243¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours multiplied by the ratio of offpeak energy to total energy

Winter Period
 3.733¢ per kWh per month for all metered onpeak kWh
 3.370¢ per kWh per month for the first 425 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy
 1.678¢ per kWh per month for the next 195 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy
 0.243¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours multiplied by the ratio of offpeak energy to total energy

Transition Period
 3.370¢ per kWh per month for the first 425 hours use of maximum metered demand
 1.678¢ per kWh per month for the next 195 hours use of maximum metered demand
 0.243¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours

Manufacturing Service

Schedule MSB

Administrative Charge: \$350 per delivery point per month

Demand Charge:

Summer Period
 \$14.00 per kW of metered onpeak demand per month
 \$ 2.71 per kW per month of the amount, if any, by which metered offpeak demand exceeds metered onpeak demand

Winter Period
 \$ 7.56 per kW of metered onpeak demand per month
 \$ 2.71 per kW per month of the amount, if any, by which metered offpeak demand exceeds metered onpeak demand

Transition Period
 \$ 2.71 per kW of metered offpeak demand per month

Non-Fuel Energy Charge:

Summer Period
 5.136¢ per kWh per month for all metered onpeak kWh
 2.029¢ per kWh per month for the first 425 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy
 0.338¢ per kWh per month for the next 195 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy
 -1.098¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours multiplied by the ratio of offpeak energy to total energy

Winter Period
 2.415¢ per kWh per month for all metered onpeak kWh
 2.029¢ per kWh per month for the first 425 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy
 0.338¢ per kWh per month for the next 195 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy
 -1.098¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours multiplied by the ratio of offpeak energy to total energy

Transition Period
 2.029¢ per kWh per month for the first 425 hours use of maximum metered demand
 0.338¢ per kWh per month for the next 195 hours use of maximum metered demand
 -1.098¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours

Schedule MSC

Administrative Charge: \$350 per delivery point per month

Demand Charge:

Summer Period \$14.00 per kW of metered onpeak demand per month

\$ 2.71 per kW per month of the amount, if any, by which metered offpeak demand exceeds metered onpeak demand

Winter Period \$ 7.56 per kW of metered onpeak demand per month

\$ 2.71 per kW per month of the amount, if any, by which metered offpeak demand exceeds metered onpeak demand

Transition Period \$ 2.71 per kW of metered offpeak demand per month

Non-Fuel Energy Charge:

Summer Period 5.211¢ per kWh per month for all metered onpeak kWh

2.016¢ per kWh per month for the first 425 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy

0.325¢ per kWh per month for the next 195 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy

-1.110¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours multiplied by the ratio of offpeak energy to total energy

Winter Period 2.428¢ per kWh per month for all metered onpeak kWh

2.016¢ per kWh per month for the first 425 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy

0.325¢ per kWh per month for the next 195 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy

-1.110¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours multiplied by the ratio of offpeak energy to total energy

Transition Period 2.016¢ per kWh per month for the first 425 hours use of maximum metered demand

0.325¢ per kWh per month for the next 195 hours use of maximum metered demand

-1.110¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours

Schedule MSD

Administrative Charge: \$350 per delivery point per month

Demand Charge:

Summer Period \$14.00 per kW of metered onpeak demand per month

\$ 2.71 per kW per month of the amount, if any, by which metered offpeak demand exceeds metered onpeak demand

Winter Period \$ 7.56 per kW of metered onpeak demand per month

\$ 2.71 per kW per month of the amount, if any, by which metered offpeak demand exceeds metered onpeak demand

Transition Period \$ 2.71 per kW of metered offpeak demand per month

Non-Fuel Energy Charge:

Summer Period 5.060¢ per kWh per month for all metered onpeak kWh

1.868¢ per kWh per month for the first 425 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy

0.176¢ per kWh per month for the next 195 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy

-1.259¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours multiplied by the ratio of offpeak energy to total energy
 Winter Period 2.262¢ per kWh per month for all metered onpeak kWh
 1.868¢ per kWh per month for the first 425 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy
 0.176¢ per kWh per month for the next 195 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy
 -1.259¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours multiplied by the ratio of offpeak energy to total energy
 Transition Period 1.868¢ per kWh per month for the first 425 hours use of maximum metered demand
 0.176¢ per kWh per month for the next 195 hours use of maximum metered demand
 -1.259¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours

Schedule TDMSA

Administrative Charge: \$350 per delivery point per month
 Demand Charge:
 Summer Period \$14.00 per kW of metered onpeak demand per month
 \$ 2.71 per kW per month of the amount, if any, by which metered offpeak demand exceeds metered onpeak demand
 Winter Period \$ 7.56 per kW of metered onpeak demand per month
 \$ 2.71 per kW per month of the amount, if any, by which metered offpeak demand exceeds metered onpeak demand
 Transition Period \$ 2.71 per kW of metered offpeak demand per month

Non-Fuel Energy Charge:
 Summer Period 5.136¢ per kWh per month for all metered onpeak kWh
 2.029¢ per kWh per month for the first 425 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy
 0.338¢ per kWh per month for the next 195 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy
 -1.098¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours multiplied by the ratio of offpeak energy to total energy
 Winter Period 2.415¢ per kWh per month for all metered onpeak kWh
 2.029¢ per kWh per month for the first 425 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy
 0.338¢ per kWh per month for the next 195 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy
 -1.098¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours multiplied by the ratio of offpeak energy to total energy
 Transition Period 2.029¢ per kWh per month for the first 425 hours use of maximum metered demand
 0.338¢ per kWh per month for the next 195 hours use of maximum metered demand
 -1.098¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours

SEASONAL DEMAND AND ENERGY SERVICE

General Power Service

Schedule SGSB

Administrative Charge: \$350 per delivery point per month

Demand Charge:

Summer Period \$18.61 per kW of metered demand per month

Winter Period \$12.90 per kW of metered demand per month

Transition Period \$ 8.61 per kW of metered demand per month

Non-Fuel Energy Charge:

Summer Period 2.224¢ per kWh per month

Winter Period 1.853¢ per kWh per month

Transition Period 1.772¢ per kWh per month

Schedule SGSC

Administrative Charge: \$350 per delivery point per month

Demand Charge:

Summer Period \$18.61 per kW of metered demand per month

Winter Period \$12.90 per kW of metered demand per month

Transition Period \$ 8.61 per kW of metered demand per month

Non-Fuel Energy Charge:

Summer Period 2.235¢ per kWh per month

Winter Period 1.857¢ per kWh per month

Transition Period 1.777¢ per kWh per month

Schedule SGSD

Administrative Charge: \$350 per delivery point per month

Demand Charge:

Summer Period \$21.83 per kW of metered demand per month

Winter Period \$16.11 per kW of metered demand per month

Transition Period \$11.83 per kW of metered demand per month

Non-Fuel Energy Charge:

Summer Period 1.598¢ per kWh per month

Winter Period 1.268¢ per kWh per month

Transition Period 1.196¢ per kWh per month

Manufacturing Service

Schedule SMSB

Administrative Charge: \$350 per delivery point per month

Demand Charge:

Summer Period \$15.99 per kW of metered demand per month

Winter Period \$10.28 per kW of metered demand per month

Transition Period \$ 5.99 per kW of metered demand per month

Non-Fuel Energy Charge:

Summer Period 1.532¢ per kWh per month

Winter Period 1.113¢ per kWh per month

Transition Period 1.016¢ per kWh per month

Schedule S MSC

Administrative Charge: \$350 per delivery point per month

Demand Charge:

Summer Period \$15.99 per kW of metered demand per month

Winter Period \$10.28 per kW of metered demand per month

Transition Period \$ 5.99 per kW of metered demand per month

Non-Fuel Energy Charge:

Summer Period 1.505¢ per kWh per month

Winter Period 1.112¢ per kWh per month

Transition Period 1.018¢ per kWh per month

Schedule S MSD

Administrative Charge: \$350 per delivery point per month

Demand Charge:

Summer Period \$18.61 per kW of metered demand per month

Winter Period \$12.90 per kW of metered demand per month

Transition Period \$ 8.61 per kW of metered demand per month

Non-Fuel Energy Charge:

Summer Period 0.862¢ per kWh per month

Winter Period 0.548¢ per kWh per month

Transition Period 0.472¢ per kWh per month

Adjustments

1. The base demand and energy charges in this rate schedule shall be increased or decreased in accordance with the current Adjustment Addendum published by TVA.

2. Distributor's bill for each month shall be adjusted by applying the net of the following calculations: (1) subtract 0.297¢ per kWh for the energy resold by Distributor in the previous month to customers entitled to service under residential rate schedules, (2) subtract \$1.60 per customer for each such customer, (3) add 0.279¢ per kWh for the energy resold by Distributor in the previous month to other customers whose contract demands do not exceed 5,000 kW, but excluding any customers served under schedules TDGSA and TDMSA, and (4) where Distributor is billed under the Alternate Billing Arrangement, add 45¢ per kW and 0.096¢ per kWh for the power and energy resold by Distributor in the previous month (i) to other customers whose contract demands exceed 5,000 kW and (ii) other customers served under schedules TDGSA and TDMSA. The dollar and cent amounts used in determining the adjustment applied under the preceding sentence (hereafter referred to as the "Hydro Allocation Adjustment") shall remain constant for 12 consecutive months from October 1 of each year.

Effective October 1 of each year, the dollar and cent amounts used in determining the Hydro Allocation Adjustment shall be recomputed to take account of changed sales and customer account data and applied accordingly. In performing such computations, the latest 12-month period ending June 30 shall be used for purposes of determining the amounts used in (1), (3), and (4) above and the number of customers entitled to be served under Distributor's residential rate schedules at the end of such 12-month period shall be used for purposes of determining the amount used in (2) above.

Each month Distributor shall report, in a form specified by TVA, the kWh amounts of energy used in determining components (1), (3), and (4) above and the number of customers used in determining component (2) above for purposes of computing the Hydro Allocation Adjustment for the upcoming month. To the extent

that such data is not so reported on a timely manner, the Hydro Allocation Adjustment shall be computed from estimates determined by TVA.

3. In any case in which a bill involving a metered demand less than the billing demand is applicable to a customer of Distributor with a contract demand in excess of 5,000 kW, Distributor's bill under this rate schedule shall be adjusted by adding thereto for each such customer an amount computed as provided below. When such a bill involves a customer served under a resale schedule that provides for a different onpeak and offpeak billing demand, the amount added shall be (except as provided in the last paragraph of this section) 50 percent of the amount by which (a) the amount computed by applying the appropriate base demand charges of this rate schedule, as adjusted, to the customer's onpeak billing demand and to its excess of offpeak billing demand over onpeak billing demand exceeds (b) the amount computed by applying the appropriate base demand charges of this rate schedule, as adjusted, to the customer's metered onpeak demand and to its excess of metered offpeak demand over metered onpeak demand. When such a bill involves a customer served under a resale schedule that does not provide for a different onpeak and offpeak billing demand, the amount shall be computed by multiplying (except as provided in the last paragraph of this section) 50 percent of the amount by which the customer's billing demand exceeds the metered demand times the appropriate base demand charge, as adjusted, of this rate schedule.

In any case in which a bill involving metered offpeak energy less than the billed offpeak energy is applicable to such a customer with a contract demand in excess of 5,000 kW, Distributor's bill under this rate schedule shall be adjusted by adding thereto for each such customer an amount which shall be (except as provided in the last paragraph of this section) 50 percent of the amount by which (a) the amount computed by applying the appropriate base offpeak energy charges of this rate schedule, as adjusted, to the customer's billed offpeak energy exceeds (b) the amount computed by applying the appropriate base offpeak energy charges of this rate schedule, as adjusted, to the customer's metered offpeak energy.

For purposes of applying these adjustments with respect to customers with contract demands in excess of 25,000 kW, all references to the term "50 percent" in the preceding paragraphs shall be replaced with the term "75 percent."

4. It is recognized that the TOU Service and Seasonal Demand and Energy Service demand and energy charges listed above contain debit and credit components designed, together with the components (1) – (4) of Adjustment No. 2 above, to reflect the value of the hydro generation benefits allocated by TVA to residential customers. The dollar and cent amounts listed above in Adjustment No. 2 and the base TOU Service and Seasonal Demand and Energy Service demand and energy charges listed above may be increased or decreased by TVA from time to time to appropriately reflect changes in the value of the hydro generation benefits allocated by TVA to residential customers.

In addition, said charges and components may be adjusted by TVA from time to time for the purpose of ensuring that (a) TVA does not pay out more in credits for sales to residential consumers than it receives in debits for sales to other consumers, and (b) TVA does not receive more in debits for sales to other consumers than it pays out in credits for sales to residential consumers.

In the event of an adjustment under either paragraph of this Adjustment No. 4, TVA shall make corresponding adjustments in all of Distributor's resale schedules.

Facilities Rental Charge

There shall be no facilities rental charge under this rate schedule for delivery at bulk transmission voltage levels of 161 kV or higher. For delivery to Distributor at less than 161 kV, there shall be added to Distributor's bill a facilities rental charge. This charge shall be 36¢ per kW per month, except for delivery at voltages below 46 kV, in which case the charge shall be 93¢ per kW per month for the first 10,000 kW and 73¢ per kW per month for the excess over 10,000 kW. For each delivery point, such charge shall be applied to the highest average demand during any 60-consecutive-minute period (beginning on the clock hour) for

each month of the preceding 12-consecutive-month period of the load measured in kW (Delivery Point Demand). The facilities rental charge shall be in addition to all other charges under this rate schedule, including minimum bill charges, and such amounts in cents per kW may be increased or decreased by TVA, effective with the effective date of any Adjustment Addendum published by TVA, to reflect changes in the costs of providing for delivery at voltage levels below 161 kV.

Reactive Demand Charges

For each delivery point to Distributor, if the reactive demand (in kVAR) is lagging during the 60-consecutive-minute period of the month in which the Delivery Point Demand occurs, there shall be added to Distributor's bill for the following month a reactive charge of \$1.46 per kVAR of the amount, if any, by which the reactive demand exceeds 33 percent of the Delivery Point Demand. If the reactive demand (in kVAR) at a delivery point is leading during the 60-consecutive-minute period (beginning on the clock hour) of the month in which Distributor's lowest measured demand (excluding any measured demands which are less than 25 percent of the Delivery Point Demand) occurs, there shall be added to Distributor's bill for the following month a reactive charge of \$1.14 per kVAR of the amount of reactive demand. Such charges shall be in addition to all other charges under this rate schedule, including minimum bill charges, and such amounts in cents per kVAR may be increased or decreased by TVA, effective with the effective date of any Adjustment Addendum published by TVA, to reflect changes in the costs of providing reactive power.

Determination of Seasonal Periods

Summer Period shall mean the months of June, July, August, and September. Winter Period shall mean the months of December, January, February, and March. The Transition Period shall mean the months of April, May, October, and November.

Determination of Onpeak and Offpeak Hours

Except for Saturdays and Sundays and the weekdays that are observed as Federal holidays for New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day, onpeak hours for each day shall for purposes of Standard Service be from 12 p.m. to 8 p.m. during the Summer Period and from 4 a.m. to 10 a.m. during the Winter Period. For the Summer Period and the Winter Period, all other hours of each day and all hours of such excepted days shall be offpeak hours. For the Transition Period, all hours shall be offpeak hours. Such times shall be Central Standard Time or Central Daylight Time, whichever is then in effect. Said onpeak and offpeak hours are subject to change by TVA. In the event TVA determines that such changed onpeak and offpeak hours are appropriate, it shall so notify Distributor at least 12 months prior to the effective date of such changed hours.

Determination of Standard Service Demand and Energy Billing Amounts

For every 60-consecutive-minute period (beginning on the clock hour) of the month, the average of the loads measured in kW for each customer served under the TOU Service and Seasonal Demand and Energy Service subsections above shall be subtracted from the average loads measured in kW at all delivery points. The highest difference computed in accordance with the previous sentence will be the Billing Demand for Standard Service provided for any month.

The Standard Service onpeak energy for any month of a Winter Period or Summer Period shall be the kWh amount equal to the total energy measured in kWh at all delivery points during the Standard Service onpeak hours less the sum of the energy amounts used under said TOU Service and Seasonal Demand and Energy Service subsections in said Standard Service onpeak hours of that month. The Standard Service offpeak energy for any month of a Winter Period or Summer Period shall be the kWh amount equal to the total energy measured in kWh at all delivery points during the Standard Service offpeak hours less the sum of

the energy amounts used under said TOU Service and Seasonal Demand and Energy Service subsections in said Standard Service offpeak hours of that month.

The Standard Service Energy for any month of a Transition Period shall be the kWh amount equal to the total energy measured in kWh at all delivery points less the sum of the energy amounts used in calculating charges for that month under said TOU Service and Seasonal Demand and Energy Service subsections.

Minimum Bill

The monthly bill under this rate schedule, exclusive of any applicable facilities rental charges and any reactive charges, shall not be less than the higher of (a) the base delivery point charge or (b) 35 percent of the highest bill to Distributor, exclusive of any applicable facilities rental charge and any reactive charges, rendered under this rate schedule in the preceding 36-consecutive-month period.

RIDER TO WHOLESALE POWER RATE--SCHEDULE WS-TOU

Wholesale Power Rate--Schedule WS-TOU, to which this rider is attached, is hereby amended by adding the following section:

Distribution Loss Adjustment

It is recognized that under the provisions of the section entitled "Distribution Loss Charge" of the wholesale schedule designated Wholesale Power Rate--Schedule WS, dated October 2003, an Annual Loss Adjustment has been applied to Distributors wholesale bill each year to reflect distribution losses incurred during the preceding 12-month period. Notwithstanding anything appearing in said section, as soon as practicable after Distributor's wholesale billing date for March 2011, a loss adjustment will be applied to Distributor's wholesale bill to appropriately reflect distribution losses actually incurred during the period from the end of the period of the last determination of the Annual Loss Adjustment to such date.

If (1) Distributor's wholesale billing date is not on the first day of the calendar month prior to April 1, 2011, and (2) Distributor changes its wholesale billing date to the first day of the calendar month on April 1, 2011, for purposes of calculating the final Distribution Loss Adjustment provided for above, Distributor may choose one of the two reporting options described below:

- (a) Distributor may report the energy resold from the end of the period of Distributor's last Annual Loss Adjustment through Distributor's last wholesale billing date before April 1, 2011; or
- (b) Distributor may report the sum of (i) energy resold from the end of the period of Distributor's last Annual Loss Adjustment through Distributor's last wholesale billing date, plus (ii) an estimate of the additional energy resold from Distributor's last wholesale billing date to April 1, 2011. To facilitate Distributor's estimate under (ii), TVA will provide wholesale meter data for the additional period.

The Distribution Loss Adjustment will then be calculated based on the difference between (a) the energy takings of Distributor measured at each delivery point to Distributor from the end of the period of Distributor's last Annual Loss Adjustment to April 1, 2011, and (b) the amount of energy reported by Distributor under (a) or (b) above.

TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION

RESIDENTIAL RATE--SCHEDULE RS

(April 2011)

Availability

This rate shall apply only to electric service to a single-family dwelling (including its appurtenances if served through the same meter), where the major use of electricity is for domestic purposes such as lighting, household appliances, and the personal comfort and convenience of those residing therein.

Character of Service

Alternating current, single-phase, 60 hertz. Power shall be delivered at a service voltage available in the vicinity or agreed to by Distributor. Multiphase service shall be supplied in accordance with Distributor's standard policy.

Base Charges

Customer Charge: \$19.60 per month, less

Hydro Allocation Credit: \$1.60 per month

Energy Charge:

Summer Period

5.992¢ per kWh per month

Winter Period

5.980¢ per kWh per month

Transition Period

5.916¢ per kWh per month

Adjustment

The base energy charges shall be increased or decreased in accordance with the current Adjustment Addendum published by TVA. In addition, the base energy charge and the hydro allocation credit shall be increased or decreased to correspond to increases or decreases determined by TVA under Adjustment 4 of the wholesale power rate schedule applicable under contractual arrangements between TVA and Distributor.

Determination of Seasonal Periods

Summer Period shall mean the June, July, August, and September billing months. Winter Period shall mean the December, January, February, and March billing months. Transition Period shall mean the April, May, October, and November billing months.

Minimum Monthly Bill

The base customer charge, as reduced by the hydro allocation credit, constitutes the minimum monthly bill for all customers served under this rate schedule except those customers for which a higher minimum monthly bill is required under Distributor's standard policy because of special circumstances affecting Distributor's cost of rendering service.

Payment

Bills under this rate schedule will be rendered monthly. Any amount of bill unpaid after due date specified on bill may be subject to additional charges under Distributor's standard policy.

Single-Point Delivery

The charges under this rate schedule are based upon the supply of service through a single delivery and metering point, and at a single voltage.

Service is subject to Rules and Regulations of Distributor.

TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION

GENERAL POWER RATE--SCHEDULE GSA

(April 2011)

Availability

This rate shall apply to the firm power requirements (where a customer's contract demand is 5,000 kW or less) for electric service to commercial, industrial, and governmental customers, and to institutional customers including, without limitation, churches, clubs, fraternities, orphanages, nursing homes, rooming or boarding houses, and like customers. This rate shall also apply to customers to whom service is not available under any other resale rate schedule.

Character of Service

Alternating current, single- or three-phase, 60 hertz. Power shall be delivered at a service voltage available in the vicinity or agreed to by Distributor.

Base Charges

1. If (a) the higher of (i) the customer's currently effective contract demand, if any, or (ii) its highest billing demand during the latest 12-month period is not more than 50 kW and (b) the customer's monthly energy takings for any month during such period do not exceed 15,000 kWh:

Customer Charge: \$25.00 per delivery point per month

Energy Charge:

Summer Period 7.099¢ per kWh per month

Winter Period 7.087¢ per kWh per month

Transition Period 7.023¢ 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: \$50.00 per delivery point per month

Demand Charge:

Summer Period First 50 kW of billing demand per month, no demand charge
Excess over 50 kW of billing demand per month, at \$12.10 per kW

Winter Period First 50 kW of billing demand per month, no demand charge
Excess over 50 kW of billing demand per month, at \$11.31 per kW

Transition Period First 50 kW of billing demand per month, no demand charge
Excess over 50 kW of billing demand per month, at \$11.31 per kW

Energy Charge:

Summer Period First 15,000 kWh per month at 7.180¢ per kWh
Additional kWh per month at 3.305¢ per kWh

Winter Period First 15,000 kWh per month at 7.180¢ per kWh
Additional kWh per month at 3.305¢ per kWh

Transition Period First 15,000 kWh per month at 7.180¢ per kWh
Additional kWh per month at 3.305¢ per kWh

3. If the higher of (a) the customer's currently effective contract demand or (b) its highest billing demand during the latest 12-month period is greater than 1,000 kW:

Customer Charge: \$100.00 per delivery point per month

Demand Charge:

Summer Period First 1,000 kW of billing demand per month, at \$10.97 per kW

Excess over 1,000 kW of billing demand per month, at \$12.78 per kW, plus an additional

\$12.78 per kW per month for each kW, if any, of the amount by which the customer's billing demand exceeds the higher of 1,000 kW or its contract demand

Winter Period First 1,000 kW of billing demand per month, at \$10.18 per kW

Excess over 1,000 kW of billing demand per month, at \$11.99 per kW, plus an additional

\$11.99 per kW per month for each kW, if any, of the amount by which the customer's billing demand exceeds the higher of 1,000 kW or its contract demand

Transition Period First 1,000 kW of billing demand per month, at \$10.18 per kW

Excess over 1,000 kW of billing demand per month, at \$11.99 per kW, plus an additional

\$11.99 per kW per month for each kW, if any, of the amount by which the customer's billing demand exceeds the higher of 1,000 kW or its contract demand

Energy Charge:

Summer Period 3.400¢ per kWh per month

Winter Period 3.400¢ per kWh per month

Transition Period 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 under Adjustment 4 of the wholesale power rate schedule applicable under contractual arrangements between TVA and Distributor.

Determination of Seasonal Periods

Summer Period shall mean the June, July, August, and September billing months. Winter Period shall mean the December, January, February, and March billing months. Transition Period shall mean the April, May, October, and November billing months.

Determination of Demand

Distributor shall meter the demands in kW of all customers having loads in excess of 50 kW. The metered demand for any month shall be the highest average during any 30-consecutive-minute period of the month of the load metered in kW. The measured demand for any month shall be the higher of the highest average during any 30-consecutive-minute period of the month of (a) the load metered in kW or (b) 93 percent of the load in kVA plus an additional 2 percent for that part of the load over 5,000 kVA, and such measured demand shall be used as the billing demand, except that the billing demand for any month shall in no case be less than 30 percent of the higher of the currently effective contract demand or the highest billing demand established during the preceding 12 months.

Minimum Bill

The monthly bill under this rate schedule shall not be less than the sum of (a) the base customer charge, (b) the base demand charge, as adjusted, applied to the customer's billing demand, and (c) the base energy charge, as adjusted, applied to the customer's energy takings; provided, however, that, under 2 of the Base Charges, the monthly bill shall in no event be less than the sum of (a) the base customer charge and (b) 20 percent of the portion of the base demand charge, as adjusted, applicable to the second block (excess over 50 kW) of billing demand, multiplied by the higher of the customer's currently effective contract demand or its highest billing demand established during the preceding 12 months.

Distributor may require minimum bills higher than those stated above.

Seasonal Service

Customers who contract for service on a seasonal basis shall be limited to 2,500 kW and shall pay the above charges, as adjusted, plus an additional seasonal use charge equal to (1) 1.33¢ per kWh per month under 1 of the Base Charges, (2) the sum of 1.33¢ per kWh for the first 15,000 kWh per month and \$4.00 per kW per month of billing demand in excess of 50 kW under 2 of the Base Charges, and (3) \$4.00 per kW per month of billing demand under 3 of the Base Charges. Consistent with Distributor's standard policy, the customer may arrange for seasonal testing of equipment during offpeak hours.

For such customers, the minimum bill provided for above shall not apply. Distributor may require additional charges to provide recovery of costs for customer-specific distribution facilities.

Contract Requirement

Distributor may require contracts for service provided under this rate schedule. Customers whose demand requirements exceed 1,000 kW shall be required to execute contracts and such contracts shall be for an initial term of at least 1 year. The customer shall contract for its maximum requirements, which shall not exceed the amount of power capable of being used by customer, and Distributor shall not be obligated to supply power in greater amount at any time than the customer's currently effective contract demand. If the customer uses any power other than that supplied by Distributor under this rate schedule, the contract may include other special provisions. The rate schedule in any power contract

shall be subject to adjustment, modification, change, or replacement from time to time as provided under the power contract between Distributor and TVA.

Payment

Bills under this rate schedule will be rendered monthly. Any amount of bill unpaid after due date specified on bill may be subject to additional charges under Distributor's standard policy.

Single-Point Delivery

The charges under this rate schedule are based upon the supply of service through a single delivery and metering point, and at a single voltage. If service is supplied to the same customer through more than one point of delivery or at different voltages, the supply of service at each delivery and metering point and at each different voltage shall be separately metered and billed.

Service is subject to Rules and Regulations of Distributor.

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TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION

GENERAL POWER RATE--SCHEDULE GSB

(April 2011)

Availability

This rate shall apply to the firm electric power requirements where a customer's currently effective onpeak or offpeak contract demand, whichever is higher, is greater than 5,000 kW but not more than 15,000 kW; provided that the other conditions of this section are met.

Unless otherwise provided for in a written agreement between TVA and the distributor providing service under this rate schedule, for customers served under this rate schedule, the customer's "meter-reading time" shall be 0000 hours CST or CDT, whichever is currently effective, on the first day of the calendar month following the month for which a bill under this rate schedule is being calculated. Further, in accordance with TVA furnished or approved guidelines or specifications, TVA shall have unrestricted remote access to the metering data at all times, as well as unrestricted physical access to the metering facilities for the purpose of confirming remotely-accessed data during such periods as are specified by TVA.

For a customer requesting that its onpeak contract demand be different from its offpeak contract demand, this rate schedule shall be available only for (1) a new contract, (2) a replacement or renewal contract following expiration of the existing contract, or (3) a replacement or renewal contract or an amended existing contract in which the customer is increasing its demand requirements above the existing contract demand level, but under this item (3) neither the new onpeak nor the new offpeak contract demand shall be lower than the customer's existing contract demand.

Character of Service

Alternating current, single- or three-phase, 60 hertz. Power shall be delivered at a transmission voltage of 161 kV or, if such transmission voltage is not available, at the highest voltage available in the vicinity, unless at the customer's request a lower standard voltage is agreed upon.

Base Charges

Customer Charge: \$1,500 per delivery point per month

Administrative Charge: \$350 per delivery point per month

Demand Charge:

Summer Period \$15.44 per kW per month of the customer's onpeak billing demand, plus \$3.81 per kW per month of the amount, if any, by which the customer's offpeak billing demand exceeds its onpeak billing demand, plus \$15.44 per kW per month of the amount, if any, by which (1) the customer's onpeak billing demand exceeds its onpeak contract demand or (2) the customer's offpeak billing demand exceeds its offpeak contract demand, whichever is higher.

Winter Period \$8.81 per kW per month of the customer's onpeak billing demand, plus
\$3.81 per kW per month of the amount, if any, by which the customer's
offpeak billing demand exceeds its onpeak billing demand, plus
\$8.81 per kW per month of the amount, if any, by which (1) the
customer's onpeak billing demand exceeds its onpeak contract demand
or (2) the customer's offpeak billing demand exceeds its offpeak contract
demand, whichever is higher

Transition Period \$3.81 per kW per month of the customer's offpeak billing demand, plus
\$8.81 per kW per month of the amount, if any, by which the customer's
offpeak billing demand exceeds its offpeak contract demand

Energy Charge:

Summer Period 6.707¢ per kWh per month for all onpeak kWh, plus
3.471¢ per kWh per month for the first 425 hours use of maximum
metered demand multiplied by the ratio of offpeak energy to total energy,
plus
1.728¢ per kWh per month for the next 195 hours use of maximum
metered demand multiplied by the ratio of offpeak energy to total energy,
plus
0.250¢ per kWh per month for the hours use of maximum metered
demand in excess of 620 hours multiplied by the ratio of offpeak energy
to total energy

Winter Period 3.845¢ per kWh per month for all onpeak kWh, plus
3.471¢ per kWh per month for the first 425 hours use of maximum
metered demand multiplied by the ratio of offpeak energy to total energy,
plus
1.728¢ per kWh per month for the next 195 hours use of maximum
metered demand multiplied by the ratio of offpeak energy to total energy,
plus
0.250¢ per kWh per month for the hours use of maximum metered
demand in excess of 620 hours multiplied by the ratio of offpeak energy
to total energy

Transition Period 3.471¢ per kWh per month for the first 425 hours use of maximum
metered demand, plus
1.728¢ per kWh per month for the next 195 hours use of maximum
metered demand, plus
0.250¢ per kWh per month for the hours use of maximum metered
demand in excess of 620 hours

For the Summer Period, Winter Period and Transition Period, 3.471¢ per kWh per month shall be applied to the portion, if any, of the minimum offpeak energy takings amount that is greater than the metered energy.

Adjustment

The base demand and energy charges shall be increased or decreased in accordance with the current Adjustment Addendum published by TVA. In addition, such charges shall be increased or decreased to correspond to increases or decreases determined by TVA under Adjustment 4 of the wholesale power rate schedule applicable under contractual arrangements between TVA and Distributor.

Facilities Rental Charge

There shall be no facilities rental charge under this rate schedule for delivery at bulk transmission voltage levels of 161 kV or higher. For delivery at less than 161 kV, there shall be added to the customer's bill a facilities rental charge. This charge shall be 36¢ per kW per month except for delivery at voltages below 46 kV, in which case the charge shall be 93¢ per kW per month for the first 10,000 kW and 73¢ per kW per month for the excess over 10,000 kW. Such charge shall be applied to the higher of (1) the highest billing demand established during the latest 12-consecutive-month period or (2) the customer's currently effective onpeak or offpeak contract demand, whichever is higher, and shall be in addition to all other charges under this rate schedule, including minimum bill charges.

Reactive Demand Charges

If the reactive demand (in kVAR) is lagging during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's highest metered demand occurs, there shall be added to the customer's bill a reactive charge of \$1.46 per kVAR of the amount, if any, by which the reactive demand exceeds 33 percent of such metered demand. If the reactive demand (in kVAR) is leading during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's lowest metered demand (excluding any metered demands which are less than 25 percent of the highest metered demand) occurs, there shall be added to the customer's bill a reactive charge of \$1.14 per kVAR of the amount of reactive demand. Such charges shall be in addition to all other charges under this rate schedule, including minimum bill charges.

Determination of Seasonal Periods

Summer Period shall mean the June, July, August, and September billing months. Winter Period shall mean the December, January, February, and March billing months. Transition Period shall mean the April, May, October, and November billing months.

Determination of Onpeak and Offpeak Hours

Except for Saturdays and Sundays and the weekdays that are observed as Federal holidays for New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day, onpeak hours for each day shall be from 1 p.m. to 7 p.m. during the Summer Period and from 4 a.m. to 10 a.m. during the Winter Period. For the Summer Period and the Winter Period, all other hours of each day that are not otherwise defined as onpeak hours and all hours of such excepted days shall be offpeak hours. For the Transition Period, all hours shall be offpeak hours. Such times shall be Central Standard Time or Central Daylight Time, whichever is then in effect. Said onpeak and offpeak hours are subject to change by TVA. In the event TVA determines that such changed onpeak and offpeak hours are appropriate, it shall so notify Distributor at least 12 months prior to the effective date of such changed hours, and Distributor shall promptly notify customer.

ATTACHED TO SCHEDULE GSB

**Determination of Onpeak and Offpeak Demands,
Maximum Metered Demand, and Energy Amounts**

The onpeak and offpeak kWh for any month shall be the energy amounts taken during the respective hours of the month designated under this rate schedule as onpeak and offpeak hours; provided, however, that notwithstanding the metered energy amount, the offpeak energy for any month shall in no case be less than the product of (1) the offpeak billing demand as calculated in the last sentence of the paragraph below and (2) 110 hours (reflecting a 15 percent load factor applied to the average number of hours in a month).

Distributor shall meter the onpeak and offpeak demands in kW of all customers taking service under this rate schedule. The onpeak metered demand and offpeak metered demand for any month shall be determined separately for the respective hours of the month designated under this rate schedule as onpeak and offpeak hours and in each case shall be the highest average during any 30-consecutive-minute period beginning or ending on a clock hour of the month of the load metered in kW, and, except as provided below in this section, such amounts shall be used as the onpeak and offpeak billing demands. The maximum metered demand for any month shall be the higher of (1) the highest onpeak metered demand in the month or (2) the highest offpeak metered demand in the month. The onpeak billing demand shall in no case be less than the sum of (1) 30 percent of the first 5,000 kW and (2) 40 percent of any kW in excess of 5,000 kW of the higher of the currently effective onpeak contract demand or the highest onpeak billing demand established during the preceding 12 months. The offpeak billing demand shall in no case be less than the sum of (1) 30 percent of the first 5,000 kW and (2) 40 percent of any kW in excess of 5,000 kW of the higher of the currently effective offpeak contract demand or the highest offpeak billing demand established during the preceding 12 months.

Minimum Bill

The monthly bill under this rate schedule, excluding any facilities rental charges and any reactive charges, shall not be less than the sum of (1) the base customer charge, (2) the portion of the base demand charge, as adjusted, (but excluding the additional portion thereof applicable to excess of billing demand over contract demand) applicable to onpeak billing demand applied to the customer's onpeak billing demand, (3) the portion of the base demand charge, as adjusted, (but excluding the additional portion thereof applicable to excess of billing demand over contract demand) applicable to any excess of offpeak over onpeak billing demand applied to the amount, if any, by which the customer's offpeak billing demand exceeds its onpeak billing demand, (4) the base onpeak energy charge, as adjusted, applied to the customer's onpeak energy takings, and (5) the base offpeak energy charge, as adjusted, applied to the higher of customer's actual offpeak energy takings or the minimum offpeak energy takings amount provided for in the first paragraph of the section of this rate schedule entitled "Determination of Onpeak and Offpeak Demands, Maximum Metered Demand, and Energy Amounts".

Distributor may require minimum bills higher than those stated above, including, without limitation, charges to cover any additional metering and related costs.

Contract Requirement

Distributor shall require contracts for all service provided under this rate schedule. The contract shall be for an initial term of at least 5 years and any renewals or extensions of the initial contract shall be for a term of at least 1 year; after 10 years of service, any such contract for the renewal or extension of service may provide for termination upon not less than 4 months' notice. The customer shall contract for its maximum requirements, which shall not exceed the amount of power capable of being used by customer, and Distributor shall not be obligated to supply power in greater amount at any time than the customer's currently effective onpeak or offpeak contract demand. If the customer uses any power other than that supplied by Distributor under this rate schedule, the contract may include other special provisions. The rate schedule in any power contract shall be subject to adjustment, modification, change, or replacement from time to time as provided under the power contract between Distributor and TVA.

Payment

Bills under this rate schedule will be rendered monthly. Any amount of bill unpaid after due date specified on bill may be subject to additional charges under Distributor's standard policy.

Single-Point Delivery

The charges under this rate schedule are based upon the supply of service through a single delivery and metering point, and at a single voltage. If service is supplied to the same customer through more than one point of delivery or at different voltages, the supply of service at each delivery and metering point and at each different voltage shall be separately metered and billed.

Service is subject to Rules and Regulations of Distributor.

TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION

GENERAL POWER RATE--SCHEDULE GSC

(April 2011)

Availability

This rate shall apply to the firm electric power requirements where a customer's currently effective onpeak or offpeak contract demand, whichever is higher, is greater than 15,000 kW but not more than 25,000 kW; provided that the other conditions of this section are met.

Unless otherwise provided for in a written agreement between TVA and the distributor providing service under this rate schedule, for customers served under this rate schedule, the customer's "meter-reading time" shall be 0000 hours CST or CDT, whichever is currently effective, on the first day of the calendar month following the month for which a bill under this rate schedule is being calculated. Further, in accordance with TVA furnished or approved guidelines or specifications, TVA shall have unrestricted remote access to the metering data at all times, as well as unrestricted physical access to the metering facilities for the purpose of confirming remotely-accessed data during such periods as are specified by TVA.

For a customer requesting that its onpeak contract demand be different from its offpeak contract demand, this rate schedule shall be available only for (1) a new contract, (2) a replacement or renewal contract following expiration of the existing contract, or (3) a replacement or renewal contract or an amended existing contract in which the customer is increasing its demand requirements above the existing contract demand level, but under this item (3) neither the new onpeak nor the new offpeak contract demand shall be lower than the customer's existing contract demand.

Character of Service

Alternating current, single- or three-phase, 60 hertz. Power shall be delivered at a transmission voltage of 161 kV or, if such transmission voltage is not available, at the highest voltage available in the vicinity, unless at the customer's request a lower standard voltage is agreed upon.

Base Charges

Customer Charge: \$1,500 per delivery point per month

Administrative Charge: \$350 per delivery point per month

Demand Charge:

Summer Period \$15.44 per kW per month of the customer's onpeak billing demand, plus \$3.81 per kW per month of the amount, if any, by which the customer's offpeak billing demand exceeds its onpeak billing demand, plus \$15.44 per kW per month of the amount, if any, by which (1) the customer's onpeak billing demand exceeds its onpeak contract demand or (2) the customer's offpeak billing demand exceeds its offpeak contract demand, whichever is higher

Winter Period \$8.81 per kW per month of the customer's onpeak billing demand, plus
\$3.81 per kW per month of the amount, if any, by which the customer's offpeak billing demand exceeds its onpeak billing demand, plus
\$8.81 per kW per month of the amount, if any, by which (1) the customer's onpeak billing demand exceeds its onpeak contract demand or (2) the customer's offpeak billing demand exceeds its offpeak contract demand, whichever is higher

Transition Period \$3.81 per kW per month of the customer's offpeak billing demand, plus
\$8.81 per kW per month of the amount, if any, by which the customer's offpeak billing demand exceeds its offpeak contract demand

Energy Charge:

Summer Period 6.372¢ per kWh per month for all onpeak kWh, plus
3.226¢ per kWh per month for the first 425 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy, plus
1.482¢ per kWh per month for the next 195 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy, plus
0.004¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours multiplied by the ratio of offpeak energy to total energy

Winter Period 3.579¢ per kWh per month for all onpeak kWh, plus
3.226¢ per kWh per month for the first 425 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy, plus
1.482¢ per kWh per month for the next 195 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy, plus
0.004¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours multiplied by the ratio of offpeak energy to total energy

Transition Period 3.226¢ per kWh per month for the first 425 hours use of maximum metered demand, plus
1.482¢ per kWh per month for the next 195 hours use of maximum metered demand, plus
0.004¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours

For the Summer Period, Winter Period and Transition Period, 3.226¢ per kWh per month shall be applied to the portion, if any, of the minimum offpeak energy takings amount that is greater than the metered energy.

Adjustment

The base demand and energy charges shall be increased or decreased in accordance with the current Adjustment Addendum published by TVA. In addition, such charges shall be increased or decreased to correspond to increases or decreases determined by TVA under Adjustment 4 of the wholesale power rate schedule applicable under contractual arrangements between TVA and Distributor.

Facilities Rental Charge

There shall be no facilities rental charge under this rate schedule for delivery at bulk transmission voltage levels of 161 kV or higher. For delivery at less than 161 kV, there shall be added to the customer's bill a facilities rental charge. This charge shall be 36¢ per kW per month except for delivery at voltages below 46 kV, in which case the charge shall be 93¢ per kW per month for the first 10,000 kW and 73¢ per kW per month for the excess over 10,000 kW. Such charge shall be applied to the higher of (1) the highest billing demand established during the latest 12-consecutive-month period or (2) the customer's currently effective onpeak or offpeak contract demand, whichever is higher, and shall be in addition to all other charges under this rate schedule, including minimum bill charges.

Reactive Demand Charges

If the reactive demand (in kVAR) is lagging during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's highest metered demand occurs, there shall be added to the customer's bill a reactive charge of \$1.46 per kVAR of the amount, if any, by which the reactive demand exceeds 33 percent of such metered demand. If the reactive demand (in kVAR) is leading during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's lowest metered demand (excluding any metered demands which are less than 25 percent of the highest metered demand) occurs, there shall be added to the customer's bill a reactive charge of \$1.14 per kVAR of the amount of reactive demand. Such charges shall be in addition to all other charges under this rate schedule, including minimum bill charges.

Determination of Seasonal Periods

Summer Period shall mean the June, July, August, and September billing months. Winter Period shall mean the December, January, February, and March billing months. Transition Period shall mean the April, May, October, and November billing months.

Determination of Onpeak and Offpeak Hours

Except for Saturdays and Sundays and the weekdays that are observed as Federal holidays for New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day, onpeak hours for each day shall be from 1 p.m. to 7 p.m. during the Summer Period and from 4 a.m. to 10 a.m. during the Winter Period. For the Summer Period and the Winter Period, all other hours of each day that are not otherwise defined as onpeak hours and all hours of such excepted days shall be offpeak hours. For the Transition Period, all hours shall be offpeak hours. Such times shall be Central Standard Time or Central Daylight Time, whichever is then in effect. Said onpeak and offpeak hours are subject to change by TVA. In the event TVA determines that such changed onpeak and offpeak hours are appropriate, it shall so notify Distributor at least 12 months prior to the effective date of such changed hours, and Distributor shall promptly notify customer.

Determination of Onpeak and Offpeak Demands, Maximum Metered Demand, and Energy Amounts

The onpeak and offpeak kWh for any month shall be the energy amounts taken during the respective hours of the month designated under this rate schedule as onpeak and offpeak hours; provided, however, that notwithstanding the metered energy amount, the offpeak energy for any month shall in no case be less than the product of (1) the offpeak billing demand as calculated in the last sentence of the paragraph below and (2) 110 hours (reflecting a 15 percent load factor applied to the average number of hours in a month).

Distributor shall meter the onpeak and offpeak demands in kW of all customers taking service under this rate schedule. The onpeak metered demand and offpeak metered demand for any month shall be determined separately for the respective hours of the month designated under this rate schedule as onpeak and offpeak hours and in each case shall be the highest average during any 30-consecutive-minute period beginning or ending on a clock hour of the month of the load metered in kW, and, except as provided below in this section, such amounts shall be used as the onpeak and offpeak billing demands. The maximum metered demand for any month shall be the higher of (1) the highest onpeak metered demand in the month or (2) the highest offpeak metered demand in the month. The onpeak billing demand shall in no case be less than the sum of (1) 30 percent of the first 5,000 kW, (2) 40 percent of the next 20,000 kW, and (3) 50 percent of any kW in excess of 25,000 kW of the higher of the currently effective onpeak contract demand or the highest onpeak billing demand established during the preceding 12 months. The offpeak billing demand shall in no case be less than the sum of (1) 30 percent of the first 5,000 kW, (2) 40 percent of the next 20,000 kW, and (3) 50 percent of any kW in excess of 25,000 kW of the higher of the currently effective offpeak contract demand or the highest offpeak billing demand established during the preceding 12 months.

Minimum Bill

The monthly bill under this rate schedule, excluding any facilities rental charges and any reactive charges, shall not be less than the sum of (1) the base customer charge, (2) the portion of the base demand charge, as adjusted, (but excluding the additional portion thereof applicable to excess of billing demand over contract demand) applicable to onpeak billing demand applied to the customer's onpeak billing demand, (3) the portion of the base demand charge, as adjusted, (but excluding the additional portion thereof applicable to excess of billing demand over contract demand) applicable to any excess of offpeak over onpeak billing demand applied to the amount, if any, by which the customer's offpeak billing demand exceeds its onpeak billing demand, (4) the base onpeak energy charge, as adjusted, applied to the customer's onpeak energy takings, and (5) the base offpeak energy charge, as adjusted, applied to the higher of customer's actual offpeak energy takings or the minimum offpeak energy takings amount provided for in the first paragraph of the section of this rate schedule entitled "Determination of Onpeak and Offpeak Demands, Maximum Metered Demand, and Energy Amounts".

Distributor may require minimum bills higher than those stated above, including, without limitation, charges to cover any additional metering and related costs.

Contract Requirement

Distributor shall require contracts for all service provided under this rate schedule. The contract shall be for an initial term of at least 5 years and any renewals or extensions of the initial contract shall be for a term of at least 1 year; after 10 years of service, any such contract for the renewal or extension of service may provide for termination upon not less than 4 months' notice. The customer shall contract for its maximum requirements, which shall not exceed the amount of power capable of being used by customer, and Distributor shall not be obligated to supply power in greater amount at any time than the

customer's currently effective onpeak or offpeak contract demand. If the customer uses any power other than that supplied by Distributor under this rate schedule, the contract may include other special provisions. The rate schedule in any power contract shall be subject to adjustment, modification, change, or replacement from time to time as provided under the power contract between Distributor and TVA.

Payment

Bills under this rate schedule will be rendered monthly. Any amount of bill unpaid after due date specified on bill may be subject to additional charges under Distributor's standard policy.

Single-Point Delivery

The charges under this rate schedule are based upon the supply of service through a single delivery and metering point, and at a single voltage. If service is supplied to the same customer through more than one point of delivery or at different voltages, the supply of service at each delivery and metering point and at each different voltage shall be separately metered and billed.

Service is subject to Rules and Regulations of Distributor.

TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION

GENERAL POWER RATE--SCHEDULE GSD

(April 2011)

Availability

This rate shall apply to the firm electric power requirements where a customer's currently effective onpeak or offpeak contract demand, whichever is higher, is greater than 25,000 kW; provided that the other conditions of this section are met.

Unless otherwise provided for in a written agreement between TVA and the distributor providing service under this rate schedule, for customers served under this rate schedule, the customer's "meter-reading time" shall be 0000 hours CST or CDT, whichever is currently effective, on the first day of the calendar month following the month for which a bill under this rate schedule is being calculated. Further, in accordance with TVA furnished or approved guidelines or specifications, TVA shall have unrestricted remote access to the metering data at all times, as well as unrestricted physical access to the metering facilities for the purpose of confirming remotely-accessed data during such periods as are specified by TVA.

For a customer requesting that its onpeak contract demand be different from its offpeak contract demand, this rate schedule shall be available only for (1) a new contract, (2) a replacement or renewal contract following expiration of the existing contract, or (3) a replacement or renewal contract or an amended existing contract in which the customer is increasing its demand requirements above the existing contract demand level, but under this item (3) neither the new onpeak nor the new offpeak contract demand shall be lower than the customer's existing contract demand.

Character of Service

Alternating current, single- or three-phase, 60 hertz. Power shall be delivered at a transmission voltage of 161 kV or, if such transmission voltage is not available, at the highest voltage available in the vicinity, unless at the customer's request a lower standard voltage is agreed upon.

Base Charges

Customer Charge: \$1,500 per delivery point per month

Administrative Charge: \$350 per delivery point per month

Demand Charge:

Summer Period \$14.82 per kW per month of the customer's onpeak billing demand, plus \$3.19 per kW per month of the amount, if any, by which the customer's offpeak billing demand exceeds its onpeak billing demand, plus \$14.82 per kW per month of the amount, if any, by which (1) the customer's onpeak billing demand exceeds its onpeak contract demand or (2) the customer's offpeak billing demand exceeds its offpeak contract demand, whichever is higher

Winter Period \$8.19 per kW per month of the customer's onpeak billing demand, plus
\$3.19 per kW per month of the amount, if any, by which the customer's
offpeak billing demand exceeds its onpeak billing demand, plus
\$8.19 per kW per month of the amount, if any, by which (1) the
customer's onpeak billing demand exceeds its onpeak contract demand
or (2) the customer's offpeak billing demand exceeds its offpeak contract
demand, whichever is higher

Transition Period \$3.19 per kW per month of the customer's offpeak billing demand, plus
\$8.19 per kW per month of the amount, if any, by which the customer's
offpeak billing demand exceeds its offpeak contract demand

Energy Charge:

Summer Period 6.229¢ per kWh per month for all onpeak kWh, plus
2.986¢ per kWh per month for the first 425 hours use of maximum
metered demand multiplied by the ratio of offpeak energy to total energy,
plus
1.243¢ per kWh per month for the next 195 hours use of maximum
metered demand multiplied by the ratio of offpeak energy to total energy,
plus
-0.237¢ per kWh per month for the hours use of maximum metered
demand in excess of 620 hours multiplied by the ratio of offpeak energy
to total energy

Winter Period 3.356¢ per kWh per month for all onpeak kWh, plus
2.986¢ per kWh per month for the first 425 hours use of maximum
metered demand multiplied by the ratio of offpeak energy to total energy,
plus
1.243¢ per kWh per month for the next 195 hours use of maximum
metered demand multiplied by the ratio of offpeak energy to total energy,
plus
-0.237¢ per kWh per month for the hours use of maximum metered
demand in excess of 620 hours multiplied by the ratio of offpeak energy
to total energy

Transition Period 2.986¢ per kWh per month for the first 425 hours use of maximum
metered demand, plus
1.243¢ per kWh per month for the next 195 hours use of maximum
metered demand, plus
-0.237¢ per kWh per month for the hours use of maximum metered
demand in excess of 620 hours

For the Summer Period, Winter Period and Transition Period, 2.986¢ per kWh per month shall be applied to the portion, if any, of the minimum offpeak energy takings amount that is greater than the metered energy.

Adjustment

The base demand and energy charges shall be increased or decreased in accordance with the current Adjustment Addendum published by TVA. In addition, such charges shall be increased or decreased to correspond to increases or decreases determined by TVA under Adjustment 4 of the wholesale power rate schedule applicable under contractual arrangements between TVA and Distributor.

Facilities Rental Charge

There shall be no facilities rental charge under this rate schedule for delivery at bulk transmission voltage levels of 161 kV or higher. For delivery at less than 161 kV, there shall be added to the customer's bill a facilities rental charge. This charge shall be 36¢ per kW per month except for delivery at voltages below 46 kV, in which case the charge shall be 93¢ per kW per month for the first 10,000 kW and 73¢ per kW per month for the excess over 10,000 kW. Such charge shall be applied to the higher of (1) the highest billing demand established during the latest 12-consecutive-month period or (2) the customer's currently effective onpeak or offpeak contract demand, whichever is higher, and shall be in addition to all other charges under this rate schedule, including minimum bill charges.

Reactive Demand Charges

If the reactive demand (in kVAR) is lagging during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's highest metered demand occurs, there shall be added to the customer's bill a reactive charge of \$1.46 per kVAR of the amount, if any, by which the reactive demand exceeds 33 percent of such metered demand. If the reactive demand (in kVAR) is leading during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's lowest metered demand (excluding any metered demands which are less than 25 percent of the highest metered demand) occurs, there shall be added to the customer's bill a reactive charge of \$1.14 per kVAR of the amount of reactive demand. Such charges shall be in addition to all other charges under this rate schedule, including minimum bill charges.

Determination of Seasonal Periods

Summer Period shall mean the June, July, August, and September billing months. Winter Period shall mean the December, January, February, and March billing months. Transition Period shall mean the April, May, October, and November billing months.

Determination of Onpeak and Offpeak Hours

Except for Saturdays and Sundays and the weekdays that are observed as Federal holidays for New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day, onpeak hours for each day shall be from 1 p.m. to 7 p.m. during the Summer Period and from 4 a.m. to 10 a.m. during the Winter Period. For the Summer Period and the Winter Period, all other hours of each day that are not otherwise defined as onpeak hours and all hours of such excepted days shall be offpeak hours. For the Transition Period, all hours shall be offpeak hours. Such times shall be Central Standard Time or Central Daylight Time, whichever is then in effect. Said onpeak and offpeak hours are subject to change by TVA. In the event TVA determines that such changed onpeak and offpeak hours are appropriate, it shall so notify Distributor at least 12 months prior to the effective date of such changed hours, and Distributor shall promptly notify customer.

Determination of Onpeak and Offpeak Demands, Maximum Metered Demand, and Energy Amounts

The onpeak and offpeak kWh for any month shall be the energy amounts taken during the respective hours of the month designated under this rate schedule as onpeak and offpeak hours; provided, however, that notwithstanding the metered energy amount, the offpeak energy for any month shall in no case be less than the product of (1) the offpeak billing demand as calculated in the last sentence of the paragraph below and (2) 110 hours (reflecting a 15 percent load factor applied to the average number of hours in a month).

Distributor shall meter the onpeak and offpeak demands in kW of all customers taking service under this rate schedule. The onpeak metered demand and offpeak metered demand for any month shall be determined separately for the respective hours of the month designated under this rate schedule as onpeak and offpeak hours and in each case shall be the highest average during any 30-consecutive-minute period beginning or ending on a clock hour of the month of the load metered in kW, and, except as provided below in this section, such amounts shall be used as the onpeak and offpeak billing demands. The maximum metered demand for any month shall be the higher of (1) the highest onpeak metered demand in the month or (2) the highest offpeak metered demand in the month. The onpeak billing demand shall in no case be less than the sum of (1) 30 percent of the first 5,000 kW, (2) 40 percent of the next 20,000 kW, (3) 50 percent of the next 25,000 kW, (4) 60 percent of the next 50,000 kW, (5) 70 percent of the next 100,000 kW, (6) 80 percent of the next 150,000 kW, and (7) 85 percent of all kW in excess of 350,000 kW of the higher of the currently effective onpeak contract demand or the highest onpeak billing demand established during the preceding 12 months. The offpeak billing demand shall in no case be less than the sum of (1) 30 percent of the first 5,000 kW, (2) 40 percent of the next 20,000 kW, (3) 50 percent of the next 25,000 kW, (4) 60 percent of the next 50,000 kW, (5) 70 percent of the next 100,000 kW, (6) 80 percent of the next 150,000 kW, and (7) 85 percent of all kW in excess of 350,000 kW of the higher of the currently effective offpeak contract demand or the highest offpeak billing demand established during the preceding 12 months.

Minimum Bill

The monthly bill under this rate schedule, excluding any facilities rental charges and any reactive charges, shall not be less than the sum of (1) the base customer charge, (2) the portion of the base demand charge, as adjusted, (but excluding the additional portion thereof applicable to excess of billing demand over contract demand) applicable to onpeak billing demand applied to the customer's onpeak billing demand, (3) the portion of the base demand charge, as adjusted, (but excluding the additional portion thereof applicable to excess of billing demand over contract demand) applicable to any excess of offpeak over onpeak billing demand applied to the amount, if any, by which the customer's offpeak billing demand exceeds its onpeak billing demand, (4) the base onpeak energy charge, as adjusted, applied to the customer's onpeak energy takings, and (5) the base offpeak energy charge, as adjusted, applied to the higher of customer's actual offpeak energy takings or the minimum offpeak energy takings amount provided for in the first paragraph of the section of this rate schedule entitled "Determination of Onpeak and Offpeak Demands, Maximum Metered Demand, and Energy Amounts".

Distributor may require minimum bills higher than those stated above, including, without limitation, charges to cover any additional metering and related costs.

Contract Requirement

Distributor shall require contracts for all service provided under this rate schedule. The contract shall be for an initial term of at least 5 years and any renewals or extensions of the initial contract shall be for a term of at least 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 onpeak or offpeak contract demand. If the customer uses any power other than that supplied by Distributor under this rate schedule, the contract may include other special provisions. The rate schedule in any power contract shall be subject to adjustment, modification, change, or replacement from time to time as provided under the power contract between Distributor and TVA.

Payment

Bills under this rate schedule will be rendered monthly. Any amount of bill unpaid after due date specified on bill may be subject to additional charges under Distributor's standard policy.

Single-Point Delivery

The charges under this rate schedule are based upon the supply of service through a single delivery and metering point, and at a single voltage. If service is supplied to the same customer through more than one point of delivery or at different voltages, the supply of service at each delivery and metering point and at each different voltage shall be separately metered and billed.

Service is subject to Rules and Regulations of Distributor.

TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION

OUTDOOR LIGHTING RATE--SCHEDULE LS

(April 2011)

Availability

Available for service to street and park lighting systems, traffic signal systems, athletic field lighting installations, and outdoor lighting for individual customers.

Service under this schedule is for a term of not less than 1 year.

Payment

Bills under this rate schedule will be rendered monthly. Any amount of bill unpaid after due date specified on bill may be subject to additional charges under Distributor's standard policy.

Adjustment

The energy charge in Part A and Part B of this rate schedule shall be increased or decreased in accordance with the current Adjustment Addendum published by TVA. In addition, the energy charge in Part A and Part B of this rate schedule shall be increased or decreased to correspond to increases or decreases determined by TVA under Adjustment 4 of the wholesale power rate schedule applicable under contractual arrangements between TVA and Distributor.

Determination of Seasonal Periods

Summer Period shall mean the June, July, August, and September billing months. Winter Period shall mean the December, January, February, and March billing months. Transition Period shall mean the April, May, October, and November billing months.

PART A--CHARGES FOR STREET AND PARK LIGHTING SYSTEMS, TRAFFIC SIGNAL SYSTEMS, AND ATHLETIC FIELD LIGHTING INSTALLATIONS

I. Energy Charge:

Summer Period	3.851¢ per kWh per month
Winter Period	3.839¢ per kWh per month
Transition Period	3.775¢ per kWh per month

II. Facility Charge

The annual facility charge shall be 15 percent of the installed cost to Distributor's electric system of the facilities devoted to street and park lighting service specified in this Part A. Such installed cost shall be recomputed on July 1 of each year, or more often if substantial changes in the facilities are made. Each month, one-twelfth of the then total annual facility charge shall be billed to the customer. If any part of the facilities has not been provided at the electric

system's expense or if the installed cost of any portion thereof is reflected on the books of another municipality or agency or department, the annual facility charge shall be adjusted to reflect properly the remaining cost to be borne by the electric system.

Traffic signal systems and athletic field lighting installations shall be provided, owned, and maintained by and at the expense of the customer, except as Distributor may agree otherwise in accordance with the provisions of the paragraph next following in this section II. The facilities necessary to provide service to such systems and installations shall be provided by and at the expense of Distributor's electric system, and the annual facility charge provided for first above in this section II shall apply to the installed cost of such facilities.

When so authorized by policy duly adopted by Distributor's governing board, traffic signal systems and athletic field lighting installations may be provided, owned, and maintained by Distributor's electric system for the customer's benefit. In such cases Distributor may require reimbursement from the customer for a portion of the initial installed cost of any such system or installation and shall require payment by the customer of a facility charge sufficient to cover all of Distributor's costs (except reimbursed costs), including appropriate overheads, of providing, owning, and maintaining such system or installation; provided that, for athletic field lighting installations, such facility charge shall in no case be less than 12 percent per year of such costs. Said facility charge shall be in addition to the annual facility charge on the facilities necessary to provide service to such system or installation as provided for in the preceding paragraph. Replacement of lamps and related glassware for traffic signal systems and athletic field lighting installations provided under this paragraph shall be paid for under the provisions of paragraph A in Section IV.

III. Customer Charge - Traffic Signal Systems and Athletic Field Lighting Installations.

Distributor shall apply a uniform monthly customer charge of \$17.50 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

(a) <u>Type of Fixture</u>	<u>Lamp Size</u>		<u>Rated kWh</u>	<u>Facility Charge</u>
	<u>(Watts)</u>	<u>(Lumens)</u>		
Mercury Vapor or Incandescent	175	7,650	80	\$4.83
	400	19,100	171	\$7.18
High Pressure Sodium	100	8,550	49	\$7.75
	200	18,900	95	\$12.63
	250	22,500	116	\$11.19
	400	45,000	180	\$11.78
Metal Halide	400	45,000	171	\$10.25
	1,000	125,000	408	\$14.57

(b) Energy Charge: For each lamp size under (a) above,

Summer Period 3.851¢ per kWh per month

Winter Period 3.839¢ per kWh per month

Transition Period 3.775¢ per 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 to Rules and Regulations of Distributor.

TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION

MANUFACTURING SERVICE RATE--SCHEDULE MSB

(April 2011)

Availability

This rate shall apply to the firm electric power requirements where (a) a customer's currently effective onpeak or offpeak contract demand, whichever is higher, is greater than 5,000 kW but not more than 15,000 kW, and (b) the major use of electricity is for activities conducted at the delivery point serving that customer which are classified with a 2-digit Standard Industrial Classification Code between 20 and 39, inclusive, or classified with 2002 North American Industry Classification System (NAICS) code 5181, or 2007 NAICS codes 5182, 522320, and 541214; provided, however, customers qualifying for service under this schedule on the basis of such a NAICS code shall have an average monthly load factor of at least 80 percent during the preceding 12 months; provided further, however, that for the first 12 months of service to a new customer this load factor requirement shall be based on the customer's expected load factor for those 12 months as projected before the customer begins taking service; provided that the other conditions of this section are met. As used in the previous sentence "monthly load factor" shall mean a percentage calculated by dividing the total metered energy for a month by the product of the metered demand for that month and the number of clock hours in that month, exclusive of any hours during which power was unavailable due to an interruption or curtailment of the customer's service and of any hours in which the customer was unable to use power due to a Force Majeure event reasonably beyond the customer's control.

Prior to initially taking any service under this schedule, and from time to time thereafter as may be required by Distributor or the Tennessee Valley Authority (TVA), a customer shall certify to both Distributor and TVA that it meets the requirements set forth in condition (b) above. The certification form to be used shall be (i) furnished or approved by TVA, (ii) provided by Distributor to the customer, and (iii) signed and promptly returned by the customer to Distributor. Further, such customer shall promptly certify any change in the status of any of the information contained in the certification form to Distributor.

Service during any period for which a customer does not meet the eligibility requirements set forth in condition (b) above will be made available by Distributor under, and billed in accordance with, the applicable General Power schedule.

Unless otherwise provided for in a written agreement between TVA and the distributor providing service under this rate schedule, for customers served under this rate schedule, the customer's "meter-reading time" shall be 0000 hours CST or CDT, whichever is currently effective, on the first day of the calendar month following the month for which a bill under this rate schedule is being calculated. Further, in accordance with TVA furnished or approved guidelines or specifications, TVA shall have unrestricted remote access to the metering data at all times, as well as unrestricted physical access to the metering facilities for the purpose of confirming remotely-accessed data during such periods as are specified by TVA.

For a customer requesting that its onpeak contract demand be different from its offpeak contract demand, this rate schedule shall be available only for (1) a new contract, (2) a replacement or renewal contract following expiration of the existing contract, or (3) a replacement or renewal contract or an amended existing contract in which the customer is increasing its demand requirements above the existing contract demand level, but under this item (3) neither the new onpeak nor the new offpeak contract demand shall be lower than the customer's existing contract demand.

Character of Service

Alternating current, single- or three-phase, 60 hertz. Power shall be delivered at a transmission voltage of 161 kV or, if such transmission voltage is not available, at the highest voltage available in the vicinity, unless at the customer's request a lower standard voltage is agreed upon.

Base Charges

Customer Charge: \$1,500 per delivery point per month

Administrative Charge: \$350 per delivery point per month

Demand Charge:

Summer Period \$15.44 per kW per month of the customer's onpeak billing demand, plus \$3.81 per kW per month of the amount, if any, by which the customer's offpeak billing demand exceeds its onpeak billing demand, plus

\$15.44 per kW per month of the amount, if any, by which (1) the customer's onpeak billing demand exceeds its onpeak contract demand or (2) the customer's offpeak billing demand exceeds its offpeak contract demand, whichever is higher.

Winter Period \$8.81 per kW per month of the customer's onpeak billing demand, plus \$3.81 per kW per month of the amount, if any, by which the customer's offpeak billing demand exceeds its onpeak billing demand, plus

\$8.81 per kW per month of the amount, if any, by which (1) the customer's onpeak billing demand exceeds its onpeak contract demand or (2) the customer's offpeak billing demand exceeds its offpeak contract demand, whichever is higher

Transition Period \$3.81 per kW per month of the customer's offpeak billing demand, plus \$8.81 per kW per month of the amount, if any, by which the customer's offpeak billing demand exceeds its offpeak contract demand

Energy Charge:

Summer Period	5.290¢ per kWh per month for all onpeak kWh, plus 2.090¢ per kWh per month for the first 425 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy, plus 0.348¢ per kWh per month for the next 195 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy, plus -1.131¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours multiplied by the ratio of offpeak energy to total energy
Winter Period	2.487¢ per kWh per month for all onpeak kWh, plus 2.090¢ per kWh per month for the first 425 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy, plus 0.348¢ per kWh per month for the next 195 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy, plus -1.131¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours multiplied by the ratio of offpeak energy to total energy
Transition Period	2.090¢ per kWh per month for the first 425 hours use of maximum metered demand, plus 0.348¢ per kWh per month for the next 195 hours use of maximum metered demand, plus -1.131¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours

For the Summer Period, Winter Period and Transition Period, 2.090¢ per kWh per month shall be applied to the portion, if any, of the minimum offpeak energy takings amount that is greater than the metered energy.

Adjustment

The base demand and energy charges shall be increased or decreased in accordance with the current Adjustment Addendum published by TVA. In addition, such charges shall be increased or decreased to correspond to increases or decreases determined by TVA under Adjustment 4 of the wholesale power rate schedule applicable under contractual arrangements between TVA and Distributor.

Facilities Rental Charge

There shall be no facilities rental charge under this rate schedule for delivery at bulk transmission voltage levels of 161 kV or higher. For delivery at less than 161 kV, there shall be added to the customer's bill a facilities rental charge. This charge shall be 36¢ per kW per month except for delivery at voltages below 46 kV, in which case the charge shall be 93¢ per kW per month for the first 10,000 kW and 73¢ per kW per month for the excess over 10,000 kW. Such charge shall be applied to the higher of (1) the highest billing demand established during the latest 12-consecutive-month period or (2) the customer's currently effective onpeak or offpeak contract demand, whichever is higher, and shall be in addition to all other charges under this rate schedule, including minimum bill charges.

Reactive Demand Charges

If the reactive demand (in kVAR) is lagging during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's highest metered demand occurs, there shall be added to the customer's bill a reactive charge of \$1.46 per kVAR of the amount, if any, by which the reactive demand exceeds 33 percent of such metered demand. If the reactive demand (in kVAR) is leading during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's lowest metered demand (excluding any metered demands which are less than 25 percent of the highest metered demand) occurs, there shall be added to the customer's bill a reactive charge of \$1.14 per kVAR of the amount of reactive demand. Such charges shall be in addition to all other charges under this rate schedule, including minimum bill charges.

Determination of Seasonal Periods

Summer Period shall mean the June, July, August, and September billing months. Winter Period shall mean the December, January, February, and March billing months. Transition Period shall mean the April, May, October, and November billing months.

Determination of Onpeak and Offpeak Hours

Except for Saturdays and Sundays and the weekdays that are observed as Federal holidays for New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day, onpeak hours for each day shall be from 1 p.m. to 7 p.m. during the Summer Period and from 4 a.m. to 10 a.m. during the Winter Period. For the Summer Period and the Winter Period, all other hours of each day that are not otherwise defined as onpeak hours and all hours of such excepted days shall be offpeak hours. For the Transition Period, all hours shall be offpeak hours. Such times shall be Central Standard Time or Central Daylight Time, whichever is then in effect. Said onpeak and offpeak hours are subject to change by TVA. In the event TVA determines that such changed onpeak and offpeak hours are appropriate, it shall so notify Distributor at least 12 months prior to the effective date of such changed hours, and Distributor shall promptly notify customer.

Determination of Onpeak and Offpeak Demands, Maximum Metered Demand, and Energy Amounts

The onpeak and offpeak kWh for any month shall be the energy amounts taken during the respective hours of the month designated under this rate schedule as onpeak and offpeak hours; provided, however, that notwithstanding the metered energy amount, the offpeak energy for any month shall in no case be less than the product of (1) the offpeak billing demand as calculated in the last sentence of the paragraph below and (2) 110 hours (reflecting a 15 percent load factor applied to the average number of hours in a month).

Distributor shall meter the onpeak and offpeak demands in kW of all customers taking service under this rate schedule. The onpeak metered demand and offpeak metered demand for any month shall be determined separately for the respective hours of the month designated under this rate schedule as onpeak and offpeak hours and in each case shall be the highest average during any 30-consecutive-minute period beginning or ending on a clock hour of the month of the load metered in kW, and, except as provided below in this section, such amounts shall be used as the onpeak and offpeak billing demands. The maximum metered demand for any month shall be the higher of (1) the highest onpeak metered demand in the month or (2) the highest offpeak metered demand in the month. The onpeak billing demand shall in no case be less than the sum of (1) 30 percent of the first 5,000 kW and (2) 40 percent of any kW in excess of 5,000 kW of the higher of the currently effective onpeak contract demand or the

highest onpeak billing demand established during the preceding 12 months. The offpeak billing demand shall in no case be less than the sum of (1) 30 percent of the first 5,000 kW and (2) 40 percent of any kW in excess of 5,000 kW of the higher of the currently effective offpeak contract demand or the highest offpeak billing demand established during the preceding 12 months.

Minimum Bill

The monthly bill under this rate schedule, excluding any facilities rental charges and any reactive charges, shall not be less than the sum of (1) the base customer charge, (2) the portion of the base demand charge, as adjusted, (but excluding the additional portion thereof applicable to excess of billing demand over contract demand) applicable to onpeak billing demand applied to the customer's onpeak billing demand, (3) the portion of the base demand charge, as adjusted, (but excluding the additional portion thereof applicable to excess of billing demand over contract demand) applicable to any excess of offpeak over onpeak billing demand applied to the amount, if any, by which the customer's offpeak billing demand exceeds its onpeak billing demand, (4) the base onpeak energy charge, as adjusted, applied to the customer's onpeak energy takings, and (5) the base offpeak energy charge, as adjusted, applied to the higher of customer's actual offpeak energy takings or the minimum offpeak energy takings amount provided for in the first paragraph of the section of this rate schedule entitled "Determination of Onpeak and Offpeak Demands, Maximum Metered Demand, and Energy Amounts".

Distributor may require minimum bills higher than those stated above, including, without limitation, charges to cover any additional metering and related costs.

Contract Requirement

Distributor shall require contracts for all service provided under this rate schedule. The contract shall be for an initial term of at least 5 years and any renewals or extensions of the initial contract shall be for a term of at least 1 year; after 10 years of service, any such contract for the renewal or extension of service may provide for termination upon not less than 4 months' notice. The customer shall contract for its maximum requirements, which shall not exceed the amount of power capable of being used by customer, and Distributor shall not be obligated to supply power in greater amount at any time than the customer's currently effective onpeak or offpeak contract demand. If the customer uses any power other than that supplied by Distributor under this rate schedule, the contract may include other special provisions. The rate schedule in any power contract shall be subject to adjustment, modification, change, or replacement from time to time as provided under the power contract between Distributor and TVA.

Payment

Bills under this rate schedule will be rendered monthly. Any amount of bill unpaid after due date specified on bill may be subject to additional charges under Distributor's standard policy.

Single-Point Delivery

The charges under this rate schedule are based upon the supply of service through a single delivery and metering point, and at a single voltage. If service is supplied to the same customer through more than one point of delivery or at different voltages, the supply of service at each delivery and metering point and at each different voltage shall be separately metered and billed.

Service is subject to Rules and Regulations of Distributor.

TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION

MANUFACTURING SERVICE RATE--SCHEDULE MSC

(April 2011)

Availability

This rate shall apply to the firm electric power requirements where (a) a customer's currently effective onpeak or offpeak contract demand, whichever is higher, is greater than 15,000 kW but not more than 25,000 kW, and (b) the major use of electricity is for activities conducted at the delivery point serving that customer which are classified with a 2-digit Standard Industrial Classification Code between 20 and 39, inclusive, or classified with 2002 North American Industry Classification System (NAICS) code 5181, or 2007 NAICS codes 5182, 522320, and 541214; provided, however, customers qualifying for service under this schedule on the basis of such a NAICS code shall have an average monthly load factor of at least 80 percent during the preceding 12 months; provided further, however, that for the first 12 months of service to a new customer this load factor requirement shall be based on the customer's expected load factor for those 12 months as projected before the customer begins taking service; provided that the other conditions of this section are met. As used in the previous sentence "monthly load factor" shall mean a percentage calculated by dividing the total metered energy for a month by the product of the metered demand for that month and the number of clock hours in that month, exclusive of any hours during which power was unavailable due to an interruption or curtailment of the customer's service and of any hours in which the customer was unable to use power due to a Force Majeure event reasonably beyond the customer's control.

