

POWER CONTRACT
Between
TENNESSEE VALLEY AUTHORITY
And
WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION

THIS CONTRACT, made and entered into as of the 26 day of April, 1982, 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 WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION (hereinafter called "Cooperative"), a cooperative corporation duly created, organized, and existing under and by virtue of the laws of the Commonwealth of Kentucky;

W I T N E S S E T H:

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

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

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

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

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

1. Purpose of Contract. It is hereby recognized and declared that, pursuant to the obligations imposed by the TVA Act, Cooperative's operation of an electric system and TVA's wholesale service thereto are for the benefit of the consumers of electricity. Toward that end, Cooperative agrees that the electric system shall be operated on a nonprofit basis, that electric system funds and accounts shall not be mingled with other funds or accounts of Cooperative, and that resale rates and charges shall be applied which will provide revenues which can reasonably be expected to be at least equal to, and not substantially greater than, the sum required for the items listed in subsection (a) of section 6 hereof. In accordance with these principles, which are mutually recognized as of the essence of this contract, Cooperative

agrees that the electric system shall be operated and the system's financial accounts and affairs shall be maintained in full and strict accordance with the provisions of this contract.

2. Power Supply.

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

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

(c) It is recognized that from time to time there may be a consumer served by one party hereto which, because of changed conditions, may become a consumer which the other party is entitled to serve under the provisions of subsection (b) of this section. In any such case the parties hereto, unless otherwise agreed, shall make such arrangements (including making appropriate allowance for any otherwise unrecoverable investment made to serve such consumer) as may be necessary to transfer as soon as practicable such consumer to the party entitled to serve the consumer hereunder and the party originally serving said consumer shall cooperate in every way with the party entitled to serve the consumer in making arrangements for the latter to undertake such service including, without limitation, releasing the consumer from any then existing power contract from and after the effective date for initiating service under any contract between such consumer and the party entitled to serve it.

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

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

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

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

<u>Delivery Point</u>	<u>Normal Wholesale Delivery Voltage</u>
161-kV side of Cooperative's Benton 161-kV Substation	161,000
69-kV side of the Coldwater Substation	69,000
69-kV side of the East Murray Substation	69,000

<u>Delivery Point</u>	<u>Normal Wholesale Delivery Voltage</u>
69-kV side of the Gilbertsville Substation	69,000
69-kV side of the Hardin Substation	69,000
69-kV side of the Hickory Grove Substation	69,000
13-kV side of TVA's Mayfield District Substation	13,000
69-kV side of the Milburn Substation	69,000
13-kV side of TVA's Pilot Oak Substation	13,000
Point of connection of Cooperative's Stella 161-kV Substation to TVA's Mayfield- Murray 161-kV Transmission Line	161,000

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-2, GS-2, and LSI 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 periods of not less than (1) 15 days, for customers served under the RS Schedule, and (2) 10 days, for customers served under the GS Schedule, after the date of the bill during which periods 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 5 percent of the bill, computed as above provided, which will be added to the bill as additional charges for payment after the periods 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 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 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 (1980). Breach of this provision shall constitute a material breach of this contract.

14. Termination of Existing Contracts. It is hereby agreed that the power contract dated May 10, 1962, and numbered TV-23488A, 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 the following agreements, or portions of agreements, between the parties hereto, it being the intention of the parties that each of 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:

(a) Section 3 of Agreement TV-23488A, Supplement No. 10, dated March 22, 1977, relative to application of a monthly facilities rental credit to billings under Wholesale Power Rate--Schedule WS;

(b) Lease and Amendatory Agreement TV-23488A, Supplement No. 13, dated November 9, 1979, relative to the lease by Cooperative of TVA's Benton 69-kV Substation;

(c) Lease and Amendatory Agreement TV-23488A, Supplement No. 14, dated January 17, 1980, relative to the lease by Cooperative of TVA's Coldwater, East Murray, Gilbertsville, Hardin, Hickory Grove, and Milburn Substations; and

(d) The provisions of Letter Agreement TV-23488A, Supplement No. 19, dated November 19, 1981, setting out the parties' rights and obligations relative to metering arrangements at Cooperative's Stella 161-kV Substation.

All references in said agreements, or portions thereof, to the power contract dated May 10, 1962, shall be deemed to refer to this contract.

15. Term of Contract. This contract shall become effective as of June 11, 1982, 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

Robert S. Sumner
Assistant Secretary

By *W. F. Smith*
General Manager

JDK
JEC

Attest:

WEST KENTUCKY RURAL ELECTRIC
COOPERATIVE CORPORATION

Ralph C. Edrington
Secretary

By *Jeffrey Howard*
President



W122881

TENNESSEE VALLEY AUTHORITY
SCHEDULE OF RATES AND CHARGES

WHOLESALE POWER RATE--SCHEDULE WS
(October 1976)

Availability

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

Base Charges

Delivery Point Charge: \$1,500 per delivery point per month

Demand Charge: \$1.81 per kilowatt of demand per month

Energy Charge: 0.950 cent per kilowatthour per month as increased or decreased in accordance with Appendix I to the Schedule of Rates and Charges

Adjustments

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

Determination of Demand

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

Facilities Rental

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

Minimum Bill

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

Single-Point Delivery

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

RESIDENTIAL RATE--SCHEDULE RS-2
(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: \$3.30 per delivery point per month

Energy Charge:

First 500 kilowatthours per month at 3.147 cents per kilowatthour*
Additional " " " " 1.917 " " 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-2
(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: \$4.30 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 \$2.30 per kilowatt
Excess over 100 kilowatts of demand per month, at \$2.30 per kilowatt

Energy Charge:

First 500 kilowatthours per month	at	3.963	cents	per	kWh*
Next 14,500	"	"	"	"	2.583 " " kWh*
Next 25,000	"	"	"	"	1.637 " " kWh*
Next 60,000	"	"	"	"	1.227 " " kWh*
Next 400,000	"	"	"	"	1.127 " " kWh*
Additional	"	"	"	"	1.087 " " 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 151
(November 1980)

Availability

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

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

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

- I. Energy Charge: 1.984 cents per kilowatthour

Adjustment

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

- II. Investment Charge

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

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

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

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

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

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

Metering

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

Use-Period for Athletic Field Lighting

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

Revenue and Cost Review

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

PART B--CHARGES FOR OUTDOOR LIGHTING FOR INDIVIDUAL CUSTOMERS

Charges Per Fixture

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

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

*Incandescent fixtures not offered for new service.

Adjustment

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

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

Additional Facilities

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

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

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

Lamp Replacements

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

Payment

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

Service is subject to Rules and Regulations of Distributor.

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 Energy Regulatory 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 Power 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 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. 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 of TVA 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 its current coil in that phase wire and its 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. 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.

June 11, 1982

TV-59577A
Supp. #1

RETAIL RATE CHANGE AGREEMENT

between TENNESSEE VALLEY AUTHORITY and

WEST KENTUCKY RURAL ELECTRIC COOPERATIVE 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 April 26, 1982, between the Tennessee Valley Authority and Distributor. This substitution is to be effective for bills rendered from meter readings made on and after June 11, 1982.

(a) New rate schedules:

Residential Rate--Schedule RS-1
General Power Rate--Schedule GS-1

(b) Existing rate schedules:

Residential Rate--Schedule RS-2
General Power Rate--Schedule GS-2

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.

WEST KENTUCKY RURAL ELECTRIC
COOPERATIVE CORPORATION

By Jeffrey Howard
(Title) President

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

TENNESSEE VALLEY AUTHORITY

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

W060380

RESIDENTIAL RATE--SCHEDULE RS-1
(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: \$3.50 per delivery point per month

Energy Charge:

First 500 kilowatthours per month at 3.347 cents per kilowatthour*
Additional " " " " 1.947 " " 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-1
(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, retirement 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: \$4.50 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 \$2.35 per kilowatt
Excess over 100 kilowatts of demand per month, at \$2.35 per kilowatt

Energy Charge:

First 500 kilowatthours per month at	4.143	cents per kWh*
Next 14,500	"	" " 2.643 " " kWh*
Next 25,000	"	" " 1.687 " " kWh*
Next 60,000	"	" " 1.237 " " kWh*
Next 400,000	"	" " 1.137 " " kWh*
Additional	"	" " 1.097 " " 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.

TENNESSEE VALLEY AUTHORITY
 Chattanooga, Tennessee 37401

TV-59577A
 Supp. #2

October 2, 1982

Mr. Jeffrey Howard, President
 West Kentucky Rural Electric
 Cooperative Corporation
 Mayfield, Kentucky 42066

Dear Mr. Howard:

This will confirm the understanding reached between representatives of the West Kentucky Rural Electric Cooperative Corporation (hereinafter called "Cooperative") and the Tennessee Valley Authority (hereinafter called "TVA") relative to amending Power Contract TV-59577A, dated April 26, 1982 (which contract as heretofore amended and supplemented is hereinafter called the "Power Contract"), between Cooperative and TVA in the respects necessary to permit Cooperative to apply a surcharge on energy supplied to customers in addition to the charges therefor applicable under resale schedules RS-1, GS-1, and LSI of the Schedule of Rates and Charges of the Power Contract.

It is understood and agreed that, effective for bills rendered from meter readings taken on and after the date first above written, Cooperative shall add to its monthly billings for service to all customers under said resale schedules (except service to customers under Part B of General Power Rate-- Schedule GS-1) a uniform energy surcharge of 2.0 mills per kilowatthour. Said energy surcharge shall not be subject to adjustment under any Adjustment Addendum published by TVA. Cooperative shall discontinue such surcharge on all billings based on meter readings taken on and after (a) 18 months after the effective date hereof or (b) the date on which the then effective resale rate schedules will provide revenues adequate to provide for Cooperative's then existing requirements, whichever is the earlier.

It is contemplated by the parties that if said surcharge has not been terminated under the preceding paragraph within 16 months of the date first above written, the parties will jointly perform a financial analysis of Cooperative's operations to determine what level of surcharge, if any, should be imposed after the termination of this agreement under item (a) above.

Cooperative hereby agrees to supply TVA with such sales and cost data as may reasonably be requested from time to time to support the need for and level of said energy surcharge and to meet with TVA upon request to review said energy surcharge.

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

Mr. Jeffrey Howard
October 2, 1982

If this letter correctly states the understanding between us, please execute three duplicate originals hereof on behalf of Cooperative 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

(s) R. C. Crawford

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

Enclosures

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

WEST KENTUCKY RURAL ELECTRIC
COOPERATIVE CORPORATION

By (s) Jeffrey Howard
President

K 1 0 9 2 1 1 3 0 5 4 8

File With
TV-59310A
Supp No. 1
TV-59577A
Supp No. 3

BILL OF SALE AND QUITCLAIM DEED

Made By

TENNESSEE VALLEY AUTHORITY

And

UNITED STATES OF AMERICA

To

ELECTRIC PLANT BOARD OF THE CITY OF MAYFIELD, KENTUCKY

THIS BILL OF SALE AND QUITCLAIM DEED, made and entered into as of the 23 day of June, 1991, effective as of the 24th day of May, 1991, by the TENNESSEE VALLEY AUTHORITY (hereinafter sometimes called "TVA"), a corporation created and existing under and by virtue of the Tennessee Valley Authority Act of 1933, as amended, and the UNITED STATES OF AMERICA, acting by and through the Tennessee Valley Authority, its legal agent, as Grantors, to the ELECTRIC PLANT BOARD OF THE CITY OF MAYFIELD, KENTUCKY, a municipal corporation duly created, organized, and existing under and by virtue of the laws of the Commonwealth of Kentucky, as Grantee;

W I T N E S S E T H:

WHEREAS, the parties have heretofore entered into an agreement dated as of May 14, 1983, identified in TVA's records as Lease and Amendatory Agreement TV-59310A, Supplement No. 1, and TV-59577A, Supplement No. 3 (which agreement, as amended, is hereinafter referred to as the "1983 Agreement"), providing, among other things, for the quitclaim by TVA, as legal agent of the United States of America, of the interests in land hereinafter described, and the sale of certain personal property hereinafter also described, upon the performance of certain terms of said agreement which have now been met, and for certain continuing obligations therein specifically detailed; and

WHEREAS, TVA, as legal agent of the United States of America, is authorized under Section 4(k)(d) of the Tennessee Valley Authority Act of

I certify that I prepared this instrument.

Robert A. Kell

Attorney

Tennessee Valley Authority
Knoxville, Tennessee

Grantee's mailing address:
City of Mayfield, Kentucky
Electric Plant Board
P.O. Box 347
Mayfield, Kentucky 42066

Grantors' mailing address:
United States of America
Tennessee Valley Authority
P.O. Box 509
Mayfield, Kentucky 42066

1933, as amended, to quitclaim as provided therein the interests in land hereinafter described, being property upon which electrical facilities are located; and

WHEREAS, TVA is authorized under Section 4(f) of the Tennessee Valley Authority Act of 1933, as amended, to sell or otherwise dispose of the personal property hereinafter described;

NOW, THEREFORE, for and in consideration of the mutual promises made in the foregoing agreement, and the sum of Thirty-six Thousand Seven Hundred Seventy-three Dollars and Eighty-six Cents (\$36,773.86) cash in hand paid, the receipt of which is hereby acknowledged, Grantors have granted, bargained, sold, assigned, and set over unto Grantee and do by these presents hereby grant, bargain, sell, assign, and set over unto Grantee the following described personal property, and Grantors have remised, released, and forever quitclaimed unto Grantee and do by these presents hereby remise, release, and forever quitclaim unto Grantee, its successors and assigns, subject to the reservations and encumbrances hereinafter set forth, such interests as Grantors may have in the following real property located in Graves County, Kentucky, to wit:

- (A) The 69-kV and 13-kV facilities in the Mayfield District Substation used exclusively in service to Grantee, including (1) the 69-kV circuit breaker installation 744 in the 69-kV switching structure on the portion of the Mayfield District Substation site retained by Grantors, exclusive of the 69-kV main and transfer busses in the bay for said breaker and the 69-kV grounding transformer and connections to the 69-kV main bus in said breaker bay, (2) 13-kV feeder circuit breaker installations 254, 264, 274, 314, and 324 on the portion of the Mayfield District Substation site conveyed to Grantee and the West Kentucky Rural Electric Cooperative Corporation by a deed and bill of sale of even date herewith, and (3) the control and relaying facilities in the switchhouse for said circuit breaker installation 744; but excluding (a) the metering current transformers in the bays for said 13-kV feeder breakers and the metering cables extending from said transformers to the switchhouse and (b) any portable facilities and equipment (bearing TVA's numbered tags) which TVA chooses to remove.

Easement rights for TVA to continue to operate, maintain, repair, replace, and remove the above-described excluded facilities being

retained by Grantors (items (A)(a) and (A)(b) above) are provided for in a deed and bill of sale to Grantee and the West Kentucky Rural Electric Cooperative Corporation of even date herewith.

- (B) The section of TVA's Mayfield District-Fulton 69-kV Line beginning at the Mayfield District Substation and extending approximately 2.43 miles to but excluding tap structure 38 at station 1014+10, including (1) only the single-circuit structures, conductors, insulators, and attachment facilities therefor in the portion of said line section beginning at said substation and extending to and including structure 13 at station 1104+16.7LB = 36+84.1LA (which portion of said line section is double circuited with TVA's Mayfield District-Mayfield 69-kV Line) and (2) all structures, facilities, and equipment in the remaining portion of said line section beginning at but excluding said structure 13 and extending to tap structure 38, together with such easements and rights-of-way as Grantors hold appurtenant to said remaining portion, including those designated on TVA's records as US-TVA Tracts MFU-6 and MFU-7, the east 89 feet of US-TVA Tract 4MFUR-25, US-TVA Tract 4MFUR-32, and US-TVA Tracts FMR-1 through FMR-3, all as shown on US-TVA drawing LW-2365, sheets 9 and 10.

The above-described easements and rights-of-way designated as US-TVA Tracts MFU-6 and MFU-7 were acquired by the United States of America by a deed from Kentucky-Tennessee Light and Power Company, dated June 10, 1942, of record in Deed Book 123, page 379, in the office of the County Clerk of Graves County, Kentucky.

The above-described easements and rights-of-way designated as US-TVA Tracts 4MFUR-25, 4MFUR-32, and FMR-1 through FMR-3 were acquired by the United States of America by instruments of record in the office of the County Clerk of Graves County, Kentucky, as follows:

<u>Tract</u>	<u>Recorded Date</u>	<u>Deed Book</u>	<u>Page</u>
4MFUR-25	5-2-55	161	271
4MFUR-32	6-19-57	166	191
FMR-1	8-10-59	171	640
FMR-2	8-31-59	172	75
FMR-3	11-10-59	172	449

The above-described personal property is hereby conveyed and interests in land are hereby quitclaimed unto Grantee, its successors and assigns, forever.

It is mutually understood and agreed by the delivery and acceptance of this instrument that the above-described personal property is hereby conveyed and interests in land are hereby quitclaimed to Grantee "as is" and Grantors make no warranties of any kind whatsoever (including any warranty of merchantability), express or implied, as to same.

It is further mutually understood and agreed by the delivery and acceptance of this instrument that, with respect to the personal property hereby conveyed and the interests in land hereby quitclaimed, the release and indemnity provisions contained in section 2.4 of the 1983 Agreement, which would otherwise be reaffirmed herein and made applicable to and binding upon Grantee in all respects, are hereby modified to apply only to the lease term. The above release and indemnity provisions shall, notwithstanding their terms, not be applicable to or binding upon Grantee with respect to claims, demands, or causes of action of whatever nature grounded or based upon events, actions, or omissions occurring subsequent to the effective date of this instrument. Except as specifically provided otherwise herein, it is further mutually understood and agreed by the delivery and acceptance of this instrument that all rights and obligations of the parties under the 1983 Agreement will remain in full force and effect.

It is understood that no interests in land are hereby quitclaimed in the double-circuited portion of the Mayfield District-Fulton 69-kV Line located on rights-of-way retained by Grantors under item (B)(1) above, but TVA, to the extent it is legally able to do so, does hereby provide Grantee with permission to enter upon and use said area for the sole purpose of operating, maintaining, repairing, rebuilding, and replacing the facilities being sold to Grantee located on said area. Grantee agrees by its acceptance of this instrument that its use of said area is subject to the following provisions: (1) if, in TVA's sole judgment, Grantee's facilities, any operation or use thereof, or exercise of access thereto would at any time interfere with any existing or future use of said area by TVA, Grantee shall at its expense relocate or rearrange said facilities or modify its operation or use to avoid such interference within 120 days after notification by TVA of such interference (provided, however, that, at Grantee's request for good cause shown, TVA may agree to extensions of up to 90 days to this time

period), and if such relocation, rearrangement, or modification as may be required by TVA from time to time is made in accordance with arrangements satisfactory to TVA, Grantee may continue to operate and maintain said facilities on said area and continue to have such access under the permission provided herein; (2) the release and indemnification obligations of Grantee provided for in section 2.4 of the 1983 Agreement, with respect to the permission provided hereunder, are hereby modified such that, notwithstanding their terms, they shall apply to and be binding upon Grantee only if the personal injuries, property damage, or loss of life or property is caused by the negligence or other wrongful act or omission of Grantee, its agents or employees; and (3) TVA may revoke all or a portion of the permission provided herein upon 120 days' written notice to Grantee in which case TVA will assist Grantee in developing alternative arrangements to enable Grantee to continue to operate and have access to its facilities.

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

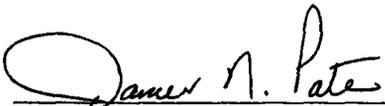
UNITED STATES OF AMERICA

By Tennessee Valley Authority
Its Legal Agent

and

Attest:

TENNESSEE VALLEY AUTHORITY


Assistant Secretary

By 
Manager of Business Resources

STATE OF TENNESSEE)
) SS
COUNTY OF HAMILTON)

On the 23rd day of June, 1992, before me appeared PATRICIA H. MILLER and JAMES N. PATE, to me personally known, who, being by me duly sworn, did say that they are the Manager of Business Resources 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, sealed, and delivered 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 PATRICIA H. MILLER and JAMES N. PATE 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 Chattanooga, Tennessee, the day and year aforesaid.

Bobby L. Reeves (Seal)
Notary Public

My commission expires: Nov. 17, 1993

The United States of America and the Tennessee Valley Authority, Grantors, and the Electric Plant Board of the City of Mayfield, Kentucky, Grantee, do hereby certify, pursuant to Kentucky Revised Statutes Chapter 382, that the above-stated consideration is the full consideration paid for the property herein conveyed.

Grantors:

UNITED STATES OF AMERICA

By Tennessee Valley Authority
Its Legal Agent
and
TENNESSEE VALLEY AUTHORITY

By Patricia H. Miller
Manager of Business Resources

STATE OF TENNESSEE
COUNTY OF HAMILTON

The foregoing certification was acknowledged before me on this 23rd day of June, 1995, by Patricia H. Miller, Manager of Business Resources of the TENNESSEE VALLEY AUTHORITY, a corporation, on behalf of said corporation for itself and as legal agent of the UNITED STATES OF AMERICA,

Garry L. Reno (Seal)
Notary Public

My commission expires Nov. 17, 1993

Grantee:

ELECTRIC PLANT BOARD OF THE CITY
OF MAYFIELD, KENTUCKY

By _____
Superintendent

COMMONWEALTH OF KENTUCKY
COUNTY OF GRAVES

The foregoing certification was acknowledged before me on this _____ day of _____, 199_, by James R. Gooch, Superintendent of the ELECTRIC PLANT BOARD OF THE CITY OF MAYFIELD, KENTUCKY, a Kentucky corporation, on behalf of the corporation.

Notary Public

My commission expires _____, 199_

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File With
TV-59310A
Supp No. 1
TV-59577A
Supp No. 3

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

June THIS BILL OF SALE, made and entered into as of the 23 day of June, 1992, effective as of the 24th day of May, 1991, by the TENNESSEE VALLEY AUTHORITY (hereinafter referred to as "TVA"), a corporation created and existing under and by virtue of the Tennessee Valley Authority Act of 1933, as amended, as Seller, to the WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION (hereinafter referred to as "Cooperative"), a cooperative corporation duly created, organized, and existing under and by virtue of the laws of the Commonwealth of Kentucky, as Buyer;

W I T N E S S E T H:

THAT for and in consideration of the sum of Fourteen Thousand One Hundred Three Dollars and Eighty-eight Cents (\$14,103.88) cash in hand paid, the receipt of which is hereby acknowledged, TVA has granted, bargained, sold, assigned, and set over unto Cooperative, and does by these presents hereby grant, bargain, sell, assign, and set over unto Cooperative, the following described personal property in place in Graves County, Kentucky:

The 13-kV switching facilities in the Mayfield District Substation used exclusively in service to Cooperative, including the 13-kV feeder circuit breaker installations 214, 224, 244, 284, and 294 on the portion of the Mayfield District Substation site conveyed to Cooperative and the Electric Plant Board of the City of Mayfield, Kentucky; but excluding any portable facilities and equipment (bearing TVA's numbered tags) which TVA chooses to remove.

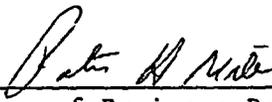
Easement rights for TVA to continue to operate, maintain, repair, replace, and remove the above-described excluded facilities being retained by TVA are provided for in a deed and bill of sale to Cooperative and the Electric Plant Board of the City of Mayfield, Kentucky of even date herewith.

It is mutually understood and agreed by the delivery and acceptance of this instrument that the above-described personal property is hereby sold to Cooperative "as is" and TVA makes no warranties of any kind whatsoever (including any warranty of merchantability), express or implied, as to same.

It is further mutually understood and agreed by the delivery and acceptance of this instrument that, with respect to the personal property hereby conveyed, the release and indemnity provisions contained in section 3.4 of the agreement dated as of May 14, 1983, identified in TVA's records as Lease and Amendatory Agreement TV-59310A, Supplement No. 1, and TV-59577A, Supplement No. 3, as amended, which would otherwise be reaffirmed herein and made applicable to and binding upon TVA in all respects, are hereby modified to apply only to the lease term. The above release and indemnity provisions shall, notwithstanding their terms, not be applicable to or binding upon TVA with respect to claims, demands, or causes of action of whatever nature grounded or based upon events, actions, or omissions occurring subsequent to the effective date of this instrument. Except as specifically provided otherwise herein, it is further mutually understood and agreed by the delivery and acceptance of this instrument that all rights and obligations of the parties under said 1983 agreement will remain in full force and effect.

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

TENNESSEE VALLEY AUTHORITY

By 
Manager of Business Resources



Tennessee Valley Authority, Post Office Box 509, Mayfield, Kentucky 42066

July 10, 1992

Mr. Michael Alderdice, Manager
West Kentucky RECC
P.O. Box 589
Mayfield, Kentucky 42066-0589

Dear Mr. Alderdice:

This is to acknowledge that we have received from West Kentucky Rural Electric Cooperative Corporation the sum of Thirty-two Thousand Five Hundred Seventy-four Dollars and Eighty-five Cents (\$32,574.85) as consideration for the conveyance by TVA and the United States of America of certain jointly leased facilities, which are more particularly described in the Deed and Bill of Sale duly executed and delivered herewith. This sum represents the cost to your electric system of acquiring 28-percent interest in the facilities and properties jointly leased with Mayfield Electric and Water Systems under Lease and Amendatory Agreement TV-59310A, Supplement No. 1/TV-59577A, Supplement No. 3, dated May 14, 1983, as amended.

This is to also acknowledge that we have received from your electric system the sum of Fourteen Thousand One Hundred Three Dollars and Eighty-eight Cents (\$14,103.88) as consideration for the conveyance by TVA and the United States of America of certain individually leased facilities, which are more particularly described in the Bill of Sale duly executed and delivered herewith. These facilities were also previously leased to your electric system under the above-referenced agreement.

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

Very truly yours,

Myron N. Callaham, Manager
Kentucky Customer Service Center

Receipt of instruments acknowledged
this 10 day of July, 1992.

WEST KENTUCKY RURAL ELECTRIC
COOPERATIVE CORPORATION

By
Manager

K 1 0 9 2 1 1 3 0 5 4 7

File With
TV-59310A
Supp No. 1
TV-59577A
Supp No. 3

DEED AND BILL OF SALE
Made By
UNITED STATES OF AMERICA
And
TENNESSEE VALLEY AUTHORITY
To
ELECTRIC PLANT BOARD OF THE CITY OF MAYFIELD, KENTUCKY
And
WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION

THIS DEED AND BILL OF SALE, made and entered into as of the 23 day of June, 1991, effective as of the 24th day of May, 1991, by the TENNESSEE VALLEY AUTHORITY (hereinafter sometimes called "TVA"), a corporation created and existing under and by virtue of the Tennessee Valley Authority Act of 1933, as amended, and the UNITED STATES OF AMERICA, acting by and through the Tennessee Valley Authority, its legal agent, as Grantors, to the ELECTRIC PLANT BOARD OF THE CITY OF MAYFIELD, KENTUCKY (hereinafter called "Grantee Board"), a municipal corporation duly created, organized, and existing under and by virtue of the laws of the Commonwealth of Kentucky, and to the WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION (hereinafter called "Grantee Cooperative"), a cooperative corporation duly created, organized, and existing under and by virtue of the laws of the Commonwealth of Kentucky, as Grantees;

W I T N E S S E T H:

WHEREAS, Grantors and Grantees have heretofore entered into an agreement dated as of May 14, 1983, identified in TVA's records as Lease and

I certify that I prepared this instrument.

Robert A. Hill

Attorney
Tennessee Valley Authority
Knoxville, Tennessee

Grantees' mailing addresses:
City of Mayfield, Kentucky
Electric Plant Board
P.O. Box 347
Mayfield, Kentucky 42066

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

Grantors' mailing address:
United States of America
Tennessee Valley Authority
P.O. Box 509
Mayfield, Kentucky 42066

Amendatory Agreement TV-59310A, Supplement No. 1, and TV-59577A, Supplement No. 3 (which agreement, as amended, is hereinafter referred to as the "1983 Agreement"), providing, among other things, for the transfer and conveyance by TVA, as legal agent of the United States of America, of the interests in land hereinafter described, and the sale of certain personal property hereinafter also described, upon the performance of certain terms of said agreement which have now been met, and for certain continuing obligations therein specifically detailed; and

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

WHEREAS, TVA is authorized under Section 4(f) of the Tennessee Valley Authority Act of 1933, as amended, to sell or otherwise dispose of the personal property hereinafter described;

NOW, THEREFORE, for and in consideration of the mutual promises made in the foregoing agreement, and the sum of One Hundred Sixteen Thousand Three Hundred Thirty-eight Dollars and Seventy-five Cents (\$116,338.75) cash in hand paid, the receipt of which is hereby acknowledged, the Grantor TVA has granted, bargained, sold, assigned, and set over unto Grantees and does by these presents hereby grant, bargain, sell, assign, and set over unto Grantees a seventy-two (72) percent undivided interest for Grantee Board and a twenty-eight (28) percent undivided interest for Grantee Cooperative in the following described personal property, and the Grantor United States of America by and through its legal agent, TVA, has granted, bargained, sold, transferred, and conveyed and does by these presents hereby grant, bargain, sell, transfer, and convey unto Grantees, their successors and assigns, subject to the reservations and encumbrances hereinafter set forth, a seventy-two (72) percent undivided interest for Grantee Board and a twenty-eight (28) percent undivided interest for Grantee Cooperative in the following described interests in land, to wit:

The approximately 5.04-acre portion (hereinafter called "Parcel 1") of TVA's Mayfield District Substation site (identified on TVA's records as US-TVA Tract MAYSS-1), which portion is further described below, together with (1) the 69-13-kV transformer installations 1 and 2, the 13-kV transformer supply bus facilities extending from said transformer installations 1 and 2 to and including the 13-kV service bay in the 13-kV switching structure, the station service transformer installation in said service bay, the substation switchhouse, and all other facilities on Parcel 1 except as excluded hereinbelow, (2) the 69-kV overhead busses extending from said transformer installations 1 and 2 on Parcel 1 to and

including 69-kV disconnect switches 657 and 659 in the 69-kV switching structure located on the remaining portion (hereinafter called "Parcel 2") of said substation site, and (3) the 69-kV bank circuit breaker installation 664 in the 69-kV switching structure on Parcel 2, exclusive of the 69-kV main and transfer busses in the bay for said breaker; but excluding (a) the 69- and 13-kV switching facilities used exclusively in serving Grantee Board identified in section 2.1 of the 1983 Agreement, (b) the 13-kV switching facilities used exclusively in serving Grantee Cooperative identified in section 3.1 of the 1983 Agreement, (c) the complete 13-kV capacitor installations on Parcel 1 and the associated supply bus facilities, (d) the 13-kV common-use metering current and voltage transformers in the 13-kV service bay, the metering cables, and the complete switchhouse metering panels (including the magnetic tape demand recorders and associated meters) in the three 13-kV revenue metering installations used in determining deliveries to Grantee Board and Grantee Cooperative, (e) the control and relaying facilities in the switchhouse for TVA's 69-kV line circuit breaker installations 734 and 764 (including switchboard panels, control cables, and associated apparatus), (f) the spare-line and reclosing relays associated with 69-kV bank circuit breaker 664, (g) the overhead ground wires extending from ground-wire structures on Parcel 1 to structures on Parcel 2, and (h) any portable facilities and equipment (bearing TVA's numbered tags) which TVA chooses to remove.

A parcel of land located in Graves County, Commonwealth of Kentucky, in the City of Mayfield, on the northwest side of U.S. Highway No. 45, as shown on US-TVA drawing LW-2611 and being more particularly described as follows:

Beginning at a point in the north right-of-way line of U.S. Highway No. 45, said point being in the boundary of the United States of America's land and a corner of the Mayfield District Substation site (a corner of US-TVA Tract MAYSS-1); thence, with the boundary, the highway right-of-way, and the line of the substation site, S. 71° 34' W., 133.3 feet to a point; thence, along a circular arc (radius: 1176.3 feet) in a southwesterly direction, 741.1 feet to a point; thence, S. 35° 28' W., 100.6 feet to a point; thence, leaving the highway right-of-way line and with the east line of a road right-of-way, N. 03° 30' W.,

518.2 feet to a point; thence, leaving the road right-of-way and the line of the substation site, N. 86° 30' E., 283.0 feet to a point; thence, N. 03° 30' W., 147.2 feet to a point in the north line of the substation site; thence, with the north line of the substation site, S. 87° 05' E., 628.2 feet to a point in the northwest right-of-way line of the Illinois Central Gulf Railroad; thence, S. 46° 55' W., 134.6 feet to the point of beginning and containing 5.04 acres, more or less.

Furthermore, such right, title, and interest in those portions of roads appurtenant to the above-described land as may attach to the title of the above-described land.

The bearings given in the above description are based on Magnetic North.

The above-described land is hereby conveyed subject to the following:

- (1) Such rights as may be vested in third parties to rights-of-way for a powerline and a telephone line.
- (2) Such rights as may be vested in the city, county, and State to rights-of-way for public roads.
- (3) A license agreement dated March 23, 1962 (identified in TVA's records as TV-23430A), to Berry & Whitford Commission Company (assigned by a March 31, 1967 agreement to Mayfield Livestock Sales Company and further assigned by an October 29, 1976 agreement to Graves County Livestock, Inc.) for vehicular parking space.
- (4) Easement reservations by the United States of America in favor of TVA for such rights as may be necessary: (i) for the use, operation, maintenance, repair, replacement, rebuilding, and removal of the above-described facilities being retained by TVA (items (a) through (h)); (ii) for the use, operation, maintenance, repair, replacement, rebuilding, and removal of the metering facilities in the 13-kV metering installations used in determining deliveries to Grantee Board and Grantee Cooperative individually; (iii) for TVA to install, operate, maintain, repair, replace, rebuild, and remove such additional substation and transmission facilities (including metering facilities) as may be required in the future

by TVA for its purposes in mutually satisfactory locations; (iv) for TVA's use as provided in sections 1.3 and 4.3 of the 1983 Agreement of the facilities being conveyed hereunder; and (v) the use of portions of the facilities on the above-described parcel of land for transmitting into TVA's system reactive generation as provided in section 4.1 of the 1983 Agreement, together with necessary rights of access to all of the aforesaid facilities referred to in items (i) through (v) above.

US-TVA Tract MAYSS-1 was acquired by the United States of America by a deed from the City of Mayfield, Kentucky, dated March 31, 1947, of record in Deed Book 139, page 31, in the office of the County Clerk of Graves County, Kentucky.

TO HAVE AND TO HOLD said interests in land and premises together with all rights and appurtenances thereto belonging and said personal property unto Grantees, their successors and assigns.

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

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

It is further mutually understood and agreed by the delivery and acceptance of this instrument that, with respect to the interests in land and personal property hereby conveyed, the release and indemnity provisions contained in section 1.4 of the 1983 Agreement, which would otherwise be reaffirmed herein and made applicable to and binding upon Grantees in all respects, are hereby modified to apply only to the lease term. The above release and indemnity provisions shall, notwithstanding their terms, not be applicable to or binding upon Grantees with respect to claims, demands, or causes of action of whatever nature grounded or based upon events, actions, or omissions occurring subsequent to the effective date of this instrument. Except as specifically provided otherwise herein, it is further mutually understood and agreed by the delivery and acceptance of this instrument that all rights and obligations of the parties under the 1983 Agreement will remain in full force and effect.

It is understood that no interests in land are hereby conveyed in Parcel 2 (of the Mayfield District Substation site), but TVA, to the extent it is legally able to do so, does hereby provide Grantees with permission to enter upon and use said area for the sole purpose of operating, maintaining, repairing, rebuilding, and replacing the facilities being sold to Grantees located on said area. Grantees agree by their acceptance of this instrument that their use of said area is subject to the following provisions: (1) if, in TVA's sole judgment, Grantees' facilities, any operation or use thereof, or exercise of access thereto would at any time interfere with any existing or future use of said area by TVA, Grantees shall at their expense relocate or rearrange said facilities and modify their operation or use to avoid such interference within 120 days after notification by TVA of such interference (provided, however, that, at Grantees' request for good cause shown, TVA may agree to extensions of up to 90 days to this time period), and if such relocation, rearrangement, or modification as may be required by TVA from time to time is made in accordance with arrangements satisfactory to TVA, Grantees may continue to operate and maintain said facilities on said area and continue to have such access under the permission provided herein; (2) the release and indemnification obligations of Grantees provided for in section 1.4 of the 1983 Agreement, with respect to the permission provided hereunder, are hereby modified such that, notwithstanding their terms, they shall apply to and be binding upon Grantees only if the personal injuries, property damage, or loss of life or property is caused by the negligence or other wrongful act or omission of Grantees, their agents or employees; and (3) TVA may revoke all or a portion of the permission provided herein upon 120 days' written notice to Grantees in which case TVA will assist Grantees in developing alternative arrangements to enable Grantees to continue to operate and have access to their facilities.

IN WITNESS WHEREOF, the Tennessee Valley Authority, acting herein for itself and as legal agent of the United States of America, and being duly authorized so to do, has caused this instrument to be signed, sealed, attested, and delivered in its own name and in the name of the United States of America by its duly authorized officers, and its corporate seal to be hereunto affixed, as of the date first above written.

UNITED STATES OF AMERICA

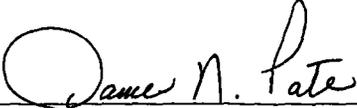
By Tennessee Valley Authority
Its Legal Agent

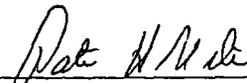
and

(Seal)

Attest:

TENNESSEE VALLEY AUTHORITY


Assistant Secretary

By 
Manager of Business Resources

STATE OF TENNESSEE)
) SS
COUNTY OF HAMILTON)

On the 23rd day of June, 1992, before me appeared PATRICIA H. MILLER and JAMES N. PATE, to me personally known, who, being by me duly sworn, did say that they are the Manager of Business Resources 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, sealed, and delivered 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 PATRICIA H. MILLER and JAMES N. PATE 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 Chattanooga, Tennessee, the day and year aforesaid.

Bobby L. Lewis
Notary Public

(Seal)

My commission expires: Nov. 17, 1993

The United States of America and the Tennessee Valley Authority, Grantors, and the Electric Plant Board of the City of Mayfield, Kentucky, and the West Kentucky Rural Electric Cooperative Corporation, Grantees, do hereby certify, pursuant to Kentucky Revised Statutes Chapter 382, that the above-stated consideration is the full consideration paid for the property herein conveyed.

GRANTORS:

UNITED STATES OF AMERICA

By Tennessee Valley Authority
Its Legal Agent
and
TENNESSEE VALLEY AUTHORITY

By *Pat H Miller*
Manager of Business Resources

STATE OF TENNESSEE
COUNTY OF HAMILTON

The foregoing certification was acknowledged before me on this 23rd day of June, 1992, by Patricia H. Miller, Manager of Business Resources of the TENNESSEE VALLEY AUTHORITY, a corporation, on behalf of said corporation for itself and as legal agent of the UNITED STATES OF AMERICA.

Joseph R. Lewis (Seal)
Notary Public

My commission expires Nov. 17, 1993

GRANTEES:

ELECTRIC PLANT BOARD OF THE CITY
OF MAYFIELD, KENTUCKY

WEST KENTUCKY RURAL ELECTRIC
COOPERATIVE CORPORATION

By _____
Superintendent

By _____
President

COMMONWEALTH OF KENTUCKY
COUNTY OF GRAVES

The foregoing certification was acknowledged before me on this _____ day of _____, 199_, by James R. Gooch, Superintendent of the ELECTRIC PLANT BOARD OF THE CITY OF MAYFIELD, KENTUCKY, and Ralph C. Edrington, President of the WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION, Kentucky corporations, on behalf of the corporations.

Notary Public

My commission expires _____, 199_

The United States of America and the Tennessee Valley Authority, Grantors, and the Electric Plant Board of the City of Mayfield, Kentucky, Grantee, do hereby certify, pursuant to Kentucky Revised Statutes Chapter 382, that the above-stated consideration is the full consideration paid for the property herein conveyed.

Grantors:

UNITED STATES OF AMERICA

By Tennessee Valley Authority
Its Legal Agent
and
TENNESSEE VALLEY AUTHORITY

By Patricia H. Miller
Manager of Business Resources

STATE OF TENNESSEE
COUNTY OF HAMILTON

The foregoing certification was acknowledged before me on this 23rd day of June, 1992, by Patricia H. Miller, Manager of Business Resources, of the TENNESSEE VALLEY AUTHORITY, a corporation, on behalf of said corporation for itself and as legal agent of the UNITED STATES OF AMERICA.

Bobby L. Lewis
Notary Public

My commission expires Nov 17, 1993

Grantee:

ELECTRIC PLANT BOARD OF THE CITY
OF MAYFIELD, KENTUCKY

By James R. Gooch
Superintendent

COMMONWEALTH OF KENTUCKY
COUNTY OF GRAVES

The foregoing certification was acknowledged before me on this 16th day of July, 1992, by James R. Gooch, Superintendent of the ELECTRIC PLANT BOARD OF THE CITY OF MAYFIELD, KENTUCKY, a Kentucky corporation, on behalf of the corporation.

STATE OF KENTUCKY
COUNTY OF GRAVES, SCT

I, Glen Bruce, Clerk of the County in and for the State and County aforesaid do certify that this deed was lodged in my office for record on the 16 day of July, 1992, at 2:46 o'clock, duly taxed and the same and the foregoing and this certificate have been duly recorded in Deed Book 337, Page 714 in the Graves County Clerk's Office, this the 17 day of July, 1992

GLEN BRUCE, CLERK
BY [Signature] DC



STATE OF KENTUCKY
COUNTY OF GRAVES, Sct

I, Glen Bruce, Clerk of the County Court in and for the
State and County aforesaid do certify that this instrument
was lodged in my office for record on the 10 day of
July 1992 at 2:46 Pm and the
same and the foregoing and this certificate have been
duly recorded in Deed Book 337 page 714
in the Graves County Court Clerk's Office this the 17
day of July 1992
GLEN BRUCE, Clerk
By [Signature] D.C.



Tennessee Valley Authority, Post Office Box 509, Mayfield, Kentucky 42066

July 10, 1992

Mr. James R. Gooch, Superintendent
Mayfield Electric and Water Systems
P.O. Box 347
Mayfield, Kentucky 42066-0347

Dear Mr. Gooch:

This is to acknowledge that we have received from Mayfield Electric and Water Systems the sum of Eighty-three Thousand Seven Hundred Sixty-three Dollars and Ninety Cents (\$83,763.90) as consideration for the conveyance by TVA and the United States of America of certain jointly leased facilities, which are more particularly described in the Deed and Bill of Sale duly executed and delivered herewith. This sum represents the cost to your electric system of acquiring 72-percent interest in the facilities and properties jointly leased with West Kentucky Rural Electric Cooperative Corporation under Lease and Amendatory Agreement TV-59310A, Supplement No. 1/TV-59577A, Supplement No. 3, dated May/4, 1983, as amended.

This is to also acknowledge that we have received from your electric system the sum of Thirty-six Thousand Seven Hundred Seventy-three Dollars and Eighty-six Cents (\$36,773.86) as consideration for the conveyance by TVA and the United States of America of certain individually leased facilities, which are more particularly described in the Bill of Sale and Quitclaim Deed duly executed and delivered herewith. These facilities were also previously leased to your electric system under the above-referenced agreement.

Based on the result of TVA's environmental review, we would like to make you aware that the conveyed section of the Mayfield District-Fulton 69-kV Line appears to cross wetlands at several locations (particularly in the vicinity of the Cane and Opossum Creeks and the Obion River). 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 wetland areas.

Mr. James R. Gooch, Superintendent
Page 2
July 10, 1992

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

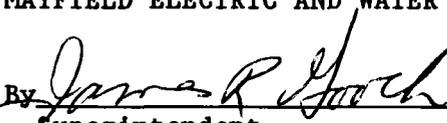
Very truly yours,



Myron N. Callaham, Manager
Kentucky Customer Service Center

Receipt of instruments acknowledged
this 14 day of July 1992.

MAYFIELD ELECTRIC AND WATER SYSTEMS

By 
Superintendent

LEASE AND AMENDATORY AGREEMENT

TV-59310A

Sup. 1

Among

UNITED STATES OF AMERICA,
TENNESSEE VALLEY AUTHORITY,

TV-59577A

Sup. 3

ELECTRIC PLANT BOARD OF THE CITY OF MAYFIELD, KENTUCKY,
And
WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION*Sec 5 #, L dated
3-10-83*

6-

THIS AGREEMENT, made and entered into as of the 14th day of May, 1983, 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"); ELECTRIC PLANT BOARD OF THE CITY OF MAYFIELD, KENTUCKY (hereinafter called "Board"), a municipal corporation duly created, organized, and existing under and by virtue of the laws of the Commonwealth of Kentucky; and WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION (hereinafter called "Cooperative"), a cooperative corporation duly created, organized, and existing under and by virtue of the laws of the Commonwealth of Kentucky;

W I T N E S S E T H:

WHEREAS, TVA and Board have heretofore entered into a contract dated as of March 25, 1982 (which contract as it may be amended and supplemented is hereinafter called the "Board Power Contract"), under which electric power and energy are supplied by TVA at wholesale and purchased by Board for resale; and

WHEREAS, TVA and Cooperative have heretofore entered into a contract dated as of April 26, 1982 (which contract as amended and supplemented is hereinafter called the "Cooperative Power Contract"), under which electric power and energy are supplied by TVA at wholesale and purchased by Cooperative for resale; and

WHEREAS, under the Board Power Contract, Board takes a portion of its power requirements from a 13-kV delivery point at TVA's Mayfield District Substation; and under the Cooperative Power Contract, Cooperative takes a portion of its power requirements from a 13-kV delivery point at said substation; and

WHEREAS, under Agreement TV-23465A, Supplement No. 16, dated June 1, 1981 (hereinafter called "Supplemental Agreement"), between Board and TVA, Board takes the remaining portion of its power requirements for resale to the Ingersoll-Rand Company from a 69-kV delivery point at the point of connection of Board's Ingersoll-Rand 69-kV tapline to TVA's Mayfield District-Fulton 69-kV Line; and

WHEREAS, Board and Cooperative, acting jointly in certain respects and separately in certain respects as hereinafter set forth, wish to lease and have the option of purchasing certain facilities at the Mayfield District Substation, and Board also wishes to lease and have the option of purchasing the section of the Mayfield District-Fulton 69-kV Line between said substation and the Ingersoll-Rand tap point, including certain of the appurtenant interests in land which are owned by the United States of America, to enable Board and Cooperative to take their respective power requirements at said substation at 69 kV; and

WHEREAS, the parties wish to amend and supplement the Board Power Contract and the Cooperative 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:

ARTICLE I

JOINTLY LEASED FACILITIES

1.1 Lease. Beginning on May 24, 1983 (hereinafter called "Initial Lease Date"), and extending for a term not to exceed 8 years thereafter, the United States of America and TVA hereby lease to Board and Cooperative, jointly and severally, the following properties (hereinafter collectively called "Jointly Leased Facilities") located in Graves County, 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 Jointly 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 Jointly 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 \$1,640. In accordance with the respective percentages of the capability of the Jointly Leased Facilities to which Board and Cooperative are entitled under section 1.2 hereof, Board shall pay 72 percent and Cooperative shall pay 28 percent of the actual monthly payment.

The approximately 4.95-acre portion (hereinafter called "Parcel 1") of TVA's Mayfield District Substation site (identified on TVA's records as part of Tract MAYSS-1, being further described as that property acquired by the United States of America by deed of record in Deed Book 139, page 31, in the office of the County Clerk of Graves County, Kentucky), which portion is indicated by a red outline on TVA's drawing LC-19310, R-14, marked Exhibit A attached hereto and hereby made

a part hereof, together with (1) the 69-13-kV transformer installations 1 and 2, the 13-kV transformer supply bus facilities extending from said transformer installations 1 and 2 to and including the 13-kV service bay in the 13-kV switching structure, the station service transformer installation in said service bay, the substation switchhouse, and all other facilities on Parcel 1 except as excluded hereinbelow, (2) the 69-kV overhead busses extending from said transformer installations 1 and 2 on Parcel 1 to and including 69-kV disconnect switches 657 and 659 in the 69-kV switching structure located on the remaining portion (hereinafter called "Parcel 2") of said substation site, and (3) the 69-kV bank circuit breaker installation No. 664 in the 69-kV switching structure on Parcel 2, exclusive of the 69-kV main and transfer busses in the bay for said breaker; but excluding (a) the 69- and 13-kV switching facilities identified under section 2.1 hereof, (b) the 13-kV switching facilities identified under section 3.1 hereof, (c) the complete 13-kV capacitor installations on Parcel 1 and the associated supply bus facilities, (d) the 13-kV common-use metering current and voltage transformers in the 13-kV service bay, the metering cables, and the complete switchhouse metering panels (including the magnetic tape demand recorders and associated meters) in the three 13-kV revenue metering installations used in determining deliveries to Board and Cooperative, (e) the control and relaying facilities in the switchhouse for TVA's 69-kV line circuit breaker installations 734 and 764, including switchboard panels, control cables, and associated apparatus, (f) the spare-line and reclosing relays associated with 69-kV bank circuit breaker No. 664, (g) the overhead groundwires extending from groundwire structures on Parcel 1 to structures on Parcel 2, (h) any facilities for which expenditures were committed by TVA after January 1, 1977, (i) any portable facilities and equipment (bearing TVA's numbered tags) which TVA chooses to remove, and (j) any fallout shelter items, equipment, and facilities in the switchhouse which TVA chooses to remove.

The parties recognize that there may be facilities described above but excluded from the Jointly Leased Facilities under item (h) above (hereinafter called "Jointly Purchased Facilities") for which expenditures were committed by TVA after January 1, 1977. In such event, TVA will submit to Board and Cooperative, as soon as practicable after the Initial Lease Date, an itemized statement in the amount of the actual net book cost, as determined by TVA from TVA's records as of the Initial Lease Date, of the Jointly Purchased Facilities. Upon receipt of said statement, Board shall pay TVA 72 percent of the amount specified therein and Cooperative shall pay TVA 28 percent of the amount specified therein in accordance with the respective

percentages of the capability of the Jointly Purchased Facilities to which Board and Cooperative are entitled under section 1.2 hereof. Effective with the date of such payment, the Jointly Purchased Facilities shall become the joint property of Board and Cooperative without further action by the parties.

TVA hereby retains the right to keep in place the facilities excluded from the Jointly Leased Facilities under item (c) above for operation pursuant to the provisions of section 4.1 hereof and under item (d) above for operation pursuant to the provisions of section 4.2 hereof. TVA hereby also retains the right to keep in place the facilities excluded from the Jointly Leased Facilities under items (e), (f), and (g) above, together with such rights of access in, on, over, and across the Jointly Leased Facilities and Jointly 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 Jointly Leased Facilities under items (i) and (j) above.

TVA hereby provides Board and Cooperative with permission to keep in place such of the Jointly Leased Facilities and Jointly Purchased Facilities as are located on Parcel 2, together with such nonexclusive rights of access in, on, over, and across Parcel 2 as are necessary for Board's and Cooperative's purposes under this agreement.

TVA hereby further retains such rights as may be appropriate to meet any obligations TVA may have under its license agreement (TV-23430A) dated March 23, 1962 (hereinafter called "License Agreement"), licensing use of a portion of the Mayfield District Substation site to the Berry & Whitford Commission Company, which, on July 25, 1966, assigned its license privileges to the Mayfield Livestock Sales Company, which, on October 29, 1976, assigned its license privileges to Graves County Livestock, Inc.

1.2 Division of Facilities Capability. It is recognized that during Board's and Cooperative's joint lease term and under an agreement between them, Board and Cooperative will be entitled to the use of 72 percent and 28 percent, respectively, of the load-carrying capability of the Jointly Leased Facilities and the Jointly Purchased Facilities. In connection therewith, Board and Cooperative hereby agree to determine such division of jurisdiction over and responsibility for maintenance of the Jointly Leased Facilities and Jointly Purchased Facilities as deemed necessary and desirable by them.

It is further recognized that, as the result of changes in their respective power requirements, Board and Cooperative may during the joint lease term wish to adjust the percentages of entitlement to the use of the capability of the Jointly Leased Facilities and Jointly Purchased Facilities as set forth in the preceding paragraph. In the event that Board and Cooperative agree upon such an adjustment (including one in which Board's entitlement is 100 percent), they shall jointly notify TVA in writing of such agreed-upon adjustment and its effective date. Effective as of said date, the percentages of entitlement for purposes of sections 1.1, 1.5, and 4.3 hereof shall be considered amended to reflect such adjustment; provided, however,

that if Board and Cooperative disagree concerning any of their respective payment obligations to TVA under this adjustment agreement, TVA may in its sole discretion declare the adjustment agreement terminated, and thereafter the original percentages of entitlement provided for in this section shall control.

1.3 Operation and Maintenance. During the joint lease term, Board and Cooperative at their expense shall, except as provided in section 4.2 hereof with respect to the metering facilities, operate and maintain the Jointly Leased Facilities and Jointly Purchased Facilities in accordance with good, modern practices and procedures, making all repairs, additions, and replacements. Any such additions to the Jointly Leased Facilities shall be and remain the joint property of Board and Cooperative and may be removed jointly by Board and Cooperative at any time thereafter. Any such replacements of the Jointly Leased Facilities shall become the property of TVA, unless otherwise agreed, without further action of the parties and shall become a part of the Jointly 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 Jointly Leased Facilities in accordance with sections 1.1 and 1.5 hereof, respectively. Board and Cooperative may move, modify, rearrange, or retire any of the Jointly Leased Facilities or Jointly Purchased Facilities, but only upon agreement with TVA as to such changes.

It is recognized that certain control circuits included in the Jointly Leased Facilities and Jointly Purchased Facilities overlap control circuits to be retained by TVA. From and after the Initial Lease Date, the operational testing of such overlapping circuits shall be coordinated among the parties' operating representatives, and Board and Cooperative shall give TVA adequate notice of 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.

It is further recognized that use of 69-kV bank circuit breaker No. 664, included in the Jointly Leased Facilities and Jointly Purchased Facilities, may be required by Board and TVA for spare-line purposes and that the spare-line relays associated with said breaker are retained by TVA. From and after the Initial Lease Date, TVA shall have the right to use without charge said breaker for its said purposes, and, as consideration therefor, Board shall have the right to use without charge said spare-line relays for its said purposes; provided, however, that any such use of said breaker and relays by either Board or TVA shall be coordinated between their operating representatives.

It is also recognized that TVA has reserved rights for use of a portion of the Mayfield District Substation site under the License Agreement, and Board and Cooperative agree during the term of the license not to utilize or operate the Jointly Leased Facilities or Jointly Purchased Facilities in any manner inconsistent with the exercise of the license.

During the joint lease term, Board and Cooperative shall make every reasonable effort, including timely application for judicial relief, to

discourage, prevent, and eliminate any encroachment on or other interference with their leasehold interest in the Jointly Leased Facilities or with their proper and safe use and operation of the Jointly Leased Facilities and Jointly 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 Board and Cooperative.

1.4 Indemnity. Board and Cooperative shall reimburse TVA for any damage to TVA's property and to property in TVA's custody, and Board and Cooperative release 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 Board or Cooperative, their agents and employees, or third parties arising out of or in any way connected with (a) Board's or Cooperative's use of Parcel 2 or (b) the use, occupancy, maintenance, operation, failure, revision, repair, replacement, or removal of any of the Jointly Leased Facilities or Jointly 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 that Board and Cooperative take title to the Jointly Leased Facilities by exercise of the option to purchase as provided in section 1.5 hereof.

1.5 Option to Purchase Jointly Leased Facilities. During the joint lease term, Board and Cooperative shall jointly have the option to purchase the Jointly 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 Jointly 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 joint lease term upon written notice by Board and Cooperative to TVA. Upon exercising the option, Board and Cooperative shall pay 72 percent and 28 percent, respectively, of said purchase price promptly upon receipt of statements therefor, and title to the Jointly Leased Facilities will be conveyed by TVA to Board and Cooperative jointly by a special warranty deed and bill of sale under which Board will acquire a 72 percent undivided interest and Cooperative a 28 percent undivided interest in the Jointly Leased Facilities. Title will be conveyed on, or as soon as practicable after, the date on which Board and Cooperative pay said purchase price. Said deed and bill of sale shall contain (a) a proper description of the Jointly Leased Facilities, (b) appropriate reservations consistent with TVA's rights and responsibilities under this agreement, (c) appropriate reservations consistent with any then outstanding obligations TVA may have under the License Agreement, and (d) appropriate reservations for such TVA-owned substation, transmission, and communication facilities as are then located on the Jointly Leased Facilities or Jointly Purchased Facilities and are not provided for in this agreement.