Prior to initially taking any service under this schedule, and from time to time thereafter as may be required by Distributor or the Tennessee Valley Authority (TVA), a customer shall certify to both Distributor and TVA that it meets the requirements set forth in condition (b) above. The certification form to be used shall be (i) furnished or approved by TVA, (ii) provided by Distributor to the customer, and (iii) signed and promptly returned by the customer to Distributor. Further, such customer shall promptly certify any change in the status of any of the information contained in the certification form to Distributor.

Service during any period for which a customer does not meet the eligibility requirements set forth in condition (b) above will be made available by Distributor under, and billed in accordance with, the applicable General Power schedule.

Unless otherwise provided for in a written agreement between TVA and the distributor providing service under this rate schedule, for customers served under this rate schedule, the customer's "meter-reading time" shall be 0000 hours CST or CDT, whichever is currently effective, on the first day of the calendar month following the month for which a bill under this rate schedule is being calculated. Further, in accordance with TVA furnished or approved guidelines or specifications, TVA shall have unrestricted remote access to the metering data at all times, as well as unrestricted physical access to the metering facilities for the purpose of confirming remotely-accessed data during such periods as are specified by TVA.

For a customer requesting that its onpeak contract demand be different from its offpeak contract demand, this rate schedule shall be available only for (1) a new contract, (2) a replacement or renewal contract following expiration of the existing contract, or (3) a replacement or renewal contract or an amended existing contract in which the customer is increasing its demand requirements above the existing contract demand level, but under this item (3) neither the new onpeak nor the new offpeak contract demand shall be lower than the customer's existing contract demand.

Character of Service

Alternating current, single- or three-phase, 60 hertz. Power shall be delivered at a transmission voltage of 161 kV or, if such transmission voltage is not available, at the highest voltage available in the vicinity, unless at the customer's request a lower standard voltage is agreed upon.

Base Charges

Customer Charge: \$1,500 per delivery point per month

Administrative Charge: \$350 per delivery point per month

Demand Charge:

Summer Period \$14.93 per kW per month of the customer's onpeak billing demand, plus

\$3.30 per kW per month of the amount, if any, by which the customer's offpeak billing demand exceeds its onpeak billing demand, plus

\$14.93 per kW per month of the amount, if any, by which (1) the customer's onpeak billing demand exceeds its onpeak contract demand or (2) the customer's offpeak billing demand exceeds its offpeak contract demand, whichever is higher

Winter Period \$8.30 per kW per month of the customer's onpeak billing demand, plus

\$3.30 per kW per month of the amount, if any, by which the customer's offpeak billing demand exceeds its onpeak billing demand, plus

\$8.30 per kW per month of the amount, if any, by which (1) the customer's onpeak billing demand exceeds its onpeak contract demand or (2) the customer's offpeak billing demand exceeds its offpeak contract demand, whichever is higher

Transition Period \$3.30 per kW per month of the customer's offpeak billing demand, plus

\$8.30 per kW per month of the amount, if any, by which the customer's offpeak billing demand exceeds its offpeak contract demand

Energy Charge:

Summer Period	5.367¢ per kWh per month for all onpeak kWh, plus 2.076¢ per kWh per month for the first 425 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy, plus 0.335¢ per kWh per month for the next 195 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy, plus -1.143¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours multiplied by the ratio of offpeak energy to total energy
Winter Period	2.501¢ per kWh per month for all onpeak kWh, plus 2.076¢ per kWh per month for the first 425 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy, plus 0.335¢ per kWh per month for the next 195 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy, plus -1.143¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours multiplied by the ratio of offpeak energy to total energy
Transition Period	2.076¢ per kWh per month for the first 425 hours use of maximum metered demand, plus 0.335¢ per kWh per month for the next 195 hours use of maximum metered demand, plus -1.143¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours

For the Summer Period, Winter Period and Transition Period, 2.076¢ per kWh per month shall be applied to the portion, if any, of the minimum offpeak energy takings amount that is greater than the metered energy.

Adjustment

The base demand and energy charges shall be increased or decreased in accordance with the current Adjustment Addendum published by TVA. In addition, such charges shall be increased or decreased to correspond to increases or decreases determined by TVA under Adjustment 4 of the wholesale power rate schedule applicable under contractual arrangements between TVA and Distributor.

Facilities Rental Charge

There shall be no facilities rental charge under this rate schedule for delivery at bulk transmission voltage levels of 161 kV or higher. For delivery at less than 161 kV, there shall be added to the customer's bill a facilities rental charge. This charge shall be 36¢ per kW per month except for delivery at voltages below 46 kV, in which case the charge shall be 93¢ per kW per month for the first 10,000 kW and 73¢ per kW per month for the excess over 10,000 kW. Such charge shall be applied to the higher of (1) the highest billing demand established during the latest 12-consecutive-month period or (2) the customer's currently effective onpeak or offpeak contract demand, whichever is higher, and shall be in addition to all other charges under this rate schedule, including minimum bill charges.

Reactive Demand Charges

If the reactive demand (in kVAR) is lagging during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's highest metered demand occurs, there shall be added to the customer's bill a reactive charge of \$1.46 per kVAR of the amount, if any, by which the reactive demand exceeds 33 percent of such metered demand. If the reactive demand (in kVAR) is leading during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's lowest metered demand (excluding any metered demands which are less than 25 percent of the highest metered demand) occurs, there shall be added to the customer's bill a reactive charge of \$1.14 per kVAR of the amount of reactive demand. Such charges shall be in addition to all other charges under this rate schedule, including minimum bill charges.

Determination of Seasonal Periods

Summer Period shall mean the June, July, August, and September billing months. Winter Period shall mean the December, January, February, and March billing months. Transition Period shall mean the April, May, October, and November billing months.

Determination of Onpeak and Offpeak Hours

Except for Saturdays and Sundays and the weekdays that are observed as Federal holidays for New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day, onpeak hours for each day shall be from 1 p.m. to 7 p.m. during the Summer Period and from 4 a.m. to 10 a.m. during the Winter Period. For the Summer Period and the Winter Period, all other hours of each day that are not otherwise defined as onpeak hours and all hours of such excepted days shall be offpeak hours. For the Transition Period, all hours shall be offpeak hours. Such times shall be Central Standard Time or Central Daylight Time, whichever is then in effect. Said onpeak and offpeak hours are subject to change by TVA. In the event TVA determines that such changed onpeak and offpeak hours are appropriate, it shall so notify Distributor at least 12 months prior to the effective date of such changed hours, and Distributor shall promptly notify customer.

Determination of Onpeak and Offpeak Demands, Maximum Metered Demand, and Energy Amounts

The onpeak and offpeak kWh for any month shall be the energy amounts taken during the respective hours of the month designated under this rate schedule as onpeak and offpeak hours; provided, however, that notwithstanding the metered energy amount, the offpeak energy for any month shall in no case be less than the product of (1) the offpeak billing demand as calculated in the last sentence of the paragraph below and (2) 110 hours (reflecting a 15 percent load factor applied to the average number of hours in a month).

Distributor shall meter the onpeak and offpeak demands in kW of all customers taking service under this rate schedule. The onpeak metered demand and offpeak metered demand for any month shall be determined separately for the respective hours of the month designated under this rate schedule as onpeak and offpeak hours and in each case shall be the highest average during any 30-consecutive-minute period beginning or ending on a clock hour of the month of the load metered in kW, and, except as provided below in this section, such amounts shall be used as the onpeak and offpeak billing demands. The maximum metered demand for any month shall be the higher of (1) the highest onpeak metered demand in the month or (2) the highest offpeak metered demand in the month. The onpeak billing demand shall in no case be less than the sum of (1) 30 percent of the first 5,000 kW, (2) 40 percent of the next 20,000 kW, and (3) 50 percent of any kW in excess of 25,000 kW of the higher of the currently

effective onpeak contract demand or the highest onpeak billing demand established during the preceding 12 months. The offpeak billing demand shall in no case be less than the sum of (1) 30 percent of the first 5,000 kW, (2) 40 percent of the next 20,000 kW, and (3) 50 percent of any kW in excess of 25,000 kW of the higher of the currently effective offpeak contract demand or the highest offpeak billing demand established during the preceding 12 months.

Minimum Bill

The monthly bill under this rate schedule, excluding any facilities rental charges and any reactive charges, shall not be less than the sum of (1) the base customer charge, (2) the portion of the base demand charge, as adjusted, (but excluding the additional portion thereof applicable to excess of billing demand over contract demand) applicable to onpeak billing demand applied to the customer's onpeak billing demand, (3) the portion of the base demand charge, as adjusted, (but excluding the additional portion thereof applicable to excess of billing demand over contract demand) applicable to any excess of offpeak over onpeak billing demand applied to the amount, if any, by which the customer's offpeak billing demand exceeds its onpeak billing demand, (4) the base onpeak energy charge, as adjusted, applied to the customer's onpeak energy takings, and (5) the base offpeak energy charge, as adjusted, applied to the higher of customer's actual offpeak energy takings or the minimum offpeak energy takings amount provided for in the first paragraph of the section of this rate schedule entitled "Determination of Onpeak and Offpeak Demands, Maximum Metered Demand, and Energy Amounts".

Distributor may require minimum bills higher than those stated above, including, without limitation, charges to cover any additional metering and related costs.

Contract Requirement

Distributor shall require contracts for all service provided under this rate schedule. The contract shall be for an initial term of at least 5 years and any renewals or extensions of the initial contract shall be for a term of at least 1 year; after 10 years of service, any such contract for the renewal or extension of service may provide for termination upon not less than 4 months' notice. The customer shall contract for its maximum requirements, which shall not exceed the amount of power capable of being used by customer, and Distributor shall not be obligated to supply power in greater amount at any time than the customer's currently effective onpeak or offpeak contract demand. If the customer uses any power other than that supplied by Distributor under this rate schedule, the contract may include other special provisions. The rate schedule in any power contract shall be subject to adjustment, modification, change, or replacement from time to time as provided under the power contract between Distributor and TVA.

Payment

Bills under this rate schedule will be rendered monthly. Any amount of bill unpaid after due date specified on bill may be subject to additional charges under Distributor's standard policy.

Single-Point Delivery

The charges under this rate schedule are based upon the supply of service through a single delivery and metering point, and at a single voltage. If service is supplied to the same customer through more than one point of delivery or at different voltages, the supply of service at each delivery and metering point and at each different voltage shall be separately metered and billed.

Service is subject to Rules and Regulations of Distributor.

TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION

MANUFACTURING SERVICE RATE--SCHEDULE MSD

(April 2011)

Availability

This rate shall apply to the firm electric power requirements where (a) a customer's currently effective onpeak or offpeak contract demand, whichever is higher, is greater than 25,000 kW, and (b) the major use of electricity is for activities conducted at the delivery point serving that customer which are classified with a 2-digit Standard Industrial Classification Code between 20 and 39, inclusive, or classified with 2002 North American Industry Classification System (NAICS) code 5181, or 2007 NAICS codes 5182, 522320, and 541214; provided, however, customers qualifying for service under this schedule on the basis of such a NAICS code shall have an average monthly load factor of at least 80 percent during the preceding 12 months; provided further, however, that for the first 12 months of service to a new customer this load factor requirement shall be based on the customer's expected load factor for those 12 months as projected before the customer begins taking service; provided that the other conditions of this section are met. As used in the previous sentence "monthly load factor" shall mean a percentage calculated by dividing the total metered energy for a month by the product of the metered demand for that month and the number of clock hours in that month, exclusive of any hours during which power was unavailable due to an interruption or curtailment of the customer's service and of any hours in which the customer was unable to use power due to a Force Majeure event reasonably beyond the customer's control.

Prior to initially taking any service under this schedule, and from time to time thereafter as may be required by Distributor or the Tennessee Valley Authority (TVA), a customer shall certify to both Distributor and TVA that it meets the requirements set forth in condition (b) above. The certification form to be used shall be (i) furnished or approved by TVA, (ii) provided by Distributor to the customer, and (iii) signed and promptly returned by the customer to Distributor. Further, such customer shall promptly certify any change in the status of any of the information contained in the certification form to Distributor.

Service during any period for which a customer does not meet the eligibility requirements set forth in condition (b) above will be made available by Distributor under, and billed in accordance with, the applicable General Power schedule.

Unless otherwise provided for in a written agreement between TVA and the distributor providing service under this rate schedule, for customers served under this rate schedule, the customer's "meter-reading time" shall be 0000 hours CST or CDT, whichever is currently effective, on the first day of the calendar month following the month for which a bill under this rate schedule is being calculated. Further, in accordance with TVA furnished or approved guidelines or specifications, TVA shall have unrestricted remote access to the metering data at all times, as well as unrestricted physical access to the metering facilities for the purpose of confirming remotely-accessed data during such periods as are specified by TVA.

For a customer requesting that its onpeak contract demand be different from its offpeak contract demand, this rate schedule shall be available only for (1) a new contract, (2) a replacement or renewal contract following expiration of the existing contract, or (3) a replacement or renewal contract or an amended existing contract in which the customer is increasing its demand requirements above the existing contract demand level, but under this item (3) neither the new onpeak nor the new offpeak contract demand shall be lower than the customer's existing contract demand.

Character of Service

Alternating current, single- or three-phase, 60 hertz. Power shall be delivered at a transmission voltage of 161 kV or, if such transmission voltage is not available, at the highest voltage available in the vicinity, unless at the customer's request a lower standard voltage is agreed upon.

Base Charges

Customer Charge: \$1,500 per delivery point per month

Administrative Charge: \$350 per delivery point per month

Demand Charge:

Summer Period \$14.82 per kW per month of the customer's onpeak billing demand, plus
\$3.19 per kW per month of the amount, if any, by which the customer's offpeak billing demand exceeds its onpeak billing demand, plus
\$14.82 per kW per month of the amount, if any, by which (1) the customer's onpeak billing demand exceeds its onpeak contract demand or (2) the customer's offpeak billing demand exceeds its offpeak contract demand, whichever is higher

Winter Period \$8.19 per kW per month of the customer's onpeak billing demand, plus
\$3.19 per kW per month of the amount, if any, by which the customer's offpeak billing demand exceeds its onpeak billing demand, plus
\$8.19 per kW per month of the amount, if any, by which (1) the customer's onpeak billing demand exceeds its onpeak contract demand or (2) the customer's offpeak billing demand exceeds its offpeak contract demand, whichever is higher

Transition Period \$3.19 per kW per month of the customer's offpeak billing demand, plus
\$8.19 per kW per month of the amount, if any, by which the customer's offpeak billing demand exceeds its offpeak contract demand

Energy Charge:

Summer Period	5.212¢ per kWh per month for all onpeak kWh, plus 1.924¢ per kWh per month for the first 425 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy, plus 0.181¢ per kWh per month for the next 195 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy, plus -1.297¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours multiplied by the ratio of offpeak energy to total energy
Winter Period	2.330¢ per kWh per month for all onpeak kWh, plus 1.924¢ per kWh per month for the first 425 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy, plus 0.181¢ per kWh per month for the next 195 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy, plus -1.297¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours multiplied by the ratio of offpeak energy to total energy
Transition Period	1.924¢ per kWh per month for the first 425 hours use of maximum metered demand, plus 0.181¢ per kWh per month for the next 195 hours use of maximum metered demand, plus -1.297¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours

For the Summer Period, Winter Period and Transition Period, 1.924¢ per kWh per month shall be applied to the portion, if any, of the minimum offpeak energy takings amount that is greater than the metered energy.

Adjustment

The base demand and energy charges shall be increased or decreased in accordance with the current Adjustment Addendum published by TVA. In addition, such charges shall be increased or decreased to correspond to increases or decreases determined by TVA under Adjustment 4 of the wholesale power rate schedule applicable under contractual arrangements between TVA and Distributor.

Facilities Rental Charge

There shall be no facilities rental charge under this rate schedule for delivery at bulk transmission voltage levels of 161 kV or higher. For delivery at less than 161 kV, there shall be added to the customer's bill a facilities rental charge. This charge shall be 36¢ per kW per month except for delivery at voltages below 46 kV, in which case the charge shall be 93¢ per kW per month for the first 10,000 kW and 73¢ per kW per month for the excess over 10,000 kW. Such charge shall be applied to the higher of (1) the highest billing demand established during the latest 12-consecutive-month period or (2) the customer's currently effective onpeak or offpeak contract demand, whichever is higher, and shall be in addition to all other charges under this rate schedule, including minimum bill charges.

Reactive Demand Charges

If the reactive demand (in kVAR) is lagging during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's highest metered demand occurs, there shall be added to the customer's bill a reactive charge of \$1.46 per kVAR of the amount, if any, by which the reactive demand exceeds 33 percent of such metered demand. If the reactive demand (in kVAR) is leading during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's lowest metered demand (excluding any metered demands which are less than 25 percent of the highest metered demand) occurs, there shall be added to the customer's bill a reactive charge of \$1.14 per kVAR of the amount of reactive demand. Such charges shall be in addition to all other charges under this rate schedule, including minimum bill charges.

Determination of Seasonal Periods

Summer Period shall mean the June, July, August, and September billing months. Winter Period shall mean the December, January, February, and March billing months. Transition Period shall mean the April, May, October, and November billing months.

Determination of Onpeak and Offpeak Hours

Except for Saturdays and Sundays and the weekdays that are observed as Federal holidays for New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day, onpeak hours for each day shall be from 1 p.m. to 7 p.m. during the Summer Period and from 4 a.m. to 10 a.m. during the Winter Period. For the Summer Period and the Winter Period, all other hours of each day that are not otherwise defined as onpeak hours and all hours of such excepted days shall be offpeak hours. For the Transition Period, all hours shall be offpeak hours. Such times shall be Central Standard Time or Central Daylight Time, whichever is then in effect. Said onpeak and offpeak hours are subject to change by TVA. In the event TVA determines that such changed onpeak and offpeak hours are appropriate, it shall so notify Distributor at least 12 months prior to the effective date of such changed hours, and Distributor shall promptly notify customer.

Determination of Onpeak and Offpeak Demands, Maximum Metered Demand, and Energy Amounts

The onpeak and offpeak kWh for any month shall be the energy amounts taken during the respective hours of the month designated under this rate schedule as onpeak and offpeak hours; provided, however, that notwithstanding the metered energy amount, the offpeak energy for any month shall in no case be less than the product of (1) the offpeak billing demand as calculated in the last sentence of the paragraph below and (2) 110 hours (reflecting a 15 percent load factor applied to the average number of hours in a month).

Distributor shall meter the onpeak and offpeak demands in kW of all customers taking service under this rate schedule. The onpeak metered demand and offpeak metered demand for any month shall be determined separately for the respective hours of the month designated under this rate schedule as onpeak and offpeak hours and in each case shall be the highest average during any 30-consecutive-minute period beginning or ending on a clock hour of the month of the load metered in kW, and, except as provided below in this section, such amounts shall be used as the onpeak and offpeak billing demands. The maximum metered demand for any month shall be the higher of (1) the highest onpeak metered demand in the month or (2) the highest offpeak metered demand in the month. The onpeak billing demand shall in no case be less than the sum of (1) 30 percent of the first 5,000 kW, (2) 40 percent of the next 20,000 kW, (3) 50 percent of the next 25,000 kW, (4) 60 percent of the next 50,000 kW, (5) 70

percent of the next 100,000 kW, (6) 80 percent of the next 150,000 kW, and (7) 85 percent of all kW in excess of 350,000 kW of the higher of the currently effective onpeak contract demand or the highest onpeak billing demand established during the preceding 12 months. The offpeak billing demand shall in no case be less than the sum of (1) 30 percent of the first 5,000 kW, (2) 40 percent of the next 20,000 kW, (3) 50 percent of the next 25,000 kW, (4) 60 percent of the next 50,000 kW, (5) 70 percent of the next 100,000 kW, (6) 80 percent of the next 150,000 kW, and (7) 85 percent of all kW in excess of 350,000 kW of the higher of the currently effective offpeak contract demand or the highest offpeak billing demand established during the preceding 12 months.

Minimum Bill

The monthly bill under this rate schedule, excluding any facilities rental charges and any reactive charges, shall not be less than the sum of (1) the base customer charge, (2) the portion of the base demand charge, as adjusted, (but excluding the additional portion thereof applicable to excess of billing demand over contract demand) applicable to onpeak billing demand applied to the customer's onpeak billing demand, (3) the portion of the base demand charge, as adjusted, (but excluding the additional portion thereof applicable to excess of billing demand over contract demand) applicable to any excess of offpeak over onpeak billing demand applied to the amount, if any, by which the customer's offpeak billing demand exceeds its onpeak billing demand, (4) the base onpeak energy charge, as adjusted, applied to the customer's onpeak energy takings, and (5) the base offpeak energy charge, as adjusted, applied to the higher of customer's actual offpeak energy takings or the minimum offpeak energy takings amount provided for in the first paragraph of the section of this rate schedule entitled "Determination of Onpeak and Offpeak Demands, Maximum Metered Demand, and Energy Amounts".

Distributor may require minimum bills higher than those stated above, including, without limitation, charges to cover any additional metering and related costs.

Contract Requirement

Distributor shall require contracts for all service provided under this rate schedule. The contract shall be for an initial term of at least 5 years and any renewals or extensions of the initial contract shall be for a term of at least 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 onpeak or offpeak contract demand. If the customer uses any power other than that supplied by Distributor under this rate schedule, the contract may include other special provisions. The rate schedule in any power contract shall be subject to adjustment, modification, change, or replacement from time to time as provided under the power contract between Distributor and TVA.

Payment

Bills under this rate schedule will be rendered monthly. Any amount of bill unpaid after due date specified on bill may be subject to additional charges under Distributor's standard policy.

Single-Point Delivery

The charges under this rate schedule are based upon the supply of service through a single delivery and metering point, and at a single voltage. If service is supplied to the same customer through more than one point of delivery or at different voltages, the supply of service at each delivery and metering point and at each different voltage shall be separately metered and billed.

Service is subject to Rules and Regulations of Distributor.

TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION

SEASONAL DEMAND AND ENERGY GENERAL POWER RATE--SCHEDULE SGSB

(April 2011)

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.

Unless otherwise provided for in a written agreement between TVA and the distributor providing service under this rate schedule, for customers served under this rate schedule, the customer's "meter-reading time" shall be 0000 hours CST or CDT, whichever is currently effective, on the first day of the calendar month following the month for which a bill under this rate schedule is being calculated. Further, in accordance with TVA furnished or approved guidelines or specifications, TVA shall have unrestricted remote access to the metering data at all times, as well as unrestricted physical access to the metering facilities for the purpose of confirming remotely-accessed data during such periods as are specified by TVA.

Character of Service

Alternating current, single- or three-phase, 60 hertz. Power shall be delivered at a transmission voltage of 161 kV or, if such transmission voltage is not available, at the highest voltage available in the vicinity, unless at the customer's request a lower standard voltage is agreed upon.

Base Charges

Customer Charge: \$1,500 per delivery point per month

Administrative Charge: \$350 per delivery point per month

Demand Charge:

Summer Period \$20.19 per kW per month of the customer's billing demand, plus

\$20.19 per kW per month of the amount, if any, by which the customer's billing demand exceeds its contract demand

Winter Period \$14.31 per kW per month of the customer's billing demand, plus

\$14.31 per kW per month of the amount, if any, by which the customer's billing demand exceeds its contract demand

Transition Period \$9.89 per kW per month of the customer's billing demand, plus

\$9.89 per kW per month of the amount, if any, by which the customer's billing demand exceeds its contract demand

Energy Charge:

Summer Period 2.291¢ per kWh per month

Winter Period 1.909¢ per kWh per month

Transition Period 1.825¢ per kWh per month

Adjustment

The base demand and energy charges shall be increased or decreased in accordance with the current Adjustment Addendum published by TVA. In addition, such charges shall be increased or decreased to correspond to increases or decreases determined by TVA under Adjustment 4 of the wholesale power rate schedule applicable under contractual arrangements between TVA and Distributor.

Facilities Rental Charge

There shall be no facilities rental charge under this rate schedule for delivery at bulk transmission voltage levels of 161 kV or higher. For delivery at less than 161 kV, there shall be added to the customer's bill a facilities rental charge. This charge shall be 36¢ per kW per month except for delivery at voltages below 46 kV, in which case the charge shall be 93¢ per kW per month for the first 10,000 kW and 73¢ per kW per month for the excess over 10,000 kW. Such charge shall be applied to the higher of (1) the highest billing demand established during the latest 12-consecutive-month period or (2) the customer's currently effective contract demand and shall be in addition to all other charges under this rate schedule, including minimum bill charges.

Reactive Demand Charges

If the reactive demand (in kVAR) is lagging during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's highest metered demand occurs, there shall be added to the customer's bill a reactive charge of \$1.46 per kVAR of the amount, if any, by which the reactive demand exceeds 33 percent of such metered demand. If the reactive demand (in kVAR) is leading during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's lowest metered demand (excluding any metered demands which are less than 25 percent of the highest metered demand) occurs, there shall be added to the customer's bill a reactive charge of \$1.14 per kVAR of the amount of reactive demand. Such charges shall be in addition to all other charges under this rate schedule, including minimum bill charges.

Determination of Seasonal Periods

Summer Period shall mean the June, July, August, and September billing months. Winter Period shall mean the December, January, February, and March billing months. Transition Period shall mean the April, May, October, and November billing months.

Determination of Demand

Distributor shall meter the demands in kW of all customers served under this rate schedule. The metered demand for any month shall be the highest average during any 30-consecutive-minute period beginning or ending on a clock hour of the month of the load metered in kW, and such amount shall be used as the billing demand, except that the billing demand for any month shall in no case be less than the sum of (1) 30 percent of the first 5,000 kW and (2) 40 percent of any kW in excess of 5,000 kW of the higher of the currently effective contract demand or the highest billing demand established during the preceding 12 months.

Minimum Bill

The monthly bill under this rate schedule, excluding any facilities rental charges and any reactive charges, shall not be less than the sum of (1) the base customer charge, (2) the base demand charge, as adjusted (but excluding the additional portion thereof applicable to excess of billing demand over contract demand) applied to the customer's billing demand, and (3) the base energy charge, as adjusted, applied to the customer's energy takings.

Distributor may require minimum bills higher than those stated above.

Contract Requirement

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 onpeak contract demand for service under the General Power Rate--Schedule GSB shall not be less than the contract demand in effect when service was taken under this rate schedule.

Payment

Bills under this rate schedule will be rendered monthly. Any amount of bill unpaid after due date specified on bill may be subject to additional charges under Distributor's standard policy.

Single-Point Delivery

The charges under this rate schedule are based upon the supply of service through a single delivery and metering point, and at a single voltage. If service is supplied to the same customer through more than one point of delivery or at different voltages, the supply of service at each delivery and metering point and at each different voltage shall be separately metered and billed.

Service is subject to Rules and Regulations of Distributor.

TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION

SEASONAL DEMAND AND ENERGY

GENERAL POWER RATE--SCHEDULE SGSC

(April 2011)

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.

Unless otherwise provided for in a written agreement between TVA and the distributor providing service under this rate schedule, for customers served under this rate schedule, the customer's "meter-reading time" shall be 0000 hours CST or CDT, whichever is currently effective, on the first day of the calendar month following the month for which a bill under this rate schedule is being calculated. Further, in accordance with TVA furnished or approved guidelines or specifications, TVA shall have unrestricted remote access to the metering data at all times, as well as unrestricted physical access to the metering facilities for the purpose of confirming remotely-accessed data during such periods as are specified by TVA.

Character of Service

Alternating current, single- or three-phase, 60 hertz. Power shall be delivered at a transmission voltage of 161 kV or, if such transmission voltage is not available, at the highest voltage available in the vicinity, unless at the customer's request a lower standard voltage is agreed upon.

Base Charges

Customer Charge: \$1,500 per delivery point per month

Administrative Charge: \$350 per delivery point per month

Demand Charge:

Summer Period \$20.19 per kW per month of the customer's billing demand, plus

\$20.19 per kW per month of the amount, if any, by which the customer's billing demand exceeds its contract demand

Winter Period \$14.31 per kW per month of the customer's billing demand, plus

\$14.31 per kW per month of the amount, if any, by which the customer's billing demand exceeds its contract demand

Transition Period \$9.89 per kW per month of the customer's billing demand, plus

\$9.89 per kW per month of the amount, if any, by which the customer's billing demand exceeds its contract demand

Energy Charge:

Summer Period 2.302¢ per kWh per month

Winter Period 1.913¢ per kWh per month

Transition Period 1.830¢ per kWh per month

Adjustment

The base demand and energy charges shall be increased or decreased in accordance with the current Adjustment Addendum published by TVA. In addition, such charges shall be increased or decreased to correspond to increases or decreases determined by TVA under Adjustment 4 of the wholesale power rate schedule applicable under contractual arrangements between TVA and Distributor.

Facilities Rental Charge

There shall be no facilities rental charge under this rate schedule for delivery at bulk transmission voltage levels of 161 kV or higher. For delivery at less than 161 kV, there shall be added to the customer's bill a facilities rental charge. This charge shall be 36¢ per kW per month except for delivery at voltages below 46 kV, in which case the charge shall be 93¢ per kW per month for the first 10,000 kW and 73¢ per kW per month for the excess over 10,000 kW. Such charge shall be applied to the higher of (1) the highest billing demand established during the latest 12-consecutive-month period or (2) the customer's currently effective contract demand and shall be in addition to all other charges under this rate schedule, including minimum bill charges.

Reactive Demand Charges

If the reactive demand (in kVAR) is lagging during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's highest metered demand occurs, there shall be added to the customer's bill a reactive charge of \$1.46 per kVAR of the amount, if any, by which the reactive demand exceeds 33 percent of such metered demand. If the reactive demand (in kVAR) is leading during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's lowest metered demand (excluding any metered demands which are less than 25 percent of the highest metered demand) occurs, there shall be added to the customer's bill a reactive charge of \$1.14 per kVAR of the amount of reactive demand. Such charges shall be in addition to all other charges under this rate schedule, including minimum bill charges.

Determination of Seasonal Periods

Summer Period shall mean the June, July, August, and September billing months. Winter Period shall mean the December, January, February, and March billing months. Transition Period shall mean the April, May, October, and November billing months.

Determination of Demand

Distributor shall meter the demands in kW of all customers served under this rate schedule. The metered demand for any month shall be the highest average during any 30-consecutive-minute period beginning or ending on a clock hour of the month of the load metered in kW, and such amount shall be used as the billing demand, except that the billing demand for any month shall in no case be less than the sum of (1) 30 percent of the first 5,000 kW, (2) 40 percent of the next 20,000 kW, and (3) 50 percent of any kW in excess of 25,000 kW of the higher of the currently effective contract demand or the highest billing demand established during the preceding 12 months.

Minimum Bill

The monthly bill under this rate schedule, excluding any facilities rental charges and any reactive charges, shall not be less than the sum of (1) the base customer charge, (2) the base demand charge, as adjusted (but excluding the additional portion thereof applicable to excess of billing demand over contract demand) applied to the customer's billing demand, and (3) the base energy charge, as adjusted, applied to the customer's energy takings.

Distributor may require minimum bills higher than those stated above.

Contract Requirement

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 GSC. In such case the term of the power contract shall remain the same and the onpeak contract demand for service under the General Power Rate--Schedule GSC shall not be less than the contract demand in effect when service was taken under this rate schedule.

Payment

Bills under this rate schedule will be rendered monthly. Any amount of bill unpaid after due date specified on bill may be subject to additional charges under Distributor's standard policy.

Single-Point Delivery

The charges under this rate schedule are based upon the supply of service through a single delivery and metering point, and at a single voltage. If service is supplied to the same customer through more than one point of delivery or at different voltages, the supply of service at each delivery and metering point and at each different voltage shall be separately metered and billed.

Service is subject to Rules and Regulations of Distributor.

TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION

SEASONAL DEMAND AND ENERGY GENERAL POWER RATE--SCHEDULE SGSD

(April 2011)

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.

Unless otherwise provided for in a written agreement between TVA and the distributor providing service under this rate schedule, for customers served under this rate schedule, the customer's "meter-reading time" shall be 0000 hours CST or CDT, whichever is currently effective, on the first day of the calendar month following the month for which a bill under this rate schedule is being calculated. Further, in accordance with TVA furnished or approved guidelines or specifications, TVA shall have unrestricted remote access to the metering data at all times, as well as unrestricted physical access to the metering facilities for the purpose of confirming remotely-accessed data during such periods as are specified by TVA.

Character of Service

Alternating current, single- or three-phase, 60 hertz. Power shall be delivered at a transmission voltage of 161 kV or, if such transmission voltage is not available, at the highest voltage available in the vicinity, unless at the customer's request a lower standard voltage is agreed upon.

Base Charges

Customer Charge: \$1,500 per delivery point per month

Administrative Charge: \$350 per delivery point per month

Demand Charge:

Summer Period \$22.88 per kW per month of the customer's billing demand, plus

\$22.88 per kW per month of the amount, if any, by which the customer's billing demand exceeds its contract demand

Winter Period \$16.99 per kW per month of the customer's billing demand, plus

\$16.99 per kW per month of the amount, if any, by which the customer's billing demand exceeds its contract demand

Transition Period \$12.58 per kW per month of the customer's billing demand, plus

\$12.58 per kW per month of the amount, if any, by which the customer's billing demand exceeds its contract demand

Energy Charge:

Summer Period 1.646¢ per kWh per month

Winter Period 1.306¢ per kWh per month

Transition Period 1.232¢ per kWh per month

Adjustment

The base demand and energy charges shall be increased or decreased in accordance with the current Adjustment Addendum published by TVA. In addition, such charges shall be increased or decreased to correspond to increases or decreases determined by TVA under Adjustment 4 of the wholesale power rate schedule applicable under contractual arrangements between TVA and Distributor.

Facilities Rental Charge

There shall be no facilities rental charge under this rate schedule for delivery at bulk transmission voltage levels of 161 kV or higher. For delivery at less than 161 kV, there shall be added to the customer's bill a facilities rental charge. This charge shall be 36¢ per kW per month except for delivery at voltages below 46 kV, in which case the charge shall be 93¢ per kW per month for the first 10,000 kW and 73¢ per kW per month for the excess over 10,000 kW. Such charge shall be applied to the higher of (1) the highest billing demand established during the latest 12-consecutive-month period or (2) the customer's currently effective contract demand and shall be in addition to all other charges under this rate schedule, including minimum bill charges.

Reactive Demand Charges

If the reactive demand (in kVAR) is lagging during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's highest metered demand occurs, there shall be added to the customer's bill a reactive charge of \$1.46 per kVAR of the amount, if any, by which the reactive demand exceeds 33 percent of such metered demand. If the reactive demand (in kVAR) is leading during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's lowest metered demand (excluding any metered demands which are less than 25 percent of the highest metered demand) occurs, there shall be added to the customer's bill a reactive charge of \$1.14 per kVAR of the amount of reactive demand. Such charges shall be in addition to all other charges under this rate schedule, including minimum bill charges.

Determination of Seasonal Periods

Summer Period shall mean the June, July, August, and September billing months. Winter Period shall mean the December, January, February, and March billing months. Transition Period shall mean the April, May, October, and November billing months.

Determination of Demand

Distributor shall meter the demands in kW of all customers served under this rate schedule. The metered demand for any month shall be the highest average during any 30-consecutive-minute period beginning or ending on a clock hour of the month of the load metered in kW, and such amount shall be used as the billing demand, except that the billing demand for any month shall in no case be less than the sum of (1) 30 percent of the first 5,000 kW, (2) 40 percent of the next 20,000 kW, (3) 50 percent of the next 25,000 kW, (4) 60 percent of the next 50,000 kW, (5) 70 percent of the next 100,000 kW, (6) 80 percent of the next 150,000 kW, and (7) 85 percent of all kW in excess of 350,000 kW of the higher of the currently effective contract demand or the highest billing demand established during the preceding 12 months.

Minimum Bill

The monthly bill under this rate schedule, excluding any facilities rental charges and any reactive charges, shall not be less than the sum of (1) the base customer charge, (2) the base demand charge, as adjusted (but excluding the additional portion thereof applicable to excess of billing demand over contract demand) applied to the customer's billing demand, and (3) the base energy charge, as adjusted, applied to the customer's energy takings.

Distributor may require minimum bills higher than those stated above.

Contract Requirement

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 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 GSD. In such case the term of the power contract shall remain the same and the onpeak contract demand for service under the General Power Rate--Schedule GSD shall not be less than the contract demand in effect when service was taken under this rate schedule.

Payment

Bills under this rate schedule will be rendered monthly. Any amount of bill unpaid after due date specified on bill may be subject to additional charges under Distributor's standard policy.

Single-Point Delivery

The charges under this rate schedule are based upon the supply of service through a single delivery and metering point, and at a single voltage. If service is supplied to the same customer through more than one point of delivery or at different voltages, the supply of service at each delivery and metering point and at each different voltage shall be separately metered and billed.

Service is subject to Rules and Regulations of Distributor.

TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION

SEASONAL DEMAND AND ENERGY MANUFACTURING SERVICE RATE--SCHEDULE SMSB

(April 2011)

Availability

This rate shall apply to the firm electric power requirements where (a) a customer's currently effective contract demand is greater than 5,000 kW but not more than 15,000 kW and (b) the major use of electricity is for activities conducted at the delivery point serving that customer which are classified with a 2-digit Standard Industrial Classification Code between 20 and 39, inclusive, or classified with 2002 North American Industry Classification System (NAICS) code 5181, or 2007 NAICS codes 5182, 522320, and 541214; provided, however, customers qualifying for service under this schedule on the basis of such a NAICS code shall have an average monthly load factor of at least 80 percent during the preceding 12 months; provided further, however, that for the first 12 months of service to a new customer this load factor requirement shall be based on the customer's expected load factor for those 12 months as projected before the customer begins taking service. As used in the previous sentence "monthly load factor" shall mean a percentage calculated by dividing the total metered energy for a month by the product of the metered demand for that month and the number of clock hours in that month, exclusive of any hours during which power was unavailable due to an interruption or curtailment of the customer's service and of any hours in which the customer was unable to use power due to a Force Majeure event reasonably beyond the customer's control.

Prior to initially taking any service under this schedule, and from time to time thereafter as may be required by Distributor or the Tennessee Valley Authority (TVA), a customer shall certify to both Distributor and TVA that it meets the requirements set forth in condition (b) above. The certification form to be used shall be (i) furnished or approved by TVA, (ii) provided by Distributor to the customer, and (iii) signed and promptly returned by the customer to Distributor. Further, such customer shall promptly certify any change in the status of any of the information contained in the certification form to Distributor.

Service during any period for which a customer does not meet the eligibility requirements set forth in condition (b) above will be made available by Distributor under, and billed in accordance with, the applicable General Power schedule.

Unless otherwise provided for in a written agreement between TVA and the distributor providing service under this rate schedule, for customers served under this rate schedule, the customer's "meter-reading time" shall be 0000 hours CST or CDT, whichever is currently effective, on the first day of the calendar month following the month for which a bill under this rate schedule is being calculated. Further, in accordance with TVA furnished or approved guidelines or specifications, TVA shall have unrestricted remote access to the metering data at all times, as well as unrestricted physical access to the metering facilities for the purpose of confirming remotely-accessed data during such periods as are specified by TVA.

Character of Service

Alternating current, single- or three-phase, 60 hertz. Power shall be delivered at a transmission voltage of 161 kV or, if such transmission voltage is not available, at the highest voltage available in the vicinity, unless at the customer's request a lower standard voltage is agreed upon.

Base Charges

Customer Charge: \$1,500 per delivery point per month

Administrative Charge: \$350 per delivery point per month

Demand Charge:

Summer Period \$17.49 per kW per month of the customer's billing demand, plus

\$17.49 per kW per month of the amount, if any, by which the customer's billing demand exceeds its contract demand

Winter Period \$11.61 per kW per month of the customer's billing demand, plus

\$11.61 per kW per month of the amount, if any, by which the customer's billing demand exceeds its contract demand

Transition Period \$7.19 per kW per month of the customer's billing demand, plus

\$7.19 per kW per month of the amount, if any, by which the customer's billing demand exceeds its contract demand

Energy Charge:

Summer Period 1.578¢ per kWh per month

Winter Period 1.146¢ per kWh per month

Transition Period 1.046¢ per kWh per month

Adjustment

The base demand and energy charges shall be increased or decreased in accordance with the current Adjustment Addendum published by TVA. In addition, such charges shall be increased or decreased to correspond to increases or decreases determined by TVA under Adjustment 4 of the wholesale power rate schedule applicable under contractual arrangements between TVA and Distributor.

Facilities Rental Charge

There shall be no facilities rental charge under this rate schedule for delivery at bulk transmission voltage levels of 161 kV or higher. For delivery at less than 161 kV, there shall be added to the customer's bill a facilities rental charge. This charge shall be 36¢ per kW per month except for delivery at voltages below 46 kV, in which case the charge shall be 93¢ per kW per month for the first 10,000 kW and 73¢ per kW per month for the excess over 10,000 kW. Such charge shall be applied to the higher of (1) the highest billing demand established during the latest 12-consecutive-month period or (2) the customer's currently effective contract demand and shall be in addition to all other charges under this rate schedule, including minimum bill charges.

Reactive Demand Charges

If the reactive demand (in kVAR) is lagging during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's highest metered demand occurs, there shall be added to the customer's bill a reactive charge of \$1.46 per kVAR of the amount, if any, by which the reactive demand exceeds 33 percent of such metered demand. If the reactive demand (in kVAR) is leading during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's lowest metered demand (excluding any metered demands which are less than 25 percent of the highest metered demand) occurs, there shall be added to the customer's bill a reactive charge of \$1.14 per kVAR of the amount of reactive demand. Such charges shall be in addition to all other charges under this rate schedule, including minimum bill charges.

Determination of Seasonal Periods

Summer Period shall mean the June, July, August, and September billing months. Winter Period shall mean the December, January, February, and March billing months. Transition Period shall mean the April, May, October, and November billing months.

Determination of Demand

Distributor shall meter the demands in kW of all customers served under this rate schedule. The metered demand for any month shall be the highest average during any 30-consecutive-minute period beginning or ending on a clock hour of the month of the load metered in kW, and such amount shall be used as the billing demand, except that the billing demand for any month shall in no case be less than the sum of (1) 30 percent of the first 5,000 kW and (2) 40 percent of any kW in excess of 5,000 kW of the higher of the currently effective contract demand or the highest billing demand established during the preceding 12 months.

Minimum Bill

The monthly bill under this rate schedule, excluding any facilities rental charges and any reactive charges, shall not be less than the sum of (1) the base customer charge, (2) the base demand charge, as adjusted (but excluding the additional portion thereof applicable to excess of billing demand over contract demand) applied to the customer's billing demand, and (3) the base energy charge, as adjusted, applied to the customer's energy takings.

Distributor may require minimum bills higher than those stated above.

Contract Requirement

Distributor shall require contracts for all service provided under this rate schedule. The contract shall be for an initial term of at least 5 years and any renewals or extensions of the initial contract shall be for a term of at least 1 year; after 10 years of service, any such contract for the renewal or extension of service may provide for termination upon not less than 4 months' notice. The customer shall contract for its maximum requirements, which shall not exceed the amount of power capable of being used by customer, and Distributor shall not be obligated to supply power in greater amount at any time than the customer's currently effective contract demand. If the customer uses any power other than that supplied by Distributor under this rate schedule, the contract may include other special provisions. The rate schedule in any power contract shall be subject to adjustment, modification, change, or replacement from time to time as provided under the power contract between Distributor and TVA.

After having received service for at least one year under this rate schedule, the customer, subject to appropriate amendments in its power contract with Distributor, may receive service under the Manufacturing Service Rate--Schedule MSB. In such case the term of the power contract shall remain the same and the onpeak contract demand for service under the Manufacturing Service Rate--Schedule MSB shall not be less than the contract demand in effect when service was taken under this rate schedule.

Payment

Bills under this rate schedule will be rendered monthly. Any amount of bill unpaid after due date specified on bill may be subject to additional charges under Distributor's standard policy.

Single-Point Delivery

The charges under this rate schedule are based upon the supply of service through a single delivery and metering point, and at a single voltage. If service is supplied to the same customer through more than one point of delivery or at different voltages, the supply of service at each delivery and metering point and at each different voltage shall be separately metered and billed.

Service is subject to Rules and Regulations of Distributor.

TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION

SEASONAL DEMAND AND ENERGY MANUFACTURING SERVICE RATE--SCHEDULE SMSC

(April 2011)

Availability

This rate shall apply to the firm electric power requirements where (a) a customer's currently effective contract demand is greater than 15,000 kW but not more than 25,000 kW and (b) the major use of electricity is for activities conducted at the delivery point serving that customer which are classified with a 2-digit Standard Industrial Classification Code between 20 and 39, inclusive, or classified with 2002 North American Industry Classification System (NAICS) code 5181, or 2007 NAICS codes 5182, 522320, and 541214; provided, however, customers qualifying for service under this schedule on the basis of such a NAICS code shall have an average monthly load factor of at least 80 percent during the preceding 12 months; provided further, however, that for the first 12 months of service to a new customer this load factor requirement shall be based on the customer's expected load factor for those 12 months as projected before the customer begins taking service. As used in the previous sentence "monthly load factor" shall mean a percentage calculated by dividing the total metered energy for a month by the product of the metered demand for that month and the number of clock hours in that month, exclusive of any hours during which power was unavailable due to an interruption or curtailment of the customer's service and of any hours in which the customer was unable to use power due to a Force Majeure event reasonably beyond the customer's control.

Prior to initially taking any service under this schedule, and from time to time thereafter as may be required by Distributor or the Tennessee Valley Authority (TVA), a customer shall certify to both Distributor and TVA that it meets the requirements set forth in condition (b) above. The certification form to be used shall be (i) furnished or approved by TVA, (ii) provided by Distributor to the customer, and (iii) signed and promptly returned by the customer to Distributor. Further, such customer shall promptly certify any change in the status of any of the information contained in the certification form to Distributor.

Service during any period for which a customer does not meet the eligibility requirements set forth in condition (b) above will be made available by Distributor under, and billed in accordance with, the applicable General Power schedule.

Unless otherwise provided for in a written agreement between TVA and the distributor providing service under this rate schedule, for customers served under this rate schedule, the customer's "meter-reading time" shall be 0000 hours CST or CDT, whichever is currently effective, on the first day of the calendar month following the month for which a bill under this rate schedule is being calculated. Further, in accordance with TVA furnished or approved guidelines or specifications, TVA shall have unrestricted remote access to the metering data at all times, as well as unrestricted physical access to the metering facilities for the purpose of confirming remotely-accessed data during such periods as are specified by TVA.

Character of Service

Alternating current, single- or three-phase, 60 hertz. Power shall be delivered at a transmission voltage of 161 kV or, if such transmission voltage is not available, at the highest voltage available in the vicinity, unless at the customer's request a lower standard voltage is agreed upon.

Base Charges

Customer Charge: \$1,500 per delivery point per month

Administrative Charge: \$350 per delivery point per month

Demand Charge:

Summer Period \$16.98 per kW per month of the customer's billing demand, plus
\$16.98 per kW per month of the amount, if any, by which the customer's
billing demand exceeds its contract demand

Winter Period \$11.10 per kW per month of the customer's billing demand, plus
\$11.10 per kW per month of the amount, if any, by which the customer's
billing demand exceeds its contract demand

Transition Period \$6.68 per kW per month of the customer's billing demand, plus
\$6.68 per kW per month of the amount, if any, by which the customer's
billing demand exceeds its contract demand

Energy Charge:

Summer Period 1.550¢ per kWh per month

Winter Period 1.145¢ per kWh per month

Transition Period 1.049¢ per kWh per month

Adjustment

The base demand and energy charges shall be increased or decreased in accordance with the current Adjustment Addendum published by TVA. In addition, such charges shall be increased or decreased to correspond to increases or decreases determined by TVA under Adjustment 4 of the wholesale power rate schedule applicable under contractual arrangements between TVA and Distributor.

Facilities Rental Charge

There shall be no facilities rental charge under this rate schedule for delivery at bulk transmission voltage levels of 161 kV or higher. For delivery at less than 161 kV, there shall be added to the customer's bill a facilities rental charge. This charge shall be 36¢ per kW per month except for delivery at voltages below 46 kV, in which case the charge shall be 93¢ per kW per month for the first 10,000 kW and 73¢ per kW per month for the excess over 10,000 kW. Such charge shall be applied to the higher of (1) the highest billing demand established during the latest 12-consecutive-month period or (2) the customer's currently effective contract demand and shall be in addition to all other charges under this rate schedule, including minimum bill charges.

Reactive Demand Charges

If the reactive demand (in kVAR) is lagging during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's highest metered demand occurs, there shall be added to the customer's bill a reactive charge of \$1.46 per kVAR of the amount, if any, by which the reactive demand exceeds 33 percent of such metered demand. If the reactive demand (in kVAR) is leading during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's lowest metered demand (excluding any metered demands which are less than 25 percent of the highest metered demand) occurs, there shall be added to the customer's bill a reactive charge of \$1.14 per kVAR of the amount of reactive demand. Such charges shall be in addition to all other charges under this rate schedule, including minimum bill charges.

Determination of Seasonal Periods

Summer Period shall mean the June, July, August, and September billing months. Winter Period shall mean the December, January, February, and March billing months. Transition Period shall mean the April, May, October, and November billing months.

Determination of Demand

Distributor shall meter the demands in kW of all customers served under this rate schedule. The metered demand for any month shall be the highest average during any 30-consecutive-minute period beginning or ending on a clock hour of the month of the load metered in kW, and such amount shall be used as the billing demand, except that the billing demand for any month shall in no case be less than the sum of (1) 30 percent of the first 5,000 kW, (2) 40 percent of the next 20,000 kW, and (3) 50 percent of any kW in excess of 25,000 kW of the higher of the currently effective contract demand or the highest billing demand established during the preceding 12 months.

Minimum Bill

The monthly bill under this rate schedule, excluding any facilities rental charges and any reactive charges, shall not be less than the sum of (1) the base customer charge, (2) the base demand charge, as adjusted (but excluding the additional portion thereof applicable to excess of billing demand over contract demand) applied to the customer's billing demand, and (3) the base energy charge, as adjusted, applied to the customer's energy takings.

Distributor may require minimum bills higher than those stated above.

Contract Requirement

Distributor shall require contracts for all service provided under this rate schedule. The contract shall be for an initial term of at least 5 years and any renewals or extensions of the initial contract shall be for a term of at least 1 year; after 10 years of service, any such contract for the renewal or extension of service may provide for termination upon not less than 4 months' notice. The customer shall contract for its maximum requirements, which shall not exceed the amount of power capable of being used by customer, and Distributor shall not be obligated to supply power in greater amount at any time than the customer's currently effective contract demand. If the customer uses any power other than that supplied by Distributor under this rate schedule, the contract may include other special provisions. The rate schedule in any power contract shall be subject to adjustment, modification, change, or replacement from time to time as provided under the power contract between Distributor and TVA.

After having received service for at least one year under this rate schedule, the customer, subject to appropriate amendments in its power contract with Distributor, may receive service under the Manufacturing Service Rate--Schedule MSC. In such case the term of the power contract shall remain the same and the onpeak contract demand for service under the Manufacturing Service Rate--Schedule MSC shall not be less than the contract demand in effect when service was taken under this rate schedule.

Payment

Bills under this rate schedule will be rendered monthly. Any amount of bill unpaid after due date specified on bill may be subject to additional charges under Distributor's standard policy.

Single-Point Delivery

The charges under this rate schedule are based upon the supply of service through a single delivery and metering point, and at a single voltage. If service is supplied to the same customer through more than one point of delivery or at different voltages, the supply of service at each delivery and metering point and at each different voltage shall be separately metered and billed.

Service is subject to Rules and Regulations of Distributor.

Service is subject to the Rules and Regulations of the Distributor, which may be amended from time to time without notice. The Distributor reserves the right to discontinue service at any time without notice if the customer fails to comply with the Rules and Regulations of the Distributor. The Distributor shall not be liable for any damage to property or injury to persons or animals caused by the use of electrical service under this rate schedule.

TERMS AND CONDITIONS

The customer agrees to pay the charges shown on the bill for service rendered under this rate schedule. Payment shall be made to the Distributor by the date specified on the bill. The Distributor shall not be liable for any damage to property or injury to persons or animals caused by the use of electrical service under this rate schedule.

TERMS AND CONDITIONS

The customer agrees to pay the charges shown on the bill for service rendered under this rate schedule. Payment shall be made to the Distributor by the date specified on the bill. The Distributor shall not be liable for any damage to property or injury to persons or animals caused by the use of electrical service under this rate schedule.

TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION

SEASONAL DEMAND AND ENERGY MANUFACTURING SERVICE RATE--SCHEDULE SMSD

(April 2011)

Availability

This rate shall apply to the firm electric power requirements where (a) a customer's currently effective contract demand is greater than 25,000 kW and (b) the major use of electricity is for activities conducted at the delivery point serving that customer which are classified with a 2-digit Standard Industrial Classification Code between 20 and 39, inclusive, or classified with 2002 North American Industry Classification System (NAICS) code 5181, or 2007 NAICS codes 5182, 522320, and 541214; provided, however, customers qualifying for service under this schedule on the basis of such a NAICS code shall have an average monthly load factor of at least 80 percent during the preceding 12 months; provided further, however, that for the first 12 months of service to a new customer this load factor requirement shall be based on the customer's expected load factor for those 12 months as projected before the customer begins taking service. As used in the previous sentence "monthly load factor" shall mean a percentage calculated by dividing the total metered energy for a month by the product of the metered demand for that month and the number of clock hours in that month, exclusive of any hours during which power was unavailable due to an interruption or curtailment of the customer's service and of any hours in which the customer was unable to use power due to a Force Majeure event reasonably beyond the customer's control.

Prior to initially taking any service under this schedule, and from time to time thereafter as may be required by Distributor or the Tennessee Valley Authority (TVA), a customer shall certify to both Distributor and TVA that it meets the requirements set forth in condition (b) above. The certification form to be used shall be (i) furnished or approved by TVA, (ii) provided by Distributor to the customer, and (iii) signed and promptly returned by the customer to Distributor. Further, such customer shall promptly certify any change in the status of any of the information contained in the certification form to Distributor.

Service during any period for which a customer does not meet the eligibility requirements set forth in condition (b) above will be made available by Distributor under, and billed in accordance with, the applicable General Power schedule.

Unless otherwise provided for in a written agreement between TVA and the distributor providing service under this rate schedule, for customers served under this rate schedule, the customer's "meter-reading time" shall be 0000 hours CST or CDT, whichever is currently effective, on the first day of the calendar month following the month for which a bill under this rate schedule is being calculated. Further, in accordance with TVA furnished or approved guidelines or specifications, TVA shall have unrestricted remote access to the metering data at all times, as well as unrestricted physical access to the metering facilities for the purpose of confirming remotely-accessed data during such periods as are specified by TVA.

Character of Service

Alternating current, single- or three-phase, 60 hertz. Power shall be delivered at a transmission voltage of 161 kV or, if such transmission voltage is not available, at the highest voltage available in the vicinity, unless at the customer's request a lower standard voltage is agreed upon.

Base Charges

Customer Charge: \$1,500 per delivery point per month

Administrative Charge: \$350 per delivery point per month

Demand Charge:

Summer Period \$19.57 per kW per month of the customer's billing demand, plus

\$19.57 per kW per month of the amount, if any, by which the customer's billing demand exceeds its contract demand

Winter Period \$13.69 per kW per month of the customer's billing demand, plus

\$13.69 per kW per month of the amount, if any, by which the customer's billing demand exceeds its contract demand

Transition Period \$9.27 per kW per month of the customer's billing demand, plus

\$9.27 per kW per month of the amount, if any, by which the customer's billing demand exceeds its contract demand

Energy Charge:

Summer Period 0.888¢ per kWh per month

Winter Period 0.564¢ per kWh per month

Transition Period 0.486¢ per kWh per month

Adjustment

The base demand and energy charges shall be increased or decreased in accordance with the current Adjustment Addendum published by TVA. In addition, such charges shall be increased or decreased to correspond to increases or decreases determined by TVA under Adjustment 4 of the wholesale power rate schedule applicable under contractual arrangements between TVA and Distributor.

Facilities Rental Charge

There shall be no facilities rental charge under this rate schedule for delivery at bulk transmission voltage levels of 161 kV or higher. For delivery at less than 161 kV, there shall be added to the customer's bill a facilities rental charge. This charge shall be 36¢ per kW per month except for delivery at voltages below 46 kV, in which case the charge shall be 93¢ per kW per month for the first 10,000 kW and 73¢ per kW per month for the excess over 10,000 kW. Such charge shall be applied to the higher of (1) the highest billing demand established during the latest 12-consecutive-month period or (2) the customer's currently effective contract demand and shall be in addition to all other charges under this rate schedule, including minimum bill charges.

Reactive Demand Charges

If the reactive demand (in kVAR) is lagging during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's highest metered demand occurs, there shall be added to the customer's bill a reactive charge of \$1.46 per kVAR of the amount, if any, by which the reactive demand exceeds 33 percent of such metered demand. If the reactive demand (in kVAR) is leading during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's lowest metered demand (excluding any metered demands which are less than 25 percent of the highest metered demand) occurs, there shall be added to the customer's bill a reactive charge of \$1.14 per kVAR of the amount of reactive demand. Such charges shall be in addition to all other charges under this rate schedule, including minimum bill charges.

Determination of Seasonal Periods

Summer Period shall mean the June, July, August, and September billing months. Winter Period shall mean the December, January, February, and March billing months. Transition Period shall mean the April, May, October, and November billing months.

Determination of Demand

Distributor shall meter the demands in kW of all customers served under this rate schedule. The metered demand for any month shall be the highest average during any 30-consecutive-minute period beginning or ending on a clock hour of the month of the load metered in kW, and such amount shall be used as the billing demand, except that the billing demand for any month shall in no case be less than the sum of (1) 30 percent of the first 5,000 kW, (2) 40 percent of the next 20,000 kW, (3) 50 percent of the next 25,000 kW, (4) 60 percent of the next 50,000 kW, (5) 70 percent of the next 100,000 kW, (6) 80 percent of the next 150,000 kW, and (7) 85 percent of all kW in excess of 350,000 kW of the higher of the currently effective contract demand or the highest billing demand established during the preceding 12 months:

Minimum Bill

The monthly bill under this rate schedule, excluding any facilities rental charges and any reactive charges, shall not be less than the sum of (1) the base customer charge, (2) the base demand charge, as adjusted (but excluding the additional portion thereof applicable to excess of billing demand over contract demand) applied to the customer's billing demand, and (3) the base energy charge, as adjusted, applied to the customer's energy takings.

Distributor may require minimum bills higher than those stated above.

Contract Requirement

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 the customer, and Distributor shall not be obligated to supply power in greater amount at any time than the customer's currently effective contract demand. If the customer uses any power other than that supplied by Distributor under this rate schedule, the contract may include other special provisions. The rate schedule in any power contract shall be subject to adjustment, modification, change, or replacement from time to time as provided under the power contract between Distributor and TVA.

After having received service for at least one year under this rate schedule, the customer, subject to appropriate amendments in its power contract with Distributor, may receive service under the Manufacturing Service Rate--Schedule MSD. In such case the term of the power contract shall remain the same and the onpeak contract demand for service under the Manufacturing Service Rate--Schedule MSD shall not be less than the contract demand in effect when service was taken under this rate schedule.

Payment

Bills under this rate schedule will be rendered monthly. Any amount of bill unpaid after due date specified on bill may be subject to additional charges under Distributor's standard policy.

Single-Point Delivery

The charges under this rate schedule are based upon the supply of service through a single delivery and metering point, and at a single voltage. If service is supplied to the same customer through more than one point of delivery or at different voltages, the supply of service at each delivery and metering point and at each different voltage shall be separately metered and billed.

Service is subject to Rules and Regulations of Distributor.

COPY

405 College Street
P. O. Box 40
Lafayette, TN 37083-0040

Tri-County
Electric
Membership Corporation
www.tcemc.org

Telephone: (615) 666-2111
Toll Free: 1-800-369-2111
Fax: (615) 688-2141

Thursday, February 24, 2011

**Mr. Ernest W. Peterson, Jr., PE
General Manager/Customer Service/Kentucky
Tennessee Valley Authority
6045 Russellville Road
Bowling Green, Kentucky 42101-7319**

**RE: TV – 52337A Supp. No. 91
Rate Change Agreement**

Dear Ernie:

Per your written request dated February 7, 2011 please find enclosed the executed two (2) originals regarding the above referenced Agreement.

Please return one fully executed original after final execution by TVA.

If I may be of additional assistance, please do not hesitate to contact me at X100.

Sincerely,



**PAUL THOMPSON
Executive Vice President
and General Manager**

**lk
Enclosures**

COPY



Tennessee Valley Authority, 6045 Russelville Road, Bowling Green, Kentucky 42101-7319

February 7, 2011

Mr. Paul Thompson
Executive Vice President/General Manager
Tri-County Electric Membership Corporation
405 College Street
Lafayette, Tennessee 37083

Dear Paul:

TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION -- RATE CHANGE AGREEMENT -- TV-52337A, SUPP. NO. 91.

Enclosed are two duplicate originals of the Rate Change Agreement, TV-52337A, Supp. No. 91.

Upon execution of the Agreement by the authorized representative of Tri-County Electric Membership Corporation, please return the two originals to me for further handling. After final execution by TVA, one fully executed original will be returned to you for your file.

If you have questions or concerns regarding this document, please call me (270-846-7041) or Hugh Meyer (270-846-7042).

Sincerely,

A handwritten signature in black ink, appearing to read 'Ernest W. Peterson, Jr.', written over a horizontal line.

Ernest W Peterson, Jr., PE
General Manager
Customer Service
Kentucky

Enclosures

Faxed Pages 1 - 8 to Ken Witcher 02/24/2011.

L. Kirby

TRANSACTION REPORT

P. 01

FEB-24-2011 THU 08:22 AM

FOR:

DATE	START	RECEIVER	TX TIME	PAGES	TYPE	NOTE	M#	DP
FEB-24	08:20 AM	96667446	1' 52"	9	SEND	OK	101	
TOTAL :						1M 52S	PAGES:	9



Tennessee Valley Authority, 6045 Russellville Road, Bowling Green, Kentucky 42101-7319

February 7, 2011

Mr. Paul Thompson
Executive Vice President/General Manager
Tri-County Electric Membership Corporation
405 College Street
Lafayette, Tennessee 37083

Dear Paul:

TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION -- RATE CHANGE AGREEMENT -- TV-52337A, SUPP. NO. 91.

Enclosed are two duplicate originals of the Rate Change Agreement, TV-52337A, Supp. No. 91.

Upon execution of the Agreement by the authorized representative of Tri-County Electric Membership Corporation, please return the two originals to me for further



Tennessee Valley Authority, 6045 Russellville Road, Bowling Green, Kentucky 42101-7319

10/13/2011
Laura,
Please file.

Thanks
Sally

October 12, 2011

Mr. Paul Thompson
Executive Vice President/General Manager
Tri-County Electric Membership Corporation
405 College Street
Lafayette, Tennessee 37083

Dear Paul:

**TRI-COUNTY EMC -- FULLY EXECUTED RESALE RATE SCHEDULE
SUBSTITUTION AGREEMENT -- TV-52337A, SUPP. NO. 92**

Enclosed is one fully executed original of the Resale Rate Schedule Substitution Agreement, TV-52337A, Supp. No. 92, dated October 1, 2011, providing for the substitution of:

Schedule LS (October 2011) for Schedule LS (April 2011)

If you have questions concerning this document or any material therein, please contact me at 270-846-7042.

Sincerely,

Hugh A. Meyer
Customer Service Engineer
Kentucky

Enclosure

October 1, 2011

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 schedule specified in (a) below, a copy of which is attached, for the resale rate schedule specified in (b) below, which, as adjusted, is now in effect as a part of the Schedule of Rates and Charges attached to and made a part of the Power Contract, TV-52337A, dated July 18, 1979, as amended (Power Contract), between TVA and Distributor. This substitution is to be effective for all bills rendered from resale meter readings taken for revenue months of Distributor beginning with the October 2011 revenue month. It is expressly recognized that the adjustments set forth in the applicable Adjustment Addendum to said Schedule of Rates and Charges shall continue to apply to the charges provided for by the attached schedule specified in (a) below.

- (a) New resale rate schedule:
Outdoor Lighting Rate--Schedule LS (October 2011)

- (b) Existing resale rate schedule:
Outdoor Lighting Rate--Schedule LS (April 2011)


It is understood that, upon execution of this agreement by TVA and Distributor, all references in the Power Contract to the existing resale rate schedule specified in (b) above, or to any predecessor schedules, shall be deemed to refer to the new resale rate schedule specified in (a) above.

**TRI-COUNTY ELECTRIC
MEMBERSHIP CORPORATION**

By 
Title: *Exec. V.P. & Gen. Manager*

Rate schedule substitution agreed to as of the date first above written.

TENNESSEE VALLEY AUTHORITY

By 
Senior Vice President
Commercial Operations and Pricing

TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION

OUTDOOR LIGHTING RATE--SCHEDULE LS

(October 2011)

Availability

Available for service to street and park lighting systems, traffic signal systems, athletic field lighting installations, and outdoor lighting for individual customers.

Service under this schedule is for a term of not less than 1 year.

Payment

Bills under this rate schedule will be rendered monthly. Any amount of bill unpaid after due date specified on bill may be subject to additional charges under Distributor's standard policy.

Adjustment

The energy charge in Part A and Part B of this rate schedule shall be increased or decreased in accordance with the current Adjustment Addendum published by TVA. In addition, the energy charge in Part A and Part B of this rate schedule shall be increased or decreased to correspond to increases or decreases determined by TVA under Adjustment 4 of the wholesale power rate schedule applicable under contractual arrangements between TVA and Distributor.

Determination of Seasonal Periods

Summer Period shall mean the June, July, August, and September billing months. Winter Period shall mean the December, January, February, and March billing months. Transition Period shall mean the April, May, October, and November billing months.

PART A--CHARGES FOR STREET AND PARK LIGHTING SYSTEMS, TRAFFIC SIGNAL SYSTEMS, AND ATHLETIC FIELD LIGHTING INSTALLATIONS

I. Energy Charge:

Summer Period 3.851¢ per kWh per month

Winter Period 3.839¢ per kWh per month

Transition Period 3.775¢ per kWh per month

II. Facility Charge:

The annual facility charge shall be 15 percent of the installed cost to Distributor's electric system of the facilities devoted to street and park lighting service specified in this Part A. Such installed cost shall be recomputed on July 1 of each year, or more often if substantial changes in the facilities are made. Each month, one-twelfth of the then total annual facility charge shall be billed to the customer. If any part of the facilities has not been provided at the electric

system's expense or if the installed cost of any portion thereof is reflected on the books of another municipality or agency or department, the annual facility charge shall be adjusted to reflect properly the remaining cost to be borne by the electric system.

Traffic signal systems and athletic field lighting installations shall be provided, owned, and maintained by and at the expense of the customer, except as Distributor may agree otherwise in accordance with the provisions of the paragraph next following in this section II. The facilities necessary to provide service to such systems and installations shall be provided by and at the expense of Distributor's electric system, and the annual facility charge provided for first above in this section II shall apply to the installed cost of such facilities.

When so authorized by policy duly adopted by Distributor's governing board, traffic signal systems and athletic field lighting installations may be provided, owned, and maintained by Distributor's electric system for the customer's benefit. In such cases Distributor may require reimbursement from the customer for a portion of the initial installed cost of any such system or installation and shall require payment by the customer of a facility charge sufficient to cover all of Distributor's costs (except reimbursed costs), including appropriate overheads, of providing, owning, and maintaining such system or installation; provided that, for athletic field lighting installations, such facility charge shall in no case be less than 12 percent per year of such costs. Said facility charge shall be in addition to the annual facility charge on the facilities necessary to provide service to such system or installation as provided for in the preceding paragraph. Replacement of lamps and related glassware for traffic signal systems and athletic field lighting installations provided under this paragraph shall be paid for under the provisions of paragraph A in Section IV.

III. Customer Charge - Traffic Signal Systems and Athletic Field Lighting Installations.

Distributor shall apply a uniform monthly customer charge of \$17.50 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

(a) <u>Type of Fixture</u>	<u>Lamp Size</u> <u>(Watts) (Lumens)</u>		<u>Rated</u> <u>kWh</u>	<u>Facility</u> <u>Charge</u>
Mercury Vapor or Incandescent	175	7,650	80	\$4.83
	400	19,100	171	\$7.18
High Pressure Sodium	100	8,550	49	\$7.75
	200	18,900	95	\$12.63
	250	22,500	116	\$11.19
	400	45,000	180	\$11.78
Metal Halide	400	45,000	171	\$10.25
	1,000	125,000	408	\$14.57
Induction	85	7,225	36	\$10.75
	100	8,500	42	\$12.25

(b) Energy Charge: For each lamp size under (a) above,

Summer Period 3.851¢ per kWh per month

Winter Period 3.839¢ per kWh per month

Transition Period 3.775¢ per 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 those reimbursed costs), including appropriate overheads, or providing, owning, and maintaining such installations; and making lamp replacements.

Service is subject to Rules and Regulations of Distributor.

Lighting Type	Code	Rate (per month)	Rate (per year)	Notes
Street	00	0.00	0.00	
Street	01	0.00	0.00	
Street	02	0.00	0.00	
Street	03	0.00	0.00	
Street	04	0.00	0.00	
Street	05	0.00	0.00	
Street	06	0.00	0.00	
Street	07	0.00	0.00	
Street	08	0.00	0.00	
Street	09	0.00	0.00	
Street	10	0.00	0.00	
Street	11	0.00	0.00	
Street	12	0.00	0.00	
Street	13	0.00	0.00	
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Street	15	0.00	0.00	
Street	16	0.00	0.00	
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Street	100	0.00	0.00	

TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION

OUTDOOR LIGHTING RATE--SCHEDULE LS

(October 2011)

Availability

Available for service to street and park lighting systems, traffic signal systems, athletic field lighting installations, and outdoor lighting for individual customers.

Service under this schedule is for a term of not less than 1 year.

Payment

Bills under this rate schedule will be rendered monthly. Any amount of bill unpaid after due date specified on bill may be subject to additional charges under Distributor's standard policy.

Adjustment

The energy charge in Part A and Part B of this rate schedule shall be increased or decreased in accordance with the current Adjustment Addendum published by TVA. In addition, the energy charge in Part A and Part B of this rate schedule shall be increased or decreased to correspond to increases or decreases determined by TVA under Adjustment 4 of the wholesale power rate schedule applicable under contractual arrangements between TVA and Distributor.

Determination of Seasonal Periods

Summer Period shall mean the June, July, August, and September billing months. Winter Period shall mean the December, January, February, and March billing months. Transition Period shall mean the April, May, October, and November billing months.

PART A--CHARGES FOR STREET AND PARK LIGHTING SYSTEMS, TRAFFIC SIGNAL SYSTEMS, AND ATHLETIC FIELD LIGHTING INSTALLATIONS

I. Energy Charge:

Summer Period 3.851¢ per kWh per month

Winter Period 3.839¢ per kWh per month

Transition Period 3.775¢ per kWh per month

II. Facility Charge

The annual facility charge shall be 15 percent of the installed cost to Distributor's electric system of the facilities devoted to street and park lighting service specified in this Part A. Such installed cost shall be recomputed on July 1 of each year, or more often if substantial changes in the facilities are made. Each month, one-twelfth of the then total annual facility charge shall be billed to the customer. If any part of the facilities has not been provided at the electric

system's expense or if the installed cost of any portion thereof is reflected on the books of another municipality or agency or department, the annual facility charge shall be adjusted to reflect properly the remaining cost to be borne by the electric system.

Traffic signal systems and athletic field lighting installations shall be provided, owned, and maintained by and at the expense of the customer, except as Distributor may agree otherwise in accordance with the provisions of the paragraph next following in this section II. The facilities necessary to provide service to such systems and installations shall be provided by and at the expense of Distributor's electric system, and the annual facility charge provided for first above in this section II shall apply to the installed cost of such facilities.

When so authorized by policy duly adopted by Distributor's governing board, traffic signal systems and athletic field lighting installations may be provided, owned, and maintained by Distributor's electric system for the customer's benefit. In such cases Distributor may require reimbursement from the customer for a portion of the initial installed cost of any such system or installation and shall require payment by the customer of a facility charge sufficient to cover all of Distributor's costs (except reimbursed costs), including appropriate overheads, of providing, owning, and maintaining such system or installation; provided that, for athletic field lighting installations, such facility charge shall in no case be less than 12 percent per year of such costs. Said facility charge shall be in addition to the annual facility charge on the facilities necessary to provide service to such system or installation as provided for in the preceding paragraph. Replacement of lamps and related glassware for traffic signal systems and athletic field lighting installations provided under this paragraph shall be paid for under the provisions of paragraph A in Section IV.

III. Customer Charge - Traffic Signal Systems and Athletic Field Lighting Installations.

Distributor shall apply a uniform monthly customer charge of \$17.50 for service to each traffic signal system or athletic field lighting installation.

IV. Replacement of Lamps and Related Glassware - Street and Park Lighting

Customer shall be billed and shall pay for replacements as provided in paragraph A below, which shall be applied to all service for street and park lighting.

- A. Distributor shall bill the customer monthly for such replacements during each month at Distributor's cost of materials, including appropriate storeroom expense.
- B. Distributor shall bill the customer monthly for one-twelfth of the amount by which Distributor's cost of materials, including appropriate storeroom expense, exceeds the product of 3 mills multiplied by the number of kilowatt-hours used for street and park lighting during the fiscal year immediately preceding the fiscal year in which such month occurs.

Metering

For any billing month or part of such month in which the energy is not metered or for which a meter reading is found to be in error or a meter is found to have failed, the energy for billing purposes for that billing month or part of such month shall be computed from the rated capacity of the lamps (including ballast) plus 5 percent of such capacity to reflect secondary circuit losses, multiplied by the number of hours of use.

Revenue and Cost Review

Distributor's costs of providing service under Part A of this rate schedule are subject to review at any time and from time to time to determine if Distributor's revenues from the charges being applied are sufficient to cover its costs. (Such costs, including applicable overheads, include, but are not limited to, those incurred in the operation and maintenance of the systems provided and those resulting from depreciation and payments for taxes, tax equivalents and interest.) If any such review discloses that revenues are either less or more than sufficient to cover said costs, Distributor shall revise the above facility charges so that revenues will be sufficient to cover said costs. Any such revision of the annual facility charge provided for first above in section II of Part A of this rate schedule shall be by agreement between Distributor and TVA.