*See Deed
BOS dated
6-23-92*

If Board and Cooperative have not jointly exercised said option to purchase the Jointly Leased Facilities by the end of the joint lease term, Board and Cooperative shall return possession of the Jointly 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 Jointly 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 Board's and Cooperative's responsibility thereafter to arrange for alternate stepdown facilities for the power made available by TVA at 69 kV (a) to Board in accordance with the amendment to the Board Power Contract contained in section 2.2 hereof and (b) to Cooperative in accordance with the amendment to the Cooperative Power Contract contained in section 3.2 hereof; provided, however, that after returning possession of the Jointly Leased Facilities to TVA, Board and Cooperative shall have a reasonable period in which to remove the Jointly Purchased Facilities and any other of their facilities then located on or connected to the Jointly Leased Facilities.

ARTICLE II

BOARD LEASED FACILITIES

2.1 Lease. Beginning on the Initial Lease Date and extending for a term not to exceed 8 years thereafter, the United States of America and TVA hereby lease to Board the following properties (hereinafter collectively called "Board Leased Facilities") located in Graves County, 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 Board 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 Board 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 Board and TVA only, to be approximately \$350.

- (A) The 69-kV and 13-kV facilities in the Mayfield District Substation used exclusively in service to Board, including (1) the 69-kV circuit breaker installation No. 744 in the 69-kV switching structure on Parcel 2, exclusive of the 69-kV main and transfer busses in the bay for said breaker and the 69-kV grounding transformer and connections to the 69-kV main bus in said breaker bay, (2) 13-kV feeder circuit breaker installations 254, 264, 274, 314, and 324 on Parcel 1, and (3) the control and relaying facilities in the switchhouse for said circuit breaker installation No. 744; but excluding (a) the metering current transformers in said 13-kV feeder breaker bays and the metering cables extending from said transformers

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Quitclaim
Deed, dated
6-23-92*

to the switchhouse, (b) any facilities for which expenditures were committed by TVA after January 1, 1977, and (c) any portable facilities and equipment (bearing TVA's numbered tags) which TVA chooses to remove.

- (B) The section of TVA's Mayfield District-Fulton 69-kV Line beginning at the Mayfield District Substation and extending approximately 2.40 miles to and including tap structure No. 38 at station 1014+10 including (1) only the single-circuit structures, conductors, insulators, and attachment facilities therefor in the portion of said line section beginning at said substation and extending to and including structure No. 13 at station 1104+16.7LB = 36+84.1LA (which portion of said line section is double circuited with TVA's Mayfield District-Mayfield 69-kV Line) and (2) all structures, facilities, and equipment in the remaining portion of said line section beginning at but excluding said structure No. 13 and extending to said tap structure No. 38, together with such easements and rights of way as TVA holds appurtenant to said remaining portion including those designated on TVA's records as the east 89 feet of Tract 4MFUR-25, Tract 4MFUR-32, and Tracts FMR-1 through FMR-3, all as shown on TVA drawing LW-2365, sheets 9 and 10 (which rights are further described as those acquired by the United States of America by instruments of record in Deed Book 123, page 379, Deed Book 161, page 271, Deed Book 166, page 191, Deed Book 171, page 640, and Deed Book 172, pages 75 and 449, in the office of the County Clerk of Graves County, Kentucky); but excluding any facilities for which expenditures were committed by TVA after January 1, 1977.

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

TVA hereby retains the right to keep in place the facilities excluded from the Board Leased Facilities under item (A)(a) above for operation pursuant to the provisions of section 4.2 hereof. On or as soon as practicable after the Initial Lease Date, TVA will remove the facilities excluded from the Board Leased Facilities under item (A)(c) above.

TVA hereby provides Board with permission to keep in place the portion of the Mayfield District-Fulton 69-kV Line section described in item (B)(1) above, together with such nonexclusive rights of access in, on, over, and across the appurtenant easements, rights of way, and structures as are necessary for Board's purposes under this agreement.

Board and TVA also recognize that the easements and rights of way set out in paragraph (B) above do not necessarily include the right to cross any roadways, railroads, utility lines, or other ways. Upon request, TVA will cooperate with Board in the acquisition by Board of any necessary crossing rights, but it is understood that such acquisition is the sole obligation of Board.

2.2 Amendment to Board Power Contract. Effective as of the Initial Lease Date, section 3 of the Board Power Contract is hereby amended by striking all material in the tabulation appearing therein and substituting therefor the following:

<u>Delivery Point</u>	<u>Normal Wholesale Delivery Voltage</u>
69-kV side of the Mayfield District Substation	69,000

The respective amounts of power and energy measured by the meters in the 13-kV revenue metering installations used in determining deliveries to Board at the Mayfield District Substation shall be appropriately adjusted by taking into account transformer losses to reflect delivery at the 69-kV delivery point specified above; the respective amounts of power and energy measured by TVA's meters on the low-tension side of Board's Ingersoll-Rand Substation shall be adjusted by taking into account transformer and transmission losses to reflect delivery at the 69-kV delivery point specified above; 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. Board shall furnish to TVA such loss data as may be necessary from time to time to permit TVA to determine transformer and transmission losses in Board's facilities used in serving the Ingersoll-Rand Company.

2.3 Operation and Maintenance. During Board's individual lease term, Board's obligations with respect to operation and maintenance of the Board Leased Facilities and Board Purchased Facilities shall be the same as those of Board and Cooperative with respect to operation and maintenance of the Jointly Leased Facilities and Jointly Purchased Facilities under section 1.3 hereof.

2.4 Indemnity. Board shall reimburse TVA for any damage to TVA's property and to property in TVA's custody, and Board 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 Board, its agents and employees, or third parties, including Cooperative, arising out of

or in any way connected with (a) Board's use of Parcel 2 or of the easements or rights of way or structures excluded from the Board Leased Facilities for the portion of the line section described in item (B)(1) of section 1 hereof or (b) the use, occupancy, maintenance, operation, failure, revision, repair, replacement, or removal of any of the Board Leased Facilities or Board 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 that Board takes title to the Board Leased Facilities by exercise of the option to purchase as provided in section 2.6 hereof.

2.5 Termination of Agreements. Effective as of the Initial Lease Date, (a) sections 2, 3, and 4 of the Supplemental Agreement respecting Board's 69-kV delivery point in TVA's Mayfield-Fulton 69-kV Transmission Line and (b) circuit breaker rental agreements dated September 16, 1947 (TV-97932), May 15, 1951 (TV-11549A), June 26, 1961 (TV-22746A), and December 18, 1964 (TV-25757A), between TVA and Board are hereby terminated; provided, however, that nothing contained herein shall be construed as terminating section 3 of said circuit breaker rental agreements, 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.

2.6 Option to Purchase Board Leased Facilities. During Board's individual lease term, Board shall have the option to purchase the Board 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 Board 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 term upon written notice by Board to TVA. Upon exercising the option, Board shall pay said purchase price promptly upon receipt of a statement therefor, and title to the Board Leased Facilities will be conveyed by TVA to Board by a quitclaim deed and bill of sale on, or as soon as practicable after, the date on which Board pays said purchase price. Said quitclaim deed and bill of sale shall contain (a) a proper description of the Board Leased Facilities, (b) appropriate reservations consistent with TVA's rights and responsibilities under this agreement, and (c) appropriate reservations for such TVA-owned substation, transmission, and communication facilities as are then located on the Board Leased Facilities and are not provided for in this agreement.

If Board has not exercised said option to purchase the Board Leased Facilities by the end of Board's individual lease term, Board shall return possession of the Board Leased Facilities to TVA in as good condition as they were received, less normal wear and tear. Thereafter, TVA shall be under no obligation to maintain the Board 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; provided, however, that after returning possession of the Board Leased Facilities to TVA, Board shall have a reasonable period in which to remove the Board Purchased Facilities and any other of its facilities then located on or connected to the Board Leased Facilities.

See
Bill of Sale
Quitclaim
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ARTICLE III

COOPERATIVE LEASED FACILITIES

3.1 Lease. Beginning on the Initial Lease Date and extending for a term not to exceed 8 years thereafter, the United States of America and TVA hereby lease to Cooperative the following properties (hereinafter collectively called "Cooperative Leased Facilities") located in Graves County, 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 Cooperative 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 Cooperative 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 Cooperative and TVA only, to be approximately \$120.

The 13-kV switching facilities in the Mayfield District Substation used exclusively in service to Cooperative, including the 13-kV feeder circuit breaker installations 214, 224, 244, 284, and 294 on Parcel 1; but excluding (1) any facilities for which expenditures were committed by TVA after January 1, 1977, and (2) any portable facilities and equipment (bearing TVA's numbered tags) which TVA chooses to remove.

*See bill of
Sale dated
6-23-72*

Cooperative and TVA recognize that there may be facilities described above but excluded from the Cooperative Leased Facilities under item (1) above (hereinafter called "Cooperative 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, as determined by TVA from TVA's records as of the Initial Lease Date, of the Cooperative Purchased Facilities. Upon receipt of said statement, Cooperative shall pay TVA the amount specified therein. Effective with the date of such payment, the Cooperative Purchased Facilities shall become the property of Cooperative without further action by Cooperative or TVA.

On or as soon as practicable after the Initial Lease Date, TVA will remove the facilities excluded from the Cooperative Leased Facilities under item (2) above.

3.2 Amendment to Cooperative Power Contract. Effective as of the Initial Lease Date, section 3 of the Cooperative Power Contract is hereby amended by striking from the tabulation appearing therein all references to the 13-kV delivery point at TVA's Mayfield District Substation and substituting therefor the following:

*eliminated
by S#12
3-10-57*

ce 5/12
ated
3-10-57

<u>Delivery Point</u>	<u>Normal Wholesale Delivery Voltage</u>
69-kV side of the Mayfield District Substation	69,000

The respective amounts of power and energy measured by the meters in the 13-kV revenue metering installations used in determining deliveries to Cooperative at the Mayfield District Substation shall be appropriately adjusted by taking into account transformer losses to reflect delivery at the 69-kV delivery point specified above, and such adjusted amounts shall be used for billing purposes hereunder and under the Cooperative Power Contract.

3.3 Operation and Maintenance. During Cooperative's individual lease term, Cooperative's obligations with respect to operation and maintenance of the Cooperative Leased Facilities and Cooperative Purchased Facilities shall be the same as those of Cooperative and Board with respect to operation and maintenance of the Jointly Leased Facilities and Jointly Purchased Facilities under section 1.3 hereof.

3.4 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, including Board, arising out of or in any way connected with the use, occupancy, maintenance, operation, failure, revision, repair, replacement, or removal of any of the Cooperative Leased Facilities or Cooperative 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 Cooperative Leased Facilities by exercise of the option to purchase as provided in section 3.6 hereof.

3.5 Termination of Agreement. Effective as of the Initial Lease Date, the circuit breaker rental agreement dated September 11, 1947 (TV-97883), between TVA and Cooperative is hereby terminated; provided, however, that nothing contained herein shall be construed as terminating section 3 of said circuit breaker rental 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.

see Bill of
le dated
23-92

3.6 Option to Purchase Cooperative Leased Facilities. During Cooperative's individual lease term, Cooperative shall have the option to purchase the Cooperative 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 Cooperative 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 term upon written

notice by Cooperative to TVA. Upon exercising the option, Cooperative shall pay said purchase price promptly upon receipt of a statement therefor, and title to the Cooperative Leased Facilities will be conveyed by TVA to Cooperative by a bill of sale on, or as soon as practicable after, the date on which Cooperative pays said purchase price. Said bill of sale shall contain (a) a proper description of the Cooperative Leased Facilities and (b) appropriate reservations consistent with TVA's rights and responsibilities under this agreement.

If Cooperative has not exercised said option to purchase the Cooperative Leased Facilities by the end of Cooperative's individual lease term, Cooperative shall return possession of the Cooperative Leased Facilities to TVA in as good condition as they were received, less normal wear and tear. Thereafter, TVA shall be under no obligation to maintain the Cooperative 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; provided, however, that after returning possession of the Cooperative Leased Facilities to TVA, Cooperative shall have a reasonable period in which to remove the Cooperative Purchased Facilities and any other of its facilities then located on or connected to the Cooperative Leased Facilities.

ARTICLE IV

GENERAL

4.1 Capacitor Installations. It is recognized that substation capacitor facilities are useful for reactive generation and for other purposes. TVA hereby retains (a) the right to keep in place, as currently connected to the Jointly Leased Facilities and/or Jointly Purchased Facilities, the existing 13-kV capacitor installations and associated supply bus facilities excluded from the Jointly Leased Facilities; (b) the right to install such additional capacitor installations as may be required from time to time and to connect said installations to the Jointly Leased Facilities, Jointly Purchased Facilities, Board Leased Facilities, Board Purchased Facilities, Cooperative Leased Facilities, and Cooperative Purchased Facilities (hereinafter called "Total Facilities"); provided, however, that the exercise of this right shall be conditioned on the availability of adequate space therefor as agreed upon by the parties; (c) the right to transmit the reactive generation from such capacitor installations into its system through the Total Facilities, and (d) such rights of access in, on, over, and across the Total Facilities as are necessary for the operation, maintenance, and replacement of said existing capacitor installations and associated supply bus facilities and any such additional capacitor installations as may be installed hereunder, and for the removal of any and all of either type of installation if and when no longer required unless other arrangements are agreed upon by the parties.

4.2 Facilities for Metering Board and Cooperative. The three 13-kV revenue metering installations at the Mayfield District Substation used in determining deliveries to Board and Cooperative shall be for TVA's exclusive

use and control unless otherwise agreed by the parties 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 Jointly Leased Facilities and Board Leased Facilities, and Board or Cooperative at their 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 common-use metering current and voltage transformers and metering cables from the Jointly Leased Facilities and of the metering current transformers and metering cables from the Board Leased Facilities, Board or Cooperative at their expense shall as requested by TVA from time to time perform necessary maintenance (including making of replacements) of said transformers and metering cables; provided, however, that TVA will furnish any replacement transformers and metering cables as may be required therefor. TVA will place its seals on all meters and metering facilities in said metering installations, and neither Board nor Cooperative shall 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 Mayfield District Substation 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 Board or Cooperative will thereafter assume full responsibility for and control over the facilities remaining in each replaced metering installation. TVA hereby retains the right to exercise its operational and maintenance rights and responsibilities under this section 4.2, together with such rights of access in, on, over, and across the Total Facilities as are necessary therefor.

4.3 Miscellaneous Arrangements at the Mayfield District Substation.

It is recognized that the station service transformer installation included in the Jointly Leased Facilities and Jointly Purchased Facilities at the Mayfield District Substation is principally required for power transformer cooling, but is connected on the source side of and therefore not metered by the 13-kV revenue metering installations referred to in section 4.2 hereof. It is also recognized that the station battery installation, located in the switchhouse, is also included in the Jointly Leased Facilities and Jointly Purchased Facilities. From and after the Initial Lease Date, (a) the station service energy requirements of Board at said substation, including 72 percent of the requirements for the Jointly Leased Facilities, will be equitably accounted for by adjustment to billings for the 69-kV deliveries to Board at the delivery point provided for in section 2.2 hereof, and (b) the station service energy requirements of Cooperative at said substation, including 28 percent of the requirements for said Jointly Leased Facilities, will be equitably accounted for by adjustment to billings for the 69-kV deliveries to Cooperative at the delivery point provided for in section 3.2 hereof. TVA hereby retains the right to use without charge said station service transformer installation and said station battery installation for its purposes at said substation.

It is also recognized that TVA will continue to require use of the access driveway located on Parcel 1 at the Mayfield District Substation. TVA hereby retains the right to use without charge said driveway for its purposes; provided, however, that in the event resurfacing of said driveway is required, unless otherwise agreed, Board and Cooperative will perform such resurfacing and TVA will reimburse Board and Cooperative for one-third the cost, including applicable overheads, incurred by Board and Cooperative therefor.

4.4 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 as long as either the Board Power Contract or the Cooperative Power Contract, or any extension, renewal, or replacement of either, continues in effect.

4.5 Successors and Assigns. This agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, but shall not be transferred or assigned by any party without the written consent of the others. In addition, Board and Cooperative agree that during the joint and individual lease terms they will not sublet, license any use of, or grant any other rights in or to use all or any portion of the Total Facilities without the prior written consent of TVA.

4.6 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 therefrom unless the agreement be made with a corporation for its general benefit, nor shall Board or 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.

4.7 Headings. The article and 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

(Seal)

and

Attest:

TENNESSEE VALLEY AUTHORITY

(s) James K. Dodd
Assistant Secretary

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

OGC

Attest:

ELECTRIC PLANT BOARD OF
THE CITY OF MAYFIELD, KENTUCKY

(s) E. W. Anderson, Jr.
(Title) Chairman
Electric Plant Board

By (s) Joe E. Rister
Superintendent

Attest:

WEST KENTUCKY RURAL ELECTRIC
COOPERATIVE CORPORATION

(s) Ralph C. Edrington
(Title) Secretary

By (s) Jeffrey Howard
President

STATE OF TENNESSEE)
)
COUNTY OF HAMILTON)

On this 24th day of May, 1983, before me appeared R. C. CRAWFORD and JAMES K. DODD, to me personally known, who, being by me duly sworn, did say that they are the Director of Energy Use and Distributor Relations and the 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 on the day and year therein mentioned 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 said R. C. CRAWFORD and JAMES K. DODD 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 Chattanooga, Tennessee, the day and year aforesaid.

(s) Bobby C. Reeves
Notary Public

(Seal)

My commission expires: 12/18/85.

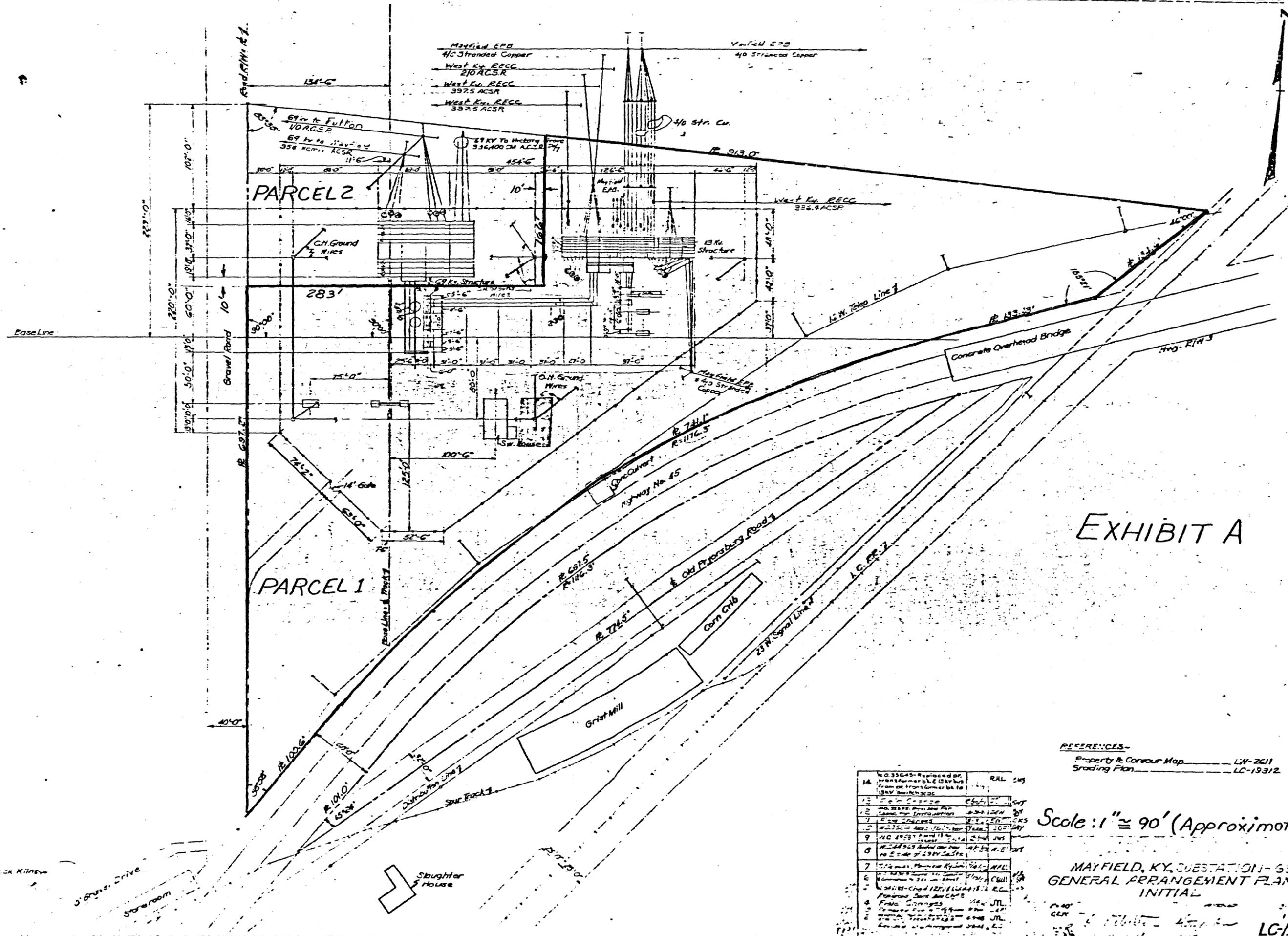


EXHIBIT A

REFERENCES-
 Property & Contour Map LN-2611
 Grading Plan LC-19312

Scale: 1" = 90' (Approximately)

No.	Description	Quantity	Notes
14	No. 33045-Replaced pr. transformer by E. 12 kv bus from old transformer to 15kv switchgear	1	RAL 2/5
13	15 kv Switchgear	1	CLW
12	15 kv Bus	1	CLW
11	15 kv Structure	1	CLW
10	15 kv Transformer	1	CLW
9	15 kv Transformer	1	CLW
8	15 kv Transformer	1	CLW
7	15 kv Transformer	1	CLW
6	15 kv Transformer	1	CLW
5	15 kv Transformer	1	CLW
4	15 kv Transformer	1	CLW
3	15 kv Transformer	1	CLW
2	15 kv Transformer	1	CLW
1	15 kv Transformer	1	CLW

MAYFIELD, KY. SUBSTATION-69 KV.
 GENERAL ARRANGEMENT PLAN
 INITIAL

AGREEMENT
Between
TENNESSEE VALLEY AUTHORITY
And

TV-59577A
Sup. 4

WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION

THIS AGREEMENT, made and entered into as of the 24 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 WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION (hereinafter called "Distributor"), a cooperative corporation duly created, organized, and existing under and by virtue of the laws of the Commonwealth of Kentucky;

W I T N E S S E T H:

WHEREAS, Distributor and TVA have heretofore entered into a contract dated April 26, 1982 (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-1, GS-1, 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-R, GP-R, 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. Powell*
Director of Energy Use
and Distributor Relations

WEST KENTUCKY RURAL ELECTRIC
COOPERATIVE CORPORATION

Attest:

Ralph C. Edrington
(Title) Secretary

Jeffrey Howard
(Title) President

TENNESSEE VALLEY AUTHORITY
SCHEDULE OF RATES AND CHARGES

WHOLESALE POWER RATE--SCHEDULE WP
(July 1983)

Availability

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

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

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

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

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

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

Adjustments

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

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

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

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

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

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

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

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

Determination of Demand

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

Facilities Rental

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

Minimum Bill

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

Single-Point Delivery

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

RESIDENTIAL RATE--SCHEDULE RP-R
(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: \$6.05 per month

Energy Charge: First 2,000 kWh per month at 4.966 cents per kWh
Additional " " " " 5.622 " " 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. 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.

GENERAL POWER RATE--SCHEDULE GP-R
(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: \$11.05 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 \$7.12 per kW
Excess over 100 kW of billing demand per month, at \$7.22 per kW

Energy Charge: First 15,000 kWh per month at 6.102 cents per kWh
Next 85,000 " " " " 4.453 " " kWh
Next 400,000 " " " " 3.122 " " kWh
Additional " " " " 3.105 " " 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 \$12.20 so long as service is connected; shall pay a minimum annual bill which shall in no case be less than (a) 11.50 cents per kWh of the maximum monthly consumption for customers whose billing demand does not exceed 50 kW or (b) 30.00 dollars per kWh 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 B below, which shall be applied to all service for street and park lighting.

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

Metering

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

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) 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	1,000	126,000	385	9.24
	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.

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. 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
Chattanooga, Tennessee 37401

June 24, 1983

TV-59577A
Sup. 5

Mr. Jeffrey Howard, President
West Kentucky Rural Electric
Cooperative Corporation
Mayfield, Kentucky 42066

Dear Mr. Howard:

West Kentucky Rural Electric Cooperative 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.

If 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.

WEST KENTUCKY RURAL ELECTRIC
COOPERATIVE 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
Chattanooga, Tennessee 37401

TV-59577A
Supp. 6

May 31, 1985

Mr. Ralph Edrington, President
West Kentucky Rural Electric
Cooperative Corporation
Mayfield, Kentucky 42066

Dear Mr. Edrington:

This will confirm the understanding reached between representatives of
West Kentucky Rural Electric Cooperative 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.

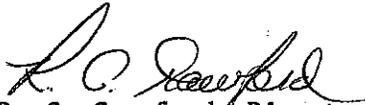
The parties hereto agree as follows with respect to computing the Hydro
Allocation Adjustment applicable under the wholesale power contract
(hereinafter called "Power Contract"), dated April 26, 1982, as it may
heretofore have been amended and supplemented. For the annual period ending
June 30, 1985, 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. Ralph Edrington
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.

WEST KENTUCKY RURAL ELECTRIC
COOPERATIVE CORPORATION

By Ralph C. Edrington
President

TENNESSEE VALLEY AUTHORITY
Chattanooga, Tennessee 37402-2801

TV-59577A
Supp No. 7

July 2, 1986

Mr. Ralph Edrington, President
West Kentucky Rural Electric
Cooperative Corporation
Mayfield, Kentucky 42066

Dear Mr. Edrington:

This will confirm the understanding reached between representatives of the West Kentucky Rural Electric Cooperative Corporation (hereinafter called "Distributor") and the Tennessee Valley Authority (hereinafter called "TVA") with respect to supplementing and amending Power Contract TV-59577A, dated April 26, 1982 (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.

W072286
LA III-119

Mr. Ralph Edrington
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.

WEST KENTUCKY RURAL ELECTRIC
COOPERATIVE CORPORATION

By Ralph C. Edrington
President

AGREEMENT
Between
TENNESSEE VALLEY AUTHORITY
And

TV-59577A
Supp No. 8

WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION

THIS AGREEMENT, made and entered into as of the 23 day of September, 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 WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION (hereinafter called "Distributor"), a cooperative corporation duly created, organized, and existing under and by virtue of the laws of the Commonwealth of Kentucky;

W I T N E S S E T H:

WHEREAS, TVA and Distributor have heretofore entered into a contract dated April 26, 1982 (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-R, GP-R, 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-17, GP-17, 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 *R. B. Davis*
Director of Energy Use and
Distributor Relations

Attest:

WEST KENTUCKY RURAL ELECTRIC
COOPERATIVE CORPORATION

Clayton Lyke
Secretary

By *Ralph C. Edrington*
President

TENNESSEE VALLEY AUTHORITY
SCHEDULE OF RATES AND CHARGES

WHOLESALE POWER RATE--SCHEDULE WP
(October 1986)

Availability

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

Base Charges

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

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

Energy Charge: 1.861 cents per kWh per month

Adjustments

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

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

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

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

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

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

4. Distributor's bill for each month shall be adjusted by applying the net of the following calculation: (1) subtract 0.589 cent per kWh for one-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 (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.

RESIDENTIAL RATE--SCHEDULE RP-17
(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: \$5.65 per month

Energy Charge: First 2,000 kWh per month at 5.311 cents per kWh
Additional " " " " 5.900 " " 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-17
(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: \$10.65 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 \$10.49 per kW
Next 1,500 kW of billing demand per month, at \$10.86 per kW
Excess over 2,500 kW of billing demand per month, at \$11.24 per kW, plus an additional

\$11.24 per kW per month for each kW, if any, of the amount by which the customer's billing demand exceeds the higher of 2,500 kW or its contract demand

Energy Charge: First 15,000 kWh per month at 6.365 cents per kWh
Additional kWh per month at 2.878 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 after October 2, 1989. If the reactive demand (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 kW the amount of reactive demand. Such charges 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 B below, which shall be applied to all service for street and park lighting.

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

Metering

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

Revenue and Cost Review

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

PART B—CHARGES FOR OUTDOOR LIGHTING FOR INDIVIDUAL CUSTOMERS

Charges Per Fixture Per Month

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

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

(b) Energy Charge: For each lamp size under (a) above, 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
Chattanooga, Tennessee 37402-2801

TV-59577A
Supp No. 9

SEP 23 1986

Mr. Ralph Edrington, President
West Kentucky Rural Electric
Cooperative Corporation
Mayfield, Kentucky 42066

Dear Mr. Edrington:

By agreement of even date herewith, West Kentucky Rural Electric Cooperative Corporation (hereinafter called "Distributor") and the Tennessee Valley Authority (hereinafter called "TVA") have supplemented and amended the wholesale power contract between them dated April 26, 1982, 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. Ralph Edrington

SEP 23 1986

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

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

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

Very truly yours,

TENNESSEE VALLEY AUTHORITY



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

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

WEST KENTUCKY RURAL ELECTRIC
COOPERATIVE CORPORATION

By Ralph C. Edrington
President

AGREEMENT

TV-59577A
S. 10

Between

TENNESSEE VALLEY AUTHORITY

And

WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION

THIS AGREEMENT, made and entered into as of the 21st day of November 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 WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION (hereinafter called "Cooperative"), a cooperative corporation duly created, organized, and existing under and by virtue of the laws of the Commonwealth of Kentucky;

W I T N E S S E T H:

WHEREAS, TVA and Cooperative have heretofore entered into a power contract dated as of April 26, 1982 (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, TVA, Cooperative, and General Tire, Inc. (hereinafter called "Company"), 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 limited interruptible power for operation of Company's plant near Mayfield, Kentucky, with TVA having the right to require that reductions be made in the availability of said limited interruptible power; 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 November 24, 1986, and shall continue in effect until expiration or termination of the Company Contract, or of the Power Contract, or until limited interruptible power is no longer available under the Company Contract, whichever first occurs.

2. Billing Data. It is understood and agreed that the metering facilities to be used in billing Company under the Company Contract were installed under the Load Research Program Agreement, TV-68270A, dated September 26, 1985, between TVA and Cooperative. Each month TVA shall, as soon as practicable after the scheduled meter-reading date for Company, furnish to Cooperative the metering data necessary to bill Company for power and energy made available under the Company Contract, and at the time Cooperative renders such bill to Company, it shall send a copy of the bill to TVA.

3. Adjustments to Cooperative's Wholesale Billing. In calculating the wholesale bill each month for Cooperative, the following steps will be taken with respect to Company: (1) 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 three percent

to reflect losses, (2) 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, and (3) 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 charges derived by applying the surcharge provided for in subsection (a) of the first paragraph of section 6 of 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, limited interruptible power, and excess power 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 wholesale rate schedule to Cooperative's wholesale bill with respect to a minimum bill applicable to Company. The reference herein to "Company's billing demands for firm power, limited interruptible power, and excess power" shall mean those terms as they are used in the Company Contract.

The provisions of section 4 of Supplement 8, dated September 23, 1986, to the Power Contract shall not be applicable with respect to Company during the term of this agreement.

4. Metering Facilities. In the event that, at any time during the term of this agreement, either party determines that the metering facilities installed under said Load Research Program Agreement are not adequate for billing purposes under the Company Contract, or said Load Research Program Agreement is terminated, TVA and Cooperative shall (a) mutually select and arrange for the installation of appropriate additional or replacement metering facilities and (b) agree upon an appropriate division of the cost of acquiring and installing such facilities.

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 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.

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

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

TENNESSEE VALLEY AUTHORITY

By

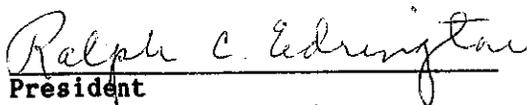

Manager of Power

Attest:

WEST KENTUCKY RURAL ELECTRIC
COOPERATIVE CORPORATION


Title:

By


President

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

THIS AGREEMENT, made and entered into as of the 27th day of JANUARY, 1987, 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 WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION (hereinafter called "Distributor"), a cooperative corporation duly created, organized, and existing under and by virtue of the laws of the Commonwealth of Kentucky;

W I T N E S S E T H:

WHEREAS, TVA and Distributor have heretofore entered into a contract dated April 26, 1982 (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

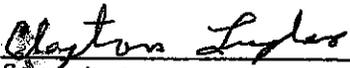
By



Director of Energy Use
and Distributor Relations

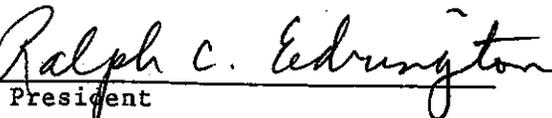
Attest:

WEST KENTUCKY RURAL ELECTRIC
COOPERATIVE CORPORATION



Secretary

By



President

W090586
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TENNESSEE VALLEY AUTHORITY
Chattanooga, Tennessee 37402-2801

TV-59577A
Supp No. 12

March 10, 1987

Mr. Ralph C. Edrington, President
West Kentucky Rural Electric
Cooperative Corporation
Mayfield, Kentucky 42066

Dear Mr. Edrington:

Under Lease and Amendatory Agreement TV-23488A, Supplement No. 14, dated January 17, 1980 (hereinafter called "Lease Agreement"), among the United States of America, the Tennessee Valley Authority (hereinafter called "TVA"), and West Kentucky Rural Electric Cooperative Corporation (hereinafter called "Cooperative"), Cooperative leases with option to purchase certain facilities (in the Lease Agreement and hereinafter called "Leased Facilities") including the Hickory Grove Substation. Cooperative takes portions of its power requirements from 69-kV delivery points at the Hickory Grove and Mayfield District Substations in accordance with the power contract, dated April 26, 1982, between Cooperative and TVA (which contract as amended and supplemented is hereinafter called the "Power Contract"). We understand that Cooperative wishes to add TVA's Mayfield District-Hickory Grove 69-kV Line to the Leased Facilities to permit elimination of the 69-kV delivery point at the Mayfield District Substation. This will confirm the arrangements developed by representatives of the parties with respect thereto.

It is understood and agreed among Cooperative, TVA, and the United States of America acting by and through its legal agent, TVA, that:

1. Effective as of March 24, 1987 (hereinafter called "69-kV Service Date"), the Lease Agreement is hereby amended by adding the following provisions to section 1 to include additional facilities in the Leased Facilities described therein:

- (G) TVA's complete 69-kV circuit breaker installation 734 at the Mayfield District Substation including (1) the associated structures (except for those structural facilities which are common to the adjacent steel bay), foundations, disconnect switches, insulators, busses (except for the 69-kV main and transfer busses), conduit, cable, and related facilities and (2) the control and

Mr. Ralph C. Edrington
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relaying facilities in the switchhouse on said substation site which are associated with said circuit breaker installation; but excluding any facilities for which expenditures were committed by TVA after January 1, 1977.

- (H) TVA's Mayfield District-Hickory Grove 69-kV Line beginning at the Mayfield District Substation and extending approximately 4.32 miles to the Hickory Grove Substation including the 69-kV tap and switch structure at station 11+21.3 near the Hickory Grove Substation and all facilities installed on this structure except the insulators, conductors, and attachment facilities for TVA's line extending therefrom to TVA's Mayfield 161-kV Substation, together with the easements and rights-of-way appurtenant thereto affecting property designated on TVA's records as Tracts MHG-1, MHG-1A, MHG-2 through MHG-6, 233 feet of MV-10, MV-11 through MV-37, and 482.5 feet of MV-38, all as shown on TVA drawings LW-4808, sheets 1, 2, and 3, and LW-5599, sheet 5 (which property rights are further described as those rights acquired by the United States of America by instruments of record in Deed Book 172, pages 99, 424, 426, 441, 443, 446, and 679, in the office of the County Clerk of Graves County, Kentucky); but excluding any facilities for which expenditures were committed by TVA after January 1, 1977.

Inclusion of the above-described facilities in the Leased Facilities shall be for all purposes under the Lease Agreement (including the indemnity provisions of section 5 thereof) except that the 69-kV Service Date shall be considered to be the Initial Lease Date for purposes of determining the annual rental on and the purchase price for the above-described facilities as part of the Leased Facilities in accordance with sections 1 and 8 of the Lease Agreement, respectively, and the option to purchase the above-described facilities shall be modified as indicated below. Said inclusion is estimated, for the convenience of the parties only, to increase the monthly rental payment provided for in said section 1 by approximately \$185.

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The parties recognize that there may be facilities described above but excluded from the Leased Facilities under paragraphs (G) and (H) above (hereinafter referred to as "Additional 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 69-kV Service Date, an itemized statement in the amount of the actual net book cost, as determined by TVA from TVA's records as of the 69-kV Service Date, of the Additional Purchased Facilities. Upon receipt of said statement, Cooperative shall promptly pay TVA the amount specified therein, and effective with the date of such payment the Additional Purchased Facilities shall become the property of Cooperative without further action by the parties. It is recognized that, effective as of the 69-kV Service Date, all references to "Purchased Facilities" in the Lease Agreement shall also be deemed to refer to the Additional Purchased Facilities.

The parties also recognize that the easements and rights-of-way described in paragraph (H) 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.

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 Additional Purchased Facilities referred to in paragraph (G) above as are located on the portion of the Mayfield District Substation site retained by TVA (hereinafter called "Parcel 2"), together with such permission for access in, on, over, and across Parcel 2 as may be necessary for Cooperative's purposes under this agreement. It is further recognized that the provisions of section 5 of the Lease Agreement shall be applicable with respect to any damages, claims, demands, or causes of action arising out of or in any way connected with Cooperative's use of Parcel 2.

TVA hereby retains the right to use from time to time without charge the Mayfield District-Hickory Grove 69-kV Line (included in the Leased Facilities under paragraph (H) above) to transmit power from TVA's Mayfield 161-kV Substation to other substations in the Mayfield-Hickory Grove area. Accordingly, until otherwise agreed by TVA, Cooperative shall operate and maintain said 69-kV line intact to permit TVA's said use.

It is further recognized that for the Leased Facilities and Additional Purchased Facilities there are special clearing arrangements such as those described for Tracts MV-10, MV-21, MV-26, MV-32, MV-34, and MV-36 (referred to in paragraph (H) above) in the drawings and documents to be furnished in connection with this agreement.

Mr. Ralph C. Edrington
March 10, 1987

TVA hereby retains such rights as may be appropriate to afford (a) Bobby G. Rodgers and Rebecca E. Rodgers (Rodgers) such privileges as they may have under the Permit and Covenants Agreement (TV-37751A) dated February 13, 1973, of record in Deed Book 237, page 621, in the office of the County Clerk of Graves County, Kentucky, for an encroachment affecting Tract MV-19 of the Mayfield District-Hickory Grove 69-kV Line, (b) James H. Tankersley and Margaret J. Tankersley (Tankersley) such privileges as they may have under the Permit and Covenants Agreement (TV-46810A) dated July 15, 1977, of record in Deed Book 263, page 523, in the office of the County Clerk of Graves County, Kentucky, for an encroachment affecting Tract MV-19 of the Mayfield District-Hickory Grove 69-kV Line, and (c) Hal H. Gibson (Gibson) such privileges as he may have under the Permit and Covenants Agreement (TV-48260A) dated August 7, 1978, of record in Deed Book 270, page 645, in the office of the County Clerk of Graves County, Kentucky, for an encroachment affecting Tract MV-22 of the Mayfield District-Hickory Grove 69-kV Line. It is hereby declared to be the intention of TVA and Cooperative to negotiate with Rodgers, Tankersley, and Gibson novation agreements substituting Cooperative for the United States of America and TVA in the permit and covenants agreements TV-37751A, TV-46810A, and TV-48260A, respectively; and Cooperative hereby agrees that, until the effective date of each such novation agreement, Cooperative will not operate or maintain the Leased Facilities or Additional Purchased Facilities in any manner inconsistent with such privileges as Rodgers, Tankersley, or Gibson may have under the permit and covenants agreements TV-37751A, TV-46810A, and TV-48260A, respectively.

It is recognized that, when Cooperative exercises the option to purchase under section 8 of the Lease Agreement for the part of the Leased Facilities set out in paragraph (G) and (H) above, (1) title to this part of the Leased Facilities will be conveyed to Cooperative by a quitclaim deed and bill of sale on, or as soon as practicable after, the date on which Cooperative pays the purchase price therefor and (2) said deed and bill of sale shall contain (a) a proper description of the Leased Facilities, (b) appropriate reservations consistent with TVA's rights and responsibilities under this agreement, (c) appropriate reservations consistent with TVA's rights and responsibilities with respect to floodplains and wetlands, (d) appropriate reservations for any third-party rights subject to which the United States of America acquired its interests in the Leased Facilities, (e) appropriate reservations for any then outstanding privileges Rodgers, Tankersley, or Gibson may have under the permit and covenants agreements TV-37751A, TV-46810A, and TV-48260A, respectively, and (f) appropriate reservations for such TVA-owned substation, transmission, and communication facilities as are then located on the Leased Facilities or Purchased Facilities and are not provided for in this agreement.

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Mr. Ralph C. Edrington
March 10, 1987

2. Effective as of the 69-kV Service Date, (a) the Power Contract is hereby amended by striking from the tabulation appearing in section 3 thereof all references to the 69-kV delivery point at the 69-kV side of the Mayfield District Substation and (b) the Lease Agreement is hereby further amended by deleting the last paragraph of section 3 therefrom and substituting therefor the following:

The respective amounts of power and energy measured by the meters in the revenue metering installations at the Coldwater, East Murray, Gilbertsville, Hardin, and Milburn Substations shall be appropriately adjusted by taking into account transformer losses to reflect delivery at the 69-kV sides thereof, and such adjusted amounts at each said substation shall be used for billing purposes hereunder and under the Power Contract. In addition, Cooperative's nonmetered station service requirements, if any, at each said substation shall be equitably accounted for in billings rendered hereunder and under the Power Contract.

The respective amounts of power and energy measured by the meters in the 13-kV revenue metering installation at the Hickory Grove Substation shall be appropriately adjusted by taking into account transformer losses to reflect delivery at the 69-kV side of the Hickory Grove Substation; the respective amounts of power and energy measured by the meters in the 13-kV revenue metering installations used in determining deliveries to Cooperative at the Mayfield District Substation shall be appropriately adjusted by taking into account transformer and transmission losses to reflect delivery at the 69-kV side of the Hickory Grove Substation; and such adjusted amounts at the Hickory Grove and Mayfield District Substations shall be combined on a simultaneous basis and used for billing purposes hereunder and under the Power Contract. In addition, Cooperative's nonmetered station service requirements, if any, at said substations shall be equitably accounted for in billings rendered hereunder and under the Power Contract.

3. Effective as of the 69-kV Service Date, the Lease and Amendatory Agreement dated May 14, 1983 (TV-59310A, Supplement No. 1, and TV-59577A, Supplement No. 3) among the Electric Power Board of the City of Mayfield, Kentucky, Cooperative, the United States of America, and TVA (hereinafter

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March 10, 1987

referred to as "1983 Joint Lease Agreement") is hereby amended (a) by deleting section 3.2 therefrom in its entirety and (b) by replacing in section 4.3 thereof the phrase "at the delivery point provided for in section 3.2 hereof" with "at the 69-kV side of the Hickory Grove Substation" (to reflect the change in delivery points).

4. 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 of any renewal, extension, or replacement thereof.

5. The Power Contract, Lease Agreement, and 1983 Joint Lease Agreement, as supplemented and amended by this agreement, are hereby ratified and confirmed as the continuing obligations of the parties.

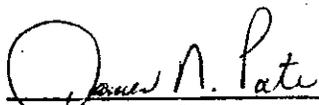
6. No member of or delegate to Congress or Resident Commissioner, or any officer, employee, special Government employee, or agent of TVA shall be admitted to any share or part of this agreement or to any benefit that may arise therefrom unless the agreement be made with a corporation for its general 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 our understanding, 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,

Attest:

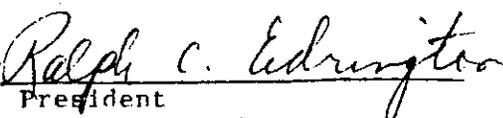
TENNESSEE VALLEY AUTHORITY


Assistant Secretary


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

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

WEST KENTUCKY RURAL ELECTRIC
COOPERATIVE CORPORATION

By 
President

TENNESSEE VALLEY AUTHORITY
Chattanooga, Tennessee 37402-2801

TV-59577A
Supp No. 13

December 21, 1987

Mr. Ralph Edrington, President
West Kentucky Rural Electric
Cooperative Corporation
Mayfield, Kentucky 42066

Dear Mr. Edrington:

This will confirm the understanding reached between representatives of the Tennessee Valley Authority (hereinafter called "TVA") and West Kentucky Rural Electric Cooperative 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 April 26, 1982 (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

Mr. Ralph Edrington
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

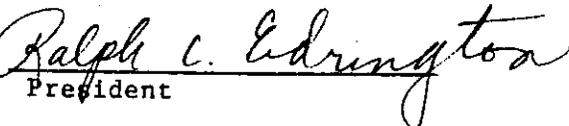


R. B. Davis, Director
Division of Energy Use
and Distributor Relations

Attachments

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

WEST KENTUCKY RURAL ELECTRIC
COOPERATIVE CORPORATION

By 
President

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

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

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

TENNESSEE VALLEY AUTHORITY

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.

DEED AND BILL OF SALE
Made By
UNITED STATES OF AMERICA
And
TENNESSEE VALLEY AUTHORITY
To
WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION

THIS DEED AND BILL OF SALE, made and entered into as of the 11th day of March, 1998, effective as of the 24th day of March 1993, by the TENNESSEE VALLEY AUTHORITY (hereinafter sometimes called "TVA"), a corporation created and existing under and by virtue of the Tennessee Valley Authority Act of 1933, as amended, and the UNITED STATES OF AMERICA, acting by and through the Tennessee Valley Authority, its legal agent, as Grantors, to the WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION, a cooperative corporation duly created, organized, and existing under and by virtue of the laws of the Commonwealth of Kentucky, as Grantee;

WITNESSETH:

WHEREAS, Grantors and Grantee have heretofore entered into an agreement dated as of March 12, 1988, identified in TVA records as Lease and Amendatory Agreement TV-59577A, Supplement No. 14 (which agreement, as amended, is hereinafter referred to as the "1988 Agreement"), providing, among other things, for the transfer and conveyance by TVA, as legal agent of the United States of America, of the interests in

I certify that I prepared this instrument.


Attorney
Tennessee Valley Authority
Knoxville, Tennessee

Grantee's mailing address:
West Kentucky Rural Electric
Cooperative Corporation
P.O. Box 589
Mayfield, KY 42066

Grantors' mailing address:
United States of America
Tennessee Valley Authority
P.O. Box 509
Mayfield, KY 42066

land hereinafter described, and the sale of certain personal property hereinafter also described, upon the performance of certain terms of said agreement which have now been met, and for certain continuing obligations therein specifically detailed; and

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

WHEREAS, TVA is authorized under Section 4(f) of the Tennessee Valley Authority Act of 1933, as amended, to sell or otherwise dispose of the personal property hereinafter described;

NOW, THEREFORE, for and in consideration of the mutual promises made in the foregoing agreement, and the sum of Sixty-one Thousand Five Hundred Fourteen Dollars and Seventy-four Cents (\$61,514.74) cash in hand paid, the receipt of which is hereby acknowledged, the Grantor TVA has granted, bargained, sold, assigned, and set over unto Grantee and does by these presents hereby grant, bargain, sell, assign, and set over unto Grantee the following described personal property, and the Grantor United States of America by and through its legal agent, TVA, has granted, bargained, sold, transferred, and conveyed and does by these presents hereby grant, bargain, sell, transfer, and convey unto Grantee, its successors and assigns, subject to the reservations and encumbrances hereinafter set forth, the following described interests in land, to wit:

The Pilot Oak Substation, including the land on which it is located (identified on TVA's records as US-TVA Tract PIOUS-1, and further described below), and all facilities and equipment located therein; but excluding (1) the current and voltage transformers, the metering cables, and the switchhouse metering panel (including the magnetic tape demand recorder and associated meters) in the 13-kV revenue metering installation; (2) TVA's 69-kV transmission line structure and associated facilities on said substation site except the groundwires extending therefrom to groundwire structures; (3) the 13.8-kV voltage regulator; and (4) any portable facilities and equipment (bearing TVA's numbered tags) which TVA chooses to remove.

A parcel of land located in Graves County, Commonwealth of Kentucky, approximately 1/4 mile northeast of the Town of Pilot Oak, on the northwest side of State Highway No. 94 as shown on US-TVA drawing LW-3913, and being more particularly described as follows:

Beginning at a two inch iron pipe on a fence line at the northwest right-of-way line of State Highway No. 94 and the southeast property corner of the Pilot Oak Substation; thence, with the said fence line and the said highway right-of-way line, a line 30.0 feet northwest of and parallel to the centerline of the said highway, S. 49° 11' W., 372.3 feet to a two inch iron pipe on the west property line of the said substation; thence, leaving the said highway right-of-way line and the said fence line and with the said west property line of the said substation, N. 04° 30' W., 570.5 feet to a two inch iron pipe on the north property line of the said substation; thence, with the said north property line, N. 85° 30' E., 300.0 feet to a two inch iron pipe on the northeast corner of the said substation; thence, leaving the said north property line and with the said east property line, S. 04° 30' E., 350.0 feet to the point of beginning and containing 3.17 acres, more or less.

Furthermore, such appurtenant right, title, and interest in that portion of the highway abutting the above-described parcel as may be attached to the title of the said parcel.

The bearings given in the above description are based on Magnetic North.

The above-described land is conveyed subject to the following:

- (1) Such rights as may be vested in third parties to a right-of-way for a powerline.
- (2) Easement reservations by the United States of America in favor of TVA for such rights as may be necessary: (i) for the use, operation, maintenance, repair, replacement, rebuilding, and removal of the above-described facilities being retained by TVA (items (1) through (4)); and (ii) for TVA to install, operate, maintain, repair, replace, rebuild, and remove such additional substation and transmission facilities (including metering facilities) as may be required in the future by TVA for its purposes in mutually satisfactory locations, together with necessary rights of access to all the aforesaid facilities referred to in items (i) through (ii) above.

US-TVA Tract PLOSS-1 was acquired by the United States of America by deed from W. H. Morris and wife, Allie May Morris, dated September 8, 1953, recorded in Deed Book 156, page 255, in the office of the County Court Clerk of Graves County, Kentucky.

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

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

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

It is further mutually understood and agreed by the delivery and acceptance of this instrument that, with respect to the interests in land and personal property hereby conveyed, the release and indemnity provisions contained in section 6 of the 1988 Agreement, which would otherwise be reaffirmed herein and made applicable to and binding upon the Grantee in all respects, are hereby modified to apply only to the lease term. The above release and indemnity provisions shall, notwithstanding their terms, not be applicable to or binding upon the Grantee with respect to claims, demands, or causes of action of whatever nature grounded or based upon events, actions, or omissions occurring subsequent to the effective date of this instrument.

Except as specifically provided otherwise herein, it is further mutually understood and agreed by the delivery and acceptance of this instrument that all rights and obligations of the parties under the 1988 Agreement will remain in full force and effect.

IN WITNESS WHEREOF, the Tennessee Valley Authority, acting herein for itself and as legal agent of the United States of America, and being duly authorized so to do, has caused this instrument to be signed, sealed, attested, and delivered in its own name and in the name of the United States of America by its duly authorized officers, and its corporate seal to be hereunto affixed, as of the date first above written.

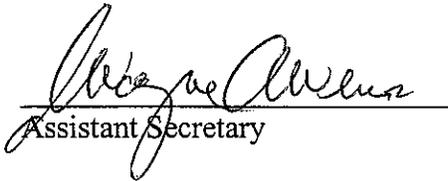
UNITED STATES OF AMERICA

By Tennessee Valley Authority
Its Legal Agent

and

Attest:

TENNESSEE VALLEY AUTHORITY

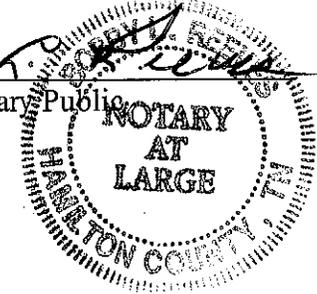

Assistant Secretary

By 
Manager, Pricing
Customer Service and Marketing

STATE OF TENNESSEE)
) SS
COUNTY OF HAMILTON)

On the 11th day of March, 1998, before me appeared TERRY BOSTON and J. WAYNE OWENS, to me personally known, who, being by me duly sworn, did say that they are the Manager, Pricing, Customer Service and Marketing, 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, sealed, and delivered 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 TERRY BOSTON and J. WAYNE OWENS 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 Chattanooga, Tennessee, the day and year aforesaid.

Bobby L. Reeves
Notary Public


My commission expires: _____
BOBBY L. REEVES, Notary Public
At Large, State of Tennessee
My Commission Expires Nov. 10, 2001

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

Grantors:

UNITED STATES OF AMERICA
By Tennessee Valley Authority
Its Legal Agent
and
TENNESSEE VALLEY AUTHORITY

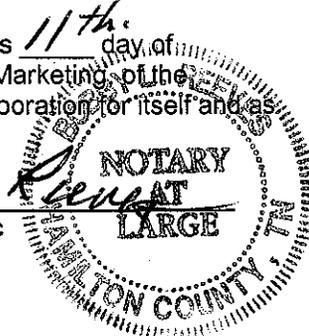
By Terry Boston
Manager, Pricing
Customer Service and Marketing

STATE OF TENNESSEE
COUNTY OF HAMILTON

The foregoing certification was acknowledged before me on this 11th day of March, 1998, by Terry Boston, Pricing, Customer Service and Marketing of the TENNESSEE VALLEY AUTHORITY, a corporation, on behalf of said corporation for itself and as legal agent of the UNITED STATES OF AMERICA.

BOBBY L. REEVES, Notary Public
At Large, State of Tennessee
My Commission Expires Nov. 10, 2001

Bobby L. Reeves
Notary Public



My commission expires _____, 1998

Grantee:

WEST KENTUCKY RURAL ELECTRIC
COOPERATIVE CORPORATION

By Ralph C. Edrington
President

COMMONWEALTH OF KENTUCKY
COUNTY OF Graves

The foregoing certification was acknowledged before me on this 14 day of April, 1998, by (Name) Ralph C. Edrington (Title) President of the WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION, a Kentucky corporation, on behalf of the corporation.

Paul B. Robbs
Notary Public

My commission expires Nov 11, 2001



Tennessee Valley Authority, 1101 Old Pryorsburg Road, Mayfield, Kentucky 42066-2034

March 31, 1998

Mr. Michael Alderdice
West Kentucky RECC
P.O. Box 589
Mayfield, Kentucky 42066

Dear Mr. Alderdice:

This is to acknowledge that we have received from West Kentucky Rural Electric Cooperative Corporation the sum of Sixty-one Thousand Five Hundred Fourteen Dollars and Seventy-four Cents (\$61,514.74) as consideration for the conveyance by TVA and the United States of America of certain leased facilities, which are more particularly described in the Deed and Bill of Sale duly executed and delivered herewith. This sum represents the cost to your electric system of acquiring interest in the facilities and properties leased under Lease and Amendatory Agreement TV-59577A, Supplement No. 14, dated March 12, 1988, as amended.

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

Sincerely,

A handwritten signature in black ink that reads "David L. McMullin".

David L. McMullin
Customer Service Manager
Kentucky

Receipt of Deed and Bill of Sale acknowledged
this 11th day of May, 1998.

WEST KENTUCKY RURAL ELECTRIC
COOPERATIVE CORPORATION

By 
Manager

TENNESSEE VALLEY AUTHORITY
Knoxville, Tennessee 37902-1499

May 25, 1988

TV-59577A
Supp No. 15

Mr. Ralph Edrington, President
West Kentucky Rural Electric Cooperative Corporation
Mayfield, Kentucky 42066

Dear Mr. Edrington:

Under the wholesale power contract TV-59577A, dated April 26, 1982 (which contract as amended and supplemented is hereinafter called the "Power Contract"), between the Tennessee Valley Authority (hereinafter called "TVA") and the West Kentucky Rural Electric Cooperative Corporation (hereinafter called "Cooperative"), Cooperative takes a portion of its power requirements from a 69-kV delivery point at the Pilot Oak Substation, which is presently served through a 20.49-mile radial 69-kV line from the Mayfield District Substation which also supplies power to the Ingersoll-Rand Substation.

The parties have now determined that, until Cooperative leases TVA's power supply facilities in the Mayfield area and takes its power requirements from a consolidated delivery point at the Mayfield 161-kV Substation, the most economical overall arrangements for improving the supply of power to the Pilot Oak Substation and to the Ingersoll-Rand Substation involve TVA's conversion of a section of its deenergized Mayfield-Martin 161-kV Line to 69-kV operation and Cooperative's construction, for temporary rental by TVA, of a 69-kV tapline from this converted line section to the Pilot Oak Substation. This will confirm the arrangements developed between representatives of Cooperative and TVA with respect thereto.

It is understood and agreed that:

1. As soon as practicable, (1) TVA, at its expense, will convert a section of its deenergized Mayfield-Martin 161-kV Line to 69-kV operation, (2) Cooperative, at its expense, will construct a 2.6-mile 69-kV tapline from said converted 161-kV line to the Pilot Oak Substation, (3) TVA will terminate the 69-kV tapline both near structure 419 of its converted 161-kV line and at the Pilot Oak Substation, and (4) TVA will thereafter rent said 69-kV tapline from Cooperative for the temporary period set out in section 2.

Cooperative, at its expense, shall acquire suitable easement rights and rights-of-way for and shall furnish the materials required for and construct, or cause to be constructed, a 3-phase, 69-kV tapline with 397.5-kcmil conductors extending from the Pilot Oak Substation to TVA's converted 69-kV line. TVA will furnish and install all terminal facilities required for Cooperative's said 69-kV tapline. Cooperative shall, at its

Mr. Ralph Edrington
May 25, 1988

expense, design and construct the tapline in accordance with good, modern practices and procedures and in such manner as will be suitable for use by TVA and will not interfere with the safe and efficient operation of TVA's facilities and property. TVA and Cooperative shall coordinate their respective work under this section 1 to the extent necessary and practicable.

2. During the period (hereinafter called the "Rental Period") beginning on the date said 69-kV tapline (hereinafter called the "Rental Facility") is placed in service and ending no later than the effective date of Cooperative's lease of TVA's power supply facilities in the Mayfield area, Cooperative shall, at its expense, operate and maintain the Rental Facility in accordance with good, modern practices and procedures and shall make all repairs and replacements thereto necessary for its use by TVA.

Cooperative shall, as soon as practicable after the Rental Facility is completed, furnish to TVA a certified, detailed statement of the total installed cost, including applicable overheads, of the Rental Facility. If during the Rental Period, Cooperative makes any replacements in the Rental Facility which are classified under the Federal Energy Regulatory Commission Uniform System of Accounts as plant replacements, beginning with the effective date of any such replacements, the installed cost of the Rental Facility, on which the rental charge by Cooperative to TVA is calculated as specified in the third paragraph of this section 2, will be changed by adding thereto the installed cost of the replacements and subtracting therefrom the installed cost of the facilities replaced.

During the Rental Period, Cooperative shall make the Rental Facility available for use by TVA, and TVA shall pay to Cooperative a rental charge equal to 15 percent per year of the certified installed cost, including applicable overheads, of the Rental Facility (which cost is estimated for the convenience of the parties only to be approximately \$170,000), as said cost may be changed as provided in the second paragraph of this section 2. Said rental charge shall be payable semi-annually in arrears. Upon submission of a statement by Cooperative to TVA, payment will be due 30 days after (a) June 30 or December 31 or (b) TVA's receipt of said statement, whichever is later. Payment for any period of less than six months shall be prorated.

3. 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.

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

Mr. Ralph Edrington
May 25, 1988

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

Sincerely,

TENNESSEE VALLEY AUTHORITY



Robert C. Steffy, Jr.

~~XXXXXXXXXXXX~~

~~General Manager~~

Senior Vice President, ~~of~~ Power

OGC

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

WEST KENTUCKY RURAL ELECTRIC
COOPERATIVE CORPORATION

By Ralph C. Edrington
President

TENNESSEE VALLEY AUTHORITY
Chattanooga, Tennessee 37402-2801

May 5, 1989

TV-59577A
Supp No. 16

Mr. Ralph Edrington, President
West Kentucky Rural Electric
Cooperative Corporation
Mayfield, Kentucky 42066

Dear Mr. Edrington:

This will confirm the arrangements developed between representatives of West Kentucky Rural Electric Cooperative Corporation (hereinafter called "Distributor") and the Tennessee Valley Authority (hereinafter called "TVA"), with respect to amending the wholesale power contract dated April 26, 1982 (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. Ralph Edrington
May 5, 1989

Credit (in dollars) = $A \times (B - C)$, 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. Ralph Edrington
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.

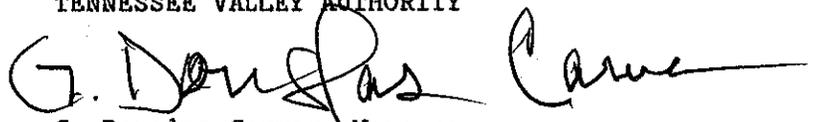
6. The Power Contract, as amended and supplemented by this agreement, is hereby ratified and confirmed as the continuing obligation of the parties.

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.

WEST KENTUCKY RURAL ELECTRIC
COOPERATIVE CORPORATION

By 
President

W050189
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TENNESSEE VALLEY AUTHORITY
Chattanooga, Tennessee 37402-2801

TV-59577A
Supp No. 17

March 1, 1989

Mr. Ralph Edrington, President
West Kentucky Rural Electric
Cooperative Corporation
Mayfield, Kentucky 42066

Dear Mr. Edrington:

This will confirm the arrangements developed between representatives of West Kentucky Rural Electric Cooperative Corporation (hereinafter called "Distributor") and the Tennessee Valley Authority (hereinafter called "TVA") with respect to amending the wholesale power contract dated April 26, 1982 (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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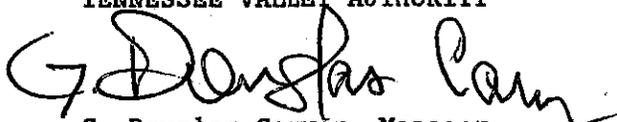
Mr. Ralph Edrington
March 1, 1989

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.

WEST KENTUCKY RURAL ELECTRIC
COOPERATIVE CORPORATION

By Ralph C. Edrington
President

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.

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

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

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

4. Distributor's bill for each month shall be adjusted by applying the net of the following calculation:
(1) subtract 0.589 cent per kWh for one-third of the energy resold during the second preceding quarter by Distributor to customers entitled to service under residential rate schedules, exclusive of any energy resold to any such customer in any month in excess of 2,000 kWh, (2) subtract 4.00 dollars per customer for one-third of the sum for the second preceding quarter of the number of residential customers served by Distributor in each month, (3) add 0.500 cent per kWh

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

Effective January 2, April 2, July 2, and October 2 of each year, the Hydro Allocation Adjustment shall be recomputed to take account of changed sales and customer account data and applied accordingly; and in performing such computations, the 3-month periods ending the preceding September 30, December 31, March 31, and June 30, respectively, shall be used.

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

Determination of Demands

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

Facilities Rental

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

Reactive Demand Charges

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

Minimum Bill

The monthly bill, exclusive of (a) Adjustments 2, 4, and 5, (b) any applicable facilities rental charges, and (c) any reactive charges, shall not be less than the higher of (1) the base delivery point charge or (2) 70 percent of the sum of (a) the highest billing demand established during the previous 36 months multiplied by the base demand charge, as adjusted (but excluding the hours use of demand component), and (b) the cents-per-kWh charge of the hours use of demand component, as adjusted, applied to the lesser of (i) 550 hours multiplied by said highest billing demand or (ii) Distributor's energy takings for the month in which said highest billing demand occurred; provided, however, that a special minimum bill may be applied for any delivery point through which more than 75 percent of the energy taken by Distributor is resold to general power customers with demands of 50 kW or more.

TENNESSEE VALLEY AUTHORITY
Chattanooga, Tennessee 37402-2801

TV-59577A
Supp No. 18

October 1, 1989

Mr. Ralph Edrington, President
West Kentucky Rural Electric
Cooperative Corporation
Mayfield, Kentucky 42066

Dear Mr. Edrington:

This will confirm the arrangements developed between representatives of West Kentucky Rural Electric Cooperative Corporation (hereinafter called "Distributor") and the Tennessee Valley Authority (hereinafter called "TVA") with respect to amending the wholesale power contract dated April 26, 1982 (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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2. It is recognized that under the Participation Agreement customers may receive credit amounts that include a component based on the number of employees hired by the customer in connection with the new load. Accordingly, on or as soon as practicable after the effective date of each Participation Agreement, Distributor shall obtain from the customer an initial notarized statement certifying the number of full-time employees the customer anticipates will be employed at the end of the 6-month period following such effective date. At the end of said 6-month period, and every 6 months thereafter, Distributor shall obtain from the customer a notarized statement certifying the actual number of full-time employees then employed in connection with the new load. Said initial notarized statement shall be in the form of Attachment A to the applicable Participation Agreement and subsequent notarized statements shall be in the form of Attachment B to the applicable Participation Agreement.

Distributor shall furnish to TVA a copy of each Participation Agreement entered into, the corresponding power supply contract (including any amendments thereto), and each notarized statement received.

3. Distributor shall apply a credit (a) to the electric bill of each New Customer for each month such customer's measured demand exceeds 1,000 kW and (b) to the electric bill of each Expansion Customer for each month such customer's measured demand exceeds 1,000 kW and is also at least 250 kW greater than an amount equal to the higher of (i) the customer's highest contract demand during the 12-consecutive-month period immediately preceding the effective date of the Participation Agreement or (ii) the highest measured demand established on or after October 1, 1988, up to the effective date of the Participation Agreement. For purposes of this agreement, for customers with contract demands above 5,000 kW, the term "measured demand" shall be deemed to refer to the highest average during any 30-consecutive-minute period of the month of the load measured in kW; for customers with contract demands of 5,000 kW or less, the term "measured demand" shall be deemed to refer to the highest average during any 30-consecutive-minute period of the month of the higher of the load measured in kW or 85 percent of the load in kVA plus an additional 10 percent for that part of the load over 5,000 kVA. The amount of the credit shall be determined each month in accordance with the provisions of the applicable Participation Agreement, including the attachments thereto. It is understood that no credit will be applied to any bills rendered from meter readings taken after September 30, 1995.

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Mr. Ralph Edrington
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. 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 June 11, 1982, 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.

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1701L

Mr. Ralph Edrington
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.

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1701L

Mr. Ralph Edrington
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.

WEST KENTUCKY RURAL ELECTRIC
COOPERATIVE CORPORATION

By Ralph C. Edrington
President

Eligibility Requirements

- A. New Customer. A customer qualifies as a New Customer if it (1) either initiates operations at an entirely new facility through a new delivery point or restarts an existing facility with no current contract demand and which has been shut down for a period of at least 12 consecutive months prior to such restart, (2) on or after the effective date of this agreement enters into a power supply contract with Distributor which includes a firm contract demand greater than 1,000 kW, and (3) enters into an agreement with Distributor in the form of Exhibit B attached to this agreement. Except for a restart customer under (1) above, no customer replacing or renewing its power supply contract shall qualify as a New Customer.
- B. Expansion Customer. An existing customer qualifies as an Expansion Customer if it (1) revises its contractual arrangement with Distributor on or after the effective date of this agreement whereby the firm contract demand level is (a) greater than 1,000 kW and (b) at least 250 kW greater than the higher of (i) the highest contract demand of the customer during the 12-consecutive-month period immediately preceding the effective date of said arrangement or (ii) the highest measured demand established on or after October 1, 1988, up to the effective date of said arrangement and (2) enters into an agreement with Distributor in the form of Exhibit C attached to this agreement.

For purposes of applying the provisions of A and B above: (1) for a customer taking power under a time-of-day rate schedule, the term "contract demand" shall mean the higher of the onpeak or offpeak contract demand, and the term "measured demand" shall mean the higher of the onpeak or offpeak measured demand and (2) customers taking service on a seasonal basis shall not qualify.

AGREEMENT
between

(hereinafter called "Distributor")
and

(hereinafter called "Customer")

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

It is understood and agreed that:

1. This agreement shall become effective on _____, which is the date of initial availability of power under the power supply contract (hereinafter called "Power Supply Contract") dated _____, between Customer and Distributor, covering the provision of electric service to Customer's new or restarted facility (hereinafter called "Facility") located at _____.

This agreement shall continue in effect until (a) the obligations of the parties hereunder are fulfilled or (b) Customer ceases to be a customer of Distributor, whichever is earlier.

2. On or as soon as practicable after the effective date of this agreement, Customer shall submit to Distributor a notarized statement (in the form of Attachment A hereto) certifying the number of employees Customer reasonably anticipates will be employed at the Facility at the end of the 6-month period following said effective date. At the end of said 6-month period, and every 6 months thereafter, Customer shall submit to Distributor a notarized statement (in the form of Attachment B hereto) certifying the actual number of employees then employed by Customer at the Facility. For purposes of this agreement, an employee shall be defined as a person directly employed by Customer on a full-time basis in a position which Customer reasonably expects to remain filled for at least 6 months following the date as of which certification is made. Independent contractors and employees of third parties are expressly excluded from this definition.

During the first 6 months of this agreement, for purposes of determining the new jobs component of any applicable credits under section 3 below, Distributor shall use the estimated number of employees set out in Customer's initial certification; provided, however, that following receipt of the first certification of actual employment, Distributor shall determine if the actual number of employees was greater or less than the estimate by an

amount such that different credit amounts would have applied if the actual employment at the end of 6 months had been known in advance. If so, an appropriate adjustment of the new jobs component of the credit amounts applied for the first 6 months will be made on Customer's subsequent bill. For purposes of determining the new jobs component of any credits applicable after the first 6 months of this agreement, Customer's most recent certification of actual employment shall be used.

In the event that it is found that Customer has intentionally, or with deliberate ignorance of or reckless disregard for the truth, provided materially false information in any certification or assurance submitted under the Program, it is agreed that application of all further credits hereunder may be discontinued. Customer shall promptly repay to Distributor any and all credit amounts overpaid to Customer as a result of Distributor's use of such false information. In addition, persons providing false information in connection with this Program may be subject to civil and/or criminal prosecution pursuant to the provisions of 18 U.S.C. § 1001 (1982); 31 U.S.C. §§ 3729-3733 (1982 & Supp. V 1987); 31 U.S.C. §§ 3801-3812 (Supp. V 1987).

3. Beginning with the effective date of this agreement and continuing through the last meter reading taken prior to October 1, 1995, Distributor shall apply a credit to Customer's bill for any month during which Customer's measured demand exceeds 1,000 kW. For purposes of this agreement, if Customer's contract demand is over 5,000 kW, the term "measured demand" shall be deemed to refer to the highest average during any 30-consecutive-minute period of the month of the load measured in kW; if Customer's contract demand is 5,000 kW or less, the term "measured demand" shall be deemed to refer to the highest average during any 30-consecutive-minute period of the month of the higher of the load measured in kW or 85 percent of the load in kVA plus an additional 10 percent for that part of the load over 5,000 kVA.

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

4. In the event that Distributor and Customer amend the Power Supply Contract during the Program to increase the firm contract demand, the term "contract demand" as used in section 3 above shall be deemed to refer to said increased contract demand; provided, however, that in the event that TVA notifies Distributor that additional entry into the Program has been suspended, no such contract demand increase which takes effect after

Distributor's receipt of said notice shall be recognized for purposes of calculating credit amounts hereunder.

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

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

(Distributor)

By _____
(Title)

Accepted and agreed to as of
this ____ day of _____, 19__.

(Customer)

By _____
(Title)

GROWTH CREDIT PROGRAM
EMPLOYMENT CERTIFICATION STATEMENT
New Customer Initial Certification

Customer's full legal name: _____

Customer's address: _____

Date of Initial Availability of Power: _____

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

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

Customer expects to employ _____ employees at the Facility 6 months after the Date of Initial Availability referred to above.

Customer understands that the credits it receives under the Program will be based in part on the information provided to Distributor and TVA by way of this and subsequent certifications. In the event that it is found that Customer has intentionally, or with deliberate ignorance of or reckless disregard for the truth, provided materially false information on this or any previously submitted certification, Customer understands that application of all credits under the Program may be discontinued. Customer will in any event promptly repay to Distributor any and all credit amounts overpaid to Customer as a result of Distributor's use of such false information. In addition, persons providing false information in connection with the Program may be subject to civil and/or criminal prosecution pursuant to the provisions of 18 U.S.C. § 1001 (1982); 31 U.S.C. §§ 3729-3733 (1982 & Supp. V 1987); 31 U.S.C. §§ 3801-3812 (Supp. V 1987).

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

By: _____
Title: _____
Date: _____

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

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

Witness my hand and official seal this _____ day of _____, 19____.

Notary Public

My commission expires: _____.

GROWTH CREDIT PROGRAM
EMPLOYMENT CERTIFICATION STATEMENT
New Customer Actual Employment Certification

Customer's full legal name: _____

Customer's address: _____

Six-month period ending: _____ (date)

Customer has agreed with _____ (hereinafter

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

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

As of the date specified above, Customer employs _____ employees at the Facility.

Customer understands that the credits it receives under the Program will be based in part on the information provided to Distributor and TVA by way of this and subsequent certifications. In the event that it is found that Customer has intentionally, or with deliberate ignorance of or reckless disregard for the truth, provided materially false information on this or any previously submitted certification, Customer understands that application of all credits under the Program may be discontinued. Customer will in any event promptly repay to Distributor any and all credit amounts overpaid to Customer as a result of Distributor's use of such false information. In addition, persons providing false information in connection with the Program may be subject to civil and/or criminal prosecution pursuant to the provisions of 18 U.S.C. § 1001 (1982); 31 U.S.C. §§ 3729-3733 (1982 & Supp. V 1987); 31 U.S.C. §§ 3801-3812 (Supp. V 1987).

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

By: _____
Title: _____
Date: _____

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

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

Witness my hand and official seal this _____ day of _____, 19__.

Notary Public

My commission expires: _____.

Growth Credit Amounts
(New Customer)

<u>Applicable for Bills Rendered from Meter Readings Taken From</u>	<u>Base Amount</u>	<u>New Jobs Amount</u>		
		<u>Employment Level 1*</u>	<u>Employment Level 2**</u>	<u>Employment Level 3***</u>
October 1, 1989, through September 30, 1990	\$5.00	\$0.35	\$0.75	\$1.50
October 1, 1990, through September 30, 1991	5.00	0.35	0.75	1.50
October 1, 1991, through September 30, 1992	4.00	0.30	0.60	1.20
October 1, 1992, through September 30, 1993	3.00	0.25	0.45	0.90
October 1, 1993, through September 30, 1994	2.00	0.15	0.30	0.60
October 1, 1994, through September 30, 1995	1.00	0.10	0.15	0.30

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

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

**Level 2 applies if Customer's operations utilize at least 26 but not more than 75 full-time employees per 1,000 kW of firm contract demand.

***Level 3 applies if Customer's operations utilize more than 75 full-time employees per 1,000 kW of firm contract demand.

AGREEMENT
between

(hereinafter called "Distributor")
and

(hereinafter called "Customer")

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

It is recognized that Customer has been taking power from Distributor for purposes of operating its facility located at _____ (hereinafter called "Facility") and is expanding the Facility in a manner that requires that an increased amount of electric power be made available. In that connection, the parties hereto have entered into a contract (hereinafter called the "Expansion Contract") dated _____ to provide for the availability of such increased amount.

It is understood and agreed that:

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

2. On or as soon as practicable after the effective date of this agreement, Customer shall submit to Distributor an initial notarized statement (in the form of Attachment A hereto) certifying the number of employees Customer reasonably anticipates will be employed as a direct result of the expansion of the Facility at the end of the 6-month period following said effective date. At the end of said 6-month period, and every 6 months thereafter, Customer shall submit to Distributor a notarized statement (in the form of Attachment B hereto) certifying the actual number of employees then employed by Customer at the Facility as a direct result of said expansion. For purposes of this agreement, an employee shall be defined as a person directly employed by Customer on a full-time basis in a position which Customer reasonably expects to remain filled for at least 6 months following the date as of which certification is made. Independent contractors and employees of third parties are expressly excluded from this definition.

During the first 6 months of this agreement, for purposes of determining the new jobs component of any applicable credits under section 3 below, Distributor shall use the estimated number of employees set out in

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

In the event that it is found that Customer has intentionally, or with deliberate ignorance of or reckless disregard for the truth, provided materially false information in any certification or assurance submitted under the Program, it is agreed that application of all further credits hereunder may be discontinued. Customer shall promptly repay to Distributor any and all credit amounts overpaid to Customer as a result of Distributor's use of such false information. In addition, persons providing false information in connection with this Program may be subject to civil and/or criminal prosecution pursuant to the provisions of 18 U.S.C. § 1001 (1982); 31 U.S.C. §§ 3729-3733 (1982 & Supp. V 1987); 31 U.S.C. §§ 3801-3812 (Supp. V 1987).

3. Beginning with the effective date of this agreement and continuing through the last meter reading taken prior to October 1, 1995, Distributor shall apply a credit to Customer's bill for any month during which Customer's measured demand exceeds 1,000 kW and is at least 250 kW greater than an amount (hereinafter called the "Base Amount") equal to the higher of (a) the highest contract demand of Customer during the 12-consecutive-month period immediately preceding the effective date of the Expansion Contract or (b) the highest measured demand established on or after October 1, 1988, up to the effective date of the Expansion Contract. For purposes of this agreement, if Customer's contract demand is over 5,000 kW, the term "measured demand" shall be deemed to refer to the highest average during any 30-consecutive-minute period of the month of the load measured in kW; if customer's contract demand is 5,000 kW or less, the term "measured demand" shall be deemed to refer to the highest average during any 30-consecutive-minute period of the month of the higher of the load measured in kW or 85 percent of the load in kVA plus an additional 10 percent for that part of the load over 5,000 kVA.

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

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

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

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

(Distributor)

By _____
(Title)

Accepted and agreed to as of
this ____ day of _____, 19____.

(Customer)

By _____
(Title)

GROWTH CREDIT PROGRAM
EMPLOYMENT CERTIFICATION STATEMENT
Expansion Customer Initial Certification

Customer's full legal name: _____

Customer's address: _____

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

and has accordingly entered into a contract (hereinafter called the "Expansion Contract") with Distributor providing for an increased amount of electric power to be made available at the Facility. The effective date of the Expansion Contract is _____.

Under the Program, Customer may receive a credit to its electric bills based, in part, upon the number of employees employed by Customer at the Facility as a direct result of the expansion. For purposes of this certification, an employee shall be defined as a person directly employed by Customer on a full-time basis in a position which Customer reasonably expects to remain filled for at least 6 months beyond the date that is 6 months after the effective date of the Expansion Contract.

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

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

prosecution pursuant to the provisions of 18 U.S.C. § 1001 (1982);
31 U.S.C. §§ 3729-3733 (1982 & Supp. V 1987); 31 U.S.C. §§ 3801-3812
(Supp. V 1987).

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

By: _____
Title: _____
Date: _____

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

Witness my hand and official seal this _____ day of _____, 19____.

Notary Public

My commission expires: _____.

GROWTH CREDIT PROGRAM
EMPLOYMENT CERTIFICATION STATEMENT
Expansion Customer Actual Employment Certification

Customer's full legal name: _____

Customer's address: _____

Six-month period ending: _____ (date)

Customer has agreed with _____ (hereinafter

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

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

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

Customer understands that the credits it receives under the Program will be based in part on the information provided to Distributor and TVA by way of this and subsequent certifications. In the event that it is found that Customer has intentionally, or with deliberate ignorance 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: _____.

Attachment C

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.

TENNESSEE VALLEY AUTHORITY
Chattanooga, Tennessee 37402-2801

TV-59577A
Supp No. 19

September 7, 1989

Mr. Ralph Edrington, President
West Kentucky Rural Electric
Cooperative Corporation
Mayfield, Kentucky 42066

Dear Mr. Edrington:

Under Lease and Amendatory Agreement TV-23884A, Supplement No. 14, dated January 17, 1980 (which agreement as amended is hereinafter called "Lease Agreement") among the United States of America, the Tennessee Valley Authority (hereinafter called "TVA"), and the West Kentucky Rural Electric Cooperative Corporation (hereinafter called "Cooperative"), Cooperative leases, with option to purchase, among other facilities, TVA's Hickory Grove Substation and takes a portion of its power requirements from a 69-kV delivery point at the high-side thereof in accordance with the power contract dated April 26, 1982, (which contract as amended and supplemented is hereinafter called the "Power Contract"). This will confirm the arrangements developed between Cooperative and TVA concerning TVA's provision of revenue metering facilities in conjunction with Cooperative's installation of a third 69-13-kV transformer and related low-voltage facilities (hereinafter called "Transformer Installation No. 3") at the Hickory Grove Substation.

It is understood and agreed that:

TVA at its expense shall provide and install in a mutually satisfactory location on the 13-kV side of Transformer Installation No. 3 at the Hickory Grove Substation the revenue meter, meter cabinet, and related items necessary to determine the power and energy taken by Cooperative through Transformer Installation No. 3. Said revenue meter shall be a solid-state type with telephone dial-up feature (hereinafter called "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 transformers and any voltage correction equipment associated with Transformer Installation No. 3, 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 supporting structure (or foundation) 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

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Mr. Ralph Edrington
September 7, 1989

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.

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 Hickory Grove 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. 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 at no cost to Cooperative. 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 insofar as required for the safe and efficient operation of TVA's metering installation. 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 is being installed, operated, and maintained for measuring the power and energy taken by Cooperative at the Hickory Grove Substation. In recognition of the allowance

Mr. Ralph Edrington
September 7, 1989

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, 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 including, without limitation, those for personal injuries, property damage, loss of life or property, or consequential damages, sustained by Cooperative, its agents and employees, or third parties arising out of or in any way connected with (i) any of Cooperative's or TVA's work performed under this agreement to allow Cooperative access to the metering outputs or (ii) Cooperative's exercise of access to or use of the metering outputs, even though the personal injuries, property damage, loss of life or property, consequential damages, or other damage or loss is caused, occasioned, or contributed to by the negligence, sole or concurrent, of the United States of America, TVA, their 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, (i) 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 (ii) 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, or otherwise of any facilities installed by TVA hereunder.

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 immediately 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.

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Mr. Ralph Edrington
September 7, 1989

2. Effective as of the date on which Transformer Installation No. 3 at the Hickory Grove Substation is first placed in service, the Lease Agreement as amended by section 2 of Letter Agreement TV-59577A, Supplement No. 12, dated March 10, 1987 (hereinafter called "1987 Agreement") is hereby further amended by deleting the third paragraph of said section 2 therefrom and substituting therefor the following:

The respective amounts of power and energy measure by the meters in the 13-kV revenue metering installations at the Hickory Grove Substation shall be appropriately adjusted by taking into account transformer losses to reflect delivery at the 69-kV side of the Hickory Grove Substation; the respective amounts of power and energy measured by the meters in the 13-kV revenue metering installations used in determining deliveries to Cooperative at the Mayfield District Substation shall be appropriately adjusted by taking into account transformer and transmission losses to reflect delivery at the 69-kV side of the Hickory Grove Substation; and such adjusted amounts at the Hickory Grove and Mayfield District Substations shall be combined on a simultaneous basis and used for billing purposes hereunder and under the Power Contract. In addition, Cooperative's nonmetered station service requirements, if any, at said substations shall be equitably accounted for in billing rendered hereunder and under the Power Contract. Cooperative shall furnish to TVA such loss data on its facilities as may be necessary from time to time to permit TVA to determine such losses.

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 and shall continue in effect for the term of the Power Contract or any renewal, extension, or replacement thereof.

Mr. Ralph Edrington
September 7, 1989

5. The Lease Agreement, Power Contract, and 1987 Agreement, as supplemented and amended by this agreement, are hereby ratified and confirmed as the continuing obligations 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

G. Douglas Carver, Manager
Distributor Marketing
and Services

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

WEST KENTUCKY RURAL ELECTRIC
COOPERATIVE CORPORATION

By *Ralph C. Edrington*
President

TENNESSEE VALLEY AUTHORITY
Chattanooga, Tennessee 37402-2801

TV-59577A
Supp No. 20

September 1, 1990

Mr. Ralph Edrington, President
West Kentucky Rural Electric
Cooperative Corporation
Mayfield, Kentucky 42066

Dear Mr. Edrington:

This will confirm the arrangements developed between representatives of West Kentucky Rural Electric Cooperative Corporation (hereinafter called "Distributor") and the Tennessee Valley Authority (hereinafter called "TVA") with respect to amending the wholesale power contract dated April 26, 1982 (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. Ralph Edrington
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. Ralph Edrington
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.

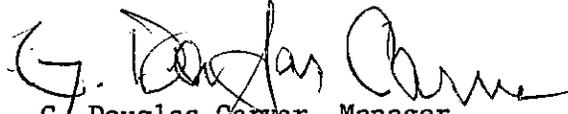
5. This agreement shall become effective as of the date first above written and shall continue in effect for the term of the Power Contract.

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.

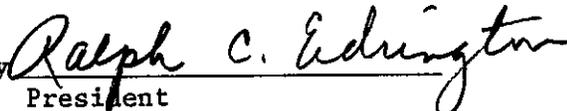
Very truly yours,

TENNESSEE VALLEY AUTHORITY


G. Douglas Carver, Manager
Distributor Marketing
and Services

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

WEST KENTUCKY RURAL ELECTRIC
COOPERATIVE CORPORATION

By 
President

TENNESSEE VALLEY AUTHORITY
Chattanooga, Tennessee 37402-2801

November 28, 1990

Mr. Ralph Edrington, President
West Kentucky Rural Electric
Cooperative Corporation
Mayfield, Kentucky 42066

Dear Mr. Edrington:

Letter Agreement TV-59577A, Supplement No. 18, dated October 1, 1989 (hereinafter called the "1989 Agreement"), between the Tennessee Valley Authority (hereinafter called "TVA") and West Kentucky Rural Electric Cooperative 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. Ralph Edrington
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. Ralph Edrington
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.

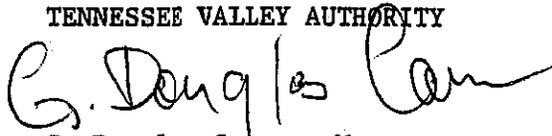
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Mr. Ralph Edrington
November 28, 1990

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.

WEST KENTUCKY RURAL ELECTRIC
COOPERATIVE CORPORATION

By Ralph C. Edrington
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 3 below, Distributor shall use the estimated number of employees set out in Customer's initial certification; provided, however, that following receipt of the first certification of actual employment, Distributor shall determine if the actual number of employees was greater or less than the estimate by an

amount such that different credit amounts would have applied if the actual employment at the end of 6 months had been known in advance. If so, an appropriate adjustment of the new jobs component of the credit amounts applied for the first 6 months will be made on Customer's subsequent bill. For purposes of determining the new jobs component of any credits applicable after the first 6 months of this agreement, Customer's most recent certification of actual employment shall be used.

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

3. Beginning with the effective date of this agreement and continuing through the last meter reading taken prior to October 1, 1997, Distributor shall apply a credit to Customer's bill for any month during which Customer's measured demand exceeds 1,000 kW. For purposes of this agreement, if Customer's contract demand is over 5,000 kW, the term "measured demand" shall be deemed to refer to the highest average during any 30-consecutive-minute period of the month of the load measured in kW; if Customer's contract demand is 5,000 kW or less, the term "measured demand" shall be deemed to refer to the highest average during any 30-consecutive-minute period of the month of the higher of the load measured in kW or 85 percent of the load in kVA plus an additional 10 percent for that part of the load over 5,000 kVA.

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

4. In the event that Distributor and Customer amend the Power Supply Contract during the Program to increase the firm contract demand, the term "contract demand" as used in section 3 above shall be deemed to refer to said increased contract demand; provided, however, that in the event that TVA notifies Distributor that additional entry into the Program has been suspended, no such contract demand increase which takes effect after

Distributor's receipt of said notice shall be recognized for purposes of calculating credit amounts hereunder.

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

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

(Distributor)

By _____
(Title)

Accepted and agreed to as of
this ____ day of _____, 199__.

(Customer)

By _____
(Title)

GROWTH CREDIT PROGRAM
EMPLOYMENT CERTIFICATION STATEMENT
New Customer Initial Certification

Customer's full legal name: _____

Customer's address: _____

Date of Initial Availability of Power: _____

Customer has agreed with _____ (hereinafter

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

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

Customer expects to employ _____ employees at the Facility 6 months after the Date of Initial Availability referred to above.

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

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

By: _____
Title: _____
Date: _____

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

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

Witness my hand and official seal this _____ day of _____, 19__.

Notary Public

My commission expires: _____.

GROWTH CREDIT PROGRAM
EMPLOYMENT CERTIFICATION STATEMENT
New Customer Actual Employment Certification

Customer's full legal name: _____

Customer's address: _____

Six-month period ending: _____ (date)

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

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

As of the date specified above, Customer employs _____ employees at the Facility.

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

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

By: _____
Title: _____
Date: _____

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

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

Witness my hand and official seal this _____ day of _____, 19__.

Notary Public

My commission expires: _____.

Growth Credit Amounts
(New Customer)

<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)

<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 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)

<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.

AGREEMENT
Between
TENNESSEE VALLEY AUTHORITY
And
WEST KENTUCKY RURAL ELECTRIC COOPERATIVE 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 WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION (Distributor), a cooperative corporation duly created, organized, and existing under and by virtue of the laws of the Commonwealth of Kentucky;

W I T N E S S E T H:

WHEREAS, TVA and Distributor have heretofore entered into a contract dated April 26, 1982, as amended (Power Contract), under which electric power and energy are supplied by TVA at wholesale and purchased by Distributor for resale; and

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

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

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

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

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

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

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

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

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

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

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

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

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

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

8. It is recognized that the parties have heretofore entered into an agreement dated September 23, 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 Limited Interruptible Power (LIP) 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-59577A, Supp. 10 November 21, 1986	General Tire, Inc.

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 has taken any LIP energy or replacement power 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 (i) Distributor's monthly charges (exclusive of any surcharge for distribution costs) to the customer for LIP demand and energy (as determined under the Company Contract and adjusted to reflect losses as provided in (c) below) and (ii) any charges to the customer for replacement power scheduled during the month (as determined under said contract and adjusted to reflect losses as provided in (c) below). In addition, an amount equal to any additional charge that becomes applicable under the Company Contract if the customer's bill does not exceed specified levels 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 that any kWh amount of replacement power for LIP 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. 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 *Patricia H. M. Allen*
Manager of Business Resources

Attest:

WEST KENTUCKY RURAL ELECTRIC
COOPERATIVE CORPORATION

Jessie Conner
Secretary

By *Ralph C. Edrington*
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.

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
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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.

WEST KENTUCKY RURAL ELECTRIC COOPERATIVE 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: \$10.20 per month, less

Hydro Allocation Credit: \$4.00 per month

Energy Charge: 6.080¢ 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.

WEST KENTUCKY RURAL ELECTRIC COOPERATIVE 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: \$11.20 per delivery point per month

Energy Charge: 7.071¢ per kWh per month

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

Customer Charge: \$11.20 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 \$12.33 per kW

Energy Charge: First 15,000 kWh per month at 7.071¢ per kWh

Additional kWh per month at 3.047¢ 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: \$11.20 per delivery point per month

Demand Charge: First 1,000 kW of billing demand per month, at \$11.71 per kW

Excess over 1,000 kW of billing demand per month, at \$12.33 per kW, plus an additional

\$12.33 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: 3.047¢ 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.

WEST KENTUCKY RURAL ELECTRIC COOPERATIVE 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.

WEST KENTUCKY RURAL ELECTRIC COOPERATIVE 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.

WEST KENTUCKY RURAL ELECTRIC COOPERATIVE 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.

WEST KENTUCKY RURAL ELECTRIC COOPERATIVE 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 B below, which shall be applied to all service for street and park lighting.

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

Metering

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

Revenue and Cost Review

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

PART B--CHARGES FOR OUTDOOR LIGHTING FOR INDIVIDUAL CUSTOMERS

Charges Per Fixture Per Month

(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	1,000	126,000	385	\$9.24
	55	7,650	32	\$3.87
	90	12,750	53	\$6.44
	135	22,000	75	\$8.49
	180	33,000	93	\$9.64

(b) Energy Charge: For each lamp size under (a) above, 4.221¢ 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.

WEST KENTUCKY RURAL ELECTRIC COOPERATIVE 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.

WEST KENTUCKY RURAL ELECTRIC COOPERATIVE 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.

WEST KENTUCKY RURAL ELECTRIC COOPERATIVE 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
WEST KENTUCKY RURAL ELECTRIC COOPERATIVE 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 WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION (Distributor), a cooperative corporation duly created, organized, and existing under and by virtue of the laws of the Commonwealth of Kentucky;

W I T N E S S E T H:

WHEREAS, TVA and Distributor have heretofore entered into a contract dated April 26, 1982, 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 Sharye May
President, Customer Group

Attest:

WEST KENTUCKY RURAL ELECTRIC
COOPERATIVE CORPORATION

Jessie Conner
Secretary

By Ralph C. Edrington
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.



TV-59577A
Supp No. 24

Tennessee Valley Authority, Post Office Box 509, Mayfield, Kentucky 42066

September 1, 1992

Mr. Michael Alderdice, Manager
West Kentucky RECC
P.O. Box 589
Mayfield, Kentucky 42066-0589

Dear Mr. Alderdice:

This is to confirm our understanding relative to supplementing the wholesale power contract dated April 26, 1982, between TVA and West Kentucky RECC to cover our cooperation in a marketing training program to help promote the better use of electricity.

We understand that you will arrange with AHP Systems, Inc., to conduct for your employees a training seminar entitled "Where the Rubber Meets the Road." You will schedule and make all necessary arrangements (including providing the facilities) with AHP Systems for this training seminar. If attendance space permits, you will arrange for TVA's employees to attend this seminar as well. After receipt of an invoice, TVA will reimburse your electric system in the amount of \$1,000, which is about one-half the seminar costs (as billed to your electric system by AHP Systems).

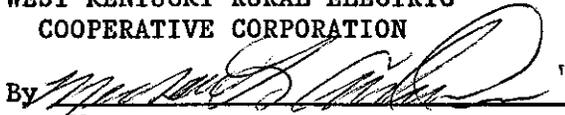
If this letter correctly states our understandings about this program, please sign in the space provided below and return two copies to me. The original is for your files.

Very truly yours,

for Dave Eric Mullins
Myron N. Callahan, Manager
Kentucky Customer Service Center

Accepted and agreed to as of
the 8 day of Sept, 1992.

WEST KENTUCKY RURAL ELECTRIC
COOPERATIVE CORPORATION

By 
Manager

4668L

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

THIS AGREEMENT, made and entered into as of the first day of October, 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 WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION (Distributor), a cooperative corporation duly created, organized, and existing under and by virtue of the laws of the Commonwealth of Kentucky;

W I T N E S S E T H:

WHEREAS, TVA and Distributor have heretofore entered into a contract dated April 26, 1982, 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 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 termination of the Power Contract.

2. Determination of Reactive Demand on Simultaneous Basis. For all bills rendered from wholesale meter readings scheduled to be taken on or after October 2, 1992, 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.

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.

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 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.

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.

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 N. Miller*
Manager of Business Resources

Attest:

WEST KENTUCKY RURAL ELECTRIC
COOPERATIVE CORPORATION

James A. Ormer
Secretary

By *Ralph C. Edrington*
President

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

THIS AGREEMENT, made and entered into as of the 14th day of April, 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 WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION (Distributor), a cooperative corporation duly created, organized, and existing under and by virtue of the laws of the Commonwealth of Kentucky;

W I T N E S S E T H:

WHEREAS, Distributor purchases power for resale from TVA under a contract dated April 26, 1982 (Power Contract); and

WHEREAS, under certain agreements (Lease Agreements), effective on or after January 1, 1977, Distributor has leased with the option to purchase (and may have purchased) all or portions of certain former TVA substation sites (Substation Sites), which Lease Agreements and Substation Sites are identified in the tabulations below:

List of Lease Agreements

<u>Agreement Nos.</u>	<u>Dates of Agreements</u>
TV-23488A, Supp. No. 13	November 9, 1979
TV-23488A, Supp. No. 14	January 17, 1980
TV-59577A, Supp. No. 14	March 12, 1988

List of Substation Sites

Benton	Milburn
Gilbertsville	Hickory Grove
East Murray	Hardin
Coldwater	Pilot Oak

NOW, THEREFORE, in consideration of the mutual promises in this agreement, and subject to the provisions of the TVA Act, TVA and Distributor mutually agree as follows:

1. Test and Reclassify Equipment. No later than October 1, 1993, Distributor and TVA shall each at its expense perform, or cause to be performed, necessary testing of its equipment located on the Substation Sites (Distributor's equipment includes that leased by Distributor under the Lease Agreements) for polychlorinated biphenyl (PCB) content to determine whether such equipment is classified in accordance with Federal environmental

regulations as non-PCB, PCB, or PCB-contaminated. The requirements of this section 1, however, do not apply to equipment of Distributor or of TVA on the Substation Sites (such as transformer bushings, instrument transformers, and hermetically sealed equipment) which contains small amounts of fluid, is essential to Distributor or TVA system operation, and cannot be removed from service. By October 1, 1994, Distributor and TVA shall each, at its expense, (a) remove its equipment classified as PCB or PCB-contaminated from the Substation Sites for proper reuse or disposal or (b) replace the PCB fluid in said equipment with non-PCB fluid so as to reclassify it as non-PCB equipment.

2. TVA Disposal. TVA will at its expense accept for disposal certain small, burnable PCB or PCB-contaminated equipment (such as capacitor units) or the fluids from any PCB or PCB-contaminated equipment so long as Distributor (a) leased such equipment (or fluids) under the Lease Agreements, (b) provides TVA by October 1, 1993, a schedule for the removal of such equipment (or fluids), (c) removes and delivers such equipment (or fluids) to TVA at a mutually agreeable location prior to October 1, 1994 (unless otherwise agreed by TVA), and (d) has, at no expense to TVA, provided and installed any required replacements for such equipment (or fluids).

3. PCB Prohibition. Neither Distributor nor TVA, without express permission from the other, shall knowingly bring or allow any third party to bring any equipment known to contain 50 ppm or more of PCBs onto the Substation Sites for any purposes in the future. For any equipment that has not been certified non-PCB or tested and found to contain less than 50 ppm of PCBs that in the future is brought on the Substation Sites by Distributor or TVA, Distributor or TVA respectively shall at its expense within ninety (90) days test such equipment and, if it is found to contain 50 ppm or more of PCBs, promptly remove or reclassify it as non-PCB equipment.

4. Cost Sharing. If a past spill of PCBs is discovered for which an agency responsible for PCB regulation requires cleanup on any of the Substation Sites, notwithstanding anything that may be construed to the contrary appearing in the Lease Agreements (or in any instruments transferring title to the Substation Sites to Distributor), a party which has satisfactorily carried out its obligations under sections 1 through 3 of this agreement shall be entitled to receive from the other party reimbursement of amounts that will result in the parties' sharing the costs of any such cleanup as follows: Distributor shall pay the first \$10,000 and 30 percent of any excess over \$10,000, and TVA shall pay 70 percent of any excess over \$10,000 for each Substation Site; provided that the cleanup costs are consistent with applicable laws and regulations or required by such agency.

5. Exclusion of Substation Site. For each of the Substation Sites currently leased with an option to purchase, if Distributor provides written notice of the exercise of its option to purchase to TVA at least 180 days prior to the anticipated purchase date, then TVA shall at least 90 days prior to the anticipated purchase date inform Distributor whether, based on a search of TVA's files to provide the notice required by section 120(h) of the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA), 42 U.S.C. § 9620(h), TVA records indicate that a spill of PCBs has occurred. For any of the Substation Sites for which TVA records indicate that a spill of PCBs occurred, Distributor may then elect to make the provisions of

this agreement inapplicable by so notifying TVA in writing, and, upon such notification, the rights and obligations of the parties shall be as if this agreement had never applied with respect to any such Substation Sites.

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 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.

7. Ratification. The Lease Agreements, as amended by this agreement, are hereby ratified and confirmed as the continuing obligations of the parties.

8. Statutory Effect. It is the intention of the parties that this agreement shall not affect the statutory rights or obligations of either party.

9. Term of Agreement. 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 extension, renewal, or replacement thereof.

IN WITNESS WHEREOF, the duly authorized officers of TVA and Distributor have executed this agreement as of the day and year first above written.

TENNESSEE VALLEY AUTHORITY

By Tracy Sharp Hayes
~~MANAGER OF BUSINESS RESOURCES~~
President
Customer Group

WEST KENTUCKY RURAL ELECTRIC
COOPERATIVE CORPORATION

Attest:

Jessie Connor
Secretary

By Ralph C. Edrington
President

BILL CREDIT EXTENSION AGREEMENT

AMENDATORY AGREEMENT
Between
TENNESSEE VALLEY AUTHORITY
And
WEST KENTUCKY RURAL ELECTRIC COOPERATIVE 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 WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION (Distributor), a cooperative corporation duly created, organized, and existing under and by virtue of the laws of the Commonwealth of Kentucky;

W I T N E S S E T H:

WHEREAS, TVA and Distributor have heretofore entered into a contract dated April 26, 1982, 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;

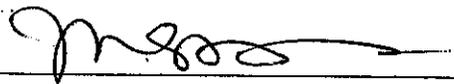
NOW, THEREFORE, for and in consideration of the mutual covenants set forth, and subject to the provisions of the TVA Act, the parties mutually agree as follows:

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 

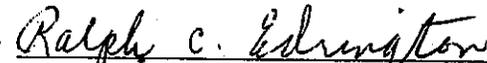
President
Customer Group

Attest:

WEST KENTUCKY RURAL ELECTRIC
COOPERATIVE CORPORATION



Secretary

By 

President

AGREEMENT
Among
TENNESSEE VALLEY AUTHORITY,
ELECTRIC PLANT BOARD OF THE CITY OF MAYFIELD, KENTUCKY,
and
WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION

THIS AGREEMENT, made and entered into as of the 3rd day of December, 1993, 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 (TVA Act); the ELECTRIC PLANT BOARD OF THE CITY OF MAYFIELD, KENTUCKY (Board), duly created, organized, and existing under and by virtue of the laws of the Commonwealth of Kentucky; and WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION (Cooperative), a cooperative corporation duly created, organized, and existing under and by virtue of the laws of the Commonwealth of Kentucky;

W I T N E S S E T H:

WHEREAS, Board purchases power for resale from TVA under a contract dated March 25, 1982, as amended (Board Power Contract); and

WHEREAS, Cooperative purchases power for resale from TVA under a contract dated April 26, 1982, as amended (Cooperative Power Contract); and

WHEREAS, under Lease and Amendatory Agreement TV-59310A, Supplement No. 1/TV-59577A, Supplement No. 3, dated May 14, 1983 (Lease Agreement), Board and Cooperative have jointly leased with the option to purchase (and may have purchased) all or a portion of the former TVA Mayfield District Substation site which includes Parcel 1A (Substation Site) and Parcel 1B, as indicated on the drawing attached hereto as Exhibit A and made a part of this agreement;

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

1. Test and Reclassify Equipment. No later than October 1, 1993, Board, Cooperative, and TVA shall each at its expense perform, or cause to be performed, necessary testing of the equipment located on the Substation Site (Board's and Cooperative's equipment includes that leased by Board and Cooperative under the Lease Agreement) for polychlorinated biphenyl (PCB) content to determine whether such equipment is classified in accordance with Federal environmental regulations as non-PCB, PCB, or PCB-contaminated. The requirements of this section 1, however, do not apply to equipment of Board, Cooperative, or TVA on the Substation Site (such as transformer bushings,

instrument transformers, and hermetically sealed equipment) which contains small amounts of fluid, is essential to Board, Cooperative, or TVA system operation, and cannot be removed from service. By October 1, 1994, Board, Cooperative, and TVA shall each, at its expense, (a) remove its equipment classified as PCB or PCB-contaminated from the Substation Site for proper reuse or disposal or (b) replace the PCB fluid in said equipment with non-PCB fluid so as to reclassify it as non-PCB equipment.

2. TVA Disposal. TVA will at its expense accept for disposal certain small, burnable PCB or PCB-contaminated equipment (such as capacitor units) or the fluids from any PCB or PCB-contaminated equipment so long as Board and Cooperative (a) leased such equipment (or fluids) under the Lease Agreement, (b) provide TVA by October 1, 1993, a schedule for the removal of such equipment (or fluids), (c) remove and deliver such equipment (or fluids) to TVA at a mutually agreeable location prior to October 1, 1994 (unless otherwise agreed by TVA), and (d) have, at no expense to TVA, provided and installed any required replacements for such equipment (or fluids).

3. PCB Prohibition. Neither Board, Cooperative, nor TVA, without express permission from the others, shall knowingly bring or allow any third party to bring any equipment known to contain 50 ppm or more of PCBs onto the Substation Site for any purposes in the future. For any equipment that has not been certified non-PCB or tested and found to contain less than 50 ppm of PCBs that in the future is brought on the Substation Sites by Board, Cooperative, or TVA, Board, Cooperative, or TVA respectively shall at its expense within ninety (90) days test such equipment and, if it is found to contain 50 ppm or more of PCBs, promptly remove or reclassify it as non-PCB equipment.

4. Cost Sharing. As set out under the section entitled "Division of Facilities Capability," section 1.2, of the Lease Agreement, Board and Cooperative have agreed upon the percentage of use of the Substation Site to which each is entitled (B percent and C percent respectively). If a past spill of PCBs is discovered for which an agency responsible for PCB regulation requires cleanup on the Substation Site, notwithstanding anything that may be construed to the contrary appearing in the Lease Agreement (or in any instruments transferring title to the Substation Site to Board and Cooperative), a party which has satisfactorily carried its their obligations under sections 1 through 3 of this agreement shall be entitled to receive from the other parties reimbursement of amounts that will result in the parties' sharing the costs of any such cleanup as follows: Board shall pay B percent of the first \$10,000 and B percent of 30 percent of any excess over \$10,000, and Cooperative shall pay C percent of the first \$10,000 and C percent of 30 percent of any excess over \$10,000, and TVA shall pay 70 percent of any excess over \$10,000 for the Substation Site; provided that the cleanup costs are consistent with applicable laws and regulations or required by such agency.

5. Exclusion of Substation Site. If the Substation Site is currently leased with an option to purchase and Board and Cooperative provide written notice of the exercise of their option to purchase to TVA at least 180 days prior to the anticipated purchase date, then TVA shall at least 90 days prior to the anticipated purchase date inform Board and Cooperative whether, based on a search of TVA's files to provide the notice required by section 120(h) of the Comprehensive Environmental Response, Compensation, and Liability Act. (CERCLA), 42 U.S.C. § 9620(h), TVA records indicate that a spill of PCBs has occurred. If TVA records indicate that a spill of PCBs occurred on the Substation Site, Board and Cooperative may then elect to make the provisions of this agreement inapplicable by so notifying TVA in writing, and, upon such notification, the rights and obligations of the parties shall be as if this agreement had never applied with respect to the Substation Site.

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 therefrom unless the agreement be made with a corporation for its general benefit, nor shall Board or 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.

7. Ratification. The Lease Agreement, as amended by this agreement, is hereby ratified and confirmed as the continuing obligation of the parties.

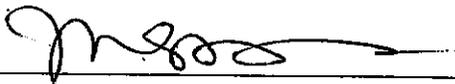
8. Statutory effect. It is the intention of the parties that this agreement shall not affect the statutory rights or obligations of any party.

9. Term of Agreement. Except as otherwise provided herein, this agreement shall become effective as of the date first above written and shall continue in effect as long as both the Board Power Contract (or any extension, renewal, or replacement thereof) and the Cooperative Power Contract (or any extension, renewal, or replacement thereof) continue in effect.

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.

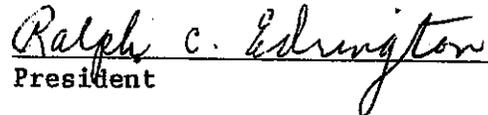
TENNESSEE VALLEY AUTHORITY

By 
President
Customer Group

Attest:

WEST KENTUCKY RURAL ELECTRIC
COOPERATIVE CORPORATION


Secretary

By 
President



TV-59577A
Supp No. 29

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

Mary Sharpe Hayes
President, Customer Group

November 23, 1993

Mr. Ralph Edrington, President
West Kentucky Rural Electric
Cooperative Corporation
P.O. Box 589
Mayfield, Kentucky 42066

Dear Mr. Edrington:

This will confirm the arrangements developed between representatives of Tennessee Valley Authority (TVA) and West Kentucky Rural Electric Cooperative Corporation (Distributor) to amend and supplement their wholesale power contract dated April 26, 1982, so that Distributor will be able to utilize the financing being made available by TVA under its wholesale power contract arrangements as part of the efforts to provide low-cost service to power consumers.

It is understood and agreed that:

1. TVA will upon request and subject to development of arrangements make available financing assistance to Distributor to provide, consistent with the criteria and conditions established by TVA, financing for Distributor's capital needs and other electric system purposes approved by TVA.
2. In consideration of such financing being made available by TVA, Distributor, unless otherwise agreed by TVA, will make available to its customers TVA's programs that are developed for the benefit of consumers such as those for Economy Surplus Power and Growth Credits, and Distributor will comply with all other terms and conditions applicable with respect to any financing obtained from TVA.
3. Any such financial transaction exceeding \$150,000 is 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

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Mr. Ralph Edrington
Page 2
November 23, 1993

regulations published at 55 Fed. Reg. 6736 (codified at 18 C.F.R. 1315). In compliance with this law, when applicable, Distributor will execute the certification attached to and made a part of 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 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 5 C.F.R. part 2635 (as such provisions may subsequently be amended, supplemented, or replaced). 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 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,

Mary Sharpe Hayes

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

WEST KENTUCKY RURAL ELECTRIC
COOPERATIVE CORPORATION

Ralph C. Edrington

By _____
(title)

Attest:

By *[Signature]*
(title)

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.

WEST KENTUCKY RURAL ELECTRIC
COOPERATIVE CORPORATION

Ralph C. Edrington

By _____
(title)

Date December 10, 1993

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

THIS AGREEMENT, made and entered into as of the 24TH day of MARCH, 1994, by and between TENNESSEE VALLEY AUTHORITY (TVA), a corporation created and existing under and by virtue of Tennessee Valley Authority Act of 1933, as amended, and WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION (Distributor), a cooperative corporation duly created, organized, and existing under and by virtue of the laws of the Commonwealth of Kentucky;

W I T N E S S E T H:

WHEREAS, TVA and Distributor have heretofore entered into a power contract dated as of April 26, 1982, 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 Old Hickory Clay Company (Company) have entered into a contract of even date herewith (Company Contract) covering arrangements under which TVA will make available to Distributor for resale to Company a supply of firm power and of economy surplus power (ESP) for operation of Company's plant near Hickory, 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 will be billed demand and energy charges as provided in the wholesale rate schedule (Wholesale Schedule), which is contained in the Schedule of Rates and Charges attached to and made a part of the Power Contract, for any firm power and energy resold under the Company Contract; provided, however, that for the purposes of calculating said charges for any billing month in which Company is deemed to have taken any ESP energy under said 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).

(b) 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 the sum of Distributor's monthly charges (exclusive of any surcharge applicable under the last paragraph of section F of the ESP Attachment to the Company Contract) to Company 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 applicable charges billed to Company in accordance with the second and third paragraphs of section A of the ESP Attachment to the Company Contract 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 Wholesale Schedule. In the event the ESP 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 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.

4. Metering Facilities. It is recognized that the existing metering facilities heretofore used by Distributor in determining the firm power and energy taken by Company are inadequate for determining the amounts of power and energy associated with ESP to be taken by Company under the Company Contract. Accordingly, TVA and Distributor have arranged to replace the revenue meter in the existing metering facilities with a solid-state type revenue meter (Replacement Meter) capable of remote telephone access. Distributor will, at its expense, provide the equipment and materials and perform the work necessary to install the Replacement Meter, which will be provided by TVA at its expense. Thereafter, Distributor shall 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.

It is recognized that remote access to the metering data recorded by the Replacement Meter requires installation of a telephone circuit. Distributor shall, at its expense, provide and install, or cause to be installed, and thereafter maintain a telephone circuit to be connected (through a modem furnished by TVA at its expense) to the Replacement Meter. Said telephone circuit shall be installed in accordance with guidelines and specifications furnished or approved by TVA. TVA hereby 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. It is recognized that Distributor will require equipment not provided by TVA to exercise such access. TVA will assist Distributor in determining the equipment to be utilized, but it is understood that 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. It is hereby agreed that Distributor will not use the Replacement Meter for any purpose other than as specifically provided herein 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 said meter to TVA upon expiration or termination of the Company Contract or the availability of ESP thereunder, whichever first occurs. The obligations of this paragraph shall survive the expiration or termination of this agreement until they are discharged.

It is recognized that Distributor has requested access to metering outputs from the Replacement Meter for such purposes as monitoring and load control and that TVA is willing to make such access available at no charge to Distributor. 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 hereunder, including the provision and installation of a cable to be connected by Distributor to a terminal block in the meter cabinet. Distributor will keep TVA informed as to

Distributor's plans for installation of said cable to the extent necessary and practicable. Distributor will neither install any facilities which are to be connected to the Replacement Meter 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. It is understood that the arrangements set out under this paragraph may be terminated by TVA or Distributor 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, Distributor will disconnect said metering cable from said terminal block.