PART B--CHARGES FOR OUTDOOR LIGHTING FOR INDIVIDUAL CUSTOMERS

Charges Per Fixture Per Month

<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	80	\$4.83
	400	19,100	171	\$7.18
High Pressure Sodium	100	8,550	49	\$7.75
	200	18,900	95	\$12.63
	250	22,500	116	\$11.19
	400	45,000	180	\$11.78
Metal Halide	400	45,000	171	\$10.25
	1,000	125,000	408	\$14.57
Induction	85	7,225	36	\$10.75
	100	8,500	42	\$12.25

(b) Energy Charge: For each lamp size under (a) above,

Summer Period	3.851¢ per kWh per month
Winter Period	3.839¢ per kWh per month
Transition Period	3.775¢ per 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 to Rules and Regulations of Distributor.

Category	Rate	Notes
Street Lighting	\$100.00	Per fixture
Decorative Lighting	\$150.00	Per fixture
Security Lighting	\$120.00	Per fixture
Commercial Lighting	\$80.00	Per fixture
Industrial Lighting	\$200.00	Per fixture
Public Building Lighting	\$110.00	Per fixture
Specialty Lighting	\$180.00	Per fixture

TENNESSEE VALLEY AUTHORITY

ADJUSTMENT ADDENDUM

TO

SCHEDULE OF RATES AND CHARGES

FOR

TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION

Effective October 1, 2011

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's monthly billing cycles scheduled to begin on or after the effective date of this Adjustment Addendum. As provided for by the previous Adjustment Addendum dated October 1, 2003 (Environmental Adjustment), the amounts listed under each column (1) are designated, subject to any future Rate Adjustment or Rate Change, to remain in effect for ten (10) years from the effective date of said Environmental Adjustment.

		<u>Wholesale Power Rate Schedule</u>		
		(1)	(2)	(3)
STANDARD SERVICE				
<u>Schedule WS-TOU</u>				
Demand Charges				
Summer	Add	\$0.50	+	\$0.29
Winter	Add	\$0.50	+	\$0.26
Transition	Add	\$0.50	+	\$0.26
Energy Charges				
Summer	Add	0.186¢	+	0.107¢ + A _m
Winter	Add	0.186¢	+	0.099¢ + A _m
Transition	Add	0.186¢	+	0.095¢ + A _m
<u>Schedule WS-DE</u>				
Demand Charges				
Summer	Add	\$0.50	+	\$0.29
Winter	Add	\$0.50	+	\$0.26
Transition	Add	\$0.50	+	\$0.26
Energy Charges				
Summer	Add	0.186¢	+	0.100¢ + A _m
Winter	Add	0.186¢	+	0.100¢ + A _m
Transition	Add	0.186¢	+	0.100¢ + A _m

*Applicable also to the third component of the demand charge

**Applicable also the second component of the demand charge

***Applicable also to minimum offpeak energy

****Applicable also to the third component of the demand charge and the second component of the Transition demand charge

STANDARD SERVICE

Resale Schedules

(1) (2) (3)

Residential Service

Schedule RS

Energy Charge

Summer

Add 0.307¢ + 0.177¢ + (1.08628 x A_m)

Winter

Add 0.307¢ + 0.177¢ + (1.08628 x A_m)

Transition

Add 0.307¢ + 0.175¢ + (1.08628 x A_m)

General Power Service

Schedule GSA

Part 1

Energy Charge

Summer

Add 0.355¢ + 0.190¢ + (1.06653 x A_m)

Winter

Add 0.355¢ + 0.189¢ + (1.06653 x A_m)

Transition

Add 0.355¢ + 0.187¢ + (1.06653 x A_m)

Part 2

Demand Charge

Summer

Excess over 50 kW

Add \$0.48 + \$0.29

Winter

Excess over 50 kW

Add \$0.48 + \$0.27

Transition

Excess over 50 kW

Add \$0.48 + \$0.27

Energy Charge

Summer

First 15,000 kWh

Add 0.198¢ + 0.189¢ + (1.06653 x A_m)

Additional kWh

Add 0.194¢ + 0.096¢ + (1.04396 x A_m)

Winter

First 15,000 kWh

Add 0.198¢ + 0.189¢ + (1.06653 x A_m)

Additional kWh

Add 0.194¢ + 0.096¢ + (1.04396 x A_m)

Transition

First 15,000 kWh

Add 0.198¢ + 0.189¢ + (1.06653 x A_m)

Additional kWh

Add 0.194¢ + 0.096¢ + (1.04396 x A_m)

Part 3

Demand Charge

Summer

First 1,000 kW

Add \$0.61 + \$0.29

Excess over 1,000 kW *

Add \$0.61 + \$0.36

Winter

First 1,000 kW

Add \$0.61 + \$0.27

Excess over 1,000 kW *

Add \$0.61 + \$0.34

Transition

First 1,000 kW

Add \$0.61 + \$0.27

Excess over 1,000 kW *

Add \$0.61 + \$0.34

Energy Charge

Summer

Add 0.199¢ + 0.096¢ + (1.04396 x A_m)

Winter

Add 0.199¢ + 0.096¢ + (1.04396 x A_m)

Transition

Add 0.199¢ + 0.096¢ + (1.04396 x A_m)

*Applicable also to the third component of the demand charge

**Applicable also the second component of the demand charge

***Applicable also to minimum offpeak energy

****Applicable also to the third component of the demand charge and the second component of the Transition demand charge

Outdoor Lighting Service

Schedule LS Part A and B

Energy Charge									
Summer			Add	0.207¢	+	0.081¢	+	(1.08628 x A _m)	
Winter			Add	0.207¢	+	0.080¢	+	(1.08628 x A _m)	
Transition			Add	0.207¢	+	0.078¢	+	(1.08628 x A _m)	

Drainage Pumping Station

Schedule DPS

Energy Charge									
Summer			Add	N/A	+	N/A	+	(N/A x A _m)	
Winter			Add	N/A	+	N/A	+	(N/A x A _m)	
Transition			Add	N/A	+	N/A	+	(N/A x A _m)	

Residential Service

Schedule TRS

Energy Charge									
Summer									
Onpeak			Add	N/A	+	N/A	+	(N/A x A _m)	
Offpeak			Add	N/A	+	N/A	+	(N/A x A _m)	
Winter									
Onpeak			Add	N/A	+	N/A	+	(N/A x A _m)	
Offpeak			Add	N/A	+	N/A	+	(N/A x A _m)	
Transition									
All Offpeak			Add	N/A	+	N/A	+	(N/A x A _m)	

General Power Service

Schedule TGSA

Part 1

Energy Charge									
Summer									
Onpeak			Add	N/A	+	N/A	+	(N/A x A _m)	
Offpeak			Add	N/A	+	N/A	+	(N/A x A _m)	
Winter									
Onpeak			Add	N/A	+	N/A	+	(N/A x A _m)	
Offpeak			Add	N/A	+	N/A	+	(N/A x A _m)	
Transition									
All Offpeak			Add	N/A	+	N/A	+	(N/A x A _m)	

Part 2

Demand Charge									
Summer									
Excess over 50 kW			Add	N/A	+	N/A			
Winter									
Excess over 50 kW			Add	N/A	+	N/A			
Transition									
Excess over 50 kW			Add	N/A	+	N/A			

*Applicable also to the third component of the demand charge

**Applicable also the second component of the demand charge

***Applicable also to minimum offpeak energy

****Applicable also to the third component of the demand charge and the second component of the Transition demand charge

Energy Charge								
Summer								
Onpeak	Add	N/A	+	N/A	+	(	N/A	x A _m)
Offpeak	Add	N/A	+	N/A	+	(	N/A	x A _m)
Winter								
Onpeak	Add	N/A	+	N/A	+	(	N/A	x A _m)
Offpeak	Add	N/A	+	N/A	+	(	N/A	x A _m)
Transition								
All Offpeak	Add	N/A	+	N/A	+	(	N/A	x A _m)

Part 3

Demand Charge								
Summer								
First 1,000 kW	Add	N/A	+	N/A				
Excess over 1,000 kW *	Add	N/A	+	N/A				
Winter								
First 1,000 kW	Add	N/A	+	N/A				
Excess over 1,000 kW *	Add	N/A	+	N/A				
Transition								
First 1,000 kW	Add	N/A	+	N/A				
Excess over 1,000 kW *	Add	N/A	+	N/A				

Energy Charge								
Summer								
Onpeak	Add	N/A	+	N/A	+	(	N/A	x A _m)
Offpeak	Add	N/A	+	N/A	+	(	N/A	x A _m)
Winter								
Onpeak	Add	N/A	+	N/A	+	(	N/A	x A _m)
Offpeak	Add	N/A	+	N/A	+	(	N/A	x A _m)
Transition								
All Offpeak	Add	N/A	+	N/A	+	(	N/A	x A _m)

TOU SERVICE

Wholesale Power Rate Schedule

Resale Schedules

		(1)	(2)	(3)		(1)	(2)	(3)
General Power Service								
<u>Schedule TDGSA</u>								
Demand Charge								
Summer Period								
Onpeak *	Add	\$0.54	+	\$0.43	Add	N/A	+	N/A
Excess Offpeak	Add	\$0.11	+	\$0.07	Add	N/A	+	N/A
Winter Period								
Onpeak ****	Add	\$0.29	+	\$0.23	Add	N/A	+	N/A
Excess Offpeak	Add	\$0.11	+	\$0.07	Add	N/A	+	N/A
Transition Period								
	Add	\$0.11	+	\$0.07	Add	N/A	+	N/A
Energy Charge								
Summer Period								
Onpeak	Add	0.329¢	+	0.208¢ + A _m	Add	N/A	+	N/A + (N/A x A _m)
Offpeak								
First 425 hours ***	Add	0.205¢	+	0.107¢ + A _m	Add	N/A	+	N/A + (N/A x A _m)
Next 195 hours	Add	0.139¢	+	0.053¢ + A _m	Add	N/A	+	N/A + (N/A x A _m)
Additional kWh	Add	0.082¢	+	0.007¢ + A _m	Add	N/A	+	N/A + (N/A x A _m)

*Applicable also to the third component of the demand charge

**Applicable also the second component of the demand charge

***Applicable also to minimum offpeak energy

****Applicable also to the third component of the demand charge and the second component of the Transition demand charge

Winter Period										
Onpeak	Add	0.220¢	+	0.119¢ + A _m	Add	N/A	+	N/A	+	(N/A x A _m)
Offpeak										
First 425 hours ***	Add	0.205¢	+	0.107¢ + A _m	Add	N/A	+	N/A	+	(N/A x A _m)
Next 195 hours	Add	0.139¢	+	0.053¢ + A _m	Add	N/A	+	N/A	+	(N/A x A _m)
Additional kWh	Add	0.082¢	+	0.007¢ + A _m	Add	N/A	+	N/A	+	(N/A x A _m)
Transition Period										
First 425 hours ***	Add	0.205¢	+	0.107¢ + A _m	Add	N/A	+	N/A	+	(N/A x A _m)
Next 195 hours	Add	0.139¢	+	0.053¢ + A _m	Add	N/A	+	N/A	+	(N/A x A _m)
Additional kWh	Add	0.082¢	+	0.007¢ + A _m	Add	N/A	+	N/A	+	(N/A x A _m)

Schedule GSB

Demand Charge

Summer Period

 Onpeak *

Add \$0.54 + \$0.43 Add \$0.56 + \$0.45

 Excess Offpeak

Add \$0.11 + \$0.07 Add \$0.11 + \$0.08

Winter Period

 Onpeak ****

Add \$0.29 + \$0.23 Add \$0.30 + \$0.24

 Excess Offpeak

Add \$0.11 + \$0.07 Add \$0.11 + \$0.08

Transition Period

Add \$0.11 + \$0.07 Add \$0.11 + \$0.08

Energy Charge

Summer Period

 Onpeak

Add 0.329¢ + 0.208¢ + A_m Add 0.339¢ + 0.214¢ + (1.03000 x A_m)

 Offpeak

Add 0.205¢ + 0.107¢ + A_m Add 0.211¢ + 0.110¢ + (1.03000 x A_m)

 First 425 hours ***

Add 0.139¢ + 0.053¢ + A_m Add 0.143¢ + 0.055¢ + (1.03000 x A_m)

 Next 195 hours

Add 0.082¢ + 0.007¢ + A_m Add 0.084¢ + 0.007¢ + (1.03000 x A_m)

 Additional kWh

Winter Period

 Onpeak

Add 0.220¢ + 0.119¢ + A_m Add 0.227¢ + 0.122¢ + (1.03000 x A_m)

 Offpeak

Add 0.205¢ + 0.107¢ + A_m Add 0.211¢ + 0.110¢ + (1.03000 x A_m)

 First 425 hours ***

 Next 195 hours

Add 0.139¢ + 0.053¢ + A_m Add 0.143¢ + 0.055¢ + (1.03000 x A_m)

 Additional kWh

Add 0.082¢ + 0.007¢ + A_m Add 0.084¢ + 0.007¢ + (1.03000 x A_m)

Transition Period

 First 425 hours ***

Add 0.205¢ + 0.107¢ + A_m Add 0.211¢ + 0.110¢ + (1.03000 x A_m)

 Next 195 hours

Add 0.139¢ + 0.053¢ + A_m Add 0.143¢ + 0.055¢ + (1.03000 x A_m)

 Additional kWh

Add 0.082¢ + 0.007¢ + A_m Add 0.084¢ + 0.007¢ + (1.03000 x A_m)

Schedule GSC

Demand Charge

Summer Period

 Onpeak *

Add \$0.54 + \$0.43 Add \$0.56 + \$0.45

 Excess Offpeak

Add \$0.11 + \$0.07 Add \$0.11 + \$0.08

Winter Period

 Onpeak ****

Add \$0.29 + \$0.23 Add \$0.30 + \$0.24

 Excess Offpeak

Add \$0.11 + \$0.07 Add \$0.11 + \$0.08

Transition Period

Add \$0.11 + \$0.07 Add \$0.11 + \$0.08

*Applicable also to the third component of the demand charge

**Applicable also the second component of the demand charge

***Applicable also to minimum offpeak energy

****Applicable also to the third component of the demand charge and the second component of the Transition demand charge

Energy Charge

Summer Period

Onpeak Add 0.316¢ + 0.197¢ + A_m Add 0.325¢ + 0.203¢ + (1.03000 x A_m)

Offpeak

First 425 hours *** Add 0.196¢ + 0.099¢ + A_m Add 0.202¢ + 0.103¢ + (1.03000 x A_m)

Next 195 hours Add 0.130¢ + 0.045¢ + A_m Add 0.134¢ + 0.047¢ + (1.03000 x A_m)

Additional kWh Add 0.073¢ + -0.001¢ + A_m Add 0.075¢ + -0.001¢ + (1.03000 x A_m)

Winter Period

Onpeak Add 0.210¢ + 0.110¢ + A_m Add 0.216¢ + 0.114¢ + (1.03000 x A_m)

Offpeak

First 425 hours *** Add 0.196¢ + 0.099¢ + A_m Add 0.202¢ + 0.103¢ + (1.03000 x A_m)

Next 195 hours Add 0.130¢ + 0.045¢ + A_m Add 0.134¢ + 0.047¢ + (1.03000 x A_m)

Additional kWh Add 0.073¢ + -0.001¢ + A_m Add 0.075¢ + -0.001¢ + (1.03000 x A_m)

Transition Period

First 425 hours *** Add 0.196¢ + 0.099¢ + A_m Add 0.202¢ + 0.103¢ + (1.03000 x A_m)

Next 195 hours Add 0.130¢ + 0.045¢ + A_m Add 0.134¢ + 0.047¢ + (1.03000 x A_m)

Additional kWh Add 0.073¢ + -0.001¢ + A_m Add 0.075¢ + -0.001¢ + (1.03000 x A_m)

Schedule GSD

Demand Charge

Summer Period

Onpeak * Add \$0.54 + \$0.43 Add \$0.56 + \$0.45

Excess Offpeak Add \$0.11 + \$0.07 Add \$0.11 + \$0.08

Winter Period

Onpeak **** Add \$0.29 + \$0.23 Add \$0.30 + \$0.24

Excess Offpeak Add \$0.11 + \$0.07 Add \$0.11 + \$0.08

Transition Period

Add \$0.11 + \$0.07 Add \$0.11 + \$0.08

Energy Charge

Summer Period

Onpeak Add 0.310¢ + 0.193¢ + A_m Add 0.319¢ + 0.199¢ + (1.03000 x A_m)

Offpeak

First 425 hours *** Add 0.186¢ + 0.092¢ + A_m Add 0.192¢ + 0.095¢ + (1.03000 x A_m)

Next 195 hours Add 0.120¢ + 0.038¢ + A_m Add 0.124¢ + 0.039¢ + (1.03000 x A_m)

Additional kWh Add 0.064¢ + -0.008¢ + A_m Add 0.066¢ + -0.008¢ + (1.03000 x A_m)

Winter Period

Onpeak Add 0.201¢ + 0.104¢ + A_m Add 0.207¢ + 0.107¢ + (1.03000 x A_m)

Offpeak

First 425 hours *** Add 0.186¢ + 0.092¢ + A_m Add 0.192¢ + 0.095¢ + (1.03000 x A_m)

Next 195 hours Add 0.120¢ + 0.038¢ + A_m Add 0.124¢ + 0.039¢ + (1.03000 x A_m)

Additional kWh Add 0.064¢ + -0.008¢ + A_m Add 0.066¢ + -0.008¢ + (1.03000 x A_m)

Transition Period

First 425 hours *** Add 0.186¢ + 0.092¢ + A_m Add 0.192¢ + 0.095¢ + (1.03000 x A_m)

Next 195 hours Add 0.120¢ + 0.038¢ + A_m Add 0.124¢ + 0.039¢ + (1.03000 x A_m)

Additional kWh Add 0.064¢ + -0.008¢ + A_m Add 0.066¢ + -0.008¢ + (1.03000 x A_m)

*Applicable also to the third component of the demand charge

**Applicable also the second component of the demand charge

***Applicable also to minimum offpeak energy

****Applicable also to the third component of the demand charge and the second component of the Transition demand charge

Manufacturing Service

Schedule TDMSA

Demand Charge

Summer Period

Onpeak *	Add	\$0.54	+	\$0.43	Add	N/A	+	N/A
Excess Offpeak	Add	\$0.11	+	\$0.07	Add	N/A	+	N/A

Winter Period

Onpeak ****	Add	\$0.29	+	\$0.23	Add	N/A	+	N/A
Excess Offpeak	Add	\$0.11	+	\$0.07	Add	N/A	+	N/A

Transition Period

Add	\$0.11	+	\$0.07	Add	N/A	+	N/A
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Energy Charge

Summer Period

Onpeak	Add	0.276¢	+	0.164¢ + A _m	Add	N/A	+	N/A	+	(N/A x A _m)
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Offpeak

First 425 hours ***	Add	0.153¢	+	0.064¢ + A _m	Add	N/A	+	N/A	+	(N/A x A _m)
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Next 195 hours	Add	0.086¢	+	0.010¢ + A _m	Add	N/A	+	N/A	+	(N/A x A _m)
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Additional kWh	Add	0.030¢	+	-0.036¢ + A _m	Add	N/A	+	N/A	+	(N/A x A _m)
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Winter Period

Onpeak	Add	0.168¢	+	0.077¢ + A _m	Add	N/A	+	N/A	+	(N/A x A _m)
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Offpeak

First 425 hours ***	Add	0.153¢	+	0.064¢ + A _m	Add	N/A	+	N/A	+	(N/A x A _m)
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Next 195 hours	Add	0.086¢	+	0.010¢ + A _m	Add	N/A	+	N/A	+	(N/A x A _m)
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Additional kWh	Add	0.030¢	+	-0.036¢ + A _m	Add	N/A	+	N/A	+	(N/A x A _m)
----------------	-----	--------	---	--------------------------	-----	-----	---	-----	---	--------------------------

Transition Period

First 425 hours ***	Add	0.153¢	+	0.064¢ + A _m	Add	N/A	+	N/A	+	(N/A x A _m)
---------------------	-----	--------	---	-------------------------	-----	-----	---	-----	---	--------------------------

Next 195 hours	Add	0.086¢	+	0.010¢ + A _m	Add	N/A	+	N/A	+	(N/A x A _m)
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Additional kWh	Add	0.030¢	+	-0.036¢ + A _m	Add	N/A	+	N/A	+	(N/A x A _m)
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Schedule MSB

Demand Charge

Summer Period

Onpeak *	Add	\$0.54	+	\$0.43	Add	\$0.56	+	\$0.45
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Excess Offpeak	Add	\$0.11	+	\$0.07	Add	\$0.11	+	\$0.08
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Winter Period

Onpeak ****	Add	\$0.29	+	\$0.23	Add	\$0.30	+	\$0.24
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Excess Offpeak	Add	\$0.11	+	\$0.07	Add	\$0.11	+	\$0.08
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Transition Period

Add	\$0.11	+	\$0.07	Add	\$0.11	+	\$0.08
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Energy Charge

Summer Period

Onpeak	Add	0.276¢	+	0.164¢ + A _m	Add	0.284¢	+	0.169¢	+	(1.03000 x A _m)
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Offpeak

First 425 hours ***	Add	0.153¢	+	0.064¢ + A _m	Add	0.158¢	+	0.066¢	+	(1.03000 x A _m)
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Next 195 hours	Add	0.086¢	+	0.010¢ + A _m	Add	0.089¢	+	0.011¢	+	(1.03000 x A _m)
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Additional kWh	Add	0.030¢	+	-0.036¢ + A _m	Add	0.031¢	+	-0.037¢	+	(1.03000 x A _m)
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Winter Period

Onpeak	Add	0.168¢	+	0.077¢ + A _m	Add	0.173¢	+	0.079¢	+	(1.03000 x A _m)
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Offpeak

First 425 hours ***	Add	0.153¢	+	0.064¢ + A _m	Add	0.158¢	+	0.066¢	+	(1.03000 x A _m)
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Next 195 hours	Add	0.086¢	+	0.010¢ + A _m	Add	0.089¢	+	0.011¢	+	(1.03000 x A _m)
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Additional kWh	Add	0.030¢	+	-0.036¢ + A _m	Add	0.031¢	+	-0.037¢	+	(1.03000 x A _m)
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*Applicable also to the third component of the demand charge

**Applicable also the second component of the demand charge

***Applicable also to minimum offpeak energy

****Applicable also to the third component of the demand charge and the second component of the Transition demand charge

Transition Period						
First 425 hours ***	Add	0.153¢	+	0.064¢ + A _m	Add	0.158¢ + 0.066¢ + (1.03000 x A _m)
Next 195 hours	Add	0.086¢	+	0.010¢ + A _m	Add	0.089¢ + 0.011¢ + (1.03000 x A _m)
Additional kWh	Add	0.030¢	+	-0.036¢ + A _m	Add	0.031¢ + -0.037¢ + (1.03000 x A _m)

Schedule MSC

Demand Charge

Summer Period

Onpeak *

Add \$0.54 + \$0.43 Add \$0.56 + \$0.45

Excess Offpeak

Add \$0.11 + \$0.07 Add \$0.11 + \$0.08

Winter Period

Onpeak ****

Add \$0.29 + \$0.23 Add \$0.30 + \$0.24

Excess Offpeak

Add \$0.11 + \$0.07 Add \$0.11 + \$0.08

Transition Period

Add \$0.11 + \$0.07 Add \$0.11 + \$0.08

Energy Charge

Summer Period

Onpeak

Add 0.279¢ + 0.166¢ + A_m Add 0.287¢ + 0.171¢ + (1.03000 x A_m)

Offpeak

First 425 hours ***

Add 0.153¢ + 0.064¢ + A_m Add 0.158¢ + 0.066¢ + (1.03000 x A_m)

Next 195 hours

Add 0.086¢ + 0.010¢ + A_m Add 0.089¢ + 0.010¢ + (1.03000 x A_m)

Additional kWh

Add 0.029¢ + -0.036¢ + A_m Add 0.030¢ + -0.037¢ + (1.03000 x A_m)

Winter Period

Onpeak

Add 0.169¢ + 0.077¢ + A_m Add 0.174¢ + 0.079¢ + (1.03000 x A_m)

Offpeak

First 425 hours ***

Add 0.153¢ + 0.064¢ + A_m Add 0.158¢ + 0.066¢ + (1.03000 x A_m)

Next 195 hours

Add 0.086¢ + 0.010¢ + A_m Add 0.089¢ + 0.010¢ + (1.03000 x A_m)

Additional kWh

Add 0.029¢ + -0.036¢ + A_m Add 0.030¢ + -0.037¢ + (1.03000 x A_m)

Transition Period

First 425 hours ***

Add 0.153¢ + 0.064¢ + A_m Add 0.158¢ + 0.066¢ + (1.03000 x A_m)

Next 195 hours

Add 0.086¢ + 0.010¢ + A_m Add 0.089¢ + 0.010¢ + (1.03000 x A_m)

Additional kWh

Add 0.029¢ + -0.036¢ + A_m Add 0.030¢ + -0.037¢ + (1.03000 x A_m)

Schedule MSD

Demand Charge

Summer Period

Onpeak *

Add \$0.54 + \$0.43 Add \$0.56 + \$0.45

Excess Offpeak

Add \$0.11 + \$0.07 Add \$0.11 + \$0.08

Winter Period

Onpeak ****

Add \$0.29 + \$0.23 Add \$0.30 + \$0.24

Excess Offpeak

Add \$0.11 + \$0.07 Add \$0.11 + \$0.08

Transition Period

Add \$0.11 + \$0.07 Add \$0.11 + \$0.08

Energy Charge

Summer Period

Onpeak

Add 0.271¢ + 0.161¢ + A_m Add 0.279¢ + 0.166¢ + (1.03000 x A_m)

Offpeak

First 425 hours ***

Add 0.146¢ + 0.059¢ + A_m Add 0.150¢ + 0.061¢ + (1.03000 x A_m)

Next 195 hours

Add 0.080¢ + 0.005¢ + A_m Add 0.082¢ + 0.005¢ + (1.03000 x A_m)

Additional kWh

Add 0.023¢ + -0.041¢ + A_m Add 0.024¢ + -0.042¢ + (1.03000 x A_m)

*Applicable also to the third component of the demand charge

**Applicable also the second component of the demand charge

***Applicable also to minimum offpeak energy

****Applicable also to the third component of the demand charge and the second component of the Transition demand charge

Winter Period									
Onpeak	Add	0.161¢	+	0.072¢ + A _m	Add	0.166¢	+	0.074¢ + (1.03000 x A _m)	
Offpeak									
First 425 hours ***	Add	0.146¢	+	0.059¢ + A _m	Add	0.150¢	+	0.061¢ + (1.03000 x A _m)	
Next 195 hours	Add	0.080¢	+	0.005¢ + A _m	Add	0.082¢	+	0.005¢ + (1.03000 x A _m)	
Additional kWh	Add	0.023¢	+	-0.041¢ + A _m	Add	0.024¢	+	-0.042¢ + (1.03000 x A _m)	
Transition Period									
First 425 hours ***	Add	0.146¢	+	0.059¢ + A _m	Add	0.150¢	+	0.061¢ + (1.03000 x A _m)	
Next 195 hours	Add	0.080¢	+	0.005¢ + A _m	Add	0.082¢	+	0.005¢ + (1.03000 x A _m)	
Additional kWh	Add	0.023¢	+	-0.041¢ + A _m	Add	0.024¢	+	-0.042¢ + (1.03000 x A _m)	

**SEASONAL DEMAND
AND ENERGY SERVICE**

General Power Service

Schedule SGSB

Demand Charge

Summer Period **	Add	\$0.82	+	\$0.58	Add	\$0.84	+	\$0.60
Winter Period **	Add	\$0.57	+	\$0.40	Add	\$0.59	+	\$0.41
Transition Period **	Add	\$0.38	+	\$0.26	Add	\$0.39	+	\$0.27

Energy Charge

Summer Period	Add	0.180¢	+	0.071¢ + A _m	Add	0.185¢	+	0.073¢ + (1.03000 x A _m)
Winter Period	Add	0.164¢	+	0.059¢ + A _m	Add	0.169¢	+	0.061¢ + (1.03000 x A _m)
Transition Period	Add	0.160¢	+	0.056¢ + A _m	Add	0.165¢	+	0.058¢ + (1.03000 x A _m)

Schedule SGSC

Demand Charge

Summer Period **	Add	\$0.82	+	\$0.58	Add	\$0.84	+	\$0.60
Winter Period **	Add	\$0.57	+	\$0.40	Add	\$0.59	+	\$0.41
Transition Period **	Add	\$0.38	+	\$0.26	Add	\$0.39	+	\$0.27

Energy Charge

Summer Period	Add	0.181¢	+	0.071¢ + A _m	Add	0.186¢	+	0.074¢ + (1.03000 x A _m)
Winter Period	Add	0.164¢	+	0.059¢ + A _m	Add	0.169¢	+	0.061¢ + (1.03000 x A _m)
Transition Period	Add	0.161¢	+	0.057¢ + A _m	Add	0.166¢	+	0.059¢ + (1.03000 x A _m)

Schedule SGSD

Demand Charge

Summer Period **	Add	\$0.96	+	\$0.69	Add	\$0.99	+	\$0.71
Winter Period **	Add	\$0.71	+	\$0.50	Add	\$0.73	+	\$0.52
Transition Period **	Add	\$0.52	+	\$0.37	Add	\$0.54	+	\$0.38

Energy Charge

Summer Period	Add	0.152¢	+	0.051¢ + A _m	Add	0.157¢	+	0.053¢ + (1.03000 x A _m)
Winter Period	Add	0.138¢	+	0.040¢ + A _m	Add	0.142¢	+	0.042¢ + (1.03000 x A _m)
Transition Period	Add	0.134¢	+	0.038¢ + A _m	Add	0.138¢	+	0.039¢ + (1.03000 x A _m)

Manufacturing Service

Schedule SMSB

Demand Charge

Summer Period **	Add	\$0.71	+	\$0.50	Add	\$0.73	+	\$0.52
Winter Period **	Add	\$0.46	+	\$0.32	Add	\$0.47	+	\$0.33
Transition Period **	Add	\$0.27	+	\$0.18	Add	\$0.28	+	\$0.18

*Applicable also to the third component of the demand charge

**Applicable also the second component of the demand charge

***Applicable also to minimum offpeak energy

****Applicable also to the third component of the demand charge and the second component of the Transition demand charge

Energy Charge								
Summer Period	Add	0.150¢	+	0.049¢ + A _m	Add	0.155¢	+	0.050¢ + (1.03000 x A _m)
Winter Period	Add	0.132¢	+	0.035¢ + A _m	Add	0.136¢	+	0.037¢ + (1.03000 x A _m)
Transition Period	Add	0.127¢	+	0.032¢ + A _m	Add	0.131¢	+	0.033¢ + (1.03000 x A _m)

Schedule SMSC

Demand Charge						
Summer Period **	Add	\$0.71	+	\$0.50	Add	\$0.73 + \$0.52
Winter Period **	Add	\$0.46	+	\$0.32	Add	\$0.47 + \$0.33
Transition Period **	Add	\$0.27	+	\$0.18	Add	\$0.28 + \$0.18

Energy Charge								
Summer Period	Add	0.149¢	+	0.048¢ + A _m	Add	0.153¢	+	0.049¢ + (1.03000 x A _m)
Winter Period	Add	0.132¢	+	0.035¢ + A _m	Add	0.136¢	+	0.036¢ + (1.03000 x A _m)
Transition Period	Add	0.127¢	+	0.032¢ + A _m	Add	0.131¢	+	0.033¢ + (1.03000 x A _m)

Schedule SMSD

Demand Charge						
Summer Period **	Add	\$0.82	+	\$0.58	Add	\$0.84 + \$0.60
Winter Period **	Add	\$0.57	+	\$0.40	Add	\$0.59 + \$0.41
Transition Period **	Add	\$0.38	+	\$0.26	Add	\$0.39 + \$0.27

Energy Charge								
Summer Period	Add	0.120¢	+	0.027¢ + A _m	Add	0.124¢	+	0.028¢ + (1.03000 x A _m)
Winter Period	Add	0.106¢	+	0.017¢ + A _m	Add	0.109¢	+	0.018¢ + (1.03000 x A _m)
Transition Period	Add	0.103¢	+	0.015¢ + A _m	Add	0.106¢	+	0.015¢ + (1.03000 x A _m)

The amounts applicable for A_m under column (3) in this Adjustment Addendum shall be determined each month by applying data from TVA's forecasts of TVA's actual operations, as well as actual data when it becomes available in accordance with the formula below. TVA will endeavor to publish the calculated amounts 20 days in advance of the month of application (but shall in no event publish these calculated amounts any later than 15 days in advance of the month of application), and such amounts will be applicable to bills rendered from meter readings taken for TVA and Distributor monthly billing cycles beginning on and after the first day of each month beginning October 1, 2011.

*Applicable also to the third component of the demand charge

**Applicable also the second component of the demand charge

***Applicable also to minimum offpeak energy

****Applicable also to the third component of the demand charge and the second component of the Transition demand charge

$$A_m = \frac{CF_m + DAR_m}{95\%}$$

A_m = The monthly FCA adjustment to be applied to the kilowatt-hour sales during the current monthly billing period and rounded to the nearest one-thousandth of a cent per kilowatt-hour.

m = a particular month

CF_m = The core FCA adjustment for a particular month. $CF_m = (FF_m / SF_m)$

FF = TVA's estimate of FA (as described below) for month m , based on the latest TVA Financial Forecast.

SF = TVA's estimate of SA (as described below) for month m , based on the latest TVA Financial Forecast.

DAR_m = The adjustment that collects a portion of DA (as described below) in a month, rounded to the nearest one-thousandth of a cent.

$DAR_m = R \times DA_m / FiSF_m$

R = The collection ratio of 50%.

FiSF = TVA's estimate of FiSA (as described below) for month m , based on the latest TVA Financial Forecast.

DA = The deferred account that provides the true-up adjustment necessary to reconcile prior estimates to actual data, which shall be computed with the formulas below.

$$DA_m = \underbrace{\text{General Ledger DA Balance}}_{GLDA_{m-2}} - \underbrace{\text{Estimate of DAR collections, prior months}}_{DAR_{m-1} \times FiSF_{m-1}}$$

FiSA = Actual TVA firm-based rate energy sales (in kWh) for month m , as recorded in TVA's General Ledger with specific accounts 442000, 445000, 447000, 447100, and 448000 (or such similar or successor accounts as may be prescribed by FERC in the future).

GLDA = The general ledger deferred account balance that flows through to the balance sheet.

$$GLDA_m = \underbrace{\text{Accumulated General Ledger DA Balance}}_{GLDA_{m-1}} + \underbrace{\text{Core FCA True-Up}}_{TU_m} + \underbrace{\text{DA Amortization}}_{GLD_m}$$

TU_m = The core true-up amount. $TU_m = (FiSA_m / SA_m) * FA_m - GLR_m$

FA = Actual total fuel and purchased power expenses (in cents) under the framework and accounts provided below (or such similar or successor accounts as may be prescribed by FERC in the future).

- (1) Fossil Fuel Expense - Account 501 - Direct cost of fuel burned in TVA coal plants, including transportation and fuel treatments. Costs to be excluded are lease payments for rail cars, maintenance on rail cars, sampling and fuel analysis, and fuel handling expenses in unloading fuel from shipping media and the handling of fuel up to the point where fuel enters the bunker or other boiler-house structure.
- (2) Reagents Expense - Account 501.L - Cost of emission reagents such as limestone and ammonia that are directly related to the level of generation output.
- (3) Allowances Expense - Account 509 - Cost of emission allowance expense such as SO₂ and NO_x that are directly related to the level of generation output.
- (4) Nuclear Fuel Expense - Account 518 - Cost of nuclear fuel amortization expense dependent upon burn, including DOE spent fuel disposal charges.
- (5) Gas Turbine Fuel Expense - Account 547 - Direct cost of gas and oil burned in TVA plants, including transportation. Costs to be excluded are costs of gas storage facilities and sampling and fuel analysis that do not vary with changes in generation volume.
- (6) Purchased Power Expense - Account 555 - Energy cost of purchased power to serve native load demand or to displace higher cost generation. Costs to be excluded are fixed demand or capacity payments in tolling agreements and purchased power agreements that do not vary with volume and costs of purchased power linked to off-system sales transactions.
- (7) Audit Expenses - TVA's actual expenses incurred as the result of third party expenses for FCA audits.

SA = Actual total TVA energy sales (in kWh) for month m , as recorded in TVA's General Ledger with specific accounts 442000, 445000, 447000, 447100, and 448000 (or such similar or successor accounts as may be prescribed by FERC in the future), excluding any displacement sales reflected in account 447100.

GLD_m = Actual TVA DAR revenue (DA amortization) for month m , for firm-based energy sales, as recorded in TVA's General Ledger with specific accounts 442000, 445000, 447000, 447100, and 448000 (or such similar or successor accounts as may be prescribed by FERC in the future).

GLR_m = Actual TVA Core FCA Revenue for month m , for firm-based energy sales, as recorded in TVA's General Ledger with specific accounts 442000, 445000, 447000, 447100, and 448000 (or such similar or successor accounts as may be prescribed by FERC in the future).



Tennessee Valley Authority, 6045 Russellville Road, Bowling Green, Kentucky 42101-7319

February 13, 2012

Mr. Paul Thompson
Executive Vice President/General Manager
Tri-County Electric Membership Corporation
405 College Street
Lafayette, Tennessee 37083

Dear Paul:

**TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION -- FULLY EXECUTED
AGREEMENT COVERING ARRANGEMENTS FOR SERVICE FOR THE
BURKESVILLE 161-KV SUBSTATION -- TV-52337A, SUPP. NO. 93**

Enclosed is one fully executed original of the agreement covering delivery point arrangements at the Burkesville 161-kV substation, TV-52337A, Supp. No. 93, for your files.

If you have questions or concerns, please call me (270-846-7042).

Sincerely,


Hugh A. Meyer
Customer Service Engineer
Kentucky

Enclosure

2/14/2012

Laura,

Please copy

J. Beecham & file.

Thanks,



NEW DELIVERY POINT AGREEMENT
Between
TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION
And
TENNESSEE VALLEY AUTHORITY

Date: FEBRUARY 7, 2012

TV-52337A, Supp. No. 93

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 (TVA Act);

W I T N E S S E I H:

WHEREAS, Distributor purchases power from TVA for resale at specified delivery points under Power Contract TV-52337A, dated July 18, 1979, as amended (Power Contract); and

WHEREAS, Distributor acquired existing Burkesville 69-Substation by a deed and bill of sale, dated November 12, 1985, and indicated in TVA's files as File With TV-21448A, Supp. No. 13; and

WHEREAS, said 1985 deed and bill of sale excluded TVA's currently installed equipment (Existing Equipment) consisting of two 13-kV metering installations, including the associated metering transformers, and 13-kV capacitor bank installations; and

WHEREAS, Distributor is upgrading the Burkesville 69-Substation by building the Burkesville 161-kV Substation (New Substation) located near Burkesville, Kentucky, with a target in-service date of November 1, 2012; and

WHEREAS, the parties wish to amend the Power Contract to add a new delivery point at the New Substation;

NOW, THEREFORE, for and in consideration of the premises and of the mutual agreements set forth below, and subject to the TVA Act, the parties agree as follows:

SECTION 1 - CONSTRUCTION BY DISTRIBUTOR

Distributor shall at its expense:

- (a) provide the New Substation,
- (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,

- (c) retire the Existing Equipment and leave onsite for TVA's disposal,
- (d) install two 13-kV revenue metering installations, provided by TVA, in the New Substation, as described in section 5 of this agreement, and
- (e) install relays, provided by TVA, in the New Substation as described in section 6 of this agreement.

SECTION 2 - CONSTRUCTION BY TVA

TVA shall at its expense:

- (a) provide and install two sectionalizing switches, one containing whip enhancements and one having a load break interrupter (LBI), in TVA's Wolf Creek-Summer Shade #2 161-kV Transmission Line and a tap point between the two switches,
- (b) provide a tap line extending approximately 8.5 miles from this tap point to the New Substation,
- (c) provide and install a sectionalizing switch (containing whip enhancements) and a wavetrapp on the tap line, located near the tap point, and
- (d) connect the tap line to the New Substation.

SECTION 3 - AMENDMENT TO POWER CONTRACT

Effective as of the date on which the New Substation is first energized, 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 Burkesville 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 two 13-kV revenue metering installations at the New Substation in accordance with the attached Terms and Conditions. There will, however, be no telephone circuit and no remote access by Distributor to meter data as specified in the Terms and Conditions. Instead, TVA

(for its exclusive use) will supply a cellular phone for remote access to the metering installation, and Distributor will supply TVA, at no charge, 120-volt power for TVA's metering cabinet.

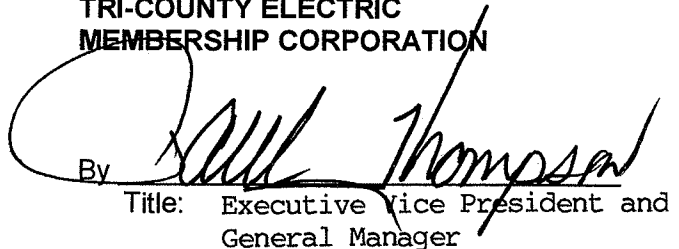
TVA shall provide connection points from the metering transformer secondary circuits and 0.5-ampere fused potentials from each of the 13-kV revenue metering installations for connection to Distributor's parallel metering equipment. Distributor shall carry out this parallel metering arrangement in a manner acceptable to TVA (as set out in TVA's Revenue Metering Guide for Customer-Owned Substations) and shall not adversely affect the safe and efficient operation of TVA's facilities. The metering outputs from each metering installation shall be made available in accordance with section 3 of the Terms and Conditions.

SECTION 6 - RELAY INSTALLATION

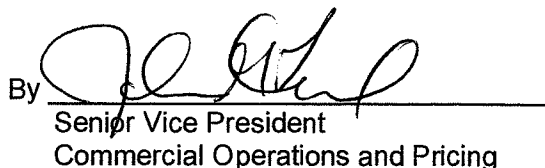
TVA and Distributor shall cooperate in providing at the New Substation an underfrequency load shed relay and lock out relay with accessory equipment (Relays). In accordance with plans and specifications satisfactory to TVA, Distributor shall, at its expense, install the Relays and thereafter remove or replace them at TVA's request. TVA shall, at its expense, furnish the Relays and any needed replacements for them and shall operate, maintain, and repair the Relays. The Relays shall receive 3-phase potentials from Distributor's potential transformers. Distributor shall select the load to be shed and reset the lockout relay with permission from TVA's transmission dispatchers.

IN WITNESS WHEREOF, the parties have caused this agreement to be executed by their duly authorized representatives, as of the day and year first above written.

**TRI-COUNTY ELECTRIC
MEMBERSHIP CORPORATION**

By 
Title: Executive Vice President and
General Manager

TENNESSEE VALLEY AUTHORITY

By 
Senior Vice President
Commercial Operations and Pricing

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, (d) prevention of any undue hazards to TVA's facilities and operations, and (e) the safety of the parties' personnel. Each party will use reasonable diligence in carrying out its responsibilities under this agreement and will notify the other of any significant changes in schedule.

1.2 New Substation Plans and Specifications. Distributor shall consult with TVA in designing the New Substation and shall use plans and specifications that TVA concurs will ensure consistency with objectives (c) and (d) in subsection 1.1 above. Distributor will design, construct, operate, and maintain the New Substation in accordance with good, modern practices and procedures.

1.3 New Substation Protective Scheme. Distributor shall also consult with TVA in planning for the installation, operation, testing, calibration, and maintenance of the protective scheme for the New Substation. Such protective scheme shall include backup protection for the New Substation in the event of failure of primary interrupting devices. As a minimum, backup protection would normally involve secondary interrupting devices and equipment such as backup relays and backup circuit switchers. Distributor agrees not to install, operate, or maintain any protective devices without TVA's concurrence that objectives (c) and (d) in subsection 1.1 above will be fully met.

1.4 TVA Review. Any review by TVA of Distributor's plans provided for in this agreement should not be considered an endorsement that they are adequate for Distributor's purposes. TVA will not unreasonably withhold its concurrence following any such review.

1.5 Metering. TVA and Distributor will coordinate their work under section 2 below to the extent necessary and practicable.

SECTION 2 - METERING

2.1 TVA's Installation Work. TVA at its expense shall provide and install the revenue meter and related items necessary to determine the power and energy taken by Distributor at the New Substation. This metering installation will be at a mutually satisfactory location in the New Substation.

2.2 Distributor's Installation Work.

2.2.1 Current and Voltage Transformers. Distributor shall, at its expense and in accordance with plans and specifications furnished or approved by TVA, install the metering current and voltage transformers (furnished by TVA). This will be done on the source side of any station service transformers and voltage correction equipment.

2.2.2 Miscellaneous Facilities. Distributor shall install all other facilities required for the metering installation, including a prewired meter cabinet (provided by TVA) and the foundation (if necessary) for TVA's meter cabinet, the primary connections from the metering transformers to Distributor's facilities and the conduit (together with any required test boxes) and cable extending from the metering transformer secondaries to the meter cabinet. Distributor will furnish the supplies and materials needed under this subsection 2.2.2, except that TVA will furnish the cable and test boxes.

2.3 Remote Access to Metering Installation.

2.3.1 Installation of Circuit. For TVA's metering purposes, including power quality monitoring, Distributor shall provide and install (or have installed) a telephone circuit (Circuit) and, if needed, protective conduit extending from TVA's revenue meter to a location specified by TVA. If TVA furnishes a telephone switcher, Distributor shall install it at an agreed upon location. Distributor installation of the Circuit and telephone switcher shall be in accordance with guidelines and specifications furnished or approved by TVA. Distributor shall install and then operate and maintain the Circuit (and any such conduit) at its expense. TVA will connect the Circuit to the revenue meter.

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 becomes effective as of the date of the agreement and continues in effect for the term of the Power Contract or any renewal, extension, or replacement of it.

SECTION 8 - RESTRICTION OF BENEFITS

No member of or delegate to Congress or Resident Commissioner, or any officer, employee, special Government employee, or agent of TVA shall be admitted to any share or part of this agreement or to any benefit that may arise from it unless the agreement be made with a corporation for its general benefit. Distributor shall not offer or give, directly or indirectly, to any officer, employee, special Government employee, or agent of TVA any gift, gratuity, favor, entertainment, loan, or any other thing of monetary value, except as provided in 5 C.F.R. part 2635 (as amended, supplemented, or replaced). Breach of this provision shall constitute a material breach of this agreement.

SECTION 9 - AMENDMENT

This agreement may be amended only by a writing signed by the parties.

**VALLEY INVESTMENT INITIATIVE
PARTICIPATION AGREEMENT**
Among
J.M. SMUCKER LLC,
TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION,
And
TENNESSEE VALLEY AUTHORITY

Date: July 13, 2012

VII Contract No. 6030

TV-52337A, Supp. No. 94

THIS AGREEMENT will confirm the understandings among J.M. SMUCKER LLC (Company), TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION (Distributor), and TENNESSEE VALLEY AUTHORITY (TVA) with respect to Company's participation in the Valley Investment Initiative (VII) being jointly conducted by Distributor and TVA.

It is understood and agreed that:

SECTION 1 - DEFINITIONS

Underlined terms used in this agreement are defined in Company's "Valley Investment Initiative Award Application" (VII Award Application) which is attached to and made a part of this agreement.

SECTION 2 - TERM

This agreement shall become effective on the date first written above (Effective Date), and shall continue in effect through the end of the Award Period described below, except that the provisions of sections 3.2, 6.2, 7.3, 7.4, 9.3, and 10 below shall continue in effect until the obligations of the parties under them are fulfilled.

SECTION 3 - ELIGIBILITY FOR VII

3.1 Company's Certification. Company's eligibility for the VII award provided for in section 4 below is based on TVA's determination that Company meets the criteria of a Qualifying Customer at Company's Qualifying Plant. It is expressly recognized that such determination is based on information provided and certified by Company in the VII Award Application.

3.2 Access to Records. Company shall keep and make available accurate records and books of accounts related to Company's VII Metrics, as well as data to support compliance with the terms and conditions of this agreement. Company shall allow Distributor, TVA, and their agents and employees, free access, at any time during normal working hours and upon reasonable notice, to all such books, records, and other documents of Company until the completion of all close-out procedures respecting this agreement and the final settlement and conclusion of all issues arising out of this agreement.

SECTION 4 - VII AWARDS

Based on Company's projections and the information contained in the VII Award Application, Company will be eligible to receive a VII award in the form of monthly credits on Company's bill for firm power provided to the Qualifying Plant (Bill Credits) beginning on October 2, 2012. Except as otherwise provided below, Distributor shall apply the monthly Bill Credits for each year of the 5-year period in amounts equal to 1/12 of the Maximum Annual Award amounts set out in the table below.

Year	Maximum Annual Award
1	\$111,450.20
2	\$111,450.20
3	\$111,450.20
4	\$111,450.20
5	\$111,450.20

Company shall not be eligible for and will not earn or receive any Bill Credits for any amount that exceeds the amount of Company's monthly power bill(s) attributable to Company's Qualifying Plant in any given month. In the event that Company receives more than one power bill in any month for its Qualifying Plant, Distributor may distribute the Bill Credit among multiple power bill(s) to ensure that the VII credit on any power bill does not exceed the total retail amount of that power bill.

SECTION 5 - REPORTING BY COMPANY

5.1 Annual Reporting. Within 60 days after the end of each 12-month period of the Evaluation Period, Company shall provide TVA a report certified by Company's duly authorized officer (Annual Certification), and verified by Distributor pursuant to section 6.1 below, showing Company's VII Metrics for the previous year. The Annual Certification shall be in a form furnished by TVA.

5.2 Continuing Reporting Obligation. Company shall immediately notify Distributor and TVA of any material changes in the information provided in its VII Award Application or its Annual Certifications. Upon receipt of such notice, TVA may at that time take the steps outlined in section 7 below.

SECTION 6 - DATA SUPPLIED BY DISTRIBUTOR

6.1 Annual Certification. It is recognized that Company's eligibility to receive the Bill Credits provided for in this agreement is based on information provided by Company and, where applicable, verified by Distributor in Company's VII Award Application and Annual Certifications. Distributor shall review Company's Annual Certification each year and, where requested by TVA, shall certify the accuracy of certain items, including:

- (a) Company's payment history under its power supply contract with Distributor,
- (b) total kWh usage and highest Total Metered Demand of Company's Qualifying Plant for each of the previous 12 months, and

(c) whether Company's Qualifying Plant is a Nonconforming Load.

6.2 Monthly Data. It is recognized that Distributor may be responsible for providing and maintaining metering facilities which are capable of recording the data specified in items (b) and (c) above. If requested by TVA, Distributor shall make available to TVA any such meter data necessary for TVA to verify Company's eligibility for participation in VII or calculate Bill Credits under this agreement. Upon request, Distributor shall also furnish to TVA a copy of Company's power bill each month, which shall itemize the amount of any Bill Credit for that month, and any other information related to Company's eligibility for and participation in VII as TVA may reasonably request.

6.3 Other Information. Distributor shall promptly notify TVA if Company materially breaches the power supply contract under which power is supplied to Company's Qualifying Plant or materially breaches any overlay, supplement, or amendment to that contract, such that Distributor either suspends or terminates power supply, or suspends or terminates any product or other arrangements made available as an overlay, supplement, or amendment to the power supply contract.

SECTION 7 - AWARD ADJUSTMENT AND RECOVERY

7.1 Annual Award Adjustments. Each year, and immediately upon receipt of any notice pursuant to sections 5.1 and 5.2 above, TVA will calculate adjusted Maximum Annual Awards (Adjusted Awards) for the Evaluation Period. The Adjusted Awards will be calculated by applying the VII Metrics provided in Company's Annual Certification or notice to the same formula that was used in calculating the Maximum Annual Awards set out in the tabulation in section 4 above, except that if the total kWh usage in the previous year is at least 80% of the total kWh usage for the Base Year, the monthly Total Metered Demand and kWh usage values from the Base Year will be used in the calculation. If the Adjusted Awards are less than the Maximum Annual Awards for those years set out in section 4 above, the sum of Company's monthly Bill Credits in the remaining Award Period years will be equal to the Adjusted Awards for the remaining Award Period minus the difference between the monthly Bill Credits Company received and the amount that the Bill Credits would have been if they had been calculated using the VII Metrics provided in Company's Annual Certification or notice. Notwithstanding TVA's calculation of Adjusted Awards, it is expressly recognized that Company shall neither earn nor receive in any month Bill Credits greater than 1/12 the Maximum Annual Awards set out above.

7.2 Disqualification. During the term of this agreement, TVA will use Company's VII Metrics and other information available to TVA during the Evaluation Period and Award Period to determine whether Company remains eligible to participate in VII. If at any time during the term of this agreement TVA determines that Company ceases to qualify for VII, the Bill Credits provided under section 4 above shall be discontinued. At such time, if any, during the Award Period that Company provides certification that it again meets the VII eligibility requirements set forth in the VII Award Application, the Bill Credits will resume. Company shall not be eligible for and will not earn or receive any Bill Credits for those periods when it does not qualify for VII.

7.3 Award Recovery. Company shall not be eligible to receive Bill Credits under section 4 above and this agreement shall be deemed to have automatically and immediately terminated if at any time any of the following occurs:

- (a) Company fails to make the required Minimum Capital Investment;
- (b) Company provides materially false information on its VII Award Application or Annual Certifications;
- (c) Company fails to notify TVA of material changes in information provided in its VII Award Application or Annual Certification;
- (d) Company materially breaches the power supply contract under which power is supplied to Company's Qualifying Plant or materially breaches any overlay, supplement, or amendment to that contract, such that Distributor either suspends or terminates power supply, or suspends or terminates any product or other arrangements made available as an overlay, supplement, or amendment to the power supply contract;
- (e) Company's power supply contract otherwise expires or is terminated without being renewed or replaced by a power supply contract meeting the requirements of the VII Award Application; or
- (f) Company ceases commercial operation of its Qualifying Plant.

Promptly upon receipt of an invoice, Company shall immediately pay to Distributor any and all award amounts paid to Company during any period when Company was ineligible to receive Bill Credits as well as any and all award amounts in excess of those to which Company was entitled based on its actual VII Metrics.

7.4 Final Adjustment and Recovery. Upon receipt of Company's final Annual Certification and calculation of the corresponding Adjusted Award, Company's remaining monthly Bill Credits will be reduced by the difference between the monthly Bill Credits Company received and the amount that the Bill Credits would have been if they had been calculated using the VII Metrics provided in Company's final Annual Certification. In the event that the remaining Bill Credits are insufficient to recover the difference, Company shall immediately pay to Distributor the unrecovered balance of the difference.

SECTION 8 - ENHANCED GROWTH CREDIT

It is understood and agreed that Company and Distributor shall not enter into an Enhanced Growth Credit (EGC) participation agreement during the term of this agreement.

It is expressly recognized and agreed that the EGC participation agreement between Company and Distributor dated August 28, 2009, is hereby terminated as of April 2, 2012.

SECTION 9 - WHOLESALE ADJUSTMENTS

9.1 Company Credit. Each month Distributor shall apply the Bill Credit to Company's power bill(s). TVA shall notify Distributor of (a) any adjustment to the Bill Credits provided for under section 7.1 of this agreement and (b) any discontinuance of Bill Credits in accordance with sections 7.2, 7.3, or 7.4 of this agreement.

9.2 Distributor Credit. TVA will apply a monthly credit to Distributor's wholesale power bill equal to the Bill Credit applied by Distributor to Company's bill in that month.

9.3 Award Recovery. In the event that under the provisions of section 7.3 of this agreement it is determined that Company received Bill Credits for which it was not eligible, Distributor and TVA shall fully cooperate in (a) endeavoring to collect from Company any amounts due under said sections 7.3 and/or 7.4 and (b) making appropriate adjustments to

Distributor's wholesale power bill to pass through to TVA amounts collected from Company. The obligations of this paragraph shall survive any expiration or termination of the VII Participation Agreement until they are discharged.

SECTION 10 - CONFIDENTIALITY

It is expressly recognized that the VII Award Application and the Annual Certification are the property of TVA and are not intended for further distribution. Except as may be otherwise required by law,

(a) TVA and Distributor will not disclose, except to each other, confidential information provided by Company in those documents or confidential information provided pursuant to 3.2 above without Company's consent, and

(b) Company shall not disclose those documents or their contents except to the following:

(i) TVA or Distributor;

(ii) Company's auditors or other consultants so long as the disclosure (1) is not to a competitor of TVA or Distributor, (2) is made subject to a nondisclosure agreement entered into by Company's auditors and consultants who will have access to the documents, (3) is made solely on a "need to know" basis, and (4) is made subject to the requirement that all copies of the disclosed documents and contents be returned to Company upon conclusion of the auditor's or consultant's work for Company. Company will make reasonable efforts to minimize the amount of any such information disclosed to its auditors or consultants;

(iii) Company's affiliates, provided that (1) the disclosure is not to a competitor of TVA or Distributor, and (2) Company shall inform its affiliates of the confidential nature of the information and shall be responsible for any breaches of this provision by its affiliates in the same manner and to the same extent as if the breach had been made by Company. As used in the preceding sentence, "affiliates" shall mean, with respect to any entity, any other entity (other than an individual) that, directly or indirectly, through one or more intermediaries, controls, or is controlled by, or is under common control with, such entity. For this purpose, "control" means the direct or indirect ownership of fifty percent (50%) or more of the outstanding capital stock or other equity interests having ordinary voting power.

SECTION 11 - NOTICES

11.1 **Persons to Receive Notice.** Any notice required by this agreement shall be deemed properly given if delivered in writing to the address specified below: (a) personally, (b) by recognized overnight courier service, or (c) by United States Mail, postage prepaid.

To TVA:

Jared E. Mitchem
Valley Investment Manager
TVA Economic Development
26 Century Blvd., Suite 100 OCP 2
Nashville, Tennessee 37214

To Company:

Gary Ellis
Director of Handheld Operations
J.M. Smucker LLC
1070 Smith Grove Road
Scottsville, Kentucky 42164

To Distributor:

EVP & General Manager
Tri-County Electric Membership Corporation
Post Office Box 40
Lafayette, Tennessee 37083-0040

11.2 **Changes in Persons to Receive Notice.** The designation of the person to be so notified, or the address of such person, may be changed at any time and from time to time by any party by similar notice.

SECTION 12 - WAIVERS

A waiver of one or more defaults shall not be considered a waiver of any other or subsequent default.

SECTION 13 - APPLICATION CORRECTION

Notwithstanding the information provided by Company on page 2 of the attached VII Award Application, the parties acknowledge and agree that Company submitted a complete Award Application on April 2, 2012.

SECTION 14 - ENTIRE AGREEMENT

All terms and conditions with respect to this agreement are expressly contained herein and Company agrees that no representative or agent of TVA or Distributor has made any representation or promise with respect to this agreement not expressly contained herein.

SECTION 15 - SUCCESSORS AND ASSIGNS

This agreement may be assigned by TVA, but shall not be assignable by Company or Distributor without written consent of TVA.

IN WITNESS WHEREOF, the parties have caused this agreement to be executed by their duly authorized representatives, as of the day and year first above written.

J.M. SMUCKER LLC

By *Jan E. Ell*
Title: *Director of Operations*

**TRI-COUNTY ELECTRIC
MEMBERSHIP CORPORATION**

By *Will Thompson 7/11/2012*
Title: *Executive V.P. & General manager*

TENNESSEE VALLEY AUTHORITY

By *Bradley D. Pitts*
Title: *Senior Manager
Power Contracts*



Tennessee Valley Authority, 6045 Russellville Road, Bowling Green, Kentucky 42101-7819

7/3/2012

Laura,

Please copy ✓ Jimmy
07/03/12

& file.
Thanks
Paul

July 2, 2012

Mr. Paul Thompson
Executive Vice President/General Manager
Tri-County Electric Membership Corporation
405 College Street
Lafayette, Tennessee 37083

Dear Paul:

**TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION -- FULLY EXECUTED
METERING AGREEMENT -- TV-52337A, SUPP. NO. 95**

Enclosed is one fully executed original of the Letter Agreement TV-52337A, Supplement Number 95, dated June 19, 2012, providing the arrangements for a new 13-kV metering installation at the Summer Shade, Kentucky 161-kV substation.

If you have questions or concerns, please call me (270-856-4581).

Sincerely,

Derrick L. Miller
Senior Power Utilization Engineer
Kentucky

Enclosure

COPY



Tennessee Valley Authority, 400 West Summit Hill Drive, Knoxville, Tennessee 37902-1401

June 19, 2012

TV-52337A, Supp. No. 95

Mr. Paul Thompson, EVP & General Manager
Tri-County Electric Membership Corporation
Post Office Box 40
Lafayette, Tennessee 37083-0040

Dear Mr. Thompson:

This will confirm the arrangements developed between representatives of Tri-County Electric Membership Corporation (Distributor) 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 the replacement of TVA's 13-kV revenue metering installation at Distributor's Summer Shade, Kentucky 161-kV Substation (Substation) with a new 13-kV revenue metering installation.

It is understood and agreed that:

1. The attachment entitled "Terms and Conditions (New Metering Installation)" (the Terms and Conditions) is made a part of this agreement. In the event of any conflict between the body of this agreement and this attachment, the former controls.
2. Distributor shall, at its expense, remove TVA's existing 13-kV revenue metering installation and return it to TVA for disposal.
3. TVA and Distributor shall cooperate in providing a new 13-kV revenue metering installation at the Substation, in accordance with the Terms and Conditions. Distributor shall provide and install all required conduit and shall install the fiber optic cable (furnished by TVA), and TVA shall make the cable terminations.
4. Distributor shall, in accordance with section 6 of the Terms and Conditions, provide necessary battery and station service power for TVA's new 13-kV revenue metering.
5. TVA shall, at its expense, provide an under frequency load shed assembly that shall be installed by the Distributor at its expense and will receive 3-phase potentials. Distributor shall select the load to shed and contact the TVA transmission dispatcher prior to restoring the load.

Mr. Paul Thompson
Page 2
June 19, 2012

6. TVA shall, at its expense, retire device 94 and Distributor, at its expense shall (a) provide new trip and lockout relay (Relay) and (b) extend the TVA inputs and outputs to the Relay.
7. TVA shall retain device 964 and Distributor shall extend inputs and outputs from this device.
8. Distributor shall, at its expense, (a) replace the function of devices 64 and 664 with new relays and (b) replace the spare line relays associated with breaker 724.
9. TVA and Distributor shall cooperate in coordinating the switching sequence logic to allow TVA to use breaker 724, instead of breaker 654, to provide protection for TVA's Dale Hollow #1 69-kV Transmission Line.
10. TVA shall, at its expense, provide two current transformers per bushing from replaced breakers 994, 998, and 654 for use by Distributor in accordance with plans agree to and accept upon by TVA.
11. Distributor shall, at its expense, provide TVA bank loading inputs to the SCADA system and local panel meters. TVA shall, at its expense, retire any existing local or SCADA alarms associated with transformer bank 1 and 2.
12. This agreement may be amended only by a writing signed by the parties.
13. The target in-service date of the 13-kV revenue metering installation is August 1, 2012, but such date shall not be binding on the parties.

Mr. Paul Thompson
Page 3
June 19, 2012

If this letter satisfactorily sets forth the understandings between us, please have a duly authorized representative execute two originals on behalf of Distributor and return them to Hugh Meyer. Upon completion by TVA, one fully executed copy will be returned to you. This agreement shall become effective as of the date of TVA's execution.

Accepted and agreed to as of the
26 day of JUNE, 2012

TENNESSEE VALLEY AUTHORITY

By Bradley D. Peters
Title: SENIOR MANAGER
POWER CONTRACTS

Accepted and agreed to as of the
___ day of _____, 201__.

TRI-COUNTY ELECTRIC
MEMBERSHIP CORPORATION

By Paul Thompson
Title: Executive Vice President and General Manager

TERMS AND CONDITIONS
(New Metering Installation)

SECTION 1 - METERING

1.1 TVA's Installation Work. TVA at its expense shall provide and install the revenue meter and related items necessary to determine the power and energy taken by Distributor at the Substation. This metering installation will be at a mutually satisfactory location in the Substation.

1.2 Distributor's Installation Work.

1.2.1 Current and Voltage Transformers. Distributor shall, at its expense and in accordance with plans and specifications furnished or approved by TVA, install the metering current and voltage transformers (supplied by TVA). This will be done on the source side of any station service transformers and voltage correction equipment.

1.2.2 Miscellaneous Facilities. Distributor shall install all other facilities required for the metering installation, including a prewired meter cabinet (supplied by TVA) and the foundation (if necessary) for TVA's meter cabinet, the primary connections from the metering transformers to Distributor's facilities and the conduit (together with any required test boxes) and cable extending from the metering transformer secondaries to the meter cabinet. Distributor will provide the supplies and materials needed under this subsection 1.2.2, except that TVA will supply the cable and test boxes.

1.3 Remote Access to Metering Installation.

1.3.1 Telephone Circuit. If Distributor provides and installs a telephone circuit:

1.3.1.1 Installation of Circuit. For TVA's metering purposes, including power quality monitoring, Distributor shall provide and install (or have installed) a telephone circuit (Circuit) and, if needed, protective conduit extending from TVA's revenue meter to a location specified by TVA. If TVA furnishes a telephone switcher, Distributor shall install it at an agreed upon location. Distributor installation of the Circuit and telephone switcher shall be in accordance with guidelines and specifications furnished or approved by TVA. Distributor shall install and then operate and maintain the Circuit (and any such conduit) at its expense. TVA will connect the Circuit to the revenue meter.

1.3.1.2 Distributor Access to Meter Data. Distributor may have (a) remote access to TVA's metering data through the Circuit and (b) access to the metering information available from the readout display of the revenue meter. TVA's and Distributor's operating representatives will coordinate use of the Circuit and access to the readout display to ensure unrestricted telephone access by TVA for data retrieval purposes during periods specified by TVA.

1.3.1.3 Remote Access Equipment. Distributor will need equipment not provided by TVA to obtain metering data by remote telephone access. If requested, TVA will assist Distributor in selecting such equipment, but acquisition of the equipment is Distributor's responsibility.

1.3.2 Cellular Phone. If TVA provides and installs a cellular phone:

1.3.2.1 Installation of Cellular Phone. For TVA's metering purposes, TVA will provide (for its exclusive use) a cellular phone for remote access to the metering installation, and Distributor will provide TVA at no charge 120-volt power for TVA's cellular phone.

1.3.2.2 Distributor Access to Meter Data. Distributor may have access to the metering information available from the readout display of the revenue meter. TVA's and Distributor's operating representatives will coordinate access to the readout display.

1.4 Control of Metering Installation. Except as specifically provided otherwise in this agreement (or as agreed otherwise by TVA), the metering installation shall be for TVA's exclusive use and control. It may be used by TVA separately or in conjunction with any other metering facilities of TVA. TVA will place its seals on the revenue meter and metering facilities in the metering installation, and Distributor shall assure that those seals are not broken except at TVA's request.

1.5 Maintenance of Metering Installation.

1.5.1 TVA's Responsibilities. TVA at its expense shall test, calibrate, operate, maintain, and replace the portion of the metering installation provided and installed by TVA.

1.5.2 Distributor's Responsibilities. As requested by TVA from time to time, Distributor at its expense shall perform necessary maintenance (including making of replacements) of the remaining portion of the metering installation. In doing this work Distributor shall supply the necessary materials, except that TVA shall supply for installation by Distributor any replacements required for the current and voltage transformers, metering cable, and test boxes.

SECTION 2 - METERING OUTPUTS

2.1 Access to Outputs. Distributor may have access at no charge to metering outputs from the metering installation for such purposes as monitoring and load control. Accordingly, Distributor may, at such time as it deems appropriate, provide and install at its expense such additional facilities as are necessary for obtaining access to metering outputs. This includes provision and installation of cable to be connected by TVA to a terminal block in TVA's meter cabinet. Distributor shall also furnish and install any protective facilities requested by TVA for the protection of TVA's metering installation.

2.2 Approval of Facilities. Distributor shall keep TVA informed as to Distributor's plans for installation of any such additional facilities consistent with TVA's Revenue Metering Guide for Customer-Owned Substations. Distributor shall neither install any facilities which are to be connected to the metering installation nor, once installed, change them without prior written notification from TVA that such installation or change is satisfactory to TVA insofar as required for the safe and efficient operation of the metering installation.

2.3 Noninterference with Metering. In exercising access to metering outputs, Distributor shall not interfere with any operation, use of, or access to the metering installation by TVA. In this regard Distributor agrees to immediately modify its facilities and operations, in any manner requested by TVA, to avoid any such interference.

2.4 No Warranty of Outputs. TVA makes no statement, representation, claim, guarantee, assurance, or warranty of any kind whatsoever, including, but not limited to, representations or warranties, express or implied, (a) as to the accuracy or completeness of the metering outputs or as to such outputs' merchantability or fitness for any purposes for which Distributor uses or will use them or (b) as to quantity, kind, character, quality, capacity, design, performance, compliance with specifications, condition, size, description of any property, merchantability, or fitness for any use or purpose of any facilities through which the metering outputs are supplied. Distributor hereby waives, and releases the United States of America, TVA, and their agents and employees from, any and all claims, demands, or causes of action, including, without limitation, those for consequential damages, arising out of or in any way connected with Distributor's use of the metering outputs.

2.5 Termination of Arrangements. The arrangements set out under this section 2, may be terminated by TVA or Distributor at any time upon at least 120 days' written notice. As soon as practicable following the effective date of such termination, TVA will disconnect the cable from the metering installation.

SECTION 3 - ADJUSTMENT OF METERED AMOUNTS

If the metering installation at the Substation is not at the point of delivery specified in the Power Contract, TVA shall adjust the metered amounts of power and energy appropriately to reflect losses (and non-metered station service or equipment use, if any) between the point of delivery and the metering installation and use these adjusted amounts for billing purposes under the Power Contract. Distributor shall from time to time furnish TVA with the loss data for Distributor's facilities needed to allow TVA to make such adjustments.

SECTION 4 - COORDINATION AND REVIEW

4.1 Coordination. TVA and Distributor will coordinate their work under section 1 above to the extent necessary and practicable to avoid jeopardizing (a) the safety and reliability of the parties' operations, (b) the reliability of TVA's supply of power to Distributor at the Substation, and (c) the safety of the parties' personnel.

4.2 TVA Review. Any plans, specifications, requirements, guidelines, or coordination, and any review or approvals, provided by TVA under this agreement are only for TVA's purposes and are not to be considered a confirmation or endorsement that they are adequate for Distributor's purposes. TVA's purposes include helping to assure (a) the safe and efficient operation of TVA's facilities and (b) that the arrangements under this agreement do not cause undue hazards to TVA's facilities and operations.

SECTION 5 - RIGHTS OF ACCESS

Distributor hereby grants to TVA such rights to use Distributor's property as are reasonably necessary or desirable to enable TVA to carry out its responsibilities under this agreement. These rights include installation, operation, maintenance, replacement, removal, and inspection of TVA's metering installation and related equipment.

SECTION 6 - POWER REQUIREMENTS

Distributor shall at its expense provide the battery and station service power requirements for TVA's facilities and equipment (including metering equipment) installed at the Substation.

SECTION 7 - TERM OF AGREEMENT

Except as otherwise provided, this agreement shall become effective as of the date identified in the contract as the effective date and shall continue in effect for the term of the Power Contract or any renewal, extension, or replacement thereof, unless an earlier termination is otherwise agreed to, in writing, by both parties.

SECTION 8 - RESTRICTION OF BENEFITS

No member of or delegate to Congress or Resident Commissioner, or any officer, employee, special Government employee, or agent of TVA shall be admitted to any share or part of this agreement or to any benefit that may arise from it unless the agreement be made with a corporation for its general benefit. Distributor shall not offer or give, directly or indirectly, to any officer, employee, special Government employee, or agent of TVA any gift, gratuity, favor, entertainment, loan, or any other thing of monetary value, except as provided in 5 C.F.R. part 2635 (as amended, supplemented, or replaced). Breach of this provision shall constitute a material breach of this agreement.

SECTION 9 - AMENDMENT

This agreement may be amended only by a writing signed by the parties.



Tennessee Valley Authority, 6045 Russellville Road, Bowling Green, Kentucky 42101-7319

6/26/2012

Laura,

Please copy Jim & Glenn
& file.

Thanks
DLM

June 25, 2012

Mr. Paul Thompson
Executive Vice President/General Manager
Tri-County Electric Membership Corporation
405 College Street
Lafayette, Tennessee 37083

Dear Paul:

**TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION -- FULLY EXECUTED
RESALE RATE SCHEDULE SUBSTITUTION AGREEMENT --
TV-52337A, SUPP. NO. 96**

Enclosed is one fully executed original of the Resale Rate Schedule Substitution Agreement, TV-52337A, Supp. No. 96, dated July 1, 2012, providing for the substitution of Schedule LS (July 2012) for Schedule LS (October 2011), for your files.

If you have questions or concerns, please call me (270-856-4581).

Sincerely,



Derrick L. Miller
Senior Power Utilization Engineer
Kentucky

Enclosure

July 1, 2012

RESALE RATE SCHEDULE SUBSTITUTION AGREEMENT
Between
TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION (DISTRIBUTOR)
And
TENNESSEE VALLEY AUTHORITY (TVA)

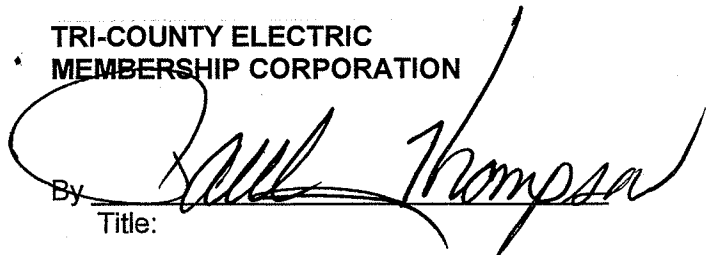
Distributor and TVA agree to substitute the new resale rate schedule specified in (a) below, a copy of which is attached, for the resale rate schedule specified in (b) below, which, as adjusted, is now in effect as a part of the Schedule of Rates and Charges attached to and made a part of the Power Contract, TV-52337A, dated July 18, 1979, as amended (Power Contract), between TVA and Distributor. This substitution is to be effective for all bills rendered from resale meter readings taken for revenue months of Distributor beginning with the July 2012 revenue month. It is expressly recognized that the adjustments set forth in the applicable Adjustment Addendum to said Schedule of Rates and Charges shall continue to apply to the charges provided for by the attached schedule specified in (a) below.

- (a) New resale rate schedule:
Outdoor Lighting Rate--Schedule LS (July 2012)

- (b) Existing resale rate schedule:
Outdoor Lighting Rate--Schedule LS (October 2011)

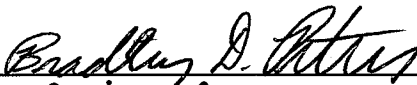
It is understood that, upon execution of this agreement by TVA and Distributor, all references in the Power Contract to the existing resale rate schedule specified in (b) above, or to any predecessor schedules, shall be deemed to refer to the new resale rate schedule specified in (a) above.

**TRI-COUNTY ELECTRIC
MEMBERSHIP CORPORATION**

By 
Title:

Rate schedule substitution agreed to as of
the date first above written.

TENNESSEE VALLEY AUTHORITY

By 
Title: **Senior Manager
Power Contracts**

TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION

OUTDOOR LIGHTING RATE--SCHEDULE LS

(July 2012)

Availability

Available for service to street and park lighting systems, traffic signal systems, athletic field lighting installations, and outdoor lighting for individual customers.

Service under this schedule is for a term of not less than 1 year.

Payment

Bills under this rate schedule will be rendered monthly. Any amount of bill unpaid after due date specified on bill may be subject to additional charges under Distributor's standard policy.

Adjustment

The energy charge in Part A and Part B of this rate schedule shall be increased or decreased in accordance with the current Adjustment Addendum published by TVA. In addition, the energy charge in Part A and Part B of this rate schedule shall be increased or decreased to correspond to increases or decreases determined by TVA under Adjustment 4 of the wholesale power rate schedule applicable under contractual arrangements between TVA and Distributor.

Determination of Seasonal Periods

Summer Period shall mean the June, July, August, and September billing months. Winter Period shall mean the December, January, February, and March billing months. Transition Period shall mean the April, May, October, and November billing months.

PART A--CHARGES FOR STREET AND PARK LIGHTING SYSTEMS, TRAFFIC SIGNAL SYSTEMS, AND ATHLETIC FIELD LIGHTING INSTALLATIONS

I. **Energy Charge:**

Summer Period 3.851¢ per kWh per month

Winter Period 3.839¢ per kWh per month

Transition Period 3.775¢ per kWh per month

II. **Facility Charge**

The annual facility charge shall be 15 percent of the installed cost to Distributor's electric system of the facilities devoted to street and park lighting service specified in this Part A. Such installed cost shall be recomputed on July 1 of each year, or more often if substantial changes in the facilities are made. Each month, one-twelfth of the then total annual facility charge shall be billed to the customer. If any part of the facilities has not been provided at the electric

system's expense or if the installed cost of any portion thereof is reflected on the books of another municipality or agency or department, the annual facility charge shall be adjusted to reflect properly the remaining cost to be borne by the electric system.

Traffic signal systems and athletic field lighting installations shall be provided, owned, and maintained by and at the expense of the customer, except as Distributor may agree otherwise in accordance with the provisions of the paragraph next following in this section II. The facilities necessary to provide service to such systems and installations shall be provided by and at the expense of Distributor's electric system, and the annual facility charge provided for first above in this section II shall apply to the installed cost of such facilities.

When so authorized by policy duly adopted by Distributor's governing board, traffic signal systems and athletic field lighting installations may be provided, owned, and maintained by Distributor's electric system for the customer's benefit. In such cases Distributor may require reimbursement from the customer for a portion of the initial installed cost of any such system or installation and shall require payment by the customer of a facility charge sufficient to cover all of Distributor's costs (except reimbursed costs), including appropriate overheads, of providing, owning, and maintaining such system or installation; provided that, for athletic field lighting installations, such facility charge shall in no case be less than 12 percent per year of such costs. Said facility charge shall be in addition to the annual facility charge on the facilities necessary to provide service to such system or installation as provided for in the preceding paragraph. Replacement of lamps and related glassware for traffic signal systems and athletic field lighting installations provided under this paragraph shall be paid for under the provisions of paragraph A in Section IV.

III. Customer Charge - Traffic Signal Systems and Athletic Field Lighting Installations.

Distributor shall apply a uniform monthly customer charge of \$17.50 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	80	\$4.83
	400	19,100	171	\$7.18
High Pressure Sodium	100	8,550	49	\$7.75
	200	18,900	95	\$12.63
	250	22,500	116	\$11.19
	400	45,000	180	\$11.78
Metal Halide	400	45,000	171	\$10.25
	1,000	125,000	408	\$14.57
Induction	85	7,225	36	\$8.21
	100	8,500	42	\$9.09

(b) Energy Charge: For each lamp size under (a) above,

Summer Period 3.851¢ per kWh per month

Winter Period 3.839¢ per kWh per month

Transition Period 3.775¢ per 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 to Rules and Regulations of Distributor.

TENNESSEE VALLEY AUTHORITY
ADJUSTMENT ADDENDUM
TO
SCHEDULE OF RATES AND CHARGES
FOR
TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION

Effective October 1, 2011

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's monthly billing cycles scheduled to begin on or after the effective date of this Adjustment Addendum. As provided for by the previous Adjustment Addendum dated October 1, 2003 (Environmental Adjustment), the amounts listed under each column (1) are designated, subject to any future Rate Adjustment or Rate Change, to remain in effect for ten (10) years from the effective date of said Environmental Adjustment.

		<u>Wholesale Power Rate Schedule</u>		
		(1)	(2)	(3)
STANDARD SERVICE				
<u>Schedule WS-TOU</u>				
Demand Charges				
Summer	Add	\$0.50	+	\$0.29
Winter	Add	\$0.50	+	\$0.26
Transition	Add	\$0.50	+	\$0.26
Energy Charges				
Summer	Add	0.186¢	+	0.107¢ + A _m
Winter	Add	0.186¢	+	0.099¢ + A _m
Transition	Add	0.186¢	+	0.095¢ + A _m
<u>Schedule WS-DE</u>				
Demand Charges				
Summer	Add	\$0.50	+	\$0.29
Winter	Add	\$0.50	+	\$0.26
Transition	Add	\$0.50	+	\$0.26
Energy Charges				
Summer	Add	0.186¢	+	0.100¢ + A _m
Winter	Add	0.186¢	+	0.100¢ + A _m
Transition	Add	0.186¢	+	0.100¢ + A _m

*Applicable also to the third component of the demand charge
**Applicable also the second component of the demand charge
***Applicable also to minimum offpeak energy
****Applicable also to the third component of the demand charge and the second component of the Transition demand charge

Resale Schedules

STANDARD SERVICE

(1) (2) (3)

Residential Service

Schedule RS

Energy Charge					
Summer	Add	0.307¢	+	0.177¢	+ (1.08628 x A _m)
Winter	Add	0.307¢	+	0.177¢	+ (1.08628 x A _m)
Transition	Add	0.307¢	+	0.175¢	+ (1.08628 x A _m)

General Power Service

Schedule GSA

Part 1

Energy Charge					
Summer	Add	0.355¢	+	0.190¢	+ (1.06653 x A _m)
Winter	Add	0.355¢	+	0.189¢	+ (1.06653 x A _m)
Transition	Add	0.355¢	+	0.187¢	+ (1.06653 x A _m)

Part 2

Demand Charge					
Summer					
Excess over 50 kW	Add	\$0.48	+	\$0.29	
Winter					
Excess over 50 kW	Add	\$0.48	+	\$0.27	
Transition					
Excess over 50 kW	Add	\$0.48	+	\$0.27	

Energy Charge

Summer					
First 15,000 kWh	Add	0.198¢	+	0.189¢	+ (1.06653 x A _m)
Additional kWh	Add	0.194¢	+	0.096¢	+ (1.04396 x A _m)
Winter					
First 15,000 kWh	Add	0.198¢	+	0.189¢	+ (1.06653 x A _m)
Additional kWh	Add	0.194¢	+	0.096¢	+ (1.04396 x A _m)
Transition					
First 15,000 kWh	Add	0.198¢	+	0.189¢	+ (1.06653 x A _m)
Additional kWh	Add	0.194¢	+	0.096¢	+ (1.04396 x A _m)

Part 3

Demand Charge

Summer					
First 1,000 kW	Add	\$0.61	+	\$0.29	
Excess over 1,000 kW *	Add	\$0.61	+	\$0.36	
Winter					
First 1,000 kW	Add	\$0.61	+	\$0.27	
Excess over 1,000 kW *	Add	\$0.61	+	\$0.34	
Transition					
First 1,000 kW	Add	\$0.61	+	\$0.27	
Excess over 1,000 kW *	Add	\$0.61	+	\$0.34	

Energy Charge

Summer	Add	0.199¢	+	0.096¢	+ (1.04396 x A _m)
Winter	Add	0.199¢	+	0.096¢	+ (1.04396 x A _m)
Transition	Add	0.199¢	+	0.096¢	+ (1.04396 x A _m)

*Applicable also to the third component of the demand charge

**Applicable also the second component of the demand charge

***Applicable also to minimum offpeak energy

****Applicable also to the third component of the demand charge and the second component of the Transition demand charge

Outdoor Lighting Service

Schedule LS Part A and B

Energy Charge								
Summer	Add	0.207¢	+	0.081¢	+	(	1.08628 x A _m)
Winter	Add	0.207¢	+	0.080¢	+	(	1.08628 x A _m)
Transition	Add	0.207¢	+	0.078¢	+	(	1.08628 x A _m)

Drainage Pumping Station

Schedule DPS

Energy Charge								
Summer	Add	N/A	+	N/A	+	(	N/A x A _m)
Winter	Add	N/A	+	N/A	+	(	N/A x A _m)
Transition	Add	N/A	+	N/A	+	(	N/A x A _m)

Residential Service

Schedule TRS

Energy Charge								
Summer								
Onpeak	Add	N/A	+	N/A	+	(	N/A x A _m)
Offpeak	Add	N/A	+	N/A	+	(	N/A x A _m)
Winter								
Onpeak	Add	N/A	+	N/A	+	(	N/A x A _m)
Offpeak	Add	N/A	+	N/A	+	(	N/A x A _m)
Transition								
All Offpeak	Add	N/A	+	N/A	+	(	N/A x A _m)

General Power Service

Schedule TGSA

Part 1

Energy Charge								
Summer								
Onpeak	Add	N/A	+	N/A	+	(	N/A x A _m)
Offpeak	Add	N/A	+	N/A	+	(	N/A x A _m)
Winter								
Onpeak	Add	N/A	+	N/A	+	(	N/A x A _m)
Offpeak	Add	N/A	+	N/A	+	(	N/A x A _m)
Transition								
All Offpeak	Add	N/A	+	N/A	+	(	N/A x A _m)

Part 2

Demand Charge								
Summer								
Excess over 50 kW	Add	N/A	+	N/A				
Winter								
Excess over 50 kW	Add	N/A	+	N/A				
Transition								
Excess over 50 kW	Add	N/A	+	N/A				

*Applicable also to the third component of the demand charge

**Applicable also the second component of the demand charge

***Applicable also to minimum offpeak energy

****Applicable also to the third component of the demand charge and the second component of the Transition demand charge

Energy Charge									
Summer									
Onpeak	Add	N/A	+	N/A	+	(	N/A	x	A_m)
Offpeak	Add	N/A	+	N/A	+	(	N/A	x	A_m)
Winter									
Onpeak	Add	N/A	+	N/A	+	(	N/A	x	A_m)
Offpeak	Add	N/A	+	N/A	+	(	N/A	x	A_m)
Transition									
All Offpeak	Add	N/A	+	N/A	+	(	N/A	x	A_m)

Part 3

Demand Charge									
Summer									
First 1,000 kW	Add	N/A	+	N/A					
Excess over 1,000 kW *	Add	N/A	+	N/A					
Winter									
First 1,000 kW	Add	N/A	+	N/A					
Excess over 1,000 kW *	Add	N/A	+	N/A					
Transition									
First 1,000 kW	Add	N/A	+	N/A					
Excess over 1,000 kW *	Add	N/A	+	N/A					

Energy Charge									
Summer									
Onpeak	Add	N/A	+	N/A	+	(	N/A	x	A_m)
Offpeak	Add	N/A	+	N/A	+	(	N/A	x	A_m)
Winter									
Onpeak	Add	N/A	+	N/A	+	(	N/A	x	A_m)
Offpeak	Add	N/A	+	N/A	+	(	N/A	x	A_m)
Transition									
All Offpeak	Add	N/A	+	N/A	+	(	N/A	x	A_m)

TOU SERVICE

Wholesale Power Rate Schedule

Resale Schedules

General Power Service

Schedule TDGSA

Demand Charge

 Summer Period

 Onpeak *

 Excess Offpeak

 Winter Period

 Onpeak ****

 Excess Offpeak

 Transition Period

Energy Charge

 Summer Period

 Onpeak

 Offpeak

 First 425 hours ***

 Next 195 hours

 Additional kWh

		(1)	(2)	(3)		(1)	(2)	(3)
Add	\$0.54	+	\$0.43		Add	N/A	+	N/A
Add	\$0.11	+	\$0.07		Add	N/A	+	N/A
Add	\$0.29	+	\$0.23		Add	N/A	+	N/A
Add	\$0.11	+	\$0.07		Add	N/A	+	N/A
Add	\$0.11	+	\$0.07		Add	N/A	+	N/A
Add	0.329¢	+	0.208¢ + A_m		Add	N/A	+	N/A + (N/A x A_m)
Add	0.205¢	+	0.107¢ + A_m		Add	N/A	+	N/A + (N/A x A_m)
Add	0.139¢	+	0.053¢ + A_m		Add	N/A	+	N/A + (N/A x A_m)
Add	0.082¢	+	0.007¢ + A_m		Add	N/A	+	N/A + (N/A x A_m)

*Applicable also to the third component of the demand charge

**Applicable also the second component of the demand charge

***Applicable also to minimum offpeak energy

****Applicable also to the third component of the demand charge and the second component of the Transition demand charge

Winter Period										
Onpeak	Add	0.220¢	+	0.119¢ + A _m	Add	N/A	+	N/A	+	(N/A x A _m)
Offpeak										
First 425 hours ***	Add	0.205¢	+	0.107¢ + A _m	Add	N/A	+	N/A	+	(N/A x A _m)
Next 195 hours	Add	0.139¢	+	0.053¢ + A _m	Add	N/A	+	N/A	+	(N/A x A _m)
Additional kWh	Add	0.082¢	+	0.007¢ + A _m	Add	N/A	+	N/A	+	(N/A x A _m)
Transition Period										
First 425 hours ***	Add	0.205¢	+	0.107¢ + A _m	Add	N/A	+	N/A	+	(N/A x A _m)
Next 195 hours	Add	0.139¢	+	0.053¢ + A _m	Add	N/A	+	N/A	+	(N/A x A _m)
Additional kWh	Add	0.082¢	+	0.007¢ + A _m	Add	N/A	+	N/A	+	(N/A x A _m)

Schedule GSB

Demand Charge

Summer Period

Onpeak *	Add	\$0.54	+	\$0.43	Add	\$0.56	+	\$0.45
Excess Offpeak	Add	\$0.11	+	\$0.07	Add	\$0.11	+	\$0.08

Winter Period

Onpeak ****	Add	\$0.29	+	\$0.23	Add	\$0.30	+	\$0.24
Excess Offpeak	Add	\$0.11	+	\$0.07	Add	\$0.11	+	\$0.08

Transition Period

	Add	\$0.11	+	\$0.07	Add	\$0.11	+	\$0.08
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Energy Charge

Summer Period

Onpeak	Add	0.329¢	+	0.208¢ + A _m	Add	0.339¢	+	0.214¢	+	(1.03000 x A _m)
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 Offpeak

First 425 hours ***	Add	0.205¢	+	0.107¢ + A _m	Add	0.211¢	+	0.110¢	+	(1.03000 x A _m)
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Next 195 hours	Add	0.139¢	+	0.053¢ + A _m	Add	0.143¢	+	0.055¢	+	(1.03000 x A _m)
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Additional kWh	Add	0.082¢	+	0.007¢ + A _m	Add	0.084¢	+	0.007¢	+	(1.03000 x A _m)
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Winter Period

Onpeak	Add	0.220¢	+	0.119¢ + A _m	Add	0.227¢	+	0.122¢	+	(1.03000 x A _m)
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 Offpeak

First 425 hours ***	Add	0.205¢	+	0.107¢ + A _m	Add	0.211¢	+	0.110¢	+	(1.03000 x A _m)
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Next 195 hours	Add	0.139¢	+	0.053¢ + A _m	Add	0.143¢	+	0.055¢	+	(1.03000 x A _m)
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Additional kWh	Add	0.082¢	+	0.007¢ + A _m	Add	0.084¢	+	0.007¢	+	(1.03000 x A _m)
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Transition Period

First 425 hours ***	Add	0.205¢	+	0.107¢ + A _m	Add	0.211¢	+	0.110¢	+	(1.03000 x A _m)
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Next 195 hours	Add	0.139¢	+	0.053¢ + A _m	Add	0.143¢	+	0.055¢	+	(1.03000 x A _m)
----------------	-----	--------	---	-------------------------	-----	--------	---	--------	---	------------------------------

Additional kWh	Add	0.082¢	+	0.007¢ + A _m	Add	0.084¢	+	0.007¢	+	(1.03000 x A _m)
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Schedule GSC

Demand Charge

Summer Period

Onpeak *	Add	\$0.54	+	\$0.43	Add	\$0.56	+	\$0.45
Excess Offpeak	Add	\$0.11	+	\$0.07	Add	\$0.11	+	\$0.08

Winter Period

Onpeak ****	Add	\$0.29	+	\$0.23	Add	\$0.30	+	\$0.24
Excess Offpeak	Add	\$0.11	+	\$0.07	Add	\$0.11	+	\$0.08

Transition Period

	Add	\$0.11	+	\$0.07	Add	\$0.11	+	\$0.08
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*Applicable also to the third component of the demand charge

**Applicable also the second component of the demand charge

***Applicable also to minimum offpeak energy

****Applicable also to the third component of the demand charge and the second component of the Transition demand charge

Energy Charge

Summer Period

Onpeak Add 0.316¢ + 0.197¢ + A_m Add 0.325¢ + 0.203¢ + (1.03000 x A_m)

Offpeak

First 425 hours *** Add 0.196¢ + 0.099¢ + A_m Add 0.202¢ + 0.103¢ + (1.03000 x A_m)

Next 195 hours Add 0.130¢ + 0.045¢ + A_m Add 0.134¢ + 0.047¢ + (1.03000 x A_m)

Additional kWh Add 0.073¢ + -0.001¢ + A_m Add 0.075¢ + -0.001¢ + (1.03000 x A_m)

Winter Period

Onpeak Add 0.210¢ + 0.110¢ + A_m Add 0.216¢ + 0.114¢ + (1.03000 x A_m)

Offpeak

First 425 hours *** Add 0.196¢ + 0.099¢ + A_m Add 0.202¢ + 0.103¢ + (1.03000 x A_m)

Next 195 hours Add 0.130¢ + 0.045¢ + A_m Add 0.134¢ + 0.047¢ + (1.03000 x A_m)

Additional kWh Add 0.073¢ + -0.001¢ + A_m Add 0.075¢ + -0.001¢ + (1.03000 x A_m)

Transition Period

First 425 hours *** Add 0.196¢ + 0.099¢ + A_m Add 0.202¢ + 0.103¢ + (1.03000 x A_m)

Next 195 hours Add 0.130¢ + 0.045¢ + A_m Add 0.134¢ + 0.047¢ + (1.03000 x A_m)

Additional kWh Add 0.073¢ + -0.001¢ + A_m Add 0.075¢ + -0.001¢ + (1.03000 x A_m)

Schedule GSD

Demand Charge

Summer Period

Onpeak * Add \$0.54 + \$0.43 Add \$0.56 + \$0.45

Excess Offpeak Add \$0.11 + \$0.07 Add \$0.11 + \$0.08

Winter Period

Onpeak **** Add \$0.29 + \$0.23 Add \$0.30 + \$0.24

Excess Offpeak Add \$0.11 + \$0.07 Add \$0.11 + \$0.08

Transition Period

Add \$0.11 + \$0.07 Add \$0.11 + \$0.08

Energy Charge

Summer Period

Onpeak Add 0.310¢ + 0.193¢ + A_m Add 0.319¢ + 0.199¢ + (1.03000 x A_m)

Offpeak

First 425 hours *** Add 0.186¢ + 0.092¢ + A_m Add 0.192¢ + 0.095¢ + (1.03000 x A_m)

Next 195 hours Add 0.120¢ + 0.038¢ + A_m Add 0.124¢ + 0.039¢ + (1.03000 x A_m)

Additional kWh Add 0.064¢ + -0.008¢ + A_m Add 0.066¢ + -0.008¢ + (1.03000 x A_m)

Winter Period

Onpeak Add 0.201¢ + 0.104¢ + A_m Add 0.207¢ + 0.107¢ + (1.03000 x A_m)

Offpeak

First 425 hours *** Add 0.186¢ + 0.092¢ + A_m Add 0.192¢ + 0.095¢ + (1.03000 x A_m)

Next 195 hours Add 0.120¢ + 0.038¢ + A_m Add 0.124¢ + 0.039¢ + (1.03000 x A_m)

Additional kWh Add 0.064¢ + -0.008¢ + A_m Add 0.066¢ + -0.008¢ + (1.03000 x A_m)

Transition Period

First 425 hours *** Add 0.186¢ + 0.092¢ + A_m Add 0.192¢ + 0.095¢ + (1.03000 x A_m)

Next 195 hours Add 0.120¢ + 0.038¢ + A_m Add 0.124¢ + 0.039¢ + (1.03000 x A_m)

Additional kWh Add 0.064¢ + -0.008¢ + A_m Add 0.066¢ + -0.008¢ + (1.03000 x A_m)

*Applicable also to the third component of the demand charge

**Applicable also the second component of the demand charge

***Applicable also to minimum offpeak energy

****Applicable also to the third component of the demand charge and the second component of the Transition demand charge

Manufacturing Service

Schedule TDMSA

Demand Charge

Summer Period

Onpeak *	Add	\$0.54	+	\$0.43	Add	N/A	+	N/A
Excess Offpeak	Add	\$0.11	+	\$0.07	Add	N/A	+	N/A

Winter Period

Onpeak ****	Add	\$0.29	+	\$0.23	Add	N/A	+	N/A
Excess Offpeak	Add	\$0.11	+	\$0.07	Add	N/A	+	N/A

Transition Period	Add	\$0.11	+	\$0.07	Add	N/A	+	N/A
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Energy Charge

Summer Period

Onpeak	Add	0.276¢	+	0.164¢ + A _m	Add	N/A	+	N/A + (N/A x A _m)
--------	-----	--------	---	-------------------------	-----	-----	---	--------------------------------

Offpeak

First 425 hours ***	Add	0.153¢	+	0.064¢ + A _m	Add	N/A	+	N/A + (N/A x A _m)
---------------------	-----	--------	---	-------------------------	-----	-----	---	--------------------------------

Next 195 hours	Add	0.086¢	+	0.010¢ + A _m	Add	N/A	+	N/A + (N/A x A _m)
----------------	-----	--------	---	-------------------------	-----	-----	---	--------------------------------

Additional kWh	Add	0.030¢	+	-0.036¢ + A _m	Add	N/A	+	N/A + (N/A x A _m)
----------------	-----	--------	---	--------------------------	-----	-----	---	--------------------------------

Winter Period

Onpeak	Add	0.168¢	+	0.077¢ + A _m	Add	N/A	+	N/A + (N/A x A _m)
--------	-----	--------	---	-------------------------	-----	-----	---	--------------------------------

Offpeak

First 425 hours ***	Add	0.153¢	+	0.064¢ + A _m	Add	N/A	+	N/A + (N/A x A _m)
---------------------	-----	--------	---	-------------------------	-----	-----	---	--------------------------------

Next 195 hours	Add	0.086¢	+	0.010¢ + A _m	Add	N/A	+	N/A + (N/A x A _m)
----------------	-----	--------	---	-------------------------	-----	-----	---	--------------------------------

Additional kWh	Add	0.030¢	+	-0.036¢ + A _m	Add	N/A	+	N/A + (N/A x A _m)
----------------	-----	--------	---	--------------------------	-----	-----	---	--------------------------------

Transition Period

First 425 hours ***	Add	0.153¢	+	0.064¢ + A _m	Add	N/A	+	N/A + (N/A x A _m)
---------------------	-----	--------	---	-------------------------	-----	-----	---	--------------------------------

Next 195 hours	Add	0.086¢	+	0.010¢ + A _m	Add	N/A	+	N/A + (N/A x A _m)
----------------	-----	--------	---	-------------------------	-----	-----	---	--------------------------------

Additional kWh	Add	0.030¢	+	-0.036¢ + A _m	Add	N/A	+	N/A + (N/A x A _m)
----------------	-----	--------	---	--------------------------	-----	-----	---	--------------------------------

Schedule MSB

Demand Charge

Summer Period

Onpeak *	Add	\$0.54	+	\$0.43	Add	\$0.56	+	\$0.45
----------	-----	--------	---	--------	-----	--------	---	--------

Excess Offpeak	Add	\$0.11	+	\$0.07	Add	\$0.11	+	\$0.08
----------------	-----	--------	---	--------	-----	--------	---	--------

Winter Period

Onpeak ****	Add	\$0.29	+	\$0.23	Add	\$0.30	+	\$0.24
-------------	-----	--------	---	--------	-----	--------	---	--------

Excess Offpeak	Add	\$0.11	+	\$0.07	Add	\$0.11	+	\$0.08
----------------	-----	--------	---	--------	-----	--------	---	--------

Transition Period	Add	\$0.11	+	\$0.07	Add	\$0.11	+	\$0.08
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Energy Charge

Summer Period

Onpeak	Add	0.276¢	+	0.164¢ + A _m	Add	0.284¢	+	0.169¢ + (1.03000 x A _m)
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Offpeak

First 425 hours ***	Add	0.153¢	+	0.064¢ + A _m	Add	0.158¢	+	0.066¢ + (1.03000 x A _m)
---------------------	-----	--------	---	-------------------------	-----	--------	---	---------------------------------------

Next 195 hours	Add	0.086¢	+	0.010¢ + A _m	Add	0.089¢	+	0.011¢ + (1.03000 x A _m)
----------------	-----	--------	---	-------------------------	-----	--------	---	---------------------------------------

Additional kWh	Add	0.030¢	+	-0.036¢ + A _m	Add	0.031¢	+	-0.037¢ + (1.03000 x A _m)
----------------	-----	--------	---	--------------------------	-----	--------	---	--

Winter Period

Onpeak	Add	0.168¢	+	0.077¢ + A _m	Add	0.173¢	+	0.079¢ + (1.03000 x A _m)
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Offpeak

First 425 hours ***	Add	0.153¢	+	0.064¢ + A _m	Add	0.158¢	+	0.066¢ + (1.03000 x A _m)
---------------------	-----	--------	---	-------------------------	-----	--------	---	---------------------------------------

Next 195 hours	Add	0.086¢	+	0.010¢ + A _m	Add	0.089¢	+	0.011¢ + (1.03000 x A _m)
----------------	-----	--------	---	-------------------------	-----	--------	---	---------------------------------------

Additional kWh	Add	0.030¢	+	-0.036¢ + A _m	Add	0.031¢	+	-0.037¢ + (1.03000 x A _m)
----------------	-----	--------	---	--------------------------	-----	--------	---	--

*Applicable also to the third component of the demand charge

**Applicable also the second component of the demand charge

***Applicable also to minimum offpeak energy

****Applicable also to the third component of the demand charge and the second component of the Transition demand charge

Transition Period								
First 425 hours ***	Add	0.153¢	+	0.064¢ + A _m	Add	0.158¢	+	0.066¢ + (1.03000 × A _m)
Next 195 hours	Add	0.086¢	+	0.010¢ + A _m	Add	0.089¢	+	0.011¢ + (1.03000 × A _m)
Additional kWh	Add	0.030¢	+	-0.036¢ + A _m	Add	0.031¢	+	-0.037¢ + (1.03000 × A _m)

Schedule MSC

Demand Charge

Summer Period

Onpeak *

Add \$0.54 + \$0.43 Add \$0.56 + \$0.45

Excess Offpeak

Add \$0.11 + \$0.07 Add \$0.11 + \$0.08

Winter Period

Onpeak ****

Add \$0.29 + \$0.23 Add \$0.30 + \$0.24

Excess Offpeak

Add \$0.11 + \$0.07 Add \$0.11 + \$0.08

Transition Period

Add \$0.11 + \$0.07 Add \$0.11 + \$0.08

Energy Charge

Summer Period

Onpeak

Add 0.279¢ + 0.166¢ + A_m Add 0.287¢ + 0.171¢ + (1.03000 × A_m)

Offpeak

 First 425 hours ***

Add 0.153¢ + 0.064¢ + A_m Add 0.158¢ + 0.066¢ + (1.03000 × A_m)

 Next 195 hours

Add 0.086¢ + 0.010¢ + A_m Add 0.089¢ + 0.010¢ + (1.03000 × A_m)

 Additional kWh

Add 0.029¢ + -0.036¢ + A_m Add 0.030¢ + -0.037¢ + (1.03000 × A_m)

Winter Period

Onpeak

Add 0.169¢ + 0.077¢ + A_m Add 0.174¢ + 0.079¢ + (1.03000 × A_m)

Offpeak

 First 425 hours ***

Add 0.153¢ + 0.064¢ + A_m Add 0.158¢ + 0.066¢ + (1.03000 × A_m)

 Next 195 hours

Add 0.086¢ + 0.010¢ + A_m Add 0.089¢ + 0.010¢ + (1.03000 × A_m)

 Additional kWh

Add 0.029¢ + -0.036¢ + A_m Add 0.030¢ + -0.037¢ + (1.03000 × A_m)

Transition Period

 First 425 hours ***

Add 0.153¢ + 0.064¢ + A_m Add 0.158¢ + 0.066¢ + (1.03000 × A_m)

 Next 195 hours

Add 0.086¢ + 0.010¢ + A_m Add 0.089¢ + 0.010¢ + (1.03000 × A_m)

 Additional kWh

Add 0.029¢ + -0.036¢ + A_m Add 0.030¢ + -0.037¢ + (1.03000 × A_m)

Schedule MSD

Demand Charge

Summer Period

Onpeak *

Add \$0.54 + \$0.43 Add \$0.56 + \$0.45

Excess Offpeak

Add \$0.11 + \$0.07 Add \$0.11 + \$0.08

Winter Period

Onpeak ****

Add \$0.29 + \$0.23 Add \$0.30 + \$0.24

Excess Offpeak

Add \$0.11 + \$0.07 Add \$0.11 + \$0.08

Transition Period

Add \$0.11 + \$0.07 Add \$0.11 + \$0.08

Energy Charge

Summer Period

Onpeak

Add 0.271¢ + 0.161¢ + A_m Add 0.279¢ + 0.166¢ + (1.03000 × A_m)

Offpeak

 First 425 hours ***

Add 0.146¢ + 0.059¢ + A_m Add 0.150¢ + 0.061¢ + (1.03000 × A_m)

 Next 195 hours

Add 0.080¢ + 0.005¢ + A_m Add 0.082¢ + 0.005¢ + (1.03000 × A_m)

 Additional kWh

Add 0.023¢ + -0.041¢ + A_m Add 0.024¢ + -0.042¢ + (1.03000 × A_m)

*Applicable also to the third component of the demand charge

**Applicable also the second component of the demand charge

***Applicable also to minimum offpeak energy

****Applicable also to the third component of the demand charge and the second component of the Transition demand charge

Winter Period								
Onpeak	Add	0.161¢	+	0.072¢ + A _m	Add	0.166¢	+	0.074¢ + (1.03000 x A _m)
Offpeak								
First 425 hours ***	Add	0.146¢	+	0.059¢ + A _m	Add	0.150¢	+	0.061¢ + (1.03000 x A _m)
Next 195 hours	Add	0.080¢	+	0.005¢ + A _m	Add	0.082¢	+	0.005¢ + (1.03000 x A _m)
Additional kWh	Add	0.023¢	+	-0.041¢ + A _m	Add	0.024¢	+	-0.042¢ + (1.03000 x A _m)
Transition Period								
First 425 hours ***	Add	0.146¢	+	0.059¢ + A _m	Add	0.150¢	+	0.061¢ + (1.03000 x A _m)
Next 195 hours	Add	0.080¢	+	0.005¢ + A _m	Add	0.082¢	+	0.005¢ + (1.03000 x A _m)
Additional kWh	Add	0.023¢	+	-0.041¢ + A _m	Add	0.024¢	+	-0.042¢ + (1.03000 x A _m)

**SEASONAL DEMAND
AND ENERGY SERVICE**

General Power Service

Schedule SGSB

Demand Charge

Summer Period **	Add	\$0.82	+	\$0.58	Add	\$0.84	+	\$0.60
Winter Period **	Add	\$0.57	+	\$0.40	Add	\$0.59	+	\$0.41
Transition Period **	Add	\$0.38	+	\$0.26	Add	\$0.39	+	\$0.27

Energy Charge

Summer Period	Add	0.180¢	+	0.071¢ + A _m	Add	0.185¢	+	0.073¢ + (1.03000 x A _m)
Winter Period	Add	0.164¢	+	0.059¢ + A _m	Add	0.169¢	+	0.061¢ + (1.03000 x A _m)
Transition Period	Add	0.160¢	+	0.056¢ + A _m	Add	0.165¢	+	0.058¢ + (1.03000 x A _m)

Schedule SGSC

Demand Charge

Summer Period **	Add	\$0.82	+	\$0.58	Add	\$0.84	+	\$0.60
Winter Period **	Add	\$0.57	+	\$0.40	Add	\$0.59	+	\$0.41
Transition Period **	Add	\$0.38	+	\$0.26	Add	\$0.39	+	\$0.27

Energy Charge

Summer Period	Add	0.181¢	+	0.071¢ + A _m	Add	0.186¢	+	0.074¢ + (1.03000 x A _m)
Winter Period	Add	0.164¢	+	0.059¢ + A _m	Add	0.169¢	+	0.061¢ + (1.03000 x A _m)
Transition Period	Add	0.161¢	+	0.057¢ + A _m	Add	0.166¢	+	0.059¢ + (1.03000 x A _m)

Schedule SGSD

Demand Charge

Summer Period **	Add	\$0.96	+	\$0.69	Add	\$0.99	+	\$0.71
Winter Period **	Add	\$0.71	+	\$0.50	Add	\$0.73	+	\$0.52
Transition Period **	Add	\$0.52	+	\$0.37	Add	\$0.54	+	\$0.38

Energy Charge

Summer Period	Add	0.152¢	+	0.051¢ + A _m	Add	0.157¢	+	0.053¢ + (1.03000 x A _m)
Winter Period	Add	0.138¢	+	0.040¢ + A _m	Add	0.142¢	+	0.042¢ + (1.03000 x A _m)
Transition Period	Add	0.134¢	+	0.038¢ + A _m	Add	0.138¢	+	0.039¢ + (1.03000 x A _m)

Manufacturing Service

Schedule SMSB

Demand Charge

Summer Period **	Add	\$0.71	+	\$0.50	Add	\$0.73	+	\$0.52
Winter Period **	Add	\$0.46	+	\$0.32	Add	\$0.47	+	\$0.33
Transition Period **	Add	\$0.27	+	\$0.18	Add	\$0.28	+	\$0.18

*Applicable also to the third component of the demand charge

**Applicable also the second component of the demand charge

***Applicable also to minimum offpeak energy

****Applicable also to the third component of the demand charge and the second component of the Transition demand charge

Energy Charge								
Summer Period	Add	0.150¢	+	0.049¢ + A _m	Add	0.155¢	+	0.050¢ + (1.03000 x A _m)
Winter Period	Add	0.132¢	+	0.035¢ + A _m	Add	0.136¢	+	0.037¢ + (1.03000 x A _m)
Transition Period	Add	0.127¢	+	0.032¢ + A _m	Add	0.131¢	+	0.033¢ + (1.03000 x A _m)

Schedule SMSC

Demand Charge						
Summer Period **	Add	\$0.71	+	\$0.50	Add	\$0.73 + \$0.52
Winter Period **	Add	\$0.46	+	\$0.32	Add	\$0.47 + \$0.33
Transition Period **	Add	\$0.27	+	\$0.18	Add	\$0.28 + \$0.18

Energy Charge								
Summer Period	Add	0.149¢	+	0.048¢ + A _m	Add	0.153¢	+	0.049¢ + (1.03000 x A _m)
Winter Period	Add	0.132¢	+	0.035¢ + A _m	Add	0.136¢	+	0.036¢ + (1.03000 x A _m)
Transition Period	Add	0.127¢	+	0.032¢ + A _m	Add	0.131¢	+	0.033¢ + (1.03000 x A _m)

Schedule SMSD

Demand Charge						
Summer Period **	Add	\$0.82	+	\$0.58	Add	\$0.84 + \$0.60
Winter Period **	Add	\$0.57	+	\$0.40	Add	\$0.59 + \$0.41
Transition Period **	Add	\$0.38	+	\$0.26	Add	\$0.39 + \$0.27

Energy Charge								
Summer Period	Add	0.120¢	+	0.027¢ + A _m	Add	0.124¢	+	0.028¢ + (1.03000 x A _m)
Winter Period	Add	0.106¢	+	0.017¢ + A _m	Add	0.109¢	+	0.018¢ + (1.03000 x A _m)
Transition Period	Add	0.103¢	+	0.015¢ + A _m	Add	0.106¢	+	0.015¢ + (1.03000 x A _m)

The amounts applicable for A_m under column (3) in this Adjustment Addendum shall be determined each month by applying data from TVA's forecasts of TVA's actual operations, as well as actual data when it becomes available in accordance with the formula below. TVA will endeavor to publish the calculated amounts 20 days in advance of the month of application (but shall in no event publish these calculated amounts any later than 15 days in advance of the month of application), and such amounts will be applicable to bills rendered from meter readings taken for TVA and Distributor monthly billing cycles beginning on and after the first day of each month beginning October 1, 2011.

- *Applicable also to the third component of the demand charge
- **Applicable also the second component of the demand charge
- ***Applicable also to minimum offpeak energy
- ****Applicable also to the third component of the demand charge and the second component of the Transition demand charge

$$A_m = \frac{CF_m + DAR_m}{95\%}$$

A_m = The monthly FCA adjustment to be applied to the kilowatt-hour sales during the current monthly billing period and rounded to the nearest one-thousandth of a cent per kilowatt-hour.

m = a particular month

CF_m = The core FCA adjustment for a particular month. $CF_m = (FF_m / SF_m)$

FF = TVA's estimate of FA (as described below) for month m , based on the latest TVA Financial Forecast.

SF = TVA's estimate of SA (as described below) for month m , based on the latest TVA Financial Forecast.

DAR_m = The adjustment that collects a portion of DA (as described below) in a month, rounded to the nearest one-thousandth of a cent.

$$DAR_m = R \times DA_m / FiSF_m$$

R = The collection ratio of 50%.

FiSF = TVA's estimate of FiSA (as described below) for month m , based on the latest TVA Financial Forecast.

DA = The deferred account that provides the true-up adjustment necessary to reconcile prior estimates to actual data, which shall be computed with the formulas below.

$$DA_m = \overbrace{GLDA_{m-2}}^{\text{General Ledger DA Balance}} - \overbrace{DAR_{m-1} \times FiSF_{m-1}}^{\text{Estimate of DAR collections, prior months}}$$

FiSA = Actual TVA firm-based rate energy sales (in kWh) for month m , as recorded in TVA's General Ledger with specific accounts 442000, 445000, 447000, 447100, and 448000 (or such similar or successor accounts as may be prescribed by FERC in the future).

GLDA = The general ledger deferred account balance that flows through to the balance sheet.

$$GLDA_m = \overbrace{GLDA_{m-1}}^{\text{Accumulated General Ledger DA Balance}} + \overbrace{TU_m}^{\text{Core FCA True-Up}} + \overbrace{GLD_m}^{\text{DA Amortization}}$$

TU_m = The core true-up amount. $TU_m = (FiSA_m / SA_m) * FA_m - GLR_m$

FA = Actual total fuel and purchased power expenses (in cents) under the framework and accounts provided below (or such similar or successor accounts as may be prescribed by FERC in the future).

- (1) Fossil Fuel Expense - Account 501 - Direct cost of fuel burned in TVA coal plants, including transportation and fuel treatments. Costs to be excluded are lease payments for rail cars, maintenance on rail cars, sampling and fuel analysis, and fuel handling expenses in unloading fuel from shipping media and the handling of fuel up to the point where fuel enters the bunker or other boiler-house structure.
- (2) Reagents Expense - Account 501.L - Cost of emission reagents such as limestone and ammonia that are directly related to the level of generation output.
- (3) Allowances Expense - Account 509 - Cost of emission allowance expense such as SO₂ and NO_x that are directly related to the level of generation output.
- (4) Nuclear Fuel Expense - Account 518 - Cost of nuclear fuel amortization expense dependent upon burn, including DOE spent fuel disposal charges.
- (5) Gas Turbine Fuel Expense - Account 547 - Direct cost of gas and oil burned in TVA plants, including transportation. Costs to be excluded are costs of gas storage facilities and sampling and fuel analysis that do not vary with changes in generation volume.
- (6) Purchased Power Expense - Account 555 - Energy cost of purchased power to serve native load demand or to displace higher cost generation. Costs to be excluded are fixed demand or capacity payments in tolling agreements and purchased power agreements that do not vary with volume and costs of purchased power linked to off-system sales transactions.
- (7) Audit Expenses - TVA's actual expenses incurred as the result of third party expenses for FCA audits.

SA = Actual total TVA energy sales (in kWh) for month m , as recorded in TVA's General Ledger with specific accounts 442000, 445000, 447000, 447100, and 448000 (or such similar or successor accounts as may be prescribed by FERC in the future), excluding any displacement sales reflected in account 447100.

GLD_m = Actual TVA DAR revenue (DA amortization) for month m , for firm-based energy sales, as recorded in TVA's General Ledger with specific accounts 442000, 445000, 447000, 447100, and 448000 (or such similar or successor accounts as may be prescribed by FERC in the future).

GLR_m = Actual TVA Core FCA Revenue for month m , for firm-based energy sales, as recorded in TVA's General Ledger with specific accounts 442000, 445000, 447000, 447100, and 448000 (or such similar or successor accounts as may be prescribed by FERC in the future).

405 College Street
P. O. Box 40
Lafayette, TN 37083-0040

Tri-County
Electric
Membership Corporation
www.tcemc.org

Telephone: (615) 666-2111
Toll Free: 1-800-369-2111
Fax: (615) 688-2141

Monday, June 18, 2012

Mr. Hugh Meyer
Tennessee Valley Authority
6045 Russellville Road
Bowling Green, KY 42101-7319

RE: TV-52337A, Supp. No. _____
Proposed Resale Rate Schedule Substitution Agreement

Dear Hugh:

Please find enclosed two (2) duplicate originals of the standard-form resale rate schedule substitution agreement to be effective for bills rendered with the July 2012 revenue month.

As stated in your letter dated June 14, 2012, an executed agreement will be returned for our files.

If additional information is needed, please advise.

Sincerely,



PAUL THOMPSON
Executive Vice President and General Manager

Enclosures: Agreements (2)



Tennessee Valley Authority, 6045 Russellville Road, Bowling Green, Kentucky 42101-7319

6/18/2012
Laura
Please copy for our records & return to Hugh.
Glenn
Jim

June 14, 2012

Mr. Paul Thompson
Executive Vice President/General Manager
Tri-County Electric Membership Corporation
405 College Street
Lafayette, Tennessee 37083

Thanks
Sally

Dear Paul:

TRI-COUNTY EMC -- PROPOSED RESALE RATE SCHEDULE SUBSTITUTION AGREEMENT

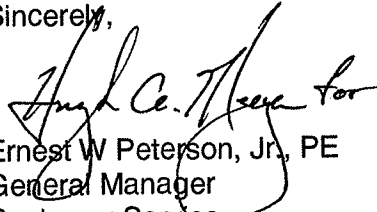
Enclosed are two duplicate originals of a standard-form resale rate schedule substitution agreement to provide for the substitution of Schedule LS (July 2012) for Schedule LS (October 2011). This substitution will be effective for bills rendered for Tri-County EMC's revenue months beginning with the July 2012 revenue month.

Also, enclosed is a copy of the October 2011 Adjustment Addendum. Please note that Tri-County EMC's resale charges to Tri-County EMC's customers will be the sum of the base charges in the proposed schedule and the corresponding resale rate adjustment amounts set forth in the October 2011 Adjustment Addendum (including the applicable FCA amounts).

Upon execution of the Agreement by the authorized representative of Tri-County EMC, please return the two originals to me for further handling. After final execution by TVA, one fully executed original will be returned to you for your file.

If you have questions or concerns regarding this document, please call me (270-846-7041) or Hugh Meyer (270-846-7042).

Sincerely,


Ernest W. Peterson, Jr., PE
General Manager
Customer Service
Kentucky

Enclosures



Tennessee Valley Authority, 6045 Russellville Road, Bowling Green, Kentucky 42101-7310

9/25/2012

Laura,

Please copy & file

T. Dixon

J. Beecham
09/25/2012

Thanks
[Signature]

September 24, 2012

Mr. Paul Thompson
Executive Vice President/General Manager
Tri-County Electric Membership Corporation
405 College Street
Lafayette, Tennessee 37083

Dear Paul:

**FULLY EXECUTED GREEN POWER PROVIDERS (GPP) AGREEMENT --
CONTRACT NO. TV-52337A, SUPP. NO. 97, PURCHASE ORDER NO. 422712**

Enclosed is one fully executed original of the GPP Agreement for your files.

If you have questions or concerns regarding this document, please call Derrick Miller (270-856-4581) or Tim Hughes (270-855-0860).

Sincerely,

Ernest W. Peterson, Jr., PE
General Manager
Customer Service
Kentucky

Enclosure

GREEN POWER PROVIDERS AGREEMENT
Between
TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION
And
TENNESSEE VALLEY AUTHORITY

Date: October 1, 2012

Contract No. TV-52337A, Supp. No. 97
Purchase Order No. 422712

THIS AGREEMENT (Distributor Agreement), made and entered into 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 the TENNESSEE VALLEY AUTHORITY (TVA), a corporation created and existing under and by virtue of the Tennessee Valley Authority Act of 1933, as amended (TVA Act);

W I T N E S S E T H:

WHEREAS, TVA and Distributor have entered into a power 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 TVA Act provides that among TVA's objectives shall be those of promoting the wider and better use of electric power and cooperating in the application of 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 entitled Green Power Providers (Program) under which TVA acquires electric energy from qualifying renewable generation systems installed and/or owned by Distributor or customers served by Distributor; and

WHEREAS, TVA and Distributor desire to agree upon the respective rights and obligations of the parties with respect to the development, implementation, and administration of the Program;

NOW, THEREFORE, for and in consideration of the premises and of the mutual agreements set forth below, and subject to the provisions of the TVA Act, the parties agree as follows and enter into this contract consisting of the Articles and contract attachments listed in Article I below:

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CONTRACT CONTENTS

ARTICLE I **CONTRACT CONTENTS**

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- Attachment A (Metering Connection Options)
- Attachment B (Premium Rate & Incentive Distribution Options)
- Attachment C (Request to Amend Participation Agreement by Changing Participant and/or Qualifying System Owner)
- Attachment D (Request to Amend Participation Agreement to Modify Capacity of Qualifying System)
- Attachment E (Request for New Construction Participation in Program)
- Green Power Providers Participation Agreement
- Green Power Providers Distributor Facility Participation Agreement
- Distributor's Acceptance of Qualifying System Form
- Green Power Providers Program Participation Guidelines

ARTICLE II DEFINITIONS

For purpose of this Distributor Agreement (i) all terms used herein with initial capital letters that are not underlined are textually defined within this Distributor Agreement, and (ii) all underlined terms are defined in this Article II of this Distributor Agreement.

SECTION 2.1 - APPLICANT

"Applicant" shall mean any potentially eligible residential, commercial, or industrial end-use customer served by Distributor that elects to participate in the Program by (i) submitting an interconnection request to Distributor, and upon Distributor's approval, entering into an interconnection agreement with Distributor, and (ii) submitting a completed copy of the Participation Agreement for TVA's and Distributor's review and potential approval and execution.

SECTION 2.2 - BILLING METER

"Billing Meter" shall mean a retail billing meter located at the Site where the Participant's facility or dwelling is located. The Billing Meter must be fully operational and measure the billing demand and/or the energy being consumed at the Site.

SECTION 2.3 - BUSINESS DAYS

"Business Days" shall mean all days except Saturdays and Sundays and the weekdays that are observed by TVA as Federal holiday (Federal holidays currently include New Year's Day, Martin Luther King's Birthday, Presidents' Day, Memorial Day, Independence Day, Labor Day, Columbus Day, Veterans' Day, Thanksgiving Day, and Christmas Day).

SECTION 2.4 - CALENDAR DAYS

"Calendar Days" shall mean all days in a month, including weekends and holidays.

SECTION 2.5 - DEMAND-METERED

"Demand-Metered" shall mean having a monthly billing demand of greater than 50 kW or monthly energy usage greater than 15,000 kWh; provided, however, that Distributor may deem a Participant with a monthly billing demand of less than 50 kW or monthly energy usage less than 15,000 kWh as Demand-Metered.

SECTION 2.6 - DISTRIBUTOR BILLING OPTION

"Distributor Billing Option" means the option under which the Distributor shall administer and manage the payments due to Participant, if eligible, for the generation credits and any rebate incentive, in accordance with this Distributor Agreement, the Participation Agreement, and the Guidelines.

SECTION 2.7 - DISTRIBUTOR METER OPTION

"Distributor Meter Option" shall mean the Generation Meter and remote communication access option available to Distributor for Participants that have interval metering. Under this option, Distributor shall (a) purchase and install a Generation Meter and (b) make the arrangements necessary to allow TVA remote communication access to the metering data recorded by the Generation Meter. Said metering data may be used by TVA for verification and validation purposes of data reported to TVA via Electricity Sales Statistics (ESS) or other TVA-approved reporting system (collectively referred to herein as "Reporting System"). Subject to the limitations provided for in Section 3.3, TVA shall reimburse Distributor for the (i) cost of the Generation Meter, (ii) one-time cost of the remote communication installation, and (iii) monthly communication access cost.

SECTION 2.8 - GENERATION CREDIT

"Generation Credit" shall mean the accrued generation credits due to Participant. Generation Credit shall be calculated by applying the sum of the energy charge in the applicable retail rate schedule (residential (RS) or deemed to be GSA1 for all commercial and industrial customers) and the applicable Premium Rate to the kWh energy measured on the Generation Meter.

SECTION 2.9 - GENERATION METER

"Generation Meter" shall mean a meter additional to the Billing Meter at the Site that is installed by Distributor and designed to measure the alternating current (AC) energy output from the Qualifying System at the Site. Generation Meter shall mean either an Interval Generation Meter or a Non-Interval Generation Meter, or both.

SECTION 2.10 - GUIDELINES

"Guidelines" shall mean such currently effective "Green Power Providers Program Participation Guidelines," as such Guidelines now exist or may hereafter be modified by TVA. A copy of the Guidelines as effective on the date of execution of this Distributor Agreement is provided with this Distributor Agreement for information only. The Guidelines are as posted by TVA on its official web site and shall be a part of this Distributor Agreement as if fully set out herein. In the event of any conflict between the provisions of the Guidelines and the provisions of this Distributor Agreement, the provisions of this Distributor Agreement shall control. TVA may modify and replace the Guidelines at any time and from time to time upon thirty (30) Calendar Days notice to Distributor. Said notice shall be deemed properly given if provided electronically either by electronic mail or by posting electronically on a computer-based information system designated by TVA for such purpose.

It is expressly recognized that any modifications and replacements of the Guidelines shall not apply to or otherwise affect any Participation Agreement that was in effect prior to the effective date of said modifications and replacements.

SECTION 2.11 - INTERVAL GENERATION METER

"Interval Generation Meter" shall be a solid-state type meter of high quality for billing purposes that records at least clock hour (hour interval) data and measures the energy output (kWh) from the Qualifying System at the Site; provided, however; it is recognized that fifteen (15) minute interval data is preferred. It is further expressly recognized that the Participant's applicable retail rate schedule may require a shorter interval.

SECTION 2.12 - NON-INTERVAL GENERATION METER

"Non-Interval Generation Meter" shall be a solid-state type meter of high quality for billing purposes that measures the energy output (kWh) from the Qualifying System at the Site but which does not meet the definition of Interval Generation Meter.

SECTION 2.13 - PARTICIPANT

"Participant" shall mean an Applicant that qualifies for and meets, at the time TVA executes the Participation Agreement, the then-current applicable participation requirements set forth in the Participation Agreement and the Guidelines. In order to retain its status as a Participant, each such Applicant shall install, complete, interconnect, and commission its Qualifying System, and obtain from Distributor an executed "Distributor Acceptance of Qualifying System Form" (System Acceptance Form), the form of which is provided with this Distributor Agreement, in accordance with the Participation Agreement and the Guidelines, within one hundred eighty (180) Calendar Days of TVA's execution of the Participation Agreement. The date Distributor approves and executes the System Acceptance Form shall be designated as the "Delivery Commencement Date" for purposes of this Distributor Agreement.

SECTION 2.14 - PARTICIPATION AGREEMENT

"Participation Agreement" shall mean, as appropriate for the context, either (a) the end-use customer participation agreement for the Program, the form of which is attached to this Distributor Agreement as "Green Power Providers Participation Agreement," or (b) the Distributor's participation agreement for the Program, the form of which is attached to this Distributor Agreement as "Green Power Providers Distributor Facility Participation Agreement." In the event of any conflict between the provisions of an executed Participation Agreement and the provisions of this Distributor Agreement, the provisions of this Distributor Agreement shall control with respect to TVA and Distributor. TVA may modify or replace the form of the Participation Agreement at any time and from time to time upon thirty (30) Calendar Days' written notice to Distributor; provided, however, that any such revision shall not affect any fully executed Participation Agreement that was in effect prior to the effective date of said revision. Said notice shall be deemed properly given if provided electronically either by electronic mail or by posting electronically on a computer-based information system designated by TVA for such purpose.

SECTION 2.15 - POWER INVOICE

"Power Invoice" shall mean the monthly wholesale power invoice to Distributor from TVA, based on TVA's wholesale data and end-use data reported by Distributor to TVA, including Distributor customer end-use kWh consumption and generation.

SECTION 2.16 - PREMIUM RATE

"Premium Rate" shall mean the then-current applicable premium rate as stated in Guideline 8 of the Guidelines for the particular type of renewable generation.

SECTION 2.17 - PROPRIETARY INFORMATION

"Proprietary Information" shall mean the information specified below in Section 7.5 of this Distributor Agreement that Distributor has marked or otherwise clearly identified as confidential or proprietary such that it should not be disclosed by TVA.

SECTION 2.18 - QUALIFYING SYSTEM

"Qualifying System" means a qualifying renewable generation system type that meets, at the time TVA executes the Participation Agreement, the then-current applicable requirements of the Participation Agreement and the Guidelines.

SECTION 2.19 - SITE

"Site" shall mean Participant's residential, commercial, or industrial real estate and associated personal property to which the Qualifying System is connected, the address of which is identified under the Participant's power billing account. In addition, the Site must meet the following requirements:

- (a) The property must receive its retail electricity distribution service from Distributor at the location of the Qualifying System, and
- (b) The Qualifying System must be located on the same premises of Participant where the Participant's own electrical load is located.

Furthermore, the Site shall meet the additional and then-current applicable requirements set forth in the Participation Agreement and the Guidelines.

SECTION 2.20 - TVA-VENDOR BILLING OPTION

"TVA-Vendor Billing Option" means TVA's designated third-party vendor (Vendor) who shall administer and manage the payments due to Participant for the Premium Rate portion of the Generation Credits and any rebate incentive for which Participant may be eligible, in accordance with the Participation Agreement and the Guidelines.

SECTION 2.21 - TVA-VENDOR METER OPTION

"TVA-Vendor Meter Option" shall mean the Generation Meter and remote communication access option available for Participants with Qualifying Systems that require interval metering. Under this option, Distributor installs a Generation Meter it has selected from specifications submitted to a TVA-selected third-party vendor. The TVA-selected third-party vendor will be responsible for providing to TVA the metering data recorded in the Generation Meter that it obtains through remote communication access. Said metering data may be used by TVA for verification and validation purposes of data reported to TVA via the Reporting System. TVA shall directly pay the TVA-selected third-party vendor as provided for in Subsection 3.3.4 for the Generation Meter and the provision of the metering data recorded by the Generation Meter.

SECTION 2.19 - SITE

Qualifying System means a qualifying renewable generation system type that meets the time TVA exercises the Participation Agreement and the Guidelines applicable requirements of the Participation Agreement and the Guidelines.

SECTION 2.20 - TVA-VENDOR BILLING OPTION

TVA Vendor Billing Option means TVA's designated third-party vendor (Vendor) who shall administer and manage the payments due to Participant for the Reporting System portion of the Generation Meter and any other portion for which Participant may be eligible in accordance with the Participation Agreement and the Guidelines.

(a) The property must receive the retail electricity distribution service from Distributor at the location of the Qualifying System, and

(b) The Qualifying System must be located on the same premises of Participant where the Participant's own electrical load is located.

Furthermore, the Site shall meet the additional and then-current applicable requirements set forth in the Participation Agreement and the Guidelines.

SECTION 2.21 - TWA-VENDOR METER OPTION

TVA Vendor Billing Option means TVA's designated third-party vendor (Vendor) who shall administer and manage the payments due to Participant for the Reporting System portion of the Generation Meter and any other portion for which Participant may be eligible in accordance with the Participation Agreement and the Guidelines.

ARTICLE III

PROGRAM OBJECTIVE AND REQUIREMENTS

SECTION 3.1 - PROGRAM OBJECTIVE

The objective of the Program is for TVA to purchase electric energy from qualifying renewable generation systems to supply electric generation resources and support TVA's strategic goal for acquisition of clean energy. Under the Program, TVA shall not acquire more than the annual program limit, in MW as determined in the Guidelines, in total renewable nameplate capacity. The energy generated may be credited to TVA as a resource under TVA's Green Power Switch Program.

SECTION 3.2 - DISTRIBUTOR RESPONSIBILITIES

Under the Program, Distributor shall:

3.2.1 Conduct a review and verify the Applicant's eligibility for participation in the Program under the Guidelines; and

3.2.2 Review Applicant's interconnection application, and, if approved, enter into an interconnection agreement with Applicant; and

3.2.3 Upon entering into an interconnection agreement and confirming the Applicant's and its Qualifying System's eligibility for Program participation, enroll the Applicant in the Program in accordance with the Participation Agreement and the Guidelines; and

3.2.4 Once the Participation Agreement has been executed by Distributor and Applicant, or by Distributor alone if Applicant is Distributor, submit said Participation Agreement to TVA for its review and potential approval and execution; and

3.2.5 For a Qualifying System that utilizes interval metering, elect either the TVA-Vendor Meter Option or the Distributor Meter Option for that Participant with regard to the Generation Meter and remote communication access:

i. If the TVA-Vendor Meter Option is selected:

1. Order a Generation Meter from the TVA-selected third-party vendor,
2. Install the Generation Meter, and
3. Cooperate with TVA and the TVA-selected third-party vendor to enable necessary generation data collection and delivery to TVA.

ii. If the Distributor Meter Option is selected:

1. Purchase a Generation Meter,
2. Install the Generation Meter,
3. Arrange remote communication access to the metering data recorded by the Generation Meter,

4. Provide TVA with access to such data as provided for in Section 6.5 below,
5. Submit, after completion/execution of the System Acceptance Form, receipts and an invoice to TVA to be reimbursed for the actual cost of the installed Generation Meter,
6. If cellular service is not available, submit receipts and an invoice to TVA to be reimbursed for the costs associated with the installation of the remote communication access for the Generation Meter. It is expressly recognized that Distributor shall not be responsible for any amount of the cost of installation that exceeds the maximum reimbursement amount from TVA (\$500),
7. Submit receipts and an invoice to TVA for the first month's monthly communication access expenses, and
8. Approve subsequent monthly invoices provided by TVA for the remote communication expenses; and

3.2.6 For a Qualifying System that utilizes non-interval metering,

- i. Select, purchase, and install a Non-Interval Generation Meter, and
- ii. Submit receipts and an invoice to TVA to be reimbursed for the actual cost (up to the maximum cost of \$250.00 specified in Subsection 3.3.7) of the installed Non-Interval Generation Meter; and

3.2.7 (i) Select either the Supply-Side Tie-In Interconnection (Option 1 Metering Connection) or Load-Side Tie-In Interconnection (Option 2 Metering Connection) as described in Attachment A (Metering Connection Options), (ii) indicate on the applicable System Acceptance Form which of the two options it has selected, and (iii) install the Generation Meter and Billing Meter as outlined in the diagram; provided, however, the Billing Meter shall have bi-directional capability if Option 2 Metering Connection is elected; and

3.2.8 Submit to TVA both the completed System Acceptance Form and the completed Distributor Customer Meter Setup (DCMS) form, or any other TVA-approved meter set-up form; and

3.2.9 Once the Qualifying System is ready to generate, but prior to such Qualifying System commencing generation into Distributor's electric system, conduct a review at the Site to verify the compliance of the Qualifying System with (i) the standards of the Participation Agreement and the Guidelines, (ii) Distributor's interconnection requirements, and (iii) any inspection report from appropriate governmental authorities. By signing the System Acceptance Form, Distributor warrants to TVA that the Qualifying System meets the Distributor's interconnection requirements and the requirements of this Agreement only at the time of Distributor's signature of the System Acceptance Form; and

- 3.2.10 Complete and execute the System Acceptance Form prior to the deadline under the Participation Agreement (within one hundred eighty (180) Calendar Days of TVA's execution of the Participation Agreement). Distributor shall submit to TVA said System Acceptance Form within ten (10) Business Days of its execution, and no later than ten (10) Business Days after the deadline under the Participation Agreement. Upon the System Acceptance Form's approval by TVA's Operating Representative (identified in Subsection 7.4.3 below), the date on which Distributor executes the System Acceptance Form shall become the date upon which the Participant shall begin accruing Generation Credits. Furthermore, TVA shall not pay for any electric energy generated by the Qualifying System(s) prior to said date; and
- 3.2.11 If Distributor elects the Distributor Billing Option, provide a one-time \$1,000.00 rebate incentive to each Participant per Site and in accordance with the Participation Agreement; and
- 3.2.12 If Distributor elects the TVA-Vendor Billing Option, Vendor will provide the one-time \$1,000.00 incentive payment, referred to in Subsection 3.2.11 above, to each Participant per Site in accordance with the Participation Agreement; and
- 3.2.13 Collect and make available to TVA any data relative to the Program's participation; and
- 3.2.14 Credit each Participant for the energy generated by its Qualifying System in accordance with Article V below; and
- 3.2.15 For audit purposes, collect and make available to TVA, in a format specified by TVA, monthly data reports relative to the Program. This data shall include (a) information on each Participant at the time of enrollment in the Program, (b) the type of Participant (whether residential, commercial, or industrial), (c) the type and capacity of each Participant's Qualifying System, (d) a monthly report of the generation output from each individual type of Qualifying System at each Site, (e) the applicable retail rate to apply to the Participant's Generation Credits, and (f) the payments made by Distributor to each Participant, whether Distributor elects the Distributor Billing Option or TVA-Vendor Billing Option; and
- 3.2.16 For billing purposes, report to TVA monthly, via the Reporting System, all generation data related to each Qualifying System; provided, however, Distributor must commence reporting generation of new Qualifying Systems within three (3) months of the date of the System Acceptance Form. Neither Distributor nor Participants shall be entitled to reimbursement by TVA for any generation data reported to TVA outside the timeframes specified in this Subsection 3.2.16; and

3.2.17 Perform any other actions that may be reasonably required to comply with this Distributor Agreement, the Participation Agreement, or the Guidelines; and

3.2.18 Submit to TVA for review and potential approval and execution any partially executed "Request to Amend Participation Agreement by Changing Participant and/or Qualifying System Owner," the form of which is attached to this Distributor Agreement as Attachment C, with respect to any intended ownership transfer of a Site and/or Qualifying System by Participant, and/or the owner of Qualifying System (if different from Participant) in accordance with the Participation Agreement. TVA may modify or replace Attachment C at any time and from time to time upon thirty (30) Calendar Days' notice to Distributor. Said notice shall be deemed properly given if provided electronically either by electronic mail or by posting electronically on a computer-based information system designated by TVA for such purpose.

The Billing Meter, Generation Meter, and any other equipment installed by Distributor, or its representative, at the Site in connection with the Program shall remain the property of Distributor.

SECTION 3.3 - TVA RESPONSIBILITIES

Under the Program, TVA shall:

3.3.1 Make separate arrangements for either: (i) Vendor to administer and manage the payments and reimbursements to Participant in accordance with Section 5.4 below for the TVA-Vendor Billing Option, or (ii) Distributor to administer and manage the payments and reimbursements to Participant in accordance with Section 5.3 below for the Distributor Billing Option; and

3.3.2 Review all partially executed Participation Agreements to verify (i) Program participation eligibility and (ii) conformity to this Distributor Agreement and the Guidelines and, if approved, execute said Participation Agreements, but if not approved, return to Distributor identifying deficiencies; and

3.3.3 Following its approval of the System Acceptance Form, pay Distributor \$200.00 for the review of the required interconnection and safety equipment for each Qualifying System in accordance with the Participation Agreement, and pay Distributor \$200.00 for a maximum of one repeat review if the equipment does not meet the requirements at the initial review; and

3.3.4 Reimburse TVA-selected third-party vendor for Generation Meter and remote communication access if Distributor elects the TVA-Vendor Meter Option; and

3.3.5 With respect to Billing Meter, if Distributor elects Option 2 Metering Connection and the existing Billing Meter does not have bi-directional

programming capability, reimburse Distributor up to \$1,000.00 for the replacement of the existing Billing Meter with a bi-directional Billing Meter installed at the Site based upon actual costs and submitted invoices, as documented on submitted receipts; provided, however; that it is expressly recognized that any future needed upgrades from existing non-interval Billing Meters to interval Billing Meters shall not be reimbursed by TVA; and

3.3.6 With respect to the Generation Meter and remote communication access, if the Distributor Meter Option is elected:

- i. Reimburse Distributor up to \$1,000.00 for each Interval Generation Meter purchased and initially installed at the Site based upon actual costs and submitted invoices, as documented on submitted receipts. It is expressly recognized that the Distributor is responsible for any amount of the cost of each Interval Generation Meter that exceeds the amount reimbursed by TVA; provided, however, Distributor may elect to require each of its Participants to pay such additional cost, if any. Upon proof of failure of an Interval Generation Meter, and if a replacement Interval Generation Meter is needed at the Site, TVA shall reimburse Distributor \$1,000.00 for such replacement Interval Generation Meter. It is expressly recognized that TVA shall not provide any reimbursement for any future failure(s) of the Interval Generation Meter after the first replacement and reimbursement; and
- ii. Reimburse Distributor up to \$500.00 for the installation of the remote communication access to the Generation Meter based upon actual costs and submitted invoices as documented on submitted receipts. It is expressly recognized that the Distributor is responsible for any amount of the cost of installation that exceeds the amount reimbursed by TVA; provided, however, Distributor may elect to require each of its Participants to pay such additional cost, if any; and
- iii. If remote communication access to the Generation Meter is provided to TVA, reimburse Distributor for providing remote communication access up to \$50.00 per month based on the first month's actual costs and submitted invoices, as documented on submitted receipts. During subsequent months for the term of the Participation Agreement, TVA shall reimburse Distributor monthly for the remote communication access based on Distributor's approval of monthly invoices provided to TVA; and

3.3.7 With respect to the Generation Meter and remote communication access, if a Non-Interval Generation Meter is used, reimburse Distributor up to \$250.00 for each installed Non-Interval Generation Meter at the Site based upon actual costs and submitted invoices, as documented on submitted receipts. It is expressly recognized that the

Distributor is responsible for any amount of the cost of each Non-Interval Generation Meter that exceeds the amount reimbursed by TVA; provided, however, Distributor may elect to require each of its Participants to pay such additional cost, if any. Upon proof of failure of a Non-Interval Generation Meter, and if a replacement Non-Interval Generation Meter is needed at the Site, TVA shall reimburse Distributor \$250.00 for such replacement. It is expressly recognized that TVA will not provide any reimbursement for any future failure(s) of the Interval Generation Meter after the first replacement and reimbursement; and

3.3.8 If Distributor elects the Distributor Billing Option, reimburse Distributor the \$1,000.00 incentive for each Participant in the Program in accordance with Participation Agreement; and

3.3.9 Provide appropriate reimbursements to Distributor upon TVA's receipt of the complete and fully executed System Acceptance Form; and

3.3.10 If Distributor elects the TVA-Vendor Billing Option, cause Vendor to provide payments directly to Participant in accordance with Article V below.

SECTION 3.4 - DISTRIBUTOR FACILITY PARTICIPATION IN PROGRAM

In addition to offering the Program to its customers, Distributor is also eligible to participate and be a Participant in the Program, with the rights to receive those sums, reimbursements, or credits that are otherwise due to a Participant with a Qualifying System. Distributor shall be entitled to reimbursement by TVA of eligible expense as set forth in Section 3.3 above.

For the purposes of the Program, Distributor's facility shall qualify and meet, at the time of Distributor's election to participate in the Program, the then-current applicable participation requirements set forth in the Participation Agreement and the Guidelines. Furthermore, if Distributor's facility is to participate in the Program, the System Acceptance Form must be received and approved by TVA within one hundred eighty (180) Calendar Days of TVA's execution of said Participation Agreement. Payment for the Generation Credit due to Distributor shall be included in the monthly wholesale billing adjustment as described in Subsection 5.3.3 of this Distributor Agreement.

SECTION 3.5 - NEW CONSTRUCTION PARTICIPATION IN PROGRAM

As provided for under the Guidelines, proposed systems to be located on new construction at a Site may be accepted into the Program against the Program's annual capacity limit, provided that (i) Distributor agrees to offer the Program to its prospective eligible customers or "new construction" market, subject to the Program's terms and conditions, (ii) the new construction builder completes and submits for Distributor's and TVA's review and potential approval the Request for Program Participation Eligibility of New Construction form, which is attached to this Distributor Agreement as Attachment E, and (iii) both Distributor and TVA approve and execute it.

ARTICLE IV
CONTRACT TERM AND TERMINATION

SECTION 4.1 - TERM OF AGREEMENT

This Distributor Agreement shall become effective as of the date first above written, and shall remain in effect until terminated as provided by Section 4.2 below.

SECTION 4.2 - TERMINATION OF AGREEMENT

This Distributor Agreement shall terminate:

- (a) Upon at least thirty (30) Calendar Days prior written notification of such termination given by one party to the other, or
- (b) Upon the date, if any, on which the Power Contract and any renewal, extension, or replacement of it terminates or expires.

Nothing contained in this Distributor Agreement shall be construed as relieving either TVA or Distributor of its obligations with regard to Participants enrolled in the Program prior to the effective date of such termination. Upon sending or receiving such a termination notice, as outlined in (a) above, Distributor shall make no further commitments; provided, however, that upon any terminations under (b) above, Distributor shall send a notice of termination of Participation Agreements to Participants who are party to any currently effective Participation Agreements with the Distributor.

Upon termination of this Distributor Agreement, Distributor shall not execute any Participation Agreements submitted by new Applicants for participation in the Program, and shall maintain records, including the Participation Agreements, their amendments, if any, and copies of System Acceptance Forms, for each Participant for at least six (6) years after the termination of Participant's participation in the Program.

SECTION 4.3 - TERMINATION OF PARTICIPATION AGREEMENTS

Early termination of individual Participation Agreements may be approved based upon terms mutually acceptable to TVA, Distributor, and Participant. In addition, Distributor shall notify TVA immediately of any terminations as outlined in the Participation Agreement.

ARTICLE V
METERING AND BILLING

SECTION 5.1 - METERING CONNECTION

For each Qualifying System, Distributor may utilize either the metering design of Option 1 Metering Connection or Option 2 Metering Connection. However, for billing reasons, it is strongly encouraged that Distributor utilizes Option 1 Metering Connection for a Participant who is a Demand-Metered customer.

Distributor shall indicate on the System Acceptance Form for each Qualifying System which of the two options it has elected, by completing and submitting to TVA said form. Distributor may at any time change its election by providing written notice to TVA's Operating Representative; provided, however, TVA shall not reimburse Distributor or Participant for any costs either incurs as a result of such change of election, other than the \$1000.00 referred to under Subsection 3.3.5 above.

SECTION 5.2 - PREMIUM RATE AND INCENTIVE DISTRIBUTION OPTIONS

For all Participants of Distributor under the Program, Distributor shall select either the Distributor Billing Option or the TVA-Vendor Billing Option for the Generation Credits and rebate incentives disbursement to all of its Participants. Distributor shall indicate which of the two options it has selected by submitting to TVA a completed copy of the form attached to this Distributor Agreement as Attachment B and entitled "Premium Rate & Incentive Distribution Options." If Distributor elects the Distributor Billing Option, TVA shall reimburse Distributor at the same per-unit cost as TVA uses for the TVA-Vendor Billing Option, and such reimbursement arrangement(s) shall be provided for under separate agreement or agreements between Distributor and TVA. Distributor may, at any time and upon ninety (90) Calendar Days notice to TVA, change its election by submitting a revised Attachment B to TVA.