It is recognized that the Replacement Meter is being installed, operated, and maintained for measuring the power and energy taken by Distributor for resale to Company. In recognition of the allowance of access to the metering outputs at no charge to Distributor, it is understood and agreed that Distributor shall reimburse TVA for any damage to TVA's property and to property in TVA's custody, and Distributor 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 Distributor, its agents or employees, or third parties, arising out of or in any way connected with (a) any of Distributor's work under the preceding paragraph or (b) Distributor'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 Distributor 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 Distributor has access hereunder 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, consequential damages, arising out of or in any way connected with Distributor's use of the metering outputs. Distributor's obligations under this and the preceding paragraph shall survive any expiration or termination of this agreement until they are discharged.

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

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 5 C.F.R. part 2635 (as amended, supplemented, or replaced). 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 Richard D. Yone for
President
Customer Group

Attest:

WEST KENTUCKY RURAL ELECTRIC
COOPERATIVE CORPORATION

Lucille Connor
Secretary

By Ralph C. Edrington
President

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

DATE: April 24, 1994

TV-59577A
Supp No. 31

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

W I T N E S S E T H:

WHEREAS, under Power Contract TV-59577A, dated April 26, 1982, 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 Kentucky-Tennessee Clay Company (Company) have entered into a contract of even date herewith (Company Contract) covering arrangements under which TVA will make available to Distributor for resale to Company a supply of firm power and of economy surplus power (ESP) for operation of Company's plant near Mayfield, Kentucky; and

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

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

SECTION 1 - TERM OF AGREEMENT

This agreement shall become effective as of the effective date of the Company Contract, and shall continue in effect until expiration or termination of the Company Contract, or of the Power Contract, or until ESP 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 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 Firm Power and Energy. Distributor will be billed demand and energy charges as provided in the wholesale rate schedule (Wholesale Schedule), which is contained in the Schedule of Rates and Charges attached to and made a part of the Power Contract, for any firm power and energy resold under the Company Contract; provided, however, that for the purposes of calculating said charges for any month in which Company is deemed to have taken any 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 Excess Billing Demand (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. In the event the ESP 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 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.

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

4.1 Replacement Metering. The metering facilities previously used by Distributor in determining the power and energy taken by Company are inadequate for determining the amounts of power and energy associated with ESP. Accordingly, TVA and Distributor have arranged to replace the revenue meter in the existing metering facilities with a solid-state type revenue meter (Replacement Meter) capable of remote telephone access. Distributor will, at its expense, provide the equipment and materials and perform the work necessary to install the Replacement Meter, which will be provided by TVA at its expense. Thereafter, Distributor shall 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 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 shall, at its expense, provide and install, or cause to be installed, and thereafter maintain a telephone circuit to be connected (through a modem furnished by TVA at its expense) to the Replacement Meter. The telephone circuit shall be installed in accordance with guidelines and specifications furnished or approved by TVA. TVA agrees to permit Distributor remote access through the telephone circuit to the metering data, and TVA will provide Distributor any information necessary for the exercise of such access. Distributor will require equipment not provided by TVA to exercise such access and TVA will assist Distributor in determining the equipment to be utilized; however, the acquisition of such equipment shall be the sole responsibility of Distributor. The use of the telephone circuit and access to the metering data will be coordinated by TVA's and Distributor's operating representatives to ensure unrestricted access by TVA for data retrieval purposes during such periods as specified by TVA.

4.4 Metering Outputs. Metering outputs from the Replacement Meter for such purposes as monitoring and load control will be available to Distributor under the provisions set out in the attachment entitled "Metering Outputs Attachment," which is made a part of this agreement.

SECTION 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 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.

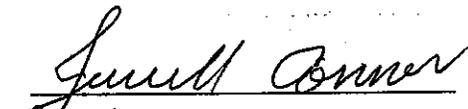
SECTION 6 - AFFIRMATION OF POWER CONTRACT

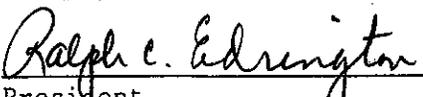
Except as expressly supplemented and amended by this agreement, the Power Contract shall be the continuing obligation of the parties.

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.

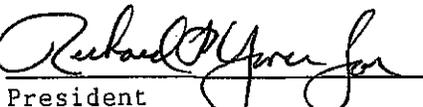
Attest:

WEST KENTUCKY RURAL ELECTRIC
COOPERATIVE CORPORATION


Secretary

By 
President

TENNESSEE VALLEY AUTHORITY

By 
President
Customer Group

METERING OUTPUTS ATTACHMENT

Under the provisions of the body of this agreement, TVA provides a revenue meter or meters for use in determining the amounts of power and energy taken under the Company Contract. If Distributor desires access to metering outputs from that metering installation for such purposes as monitoring and load control, TVA will make such access available at no charge under the conditions set forth below.

A. Access to Outputs

Distributor may, at such time as it deems appropriate, provide and install at its expense such additional facilities as are necessary for obtaining access to metering outputs, including provision and installation of cable to be connected to the metering installation by Distributor (or by TVA in the event that this agreement provides for TVA to maintain the metering installation). Distributor shall also furnish and install any protective facilities requested by TVA for the protection of TVA's meter(s).

B. Approval of Facilities

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

C. Noninterference With Metering

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

D. Distributor Responsibility for Risk

The metering installation is operated and maintained for the purpose of measuring the power and energy taken under the Company Contract. In recognition of the allowance of access to the metering outputs at no charge to Distributor, it is understood and agreed that Distributor shall reimburse TVA for any damage to TVA's property and to property in TVA's custody, and Distributor 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 Distributor, its agents or employees, or third parties, arising out of or in any way connected with (a) any of the work under section A above or (b) Distributor'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 Distributor or its agents or employees.

E. 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. Distributor's obligations under section D above and this section E shall survive any termination of the arrangements set out in this attachment, or any expiration or termination of this agreement until they are discharged.

F. Termination of Arrangements

The arrangements set out in this attachment may be terminated by TVA or Distributor at any time upon at least 120 days' written notice. As soon as practicable following the effective date of such termination, Distributor (or TVA in the event that this agreement provides for TVA to maintain the metering installation) will disconnect the cable from the metering installation.

POWER SUPPLY CONTRACT
Among
WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION,
KENTUCKY-TENNESSEE CLAY COMPANY,
And
TENNESSEE VALLEY AUTHORITY

DATE: April 24, 1994

TV- 88552U

THIS CONTRACT, made and entered into by and among WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION (Distributor), a cooperative corporation created and existing under and by virtue of the laws of the Commonwealth of Kentucky; KENTUCKY-TENNESSEE CLAY COMPANY (Company), a corporation duly created and existing under and by virtue of the laws of the State of Delaware; 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 from TVA for resale under Power Contract TV-59577A, dated April 26, 1982, as amended (Power Contract); and

WHEREAS, Company and Distributor have previously entered into arrangements under which Company has been purchasing power from Distributor for the operation of Company's plant near Mayfield, Kentucky, and Company has requested a new contract providing for the supply of firm power and economy surplus power (ESP) for operation of the 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 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 - DEFINITION OF TERMS

1.1 "Meter-Reading Time" for any calendar month shall mean 0000 hours CST or CDT, whichever is currently effective, on the twenty-fourth day of that 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.

1.2 "Firm Contract Demand" shall mean the amount of firm power made available under this contract.

1.3 "Billing Month" 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.

1.4 "Billing Period" shall mean a period of time used to determine the power and energy amounts for which Company is to be billed. The Billing Period shall be the same period of time as the Billing Month, except that any Billing Month during which there is a change in the availability of ESP will be divided for billing purposes into separate Billing Periods. When a Billing Month is so divided, each Billing Period 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.

1.5 "Total Half-Hour Demand" for each clock half-hour shall be the average amount during that half-hour of Company's load measured in kW.

1.6 "Total Demand" for each Billing Period shall be the highest Total Half-Hour Demand during that Billing Period.

1.7 "Rate Schedule" shall mean the Distributor's General Power Rate--Schedule GSB, which is 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.

1.8 "Excess Demand" for each clock half-hour shall be the amount, if any, by which the Total Half-Hour Demand exceeds the aggregate amount of firm power and ESP available during that clock half-hour.

1.9 "Excess Billing Demand" shall be the highest Excess Demand established during a Billing Month.

1.10 "ESP Billing Demand" for any clock half-hour shall be the amount (up to the kW amount of ESP available in that half-hour), if any, by which the Total Half-Hour Demand for that half-hour exceeds the Firm Contract Demand. Such ESP shall be deemed to have been made available by TVA and used by Company at 100 percent load factor during that half-hour for purposes of determining the amounts of ESP energy deemed to have been taken by Company.

1.11 "ESP Month" shall mean any Billing Month in which an ESP Billing Demand is established for one or more clock half-hours.

1.12 "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 firm billing demand cannot fall.

SECTION 2 - POWER AVAILABILITY

2.1 Firm Power. Distributor shall make available to Company 100 kW of firm power.

2.2 ESP. In addition to firm power, Distributor shall make available ESP Option C in such amounts as TVA, in its judgment, is able to supply, up to and including 1,000 kW.

2.3 Other Contract Provisions. Power availability shall be subject to the other provisions of this contract. Various additional provisions governing the supply of ESP to Company are set out in the attachment entitled "ESP Attachment," which is made a part of this contract.

It is recognized that TVA is presently revising the System referred to in section B of this ESP Attachment and that due to such revisions the System cannot at this time be made available for Company's use in obtaining price estimates. Accordingly, the provisions of section B shall be of no force and effect until such time as TVA notifies Company that the System is available for its use.

SECTION 3 - DELIVERY VOLTAGE

The power made available under this contract shall be delivered at a nominal voltage of 7,200 volts, subject to the provisions of section 1.1 of the attached Terms and Conditions.

SECTION 4 - DELIVERY POINT

The point of delivery for power and energy made available under this contract shall be the point of interconnection of Distributor's 7.2-kV facilities and Company's 7.2-kV facilities.

SECTION 5 - TERM OF CONTRACT

5.1 Contract Term. This contract shall become effective as of 0000 hours CST or CDT, whichever is currently effective, on the date first above written (Effective Date). It shall continue in effect through the first Meter-Reading Time that falls at least 10 years after the Effective Date, unless it is sooner terminated as provided below.

5.2 Termination of ESP. The provisions of this contract covering the availability and supply of the total amount of ESP (ESP Provisions) may be terminated:

- (a) by any party at any time upon at least 36 months' written notice, or
- (b) as provided in the ESP Attachment.

5.3 Termination of Firm Power. The provisions of this contract covering the availability and supply of firm power may be terminated by Distributor or Company at any time upon at least 36 months' written notice.

5.4 Termination of Contract. This contract may be terminated by Distributor or Company at any time upon at least 36 months' written notice.

SECTION 6 - DETERMINATION OF FIRM POWER BILLING AMOUNTS

6.1 ESP Months. For any ESP Month:

(a) the billing demand for firm power shall be the Firm Contract Demand, and

(b) the total metered energy for the month, less the summation of the amounts of ESP energy deemed to have been used by Company in each clock half-hour of that month, shall be the firm energy.

6.2 Non-ESP Months. For any Billing Month in which no ESP Billing Demand was established for any clock half-hour:

(a) the Total Demand for each Billing Period, up to the Firm Contract Demand, shall be the firm demand, and the highest firm demand in a month shall be the billing demand for firm power; provided, however, that the billing demand for firm power shall in no case be less than the amount calculated under the Demand Ratchet; and provided further, that in making that calculation, the words "the higher of the currently effective contract demand and the highest billing demand established during the preceding 12 months" 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 provided further that such billing demand as so calculated will in no case exceed the amount of firm power available, and

(b) the total metered energy for each Billing Period shall be the firm energy.

SECTION 7 - RATES

7.1 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.

7.2 Base Charges. For purposes of applying the charges set out in the section headed "Base Charges" of the Rate Schedule:

(a) the words "billing demand" (and for any ESP Month the words "metered demand") shall be deemed to refer to the sum of the Excess Billing Demand and the billing demand for firm power, and

(b) 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 Excess Billing Demand.

7.3 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 sum of (i) the firm power billing demand and (ii) the Excess Billing Demand,

(b) the base energy charge, as adjusted, referred to in item 3 shall be applied to the firm energy, and

(c) in applying that base energy charge for any ESP Month, the term "metered demand" shall be deemed to refer to the sum of (i) the firm power billing demand and (ii) the Excess Billing Demand.

7.4 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" in said section shall be deemed to refer to the highest Total Demand from any billing period, and

(b) the words "contract demand" in that section shall be deemed to be the total of the firm power and ESP available.

7.5 ESP Termination. In the event the ESP Provisions are terminated under any provision of this contract, effective with the billing month following such termination, and except as may be otherwise provided, the charges and payments provided for under this contract shall be in accordance with the provisions of Distributor's General Power Rate--Schedule GSA (as it is modified, changed, replaced, or adjusted from time to time as provided under contractual arrangements between Distributor and TVA). (It is recognized that the billing amounts to which schedule GSA would be applied will be determined as provided in that schedule and without regard to the provisions of section 6 above.)

7.6 Conflicts. In the event of any conflict between the rate schedule applicable under this section 7 and the body of this contract, the ESP Attachment, or the Terms and Conditions, either the body of this contract, the ESP Attachment, or the Terms and Conditions, as the case may be, shall control.

SECTION 8 - NOTICES

8.1 Persons to Receive Notice. Any notice required by this contract shall be deemed properly given if mailed, postage prepaid, to the Vice President/Treasurer, Kentucky-Tennessee Clay Company, P.O. Box 6002, Mayfield, Kentucky 42066, on behalf of Company; or to the Manager, West Kentucky Rural Electric Cooperative Corporation, P.O. Box 589, Mayfield, Kentucky 42066, on behalf of Distributor; or to the President, Customer Group, Tennessee Valley Authority, Chattanooga, Tennessee 37402, on behalf of TVA.

8.2 Certain Notices May Be Oral. Notices between the authorized operating representatives of the parties may be oral, except for notice of termination pursuant to section 5 of this contract or sections C and E of the ESP Attachment, which must be in writing. Notices that may be oral shall be confirmed in writing.

8.3 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 9 - INCORPORATION OF TERMS AND CONDITIONS

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

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

Attest:

WEST KENTUCKY RURAL ELECTRIC
COOPERATIVE CORPORATION

Samuel Connor
Secretary

By Ralph C. Edgington
President

Attest:

KENTUCKY-TENNESSEE CLAY COMPANY

Joe P. Richardson
(Title) WKYRECC
Supt Meter Dept

By Roger Sawyers
(Title) plant manager

TENNESSEE VALLEY AUTHORITY

By Richard P. Yone for
President
Customer Group

WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION

GENERAL POWER RATE--SCHEDULE GSB

(June 1993)

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:	\$10.19 per kW of billing demand per month, plus an additional \$10.19 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:	2.637¢ per kWh for up to 620 hours use of metered demand per month 2.152¢ 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.

TERMS AND CONDITIONS
(ESP)

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 ESP 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.

2.3 Metering Needed to Determine ESP

2.3.1 Replacement Metering. If Distributor has previously provided service to the facility being served under this contract, the metering facilities previously used by Distributor in determining the power and energy taken by Company may be inadequate for purposes of determining the amounts of power and energy associated with ESP. In the event that such metering facilities are inadequate in TVA's judgment for purposes of determining the amounts of power and energy associated with ESP, Distributor will be responsible for the installation, operation, and maintenance of such additional or replacement meters and associated facilities as necessary to make such determinations.

2.3.2 Replacement Costs. If replacement metering is installed under the provisions of subsection 2.3.1, or if such replacement metering has been installed under the provisions of a previous ESP power supply contract, Company shall, upon expiration or termination of this contract, or the termination of the availability of ESP, whichever first occurs, pay to Distributor (a) any cost incurred in removing previously 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.

2.4 Rights of Access

Company hereby grants to TVA and Distributor such rights of access in, over, and across Company's property as are reasonably necessary or desirable for the installation, operation, maintenance, replacement, or inspection of the meters and associated equipment (including any telephone circuit or other equipment needed for remote access to the meters) and for their removal, if and when they are no longer needed.

2.5 Metering Outputs

2.5.1 Access to Outputs. Company may desire access to metering outputs from the metering installation for such purposes as monitoring and load control and TVA and Distributor are willing to make such access available at no charge to Company. Accordingly, Company may, at such time as it deems appropriate, provide and install at its expense such additional facilities as are necessary for obtaining access to metering outputs, including the provision and

installation of cable to be connected to the metering installation by Distributor (or by TVA in the event that the metering installation is maintained by TVA under a separate agreement with Distributor). Company shall also furnish and install any protective facilities requested by Distributor or TVA for the protection of the metering installation.

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

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

2.5.4 Company Responsibility for Risk. The metering installation is operated and maintained for the purpose of measuring the power and energy taken by Company. In recognition of the allowance of access to the metering outputs at no charge to Company, it is understood and agreed that Company shall reimburse (a) Distributor for any damage to Distributor's property and to property in Distributor's custody and (b) TVA for any damage to TVA's property and to property in TVA's custody, and Company hereby waives, and releases Distributor, the United States of America, TVA, and their agents and employees from, and shall indemnify and save harmless 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, those for personal injuries, property damage, loss of life or property, or consequential damages sustained by Company, its agents or employees, or third parties, arising out of or in any way connected with (i) any of the work under subsection 2.5.1 or (ii) Company'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 Company or its agents or employees.

2.5.5 No Warranty of Outputs. 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, (a) as to the accuracy or completeness of the metering outputs or as to such

outputs' merchantability or fitness for any purposes for which Company 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. 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, those for consequential damages, arising out of or in any way connected with Company's use of the metering outputs. Company's obligations under subsection 2.5.4 and this subsection 2.5.5 shall survive any termination of this section 2 or any expiration or termination of this contract until they are discharged.

2.5.6 Termination of Arrangements. The arrangements set out under this section 2.5 may be terminated by TVA, Distributor, or Company at any time upon at least 120 days' written notice to the other parties. As soon as practicable following the effective date of such termination, Distributor (or TVA in the event that the metering installation is maintained by TVA under a separate agreement with Distributor) will disconnect the cable from the metering installation.

SECTION 3 - RELATIONSHIP OF PARTIES

3.1 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 ESP. Distributor retains responsibility for all power service and customer relations matters except as provided otherwise with respect to ESP.

3.2 ESP Arrangements

In connection with the supply of ESP:

(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 ESP,

(c) TVA shall have sole responsibility for scheduling ESP, establishing charges for it, and requiring reductions in availability of ESP, and

(d) TVA shall have sole responsibility for maintenance of records of the status of the availability of ESP.

3.3 Effect of Termination of ESP

If the ESP 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 4 - 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 5 - WAIVERS

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

SECTION 6 - 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 7 - 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 from it unless the contract be made with a corporation for its general benefit. Neither Distributor nor Company shall 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 contract.

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.

ESP Attachment

A. Administrative Costs Charge. To help TVA recover its administrative and other costs of making ESP available (Administrative Costs), Distributor's monthly power invoice to Company shall include, and Company shall pay, a monthly administrative costs charge (currently \$1,075). This charge shall be due and payable each month on the due date for the monthly power invoice. Charges for any period of less than 1 month shall be prorated. The administrative costs charge may be increased or decreased by TVA from time to time upon notice to Distributor and Company to reflect changes in TVA's Administrative Costs.

B. Price Estimates. For Company's convenience in planning for its ESP usage, TVA will endeavor to make available to Company hourly, daily, weekly, and monthly price estimates for ESP by means of a computer bulletin board system (System) or such other system (System) as may be designated by TVA. TVA may designate or adjust the times that price information is available on the System to accommodate its computer programming or other operations needs, but in any event TVA will endeavor to make monthly and weekly price information available at least 24 hours prior to the beginning of the month or week and to make daily price information available at least 2 hours prior to the beginning of the day. The System will be owned, operated, and maintained by TVA.

If Company desires access to the System, Company will need to provide, at its expense, such necessary software, hardware, or other equipment as may be designated by TVA. In addition, Company shall be responsible for any telephone or other communications charges that it must incur to access 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 and any equipment provided by TVA under the next paragraph only in connection with obtaining information about ESP under this contract.

As a part of the System, TVA may elect to furnish to Company for its use certain software, hardware, or other equipment. Company shall reimburse TVA for any damage to any such equipment caused by the negligence or other wrongful act or omission of Company or its agents or employees and Company shall promptly return any such equipment to TVA upon TVA's request or upon expiration or termination of this contract or the termination of the availability of ESP.

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. 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 section.

C. Price. The price for each kWh of each ESP Option (listed in the table at the end of this attachment) 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 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 to each 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 at the end of this attachment (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 5 percent 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 ESP Billing Demand established during that Billing Month. 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.

D. 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 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. 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.

E. Termination of Availability. It is recognized that the provisions of section D of this attachment are of the essence of this contract. It is accordingly expressly agreed that Distributor or TVA may terminate the availability of ESP at any time upon at least 7 days' written notice if Company (1) fails to cease taking ESP within the specified time period after receipt of a notice under section D, (2) fails to respond properly to a test of any system that would be utilized by TVA to suspend ESP in accordance with section D, or (3) fails to be ready and able at all times (a) to receive suspension notices under section D and (b) to respond to those notices by ceasing its ESP takings within the specified time period.

TABLE

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

LARGE MANUFACTURER BILL CREDIT AGREEMENT
Between
TENNESSEE VALLEY AUTHORITY
And
WEST KENTUCKY RURAL ELECTRIC COOPERATIVE 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 WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION (Distributor), a cooperative corporation created and existing under and by virtue of the laws of the Commonwealth of Kentucky;

W I T N E S S E T H:

WHEREAS, TVA and Distributor have heretofore entered into a contract dated April 26, 1982, 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 of or reckless disregard for the truth, provided materially false information to Distributor, Distributor shall, if so requested by TVA's Operating Representative, terminate the payment of any further credits to that customer. Additionally, Distributor shall cooperate with TVA in collecting from such customer any and all credit amounts paid to such customer as a result of Distributor's use of such information.

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

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

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

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

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

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 *Rubell P. Yancey*
Manager of Business Resources

Attest:

WEST KENTUCKY RURAL ELECTRIC
COOPERATIVE CORPORATION

Lucas Conner
Secretary

By *Ralph C. Edgington*
President

LARGE MANUFACTURER BILL CREDIT PROGRAM
Application for Credit

Power Distributor: _____

Customer Name: _____

Mailing Address: _____

Telephone Number: () - _____

Plant Name/Location: _____

Customer is applying for a credit to its electric bills under a program offered by Distributor and the Tennessee Valley Authority. It is understood that for an account to be eligible the primary business activity at that account must be classified with a 2-digit Standard Industrial Classification (SIC) code between 20 and 39, inclusive, and the total power contract availability for that account must exceed 5,000 kW. Please list the contract demand, account number, applicable SIC code, and business activity:

Contract Demand:
Account Number:
SIC Code:
Business Activity:

Customer agrees to inform Distributor of changes in the status of any of the above information.

Customer understands that the credits it receives are paid in reliance on the accuracy of its representations in this application. Federal law provides substantial penalties for intentionally providing materially false information on this application, and if this occurs, Customer's participation in the program is subject to termination. Customer agrees to promptly repay to Distributor any amounts overpaid to Customer as a result of Distributor's use of such false information.

Customer will allow Distributor or TVA to review, at any time during normal working hours and upon reasonable notice, any of Customer's books and records related to the information contained in this application.

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

By: _____
Title: _____
Date: _____

WHOLESALE ADJUSTMENT AGREEMENT
Between
WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION
(Distributor)
And
TENNESSEE VALLEY AUTHORITY
(TVA)

DATE: December 24, 1994 TV-59577A, Supp. No. 33

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 April 26, 1982, 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

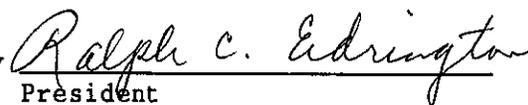
The Power Contract, as amended by this agreement, is ratified and confirmed as the continuing obligation of the parties.

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.

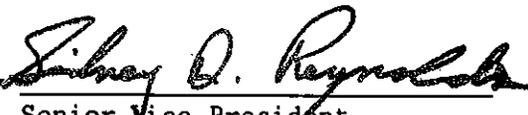
Attest:


Secretary

WEST KENTUCKY RURAL ELECTRIC
COOPERATIVE CORPORATION

By 
President

TENNESSEE VALLEY AUTHORITY

By 
Senior Vice President
Customer Group

ENHANCED GROWTH CREDIT PROGRAM AGREEMENT
Between
WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION
And
TENNESSEE VALLEY AUTHORITY

DATE: May 5, 1994

TV-59577A, Supp. No. 34

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 WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION (Distributor), a cooperative corporation created and existing under and by virtue of the laws of the Commonwealth of Kentucky;

W I T N E S S E T H:

WHEREAS, TVA and Distributor have entered into a contract dated April 26, 1982, as amended (Power Contract), under which 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:

Levell Conner
Secretary

WEST KENTUCKY RURAL ELECTRIC
COOPERATIVE CORPORATION

By Ralph C. Edrington
President

TENNESSEE VALLEY AUTHORITY

By Myron N. Callahan
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.

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.

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

DATE: February 8, 1996

TV-59577A, Supp. No. 35

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 WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION (Distributor), a cooperative corporation created and existing under and by virtue of the laws of the Commonwealth of Kentucky;

W I T N E S S E T H:

WHEREAS, TVA and Distributor have entered into a contract dated April 26, 1982, as amended (Power Contract), under which 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.

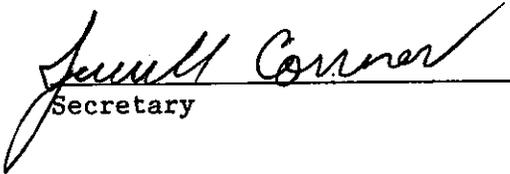
SECTION 3 - POWER CONTRACT AFFIRMED

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.

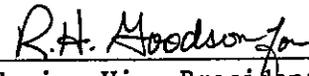
Attest:

WEST KENTUCKY RURAL ELECTRIC
COOPERATIVE CORPORATION


Secretary

By 
President

TENNESSEE VALLEY AUTHORITY

By 
Senior Vice President
Customer Group

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

DATE: 8-24-96

TV-59577A, Supp. No. 36

36

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

W I T N E S S E T H:

WHEREAS, under Power Contract TV-59577A, dated April 26, 1982, 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 Mattel Incorporated (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 Murray, 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 ESP 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 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 Firm Power and Energy. Distributor will be billed demand and energy charges as provided in the wholesale rate schedule (Wholesale Schedule), which is contained in the Schedule of Rates and Charges attached to and made a part of the Power Contract, for any firm power and energy resold under the Company Contract; provided, however, that for the purposes of calculating said charges for any month in which Company is deemed to have taken any 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

4.1 Replacement Metering. The metering facilities previously used by Distributor in determining the power and energy taken by Company are inadequate for determining the amounts of power and energy associated with ESP. Accordingly, TVA and Distributor have arranged to replace the revenue meter in the existing metering facilities with a solid-state type revenue meter (Replacement Meter) capable of remote telephone access. Distributor will, at its expense, provide the equipment and materials and perform the work necessary to install the Replacement Meter, which will be provided by TVA at its expense. Thereafter, Distributor shall 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 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 shall, at its expense, provide and install, or cause to be installed, and thereafter maintain a telephone circuit to be connected (through a modem furnished by TVA at its expense) to the Replacement Meter. The telephone circuit shall be installed in accordance with guidelines and specifications furnished or approved by TVA. TVA agrees to permit Distributor remote access through the telephone circuit to the metering data, and TVA will provide Distributor any information necessary for the exercise of such access. Distributor will require equipment not provided by TVA to exercise such access and TVA will assist Distributor in determining the equipment to be utilized; however, the acquisition of such equipment shall be the sole responsibility of Distributor. The use of the telephone circuit and access to the metering data will be coordinated by TVA's and Distributor's operating representatives to ensure unrestricted access by TVA for data retrieval purposes during such periods as specified by TVA.

4.4 Metering Outputs. Metering outputs from the Replacement Meter for such purposes as monitoring and load control will be available to Distributor under the provisions set out in the attachment entitled "Metering Outputs Attachment," which is made a part of this agreement.

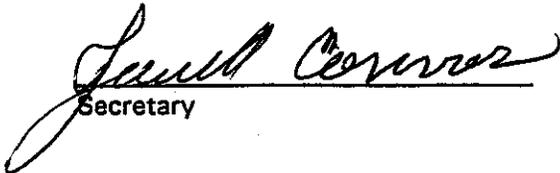
SECTION 5 - AFFIRMATION OF POWER CONTRACT

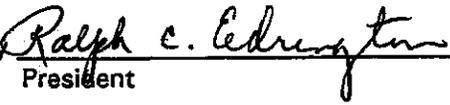
Except as expressly supplemented and amended by this agreement, the Power Contract shall be the continuing obligation of the parties.

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.

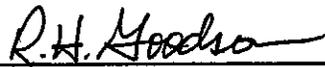
Attest:

WEST KENTUCKY RURAL ELECTRIC
COOPERATIVE CORPORATION


Secretary

By 
President

TENNESSEE VALLEY AUTHORITY

By 
General Manager
Business Development
Customer Group

METERING OUTPUTS ATTACHMENT

Under the provisions of the body of this agreement, TVA provides a revenue meter or meters for use in determining the amounts of power and energy taken under the Company Contract. If Distributor desires access to metering outputs from that metering installation for such purposes as monitoring and load control, TVA will make such access available at no charge under the conditions set forth below.

A. Access to Outputs

Distributor may, at such time as it deems appropriate, provide and install at its expense such additional facilities as are necessary for obtaining access to metering outputs, including provision and installation of cable to be connected to the metering installation by Distributor (or by TVA in the event that this agreement provides for TVA to maintain the metering installation). Distributor shall also furnish and install any protective facilities requested by TVA for the protection of TVA's meter(s).

B. Approval of Facilities

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

C. Noninterference With Metering

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

D. No Warranty of Outputs

TVA makes no statement, representation, claim, guarantee, assurance, or warranty of any kind whatsoever, including, but not limited to, representations or warranties, express or implied, (a) as to the accuracy or completeness of the metering outputs or as to such outputs' merchantability or fitness for any purposes for which Distributor uses or will use them or (b) as to quantity, kind, character, quality, capacity, design, performance, compliance with specifications, condition, size, description of any property, merchantability, or fitness for any use or purpose of any facilities through which the metering outputs are supplied. Distributor hereby

waives, and releases the United States of America, TVA, and their agents and employees from, any and all claims, demands, or causes of action, including, without limitation, those for consequential damages, arising out of or in any way connected with Distributor's use of the metering outputs.

E. Termination of Arrangements

The arrangements set out in this attachment may be terminated by TVA or Distributor at any time upon at least 120 days' written notice. As soon as practicable following the effective date of such termination, Distributor (or TVA in the event that this agreement provides for TVA to maintain the metering installation) will disconnect the cable from the metering installation.

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

DATE: October 2, 1996

TV-59577A, Supp. No. 37

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

W I T N E S S E T H:

WHEREAS, TVA and Distributor have entered into a contract dated April 26, 1982, as amended (Power Contract), under which 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.

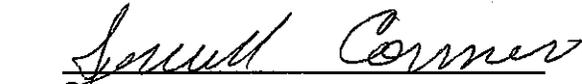
SECTION 5 - AFFIRMATION OF POWER CONTRACT

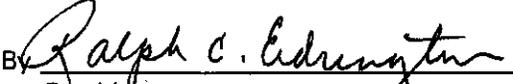
The Power Contract, as amended and supplemented by the provisions of this agreement, is ratified and confirmed as the continuing obligation of the parties.

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:

WEST KENTUCKY RURAL ELECTRIC
COOPERATIVE CORPORATION


Secretary

By 
President

TENNESSEE VALLEY AUTHORITY

By 
General Manager, Pricing
Business Development
Customer Group Service and Marketing

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

DATE: November 24, 1996

TV-59577A, Supp. No. 38

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

W I N E S S E T H:

WHEREAS, under Power Contract TV-59577A, dated April 26, 1982, 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 Continental General Tire, Inc. (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 limited interruptible power (LIP) for operation of Company's plant near Mayfield, Kentucky; and

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

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

SECTION 1 - TERM OF AGREEMENT

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

SECTION 2 - BILLING DATA

Data obtained from the metering installation referred to in section 4 below 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, each month TVA shall, as soon as practicable after the scheduled meter-reading date for Company, furnish to Distributor information regarding the amounts and hours of availability of any fixed price or hourly replacement power

made available under the LIP attachment to the Company Contract and the price for such power. Each month Distributor shall furnish to TVA a copy of Distributor's bill to Company for power and energy made available under the Company Contract when it is rendered and such other information related to Company's power and energy takings as TVA may require.

SECTION 3 - ADJUSTMENTS TO DISTRIBUTOR'S WHOLESALE BILLING

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

3.1 Firm Power and Energy. Distributor will be billed demand and energy charges as provided in the wholesale rate schedule (Wholesale Schedule), which is contained in the Schedule of Rates and Charges attached to and made a part of the Power Contract, for any firm power and energy resold under the Company Contract; provided, however, that for the purposes of calculating said charges for any month in which (i) Company is deemed to have taken any LIP energy under the Company Contract or (ii) Company has taken any fixed price replacement power or hourly replacement power 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 LIP 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 the sum of (i) Distributor's monthly charge to Company for LIP demand and energy, and (ii) any charges to Customer for fixed price or hourly replacement power scheduled during the month (as all such 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 Credit for Distributor Margin. In order to enable Distributor to recover more adequately the cost of making LIP available to Company, TVA will apply a credit to the wholesale bill derived by multiplying 40 cents times the highest LIP Demand established under the Company Contract during the month; provided, however, if a notice to terminate the Power Contract (Termination Notice) is given under the section of the Power Contract entitled "Term of Contract," the provisions of this subsection 3.3 shall be of no force and effect with respect to any LIP Demand established after the date the Termination Notice is received.

3.4 Adjustment 3 of Wholesale Schedule. For purposes of applying the provisions of Adjustment 3 to the Wholesale Schedule, the term "contract demand" appearing in those provisions shall be deemed to be the total of the firm power and LIP available under the Company Contract.

SECTION 4 - METERING FACILITIES

It is recognized that the amounts of power and energy delivered to Company by Distributor at the delivery point specified in the Company Contract are measured by Distributor's existing metering facilities located at Distributor's Hickory Grove Substation and that such facilities utilize a telephone circuit for various data transmission and communication purposes. Distributor agrees for TVA to have access to the data stored in said metering facilities 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:

**WEST KENTUCKY RURAL ELECTRIC
COOPERATIVE CORPORATION**


Secretary

By 
President

TENNESSEE VALLEY AUTHORITY

By 
Manager, Pricing
Customer Service and
Marketing

April 4, 1997

TV-59577A
Supp. No. 39

RESALE RATE SCHEDULE SUBSTITUTION AGREEMENT
Between
TENNESSEE VALLEY AUTHORITY (TVA)
And
WEST KENTUCKY RURAL ELECTRIC COOPERATIVE 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 April 26, 1982, 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 May 1997 revenue month.

- (a) New resale rate schedule:
Residential Rate--Schedule RS (May 1997)

- (b) Existing resale rate schedule:
Residential Rate--Schedule RS (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.

WEST KENTUCKY RURAL ELECTRIC
COOPERATIVE CORPORATION

By Ralph C. Edmington
President

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

TENNESSEE VALLEY AUTHORITY

By W. T. Boston
Manager, Pricing
Customer Service and Marketing

W040497-STD.

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WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION

RESIDENTIAL RATE--SCHEDULE RS

(May 1997)

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: \$11.80 per month, less

Hydro Allocation Credit: \$2.48 per month

Energy Charge: 6.280¢ per kWh per month for first 800 kWh
5.590¢ per kWh per month for additional kWh

Adjustment

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

September 30, 1997

RESALE RATE SCHEDULE SUBSTITUTION AGREEMENT
Between
WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION
(DISTRIBUTOR)
And
TENNESSEE VALLEY AUTHORITY (TVA)

Distributor and TVA agree to substitute the new resale rate schedules specified in (a) below, copies of which are attached, for the resale rate schedules specified in (b) below, which are now in effect under provisions of the Power Contract dated April 26, 1982, 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)
- (b) Existing resale rate schedules:
Residential Rate--Schedule RS (May 1997)
General Power Rate--Schedule GSA (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 schedules specified in (b) above, or to any predecessor schedules, shall be deemed to refer to the appropriate new resale rate schedules specified in (a) above.

**WEST KENTUCKY RURAL ELECTRIC
COOPERATIVE CORPORATION**

By Ralph C. Edgington
President

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

TENNESSEE VALLEY AUTHORITY

By Tony Boston
Manager, Pricing
Customer Service and Marketing

WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION

RESIDENTIAL RATE--SCHEDULE RS

(October 1997, R1)*

Availability

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

Character of Service

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

Base Charges

Customer Charge: \$13.48 per month, less

Hydro Allocation Credit: \$2.48 per month

Energy Charge: First 800 kWh per month at 6.627¢ per kWh
Additional kWh per month at 5.937¢ 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.

WEST KENTUCKY RURAL ELECTRIC COOPERATIVE 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: \$13.50 per delivery point per month

Energy Charge: 7.347¢ per kWh per month

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

Customer Charge: \$37.00 per delivery point per month

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

Excess over 50 kW of billing demand per month, at \$12.70 per kW

Energy Charge: First 15,000 kWh per month at 7.347¢ per kWh

Additional kWh per month at 3.203¢ 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 \$12.10 per kW

Excess over 1,000 kW of billing demand per month, at
\$12.79 per kW, plus an additional

\$12.79 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: 3.203¢ 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.

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

DATE: October 1, 1997

TV-59577A, Supp. No. 41

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

W I T N E S S E I H:

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

WHEREAS, 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:

**WEST KENTUCKY RURAL ELECTRIC
COOPERATIVE CORPORATION**

William Samuel Conner Secretary By Ralph C. Edrington President

TENNESSEE VALLEY AUTHORITY

By Terry Boston
Manager, Pricing
Customer Service and Marketing

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

DATE: October 1, 1997

TV-59577A, Supp No. 42

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

W I T N E S S E T H:

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

WHEREAS, 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:

**WEST KENTUCKY RURAL ELECTRIC
COOPERATIVE CORPORATION**

Jessie Conner Secretary By *Ralph C. Edrington* President

TENNESSEE VALLEY AUTHORITY

By *Terry Boston*
Manager, Pricing
Customer Service and Marketing



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

May 10, 1999

TV-59577A
Supp No. 43

Mr. Michael L. Alderdice, General Manager
West Kentucky Rural Electric
Cooperative Corporation
Post Office Box 589
Mayfield, Kentucky 42066-0589

Dear Mr. Alderdice:

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. Michael L. Alderdice
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,



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.



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

April 1, 1999

TV-59577A
Supp. No. 44

Mr. Ralph Edrington, President
West Kentucky Rural Electric
Cooperative Corporation
Post Office Box 589
Mayfield, Kentucky 42066-0589

Dear Mr. Edrington:

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.

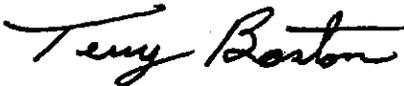
Mr. Ralph Edrington

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,

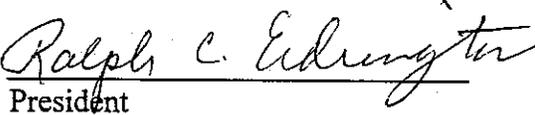


W. Terry Boston
Manager, Pricing
Customer Service and Marketing

Enclosures

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

**WEST KENTUCKY RURAL ELECTRIC
COOPERATIVE 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 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>
<p>(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.</p>	

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

<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>
<p>(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.</p>	

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.

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

DATE: March 1, 1999

TV-59577A, Supp. No. 45

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

W I T N E S S E T H:

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

WHEREAS, 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:

**WEST KENTUCKY RURAL ELECTRIC
COOPERATIVE CORPORATION**

Willa Jean Connor
Secretary

By Ralph C. Edrington
President

TENNESSEE VALLEY AUTHORITY

By Tony Boston
Manager, Pricing
Customer Service and Marketing

SECURITY DEPOSIT PROGRAM AGREEMENT
Between
WEST KENTUCKY RURAL ELECTRIC COOPERATIVE
CORPORATION
And
TENNESSEE VALLEY AUTHORITY

Date: April 13, 2000 TV-59577A, Supp. No. 46

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

WITNESSETH:

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

WHEREAS, Distributor, under its standard policy, requires a cash deposit or other substantially equivalent form of security for power bills for commercial and industrial accounts; and

WHEREAS, TVA has developed a program (Program) to provide a limited guarantee to Distributor in lieu of Distributor's requiring or maintaining the standard cash deposit or other substantially equivalent form of security for those commercial and industrial accounts which are nominated by Distributor and approved as eligible by TVA; and

WHEREAS, the Program will be especially responsive to the needs of commercial and industrial customers who operate in more than one location; and

WHEREAS, the parties hereto wish to agree upon the terms and conditions under which Distributor may participate in 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 mutually agree as follows:

SECTION 1 - DEFINITION OF TERMS

The underlined terms used in this agreement shall have the meanings set forth in the attachment entitled "Definitions Attachment," which is made a part of this agreement.

SECTION 2 - ACCOUNT ELIGIBILITY

To be Eligible under the Program, an account must be a Commercial Account:

- (a) nominated by Distributor for participation in the Program as provided in subsection 3.1 below;
- (b) from which Distributor otherwise would require a cash deposit or other substantially equivalent form or security for the account's electric power bill under Distributor's standard deposit policy; and
- (c) which:
 - (1) has been assigned and maintains an Investment Grade Rating, or
 - (2) provides an unconditional guarantee of payment, in a form and amount acceptable to TVA, from a parent company that has been assigned and maintains an Investment Grade Rating, or
 - (3) provides an irrevocable letter of credit, in a form and amount acceptable to TVA, from a financial institution acceptable to TVA, or
 - (4) provides other alternative security in a form and amount that TVA deems acceptable; and
- (d) which assumes a contract obligation to either maintain the security basis on which it qualifies under subsection 2(c) above or, upon termination of such basis, to immediately substitute or provide alternative security in a form and amount that TVA deems acceptable.

SECTION 3 - APPLICATION AND APPROVAL PROCESS

3.1 Account Nomination. Distributor may consider potentially Eligible accounts for nomination under the Program, and TVA, from time to time, also may suggest that Distributor consider certain accounts, especially those that operate in more than one location. Distributor shall in its sole discretion determine whether to nominate a potentially Eligible account as an Applicant.

3.2 Account Application. Distributor shall cause each Applicant to complete a credit application in such form as may be furnished or approved by TVA from time to time. Distributor shall send duplicate originals of the credit application to the TVA Regional Account Manager and the TVA Credit Department at the postal addresses, electronic mail addresses, or facsimile numbers designated by TVA.

3.3 TVA Review. For each Applicant, TVA will review the account application, determine whether the account is Eligible for the Program, and notify Distributor of its decision at the postal address, electronic mail address, or facsimile number designated by Distributor. An Applicant shall be deemed to be a Covered Account from the date of such approval by TVA until the expiration or termination of this agreement.

3.4 Notification Changes. The designation of the persons or departments to receive applications under subsection 3.1 above, the person or department to be notified of TVA's application decision under subsection 3.2 above, or the addresses or facsimile numbers designated in accordance with those subsections may be changed at any time and from time to time by similar notice to the other party.

SECTION 4 - LIMITED GUARANTEE

To the extent of and subject to the conditions set forth in this section 4, TVA shall provide a limited guarantee for each Covered Account.

4.1 Collection Procedures. When any Covered Account becomes delinquent, Distributor shall promptly and diligently pursue collection efforts in accordance with the Guidelines. At such times and intervals as may be specified in the Guidelines, Distributor shall provide reports to TVA concerning any delinquent accounts and Distributor's efforts to collect the same.

4.2 Allocation of Collected Amounts. Any amounts collected from a delinquent Covered Account, excluding any amounts applied to litigation or other collection costs in accordance with the Guidelines, shall be applied to that account's electric bill, beginning with the oldest outstanding past due amount (commonly known as the "first in first out" accounting basis), and shall be assigned on a pro-rata basis to the Wholesale Portion and the Retail Adder of the account.

4.3 Uncollectible Accounts. If Distributor, through the collection efforts outlined in the Guidelines, is unable to fully collect from a delinquent Covered Account, Distributor may make a written application to TVA to have the Covered Account deemed uncollectible. TVA will declare the Covered Account uncollectible after verification that Distributor has exhausted all reasonable efforts to collect the unpaid balance in full compliance with the Guidelines.

4.4 TVA Limited Guarantee. For each Covered Account declared to be uncollectible, TVA will apply a credit to Distributor's wholesale bill in an amount up to the Wholesale Portion of the first two monthly billing cycles of usage that resulted in the unpaid balance (not to exceed a total period of 65 days), to the extent such Wholesale Portion remains uncollected after application of any collected amounts in accordance with subsection 4.2 above. Further, it is expressly recognized and agreed that TVA's guarantee shall not apply to:

(a) the Retail Adder or

(b) any unpaid balance resulting from usage after said billing cycles (except as provided otherwise in subsection 4.5 below with respect to the bankruptcy of a Covered Account).

4.5 Bankruptcy. If a Covered Account files for bankruptcy under Title 11 of the United States Code (as it now exists or may hereafter be amended and referred to below as the "Bankruptcy Code"), the two month billing cycle limitation provided for in subsection 4.4 above shall not apply with respect to coverage of usage that Distributor is required to supply

to the Covered Account as debtor (or to the bankruptcy trustee for the Covered Account) under section 366 of the Bankruptcy Code, so long as Distributor fulfills its obligations under 4.1 above to promptly and diligently pursue collection efforts in accordance with the Guidelines by:

- (a) promptly obtaining adequate assurance of payment under said section 366, and
- (b) otherwise promptly and diligently pursuing all of its rights to collection and security under the Bankruptcy Code.

4.6 Collections After Exercise of the TVA Limited Guarantee. In the event that circumstances arise under which collection efforts again become reasonable in relation to a Covered Account that has been declared uncollectible and for which TVA has provided a credit to Distributor:

- (a) TVA may request that Distributor pursue collection efforts;
- (b) TVA may provide assistance to Distributor in pursuing collection efforts to the extent TVA determines that such assistance is appropriate;
- (c) upon Distributor's refusal or failure to pursue collection efforts, TVA may pursue such efforts, including litigation, in the name of Distributor, TVA, or both, and any actions taken by TVA in such efforts will be binding on Distributor; and
- (d) any amounts received through collection efforts will be allocated in accordance with subsection 4.2 above.

SECTION 5 - MONITORING OF COVERED ACCOUNTS

5.1 Investment Grade Rating Review. At least annually, TVA will review the Investment Grade Rating of each Covered Account that qualified on the basis of such Rating (under subsection 2(c)(1) or (2) above) to ensure that the account is maintaining a Rating that satisfies the eligibility criteria applicable to a Covered Account.

5.2 Review of Other Securities. Distributor shall cooperate with TVA in performing ongoing monitoring of each Covered Account that qualified on the basis of any security other than or in addition to an Investment Grade Rating (under subsection 2(c)(2), (3), or (4) above) to ensure that the qualifying security arrangements continue to be of full force and effect.

5.3 Failure of Security. In the event that the Investment Grade Rating or other security provided by a Covered Account becomes defective in any way in relation to the qualifying criteria:

- (a) the party first discovering the defect will promptly notify the other party, and
- (b) Distributor and TVA will thereafter cooperate in efforts to resolve the defect and/or to enforce the Covered Account's obligation to provide substitute security in accordance with subsection 2(d) above.

SECTION 6 - TERM

6.1 Agreement Term. This agreement shall become effective as of the date first written above. Unless sooner terminated as provided below, it shall continue in effect during the term of the Power Contract.

6.2 Early Termination. Either party may terminate this agreement at any time upon one hundred twenty (120) days' written notice.

6.3 Continuing Obligations. Notwithstanding the termination or expiration of this agreement, the obligations of the parties:

(a) with respect to any Covered Account retail bills accruing prior to the effective date of any such expiration or termination, and

(b) under subsection 4.5 above,

shall continue in effect until they are discharged.

SECTION 7 - ADDITIONAL SECURITY

Other than any security that might be required from a Covered Account under the provisions of this agreement, during the term of this agreement Distributor shall not require or retain any deposit or other security from a Covered Account. It is expressly recognized and agreed that nothing in this section 7 or elsewhere in this agreement shall be constructed to prohibit Distributor from requiring or retaining a deposit or other security:

(a) from a Nominated Account until such time as TVA approves the account as a Covered Account, or

(b) from a Covered Account to provide security for additional facilities or other obligations undertaken by Distributor for the benefit of the Covered Account, where such additional obligations are not a part of the standard arrangements covered by rate schedule charges or other standard charges applicable to the type of power provided to the Covered Account.

SECTION 8 - THIRD PARTIES NOT TO BENEFIT

Notwithstanding any provision of this Agreement that may be interpreted to the contrary, this Agreement does not confer any benefits or rights on any third party except as specifically set out in this agreement.

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

Attest:

**WEST KENTUCKY RURAL ELECTRIC
COOPERATIVE CORPORATION**

Jewell Conner
Secretary

Ralph C. Edrington
President

TENNESSEE VALLEY AUTHORITY

By *James D. Kuyper*
Senior Vice President, Marketing

DEFINITIONS ATTACHMENT

As used in this agreement:

- (1) "Applicant" shall mean a potentially Eligible account nominated by Distributor.
- (2) "Commercial Account" shall mean a new or existing account that satisfies the "Availability" requirements of the General Power Rate - Schedule GSA, Schedule GSB, Schedule GSC, or Schedule GSD contained in the Schedule of Rates and Charges attached to and made a part of the Power Contract, as such schedules may be modified, changed, replaced, or adjusted from time to time, and which:
 - (a) has electrical requirements of greater than 50 kW served by Distributor or
 - (b) has electrical requirements of no more than 50 kW served by Distributor but is proposed by TVA for inclusion in the Program as a regional account.
- (3) "Covered Account" shall mean an Applicant that TVA has determined is Eligible under the Program.
- (4) "Eligible" shall mean qualified under the Program by meeting the eligibility requirements set forth in section 3 of the agreement, except that in determining eligibility under said section, TVA also may determine that an Applicant is not Eligible where non-standard wholesale billing arrangements applicable with respect to the Applicant are deemed to be inconsistent with the objectives of the Program.
- (5) "Guidelines" shall mean such guidelines applicable to the Program as may from time to time be furnished or approved by TVA. In the event of any conflict between the provisions of the Guidelines and the provisions of this agreement, the provisions of this agreement shall control.
- (6) "Investment Grade Rating" or "Rating" shall mean a Long-Term Debt Rating (a) by Standard and Poor's of BBB- or better or (b) by Moody's Investors Service of Baa3 or better.
- (7) "Retail Adder" shall mean all amounts other than the Wholesale Portion of the retail bill.
- (8) "Wholesale Billing Adjustment Provisions" shall mean provisions setting forth the steps to be taken with respect to the Covered Account in calculating the wholesale bill each month, which are set forth in any agreement between Distributor and TVA amending or supplementing the Power Contract to provide for arrangements under which a Covered Account pays for power or energy other than at the rates and charges provided for in the Schedule of Rates and Charges to the Power Contract.

(9) "Wholesale Portion" of a retail bill shall mean an amount equal to TVA's wholesale charges to Distributor for the end-usage resulting in the retail bill, consisting of:

(a) the per kW and per kWh wholesale charges to Distributor for kW and kWh amounts deemed to have been taken at the delivery point for the Covered Account and either (i) provided for as base charges under the wholesale schedule in the Schedule of rates and charges to the Power Contract or (ii) added to such base charges in accordance with Wholesale Billing Adjustment Provisions, and

(b) any other charges added to the wholesale bill under Wholesale Billing Adjustment Provisions expressly providing for wholesale charges equal to all or part of a retail charge to the Covered Account.

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

Date: SEPT. 24, 2000

TV-59577A, Supp. No. 47

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

WITNESSETH:

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

WHEREAS, TVA, Distributor, and Old Hickory Clay Company (Company) have entered into a contract of even date herewith (Company Contract) covering arrangements under which TVA will make available to Distributor for resale to Company a supply of firm power and of variable price interruptible power (VPI) for operation of Company's plant near Hickory, Kentucky; and

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

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

SECTION 1 - TERM OF AGREEMENT

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

SECTION 2 - BILLING DATA

Data obtained from the metering facilities referred to in section 4 of this agreement will be used (a) by Distributor for the purposes of determining the power and energy taken by

Company and (b) by TVA for determining applicable adjustments for Distributor's wholesale bill. Accordingly, TVA will supply Distributor by the fourth working day following Company's scheduled meter-reading date the information regarding the amounts of VPI deemed to have been taken by Company, the times this VPI was taken, the price for this VPI, and such other information as may be necessary so that Distributor may be able to calculate Company's bill under the Company Contract. In order to facilitate TVA's preparation of the bill to Distributor for power and energy made available under the Power Contract, each month Distributor shall furnish to TVA a copy of Distributor's bill to Company for power and energy made available under the Company Contract when it is rendered and such other information related to Company's power and energy takings as TVA may require.

SECTION 3 - ADJUSTMENTS TO DISTRIBUTOR'S WHOLESALE BILLING

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

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

3.2 Adjustment to Base Charges. (a) The total dollar amount of base demand and energy charges calculated under the Wholesale Schedule shall be increased by adding thereto an amount equal to Distributor's monthly (i) charge to Company for VPI energy under section 6.3 of the Company Contract and (ii) per kW charge to Company under subsection 6.2.2 of the Company Contract (as both charges are determined under the Company Contract and adjusted to reflect losses as provided in (b) below).

(b) The loss adjustment provided for in (a) above shall be made by dividing the charge to be adjusted by 1.03.

(c) The amount added to the base charges of the wholesale bill pursuant to (a) above shall also be added to the "sum of all charges" used for the distribution loss calculation under the section entitled "Distribution Loss Charge" of the Wholesale Schedule.

3.3 Administrative Costs Charge. An amount equal to the charge billed to Company in accordance with subsection 6.2.1 of the Company Contract will be included as part of the wholesale bill.

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

3.5 Credit for Distributor Margin. In order to enable Distributor to recover more adequately the cost of making VPI available to Company, TVA will apply a credit to the

wholesale bill derived by multiplying 40 cents times the highest VPI Demand established under the Company Contract during the month; subject to the same conditions as are applicable with respect to such payments based on ESP demand under the agreement numbered TV-59577A, Supp. No. 37 and dated October 2, 1996.

SECTION 4 - METERING FACILITIES

4.1 Revenue Meter. Under previous arrangements for the provision of ESP to 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.

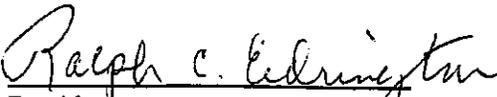
4.3 Telephone Circuit for Remote Access. To allow remote access to the metering data recorded by the Replacement Meter, Distributor, at its expense shall continue to provide and maintain, or to cause the provision and maintenance of, a telephone circuit connected (through a modem furnished by TVA at 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.

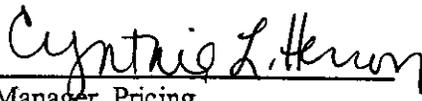
Attest:

**WEST KENTUCKY RURAL ELECTRIC
COOPERATIVE CORPORATION**


Secretary

By 
President

TENNESSEE VALLEY AUTHORITY

By 
Manager, Pricing
Customer Service and Marketing

ENHANCED SECURITY DEPOSIT PROGRAM AGREEMENT
Between
WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION
And
TENNESSEE VALLEY AUTHORITY

Date: December 17, 2001 TV-59577A, Supp. No. 48

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

WITNESSETH:

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

WHEREAS, Distributor, under its standard policy, requires a cash deposit or other substantially equivalent form of security for power bills for commercial and industrial accounts; and

WHEREAS, TVA has developed an Enhanced Security Deposit Program (Enhanced Program), replacing an earlier Security Deposit Program; and

WHEREAS, the Enhanced Program has been designed to provide an enhanced limited guarantee to Distributor in lieu of Distributor's requiring or maintaining the standard cash deposit or other substantially equivalent form of security for those commercial and industrial accounts which are nominated by Distributor and as to which TVA obtains credit insurance (from a third-party underwriter selected by TVA) to cover the risk of non-payment by the account; and

WHEREAS, the Enhanced Program will be especially responsive to the needs of commercial and industrial customers who operate in more than one location; and

WHEREAS, the parties hereto wish to agree upon the terms and conditions under which Distributor may participate in the Enhanced 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 mutually agree as follows and enter into this agreement consisting of the Articles and exhibits listed in Article I below:

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AGREEMENT CONTENTS

ARTICLE I **AGREEMENT CONTENTS**

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AGREEMENT ATTACHMENTS:

- Exhibit A - Credit Application & Nomination Form
- Exhibit B - Uncollectable Account Form

ARTICLE II **DEFINITIONS**

SECTION 2.1 - APPLICANT

"Applicant" shall mean a potentially eligible account nominated by Distributor.