SECTION 5.3 - METERING AND BILLING ADJUSTMENTS BY DISTRIBUTOR

If Distributor elects the Distributor Billing Option on Attachment B, the parties agree that this Section 5.3 shall be effective, and Section 5.4 below is of no force or effect. The parties agree to the following:

5.3.1 Retail Charge for Participants.

- i. Participants with Option 1 Metering Connection. Effective with the billing period when the Qualifying System commences generation into Distributor's electric system and for each billing period thereafter during the term of the Participation Agreement, Distributor shall include the following in its determination of each Participant's power bill: Distributor shall (a) apply all charges and credits for power and energy to the kWh energy measured on the single associated Billing Meter at the Site and any other charges and credits determined in accordance with the applicable retail

rate schedule, as appropriate, and (b) credit Participant with Generation Credit.

- ii. Participants with Option 2 Metering Connection. Effective with the billing period when the Qualifying System commences generation into Distributor's electric system and for each billing period thereafter during the term of the Participation Agreement, Distributor shall include the following in its determination of each Participant's power bill: Distributor shall (a) add the kWh energy (and demand for every consecutive thirty (30) minute period, if applicable) measured on the Generation Meter to the kWh energy (and demand for every consecutive thirty (30) minute period, if applicable) measured on the single associated Billing Meter at the Site, (b) apply all charges and credits for power and energy to such total and any other charges and credits determined in accordance with the applicable retail rate schedule, as appropriate, and (c) credit Participant with the Generation Credit.

5.3.2 Generation Credit and Billing Period. If the Generation Credit exceeds the sum of all charges and other credits on Participant's power bill resulting in Participant being owed money for the billing period, Distributor may elect to carry over any such payment due to Participant as an additional credit on Participant's power bill for the following billing period, and may continue to do so for a total of twelve (12) consecutive billing periods. If at the end of this cumulative period the value of Participant's Generation Credit exceeds the net sum of all charges and other credits for such cumulative period, Distributor shall issue payment to Participant for the balance due.

5.3.3 Wholesale Billing Adjustment. Distributor and TVA acknowledge and agree that all energy generated by Participants under this Distributor Agreement, as read from Participants' Generation Meters, is being sold by Participants to TVA under this Distributor Agreement for the purpose of TVA reselling such energy to Distributor as part of TVA's sale of power to Distributor under the Power Contract. Accordingly, in calculating the wholesale power bill each month for Distributor under the wholesale rate schedule attached to and made a part of the Power Contract, (a) Distributor's total demand and energy takings from TVA at the delivery points under the Power Contract shall be increased, on a simultaneous basis (or another statistical approach mutually agreed upon by Distributor and TVA), by Distributor's energy flow from all Qualifying Systems of all Participants under this Distributor Agreement as read from Participants' Generation Meters during the month, and (b) a credit shall be applied to Distributor's wholesale power bill equal to Distributor's monthly payment to Participants (or as close to equal as possible for Participants whose billing cycles do not coincide with the Distributor billing cycle), including the Premium Rate for the electric energy delivered to TVA from all Qualifying Systems interconnected with Distributor under this Distributor Agreement as read from Participants' Generation Meters during the month.

SECTION 5.4 - TVA-VENDOR BILLING OPTION ADMINISTRATION

If Distributor elects the TVA-Vendor Billing Option on Attachment B, the parties agree that this Section 5.4 shall be effective, and Section 5.3 above is of no force or effect. The data obtained from the Billing Meter and Generation Meter associated with the Qualifying System and reported to TVA via the Reporting System, shall be used by TVA in determining the Generation Credit, if any, that the TVA-selected third-party vendor and Distributor shall pay to Participant. The parties agree to the following:

5.4.1 Retail Rate Portion of Generation Credit.

i. **Participants with Option 1 Metering Connection.** Effective with the billing period when the Qualifying System commences generation into Distributor's electric system and for each billing period thereafter during the term of the Participation Agreement, Distributor shall include the following in its determination of each Participant's power bill: Distributor shall (a) apply all charges and credits for power and energy to the kWh energy measured on the Billing Meter, and if applicable, the Generation Meter, at the Site and any other charges and credits determined in accordance with the applicable retail rate schedule, as appropriate, and (b) credit Participant with a dollar amount calculated by applying the energy charge in the applicable retail rate schedule (residential or deemed to be GSA1 for all commercial and industrial customers) to the kWh energy measured on the Generation Meter.

ii. **Participants with Option 2 Metering Connection.** Effective with the billing period when the Qualifying System commences generation into Distributor's electric system and for each billing period thereafter during the term of the Participation Agreement, Distributor shall include the following in its determination of each Participant's power bill: Distributor shall (a) add the kWh energy (and demand for every consecutive thirty (30) minute period, if applicable) measured on the Generation Meter to the kWh energy (and demand for every consecutive thirty (30) minute period, if applicable) measured on the Billing Meter at the Site, (b) apply all charges and credits for power and energy to such total and any other charges and credits determined in accordance with the applicable retail rate schedule, as appropriate, and (c) credit Participant with a dollar amount calculated by applying the energy charge in the applicable retail rate schedule (residential or deemed to be GSA1 for all commercial or industrial customers) to the kWh energy measured on the Generation Meter.

5.4.2 Premium Rate Portion of Generation Credit. Based upon generation data of each Qualifying System submitted to TVA via Reporting System, Vendor shall deliver to Participant as soon as reasonably practical, but no later than ten (10) Business Days following the end of each calendar month, a statement showing energy delivered from the Qualifying System during the previous calendar month and a computation of the payment

due to Participant. Such payment shall be calculated by applying the applicable Premium Rate to the kWh energy measured on the Generation Meter. In the event that generation information of a Qualifying System is not promptly provided due to such events as meter malfunction or communications failure, the time period in which Distributor may deliver said data to TVA may be extended as appropriate. Payments due, if any, by Vendor under this Subsection 5.4.2 are due within thirty (30) Calendar Days of the date of the statement.

5.4.3 Wholesale Billing Adjustment. Distributor and TVA acknowledge and agree that all energy generated by Participants under this Distributor Agreement, as read from Participants' Generation Meters and reported to TVA via the Reporting System, is being sold by Participants to TVA under this Distributor Agreement for the purpose of TVA reselling such energy to Distributor as part of TVA's sale of power to Distributor under the Power Contract. Accordingly, in calculating the wholesale power bill each month for Distributor under the wholesale rate schedule attached to and made a part of the Power Contract, (a) Distributor's total demand and energy takings from TVA at the delivery points under the Power Contract shall be increased, on a simultaneous basis (or another statistical approach mutually agreed upon by Distributor and TVA), by Distributor's energy flow from all Qualifying Systems of all Participants under this Distributor Agreement as read from Participants' Generation Meters during the month, and (b) a credit shall be applied to Distributor's wholesale power bill equal to Distributor's monthly payment to Participants (or as close to equal as possible for Participants whose billing cycles do not coincide with the Distributor billing cycle) for the electric energy delivered to TVA from all Qualifying Systems interconnected with Distributor under this Distributor Agreement as read from Participants' Generation Meters during the month.

SECTION 5.4.3 - WHOLESALE BILLING ADJUSTMENT

SECTION 5.4.3 - WHOLESALE BILLING ADJUSTMENT

ARTICLE VI
GENERATION METERING FACILITIES

SECTION 6.1 - INTERVAL GENERATION METER

An Interval Generation Meter shall be used if any of the following apply: (a) the Participant's Qualifying System has a nameplate generation capacity of greater than 10 kW, (b) the Participant's Qualifying System has a nameplate generation capacity of less than or equal 10 kW, but the Participant's Billing Meter is Demand-Metered, and Distributor has chosen Option 2 Metering Connection, (c) Distributor elects to install an Interval Generation Meter, or (d) modifications to the Qualifying System or Participant's Billing Meter result in the qualifications stated in clauses (a), (b), or (c) above being met for the Interval Generation Meter.

SECTION 6.2 - NON-INTERVAL GENERATION METER

A Non-Interval Generation Meter may be used when the Participant's Qualifying System has a nameplate generation capacity of less than or equal to 10 kW and either (a) the Participant's Billing Meter is not Demand-Metered, or (b) the Participant's Billing Meter is Demand-Metered and Distributor has chosen the Option 1 Metering Connection.

SECTION 6.3 - GENERATION METER

It is recognized and agreed that Distributor is responsible for installing and maintaining the meter and associated equipment that in TVA's judgment are needed for determining the amounts of power and energy associated with the Program. Distributor shall at its expense provide the equipment and materials and perform the work necessary to install the Generation Meter and be reimbursed by TVA as agreed in Section 3.3 above. If remote communication access to the Generation Meter is provided to TVA using the Distributor Meter Option, TVA shall reimburse Distributor for the cost of the remote communication access as provided for in Subsection 3.3.6(iii) above. If the TVA-Vendor Meter Option is elected, Distributor shall coordinate the metering responsibilities with TVA and the TVA-selected third-party vendor. Thereafter, Distributor shall test, calibrate, operate, maintain, repair, and replace all facilities in the metering installation, as requested by TVA.

SECTION 6.4 - GENERATION DATA DELIVERY

In accordance with the Guidelines or specifications furnished or approved by TVA, Distributor shall provide TVA with generation data as requested by TVA as set forth in Subsection 3.2.5 above.

SECTION 6.5 - ACCESS BY TVA

If Distributor has elected the TVA-Vendor Meter Option, Distributor shall cooperate with TVA and the TVA selected third-party vendor to enable necessary generation data collection and delivery to TVA. If TVA is reimbursing Distributor for remote communication access through the Distributor Meter Option, Distributor grants TVA access to the data stored in the Generation Meter through remote communication

access (or alternative system approved by TVA) and shall provide to TVA passwords or any other 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 the remote communication access. The use of cellular communication (or alternative system approved by TVA) and access to the metering data shall 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 7.3 - DISTRIBUTOR INVOICE TO TVA FOR INTERCONNECTING

For all bills rendered to TVA, Distributor shall invoice TVA for the interconnecting expenses identified under Article V above. TVA shall pay within thirty (30) calendar days after receipt of a proper invoice. A proper invoice shall include the TVA Purchase Order number assigned to this Distributor Agreement and must be in printed form (no e-mail invoices), dated, itemized in detail (including identification of individual items to which charges relate), and accompanied by all associated supporting documentation specified by TVA.

SECTION 7.4 - CHANGES TO AGREEMENT NAME, THE CAPACITY

Any request to change the name of the system or the capacity of the system must be reviewed by Distributor and effective date of the change must be agreed upon by both parties. TVA, Distributor and either party or their authorized representatives shall complete Attachment B (Request for Name and Capacity Change) to jointly complete the Change Request (system) and forward it to the TVA Operating Representatives for review and approval. In accordance with the Distributor Agreement and Guidelines, any proposed change to the name or capacity of the system shall be approved only if the proposed capacity is available and all other program requirements are being met as outlined in the Distributor Agreement and the Guidelines. Upon approval, any approved change to name or capacity of a system must be executed within one hundred eighty (180) calendar days of TVA's approval. Late as set out in Attachment C.

TVA may modify or replace the form of Attachment B at any time and from time to time upon thirty (30) calendar days notice to Distributor. Said notice shall be deemed given if provided electronically either by electronic mail or by handing electronically on a computer-based information system designated by TVA for such purpose.

SECTION 7.5 - OPERATING REPRESENTATIVES

7.5.1. Subject to the provisions of this Distributor Agreement, the Power Contract, and any applicable law or regulation, and only to the extent consistent therewith, the Operating Representatives may agree upon such individual administrative arrangements as are appropriate for the efficient and expeditious implementation of this Distributor Agreement.

ARTICLE VII
MISCELLANEOUS PROVISIONS

SECTION 7.1 - ENVIRONMENTAL ATTRIBUTES

TVA shall retain the sole right and title to any renewable energy credits (including tradable renewable credits or green tags) or other associated benefits or environmental attributes of energy generated from the renewable nature of the Qualifying Systems, without regard to whether any governmental authority or other organization has registered, certified, or otherwise taken action to recognize said credits, tags, benefits, or attributes.

SECTION 7.2 - DISTRIBUTOR INVOICE TO TVA FOR REIMBURSEMENTS

For eligible reimbursable expenses, Distributor shall invoice TVA for the reimbursable expenses identified under Article V above; TVA shall pay within thirty (30) Calendar Days after receiving a proper invoice. A proper invoice must include the TVA Purchase Order number assigned to this Distributor Agreement and must be numbered (unique to each invoice), dated, itemized in detail (including identification of individual Sites to which charges relate), and accompanied by all reasonable supporting documentation specified by TVA.

SECTION 7.3 - CHANGES TO AGGREGATE NAMEPLATE CAPACITY

Any requests to change the nameplate capacity of a Qualifying System, after the effective date of the Participation Agreement, must be reviewed by Distributor and TVA. Participant and Distributor, or their authorized representatives, shall complete Attachment D (Request to Amend Participation Agreement to Modify Capacity of Qualifying System), and forward it to the TVA Operating Representative for review and consideration in accordance with the Participation Agreement and Guidelines. Said proposed change to nameplate capacity of the Qualifying System shall be approved only if Program capacity is available and all other Program requirements are being met as outlined in the Participation Agreement and the Guidelines. Upon approval, any approved changes to nameplate capacity of a Qualifying System must be implemented within one hundred eighty (180) Calendar Days of TVA's approval date as set out in Attachment D.

TVA may modify or replace the form of Attachment D at any time and from time to time upon thirty (30) Calendar Days' notice to Distributor. Said notice shall be deemed properly given if provided electronically either by electronic mail or by posting electronically on a computer-based information system designated by TVA for such purpose.

SECTION 7.4 - OPERATING REPRESENTATIVES

7.4.1 Subject to the provisions of this Distributor Agreement, the Power Contract, and any applicable law or regulation, and only to the extent consistent therewith, the Operating Representatives may agree upon such incidental administrative arrangements as are appropriate for the efficient and expeditious implementation of this Distributor Agreement.

7.4.2 Distributor's Operating Representative for administration of this Distributor Agreement shall be the manager of its electric system or a designee.

7.4.3 TVA's Operating Representative for administration of this Distributor Agreement shall be the Director of Renewable Energy Programs or a designee.

7.4.4 Either party may change its Operating Representative designated under this Section 7.4 by giving written notice to the other party.

SECTION 7.5 - PROPRIETARY INFORMATION


7.5.1 The Distributor's customer data shall be deemed to be Proprietary Information when provided to TVA for purposes of the Program.

7.5.2 Except as may be required by law, TVA agrees not to divulge Proprietary Information to third parties, other than to employees, contractors, and agents of TVA or other parties necessarily involved in conducting the Program, without the written consent of the Distributor.

7.5.3 The obligations of this Section 7.5 with respect to Proprietary Information shall inure to the benefit of, and shall be binding upon, Distributor and TVA, and, as applicable, their respective subsidiaries, affiliates, successors, and assigns. In addition, the Distributor's and TVA's obligations with respect to Proprietary Information shall be binding upon any and all directors, officers, attorneys, agents, contractors, and employees of that party, and each party shall, respectively, secure the compliance by all of the foregoing with all of the terms and conditions of obligations with respect to Proprietary Information required to be observed or performed hereunder.

IN WITNESS WHEREOF, the parties have caused this Distributor Agreement to be executed by their duly authorized representatives, as of the day and year first above written.

**TRI-COUNTY ELECTRIC
MEMBERSHIP CORPORATION**

By 
Title: **Exec. V.P. & GM**

TENNESSEE VALLEY AUTHORITY

By 
Senior Manager, Power Contracts

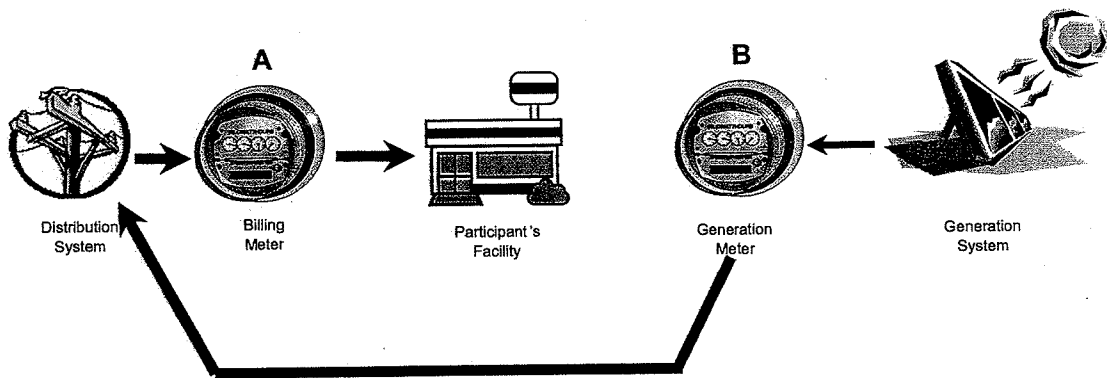
ATTACHMENT A

METERING CONNECTION OPTIONS

Option 1 Metering Connection (Supply-Side Tie-In Generation Meter).

Billing calculated as follows:

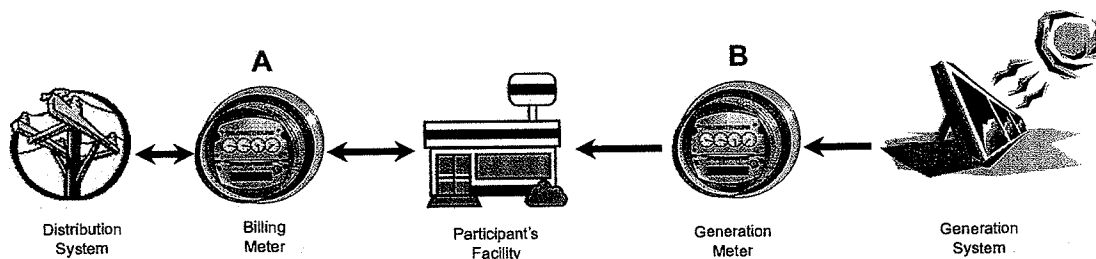
1. Use the kWh energy measured on the Billing Meter.
2. Apply all charges and credits for power and energy in accordance with the applicable retail rate schedule.
3. Credit Participant by adding the retail rate (residential or GSA1 for all commercial and industrial customers) and the Premium Rate (as determined by the Guidelines) and multiply the result by the kWh energy measured on the Generation Meter.



Option 2 Metering Connection (Load-Side Tie-In Generation Meter).

Billing calculated as follows:

1. Add the kWh energy and kW demand, if applicable, measured on the Generation Meter to the kWh energy and kW demand, if applicable, measured on the Billing Meter.
2. Apply all charges and credits for demand and energy to the sum from step 1 in accordance with the applicable retail rate schedule.
3. Credit Participant by adding the retail rate (residential or GSA1 for all commercial and industrial customers) and the Premium Rate (as determined by the Guidelines) and multiply the result by the kWh energy measured on the Generation Meter.



ATTACHMENT B

PREMIUM RATE & INCENTIVE DISTRIBUTION OPTIONS

I Tri-County Electric (Distributor) elect the following option for all Generation Partners Pilot and Green Power Providers Program Generation Credits and incentives due to the Participant under the Green Power Providers Participation Agreement:

- Distributor Billing Option
- TVA-Vendor Billing Option

Paul Thompson, Exec. V.P. & G.M.
Distributor Representative Name & Title

Paul Thompson
Distributor Representative Signature

9/10/2012
Date

ATTACHMENT C

REQUEST TO AMEND PARTICIPATION AGREEMENT BY CHANGING PARTICIPANT AND/OR QUALIFYING SYSTEM OWNER

SECTION 1: AGREEMENT INFORMATION

Green Power Providers Participation Agreement or Green Power Providers Distributor Facility Participation Agreement No. [REDACTED]

Request to amend Participation Agreement by changing (Check all that apply):

- Participant (PLEASE COMPLETE SECTION 2)
- Qualifying System Owner (If different from Participant) (PLEASE COMPLETE SECTION 3)

SECTION 2: TO CHANGE PARTICIPANTS - TO BE COMPLETED BY BOTH CURRENT PARTICIPANT/TRANSFEROR AND NEW PARTICIPANT/TRANSFEEE*

Current Participant (PRINT NAME): /Transferor	[REDACTED]
	[REDACTED]
	*Current Participant/Transferor Signature
	[REDACTED]
	Date
New Participant (PRINT NAME): /Transferee	[REDACTED]
	[REDACTED]
	(BILLING SERVICE ACCOUNT #)
Notice Address of New Participant: /Transferee	[REDACTED]
	(NAME)
	[REDACTED]
	(STREET ADDRESS)
	[REDACTED]
	(CITY, STATE, ZIP)
	[REDACTED]
	*New Participant/Transferee Signature
	[REDACTED]
	Date

* THE INDIVIDUALS SIGNING ABOVE AUTHORIZE THEIR POWER DISTRIBUTOR (ELECTRIC COMPANY) AND TVA TO AMEND THE EXISTING PARTICIPATION AGREEMENT BY CHANGING THE CURRENT PARTICIPANT/TRANSFEROR TO THE NEW PARTICIPANT/TRANSFEEE. THE NEW PARTICIPANT/TRANSFEEE ACKNOWLEDGES BEING FULLY RESPONSIBLE FOR AND SHALL COMPLY WITH THE PARTICIPATION AGREEMENT FOR THE REMAINING TERM OF THE PARTICIPATION AGREEMENT. THIS AMENDMENT REQUEST MAY BE SUBJECT TO A REASONABLE FEE TO BE PAID BY THE NEW PARTICIPANT/TRANSFEEE TO THE POWER DISTRIBUTOR. ADDITIONALLY, THE INDIVIDUALS SIGNING ABOVE UNDERSTAND THAT, IN THE PLACE OF THE CURRENT PARTICIPANT/TRANSFEROR, THE NEW PARTICIPANT/TRANSFEEE SHALL BE RESPONSIBLE FOR AND SHALL COMPLY WITH THE POWER DISTRIBUTOR'S INTERCONNECTION AGREEMENT, WHICH MAY REQUIRE SUPPLYING PROOF OF INSURANCE COVERAGE. THE NEW PARTICIPANT/TRANSFEEE ACKNOWLEDGES THAT S/HE HAS BEEN GIVEN A COPY OF BOTH THE PARTICIPATION AGREEMENT AND THE INTERCONNECTION AGREEMENT.

SECTION 3: TO CHANGE QUALIFYING SYSTEM OWNER - TO BE COMPLETED BY 1) PARTICIPANT, 2) CURRENT QUALIFYING SYSTEM OWNER/TRANSFEROR, AND 3) NEW QUALIFYING SYSTEM OWNER/TRANSFEEE**

Participant (PRINT NAME): [REDACTED]

****Participant Signature** [REDACTED] **Date** [REDACTED]

Current Qualifying System Owner (PRINT NAME): [REDACTED]
/Transferor

****Current Qualifying System Owner/Transferor Signature** [REDACTED] **Date** [REDACTED]

New Qualifying System Owner (PRINT NAME): [REDACTED]
/Transferee

****New Qualifying System Owner/Transferee Signature** [REDACTED] **Date** [REDACTED]

**THE INDIVIDUALS SIGNING ABOVE AUTHORIZE THEIR POWER DISTRIBUTOR (ELECTRIC COMPANY) AND TVA TO AMEND THE PARTICIPATION AGREEMENT BY CHANGING THE QUALIFYING SYSTEM OWNER AS REQUESTED. THE NEW QUALIFYING SYSTEM OWNER/TRANSFEEE ACKNOWLEDGES BEING FULLY BOUND BY THE PARTICIPATION AGREEMENT, INCLUDING ALL SYSTEM OWNER RESPONSIBILITIES THEREUNDER. THIS CHANGE REQUEST MAY BE SUBJECT TO A REASONABLE FEE TO BE PAID BY PARTICIPANT TO THE POWER DISTRIBUTOR. FURTHER, THE NEW QUALIFYING SYSTEM OWNER/TRANSFEEE ACKNOWLEDGES BEING RESPONSIBLE FOR AND SHALL COMPLY WITH THE POWER DISTRIBUTOR'S INTERCONNECTION AGREEMENT, WHICH MAY REQUIRE SUPPLYING PROOF OF INSURANCE COVERAGE. THE NEW QUALIFYING SYSTEM OWNER/TRANSFEEE ACKNOWLEDGES THAT S/HE HAS BEEN GIVEN A COPY OF BOTH THE PARTICIPATION AGREEMENT AND THE INTERCONNECTION AGREEMENT.

SECTION 4: TO BE COMPLETED BY POWER DISTRIBUTOR***

Distributor's Acceptance of Qualifying System Form Submitted to TVA: Yes No

(Has the Distributor signed Distributor's Acceptance of Qualifying System form and turned it in to TVA?)

If Yes, Date of Distributor's Acceptance of Qualifying System Form submission:

Distributor Name

Distributor Representative Name & Title

Date

***Distributor Representative Signature

***BY SIGNING ABOVE IN SECTION 4, POWER DISTRIBUTOR AUTHORIZES AND AGREES TO AMEND THE PARTICIPATION AGREEMENT BY MAKING THESE REQUESTED CHANGES AS SET FORTH UNDER SECTION 2 AND/OR SECTION 3 ABOVE AND CONFIRMS THAT ALL FEES AND ASSOCIATED INTERCONNECTION DOCUMENTATION HAVE BEEN REVIEWED AND APPROVED BY POWER DISTRIBUTOR FOR ACCEPTANCE WITHIN THE PROGRAM.

SECTION 5: TO BE COMPLETED BY TVA

APPROVED

DENIED

COMMENTS/REASONS FOR DENIAL:

TENNESSEE VALLEY AUTHORITY

TVA Representative Name & Title

Date

TVA Representative Signature

For TVA Use Only:
_____, Supp. _____

ATTACHMENT D

**REQUEST TO AMEND PARTICIPATION AGREEMENT TO MODIFY
CAPACITY OF QUALIFYING SYSTEM**

Date of request: _____

Green Power Providers Participation Agreement or Green Power Providers Distributor
Facility Participation Agreement (Participation Agreement) No.: _____

Participant (PRINT NAME): _____

- A) Existing total nameplate capacity of qualifying system: _____ kW
- B) Requested increment or decrement in nameplate capacity of Qualifying System: _____ kW
- C) Total new requested nameplate capacity of Qualifying System: _____ kW (A ± B)

If the owner of Qualifying System is different from the Participant, then the Qualifying System
Owner must complete the following:

Qualifying System Owner (PRINT NAME): _____

Qualifying System Owner Signature & Date: _____

*Participant Signature

Date

*BY SIGNING ABOVE, PARTICIPANT FORMALLY REQUESTS PERMISSION TO MODIFY
(INCREASE OR DECREASE) THE QUALIFYING SYSTEM NAMEPLATE CAPACITY
REFERENCED ABOVE INCLUDING MAKING NECESSARY INTERCONNECTION
MODIFICATIONS AND TO AMEND THE PARTICIPATION AGREEMENT AS NECESSARY
TO ACCOMMODATE THE CHANGED CAPACITY. SAID PROPOSED INCREASE OR
DECREASE, IF ACCEPTED BY THE POWER DISTRIBUTOR AND TVA, SHALL BE
SUBJECT TO THE GREEN POWER PROVIDERS PROGRAM PARTICIPATION
GUIDELINES AND EXISTING CONTRACTS AS AMENDED TO ACCOMMODATE THE
CHANGED CAPACITY. PARTICIPANT ALSO UNDERSTANDS THAT ANY PROPOSED
CAPACITY INCREASE MUST BE COMPLETED AND OPERATING WITHIN ONE
HUNDRED EIGHTY (180) CALENDAR DAYS OF THE TVA ACCEPTANCE DATE BELOW
OR ELSE THE PROPOSED ADDITIONAL SYSTEM CAPACITY SHALL BE INELIGIBLE TO
PARTICIPATE IN THE PROGRAM. FURTHER, EFFECTIVE UPON DISTRIBUTOR'S AND
TVA'S ACCEPTANCE OF THIS REQUEST, AS INDICATED BY THEIR SIGNATURES
BELOW, THE ABOVE-REFERENCED PARTICIPATION AGREEMENT IS AMENDED SO
THAT THE NEW PROPOSED NAMEPLATE CAPACITY OF THE QUALIFYING SYSTEM
UNDER C) ABOVE REPLACES THE NAMEPLATE CAPACITY PROVIDED UNDER
SECTION 15.1 OF THE PARTICIPATION AGREEMENT AND GENERATION CREDIT
SHALL THEREAFTER BE BASED ON NEW NAMEPLATE CAPACITY IN ACCORDANCE
WITH SAID PARTICIPATION AGREEMENT, AS AMENDED.

TO BE COMPLETED BY DISTRIBUTOR

Distributor Name

Distributor Representative Name & Title

**Distributor Representative Signature

Date

**BY SIGNING ABOVE, DISTRIBUTOR APPROVES THE PROPOSED MODIFICATION OF THE QUALIFYING SYSTEM NAMEPLATE CAPACITY (INCLUDING BUT NOT LIMITED TO MAKING INTERCONNECTION MODIFICATIONS) AND THE PROPOSED AMENDMENT TO THE PARTICIPATION AGREEMENT TO REFLECT THE MODIFIED CAPACITY UNDER THE PROGRAM IN ACCORDANCE WITH THE GREEN POWER PROVIDERS PROGRAM PARTICIPATION GUIDELINES AND EXISTING CONTRACTS AS AMENDED TO ACCOMMODATE THE CHANGED CAPACITY. DISTRIBUTOR ACKNOWLEDGES THAT IF APPROVED BY TVA, SUCH PROPOSED MODIFICATION MUST BE COMPLETED AND OPERATING WITHIN ONE HUNDRED EIGHTY (180) CALENDAR DAYS OF THE TVA ACCEPTANCE DATE BELOW OR ELSE THE PROPOSED ADDITIONAL SYSTEM CAPACITY SHALL BE INELIGIBLE TO PARTICIPATE IN THE PROGRAM. IN ADDITION, DISTRIBUTOR MUST SUBMIT A REVISED DISTRIBUTOR'S ACCEPTANCE OF QUALIFYING SYSTEM FORM (SYSTEM ACCEPTANCE FORM) UPON COMPLETION OF SAID MODIFICATION.

TO BE COMPLETED BY TVA

APPROVED DENIED

COMMENTS/REASONS FOR DENIAL:

TENNESSEE VALLEY AUTHORITY

TVA Representative Name & Title

TVA Representative Signature

Date

10.01.2012

2 of 2

**REQUEST TO AMEND PARTICIPATION AGREEMENT TO
MODIFY CAPACITY OF QUALIFYING SYSTEM**

For TVA Use Only:	

ATTACHMENT E

REQUEST FOR NEW CONSTRUCTION PARTICIPATION IN PROGRAM

Date of request: [REDACTED]

Prospective Customer: Residential Commercial/Industrial

Proposed location and address of Site: [REDACTED]

Projected annual electrical usage on the Billing Meter at the Site: [REDACTED] kWh

Commercial or Industrial Customer Projects Only: Projected Annual Electrical Demand on the Billing Meter at the Site: [REDACTED] kW

Qualifying System Generation Information:

- Projected total nameplate capacity of qualifying system: [REDACTED] kW
- Projected annual energy generation from qualifying system: [REDACTED] kWh

Builder or Entity Request Approval Information

[REDACTED]

* Builder (PRINT NAME AND TITLE)

[REDACTED]

Builder Signature

[REDACTED]

Date

*BY SIGNING ABOVE, BUILDER REQUESTS PERMISSION FOR ACCEPTANCE OF THE PROPOSED QUALIFYING SYSTEM INTO THE PROGRAM. IF APPROVED, THE PARTICIPANT MUST APPLY AND ENTER INTO A PARTICIPATION AGREEMENT WITHIN 180 CALENDAR DAYS OF THE TVA APPROVAL DATE BELOW. IF A PARTICIPATION AGREEMENT IS EXECUTED BY ALL PARTIES, THE QUALIFYING SYSTEM MUST BE FULLY OPERATIONAL AND INTERCONNECTED, AS EVIDENCED BY DISTRIBUTOR AND TVA SIGNING A SYSTEM ACCEPTANCE FORM, WITHIN 180 CALENDAR DAYS OF THE TVA EXECUTION DATE OF THE PARTICIPATION AGREEMENT. BUILDER UNDERSTANDS THAT THE QUALIFYING SYSTEM IS NOT ENTITLED TO GENERATE POWER AND PARTICIPANT IS NOT ENTITLED TO GENERATION CREDITS OR REBATES UNLESS AND UNTIL DISTRIBUTOR AND TVA EXECUTE THE SEPARATE SYSTEM ACCEPTANCE FORM.

TO BE COMPLETED BY DISTRIBUTOR

Distributor Name

Distributor Representative Name & Title

**Distributor Representative Signature & Date

**BY SIGNING ABOVE, DISTRIBUTOR APPROVES THE PROPOSED QUALIFYING SYSTEM IN ACCORDANCE WITH THE GREEN POWER PROVIDERS PROGRAM PARTICIPATION GUIDELINES. DISTRIBUTOR ACKNOWLEDGES THAT IF APPROVED BY TVA, SUCH PROPOSED QUALIFYING SYSTEM IS NOT ENTITLED TO GENERATE POWER AND PARTICIPANT IS NOT ENTITLED TO GENERATION CREDITS OR REBATES UNLESS AND UNTIL DISTRIBUTOR AND TVA EXECUTE THE SEPARATE SYSTEM ACCEPTANCE FORM.

TO BE COMPLETED BY TVA

APPROVED

DENIED

COMMENTS/REASONS FOR DENIAL:

TENNESSEE VALLEY AUTHORITY

TVA Representative Name & Title

Date

TVA Representative Signature

For Distributor Use Only:	

For TVA Use Only:	

GREEN POWER PROVIDERS PARTICIPATION AGREEMENT

THIS GREEN POWER PROVIDERS PARTICIPATION AGREEMENT (Participation Agreement), among _____, its successors and authorized assigns, hereinafter called "Participant"; _____, its successors and authorized assigns, hereinafter called "Distributor"; and Tennessee Valley Authority, its successors and authorized assigns, hereinafter called "TVA," bears the following recitals:

- I. Participant is a customer of Distributor and desires to participate, on a voluntary basis, in a program entitled Green Power Providers (Program) under which TVA acquires electric energy from qualifying renewable generation systems constructed and installed at customer locations served by Distributor.

- II. Participant intends to construct, operate, and maintain a generation facility (Qualifying System) that is an eligible system under this Participation Agreement and is described below, located at Participant's address (Address) identified in Subsection 15.1 below.

- III. The parties understand that the intent of the Program is to encourage Distributor's residential customers (billed under Schedule RS or its equivalent) and Distributor's commercial and industrial customers (billed under the General Power Service or Manufacturing Service Rate Schedules or their equivalent, as defined in Distributor rate schedules) to install renewable generation. Therefore, Participant must be a residential customer with a residential building and residential billing meter at the Address of the Qualifying System, or if Participant is a commercial or industrial customer, Participant agrees that its primary commercial or industrial purpose is not electricity generation at the building with a commercial or industrial billing meter at the Address of the Qualifying System.

- IV. Participant wishes to sell to TVA and TVA wishes to purchase from Participant the power and associated energy produced from the Qualifying System, together with the environmental attributes associated with it, in accordance with the terms and conditions set forth in this Participation Agreement.

Subject to and in accordance with the Green Power Providers Program Participation Guidelines (Guidelines), attached to and made part of this Participation Agreement, the parties agree as follows:

SECTION 1 - DEFINITIONS

For purpose of this Participation Agreement (i) all terms used herein with initial capital letters are textually defined within this Participation Agreement, and (ii) all underlined terms used herein shall be deemed to mean those terms as defined in Guideline 2 of the Guidelines.

SECTION 2 - TERM AND TERMINATION

2.1 Effective Date, Delivery Commencement Date, and Term. This Participation Agreement shall be deemed effective as of the date (Effective Date) that TVA executes this Participation Agreement. The date on which Distributor accepts the Qualifying System by executing the Distributor's Acceptance of Qualifying System Form (System Acceptance Form) shall be called the Delivery Commencement Date. If the Distributor does not accept the Qualifying System by fully executing and submitting the System Acceptance Form within one hundred eighty (180) Calendar Days of TVA's execution of this Participation Agreement under Subsection 17.3 below (Deadline), this Participation Agreement shall automatically terminate.

Unless sooner terminated as provided in this Participation Agreement, this Participation Agreement shall remain in effect for twenty (20) years from the Effective Date.

2.2 Termination This Participation Agreement may be terminated by:

- (a) Participant, at any time, upon thirty (30) Calendar Days' written notice to Distributor;
- (b) Mutual agreement of all of the parties in writing at any time; or
- (c) TVA or Distributor, at any time upon written notice by TVA or Distributor to Participant, if TVA or Distributor has determined that any of the following conditions has occurred:
 - i. After the Delivery Commencement Date, there has been a sustained lack of generation (less than an average of 10 kWh per month) from the Qualifying System for a period of six (6) consecutive months or more;
 - ii. The Qualifying System or its interconnection or safety equipment violate any applicable local, state, or federal codes or pose a safety hazard as determined by the Distributor or TVA;
 - iii. The interconnection or safety equipment ceases to comply with the requirements of Section 4 below;
 - iv. The Qualifying System includes generation from a non-Qualifying Resource (defined below) and/or ceases to meet the participation conditions outlined in this Participation Agreement or the Guidelines;
 - v. Generation from the Qualifying System is used by Participant to provide credits for electric consumption at a location other than the Address herein;
 - vi. Distributor ceases to be a customer of TVA;
 - vii. Participant ceases to be a customer of Distributor at Site, unless this Participation Agreement is assigned to a new owner of Site as provided for under Section 8 below;
 - viii. Participant does not comply with or breaches the terms of this Participation Agreement, including without limitation, providing false or inaccurate information in violation of Section 17.1 below or refusing Distributor or TVA access to the Qualifying System;
 - ix. Participant increases the nameplate capacity of the Qualifying System without permission from Distributor or TVA, in violation of Section 3 below; or
 - x. Any unauthorized transfer, assignment, or delegation in violation of Section 8 below.

SECTION 3 - QUALIFYING SYSTEMS – MAXIMUM CAPACITY

For the term of this Participation Agreement, the total nameplate capacity of a Qualifying System(s) at the Site shall be less than or equal to 50 kW direct current (DC) (50 kW alternating current (AC) if the system is a synchronous generator and does not require an inverter). However, if the proposed total nameplate capacity of the Qualifying System at the Site:

- (i) exceeds 10 kW, Distributor shall review the kWh energy consumption at the Site (Site Power Usage Review) during the past twelve (12) months, as recorded monthly by the single associated Billing Meter at the Site, and the maximum total nameplate capacity (Maximum Capacity) of the Qualifying System under this Participation Agreement shall be the lesser of (a) 50 kW and (b) the kW capacity that is designed to generate no more than 100% of the historical annual usage in kWh at the Site, as recorded by the associated Billing Meter at the Site.
- (ii) is 10 kW or less, no Site Power Usage Review shall be required.

Furthermore, Participant must be able to demonstrate, on an ongoing basis, that the Qualifying System generates electricity from one of the resources (Qualifying Resources) included as eligible per Guideline 4 as such Guideline existed at the time this Participation Agreement was executed. If Participant intends to increase or decrease the nameplate capacity of its Qualifying System, Participant shall complete Attachment D (Request to Amend Participation Agreement to Modify Capacity of Qualifying System) and forward it, along with any requested supporting documents, to Distributor and TVA for review and potential approval and execution. In addition, any intended increase of the nameplate capacity of the Qualifying System, so that the total (existing and new) capacity amounts to more than 10 kW, must be in accordance with Subsection 3(i). Any unauthorized increase of the Qualifying System's total nameplate capacity may result in termination of this Participation Agreement.

SECTION 4 - PARTICIPATION ELIGIBILITY

Participant's eligibility for participation in the Program is based upon Participant meeting the following criteria:

- (a) If Participant is a residential customer, the Participant must have a residential building at the Site of the Qualifying System. If Participant is a commercial or industrial customer of Distributor, the primary commercial or industrial purpose at the Site shall not be electricity generation; and
- (b) Participant must submit the design of its proposed Qualifying System, along with an interconnection application, including the proposed equipment specifications, in advance of submitting a signed Participation Agreement, to Distributor for review; and
- (c) The Qualifying System:
 - i. must not have previously generated renewable energy for sale to TVA prior to October 1, 2012, unless the Qualifying System was part of the Generation Partners pilot;

- ii. must meet the requirements of the Green-e Energy National Standard as provided by the Center for Resource Solutions, or any successor entity;
 - iii. must meet the requirements of the type of Qualifying System outlined in **Guideline 4**;
 - iv. must have a minimum nameplate capacity equal to or greater than 0.50 kW;
 - v. must comply with all requirements established by the Distributor for interconnecting a Qualifying System to its distribution system, including without limitation signing Distributor's Interconnection Agreement and paying Distributor for any interconnection studies and other associated costs. Furthermore, the Qualifying System (including all interconnection-related equipment) must have been tested and listed by a Nationally Recognized Testing Laboratory for continuous interactive operation with an electric distribution system in compliance with IEEE 1547 (Standard for Interconnecting Distributed Resources with Electric Power Systems), IEEE 1547.2 (Standard Conformance Test Procedures for Equipment Interconnecting Distributed Resources with Electric Power Systems), and UL 1741 (Inverters, Converters, and Controllers for use in Independent Power Systems) prior to Distributor signing the System Acceptance Form;
 - vi. must be properly designed, constructed, and installed, and the installer and manufacturer shall provide evidence of the testing and compliance with the applicable requirements prior to Distributor signing the System Acceptance Form. All Qualifying Systems shall be maintained and tested on an ongoing basis in accordance with manufacturer's instructions and Distributor and TVA shall have the right to obtain copies of the test results; and
 - vii. must be manufactured (if a packaged system) and installed in compliance with all requirements of the latest edition of the National Electric Code (American National Standards Institute/National Fire Protection Association-70) prior to Distributor signing the System Acceptance Form; and
- (d) All installations must be permitted as required by law, be certified by a licensed electrician, and pass any applicable code inspections prior to Distributor signing the System Acceptance Form; and
 - (e) For safe operation, the Qualifying System and its associated facilities must have a manual, lockable, visible load break AC disconnect switch with such switch easily accessible by Distributor prior to Distributor signing the System Acceptance Form; and
 - (f) The construction and installation of the Qualifying System must be completed, in compliance with the Interconnection Agreement requirements and the terms and conditions of this Participation Agreement, by the Deadline. If these terms and conditions are not met before the Deadline, Participant may not reapply for participation in the Program within the period of one hundred eighty (180) Calendar

Days from the date of TVA's execution of the Participation Agreement in accordance with the then-current applicable Guidelines; and

(g) The annual Program participation limit as established in Guideline 12 of the Guidelines must not have been reached at the time TVA is asked to review and execute this Participation Agreement. Once a Distributor and a Participant have signed a Participation Agreement and presented it to TVA for review and possible execution, TVA shall be under no obligation to execute said Participation Agreement once the MW limit for that year has been reached, notwithstanding any actions taken and expenses incurred to date by the Participant; and

(h) No generation credits shall be due to Participant for any generation above the total nameplate Maximum Capacity.

SECTION 5 - BILLING AND PAYMENTS

Distributor shall choose one of the two options provided for under Subsections 5.1 and 5.2 below, and credits and incentives shall be credited or paid to each Participant accordingly. Each Participant shall be paid the then-current applicable Premium Rate as was stated in Guideline 8 of Guidelines as it was in effect on the date of TVA's execution of the Participation Agreement.

5.1 Distributor Billing Option. Under this option, Distributor shall administer any Generation Credits due to Participant under this Subsection 5.1 using Site's power consumption (recorded on the single associated Billing Meter) and Site's power generation (recorded on the associated Generation Meter), and provide to Participant any Generation Credits due effective with the billing period when the Qualifying System commences generation into Distributor's electric system, and for each billing period thereafter during the term of this Participation Agreement, Distributor shall include the following in its determination of Participant's power bill: Distributor shall (a) apply all charges and credits for power and energy to the kW and kWh energy consumed by Participant at the Site and any other charges and credits determined in accordance with the applicable retail rate schedule, as appropriate, and (b) credit Participant with Generation Credit for the eligible renewable energy (kWh) delivered to Distributor's system. Said Generation Credit shall be calculated by applying the retail rate schedule (residential or deemed to be GSA1 for all commercial and industrial customers) and the applicable Premium Rate, as determined by Guideline 8 of the Guidelines, to the kWh energy generated by the Qualifying System at the Site.

If the Generation Credit exceeds the sum of all charges and other credits on Participant's power bill resulting in Participant being owed money for the billing period, Distributor may elect to carry over any such payment due to Participant as an additional credit on Participant's power bill for the following billing period, and may continue to do so for a total of twelve (12) consecutive billing periods. If at the end of this cumulative period the value of Participant's Generation Credits exceeds the net sum of all charges and other credits for such cumulative period, Distributor shall pay Participant for the balance due.

The Distributor's periodic power bill to Participant shall include calculations of the amounts owed, if any, to Participant with specific reference to the applicable retail rate schedule and Premium Rate.

5.2 TVA-Vendor Billing Option. Under this option, Distributor and Vendor shall administer any payments due to Participant.

(a) Effective with the billing period when the Qualifying System commences generation into Distributor's electric system, and for each billing period thereafter during the term of this Participation Agreement, Distributor shall include the following in its determination of Participant's power bill: Distributor shall (a) apply all charges and credits for power and energy to the kW and kWh energy consumed by Participant at the Site and any other charges and credits determined in accordance with the applicable retail rate schedule, as appropriate, and (b) credit Participant with Generation Credit for the eligible renewable energy (kWh) delivered to Distributor's system. Said Generation Credit shall be calculated by applying the retail energy retail rate schedule (residential or deemed to be GSA1 for all commercial and industrial customers) to the kWh energy generated by the Qualifying System at the Site. Distributor's bill to the Participant shall include calculations of the amounts owed to Participant with specific reference to the applicable retail energy rate schedule.

(b) Based upon generation data of the Qualifying System provided by Distributor to TVA, TVA shall cause Vendor to deliver to Participant, as soon as reasonably practical, but no later than ten (10) Business Days following the end of each calendar month, a statement, check, or other approved payment notification showing energy delivered from the Qualifying System during the previous month(s) and a computation of the payment due to Participant. Such payment shall be calculated by applying the applicable Premium Rate, as determined by Guideline 8 of the Guidelines, to the kWh energy measured on the Generation Meter. In the event that generation information of a Qualifying System is not promptly provided due to such events as meter malfunction or communications failure, the time period in which Distributor delivers said data to TVA and Vendor may be extended as appropriate. Payments due, if any, by Vendor to Participant under this Subsection 5.2 are due within thirty (30) Calendar Days from the date of the statement.

Vendor's statement to the Participant shall include calculations of the amounts owed to Participant with specific reference to the applicable Premium Rate.

5.3 Incentive. Depending on Distributor's selection of Distributor Billing Option or TVA-Vendor Billing Option, Distributor or Vendor shall provide a one-time \$1,000 incentive payment to Participant. Said one-time incentive payment shall be paid per Qualifying System per Site. Further, the one-time incentive payment shall be made after the Participant's completion and Distributor's and TVA's approval and execution of the System Acceptance Form and after the Qualifying System has successfully completed the commissioning requirements.

SECTION 6 - INTERCONNECTION

Participant shall be responsible for the design, purchase, construction, installation, commissioning, ownership, operation, and maintenance (Work) of the Qualifying System and all auxiliary and interconnecting equipment, or cause the owner of Qualifying System (Qualifying System Owner) to do the Work, in accordance with the terms of the Interconnection Agreement.

Distributor shall not approve or execute any Participation Agreement(s) until Participant has paid all Program and/or interconnection application fees. Further, TVA shall have no obligation to purchase the electric power generated by the Qualifying System unless and until the Participant is in compliance with the approved interconnection and safety requirements and all other requirements under this Participation Agreement for the Qualifying System.

SECTION 7 - METERING

Distributor shall purchase, install, own, operate, and maintain the Generation Meter. Any repairs or replacements of the Generation Meter shall also be provided by Distributor, or its representative. Further, the metering arrangement configuration for measuring the energy output of the Qualifying System shall be determined by Distributor. If said configuration requires replacement of the Billing Meter by a bi-directional meter, Distributor, at no cost to Participant, shall purchase, install, own, operate, and maintain said bi-directional meter. Any future replacement of the Billing Meter or said bi-directional meter shall be provided by Distributor at Participant's expense.

If the interconnection of the Qualifying System and installation of either the Generation Meter or Billing Meter requires additional costs in excess of Program reimbursements, the associated net costs shall be at the Participant's expense. This includes additional grid infrastructure requirements (e.g. transformers) that may be needed to accompany the construction and installation of the Qualifying System.

Upon termination of this Participation Agreement, Distributor and Participant shall cooperate in removing the Generation Meter from the Site. Distributor, at its expense, shall remove the Generation Meter from the Site, and Participant shall cooperate with Distributor, or its representative, for the purpose of such removal.

SECTION 8 - TRANSFER AND ASSIGNMENT

(a) No party shall voluntarily transfer, assign, or delegate this Participation Agreement or any of the party's rights or duties hereunder without the prior written consent of the other parties, and such consent shall not to be unreasonably withheld. Further, any unauthorized assignment may result in termination of this Participation Agreement as provided in Subsection 2.2 above.

(b) If Participant (Participant/Transferor) intends to transfer ownership of the Site to a new owner (New Participant/Transferee), Participant/Transferor shall notify Distributor by completing Attachment C (Request to Amend Participation Agreement by Changing Participant and/or Qualifying System Owner). Once signed by the Participant/Transferor and the New Participant/Transferee, Attachment C shall be submitted to Distributor at least thirty (30) Calendar Days prior to the requested effective date of such assignment. Upon approval, Distributor and TVA will execute the attachment and return copies of the fully executed attachment to the Participant/Transferor and the New Participant/Transferee for their records. By signing Attachment C, the New Participant/Transferee affirms its understanding of and concurs with the terms and conditions of this Participation Agreement.

- (c) If Participant is a tenant of the Site and its tenancy is terminated, Participant may assign this Participation Agreement to a new tenant (New Participant/Transferee) by notifying Distributor and completing Attachment C. Once signed by Participant/Transferor and the New Participant/Transferee, Attachment C shall be submitted to Distributor at least thirty (30) Calendar Days prior to the requested effective date of such assignment. Upon approval, Distributor and TVA will execute the attachment and return copies of the fully executed attachment to the Participant/Transferor and the New Participant/Transferee for their records. By signing Attachment C, the New Participant/Transferee affirms its understanding of and concurs with the terms and conditions of this Participation Agreement.
- (d) If Participant is not the Qualifying System Owner and the Qualifying System Owner (Qualifying System Owner/Transferor) intends to transfer ownership to a new owner (New Qualifying System Owner/Transferee), Participant shall notify Distributor of said intent by completing Attachment C. Once Attachment C is executed by Participant, Qualifying System Owner/Transferor, and the New Qualifying System Owner/Transferee, Attachment C shall be submitted to Distributor at least thirty (30) Calendar Days prior to the effective date of such assignment. Upon approval, Distributor and TVA will execute the attachment and return copies of the fully executed attachment to the Participant, Qualifying System Owner/Transferor, and the New Qualifying System Owner/Transferee for their records. By signing Attachment C, the New Qualifying System Owner/Transferee affirms its responsibilities under the Participation Agreement.
- (e) Upon Participant's death or incapacity, if Participant's estate executor, conservator, attorney in fact, or court ordered agent (herein collectively Agent) wishes to continue with the terms and conditions of this Participation Agreement and Guidelines, Agent shall complete Attachment C and forward it to Distributor and TVA for review and potential approval and execution; otherwise, the Participation Agreement shall be terminated in accordance with Subsection 2.2, and any eligible Applicant including the new owner of Site must reapply for Program participation in accordance with the then-current applicable Guidelines.
- (f) Each time an assignment of this Participation Agreement or ownership transfer of the Qualifying System is intended by Participant/Transferor or Qualifying System Owner/Transferor, as provided in Subsections 9(b), 9(c), and 9(d) above, Participant/Transferor shall execute, and cause as appropriate, the New Participant/Transferee or the New Qualifying System Owner/Transferee to execute Attachment C. Attachment C shall be forwarded to Distributor, along with supporting documentation and the assignment fee for Distributor's cost of processing said assignment, if any.
- (g) If ownership of the Site is transferred (or Participant's tenancy of the Site is terminated) and Participant and/or Qualifying System Owner elect to relocate the Qualifying System to a different location, this Participation Agreement shall be terminated upon thirty (30) Calendar Days written notice to the Distributor, as outlined in Subsection 2.2(b) above.
- (h) If Participant/Transferor is no longer a customer of Distributor at the Billing Meter of the Site of the Qualifying System and Participant/Transferor fails to sign Attachment C, Participant/Transferor specifically gives TVA and Distributor the

right to assign this Participation Agreement to the new owner of Site or tenant who is a customer of Distributor at the Billing Meter of the Site of the Qualifying System. If Participant/Transferor and Qualifying System Owner/Transferor do not notify TVA and the Distributor of transfer of ownership of the Qualifying System, the Participant/Transferor and Qualifying System Owner/Transferor have specifically give TVA and the Distributor the right to assign this Participation Agreement to the New Qualifying System Owner/Transferee and to change the name and address of the Qualifying System Owner/Transferor to that of the New Qualifying System Owner/Transferee upon written documentation of change of ownership.

SECTION 9 - ENVIRONMENTAL CREDITS

TVA shall have the sole right and title to any renewable energy credits (including tradable renewable credits or green tags), or other associated benefits or environmental attributes of energy generated from the renewable nature of the Qualifying System (without regard to whether any governmental authority or other organization has registered, certified, or otherwise taken action to recognize said credits, tags, benefits, or attributes), that have accrued or are arising or accruing now and in the future as a result of the generation of electricity from the Qualifying System (Environmental Credits) beginning on the Effective Date and continuing throughout the term of this Participation Agreement. At no cost to TVA or Distributor, Participant shall cooperate with TVA and Distributor in taking whatever action is necessary and reasonable to establish or obtain such Environmental Credits, as may be required now or in the future by applicable law, and transfer them to Distributor, who shall in turn transfer all such Environmental Credits to TVA.

For the term of this Participation Agreement, the Participant and Owner of Qualifying System cannot make claims or statements about using renewable electricity, cutting back on greenhouse gas (GHG) emissions from electricity through the use of renewable electricity, or receiving any other environmental benefits of renewable energy use constitute the claiming of a renewable energy credit (REC). Participant and Owner of Qualifying System understand that if claims of using renewable electricity or any of the environmental attributes within a REC, those claims would violate the terms of this Participation Agreement, since TVA, through this Participation Agreement, is purchasing one hundred percent (100%) of the RECs generated by the renewable energy installation and selling the RECs through its Green Power Switch program. If Participant and Owner of Qualifying System wish to make such claims, they must purchase the equivalent RECs through the Green Power Switch program or other product.

SECTION 10 - INDEMNIFICATION AND RELEASE

Participant and the Qualifying System Owner shall release, indemnify, defend, and save harmless the Distributor, TVA, the United States of America, and their respective officers, agents, employees, and contractors from all liability, claims, demands, causes of action, costs, or losses for personal injuries, property damage, special damages, consequential damages, indirect damages, or loss of life or property sustained by Participant and/or the Qualifying System Owner, their agents, contractors, and families, or third parties arising out of or in any way connected with the Green Power Providers program including, without limitation, the design, purchase, construction, installation,

ownership, testing, commissioning, operation, maintenance, repair, replacement, removal, defect, or failure of the Qualifying System under this Participation Agreement and Participant's and the Qualifying System Owner's interconnection and safety equipment. The obligations of this Section 10 shall survive termination of this Participation Agreement.

SECTION 11 - FORCE MAJEURE EVENT

- (a) A Force Majeure Event shall mean any act of God or the public enemy, fires, epidemics, quarantines, strikes, freight embargoes or delays in transportation, priorities or other acts or orders of governmental authority, or unforeseeable severe weather or floods, or any causes, whether or not of the same class or kind of those specifically above named, that are in each case (i) beyond the reasonable control of such affected party, (ii) by the exercise of reasonable foresight such party could not reasonably have been expected to avoid, and (iii) by the exercise of due diligence, such party shall be unable to prevent or overcome.
- (b) If a Force Majeure Event prevents Participant from fulfilling any of its obligations under this Participation Agreement, Participant shall promptly in writing notify Distributor, or its authorized representatives, of the existence of the Force Majeure Event. The notification must specify in reasonable detail the circumstances of the Force Majeure Event, the expected duration, and the steps that Participant is taking to alleviate the effects of the event on its performance, and, if the initial notification is verbal, it shall be promptly followed up with a written notification. Participant shall keep Distributor informed in writing on a continuing basis of developments relating to the Force Majeure Event until the event ends. Participant shall be entitled to suspend or modify its performance of obligations under this Participation Agreement only to the extent that the effect of the Force Majeure Event, as determined in TVA's sole discretion, cannot be reasonably mitigated. In the event of such suspension or modification, TVA shall determine, in its sole discretion, when the Force Majeure Event has ended.

SECTION 12 - ACCESS

- Distributor and TVA shall have access to the Site:
- (a) at reasonable hours, and upon reasonable notice, to inspect the Qualifying System's protective apparatus and to read, maintain, or test meters, or for any reasonable purpose in connection with this Participation Agreement or Distributor's obligation to provide service to its customers; and
 - (b) at any time without notice to Participant, in order to disconnect the Qualifying System from the Distributor's distribution system, in the event Distributor reasonably believes a hazardous condition exists and such immediate action is necessary to protect persons, Distributor's facilities, or property of others from damage or interference caused by Participant's facilities or lack of properly operating protective devices.

SECTION 13 - DISCLOSURE

Participant understands that Distributor or TVA may publish or disclose to others information obtained from the Program but will not release, without the prior consent of

Participant, information that could personally identify Participant except to employees, contractors, or agents of Distributor and TVA, or when disclosure is required by law.

SECTION 14 - THIRD PARTY BENEFICIARIES

This Participation Agreement is solely for the benefit of Participant, Distributor, and TVA and shall not be construed as creating any duty, standard of care, or any liability to any person not a party to this Participation Agreement.

SECTION 15 - PARTICIPANT AND QUALIFYING SYSTEM INFORMATION

15.1 Participant's and Qualifying System's Type Information (This information must be fully completed by the Participant.)

• The Qualifying System shall be located at the following Address*:

City: _____ State: _____ Zip Code: _____

• Participant Electric Service Account Number: _____

• Participant Type: Residential Commercial or Industrial

• Qualifying System Type and Nameplate Capacity: (Please check below.)

Solar Photovoltaic (PV) Wind ** Low-Impact Hydro Biomass

If Biomass, please specify the fuel type: _____

• Total Nameplate Capacity of Qualifying System: _____ kW DC
(kW AC for biomass or synchronous generators)

* Note: the Address must match the local power company's billing system physical address.

** Hydro generation must be located in the Cumberland River watershed or in the Mississippi River, and the Participant must provide documentation that it meets any applicable requirements of the Federal Energy Regulatory Commission (FERC). Hydro generation could be located in the Tennessee River watershed only if TVA were to issue a Section 26a permit.

15.2 Contract Administration and Notices. Notices given under this Participation Agreement shall be deemed to have been duly delivered if hand delivered or sent by United States certified mail, return receipt requested, postage prepaid, to:

Participant:

Distributor:

TVA:

Manager, End Use Generation,
Renewable Energy Programs
26 Century Boulevard, OCP 2J
Nashville, Tennessee 37214

The above-listed names and addresses of any party for notices may be changed by written notification to the other parties to this Participation Agreement as directed above. If Participant would like to assign this Participation Agreement to another person, Participant must complete Attachment C and submit it to Distributor and TVA for review, in accordance with Section 8 above.

SECTION 16 - QUALIFYING SYSTEM OWNERSHIP

Participant shall indicate below the ownership of the Qualifying System by completing, or causing the Qualifying System Owner to complete, the following:

Check one:

- Participant is the owner of the Qualifying System and shall sign below at the bottom of this Section 16.
- Participant is not the owner of the Qualifying System at the Address and shall have the Qualifying System Owner sign below:

I am the owner of the Qualifying System that is installed at the Address. I have had the Program explained to me, and I specifically agree to Sections 8(h) (Transfer and Assignment) and 10 (Indemnification and Release) above. Accordingly, I give my permission for Distributor and TVA to review the interconnection of the Qualifying System at the Address. I give my permission to use of the Qualifying System in the Program as provided herein. I will cooperate with the parties participating in the Program as set out in this Participation Agreement. I have the authority to sign below.

 Name of Qualifying System Owner

 Qualifying System Owner Signature

 Date

SECTION 17 - SIGNATURES

17.1 Participant's Signature

By its signature below, Participant acknowledges that it has read and understands this Participation Agreement and agrees to comply with all of the terms and conditions set forth herein.

If Participant is the Qualifying System Owner, Participant gives permission for Distributor and TVA to review the interconnection of the Qualifying System at the Address. Participant understands that the Qualifying System is not entitled to generate power and Participant is not entitled to Generation Credits or rebates unless and until Distributor and TVA execute this Participation Agreement and the System Acceptance Form.

Participant hereby warrants and certifies that all information submitted in this Participation Agreement is accurate and the Participant has the authority to enter into this Participation Agreement. In making this warranty and certification, Participant acknowledges that Participant is aware that Section 21 of the Tennessee Valley Authority Act of 1933, as amended, (16 U.S.C. § 831t) provides criminal sanctions including fines and imprisonment for any person who is convicted of, among other things, defrauding TVA.

Specifically, Participant understands that Participant is bound by the then-current Guidelines in effect at the time TVA executes this Participation Agreement, and the Guidelines in effect at the time TVA executes this Participation Agreement can be different than what the Participant has reviewed. Participant is responsible for reading, understanding, and adhering to the then-current Guidelines in effect at the time TVA executes this Participation Agreement.

Participant accepted and agreed to the foregoing this day of , 20 .

Participant Name

Participant's Authorized Officer Name & Title
(please complete only if Participant is a commercial or industrial customer)

Participant or Participant's Authorized Representative Signature

17.2 Distributor's Signature

SECTION 17 - SIGNATURES

Distributor's signature below indicates that it has read and understands this Participation Agreement and agrees to be bound by all of the terms and conditions set forth herein. In particular, Distributor indicates that the Qualifying System's design and the Participant information provided under Section 15.1 above have met the initial Program and interconnection design requirements, but that Distributor shall not allow the Qualifying System's power to flow onto its electric distribution or transmission system unless and until Distributor and TVA execute the System Acceptance Form with respect to the completed construction.

Accepted and agreed to the foregoing this _____ day of _____, 20__

Distributor Name _____

(Distributor Representative Name & Title) _____

Distributor Representative Signature _____

17.3 TVA's Signature

APPROVED

DENIED

COMMENTS/REASONS FOR DENIAL:

Accepted and agreed to the foregoing this _____ day of _____, 20__

TENNESSEE VALLEY AUTHORITY

(TVA Representative Name & Title) _____

TVA Representative Signature _____

For Distributor Use Only:	

For TVA Use Only:	

GREEN POWER PROVIDERS

DISTRIBUTOR FACILITY PARTICIPATION AGREEMENT

THIS GREEN POWER PROVIDERS DISTRIBUTOR FACILITY PARTICIPATION AGREEMENT (Participation Agreement), between _____, its successors and assigns, hereinafter called "Distributor," and Tennessee Valley Authority, its successors and assigns, hereinafter called "TVA," bears the following recitals:

- I. Distributor and TVA are cooperating in a program entitled Green Power Providers (Program) under which TVA acquires electric energy from qualifying renewable generation systems constructed and installed at locations served by Distributor.

- II. Distributor intends to construct, own, operate, and maintain a generation facility (Qualifying System) that is an eligible system under this Participation Agreement and is described below, located at Distributor's facility (Account) address (Address) identified in Subsection 15.1 below.

- III. The parties understand that the intent of the Program is to encourage Distributor's residential customers (billed under Schedule RS or its equivalent) and Distributor's commercial and industrial customers (billed under the General Power Service or Manufacturing Service Rate Schedules or their equivalent, as defined in Distributor rate schedules) to install renewable generation, and that Distributor, for and on behalf of its own Account, is also eligible to participate in the Program in accordance with this Participation Agreement. Distributor agrees that Account's primary commercial or industrial purpose is not electricity generation at the Address of the Qualifying System.

- IV. Distributor wishes to sell to TVA and TVA wishes to purchase from Distributor's Account the power and associated energy produced from the Qualifying System, together with the environmental attributes associated with it, in accordance with the terms and conditions set forth in this Participation Agreement.

Subject to and in accordance with the Green Power Providers Program Participation Guidelines (Guidelines), attached to and made part of this Participation Agreement, the parties agree as follows:

SECTION 1 - DEFINITIONS

For purpose of this Participation Agreement (i) all terms used herein with initial capital letters are textually defined within this Participation Agreement, and (ii) all underlined terms used herein shall be deemed to mean those terms as defined in Guideline 2 of the Guidelines.

SECTION 2 - TERM AND TERMINATION

2.1 Effective Date and Term. This Participation Agreement shall be deemed effective as of the date (Effective Date) that TVA executes this Participation Agreement. The date on which Distributor accepts the Qualifying System by executing the Distributor's Acceptance of Qualifying System Form (System Acceptance Form) shall be called the Delivery Commencement Date. If the Distributor does not accept the Qualifying System by fully executing and submitting the System Acceptance Form within one hundred eighty (180) Calendar Days of TVA's execution of this Participation Agreement under Subsection 17.3 below (Deadline), this Participation Agreement shall automatically terminate.

Unless sooner terminated as provided in this Participation Agreement, this Participation Agreement shall remain in effect for twenty (20) years from the Effective Date.

2.2 Termination. This Participation Agreement may be terminated by:

- (a) The mutual agreement of the parties in writing at any time; or
- (b) TVA at any time upon written notice to Distributor that it has determined that any of the following conditions have occurred:
 - i. After the Delivery Commencement Date, there has been a sustained lack of generation (less than an average of 10 kWh per month) from the Qualifying System for a period of six (6) consecutive months or more;
 - ii. The Qualifying System or its interconnection or safety equipment violate any applicable local, state, or federal codes or pose a safety hazard as determined by TVA;
 - iii. The interconnection or safety equipment ceases to comply with the requirements of Section 4 below;
 - iv. The Qualifying System includes generation from a non-Qualifying Resource (defined below) and/or ceases to meet the participation conditions outlined in this Participation Agreement or the Guidelines;
 - v. Generation from the Qualifying System is used by the Account to provide credits for electric consumption at a location other than the Address herein;
 - vi. Distributor ceases to be a customer of TVA;
 - vii. Account ceases to be owned or operated by Distributor at Site, unless this Participation Agreement is assigned to a new owner of Site as provided for under Section 8 below;
 - viii. Distributor does not comply with or breaches the terms of this Participation Agreement;
 - ix. Distributor increases the nameplate capacity of the Qualifying System without permission from TVA, in violation of Section 3 below; or
 - x. Any unauthorized transfer, assignment, or delegation in violation of Section 8 below.

SECTION 3 - QUALIFYING SYSTEMS - MAXIMUM CAPACITY

For the term of this Participation Agreement, the total nameplate capacity of a Qualifying System(s) at the Site shall be less than or equal to 50 kW direct current (DC) (50 kW alternating current (AC) if the system is a synchronous generator and does not require an

inverter). However, if the proposed total nameplate capacity of the Qualifying System at the Site:

(a) exceeds 10 kW, Distributor shall review the kWh energy consumption at the Site (Site Power Usage Review) during the past twelve (12) months, as recorded monthly by the single associated Billing Meter at the Site, and the maximum total nameplate capacity (Maximum Capacity) of the Qualifying System under this Participation Agreement shall be the lesser of (a) 50 kW and (b) the kW capacity that is designed to generate no more than 100% of the customer's historical annual usage in kWh, as recorded by the associated Billing Meter at the Site.

(b) is 10 kW or less, no Site Power Usage Review shall be required.

Furthermore, Distributor must be able to demonstrate, on an ongoing basis, that the Account's Qualifying System generates electricity from one of the resources (Qualifying Resources) included as eligible per Guideline 4 as such Guideline existed at the time this Participation Agreement was executed. If Distributor intends to increase or decrease the nameplate capacity of the Account's Qualifying System, Distributor shall complete Attachment D (Request to Amend Participation Agreement to Modify Capacity of Qualifying System) and forward it, along with any requested supporting documents, to TVA for review and potential approval and execution. In addition, any intended increase of the nameplate capacity of the Qualifying System, so that the total (existing and new) capacity amounts to more than 10 kW, must be in accordance with Subsection 3(a). Any unauthorized increase of the Qualifying System's capacity may result in termination of this Participation Agreement.

Should the Qualifying System cease to meet the participation conditions outlined in this Participation Agreement and the Guidelines, TVA, in its sole discretion, may terminate this Participation Agreement upon thirty (30) Calendar Days' prior written notice.

SECTION 4 - PARTICIPATION ELIGIBILITY

Distributor's Account eligibility for participation in the Program is based upon Account meeting the following criteria:

- (a) Distributor's primary commercial purpose at the commercial building at the Address shall not be electricity generation at the Site; and
- (b) Participant must submit the design of its proposed Qualifying System, along with an interconnection application, including the proposed equipment specifications in advance of submitting a signed Participation Agreement, to Distributor for review; ;
and

(c) **The Qualifying System:**

- i. must not have previously generated renewable energy for sale to TVA prior to October 1, 2012, unless the Qualifying System was part of the **Generation Partners pilot;**
 - ii. must meet the requirements of the Green-e Energy National Standard as provided by the Center for Resource Solutions, or any successor entity;
 - iii. must meet the requirements of the type of Qualifying System outlined in Guideline 4;
 - iv. must have a minimum nameplate capacity equal to or greater than 0.50 kW;
 - v. must comply with all requirements established by the Distributor for interconnecting a Qualifying System to its distribution system, including without limitation signing Distributor's Interconnection Agreement and paying Distributor for any interconnection studies and other associated costs. Furthermore, The Qualifying System (including all interconnection-related equipment) must have been tested and listed by a Nationally Recognized Testing Laboratory for continuous interactive operation with an electric distribution system in compliance with IEEE 1547 (Standard for Interconnecting Distributed Resources with Electric Power Systems), IEEE 1547.2 (Standard Conformance Test Procedures for Equipment Interconnecting Distributed Resources with Electric Power Systems), and UL 1741 (Inverters, Converters, and Controllers for use in Independent Power Systems) prior to Distributor signing the System Acceptance Form.
 - vi. must be properly designed, constructed, and installed and installer and manufacturer shall provide evidence of the testing and compliance with the applicable requirements prior to Distributor signing the System Acceptance Form. All Qualifying Systems shall be maintained and tested on an ongoing basis in accordance with manufacturer's instructions and TVA shall have the right to obtain copies of the test results; and
 - vii. must be manufactured (if a packaged system) and installed in compliance with all requirements of the latest edition of the National Electric Code (American National Standards Institute/National Fire Protection Association-70) prior to Distributor signing the System Acceptance Form; and
- (d) All installations must be permitted as required by law, be certified by a licensed electrician, and pass any applicable code inspections prior to Distributor signing the System Acceptance Form; and
- (e) For safe operation, the Qualifying System and its associated facilities shall include a manual, lockable, visible load break AC disconnect switch with such switch easily accessible by Distributor; and

- (f) The construction and installation of the Qualifying System must be completed, in compliance with the Interconnection Agreement requirements and the terms and conditions of this Participation Agreement by Deadline. If these terms and conditions are not met on or before the Deadline, Distributor may not reapply for its Account's participation in the Program within the period of one hundred eighty (180) Calendar Days from the date of TVA's execution of the Participation Agreement in accordance with the then-current applicable Guidelines; and
- (g) The annual Program participation limit as established in Guideline 12 of the Guidelines must not have been reached at the time TVA is asked to review and execute this Participation Agreement. Once Distributor has signed the Participation Agreement and presented it to TVA for review and possible execution, TVA shall be under no obligation to execute said Participation Agreement once the MW limit for that year has been reached, notwithstanding any actions taken and expenses incurred to date by Distributor for its Account's participation in the Program; and
- (h) No Generation Credits shall be due to Distributor's Account for any generation above the total nameplate Maximum Capacity.

SECTION 5 - BILLING AND PAYMENTS

Distributor shall choose one of the two options provided for under Subsections 5.1 and 5.2 below, and credits and incentives shall be credited or paid to its Account accordingly. Account shall be paid the then-current applicable Premium Rate as was stated in Guideline 8 of Guidelines as it was in effect on the date of TVA's execution of the Participation Agreement.

5.1 Distributor Billing Option. Under this option, Distributor will administer any Generation Credits due to Account under this Subsection 5.1 using Site's power consumption (recorded on the single associated Billing Meter) and Site's power generation (recorded on the associated Generation Meter); and provide to Account any Generation Credits due effective with the billing period when the Qualifying System commences generation into Distributor's electric system, and for each billing period thereafter during the term of this Participation Agreement, Distributor shall include the following in its determination of Account's power bill: Distributor shall (a) apply all charges and credits for power and energy to the kW and kWh energy consumed by Account at the Site and any other charges and credits determined in accordance with the applicable retail rate schedule, as appropriate, and (b) credit Account with a Generation Credit for the eligible renewable energy (kWh) delivered to Distributor's system. Said Generation Credit shall be calculated by applying the retail rate schedule (deemed to be GSA1 for all commercial and industrial customers) and the applicable Premium Rate, as determined by Guideline 8 of the Guidelines, to the kWh energy generated by the Qualifying System at the Site.

If the Generation Credit exceeds the sum of all charges and other credits on Account's power bill resulting in Account being owed money for the billing period, Distributor may elect to carry over any such payment due to Account as an additional credit on Account's power bill for the following billing period, and may continue to do so for a total of twelve (12) consecutive billing periods. If at the end of this cumulative period the value of Account's Generation Credit exceeds the net sum of all charges and other

credits for such cumulative period; Distributor shall issue payment to Account for the balance due.

Distributor's periodic power bill to Account shall include calculations of the amounts owed, if any, to Account with specific reference to the applicable retail rate schedule and Premium Rate.

5.2 TVA-Vendor Billing Option. Under this option, Distributor and a TVA designated third-party vendor (Vendor) shall administer any payments due to Account.

(a) Effective with the billing period when the Qualifying System commences generation into Distributor's electric system, and for each billing period thereafter during the term of this Participation Agreement, Distributor shall include the following in its determination of Account's power bill: Distributor shall (a) apply all charges and credits for power and energy to the kW and kWh energy consumed by Account at the Site and any other charges and credits determined in accordance with the applicable retail rate schedule, as appropriate, and (b) credit Account with a Generation Credit for the eligible renewable energy (kWh) delivered to Distributor's system. Said Generation Credit shall be calculated by applying the retail energy schedule (deemed to be GSA1 for all commercial and industrial customers) to the kWh energy generated by the Qualifying System at the Site. Distributor's bill to the Account shall include calculations of the amounts owed to Account with specific reference to the applicable retail energy rate schedule.

(b) Based upon generation data of the Qualifying System provided by Distributor to TVA, TVA shall cause Vendor to deliver to Account, as soon as reasonably practical, but no later than ten (10) Business Days following the end of each calendar month, a statement, check, or other approved payment notification showing energy delivered from the Qualifying System during the previous month(s) and a computation of the payment due to Account. Such payment shall be calculated by applying the applicable Premium Rate to the kWh energy measured on the Generation Meter. In the event that generation information of a Qualifying System is not promptly provided due to such events as meter malfunction or communications failure, the time period in which Distributor delivers said data to TVA and Vendor may be extended as appropriate. Payments due, if any, by Vendor under this Subsection 5.2 are due within thirty (30) Calendar Days from the date of the statement.

Vendor's statement to the Account shall include calculations of the amounts owed to Account with specific reference to the applicable Premium Rate.

5.3 Incentive. Depending on Distributor's selection of Distributor Billing Option or TVA-Vendor Billing Option, Distributor or Vendor shall provide a one-time \$1,000 incentive payment to Account. Said one time incentive payment shall be paid per Qualifying System per Site. Further, the one-time incentive payment shall be made after the Distributor's completion and Distributor's and TVA's approval of the System Acceptance Form and after the Qualifying System has successfully completed the commissioning requirements.

SECTION 6 - INTERCONNECTION

Distributor shall be responsible for the design, purchase, construction, installation, commissioning, ownership, operation, and maintenance (Work) of the Qualifying System and all auxiliary and interconnecting equipment, or cause the owner of Qualifying System (Qualifying System Owner) to do the Work, in accordance with the terms of the Interconnection Agreement.

TVA shall have no obligation to purchase the electric power generated by the Qualifying System unless and until the Distributor is in compliance with the approved interconnection and safety requirements and all other requirements under this Participation Agreement for the Qualifying System.

SECTION 7 - METERING

Distributor shall purchase, install, own, operate, and maintain the Generation Meter. Any repairs or replacements of the Generation Meter shall also be provided by Distributor, or its representative. Further, the metering arrangement configuration for measuring the energy output of the Qualifying System shall be determined by Distributor. If said configuration requires replacement of the Billing Meter by a bi-directional meter, Distributor shall purchase, install, own, operate, and maintain said bi-directional meter. Any future replacement of the Billing Meter or said bi-directional meter shall be provided by Distributor at its expense.

If the interconnection of the Qualifying System and installation of either the Generation Meter or Billing Meter requires additional costs in excess of program reimbursements, the associated net costs shall be at the Distributor's expense. This includes additional grid infrastructure requirements (e.g. transformers) that may be needed to accompany the construction and installation of the Qualifying System.

SECTION 8 - TRANSFER AND ASSIGNMENT

- (a) Neither party shall voluntarily transfer, assign, or delegate this Participation Agreement or any of its rights or duties hereunder without the prior written consent of the other party. Such consent shall not to be unreasonably withheld. Further, any unauthorized assignment may result in termination of this Participation Agreement as provided in Subsection 2.2 above.
- (b) If Distributor (Distributor/Transferor) intends to transfer ownership of the Site to a new owner (New Participant/Transferee), Distributor/Transferor shall notify TVA of its intent by completing and submitting Attachment C (Request to Amend Participation Agreement by Changing Participant and/or Qualifying System Owner), which shall include the New Participant's/Transferee's signature, to TVA at least thirty (30) Calendar Days prior to the requested effective date of such assignment. Upon approval, TVA will execute the attachment and return copies of the fully executed attachment to the Distributor/Transferor and the New Participant/Transferee for their records. By signing Attachment C, the New Participant/Transferee affirms its understanding of and concurs with the terms and conditions of this Participation Agreement.

(c) If Distributor is a tenant of the Site and its tenancy is terminated, Distributor may assign this Participation Agreement to a new tenant (New Participant/Transferee) by notifying TVA and completing Attachment C. Once signed by Distributor/Transferor and New Participant/Transferee, Attachment C shall be submitted to TVA at least thirty (30) Calendar Days prior to the requested effective date of such assignment. Upon approval, TVA will execute the attachment and return copies of the fully executed attachment to Distributor/Transferor and New Participant/Transferee for their records. By signing Attachment C, the New Participant/Transferee affirms its understanding of and concurs with the terms and conditions of this Participation Agreement.

(d) If Distributor is not the owner of the Qualifying System and the Qualifying System Owner (Qualifying System Owner/Transferor) intends to transfer ownership to a new owner (New Qualifying System Owner/Transferee), Distributor shall notify TVA of said intent and complete Attachment C. Once signed by Distributor, the Qualifying System Owner/Transferor, and the New Qualifying System Owner/Transferee, Attachment C shall be submitted to TVA at least thirty (30) Calendar Days prior to the requested effective date of such assignment. Upon approval, Distributor and TVA will execute the attachment and return copies of the fully executed attachment to the Qualifying System Owner/Transferor and the New Qualifying System Owner/Transferee for their records. By signing Attachment C, the New Qualifying System Owner/Transferee affirms its responsibilities under the Participation Agreement.

(e) Any unauthorized assignment may result in termination of this Participation Agreement.

(f) Each time an assignment of this Participation Agreement, or ownership transfer of the Qualifying System, is intended by Distributor/Transferor or Qualifying System Owner/Transferor, as provided in Subsections 9(b), 9(c), and 9(d) above, Distributor/Transferor shall execute on Account's behalf, and cause the New Participant/Transferee or the New Qualifying System Owner/Transferee, as appropriate, to execute Attachment C. The partially executed Attachment C shall be then forwarded to TVA for review and potential approval and execution.

(g) If ownership of the Site is transferred (or Distributor's tenancy of the Site is terminated) and Distributor and/or Qualifying System Owner elect to relocate the Qualifying System to a different location, this Participation Agreement shall be terminated upon thirty (30) Calendar Days written notice to the Distributor and TVA, as outlined in Subsection 2.2(b) above.

SECTION 9 - ENVIRONMENTAL CREDITS

TVA shall have the sole right and title to any renewable energy credits (including tradable renewable credits or green tags), or other associated benefits or environmental attributes of energy generated from the renewable nature of the Qualifying System (without regard to whether any governmental authority or other organization has registered, certified, or otherwise taken action to recognize said credits, tags, benefits, or attributes), that have accrued or are arising or accruing now and in the future as a result of the generation of electricity from the Qualifying System (Environmental Credits) beginning on the Effective Date and continuing throughout the term of this Participation

Agreement. At no cost to TVA, Distributor shall cooperate with TVA in taking whatever action is necessary and reasonable to establish or obtain such Environmental Credits, as may be required now or in the future by applicable law, and transfer them to TVA.

For the term of this Participation Agreement, Distributor and Owner of Qualifying System cannot make claims or statements about using renewable electricity, cutting back on greenhouse gas (GHG) emissions from electricity through the use of renewable electricity, or receiving any other environmental benefits of renewable energy use that constitute the claiming of a renewable energy credit (REC). Distributor and Owner of Qualifying System understand that if claims of using renewable electricity or any of the environmental attributes within a REC, those claims would violate the terms of this Participation Agreement, since TVA, through this Participation Agreement, is purchasing one hundred percent (100%) of the RECs generated by the renewable energy installation and selling the RECs through its Green Power Switch program. If Distributor and Owner of Qualifying System wish to make such claims, they must purchase the equivalent RECs through the Green Power Switch program or other product.

SECTION 10 - INDEMNIFICATION AND LIABILITY

Distributor and Qualifying System Owner, if any, shall release, indemnify, defend, and save harmless TVA, the United States of America, and their respective officers, agents, employees, and contractors from all liability, claims, demands, causes of action, costs, or losses for personal injuries, property damage, special damages, consequential damages, indirect damages, or loss of life or property sustained by Distributor and/or the Qualifying System Owner, their agents, contractors, and families, or third parties arising out of or in any way connected with the Green Power Providers program including, without limitation, the design, purchase, construction, installation, ownership, testing, commissioning, operation, maintenance, repair, replacement, removal, defect, or failure of the Qualifying System under this Participation Agreement and Distributor's and Qualifying System Owner's interconnection and safety equipment. The obligations of this Section 10 shall survive termination of this Participation Agreement.

SECTION 11 - FORCE MAJEURE EVENT

- (a) A Force Majeure Event shall mean any act of God or the public enemy, fires, epidemics, quarantines, strikes, freight embargoes or delays in transportation, priorities or other acts or orders of governmental authority, or unforeseeable severe weather or floods, or any causes, whether or not of the same class or kind of those specifically above named, that are in each case (i) beyond the reasonable control of such affected party, (ii) by the exercise of reasonable foresight such party could not reasonably have been expected to avoid, and (iii) by the exercise of due diligence, such party shall be unable to prevent or overcome.
- (b) If a Force Majeure Event prevents Distributor from fulfilling any of its obligations at the Site under this Participation Agreement, Distributor shall promptly in writing notify TVA, or its authorized representatives, of the existence of the Force Majeure Event. The notification must specify in reasonable detail the circumstances of the Force Majeure Event, the expected duration, and the steps that Distributor is taking to alleviate the effects of the event on its performance, and, if the initial notification is verbal, it shall be promptly followed up with a written notification. Distributor shall keep TVA informed in writing on a continuing basis of developments relating to the

SECTION 15 - ACCOUNT AND QUALIFYING SYSTEM INFORMATION

15.1 Account's and Qualifying System's Type Information (This information must be fully completed by the Distributor.)

- The Qualifying System shall be located at the following Address*:

 City: _____ State: _____ Zip Code: _____
- Participant Electric Service Account Number: _____
- Participant Type: Residential Commercial or Industrial
- Qualifying System Type and Nameplate Capacity: (Please check below.)
 Solar Photovoltaic (PV) Wind ** Low-Impact Hydro Biomass
 If Biomass, please specify the fuel type: _____
- Total Nameplate Capacity of Qualifying System: _____ kW DC
 (kW AC for biomass or synchronous generators)

*Note the Address must match the local power company's billing system physical address.

** Hydro generation must be located in the Cumberland River watershed or in the Mississippi River, and the Participant must provide documentation that it meets any applicable requirements of the Federal Energy Regulatory Commission (FERC). Hydro generation could be located in the Tennessee River watershed only if TVA were to issue a Section 26a permit.

15.2 Contract Administration and Notices. Notices given under this Participation Agreement shall be deemed to have been duly delivered if hand delivered or sent by United States certified mail, return receipt requested, postage prepaid, to:

Distributor:

TVA:

Manager, End Use Generation,
Renewable Energy Programs
26 Century Boulevard, OCP 2J
Nashville, Tennessee 37214

The above-listed names and addresses of either party may be changed by written notification to the other party to this Participation Agreement as directed above.

If Distributor would like to assign this Participation Agreement from Account to another person, Distributor must complete Attachment C and submit it to TVA for review, in accordance with Section 8 above.

SECTION 16 - QUALIFYING SYSTEM OWNERSHIP

Distributor shall indicate below the ownership of the Qualifying System by completing, or causing the Qualifying System Owner to complete, the following:

Check one:

- Distributor is the owner of the Qualifying System and shall sign below at the bottom of this Section 16.
- Distributor is not the owner of the Qualifying System at the Address and shall have the Qualifying System Owner sign below:

I am the owner of the Qualifying System that is installed at the Address. I have had the Program explained to me, and I specifically agree to Sections 8(h) (Transfer and Assignment) and 10 (Indemnification and Release) above. Accordingly, I give my permission for Distributor and TVA to review the interconnection of the Qualifying System at the Address. I give my permission to use of the Qualifying System in the Program as provided herein. I will cooperate with the parties participating in the Program as set out in this Participation Agreement. I have the authority to sign below.

Name of Qualifying System Owner

Qualifying System Owner Signature and Date

United States certified mail, return receipt requested, postage prepaid, for Agreement shall be deemed to have been duly delivered if hand delivered or sent by first class registered mail, return receipt requested, postage prepaid, for

Renewable Energy Programs
26 Central Boulevard, GPO 33
Knoxville, Tennessee 37914

The above listed name and address of other party may be changed by written notification to the other party to this Participation Agreement as checked above.

SECTION 17 - SIGNATURES

17.1 Distributor's Signature

By its signature below, Distributor acknowledges that it has read and understands this Participation Agreement and agrees to be bound by all of the terms and conditions set forth herein.

If Distributor is the Qualifying System Owner, Distributor gives his permission for TVA to review the interconnection of the Qualifying System at the Address. Distributor understands that the Qualifying System is not entitled to generate power and Distributor is not entitled to Generation Credits or rebates unless and until Distributor and TVA execute the System Acceptance Form.

The Qualifying System's design and Account information provided under Subsection 15.1 above have met the initial Program and interconnection requirements.

Specifically, Distributor understands that Distributor is bound by the then-current Guidelines in effect at the time TVA executes this Participation Agreement, and the Guidelines in effect at the time TVA executes this Participation Agreement can be different than what the Distributor has reviewed. Distributor is responsible for reading, understanding, and adhering to the then-current Guidelines in effect at the time TVA executes this Participation Agreement.

Accepted and agreed to the foregoing this ____ day of _____, 20__.

DISTRIBUTOR NAME

(Distributor Representative Name & Title)

Distributor Representative Signature

17.2 TVA's Signature

Appendix A - Facility

APPROVED DENIED

COMMENTS/REASONS FOR DENIAL:

Accepted and agreed to the foregoing this _____ day of _____, 20____.

TENNESSEE VALLEY AUTHORITY

 (TVA Representative Name & Title)

 TVA Representative Signature

**DISTRIBUTOR'S ACCEPTANCE OF QUALIFYING SYSTEM FORM
(SYSTEM ACCEPTANCE FORM)**

After Participant completes the project and Distributor accepts the project and submits the Distributor's Acceptance of Qualifying System Form, TVA will review and may approve the form. If there are deficiencies in the submitted form, TVA may withhold approval and require Distributor to correct the deficiencies and resubmit the corrected form prior to approval.

Section 1 - Participant Information

Participant Name*: [REDACTED]

Participation Agreement Number: [REDACTED]

Street Address of Qualifying System*: [REDACTED]

City: [REDACTED] State: [REDACTED] Zip Code: [REDACTED]

Customer Type: Residential Commercial or Industrial

*Note that the Participant must be the account holder for the Billing Meter at the location specified above and the Street Address of Qualifying System must be the same address listed as the service address of the Billing Meter associated with the project.

Section 2 - Qualifying System Information

Total Nameplate Capacity of Qualifying System: [REDACTED] kW DC (AC for biomass or non inverter based systems)

Total Project Investment (Installed Cost): \$ [REDACTED]

Section 3 - Contractor/Installer Information

Company Name: [REDACTED]

Company Address: [REDACTED]

City: [REDACTED] State: [REDACTED] Zip Code: [REDACTED]

North American Board of Certified Energy Practitioners (NABCEP) Certification Level (for solar PV and wind projects): [REDACTED]

NABCEP Certificate Number: [REDACTED]

Section 4 - Generation Meter Information (to be completed by Distributor)

Generation Meter Type: Interval (required for > 10 kW) Non-interval

Metering Connection: Option 1 (supply-side) Option 2 (load-side)

Complete below for all interval meters (does not apply to non-interval meters):

Interval Meter Option: TVA-Vendor Meter Option Distributor Meter Option

Complete for Non-Vendor Option Only - Remote Communications Type:

Cellular Ethernet Land/Phone Line Other: Please specify [REDACTED]

Note that the Distributor Customer Meter Setup (DCMS) or other approved TVA metering form must be completed and submitted to TVA Customer Service prior to signing this form.

Section 5 - Distributor's Acceptance of Qualifying System

The Qualifying System has met the requirements for interconnection to the Distributor's system and is in compliance with the standards and terms of the Participation Agreement and the currently effective edition of TVA's Green Power Providers Program Participation Guidelines. As of the date outlined below, the Qualifying System has been commissioned at its total nameplate kW capacity outlined in Section 2 above and is fully operational and properly interconnected to the Distributor's electric distribution or transmission system.

Distributor Acceptance Date: [REDACTED]

Distributor Name: [REDACTED]

Name and Title of Distributor Representative: [REDACTED]

Signature of Distributor Representative: [REDACTED]

Distributor is required to send a copy of this document within ten business days of the acceptance date to the Green Power Switch inbox (preferred) at greenpowerswitch@tva.gov or to fax it to 615-232-6828

Section 6 - TVA's Approval/Denial of System Acceptance Form (to be completed by TVA)

APPROVED DENIED

COMMENTS/REASONS FOR DENIAL:

Date Received by TVA: [REDACTED] Date Approved by TVA: [REDACTED]

Name and Title of TVA Representative: [REDACTED]

Signature of TVA Representative: [REDACTED]

GREEN POWER PROVIDERS PROGRAM PARTICIPATION GUIDELINES

(Effective October 1, 2012)

GUIDELINE 1 - PROGRAM PURPOSE AND DESCRIPTION

The purpose of the Green Power Providers program (Program) is to continue to increase the renewable energy supply in the Tennessee Valley region. In addition, the Program aims to align with the green power demand and participation levels in TVA's Green Power Switch program, while also stimulating economic growth and serving as a customer-focused solution to grid integration of small scale clean and renewable energy systems.

Distributors of TVA power (Distributors) that have entered into a Green Power Providers Agreement with TVA have the opportunity to offer the Program to their customers. These customers (Applicants) can apply for participation in the Program by completing the Green Power Providers Participation Agreement, and Distributors (in such circumstances also herein referred to as Applicants) can apply for participation as generators under the Green Power Providers Distributor Facility Participation Agreement (both agreements herein referred to as Participation Agreement), and submitting it to Distributor and TVA for review and potential approval and execution. All Applicants must be the same person(s) or entity designated on the customer's power billing account that is associated with the single associated Billing Meter at the Address of Site (defined below). Each Applicant will be given the status of "Participant" upon full execution of a Participation Agreement by all parties, provided such Applicant qualifies for and meets, at the time TVA executes the Participation Agreement, the then-current participation requirements. In order to retain its status as a Participant, each Applicant must install its generating system (Qualifying System) in accordance with the Participation Agreement and this Green Power Providers Program Participation Guidelines document (Guidelines) and, once TVA has executed the Participation Agreement, the Qualifying System must be fully interconnected, and operational within one hundred eighty (180) Calendar Days of TVA's execution of the Participation Agreement, as indicated on Distributor's Acceptance of Qualifying System form (System Acceptance Form), and Applicant shall comply with the terms of the Participation Agreement.

GUIDELINE 2 - DEFINITION OF TERMS

As used in these Guidelines:

- 2.1 "Applicant" shall mean any potentially eligible residential, commercial, or industrial end-use customer served by Distributor (or a Distributor itself on its own behalf) that elects to participate in the Program by (i) submitting an interconnection request to Distributor, and upon Distributor's approval, entering into an interconnection agreement with Distributor, and (ii) submitting a completed copy of the Participation Agreement for TVA's and Distributor's review and potential approval and execution.
- 2.2 "Billing Meter" shall mean a retail billing meter located at the Site where the Participant's facility or dwelling is located. The Billing Meter must be fully operational and measure the billing demand and/or the energy consumed at the Site.

2.3 "Business Days" shall mean all days except Saturdays and Sundays and the weekdays that are observed by TVA as Federal holiday (Federal holidays currently include New Year's Day, Martin Luther King's Birthday, Presidents' Day, Memorial Day, Independence Day, Labor Day, Columbus Day, Veterans' Day, Thanksgiving Day, and Christmas Day).

2.4 "Calendar Days" shall mean all days in a month, including weekends and holidays.

2.5 "Delivery Commencement Date" shall mean the date on which the Distributor has executed the System Acceptance Form.

2.6 "Generation Credit" shall mean the accrued generation credits due to Participant, which shall be calculated by applying the sum of the energy charge in the applicable retail rate schedule (residential (RS) or deemed to be GSA1 for all commercial and industrial customers) and the applicable Premium Rate to the kWh energy measured on the Generation Meter.

2.7 "Generation Meter" shall mean a meter additional to the Billing Meter at the Site that is installed by Distributor and designed to measure the alternating current (AC) energy output from the Qualifying System at the Site. Generation Meter shall mean either an Interval Generation Meter or a Non-Interval Generation Meter, or both.

2.8 "Interconnection Agreement" means the agreement executed by Applicant and Distributor to provide for the interconnection of the Qualifying System to Distributor's distribution system.

2.10 "Interval Generation Meter" shall be a solid-state type meter of high quality for billing purposes that records at least clock hour (hour interval) data and measures the energy output (kWh) from the Qualifying System at the Site; provided, however, it is recognized that fifteen (15) -minute interval data is preferred. It is further expressly recognized that the Participant's applicable retail rate schedule may require a shorter interval.

2.11 "Non-Interval Generation Meter" shall be a solid-state type meter of high quality for billing purposes that measures the energy output (kWh) from the Qualifying System at the Site but which does not meet the definition of Interval Generation Meter.

2.12 "Premium Rate" shall have the meaning set forth in Guideline 8.

2.13 "Site" shall mean Participant's residential, commercial, or industrial real estate and associated personal property to which the Qualifying System is connected, the address of which is identified under the Participant's power billing account. In addition, the Site must meet all of the following requirements:

- (a) The property must receive its retail electricity distribution services from Distributor at the location of the Qualifying System,
- (b) The Qualifying System must be located on the same premises of Participant where the Participant's own electrical load is located,

(c) Maximum of 50 kW per contiguous property per Participant, subject to Guideline 3 below, and

(d) Maximum of 50 kW per associated Billing Meter account at the Site, subject to Guideline 3 below.

In addition, the Site shall meet the requirements set forth in the Participation Agreement and these Guidelines.

GUIDELINE 3 - CUSTOMER ELIGIBILITY AND LOAD REQUIREMENTS

3.1 Existing Distributor Customers

(a) Existing Distributor customers must have at least twelve (12) months of historical annual energy usage (kWh) data from the Site.

(b) The primary purpose of the Applicant's residential, commercial, or industrial facility cannot be energy generation.

(c) Qualifying Systems with a generation nameplate capacity of up to 10 kW (DC for inverter-based systems; AC for non-inverter-based systems) are not subject to any load or energy usage requirements. However, if the nameplate capacity of the Qualifying Systems is greater than 10 kW (DC for inverter-based systems; AC for non-inverter-based systems), the system will be subject to Site energy usage requirements. In this case the Qualifying System's nameplate capacity is limited to the lesser of (i) 50 kW or (ii) the kW capacity that is designed to generate annually no more than 100% of the Site's historical annual usage in kWh, as recorded by the associated Billing Meter at the Site.

3.2 New Distributor Customers/New Construction

Provided Distributor agrees to offer the Program to its prospective eligible customers or "new construction" market and subject to the Program's terms and conditions, the following shall apply:

(a) For prospective new and existing customers without twelve (12) full months of historical usage, either the builder (for new construction) or existing customer (for customers without twelve (12) full months of historical electrical usage at the Site) must submit acceptable and reasonable annual electrical usage projections for its residential or commercial/industrial facility.

(b) For new construction projects, the builder(s) (Builder) must complete and submit the "Request for Program Participation Eligibility of New Construction" (New Construction Request Form or Attachment E) to its Distributor for acceptance of its potential Qualifying System(s) into the Program. It is expressly recognized and understood that it is at Distributor's and TVA's discretion to approve or reject any submitted Attachment E.

(c) The Builder may receive a Program letter of intent (LOI) from Distributor, and TVA, which guarantees the Builder's Qualifying System acceptance into the Program against the annual capacity limit, provided that the Qualifying System is fully operational and interconnected (as identified on the System Acceptance Form) within 360 Calendar Days from the date of the LOI and provided that (i) Distributor approves and allows for acceptance of new construction projects in the Program, (ii) the Qualifying System meets the eligibility requirements for the Program, and (iii) there is available capacity (MW) for the Program in the given year.

(d) The LOI is deemed valid as long as an official Participation Agreement is fully executed between the Participant, Owner of Qualifying System (if different than the Participant), Distributor, and TVA within one hundred eighty (180) Calendar Days from the date of the LOI. Upon completion of a fully executed Participation Agreement, the Participant/Applicant must satisfy all of the requirements of the Participation Agreement and the Guidelines, including having the Qualifying System interconnected and fully operational within the one hundred eighty (180) Calendar Days period after TVA's execution of the Participation Agreement. The total project completion period (LOI and Participation Agreement) is 360 Calendar Days. The Participant will receive the Premium Rate associated with the calendar year in which the Participation Agreement is executed by TVA.

(e) For existing customers without twelve (12) full months of electrical usage history, Applicant must provide Distributor with its projected annual usage (kWh); in addition to the proposed nameplate capacity of the Qualifying System.

(f) Proposed Qualifying Systems with a proposed nameplate capacity of up to 10 kW (DC for inverter based systems, AC for non inverter based systems) are not subject to any load or energy usage requirements. However, if the proposed nameplate capacity of the Qualifying System is greater than 10 kW (DC for inverter based systems, AC for non inverter based systems), the system will be subject to projected Site energy usage requirements. In this case the Qualifying System's proposed nameplate capacity is limited to the lesser of (i) 50 kW or (ii) the kW capacity that is designed to generate annually no more than 100% of the Applicant's/Participant's projected annual usage in kWh, as recorded by the associated Billing Meter at the Site.

As provided in this Guidelines 3.2, the annual generation (kWh) projections from the Qualifying System must be provided to Distributor by an Applicant, or by an existing Participant with a nameplate capacity of 10 kW or less and who wishes to increase its Qualifying System's nameplate capacity to be above 10 kW. This Applicant or Participant must submit a professional estimate for expected generation, if available, which shall be reviewed and approved by Distributor and TVA. The following default

annual capacity factors (%) shall be used to determine the maximum nameplate capacity (kW) of any new or expanding Qualifying System.

- Solar PV – 15%
- Wind – 15%
- Low-Impact Hydropower – 50%
- Biomass – 70%

Example: A small commercial business' projected annual usage is 30,000 kWh on a single billing meter and it wishes to install a solar PV project in the Program. The maximum nameplate capacity for this business would be 23 kW DC since it would likely generate no more than 100% of the customer's annual usage on the single billing meter.

Solar PV Generation Example Default Calculation:

23 kW X 8,760 hours X 15% Annual Capacity Factor = 30,222 kWh
(round maximum kW to the nearest whole number)

Additionally TVA will post a helpful calculator or links to websites that may assist customers in making this calculation.

GUIDELINE 4 - ELIGIBLE RENEWABLE TECHNOLOGIES

Participant must be able to demonstrate, on an ongoing basis, that the Qualifying System generates electricity from one of the resources (Qualifying Resources) included below:

- (a) Solar Photovoltaic (PV): poly-crystalline panels or thin film cells using fixed or single/dual axis tracking systems, which can be ground- or structure-mounted.
- (b) Wind: turbines in conventional sizes for commercial-scale generation.
- (c) Low-Impact Hydropower – from new generation capacity on a non-impoundment or new generation capacity on an existing impoundment. Such generation must be located in the Cumberland River watershed or in the Mississippi River. Hydro generation could be located in the Tennessee River watershed only if TVA were to issue a permit under section 26a of the TVA Act. Additionally, such generation must meet one or more of the following conditions: (1) the hydropower facility is certified by the Low Impact Hydropower Institute; or (2) the facility is a run-of-the-river hydropower facility with a total rated nameplate capacity equal to 50 kW or less (multiple turbines will not be counted separately and shall not amount to more than the nameplate capacity); or (3) the hydropower facility consists of a turbine in a pipeline or a turbine in an irrigation canal. Furthermore, such generation must also meet any applicable FERC requirements.
- (d) Biomass: solid, liquid, or gaseous form of renewable biomass that is produced from the following fuels in a manner that complies with Applicable Law: 1) All wood waste including "black liquor" from pulp and paper processing, mill residues, industrial waste wood, and waste wood from woodworking or wood processing, so long as the wood is not chemically treated or coated; 2) All

agricultural crops or waste; 3) All animal and other organic waste; 4) All energy crops; and 5) Landfill gas and wastewater methane.

- Biomass resources excluded from eligibility include:
 - (1) wood that has been coated with paints, plastics, or Formica;
 - (2) wood that has been treated for preservation with materials containing halogens (such as chlorine or other halide compounds) or arsenic (such as CCA or chromated copper arsenate);
 - (3) municipal solid waste; and
 - (4) biodiesel.

GUIDELINE 5 - PROGRAM RESTRICTIONS

No Qualifying System may be installed on billboards, light poles, cable/communication/internet boxes, recreational vehicles, or mobile facilities.

GUIDELINE 6 - PROCESS AND PROCEDURES

- (a) Distributor customer consults with Distributor about participation in the Program.
- (b) Distributor customer applies for Program participation by submitting to Distributor (i) an interconnection request, including any interconnection request fees, (ii) a completed Participation Agreement, and (iii) a program application fee (not to exceed \$500), thereby becoming an Applicant.
- (c) Participant purchases the Qualifying System and installs it so that it is fully operational within one hundred eighty (180) Calendar Days of the date of TVA's execution of the Participation Agreement.
- (d) After the installation of the Qualifying System is completed and Distributor has submitted System Acceptance Form, Participant will receive a one-time \$1,000 rebate incentive from either TVA or Distributor, depending on what billing option the Distributor has selected for the Participant.
- (e) Participant's Qualifying System begins generation and Participant receives monthly credits for the renewable generation in accordance with the Participation Agreement.

GUIDELINE 7 - PROGRAM INCENTIVES

Eligible participants will receive the following:

- (a) One-time \$1,000 rebate incentive after the Qualifying System is installed, completed, interconnected, commissioned, and begins energy generation (the Delivery Commencement Date).
- (b) Monthly Generation Credits.

Note that the Premium Rate is dependent upon the date and calendar year that the Participation Agreement is executed by TVA for participation in the Program. Further, the Premium Rate shall apply only to the first ten (10) years from Delivery

Commencement Date and no Premium Rate shall be paid for the remaining term of the Participation Agreement.

GUIDELINE 8 - PREMIUM RATE

The Premium Rate to be applied in the calculation of a Participant's monthly Generation Credits will vary based on the renewable technology, and the date and calendar year on which TVA executes the Participation Agreement. For the 2012 calendar year, the following Premium Rate is applicable to Participation Agreements executed and dated by TVA on or prior to December 31, 2012. **[Note, however, that the Qualifying System(s) must be completed, installed, and generating at full capacity within 180 Calendar Days from the date TVA executes the Participation Agreement, in order to receive said Premium Rate.]**

Solar	\$0.12
Wind, Biomass, and Hydro	\$0.03

TVA will endeavor to approve and execute any completed and acceptable Participation Agreements that Distributor and Participant have already executed within twenty (20) Business Days from the date said Participation Agreements are received by TVA. TVA will endeavor also to return any incomplete or otherwise unacceptable Participation Agreements within the same timeframe.

In order to provide a sustainable, steady, and transparent path for small scale renewable generation as well as to align power purchases with Green Power Switch demand, the following projected Premium Rate schedule for the next year will be reviewed and published annually and will be provided as updates to these Guidelines.

Solar	\$0.09
Wind, Biomass, and Hydro	\$0.03

The 2013 Premium Rates stated above are not final but represent the current projected Premium Rates. TVA will review the Program and incentives annually and will endeavor to publish a revised Guidelines document online at Program's website (<http://www.tva.com/renewable/index.htm>) two (2) months prior to changing the Premium Rate and incentives. TVA reserves the right to change the current projected Premium Rates for Participation Agreements that are entered into in future years, and Applicants and Participants assume the risk of TVA establishing differing Premium Rates for future years when TVA revises these Guidelines. Such changes will not affect fully executed Participation Agreements.

Example: a solar project is installed and completed by an eligible Participant in accordance with the terms and conditions of the Participation Agreement and its attached Guidelines document. The Participation Agreement for such solar system was executed by all parties and the date TVA executed the Participation Agreement was January 25, 2013. According to the projected 2013 Premium Rates above, the Participant would receive a premium of \$0.09/kWh for the first ten years from the Delivery Commencement Date, and there would be no effective premium for

GUIDELINE 12 - ANNUAL PROGRAM PARTICIPATION LIMITS

TVA will conduct an annual Program evaluation and will set annual MW limits that provide sustainable growth of renewable capacity in alignment with the Green Power Switch program participation and demand, as well as TVA's Integrated Resource Plan.

Participation Agreements will be reviewed and enter a queue for allocation of available Program capacity on a first-come, first-serve basis, as determined by the date Participation Agreements are received and deemed complete by TVA for potential approval and execution.

TVA will publish the progress towards the annual MW limit on the Program's website (<http://www.tva.com/renewable/index.htm>). If and when the MW limit for any given year is reached, TVA will publish on the Program's website such news as soon as it becomes available and stop accepting Participation Agreements in that given year. TVA will announce and notify the public via the Program's website when eligible capacity becomes available in that same year, and may start accepting new Participation Agreements.

The initial MW limit is set to be 10.0 MW of nameplate capacity for Participation Agreements approved, executed, and dated by TVA in calendar year 2013. To ensure diverse and equitable participation in the Program, Qualifying Systems up to 10 kW are deemed "Fast Track" projects, which will require a less stringent review, and will not require usage history and distribution system study of impacts. Additionally, for calendar year 2013, the "Fast Track" MW reservation for Qualifying Systems will comprise a total of no less than 20%, or 2.0 MW, of the total 10 MW limit in calendar year 2013. The "Fast Track" reservation amount will also be reviewed annually based on Program participation and market conditions. The program limits and reservations are outlined in the table below.

Calendar Year	Fast Track MW Reservation	Total Program MW Limit
2013	2.0	10.0

Once a Distributor and a Participant have signed a Participation Agreement and presented it to TVA for review and possible execution, TVA shall be under no obligation to execute said Participation Agreement once the MW limit for that year has been reached, notwithstanding any actions taken and expenses incurred to date by the Applicant.

GUIDELINE 13 - TRUST/POWER OF ATTORNEY/ LEGAL DOCUMENT

In all instances when the Participant or Qualifying System Owner represents there is a legal document relevant to the terms of the Participation Agreement, the Participant or Qualifying System Owner shall provide the Distributor with the original legal document. Distributor shall then make a copy of said legal document and attach it to the

Participation Agreement. TVA's decision on the legal effect of said legal document shall be controlling.

GUIDELINE 14 - PARTICIPANT DEATH OR INCAPACITY

Upon Participant's death or incapacity, if Participant's estate executor, conservator, attorney in fact, or court ordered agent (herein collectively Agent) wishes to continue with the terms and conditions of the Participation Agreement and Guidelines, Agent shall complete the Request to Amend Participation Agreement by Changing Participant and/or Qualifying System Owner (Attachment C) and forward it to Distributor and TVA for review and potential approval and execution; otherwise, the Participation Agreement shall be terminated and any new owner of Site must reapply for Program participation in accordance with the then-current Participation Agreement and Guidelines.

GUIDELINE 15 - GUIDELINES CHANGES

These Guidelines continue in effect until modified or replaced by TVA at any time and from time to time upon thirty (30) Calendar Days notice to all Distributors participating in the Program. Said notice shall be deemed properly given if provided electronically either by electronic mail or by posting electronically on a computer-based information system designated by TVA for such purpose. In the event of a conflict between these Guidelines, the Green Power Providers Agreement, a Participation Agreement, or any other contract executed by TVA, the Green Power Providers Agreement shall govern. In the event of a conflict between these Guidelines and a former version of the Guidelines (including a version of the Guidelines that was in effect at the time any contract was signed), these Guidelines shall govern. TVA will publish any changes or modifications to the Guidelines online at Program's website (<http://www.tva.com/renewable/index.htm>).

and a Participant's estate executor, conservator, attorney in fact, or court ordered agent (herein collectively Agent) wishes to continue with the terms and conditions of the Participation Agreement and Guidelines, Agent shall complete the Request to Amend Participation Agreement by Changing Participant and/or Qualifying System Owner (Attachment C) and forward it to Distributor and TVA for review and potential approval and execution; otherwise, the Participation Agreement shall be terminated and any new owner of Site must reapply for Program participation in accordance with the then-current Participation Agreement and Guidelines.

GUIDELINE 16 - INVESTOR OWNED PARTICIPATION AGREEMENT

Investor owned Participation Agreements are subject to the terms and conditions of the Participation Agreement and Guidelines. TVA will publish any changes or modifications to the Guidelines online at Program's website (<http://www.tva.com/renewable/index.htm>).



Tennessee Valley Authority, 6045 Russellville Road, Bowling Green, Kentucky 42101-7319

8/15/2012

Laura

Please copy Jim, Glenn

& file.

Thanks,
Paul

August 14, 2012

Mr. Paul Thompson
Executive Vice President/General Manager
Tri-County Electric Membership Corporation
405 College Street
Lafayette, Tennessee 37083

Dear Paul:

**TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION -- FULLY EXECUTED
OPTIONAL WHOLESALE RATE AGREEMENT -- TV-52337A, SUPP. NO. 98,
DATED OCTOBER 1, 2012**

Enclosed is one fully executed original of the Optional Wholesale Rate Agreement, TV-52337A, Supp. No. 98, dated October 1, 2012, amending Tri-County EMC's power contract in the respects necessary to implement an optional wholesale rate schedule, effective as of the October 2012 revenue month, for your files.

If you have questions concerning this document or any material therein, please call Derrick Miller (270-856-4581) or me (270-846-7041).

Sincerely,

Ernest W. Peterson, Jr., PE
General Manager
Customer Service
Kentucky

Enclosure

AGREEMENT
Between
TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION
And
TENNESSEE VALLEY AUTHORITY

Effective Date: October 1, 2012

TV-52337A, Supp. No. 98

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 (TVA Act);

WITNESSETH:

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, TVA and Distributor have entered into an agreement dated April 1, 2011, which placed into effect a wholesale rate schedule (Existing Wholesale Schedule) and resale rate schedules; and

WHEREAS, TVA has approved optional wholesale schedules designated as Wholesale Power Rate--Schedule WS-MTOU (Schedule WS-MTOU) and Wholesale Power Rate--Schedule WS-MDE (Schedule WS-MDE); and

WHEREAS, the parties wish to supplement and amend the Power Contract in the respects necessary to place into effect an optional wholesale schedule;

NOW, THEREFORE, for and in consideration of the premises and of the mutual agreements set forth below, and subject to the TVA Act, the parties agree as follows:

SECTION 1 – TERM OF AGREEMENT

This agreement shall become effective as of the date first written above. Except as otherwise provided in 2.2 below, it shall continue in effect until the earlier of (a) the expiration or termination of the Power Contract or (b) implementation of the next Rate Change as provided in the Power Contract's Schedule of Terms and Conditions.

SECTION 2 – OPTIONAL WHOLESALE RATE SCHEDULE

2.1 Implementation of Optional Wholesale Rate. The parties hereby agree that (a) the Existing Wholesale Schedule shall remain in full force and effect for all bills

rendered from wholesale meter readings scheduled to be taken before October 2, 2012, and (b) Schedule WS-MDE (the "Optional Wholesale Schedule" attached as Exhibit A and made a part of this agreement) shall become effective in accordance with the provisions thereof for all bills rendered from wholesale meter readings scheduled to be taken on and after October 2, 2012. Commencing with the first application of the Optional Wholesale Schedule, all references in the Power Contract to the Existing Wholesale Schedule shall be deemed to refer to the Optional Wholesale Schedule.

Further, the parties agree that while the Adjustment Addendum to Schedule of Rates and Charges for Distributor dated October 1, 2011, is in effect, the adjustments applicable to Schedule WS-TOU shall apply to the Optional Wholesale Schedule. It is expressly recognized that the rates provided for in the Optional Wholesale Schedule shall be subject to the provisions of the Terms and Conditions of the Power Contract entitled "Adjustment and Change of Wholesale Rate and Resale Rates."

2.2 Termination of Optional Wholesale Rate.

(a) The Optional Wholesale Schedule may be terminated by TVA in October of any year upon at least 12 months' prior written notice. In such case, Schedule WS-TOU shall become effective in accordance with the provisions thereof for all bills rendered from wholesale meter readings scheduled to be taken on and after October 2 of the year specified in such termination notice. Thereafter, all references in the Power Contract to any wholesale schedule shall be deemed to refer to Schedule WS-TOU.

(b) The election of the Optional Wholesale Schedule may be terminated by Distributor in October of any year by providing TVA at least 45 days' written notice prior to October 1 of that year. Unless TVA and Distributor agree otherwise in writing, Schedule WS-TOU shall become effective for all bills rendered from wholesale meter readings scheduled to be taken on and after October 2 of said year.

2.3 Resale Rate Schedule Substitution: Distributor and TVA agree to substitute the new resale rate schedules specified in (a) below, copies of which are attached as Exhibit B, for the resale rate schedules specified in (b) below, which, as adjusted, are now in effect. The new resale rate 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 October 2012 revenue month. It is expressly recognized that the adjustments set forth in the currently effective Adjustment Addendum shall continue to apply to the charges provided for by the attached schedules specified in (a) below.

(a) New resale rate schedules:

- Residential Rate--Schedule RS (October 2012)
- General Power Rate--Schedule GSA (October 2012)
- Outdoor Lighting Rate--Schedule LS (October 2012)

- (b) Existing resale rate schedules:
Residential Rate--Schedule RS (April 2011)
General Power Rate--Schedule GSA (April 2011)
Outdoor Lighting Rate--Schedule LS (July 2012)

Commencing with the first application of the new resale rate schedules, 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.

SECTION 3 - POWER CONTRACT AFFIRMED

Except as expressly set out above, nothing in this agreement shall affect the other terms of the Power Contract.

IN WITNESS WHEREOF, the parties have caused this agreement to be executed by their duly authorized representatives, as of the day and year first above written.

**TRI-COUNTY ELECTRIC
MEMBERSHIP CORPORATION**

By

Title:

Bill Thompson
Exec. V.P. & Gen Mgr.

TENNESSEE VALLEY AUTHORITY

By

Title:

Ronald
Vice President
Pricing and Contracts

EXHIBIT A

with TVA furnished or approved guidelines or specifications, unrestricted remote access to the metering data at all times, as well as physical access to the metering facilities for the purpose of confirming remotely-accessed data during such periods as are specified by TVA. Further, for each Large Customer, Distributor shall furnish TVA with such contract information as TVA reasonably requests for purposes of performing monthly billing analysis for each such customer. In the event that TVA is not given such access to all such metering data, or is not provided such contract information, all power and energy taken hereunder shall be billed in accordance with the Alternate Billing Arrangement.

STANDARD SERVICE

Demand Charge:	Summer Period	\$ 8.83 per kW of Billing Demand per month
	Winter Period	\$ 8.04 per kW of Billing Demand per month
	Transition Period	\$ 8.04 per kW of Billing Demand per month
Non-Fuel Energy Charge:	Summer Period	3.301¢ per kWh per month
	Winter Period	3.020¢ per kWh per month
	Transition Period	2.908¢ per kWh per month

TOU SERVICE

General Power Service

Schedule GSB

Administrative Charge: \$350 per delivery point per month

Demand Charge:

Summer Period	\$14.00 per kW of metered onpeak demand per month
	\$ 2.71 per kW per month of the amount, if any, by which metered offpeak demand exceeds metered onpeak demand
Winter Period	\$ 7.56 per kW of metered onpeak demand per month
	\$ 2.71 per kW per month of the amount, if any, by which metered offpeak demand exceeds metered onpeak demand
Transition Period	\$ 2.71 per kW of metered offpeak demand per month

Non-Fuel Energy Charge:

Summer Period	6.512¢ per kWh per month for all metered onpeak kWh
	3.370¢ per kWh per month for the first 425 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy
	1.678¢ per kWh per month for the next 195 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy
	0.243¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours multiplied by the ratio of offpeak energy to total energy
Winter Period	3.733¢ per kWh per month for all metered onpeak kWh
	3.370¢ per kWh per month for the first 425 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy
	1.678¢ per kWh per month for the next 195 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy
	0.243¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours multiplied by the ratio of offpeak energy to total energy
Transition Period	3.370¢ per kWh per month for the first 425 hours use of maximum metered demand
	1.678¢ per kWh per month for the next 195 hours use of maximum metered demand

0.243¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours.

Schedule GSC

Administrative Charge: \$350 per delivery point per month

Demand Charge:

Summer Period: \$14.00 per kW of metered onpeak demand per month
\$ 2.71 per kW per month of the amount, if any, by which metered offpeak demand exceeds metered onpeak demand

Winter Period: \$ 7.56 per kW of metered onpeak demand per month
\$ 2.71 per kW per month of the amount, if any, by which metered offpeak demand exceeds metered onpeak demand

Transition Period: \$ 2.71 per kW of metered offpeak demand per month

Non-Fuel Energy Charge:

Summer Period: 6.186¢ per kWh per month for all metered onpeak kWh
3.132¢ per kWh per month for the first 425 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy
1.439¢ per kWh per month for the next 195 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy
0.004¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours multiplied by the ratio of offpeak energy to total energy

Winter Period: 3.475¢ per kWh per month for all metered onpeak kWh
3.132¢ per kWh per month for the first 425 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy
1.439¢ per kWh per month for the next 195 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy
0.004¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours multiplied by the ratio of offpeak energy to total energy

Transition Period: 3.132¢ per kWh per month for the first 425 hours use of maximum metered demand
1.439¢ per kWh per month for the next 195 hours use of maximum metered demand
0.004¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours

Schedule GSD

Administrative Charge: \$350 per delivery point per month

Demand Charge:

Summer Period: \$14.00 per kW of metered onpeak demand per month
\$ 2.71 per kW per month of the amount, if any, by which metered offpeak demand exceeds metered onpeak demand

Winter Period: \$ 7.56 per kW of metered onpeak demand per month
\$ 2.71 per kW per month of the amount, if any, by which metered offpeak demand exceeds metered onpeak demand

Transition Period: \$ 2.71 per kW of metered offpeak demand per month

Non-Fuel Energy Charge:

Summer Period: 6.048¢ per kWh per month for all metered onpeak kWh
2.899¢ per kWh per month for the first 425 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy

-1.207¢ per kWh per month for the next 195 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy
 -0.230¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours multiplied by the ratio of offpeak energy to total energy
Winter Period 3.258¢ per kWh per month for all metered onpeak kWh
 2.899¢ per kWh per month for the first 425 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy
 1.207¢ per kWh per month for the next 195 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy
 -0.230¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours multiplied by the ratio of offpeak energy to total energy
Transition Period 2.899¢ per kWh per month for the first 425 hours use of maximum metered demand
 1.207¢ per kWh per month for the next 195 hours use of maximum metered demand
 -0.230¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours

Schedule TDGSA

Administrative Charge: \$350 per delivery point per month

Demand Charge:

Summer Period \$14.00 per kW of metered onpeak demand per month
 \$ 2.71 per kW per month of the amount, if any, by which metered offpeak demand exceeds metered onpeak demand
Winter Period \$ 7.56 per kW of metered onpeak demand per month
 \$ 2.71 per kW per month of the amount, if any, by which metered offpeak demand exceeds metered onpeak demand
Transition Period \$ 2.71 per kW of metered offpeak demand per month

Non-Fuel Energy Charge:

Summer Period 6.512¢ per kWh per month for all metered onpeak kWh
 3.370¢ per kWh per month for the first 425 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy
 1.678¢ per kWh per month for the next 195 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy
 0.243¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours multiplied by the ratio of offpeak energy to total energy
Winter Period 3.733¢ per kWh per month for all metered onpeak kWh
 3.370¢ per kWh per month for the first 425 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy
 1.678¢ per kWh per month for the next 195 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy
 0.243¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours multiplied by the ratio of offpeak energy to total energy
Transition Period 3.370¢ per kWh per month for the first 425 hours use of maximum metered demand
 1.678¢ per kWh per month for the next 195 hours use of maximum metered demand
 0.243¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours

Manufacturing Service

Schedule MSB

Administrative Charge: \$350 per delivery point per month

Demand Charge:

Summer Period \$14.00 per kW of metered onpeak demand per month

\$ 2.71 per kW per month of the amount, if any, by which metered offpeak demand exceeds metered onpeak demand

Winter Period \$ 7.56 per kW of metered onpeak demand per month

\$ 2.71 per kW per month of the amount, if any, by which metered offpeak demand exceeds metered onpeak demand

Transition Period \$ 2.71 per kW of metered offpeak demand per month

Non-Fuel Energy Charge:

Summer Period 5.136¢ per kWh per month for all metered onpeak kWh

2.029¢ per kWh per month for the first 425 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy

0.338¢ per kWh per month for the next 195 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy

-1.098¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours multiplied by the ratio of offpeak energy to total energy

Winter Period 2.415¢ per kWh per month for all metered onpeak kWh

2.029¢ per kWh per month for the first 425 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy

0.338¢ per kWh per month for the next 195 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy

-1.098¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours multiplied by the ratio of offpeak energy to total energy

Transition Period 2.029¢ per kWh per month for the first 425 hours use of maximum metered demand

0.338¢ per kWh per month for the next 195 hours use of maximum metered demand

-1.098¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours

Schedule MSC

Administrative Charge: \$350 per delivery point per month

Demand Charge:

Summer Period \$14.00 per kW of metered onpeak demand per month

\$ 2.71 per kW per month of the amount, if any, by which metered offpeak demand exceeds metered onpeak demand

Winter Period \$ 7.56 per kW of metered onpeak demand per month

\$ 2.71 per kW per month of the amount, if any, by which metered offpeak demand exceeds metered onpeak demand

Transition Period \$ 2.71 per kW of metered offpeak demand per month

Non-Fuel Energy Charge:

Summer Period 5.211¢ per kWh per month for all metered onpeak kWh

2.016¢ per kWh per month for the first 425 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy

0.325¢ per kWh per month for the next 195 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy
-1.110¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours multiplied by the ratio of offpeak energy to total energy

Winter Period
2.428¢ per kWh per month for all metered onpeak kWh
2.016¢ per kWh per month for the first 425 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy
0.325¢ per kWh per month for the next 195 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy
-1.110¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours multiplied by the ratio of offpeak energy to total energy

Transition Period
2.016¢ per kWh per month for the first 425 hours use of maximum metered demand
0.325¢ per kWh per month for the next 195 hours use of maximum metered demand
-1.110¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours

Schedule MSD

Administrative Charge: \$350 per delivery point per month

Demand Charge:

Summer Period
\$14.00 per kW of metered onpeak demand per month
\$ 2.71 per kW per month of the amount, if any, by which metered offpeak demand exceeds metered onpeak demand

Winter Period
\$ 7.56 per kW of metered onpeak demand per month
\$ 2.71 per kW per month of the amount, if any, by which metered offpeak demand exceeds metered onpeak demand

Transition Period \$ 2.71 per kW of metered offpeak demand per month

Non-Fuel Energy Charge:

Summer Period
5.060¢ per kWh per month for all metered onpeak kWh
1.868¢ per kWh per month for the first 425 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy
0.176¢ per kWh per month for the next 195 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy
-1.259¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours multiplied by the ratio of offpeak energy to total energy

Winter Period
2.262¢ per kWh per month for all metered onpeak kWh
1.868¢ per kWh per month for the first 425 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy
0.176¢ per kWh per month for the next 195 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy
-1.259¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours multiplied by the ratio of offpeak energy to total energy

Transition Period
1.868¢ per kWh per month for the first 425 hours use of maximum metered demand
0.176¢ per kWh per month for the next 195 hours use of maximum metered demand
-1.259¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours

Schedule TDMSA

Administrative Charge: \$350 per delivery point per month
Demand Charge:
Summer Period: \$14.00 per kW of metered onpeak demand per month
\$ 2.71 per kW per month of the amount, if any, by which metered offpeak demand exceeds metered onpeak demand
Winter Period: \$ 7.56 per kW of metered onpeak demand per month
\$ 2.71 per kW per month of the amount, if any, by which metered offpeak demand exceeds metered onpeak demand
Transition Period: \$ 2.71 per kW of metered offpeak demand per month

Non-Fuel Energy Charge:

Summer Period: 5.136¢ per kWh per month for all metered onpeak kWh
2.029¢ per kWh per month for the first 425 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy
0.338¢ per kWh per month for the next 195 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy
-1.098¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours multiplied by the ratio of offpeak energy to total energy
Winter Period: 2.415¢ per kWh per month for all metered onpeak kWh
2.029¢ per kWh per month for the first 425 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy
0.338¢ per kWh per month for the next 195 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy
-1.098¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours multiplied by the ratio of offpeak energy to total energy
Transition Period: 2.029¢ per kWh per month for the first 425 hours use of maximum metered demand
0.338¢ per kWh per month for the next 195 hours use of maximum metered demand
-1.098¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours

SEASONAL DEMAND AND ENERGY SERVICE

General Power Service

Schedule SGSB

Administrative Charge: \$350 per delivery point per month
Demand Charge:
Summer Period: \$18.61 per kW of metered demand per month
Winter Period: \$12.90 per kW of metered demand per month
Transition Period: \$ 8.61 per kW of metered demand per month

Non-Fuel Energy Charge:

Summer Period: 2.224¢ per kWh per month
Winter Period: 1.853¢ per kWh per month
Transition Period: 1.772¢ per kWh per month

Schedule SGSC

Administrative Charge: \$350 per delivery point per month
Demand Charge:
Summer Period \$18.61 per kW of metered demand per month
Winter Period \$12.90 per kW of metered demand per month
Transition Period \$ 8.61 per kW of metered demand per month
Non-Fuel Energy Charge:
Summer Period 2.235¢ per kWh per month
Winter Period 1.857¢ per kWh per month
Transition Period 1.777¢ per kWh per month

Schedule SGSD

Administrative Charge: \$350 per delivery point per month
Demand Charge:
Summer Period \$21.83 per kW of metered demand per month
Winter Period \$16.11 per kW of metered demand per month
Transition Period \$11.83 per kW of metered demand per month
Non-Fuel Energy Charge:
Summer Period 1.598¢ per kWh per month
Winter Period 1.268¢ per kWh per month
Transition Period 1.196¢ per kWh per month

Manufacturing Service

Schedule SMSB

Administrative Charge: \$350 per delivery point per month
Demand Charge:
Summer Period \$15.99 per kW of metered demand per month
Winter Period \$10.28 per kW of metered demand per month
Transition Period \$ 5.99 per kW of metered demand per month
Non-Fuel Energy Charge:
Summer Period 1.532¢ per kWh per month
Winter Period 1.113¢ per kWh per month
Transition Period 1.016¢ per kWh per month

Schedule SMSC

Administrative Charge: \$350 per delivery point per month
Demand Charge:
Summer Period \$15.99 per kW of metered demand per month
Winter Period \$10.28 per kW of metered demand per month
Transition Period \$ 5.99 per kW of metered demand per month
Non-Fuel Energy Charge:
Summer Period 1.505¢ per kWh per month
Winter Period 1.112¢ per kWh per month
Transition Period 1.018¢ per kWh per month

Schedule SMSD

Administrative Charge: \$350 per delivery point per month
Demand Charge:
Summer Period \$18.61 per kW of metered demand per month

Winter Period \$12.90 per kW of metered demand per month
Transition Period \$ 8.61 per kW of metered demand per month

Non-Fuel Energy Charge:

Summer Period 0.862¢ per kWh per month
Winter Period 0.548¢ per kWh per month
Transition Period 0.472¢ per kWh per month

Adjustments

1. The base demand and energy charges in this rate schedule shall be increased or decreased in accordance with the current Adjustment Addendum published by TVA.

2. Distributor's bill for each month shall be adjusted by applying the net of the following calculations: (1) subtract 0.297¢ per kWh for the energy resold by Distributor in the previous month to customers entitled to service under residential rate schedules, (2) subtract \$1.60 per customer for each such customer, (3) add 0.279¢ per kWh for the energy resold by Distributor in the previous month to other customers whose contract demands do not exceed 5,000 kW, but excluding any customers served under schedules TDGSA and TDMSA, and (4) where Distributor is billed under the Alternate Billing Arrangement, add 45¢ per kW and 0.096¢ per kWh for the power and energy resold by Distributor in the previous month (i) to other customers whose contract demands exceed 5,000 kW and (ii) other customers served under schedules TDGSA and TDMSA. The dollar and cent amounts used in determining the adjustment applied under the preceding sentence (hereafter referred to as the "Hydro Allocation Adjustment") shall remain constant for 12 consecutive months from October 1 of each year.

Effective October 1 of each year, the dollar and cent amounts used in determining the Hydro Allocation Adjustment shall be recomputed to take account of changed sales and customer account data and applied accordingly. In performing such computations, the latest 12-month period ending June 30 shall be used for purposes of determining the amounts used in (1), (3), and (4) above and the number of customers entitled to be served under Distributor's residential rate schedules at the end of such 12-month period shall be used for purposes of determining the amount used in (2) above.

Each month Distributor shall report, in a form specified by TVA, the kWh amounts of energy used in determining components (1), (3), and (4) above and the number of customers used in determining component (2) above for purposes of computing the Hydro Allocation Adjustment for the upcoming month. To the extent that such data is not so reported on a timely manner, the Hydro Allocation Adjustment shall be computed from estimates determined by TVA.

3. In any case in which a bill involving a metered demand less than the billing demand is applicable to a customer of Distributor with a contract demand in excess of 5,000 kW, Distributor's bill under this rate schedule shall be adjusted by adding thereto for each such customer an amount computed as provided below. When such a bill involves a customer served under a resale schedule that provides for a different onpeak and offpeak billing demand, the amount added shall be (except as provided in the last paragraph of this section) 50 percent of the amount by which (a) the amount computed by applying the appropriate base demand charges of this rate schedule, as adjusted, to the customer's onpeak billing demand and to its excess of offpeak billing demand over onpeak billing demand exceeds (b) the amount computed by applying the appropriate base demand charges of this rate schedule, as adjusted, to the customer's metered onpeak demand and to its excess of metered offpeak demand over metered onpeak demand. When such a bill involves a customer served under a resale schedule that does not provide for a different onpeak and offpeak billing demand, the amount shall be computed by multiplying (except as provided in the last paragraph of this section) 50 percent of the amount by which the customer's billing demand exceeds the metered demand times the appropriate base demand charge, as adjusted, of this rate schedule.

In any case in which a bill involving metered offpeak energy less than the billed offpeak energy is applicable to such a customer with a contract demand in excess of 5,000 kW, Distributor's bill under this rate schedule shall be adjusted by adding thereto for each such customer an amount which shall be (except as provided in the last paragraph of this section) 50 percent of the amount by which (a) the amount computed by applying the appropriate base offpeak energy charges of this rate schedule, as adjusted, to the customer's billed offpeak energy exceeds (b) the amount computed by applying the appropriate base offpeak energy charges of this rate schedule, as adjusted, to the customer's metered offpeak energy.

For purposes of applying these adjustments with respect to customers with contract demands in excess of 25,000 kW, all references to the term "50 percent" in the preceding paragraphs shall be replaced with the term "75 percent."

4. It is recognized that the TOU Service and Seasonal Demand and Energy Service demand and energy charges listed above contain debit and credit components designed, together with the components (1) – (4) of Adjustment No. 2 above, to reflect the value of the hydro generation benefits allocated by TVA to residential customers. The dollar and cent amounts listed above in Adjustment No. 2 and the base TOU Service and Seasonal Demand and Energy Service demand and energy charges listed above may be increased or decreased by TVA from time to time to appropriately reflect changes in the value of the hydro generation benefits allocated by TVA to residential customers.

In addition, said charges and components may be adjusted by TVA from time to time for the purpose of ensuring that (a) TVA does not pay out more in credits for sales to residential consumers than it receives in debits for sales to other consumers and (b) TVA does not receive more in debits for sales to other consumers than it pays out in credits for sales to residential consumers.

In the event of an adjustment under either paragraph of this Adjustment No. 4, TVA shall make corresponding adjustments in all of Distributor's resale schedules.

Facilities Rental Charge

There shall be no facilities rental charge under this rate schedule for delivery at bulk transmission voltage levels of 161 kV or higher. For delivery to Distributor at less than 161 kV, there shall be added to Distributor's bill a facilities rental charge. This charge shall be 36¢ per kW per month, except for delivery at voltages below 46 kV, in which case the charge shall be 93¢ per kW per month for the first 10,000 kW and 73¢ per kW per month for the excess over 10,000 kW. For each delivery point, such charge shall be applied to the highest average demand during any 60-consecutive-minute period (beginning on the clock hour) for each month of the preceding 12-consecutive-month period of the load measured in kW (Delivery Point Demand). The facilities rental charge shall be in addition to all other charges under this rate schedule, including minimum bill charges, and such amounts in cents per kW may be increased or decreased by TVA, effective with the effective date of any Adjustment Addendum published by TVA, to reflect changes in the costs of providing for delivery at voltage levels below 161 kV.

Reactive Demand Charges

For each delivery point to Distributor, if the reactive demand (in kVAR) is lagging during the 60-consecutive-minute period of the month in which the Delivery Point Demand occurs, there shall be added to Distributor's bill for the following month a reactive charge of \$1.46 per kVAR of the amount, if any, by which the reactive demand exceeds 33 percent of the Delivery Point Demand. If the reactive demand (in kVAR) at a delivery point is leading during the 60-consecutive-minute period (beginning on the clock hour) of the month in which Distributor's lowest measured demand (excluding any measured demands which are less than 25 percent of the Delivery Point Demand) occurs, there shall be added to Distributor's bill for the following month a reactive charge of \$1.14 per kVAR of the amount of reactive demand. Such charges shall be in addition to all other charges under this rate schedule, including minimum bill charges, and such amounts in

cents per kVAR may be increased or decreased by TVA, effective with the effective date of any Adjustment Addendum published by TVA, to reflect changes in the costs of providing reactive power.

Determination of Seasonal Periods

Summer Period shall mean the months of June, July, August, and September. Winter Period shall mean the months of December, January, February, and March. The Transition Period shall mean the months of April, May, October, and November.

Determination of Standard Service Demand and Energy Billing Amounts

For every 60-consecutive-minute period (beginning on the clock hour) of the month, the average of the loads measured in kW for each customer served under the TOU Service and Seasonal Demand and Energy Service subsections above shall be subtracted from the average loads measured in kW at all delivery points. The highest difference computed in accordance with the previous sentence will be the Billing Demand for Standard Service provided for any month.

The Standard Service Energy for any month shall be the kWh amount equal to the total energy measured in kWh at all delivery points less the sum of the energy amounts used in calculating charges for that month under said TOU Service and Seasonal Demand and Energy Service subsections.

Minimum Bill

The monthly bill under this rate schedule, exclusive of any applicable facilities rental charges and any reactive charges, shall not be less than the higher of (a) the base delivery point charge or (b) 35 percent of the highest bill to Distributor, exclusive of any applicable facilities rental charge and any reactive charges, rendered under this rate schedule in the preceding 36-consecutive-month period.

EXHIBIT B

TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION

RESIDENTIAL RATE--SCHEDULE RS

(October 2012)

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: \$19.60 per month, less

Hydro Allocation Credit: \$1.60 per month

Energy Charge:

Summer Period

6.244¢ per kWh per month

Winter Period

5.918¢ per kWh per month

Transition Period

5.728¢ per kWh per month

Adjustment

The base energy charges shall be increased or decreased in accordance with the current Adjustment Addendum published by TVA. In addition, the base energy charge and the hydro allocation credit shall be increased or decreased to correspond to increases or decreases determined by TVA under Adjustment 4 of the wholesale power rate schedule applicable under contractual arrangements between TVA and Distributor.

Determination of Seasonal Periods

Summer Period shall mean the June, July, August, and September billing months. Winter Period shall mean the December, January, February, and March billing months. Transition Period shall mean the April, May, October, and November billing months.

Minimum Monthly Bill

The base customer charge, as reduced by the hydro allocation credit, constitutes the minimum monthly bill for all customers served under this rate schedule except those customers for which a higher minimum monthly bill is required under Distributor's standard policy because of special circumstances affecting Distributor's cost of rendering service.

Payment

Bills under this rate schedule will be rendered monthly. Any amount of bill unpaid after due date specified on bill may be subject to additional charges under Distributor's standard policy.

Single-Point Delivery

The charges under this rate schedule are based upon the supply of service through a single delivery and metering point, and at a single voltage.

Service is subject to Rules and Regulations of Distributor.

TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION

GENERAL POWER RATE--SCHEDULE GSA

(October 2012)

Availability

This rate shall apply to the firm power requirements (where a customer's contract demand is 5,000 kW or less) for electric service to commercial, industrial, and governmental customers, and to institutional customers including, without limitation, churches, clubs, fraternities, orphanages, nursing homes, rooming or boarding houses, and like customers. This rate shall also apply to customers to whom service is not available under any other resale rate schedule.

Character of Service

Alternating current, single- or three-phase, 60 hertz. Power shall be delivered at a service voltage available in the vicinity or agreed to by Distributor.

Base Charges

1. If (a) the higher of (i) the customer's currently effective contract demand, if any, or (ii) its highest billing demand during the latest 12-month period is not more than 50 kW and (b) the customer's monthly energy takings for any month during such period do not exceed 15,000 kWh:

Customer Charge: \$25.00 per delivery point per month

Energy Charge:

Summer Period 7.346¢ per kWh per month

Winter Period 7.026¢ per kWh per month

Transition Period 6.838¢ 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: \$50.00 per delivery point per month

Demand Charge:

Summer Period First 50 kW of billing demand per month, no demand charge

Excess over 50 kW of billing demand per month, at \$12.10 per kW

Winter Period First 50 kW of billing demand per month, no demand charge

Excess over 50 kW of billing demand per month, at \$11.31 per kW

Transition Period First 50 kW of billing demand per month, no demand charge

Excess over 50 kW of billing demand per month, at \$11.31 per kW

Energy Charge:

Summer Period First 15,000 kWh per month at 7.247¢ per kWh
Additional kWh per month at 3.547¢ per kWh

Winter Period First 15,000 kWh per month at 7.119¢ per kWh
Additional kWh per month at 3.245¢ per kWh

Transition Period First 15,000 kWh per month at 6.995¢ per kWh
Additional kWh per month at 3.124¢ per kWh

3. If the higher of (a) the customer's currently effective contract demand or (b) its highest billing demand during the latest 12-month period is greater than 1,000 kW:

Customer Charge: \$100.00 per delivery point per month

Demand Charge:

Summer Period First 1,000 kW of billing demand per month, at \$10.97 per kW
Excess over 1,000 kW of billing demand per month, at \$12.78 per kW, plus an additional \$12.78 per kW per month for each kW, if any, of the amount by which the customer's billing demand exceeds the higher of 1,000 kW or its contract demand

Winter Period First 1,000 kW of billing demand per month, at \$10.18 per kW
Excess over 1,000 kW of billing demand per month, at \$11.99 per kW, plus an additional \$11.99 per kW per month for each kW, if any, of the amount by which the customer's billing demand exceeds the higher of 1,000 kW or its contract demand

Transition Period First 1,000 kW of billing demand per month, at \$10.18 per kW
Excess over 1,000 kW of billing demand per month, at \$11.99 per kW, plus an additional \$11.99 per kW per month for each kW, if any, of the amount by which the customer's billing demand exceeds the higher of 1,000 kW or its contract demand

Energy Charge:

Summer Period 3.642¢ per kWh per month

Winter Period 3.340¢ per kWh per month

Transition Period 3.219¢ per kWh per month

Adjustment

The base demand and energy charges shall be increased or decreased in accordance with the current Adjustment Addendum published by TVA. In addition, such charges shall be increased or decreased to correspond to increases or decreases determined by TVA under Adjustment 4 of the wholesale power rate schedule applicable under contractual arrangements between TVA and Distributor.

Determination of Seasonal Periods

Summer Period shall mean the June, July, August, and September billing months. Winter Period shall mean the December, January, February, and March billing months. Transition Period shall mean the April, May, October, and November billing months.

Determination of Demand

Distributor shall meter the demands in kW of all customers having loads in excess of 50 kW. The metered demand for any month shall be the highest average during any 30-consecutive-minute period of the month of the load metered in kW. The measured demand for any month shall be the higher of the highest average during any 30-consecutive-minute period of the month of (a) the load metered in kW or (b) 93 percent of the load in kVA plus an additional 2 percent for that part of the load over 5,000 kVA, and such measured demand shall be used as the billing demand, except that the billing demand for any month shall in no case be less than 30 percent of the higher of the currently effective contract demand or the highest billing demand established during the preceding 12 months.

Minimum Bill

The monthly bill under this rate schedule shall not be less than the sum of (a) the base customer charge, (b) the base demand charge, as adjusted, applied to the customer's billing demand, and (c) the base energy charge, as adjusted, applied to the customer's energy takings; provided, however, that, under 2 of the Base Charges, the monthly bill shall in no event be less than the sum of (a) the base customer charge and (b) 20 percent of the portion of the base demand charge, as adjusted, applicable to the second block (excess over 50 kW) of billing demand, multiplied by the higher of the customer's currently effective contract demand or its highest billing demand established during the preceding 12 months.

Distributor may require minimum bills higher than those stated above.

Seasonal Service

Customers who contract for service on a seasonal basis shall be limited to 2,500 kW and shall pay the above charges, as adjusted, plus an additional seasonal use charge equal to (1) 1.33¢ per kWh per month under 1 of the Base Charges, (2) the sum of 1.33¢ per kWh for the first 15,000 kWh per month and \$4.00 per kW per month of billing demand in excess of 50 kW under 2 of the Base Charges, and (3) \$4.00 per kW per month of billing demand under 3 of the Base Charges. Consistent with Distributor's standard policy, the customer may arrange for seasonal testing of equipment during offpeak hours.

For such customers, the minimum bill provided for above shall not apply. Distributor may require additional charges to provide recovery of costs for customer-specific distribution facilities.

Contract Requirement

Distributor may require contracts for service provided under this rate schedule. Customers whose demand requirements exceed 1,000 kW shall be required to execute contracts and such contracts shall be for an initial term of at least 1 year. The customer shall contract for its maximum requirements, which shall not exceed the amount of power capable of being used by customer, and Distributor shall not be obligated to supply power in greater amount at any time than the customer's currently effective contract demand. If the customer uses any power other than that supplied by Distributor under this rate schedule, the contract may include other special provisions. The rate schedule in any power contract

shall be subject to adjustment, modification, change, or replacement from time to time as provided under the power contract between Distributor and TVA.

Payment

Bills under this rate schedule will be rendered monthly. Any amount of bill unpaid after due date specified on bill may be subject to additional charges under Distributor's standard policy.

Single-Point Delivery

The charges under this rate schedule are based upon the supply of service through a single delivery and metering point, and at a single voltage. If service is supplied to the same customer through more than one point of delivery or at different voltages, the supply of service at each delivery and metering point and at each different voltage shall be separately metered and billed.

Service is subject to Rules and Regulations of Distributor.

TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION

OUTDOOR LIGHTING RATE--SCHEDULE LS

(October 2012)

Availability

Available for service to street and park lighting systems, traffic signal systems, athletic field lighting installations, and outdoor lighting for individual customers.

Service under this schedule is for a term of not less than 1 year.

Payment

Bills under this rate schedule will be rendered monthly. Any amount of bill unpaid after due date specified on bill may be subject to additional charges under Distributor's standard policy.

Adjustment

The energy charge in Part A and Part B of this rate schedule shall be increased or decreased in accordance with the current Adjustment Addendum published by TVA. In addition, the energy charge in Part A and Part B of this rate schedule shall be increased or decreased to correspond to increases or decreases determined by TVA under Adjustment 4 of the wholesale power rate schedule applicable under contractual arrangements between TVA and Distributor.

Determination of Seasonal Periods

Summer Period shall mean the June, July, August, and September billing months. Winter Period shall mean the December, January, February, and March billing months. Transition Period shall mean the April, May, October, and November billing months.

PART A--CHARGES FOR STREET AND PARK LIGHTING SYSTEMS, TRAFFIC SIGNAL SYSTEMS, AND ATHLETIC FIELD LIGHTING INSTALLATIONS

I. **Energy Charge:**

Summer Period 4.103¢ per kWh per month

Winter Period 3.777¢ per kWh per month

Transition Period 3.587¢ per kWh per month

II. **Facility Charge**

The annual facility charge shall be 15 percent of the installed cost to Distributor's electric system of the facilities devoted to street and park lighting service specified in this Part A. Such installed cost shall be recomputed on July 1 of each year, or more often if substantial changes in the facilities are made. Each month, one-twelfth of the then total annual facility charge shall be billed to the customer. If any part of the facilities has not been provided at the electric

system's expense or if the installed cost of any portion thereof is reflected on the books of another municipality or agency or department, the annual facility charge shall be adjusted to reflect properly the remaining cost to be borne by the electric system.

Traffic signal systems and athletic field lighting installations shall be provided, owned, and maintained by and at the expense of the customer, except as Distributor may agree otherwise in accordance with the provisions of the paragraph next following in this section II. The facilities necessary to provide service to such systems and installations shall be provided by and at the expense of Distributor's electric system, and the annual facility charge provided for first above in this section II shall apply to the installed cost of such facilities.

When so authorized by policy duly adopted by Distributor's governing board, traffic signal systems and athletic field lighting installations may be provided, owned, and maintained by Distributor's electric system for the customer's benefit. In such cases Distributor may require reimbursement from the customer for a portion of the initial installed cost of any such system or installation and shall require payment by the customer of a facility charge sufficient to cover all of Distributor's costs (except reimbursed costs), including appropriate overheads, of providing, owning, and maintaining such system or installation; provided that, for athletic field lighting installations, such facility charge shall in no case be less than 12 percent per year of such costs. Said facility charge shall be in addition to the annual facility charge on the facilities necessary to provide service to such system or installation as provided for in the preceding paragraph. Replacement of lamps and related glassware for traffic signal systems and athletic field lighting installations provided under this paragraph shall be paid for under the provisions of paragraph A in Section IV.