SECTION 2.2 - COMMERCIAL OR INDUSTRIAL ACCOUNT

"Commercial or Industrial Account" shall mean a new or existing account that satisfies the "Availability" requirements of the General Power Rate - Schedule GSA, Schedule GSB, Schedule GSC, or Schedule GSD contained in the Schedule of Rates and Charges attached to and made a part of the Power Contract, as such schedules may be modified, changed, replaced, or adjusted from time to time.

SECTION 2.3 - UNDERWRITER

"Underwriter" shall mean a business entity that regularly rates and secures risk in the routine course of commerce.

SECTION 2.4 - INSURANCE COVERAGE

"Insurance Coverage" shall mean credit insurance purchased by TVA from a third-party Underwriter selected by TVA in an amount that transfers the risk of Applicant's non-payment of its electric power bills to the Underwriter for a period not to exceed 65 days. It is expressly recognized and agreed:

- (a) that such coverage of any particular account will be approved and issued by the Underwriter in accordance with the terms of the credit insurance purchased by TVA;
- (b) that the Underwriter will be solely responsible for creditworthiness determinations, and neither TVA nor Distributor will be responsible for determining creditworthiness;
- (c) that TVA will be solely responsible for the payment of premiums on any Insurance Coverage;
- (d) that deductible amounts applicable under any such Insurance Coverage shall not reduce any amounts owed by TVA to Distributor under the limited guarantee provided for by this agreement; and
- (e) Distributor shall not be an additional insured under the Insurance Coverage.

SECTION 2.5 - REQUESTED INSURANCE COVERAGE

"Requested Insurance Coverage" shall mean the amount of credit insurance coverage requested by Distributor in the Credit Application and Nomination Form. The requested

coverage shall reflect the amount that Distributor would normally require as a security deposit.

SECTION 2.6 - INSURED ACCOUNT

"Insured Account" shall mean a Commercial or Industrial Account:

- (a) which has electrical requirements of greater than 50 kW served by Distributor; and
- (b) which is nominated by Distributor for participation in the Enhanced Program as provided in section 3.2 below; and
- (c) from which Distributor otherwise would require a cash deposit or other substantially equivalent form of security for the account's electric power bill under Distributor's standard deposit policy in the amount specified in the Credit Application and Nomination Form as the Requested Insurance Coverage; and
- (d) which is approved for and continues to be subject to Insurance Coverage, in a specified amount; and
- (e) which assumes contract obligations, as set out in the Credit Application and Nomination Form, to: (i) furnish such financial information (including, without limitation, balance sheets, income statements, cash flow statements and notes to financial statements) as might from time to time be requested by the Underwriter or TVA, and (ii) to immediately provide Alternative Security upon any lapse of Insurance Coverage; and
- (f) as to which Distributor assumes the obligations set forth in this agreement.

SECTION 2.7 - UNINSURED ACCOUNT

"Uninsured Account" shall mean an account originally qualifying and approved for the Enhanced Program under 2.6 above and Article III below as an Insured Account but as to which Insurance Coverage is no longer operative or in force, regardless of the basis for any such loss of Insurance Coverage. It is expressly recognized and agreed that the basis for a loss of Insurance Coverage may include, but is not limited to:

- (a) cancellation, for any reason, of the Insurance Coverage for a particular Insured Account;
- (b) expiration or termination, for any reason, of the Insurance Coverage policy or agreement providing the risk coverage for the Insured Account without that policy or agreement being renewed or replaced, regardless of the reasons for there being no such renewal or replacement; or
- (c) the occurrence of any other event which triggers cancellation, termination, expiration, or any other lapse of the Insurance Coverage;

provided, however, that nothing in this section shall prevent an Uninsured Account from requalifying as an Insured Account at such time, if any, that Insurance Coverage is restored.

SECTION 2.8 - UNINSURED COVERED ACCOUNT

"Uninsured Covered Account" shall mean an Uninsured Account that is still covered by the limited guarantee provided for in Article V below; provided, however, that it is expressly recognized and agreed that such limited guarantee coverage for an Uninsured Covered Account shall be further limited to the Wholesale Portion of the covered retail bill as provided for in section 5.5 below.

SECTION 2.9 - ALTERNATIVE SECURITY

"Alternative Security" shall mean security from an Uninsured Covered Account in a form and amount acceptable to TVA; provided, however, that TVA shall not require such security in an amount which exceeds the amount provided for under item (b) of section 5.5 below.

SECTION 2.10 - CREDIT APPLICATION AND NOMINATION FORM

"Credit Application and Nomination Form" shall mean the form covering nomination and credit application information which is attached as Exhibit A to this agreement or such revised form as may be specified by TVA by giving at least 30 days' notice to Distributor. It is expressly recognized and agreed that the Credit Application and Nomination Form to be submitted under section 3.2 below shall be in substantially the same form as that provided for in this section 2.10 and shall be signed by an authorized representative of the Distributor and an authorized representative of the Applicant.

SECTION 2.11 - UNCOLLECTABLE ACCOUNT FORM

"Uncollectable Account Form" shall mean the form, certifying to TVA that Distributor has exhausted all reasonable efforts to collect any unpaid balance consistent with the terms of this agreement and the Guidelines, which is attached as Exhibit B to this agreement or such revised form as may be specified by TVA by giving at least 30 days' notice to Distributor. It is expressly recognized and agreed that the Uncollectable Account Form to be submitted under section 5.4 below shall be in substantially the same form as that provided for in this section 2.11.

SECTION 2.12 - GUIDELINES

"Guidelines" shall mean such guidelines applicable to the Enhanced Program as may from time to time be furnished or approved by TVA. In the event of any conflict between the provisions of the Guidelines and the provisions of this agreement, the provisions of this agreement shall control.

SECTION 2.13 - RETAIL ADDER

"Retail Adder" shall mean all amounts other than the Wholesale Portion of the retail bill.

SECTION 2.14 - WHOLESALE BILLING ADJUSTMENT PROVISIONS

"Wholesale Billing Adjustment Provisions" shall mean provisions setting forth the steps to be taken with respect to the Uninsured Covered Account in calculating the wholesale bill each month, which are set forth in any agreement between Distributor and TVA amending or supplementing the Power Contract to provide for arrangements under which an Uninsured Covered Account pays for power or energy other than at the rates and charges provided for in the Schedule of Rates and Charges to the Power Contract.

SECTION 2.15 - ADJUSTMENT 3 AMOUNT

"Adjustment 3 Amount" shall mean any amount accruing to TVA under Adjustment 3 of the wholesale rate schedule contained in the Schedule of Rates and Charges to the Power Contract.

SECTION 2.16 - WHOLESALE PORTION

"Wholesale Portion" of a retail bill shall mean an amount equal to TVA's wholesale charges to Distributor for the end-usage resulting in the retail bill, consisting of:

- (a) the per kW and per kWh wholesale charges to Distributor for kW and kWh amounts delivered to the Uninsured Covered Account (adjusted to reflect losses as provided for below in this section 2.16);
- (b) any other charges added to the wholesale bill under Wholesale Billing Adjustment Provisions expressly providing for wholesale charges equal to all or part of a retail charge to the Uninsured Covered Account; and
- (c) any Adjustment 3 Amount;

provided, however, that for purposes of determining the amount of credits to be applied under section 5.5 or 5.6 below, under which payment of such Adjustment 3 Amount is deferred under the second paragraph of section 4 of Agreement TV-59577A, Supp. No. 22, dated May 1, 1992, the amount referenced in item (c) above shall be deemed to be only that portion, if any, of the Adjustment 3 Amount which actually becomes payable by Distributor.

Except as provided below with respect to any Uninsured Covered Account served through a wholesale delivery point which serves only that customer (Special Delivery Point), the loss adjustments provided for in (a) above shall be made by multiplying the charge to be adjusted by 1.03.

If an Uninsured Covered Account is served through a Special Delivery Point, the loss adjustments provided for in (a) above shall be made by multiplying the charge 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 provided for in the retail contract between the Distributor and the Uninsured Covered Account.

ARTICLE III

INSURED ACCOUNTS

SECTION 3.1 - PROCEDURES

Distributor may consider potentially eligible accounts for nomination under the Enhanced Program, and TVA may also suggest that Distributor consider certain accounts, especially those that operate in more than one location. Applicants shall be considered for approval as Insured Accounts in accordance with the provisions of this Article III and such procedures as may be specified by TVA in the Guidelines; provided, however, that it is expressly recognized and agreed that a suggestion by TVA in accordance with the preceding sentence that Distributor consider an account with electrical requirements of 50 kW or less, shall be deemed to be a waiver with respect to that account of the requirement set forth in item (a) of section 2.6 above.

SECTION 3.2 - ACCOUNT NOMINATION

Distributor shall in its sole discretion determine whether to nominate a potentially eligible account as an Applicant. When Distributor wishes to nominate an account it shall submit, or cause the Applicant to submit, a completed Credit Application and Nomination Form.

SECTION 3.3 - CREDITWORTHINESS DETERMINATION

TVA will cause the Underwriter to review the Credit Application and Nomination Form and such additional information as the Underwriter may require to determine whether an otherwise eligible Applicant qualifies for Insurance Coverage, and if so, the amount of Insurance Coverage (up to the Requested Insurance Coverage) for which the Applicant qualifies. The determination of whether or not the Applicant meets the requirement of item (d) in section 2.6 shall be in the Underwriter's sole discretion.

SECTION 3.4 - COVERAGE AS AN INSURED ACCOUNT

If Applicant otherwise meets the requirements set forth in this agreement, TVA will promptly obtain Insurance Coverage for any Applicant approved by the Underwriter, and Distributor will be promptly notified of the amount of Insurance Coverage for which the Applicant is approved. The Applicant shall then be deemed to be an Insured Account from the date of such notice until the date, if any, as of which the account becomes an Uninsured Account under 2.7 above.

SECTION 3.5 - ADJUSTMENTS IN COVERAGE AMOUNT

If at any time there is a substantial increase in an Insured Account's load or the charges it incurs for power and energy such that Distributor would normally seek additional security under its standard deposit policy, Distributor shall have the right to submit a supplemental Credit Application and Nomination Form seeking an increase in the amount of Insurance Coverage. Any such supplemental Credit Application and Nomination Form will be processed in accordance with section 3.3 and section 3.4 above.

ARTICLE IV

UNINSURED ACCOUNTS

SECTION 4.1 - LAPSE OF INSURANCE COVERAGE

The provisions of this Article IV shall apply when the Insurance Coverage for an Insured Account lapses for any reason.

SECTION 4.2 - COVERAGE AS AN UNINSURED COVERED ACCOUNT

An Uninsured Account shall be deemed to be an Uninsured Covered Account from the effective date of the lapse in Insurance Coverage until the earlier of:

- (a) such time, if any, that Insurance Coverage is restored and the account again becomes an Insured Account;
- (b) the effective date of the expiration or termination of this agreement; or
- (c) the effective date of any termination notice given by TVA under paragraph (d) of section 4.3 below.

SECTION 4.3 - ALTERNATIVE SECURITY

(a) Upon notice from TVA that Insurance Coverage has lapsed, or will lapse as of a specified date, Distributor and TVA will cooperate in efforts to enforce the account's obligation to provide Alternative Security.

(b) If the Alternative Security provided by an Uninsured Covered Account in accordance with paragraph (a) of this section 4.3 becomes defective in any way:

- (i) the party first discovering the defect will promptly notify the other party; and
- (ii) Distributor and TVA will cooperate in efforts to resolve the defect and/or to enforce the account's obligation to provide Alternative Security.

(c) As used in this section 4.3, "cooperate" shall mean to promptly initiate and diligently pursue all available remedies legally available for the correction of the defect or the substitution of Alternative Security, including, without limitation, those provided for under the Distributor's power arrangements with the Uninsured Account and under the Credit Application and Nomination Form submitted by the Uninsured Account. Further, in the event that other Alternate Security arrangements are not in place by the date falling 60 days after the date of a notice given under (a) or (b) above, Distributor's obligation of cooperation under this section 4.3 shall include, without limitation, its employment of extraordinary billing and metering arrangements (including weekly metering and billing) where they are a part of Alternative Security arrangements acceptable to TVA and the account.

(d) It is expressly recognized and agreed that as long as the cooperation provided for above in this section 4.3 continues, an account shall be deemed to be an Uninsured

Covered Account without regard to whether Alternative Security is actually put in place or maintained. If, however, the Distributor fails or refuses to cooperate with TVA in the enforcement of an Uninsured Account's obligation to provide and maintain Alternative Security, TVA may terminate the account's status as an Uninsured Covered Account upon at least 10 days' notice to Distributor.

(e) Any monitoring activities undertaken by TVA with respect to the status of an Uninsured Covered Account shall not relieve Distributor of its responsibility to notify TVA of any defect in the Alternative Security.

ARTICLE V

LIMITED GUARANTEE

SECTION 5.1 - TVA LIMITED GUARANTEE

To the extent of and subject to the conditions set forth in this Article V, including, without limitation, Distributor's obligations under sections 5.2 and 5.3 and subsection 5.6.1 below, TVA shall provide a limited guarantee applicable to each Insured Account and each Uninsured Covered Account.

SECTION 5.2 - COOPERATION REGARDING INSURANCE AND CLAIMS

As a condition of payment by TVA of the limited guarantee, the Distributor shall agree to fully cooperate with TVA and to provide such information as may be needed by TVA in:

- (a) obtaining or maintaining Insurance Coverage for an account, and
- (b) filing and receiving payment on any claim in accordance with the provisions of any such Insurance Coverage.

Such obligation to cooperate shall include, without limitation:

- (i) submitting all names under which the Distributor will sell power and energy to a nominated account and under which the nominated account will purchase power and energy, including any such names which will be used in either contracting with or billing such account; and
- (ii) allowing access by TVA or the Underwriter to Distributor's books and records regarding an Insured Account or any account as to which there is a claim; and
- (iii) promptly providing such information regarding the financial condition and solvency of an Insured Account as may be known to the Distributor and specified or requested by TVA or Underwriter; and
- (iv) notifying TVA or the Underwriter of any sizable decrease in an Insured Account's load or the charges it incurs for power and energy such that the amount of Insurance Coverage, and the corresponding limited guarantee, can be substantially reduced (except that no reduction will be required if the Distributor would not reduce its security under its standard deposit policy); and
- (v) assigning to the Underwriter all Distributor's rights, claims, or causes of action arising from any nonpayment by an Insured Account which are the basis of any claim, to the extent that such assignment is necessary in order for TVA to file or receive payment from the Underwriter on that claim.

It is expressly recognized and agreed that the amount to be assigned to the Underwriter under item (v) above may exceed the total amount of Insurance Coverage approved and issued by the Underwriter for the account (Insurance Coverage Amount); provided, however, that in no event shall such assignment allow the Underwriter to retain any

funds collected from the account pursuant to the assignment which are in excess of the Insurance Coverage Amount plus reasonable collection expenses, including, without limitation, attorney's fees.

SECTION 5.3 - DISTRIBUTOR COLLECTION EFFORTS

5.3.1 Collection Procedures. When any Insured Account or any Uninsured Covered Account becomes delinquent, Distributor shall promptly and diligently pursue collection efforts in accordance with the Guidelines. At such times and intervals as may be specified in the Guidelines, Distributor shall provide reports to TVA concerning any such delinquent accounts and collection efforts.

5.3.2 Allocation of Collected Amounts. Any amounts collected from a delinquent account, excluding any amounts applied to litigation or other collection costs in accordance with the Guidelines, shall be applied to that account's electric bill, beginning with the oldest outstanding past due amount (commonly known as the "first in first out" accounting basis), and shall be assigned on a pro-rata basis to the Wholesale Portion and the Retail Adder of the account.

SECTION 5.4 - UNCOLLECTABLE ACCOUNTS

If Distributor, through the collection efforts outlined in the Guidelines, is unable to fully collect from a delinquent Insured Account or Uninsured Covered Account, Distributor may submit an Uncollectable Account Form, along with documentation, to TVA to have the account deemed uncollectable. The Uncollectable Account Form, along with documentation, shall:

- (a) reflect the details of all actions Distributor has taken to collect the past-due amounts;
- (b) show full implementation of the collection efforts provided for by this agreement and the Guidelines; and
- (c) show the uncollected dollar amount for which Distributor is entitled to be reimbursed through credits applicable under this agreement.

TVA will declare the account uncollectible after verification that Distributor has exhausted all reasonable efforts to collect the unpaid balance in full compliance with the Guidelines.

Upon TVA's approval of a Distributor request to have an account declared uncollectable, such account will no longer be an Insured Account or an Uninsured Covered Account for any purpose under the Enhanced Program until such time, if any, that a new nomination to the Enhanced Program is made by Distributor and approved by TVA.

SECTION 5.5 - WHOLESALE BILL CREDITS

For each account declared to be uncollectible under section 5.4 above, TVA will apply a credit to Distributor's wholesale bill in an amount up to the lower of:

(a) the amount of the retail bill for the first two monthly billing cycles of usage that resulted in the unpaid balance (not to exceed a total period of 65 days), to the extent such balance remains uncollected after application of any collected amounts in accordance with subsection 5.3.2 above; or

(b) the amount of Insurance Coverage, or in the case of an Uninsured Covered Account, the amount of Insurance Coverage which was in effect immediately prior to the lapse of coverage;

provided, however, that for any of the usage described in item (a) above which occurred while the account was an Uninsured Covered Account, the amount used to calculate said item (a) shall be deemed to be limited to the Wholesale Portion of said retail bill and, thus, shall not include the amount of the Retail Adder.

It is expressly recognized and agreed that, except as otherwise provided in subsection 5.6.2 below with respect to bankruptcy, TVA's limited guarantee shall not:

(i) apply to any unpaid balance resulting from usage after the billing cycles described in item (a) above; or

(ii) result in a credit to the Distributor greater than the amount described in item (b) above.

SECTION 5.6 - BANKRUPTCY

5.6.1 Security and Collections. It is expressly recognized and agreed that with regard to a bankruptcy under Title 11 of the United States Code (as it now exists or may hereafter be amended and referred to below as the "Bankruptcy Code"), Distributor shall fulfill its obligations under section 5.3 above to promptly and diligently pursue collection efforts in accordance with the Guidelines by:

(a) promptly obtaining adequate assurance of payment under section 366 of the Bankruptcy Code; and

(b) otherwise promptly and diligently pursuing all of its rights to collection and security under the Bankruptcy Code.

5.6.2 Additional Wholesale Credit. If an Insured Account or an Uninsured Covered Account:

(a) files for protection from creditors under Bankruptcy Code; and

(b) is declared to be uncollectible under section 5.4 above;

in addition to any credits applicable under section 5.5 above and expressly subject to the Distributor's obligations described in 5.6.1 above, for any period beyond the two monthly billing cycles of usage covered under said section 5.5 during which Distributor is required to supply electricity to the account as debtor (or to the bankruptcy trustee for the account) under section 366 of the Bankruptcy Code, TVA will apply a credit to Distributor's wholesale bill in the amount of the Wholesale

Portion of any retail bill for such additional period, to the extent such portion remains uncollected after application of any collected amounts in accordance with subsection 5.3.2 above. It is expressly recognized and agreed that the portion of the TVA limited guarantee provided for by this subsection 5.6.2 shall not apply to the Retail Adder.

SECTION 5.7 - COLLECTIONS AFTER EXCERCISE OF THE TVA LIMITED GUARANTEE

In the event that circumstances arise under which collection efforts again become reasonable in relation to an account that has been declared uncollectible and for which TVA has provided a credit to Distributor under sections 5.5 or 5.6 above, subject to any rights or claims by Underwriter:

- (a) TVA may request that Distributor pursue collection efforts;
- (b) TVA may provide assistance to Distributor in pursuing collection efforts to the extent TVA determines that such assistance is appropriate;
- (c) upon Distributor's refusal or failure to pursue collection efforts, TVA may pursue such efforts, including litigation, in the name of Distributor, TVA, or both, and any actions taken by TVA in such efforts will be binding on Distributor; and
- (d) any amounts received through collection efforts will be allocated in accordance with subsection 5.3.2 above.

ARTICLE VI
TERM PROVISIONS

SECTION 6.1 - AGREEMENT TERM

This agreement shall become effective as of the date first written above. Unless sooner terminated as provided below, it shall continue in effect during the term of the Power Contract.

SECTION 6.2 - EARLY TERMINATION

Either party may terminate this agreement at any time upon one hundred twenty (120) days' written notice.

SECTION 6.3 - CONTINUING OBLIGATIONS

Notwithstanding the termination or expiration of this agreement, the obligations of the parties:

(a) with respect to the retail bills of any Insured Account or any Uninsured Covered Account accruing prior to the effective date of any such expiration or termination; and

(b) under sections 5.6 and 5.7 above;

shall continue in effect until they are discharged.

ARTICLE VII
MISCELLANEOUS PROVISIONS

SECTION 7.1 - ADDITIONAL SECURITY

During the term of this agreement Distributor shall not require or retain any deposit or other security from an Insured Account or Uninsured Covered Account; provided, however, that nothing in this section 7 or elsewhere in this agreement shall be construed to prohibit Distributor from requiring or retaining a deposit or other security:

- (a) from a nominated account until such time as it becomes an Insured Account;
- (b) from an Insured Account in an amount up to the amount, if any, by which the Requested Insurance Coverage exceeds the amount of Insurance Coverage;
- (c) from an Uninsured Covered Account in the amount of the Alternative Security obtained from the account, plus, to the extent, if any, that it is not included as a part of such Alternative Security:
 - (i) the amount, if any, allowed under (b) above when the account was an Insured Account; and
 - (ii) an amount equal to the Retail Adder reflected in the amount of Insurance Coverage approved by the Underwriter under section 3.3 above; and
- (d) from an Uninsured Account after such time, if any, that it ceases to be an Uninsured Covered Account.

SECTION 7.2 - THIRD PARTIES NOT TO BENEFIT

Notwithstanding any provision of this agreement that may be interpreted to the contrary, this agreement does not confer any benefits or rights on any third party except as specifically set out in this agreement.

SECTION 7.3 - PREVIOUS SECURITY DEPOSIT AGREEMENT

Security Deposit Program Agreement, TV-59577A, Supp. No. 46, dated April 13, 2000, between Distributor and TVA is hereby terminated as of the effective date 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.

**WEST KENTUCKY RURAL ELECTRIC
COOPERATIVE CORPORATION**

By Ralph C. Edrington
Title: PRESIDENT

TENNESSEE VALLEY AUTHORITY

By Samuel D. Keyser
Senior Vice President, Marketing

Exhibit "A"
Enhanced Security Deposit Program
Credit Application & Nomination Form

Credit Application Section (to be completed by Applicant)

APPLICANT: _____
(List all name(s) under which the nominated account will contract for or be billed for power and energy.)

Applicant Address: _____

_____ (include street address, City, State, & zip code) **Telephone:** _____

DUNS No. _____ **Additional financial information is attached.**
(Providing additional financial information may facilitate faster processing of this application.)

By the signature of its duly authorized representative and as an application for participation in the Enhanced Security Deposit Program (Program) being jointly conducted by Distributor and its wholesale power supplier, the Tennessee Valley Authority (TVA), Applicant hereby:

1. represents and warrants that the above information and any attached financial information is true and correct;
2. authorizes such inquiries as are considered necessary by the insurer or underwriter used by TVA for the Program (hereinafter "Underwriter") to obtain credit information regarding Applicant and authorizes banks, creditors, or other entities having such credit information to release such information to the Underwriter;
3. agrees to furnish such financial information (including, without limitation, balance sheets, income statements, cash flow statements and notes to financial statements) as might be requested by the Underwriter in connection with its review of this application; and
4. agrees, if nominated and approved for participation in the Program on the basis of credit insurance obtained by TVA (hereinafter "Insurance Coverage"):
 - (a) to furnish such financial information as might from time to time be requested by the Underwriter or TVA, and
 - (b) authorizes such inquiries as are considered necessary by the Underwriter or TVA to from time to time obtain credit information regarding Applicant and authorizes banks, creditors, or other entities having such credit information to release such information to the Underwriter or TVA, and
 - (c) to immediately substitute or provide alternative security, in a form and amount that TVA deems acceptable, upon any lapse in the Insurance Coverage for any reason, including, without limitation, the Underwriter or TVA (i) canceling the coverage for any reason or (ii) not renewing the coverage for any reason;
5. agrees that as a part of such alternative security arrangements Distributor may employ weekly or other extraordinary meter-reading or billing arrangements calculated to facilitate such alternative security arrangements;
6. agrees that any failure to substitute or provide alternative security will be deemed to be a breach of the Applicant's power supply arrangements with the Distributor;
7. agrees that if Applicant does not fully remedy such a breach by the date falling 30 days' after the date when it first arises, Distributor shall have the right, upon 15 days' written notice, to discontinue the supply of power to Applicant and to refuse to resume delivery until Applicant substitutes or provides alternative security to fully remedy the breach; and
8. agrees that any discontinuance of supply in accordance with 7 above shall not relieve Applicant of liability for minimum monthly charges or payment of past due amounts.

Signature: _____ **Title:** _____

Nomination Section (to be completed by Distributor)

DISTRIBUTOR: _____
(List all name(s) under which power and energy will be sold or billed by Distributor.)

Requested Insurance Coverage Amount: \$ _____

Distributor Contact Name: _____

E-mail Address: _____ **Telephone:** _____ **Fax:** _____

By the signature of its duly authorized representative and in accordance with and subject to the Enhanced Security Program Agreement and Guidelines, Distributor hereby:

1. nominates the Applicant for participation in the Enhanced Security Deposit Program, and
2. represents and warrants that (a) said nominated account is a new or existing commercial or industrial customer from which Distributor would otherwise require a cash deposit or other substantially equivalent form of security, (b) the Requested Insurance Coverage Amount set forth above reflects the amount of such deposit or security that Distributor would otherwise so require, and (c) that the Credit Application section of this form has been completed by a duly authorized representative of the Applicant.

Signature: _____ **Title:** _____

Exhibit "B"
Enhanced Security Deposit Program
Uncollectable Account Form

Date:

Tennessee Valley Authority
Attn. Credit Department
400 West Summit Hill Drive, WT 5D
Knoxville, TN 37902-1499

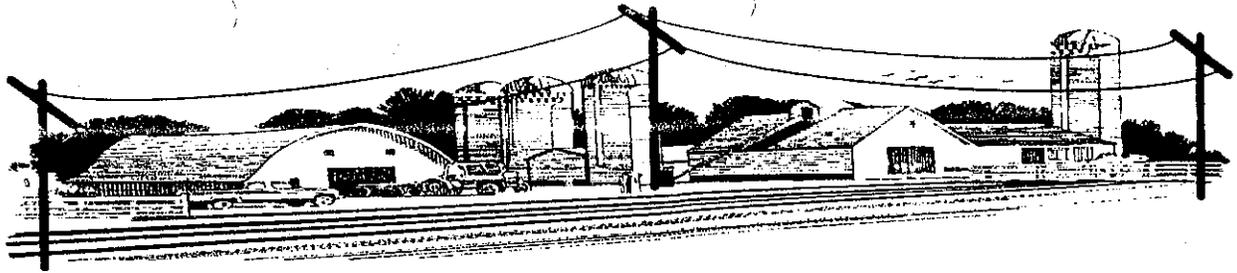
Dear Credit Manager:

This is in reference to the account of _____
(name of the Insured Account or Uninsured Covered Account) for service to its
plant/facility in/near _____, which account is an account to
which a limited guarantee applies under the Enhanced Security Deposit Program being
jointly conducted by TVA and _____
(Distributor). By the signature of its duly authorized representative appearing below and
in accordance with and subject to the Enhanced Security Deposit Program Agreement,
and Guidelines, Distributor hereby makes a written application to TVA to have the
account declared by TVA to be uncollectable and certifies that:

1. Distributor has fully complied with the procedures set forth in the
Enhanced Security Deposit Program Agreement and the Guidelines.
2. The total uncollected amount for which it believes it is entitled to be
reimbursed by TVA through credits applicable under the Enhanced
Security Deposit Program Agreement is \$ _____.
3. Distributor has attached to this form copies of all documents from
Distributor's records (a) showing such compliance (b) showing the details
of or relating to Distributor's efforts to collect the delinquent account, and
(c) supporting the amount claimed under item 2 above.

Distributor: _____

By: _____
Title:



WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION

P.O. BOX 589

MAYFIELD, KENTUCKY 42066

President
EUGENE CHANEY, Vice President
JEWELL CONNER, Sec'y Treas.
MICHAEL L. ALDERDICE, Manager

MAYFIELD (270) 247-1321
MURRAY (270) 753-5012
BENTON (270) 527-1307
BARDWELL (270) 628-3431
FAX: (270) 247-8496

December 11, 2001

Mr. Ernie Peterson
Customer Service Manager Kentucky
TENNESSEE VALLEY AUTHORITY
10060 State Route 45 North
Hickory, KY 42051

Dear Mr. Peterson:

Attached are two executed original contracts of the Enhanced Security Deposit Program.

Please return a fully executed original for our files.

Yours very truly,

WEST KENTUCKY RURAL ELECTRIC
COOPERATIVE CORPORATION

Ron N. Mays
Ron N. Mays
Acting Manager

RNM:cle

IN THE ELECTRIC CENTER OF AMERICA

An Equal Opportunity Employer

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

Mark O. Medford
Executive Vice President
Customer Service and Marketing

November 7, 2001

Mr. Ralph Edrington, President
West Kentucky Rural Electric
Cooperative Corporation
Post Office Box 589
Mayfield, Kentucky 42066-0589

Dear Mr. Edrington:

In response to requests from many distributors, TVA began working to offer an improved Security Deposit Program. We hope to make it easier for your commercial, industrial, and regional account customers to guarantee a portion of their utility payments without tying up valuable capital. We are now pleased to announce an Enhanced Security Deposit Program that will be faster, easier to administer, and lower risk.

Before we can offer this Enhanced Program we must first cancel the existing program. Therefore, pursuant to the terms of Security Deposit Program Agreement between West Kentucky Rural Electric Cooperative Corporation and TVA, numbered TV-59577A, Supp. No. 46, and dated April 13, 2000, TVA hereby gives notice of termination effective as of January 15, 2002.

We believe that many distributors will be anxious to participate in the Enhanced Program as soon as possible. To that end, TVA's receipt of a signed copy of the Enhanced Security Deposit Agreement before the above termination date will also serve as termination of the Security Deposit Program.

Enclosed are the Enhanced Security Deposit Agreement, Guidelines and Collection Procedures that have been reviewed and approved by TVPPA.

Also, enclosed is information that provides details on the features of the Enhanced Program. We think you will agree that we have made improvements. A significant feature is the addition of a third-party underwriter to manage administrative functions and assume most of the program risk. The underwriter will determine specific eligibility criteria that we anticipate will be less restrictive than TVA's criteria because that is the underwriter's primary business. We expect an approval rate of 50 to 60 percent for those accounts that apply, with a response expected within five business days. TVA will assume the costs of the underwriter's services.

Mr. Ralph Edrington
Page 2
November 7, 2001

The most significant change in the program is that distributors with "insured accounts" are guaranteed payment for 100 percent of the customers' bill (both wholesale and retail portions), for up to 65 days of service if the account fails to pay.

We are optimistic that this Enhanced Program will provide increased value for you and your relationship with your customers. We hope that you will participate by signing both originals of the Enhanced Security Deposit Program Agreement and returning them to your TVA Customer Service Manager, and begin making this Enhanced Program work for you.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark O. Medford". The signature is written in a cursive style with some loops and flourishes.

Mark O. Medford

Enclosures

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

Date: November 24, 2001

TV-59577A, Supp. No. *49*

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

W I T N E S S E T H:

WHEREAS, under Power Contract TV-59577A, dated April 26, 1982, 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 CTNA Manufacturing Limited Partnership (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 limited interruptible power (LIP) for operation of Company's plant near Mayfield, Kentucky; and

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

NOW, THEREFORE, for and in consideration of the premises and of the mutual agreements hereinafter set forth, and subject to the provisions of 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 Company Contract, or of the Power Contract, or until LIP is no longer available under Company Contract, whichever first occurs.

SECTION 2 - BILLING DATA

Data obtained from the metering installation referred to in section 4 below 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, each month TVA shall, as soon as practicable after the scheduled meter-reading date for Company, furnish to Distributor metering data necessary to bill company for power and energy made available under the Company Contract, including any fixed price or hourly replacement power made available under the LIP Attachment to the Company Contract, and the price for such power. Each month Distributor shall furnish to TVA a copy of Distributor's bill to Company for power and energy made available under the Company Contract when it is rendered and such other information related to Company's power and energy takings as TVA may require.

SECTION 3 - ADJUSTMENTS TO DISTRIBUTOR'S WHOLESALE BILLING

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

3.1 Firm Power and Energy. Distributor will be billed demand and energy charges as provided in the wholesale rate schedule (Wholesale Schedule), which is contained in the Schedule of Rates and Charges attached to and made a part of the Power Contract, for any firm power and energy resold under the Company Contract; provided, however, that for the purposes of calculating said charges for any month in which (i) Company is deemed to have taken any LIP energy under the Company Contract or (ii) Company has taken any fixed price replacement power or hourly replacement power 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 LIP 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 the sum of (i) Distributor's monthly charge to Company for LIP demand and energy and (ii) any charges to Customer for fixed price or hourly replacement power scheduled during the month (as all such 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 Credit for Distributor Margin. In order to enable Distributor to recover more adequately the cost of making LIP available to Company, TVA will apply a credit to

the wholesale bill derived by multiplying 40 cents times the highest LIP Demand established under the Company Contract during the month.

3.4 Adjustment 3 of Wholesale Schedule. For purposes of applying the provisions of Adjustment 3 to the Wholesale Schedule, the term "contract demand" appearing in those provisions shall be deemed to be the total of the firm power and LIP available under the Company Contract.

SECTION 4 - METERING FACILITIES

It is recognized that the amounts of power and energy delivered to Company by Distributor at the delivery point specified in the Company Contract are measured by Distributor's existing metering facilities located at Distributor's Hickory Grove Substation and that such facilities utilize a telephone circuit for various data transmission and communication purposes. Distributor agrees for TVA to have access to the data stored in said metering facilities 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.

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

WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION

By Ralph L. Edrington
Title

TENNESSEE VALLEY AUTHORITY

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

September 25, 2002

RESALE RATE SCHEDULE SUBSTITUTION AGREEMENT
Between
WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION
(DISTRIBUTOR)
And
TENNESSEE VALLEY AUTHORITY (TVA)

Distributor and TVA agree to substitute the new resale rate 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-59577A, dated April 26, 1982, as amended (Power Contract), between TVA and Distributor. This substitution is to be effective for all bills rendered from resale meter readings taken for revenue months of Distributor beginning with the September 2002 revenue month.

- (a) New resale rate schedule:
Outdoor Lighting Rate -- Schedule LS (September 2002)
- (b) Existing resale rate schedule:
Outdoor Lighting Rate -- Schedule LS (October 1997)

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.

**WEST KENTUCKY RURAL ELECTRIC
COOPERATIVE CORPORATION**

By David E. Smart
Title: President & CEO

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

TENNESSEE VALLEY AUTHORITY

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

WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION

OUTDOOR LIGHTING RATE--SCHEDULE LS

(September 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: 4.381¢ 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

* Incorporates June 1993 Hydro Realignment Adjustments and adjustments set out in October 1997 Adjustment Addendum

expense of Distributor's electric system, and the annual facility charge provided for first above in this section II shall apply to the installed cost of such facilities.

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

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

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

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

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

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

Metering

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

Revenue and Cost Review

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

facility charge provided for first above in section II of Part A of this rate schedule shall be by agreement between Distributor and TVA.

PART B--CHARGES FOR OUTDOOR LIGHTING FOR INDIVIDUAL CUSTOMERS

Charges Per Fixture Per Month

(a) <u>Type of Fixture</u>	<u>Lamp Size</u>		<u>Rated kWh</u>	<u>Facility Charge</u>
	<u>(Watts)</u>	<u>(Lumens)</u>		
Mercury Vapor or Incandescent	175	7,650	70	\$4.43
	250	10,400	98	\$3.21
	400	19,100	155	\$5.92
	700	33,600	266	\$5.48
	1,000	47,500	378	\$6.98
High Pressure Sodium	70	4,860	31	\$3.85
	100	8,550	42	\$4.95
	150	14,400	63	\$4.90
	200	18,900	82	\$4.61
	250	23,000	105	\$4.87
	400	45,000	165	\$5.87
Low Pressure Sodium	1,000	126,000	385	\$10.40
	55	7,650	32	\$3.87
	90	12,750	53	\$6.44
	135	22,000	75	\$8.49
	180	33,000	93	\$9.64

(b) Energy Charge: For each lamp size under (a) above, 4.381¢ per rated kWh per month

Additional Facilities

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

Lamp Replacements

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

Special Outdoor Lighting Installations

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

Service is subject to Rules and Regulations of Distributor.



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

January 10, 2003

TV-59577A, Supp. No. 51

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

Dear Mr. Smart:

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

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

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

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

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

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

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

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

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

Mr. David Smart
Page 3
January 10, 2003

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

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

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

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

Sincerely,



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

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

**WEST KENTUCKY RURAL ELECTRIC
COOPERATIVE COOPERATION**

By David E. Smart
Title: President & CEO

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

Date: May 24, 2003

TV-59577A, Supp. No. 52

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

W I T N E S S E T H:

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

WHEREAS, TVA, Distributor, and Kentucky-Tennessee Clay Company (Company) have entered into a contract of even date herewith (Company Contract) covering arrangements under which TVA will make available to Distributor for resale to Company a supply of firm power and of variable price interruptible power (VPI) for operation of Company's plant near Mayfield, Kentucky; and

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

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

SECTION 1 - TERM OF AGREEMENT

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

SECTION 2 - BILLING DATA

Data obtained from the metering facilities referred to in section 4 of this agreement will be used (a) by Distributor for the purposes of determining the power and energy taken by Company and (b) by TVA for determining applicable adjustments for Distributor's wholesale bill. Accordingly, TVA will supply Distributor by the fourth working day following Company's scheduled meter-reading date the information regarding the amounts of VPI deemed to have been taken by Company, the times this VPI was taken, the price for this VPI, and such other information as may be necessary so that Distributor may be able to calculate Company's bill under the Company Contract. In order to facilitate TVA's preparation of the bill to Distributor for power and energy made available under the Power Contract, each month Distributor shall furnish to TVA a copy of Distributor's bill to Company for power and energy made available under the Company Contract when it is rendered and such other information related to Company's power and energy takings as TVA may require.

SECTION 3 - ADJUSTMENTS TO DISTRIBUTOR'S WHOLESALE BILLING

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

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

3.2 Adjustment to Base Charges. (a) The total dollar amount of base demand and energy charges calculated under the Wholesale Schedule shall be increased by adding thereto an amount equal to Distributor's monthly charge to Company for VPI energy under section 6.3 of the Company Contract (as determined under the Company Contract and adjusted to reflect losses as provided in (b) below).

(b) The loss adjustment provided for in (a) above shall be made by dividing the charge to be adjusted by 1.03.

(c) The amount added to the base charges of the wholesale bill pursuant to (a) above shall also be added to the "sum of all charges" used for the distribution loss calculation under the section entitled "Distribution Loss Charge" of the Wholesale Schedule.

3.3 Administrative Costs Charge. An amount equal to the charge billed to Company in accordance with subsection 6.2.1 of the Company Contract will be included as part of the wholesale bill.

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

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

SECTION 4 - METERING FACILITIES

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

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

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

4.4 Metering Outputs. Metering outputs from the Replacement Meter for such purposes as monitoring and load control will be available to Distributor under the provisions set out in the attachment entitled "Metering Outputs Attachment," which is made a part of this agreement.

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

**WEST KENTUCKY RURAL ELECTRIC
COOPERATIVE CORPORATION**

By David E. Smart
Title: President & CEO

TENNESSEE VALLEY AUTHORITY

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

METERING OUTPUTS ATTACHMENT

Under the provisions of the body of this agreement, TVA provides a revenue meter or meters for use in determining the amounts of power and energy taken under the Company Contract. If Distributor desires access to metering outputs from that metering installation for such purposes as monitoring and load control, TVA will make such access available at no charge under the conditions set forth below.

A. Access to Outputs

Distributor may, at such time as it deems appropriate, provide and install at its expense such additional facilities as are necessary for obtaining access to metering outputs, including provision and installation of cable to be connected to the metering installation by Distributor (or by TVA in the event that this agreement provides for TVA to maintain the metering installation). Distributor shall also furnish and install any protective facilities requested by TVA for the protection of TVA's meter(s).

B. Approval of Facilities

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

C. Noninterference With Metering

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

D. No Warranty of Outputs

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

E. Termination of Arrangements

The arrangements set out in this attachment may be terminated by TVA or Distributor at any time upon at least 120 days' written notice. As soon as practicable following the effective date of such termination, Distributor (or TVA in the event that this agreement provides for TVA to maintain the metering installation) will disconnect the cable from the metering installation.

September 26, 2003

RESALE RATE SCHEDULE SUBSTITUTION AGREEMENT
Between
WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION
(DISTRIBUTOR)
And
TENNESSEE VALLEY AUTHORITY (TVA)

Distributor and TVA agree to substitute the new resale rate schedules specified in (a) below, copies of which are attached, for the resale rate schedules specified in (b) below, which were due to become effective as of the October 2003 revenue month under provisions of Power Contract TV-59577A, dated April 26, 1982, as amended (Power Contract), between TVA and Distributor. This substitution is to be effective for all bills rendered from resale meter readings taken for revenue months of Distributor beginning with the October 2003 revenue month.

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

It is understood that, upon execution of this agreement by TVA and Distributor, all references in the Power Contract to the existing resale rate schedules specified in (b) above, or to any predecessor schedules, shall be deemed to refer to the appropriate new resale rate schedules specified in (a) above.

**WEST KENTUCKY RURAL ELECTRIC
COOPERATIVE CORPORATION**

By David E. Smart
Title:

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

TENNESSEE VALLEY AUTHORITY

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

WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION

RESIDENTIAL RATE--SCHEDULE RS

(October 2003, R1)*

Availability

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

Character of Service

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

Base Charges

Customer Charge: \$13.48 per month, less

Hydro Allocation Credit: \$1.71 per month

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

6.238¢ per kWh per month for additional kWh

Adjustment

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

Minimum Monthly Bill

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

Payment

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

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

Single-Point Delivery

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

Service is subject to Rules and Regulations of Distributor.

WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION

GENERAL POWER RATE--SCHEDULE GSA

(October 2003, R1)*

Availability

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

Character of Service

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

Base Charges

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

Customer Charge: \$13.50 per delivery point per month

Energy Charge: 7.766¢ per kWh per month

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

Customer Charge: \$37.00 per delivery point per month

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

Excess over 50 kW of billing demand per month, at \$13.43 per kW

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

Additional kWh per month at 3.438¢ per kWh

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

Customer Charge: \$100.00 per delivery point per month

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

Demand Charge: First 1,000 kW of billing demand per month, at \$12.78 per kW
Excess over 1,000 kW of billing demand per month, at \$13.85 per kW, plus an additional \$13.85 per kW per month for each kW, if any, of the amount by which the customer's billing demand exceeds the higher of 2,500 kW or its contract demand

Energy Charge: 3.438¢ per kWh per month

Adjustment

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

Determination of Demand

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

Minimum Bill

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

Distributor may require minimum bills higher than those stated above.

Seasonal Service

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

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

Contract Requirement

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

Payment

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

Single-Point Delivery

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

Service is subject to Rules and Regulations of Distributor.

WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION

OUTDOOR LIGHTING RATE--SCHEDULE LS

(October 2003, R1)*

Availability

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

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

Payment

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

Adjustment

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

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

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

- II. Facility Charge

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

Traffic signal systems and athletic field lighting installations shall be provided, owned, and maintained by and at the expense of the customer, except as Distributor may agree otherwise in accordance with the provisions of the paragraph next following in this section II. The facilities necessary to provide service to such systems and installations shall be provided by and at the

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

expense of Distributor's electric system, and the annual facility charge provided for first above in this section II shall apply to the installed cost of such facilities.

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

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

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

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

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

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

Metering

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

Revenue and Cost Review

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

facility charge provided for first above in section II of Part A of this rate schedule shall be by agreement between Distributor and TVA.

PART B--CHARGES FOR OUTDOOR LIGHTING FOR INDIVIDUAL CUSTOMERS

Charges Per Fixture Per Month

(a) <u>Type of Fixture</u>	<u>Lamp Size</u>		<u>Rated kWh</u>	<u>Facility Charge</u>
	<u>(Watts)</u>	<u>(Lumens)</u>		
Mercury Vapor or Incandescent	175	7,650	70	\$4.43
	250	10,400	98	\$3.21
	400	19,100	155	\$5.92
	700	33,600	266	\$5.48
	1,000	47,500	378	\$6.98
High Pressure Sodium	70	4,860	31	\$3.85
	100	8,550	42	\$4.95
	150	14,400	63	\$4.90
	200	18,900	82	\$4.61
	250	23,000	105	\$4.87
	400	45,000	165	\$5.87
Low Pressure Sodium	1,000	126,000	385	\$10.40
	55	7,650	32	\$3.87
	90	12,750	53	\$6.44
	135	22,000	75	\$8.49
	180	33,000	93	\$9.64

(b) Energy Charge: For each lamp size under (a) above, 4.624¢ per rated kWh per month

Additional Facilities

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

Lamp Replacements

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

Special Outdoor Lighting Installations

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

Service is subject to Rules and Regulations of Distributor.

October 16, 2003

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

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

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

**WEST KENTUCKY RURAL ELECTRIC
COOPERATIVE CORPORATION**

By David E. Smart
Title:

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

TENNESSEE VALLEY AUTHORITY

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

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

WEST KENTUCKY RURAL ELECTRIC

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

(October 2003)

Availability

This rate shall be available for the firm power requirements (where the higher of a customer's onpeak or offpeak contract demand is 5,000 kW or less) for electric service to commercial, industrial, and governmental customers, and to institutional customers including, without limitation, churches, clubs, fraternities, orphanages, nursing homes, rooming or boarding houses, and like customers, provided that the other conditions of this section are met.

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

Character of Service

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

Base Charges

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

Customer Charge: \$38.50 per delivery point per month

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

4.535¢ per kWh per month for all offpeak kWh

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

Customer Charge: \$62.00 per delivery point per month

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

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

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

3.468¢ per kWh per month for all offpeak kWh

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

Customer Charge: \$125.00 per delivery point per month

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

\$5.15 per month for each kW, if any, of the amount by which the customer's offpeak billing demand exceeds its onpeak billing demand, plus an additional

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

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

2.621¢ per kWh per month for all offpeak kWh

Adjustment

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

Determination of Onpeak and Offpeak Hours

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

Determination of Onpeak and Offpeak Demands and Energy Amounts

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

Distributor shall meter the onpeak and offpeak demands in kW of all customers taking service under this rate schedule. The onpeak demand and the offpeak demand for any month shall be determined separately for the respective hours of the month designated under this rate schedule as onpeak and offpeak hours and in each case shall be the higher of the highest average during any 30-consecutive-minute period beginning or ending on a clock hour of the month of (a) the load metered in kW or (b) 85 percent of the load in kVA plus an additional 10 percent for that part of the load over

5,000 kVA, and, except as provided below in this section, such amounts shall be used as the onpeak and offpeak billing demands. The onpeak billing demand shall in no case be less than 30 percent of the customer's onpeak demand amount. The offpeak billing demand shall in no case be less than 30 percent of the customer's offpeak demand amount.

For purposes of this section, the onpeak demand amount referred to above shall be the higher of the currently effective onpeak contract demand or the highest onpeak billing demand established in the preceding 12 months, and the offpeak demand amount referred to above shall be the higher of the currently effective offpeak contract demand or the highest offpeak billing demand established in the preceding 12 months.

Minimum Bill

The monthly bill under this rate schedule shall not be less than the sum of (a) the base customer charge, (b) the portion of the base demand charge, as adjusted, applicable to onpeak billing demand applied to the customer's onpeak billing demand, (c) the portion of the base demand charge, as adjusted, applicable to the excess of offpeak over onpeak billing demand applied to the amount, if any, by which the customer's offpeak billing demand exceeds its onpeak billing demand, (d) the base onpeak energy charge, as adjusted, applied to the customer's onpeak energy takings, (e) the base offpeak energy charge, as adjusted, applied to the customer's offpeak energy takings, and (f) the distribution capacity charge applied to the higher of the customer's onpeak or offpeak billing demand; provided, however, under 2 of the Base Charges, the monthly bill shall in no event be less than the sum of (a) the base customer charge, (b) 20 percent of the base onpeak demand charge, as adjusted, multiplied by the customer's onpeak billing demand, (c) 20 percent of the portion of the base demand charge, as adjusted, applicable to the excess of offpeak over onpeak billing demand applied to the amount, if any, by which the customer's offpeak billing demand exceeds its onpeak billing demand, and (d) 20 percent of the distribution capacity charge, as adjusted, applied to the higher of the customer's onpeak or offpeak billing demand.

Distributor may require minimum bills higher than those stated above.

Seasonal Service

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

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

Contract Requirement

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

After having received service for at least 1 year under this rate schedule, the customer, subject to appropriate amendments in its power contract with Distributor, may receive service under the General

Power Rate--Schedule GSA. In such case the term of the power contract shall remain the same and the contract demand for service under the General Power Rate--Schedule GSA shall not be less than the onpeak contract demand in effect when service was taken under this rate schedule.

Payment

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

Single-Point Delivery

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

Service is subject to Rules and Regulations of Distributor.

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

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

TIME-OF-DAY SERVICE

General Power Service

Schedule TGSA

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



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

October 9, 2003

TV-59577A, Supp. No. 55

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

Dear Mr. Smart:

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

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

Very truly yours,

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

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

Enclosure

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

WEST KENTUCKY RURAL ELECTRIC
COOPERATIVE CORPORATION

By David E. Smart
Title:

TENNESSEE VALLEY AUTHORITY

ENVIRONMENTAL ADJUSTMENT
 ADJUSTMENT ADDENDUM
 TO
 SCHEDULE OF RATES AND CHARGES
 FOR

WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION

EFFECTIVE OCTOBER 1, 2003

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

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

*Applicable also to additional components of the resale energy charge

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

		Wholesale Schedules	Resale Schedules
<u>Manufacturing Service</u>			
<u>Schedule MSB</u>			
Part 1	Demand Charge:	Add \$0.50	Add \$0.52
	Energy Charge:	First 620 hours use of demand Additional kWh	Add 0.149¢ Add 0.121¢
Part 2	Demand Charge:	Add \$0.48	Add \$0.49
	Energy Charge:	First 620 hours use of demand Additional kWh	Add 0.142¢ Add 0.115¢
<u>Schedule MSC</u>			
	Demand Charge:	Add \$0.48	Add \$0.49
	Energy Charge:	First 620 hours use of demand Additional kWh	Add 0.142¢ Add 0.115¢
<u>Schedule MSD</u>			
	Demand Charge:	Add \$0.59	Add \$0.61
	Energy Charge:	Add 0.110¢	Add 0.113¢
<u>Outdoor Lighting Service</u>			
<u>Schedule LS</u> Part A & B			
	Energy Charge:	Add 0.191¢	Add 0.206¢

TIME-OF-DAY SERVICE

Residential Service

Schedule TRS

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

General Power Service

Schedule TGSA

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

*Applicable also to additional components of the resale energy charge

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

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

*Applicable also to additional components of the resale energy charge

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

TENNESSEE VALLEY AUTHORITY

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

The amounts in cents per kVAR specified in the section entitled "Reactive Demand Charges" of the Wholesale Rate Schedule--Schedule WS shall be increased by (a) 68 cents per kVAR for the amount of lagging reactive demand (in kVAR) that exceeds 33 percent of the Delivery Point Demand and (b) 81 cents per kVAR for the amount of reactive demand that is leading during the 60-consecutive-minute period of the month in which Distributor's lowest measured demand (excluding any measured demands which are less than 25 percent of the Delivery Point Demand) occurs.

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

Effective Date: October 1, 2003

TV-59577A, Supp. No. 56

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

WITNESSETH:

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

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

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

SECTION 1 - EGCP AGREEMENT AMENDED

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

SECTION 2 - TERM

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

SECTION 3 - POWER CONTRACT AFFIRMED

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

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

**WEST KENTUCKY RURAL ELECTRIC
COOPERATIVE CORPORATION**

By David E. Smart
Title: President/CEO

TENNESSEE VALLEY AUTHORITY

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

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

Effective Date: October 1, 2003

TV-59577A, Supp. No. 57

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

WITNESSETH:

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

WHEREAS, the parties wish to supplement and amend the Power Contract in the respects necessary to provide for revised and extended manufacturing credits for small manufacturing loads;

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

SECTION 1 – REVISED GSA AND TGSA MANUFACTURING CREDITS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

SECTION 2 - TERM

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

SECTION 3 - POWER CONTRACT AFFIRMED

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

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

**WEST KENTUCKY RURAL ELECTRIC
COOPERATIVE CORPORATION**

By David E. Smart
Title: President/CEO

TENNESSEE VALLEY AUTHORITY

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

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

Date: MARCH 24, 2004

TV-59577A, Supp. No. 58

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

W I T N E S S E T H:

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

WHEREAS, TVA, Distributor, and Old Hickory Clay Company (Company) have entered into a contract of even date herewith (Company Contract) covering arrangements under which TVA will make available to Distributor for resale to Company a supply of firm power and of variable price interruptible power (VPI) for operation of Company's plant near Hickory, Kentucky; and

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

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

SECTION 1 - TERM OF AGREEMENT

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

SECTION 2 - BILLING DATA

Data obtained from the metering facilities referred to in section 4 of this agreement will be used (a) by Distributor for the purposes of determining the power and energy taken by Company and (b) by TVA for determining applicable adjustments for Distributor's wholesale bill. Accordingly, TVA will supply Distributor by the fourth working day following Company's scheduled meter-reading date the information regarding the amounts of VPI deemed to have been taken by Company, the times this VPI was taken, the price for this VPI, and such other information as may be necessary so that Distributor may be able to calculate Company's bill under the Company Contract. In order to facilitate TVA's preparation of the bill to Distributor for power and energy made available under the Power Contract, each month Distributor shall furnish to TVA a copy of Distributor's bill to Company for power and energy made available under the Company Contract when it is rendered and such other information related to Company's power and energy takings as TVA may require.

SECTION 3 - ADJUSTMENTS TO DISTRIBUTOR'S WHOLESALE BILLING

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

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

3.2 Adjustment to Base Charges. (a) The total dollar amount of base demand and energy charges calculated under the Wholesale Schedule shall be increased by adding thereto an amount equal to Distributor's monthly (i) charge to Company for VPI energy under section 6.3 of the Company Contract and (ii) per kW charge to Company under subsection 6.2.2 of the Company Contract (as both charges are determined under the Company Contract and adjusted to reflect losses as provided in (b) below).

(b) The loss adjustment provided for in (a) above shall be made by dividing the charge to be adjusted by 1.03.

(c) The amount added to the base charges of the wholesale bill pursuant to (a) above shall also be added to the "sum of all charges" used for the distribution loss calculation under the section entitled "Distribution Loss Charge" of the Wholesale Schedule.

3.3 Administrative Costs Charge. An amount equal to the charge billed to Company in accordance with subsection 6.2.1 of the Company Contract will be included as part of the wholesale bill.

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

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

SECTION 4 - METERING FACILITIES

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

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

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

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

**WEST KENTUCKY RURAL ELECTRIC
COOPERATIVE CORPORATION**

By David E. Smart
Title: President/CEO

TENNESSEE VALLEY AUTHORITY

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

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

Date: April 24, 2004

TV-59577A, Supp. No. 59

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

W I T N E S S E T H:

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

WHEREAS, TVA, Distributor, and Kentucky-Tennessee Clay Company (Company) have entered into a contract of even date herewith (Company Contract) covering arrangements under which TVA will make available to Distributor for resale to Company a supply of firm power and of variable price interruptible power (VPI) for operation of Company's plant near Mayfield, Kentucky; and

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

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

SECTION 1 - TERM OF AGREEMENT

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

SECTION 2 - BILLING DATA

Data obtained from the metering facilities referred to in section 4 of this agreement will be used (a) by Distributor for the purposes of determining the power and energy taken by Company and (b) by TVA for determining applicable adjustments for Distributor's wholesale bill. Accordingly, TVA will supply Distributor by the fourth working day following Company's scheduled meter-reading date the information regarding the amounts of VPI deemed to have been taken by Company, the times this VPI was taken, the price for this VPI, and such other information as may be necessary so that Distributor may be able to calculate Company's bill under the Company Contract. In order to facilitate TVA's preparation of the bill to Distributor for power and energy made available under the Power Contract, each month Distributor shall furnish to TVA a copy of Distributor's bill to Company for power and energy made available under the Company Contract when it is rendered and such other information related to Company's power and energy takings as TVA may require.

SECTION 3 - ADJUSTMENTS TO DISTRIBUTOR'S WHOLESALE BILLING

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

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

3.2 Adjustment to Base Charges. (a) The total dollar amount of base demand and energy charges calculated under the Wholesale Schedule shall be increased by adding thereto an amount equal to Distributor's monthly (i) charge to Company for VPI energy under section 6.3 of the Company Contract and (ii) per kW charge to Company under subsection 6.2.2 of the Company Contract (as both charges are determined under the Company Contract and adjusted to reflect losses as provided in (b) below).

(b) The loss adjustment provided for in (a) above shall be made by dividing the charge to be adjusted by 1.03.

(c) The amount added to the base charges of the wholesale bill pursuant to (a) above shall also be added to the "sum of all charges" used for the distribution loss calculation under the section entitled "Distribution Loss Charge" of the Wholesale Schedule.

3.3 Administrative Costs Charge. An amount equal to the charge billed to Company in accordance with subsection 6.2.1 of the Company Contract will be included as part of the wholesale bill.

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

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

SECTION 4 - METERING FACILITIES

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

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

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

4.4 Metering Outputs. Metering outputs from the Replacement Meter for such purposes as monitoring and load control will be available to Distributor under the provisions set out in the attachment entitled "Metering Outputs Attachment," which is made a part of this agreement.

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

**WEST KENTUCKY RURAL ELECTRIC
COOPERATIVE CORPORATION**

By David E. Smart
Title: President/CEO

TENNESSEE VALLEY AUTHORITY

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

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

Date: April 29, 2004

TV-59577A, Supp. No. 60

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

W I T N E S S E T H:

WHEREAS, Distributor and TVA have entered into a contract numbered TV-59577A, dated April 26, 1982, as amended (Power Contract), under which Distributor purchases its entire requirements for electric power and energy from TVA for resale; and

WHEREAS, under the Power Contract, Distributor takes a portion of its power requirements from a 69-kV delivery point at the East Murray Substation, which is supplied from 161-kV facilities at the Murray 161-kV Substation (161-kV Substation); and

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

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

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

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

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

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

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

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

SECTION 2 - AMENDMENT TO POWER CONTRACT

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

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

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

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

SECTION 3 – LIMITATION OF LIABILITY

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

SECTION 4 – TERM OF AGREEMENT

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

SECTION 5 - SUCCESSORS AND ASSIGNS

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

SECTION 6 - AMENDMENT

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

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

**WEST KENTUCKY RURAL ELECTRIC
COOPERATIVE CORPORATION**

By: David C. Smart
Title: President/CEO

TENNESSEE VALLEY AUTHORITY

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

9

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

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

00036450

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

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

W I T N E S S E T H:

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

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

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

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

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

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

TENNESSEE VALLEY AUTHORITY

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

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

Date: April 29, 2004

Contract No.: 00036405

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

WITNESSETH:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

WEST KENTUCKY RURAL ELECTRIC
COOPERATIVE CORPORATION

By David E. Smart
Title: President/CEO

TENNESSEE VALLEY AUTHORITY

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

RECEIVED

MAR 18 2005

West Ky RECC

000326

Contract No. 00043696

MAR 15 03 11 11

DEED

Made By

UNITED STATES OF AMERICA

To

WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION

FILED FOR RECORDS THIS 15 DAY OF
Mar 15 AT 11:00 O'CLOCK A.M.
RECORDED IN BOOK 585 PAGE 326
RAY G. COURTY, CLERK, ALLOWAY CO
BY [Signature] D.C.

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

W I T N E S S E T H:

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

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

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

I certify that I prepared this instrument.

Leonard L. McCurdy
Attorney

Tennessee Valley Authority
Chattanooga, Tennessee 37402

Grantee's mailing address:

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

Grantors' mailing address:

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

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

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

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

Also, the above-described easements and rights-of-way are hereby conveyed subject to the rights of American Louisiana Pipe Line Company under a pipeline easement dated November 12, 1955, of record in Deed Book 100, page 385, and the rights of Michigan Wisconsin Pipe Line Company in pipeline easements dated May 11, 1966, and August 12, 1972, of record in Deed Book 128, page 316, and on microfilm in Book 151, Cabinet 1, Drawer 3, Card 1360, respectively, affecting US-TVA Tract MUMU-5; subject to such rights in third parties in the rights-of-way for a 13-kV transmission line and a 19-foot bituminous road affecting US-TVA Tract

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

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

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

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

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

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

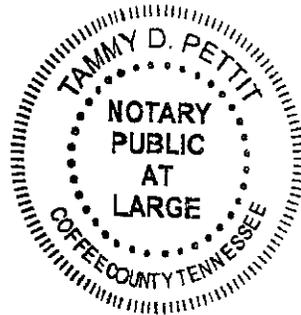
STATE OF TENNESSEE)
) SS
COUNTY OF DAVIDSON)

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

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

Tammy D. Pettit
Notary Public

My commission expires: 9-8-07



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

GRANTOR:

UNITED STATES OF AMERICA

By Tennessee Valley Authority
Its Legal Agent

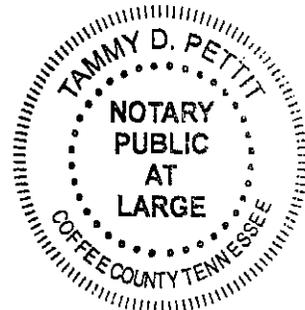
By Cynthia L. Herron
Cynthia L. Herron
General Manager, Contracts and Pricing
Customer Service and Marketing

STATE OF TENNESSEE)
) SS
COUNTY OF DAVIDSON)

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

Tammy D. Pettit
Notary Public

My commission expires: 9-8-07



STATE OF KENTUCKY
COUNTY OF CALLOWAY

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

Given under my hand this 15 day of March 2005

RAY COURSEY, JR., CLERK

By Kit Kelso D.C.

D.



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

June 29, 2004

Contract No. TV-50871A, Supp. No. 57
Contract No. TV-59577A, Supp. No. 61

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

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

Gentlemen:

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

It is recognized that:

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

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

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

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

1. To reflect appropriate adjustments in wholesale Distribution Loss Charges and wholesale Facilities Rental Charges for the period from June 5, 2002, through the June 2004 revenue month, TVA shall:
 - (a) add the total amount of \$3991.09 to Hickman-Fulton's next wholesale bill, and
 - (b) credit the total amount of \$3991.09 to reduce West Kentucky's next wholesale bill.

2. Beginning with the June 2004 wholesale billing month, TVA will make estimated monthly wholesale billing adjustments as follows:
 - (a) TVA shall add 30 kW and 4,500 kWh to the power and energy delivered to Hickman-Fulton at the Clinton 161-kV Substation (Clinton Substation), said amounts reflecting
 - (i) estimated power and energy amounts supplied through West Kentucky's facilities to Customer each month, and
 - (ii) an additional 5 percent of such estimated supplied amounts to approximate the losses on West Kentucky's distribution system; and
 - (b) TVA shall deduct the same kW and kWh amounts from the power and energy delivered to West Kentucky at the Milburn 69-kV Substation (Milburn Substation).

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

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

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

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

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

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

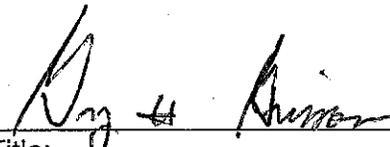
Sincerely,



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

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

HICKMAN-FULTON COUNTIES RURAL
ELECTRIC COOPERATIVE CORPORATION

By  _____
Title:

WEST KENTUCKY RURAL ELECTRIC
COOPERATIVE CORPORATION

By  _____
Title:



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

November 15, 2004

TV-59577A
Supp. No. 62

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

Dear Mr. Smart:

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

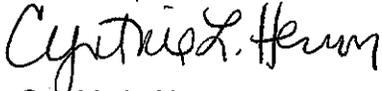
It is understood and agreed that the Schedule of Rates and Charges of the Power Contract is hereby amended by substituting resale rate schedules designated Schedules RS, GSA, GSB, GSC, GSD, TGSA, TGSB, TGSC, TGSD, MSB, MSC, MSD, TMSB, TMSC, and TMSD (Substitute Rate Schedules), all dated January 2005,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

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

Mr. David Smart
Page 2
November 15, 2004

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

Sincerely,



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

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

**WEST KENTUCKY RURAL ELECTRIC
COOPERATIVE CORPORATION**

By David E. Smart
Title: President & CEO

WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION

RESIDENTIAL RATE--SCHEDULE RS

(January 2005)

Availability

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

Character of Service

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

Base Charges

Customer Charge: \$13.48 per month, less

Hydro Allocation Credit: \$1.71 per month

Right-of-way

Clearing Surcharge: \$3.25 per meter per month

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

5.885¢ per kWh per month for additional kWh

Adjustment

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

Minimum Monthly Bill

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

Payment

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

Single-Point Delivery

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

Service is subject to Rules and Regulations of Distributor.

WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION

GENERAL POWER RATE--SCHEDULE GSA

(January 2005)

Availability

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

Character of Service

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

Base Charges

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

Customer Charge: \$13.50 per delivery point per month

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

Energy Charge: 7.413¢ per kWh per month

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

Customer Charge: \$37.00 per delivery point per month

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

Demand Charge: First 50 kW of billing demand per month, no demand charge
Excess over 50 kW of billing demand per month, at \$12.96 per kW

Energy Charge: First 15,000 kWh per month at 7.413¢ per kWh
Additional kWh per month at 3.24¢ per kWh

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

Customer Charge: \$100.00 per delivery point per month

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

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

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

\$13.24 per kW per month for each kW, if any, of the amount by which the customer's billing demand exceeds the higher of 2,500 kW or its contract demand

Energy Charge: 3.24¢ per kWh per month

Adjustment

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

Determination of Demand

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

Minimum Bill

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

Distributor may require minimum bills higher than those stated above.

Seasonal Service

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

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

Contract Requirement

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

Payment

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

Single-Point Delivery

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

Service is subject to Rules and Regulations of Distributor.

WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION

GENERAL POWER RATE--SCHEDULE GSB

(January 2005)

Availability

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

Character of Service

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

Base Charges

Customer Charge:	\$1,500 per delivery point per month
Right-of-way Clearing Surcharge:	\$3.25 per meter per month
Demand Charge:	\$10.97 per kW of billing demand per month, plus an additional \$10.97 per kW per month for each kW, if any, of the amount by which the customer's billing demand exceeds its contract demand
Energy Charge:	2.860¢ per kWh for up to 620 hours use of metered demand per month 2.334¢ per kWh for all additional kWh per month

Adjustment

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

Facilities Rental Charge

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

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

Reactive Demand Charges

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

Determination of Demand

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

Minimum Bill

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

Distributor may require minimum bills higher than those stated above.

Contract Requirement

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

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

Payment

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

Single-Point Delivery

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

Service is subject to Rules and Regulations of Distributor.

WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION

GENERAL POWER RATE--SCHEDULE GSC

(January 2005)

Availability

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

Character of Service

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

Base Charges

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

Adjustment

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

Facilities Rental Charge

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

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

Reactive Demand Charges

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

Determination of Demand

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

Minimum Bill

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

Distributor may require minimum bills higher than those stated above.

Contract Requirement

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

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

Payment

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

Single-Point Delivery

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

Service is subject to Rules and Regulations of Distributor.

WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION

GENERAL POWER RATE--SCHEDULE GSD

(January 2005)

Availability

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

Character of Service

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

Base Charges

Customer Charge:	\$1,500 per delivery point per month
Right-of-way Clearing Surcharge:	\$3.25 per meter per month
Demand Charge:	\$12.75 per kW of billing demand per month, plus an additional \$12.75 per kW per month for each kW, if any, of the amount by which the customer's billing demand exceeds its contract demand
Energy Charge:	2.293¢ per kWh per month

Adjustment

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

Facilities Rental Charge

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

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

Reactive Demand Charges

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

Determination of Demand

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

Minimum Bill

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

Distributor may require minimum bills higher than those stated above.

Contract Requirement

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

Payment

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

Single-Point Delivery

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

Service is subject to Rules and Regulations of Distributor.

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

Availability

This rate shall be available for the firm power requirements (where the higher of a customer's onpeak or offpeak contract demand is 5,000 kW or less) for electric service to commercial, industrial, and governmental customers, and to institutional customers including, without limitation, churches, clubs, fraternities, orphanages, nursing homes, rooming or boarding houses, and like customers, provided that the other conditions of this section are met.

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

Character of Service

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

Base Charges

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

Customer Charge: \$38.50 per delivery point per month

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

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

4.535¢ per kWh per month for all offpeak kWh

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

Customer Charge: \$62.00 per delivery point per month

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

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

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

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

Customer Charge: \$125.00 per delivery point per month

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

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

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

Adjustment

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

Determination of Onpeak and Offpeak Hours

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

Determination of Onpeak and Offpeak Demands and Energy Amounts

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

Distributor shall meter the onpeak and offpeak demands in kW of all customers taking service under this rate schedule. The onpeak demand and the offpeak demand for any month shall be determined separately for the respective hours of the month designated under this rate schedule as onpeak and offpeak hours and in each case shall be the higher of the highest average during any 30-consecutive-minute period beginning or ending on a clock hour of the month of (a) the load metered in kW or (b) 85 percent of the load in kVA plus an additional 10 percent for that part of the load over 5,000 kVA, and, except as provided below in this section, such amounts shall be used as the onpeak and offpeak billing demands. The onpeak billing demand shall in no case be less than 30 percent of the customer's onpeak demand amount. The offpeak billing demand shall in no case be less than 30 percent of the customer's offpeak demand amount.

For purposes of this section, the onpeak demand amount referred to above shall be the higher of the currently effective onpeak contract demand or the highest onpeak billing demand established in the preceding 12 months, and the offpeak demand amount referred to above shall be the higher of the currently effective offpeak contract demand or the highest offpeak billing demand established in the preceding 12 months.

Minimum Bill

The monthly bill under this rate schedule shall not be less than the sum of (a) the base customer charge, (b) the portion of the base demand charge, as adjusted, applicable to onpeak billing demand applied to the customer's onpeak billing demand, (c) the portion of the base demand charge, as adjusted, applicable to the excess of offpeak over onpeak billing demand applied to the amount, if any, by which the customer's offpeak billing demand exceeds its onpeak billing demand, (d) the base onpeak energy charge, as adjusted, applied to the customer's onpeak energy takings, (e) the base offpeak energy charge, as adjusted, applied to the customer's offpeak energy takings, and (f) the distribution capacity charge applied to the higher of the customer's onpeak or offpeak billing demand; provided, however, under 2 of the Base Charges, the monthly bill shall in no event be less than the sum of (a) the base customer charge, (b) 20 percent of the base onpeak demand charge, as adjusted, multiplied by the customer's onpeak billing demand, (c) 20 percent of the portion of the base demand charge, as adjusted, applicable to the excess of offpeak over onpeak billing demand applied to the amount, if any, by which the customer's offpeak billing demand exceeds its onpeak billing demand, and (d) 20 percent of the distribution capacity charge, as adjusted, applied to the higher of the customer's onpeak or offpeak billing demand.

Distributor may require minimum bills higher than those stated above.

Seasonal Service

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

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

Contract Requirement

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

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

Payment

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

Single-Point Delivery

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

Service is subject to Rules and Regulations of Distributor.

WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION

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

(January 2005)

Availability

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

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

Character of Service

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

Base Charges

Customer Charge:	\$1,500 per delivery point per month
Right-of-way Clearing Surcharge:	\$3.25 per meter per month
Demand Charge:	\$10.97 per kW per month of the customer's onpeak billing demand, plus \$1.89 per month for each kW, if any, of the amount by which the customer's offpeak billing demand exceeds its onpeak billing demand, plus an additional \$10.97 per kW per month for each kW, if any, of the amount by which (1) the customer's onpeak billing demand exceeds its onpeak contract demand or (2) the customer's offpeak billing demand exceeds its offpeak contract demand, whichever is higher
Energy Charge:	3.851¢ per kWh per month for all onpeak kWh 2.274¢ per kWh per month for all offpeak kWh

Adjustment

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

Facilities Rental Charge

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

Reactive Demand Charges

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

Determination of Onpeak and Offpeak Hours

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

Determination of Onpeak and Offpeak Demands and Energy Amounts

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

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

Minimum Bill

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

Distributor may require minimum bills higher than those stated above.

Contract Requirement

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

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

Payment

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

Single-Point Delivery

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

Service is subject to Rules and Regulations of Distributor.

WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION

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

(January 2005)

Availability

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

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

Character of Service

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

Base Charges

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

Adjustment

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

Facilities Rental Charge

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

Reactive Demand Charges

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

Determination of Onpeak and Offpeak Hours

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

Determination of Onpeak and Offpeak Demands and Energy Amounts

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

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

Minimum Bill

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

Distributor may require minimum bills higher than those stated above.

Contract Requirement

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

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

Payment

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

Single-Point Delivery

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

Service is subject to Rules and Regulations of Distributor.

WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION

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

(January 2005)

Availability

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

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

Character of Service

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

Base Charges

Customer Charge:	\$1,500 per delivery point per month
Right-of-way Clearing Surcharge:	\$3.25 per meter per month
Demand Charge:	\$12.85 per kW per month of the customer's onpeak billing demand, plus \$1.89 per month for each kW, if any, of the amount by which the customer's offpeak billing demand exceeds its onpeak billing demand, plus an additional \$12.85 per kW per month for each kW, if any, of the amount by which (1) the customer's onpeak billing demand exceeds its onpeak contract demand or (2) the customer's offpeak billing demand exceeds its offpeak contract demand, whichever is higher
Energy Charge:	2.396¢ per kWh per month for all onpeak kWh 2.237¢ per kWh per month for all offpeak kWh

Adjustment

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

Facilities Rental Charge

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

Reactive Demand Charges

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

Determination of Onpeak and Offpeak Hours

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

Determination of Onpeak and Offpeak Demands and Energy Amounts

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

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

Minimum Bill

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

Distributor may require minimum bills higher than those stated above.

Contract Requirement

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

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

demand for service under the General Power Rate-Schedule GSD shall not be less than the onpeak contract demand in effect when service was taken under this rate schedule.

Payment

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

Single-Point Delivery

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

Service is subject to Rules and Regulations of Distributor.

WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION

MANUFACTURING SERVICE RATE--SCHEDULE MSB

(January 2005)

Availability

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

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

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

Character of Service

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

Base Charges

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

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

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

Demand Charge: \$9.49 per kW of billing demand per month, plus an additional
\$9.49 per kW per month for each kW, if any, of the amount by which the customer's billing demand exceeds its contract demand

Energy Charge: 2.435¢ per kWh for up to 620 hours use of metered demand per month
1.987¢ per kWh for all additional kWh per month

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

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

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

Demand Charge: \$9.02 per kW of billing demand per month, plus an additional
\$9.02 per kW per month for each kW, if any, of the amount by which the
customer's billing demand exceeds its contract demand

Energy Charge: 2.312¢ per kWh for up to 620 hours use of metered demand per month
1.888¢ per kWh for all additional kWh per month

Adjustment

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

Facilities Rental Charge

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

Reactive Demand Charges

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

Determination of Demand

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

Minimum Bill

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

Distributor may require minimum bills higher than those stated above.

Contract Requirement

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

Payment

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

Single-Point Delivery

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

Service is subject to Rules and Regulations of Distributor.

WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION

MANUFACTURING SERVICE RATE--SCHEDULE MSC

(January 2005)

Availability

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

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

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

Character of Service

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

Base Charges

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

Adjustment

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

Facilities Rental Charge

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

Reactive Demand Charges

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

Determination of Demand

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

Minimum Bill

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

Distributor may require minimum bills higher than those stated above.

Contract Requirement

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

Payment

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

Single-Point Delivery

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

Service is subject to Rules and Regulations of Distributor.

WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION

MANUFACTURING SERVICE RATE--SCHEDULE MSD

(January 2005)

Availability

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

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

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

Character of Service

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

Base Charges

Customer Charge:	\$1,500 per delivery point per month
Right-of-way Clearing Surcharge:	\$3.25 per meter per month
Demand Charge:	\$10.36 per kW of billing demand per month, plus an additional \$10.36 per kW per month for each kW, if any, of the amount by which the customer's billing demand exceeds its contract demand
Energy Charge:	1.854¢ per kWh per month

Adjustment

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

Facilities Rental Charge

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

Reactive Demand Charges

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

Determination of Demand

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

Minimum Bill

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

Distributor may require minimum bills higher than those stated above.

Contract Requirement

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

Payment

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

Single-Point Delivery

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

Service is subject to Rules and Regulations of Distributor.

WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION

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

(January 2005)

Availability

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

(a) the higher of a customer's currently effective onpeak or offpeak contract demand is greater than 5,000 kW but not more than 15,000 kW; provided, however, that for a customer requesting that its onpeak contract demand be different from its offpeak contract demand this schedule shall be available only for:

(1) a new contract,

(2) a replacement or renewal contract following expiration of the existing contract, or

(3) a replacement or renewal contract or an amended existing contract in which the customer is increasing its demand requirements above the existing contract demand level, but under this item (3) neither the new onpeak nor the new offpeak contract demand shall be lower than the customer's existing contract demand;

and

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

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

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

Character of Service

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

Base Charges

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

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

Right-of-way

Clearing Surcharge: \$3.25 per meter per month

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

\$1.76 per month for each kW, if any, of the amount by which the customer's offpeak billing demand exceeds its onpeak billing demand, plus an additional

\$9.49 per kW per month for each kW, if any, of the amount by which (1) the customer's onpeak billing demand exceeds its onpeak contract demand or (2) the customer's offpeak billing demand exceeds its offpeak contract demand, whichever is higher

Energy Charge: 3.280¢ per kWh per month for all onpeak kWh

1.935¢ per kWh per month for all offpeak kWh

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

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

Right-of-way

Clearing Surcharge: \$3.25 per meter per month

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

\$1.67 per month for each kW, if any, of the amount by which the customer's offpeak billing demand exceeds its onpeak billing demand, plus an additional

\$9.02 per kW per month for each kW, if any, of the amount by which (1) the customer's onpeak billing demand exceeds its onpeak contract demand or (2) the customer's offpeak billing demand exceeds its offpeak contract demand, whichever is higher

Energy Charge: 3.115¢ per kWh per month for all onpeak kWh

1.838¢ per kWh per month for all offpeak kWh

Adjustment

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

Facilities Rental Charge

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

Reactive Demand Charges

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

Determination of Onpeak and Offpeak Hours

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

Determination of Onpeak and Offpeak Demands and Energy Amounts

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

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

demand shall in no case be less than the sum of (1) 30 percent of the first 5,000 kW and (2) 40 percent of any kW in excess of 5,000 kW of the higher of the currently effective onpeak contract demand or the highest onpeak billing demand established during the preceding 12 months. The offpeak billing demand shall in no case be less than the sum of (1) 30 percent of the first 5,000 kW and (2) 40 percent of any kW in excess of 5,000 kW of the higher of the currently effective offpeak contract demand or the highest offpeak billing demand established during the preceding 12 months.

Minimum Bill

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

Distributor may require minimum bills higher than those stated above.

Contract Requirement

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

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

Payment

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

Single-Point Delivery

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

Service is subject to Rules and Regulations of Distributor.

WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION

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

(January 2005)

Availability

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

(a) the higher of a customer's currently effective onpeak or offpeak contract demand is greater than 15,000 kW but not more than 25,000 kW; provided, however, that for a customer requesting that its onpeak contract demand be different from its offpeak contract demand this schedule shall be available only for:

(1) a new contract,

(2) a replacement or renewal contract following expiration of the existing contract, or

(3) a replacement or renewal contract or an amended existing contract in which the customer is increasing its demand requirements above the existing contract demand level, but under this item (3) neither the new onpeak nor the new offpeak contract demand shall be lower than the customer's existing contract demand;

and

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

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

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

Character of Service

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

Base Charges

Customer Charge:	\$1,500 per delivery point per month
Right-of-way Clearing Surcharge:	\$3.25 per meter per month
Demand Charge:	\$8.53 per kW per month of the customer's onpeak billing demand, plus \$1.19 per month for each kW, if any, of the amount by which the customer's offpeak billing demand exceeds its onpeak billing demand, plus an additional \$8.53 per kW per month for each kW, if any, of the amount by which (1) the customer's onpeak billing demand exceeds its onpeak contract demand or (2) the customer's offpeak billing demand exceeds its offpeak contract demand, whichever is higher
Energy Charge:	3.115¢ per kWh per month for all onpeak kWh 1.838¢ per kWh per month for all offpeak kWh

Adjustment

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

Facilities Rental Charge

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

Reactive Demand Charges

If the reactive demand (in kVAR) is lagging during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's highest metered demand occurs, there shall be added to the customer's bill a reactive charge of \$1.46 per kVAR of the amount, if any, by which the reactive demand exceeds 33 percent of such metered demand. If the reactive demand (in kVAR) is leading during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's

lowest metered demand (excluding any metered demands which are less than 25 percent of the highest metered demand) occurs, there shall be added to the customer's bill a reactive charge of \$1.14 per kVAR of the amount of reactive demand. Such charges shall be in addition to all other charges under this rate schedule, including minimum bill charges.

Determination of Onpeak and Offpeak Hours

Except for Saturdays and Sundays and the weekdays that are observed as Federal holidays for New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day, onpeak hours for each day shall be 10 a.m. to 10 p.m. during calendar months of May through September and from 6 a.m. to 12 noon and from 4 p.m. to 10 p.m. during all other calendar months. All other hours of each day and all hours of such excepted days shall be offpeak hours. Such times shall be Central Standard Time or Central Daylight Time, whichever is then in effect. The onpeak and offpeak hours under this rate schedule are subject to change by TVA. In the event TVA determines that such changed onpeak and offpeak hours are appropriate, it shall so notify Distributor at least 12 months prior to the effective date of such changed hours, and Distributor shall promptly notify customer.

Determination of Onpeak and Offpeak Demands and Energy Amounts

The onpeak and offpeak kWh for any month shall be the energy amounts taken during the respective hours of the month designated under this rate schedule as onpeak and offpeak hours.

Distributor shall meter the onpeak and offpeak demands in kW of all customers taking service under this rate schedule. The onpeak metered demand and offpeak metered demand for any month shall be determined separately for the respective hours of the month designated under this rate schedule as onpeak and offpeak hours and in each case shall be the highest average during any 30-consecutive-minute period beginning or ending on a clock hour of the month of the load metered in kW, and, except as provided below in this section, such amounts shall be used as the onpeak and offpeak billing demands. The onpeak billing demand shall in no case be less than the sum of (1) 30 percent of the first 5,000 kW, (2) 40 percent of the next 20,000 kW, and (3) 50 percent of any kW in excess of 25,000 kW of the higher of the currently effective onpeak contract demand or the highest onpeak billing demand established during the preceding 12 months. The offpeak billing demand shall in no case be less than the sum of (1) 30 percent of the first 5,000 kW, (2) 40 percent of the next 20,000 kW, and (3) 50 percent of any kW in excess of 25,000 kW of the higher of the currently effective offpeak contract demand or the highest offpeak billing demand established during the preceding 12 months.

Minimum Bill

The monthly bill, excluding any facilities rental charges and any reactive charges, shall not be less than the sum of (1) the base customer charge, (2) the portion of the base demand charge, as adjusted, applicable to onpeak billing demand applied to the customer's onpeak billing demand, (3) the portion of the base demand charge, as adjusted, applicable to any excess of offpeak over onpeak billing demand applied to the amount, if any, by which the customer's offpeak billing demand exceeds its onpeak billing demand, (4) the base onpeak energy charge, as adjusted, applied to the customer's onpeak energy takings, and (5) the base offpeak energy charge, as adjusted, applied to the customer's offpeak energy takings.

Distributor may require minimum bills higher than those stated above.

Contract Requirement

Distributor shall require contracts for all service provided under this rate schedule. The contract shall be for an initial term of at least 5 years and any renewals or extensions of the initial contract shall be for a term of at least 1 year; after 10 years of service, any such contract for the renewal or extension of service may provide for termination upon not less than 4 months' notice. The customer shall contract for its maximum requirements, which shall not exceed the amount of power capable of being used by customer, and Distributor shall not be obligated to supply power in greater amount at any time than the customer's currently effective contract demand. If the customer uses any power other than that supplied by Distributor under this rate schedule, the contract may include other special provisions. The rate schedule in any power contract shall be subject to adjustment, modification, change, or replacement from time to time as provided under the power contract between Distributor and TVA.

After having received service for at least 1 year under this rate schedule, the customer, subject to appropriate amendments in its power contract with Distributor, may receive service under the Manufacturing Service Rate-Schedule MSC. In such case the term of the power contract shall remain the same and the contract demand for service under the Manufacturing Service Rate-Schedule MSC shall not be less than the onpeak contract demand in effect when service was taken under this rate schedule.

Payment

Bills under this rate schedule will be rendered monthly. Any amount of bill unpaid after due date specified on bill may be subject to additional charges under Distributor's standard policy.

Single-Point Delivery

The charges under this rate schedule are based upon the supply of service through a single delivery and metering point, and at a single voltage. If service is supplied to the same customer through more than one point of delivery or at different voltages, the supply of service at each delivery and metering point and at each different voltage shall be separately metered and billed.

Service is subject to Rules and Regulations of Distributor.

WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION

TIME-OF-DAY MANUFACTURING SERVICE RATE--SCHEDULE TMSD

(January 2005)

Availability

This rate shall be available for the firm electric power requirements where:

(a) the higher of a customer's currently effective onpeak or offpeak contract demand is greater than 25,000 kW; provided, however, that for a customer requesting that its onpeak contract demand be different from its offpeak contract demand this schedule shall be available only for:

(1) a new contract,

(2) a replacement or renewal contract following expiration of the existing contract, or

(3) a replacement or renewal contract or an amended existing contract in which the customer is increasing its demand requirements above the existing contract demand level, but under this item (3) neither the new onpeak nor the new offpeak contract demand shall be lower than the customer's existing contract demand;

and

(b) the major use of electricity is for activities conducted at the delivery point serving that customer which are classified with a 2-digit Standard Industrial Classification Code between 20 and 39, inclusive.

Prior to initially taking any service under this schedule, and from time to time thereafter as may be required by Distributor or the Tennessee Valley Authority (TVA), a customer shall certify to both Distributor and TVA that it meets the requirements set forth in condition (b) above. The certification form to be used shall be (i) furnished or approved by TVA, (ii) provided by Distributor to the customer, and (iii) signed and promptly returned by the customer to Distributor. Further, such customer shall promptly certify any change in the status of any of the information contained in the certification form to Distributor.

Service during any period for which a customer does not meet the eligibility requirements set forth in condition (b) above will be made available by Distributor under, and billed in accordance with, the applicable Time-of-Day General Power schedule.

Character of Service

Alternating current, single- or three-phase, 60 hertz. Power shall be delivered at a transmission voltage of 161 kV or, if such transmission voltage is not available, at the highest voltage available in the vicinity, unless at the customer's request a lower standard voltage is agreed upon.

Base Charges

Customer Charge:	\$1,500 per delivery point per month
Right-of-way Clearing Surcharge:	\$3.25 per meter per month
Demand Charge:	\$10.77 per kW per month of the customer's onpeak billing demand, plus \$1.62 per month for each kW, if any, of the amount by which the customer's offpeak billing demand exceeds its onpeak billing demand, plus an additional \$10.77 per kW per month for each kW, if any, of the amount by which (1) the customer's onpeak billing demand exceeds its onpeak contract demand or (2) the customer's offpeak billing demand exceeds its offpeak contract demand, whichever is higher
Energy Charge:	2.000¢ per kWh per month for all onpeak kWh 1.867¢ per kWh per month for all offpeak kWh

Adjustment

The base demand and energy charges shall be increased or decreased in accordance with the current Adjustment Addendum published by TVA. (In addition, such charges shall be increased or decreased to correspond to increases or decreases determined by TVA under Adjustment 2 or Adjustment 4 of the wholesale power rate schedule applicable under contractual arrangements between TVA and Distributor.)

Facilities Rental Charge

There shall be no facilities rental charge under this rate schedule for delivery at bulk transmission voltage levels of 161 kV or higher. For delivery at less than 161 kV, there shall be added to the customer's bill a facilities rental charge. This charge shall be 36¢ per kW per month except for delivery at voltages below 46 kV, in which case the charge shall be 93¢ per kW per month for the first 10,000 kW and 73¢ per kW per month for the excess over 10,000 kW. Such charge shall be applied to the highest of (1) the highest onpeak or offpeak billing demand established during the latest 12-consecutive-month period, (2) the customer's currently effective onpeak contract demand, or (3) the customer's currently effective offpeak contract demand and shall be in addition to all other charges under this rate schedule, including minimum bill charges.

Reactive Demand Charges

If the reactive demand (in kVAR) is lagging during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's highest metered demand occurs, there shall be added to the customer's bill a reactive charge of \$1.46 per kVAR of the amount, if any, by which the reactive demand exceeds 33 percent of such metered demand. If the reactive demand (in kVAR) is leading during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's lowest metered demand (excluding any metered demands which are less than 25 percent of the highest metered demand) occurs, there shall be added to the customer's bill a reactive charge of \$1.14 per kVAR of the amount of reactive demand. Such charges shall be in addition to all other charges under this rate schedule, including minimum bill charges.

Determination of Onpeak and Offpeak Hours

Except for Saturdays and Sundays and the weekdays that are observed as Federal holidays for New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day, onpeak hours for each day shall be 10 a.m. to 10 p.m. during calendar months of May through September and from 6 a.m. to 12 noon and from 4 p.m. to 10 p.m. during all other calendar months. All other hours of each day and all hours of such excepted days shall be offpeak hours. Such times shall be Central Standard Time or Central Daylight Time, whichever is then in effect. The onpeak and offpeak hours under this rate schedule are subject to change by TVA. In the event TVA determines that such changed onpeak and offpeak hours are appropriate, it shall so notify Distributor at least 12 months prior to the effective date of such changed hours, and Distributor shall promptly notify customer.

Determination of Onpeak and Offpeak Demands and Energy Amounts

The onpeak and offpeak kWh for any month shall be the energy amounts taken during the respective hours of the month designated under this rate schedule as onpeak and offpeak hours.

Distributor shall meter the onpeak and offpeak demands in kW of all customers taking service under this rate schedule. The onpeak metered demand and offpeak metered demand for any month shall be determined separately for the respective hours of the month designated under this rate schedule as onpeak and offpeak hours and in each case shall be the highest average during any 30-consecutive-minute period beginning or ending on a clock hour of the month of the load metered in kW, and, except as provided below in this section, such amounts shall be used as the onpeak and offpeak billing demands. The onpeak billing demand shall in no case be less than the sum of (1) 30 percent of the first 5,000 kW, (2) 40 percent of the next 20,000 kW, (3) 50 percent of the next 25,000 kW, (4) 60 percent of the next 50,000 kW (5) 70 percent of the next 100,000 kW, (6) 80 percent of the next 150,000 kW, and (7) 85 percent of all kW in excess of 350,000 kW of the higher of the currently effective onpeak contract demand or the highest onpeak billing demand established during the preceding 12 months. The offpeak billing demand shall in no case be less than the sum of (1) 30 percent of the first 5,000 kW, (2) 40 percent of the next 20,000 kW, (3) 50 percent of the next 25,000 kW, (4) 60 percent of the next 50,000 kW (5) 70 percent of the next 100,000 kW, (6) 80 percent of the next 150,000 kW, and (7) 85 percent of all kW in excess of 350,000 kW of the higher of the currently effective offpeak contract demand or the highest offpeak billing demand established during the preceding 12 months.

Minimum Bill

The monthly bill, excluding any facilities rental charges and any reactive charges, shall not be less than the sum of (1) the base customer charge, (2) the portion of the base demand charge, as adjusted, applicable to onpeak billing demand applied to the customer's onpeak billing demand, (3) the portion of the base demand charge, as adjusted, applicable to any excess of offpeak over onpeak billing demand applied to the amount, if any, by which the customer's offpeak billing demand exceeds its onpeak billing demand, (4) the base onpeak energy charge, as adjusted, applied to the customer's onpeak energy takings, and (5) the base offpeak energy charge, as adjusted, applied to the customer's offpeak energy takings.

Distributor may require minimum bills higher than those stated above.

Contract Requirement

Distributor shall require contracts for all service provided under this rate schedule. The contract shall be for an initial term of at least 5 years and any renewals or extensions of the initial contract shall be for a term of at least 5 years; after 10 years of service, any such contract for the renewal or extension of service may provide for termination upon not less than 16 months' notice. The customer shall contract for its maximum requirements, which shall not exceed the amount of power capable of being used by customer, and Distributor shall not be obligated to supply power in greater amount at any time than the customer's currently effective contract demand. If the customer uses any power other than that supplied by Distributor under this rate schedule, the contract may include other special provisions. The rate schedule in any power contract shall be subject to adjustment, modification, change, or replacement from time to time as provided under the power contract between Distributor and TVA.

After having received service for at least 1 year under this rate schedule, the customer, subject to appropriate amendments in its power contract with Distributor, may receive service under the Manufacturing Service Rate-Schedule MSD. In such case the term of the power contract shall remain the same and the contract demand for service under the Manufacturing Service Rate-Schedule MSD shall not be less than the onpeak contract demand in effect when service was taken under this rate schedule.

Payment

Bills under this rate schedule will be rendered monthly. Any amount of bill unpaid after due date specified on bill may be subject to additional charges under Distributor's standard policy.

Single-Point Delivery

The charges under this rate schedule are based upon the supply of service through a single delivery and metering point, and at a single voltage. If service is supplied to the same customer through more than one point of delivery or at different voltages, the supply of service at each delivery and metering point and at each different voltage shall be separately metered and billed.

Service is subject to Rules and Regulations of Distributor.

November 29, 2004

RESALE RATE SCHEDULE SUBSTITUTION AGREEMENT

Between

**WEST KENTUCKY RURAL ELECTRIC
COOPERATIVE CORPORATION (DISTRIBUTOR)**

And

TENNESSEE VALLEY AUTHORITY (TVA)

Distributor and TVA agree to substitute for a temporary period the new resale rate schedule specified in (a) below, a copy of which is attached, for the resale rate schedule specified in (b) below, which, as adjusted, is now in effect as a part of the Schedule of Rates and Charges attached to and made a part of the Power Contract, TV-59577A, dated April 26, 1982, as amended (Power Contract), between TVA and Distributor. This substitution shall be effective for all bills rendered from resale meter readings taken for revenue months of Distributor beginning with the January 2005 revenue month and shall continue through the December 2008 revenue month. It is expressly recognized that the adjustments set forth in the Adjustment Addendum to said Schedule of Rates and Charges dated October 1, 2003, and entitled "Environmental Adjustment," shall continue to apply to the charges provided for by the attached schedule specified in (a) below.

- (a) New resale rate schedule:
Outdoor Lighting Rate--Schedule LS (January 2005)
- (b) Existing resale rate schedule:
Outdoor Lighting Rate--Schedule LS (October 2003, R1)

It is understood that, upon execution of this agreement by TVA and Distributor, during the period of said substitution all references in the Power Contract to the existing resale rate schedule specified in (b) above, or to any predecessor schedules, shall be deemed to refer to the appropriate new resale rate schedule specified in (a) above.

**WEST KENTUCKY RURAL ELECTRIC
COOPERATIVE CORPORATION**

By David E. Smart
Title: President & CEO

Rate schedule substitution agreed to as of
the date first above written.

TENNESSEE VALLEY AUTHORITY

By Cynthia G. Henon
General Manager, Contracts and Pricing
Customer Service and Marketing

WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION

OUTDOOR LIGHTING RATE--SCHEDULE LS

(January 2005)

Availability

Available for service to street and park lighting systems, traffic signal systems, athletic field lighting installations, and outdoor lighting for individual customers.

Service under this schedule is for a term of not less than 1 year.

Payment

Bills under this rate schedule will be rendered monthly. Any amount of bill unpaid after due date specified on bill may be subject to additional charges under Distributor's standard policy.

Adjustment

The energy charge in Part A and Part B of this rate schedule shall be increased or decreased in accordance with the current Adjustment Addendum published by TVA. (In addition, the energy charge in Part A and Part B of this rate schedule shall be increased or decreased to correspond to increases or decreases determined by TVA under Adjustment 2 or Adjustment 4 of the wholesale power rate schedule applicable under contractual arrangements between TVA and Distributor.)

PART A--CHARGES FOR STREET AND PARK LIGHTING SYSTEMS, TRAFFIC SIGNAL SYSTEMS, AND ATHLETIC FIELD LIGHTING INSTALLATIONS

- I. Energy Charge: 4.418¢ per kWh per month
- II. Facility Charge

The annual facility charge shall be 15 percent of the installed cost to Distributor's electric system of the facilities devoted to street and park lighting service specified in this Part A. Such installed cost shall be recomputed on July 1 of each year, or more often if substantial changes in the facilities are made. Each month, one-twelfth of the then total annual facility charge shall be billed to the customer. If any part of the facilities has not been provided at the electric system's expense or if the installed cost of any portion thereof is reflected on the books of another municipality or agency or department, the annual facility charge shall be adjusted to reflect properly the remaining cost to be borne by the electric system.

Traffic signal systems and athletic field lighting installations shall be provided, owned, and maintained by and at the expense of the customer, except as Distributor may agree otherwise in accordance with the provisions of the paragraph next following in this section II. The facilities necessary to provide service to such systems and installations shall be provided by and at the expense of Distributor's electric system, and the annual facility charge provided for first above in this section II shall apply to the installed cost of such facilities.

When so authorized by policy duly adopted by Distributor's governing board, traffic signal systems and athletic field lighting installations may be provided, owned, and maintained by Distributor's

electric system for the customer's benefit. In such cases Distributor may require reimbursement from the customer for a portion of the initial installed cost of any such system or installation and shall require payment by the customer of a facility charge sufficient to cover all of Distributor's costs (except reimbursed costs), including appropriate overheads, of providing, owning, and maintaining such system or installation; provided that, for athletic field lighting installations, such facility charge shall in no case be less than 12 percent per year of such costs. Said facility charge shall be in addition to the annual facility charge on the facilities necessary to provide service to such system or installation as provided for in the preceding paragraph. Replacement of lamps and related glassware for traffic signal systems and athletic field lighting installations provided under this paragraph shall be paid for under the provisions of paragraph A in Section IV.

III. Customer Charge - Traffic Signal Systems and Athletic Field Lighting Installations

Distributor shall apply a uniform monthly customer charge of \$2.50 for service to each traffic signal system or athletic field lighting installation.

IV. Replacement of Lamps and Related Glassware - Street and Park Lighting

Customer shall be billed and shall pay for replacements as provided in paragraph B below, which shall be applied to all service for street and park lighting.

- A. Distributor shall bill the customer monthly for such replacements during each month at Distributor's cost of materials, including appropriate storeroom expense.
- B. Distributor shall bill the customer monthly for one-twelfth of the amount by which Distributor's cost of materials, including appropriate storeroom expense, exceeds the product of 3 mills multiplied by the number of kilowatthours used for street and park lighting during the fiscal year immediately preceding the fiscal year in which such month occurs.

V. Right-of-way Clearing Surcharge: \$3.25 per meter per month for service to street and park lighting systems, traffic signal systems, and athletic field lighting installations

Metering

For any billing month or part of such month in which the energy is not metered or for which a meter reading is found to be in error or a meter is found to have failed, the energy for billing purposes for that billing month or part of such month shall be computed from the rated capacity of the lamps (including ballast) plus 5 percent of such capacity to reflect secondary circuit losses, multiplied by the number of hours of use.

Revenue and Cost Review

Distributor's costs of providing service under Part A of this rate schedule are subject to review at any time and from time to time to determine if Distributor's revenues from the charges being applied are sufficient to cover its costs. (Such costs, including applicable overheads, include, but are not limited to, those incurred in the operation and maintenance of the systems provided and those resulting from depreciation and payments for taxes, tax equivalents and interest.) If any such review discloses that revenues are either less or more than sufficient to cover said costs, Distributor shall revise the above facility charges so that revenues will be sufficient to cover said costs. Any such revision of the annual facility charge provided for first above in section II of Part A of this rate schedule shall be by agreement between Distributor and TVA.

PART B--CHARGES FOR OUTDOOR LIGHTING FOR INDIVIDUAL CUSTOMERS

Charges Per Fixture Per Month

<u>(a) Type of Fixture</u>	<u>Lamp Size</u>		<u>Rated</u>	<u>Facility</u>
	<u>(Watts)</u>	<u>(Lumens)</u>	<u>kWh</u>	<u>Charge</u>
Mercury Vapor or Incandescent	175	7,650	70	\$4.43
	250	10,400	98	\$3.21
	400	19,100	155	\$5.92
	700	33,600	266	\$5.48
	1,000	47,500	378	\$6.98
High Pressure Sodium	70	4,860	31	\$3.85
	100	8,550	42	\$4.95
	150	14,400	63	\$4.90
	200	18,900	82	\$4.61
	250	23,000	105	\$4.87
	400	45,000	165	\$5.87
Low Pressure Sodium	1,000	126,000	385	\$10.40
	55	7,650	32	\$3.87
	90	12,750	53	\$6.44
	135	22,000	75	\$8.49
	180	33,000	93	\$9.64

(b) Energy Charge: For each lamp size under (a) above, 4.418¢ per rated kWh per month

Additional Facilities

The above charges in this Part B are limited to service from a photoelectrically controlled standard lighting fixture installed on a pole already in place. If the customer wishes to have the fixture installed at a location other than on a pole already in place, Distributor may apply an additional monthly charge.

Lamp Replacements

Replacements of lamps and related glassware will be made in accordance with replacement policies of Distributor without additional charge to the customer.

Special Outdoor Lighting Installations

When so authorized by policy duly adopted by Distributor's governing board, special outdoor lighting installations (other than as provided for under Parts A and B above) may be provided, owned, and maintained by Distributor's electric system. In such cases Distributor may require reimbursement from the customer for a portion of the initial installed cost of any such installation and shall require payment by the customer of monthly charges sufficient to cover all of Distributor's costs (except reimbursed costs), including appropriate overheads, or providing, owning, and maintaining such installations, and making lamp replacements.

Service is subject to Rules and Regulations of Distributor.

WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION

OUTDOOR LIGHTING RATE--SCHEDULE LS

(January 2005)*

Availability

Available for service to street and park lighting systems, traffic signal systems, athletic field lighting installations, and outdoor lighting for individual customers.

Service under this schedule is for a term of not less than 1 year.

Payment

Bills under this rate schedule will be rendered monthly. Any amount of bill unpaid after due date specified on bill may be subject to additional charges under Distributor's standard policy.

Adjustment

The energy charge in Part A and Part B of this rate schedule shall be increased or decreased in accordance with the current Adjustment Addendum published by TVA. (In addition, the energy charge in Part A and Part B of this rate schedule shall be increased or decreased to correspond to increases or decreases determined by TVA under Adjustment 2 or Adjustment 4 of the wholesale power rate schedule applicable under contractual arrangements between TVA and Distributor.)

PART A--CHARGES FOR STREET AND PARK LIGHTING SYSTEMS, TRAFFIC SIGNAL SYSTEMS, AND ATHLETIC FIELD LIGHTING INSTALLATIONS

- I. Energy Charge: 4.624¢ per kWh per month
- II. Facility Charge

The annual facility charge shall be 15 percent of the installed cost to Distributor's electric system of the facilities devoted to street and park lighting service specified in this Part A. Such installed cost shall be recomputed on July 1 of each year, or more often if substantial changes in the facilities are made. Each month, one-twelfth of the then total annual facility charge shall be billed to the customer. If any part of the facilities has not been provided at the electric system's expense or if the installed cost of any portion thereof is reflected on the books of another municipality or agency or department, the annual facility charge shall be adjusted to reflect properly the remaining cost to be borne by the electric system.

Traffic signal systems and athletic field lighting installations shall be provided, owned, and maintained by and at the expense of the customer, except as Distributor may agree otherwise in accordance with the provisions of the paragraph next following in this section II. The facilities necessary to provide service to such systems and installations shall be provided by and at the expense of Distributor's electric system, and the annual facility charge provided for first above in this section II shall apply to the installed cost of such facilities.

* Incorporates adjustments set out in October 2003 Adjustment Addendum (Environmental Adjustment)

When so authorized by policy duly adopted by Distributor's governing board, traffic signal systems and athletic field lighting installations may be provided, owned, and maintained by Distributor's electric system for the customer's benefit. In such cases Distributor may require reimbursement from the customer for a portion of the initial installed cost of any such system or installation and shall require payment by the customer of a facility charge sufficient to cover all of Distributor's costs (except reimbursed costs), including appropriate overheads, of providing, owning, and maintaining such system or installation; provided that, for athletic field lighting installations, such facility charge shall in no case be less than 12 percent per year of such costs. Said facility charge shall be in addition to the annual facility charge on the facilities necessary to provide service to such system or installation as provided for in the preceding paragraph. Replacement of lamps and related glassware for traffic signal systems and athletic field lighting installations provided under this paragraph shall be paid for under the provisions of paragraph A in Section IV.

III. Customer Charge - Traffic Signal Systems and Athletic Field Lighting Installations.

Distributor shall apply a uniform monthly customer charge of \$2.50 for service to each traffic signal system or athletic field lighting installation.

IV. Replacement of Lamps and Related Glassware - Street and Park Lighting

Customer shall be billed and shall pay for replacements as provided in paragraph B below, which shall be applied to all service for street and park lighting.

- A. Distributor shall bill the customer monthly for such replacements during each month at Distributor's cost of materials, including appropriate storeroom expense.
- B. Distributor shall bill the customer monthly for one-twelfth of the amount by which Distributor's cost of materials, including appropriate storeroom expense, exceeds the product of 3 mills multiplied by the number of kilowatthours used for street and park lighting during the fiscal year immediately preceding the fiscal year in which such month occurs.

V. Right-of-way Clearing Surcharge: \$3.25 per meter per month for service to street and park lighting systems, traffic signal systems, and athletic field lighting installations

Metering

For any billing month or part of such month in which the energy is not metered or for which a meter reading is found to be in error or a meter is found to have failed, the energy for billing purposes for that billing month or part of such month shall be computed from the rated capacity of the lamps (including ballast) plus 5 percent of such capacity to reflect secondary circuit losses, multiplied by the number of hours of use.

Revenue and Cost Review

Distributor's costs of providing service under Part A of this rate schedule are subject to review at any time and from time to time to determine if Distributor's revenues from the charges being applied are sufficient to cover its costs. (Such costs, including applicable overheads, include, but are not limited to, those incurred in the operation and maintenance of the systems provided and those resulting from depreciation and payments for taxes, tax equivalents and interest.) If any such review discloses that revenues are either less or more than sufficient to cover said costs, Distributor shall revise the above facility charges so that revenues will be sufficient to cover said costs. Any such revision of the annual facility charge provided for first above in section II of Part A of this rate schedule shall be by agreement between Distributor and TVA.

PART B--CHARGES FOR OUTDOOR LIGHTING FOR INDIVIDUAL CUSTOMERS

Charges Per Fixture Per Month

(a) <u>Type of Fixture</u>	<u>Lamp Size</u>		<u>Rated kWh</u>	<u>Facility Charge</u>
	<u>(Watts)</u>	<u>(Lumens)</u>		
Mercury Vapor or Incandescent	175	7,650	70	\$4.43
	250	10,400	98	\$3.21
	400	19,100	155	\$5.92
	700	33,600	266	\$5.48
	1,000	47,500	378	\$6.98
High Pressure Sodium	70	4,860	31	\$3.85
	100	8,550	42	\$4.95
	150	14,400	63	\$4.90
	200	18,900	82	\$4.61
	250	23,000	105	\$4.87
	400	45,000	165	\$5.87
Low Pressure Sodium	1,000	126,000	385	\$10.40
	55	7,650	32	\$3.87
	90	12,750	53	\$6.44
	135	22,000	75	\$8.49
	180	33,000	93	\$9.64

(b) Energy Charge: For each lamp size under (a) above, 4.624¢ per rated kWh per month

Additional Facilities

The above charges in this Part B are limited to service from a photoelectrically controlled standard lighting fixture installed on a pole already in place. If the customer wishes to have the fixture installed at a location other than on a pole already in place, Distributor may apply an additional monthly charge.

Lamp Replacements

Replacements of lamps and related glassware will be made in accordance with replacement policies of Distributor without additional charge to the customer.

Special Outdoor Lighting Installations

When so authorized by policy duly adopted by Distributor's governing board, special outdoor lighting installations (other than as provided for under Parts A and B above) may be provided, owned, and maintained by Distributor's electric system. In such cases Distributor may require reimbursement from the customer for a portion of the initial installed cost of any such installation and shall require payment by the customer of monthly charges sufficient to cover all of Distributor's costs (except reimbursed costs), including appropriate overheads, or providing, owning, and maintaining such installations, and making lamp replacements.

Service is subject to Rules and Regulations of Distributor.

NEW DELIVERY POINT AGREEMENT
Between
WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION
And
TENNESSEE VALLEY AUTHORITY

Date: June 1, 2005

TV-59577A, Supp. No. 64
00045848

THIS AGREEMENT, made and entered into between WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION (Distributor), a cooperative corporation created and existing under and by virtue of the laws of the Commonwealth of Kentucky, and TENNESSEE VALLEY AUTHORITY (TVA), a corporation created and existing under and by virtue of the Tennessee Valley Authority Act of 1933, as amended (TVA Act);

W I T N E S S E T H:

WHEREAS, Distributor purchases power from TVA for resale at specified delivery points under Power Contract TV-59577A, dated April 26, 1982, as amended (Power Contract); and

WHEREAS, Distributor is building the Golo 161-kV Substation (New Substation) near Golo, Kentucky, with a target in-service date of June 1, 2005; and

WHEREAS, the parties wish to amend the Power Contract to add a new delivery point at the New Substation;

NOW, THEREFORE, for and in consideration of the premises and of the mutual agreements set forth below, and subject to the TVA Act, the parties mutually agree as follows:

SECTION 1 - CONSTRUCTION BY DISTRIBUTOR

Distributor shall at its expense:

- (a) provide the New Substation and
- (b) perform all work on its distribution system necessary to enable it to take power and energy at the New Substation on or as soon as practicable after the date the New Substation is completed.

SECTION 2 - CONSTRUCTION BY TVA

TVA shall at its expense:

- (a) install a slack-span loop extending TVA's Marshall-Mayfield 161-kV Line (161-kV Line) into the New Substation and
- (b) connect this loop to the New Substation.

SECTION 3 - AMENDMENT TO POWER CONTRACT

Effective as of the date on which Distributor first takes power at the New Substation, section 3 of the Power Contract is amended by adding to the respective columns of the tabulation set out in that section the following:

<u>Delivery Point</u>	<u>Normal Wholesale Delivery Voltage</u>
161-kV side of the Golo 161-kV Substation	161,000

SECTION 4 - INCORPORATION OF ATTACHMENTS

The attachments entitled "Terms and Conditions" and "Billing and Payment Terms" are made a part of this agreement. In the event of any conflict between the body of this agreement and the attachments, the former shall control.

SECTION 5 - METERING

TVA and Distributor will cooperate in providing at the New Substation a 13-kV revenue metering installation in accordance with the attached Terms and Conditions. There will, however, be no telephone circuit and no remote access by Distributor to meter data as specified in the Terms and Conditions. Instead, TVA (for its exclusive use) shall supply a cellular phone for remote access to the metering installation, and Distributor shall supply TVA at no charge 120-volt power for TVA's cellular phone.

SECTION 6 - RELAY INSTALLATIONS

TVA and Distributor will cooperate in providing at the New Substation an underfrequency relay and an HEA relay with accessory equipment (Relays). In accordance with plans and specifications satisfactory to TVA, Distributor shall at its expense install the Relays and thereafter remove or replace them at TVA's request. TVA shall at its expense furnish the Relays and any needed replacements for them and shall operate, maintain, and repair the Relays.

SECTION 7 - STATIC POLE AND SWITCH INSTALLATIONS

TVA and Distributor will cooperate in providing at the New Substation (a) two 161-kV sectionalizing switches and associated structures (Switches), (b) the foundation for the Switches (Foundation) and (c) a 125 foot static pole. TVA shall at its expense provide and install the Switches and static pole. In accordance with plans and specifications satisfactory to TVA, Distributor shall at its expense provide and install the Foundation. As soon as the work is completed, the static pole will become Distributor's property. After the work is completed, TVA shall, consistent with the Billing and Payment Terms, reimburse Distributor an amount (estimated to be \$6,500) for the total cost of the Foundation less the total cost of the static pole. The Foundation will become TVA's property as soon as TVA makes this reimbursement. Thereafter, TVA shall operate, maintain, and repair the Switches and Foundation.

Distributor shall permit TVA unrestricted use of the bus section between the Switches to maintain a continuous electrical path in the 161-kV Line.

SECTION 8 - AMENDMENT

This agreement may be amended only by a writing signed by the parties.

IN WITNESS WHEREOF, the parties have caused this agreement to be executed by their duly authorized representatives, as of the day and year first above written.