III. Customer Charge - Traffic Signal Systems and Athletic Field Lighting Installations.

Distributor shall apply a uniform monthly customer charge of \$17.50 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

(a) <u>Type of Fixture</u>	<u>Lamp Size</u>		<u>Rated kWh</u>	<u>Facility Charge</u>
	<u>(Watts)</u>	<u>(Lumens)</u>		
Mercury Vapor or Incandescent	175	7,650	80	\$4.83
	400	19,100	171	\$7.18
High Pressure Sodium	100	8,550	49	\$7.75
	200	18,900	95	\$12.63
	250	22,500	116	\$11.19
	400	45,000	180	\$11.78
Metal Halide	400	45,000	171	\$10.25
	1,000	125,000	408	\$14.57
Induction	85	7,225	36	\$8.21
	100	8,500	42	\$9.09

(b) Energy Charge: For each lamp size under (a) above,

Summer Period 4.103¢ per kWh per month

Winter Period 3.777¢ per kWh per month

Transition Period 3.587¢ per 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 to Rules and Regulations of Distributor.

Code	Rate	Minimum	Maximum	Notes
1000	10	100	100	Standard rate
1001	15	100	100	Standard rate
1002	20	100	100	Standard rate
1003	25	100	100	Standard rate
1004	30	100	100	Standard rate
1005	35	100	100	Standard rate
1006	40	100	100	Standard rate
1007	45	100	100	Standard rate
1008	50	100	100	Standard rate
1009	55	100	100	Standard rate
1010	60	100	100	Standard rate
1011	65	100	100	Standard rate
1012	70	100	100	Standard rate
1013	75	100	100	Standard rate
1014	80	100	100	Standard rate
1015	85	100	100	Standard rate
1016	90	100	100	Standard rate
1017	95	100	100	Standard rate
1018	100	100	100	Standard rate

Tennessee Valley Authority, Post Office Box 292409 Nashville, Tennessee 37229-2409

John J. Bradley
Senior Vice President, Economic Development

September 13, 2012

Mr. Paul Thompson
Executive Vice President/General Manager
Tri-County Electric Membership Corporation
405 College Street
Lafayette, Tennessee 37083

Dear Mr. Thompson:

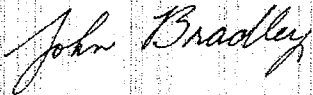
VALLEY INVESTMENT INITIATIVE PARTICIPATION AGREEMENT

Enclosed are two fully executed originals of the Valley Investment Initiative Participation Agreement between TVA, Tri-County Electric Membership, and Sumitomo Electric Wiring Systems, Inc., dated and effective September 7, 2012. Please forward one original to Sumitomo Electric Wiring Systems, Inc.

Also enclosed is a copy of the Billing Memorandum, detailing Sumitomo Electric Wiring Systems, Inc.'s, first-year monthly bill credits and their effective start date.

TVA appreciates Tri-County Electric Membership Corporation's partnership and Sumitomo Electric Wiring Systems, Inc.'s, long-term commitment to capital investment and quality jobs in the Tennessee Valley.

Sincerely,



John J. Bradley

Enclosures

9/14/2012 #99
~~XXXXXXXXXX~~
Tammy,
FYI, please copy
Laura for our files.
Thanks,
Sally

**VALLEY INVESTMENT INITIATIVE
PARTICIPATION AGREEMENT**
Among
**SUMITOMO ELECTRIC WIRING SYSTEMS, INC.,
TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION,
And
TENNESSEE VALLEY AUTHORITY**

Date: September 7th, 2012

VII Contract No. 6425

TV-52337A, Supp. No. 99

THIS AGREEMENT will confirm the understandings among SUMITOMO ELECTRIC WIRING SYSTEMS, INC. (Company), TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION (Distributor), and TENNESSEE VALLEY AUTHORITY (TVA) with respect to Company's participation in the Valley Investment Initiative (VII) being jointly conducted by Distributor and TVA.

It is understood and agreed that:

SECTION 1 - DEFINITIONS

Underlined terms used in this agreement are defined in Company's "Valley Investment Initiative Award Application" (VII Award Application) which is attached to and made a part of this agreement.

SECTION 2 - TERM

This agreement shall become effective on the date first written above (Effective Date), and shall continue in effect through the end of the Award Period described below, except that the provisions of sections 3.2, 6.2, 7.3, 7.4, 9.3, and 10 below shall continue in effect until the obligations of the parties under them are fulfilled.

SECTION 3 - ELIGIBILITY FOR VII

3.1 Company's Certification. Company's eligibility for the VII award provided for in section 4 below is based on TVA's determination that Company meets the criteria of a Qualifying Customer at Company's Qualifying Plant. It is expressly recognized that such determination is based on information provided and certified by Company in the VII Award Application.

3.2 Access to Records. Company shall keep and make available accurate records and books of accounts related to Company's VII Metrics, as well as data to support compliance with the terms and conditions of this agreement. Company shall allow Distributor, TVA, and their agents and employees, free access, at any time during normal working hours and upon reasonable notice, to all such books, records, and other documents of Company until the completion of all close-out procedures respecting this agreement and the final settlement and conclusion of all issues arising out of this agreement.

SECTION 4 - VII AWARDS

Based on Company's projections and the information contained in the VII Award Application, Company will be eligible to receive a VII award in the form of monthly credits on Company's bill for firm power provided to the Qualifying Plant (Bill Credits) beginning on Company's seventh monthly power bill after (a) the date of Company's VII Award Application or (b) the Commercial Operation Date, whichever is later. Except as otherwise provided below, Distributor shall apply the monthly Bill Credits for each year of the 5-year period in amounts equal to 1/12 of the Maximum Annual Award amounts set out in the table below.

Year	Maximum Annual Award
1	\$22,057.92
2	\$22,057.92
3	\$22,057.92
4	\$22,057.92
5	\$22,057.92

Company shall not be eligible for and will not earn or receive any Bill Credits for any amount that exceeds the amount of Company's monthly power bill(s) attributable to Company's Qualifying Plant in any given month. In the event that Company receives more than one power bill in any month for its Qualifying Plant, Distributor may distribute the Bill Credit among multiple power bills to ensure that the VII credit on any power bill does not exceed the total retail amount of that power bill.

SECTION 5 - REPORTING BY COMPANY

5.1 Annual Reporting. Within 60 days after the end of each 12-month period of the Evaluation Period, Company shall provide TVA a report certified by Company's duly authorized officer (Annual Certification), and verified by Distributor pursuant to section 6.1 below, updating the information and projections provided in Company's VII Award Application and showing Company's VII Metrics for the most recent Evaluation Period year. The Annual Certification shall be in a form furnished by TVA.

5.2 Continuing Reporting Obligation. Company shall immediately notify Distributor and TVA of any material changes in the information provided in its VII Award Application or its Annual Certifications. Upon receipt of such notice, TVA may at that time take the steps outlined in section 7 below.

SECTION 6 - DATA SUPPLIED BY DISTRIBUTOR

6.1 Annual Certification. It is recognized that Company's eligibility to receive the Bill Credits provided for in this agreement is based on information provided by Company and, where applicable, verified by Distributor in Company's VII Award Application and Annual Certifications. Distributor shall review Company's Annual Certification each year and, where requested by TVA, shall certify the accuracy of certain items, including:

- (a) Company's payment history under its power supply contract with Distributor,
- (b) total kWh usage and highest Total Metered Demand of Company's Qualifying Plant for each of the previous 12 months, and
- (c) whether Company's Qualifying Plant is a Nonconforming Load.

6.2 Monthly Data. It is recognized that Distributor may be responsible for providing and maintaining metering facilities which are capable of recording the data specified in items (b) and (c) above. If requested by TVA, Distributor shall make available to TVA any such meter data necessary for TVA to verify Company's eligibility for participation in VII or calculate Bill Credits under this agreement. Upon request, Distributor shall also furnish to TVA a copy of Company's power bill each month, which shall itemize the amount of any Bill Credit for that month, and any other information related to Company's eligibility for and participation in VII as TVA may reasonably request.

6.3 Other Information. Distributor shall promptly notify TVA if Company (a) gives notice to terminate the power supply contract under which power is supplied to Company's Qualifying Plant or (b) materially breaches the power supply contract under which power is supplied to Company's Qualifying Plant or materially breaches any overlay, supplement, or amendment to that contract, such that Distributor either suspends or terminates power supply, or suspends or terminates any product or other arrangements made available as an overlay, supplement, or amendment to the power supply contract.

SECTION 7 - AWARD ADJUSTMENT AND RECOVERY

7.1 Annual Award Adjustments. Each year, and immediately upon receipt of any notice pursuant to sections 5.1 and 5.2 above, TVA will calculate adjusted Maximum Annual Awards (Adjusted Awards) for the Evaluation Period. The Adjusted Awards will be calculated by applying the information, projections, and VII Metrics provided in Company's Annual Certification or notice to the same formula that was used in calculating the Maximum Annual Awards set out in the tabulation in section 4 above, except that the total kWh usage and highest Total Metered Demand for each month in the previous year will be used in the calculation in place of Company's projections for that period. If the Adjusted Awards are less than the Maximum Annual Awards for those years set out in section 4 above, the sum of Company's monthly Bill Credits in the remaining Award Period years will be equal to the Adjusted Awards for the remaining Award Period minus the difference between the monthly Bill Credits Company received and the amount that the Bill Credits would have been if they had been calculated using the VII Metrics provided in Company's Annual Certification or notice. Notwithstanding TVA's calculation of Adjusted Awards, it is expressly recognized that Company shall neither earn nor receive in any month Bill Credits greater than 1/12 the Maximum Annual Awards set out above.

7.2 Disqualification. During the term of this agreement, TVA will use Company's VII Metrics and other information available to TVA during the Evaluation Period and Award Period to determine whether Company remains eligible to participate in VII. If at any time during the term of this agreement TVA determines that Company ceases to qualify for VII, the Bill Credits provided under section 4 above shall be discontinued. At such time, if any, during the Award Period that Company provides certification that it again meets the VII eligibility requirements set forth in the VII Award Application, the Bill Credits will resume. Company shall not be eligible for and will not earn or receive any Bill Credits for those periods when it does not qualify for VII.

It is expressly recognized that (a) should Company provide notice to terminate its power supply contract which would become effective prior to the completion of the Award Period, Company shall cease to qualify for VII pursuant to A.2.2 of the VII Award Application and (b) Company shall not be eligible for and will not earn or receive any Bill Credits for those periods when it does not qualify for VII. It is further recognized that Company shall not be required to repay any award amounts to TVA under 7.3 below solely as a result of such termination notice, so long as Company did not receive Bill Credits during any period when it did not qualify for VII.

7.3 Award Recovery. Company shall not be eligible to receive Bill Credits under section 4 above and this agreement shall be deemed to have automatically and immediately terminated if at any time any of the following occurs:

- (a) Company fails to make the required Minimum Capital Investment;
- (b) Company provides materially false information on its VII Award Application or Annual Certifications;
- (c) Company fails to notify TVA of material changes in information provided in its VII Award Application or Annual Certification;
- (d) Company materially breaches the power supply contract under which power is supplied to Company's Qualifying Plant or materially breaches any overlay, supplement, or amendment to that contract, such that Distributor either suspends or terminates power supply, or suspends or terminates any product or other arrangements made available as an overlay, supplement, or amendment to the power supply contract;
- (e) Company's power supply contract otherwise expires or is terminated without being renewed or replaced by a power supply contract meeting the requirements of the VII Award Application; or
- (f) Company ceases commercial operation of its Qualifying Plant.

Promptly upon receipt of an invoice, Company shall immediately pay to Distributor any and all award amounts paid to Company during any period when Company was ineligible to receive Bill Credits as well as any and all award amounts in excess of those to which Company was entitled based on its actual VII Metrics.

7.4 Final Adjustment and Recovery. Upon receipt of Company's final Annual Certification and calculation of the corresponding Adjusted Award, Company's remaining monthly Bill Credits will be reduced by the difference between the monthly Bill Credits Company received and the amount that the Bill Credits would have been if they had been calculated using the VII Metrics provided in Company's final Annual Certification. In the event that the remaining Bill Credits are insufficient to recover the difference, Company shall immediately pay to Distributor the unrecovered balance of the difference.

SECTION 8 - ENHANCED GROWTH CREDIT

It is understood and agreed that Company and Distributor shall not enter into an Enhanced Growth Credit (EGC) participation agreement during the term of this agreement.

SECTION 9 - WHOLESALE ADJUSTMENTS

9.1 Company Credit. Each month Distributor shall apply the Bill Credit to Company's power bill(s). TVA shall notify Distributor of (a) any adjustment to the Bill Credits provided

for under section 7.1 of this agreement and (b) any discontinuance of Bill Credits in accordance with sections 7.2, 7.3, or 7.4 of this agreement.

9.2 Distributor Credit. TVA will apply a monthly credit to Distributor's wholesale power bill equal to the Bill Credit applied by Distributor to Company's bill in that month.

9.3 Award Recovery. In the event that under the provisions of section 7.3 of this agreement it is determined that Company received Bill Credits for which it was not eligible, Distributor and TVA shall fully cooperate in (a) endeavoring to collect from Company any amounts due under said sections 7.3 and/or 7.4 and (b) making appropriate adjustments to Distributor's wholesale power bill to pass through to TVA amounts collected from Company. The obligations of this paragraph shall survive any expiration or termination of the VII Participation Agreement until they are discharged.

SECTION 10 - CONFIDENTIALITY

It is expressly recognized that the VII Award Application and the Annual Certification are the property of TVA and are not intended for further distribution. Except as may be otherwise required by law,

(a) TVA and Distributor will not disclose, except to each other, confidential information provided by Company in those documents or confidential information provided pursuant to 3.2 above without Company's consent, and

(b) Company shall not disclose those documents or their contents except to the following:

(i) TVA or Distributor;

(ii) Company's auditors or other consultants so long as the disclosure (1) is not to a competitor of TVA or Distributor, (2) is made subject to a nondisclosure agreement entered into by Company's auditors and consultants who will have access to the documents, (3) is made solely on a "need to know" basis, and (4) is made subject to the requirement that all copies of the disclosed documents and contents be returned to Company upon conclusion of the auditor's or consultant's work for Company. Company will make reasonable efforts to minimize the amount of any such information disclosed to its auditors or consultants;

(iii) Company's affiliates, provided that (1) the disclosure is not to a competitor of TVA or Distributor, and (2) Company shall inform its affiliates of the confidential nature of the information and shall be responsible for any breaches of this provision by its affiliates in the same manner and to the same extent as if the breach had been made by Company. As used in the preceding sentence, "affiliates" shall mean, with respect to any entity, any other entity (other than an individual) that, directly or indirectly, through one or more intermediaries, controls, or is controlled by, or is under common control with, such entity. For this purpose, "control" means the direct or indirect ownership of fifty percent (50%) or more of the outstanding capital stock or other equity interests having ordinary voting power.

SECTION 11 - NOTICES

11.1 Persons to Receive Notice. Any notice required by this agreement shall be deemed properly given if delivered in writing to the address specified below: (a) personally, (b) by recognized overnight courier service, or (c) by United States Mail, postage prepaid.

To TVA:

Valley Investment Manager
TVA Economic Development
26 Century Blvd., Suite 100 OCP 2
Nashville, Tennessee 37214

To Company:

Kelly Chapman
Manager
Sumitomo Electric Wiring Systems, Inc.
796 Smiths Grove Road
Scottsville, Kentucky 42164

To Distributor:

EVP & General Manager
Tri-County Electric Membership Corporation
Post Office Box 40
Lafayette, Tennessee 37083-0040

11.2 Changes in Persons to Receive Notice. The designation of the person to be so notified, or the address of such person, may be changed at any time and from time to time by any party by similar notice.

SECTION 12 - WAIVERS

A waiver of one or more defaults shall not be considered a waiver of any other or subsequent default.

SECTION 13 - APPLICATION CORRECTION

Notwithstanding the information provided by Company on page 1 of the attached VII Award Application, the parties acknowledge and agree that the Plant's non-excluded 3-digit NAICS code is 335.

Notwithstanding the information provided by Company on page 1 of the attached VII Award Application, the parties acknowledge and agree that the Plant has a Contract Demand greater than 50 kW, but not more than 1,000 kW.

Notwithstanding the information provided by Company on page 2 of the attached VII Award Application, the parties acknowledge and agree that the Company will be on a 5-Year Load-Tracking payment schedule rather than a 5-Year Flat payment schedule.

SECTION 14 - ENTIRE AGREEMENT


All terms and conditions with respect to this agreement are expressly contained herein and Company agrees that no representative or agent of TVA or Distributor has made any representation or promise with respect to this agreement not expressly contained herein.

SECTION 15 - SUCCESSORS AND ASSIGNS

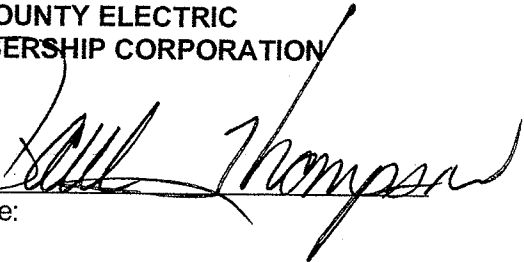
This agreement may be assigned by TVA, but shall not be assignable by Company or Distributor without written consent of TVA.

IN WITNESS WHEREOF, the parties have caused this agreement to be executed by their duly authorized representatives, as of the day and year first above written.


**SUMITOMO ELECTRIC WIRING SYSTEMS,
INC.**

By 
Title: DEP. DIV. MGR.

**TRI-COUNTY ELECTRIC
MEMBERSHIP CORPORATION**

By 
Title:

TENNESSEE VALLEY AUTHORITY

By 
Title: Senior Manager
Power Contracts



Tennessee Valley Authority, 6045 Russellville Road, Bowling Green, Kentucky 42101-7310

2/7/2013

Laura,
Please copy:
J. Beecham
G. Hale &
file.

02/07/13
JH

Thanks
Paul

February 6, 2013

Mr. Paul Thompson
Executive Vice President/General Manager
Tri-County Electric Membership Corporation
405 College Street
Lafayette, Tennessee 37083

Dear Paul:

**TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION -- FULLY EXECUTED
RESALE RATE SCHEDULE SUBSTITUTION AGREEMENT --
TV-52337A, SUPP. NO. 100**

Enclosed is one fully executed original of the Resale Rate Schedule Substitution Agreement, TV-52337A, Supp. No. 100, dated February 1, 2013, providing for the substitution of:

Schedule LS (February 2013) for Schedule LS (October 2012)

If you have questions concerning this document or any material therein, please call Derrick Miller (270-856-4581) or me (270-846-7041).

Sincerely,

Ernest W. Peterson, Jr., PE
General Manager
Customer Service
Kentucky

Enclosure

February 1, 2013

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 schedule specified in (a) below, a copy of which is attached, as Exhibit A to this agreement, for the resale rate schedule specified in (b) below, which, as adjusted, is now in effect as a part of the Schedule of Rates and Charges attached to and made a part of the Power Contract, TV-52337A, dated July 18, 1979, as amended (Power Contract), between TVA and Distributor. This substitution is to be effective for all bills rendered from resale meter readings taken for revenue months of Distributor beginning with the February 2013 revenue month. The parties further agree that the revised Adjustment Addendum to said Schedule of Rates and Charges attached as Exhibit B to this agreement shall apply to the charges provided for by the attached schedule specified in (a) below.

- (a) New resale rate schedule:
Outdoor Lighting Rate--Schedule LS (February 2013)

- (b) Existing resale rate schedule:
Outdoor Lighting Rate--Schedule LS (October 2012)

It is understood that, upon execution of this agreement by TVA and Distributor, all references in the Power Contract to the existing resale rate schedule specified in (b) above, or to any predecessor schedules, shall be deemed to refer to the new resale rate schedule specified in (a) above.

**TRI-COUNTY ELECTRIC
MEMBERSHIP CORPORATION**

By 
Title:

Rate schedule substitution agreed to as of
the date first above written.

TENNESSEE VALLEY AUTHORITY


By 
Senior Manager, Power Contracts

EXHIBIT A
To
RESALE RATE SCHEDULE SUBSTITUTION AGREEMENT

TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION

OUTDOOR LIGHTING RATE--SCHEDULE LS

(February 2013)

Availability

Available for service to street and park lighting systems, traffic signal systems, athletic field lighting installations, and outdoor lighting for individual customers.

Service under this schedule is for a term of not less than 1 year.

Payment

Bills under this rate schedule will be rendered monthly. Any amount of bill unpaid after due date specified on bill may be subject to additional charges under Distributor's standard policy.

Adjustment

The energy charge in Part A and Part B of this rate schedule shall be increased or decreased in accordance with the current Adjustment Addendum published by TVA. In addition, the energy charge in Part A and Part B of this rate schedule shall be increased or decreased to correspond to increases or decreases determined by TVA under Adjustment 4 of the wholesale power rate schedule applicable under contractual arrangements between TVA and Distributor.

Determination of Seasonal Periods

Summer Period shall mean the June, July, August, and September billing months. Winter Period shall mean the December, January, February, and March billing months. Transition Period shall mean the April, May, October, and November billing months.

PART A--CHARGES FOR STREET AND PARK LIGHTING SYSTEMS, TRAFFIC SIGNAL SYSTEMS, AND ATHLETIC FIELD LIGHTING INSTALLATIONS

I. Energy Charge:

Summer Period	4.103¢ per kWh per month
Winter Period	3.777¢ per kWh per month
Transition Period	3.587¢ per kWh per month

II. Facility Charge

The annual facility charge shall be 15 percent of the installed cost to Distributor's electric system of the facilities devoted to street and park lighting service specified in this Part A. Such installed cost shall be recomputed on July 1 of each year, or more often if substantial changes in the facilities are made. Each month, one-twelfth of the then total annual facility charge shall be billed to the customer. If any part of the facilities has not been provided at the electric

system's expense or if the installed cost of any portion thereof is reflected on the books of another municipality or agency or department, the annual facility charge shall be adjusted to reflect properly the remaining cost to be borne by the electric system.

Traffic signal systems and athletic field lighting installations shall be provided, owned, and maintained by and at the expense of the customer, except as Distributor may agree otherwise in accordance with the provisions of the paragraph next following in this section II. The facilities necessary to provide service to such systems and installations shall be provided by and at the expense of Distributor's electric system, and the annual facility charge provided for first above in this section II shall apply to the installed cost of such facilities.

When so authorized by policy duly adopted by Distributor's governing board, traffic signal systems and athletic field lighting installations may be provided, owned, and maintained by Distributor's electric system for the customer's benefit. In such cases Distributor may require reimbursement from the customer for a portion of the initial installed cost of any such system or installation and shall require payment by the customer of a facility charge sufficient to cover all of Distributor's costs (except reimbursed costs), including appropriate overheads, of providing, owning, and maintaining such system or installation; provided that, for athletic field lighting installations, such facility charge shall in no case be less than 12 percent per year of such costs. Said facility charge shall be in addition to the annual facility charge on the facilities necessary to provide service to such system or installation as provided for in the preceding paragraph. Replacement of lamps and related glassware for traffic signal systems and athletic field lighting installations provided under this paragraph shall be paid for under the provisions of paragraph A in Section IV.

III. Customer Charge - Traffic Signal Systems and Athletic Field Lighting Installations.

Distributor shall apply a uniform monthly customer charge of \$17.50 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

(a) <u>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	80	\$4.83
	400	19,100	171	\$7.18
High Pressure Sodium	100	8,550	49	\$7.75
	200	18,900	95	\$12.63
	250	22,500	116	\$11.19
	400	45,000	180	\$11.78
Metal Halide	400	45,000	171	\$10.25
	1,000	125,000	408	\$14.57
Induction	85	7,225	36	\$8.21
	100	8,500	42	\$9.09
LED	51	4,590	21	\$9.26
	103	9,270	43	\$10.23

(b) Energy Charge: For each lamp size under (a) above,

Summer Period 4.103¢ per kWh per month

Winter Period 3.777¢ per kWh per month

Transition Period 3.587¢ per 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 to Rules and Regulations of Distributor.

Category	Rate	Rate	Rate	Rate
Category 1	10	100	100	100
Category 2	20	200	200	200
Category 3	30	300	300	300
Category 4	40	400	400	400
Category 5	50	500	500	500
Category 6	60	600	600	600
Category 7	70	700	700	700
Category 8	80	800	800	800
Category 9	90	900	900	900
Category 10	100	1000	1000	1000

EXHIBIT B
To
RESALE RATE SCHEDULE SUBSTITUTION AGREEMENT

TENNESSEE VALLEY AUTHORITY
ADJUSTMENT ADDENDUM
TO
SCHEDULE OF RATES AND CHARGES
FOR
TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION

(Effective 10/01/2011), Revised 02/01/2013

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's monthly billing cycles scheduled to begin on or after the effective date of this Adjustment Addendum. As provided for by the previous Adjustment Addendum dated October 1, 2003 (Environmental Adjustment), the amounts listed under each column (1) are designated, subject to any future Rate Adjustment or Rate Change, to remain in effect for ten (10) years from the effective date of said Environmental Adjustment.

		<u>Wholesale Power Rate Schedule</u>		
		(1)	(2)	(3)
STANDARD SERVICE				
<u>Schedule WS-TOU</u>				
Demand Charges				
Summer	Add	\$0.50	+	\$0.29
Winter	Add	\$0.50	+	\$0.26
Transition	Add	\$0.50	+	\$0.26
Energy Charges				
Summer	Add	0.186¢	+	0.107¢ + A _m
Winter	Add	0.186¢	+	0.099¢ + A _m
Transition	Add	0.186¢	+	0.095¢ + A _m
<u>Schedule WS-MTOU ****</u>				
Demand Charges				
Summer	Add	\$0.50	+	\$0.29
Winter	Add	\$0.50	+	\$0.26
Transition	Add	\$0.50	+	\$0.26
Energy Charges				
Summer	Add	0.186¢	+	0.107¢ + A _m
Winter	Add	0.186¢	+	0.099¢ + A _m
Transition	Add	0.186¢	+	0.095¢ + A _m
<u>Schedule WS-MDE ****</u>				
Demand Charges				
Summer	Add	\$0.50	+	\$0.29
Winter	Add	\$0.50	+	\$0.26
Transition	Add	\$0.50	+	\$0.26
Energy Charges				
Summer	Add	0.186¢	+	0.107¢ + A _m
Winter	Add	0.186¢	+	0.099¢ + A _m
Transition	Add	0.186¢	+	0.095¢ + A _m

*Applicable also to the third component of the demand charge
 **Applicable also the second component of the demand charge
 ***Applicable also to minimum offpeak energy
 ****Applicable also to the third component of the demand charge and the second component of the Transition demand charge
 *****Reflects October 2012 optional wholesale agreements

Resale Schedules

STANDARD SERVICE

(1) (2) (3)

Residential Service

Schedule RS

Energy Charge					
Summer	Add	0.307¢	+	0.177¢	+ (1.08628 x A _m)
Winter	Add	0.307¢	+	0.177¢	+ (1.08628 x A _m)
Transition	Add	0.307¢	+	0.175¢	+ (1.08628 x A _m)

General Power Service

Schedule GSA

Part 1

Energy Charge					
Summer	Add	0.355¢	+	0.190¢	+ (1.06653 x A _m)
Winter	Add	0.355¢	+	0.189¢	+ (1.06653 x A _m)
Transition	Add	0.355¢	+	0.187¢	+ (1.06653 x A _m)

Part 2

Demand Charge					
Summer					
Excess over 50 kW	Add	\$0.48	+	\$0.29	
Winter					
Excess over 50 kW	Add	\$0.48	+	\$0.27	
Transition					
Excess over 50 kW	Add	\$0.48	+	\$0.27	

Energy Charge					
Summer					
First 15,000 kWh	Add	0.198¢	+	0.189¢	+ (1.06653 x A _m)
Additional kWh	Add	0.194¢	+	0.096¢	+ (1.04396 x A _m)
Winter					
First 15,000 kWh	Add	0.198¢	+	0.189¢	+ (1.06653 x A _m)
Additional kWh	Add	0.194¢	+	0.096¢	+ (1.04396 x A _m)
Transition					
First 15,000 kWh	Add	0.198¢	+	0.189¢	+ (1.06653 x A _m)
Additional kWh	Add	0.194¢	+	0.096¢	+ (1.04396 x A _m)

Part 3

Demand Charge					
Summer					
First 1,000 kW	Add	\$0.61	+	\$0.29	
Excess over 1,000 kW *	Add	\$0.61	+	\$0.36	
Winter					
First 1,000 kW	Add	\$0.61	+	\$0.27	
Excess over 1,000 kW *	Add	\$0.61	+	\$0.34	
Transition					
First 1,000 kW	Add	\$0.61	+	\$0.27	
Excess over 1,000 kW *	Add	\$0.61	+	\$0.34	

Energy Charge					
Summer	Add	0.199¢	+	0.096¢	+ (1.04396 x A _m)
Winter	Add	0.199¢	+	0.096¢	+ (1.04396 x A _m)
Transition	Add	0.199¢	+	0.096¢	+ (1.04396 x A _m)

*Applicable also to the third component of the demand charge

**Applicable also the second component of the demand charge

***Applicable also to minimum offpeak energy

****Applicable also to the third component of the demand charge and the second component of the Transition demand charge

*****Reflects October 2012 optional wholesale agreements

Outdoor Lighting Service

Schedule LS Part A and B

Energy Charge									
Summer					Add	0.207¢	+	0.081¢	+ (1.08628 x A _m)
Winter					Add	0.207¢	+	0.080¢	+ (1.08628 x A _m)
Transition					Add	0.207¢	+	0.078¢	+ (1.08628 x A _m)

Drainage Pumping Station

Schedule DPS

Energy Charge									
Summer					Add	N/A	+	N/A	+ (N/A x A _m)
Winter					Add	N/A	+	N/A	+ (N/A x A _m)
Transition					Add	N/A	+	N/A	+ (N/A x A _m)

Residential Service

Schedule TRS

Energy Charge									
Summer									
Onpeak					Add	N/A	+	N/A	+ (N/A x A _m)
Offpeak					Add	N/A	+	N/A	+ (N/A x A _m)
Winter									
Onpeak					Add	N/A	+	N/A	+ (N/A x A _m)
Offpeak					Add	N/A	+	N/A	+ (N/A x A _m)
Transition									
All Offpeak					Add	N/A	+	N/A	+ (N/A x A _m)

General Power Service

Schedule TGSA

Part 1

Energy Charge									
Summer									
Onpeak					Add	N/A	+	N/A	+ (N/A x A _m)
Offpeak					Add	N/A	+	N/A	+ (N/A x A _m)
Winter									
Onpeak					Add	N/A	+	N/A	+ (N/A x A _m)
Offpeak					Add	N/A	+	N/A	+ (N/A x A _m)
Transition									
All Offpeak					Add	N/A	+	N/A	+ (N/A x A _m)

Part 2

Demand Charge									
Summer									
Excess over 50 kW					Add	N/A	+	N/A	+ (N/A x A _m)
Winter									
Excess over 50 kW					Add	N/A	+	N/A	+ (N/A x A _m)
Transition									
Excess over 50 kW					Add	N/A	+	N/A	+ (N/A x A _m)

*Applicable also to the third component of the demand charge

**Applicable also the second component of the demand charge

***Applicable also to minimum offpeak energy

****Applicable also to the third component of the demand charge and the second component of the Transition demand charge

*****Reflects October 2012 optional wholesale agreements

Energy Charge										
Summer										
Onpeak	Add	N/A	+	N/A	+	(N/A x A _m)				
Offpeak	Add	N/A	+	N/A	+	(N/A x A _m)				
Winter										
Onpeak	Add	N/A	+	N/A	+	(N/A x A _m)				
Offpeak	Add	N/A	+	N/A	+	(N/A x A _m)				
Transition										
All Offpeak	Add	N/A	+	N/A	+	(N/A x A _m)				
Part 3										
Demand Charge										
Summer										
First 1,000 kW	Add	N/A	+	N/A						
Excess over 1,000 kW *	Add	N/A	+	N/A						
Winter										
First 1,000 kW	Add	N/A	+	N/A						
Excess over 1,000 kW *	Add	N/A	+	N/A						
Transition										
First 1,000 kW	Add	N/A	+	N/A						
Excess over 1,000 kW *	Add	N/A	+	N/A						
Energy Charge										
Summer										
Onpeak	Add	N/A	+	N/A	+	(N/A x A _m)				
Offpeak	Add	N/A	+	N/A	+	(N/A x A _m)				
Winter										
Onpeak	Add	N/A	+	N/A	+	(N/A x A _m)				
Offpeak	Add	N/A	+	N/A	+	(N/A x A _m)				
Transition										
All Offpeak	Add	N/A	+	N/A	+	(N/A x A _m)				
TOU SERVICE										
				Wholesale Power Rate Schedule			Resale Schedules			
				(1)	(2)	(3)	(1)	(2)	(3)	
<u>General Power Service</u>										
<u>Schedule TDGSA</u>										
Demand Charge										
Summer Period										
Onpeak *	Add	\$0.54	+	\$0.43	Add	N/A	+	N/A		
Excess Offpeak	Add	\$0.11	+	\$0.07	Add	N/A	+	N/A		
Winter Period										
Onpeak ****	Add	\$0.29	+	\$0.23	Add	N/A	+	N/A		
Excess Offpeak	Add	\$0.11	+	\$0.07	Add	N/A	+	N/A		
Transition Period	Add	\$0.11	+	\$0.07	Add	N/A	+	N/A		
Energy Charge										
Summer Period										
Onpeak	Add	0.329¢	+	0.208¢ + A _m	Add	N/A	+	N/A	+	(N/A x A _m)
Offpeak										
First 425 hours ***	Add	0.205¢	+	0.107¢ + A _m	Add	N/A	+	N/A	+	(N/A x A _m)
Next 195 hours	Add	0.139¢	+	0.053¢ + A _m	Add	N/A	+	N/A	+	(N/A x A _m)
Additional kWh	Add	0.082¢	+	0.007¢ + A _m	Add	N/A	+	N/A	+	(N/A x A _m)

*Applicable also to the third component of the demand charge
**Applicable also the second component of the demand charge
***Applicable also to minimum offpeak energy
****Applicable also to the third component of the demand charge and the second component of the Transition demand charge
*****Reflects October 2012 optional wholesale agreements

Winter Period										
Onpeak	Add	0.220¢	+	0.119¢ + A _m	Add	N/A	+	N/A	+	(N/A x A _m)
Offpeak										
First 425 hours ***	Add	0.205¢	+	0.107¢ + A _m	Add	N/A	+	N/A	+	(N/A x A _m)
Next 195 hours	Add	0.139¢	+	0.053¢ + A _m	Add	N/A	+	N/A	+	(N/A x A _m)
Additional kWh	Add	0.082¢	+	0.007¢ + A _m	Add	N/A	+	N/A	+	(N/A x A _m)
Transition Period										
First 425 hours ***	Add	0.205¢	+	0.107¢ + A _m	Add	N/A	+	N/A	+	(N/A x A _m)
Next 195 hours	Add	0.139¢	+	0.053¢ + A _m	Add	N/A	+	N/A	+	(N/A x A _m)
Additional kWh	Add	0.082¢	+	0.007¢ + A _m	Add	N/A	+	N/A	+	(N/A x A _m)

Schedule GSB

Demand Charge

Summer Period

Onpeak *	Add	\$0.54	+	\$0.43	Add	\$0.56	+	\$0.45
Excess Offpeak	Add	\$0.11	+	\$0.07	Add	\$0.11	+	\$0.08

Winter Period

Onpeak ****	Add	\$0.29	+	\$0.23	Add	\$0.30	+	\$0.24
Excess Offpeak	Add	\$0.11	+	\$0.07	Add	\$0.11	+	\$0.08

Transition Period

Add	\$0.11	+	\$0.07	Add	\$0.11	+	\$0.08
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Energy Charge

Summer Period

Onpeak	Add	0.329¢	+	0.208¢ + A _m	Add	0.339¢	+	0.214¢	+	(1.03000 x A _m)
Offpeak										
First 425 hours ***	Add	0.205¢	+	0.107¢ + A _m	Add	0.211¢	+	0.110¢	+	(1.03000 x A _m)
Next 195 hours	Add	0.139¢	+	0.053¢ + A _m	Add	0.143¢	+	0.055¢	+	(1.03000 x A _m)
Additional kWh	Add	0.082¢	+	0.007¢ + A _m	Add	0.084¢	+	0.007¢	+	(1.03000 x A _m)

Winter Period

Onpeak	Add	0.220¢	+	0.119¢ + A _m	Add	0.227¢	+	0.122¢	+	(1.03000 x A _m)
Offpeak										
First 425 hours ***	Add	0.205¢	+	0.107¢ + A _m	Add	0.211¢	+	0.110¢	+	(1.03000 x A _m)
Next 195 hours	Add	0.139¢	+	0.053¢ + A _m	Add	0.143¢	+	0.055¢	+	(1.03000 x A _m)
Additional kWh	Add	0.082¢	+	0.007¢ + A _m	Add	0.084¢	+	0.007¢	+	(1.03000 x A _m)

Transition Period

First 425 hours ***	Add	0.205¢	+	0.107¢ + A _m	Add	0.211¢	+	0.110¢	+	(1.03000 x A _m)
Next 195 hours	Add	0.139¢	+	0.053¢ + A _m	Add	0.143¢	+	0.055¢	+	(1.03000 x A _m)
Additional kWh	Add	0.082¢	+	0.007¢ + A _m	Add	0.084¢	+	0.007¢	+	(1.03000 x A _m)

Schedule GSC

Demand Charge

Summer Period

Onpeak *	Add	\$0.54	+	\$0.43	Add	\$0.56	+	\$0.45
Excess Offpeak	Add	\$0.11	+	\$0.07	Add	\$0.11	+	\$0.08

Winter Period

Onpeak ****	Add	\$0.29	+	\$0.23	Add	\$0.30	+	\$0.24
Excess Offpeak	Add	\$0.11	+	\$0.07	Add	\$0.11	+	\$0.08

Transition Period

Add	\$0.11	+	\$0.07	Add	\$0.11	+	\$0.08
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*Applicable also to the third component of the demand charge

**Applicable also the second component of the demand charge

***Applicable also to minimum offpeak energy

****Applicable also to the third component of the demand charge and the second component of the Transition demand charge

*****Reflects October 2012 optional wholesale agreements

Energy Charge

Summer Period

Onpeak Add 0.316¢ + 0.197¢ + A_m Add 0.325¢ + 0.203¢ + (1.03000 x A_m)

Offpeak

First 425 hours *** Add 0.196¢ + 0.099¢ + A_m Add 0.202¢ + 0.103¢ + (1.03000 x A_m)

Next 195 hours Add 0.130¢ + 0.045¢ + A_m Add 0.134¢ + 0.047¢ + (1.03000 x A_m)

Additional kWh Add 0.073¢ + -0.001¢ + A_m Add 0.075¢ + -0.001¢ + (1.03000 x A_m)

Winter Period

Onpeak Add 0.210¢ + 0.110¢ + A_m Add 0.216¢ + 0.114¢ + (1.03000 x A_m)

Offpeak

First 425 hours *** Add 0.196¢ + 0.099¢ + A_m Add 0.202¢ + 0.103¢ + (1.03000 x A_m)

Next 195 hours Add 0.130¢ + 0.045¢ + A_m Add 0.134¢ + 0.047¢ + (1.03000 x A_m)

Additional kWh Add 0.073¢ + -0.001¢ + A_m Add 0.075¢ + -0.001¢ + (1.03000 x A_m)

Transition Period

First 425 hours *** Add 0.196¢ + 0.099¢ + A_m Add 0.202¢ + 0.103¢ + (1.03000 x A_m)

Next 195 hours Add 0.130¢ + 0.045¢ + A_m Add 0.134¢ + 0.047¢ + (1.03000 x A_m)

Additional kWh Add 0.073¢ + -0.001¢ + A_m Add 0.075¢ + -0.001¢ + (1.03000 x A_m)

Schedule GSD

Demand Charge

Summer Period

Onpeak * Add \$0.54 + \$0.43 Add \$0.56 + \$0.45

Excess Offpeak Add \$0.11 + \$0.07 Add \$0.11 + \$0.08

Winter Period

Onpeak **** Add \$0.29 + \$0.23 Add \$0.30 + \$0.24

Excess Offpeak Add \$0.11 + \$0.07 Add \$0.11 + \$0.08

Transition Period

Add \$0.11 + \$0.07 Add \$0.11 + \$0.08

Energy Charge

Summer Period

Onpeak Add 0.310¢ + 0.193¢ + A_m Add 0.319¢ + 0.199¢ + (1.03000 x A_m)

Offpeak

First 425 hours *** Add 0.186¢ + 0.092¢ + A_m Add 0.192¢ + 0.095¢ + (1.03000 x A_m)

Next 195 hours Add 0.120¢ + 0.038¢ + A_m Add 0.124¢ + 0.039¢ + (1.03000 x A_m)

Additional kWh Add 0.064¢ + -0.008¢ + A_m Add 0.066¢ + -0.008¢ + (1.03000 x A_m)

Winter Period

Onpeak Add 0.201¢ + 0.104¢ + A_m Add 0.207¢ + 0.107¢ + (1.03000 x A_m)

Offpeak

First 425 hours *** Add 0.186¢ + 0.092¢ + A_m Add 0.192¢ + 0.095¢ + (1.03000 x A_m)

Next 195 hours Add 0.120¢ + 0.038¢ + A_m Add 0.124¢ + 0.039¢ + (1.03000 x A_m)

Additional kWh Add 0.064¢ + -0.008¢ + A_m Add 0.066¢ + -0.008¢ + (1.03000 x A_m)

Transition Period

First 425 hours *** Add 0.186¢ + 0.092¢ + A_m Add 0.192¢ + 0.095¢ + (1.03000 x A_m)

Next 195 hours Add 0.120¢ + 0.038¢ + A_m Add 0.124¢ + 0.039¢ + (1.03000 x A_m)

Additional kWh Add 0.064¢ + -0.008¢ + A_m Add 0.066¢ + -0.008¢ + (1.03000 x A_m)

*Applicable also to the third component of the demand charge

**Applicable also the second component of the demand charge

***Applicable also to minimum offpeak energy

****Applicable also to the third component of the demand charge and the second component of the Transition demand charge

*****Reflects October 2012 optional wholesale agreements

Manufacturing Service

Schedule TDMSA

Demand Charge

Summer Period

Onpeak *

Excess Offpeak

Winter Period

Onpeak ****

Excess Offpeak

Transition Period

Energy Charge

Summer Period

Onpeak

Offpeak

First 425 hours ***

Next 195 hours

Additional kWh

Winter Period

Onpeak

Offpeak

First 425 hours ***

Next 195 hours

Additional kWh

Transition Period

First 425 hours ***

Next 195 hours

Additional kWh

Schedule MSB

Demand Charge

Summer Period

Onpeak *

Excess Offpeak

Winter Period

Onpeak ****

Excess Offpeak

Transition Period

Energy Charge

Summer Period

Onpeak

Offpeak

First 425 hours ***

Next 195 hours

Additional kWh

Winter Period

Onpeak

Offpeak

First 425 hours ***

Next 195 hours

Additional kWh

*Applicable also to the third component of the demand charge

**Applicable also the second component of the demand charge

***Applicable also to minimum offpeak energy

****Applicable also to the third component of the demand charge and the second component of the Transition demand charge

*****Reflects October 2012 optional wholesale agreements

Transition Period								
First 425 hours ***	Add	0.153¢	+	0.064¢ + A _m	Add	0.158¢	+	0.066¢ + (1.03000 x A _m)
Next 195 hours	Add	0.086¢	+	0.010¢ + A _m	Add	0.089¢	+	0.011¢ + (1.03000 x A _m)
Additional kWh	Add	0.030¢	+	-0.036¢ + A _m	Add	-0.031¢	+	-0.037¢ + (1.03000 x A _m)

Schedule MSC

Demand Charge

Summer Period

Onpeak *

Excess Offpeak

Winter Period

Onpeak ****

Excess Offpeak

Transition Period

Energy Charge

Summer Period

Onpeak

Offpeak

First 425 hours ***

Next 195 hours

Additional kWh

Winter Period

Onpeak

Offpeak

First 425 hours ***

Next 195 hours

Additional kWh

Transition Period

First 425 hours ***

Next 195 hours

Additional kWh

Add	\$0.54	+	\$0.43	Add	\$0.56	+	\$0.45
Add	\$0.11	+	\$0.07	Add	\$0.11	+	\$0.08
Add	\$0.29	+	\$0.23	Add	\$0.30	+	\$0.24
Add	\$0.11	+	\$0.07	Add	\$0.11	+	\$0.08
Add	\$0.11	+	\$0.07	Add	\$0.11	+	\$0.08
Add	0.279¢	+	0.166¢ + A _m	Add	0.287¢	+	0.171¢ + (1.03000 x A _m)
Add	0.153¢	+	0.064¢ + A _m	Add	0.158¢	+	0.066¢ + (1.03000 x A _m)
Add	0.086¢	+	0.010¢ + A _m	Add	0.089¢	+	0.010¢ + (1.03000 x A _m)
Add	0.029¢	+	-0.036¢ + A _m	Add	0.030¢	+	-0.037¢ + (1.03000 x A _m)
Add	0.169¢	+	-0.077¢ + A _m	Add	0.174¢	+	0.079¢ + (1.03000 x A _m)
Add	0.153¢	+	0.064¢ + A _m	Add	0.158¢	+	0.066¢ + (1.03000 x A _m)
Add	0.086¢	+	0.010¢ + A _m	Add	0.089¢	+	0.010¢ + (1.03000 x A _m)
Add	0.029¢	+	-0.036¢ + A _m	Add	0.030¢	+	-0.037¢ + (1.03000 x A _m)
Add	0.153¢	+	0.064¢ + A _m	Add	0.158¢	+	0.066¢ + (1.03000 x A _m)
Add	0.086¢	+	0.010¢ + A _m	Add	0.089¢	+	0.010¢ + (1.03000 x A _m)
Add	0.029¢	+	-0.036¢ + A _m	Add	0.030¢	+	-0.037¢ + (1.03000 x A _m)

Schedule MSD

Demand Charge

Summer Period

Onpeak *

Excess Offpeak

Winter Period

Onpeak ****

Excess Offpeak

Transition Period

Energy Charge

Summer Period

Onpeak

Offpeak

First 425 hours ***

Next 195 hours

Additional kWh

Add	\$0.54	+	\$0.43	Add	\$0.56	+	\$0.45
Add	\$0.11	+	\$0.07	Add	\$0.11	+	\$0.08
Add	\$0.29	+	\$0.23	Add	\$0.30	+	\$0.24
Add	\$0.11	+	\$0.07	Add	\$0.11	+	\$0.08
Add	\$0.11	+	\$0.07	Add	\$0.11	+	\$0.08
Add	0.271¢	+	0.161¢ + A _m	Add	0.279¢	+	0.166¢ + (1.03000 x A _m)
Add	0.146¢	+	0.059¢ + A _m	Add	0.150¢	+	0.061¢ + (1.03000 x A _m)
Add	0.080¢	+	0.005¢ + A _m	Add	0.082¢	+	0.005¢ + (1.03000 x A _m)
Add	0.023¢	+	-0.041¢ + A _m	Add	0.024¢	+	-0.042¢ + (1.03000 x A _m)

*Applicable also to the third component of the demand charge

**Applicable also the second component of the demand charge

***Applicable also to minimum offpeak energy

****Applicable also to the third component of the demand charge and the second component of the Transition demand charge

*****Reflects October 2012 optional wholesale agreements

Winter Period									
Onpeak	Add	0.161¢	+	0.072¢ + A _m	Add	0.166¢	+	0.074¢ + (1.03000 x A _m)	
Offpeak									
First 425 hours ***	Add	0.146¢	+	0.059¢ + A _m	Add	0.150¢	+	0.061¢ + (1.03000 x A _m)	
Next 195 hours	Add	0.080¢	+	0.005¢ + A _m	Add	0.082¢	+	0.005¢ + (1.03000 x A _m)	
Additional kWh	Add	0.023¢	+	-0.041¢ + A _m	Add	0.024¢	+	-0.042¢ + (1.03000 x A _m)	
Transition Period									
First 425 hours ***	Add	0.146¢	+	0.059¢ + A _m	Add	0.150¢	+	0.061¢ + (1.03000 x A _m)	
Next 195 hours	Add	0.080¢	+	0.005¢ + A _m	Add	0.082¢	+	0.005¢ + (1.03000 x A _m)	
Additional kWh	Add	0.023¢	+	-0.041¢ + A _m	Add	0.024¢	+	-0.042¢ + (1.03000 x A _m)	

**SEASONAL DEMAND
AND ENERGY SERVICE**

General Power Service

Schedule SGSB

Demand Charge

Summer Period **	Add	\$0.82	+	\$0.58	Add	\$0.84	+	\$0.60
Winter Period **	Add	\$0.57	+	\$0.40	Add	\$0.59	+	\$0.41
Transition Period **	Add	\$0.38	+	\$0.26	Add	\$0.39	+	\$0.27

Energy Charge

Summer Period	Add	0.180¢	+	0.071¢ + A _m	Add	0.185¢	+	0.073¢ + (1.03000 x A _m)
Winter Period	Add	0.164¢	+	0.059¢ + A _m	Add	0.169¢	+	0.061¢ + (1.03000 x A _m)
Transition Period	Add	0.160¢	+	0.056¢ + A _m	Add	0.165¢	+	0.058¢ + (1.03000 x A _m)

Schedule SGSC

Demand Charge

Summer Period **	Add	\$0.82	+	\$0.58	Add	\$0.84	+	\$0.60
Winter Period **	Add	\$0.57	+	\$0.40	Add	\$0.59	+	\$0.41
Transition Period **	Add	\$0.38	+	\$0.26	Add	\$0.39	+	\$0.27

Energy Charge

Summer Period	Add	0.181¢	+	0.071¢ + A _m	Add	0.186¢	+	0.074¢ + (1.03000 x A _m)
Winter Period	Add	0.164¢	+	0.059¢ + A _m	Add	0.169¢	+	0.061¢ + (1.03000 x A _m)
Transition Period	Add	0.161¢	+	0.057¢ + A _m	Add	0.166¢	+	0.059¢ + (1.03000 x A _m)

Schedule SGSD

Demand Charge

Summer Period **	Add	\$0.96	+	\$0.69	Add	\$0.99	+	\$0.71
Winter Period **	Add	\$0.71	+	\$0.50	Add	\$0.73	+	\$0.52
Transition Period **	Add	\$0.52	+	\$0.37	Add	\$0.54	+	\$0.38

Energy Charge

Summer Period	Add	0.152¢	+	0.051¢ + A _m	Add	0.157¢	+	0.053¢ + (1.03000 x A _m)
Winter Period	Add	0.138¢	+	0.040¢ + A _m	Add	0.142¢	+	0.042¢ + (1.03000 x A _m)
Transition Period	Add	0.134¢	+	0.038¢ + A _m	Add	0.138¢	+	0.039¢ + (1.03000 x A _m)

Manufacturing Service

Schedule SMSB

Demand Charge

Summer Period **	Add	\$0.71	+	\$0.50	Add	\$0.73	+	\$0.52
Winter Period **	Add	\$0.46	+	\$0.32	Add	\$0.47	+	\$0.33
Transition Period **	Add	\$0.27	+	\$0.18	Add	\$0.28	+	\$0.18

*Applicable also to the third component of the demand charge

**Applicable also the second component of the demand charge

***Applicable also to minimum offpeak energy

****Applicable also to the third component of the demand charge and the second component of the Transition demand charge

*****Reflects October 2012 optional wholesale agreements

Energy Charge								
Summer Period	Add	0.150¢	+	0.049¢ + A _m	Add	0.155¢	+	0.050¢ + (1.03000 x A _m)
Winter Period	Add	0.132¢	+	0.035¢ + A _m	Add	0.136¢	+	0.037¢ + (1.03000 x A _m)
Transition Period	Add	0.127¢	+	0.032¢ + A _m	Add	0.131¢	+	0.033¢ + (1.03000 x A _m)

Schedule SMSC

Demand Charge								
Summer Period **	Add	\$0.71	+	\$0.50	Add	\$0.73	+	\$0.52
Winter Period **	Add	\$0.46	+	\$0.32	Add	\$0.47	+	\$0.33
Transition Period **	Add	\$0.27	+	\$0.18	Add	\$0.28	+	\$0.18

Energy Charge								
Summer Period	Add	0.149¢	+	0.048¢ + A _m	Add	0.153¢	+	0.049¢ + (1.03000 x A _m)
Winter Period	Add	0.132¢	+	0.035¢ + A _m	Add	0.136¢	+	0.036¢ + (1.03000 x A _m)
Transition Period	Add	0.127¢	+	0.032¢ + A _m	Add	0.131¢	+	0.033¢ + (1.03000 x A _m)

Schedule SMSD

Demand Charge								
Summer Period **	Add	\$0.82	+	\$0.58	Add	\$0.84	+	\$0.60
Winter Period **	Add	\$0.57	+	\$0.40	Add	\$0.59	+	\$0.41
Transition Period **	Add	\$0.38	+	\$0.26	Add	\$0.39	+	\$0.27

Energy Charge								
Summer Period	Add	0.120¢	+	0.027¢ + A _m	Add	0.124¢	+	0.028¢ + (1.03000 x A _m)
Winter Period	Add	0.106¢	+	0.017¢ + A _m	Add	0.109¢	+	0.018¢ + (1.03000 x A _m)
Transition Period	Add	0.103¢	+	0.015¢ + A _m	Add	0.106¢	+	0.015¢ + (1.03000 x A _m)

The amounts applicable for A_m under column (3) in this Adjustment Addendum shall be determined each month by applying data from TVA's forecasts of TVA's actual operations, as well as actual data when it becomes available in accordance with the formula below. TVA will endeavor to publish the calculated amounts 20 days in advance of the month of application (but shall in no event publish these calculated amounts any later than 15 days in advance of the month of application), and such amounts will be applicable to bills rendered from meter readings taken for TVA and Distributor monthly billing cycles beginning on and after the effective date of this Adjustment Addendum.

- *Applicable also to the third component of the demand charge
- **Applicable also the second component of the demand charge
- ***Applicable also to minimum offpeak energy
- ****Applicable also to the third component of the demand charge and the second component of the Transition demand charge
- *****Reflects October 2012 optional wholesale agreements

$$A_m = \frac{CF_m + DAR_m}{95\%}$$

A_m = The monthly FCA adjustment to be applied to the kilowatt-hour sales during the current monthly billing period and rounded to the nearest one-thousandth of a cent per kilowatt-hour.

m = a particular month

CF_m = The core FCA adjustment for a particular month. $CF_m = (FF_m / SF_m)$

FF = TVA's estimate of FA (as described below) for month m , based on the latest TVA Financial Forecast.

SF = TVA's estimate of SA (as described below) for month m , based on the latest TVA Financial Forecast.

DAR_m = The adjustment that collects a portion of DA (as described below) in a month, rounded to the nearest one-thousandth of a cent.

$$DAR_m = R \times DA_m / FISF_m$$

R = The collection ratio of 50%.

FISF = TVA's estimate of FiSA (as described below) for month m , based on the latest TVA Financial Forecast.

DA = The deferred account that provides the true-up adjustment necessary to reconcile prior estimates to actual data, which shall be computed with the formulas below.

$$DA_m = \overbrace{GLDA_{m-2}}^{\text{General Ledger DA Balance}} - \overbrace{DAR_{m-1} \times FISF_{m-1}}^{\text{Estimate of DAR collections prior months}}$$

FiSA = Actual TVA firm-based rate energy sales (in kWh) for month m , as recorded in TVA's General Ledger with specific accounts 442000, 445000, 447000, 447100, and 448000 (or such similar or successor accounts as may be prescribed by FERC in the future).

GLDA = The general ledger deferred account balance that flows through to the balance sheet.

$$GLDA_m = \overbrace{GLDA_{m-1}}^{\text{Accumulated General Ledger DA Balance}} + \overbrace{TU_m}^{\text{Core FCA True-Up}} + \overbrace{GLD_m}^{\text{DA Amortization}}$$

TU_m = The core true-up amount. $TU_m = (FISA_m / SA_m) * FA_m - GLR_m$

FA = Actual total fuel and purchased power expenses (in cents) under the framework and accounts provided below (or such similar or successor accounts as may be prescribed by FERC in the future).

- (1) Fossil Fuel Expense - Account 501 - Direct cost of fuel burned in TVA coal plants, including transportation and fuel treatments. Costs to be excluded are lease payments for rail cars, maintenance on rail cars, sampling and fuel analysis, and fuel handling expenses in unloading fuel from shipping media and the handling of fuel up to the point where fuel enters the bunker or other boiler-house structure.
- (2) Reagents Expense - Account 501.L - Cost of emission reagents such as limestone and ammonia that are directly related to the level of generation output.
- (3) Allowances Expense - Account 509 - Cost of emission allowance expense such as SO₂ and NO_x that are directly related to the level of generation output.
- (4) Nuclear Fuel Expense - Account 518 - Cost of nuclear fuel amortization expense dependent upon burn, including DOE spent fuel disposal charges.
- (5) Gas Turbine Fuel Expense - Account 547 - Direct cost of gas and oil burned in TVA plants, including transportation. Costs to be excluded are costs of gas storage facilities and sampling and fuel analysis that do not vary with changes in generation volume.
- (6) Purchased Power Expense - Account 555 - Energy cost of purchased power to serve native load demand or to displace higher cost generation. Costs to be excluded are fixed demand or capacity payments in tolling agreements and purchased power agreements that do not vary with volume and costs of purchased power linked to off-system sales transactions.
- (7) Audit Expenses - TVA's actual expenses incurred as the result of third party expenses for FCA audits.

SA = Actual total TVA energy sales (in kWh) for month m , as recorded in TVA's General Ledger with specific accounts 442000, 445000, 447000, 447100, and 448000 (or such similar or successor accounts as may be prescribed by FERC in the future), excluding any displacement sales reflected in account 447100.

GLD_m = Actual TVA DAR revenue (DA amortization) for month m , for firm-based energy sales, as recorded in TVA's General Ledger with specific accounts 442000, 445000, 447000, 447100, and 448000 (or such similar or successor accounts as may be prescribed by FERC in the future).

GLR_m = Actual TVA Core FCA Revenue for month m , for firm-based energy sales, as recorded in TVA's General Ledger with specific accounts 442000, 445000, 447000, 447100, and 448000 (or such similar or successor accounts as may be prescribed by FERC in the future).



Tennessee Valley Authority, 6045 Russellville Road, Bowling Green, Kentucky 42101-7319

June 4, 2013

Mr. Paul Thompson
Executive Vice President/General Manager
Tri-County Electric Membership Corporation
405 College Street
Lafayette, Tennessee 37083

Dear Paul:

**TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION -- FULLY EXECUTED
RESALE RATE SCHEDULE SUBSTITUTION AGREEMENT -- TV-52337A, SUPP.
NO. 101**

Enclosed is one fully executed original of the Resale Rate Schedule Substitution Agreement, TV-52337A, Supp. No. 101, for your files. This Agreement, dated June 1, 2013, provides for the substitution of:

Schedule GSA (June 2013) for Schedule GSA (October 2012)

If you have questions or concerns regarding this agreement, please call Derrick Miller (270-856-4581) or me (270-846-7041).

Sincerely,

Ernest W. Peterson, Jr., PE
General Manager
Customer Service
Kentucky

Enclosure

6/5/2013
Laura,
Please file.
Thanks,
Paul

June 1, 2013

RESALE RATE SCHEDULE SUBSTITUTION AGREEMENT
Between
TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION (DISTRIBUTOR)
And
TENNESSEE VALLEY AUTHORITY (TVA)

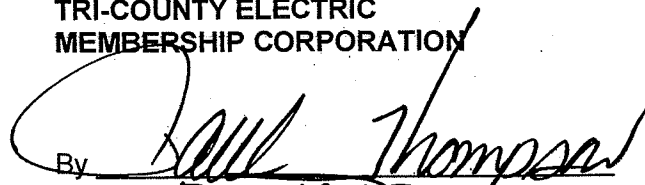
Distributor and TVA agree to substitute the new resale rate schedule specified in (a) below, a copy of which is attached, as Exhibit A to this agreement, for the resale rate schedule specified in (b) below, which, as adjusted, is now in effect as a part of the Schedule of Rates and Charges attached to and made a part of the Power Contract, TV-52337A, dated July 18, 1979, as amended (Power Contract), between TVA and Distributor. This substitution is to be effective for all bills rendered from resale meter readings taken for revenue months of Distributor beginning with the June 2013 revenue month. The parties further agree that the revised Adjustment Addendum to said Schedule of Rates and Charges attached as Exhibit B to this agreement shall apply to the charges provided for by the attached schedule specified in (a) below.

- (a) New resale rate schedule:
General Power Rate--Schedule GSA (June 2013)

- (b) Existing resale rate schedule:
General Power Rate--Schedule GSA (October 2012)

It is understood that, upon execution of this agreement by TVA and Distributor, all references in the Power Contract to the existing resale rate schedule specified in (b) above, or to any predecessor schedules, shall be deemed to refer to the new resale rate schedule specified in (a) above.

**TRI-COUNTY ELECTRIC
MEMBERSHIP CORPORATION**

By 
Title: Exec. V.P. & Gen. Mgr.

Rate schedule substitution agreed to as of
the date first above written.

TENNESSEE VALLEY AUTHORITY

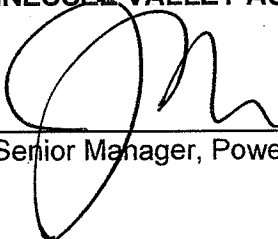
By 
Senior Manager, Power Contracts

EXHIBIT A
To
RESALE RATE SCHEDULE SUBSTITUTION AGREEMENT

TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION

GENERAL POWER RATE--SCHEDULE GSA

(June 2013)

Availability

This rate shall apply to the firm power requirements (where a customer's contract demand is 5,000 kW or less) for electric service to commercial, industrial, and governmental customers, and to institutional customers including, without limitation, churches, clubs, fraternities, orphanages, nursing homes, rooming or boarding houses, and like customers. This rate shall also apply to customers to whom service is not available under any other resale rate schedule.

Character of Service

Alternating current, single- or three-phase, 60 hertz. Power shall be delivered at a service voltage available in the vicinity or agreed to by Distributor.

Base Charges

1. If (a) the higher of (i) the customer's currently effective contract demand, if any, or (ii) its highest billing demand during the latest 12-month period is not more than 50 kW and (b) the customer's monthly energy takings for any month during such period do not exceed 15,000 kWh:

Customer Charge: \$25.00 per delivery point per month

Energy Charge:

Summer Period 7.346¢ per kWh per month

Winter Period 7.026¢ per kWh per month

Transition Period 6.838¢ 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: \$50.00 per delivery point per month

Demand Charge:

Summer Period First 50 kW of billing demand per month, no demand charge

Excess over 50 kW of billing demand per month, at \$12.10 per kW

Winter Period First 50 kW of billing demand per month, no demand charge

Excess over 50 kW of billing demand per month, at \$11.31 per kW

Transition Period First 50 kW of billing demand per month, no demand charge

Excess over 50 kW of billing demand per month, at \$11.31 per kW

Energy Charge:

- Summer Period First 15,000 kWh per month at 7.427¢ per kWh
Additional kWh per month at 3.547¢ per kWh
- Winter Period First 15,000 kWh per month at 7.119¢ per kWh
Additional kWh per month at 3.245¢ per kWh
- Transition Period First 15,000 kWh per month at 6.995¢ per kWh
Additional kWh per month at 3.124¢ per kWh

3. If the higher of (a) the customer's currently effective contract demand or (b) its highest billing demand during the latest 12-month period is greater than 1,000 kW:

Customer Charge: \$100.00 per delivery point per month

Demand Charge:

- Summer Period First 1,000 kW of billing demand per month, at \$10.97 per kW
Excess over 1,000 kW of billing demand per month, at \$12.78 per kW, plus an additional \$12.78 per kW per month for each kW, if any, of the amount by which the customer's billing demand exceeds the higher of 1,000 kW or its contract demand
- Winter Period First 1,000 kW of billing demand per month, at \$10.18 per kW
Excess over 1,000 kW of billing demand per month, at \$11.99 per kW, plus an additional \$11.99 per kW per month for each kW, if any, of the amount by which the customer's billing demand exceeds the higher of 1,000 kW or its contract demand
- Transition Period First 1,000 kW of billing demand per month, at \$10.18 per kW
Excess over 1,000 kW of billing demand per month, at \$11.99 per kW, plus an additional \$11.99 per kW per month for each kW, if any, of the amount by which the customer's billing demand exceeds the higher of 1,000 kW or its contract demand

Energy Charge:

- Summer Period 3.642¢ per kWh per month
- Winter Period 3.340¢ per kWh per month
- Transition Period 3.219¢ per kWh per month

Adjustment

The base demand and energy charges shall be increased or decreased in accordance with the current Adjustment Addendum published by TVA. In addition, such charges shall be increased or decreased to correspond to increases or decreases determined by TVA under Adjustment 4 of the wholesale power rate schedule applicable under contractual arrangements between TVA and Distributor.

Determination of Seasonal Periods

Summer Period shall mean the June, July, August, and September billing months. Winter Period shall mean the December, January, February, and March billing months. Transition Period shall mean the April, May, October, and November billing months.

Determination of Demand

Distributor shall meter the demands in kW of all customers having loads in excess of 50 kW. The metered demand for any month shall be the highest average during any 30-consecutive-minute period of the month of the load metered in kW. The measured demand for any month shall be the higher of the highest average during any 30-consecutive-minute period of the month of (a) the load metered in kW or (b) 93 percent of the load in kVA plus an additional 2 percent for that part of the load over 5,000 kVA, and such measured demand shall be used as the billing demand, except that the billing demand for any month shall in no case be less than 30 percent of the higher of the currently effective contract demand or the highest billing demand established during the preceding 12 months.

Minimum Bill

The monthly bill under this rate schedule shall not be less than the sum of (a) the base customer charge, (b) the base demand charge, as adjusted, applied to the customer's billing demand, and (c) the base energy charge, as adjusted, applied to the customer's energy takings; provided, however, that, under 2 of the Base Charges, the monthly bill shall in no event be less than the sum of (a) the base customer charge and (b) 20 percent of the portion of the base demand charge, as adjusted, applicable to the second block (excess over 50 kW) of billing demand, multiplied by the higher of the customer's currently effective contract demand or its highest billing demand established during the preceding 12 months.

Distributor may require minimum bills higher than those stated above.

Seasonal Service

Customers who contract for service on a seasonal basis shall be limited to 2,500 kW and shall pay the above charges, as adjusted, plus an additional seasonal use charge equal to (1) 1.33¢ per kWh per month under 1 of the Base Charges, (2) the sum of 1.33¢ per kWh for the first 15,000 kWh per month and \$4.00 per kW per month of billing demand in excess of 50 kW under 2 of the Base Charges, and (3) \$4.00 per kW per month of billing demand under 3 of the Base Charges. Consistent with Distributor's standard policy, the customer may arrange for seasonal testing of equipment during offpeak hours.

For such customers, the minimum bill provided for above shall not apply. Distributor may require additional charges to provide recovery of costs for customer-specific distribution facilities.

Contract Requirement

Distributor may require contracts for service provided under this rate schedule. Customers whose demand requirements exceed 1,000 kW shall be required to execute contracts and such contracts shall be for an initial term of at least 1 year. The customer shall contract for its maximum requirements, which shall not exceed the amount of power capable of being used by customer, and Distributor shall not be obligated to supply power in greater amount at any time than the customer's currently effective contract demand. If the customer uses any power other than that supplied by Distributor under this rate schedule, the contract may include other special provisions. The rate schedule in any power contract

shall be subject to adjustment, modification, change, or replacement from time to time as provided under the power contract between Distributor and TVA.

Payment

Bills under this rate schedule will be rendered monthly. Any amount of bill unpaid after due date specified on bill may be subject to additional charges under Distributor's standard policy.

Single-Point Delivery

The charges under this rate schedule are based upon the supply of service through a single delivery and metering point, and at a single voltage. If service is supplied to the same customer through more than one point of delivery or at different voltages, the supply of service at each delivery and metering point and at each different voltage shall be separately metered and billed.

Service is subject to Rules and Regulations of Distributor.

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EXHIBIT B
To
RESALE RATE SCHEDULE SUBSTITUTION AGREEMENT

TENNESSEE VALLEY AUTHORITY
ADJUSTMENT ADDENDUM
TO
SCHEDULE OF RATES AND CHARGES
FOR

TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION

(Effective 10/01/2011), Revised 06/01/2013

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's monthly billing cycles scheduled to begin on or after the effective date of this Adjustment Addendum. As provided for by the previous Adjustment Addendum dated October 1, 2003 (Environmental Adjustment), the amounts listed under each column (1) are designated, subject to any future Rate Adjustment or Rate Change, to remain in effect for ten (10) years from the effective date of said Environmental Adjustment.