**WEST KENTUCKY RURAL ELECTRIC
COOPERATIVE CORPORATION**

By David E. Smart
Title: President & CEO

TENNESSEE VALLEY AUTHORITY

By Cynthia L. Hester
General Manager, Contracts and Pricing
Customer Service and Marketing

TERMS AND CONDITIONS
(New Delivery Point)

SECTION 1 - COORDINATION

1.1 Objectives of Coordination. The parties agree that it is necessary to coordinate their efforts under this agreement to ensure that the following objectives are met: (a) timely and efficient completion of construction and connection of the New Substation to the TVA system, (b) timely and efficient completion of the metering installation, (c) the safe, reliable, and efficient operation of TVA's facilities, and (d) prevention of any undue hazards to TVA's facilities and operations. Each party will use reasonable diligence in carrying out its responsibilities under this agreement and will notify the other of any significant changes in schedule.

1.2 New Substation Plans and Specifications. Distributor shall consult with TVA in designing the New Substation and shall use plans and specifications that TVA concurs will ensure consistency with objectives (c) and (d) in subsection 1.1 above. Distributor will design, construct, operate, and maintain the New Substation in accordance with good, modern practices and procedures.

1.3 New Substation Protective Scheme. Distributor shall also consult with TVA in planning for the installation, operation, testing, calibration, and maintenance of the protective scheme for the New Substation. Such protective scheme shall include backup protection for the New Substation in the event of failure of primary interrupting devices. As a minimum, backup protection would involve equipment (such as backup relays and fault initiating switches) to trigger operation of secondary interrupting devices (typically remote line breakers). Distributor agrees not to install, operate, or maintain any protective devices without TVA's concurrence that objectives (c) and (d) in subsection 1.1 above will be fully met.

1.4 TVA Review. Any review by TVA of Distributor's plans provided for in this agreement should not be considered an endorsement that they are adequate for Distributor's purposes. TVA will not unreasonably withhold its concurrence following any such review.

1.5 Metering. TVA and Distributor will coordinate their work under section 2 below to the extent necessary and practicable.

SECTION 2 - METERING

2.1 TVA's Installation Work. TVA at its expense shall provide and install the revenue meter and related items necessary to determine the power and energy taken by Distributor at the New Substation. This metering installation will be at a mutually satisfactory location in the New Substation.

2.2 Distributor's Installation Work.

2.2.1 Current and Voltage Transformers. Distributor shall, at its expense and in accordance with plans and specifications furnished or approved by TVA, install the metering current and voltage transformers (furnished by TVA). This will be done on the source side of any station service transformers and voltage correction equipment.

2.2.2 Miscellaneous Facilities. Distributor shall install all other facilities required for the metering installation, including a prewired meter cabinet (provided by TVA) and the foundation (if necessary) for TVA's meter cabinet, the primary connections from the metering transformers to Distributor's facilities and the conduit (together with any required test boxes) and cable extending from the metering transformer secondaries to the meter cabinet. Distributor will furnish the supplies and materials needed under this subsection 2.2.2, except that TVA will furnish the cable and test boxes.

2.3 Remote Access to Metering Installation.

2.3.1 Installation of Circuit. For TVA's metering purposes, Distributor shall provide and install (or have installed) a telephone circuit (Circuit) and, if needed, protective conduit extending from TVA's revenue meter to a location specified by TVA. The installation shall be in accordance with guidelines and specifications furnished or approved by TVA. Distributor shall install and then operate and maintain the Circuit (and any such conduit) at its expense. TVA will connect the Circuit to the revenue meter.

2.3.2 Distributor Access to Meter Data. TVA agrees to allow Distributor (a) remote access to TVA's metering data through the Circuit and (b) access to the metering information available from the readout display of the revenue meter. Use of the Circuit and access to the readout display will be coordinated between TVA's and Distributor's operating representatives to ensure unrestricted telephone access by TVA for data retrieval purposes during such periods as specified by TVA.

2.3.3 Remote Access Equipment. It is recognized that Distributor will need equipment not provided by TVA in order to obtain metering data by remote telephone access. If requested, TVA will assist Distributor in selecting such equipment, but acquisition of the equipment shall be the sole responsibility of Distributor.

2.4 Control of Metering Installation. Except as specifically provided otherwise in this agreement (or as agreed otherwise by TVA), the metering installation shall be for TVA's exclusive use and control. It may be used by TVA separately or in conjunction with any other metering facilities of TVA. TVA will place its seals on the revenue meter and metering facilities in the metering installation, and Distributor shall assure that those seals are not broken except at TVA's request.

2.5 Maintenance of Metering Installation.

2.5.1 TVA's Responsibilities. TVA at its expense shall test, calibrate, operate, maintain, and replace the portion of the metering installation provided and installed by TVA.

2.5.2 Distributor's Responsibilities. As requested by TVA from time to time, Distributor at its expense shall perform necessary maintenance (including making of replacements) of the remaining portion of the metering installation. In doing this work Distributor shall furnish the necessary materials, except that TVA shall furnish for installation by Distributor any replacements required for the current and voltage transformers, metering cable, and test boxes.

SECTION 3 - METERING OUTPUTS

3.1 Access to Outputs. Distributor may desire access to metering outputs from the metering installation for such purposes as monitoring and load control, and TVA is willing to make such access available at no charge. Accordingly, Distributor may, at such time as it deems appropriate, provide and install at its expense such additional facilities as are necessary for obtaining access to metering outputs. This includes provision and installation of cable to be connected by TVA to a terminal block in TVA's meter cabinet. Distributor shall also furnish and install any protective facilities requested by TVA for the protection of TVA's metering installation.

3.2 Approval of Facilities. Distributor shall keep TVA informed as to Distributor's plans for installation of any such additional facilities to the extent necessary and practicable. Distributor shall neither install any facilities which are to be connected to the metering installation nor, once installed, change them without prior written notification from TVA that such installation or change is satisfactory to TVA insofar as required for the safe and efficient operation of the metering installation.

3.3 Noninterference With Metering. In exercising access to metering outputs, Distributor shall not interfere with any operation, use of, or access to the metering installation by TVA. In this regard Distributor agrees to immediately modify its facilities and operations, in any manner requested by TVA, to avoid any such interference.

3.4 No Warranty of Outputs. TVA makes no statement, representation, claim, guarantee, assurance, or warranty of any kind whatsoever, including, but not limited to, representations or warranties, express or implied, (a) as to the accuracy or completeness of the metering outputs or as to such outputs' merchantability or fitness for any purposes for which Distributor uses or will use them or (b) as to quantity, kind, character, quality, capacity, design, performance, compliance with specifications, condition, size, description of any property, merchantability, or fitness for any use or purpose of any facilities through which the metering outputs are supplied. Distributor hereby waives, and releases the United States of America, TVA, and their agents and employees from, any and all claims, demands, or causes of action, including, without limitation, those for consequential damages, arising out of or in any way connected with Distributor's use of the metering outputs.

3.5 Termination of Arrangements. The arrangements set out under this section 3, may be terminated by TVA or Distributor at any time upon at least 120 days' written notice. As soon as practicable following the effective date of such termination, TVA will disconnect the cable from the metering installation.

SECTION 4 - ADJUSTMENT OF METERED AMOUNTS

If the metering installation at the New Substation is not at the point of delivery specified in the Power Contract, the metered amounts of power and energy shall be appropriately adjusted to reflect losses (and non-metered station service or equipment use, if any) between the point of delivery and the metering installation. Distributor shall from time to time furnish TVA with the loss data for Distributor's facilities needed to allow TVA to make such adjustments.

SECTION 5 - RIGHTS OF ACCESS

Distributor hereby grants to TVA such rights to use Distributor's property as are reasonably necessary or desirable to enable TVA to carry out its responsibilities under this agreement. These rights include installation, operation, maintenance, replacement, removal, and inspection of TVA's electrical facilities and equipment (including metering equipment) installed in connection with service to Distributor.

SECTION 6 - POWER REQUIREMENTS

Distributor shall at its expense provide the battery and station service power requirements for TVA's facilities and equipment (including metering equipment) installed at the New Substation.

SECTION 7 - TERM OF AGREEMENT

Except as otherwise provided, this agreement shall become effective as of the date of the agreement and shall continue in effect for the term of the Power Contract or any renewal, extension, or replacement of it.

SECTION 8 - RESTRICTION OF BENEFITS

No member of or delegate to Congress or Resident Commissioner, or any officer, employee, special Government employee, or agent of TVA shall be admitted to any share or part of this agreement or to any benefit that may arise from it unless the agreement be made with a corporation for its general benefit. Distributor shall not offer or give, directly or indirectly, to any officer, employee, special Government employee, or agent of TVA any gift, gratuity, favor, entertainment, loan, or any other thing of monetary value, except as provided in 5 C.F.R. part 2635 (as amended, supplemented, or replaced). Breach of this provision shall constitute a material breach of this agreement.

BILLING AND PAYMENT TERMS

SECTION 1 - DEFINITION OF TERMS

"TVA" means the Tennessee Valley Authority.

"Reimbursable Contract" means the agreement or contract to which these Billing and Payment Terms are made a part as an attachment or exhibit.

"Billing Party" means the party owed any amount due under the Reimbursable Contract in accordance with these Billing and Payment Terms.

"Billed Party" means the party obligated to pay any amount due under the Reimbursable Contract in accordance with these Billing and Payment Terms. (The same party to the Reimbursable Contract may be the Billing Party or the Billed Party or both.)

"Payment Due Date" means the date by which payment is due the Billing Party as defined in Section 2 below.

"Deliverables" means the work or services performed, or property or equipment furnished, by the Billing Party under the Reimbursable Contract for the ownership benefit of the Billed Party.

SECTION 2 - INVOICING AND PAYMENT DUE DATE

The Billing Party shall submit an invoice to the Billed Party for the amount due. The invoice may be submitted in electronic form, if permitted under the Reimbursable Contract. The invoice shall include reasonably sufficient detail or supporting documentation to permit the Billed Party to verify the appropriateness or accuracy of the amount owed. Unless a later due date is specified in the Reimbursable Contract, the Payment Due Date shall be 30 days from the later of the date or receipt of the invoice.

SECTION 3 - INTEREST ON UNDERPAYMENTS OR OVERPAYMENTS

If the Billed Party fails to pay the amount due by the Payment Due Date, the Billed Party shall pay interest on the unpaid amount based on the maximum rate under the United States Prompt Payment Act, (31 U.S.C. §§ 3901-3907) as published in the Federal Register and adjusted periodically (currently semi-annually). Interest shall accrue from the Payment Due Date until the date the Billing Party receives payment. Failure to pay within 90 days after the Payment Due Date shall constitute a material breach of the Reimbursable Contract. If the Billed Party overpays (such as, due to erroneous or inaccurate invoicing by the Billing Party or due to refund of an excess deposit payment), the Billing Party shall promptly refund the amount overpaid with interest on the overpaid amount at the rate set out above for the period from the date the Billing Party received the overpaid amount to the date the refund is paid by the Billing Party.

SECTION 4 - DELAY OR SUSPENSION OF WORK DUE TO PAYMENT FAILURE

If the Billed Party fails to pay the amount due by the Payment Due Date, the Billing Party shall have the right to delay or suspend the work or services being performed until after such payment failure has been satisfactorily resolved. Nothing herein contained shall be construed as relieving the Billed Party of the obligation to pay the Billing Party for the work completed as of the date such work or services are delayed or suspended.

SECTION 5 - PAYMENT DISPUTE

The Billed Party may dispute the payment of all or a portion of the amount due in an invoice if the Billed Party has a reasonable basis to demonstrate that such amount is inappropriate or questionable. In that case, the Billed Party shall promptly advise the Billing Party in writing of the reasons for disputing all or a portion of the invoiced amount. Upon receipt of the Billed Party's written statement of reasons, the dispute resolution provisions of Section 12 below shall apply. If as a result of the dispute resolution, one party is required to pay the other for the amount overpaid or underpaid, such amount shall include interest calculated in accordance with Section 3 (**Interest on Underpayments or Overpayments**) above.

SECTION 6 - OFFSET

Each party reserves the right to offset any amount owed to the other party against any amount owed by the other party.

SECTION 7 - WARRANTIES AND LIMITATION OF LIABILITY

Unless otherwise provided in the Reimbursable Contract, the Billing Party warrants the Deliverables to be in conformance with generally accepted professional standards prevailing at the time of delivery. Any Deliverables not in accordance with such standards shall be corrected at no cost to the Billed Party as long as such nonconformance is reported in writing within one year from the date of delivery. The Billing Party expressly disclaims any other warranties, including implied warranties of merchantability or fitness for any particular use or purpose, as to any Deliverables provided hereunder.

SECTION 8 - TIME OF COMPLETION AND FORCE MAJEURE

Any delays in or failure of performance by the Billing Party or its contractors shall not constitute default hereunder if and to the extent such delays or failures of performance are caused by occurrences beyond the reasonable control of Billing Party or its contractors, and Billing Party shall not be liable for any loss or damage due to or arising out of any such delays or failure of performance. Such occurrences include, but are not limited to, acts of God or the public enemy, fires, epidemics, quarantines, strikes, freight embargoes or delays in transportation, priorities or other acts or orders of Governmental authority, or unforeseeable severe weather or floods, or any causes, whether or not of the same class or kind of those specifically above named, which are not within the control of Billing Party or its contractors.

SECTION 9 - ACCESS TO BILLING RECORDS AND CONFIDENTIALITY

Upon written request by the Billed Party, the Billing Party shall provide access during normal working hours to its records as necessary to permit the Billed Party to verify the accuracy or appropriateness of the invoice. The Billed Party shall keep the information examined confidential. If a billing dispute is submitted to dispute resolution as set out in Section 12 below, the Billing Party agrees to provide the pertinent records or information to counsel and independent experts of the Billed Party and those attempting to resolve the dispute, provided such third parties agree to keep such records or information confidential. Nothing in this Section shall be construed as in any way impairing the ability pursuant to statutory authority of the Office of the Inspector General of TVA or of any other Federal agency having auditing jurisdiction over TVA to examine the records of the Billing Party to the extent relating to any amount billed TVA by the Billing Party.

SECTION 10 - ENTIRE CONTRACT

The Reimbursable Contract and all exhibits or attachments thereto (including these Billing and Payment Terms) shall constitute the entire agreement between the parties. In the event of any conflict between the provisions of the Reimbursable Contract and these Billing and Payment Terms, the Reimbursable Contract shall prevail.

SECTION 11 - ASSIGNMENT OF CONTRACT NUMBER

The Reimbursable Contract will have a contract number assigned by TVA for all parties to use as a reference as part of the invoicing and payment processes.

SECTION 12 - DISPUTE RESOLUTION

If a billing amount dispute arises out of or relates to the Reimbursable Contract, including these Billing and Payment Terms, or the breach thereof, the parties agree to use their best efforts to resolve such a dispute informally at the lowest possible levels of decisionmaking. Such a dispute not resolved at the working level should be referred to higher levels of management of both parties for consideration, as necessary. If said dispute cannot be so settled, the parties further agree to develop and use consensual alternative dispute resolution processes, such as facilitation and mediation to try in good faith to settle said dispute, before resorting to arbitration, litigation, or some other dispute resolution procedure. The parties may, for example, try to resolve the dispute by mediation administered by the American Arbitration Association under its Commercial Mediation Rules.

SECTION 13 - RESTRICTION OF BENEFITS

No member of or delegate to Congress or Resident Commissioner, or any officer, employee, special Government employee, or agent of TVA shall be admitted to any share or part of the Reimbursable Contract or to any benefit that may arise from it unless the agreement be made with a corporation for its general benefit. The other party to the Reimbursable Contract shall not offer or give, directly or indirectly, to any officer, employee, special Government employee, or agent of TVA any gift,

NEW DELIVERY POINT AGREEMENT
Between
WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION
And
TENNESSEE VALLEY AUTHORITY

Date: November 17, 2005

TV-59577A, Supp. No. 65

THIS AGREEMENT, made and entered into between WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION (Distributor), a cooperative corporation created and existing under and by virtue of the laws of the Commonwealth of Kentucky, and TENNESSEE VALLEY AUTHORITY (TVA), a corporation created and existing under and by virtue of the Tennessee Valley Authority Act of 1933, as amended (TVA Act);

WITNESSETH:

WHEREAS, Distributor purchases power from TVA for resale at specified delivery points under Power Contract TV-59577A, dated April 26, 1982, as amended (Power Contract); and

WHEREAS, Distributor is converting its existing Hardin Substation near Hardin, Kentucky, from 69-kV to 161-kV operation, with a target in-service date of ~~May 5, 2006~~ ^{CAH} _{WES} ~~September 29, 2006;~~ and

Whereas, Distributor plans to take power at a nominal voltage of 161,000 volts at the converted Hardin 161-kV Substation (New Substation); and

WHEREAS, the parties wish to amend the Power Contract to (a) eliminate the 69-kV delivery point at the Hardin Substation and (b) add a new 161-kV delivery point at the New Substation;

NOW, THEREFORE, for and in consideration of the premises and of the mutual agreements set forth below, and subject to the TVA Act, the parties mutually agree as follows:

SECTION 1 - CONSTRUCTION BY DISTRIBUTOR

Distributor shall at its expense:

- (a) provide the New Substation and
- (b) perform all work on its distribution system necessary to enable it to take power and energy at the New Substation on or as soon as practicable after the date the New Substation is completed.

SECTION 2 - CONSTRUCTION BY TVA

TVA shall at its expense:

- (a) provide a tap point (Tap Point) in TVA's Marshall-Murray (formerly named Marshall-Mayfield No. 2) 161-kV Line,
- (b) provide a slack span extending from the Tap Point to the New Substation, and
- (c) connect this slack span to the New Substation.

SECTION 3 - AMENDMENT TO POWER CONTRACT

Effective as of the date on which Distributor first takes power at 161-kV at the New Substation, section 3 of the Power Contract is amended by striking from the tabulation appearing therein all references to the 69-kV delivery point at the Hardin Substation and substituting therefore the following:

<u>Delivery Point</u>	<u>Normal Wholesale Delivery Voltage</u>
161-kV side of the Hardin 161-kV Substation	161,000

SECTION 4 - INCORPORATION OF TERMS AND CONDITIONS

The attached Terms and Conditions are made a part of this agreement. In the event of any conflict between the body of this agreement and the Terms and Conditions, the former shall control.

SECTION 5 - REVENUE METERING INSTALLATIONS

TVA and Distributor will cooperate in providing a 13-kV revenue metering installation at the New Substation in accordance with the Terms and Conditions, utilizing, to the extent feasible, the existing 13-kV metering installation and telephone circuit.

SECTION 6 - AMENDMENT

This agreement may be amended only by a writing signed by the parties.

IN WITNESS WHEREOF, the parties have caused this agreement to be executed by their duly authorized representatives, as of the day and year first above written.

**WEST KENTUCKY RURAL ELECTRIC
COOPERATIVE CORPORATION**

By David E. Smart
Title: President + CEO

TENNESSEE VALLEY AUTHORITY

By Cynthia G. Henry
General Manager, Contracts and Pricing
Customer Service and Marketing

TERMS AND CONDITIONS
(New Delivery Point)

SECTION 1 - COORDINATION

1.1 Objectives of Coordination. The parties agree that it is necessary to coordinate their efforts under this agreement to ensure that the following objectives are met: (a) timely and efficient completion of construction and connection of the New Substation to the TVA system, (b) timely and efficient completion of the metering installation, (c) the safe, reliable, and efficient operation of TVA's facilities, and (d) prevention of any undue hazards to TVA's facilities and operations. Each party will use reasonable diligence in carrying out its responsibilities under this agreement and will notify the other of any significant changes in schedule.

1.2 New Substation Plans and Specifications. Distributor shall consult with TVA in designing the New Substation and shall use plans and specifications that TVA concurs will ensure consistency with objectives (c) and (d) in subsection 1.1 above. Distributor will design, construct, operate, and maintain the New Substation in accordance with good, modern practices and procedures.

1.3 New Substation Protective Scheme. Distributor shall also consult with TVA in planning for the installation, operation, testing, calibration, and maintenance of the protective scheme for the New Substation. Such protective scheme shall include backup protection for the New Substation in the event of failure of primary interrupting devices. As a minimum, backup protection would involve equipment (such as backup relays and fault initiating switches) to trigger operation of secondary interrupting devices (typically remote line breakers). Distributor agrees not to install, operate, or maintain any protective devices without TVA's concurrence that objectives (c) and (d) in subsection 1.1 above will be fully met.

1.4 TVA Review. Any review by TVA of Distributor's plans provided for in this agreement should not be considered an endorsement that they are adequate for Distributor's purposes. TVA will not unreasonably withhold its concurrence following any such review.

1.5 Metering. TVA and Distributor will coordinate their work under section 2 below to the extent necessary and practicable.

SECTION 2 - METERING

2.1 TVA's Installation Work. TVA at its expense shall provide and install the revenue meter and related items necessary to determine the power and energy taken by Distributor at the New Substation. This metering installation will be at a mutually satisfactory location in the New Substation.

2.2 Distributor's Installation Work.

2.2.1 Current and Voltage Transformers. Distributor shall, at its expense and in accordance with plans and specifications furnished or approved by TVA, install the metering current and voltage transformers (furnished by TVA). This will be done on the source side of any station service transformers and voltage correction equipment.

2.2.2 Miscellaneous Facilities. Distributor shall install all other facilities required for the metering installation, including a prewired meter cabinet (provided by TVA) and the foundation (if necessary) for TVA's meter cabinet, the primary connections from the metering transformers to Distributor's facilities and the conduit (together with any required test boxes) and cable extending from the metering transformer secondaries to the meter cabinet. Distributor will furnish the supplies and materials needed under this subsection 2.2.2, except that TVA will furnish the cable and test boxes.

2.3 Remote Access to Metering Installation.

2.3.1 Installation of Circuit. For TVA's metering purposes, Distributor shall provide and install (or have installed) a telephone circuit (Circuit) and, if needed, protective conduit extending from TVA's revenue meter to a location specified by TVA. If TVA furnishes a telephone switcher, Distributor shall install it at an agreed upon location. Distributor installation of the Circuit and telephone switcher shall be in accordance with guidelines and specifications furnished or approved by TVA. Distributor shall install and then operate and maintain the Circuit (and any such conduit) at its expense. TVA will connect the Circuit to the revenue meter.

2.3.2 Distributor Access to Meter Data. TVA agrees to allow Distributor (a) remote access to TVA's metering data through the Circuit and (b) access to the metering information available from the readout display of the revenue meter. Use of the Circuit and access to the readout display will be coordinated between TVA's and Distributor's operating representatives to ensure unrestricted telephone access by TVA for data retrieval purposes during such periods as specified by TVA.

2.3.3 Remote Access Equipment. It is recognized that Distributor will need equipment not provided by TVA in order to obtain metering data by remote telephone access. If requested, TVA will assist Distributor in selecting such equipment, but acquisition of the equipment shall be the sole responsibility of Distributor.

2.4 Control of Metering Installation. Except as specifically provided otherwise in this agreement (or as agreed otherwise by TVA), the metering installation shall be for TVA's exclusive use and control. It may be used by TVA separately or in conjunction with any other metering facilities of TVA. TVA will place its seals on the revenue meter and metering facilities in the metering installation, and Distributor shall assure that those seals are not broken except at TVA's request.

2.5 Maintenance of Metering Installation.

2.5.1 TVA's Responsibilities. TVA at its expense shall test, calibrate, operate, maintain, and replace the portion of the metering installation provided and installed by TVA.

2.5.2 Distributor's Responsibilities. As requested by TVA from time to time, Distributor at its expense shall perform necessary maintenance (including making of replacements) of the remaining portion of the metering installation. In doing this work Distributor shall furnish the necessary materials, except that TVA shall furnish for installation by Distributor any replacements required for the current and voltage transformers, metering cable, and test boxes.

SECTION 3 - METERING OUTPUTS

3.1 Access to Outputs. Distributor may desire access to metering outputs from the metering installation for such purposes as monitoring and load control, and TVA is willing to make such access available at no charge. Accordingly, Distributor may, at such time as it deems appropriate, provide and install at its expense such additional facilities as are necessary for obtaining access to metering outputs. This includes provision and installation of cable to be connected by TVA to a terminal block in TVA's meter cabinet. Distributor shall also furnish and install any protective facilities requested by TVA for the protection of TVA's metering installation.

3.2 Approval of Facilities. Distributor shall keep TVA informed as to Distributor's plans for installation of any such additional facilities to the extent necessary and practicable. Distributor shall neither install any facilities which are to be connected to the metering installation nor, once installed, change them without prior written notification from TVA that such installation or change is satisfactory to TVA insofar as required for the safe and efficient operation of the metering installation.

3.3 Noninterference With Metering. In exercising access to metering outputs, Distributor shall not interfere with any operation, use of, or access to the metering installation by TVA. In this regard Distributor agrees to immediately modify its facilities and operations, in any manner requested by TVA, to avoid any such interference.

3.4 No Warranty of Outputs. TVA makes no statement, representation, claim, guarantee, assurance, or warranty of any kind whatsoever, including, but not limited to, representations or warranties, express or implied, (a) as to the accuracy or completeness of the metering outputs or as to such outputs' merchantability or fitness for any purposes for which Distributor uses or will use them or (b) as to quantity, kind, character, quality, capacity, design, performance, compliance with specifications, condition, size, description of any property, merchantability, or fitness for any use or purpose of any facilities through which the metering outputs are supplied. Distributor hereby waives, and releases the United States of America, TVA, and their agents and employees from, any and all claims, demands, or causes of action, including, without limitation, those for consequential damages, arising out of or in any way connected with Distributor's use of the metering outputs.

3.5 Termination of Arrangements. The arrangements set out under this section 3, may be terminated by TVA or Distributor at any time upon at least 120 days' written notice. As soon as practicable following the effective date of such termination, TVA will disconnect the cable from the metering installation.

SECTION 4 - ADJUSTMENT OF METERED AMOUNTS

If the metering installation at the New Substation is not at the point of delivery specified in the Power Contract, the metered amounts of power and energy shall be appropriately adjusted to reflect losses (and non-metered station service or equipment use, if any) between the point of delivery and the metering installation. Distributor shall from time to time furnish TVA with the loss data for Distributor's facilities needed to allow TVA to make such adjustments.

SECTION 5 - RIGHTS OF ACCESS

Distributor hereby grants to TVA such rights to use Distributor's property as are reasonably necessary or desirable to enable TVA to carry out its responsibilities under this agreement. These rights include installation, operation, maintenance, replacement, removal, and inspection of TVA's electrical facilities and equipment (including metering equipment) installed in connection with service to Distributor.

SECTION 6 - POWER REQUIREMENTS

Distributor shall at its expense provide the battery and station service power requirements for TVA's facilities and equipment (including metering equipment) installed at the New Substation.

SECTION 7 - TERM OF AGREEMENT

Except as otherwise provided, this agreement shall become effective as of the date of the agreement and shall continue in effect for the term of the Power Contract or any renewal, extension, or replacement of it.

SECTION 8 - RESTRICTION OF BENEFITS

No member of or delegate to Congress or Resident Commissioner, or any officer, employee, special Government employee, or agent of TVA shall be admitted to any share or part of this agreement or to any benefit that may arise from it unless the agreement be made with a corporation for its general benefit. Distributor shall not offer or give, directly or indirectly, to any officer, employee, special Government employee, or agent of TVA any gift, gratuity, favor, entertainment, loan, or any other thing of monetary value, except as provided in 5 C.F.R. part 2635 (as amended, supplemented, or replaced). Breach of this provision shall constitute a material breach of this agreement.

AGREEMENT
Between
WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION
And
TENNESSEE VALLEY AUTHORITY

Date: February 7, 2006

TV-59577A, Supp. No. 66

THIS AGREEMENT, made and entered into between WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION (WKRECC), a cooperative corporation created and existing under and by virtue of the laws of the Commonwealth of Kentucky, and TENNESSEE VALLEY AUTHORITY (TVA), a corporation created and existing under and by virtue of the Tennessee Valley Authority Act of 1933, as amended (TVA Act);

W I T N E S S E T H:

WHEREAS, WKRECC and TVA have entered into a contract dated April 26, 1982, as amended (Power Contract), under which WKRECC purchases its entire requirements for electric power and energy from TVA for resale at specified delivery points, including a 69-kV delivery point at the Gilbertsville 69-kV Substation (69-kV Substation); and

WHEREAS, due to circumstances beyond WKRECC's control, WKRECC's 13-kV service to the east bank of the Tennessee River (East Bank Customers) from the 69-kV Substation was interrupted and subsequently replaced on a temporary and emergency basis by a 13-kV feed (Emergency Feed) providing an electrical path between Jackson Purchase Rural Electric Cooperative Corporation's (JPRECC) distribution system and the East Bank Customers; and

WHEREAS, as a result of the configuration of the Emergency Feed, JPRECC's Vulcan, Incorporated (Vulcan), power charges included charges associated with power and energy used by East Bank Customers that was delivered through the Emergency Feed (East Bank Customer Charges); and

WHEREAS, TVA has agreed with WKRECC that it is appropriate to reimburse Vulcan for the East Bank Customer Charges; and

WHEREAS, to expedite reimbursement to Vulcan, WKRECC has agreed to pay Vulcan for the East Bank Customer Charges and that TVA would keep WKRECC whole in this reimbursement; and

WHEREAS, WKRECC and TVA wish to agree on the arrangements for such reimbursement to Vulcan, including appropriate adjustments to WKRECC's monthly wholesale bill;

NOW, THEREFORE, for and in consideration of the premises and of the mutual covenants hereinafter set forth, and subject to the provisions of the TVA Act, the parties hereto mutually covenant and agree as follows:

SECTION 1 - TERM OF AGREEMENT

This agreement shall become effective as of the date first written above and remains in effect until all obligations of the parties under it have been fulfilled.

SECTION 2 - WHOLESALE BILLING ADJUSTMENT

It is recognized that, through a separate agreement, Vulcan has accepted reimbursement of \$71,120.02 from WKRECC for any and all East Bank Customer Charges resulting from the configuration of the Emergency Feed. Accordingly, as soon as practicable, TVA shall include in WKRECC's monthly power invoice a credit in the amount of \$71,120.02 to keep WKRECC whole.

SECTION 3 - POWER CONTRACT AFFIRMED

Except as expressly set out above, nothing in this agreement shall affect the other terms of the Power Contract, which is ratified and confirmed as the continuing obligation of the parties.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be executed by their duly authorized representatives, as of the day and year first above written.

**WEST KENTUCKY RURAL ELECTRIC
COOPERATIVE CORPORATION**

By David E. Smart
Title: President + CEO

TENNESSEE VALLEY AUTHORITY

By Cynthia G. Huron
General Manager, Contracts and Pricing
Customer Service and Marketing



Tennessee Valley Authority, Post Office Box 292409, Nashville, Tennessee 37229-2409

March 23, 2006

TV-59577A
Supp. No. 61

Mr. David Smart, President/CEO
West Kentucky Rural Electric
Cooperative Corporation
Post Office Box 589
Mayfield, Kentucky 42066-0589

Dear Mr. Smart:

This is to confirm the understanding between West Kentucky Rural Electric Cooperative Corporation (Distributor) and Tennessee Valley Authority (TVA) concerning the reimbursement plan for Distributor's costs of preparing or having prepared a Statement on Auditing Standards No. 70 (SAS 70) Type II audit of internal controls (Report) including an opinion of a certified public accountant (Opinion) as described in section 1 below in support of TVA efforts related to Section 404 of the Sarbanes-Oxley Act of 2002. It is recognized that (a) TVA's internal control structure is impacted by the nature of its current end-use billing arrangements with Distributor, (b) that under these arrangements, Distributor calculates major components of its power bills, and (c) that TVA will rely on the Report provided for by this agreement in assessing the effectiveness of TVA's internal controls over the end-use billing process as well as the effectiveness of related controls performed by Distributor.

In accordance with the following timetable and conditions, TVA will reimburse Distributor at the flat rate provided for in Attachment A to this agreement:

1. Distributor agrees to prepare or have prepared a Report.
 - a. The Report will cover, at least, the following 12 control objectives:
 - i. Correct billing rates are associated with contractual end-use customer classifications in the computer system(s) used by Distributor, and only valid changes are made by authorized individuals;
 - ii. The end-use customer master file, including end-use customer classifications and applicable SIC codes, is accurate, and only valid changes are made to the file by authorized individuals;
 - iii. Meter readings for energy usage (kWh) and peak demands (kW) accurately report the service provided;

- iv. All actual power usage for the period is captured and meter readings for energy usage (kWh) and peak demands (kW) are transferred completely and accurately to the computer system used to compute the "Schedule 1" power invoice;
- v. All adjustments to energy usage (kWh) and interval meter data (kW) are valid (for example, based on prior inaccurate meter readings or other valid support) and made by authorized personnel;
- vi. Processes are in place to verify periodically the proper performance of commercial and industrial meters used for demand charge calculations;
- vii. "Schedule 1" summaries are accurately calculated (using correct power usage, product and credit charge codes, customer classifications, usage calculations, credit calculations, contract terms, valid rates, and appropriate factors) and conveyed completely and accurately to TVA on a timely basis;
- viii. Logical access controls exist in Distributor and/or third party processor systems for proper system security and segregation of duties;
- ix. Data that has been recorded, processed, and reported remains complete, accurate, and valid throughout the update and storage process;
- x. Controls are in place for computer operations, program development and change, and records management;
- xi. Related spreadsheets and reports are controlled and validated; and
- xii. System backups are maintained and tested to ensure that recovery of systems can occur.

If Distributor relies on a third party to perform any of the control objectives above, Distributor is to obtain a separate Report, including Opinion, from the third party on the related controls.

- b. The Opinion will address the following four components:
 - i. Fair presentation of the description of controls,

- ii. Design effectiveness of controls,
 - iii. Operating effectiveness as of a specified date, and
 - iv. Whether or not the Distributor's or third party possessor's controls are operating effectively over a specified period of time.
2. On or before August 31, 2006, Distributor will submit to TVA the required Report(s), including Opinion(s) and descriptions of controls performed to meet each of the 12 control objectives listed under subsection 1a above; the nature of the tests conducted; and the results of each test as described in TVA's "Audit Plan-End-Use Billing Process," provided, however, that if Distributor informs TVA of adequate explanation of why the Report(s) cannot be ready by August 31, 2006, TVA may agree in writing to accept the Report(s) after August 31, 2006.

Distributor agrees to submit the Report(s) by either mail or e-mail as listed below. If submitted by mail, two (2) copies of the Report(s) will be included.

By Mail: Tennessee Valley Authority
Attn: Controller
400 West Summit Hill Drive
WT 4B-K
Knoxville, Tennessee 37902

E-mail: dsasrepo@tva.gov

3. TVA will provide an advance of one-half of the applicable flat rate, set out under Attachment A to this agreement, by applying a credit equal to that amount on the Distributor's next power invoice calculated after the execution of this agreement.
4. If TVA receives the Report(s) meeting the requirements of section 1 above on or before the deadline provided for in section 2 above (as such deadline may be extended in accordance with the provisions of that section), TVA will reimburse the second half of the applicable flat rate by applying a credit on the Distributor's next power invoice.
5. If TVA does not receive such Report(s) by such deadline, Distributor's next power invoice will be subject to a charge equal to the advance reimbursement provided by TVA under section 3 above.

Mr. David Smart
Page 4
March 23, 2006

6. Nothing in this agreement is intended to subject a distributor that is not otherwise legally subject to the provisions of the Sarbanes-Oxley Act of 2002 to this act. The Report(s) and Opinion(s) described in this agreement support TVA's efforts under the act.

If this correctly states our understanding, please have a duly authorized representative sign and date both duplicate originals of this letter on behalf of Distributor and return them to your TVA Customer Service Manager. A fully executed original will be returned to you.

Sincerely,



Kenneth R. Breeden
Executive Vice President
Customer Service and Marketing

Accepted and agreed to as of
the 28th day of March, 2006

WEST KENTUCKY RURAL ELECTRIC
COOPERATIVE CORPORATION

By: David E. Smart
Title: President + CEO

SAS 70 Audit Cost - Reimbursement Amounts

Fiscal Year 2006

Distributor MWh Usage TVA's FY 2005	Reimbursement Amounts
Less Than 500,000	\$ 25,000
500,000 to 1 Million	\$ 35,000
1 to 2 Million	\$ 45,000
2 to 5 Million	\$ 55,000
5 to 10 Million	\$ 75,000
Over 10 Million	\$ 100,000

AGREEMENT
Between
WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION
And
TENNESSEE VALLEY AUTHORITY

Date: October 1, 2006

TV-59577A, Supp. No. 68

THIS AGREEMENT, made and entered into between WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION (Distributor), a cooperative corporation created and existing under and by virtue of the laws of the Commonwealth of Kentucky, and TENNESSEE VALLEY AUTHORITY (TVA), a corporation created and existing under and by virtue of the Tennessee Valley Authority Act of 1933, as amended (TVA Act);

W I T N E S S E T H:

WHEREAS, TVA and Distributor have a longstanding relationship as seller and buyer of power, under which Distributor currently purchases all of its power requirements from TVA pursuant to Power Contract TV-59577A, dated April 26, 1982, as amended (Power Contract); and

WHEREAS, in accordance with the rate adjustment provisions in section 6 of the Terms and Conditions to the Power Contract, TVA has published an Adjustment Addendum, effective October 1, 2006, which includes a Fuel Cost Adjustment (FCA) formula under which rates will be automatically adjusted quarterly to reflect changes in costs for fuel and purchased power; and

WHEREAS, TVA and Distributor wish to agree upon a communication and oversight process under which FCA issues could be raised with TVA staff, TVA management, and the TVA Chief Executive Officer (CEO), and following such process, FCA policy issues could be ultimately appealed to the TVA Board; and

WHEREAS, TVA and Distributor also wish to agree upon an additional process to be applicable with respect to any proposed changes to or replacement of the FCA formula;

NOW, THEREFORE, for and in consideration of the premises and of the mutual agreements set forth below, and subject to the provisions of the TVA Act, the parties agree as follows:

1. Communication and Oversight Process.

- 1.1 FCA Information. TVA will endeavor to provide the following Information related to the FCA at least 45 days prior to the quarterly operation of the FCA or as soon thereafter as practicable; provided, however, that such information shall in no event be provided later than 15 days in advance of such quarterly operation:

- (a) The FCA adjustment amounts for the following quarter.
- (b) Reconciliation between the prior quarter's forecast data and actual data, including the resulting deferred account impact.
- (c) A revised preliminary forecast for each of the next four quarters following the quarter for which FCA adjustment amounts are provided under (a).

1.2 Oversight. TVA and Distributor agree to use their best efforts to resolve any FCA issues that may arise informally at the lowest possible levels of decision making. Accordingly, any such issues may be submitted by Distributor to TVA in accordance with an oversight process consisting of the following progressive steps:

Step 1: Review by TVA Customer Service & Marketing (CS&M).

- (a) As a part of this step, Distributor may request additional information from TVA supporting the FCA amounts and TVA will provide that information subject to the qualifications in section 3 below.
- (b) Unless otherwise agreed, this step shall be completed within 30 days of its being initiated by Distributor.
- (c) If this step does not result in resolution of the issue(s), CS&M will provide Distributor with contact information for the appropriate senior TVA management representative(s) for step 2.

Step 2: Review by appropriate senior TVA management.

Unless otherwise agreed, this step shall be completed within 30 days of its being initiated by Distributor.

Step 3: Review by the TVA CEO.

Unless otherwise agreed, this step shall be completed within 30 days of its being initiated by Distributor.

Step 4: Appeal to the TVA Board.

If an FCA issue which has first been the subject of steps 1, 2, and 3 above presents policy questions, it may be appealed to the TVA Board by the distributor submitting a written request for review to the Finance, Strategy and Rates Committee of the Board, or to such other committee as may be designated by the Board, for such committee's recommendation to the Board. Any such request for Board review shall include:

- (a) a description of the issue(s),
- (b) a statement of the Distributor's position on the issue(s) and why it does not consider the results of the previous steps to have resulted in a satisfactory resolution of the issues, and
- (c) such other information as might be reasonably specified by TVA in procedures relating to such appeals.

- 1.3 **Board Decision Final.** The decision made by the TVA Board on any appeal to it under 1.2 above shall be final and shall not be subject to further review under, or based on or arising out of, any provision of this section 1. Further, it is expressly recognized and agreed that nothing in this section 1, shall be deemed to
- (a) create any right to any review of or oversight of TVA actions and decisions other than the process expressly provided for in this section 1;
 - (b) waive any otherwise applicable rights related to such review or oversight,
 - (c) relieve either Distributor or TVA of any obligation to continue to perform its contract obligations to the other party pending the outcome of said process; or
 - (d) in any way impair or restrict either party's ability to bring any action to enforce the FCA formula or the provisions of the other sections of this agreement.
- 1.4 **Process Revisions.** If either party believes that the oversight process provided for by 1.2 above should be revised for any reason, it shall propose such revisions and the parties shall endeavor to reach agreement upon revisions to the process. If after 90 days the parties have not reached agreement, TVA may, upon 30 days' written notice to Distributor implement:
- (a) any revisions related to steps 1, 2, and 3 of the process as are determined to be necessary or appropriate by its CEO, or
 - (b) any revisions related to step 4 of the process as are determined to be necessary or appropriate by its Board.

2. **Changes to FCA.** Section 6 of the Terms and Conditions to the Power Contract is amended in the respects necessary to provide that if TVA believes that any factors warrant a rate adjustment which would involve any change to or replacement of the FCA formula, TVA will not implement any such change or replacement of the FCA formula without first requesting that the parties or their representatives meet and endeavor to reach agreement upon the change or replacement. If within 90 days after any such request the parties have not reached agreement, TVA may, following a quarterly rate review as provided for in the paragraph entitled "Adjustment" of said section, publish an Adjustment Addendum implementing any such change or replacement of the FCA formula determined to be appropriate under the provisions of said paragraph.

3. **Confidentiality.** As a condition of any information provided by TVA to Distributor under this agreement, TVA may require Distributor to execute a confidentiality agreement in a form acceptable to TVA. Further, where deemed necessary by TVA to protect confidential or proprietary information, any such agreement may require that specified information provided for Distributor review remain in the possession of TVA, or a Distributor representative (such as the Tennessee Valley Public Power Association) that also enters into a confidentiality agreement with TVA, and that such information not be retained by Distributor or maintained as part of the record system of Distributor.

4. **No Limitation of Rate Adjustments.** Except as expressly set out in section 2 above with respect to any change to or replacement of the FCA formula, nothing in this agreement shall limit TVA's ability to adjust rates under the paragraph entitled "Adjustment" in section 6 of the Terms and Conditions to the Power Contract; provided, however, that it is further expressly recognized and agreed that nothing in this agreement shall be deemed to expand TVA's authority under said "Adjustment" paragraph or to in any way modify the rights and obligations of either party under any other provision of section 6 of the Terms and Conditions to the Power Contract.

IN WITNESS WHEREOF, the parties have caused this agreement to be executed by their duly authorized officers, as of the day and year first above written.

**WEST KENTUCKY RURAL ELECTRIC
COOPERATIVE CORPORATION**

By David E. Smart
Title: President & CEO

TENNESSEE VALLEY AUTHORITY

By Theresa Alan for:
Executive Vice President
Customer Service and Marketing

September 18, 2006

RESALE RATE SCHEDULE SUBSTITUTION AGREEMENT

Between

WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION (DISTRIBUTOR)

And

TENNESSEE VALLEY AUTHORITY (TVA)

Distributor and TVA agree to substitute the new resale rate schedules specified in (a) below, copies of which are attached, for the resale rate schedules specified in (b) below, which, as adjusted, are now in effect as a part of the Schedule of Rates and Charges attached to and made a part of the Power Contract, TV-59577A, dated April 26, 1982, as amended (Power Contract), between TVA and Distributor. This substitution is to be effective for all bills rendered from resale meter readings taken for revenue months of Distributor beginning with the October 2006 revenue month. It is expressly recognized that the adjustments set forth in the Adjustment Addendum to said Schedule of Rates and Charges dated October 1, 2006, shall continue to apply to the charges provided for by the attached schedules specified in (a) below.

(a) New resale rate schedules:

Residential Rate--Schedule RS (October 2006)
 General Power Rate--Schedule GSA (October 2006)
 General Power Rate--Schedule TGSA (October 2006)

(b) Existing resale rate schedules:

Residential Rate--Schedule RS (January 2005)
 General Power Rate--Schedule GSA (January 2005)
 General Power Rate--Schedule TGSA (January 2005)

It is understood that, upon execution of this agreement by TVA and Distributor, all references in the Power Contract to the existing resale rate schedules specified in (b) above, or to any predecessor schedules, shall be deemed to refer to the appropriate new resale rate schedules specified in (a) above.

**WEST KENTUCKY RURAL ELECTRIC
 COOPERATIVE CORPORATION**

By Ralph C. Edgington
 Title: Board President

Rate schedule substitution agreed to as of
 the date first above written.

TENNESSEE VALLEY AUTHORITY

By Theresa Alan Jones
 Executive Vice President
 Customer Resources

WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION

RESIDENTIAL RATE--SCHEDULE RS

(October 2006)

Availability

This rate shall apply only to electric service to a single-family dwelling (including its appurtenances if served through the same meter), where the major use of electricity is for domestic purposes such as lighting, household appliances, and the personal comfort and convenience of those residing therein.

Character of Service

Alternating current, single-phase, 60 hertz. Power shall be delivered at a service voltage available in the vicinity or agreed to by Distributor. Multiphase service shall be supplied in accordance with Distributor's standard policy.

Base Charges

Customer Charge: \$13.48 per month, less

Hydro Allocation Credit: \$1.71 per month

Right-of-way
Clearing Surcharge: \$3.25 per meter per month

Energy Charge: 6.814¢ per kWh per month for first 800 kWh
6.107¢ per kWh per month for additional kWh

Adjustment

The base energy charge shall be increased or decreased in accordance with the current Adjustment Addendum published by TVA. (In addition, the base energy charge and the hydro allocation credit shall be increased or decreased to correspond to increases or decreases determined by TVA under Adjustment 2 or Adjustment 4 of the wholesale power rate schedule applicable under contractual arrangements between TVA and Distributor.)

Minimum Monthly Bill

The base customer charge, as reduced by the hydro allocation credit, constitutes the minimum monthly bill for all customers served under this rate schedule except those customers for which a higher minimum monthly bill is required under Distributor's standard policy because of special circumstances affecting Distributor's cost of rendering service.

Payment

Bills under this rate schedule will be rendered monthly. Any amount of bill unpaid after due date specified on bill may be subject to additional charges under Distributor's standard policy.

Single-Point Delivery

The charges under this rate schedule are based upon the supply of service through a single delivery and metering point, and at a single voltage.

Service is subject to Rules and Regulations of Distributor.

WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION

GENERAL POWER RATE--SCHEDULE GSA

(October 2006)

Availability

This rate shall apply to the firm power requirements (where a customer's contract demand is 5,000 kW or less) for electric service to commercial, industrial, and governmental customers, and to institutional customers including, without limitation, churches, clubs, fraternities, orphanages, nursing homes, rooming or boarding houses, and like customers. This rate shall also apply to customers to whom service is not available under any other resale rate schedule.

Character of Service

Alternating current, single- or three-phase, 60 hertz. Power shall be delivered at a service voltage available in the vicinity or agreed to by Distributor.

Base Charges

1. If (a) the higher of (i) the customer's currently effective contract demand, if any, or (ii) its highest billing demand during the latest 12-month period is not more than 50 kW and (b) customer's monthly energy takings for any month during such period do not exceed 15,000 kWh:

Customer Charge: \$13.50 per delivery point per month

Right-of-way
Clearing Surcharge: \$3.25 per meter per month

Energy Charge: 7.628¢ per kWh per month

2. If (a) the higher of (i) the customer's currently effective contract demand or (ii) its highest billing demand during the latest 12-month period is greater than 50 kW but not more than 1,000 kW or (b) if the customer's billing demand is less than 50 kW and its energy takings for any month during such period exceed 15,000 kWh:

Customer Charge: \$37.00 per delivery point per month

Right-of-way
Clearing Surcharge: \$3.25 per meter per month

Demand Charge: First 50 kW of billing demand per month, no demand charge
Excess over 50 kW of billing demand per month, at \$13.32 per kW

Energy Charge: First 15,000 kWh per month at 7.628¢ per kWh
Additional kWh per month at 3.337¢ per kWh

3. If the higher of (a) the customer's currently effective contract demand or (b) its highest billing demand during the latest 12-month period is greater than 1,000 kW:

Customer Charge: \$100.00 per delivery point per month

Right-of-way
Clearing Surcharge: \$3.25 per meter per month

Demand Charge: First 1,000 kW of billing demand per month, at \$12.63 per kW

Excess over 1,000 kW of billing demand per month, at
\$13.62 per kW, plus an additional

\$13.62 per kW per month for each kW, if any, of the amount by which the customer's billing demand exceeds the higher of 2,500 kW or its contract demand

Energy Charge: 3.337¢ per kWh per month

Adjustment

The base demand and energy charges shall be increased or decreased in accordance with the current Adjustment Addendum published by TVA. (In addition, such charges shall be increased or decreased to correspond to increases or decreases determined by TVA under Adjustment 2 or Adjustment 4 of the wholesale power rate schedule applicable under contractual arrangements between TVA and Distributor.)

Determination of Demand

Distributor shall meter the demands in kW of all customers having loads in excess of 50 kW. The metered demand for any month shall be the highest average during any 30-consecutive-minute period of the month of the load metered in kW. The measured demand for any month shall be the higher of the highest average during any 30-consecutive-minute period of the month of (a) the load metered in kW or (b) 85 percent of the load in kVA plus an additional 10 percent for that part of the load over 5,000 kVA, and such measured demand shall be used as the billing demand, except that the billing demand for any month shall in no case be less than 30 percent of the higher of the currently effective contract demand or the highest billing demand established during the preceding 12 months.

Minimum Bill

The monthly bill under this rate schedule shall not be less than the sum of (a) the base customer charge, (b) the base demand charge, as adjusted, applied to the customer's billing demand, and (c) the base energy charge, as adjusted, applied to the customer's energy takings; provided, however, that, under 2 of the Base Charges, the monthly bill shall in no event be less than the sum of (a) the base customer charge and (b) 20 percent of the portion of the base demand charge, as adjusted, applicable to the second block (excess over 50 kW) of billing demand, multiplied by the higher of the customer's currently effective contract demand or its highest billing demand established during the preceding 12 months.

Distributor may require minimum bills higher than those stated above.

Seasonal Service

Customers who contract for service on a seasonal basis shall be limited to 2,500 kW and shall pay the above charges, as adjusted, plus an additional seasonal use charge equal to (1) 1.33¢ per kWh per month under 1 of the Base Charges, (2) the sum of 1.33¢ per kWh for the first 15,000 kWh per month and \$4.00 per kW per month of billing demand in excess of 50 kW under 2 of the Base Charges, and (3) \$4.00 per kW per month of billing demand under 3 of the Base Charges. Consistent with Distributor's standard policy, the customer may arrange for seasonal testing of equipment during offpeak hours.

For such customers, the minimum bill provided for above shall not apply. Distributor may require additional charges to provide recovery of costs for customer-specific distribution facilities.

Contract Requirement

Distributor may require contracts for service provided under this rate schedule. Customers whose demand requirements exceed 50 kW shall be required to execute contracts and such contracts shall be for an initial term of at least 1 year. The customer shall contract for its maximum requirements, which shall not exceed the amount of power capable of being used by customer, and Distributor shall not be obligated to supply power in greater amount at any time than the customer's currently effective contract demand. If the customer uses any power other than that supplied by Distributor under this rate schedule, the contract may include other special provisions. The rate schedule in any power contract shall be subject to adjustment, modification, change, or replacement from time to time as provided under the power contract between Distributor and TVA.

Payment

Bills under this rate schedule will be rendered monthly. Any amount of bill unpaid after due date specified on bill may be subject to additional charges under Distributor's standard policy.

Single-Point Delivery

The charges under this rate schedule are based upon the supply of service through a single delivery and metering point, and at a single voltage. If service is supplied to the same customer through more than one point of delivery or at different voltages, the supply of service at each delivery and metering point and at each different voltage shall be separately metered and billed.

Service is subject to Rules and Regulations of Distributor.

WEST KENTUCKY RURAL ELECTRIC

TIME-OF-DAY GENERAL POWER RATE--SCHEDULE TGSA

(October 2006)

Availability

This rate shall be available for the firm power requirements (where the higher of a customer's onpeak or offpeak contract demand is 5,000 kW or less) for electric service to commercial, industrial, and governmental customers, and to institutional customers including, without limitation, churches, clubs, fraternities, orphanages, nursing homes, rooming or boarding houses, and like customers, provided that the other conditions of this section are met.

For a customer requesting that its onpeak contract demand be different from its offpeak contract demand, this schedule shall be available only for (1) a new contract, (2) a replacement or renewal contract following expiration of the existing contract, or (3) a replacement or renewal contract or an amended existing contract in which the customer is increasing its demand requirements above the existing contract demand level, but under this item (3) neither the new onpeak nor the new offpeak contract demand shall be lower than the customer's existing contract demand.

Character of Service

Alternating current, single- or three-phase, 60 hertz. Power shall be delivered at a service voltage available in the vicinity or agreed to by Distributor.

Base Charges

1. If the higher of (1) the higher of the customer's currently effective onpeak or offpeak contract demand or (2) the customer's highest onpeak or offpeak billing demand during the latest 12-month period is not more than 50 kW:

Customer Charge: \$38.50 per delivery point per month

Right-of-way
Clearing Surcharge: \$3.25 per meter per month

Energy Charge: 11.964¢ per kWh per month for all onpeak kWh

4.662¢ per kWh per month for all offpeak kWh

2. If the higher of (1) the higher of the customer's currently effective onpeak or offpeak contract demand or (2) the customer's highest onpeak or offpeak billing demand during the latest 12-month period is greater than 50 kW but no more than 1,000 kW:

Customer Charge: \$62.00 per delivery point per month

Right-of-way
Clearing Surcharge: \$3.25 per meter per month.

Demand Charge: \$13.26 per kW of the customer's onpeak billing demand, plus
\$6.51 per month for each kW, if any, of the amount by which the customer's offpeak billing demand exceeds its onpeak billing demand

Energy Charge: 5.200¢ per kWh per month for all onpeak kWh
3.568¢ per kWh per month for all offpeak kWh

3. If the higher of (1) the higher of the customer's currently effective onpeak or offpeak contract demand or (2) the customer's highest onpeak or offpeak billing demand during the latest 12-month period is greater than 1,000 kW:

Customer Charge: \$125.00 per delivery point per month

Right-of-way
Clearing Surcharge: \$3.25 per meter per month

Demand Charge: \$13.34 per kW per month of the customer's onpeak billing demand, plus
\$5.28 per month for each kW, if any, of the amount by which the customer's offpeak billing demand exceeds its onpeak billing demand, plus an additional

\$13.34 per kW per month for each kW, if any, of the amount by which (1) the customer's onpeak billing demand exceeds the higher of 2,500 kW or its onpeak contract demand or (2) the customer's offpeak billing demand exceeds the higher of 2,500 kW or its offpeak contract demand, whichever is higher

Energy Charge: 4.332¢ per kWh per month for all onpeak kWh
2.700¢ per kWh per month for all offpeak kWh

Adjustment

The base demand and energy charges shall be increased or decreased in accordance with the current Adjustment Addendum published by TVA. (In addition, such charges shall be increased or decreased to correspond to increases or decreases determined by TVA under Adjustment 2 or Adjustment 4 of the wholesale power rate schedule applicable under contractual arrangements between TVA and Distributor.)

Determination of Onpeak and Offpeak Hours

Except for Saturdays and Sundays and the weekdays that are observed as Federal holidays for New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day, onpeak hours for each day shall be 10 a.m. to 10 p.m. during calendar months of May through September and from 6 a.m. to 12 noon and from 4 p.m. to 10 p.m. during all other calendar months. All other hours of each day and all hours of such excepted days shall be offpeak hours. Such times shall be Central Standard Time or Central Daylight Time, whichever is then in effect. The onpeak and offpeak hours under this rate schedule are subject to change by TVA. In the event TVA determines that such changed onpeak and offpeak hours are appropriate, it shall so notify Distributor at least 12 months prior to the effective date of such changed hours, and Distributor shall promptly notify customer.

Determination of Onpeak and Offpeak Demands and Energy Amounts

The onpeak and offpeak kWh for any month shall be the energy amounts taken during the respective hours of the month designated under this rate schedule as onpeak and offpeak hours.

Distributor shall meter the onpeak and offpeak demands in kW of all customers taking service under this rate schedule. The onpeak demand and the offpeak demand for any month shall be determined separately for the respective hours of the month designated under this rate schedule as onpeak and offpeak hours and in each case shall be the higher of the highest average during any 30-consecutive-minute period beginning or ending on a clock hour of the month of (a) the load metered in kW or (b) 85 percent of the load in kVA plus an additional 10 percent for that part of the load over 5,000 kVA, and, except as provided below in this section, such amounts shall be used as the onpeak and offpeak billing demands. The onpeak billing demand shall in no case be less than 30 percent of the customer's onpeak demand amount. The offpeak billing demand shall in no case be less than 30 percent of the customer's offpeak demand amount.

For purposes of this section, the onpeak demand amount referred to above shall be the higher of the currently effective onpeak contract demand or the highest onpeak billing demand established in the preceding 12 months, and the offpeak demand amount referred to above shall be the higher of the currently effective offpeak contract demand or the highest offpeak billing demand established in the preceding 12 months.