	<u>Wholesale Power Rate Schedule</u>		
	(1)	(2)	(3)
STANDARD SERVICE			
<u>Schedule WS-TOU</u>			
Demand Charges			
Summer	Add \$0.50	+	\$0.29
Winter	Add \$0.50	+	\$0.26
Transition	Add \$0.50	+	\$0.26
Energy Charges			
Summer	Add 0.186¢	+	0.107¢ + A _m
Winter	Add 0.186¢	+	0.099¢ + A _m
Transition	Add 0.186¢	+	0.095¢ + A _m
<u>Schedule WS-MTOU *****</u>			
Demand Charges			
Summer	Add \$0.50	+	\$0.29
Winter	Add \$0.50	+	\$0.26
Transition	Add \$0.50	+	\$0.26
Energy Charges			
Summer	Add 0.186¢	+	0.107¢ + A _m
Winter	Add 0.186¢	+	0.099¢ + A _m
Transition	Add 0.186¢	+	0.095¢ + A _m
<u>Schedule WS-MDE *****</u>			
Demand Charges			
Summer	Add \$0.50	+	\$0.29
Winter	Add \$0.50	+	\$0.26
Transition	Add \$0.50	+	\$0.26
Energy Charges			
Summer	Add 0.186¢	+	0.107¢ + A _m
Winter	Add 0.186¢	+	0.099¢ + A _m
Transition	Add 0.186¢	+	0.095¢ + A _m

*Applicable also to the third component of the demand charge

**Applicable also the second component of the demand charge

***Applicable also to minimum offpeak energy

****Applicable also to the third component of the demand charge and the second component of the Transition demand charge

*****Reflects October 2012 optional wholesale agreements

Resale Schedules

STANDARD SERVICE

(1) (2) (3)

Residential Service

Schedule RS

Energy Charge	Add	0.307¢	+	0.177¢	+	(1.08628 x A _m)
Summer	Add	0.307¢	+	0.177¢	+	(1.08628 x A _m)
Winter	Add	0.307¢	+	0.175¢	+	(1.08628 x A _m)
Transition						

General Power Service

Schedule GSA

Part 1

Energy Charge	Add	0.355¢	+	0.190¢	+	(1.06653 x A _m)
Summer	Add	0.355¢	+	0.189¢	+	(1.06653 x A _m)
Winter	Add	0.355¢	+	0.187¢	+	(1.06653 x A _m)
Transition						

Part 2

Demand Charge						
Summer						
Excess over 50 kW	Add	\$0.48	+	\$0.29		
Winter						
Excess over 50 kW	Add	\$0.48	+	\$0.27		
Transition						
Excess over 50 kW	Add	\$0.48	+	\$0.27		

Energy Charge

Summer						
First 15,000 kWh	Add	0.198¢	+	0.189¢	+	(1.06653 x A _m)
Additional kWh	Add	0.194¢	+	0.096¢	+	(1.04396 x A _m)
Winter						
First 15,000 kWh	Add	0.198¢	+	0.189¢	+	(1.06653 x A _m)
Additional kWh	Add	0.194¢	+	0.096¢	+	(1.04396 x A _m)
Transition						
First 15,000 kWh	Add	0.198¢	+	0.189¢	+	(1.06653 x A _m)
Additional kWh	Add	0.194¢	+	0.096¢	+	(1.04396 x A _m)

Part 3

Demand Charge						
Summer						
First 1,000 kW	Add	\$0.61	+	\$0.29		
Excess over 1,000 kW *	Add	\$0.61	+	\$0.36		
Winter						
First 1,000 kW	Add	\$0.61	+	\$0.27		
Excess over 1,000 kW *	Add	\$0.61	+	\$0.34		
Transition						
First 1,000 kW	Add	\$0.61	+	\$0.27		
Excess over 1,000 kW *	Add	\$0.61	+	\$0.34		
Energy Charge						
Summer	Add	0.199¢	+	0.096¢	+	(1.04396 x A _m)
Winter	Add	0.199¢	+	0.096¢	+	(1.04396 x A _m)
Transition	Add	0.199¢	+	0.096¢	+	(1.04396 x A _m)

*Applicable also to the third component of the demand charge

**Applicable also the second component of the demand charge

***Applicable also to minimum offpeak energy

****Applicable also to the third component of the demand charge and the second component of the Transition demand charge

*****Reflects October 2012 optional wholesale agreements

Outdoor Lighting Service

Schedule LS Part A and B

Energy Charge					
Summer	Add	0.207¢	+	0.081¢	+ (1.08628 x A _m)
Winter	Add	0.207¢	+	0.080¢	+ (1.08628 x A _m)
Transition	Add	0.207¢	+	0.078¢	+ (1.08628 x A _m)

Drainage Pumping Station

Schedule DPS

Energy Charge					
Summer	Add	N/A	+	N/A	+ (N/A x A _m)
Winter	Add	N/A	+	N/A	+ (N/A x A _m)
Transition	Add	N/A	+	N/A	+ (N/A x A _m)

Residential Service

Schedule TRS

Energy Charge					
Summer					
Onpeak	Add	N/A	+	N/A	+ (N/A x A _m)
Offpeak	Add	N/A	+	N/A	+ (N/A x A _m)
Winter					
Onpeak	Add	N/A	+	N/A	+ (N/A x A _m)
Offpeak	Add	N/A	+	N/A	+ (N/A x A _m)
Transition					
All Offpeak	Add	N/A	+	N/A	+ (N/A x A _m)

General Power Service

Schedule TGSA

Part 1

Energy Charge					
Summer					
Onpeak	Add	N/A	+	N/A	+ (N/A x A _m)
Offpeak	Add	N/A	+	N/A	+ (N/A x A _m)
Winter					
Onpeak	Add	N/A	+	N/A	+ (N/A x A _m)
Offpeak	Add	N/A	+	N/A	+ (N/A x A _m)
Transition					
All Offpeak	Add	N/A	+	N/A	+ (N/A x A _m)

Part 2

Demand Charge					
Summer					
Excess over 50 kW	Add	N/A	+	N/A	
Winter					
Excess over 50 kW	Add	N/A	+	N/A	
Transition					
Excess over 50 kW	Add	N/A	+	N/A	

*Applicable also to the third component of the demand charge

**Applicable also the second component of the demand charge

***Applicable also to minimum offpeak energy

****Applicable also to the third component of the demand charge and the second component of the Transition demand charge

*****Reflects October 2012 optional wholesale agreements

Energy Charge									
Summer									
Onpeak	Add	N/A	+	N/A	+	(	N/A	x	A_m)
Offpeak	Add	N/A	+	N/A	+	(	N/A	x	A_m)
Winter									
Onpeak	Add	N/A	+	N/A	+	(	N/A	x	A_m)
Offpeak	Add	N/A	+	N/A	+	(	N/A	x	A_m)
Transition									
All Offpeak	Add	N/A	+	N/A	+	(	N/A	x	A_m)

Part 3

Demand Charge									
Summer									
First 1,000 kW	Add	N/A	+	N/A					
Excess over 1,000 kW *	Add	N/A	+	N/A					
Winter									
First 1,000 kW	Add	N/A	+	N/A					
Excess over 1,000 kW *	Add	N/A	+	N/A					
Transition									
First 1,000 kW	Add	N/A	+	N/A					
Excess over 1,000 kW *	Add	N/A	+	N/A					

Energy Charge									
Summer									
Onpeak	Add	N/A	+	N/A	+	(	N/A	x	A_m)
Offpeak	Add	N/A	+	N/A	+	(	N/A	x	A_m)
Winter									
Onpeak	Add	N/A	+	N/A	+	(	N/A	x	A_m)
Offpeak	Add	N/A	+	N/A	+	(	N/A	x	A_m)
Transition									
All Offpeak	Add	N/A	+	N/A	+	(	N/A	x	A_m)

TOU SERVICE

Wholesale Power Rate Schedule

Resale Schedules

General Power Service

Schedule TDGSA

		(1)	(2)	(3)		(1)	(2)	(3)
Demand Charge								
Summer Period								
Onpeak *	Add	\$0.54	+	\$0.43	Add	N/A	+	N/A
Excess Offpeak	Add	\$0.11	+	\$0.07	Add	N/A	+	N/A
Winter Period								
Onpeak ****	Add	\$0.29	+	\$0.23	Add	N/A	+	N/A
Excess Offpeak	Add	\$0.11	+	\$0.07	Add	N/A	+	N/A
Transition Period	Add	\$0.11	+	\$0.07	Add	N/A	+	N/A
Energy Charge								
Summer Period								
Onpeak	Add	0.329¢	+	0.208¢ + A_m	Add	N/A	+	N/A + (N/A x A_m)
Offpeak								
First 425 hours ***	Add	0.205¢	+	0.107¢ + A_m	Add	N/A	+	N/A + (N/A x A_m)
Next 195 hours	Add	0.139¢	+	0.053¢ + A_m	Add	N/A	+	N/A + (N/A x A_m)
Additional kWh	Add	0.082¢	+	0.007¢ + A_m	Add	N/A	+	N/A + (N/A x A_m)

*Applicable also to the third component of the demand charge

**Applicable also the second component of the demand charge

***Applicable also to minimum offpeak energy

****Applicable also to the third component of the demand charge and the second component of the Transition demand charge

*****Reflects October 2012 optional wholesale agreements

Winter Period										
Onpeak	Add	0.220¢	+	0.119¢ + A _m	Add	N/A	+	N/A	+	(N/A x A _m)
Offpeak										
First 425 hours ***	Add	0.205¢	+	0.107¢ + A _m	Add	N/A	+	N/A	+	(N/A x A _m)
Next 195 hours	Add	0.139¢	+	0.053¢ + A _m	Add	N/A	+	N/A	+	(N/A x A _m)
Additional kWh	Add	0.082¢	+	0.007¢ + A _m	Add	N/A	+	N/A	+	(N/A x A _m)
Transition Period										
First 425 hours ***	Add	0.205¢	+	0.107¢ + A _m	Add	N/A	+	N/A	+	(N/A x A _m)
Next 195 hours	Add	0.139¢	+	0.053¢ + A _m	Add	N/A	+	N/A	+	(N/A x A _m)
Additional kWh	Add	0.082¢	+	0.007¢ + A _m	Add	N/A	+	N/A	+	(N/A x A _m)

Schedule GSB

Demand Charge

Summer Period

 Onpeak *

Add \$0.54 + \$0.43 Add \$0.56 + \$0.45

 Excess Offpeak

Add \$0.11 + \$0.07 Add \$0.11 + \$0.08

Winter Period

 Onpeak ****

Add \$0.29 + \$0.23 Add \$0.30 + \$0.24

 Excess Offpeak

Add \$0.11 + \$0.07 Add \$0.11 + \$0.08

Transition Period

Add \$0.11 + \$0.07 Add \$0.11 + \$0.08

Energy Charge

Summer Period

 Onpeak

Add 0.329¢ + 0.208¢ + A_m Add 0.339¢ + 0.214¢ + (1.03000 x A_m)

 Offpeak

 First 425 hours ***

Add 0.205¢ + 0.107¢ + A_m Add 0.211¢ + 0.110¢ + (1.03000 x A_m)

 Next 195 hours

Add 0.139¢ + 0.053¢ + A_m Add 0.143¢ + 0.055¢ + (1.03000 x A_m)

 Additional kWh

Add 0.082¢ + 0.007¢ + A_m Add 0.084¢ + 0.007¢ + (1.03000 x A_m)

Winter Period

 Onpeak

Add 0.220¢ + 0.119¢ + A_m Add 0.227¢ + 0.122¢ + (1.03000 x A_m)

 Offpeak

 First 425 hours ***

Add 0.205¢ + 0.107¢ + A_m Add 0.211¢ + 0.110¢ + (1.03000 x A_m)

 Next 195 hours

Add 0.139¢ + 0.053¢ + A_m Add 0.143¢ + 0.055¢ + (1.03000 x A_m)

 Additional kWh

Add 0.082¢ + 0.007¢ + A_m Add 0.084¢ + 0.007¢ + (1.03000 x A_m)

Transition Period

 First 425 hours ***

Add 0.205¢ + 0.107¢ + A_m Add 0.211¢ + 0.110¢ + (1.03000 x A_m)

 Next 195 hours

Add 0.139¢ + 0.053¢ + A_m Add 0.143¢ + 0.055¢ + (1.03000 x A_m)

 Additional kWh

Add 0.082¢ + 0.007¢ + A_m Add 0.084¢ + 0.007¢ + (1.03000 x A_m)

Schedule GSC

Demand Charge

Summer Period

 Onpeak *

Add \$0.54 + \$0.43 Add \$0.56 + \$0.45

 Excess Offpeak

Add \$0.11 + \$0.07 Add \$0.11 + \$0.08

Winter Period

 Onpeak ****

Add \$0.29 + \$0.23 Add \$0.30 + \$0.24

 Excess Offpeak

Add \$0.11 + \$0.07 Add \$0.11 + \$0.08

Transition Period

Add \$0.11 + \$0.07 Add \$0.11 + \$0.08

*Applicable also to the third component of the demand charge

**Applicable also the second component of the demand charge

***Applicable also to minimum offpeak energy

****Applicable also to the third component of the demand charge and the second component of the Transition demand charge

*****Reflects October 2012 optional wholesale agreements

Energy Charge

Summer Period								
Onpeak	Add	0.316¢	+	0.197¢ + A _m	Add	0.325¢	+	0.203¢ + (1.03000 x A _m)
Offpeak								
First 425 hours ***	Add	0.196¢	+	0.099¢ + A _m	Add	0.202¢	+	0.103¢ + (1.03000 x A _m)
Next 195 hours	Add	0.130¢	+	0.045¢ + A _m	Add	0.134¢	+	0.047¢ + (1.03000 x A _m)
Additional kWh	Add	0.073¢	+	-0.001¢ + A _m	Add	0.075¢	+	-0.001¢ + (1.03000 x A _m)
Winter Period								
Onpeak	Add	0.210¢	+	0.110¢ + A _m	Add	0.216¢	+	0.114¢ + (1.03000 x A _m)
Offpeak								
First 425 hours ***	Add	0.196¢	+	0.099¢ + A _m	Add	0.202¢	+	0.103¢ + (1.03000 x A _m)
Next 195 hours	Add	0.130¢	+	0.045¢ + A _m	Add	0.134¢	+	0.047¢ + (1.03000 x A _m)
Additional kWh	Add	0.073¢	+	-0.001¢ + A _m	Add	0.075¢	+	-0.001¢ + (1.03000 x A _m)
Transition Period								
First 425 hours ***	Add	0.196¢	+	0.099¢ + A _m	Add	0.202¢	+	0.103¢ + (1.03000 x A _m)
Next 195 hours	Add	0.130¢	+	0.045¢ + A _m	Add	0.134¢	+	0.047¢ + (1.03000 x A _m)
Additional kWh	Add	0.073¢	+	-0.001¢ + A _m	Add	0.075¢	+	-0.001¢ + (1.03000 x A _m)

Schedule GSD

Demand Charge

Summer Period						
Onpeak *	Add	\$0.54	+	\$0.43	Add	\$0.56 + \$0.45
Excess Offpeak	Add	\$0.11	+	\$0.07	Add	\$0.11 + \$0.08
Winter Period						
Onpeak ****	Add	\$0.29	+	\$0.23	Add	\$0.30 + \$0.24
Excess Offpeak	Add	\$0.11	+	\$0.07	Add	\$0.11 + \$0.08
Transition Period	Add	\$0.11	+	\$0.07	Add	\$0.11 + \$0.08

Energy Charge

Summer Period								
Onpeak	Add	0.310¢	+	0.193¢ + A _m	Add	0.319¢	+	0.199¢ + (1.03000 x A _m)
Offpeak								
First 425 hours ***	Add	0.186¢	+	0.092¢ + A _m	Add	0.192¢	+	0.095¢ + (1.03000 x A _m)
Next 195 hours	Add	0.120¢	+	0.038¢ + A _m	Add	0.124¢	+	0.039¢ + (1.03000 x A _m)
Additional kWh	Add	0.064¢	+	-0.008¢ + A _m	Add	0.066¢	+	-0.008¢ + (1.03000 x A _m)
Winter Period								
Onpeak	Add	0.201¢	+	0.104¢ + A _m	Add	0.207¢	+	0.107¢ + (1.03000 x A _m)
Offpeak								
First 425 hours ***	Add	0.186¢	+	0.092¢ + A _m	Add	0.192¢	+	0.095¢ + (1.03000 x A _m)
Next 195 hours	Add	0.120¢	+	0.038¢ + A _m	Add	0.124¢	+	0.039¢ + (1.03000 x A _m)
Additional kWh	Add	0.064¢	+	-0.008¢ + A _m	Add	0.066¢	+	-0.008¢ + (1.03000 x A _m)
Transition Period								
First 425 hours ***	Add	0.186¢	+	0.092¢ + A _m	Add	0.192¢	+	0.095¢ + (1.03000 x A _m)
Next 195 hours	Add	0.120¢	+	0.038¢ + A _m	Add	0.124¢	+	0.039¢ + (1.03000 x A _m)
Additional kWh	Add	0.064¢	+	-0.008¢ + A _m	Add	0.066¢	+	-0.008¢ + (1.03000 x A _m)

*Applicable also to the third component of the demand charge

**Applicable also the second component of the demand charge

***Applicable also to minimum offpeak energy

****Applicable also to the third component of the demand charge and the second component of the Transition demand charge

*****Reflects October 2012 optional wholesale agreements

Manufacturing Service

Schedule TDMSA

Demand Charge

Summer Period

Onpeak * Add \$0.54 + \$0.43 Add N/A + N/A

Excess Offpeak Add \$0.11 + \$0.07 Add N/A + N/A

Winter Period

Onpeak **** Add \$0.29 + \$0.23 Add N/A + N/A

Excess Offpeak Add \$0.11 + \$0.07 Add N/A + N/A

Transition Period Add \$0.11 + \$0.07 Add N/A + N/A

Energy Charge

Summer Period

Onpeak Add 0.276¢ + 0.164¢ + A_m Add N/A + N/A + (N/A x A_m)

Offpeak

First 425 hours *** Add 0.153¢ + 0.064¢ + A_m Add N/A + N/A + (N/A x A_m)

Next 195 hours Add 0.086¢ + 0.010¢ + A_m Add N/A + N/A + (N/A x A_m)

Additional kWh Add 0.030¢ + -0.036¢ + A_m Add N/A + N/A + (N/A x A_m)

Winter Period

Onpeak Add 0.168¢ + 0.077¢ + A_m Add N/A + N/A + (N/A x A_m)

Offpeak

First 425 hours *** Add 0.153¢ + 0.064¢ + A_m Add N/A + N/A + (N/A x A_m)

Next 195 hours Add 0.086¢ + 0.010¢ + A_m Add N/A + N/A + (N/A x A_m)

Additional kWh Add 0.030¢ + -0.036¢ + A_m Add N/A + N/A + (N/A x A_m)

Transition Period

First 425 hours *** Add 0.153¢ + 0.064¢ + A_m Add N/A + N/A + (N/A x A_m)

Next 195 hours Add 0.086¢ + 0.010¢ + A_m Add N/A + N/A + (N/A x A_m)

Additional kWh Add 0.030¢ + -0.036¢ + A_m Add N/A + N/A + (N/A x A_m)

Schedule MSB

Demand Charge

Summer Period

Onpeak * Add \$0.54 + \$0.43 Add \$0.56 + \$0.45

Excess Offpeak Add \$0.11 + \$0.07 Add \$0.11 + \$0.08

Winter Period

Onpeak **** Add \$0.29 + \$0.23 Add \$0.30 + \$0.24

Excess Offpeak Add \$0.11 + \$0.07 Add \$0.11 + \$0.08

Transition Period Add \$0.11 + \$0.07 Add \$0.11 + \$0.08

Energy Charge

Summer Period

Onpeak Add 0.276¢ + 0.164¢ + A_m Add 0.284¢ + 0.169¢ + (1.03000 x A_m)

Offpeak

First 425 hours *** Add 0.153¢ + 0.064¢ + A_m Add 0.158¢ + 0.066¢ + (1.03000 x A_m)

Next 195 hours Add 0.086¢ + 0.010¢ + A_m Add 0.089¢ + 0.011¢ + (1.03000 x A_m)

Additional kWh Add 0.030¢ + -0.036¢ + A_m Add 0.031¢ + -0.037¢ + (1.03000 x A_m)

Winter Period

Onpeak Add 0.168¢ + 0.077¢ + A_m Add 0.173¢ + 0.079¢ + (1.03000 x A_m)

Offpeak

First 425 hours *** Add 0.153¢ + 0.064¢ + A_m Add 0.158¢ + 0.066¢ + (1.03000 x A_m)

Next 195 hours Add 0.086¢ + 0.010¢ + A_m Add 0.089¢ + 0.011¢ + (1.03000 x A_m)

Additional kWh Add 0.030¢ + -0.036¢ + A_m Add 0.031¢ + -0.037¢ + (1.03000 x A_m)

*Applicable also to the third component of the demand charge

**Applicable also the second component of the demand charge

***Applicable also to minimum offpeak energy

****Applicable also to the third component of the demand charge and the second component of the Transition demand charge

*****Reflects October 2012 optional wholesale agreements

Transition Period								
First 425 hours ***	Add	0.153¢	+	0.064¢ + A _m	Add	0.158¢	+	0.066¢ + (1.03000 x A _m)
Next 195 hours	Add	0.086¢	+	0.010¢ + A _m	Add	0.089¢	+	0.011¢ + (1.03000 x A _m)
Additional kWh	Add	0.030¢	+	-0.036¢ + A _m	Add	0.031¢	+	-0.037¢ + (1.03000 x A _m)

Schedule MSC

Demand Charge

Summer Period

Onpeak *	Add	\$0.54	+	\$0.43	Add	\$0.56	+	\$0.45
Excess Offpeak	Add	\$0.11	+	\$0.07	Add	\$0.11	+	\$0.08

Winter Period

Onpeak ****	Add	\$0.29	+	\$0.23	Add	\$0.30	+	\$0.24
Excess Offpeak	Add	\$0.11	+	\$0.07	Add	\$0.11	+	\$0.08
Transition Period	Add	\$0.11	+	\$0.07	Add	\$0.11	+	\$0.08

Energy Charge

Summer Period

Onpeak	Add	0.279¢	+	0.166¢ + A _m	Add	0.287¢	+	0.171¢ + (1.03000 x A _m)
Offpeak								
First 425 hours ***	Add	0.153¢	+	0.064¢ + A _m	Add	0.158¢	+	0.066¢ + (1.03000 x A _m)
Next 195 hours	Add	0.086¢	+	0.010¢ + A _m	Add	0.089¢	+	0.010¢ + (1.03000 x A _m)
Additional kWh	Add	0.029¢	+	-0.036¢ + A _m	Add	0.030¢	+	-0.037¢ + (1.03000 x A _m)

Winter Period

Onpeak	Add	0.169¢	+	0.077¢ + A _m	Add	0.174¢	+	0.079¢ + (1.03000 x A _m)
Offpeak								
First 425 hours ***	Add	0.153¢	+	0.064¢ + A _m	Add	0.158¢	+	0.066¢ + (1.03000 x A _m)
Next 195 hours	Add	0.086¢	+	0.010¢ + A _m	Add	0.089¢	+	0.010¢ + (1.03000 x A _m)
Additional kWh	Add	0.029¢	+	-0.036¢ + A _m	Add	0.030¢	+	-0.037¢ + (1.03000 x A _m)

Transition Period

First 425 hours ***	Add	0.153¢	+	0.064¢ + A _m	Add	0.158¢	+	0.066¢ + (1.03000 x A _m)
Next 195 hours	Add	0.086¢	+	0.010¢ + A _m	Add	0.089¢	+	0.010¢ + (1.03000 x A _m)
Additional kWh	Add	0.029¢	+	-0.036¢ + A _m	Add	0.030¢	+	-0.037¢ + (1.03000 x A _m)

Schedule MSD

Demand Charge

Summer Period

Onpeak *	Add	\$0.54	+	\$0.43	Add	\$0.56	+	\$0.45
Excess Offpeak	Add	\$0.11	+	\$0.07	Add	\$0.11	+	\$0.08

Winter Period

Onpeak ****	Add	\$0.29	+	\$0.23	Add	\$0.30	+	\$0.24
Excess Offpeak	Add	\$0.11	+	\$0.07	Add	\$0.11	+	\$0.08
Transition Period	Add	\$0.11	+	\$0.07	Add	\$0.11	+	\$0.08

Energy Charge

Summer Period

Onpeak	Add	0.271¢	+	0.161¢ + A _m	Add	0.279¢	+	0.166¢ + (1.03000 x A _m)
Offpeak								
First 425 hours ***	Add	0.146¢	+	0.059¢ + A _m	Add	0.150¢	+	0.061¢ + (1.03000 x A _m)
Next 195 hours	Add	0.080¢	+	0.005¢ + A _m	Add	0.082¢	+	0.005¢ + (1.03000 x A _m)
Additional kWh	Add	0.023¢	+	-0.041¢ + A _m	Add	0.024¢	+	-0.042¢ + (1.03000 x A _m)

*Applicable also to the third component of the demand charge

**Applicable also the second component of the demand charge

***Applicable also to minimum offpeak energy

****Applicable also to the third component of the demand charge and the second component of the Transition demand charge

*****Reflects October 2012 optional wholesale agreements

Winter Period									
Onpeak	Add	0.161¢	+	0.072¢ + A _m	Add	0.166¢	+	0.074¢ + (1.03000 x A _m)	
Offpeak									
First 425 hours ***	Add	0.146¢	+	0.059¢ + A _m	Add	0.150¢	+	0.061¢ + (1.03000 x A _m)	
Next 195 hours	Add	0.080¢	+	0.005¢ + A _m	Add	0.082¢	+	0.005¢ + (1.03000 x A _m)	
Additional kWh	Add	0.023¢	+	-0.041¢ + A _m	Add	0.024¢	+	-0.042¢ + (1.03000 x A _m)	
Transition Period									
First 425 hours ***	Add	0.146¢	+	0.059¢ + A _m	Add	0.150¢	+	0.061¢ + (1.03000 x A _m)	
Next 195 hours	Add	0.080¢	+	0.005¢ + A _m	Add	0.082¢	+	0.005¢ + (1.03000 x A _m)	
Additional kWh	Add	0.023¢	+	-0.041¢ + A _m	Add	0.024¢	+	-0.042¢ + (1.03000 x A _m)	

**SEASONAL DEMAND
AND ENERGY SERVICE**

General Power Service

Schedule SGSB

Demand Charge

Summer Period **	Add	\$0.82	+	\$0.58	Add	\$0.84	+	\$0.60
Winter Period **	Add	\$0.57	+	\$0.40	Add	\$0.59	+	\$0.41
Transition Period **	Add	\$0.38	+	\$0.26	Add	\$0.39	+	\$0.27

Energy Charge

Summer Period	Add	0.180¢	+	0.071¢ + A _m	Add	0.185¢	+	0.073¢ + (1.03000 x A _m)
Winter Period	Add	0.164¢	+	0.059¢ + A _m	Add	0.169¢	+	0.061¢ + (1.03000 x A _m)
Transition Period	Add	0.160¢	+	0.056¢ + A _m	Add	0.165¢	+	0.058¢ + (1.03000 x A _m)

Schedule SGSC

Demand Charge

Summer Period **	Add	\$0.82	+	\$0.58	Add	\$0.84	+	\$0.60
Winter Period **	Add	\$0.57	+	\$0.40	Add	\$0.59	+	\$0.41
Transition Period **	Add	\$0.38	+	\$0.26	Add	\$0.39	+	\$0.27

Energy Charge

Summer Period	Add	0.181¢	+	0.071¢ + A _m	Add	0.186¢	+	0.074¢ + (1.03000 x A _m)
Winter Period	Add	0.164¢	+	0.059¢ + A _m	Add	0.169¢	+	0.061¢ + (1.03000 x A _m)
Transition Period	Add	0.161¢	+	0.057¢ + A _m	Add	0.166¢	+	0.059¢ + (1.03000 x A _m)

Schedule SGSD

Demand Charge

Summer Period **	Add	\$0.96	+	\$0.69	Add	\$0.99	+	\$0.71
Winter Period **	Add	\$0.71	+	\$0.50	Add	\$0.73	+	\$0.52
Transition Period **	Add	\$0.52	+	\$0.37	Add	\$0.54	+	\$0.38

Energy Charge

Summer Period	Add	0.152¢	+	0.051¢ + A _m	Add	0.157¢	+	0.053¢ + (1.03000 x A _m)
Winter Period	Add	0.138¢	+	0.040¢ + A _m	Add	0.142¢	+	0.042¢ + (1.03000 x A _m)
Transition Period	Add	0.134¢	+	0.038¢ + A _m	Add	0.138¢	+	0.039¢ + (1.03000 x A _m)

Manufacturing Service

Schedule SMSB

Demand Charge

Summer Period **	Add	\$0.71	+	\$0.50	Add	\$0.73	+	\$0.52
Winter Period **	Add	\$0.46	+	\$0.32	Add	\$0.47	+	\$0.33
Transition Period **	Add	\$0.27	+	\$0.18	Add	\$0.28	+	\$0.18

*Applicable also to the third component of the demand charge

**Applicable also the second component of the demand charge

***Applicable also to minimum offpeak energy

****Applicable also to the third component of the demand charge and the second component of the Transition demand charge

*****Reflects October 2012 optional wholesale agreements

Energy Charge								
Summer Period	Add	0.150¢	+	0.049¢ + A _m	Add	0.155¢	+	0.050¢ + (1.03000 x A _m)
Winter Period	Add	0.132¢	+	0.035¢ + A _m	Add	0.136¢	+	0.037¢ + (1.03000 x A _m)
Transition Period	Add	0.127¢	+	0.032¢ + A _m	Add	0.131¢	+	0.033¢ + (1.03000 x A _m)

Schedule SMSC

Demand Charge						
Summer Period **	Add	\$0.71	+	\$0.50	Add	\$0.73 + \$0.52
Winter Period **	Add	\$0.46	+	\$0.32	Add	\$0.47 + \$0.33
Transition Period **	Add	\$0.27	+	\$0.18	Add	\$0.28 + \$0.18

Energy Charge								
Summer Period	Add	0.149¢	+	0.048¢ + A _m	Add	0.153¢	+	0.049¢ + (1.03000 x A _m)
Winter Period	Add	0.132¢	+	0.035¢ + A _m	Add	0.136¢	+	0.036¢ + (1.03000 x A _m)
Transition Period	Add	0.127¢	+	0.032¢ + A _m	Add	0.131¢	+	0.033¢ + (1.03000 x A _m)

Schedule SMSD

Demand Charge						
Summer Period **	Add	\$0.82	+	\$0.58	Add	\$0.84 + \$0.60
Winter Period **	Add	\$0.57	+	\$0.40	Add	\$0.59 + \$0.41
Transition Period **	Add	\$0.38	+	\$0.26	Add	\$0.39 + \$0.27

Energy Charge								
Summer Period	Add	0.120¢	+	0.027¢ + A _m	Add	0.124¢	+	0.028¢ + (1.03000 x A _m)
Winter Period	Add	0.106¢	+	0.017¢ + A _m	Add	0.109¢	+	0.018¢ + (1.03000 x A _m)
Transition Period	Add	0.103¢	+	0.015¢ + A _m	Add	0.106¢	+	0.015¢ + (1.03000 x A _m)

The amounts applicable for A_m under column (3) in this Adjustment Addendum shall be determined each month by applying data from TVA's forecasts of TVA's actual operations, as well as actual data when it becomes available in accordance with the formula below. TVA will endeavor to publish the calculated amounts 20 days in advance of the month of application (but shall in no event publish these calculated amounts any later than 15 days in advance of the month of application), and such amounts will be applicable to bills rendered from meter readings taken for TVA and Distributor monthly billing cycles beginning on and after the effective date of this Adjustment Addendum.

*Applicable also to the third component of the demand charge

**Applicable also the second component of the demand charge

***Applicable also to minimum offpeak energy

****Applicable also to the third component of the demand charge and the second component of the Transition demand charge

*****Reflects October 2012 optional wholesale agreements

$$A_m = \frac{CF_m + DAR_m}{95\%}$$

A_m = The monthly FCA adjustment to be applied to the kilowatt-hour sales during the current monthly billing period and rounded to the nearest one-thousandth of a cent per kilowatt-hour.

m = a particular month

CF_m = The core FCA adjustment for a particular month. $CF_m = (FF_m / SF_m)$

FF = TVA's estimate of FA (as described below) for month m, based on the latest TVA Financial Forecast.

SF = TVA's estimate of SA (as described below) for month m, based on the latest TVA Financial Forecast.

DAR_m = The adjustment that collects a portion of DA (as described below) in a month, rounded to the nearest one-thousandth of a cent.

$$DAR_m = R \times DA_m / FiSF_m$$

R = The collection ratio of 50%.

FiSF = TVA's estimate of FISA (as described below) for month m, based on the latest TVA Financial Forecast.

DA = The deferred account that provides the true-up adjustment necessary to reconcile prior estimates to actual data, which shall be computed with the formulas below.

$$DA_m = \overbrace{GLDA_{m-2}}^{\text{General Ledger DA Balance}} - \overbrace{DAR_{m-1} \times FiSF_{m-1}}^{\text{Estimate of DAR collections, prior months}}$$

FISA = Actual TVA firm-based rate energy sales (in kWh) for month m, as recorded in TVA's General Ledger with specific accounts 442000, 445000, 447000, 447100, and 448000 (or such similar or successor accounts as may be prescribed by FERC in the future).

GLDA = The general ledger deferred account balance that flows through to the balance sheet.

$$GLDA_m = \overbrace{GLDA_{m-1}}^{\text{Accumulated General Ledger DA Balance}} + \overbrace{TU_m}^{\text{Core FCA True-Up}} + \overbrace{GLD_m}^{\text{DA Amortization}}$$

TU_m = The core true-up amount. $TU_m = (FISA_m / SA_m) * FA_m - GLR_m$

FA = Actual total fuel and purchased power expenses (in cents) under the framework and accounts provided below (or such similar or successor accounts as may be prescribed by FERC in the future).

- (1) Fossil Fuel Expense - Account 501 - Direct cost of fuel burned in TVA coal plants, including transportation and fuel treatments. Costs to be excluded are lease payments for rail cars, maintenance on rail cars, sampling and fuel analysis, and fuel handling expenses in unloading fuel from shipping media and the handling of fuel up to the point where fuel enters the bunker or other boiler-house structure.
- (2) Reagents Expense - Account 501.L - Cost of emission reagents such as limestone and ammonia that are directly related to the level of generation output.
- (3) Allowances Expense - Account 509 - Cost of emission allowance expense such as SO₂ and NO_x that are directly related to the level of generation output.
- (4) Nuclear Fuel Expense - Account 518 - Cost of nuclear fuel amortization expense dependent upon burn, including DOE spent fuel disposal charges.
- (5) Gas Turbine Fuel Expense - Account 547 - Direct cost of gas and oil burned in TVA plants, including transportation. Costs to be excluded are costs of gas storage facilities and sampling and fuel analysis that do not vary with changes in generation volume.
- (6) Purchased Power Expense - Account 555 - Energy cost of purchased power to serve native load demand or to displace higher cost generation. Costs to be excluded are fixed demand or capacity payments in tolling agreements and purchased power agreements that do not vary with volume and costs of purchased power linked to off-system sales transactions.
- (7) Audit Expenses - TVA's actual expenses incurred as the result of third party expenses for FCA audits.

SA = Actual total TVA energy sales (in kWh) for month m, as recorded in TVA's General Ledger with specific accounts 442000, 445000, 447000, 447100, and 448000 (or such similar or successor accounts as may be prescribed by FERC in the future), excluding any displacement sales reflected in account 447100.

GLD_m = Actual TVA DAR revenue (DA amortization) for month m, for firm-based energy sales, as recorded in TVA's General Ledger with specific accounts 442000, 445000, 447000, 447100, and 448000 (or such similar or successor accounts as may be prescribed by FERC in the future).

GLR_m = Actual TVA Core FCA Revenue for month m, for firm-based energy sales, as recorded in TVA's General Ledger with specific accounts 442000, 445000, 447000, 447100, and 448000 (or such similar or successor accounts as may be prescribed by FERC in the future).



Tennessee Valley Authority, 6045 Russellville Road, Bowling Green, Kentucky 42101-7319

Sept. 30, 2013

Tina,

Please copy

Jim & file

Thanks [Signature]

Glenn



September 27, 2013

Mr. Paul Thompson
Executive Vice President/General Manager
Tri-County Electric Membership Corporation
405 College Street
Lafayette, Tennessee 37083

Dear Paul:

**TRI-COUNTY EMC -- FULLY EXECUTED RESALE RATE SCHEDULE
SUBSTITUTION AGREEMENT -- TV-52337A, SUPP. NO. 102**

Enclosed is a fully executed original of the Resale Rate Schedule Substitution Agreement, TV-52337A, Supp. No. 102, for your files.

If you have questions or concerns, please call Derrick Miller (270-856-4581) or me (270-846-7041).

Sincerely,

Ernest W. Peterson (pm)

Ernest W. Peterson, Jr., PE
General Manager
Customer Service
Kentucky

Enclosure

October 1, 2013

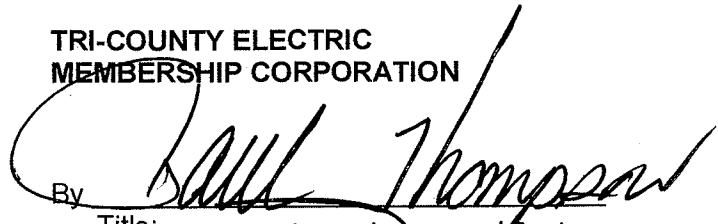
RESALE RATE SCHEDULE SUBSTITUTION AGREEMENT
Between
TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION (DISTRIBUTOR)
And
TENNESSEE VALLEY AUTHORITY (TVA)

Distributor and TVA agree to substitute the new resale rate schedule specified in (a) below, a copy of which is attached, for the resale rate schedule specified in (b) below, which, as adjusted, is now in effect as a part of the Schedule of Rates and Charges attached to and made a part of the Power Contract, TV-52337A, dated July 18, 1979, as amended (Power Contract), between TVA and Distributor. This substitution is to be effective for all bills rendered from resale meter readings taken for revenue months of Distributor beginning with the October 2013 revenue month. It is expressly recognized that the adjustments set forth in the applicable Adjustment Addendum to said Schedule of Rates and Charges shall continue to apply to the charges provided for by the attached schedule specified in (a) below.

- (a) New resale rate schedule:
Outdoor Lighting Rate--Schedule LS (October 2013)
- (b) Existing resale rate schedule:
Outdoor Lighting Rate--Schedule LS (February 2013)


It is understood that, upon execution of this agreement by TVA and Distributor, all references in the Power Contract to the existing resale rate schedule specified in (b) above, or to any predecessor schedules, shall be deemed to refer to the new resale rate schedule specified in (a) above.

**TRI-COUNTY ELECTRIC
MEMBERSHIP CORPORATION**

By 
 Title: Executive Vice President
 and General Manager

Rate schedule substitution agreed to as of the date first above written.

TENNESSEE VALLEY AUTHORITY

By 
 Senior Manager
 Power Contracts

TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION

OUTDOOR LIGHTING RATE--SCHEDULE LS

(October 2013)

Availability

Available for service to street and park lighting systems, traffic signal systems, athletic field lighting installations, and outdoor lighting for individual customers.

Service under this schedule is for a term of not less than 1 year.

Payment

Bills under this rate schedule will be rendered monthly. Any amount of bill unpaid after due date specified on bill may be subject to additional charges under Distributor's standard policy.

Adjustment

The energy charge in Part A and Part B of this rate schedule shall be increased or decreased in accordance with the current Adjustment Addendum published by TVA. In addition, the energy charge in Part A and Part B of this rate schedule shall be increased or decreased to correspond to increases or decreases determined by TVA under Adjustment 4 of the wholesale power rate schedule applicable under contractual arrangements between TVA and Distributor.

Determination of Seasonal Periods

Summer Period shall mean the June, July, August, and September billing months. Winter Period shall mean the December, January, February, and March billing months. Transition Period shall mean the April, May, October, and November billing months.

PART A--CHARGES FOR STREET AND PARK LIGHTING SYSTEMS, TRAFFIC SIGNAL SYSTEMS, AND ATHLETIC FIELD LIGHTING INSTALLATIONS

I. Energy Charge:

Summer Period 4.103¢ per kWh per month

Winter Period 3.777¢ per kWh per month

Transition Period 3.587¢ per kWh per month

II. Facility Charge

The annual facility charge shall be 15 percent of the installed cost to Distributor's electric system of the facilities devoted to street and park lighting service specified in this Part A. Such installed cost shall be recomputed on July 1 of each year, or more often if substantial changes in the facilities are made. Each month, one-twelfth of the then total annual facility charge shall be billed to the customer. If any part of the facilities has not been provided at the electric

system's expense or if the installed cost of any portion thereof is reflected on the books of another municipality or agency or department, the annual facility charge shall be adjusted to reflect properly the remaining cost to be borne by the electric system.

Traffic signal systems and athletic field lighting installations shall be provided, owned, and maintained by and at the expense of the customer, except as Distributor may agree otherwise in accordance with the provisions of the paragraph next following in this section II. The facilities necessary to provide service to such systems and installations shall be provided by and at the expense of Distributor's electric system, and the annual facility charge provided for first above in this section II shall apply to the installed cost of such facilities.

When so authorized by policy duly adopted by Distributor's governing board, traffic signal systems and athletic field lighting installations may be provided, owned, and maintained by Distributor's electric system for the customer's benefit. In such cases Distributor may require reimbursement from the customer for a portion of the initial installed cost of any such system or installation and shall require payment by the customer of a facility charge sufficient to cover all of Distributor's costs (except reimbursed costs), including appropriate overheads, of providing, owning, and maintaining such system or installation; provided that, for athletic field lighting installations, such facility charge shall in no case be less than 12 percent per year of such costs. Said facility charge shall be in addition to the annual facility charge on the facilities necessary to provide service to such system or installation as provided for in the preceding paragraph. Replacement of lamps and related glassware for traffic signal systems and athletic field lighting installations provided under this paragraph shall be paid for under the provisions of paragraph A in Section IV.

III. Customer Charge – Street and Park Lighting Systems, Traffic Signal Systems, and Athletic Field Lighting Installations.

Distributor shall apply a uniform monthly customer charge of \$17.50 for service to each street and park lighting system, 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

(a) Type of Fixture	Lamp Size		Rated kWh	Facility Charge
	(Watts)	(Lumens)		
Mercury Vapor or Incandescent	175	7,650	80	\$4.83
	400	19,100	171	\$7.18
High Pressure Sodium	100	8,550	49	\$7.75
	200	18,900	95	\$12.63
	250	22,500	116	\$11.19
	400	45,000	180	\$11.78
Metal Halide	400	45,000	171	\$10.25
	1,000	125,000	408	\$14.57
Induction	85	7,225	36	\$8.21
	100	8,500	42	\$9.09
LED	51	4,590	21	\$9.26
	103	9,270	43	\$10.23

(b) Energy Charge: For each lamp size under (a) above,

Summer Period	4.103¢ per kWh per month
Winter Period	3.777¢ per kWh per month
Transition Period	3.587¢ per 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 to Rules and Regulations of Distributor.

TENNESSEE VALLEY AUTHORITY
ADJUSTMENT ADDENDUM
TO
SCHEDULE OF RATES AND CHARGES
FOR
TRI-COUNTY ELECTRIC MEMBERSHIP CORPORATION

Effective October 1, 2013

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's monthly billing cycles scheduled to begin on or after the effective date of this Adjustment Addendum. Subject to future Rate Adjustment or Rate Change, the amounts listed under each column (1) are designed to remain in effect initially for five (5) years. Further, absent other action by the TVA Board, the amounts will remain in effect from year to year thereafter.

	Wholesale Power Rate Schedule		
	(1)	(2)	(3)
STANDARD SERVICE			
<u>All Wholesale Rate Schedules †</u>			
Demand Charges			
Summer	Add \$0.50	+	\$0.54
Winter	Add \$0.50	+	\$0.49
Transition	Add \$0.50	+	\$0.49
Energy Charges			
Summer	Add 0.186¢	+	0.202¢ + A _m
Winter	Add 0.186¢	+	0.186¢ + A _m
Transition	Add 0.186¢	+	0.179¢ + A _m

† WS-TOU, WS-MTOU, WS-MDE, WSA-TOU, WSA-MTOU,
WSA-MDE

*Applicable also to the third component of the demand charge

**Applicable also the second component of the demand charge

***Applicable also to minimum offpeak energy

****Applicable also to the third component of the demand charge and the second component of the Transition demand charge

STANDARD SERVICE

Resale Rate Schedule

Residential Service

Schedule RS

Energy Charge

Summer

Add 0.307¢ + 0.339¢ + (1.08628 x A_m)

Winter

Add 0.307¢ + 0.331¢ + (1.08628 x A_m)

Transition

Add 0.307¢ + 0.324¢ + (1.08628 x A_m)

General Power Service

Schedule GSA

Part 1

Energy Charge

Summer

Add 0.355¢ + 0.363¢ + (1.06653 x A_m)

Winter

Add 0.355¢ + 0.354¢ + (1.06653 x A_m)

Transition

Add 0.355¢ + 0.347¢ + (1.06653 x A_m)

Part 2

Demand Charge

Summer

Excess over 50 kW

Add \$0.48 + \$0.55

Winter

Excess over 50 kW

Add \$0.48 + \$0.51

Transition

Excess over 50 kW

Add \$0.48 + \$0.51

Energy Charge

Summer

First 15,000 kWh

Add 0.198¢ + 0.362¢ + (1.06653 x A_m)

Additional kWh

Add 0.194¢ + 0.187¢ + (1.04396 x A_m)

Winter

First 15,000 kWh

Add 0.198¢ + 0.354¢ + (1.06653 x A_m)

Additional kWh

Add 0.194¢ + 0.179¢ + (1.04396 x A_m)

Transition

First 15,000 kWh

Add 0.198¢ + 0.350¢ + (1.06653 x A_m)

Additional kWh

Add 0.194¢ + 0.176¢ + (1.04396 x A_m)

Part 3

Demand Charge

Summer

First 1,000 kW

Add \$0.61 + \$0.55

Excess over 1,000 kW *

Add \$0.61 + \$0.68

Winter

First 1,000 kW

Add \$0.61 + \$0.51

Excess over 1,000 kW *

Add \$0.61 + \$0.64

Transition

First 1,000 kW

Add \$0.61 + \$0.51

Excess over 1,000 kW *

Add \$0.61 + \$0.64

Energy Charge

Summer

Add 0.199¢ + 0.187¢ + (1.04396 x A_m)

Winter

Add 0.199¢ + 0.179¢ + (1.04396 x A_m)

Transition

Add 0.199¢ + 0.176¢ + (1.04396 x A_m)

*Applicable also to the third component of the demand charge

**Applicable also the second component of the demand charge

***Applicable also to minimum offpeak energy

****Applicable also to the third component of the demand charge and the second component of the Transition demand charge

Outdoor Lighting Service

Schedule LS Part A and B

Energy Charge								
Summer	Add	0.207¢	+	0.159¢	+	(	1.08628 x A _m)
Winter	Add	0.207¢	+	0.149¢	+	(	1.08628 x A _m)
Transition	Add	0.207¢	+	0.142¢	+	(	1.08628 x A _m)

Drainage Pumping Station

Schedule DPS

Energy Charge								
Summer	Add	N/A	+	N/A	+	(	N/A x A _m)
Winter	Add	N/A	+	N/A	+	(	N/A x A _m)
Transition	Add	N/A	+	N/A	+	(	N/A x A _m)

Residential Service

Schedule SRS

Energy Charge								
Summer	Add	N/A	+	N/A	+	(	N/A x A _m)
Winter	Add	N/A	+	N/A	+	(	N/A x A _m)
Transition	Add	N/A	+	N/A	+	(	N/A x A _m)

Schedule TRS

Energy Charge								
Summer								
Onpeak	Add	N/A	+	N/A	+	(	N/A x A _m)
Offpeak	Add	N/A	+	N/A	+	(	N/A x A _m)
Winter								
Onpeak	Add	N/A	+	N/A	+	(	N/A x A _m)
Offpeak	Add	N/A	+	N/A	+	(	N/A x A _m)
Transition								
All Offpeak	Add	N/A	+	N/A	+	(	N/A x A _m)

General Power Service

Schedule TGSA

Part 1

Energy Charge								
Summer								
Onpeak	Add	N/A	+	N/A	+	(	N/A x A _m)
Offpeak	Add	N/A	+	N/A	+	(	N/A x A _m)
Winter								
Onpeak	Add	N/A	+	N/A	+	(	N/A x A _m)
Offpeak	Add	N/A	+	N/A	+	(	N/A x A _m)
Transition								
All Offpeak	Add	N/A	+	N/A	+	(	N/A x A _m)

Part 2

Demand Charge								
Summer								
Excess over 50 kW	Add	N/A	+	N/A				
Winter								
Excess over 50 kW	Add	N/A	+	N/A				
Transition								
Excess over 50 kW	Add	N/A	+	N/A				

*Applicable also to the third component of the demand charge

**Applicable also the second component of the demand charge

***Applicable also to minimum offpeak energy

****Applicable also to the third component of the demand charge and the second component of the Transition demand charge

Energy Charge							
Summer							
Onpeak	Add	N/A	+	N/A	+	(N/A x A _m)	
Offpeak	Add	N/A	+	N/A	+	(N/A x A _m)	
Winter							
Onpeak	Add	N/A	+	N/A	+	(N/A x A _m)	
Offpeak	Add	N/A	+	N/A	+	(N/A x A _m)	
Transition							
All Offpeak	Add	N/A	+	N/A	+	(N/A x A _m)	

Part 3

Demand Charge							
Summer							
First 1,000 kW	Add	N/A	+	N/A			
Excess over 1,000 kW *	Add	N/A	+	N/A			
Winter							
First 1,000 kW	Add	N/A	+	N/A			
Excess over 1,000 kW *	Add	N/A	+	N/A			
Transition							
First 1,000 kW	Add	N/A	+	N/A			
Excess over 1,000 kW *	Add	N/A	+	N/A			

Energy Charge							
Summer							
Onpeak	Add	N/A	+	N/A	+	(N/A x A _m)	
Offpeak	Add	N/A	+	N/A	+	(N/A x A _m)	
Winter							
Onpeak	Add	N/A	+	N/A	+	(N/A x A _m)	
Offpeak	Add	N/A	+	N/A	+	(N/A x A _m)	
Transition							
All Offpeak	Add	N/A	+	N/A	+	(N/A x A _m)	

Schedule MSA

Demand Charge							
Summer							
Coincident kW *	Add	N/A	+	N/A			
Maximum kW	Add	N/A	+	N/A			
Winter							
Coincident kW *	Add	N/A	+	N/A			
Maximum kW	Add	N/A	+	N/A			
Transition							
Coincident kW *	Add	N/A	+	N/A			
Maximum kW	Add	N/A	+	N/A			

Energy Charge							
Summer	Add	N/A	+	N/A	+	(N/A x A _m)	
Winter	Add	N/A	+	N/A	+	(N/A x A _m)	
Transition	Add	N/A	+	N/A	+	(N/A x A _m)	

*Applicable also to the third component of the demand charge

**Applicable also the second component of the demand charge

***Applicable also to minimum offpeak energy

****Applicable also to the third component of the demand charge and the second component of the Transition demand charge

TOU SERVICE

Wholesale Power Rate Schedule

Resale Schedules

General Power Service

Schedule TDGSA

Demand Charge

Summer Period

Onpeak *

Add \$0.54 + \$0.81 Add N/A + N/A

Excess Offpeak

Add \$0.11 + \$0.13 Add N/A + N/A

Winter Period

Onpeak ****

Add \$0.29 + \$0.43 Add N/A + N/A

Excess Offpeak

Add \$0.11 + \$0.13 Add N/A + N/A

Transition Period

Add \$0.11 + \$0.13 Add N/A + N/A

Energy Charge

Summer Period

Onpeak

Add 0.329¢ + 0.391¢ + A_m Add N/A + N/A + (N/A x A_m)

Offpeak

First 425 hours ***

Add 0.205¢ + 0.201¢ + A_m Add N/A + N/A + (N/A x A_m)

Next 195 hours

Add 0.139¢ + 0.100¢ + A_m Add N/A + N/A + (N/A x A_m)

Additional kWh

Add 0.082¢ + 0.013¢ + A_m Add N/A + N/A + (N/A x A_m)

Winter Period

Onpeak

Add 0.220¢ + 0.224¢ + A_m Add N/A + N/A + (N/A x A_m)

Offpeak

First 425 hours ***

Add 0.205¢ + 0.201¢ + A_m Add N/A + N/A + (N/A x A_m)

Next 195 hours

Add 0.139¢ + 0.100¢ + A_m Add N/A + N/A + (N/A x A_m)

Additional kWh

Add 0.082¢ + 0.013¢ + A_m Add N/A + N/A + (N/A x A_m)

Transition Period

First 425 hours ***

Add 0.205¢ + 0.201¢ + A_m Add N/A + N/A + (N/A x A_m)

Next 195 hours

Add 0.139¢ + 0.100¢ + A_m Add N/A + N/A + (N/A x A_m)

Additional kWh

Add 0.082¢ + 0.013¢ + A_m Add N/A + N/A + (N/A x A_m)

Schedule GSB

Demand Charge

Summer Period

Onpeak *

Add \$0.54 + \$0.81 Add \$0.56 + \$0.84

Excess Offpeak

Add \$0.11 + \$0.13 Add \$0.11 + \$0.15

Winter Period

Onpeak ****

Add \$0.29 + \$0.43 Add \$0.30 + \$0.45

Excess Offpeak

Add \$0.11 + \$0.13 Add \$0.11 + \$0.15

Transition Period

Add \$0.11 + \$0.13 Add \$0.11 + \$0.15

Energy Charge

Summer Period

Onpeak

Add 0.329¢ + 0.391¢ + A_m Add 0.339¢ + 0.402¢ + (1.03000 x A_m)

Offpeak

First 425 hours ***

Add 0.205¢ + 0.201¢ + A_m Add 0.211¢ + 0.207¢ + (1.03000 x A_m)

Next 195 hours

Add 0.139¢ + 0.100¢ + A_m Add 0.143¢ + 0.103¢ + (1.03000 x A_m)

Additional kWh

Add 0.082¢ + 0.013¢ + A_m Add 0.084¢ + 0.013¢ + (1.03000 x A_m)

Winter Period

Onpeak

Add 0.220¢ + 0.224¢ + A_m Add 0.227¢ + 0.230¢ + (1.03000 x A_m)

Offpeak

First 425 hours ***

Add 0.205¢ + 0.201¢ + A_m Add 0.211¢ + 0.207¢ + (1.03000 x A_m)

Next 195 hours

Add 0.139¢ + 0.100¢ + A_m Add 0.143¢ + 0.103¢ + (1.03000 x A_m)

Additional kWh

Add 0.082¢ + 0.013¢ + A_m Add 0.084¢ + 0.013¢ + (1.03000 x A_m)

Transition Period

First 425 hours ***

Add 0.205¢ + 0.201¢ + A_m Add 0.211¢ + 0.207¢ + (1.03000 x A_m)

Next 195 hours

Add 0.139¢ + 0.100¢ + A_m Add 0.143¢ + 0.103¢ + (1.03000 x A_m)

Additional kWh

Add 0.082¢ + 0.013¢ + A_m Add 0.084¢ + 0.013¢ + (1.03000 x A_m)

*Applicable also to the third component of the demand charge

**Applicable also the second component of the demand charge

***Applicable also to minimum offpeak energy

****Applicable also to the third component of the demand charge and the second component of the Transition demand charge

Schedule GSC

Demand Charge								
Summer Period								
Onpeak *	Add	\$0.54	+	\$0.81	Add	\$0.56	+	\$0.84
Excess Offpeak	Add	\$0.11	+	\$0.13	Add	\$0.11	+	\$0.15
Winter Period								
Onpeak ****	Add	\$0.29	+	\$0.43	Add	\$0.30	+	\$0.45
Excess Offpeak	Add	\$0.11	+	\$0.13	Add	\$0.11	+	\$0.15
Transition Period	Add	\$0.11	+	\$0.13	Add	\$0.11	+	\$0.15
Energy Charge								
Summer Period								
Onpeak	Add	0.316¢	+	0.371¢ + A _m	Add	0.325¢	+	0.382¢ + (1.03000 x A _m)
Offpeak								
First 425 hours ***	Add	0.196¢	+	0.187¢ + A _m	Add	0.202¢	+	0.193¢ + (1.03000 x A _m)
Next 195 hours	Add	0.130¢	+	0.085¢ + A _m	Add	0.134¢	+	0.088¢ + (1.03000 x A _m)
Additional kWh	Add	0.073¢	+	-0.002¢ + A _m	Add	0.075¢	+	-0.001¢ + (1.03000 x A _m)
Winter Period								
Onpeak	Add	0.210¢	+	0.207¢ + A _m	Add	0.216¢	+	0.214¢ + (1.03000 x A _m)
Offpeak								
First 425 hours ***	Add	0.196¢	+	0.187¢ + A _m	Add	0.202¢	+	0.193¢ + (1.03000 x A _m)
Next 195 hours	Add	0.130¢	+	0.085¢ + A _m	Add	0.134¢	+	0.088¢ + (1.03000 x A _m)
Additional kWh	Add	0.073¢	+	-0.002¢ + A _m	Add	0.075¢	+	-0.001¢ + (1.03000 x A _m)
Transition Period								
First 425 hours ***	Add	0.196¢	+	0.187¢ + A _m	Add	0.202¢	+	0.193¢ + (1.03000 x A _m)
Next 195 hours	Add	0.130¢	+	0.085¢ + A _m	Add	0.134¢	+	0.088¢ + (1.03000 x A _m)
Additional kWh	Add	0.073¢	+	-0.002¢ + A _m	Add	0.075¢	+	-0.001¢ + (1.03000 x A _m)

Schedule GSD

Demand Charge								
Summer Period								
Onpeak *	Add	\$0.54	+	\$0.81	Add	\$0.56	+	\$0.84
Excess Offpeak	Add	\$0.11	+	\$0.13	Add	\$0.11	+	\$0.15
Winter Period								
Onpeak ****	Add	\$0.29	+	\$0.43	Add	\$0.30	+	\$0.45
Excess Offpeak	Add	\$0.11	+	\$0.13	Add	\$0.11	+	\$0.15
Transition Period	Add	\$0.11	+	\$0.13	Add	\$0.11	+	\$0.15
Energy Charge								
Summer Period								
Onpeak	Add	0.310¢	+	0.363¢ + A _m	Add	0.319¢	+	0.374¢ + (1.03000 x A _m)
Offpeak								
First 425 hours ***	Add	0.186¢	+	0.173¢ + A _m	Add	0.192¢	+	0.179¢ + (1.03000 x A _m)
Next 195 hours	Add	0.120¢	+	0.071¢ + A _m	Add	0.124¢	+	0.073¢ + (1.03000 x A _m)
Additional kWh	Add	0.064¢	+	-0.015¢ + A _m	Add	0.066¢	+	-0.015¢ + (1.03000 x A _m)
Winter Period								
Onpeak	Add	0.201¢	+	0.195¢ + A _m	Add	0.207¢	+	0.201¢ + (1.03000 x A _m)
Offpeak								
First 425 hours ***	Add	0.186¢	+	0.173¢ + A _m	Add	0.192¢	+	0.179¢ + (1.03000 x A _m)
Next 195 hours	Add	0.120¢	+	0.071¢ + A _m	Add	0.124¢	+	0.073¢ + (1.03000 x A _m)
Additional kWh	Add	0.064¢	+	-0.015¢ + A _m	Add	0.066¢	+	-0.015¢ + (1.03000 x A _m)
Transition Period								
First 425 hours ***	Add	0.186¢	+	0.173¢ + A _m	Add	0.192¢	+	0.179¢ + (1.03000 x A _m)
Next 195 hours	Add	0.120¢	+	0.071¢ + A _m	Add	0.124¢	+	0.073¢ + (1.03000 x A _m)
Additional kWh	Add	0.064¢	+	-0.015¢ + A _m	Add	0.066¢	+	-0.015¢ + (1.03000 x A _m)

*Applicable also to the third component of the demand charge

**Applicable also the second component of the demand charge

***Applicable also to minimum offpeak energy

****Applicable also to the third component of the demand charge and the second component of the Transition demand charge

Manufacturing Service

Schedule TDMSA

Demand Charge

Summer Period

Onpeak *	Add	\$0.54	+	\$0.81	Add	N/A	+	N/A
Excess Offpeak	Add	\$0.11	+	\$0.13	Add	N/A	+	N/A

Winter Period

Onpeak ****	Add	\$0.29	+	\$0.43	Add	N/A	+	N/A
Excess Offpeak	Add	\$0.11	+	\$0.13	Add	N/A	+	N/A
Transition Period	Add	\$0.11	+	\$0.13	Add	N/A	+	N/A

Energy Charge

Summer Period

Onpeak	Add	0.276¢	+	0.308¢ + A _m	Add	N/A	+	N/A	+	(N/A x A _m)
Offpeak										
First 425 hours ***	Add	0.153¢	+	0.121¢ + A _m	Add	N/A	+	N/A	+	(N/A x A _m)
Next 195 hours	Add	0.086¢	+	0.019¢ + A _m	Add	N/A	+	N/A	+	(N/A x A _m)
Additional kWh	Add	0.030¢	+	-0.068¢ + A _m	Add	N/A	+	N/A	+	(N/A x A _m)

Winter Period

Onpeak	Add	0.168¢	+	0.144¢ + A _m	Add	N/A	+	N/A	+	(N/A x A _m)
Offpeak										
First 425 hours ***	Add	0.153¢	+	0.121¢ + A _m	Add	N/A	+	N/A	+	(N/A x A _m)
Next 195 hours	Add	0.086¢	+	0.019¢ + A _m	Add	N/A	+	N/A	+	(N/A x A _m)
Additional kWh	Add	0.030¢	+	-0.068¢ + A _m	Add	N/A	+	N/A	+	(N/A x A _m)

Transition Period

First 425 hours ***	Add	0.153¢	+	0.121¢ + A _m	Add	N/A	+	N/A	+	(N/A x A _m)
Next 195 hours	Add	0.086¢	+	0.019¢ + A _m	Add	N/A	+	N/A	+	(N/A x A _m)
Additional kWh	Add	0.030¢	+	-0.068¢ + A _m	Add	N/A	+	N/A	+	(N/A x A _m)

Schedule MSB

Demand Charge

Summer Period

Onpeak *	Add	\$0.54	+	\$0.81	Add	\$0.56	+	\$0.84
Excess Offpeak	Add	\$0.11	+	\$0.13	Add	\$0.11	+	\$0.15

Winter Period

Onpeak ****	Add	\$0.29	+	\$0.43	Add	\$0.30	+	\$0.45
Excess Offpeak	Add	\$0.11	+	\$0.13	Add	\$0.11	+	\$0.15
Transition Period	Add	\$0.11	+	\$0.13	Add	\$0.11	+	\$0.15

Energy Charge

Summer Period

Onpeak	Add	0.276¢	+	0.308¢ + A _m	Add	0.284¢	+	0.318¢	+	(1.03000 x A _m)
Offpeak										
First 425 hours ***	Add	0.153¢	+	0.121¢ + A _m	Add	0.158¢	+	0.124¢	+	(1.03000 x A _m)
Next 195 hours	Add	0.086¢	+	0.019¢ + A _m	Add	0.089¢	+	0.020¢	+	(1.03000 x A _m)
Additional kWh	Add	0.030¢	+	-0.068¢ + A _m	Add	0.031¢	+	-0.069¢	+	(1.03000 x A _m)

Winter Period

Onpeak	Add	0.168¢	+	0.144¢ + A _m	Add	0.173¢	+	0.149¢	+	(1.03000 x A _m)
Offpeak										
First 425 hours ***	Add	0.153¢	+	0.121¢ + A _m	Add	0.158¢	+	0.124¢	+	(1.03000 x A _m)
Next 195 hours	Add	0.086¢	+	0.019¢ + A _m	Add	0.089¢	+	0.020¢	+	(1.03000 x A _m)
Additional kWh	Add	0.030¢	+	-0.068¢ + A _m	Add	0.031¢	+	-0.069¢	+	(1.03000 x A _m)

*Applicable also to the third component of the demand charge

**Applicable also the second component of the demand charge

***Applicable also to minimum offpeak energy

****Applicable also to the third component of the demand charge and the second component of the Transition demand charge

Transition Period									
First 425 hours ***	Add	0.153¢	+	0.121¢ + A _m	Add	0.158¢	+	0.124¢ + (1.03000 x A _m)	
Next 195 hours	Add	0.086¢	+	0.019¢ + A _m	Add	0.089¢	+	0.020¢ + (1.03000 x A _m)	
Additional kWh	Add	0.030¢	+	-0.068¢ + A _m	Add	0.031¢	+	-0.069¢ + (1.03000 x A _m)	

Schedule MSC

Demand Charge

 Summer Period

Onpeak *	Add	\$0.54	+	\$0.81	Add	\$0.56	+	\$0.84
Excess Offpeak	Add	\$0.11	+	\$0.13	Add	\$0.11	+	\$0.15

 Winter Period

Onpeak ****	Add	\$0.29	+	\$0.43	Add	\$0.30	+	\$0.45
Excess Offpeak	Add	\$0.11	+	\$0.13	Add	\$0.11	+	\$0.15
Transition Period	Add	\$0.11	+	\$0.13	Add	\$0.11	+	\$0.15

Energy Charge

 Summer Period

Onpeak	Add	0.279¢	+	0.312¢ + A _m	Add	0.287¢	+	0.322¢ + (1.03000 x A _m)
Offpeak								
First 425 hours ***	Add	0.153¢	+	0.120¢ + A _m	Add	0.158¢	+	0.124¢ + (1.03000 x A _m)
Next 195 hours	Add	0.086¢	+	0.019¢ + A _m	Add	0.089¢	+	0.019¢ + (1.03000 x A _m)
Additional kWh	Add	0.029¢	+	-0.068¢ + A _m	Add	0.030¢	+	-0.070¢ + (1.03000 x A _m)

 Winter Period

Onpeak	Add	0.169¢	+	0.145¢ + A _m	Add	0.174¢	+	0.149¢ + (1.03000 x A _m)
Offpeak								
First 425 hours ***	Add	0.153¢	+	0.120¢ + A _m	Add	0.158¢	+	0.124¢ + (1.03000 x A _m)
Next 195 hours	Add	0.086¢	+	0.019¢ + A _m	Add	0.089¢	+	0.019¢ + (1.03000 x A _m)
Additional kWh	Add	0.029¢	+	-0.068¢ + A _m	Add	0.030¢	+	-0.070¢ + (1.03000 x A _m)

 Transition Period

First 425 hours ***	Add	0.153¢	+	0.120¢ + A _m	Add	0.158¢	+	0.124¢ + (1.03000 x A _m)
Next 195 hours	Add	0.086¢	+	0.019¢ + A _m	Add	0.089¢	+	0.019¢ + (1.03000 x A _m)
Additional kWh	Add	0.029¢	+	-0.068¢ + A _m	Add	0.030¢	+	-0.070¢ + (1.03000 x A _m)

Schedule MSD

Demand Charge

 Summer Period

Onpeak *	Add	\$0.54	+	\$0.81	Add	\$0.56	+	\$0.84
Excess Offpeak	Add	\$0.11	+	\$0.13	Add	\$0.11	+	\$0.15

 Winter Period

Onpeak ****	Add	\$0.29	+	\$0.43	Add	\$0.30	+	\$0.45
Excess Offpeak	Add	\$0.11	+	\$0.13	Add	\$0.11	+	\$0.15
Transition Period	Add	\$0.11	+	\$0.13	Add	\$0.11	+	\$0.15

Energy Charge

 Summer Period

Onpeak	Add	0.271¢	+	0.303¢ + A _m	Add	0.279¢	+	0.312¢ + (1.03000 x A _m)
Offpeak								
First 425 hours ***	Add	0.146¢	+	0.111¢ + A _m	Add	0.150¢	+	0.115¢ + (1.03000 x A _m)
Next 195 hours	Add	0.080¢	+	0.009¢ + A _m	Add	0.082¢	+	0.010¢ + (1.03000 x A _m)
Additional kWh	Add	0.023¢	+	-0.077¢ + A _m	Add	0.024¢	+	-0.079¢ + (1.03000 x A _m)

*Applicable also to the third component of the demand charge

**Applicable also the second component of the demand charge

***Applicable also to minimum offpeak energy

****Applicable also to the third component of the demand charge and the second component of the Transition demand charge

Winter Period									
Onpeak	Add	0.161¢	+	0.135¢ + A _m	Add	0.166¢	+	0.139¢ + (1.03000 × A _m)	
Offpeak									
First 425 hours ***	Add	0.146¢	+	0.111¢ + A _m	Add	0.150¢	+	0.115¢ + (1.03000 × A _m)	
Next 195 hours	Add	0.080¢	+	0.009¢ + A _m	Add	0.082¢	+	0.010¢ + (1.03000 × A _m)	
Additional kWh	Add	0.023¢	+	-0.077¢ + A _m	Add	0.024¢	+	-0.079¢ + (1.03000 × A _m)	
Transition Period									
First 425 hours ***	Add	0.146¢	+	0.111¢ + A _m	Add	0.150¢	+	0.115¢ + (1.03000 × A _m)	
Next 195 hours	Add	0.080¢	+	0.009¢ + A _m	Add	0.082¢	+	0.010¢ + (1.03000 × A _m)	
Additional kWh	Add	0.023¢	+	-0.077¢ + A _m	Add	0.024¢	+	-0.079¢ + (1.03000 × A _m)	

**SEASONAL DEMAND
AND ENERGY SERVICE**

General Power Service

Schedule SGSB

Demand Charge									
Summer Period **	Add	\$0.82	+	\$1.09	Add	\$0.84	+	\$1.13	
Winter Period **	Add	\$0.57	+	\$0.75	Add	\$0.59	+	\$0.77	
Transition Period **	Add	\$0.38	+	\$0.49	Add	\$0.39	+	\$0.51	
Energy Charge									
Summer Period	Add	0.180¢	+	0.134¢ + A _m	Add	0.185¢	+	0.138¢ + (1.03000 × A _m)	
Winter Period	Add	0.164¢	+	0.111¢ + A _m	Add	0.169¢	+	0.115¢ + (1.03000 × A _m)	
Transition Period	Add	0.160¢	+	0.106¢ + A _m	Add	0.165¢	+	0.109¢ + (1.03000 × A _m)	

Schedule SGSC

Demand Charge									
Summer Period **	Add	\$0.82	+	\$1.09	Add	\$0.84	+	\$1.13	
Winter Period **	Add	\$0.57	+	\$0.75	Add	\$0.59	+	\$0.77	
Transition Period **	Add	\$0.38	+	\$0.49	Add	\$0.39	+	\$0.51	
Energy Charge									
Summer Period	Add	0.181¢	+	0.134¢ + A _m	Add	0.186¢	+	0.139¢ + (1.03000 × A _m)	
Winter Period	Add	0.164¢	+	0.111¢ + A _m	Add	0.169¢	+	0.115¢ + (1.03000 × A _m)	
Transition Period	Add	0.161¢	+	0.107¢ + A _m	Add	0.166¢	+	0.111¢ + (1.03000 × A _m)	

Schedule SGSD

Demand Charge									
Summer Period **	Add	\$0.96	+	\$1.30	Add	\$0.99	+	\$1.33	
Winter Period **	Add	\$0.71	+	\$0.94	Add	\$0.73	+	\$0.98	
Transition Period **	Add	\$0.52	+	\$0.69	Add	\$0.54	+	\$0.71	
Energy Charge									
Summer Period	Add	0.152¢	+	0.096¢ + A _m	Add	0.157¢	+	0.099¢ + (1.03000 × A _m)	
Winter Period	Add	0.138¢	+	0.076¢ + A _m	Add	0.142¢	+	0.079¢ + (1.03000 × A _m)	
Transition Period	Add	0.134¢	+	0.071¢ + A _m	Add	0.138¢	+	0.074¢ + (1.03000 × A _m)	

Manufacturing Service

Schedule SMSB

Demand Charge									
Summer Period **	Add	\$0.71	+	\$0.94	Add	\$0.73	+	\$0.97	
Winter Period **	Add	\$0.46	+	\$0.60	Add	\$0.47	+	\$0.62	
Transition Period **	Add	\$0.27	+	\$0.34	Add	\$0.28	+	\$0.34	

*Applicable also to the third component of the demand charge

**Applicable also the second component of the demand charge

***Applicable also to minimum offpeak energy

****Applicable also to the third component of the demand charge and the second component of the Transition demand charge

Energy Charge								
Summer Period	Add	0.150¢	+	0.092¢ + A _m	Add	0.155¢	+	0.094¢ + (1.03000 x A _m)
Winter Period	Add	0.132¢	+	0.066¢ + A _m	Add	0.136¢	+	0.069¢ + (1.03000 x A _m)
Transition Period	Add	0.127¢	+	0.060¢ + A _m	Add	0.131¢	+	0.062¢ + (1.03000 x A _m)

Schedule SMSC

Demand Charge						
Summer Period **	Add	\$0.71	+	\$0.94	Add	\$0.73 + \$0.97
Winter Period **	Add	\$0.46	+	\$0.60	Add	\$0.47 + \$0.62
Transition Period **	Add	\$0.27	+	\$0.34	Add	\$0.28 + \$0.34

Energy Charge								
Summer Period	Add	0.149¢	+	0.090¢ + A _m	Add	0.153¢	+	0.093¢ + (1.03000 x A _m)
Winter Period	Add	0.132¢	+	0.066¢ + A _m	Add	0.136¢	+	0.068¢ + (1.03000 x A _m)
Transition Period	Add	0.127¢	+	0.060¢ + A _m	Add	0.131¢	+	0.062¢ + (1.03000 x A _m)

Schedule SMSD

Demand Charge						
Summer Period **	Add	\$0.82	+	\$1.09	Add	\$0.84 + \$1.13
Winter Period **	Add	\$0.57	+	\$0.75	Add	\$0.59 + \$0.77
Transition Period **	Add	\$0.38	+	\$0.49	Add	\$0.39 + \$0.51

Energy Charge								
Summer Period	Add	0.120¢	+	0.051¢ + A _m	Add	0.124¢	+	0.053¢ + (1.03000 x A _m)
Winter Period	Add	0.106¢	+	0.032¢ + A _m	Add	0.109¢	+	0.034¢ + (1.03000 x A _m)
Transition Period	Add	0.103¢	+	0.028¢ + A _m	Add	0.106¢	+	0.028¢ + (1.03000 x A _m)

The amounts applicable for A_m under column (3) in this Adjustment Addendum shall be determined each month by applying data from TVA's forecasts of TVA's actual operations, as well as actual data when it becomes available in accordance with the formula below. TVA will endeavor to publish the calculated amounts 20 days in advance of the month of application (but shall in no event publish these calculated amounts any later than 15 days in advance of the month of application), and such amounts will be applicable to bills rendered from meter readings taken for TVA and Distributor monthly billing cycles beginning on and after the first day of each month beginning October 1, 2013.

*Applicable also to the third component of the demand charge

**Applicable also the second component of the demand charge

***Applicable also to minimum offpeak energy

****Applicable also to the third component of the demand charge and the second component of the Transition demand charge

$$A_m = \frac{CF_m + DAR_m}{95\%}$$

A_m = The monthly FCA adjustment to be applied to the kilowatt-hour sales during the current monthly billing period and rounded to the nearest one-thousandth of a cent per kilowatt-hour.

m = a particular month

CF_m = The core FCA adjustment for a particular month. $CF_m = (FF_m / SF_m)$

FF = TVA's estimate of FA (as described below) for month m, based on the latest TVA Financial Forecast.

SF = TVA's estimate of SA (as described below) for month m, based on the latest TVA Financial Forecast.

DAR_m = The adjustment that collects a portion of DA (as described below) in a month, rounded to the nearest one-thousandth of a cent.

$$DAR_m = R \times DA_m / FiSF_m$$

R = The collection ratio of 50%.

FiSF = TVA's estimate of FiSA (as described below) for month m, based on the latest TVA Financial Forecast.

DA = The deferred account that provides the true-up adjustment necessary to reconcile prior estimates to actual data, which shall be computed with the formulas below.

$$DA_m = \overbrace{GLDA_{m-2}}^{\text{General Ledger DA Balance}} - \overbrace{DAR_{m-1} \times FiSF_{m-1}}^{\text{Estimate of DAR collections prior months}}$$

FiSA = Actual TVA firm-based rate energy sales (in kWh) for month m, as recorded in TVA's General Ledger with specific accounts 442000, 445000, 447000, 447100, and 448000 (or such similar or successor accounts as may be prescribed by FERC in the future).

GLDA = The general ledger deferred account balance that flows through to the balance sheet.

$$GLDA_m = \overbrace{GLDA_{m-1}}^{\text{Accumulated General Ledger DA Balance}} + \overbrace{TU_m}^{\text{Core FCA True-Up}} + \overbrace{GLD_m}^{\text{DA Amortization}}$$

TU_m = The core true-up amount. $TU_m = (FiSA_m / SA_m) * FA_m - GLR_m$

FA = Actual total fuel and purchased power expenses (in cents) under the framework and accounts provided below (or such similar or successor accounts as may be prescribed by FERC in the future).

- (1) Fossil Fuel Expense - Account 501 - Direct cost of fuel burned in TVA coal plants, including transportation and fuel treatments. Costs to be excluded are lease payments for rail cars, maintenance on rail cars, sampling and fuel analysis, and fuel handling expenses in unloading fuel from shipping media and the handling of fuel up to the point where fuel enters the bunker or other boiler-house structure.
- (2) Reagents Expense - Account 501.L - Cost of emission reagents such as limestone and ammonia that are directly related to the level of generation output.
- (3) Allowances Expense - Account 509 - Cost of emission allowance expense such as SO2 and NOx that are directly related to the level of generation output.
- (4) Nuclear Fuel Expense - Account 518 - Cost of nuclear fuel amortization expense dependent upon burn, including DOE spent fuel disposal charges.
- (5) Gas Turbine Fuel Expense - Account 547 - Direct cost of gas and oil burned in TVA plants, including transportation. Costs to be excluded are costs of gas storage facilities and sampling and fuel analysis that do not vary with changes in generation volume.
- (6) Purchased Power Expense - Account 555 - Energy cost of purchased power to serve native load demand or to displace higher cost generation. Costs to be excluded are fixed demand or capacity payments in tolling agreements and purchased power agreements that do not vary with volume and costs of purchased power linked to off-system sales transactions.
- (7) Audit Expenses - TVA's actual expenses incurred as the result of third party expenses for FCA audits.

SA = Actual total TVA energy sales (in kWh) for month m, as recorded in TVA's General Ledger with specific accounts 442000, 445000, 447000, 447100, and 448000 (or such similar or successor accounts as may be prescribed by FERC in the future), excluding any displacement sales reflected in account 447100.

GLD_m = Actual TVA DAR revenue (DA amortization) for month m, for firm-based energy sales, as recorded in TVA's General Ledger with specific accounts 442000, 445000, 447000, 447100, and 448000 (or such similar or successor accounts as may be prescribed by FERC in the future).

GLR_m = Actual TVA Core FCA Revenue for month m, for firm-based energy sales, as recorded in TVA's General Ledger with specific accounts 442000, 445000, 447000, 447100, and 448000 (or such similar or successor accounts as may be prescribed by FERC in the future).