Minimum Bill

The monthly bill under this rate schedule shall not be less than the sum of (a) the base customer charge, (b) the portion of the base demand charge, as adjusted, applicable to onpeak billing demand applied to the customer's onpeak billing demand, (c) the portion of the base demand charge, as adjusted, applicable to the excess of offpeak over onpeak billing demand applied to the amount, if any, by which the customer's offpeak billing demand exceeds its onpeak billing demand, (d) the base onpeak energy charge, as adjusted, applied to the customer's onpeak energy takings, (e) the base offpeak energy charge, as adjusted, applied to the customer's offpeak energy takings, and (f) the distribution capacity charge applied to the higher of the customer's onpeak or offpeak billing demand; provided, however, under 2 of the Base Charges, the monthly bill shall in no event be less than the sum of (a) the base customer charge, (b) 20 percent of the base onpeak demand charge, as adjusted, multiplied by the customer's onpeak billing demand, (c) 20 percent of the portion of the base demand charge, as adjusted, applicable to the excess of offpeak over onpeak billing demand applied to the amount, if any, by which the customer's offpeak billing demand exceeds its onpeak billing demand, and (d) 20 percent of the distribution capacity charge, as adjusted, applied to the higher of the customer's onpeak or offpeak billing demand.

Distributor may require minimum bills higher than those stated above.

Seasonal Service

Customers who contract for service on a seasonal basis shall be limited to 2,500 kW and shall pay the above charges, as adjusted, plus an additional seasonal use charge equal to (1) 1.33¢ per kWh per month under 1 above and (2) \$4.00 per kW per month of the higher of the onpeak or offpeak billing demand under 2 and 3 above. Consistent with Distributor's standard policy, the customer may arrange for seasonal testing of equipment during offpeak hours.

For such customers, the minimum bill provided for above shall not apply. Distributor may require additional charges to provide recovery of costs for customer-specific distribution facilities.

Contract Requirement

Distributor shall require contracts for all service provided under this rate schedule and such contracts shall be for an initial term of at least 1 year. The customer shall contract for its maximum requirements, which shall not exceed the amount of power capable of being used by customer, and Distributor shall not be obligated to supply power in greater amount at any time than the customer's currently effective contract demand. If the customer uses any power other than that supplied by Distributor under this rate schedule, the contract may include other special provisions. The rate schedule in any power contract shall be subject to adjustment, modification, change, or replacement from time to time as provided under the power contract between Distributor and TVA.

After having received service for at least 1 year under this rate schedule, the customer, subject to appropriate amendments in its power contract with Distributor, may receive service under the General Power Rate--Schedule GSA. In such case the term of the power contract shall remain the same and the contract demand for service under the General Power Rate--Schedule GSA shall not be less than the onpeak contract demand in effect when service was taken under this rate schedule.

Payment

Bills under this rate schedule will be rendered monthly. Any amount of bill unpaid after due date specified on bill may be subject to additional charges under Distributor's standard policy.

Single-Point Delivery

The charges under this rate schedule are based upon the supply of service through a single delivery and metering point, and at a single voltage. If service is supplied to the same customer through more than one point of delivery or at different voltages, the supply of service at each delivery and metering point and at each different voltage shall be separately metered and billed.

Service is subject to Rules and Regulations of Distributor.

TENNESSEE VALLEY AUTHORITY

October 2006

**STATEMENT OF AMOUNTS
 APPLICABLE TO ENERGY AND DEMAND CHARGES
 OF DESIGNATED RATE SCHEDULES
 FOR
 WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION**

The following table specifies the amounts to be added to the base demand and energy charges in the designated rate schedules. These amounts are to be used in calculating bills rendered from meter readings taken for TVA and Distributor monthly billing cycles scheduled to begin on or after October 1, 2006. The amounts set forth in each column (3) were calculated pursuant to the fuel cost adjustment formula in the Adjustment Addendum dated October 1, 2006. Also included in the table, for convenience, are all other adjustment amounts applicable under the designated rate schedules pursuant to the October 2006 Adjustment Addendum.

	Wholesale Power Rate - Schedule WS			Resale Schedules		
	(1)	(2)	(3)	(1)	(2)	(3)
STANDARD SERVICE						
<u>Residential Service</u>						
<u>Schedule RS</u>						
Energy Charge	Add	0.283¢ + 0.649¢ + 0.000¢		Add	0.305¢ * + 0.709¢ * + 0.000¢ *	
<u>General Power Service</u>						
<u>Schedule GSA</u>						
Part 1						
Energy Charge	Add	0.333¢ + 0.745¢ + 0.000¢		Add	0.353¢ * + 0.798¢ * + 0.000¢ *	
Part 2						
Demand Charge						
First 50 kW	Add	\$0.00 + \$0.00		Add	\$0.00 + \$0.00	
Excess over 50 kW	Add	\$0.46 + \$1.03		Add	\$0.47 + \$1.08	
Energy Charge						
First 15,000 kWh	Add	0.333¢ + 0.745¢ + 0.000¢		Add	0.353¢ + 0.798¢ + 0.000¢	
Additional kWh	Add	0.191¢ + 0.425¢ + 0.000¢		Add	0.198¢ + 0.445¢ + 0.000¢	
Part 3						
Demand Charge						
First 1,000 kW	Add	\$0.48 + \$1.08		Add	\$0.50 + \$1.13	
Excess over 1,000 kW	Add	\$0.58 + \$1.29		Add	\$0.61 ** + \$1.34 **	
Energy Charge	Add	0.191¢ + 0.425¢ + 0.000¢		Add	0.198¢ * + 0.445¢ * + 0.000¢ *	
<u>Schedule GSB</u>						
Demand Charge	Add	\$0.59 + \$1.32		Add	\$0.61 + \$1.37	
Energy Charge						
First 620 hours use of demand	Add	0.170¢ + 0.380¢ + 0.000¢		Add	0.175¢ + 0.392¢ + 0.000¢	
Additional kWh	Add	0.139¢ + 0.310¢ + 0.000¢		Add	0.143¢ + 0.319¢ + 0.000¢	
<u>Schedule GSC</u>						
Demand Charge	Add	\$0.59 + \$1.32		Add	\$0.61 + \$1.37	
Energy Charge						
First 620 hours use of demand	Add	0.170¢ + 0.380¢ + 0.000¢		Add	0.175¢ + 0.392¢ + 0.000¢	
Additional kWh	Add	0.139¢ + 0.310¢ + 0.000¢		Add	0.143¢ + 0.319¢ + 0.000¢	
<u>Schedule GSD</u>						
Demand Charge	Add	\$0.73 + \$1.64		Add	\$0.75 + \$1.69	
Energy Charge	Add	0.136¢ + 0.305¢ + 0.000¢		Add	0.140¢ + 0.314¢ + 0.000¢	

* Applicable also to additional components of the resale energy charge.
 **Applicable also to additional components of the resale demand charge.

	Wholesale Power Rate - Schedule WS			Resale Schedules		
	(1)	(2)	(3)	(1)	(2)	(3)
Manufacturing Service						
<u>Schedule MSB</u>						
Part 1						
Demand Charge	Add	\$0.50	+	\$1.13	Add	\$0.52 + \$1.17
Energy Charge						
First 620 hours use of demand	Add	0.145¢	+	0.324¢	+	0.000¢
Additional kWh	Add	0.118¢	+	0.264¢	+	0.000¢
Part 2						
Demand Charge	Add	\$0.48	+	\$1.06	Add	\$0.49 + \$1.10
Energy Charge						
First 620 hours use of demand	Add	0.138¢	+	0.307¢	+	0.000¢
Additional kWh	Add	0.112¢	+	0.251¢	+	0.000¢
<u>Schedule MSC</u>						
Demand Charge	Add	\$0.48	+	\$1.06	Add	\$0.49 + \$1.10
Energy Charge						
First 620 hours use of demand	Add	0.138¢	+	0.307¢	+	0.000¢
Additional kWh	Add	0.112¢	+	0.251¢	+	0.000¢
<u>Schedule MSD</u>						
Demand Charge	Add	\$0.59	+	\$1.32	Add	\$0.61 + \$1.37
Energy Charge	Add	0.110¢	+	0.246¢	+	0.000¢
Outdoor Lighting Service						
<u>Schedule LS</u> Part A and B						
Energy Charge	Add	0.191¢	+	0.425¢	+	0.000¢
Drainage Pumping Station						
<u>Schedule DPS</u>						
Energy Charge	Add	0.191¢	+	0.425¢	+	0.000¢
TIME-OF-DAY SERVICE						
Residential Service						
<u>Schedule TRS</u>						
Energy Charge						
Onpeak	Add	0.481¢	+	1.103¢	+	0.000¢
Offpeak	Add	0.156¢	+	0.359¢	+	0.000¢
General Power Service						
<u>Schedule TGSA</u>						
Part 1						
Energy Charge						
Onpeak	Add	0.592¢	+	1.322¢	+	0.000¢
Offpeak	Add	0.156¢	+	0.350¢	+	0.000¢
Part 2						
Demand Charge						
Onpeak	Add	\$0.46	+	\$1.03	Add	\$0.48 + \$1.08
Excess Offpeak	Add	\$0.06	+	\$0.12	Add	\$0.06 + \$0.13
Energy Charge						
Onpeak	Add	0.250¢	+	0.558¢	+	0.000¢
Offpeak	Add	0.153¢	+	0.341¢	+	0.000¢
Part 3						
Demand Charge						
Onpeak	Add	\$0.54	+	\$1.20	Add	\$0.56 + \$1.26
Excess Offpeak	Add	\$0.06	+	\$0.12	Add	\$0.06 + \$0.13
Energy Charge						
Onpeak	Add	0.250¢	+	0.558¢	+	0.000¢
Offpeak	Add	0.153¢	+	0.341¢	+	0.000¢

N/A indicates not applicable

	Wholesale Power Rate - Schedule WS			Resale Schedules		
	(1)	(2)	(3)	(1)	(2)	(3)
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¢	+ 0.000¢	Add 0.236¢	+ 0.528¢	+ 0.000¢
Offpeak	Add 0.135¢	+ 0.302¢	+ 0.000¢	Add 0.139¢	+ 0.311¢	+ 0.000¢
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¢	+ 0.000¢	Add 0.236¢	+ 0.528¢	+ 0.000¢
Offpeak	Add 0.135¢	+ 0.302¢	+ 0.000¢	Add 0.139¢	+ 0.311¢	+ 0.000¢
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¢	+ 0.000¢	Add 0.147¢	+ 0.329¢	+ 0.000¢
Offpeak	Add 0.133¢	+ 0.297¢	+ 0.000¢	Add 0.137¢	+ 0.306¢	+ 0.000¢
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¢	+ 0.000¢	Add 0.201¢	+ 0.447¢	+ 0.000¢
Offpeak	Add 0.115¢	+ 0.257¢	+ 0.000¢	Add 0.118¢	+ 0.266¢	+ 0.000¢
Part 2						
Demand Charge						
Onpeak	Add \$0.48	+ \$1.06		Add \$0.49	+ \$1.10	
Excess Offpeak	Add \$0.04	+ \$0.08		Add \$0.04	+ \$0.09	
Energy Charge						
Onpeak	Add 0.185¢	+ 0.413¢	+ 0.000¢	Add 0.191¢	+ 0.426¢	+ 0.000¢
Offpeak	Add 0.109¢	+ 0.244¢	+ 0.000¢	Add 0.112¢	+ 0.252¢	+ 0.000¢
Schedule TMSC						
Demand Charge						
Onpeak	Add \$0.48	+ \$1.06		Add \$0.49	+ \$1.10	
Excess Offpeak	Add \$0.04	+ \$0.09		Add \$0.04	+ \$0.10	
Energy Charge						
Onpeak	Add 0.185¢	+ 0.413¢	+ 0.000¢	Add 0.191¢	+ 0.426¢	+ 0.000¢
Offpeak	Add 0.109¢	+ 0.244¢	+ 0.000¢	Add 0.112¢	+ 0.252¢	+ 0.000¢
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 0.119¢	+ 0.265¢	+ 0.000¢	Add 0.123¢	+ 0.273¢	+ 0.000¢
Offpeak	Add 0.111¢	+ 0.249¢	+ 0.000¢	Add 0.114¢	+ 0.257¢	+ 0.000¢

AGREEMENT
Between
WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION
And
TENNESSEE VALLEY AUTHORITY

Date: March 24, 2007

TV-59577A, Supp. No. 70

THIS AGREEMENT, made and entered into between WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION (Distributor), a cooperative corporation created and existing under and by virtue of the laws of the Commonwealth of Kentucky, and TENNESSEE VALLEY AUTHORITY (TVA), a corporation created and existing under and by virtue of the Tennessee Valley Authority Act of 1933, as amended (TVA Act);

W I T N E S S E T H:

WHEREAS, TVA and Distributor have entered into a contract dated April 26, 1982, as amended (Power Contract), under which Distributor purchases its entire requirements for electric power and energy from TVA for resale; and

WHEREAS, TVA, Distributor, and Kentucky-Tennessee Clay Company (Company), have entered into a contract dated April 24, 2004, (2004 Contract), covering arrangements for the supply of firm power and of Variable Price Interruptible power (VPI) to Company for operation of its clay mining and processing plant near Mayfield, Kentucky; and

WHEREAS, TVA, Distributor, and Company have entered into an agreement of even date herewith (Company Agreement) which amends the 2004 Contract to increase the firm power made available and terminate the availability of VPI, in consideration of Company's payment of an additional charge; and

WHEREAS, the parties wish to supplement the Power Contract in the respects necessary to provide for payment by Distributor to TVA of such additional charge;

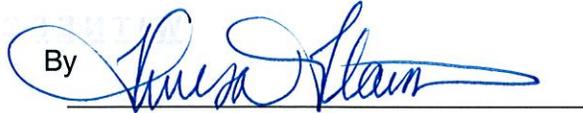
NOW, THEREFORE, for and in consideration of the premises and of the mutual agreements set forth below, and subject to the provisions of the TVA Act, the parties mutually agree that as compensation to TVA for the termination of VPI provided for by the Company Agreement, for the wholesale billing month that begins on March 24, 2007, TVA shall include in Distributor's wholesale power invoice a charge of \$7,200.

IN WITNESS WHEREOF, the parties to this agreement have caused it to be executed by their duly authorized representatives, as of the day and year first above written.

**WEST KENTUCKY RURAL ELECTRIC
COOPERATIVE CORPORATION**

By David E. Smart
Title: *PRESIDENT/CEO*

TENNESSEE VALLEY AUTHORITY

By 
Senior Vice President
Pricing and Contracts

AGREEMENT
Between
WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION
And
TENNESSEE VALLEY AUTHORITY

Effective Date: December 1, 2007

TV-59577A, Supp. No. 71

THIS AGREEMENT, made and entered into between WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION (Distributor), a cooperative corporation created and existing under and by virtue of the laws of the Commonwealth of Kentucky, and TENNESSEE VALLEY AUTHORITY (TVA), a corporation created and existing under and by virtue of the Tennessee Valley Authority Act of 1933, as amended (TVA Act);

WITNESSETH:

WHEREAS, TVA and Distributor have entered into a contract dated April 26, 1982, as amended (Power Contract), under which Distributor purchases its entire requirements for electric power and energy from TVA for resale; and

WHEREAS, notwithstanding the termination notice dated August 13, 2007, the parties wish to supplement and amend the Power Contract in the respects necessary to reaffirm and revise the Enhanced Growth Credit Program to exclude large loads with certain operating characteristics;

NOW, THEREFORE, for and in consideration of the premises and of the mutual agreements set forth below, and subject to the TVA Act, the parties mutually agree as follows:

SECTION 1 - EGCP AGREEMENT AMENDED

Under an agreement numbered TV-59577A, Supp. No. 34 and dated May 5, 1994 as amended (EGCP Agreement), TVA and Distributor are participating in an Enhanced Growth Credit Program (Program) to encourage the fuller and better balanced development of the resources of the region by applying credits against the electric bills of certain eligible new and expanding general power customers of Distributor.

(a) The parties wish to revise the Program in the respects necessary to exclude large industrial customers that exhibit certain adverse load characteristics (Nonconforming Loads). Accordingly, effective as of the Effective Date, (i) as is more expressly set forth in the EGC Participation Agreement Guidelines (December 2007), attached to and made a part of this agreement (Revised Guidelines), the EGCP Agreement is amended in the respects necessary to provide that the definition of Customer provided in Guideline 1.1 shall be not deemed to include

Nonconforming Loads, and (ii) all references to "Guidelines" in the EGCP Agreement shall be deemed to refer to the Revised Guidelines.

(b) It is expressly recognized and agreed that Distributor will continue to apply the credit amounts provided for in the Guidelines to any Customer which is eligible to receive credits under a Participation Agreement entered into prior to the Effective Date of this agreement.

SECTION 2 - POWER CONTRACT AFFIRMED

Except as expressly set out above, nothing in this agreement shall affect the other terms of the Power Contract and the termination notice shall be of no force and effect.

IN WITNESS WHEREOF, the parties have caused this agreement to be executed by their duly authorized representatives, as of the day and year first above written.

**WEST KENTUCKY RURAL ELECTRIC
COOPERATIVE CORPORATION**

By David E. Smart
Title: President & CEO

TENNESSEE VALLEY AUTHORITY

By Theresa Alan
Senior Vice President
Pricing and Contracts

EGC PARTICIPATION AGREEMENT GUIDELINES

(December 2007)

GUIDELINE 1 - DEFINITION OF TERMS

As used in these guidelines:

1.1 "Customer" shall mean a customer of Distributor purchasing power under one of the following rate schedules:

- (a) Standard Service Schedules GSA, GSB, GSC, or GSD,
- (b) Time-of-Day Service Schedules TGSA, TGSB, TGSC, or TGSD,
- (c) Standard Manufacturing Service Schedules MSB, MSC, or MSD, or
- (d) Time-of-Day Manufacturing Service Schedules TMSB, TMSC, or TMSD;

except that "Customer" shall not be deemed to include customers taking service under the seasonal service provisions of schedules GSA or TGSA. (All references to a rate schedule in this Guideline 1.1 shall be deemed to refer to that schedule as modified, changed, replaced, or adjusted from time to time in accordance with the provisions of the Power Contract.)

Further, "Customer" shall not be deemed to include customers with a total contract demand of more than 50 MW and with one or more of the following load characteristics (Nonconforming Loads):

- (i) expected load swings of approximately 50 MW or more and ramp rates of approximately 10 MW or more per minute,
- (ii) loads with expected daily reactive power ramp rates of 50 MVAR or more per minute,
- (iii) loads known to create voltage flicker exceeding the limits set out in the Institute of Electrical and Electronics Engineers (IEEE) Standard 1453, or
- (iv) loads known to create harmonic current distortions exceeding the limits set out in IEEE Standard 519;

provided, however, that for purposes of determining eligibility for any Nonconforming Load that is expanding under Guideline 3, if in TVA's sole discretion, the expansion load itself exhibits no Nonconforming Load characteristics (without regard to size), the expansion load could qualify for credits under the Program.

1.2 "Power Supply Contract" shall mean a contract between Distributor and a Customer for the sale of power through a specific delivery point.

1.3 "Participation Agreement" shall mean an agreement entered into between Distributor and a Customer in accordance with Guideline 2 or Guideline 3 below.

1.4 Contract Demand

1.4.1 Standard Service. Under a Power Supply Contract with a Standard Service Schedule, "Contract Demand" shall mean the amount of firm power made available under that contract.

1.4.2 Time-of-Day Service. Under a Power Supply Contract with a Time-of-Day Service Schedule, "Contract Demand" shall mean the amount of firm power made available under that contract during onpeak periods.

1.5 Actual Firm Demand

1.5.1 Standard Service. Under a Power Supply Contract with a Standard Service Schedule, "Actual Firm Demand" shall mean an amount equal to the highest billing demand for firm power in any month computed under the Power Supply Contract but without regard to the exception language (Demand Ratchet) set out in the section headed "Determination of Demand" of that rate schedule.

1.5.2 Time-of-Day Service. Under a Power Supply Contract with a Time-of-Day Service Schedule, "Actual Firm Demand" shall mean an amount equal to the highest onpeak billing demand for firm power in any month computed under the Power Supply Contract but without regard to the exception language (Demand Ratchet) set out in the section headed "Determination of Demand" of that rate schedule.

1.6 "Base Amount" shall mean the highest Actual Firm Demand established at the Customer's delivery point during the 12-consecutive-month period immediately preceding the effective date of the Participation Agreement. (In the event that the necessary demand metering data is not available for any part of such a period, Distributor and TVA will jointly develop a reasonable approximation of the metered demands necessary to determine a particular Base Amount.)

1.7 "Total Metered Demand" shall mean the highest average during any 30-consecutive-minute period beginning or ending on a clock hour of the total load at the Customer's delivery point metered in kW.

1.8 "Total Metered Base Amount" shall mean the highest Total Metered Demand established during the 12-consecutive-month period immediately preceding the effective date of the Participation Agreement.

1.9 "SIC Customer" shall mean a Customer with a Contract Demand of at least 100 kW using power taken under a written Power Supply Contract to conduct activities which are classified with one of the following 2-digit Standard Industrial Classification (SIC) codes:

- Division B: Mining 10 through 14, inclusive
- Division D: Manufacturing 20 through 39, inclusive
- Division E: 40 - Railroad Transportation
42 - Motor Freight Transportation and Warehousing
44 - Water Transportation
45 - Transportation by Air

It is recognized that the above SIC codes have been selected to encourage new and expanded electrical loads in cases where the price of electricity has a particularly significant impact upon location, expansion, or fuel choice decisions. TVA may from time to time, by written notice to Distributor, modify the above listing of SIC codes when it deems it necessary to do so in order to better serve such purpose. In addition, in the event that TVA determines that a particular Customer is within the intended scope of the EGC Program but is excluded only because of the technical definition of an SIC code category, TVA and the Distributor may agree to consider that Customer to be an SIC Customer.

1.10 "All-Electric Customer" shall mean a Customer with a Contract Demand of at least 250 kW using power under a written Power Supply Contract where

- (a) the Customer's space conditioning is accomplished solely by an all-electric heating, ventilating, and air conditioning system (HVAC System),
- (b) at least fifty percent (50%) of the Customer's interior floor space at that location is heated and cooled by the all-electric HVAC System, and
- (c) at least fifty percent (50%) of the rated electric load served under the Power Supply Contract is for interior lighting, cooking, and the HVAC System.

GUIDELINE 2 - NEW CUSTOMERS

2.1 Qualification. An SIC Customer or an All-Electric Customer is eligible to enter into a Participation Agreement under 2.2 below if the Customer

- (a) initiates operations at an entirely new facility through a new delivery point, or
- (b) restarts an existing facility with no current Contract Demand which has been operationally shut down for a period of at least 12 consecutive months.

2.2 New Customer Participation Agreement. To participate in the EGC Program, a Customer qualifying under 2.1 above must enter into a Participation Agreement. The Participation Agreement shall:

- (a) be in a form furnished or approved by TVA;

(b) include (i) a certification by the Customer showing that it qualifies under 2.1 above and (ii) a requirement that the Customer promptly notify Distributor of any change in any aspect of such qualifying status;

(c) provide for a monthly credit to the Customer for the time period and in the credit amount specified in Guideline 4.2, 4.3, 4.4, or 4.5 below for each kW of the Customer's Actual Firm Demand in the month (up to and including the kW amount of the Contract Demand); provided, however, to receive a credit in any month

(i) an SIC Customer must establish an Actual Firm Demand of at least 100 kW in that month, and

(ii) an All-Electric Customer must establish an Actual Firm Demand of at least 250 kW in that month;

(d) provide that a Customer billed under part 2 of the section of schedule GSA or TGSA entitled "Base Charges" shall not receive a credit in any month which exceeds fifty percent (50%) of the amount of the charges billed to the Customer under that section; and

(e) provide for the automatic termination of the Participation Agreement if the Customer (i) does not qualify for a credit under (c), and where applicable (d), above within 12 months of the effective date of the Participation Agreement or (ii) ceases at any time to qualify for participation in the EGC Program under 2.1 above.

GUIDELINE 3 - EXPANSION CUSTOMER

3.1 Qualification

3.1.1 SIC Customer. An SIC Customer is eligible to enter into a Participation Agreement under 3.2 below if the Customer

(a) initiates an expansion of its facilities served through an existing delivery point, and

(b) on or before the effective date of the Participation Agreement, enters into a written Power Supply Contract specifying a Contract Demand which is at least 100 kW greater than the Base Amount applicable for that Customer.

3.1.2 All-Electric Customer. An All-Electric Customer is eligible to enter into a Participation Agreement under 3.2 below if the Customer

(a) initiates an expansion of its facilities served through an existing delivery point, and

(b) on or before the effective date of the Participation Agreement, enters into a written Power Supply Contract specifying a Contract Demand which

is at least 250 kW greater than the Base Amount applicable for that Customer.

3.1.3 Other Qualified Customer. A Customer is eligible to enter into a Participation Agreement under 3.2 below if the Customer:

(a) initiates an expansion of its facilities (served through an existing delivery point) where it adds at least 250 kW in load for the purpose(s) of all-electric space conditioning, all-electric water conditioning, and/or all-electric cooking, and

(b) on or before the effective date of the Participation Agreement, enters into a written Power Supply Contract specifying a Contract Demand which is at least 250 kW greater than the Base Amount applicable for that Customer.

3.2 Expansion Customer Participation Agreement. To participate in the EGC Program, a Customer qualifying under 3.1 above must enter into a Participation Agreement. The Participation Agreement shall:

(a) be in a form furnished or approved by TVA;

(b) include (i) a certification by the Customer showing that it qualifies under 3.1 above and (ii) a requirement that the Customer promptly notify Distributor of any change in any aspect of such qualifying status;

(c) provide for a monthly credit to the Customer for the time period and in the amount specified in Guideline 4.2, 4.3, 4.4, or 4.5 below for each kW by which the Customer's Actual Firm Demand (up to and including the kW amount of the Contract Demand) in the month exceeds the applicable Base Amount; provided, however, that

(i) for an SIC Customer, no credit shall be applicable unless such Actual Firm Demand exceeds the Base Amount by at least 100 kW, and

(ii) for an All-Electric Customer, or a Customer that qualifies under 3.1.3 above, no credit shall be applicable unless such Actual Firm Demand exceeds the Base Amount by at least 250 kW;

(d) provide that a Customer billed under part 2 of the section of schedule GSA or TGSA entitled "Base Charges" shall not receive a credit in any month which exceeds fifty percent (50%) of the amount of the charges billed to the Customer under that section;

(e) provide that where any type of power other than firm power was available at the Customer's delivery point at any time during the period used to calculate the applicable Base Amount

(i) for an SIC Customer no credit shall be applicable in any month unless the highest Total Metered Demand (up to and including the kW amount of

the amount of power available) in that month exceeds the Total Metered Base Amount by at least 100 kW,

(ii) for an All-Electric Customer, or a Customer that qualifies under 3.1.3 above, no credit shall be applicable in any month unless the highest Total Metered Demand (up to and including the kW amount of the total amount of power available) in that month exceeds the Total Metered Base Amount by at least 250 kW, and

(iii) the kW amount eligible for a credit will be the lesser of the kW amount calculated under (c) above or the kW amount by which the highest Total Metered Demand (up to and including the kW amount of the total amount of power available) in the month exceeds the Total Metered Base Amount; and

(f) provide for the automatic termination of the Participation Agreement if (i) the Customer does not qualify for a credit under (c), and where applicable (d) and (e), above within 12 months of the effective date of the Participation Agreement or (ii) ceases at any time to qualify for participation in the EGC Program under 3.1 above.

GUIDELINE 4 - CREDITS

4.1 Credit Method. Distributor shall make available to each Customer that qualifies for participation in the Program:

(a) one of the two credit options set forth in 4.2 and 4.3 below, for those customers which qualify for participation in the Program before October 1, 2003, or

(b) one of the two credit options set forth in 4.4 and 4.5 below, for those customers which qualify for participation in the Program on or after October 1, 2003

and shall specify in the Participation Agreement with such Customer the credit option so selected.

4.2 Declining 6 Year Credit Option. If this credit option is selected, Distributor shall apply the following schedule of credit amounts in calculating the credits to be applied under a Participation Agreement, entered into before October 1, 2003. Such credits will be applied for a 6-year period beginning with the first month in which the Customer qualifies for a credit under 2.2(c) or 3.2(c) above.

\$6.00 per kW for the first 12-consecutive-month period.

\$5.00 per kW for the second 12-consecutive-month period.

\$4.00 per kW for the third 12-consecutive-month period.

\$3.00 per kW for the fourth 12-consecutive-month period.

\$2.00 per kW for the fifth 12-consecutive-month period.

\$1.00 per kW for the sixth 12-consecutive-month period.

4.3 Flat 3 Year Credit Option. If this credit option is selected, Distributor will apply a credit amount of \$6.00 per kW in calculating the credits to be applied under a Participation Agreement, entered into before October 1, 2003. Such credits will be applied for a 3-year period beginning with the first month in which the Customer qualifies for a credit under 2.2(c) or 3.2(c) above.

4.4 Declining 8 Year Credit Option. If this credit option is selected, Distributor shall apply the following schedule of credit amounts in calculating the credits to be applied under a Participation Agreement entered into on or after October 1, 2003. Such credits will be applied for an 8-year period beginning with the first month in which the Customer qualifies for a credit under 2.2(c) or 3.2(c) above.

\$6.00 per kW for the first 12-consecutive-month period.

\$5.25 per kW for the second 12-consecutive-month period.

\$4.50 per kW for the third 12-consecutive-month period.

\$3.75 per kW for the fourth 12-consecutive-month period.

\$3.00 per kW for the fifth 12-consecutive-month period.

\$2.25 per kW for the sixth 12-consecutive-month period.

\$1.50 per kW for the seventh 12-consecutive-month period.

\$0.75 per kW for the eighth 12-consecutive-month period.

4.5 Flat 4 Year Credit Option. If this credit option is selected, Distributor will apply a credit amount of \$6.00 per kW in calculating the credits to be applied under a Participation Agreement entered into on or after October 1, 2003. Such credits will be applied for a 4-year period beginning with the first month in which the Customer qualifies for a credit under 2.2(c) or 3.2(c) above.

GUIDELINE 5 - EXPANSION DURING GROWTH CREDIT PARTICIPATION

It is recognized that a Customer receiving credits under the EGC Program may subsequently expand its facilities in a manner which would qualify the Customer for additional credits under Guideline 3.1 above. In such event, the Customer may enter into a Participation Agreement (Additional Credit Agreement) to cover credits for the expanded load except that

(a) a Customer shall not be eligible to enter into such an Additional Credit Agreement within the 12-month period immediately following the month in

which the Customer begins to receive credits under any Participation Agreement, and

(b) the Additional Credit Agreement shall provide that any kW amount of Actual Firm Demand for which the Customer receives a credit under the Additional Credit Agreement shall not be counted for purposes of determining the credit applicable under any previous EGC agreements which are still effective.

January 8, 2008

RESALE RATE SCHEDULE SUBSTITUTION AGREEMENT
Between
WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION
(DISTRIBUTOR)
And
TENNESSEE VALLEY AUTHORITY (TVA)

Distributor and TVA agree to substitute the new resale rate schedules specified in (a) below, copies of which are attached, for the resale rate schedules specified in (b) below, which, as adjusted, are now in effect as a part of the Schedule of Rates and Charges attached to and made a part of the Power Contract, TV-59577A, dated April 26, 1982, as amended (Power Contract), between TVA and Distributor. This substitution is to be effective for all bills rendered from resale meter readings taken for revenue months of Distributor beginning with the February 2008 revenue month. It is expressly recognized that the adjustments set forth in the Adjustment Addendum to said Schedule of Rates and Charges dated October 1, 2006, shall continue to apply to the charges provided for by the attached schedules specified in (a) below.

- (a) New resale rate schedules:
 Residential Rate--Schedule RS (February 2008)
 General Power Rate--Schedule GSA (February 2008)
 Time-of-Day General Power Rate--Schedule TGSA (February 2008)
- (b) Existing resale rate schedules:
 Residential Rate--Schedule RS (October 2006)
 General Power Rate--Schedule GSA (October 2006)
 Time-of-Day General Power Rate--Schedule TGSA (October 2006)

It is understood that, upon execution of this agreement by TVA and Distributor, all references in the Power Contract to the existing resale rate schedules specified in (b) above, or to any predecessor schedules, shall be deemed to refer to the appropriate new resale rate schedules specified in (a) above.

**WEST KENTUCKY RURAL ELECTRIC
 COOPERATIVE CORPORATION**

By David E. Smart
 Title: President & CEO

Rate schedule substitution agreed to as of
 the date first above written.

TENNESSEE VALLEY AUTHORITY

By KR Breeden
 Executive Vice President
 Customer Resources

WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION

RESIDENTIAL RATE--SCHEDULE RS

(February 2008)

Availability

This rate shall apply only to electric service to a single-family dwelling (including its appurtenances if served through the same meter), where the major use of electricity is for domestic purposes such as lighting, household appliances, and the personal comfort and convenience of those residing therein.

Character of Service

Alternating current, single-phase, 60 hertz. Power shall be delivered at a service voltage available in the vicinity or agreed to by Distributor. Multiphase service shall be supplied in accordance with Distributor's standard policy.

Base Charges

Customer Charge: \$13.48 per month, less

Hydro Allocation Credit: \$1.71 per month

Right-of-way

Clearing Surcharge: \$3.25 per meter per month

Energy Charge: 7.076¢ per kWh per month for first 800 kWh

6.345¢ per kWh per month for additional kWh

Adjustment

The base energy charge shall be increased or decreased in accordance with the current Adjustment Addendum published by TVA. (In addition, the base energy charge and the hydro allocation credit shall be increased or decreased to correspond to increases or decreases determined by TVA under Adjustment 2 or Adjustment 4 of the wholesale power rate schedule applicable under contractual arrangements between TVA and Distributor.)

Minimum Monthly Bill

The base customer charge, as reduced by the hydro allocation credit, constitutes the minimum monthly bill for all customers served under this rate schedule except those customers for which a higher minimum monthly bill is required under Distributor's standard policy because of special circumstances affecting Distributor's cost of rendering service.

Payment

Bills under this rate schedule will be rendered monthly. Any amount of bill unpaid after due date specified on bill may be subject to additional charges under Distributor's standard policy.

Single-Point Delivery

The charges under this rate schedule are based upon the supply of service through a single delivery and metering point, and at a single voltage.

Service is subject to Rules and Regulations of Distributor.

WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION

GENERAL POWER RATE--SCHEDULE GSA

(February 2008)

Availability

This rate shall apply to the firm power requirements (where a customer's contract demand is 5,000 kW or less) for electric service to commercial, industrial, and governmental customers, and to institutional customers including, without limitation, churches, clubs, fraternities, orphanages, nursing homes, rooming or boarding houses, and like customers. This rate shall also apply to customers to whom service is not available under any other resale rate schedule.

Character of Service

Alternating current, single- or three-phase, 60 hertz. Power shall be delivered at a service voltage available in the vicinity or agreed to by Distributor.

Base Charges

1. If (a) the higher of (i) the customer's currently effective contract demand, if any, or (ii) its highest billing demand during the latest 12-month period is not more than 50 kW and (b) customer's monthly energy takings for any month during such period do not exceed 15,000 kWh:

Customer Charge: \$13.50 per delivery point per month

Right-of-way
Clearing Surcharge: \$3.25 per meter per month

Energy Charge: 7.922¢ per kWh per month

2. If (a) the higher of (i) the customer's currently effective contract demand or (ii) its highest billing demand during the latest 12-month period is greater than 50 kW but not more than 1,000 kW or (b) if the customer's billing demand is less than 50 kW and its energy takings for any month during such period exceed 15,000 kWh:

Customer Charge: \$37.00 per delivery point per month

Right-of-way
Clearing Surcharge: \$3.25 per meter per month

Demand Charge: First 50 kW of billing demand per month, no demand charge
Excess over 50 kW of billing demand per month, at \$13.82 per kW

Energy Charge: First 15,000 kWh per month at 7.922¢ per kWh
Additional kWh per month at 3.470¢ per kWh

3. If the higher of (a) the customer's currently effective contract demand or (b) its highest billing demand during the latest 12-month period is greater than 1,000 kW:

Customer Charge: \$100.00 per delivery point per month

Right-of-way
Clearing Surcharge: \$3.25 per meter per month

Demand Charge: First 1,000 kW of billing demand per month, at \$13.11 per kW

Excess over 1,000 kW of billing demand per month, at
\$14.14 per kW, plus an additional

\$14.14 per kW per month for each kW, if any, of the amount by which the customer's billing demand exceeds the higher of 2,500 kW or its contract demand

Energy Charge: 3.470¢ per kWh per month

Adjustment

The base demand and energy charges shall be increased or decreased in accordance with the current Adjustment Addendum published by TVA. (In addition, such charges shall be increased or decreased to correspond to increases or decreases determined by TVA under Adjustment 2 or Adjustment 4 of the wholesale power rate schedule applicable under contractual arrangements between TVA and Distributor.)

Determination of Demand

Distributor shall meter the demands in kW of all customers having loads in excess of 50 kW. The metered demand for any month shall be the highest average during any 30-consecutive-minute period of the month of the load metered in kW. The measured demand for any month shall be the higher of the highest average during any 30-consecutive-minute period of the month of (a) the load metered in kW or (b) 85 percent of the load in kVA plus an additional 10 percent for that part of the load over 5,000 kVA, and such measured demand shall be used as the billing demand, except that the billing demand for any month shall in no case be less than 30 percent of the higher of the currently effective contract demand or the highest billing demand established during the preceding 12 months.

Minimum Bill

The monthly bill under this rate schedule shall not be less than the sum of (a) the base customer charge, (b) the base demand charge, as adjusted, applied to the customer's billing demand, and (c) the base energy charge, as adjusted, applied to the customer's energy takings; provided, however, that, under 2 of the Base Charges, the monthly bill shall in no event be less than the sum of (a) the base customer charge and (b) 20 percent of the portion of the base demand charge, as adjusted, applicable to the second block (excess over 50 kW) of billing demand, multiplied by the higher of the customer's currently effective contract demand or its highest billing demand established during the preceding 12 months.

Distributor may require minimum bills higher than those stated above.

Seasonal Service

Customers who contract for service on a seasonal basis shall be limited to 2,500 kW and shall pay the above charges, as adjusted, plus an additional seasonal use charge equal to (1) 1.33¢ per kWh per month under 1 of the Base Charges, (2) the sum of 1.33¢ per kWh for the first 15,000 kWh per month and \$4.00 per kW per month of billing demand in excess of 50 kW under 2 of the Base Charges, and (3) \$4.00 per kW per month of billing demand under 3 of the Base Charges. Consistent with Distributor's standard policy, the customer may arrange for seasonal testing of equipment during offpeak hours.

For such customers, the minimum bill provided for above shall not apply. Distributor may require additional charges to provide recovery of costs for customer-specific distribution facilities.

Contract Requirement

Distributor may require contracts for service provided under this rate schedule. Customers whose demand requirements exceed 50 kW shall be required to execute contracts and such contracts shall be for an initial term of at least 1 year. The customer shall contract for its maximum requirements, which shall not exceed the amount of power capable of being used by customer, and Distributor shall not be obligated to supply power in greater amount at any time than the customer's currently effective contract demand. If the customer uses any power other than that supplied by Distributor under this rate schedule, the contract may include other special provisions. The rate schedule in any power contract shall be subject to adjustment, modification, change, or replacement from time to time as provided under the power contract between Distributor and TVA.

Payment

Bills under this rate schedule will be rendered monthly. Any amount of bill unpaid after due date specified on bill may be subject to additional charges under Distributor's standard policy.

Single-Point Delivery

The charges under this rate schedule are based upon the supply of service through a single delivery and metering point, and at a single voltage. If service is supplied to the same customer through more than one point of delivery or at different voltages, the supply of service at each delivery and metering point and at each different voltage shall be separately metered and billed.

Service is subject to Rules and Regulations of Distributor.

WEST KENTUCKY RURAL ELECTRIC

TIME-OF-DAY GENERAL POWER RATE--SCHEDULE TGSA

(February 2008)

Availability

This rate shall be available for the firm power requirements (where the higher of a customer's onpeak or offpeak contract demand is 5,000 kW or less) for electric service to commercial, industrial, and governmental customers, and to institutional customers including, without limitation, churches, clubs, fraternities, orphanages, nursing homes, rooming or boarding houses, and like customers, provided that the other conditions of this section are met.

For a customer requesting that its onpeak contract demand be different from its offpeak contract demand, this schedule shall be available only for (1) a new contract, (2) a replacement or renewal contract following expiration of the existing contract, or (3) a replacement or renewal contract or an amended existing contract in which the customer is increasing its demand requirements above the existing contract demand level, but under this item (3) neither the new onpeak nor the new offpeak contract demand shall be lower than the customer's existing contract demand.

Character of Service

Alternating current, single- or three-phase, 60 hertz. Power shall be delivered at a service voltage available in the vicinity or agreed to by Distributor.

Base Charges

1. If the higher of (1) the higher of the customer's currently effective onpeak or offpeak contract demand or (2) the customer's highest onpeak or offpeak billing demand during the latest 12-month period is not more than 50 kW:

Customer Charge: \$38.50 per delivery point per month

Right-of-way
Clearing Surcharge: \$3.25 per meter per month

Energy Charge: 12.431¢ per kWh per month for all onpeak kWh

4.836¢ per kWh per month for all offpeak kWh

2. If the higher of (1) the higher of the customer's currently effective onpeak or offpeak contract demand or (2) the customer's highest onpeak or offpeak billing demand during the latest 12-month period is greater than 50 kW but no more than 1,000 kW:

Customer Charge: \$62.00 per delivery point per month

Right-of-way
Clearing Surcharge: \$3.25 per meter per month

Demand Charge: \$13.76 per kW of the customer's onpeak billing demand, plus
\$6.73 per month for each kW, if any, of the amount by which the customer's offpeak billing demand exceeds its onpeak billing demand

Energy Charge: 5.402¢ per kWh per month for all onpeak kWh
3.705¢ per kWh per month for all offpeak kWh

3. If the higher of (1) the higher of the customer's currently effective onpeak or offpeak contract demand or (2) the customer's highest onpeak or offpeak billing demand during the latest 12-month period is greater than 1,000 kW:

Customer Charge: \$125.00 per delivery point per month

Right-of-way
Clearing Surcharge: \$3.25 per meter per month

Demand Charge: \$13.85 per kW per month of the customer's onpeak billing demand, plus
\$5.46 per month for each kW, if any, of the amount by which the customer's offpeak billing demand exceeds its onpeak billing demand, plus an additional

\$13.85 per kW per month for each kW, if any, of the amount by which (1) the customer's onpeak billing demand exceeds the higher of 2,500 kW or its onpeak contract demand or (2) the customer's offpeak billing demand exceeds the higher of 2,500 kW or its offpeak contract demand, whichever is higher

Energy Charge: 4.505¢ per kWh per month for all onpeak kWh
2.808¢ per kWh per month for all offpeak kWh

Adjustment

The base demand and energy charges shall be increased or decreased in accordance with the current Adjustment Addendum published by TVA. (In addition, such charges shall be increased or decreased to correspond to increases or decreases determined by TVA under Adjustment 2 or Adjustment 4 of the wholesale power rate schedule applicable under contractual arrangements between TVA and Distributor.)

Determination of Onpeak and Offpeak Hours

Except for Saturdays and Sundays and the weekdays that are observed as Federal holidays for New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day, onpeak hours for each day shall be 10 a.m. to 10 p.m. during calendar months of May through September and from 6 a.m. to 12 noon and from 4 p.m. to 10 p.m. during all other calendar months. All other hours of each day and all hours of such excepted days shall be offpeak hours. Such times shall be Central Standard Time or Central Daylight Time, whichever is then in effect. The onpeak and offpeak hours under this rate schedule are subject to change by TVA. In the event TVA determines that such changed onpeak and offpeak hours are appropriate, it shall so notify Distributor at least 12 months prior to the effective date of such changed hours, and Distributor shall promptly notify customer.

Determination of Onpeak and Offpeak Demands and Energy Amounts

The onpeak and offpeak kWh for any month shall be the energy amounts taken during the respective hours of the month designated under this rate schedule as onpeak and offpeak hours.

Distributor shall meter the onpeak and offpeak demands in kW of all customers taking service under this rate schedule. The onpeak demand and the offpeak demand for any month shall be determined separately for the respective hours of the month designated under this rate schedule as onpeak and offpeak hours and in each case shall be the higher of the highest average during any 30-consecutive-minute period beginning or ending on a clock hour of the month of (a) the load metered in kW or (b) 85 percent of the load in kVA plus an additional 10 percent for that part of the load over 5,000 kVA, and, except as provided below in this section, such amounts shall be used as the onpeak and offpeak billing demands. The onpeak billing demand shall in no case be less than 30 percent of the customer's onpeak demand amount. The offpeak billing demand shall in no case be less than 30 percent of the customer's offpeak demand amount.

For purposes of this section, the onpeak demand amount referred to above shall be the higher of the currently effective onpeak contract demand or the highest onpeak billing demand established in the preceding 12 months, and the offpeak demand amount referred to above shall be the higher of the currently effective offpeak contract demand or the highest offpeak billing demand established in the preceding 12 months.

Minimum Bill

The monthly bill under this rate schedule shall not be less than the sum of (a) the base customer charge, (b) the portion of the base demand charge, as adjusted, applicable to onpeak billing demand applied to the customer's onpeak billing demand, (c) the portion of the base demand charge, as adjusted, applicable to the excess of offpeak over onpeak billing demand applied to the amount, if any, by which the customer's offpeak billing demand exceeds its onpeak billing demand, (d) the base onpeak energy charge, as adjusted, applied to the customer's onpeak energy takings, (e) the base offpeak energy charge, as adjusted, applied to the customer's offpeak energy takings, and (f) the distribution capacity charge applied to the higher of the customer's onpeak or offpeak billing demand; provided, however, under 2 of the Base Charges, the monthly bill shall in no event be less than the sum of (a) the base customer charge, (b) 20 percent of the base onpeak demand charge, as adjusted, multiplied by the customer's onpeak billing demand, (c) 20 percent of the portion of the base demand charge, as adjusted, applicable to the excess of offpeak over onpeak billing demand applied to the amount, if any, by which the customer's offpeak billing demand exceeds its onpeak billing demand, and (d) 20 percent of the distribution capacity charge, as adjusted, applied to the higher of the customer's onpeak or offpeak billing demand.

Distributor may require minimum bills higher than those stated above.

Seasonal Service

Customers who contract for service on a seasonal basis shall be limited to 2,500 kW and shall pay the above charges, as adjusted, plus an additional seasonal use charge equal to (1) 1.33¢ per kWh per month under 1 above and (2) \$4.00 per kW per month of the higher of the onpeak or offpeak billing demand under 2 and 3 above. Consistent with Distributor's standard policy, the customer may arrange for seasonal testing of equipment during offpeak hours.

For such customers, the minimum bill provided for above shall not apply. Distributor may require additional charges to provide recovery of costs for customer-specific distribution facilities.

Contract Requirement

Distributor shall require contracts for all service provided under this rate schedule and such contracts shall be for an initial term of at least 1 year. The customer shall contract for its maximum requirements, which shall not exceed the amount of power capable of being used by customer, and Distributor shall not be obligated to supply power in greater amount at any time than the customer's currently effective contract demand. If the customer uses any power other than that supplied by Distributor under this rate schedule, the contract may include other special provisions. The rate schedule in any power contract shall be subject to adjustment, modification, change, or replacement from time to time as provided under the power contract between Distributor and TVA.

After having received service for at least 1 year under this rate schedule, the customer, subject to appropriate amendments in its power contract with Distributor, may receive service under the General Power Rate--Schedule GSA. In such case the term of the power contract shall remain the same and the contract demand for service under the General Power Rate--Schedule GSA shall not be less than the onpeak contract demand in effect when service was taken under this rate schedule.

Payment

Bills under this rate schedule will be rendered monthly. Any amount of bill unpaid after due date specified on bill may be subject to additional charges under Distributor's standard policy.

Single-Point Delivery

The charges under this rate schedule are based upon the supply of service through a single delivery and metering point, and at a single voltage. If service is supplied to the same customer through more than one point of delivery or at different voltages, the supply of service at each delivery and metering point and at each different voltage shall be separately metered and billed.

Service is subject to Rules and Regulations of Distributor.



Tennessee Valley Authority, 400 West Summit Hill Drive, Knoxville, Tennessee 37902-1401

March 26, 2008

TV-59577A, Supp. No. 73

Mr. David Smart, President/CEO
West Kentucky Rural Electric
Cooperative Corporation
Post Office Box 589
Mayfield, Kentucky 42066-0589

Dear Mr. Smart:

This letter confirms the understanding between the West Kentucky Rural Electric Cooperative Corporation (Distributor) and the Tennessee Valley Authority (TVA) concerning the reimbursement plan for Distributor's costs of preparing or having prepared a Statement on Auditing Standards No. 70 (SAS 70) Type II audit of internal controls (Report) including an opinion of a certified public accountant (Opinion) as described in section 1 below in support of TVA's efforts related to Section 404 of the Sarbanes-Oxley Act of 2002. It is recognized (a) that TVA's internal control structure is impacted by the nature of its current end-use billing arrangements with Distributor, (b) that under these arrangements, Distributor calculates major components of its power bills, and (c) that TVA will rely on the Report provided for by this agreement in assessing the effectiveness of TVA's internal controls over the end-use billing process as well as the effectiveness of related controls performed by Distributor.

In accordance with the following timetable and conditions, TVA will reimburse Distributor the applicable amount provided for in Attachment A to this agreement:

1. Distributor agrees to prepare or have prepared a Report.
 - a. The Report shall provide TVA assurance that controls are in place to achieve the following control objectives related to the end-use billing process:
 - i. The end-use customer master file, including end-use customer classifications and applicable industry codes (such as SIC or NAICS), is accurate, and only valid changes are made to the file by authorized individuals;
 - ii. All actual power usage for the period is captured and meter readings for energy usage (kWh) and peak demands (kW) are transferred completely and accurately to the computer system used to compute the "Schedule 1" power invoice;
 - iii. All adjustments to energy usage (kWh) and interval meter data (kW) are valid (e.g., based on prior inaccurate meter readings or other valid support), are made by authorized personnel, and are calculated using the appropriate billing rate in effect at the time of the original billing;

- iv. Processes are in place to periodically verify the proper performance of commercial and industrial meters used for demand charge calculations;
- v. "Schedule 1" summaries and any other billing information reported to TVA (e.g., minimum bill data, itemized statements, and support for adjustments) are accurately calculated (using correct power usage, product and credit charge codes, customer classifications, usage calculations, credit calculations, contract terms, valid rates, and appropriate factors) and are conveyed completely and accurately to TVA on a timely basis;
- vi. Logical access to system resources (e.g., programs, data, tables, and parameters) in distributor and third party processor systems used in the end-use billing process is restricted for proper system security and segregation of duties;
- vii. New systems and applications purchased or developed for use in the end-use billing process are authorized, tested, approved, properly implemented and documented;
- viii. Changes to existing systems and applications used in the end-use billing process are approved, tested, and documented to ensure data that has been recorded, processed, and reported remains complete, accurate, and valid throughout the update and storage process;
- ix. System and application processing (such as batch jobs and interfaces) are appropriately authorized and scheduled. Deviations or problems arising from scheduled processing are identified and resolved through a properly controlled computer operations environment including the appropriate maintenance and testing of system backups; and
- x. Key spreadsheets and reports used as data sources or inputs to the end-use billing process are controlled and validated.

If Distributor relies on a third party to perform any of the control objectives above, Distributor is to obtain a separate Report, including Opinion, from the third party on the related controls.

- b. The Opinion shall address the following four components:
 - i. Fair presentation of the description of controls,
 - ii. Design effectiveness of controls,
 - iii. Operating effectiveness as of a specified date, and

- 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. David Smart
Page 4
March 26, 2008

If this correctly states our understanding, please have a duly authorized representative sign and date both duplicate originals of this letter on behalf of Distributor and return them to Ernie Peterson. A fully executed original will be returned to you.

Sincerely,



John M. Thomas III
Vice President & Controller

Accepted and agreed to as of
the 4th day of June, 2008

**WEST KENTUCKY RURAL ELECTRIC
COOPERATIVE CORPORATION**

By: David E. Smart
Title: President + CEO

SAS 70 Audit Cost - Reimbursement Scale Fiscal Year 2008

Distributor MWh Usage TVA's FY 2007	Reimbursement Amounts
Less Than 500,000	\$ 20,000
500,000 up to but not including 1 Million	\$ 25,000
1 Million up to but not including 2 Million	\$ 30,000
2 Million up to but not including 6 Million	\$ 40,000
6 Million or More	\$ 80,000

The above table presents the reimbursement amounts distributors will receive for their SAS 70 Type II audit reports and opinions provided in accordance with the preceding letter agreement. The reimbursement will be in the form of a credit to the most current power invoice after the following requirements are met: TVA is in receipt of the completed SAS 70 audit report(s) and opinion(s) meeting the requirements of section 1 of this agreement on or before the deadline provided for in section 2 of this agreement; TVA receives a copy of the auditor's invoice; and TVA's specific concerns on deficiencies identified in the report are satisfactorily addressed. There will be no reimbursement for an audit in which the auditor cannot express an opinion on the distributor's internal controls or for a report that includes a disclaimer.

April 1, 2009

RESALE RATE SCHEDULE SUBSTITUTION AGREEMENT**Between****WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION (DISTRIBUTOR)****And****TENNESSEE VALLEY AUTHORITY (TVA)**

Distributor and TVA agree to substitute the new resale rate schedules specified in (a) below, copies of which are attached, for the resale rate schedules specified in (b) below, which, as adjusted, are now in effect as a part of the Schedule of Rates and Charges attached to and made a part of the Power Contract, TV-59577A, dated April 26, 1982, as amended (Power Contract), between TVA and Distributor. This substitution is to be effective for all bills rendered from resale meter readings taken for revenue months of Distributor beginning with the April 2009 revenue month and shall continue through the December 2012 revenue month. It is expressly recognized that the adjustments set forth in the applicable Adjustment Addendum to said Schedule of Rates and Charges shall continue to apply to the charges provided for by the attached schedules specified in (a) below. It is further understood and agreed that the resale rate substitution agreements, numbered TV-59577A, Supplement No. 62, and TV-59577A, Supplement No. 63, (Previous Agreements) whereby Distributor and TVA agreed to substitute for a temporary period certain resale rate schedules is amended in the respects necessary to provide that the temporary substitution provided for in the Previous Agreements, except for schedules RS, GSA and TGSA, shall continue through the December 2012 revenue month.

(a) New resale rate schedules:

Residential Rate--Schedule RS (April 2009)

General Power Rate--Schedule GSA (April 2009)

Time-of-Day General Power Rate--Schedule TGSA (April 2009)

(b) Existing resale rate schedules:

Residential Rate--Schedule RS (February 2008)

General Power Rate--Schedule GSA (February 2008)

Time-of-Day General Power Rate--Schedule TGSA (February 2008)

It is understood that, upon execution of this agreement by TVA and Distributor, all references in the Power Contract to the existing resale rate schedules specified in (b) above, or to any predecessor schedules, shall be deemed to refer to the appropriate new resale rate schedules specified in (a) above.

**WEST KENTUCKY RURAL ELECTRIC
COOPERATIVE CORPORATION**

By David E. Smart
Title: President & CEO

Rate schedule substitution agreed to as of
the date first above written.

TENNESSEE VALLEY AUTHORITY

By [Signature]
Vice President
Strategy, Pricing and Contracts

WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION

RESIDENTIAL RATE--SCHEDULE RS

(April 2009)

Availability

This rate shall apply only to electric service to a single-family dwelling (including its appurtenances if served through the same meter), where the major use of electricity is for domestic purposes such as lighting, household appliances, and the personal comfort and convenience of those residing therein.

Character of Service

Alternating current, single-phase, 60 hertz. Power shall be delivered at a service voltage available in the vicinity or agreed to by Distributor. Multiphase service shall be supplied in accordance with Distributor's standard policy.

Base Charges

Customer Charge: \$20.00 per month, less

Hydro Allocation Credit: \$1.71 per month

Right-of-way
Clearing Surcharge: \$3.25 per meter per month

Energy Charge: 7.523¢ per kWh per month for first 800 kWh
6.755¢ per kWh per month for additional kWh

Adjustment

The base energy charge shall be increased or decreased in accordance with the current Adjustment Addendum published by TVA. (In addition, the base energy charge and the hydro allocation credit shall be increased or decreased to correspond to increases or decreases determined by TVA under Adjustment 2 or Adjustment 4 of the wholesale power rate schedule applicable under contractual arrangements between TVA and Distributor.)

Minimum Monthly Bill

The base customer charge, as reduced by the hydro allocation credit, constitutes the minimum monthly bill for all customers served under this rate schedule except those customers for which a higher minimum monthly bill is required under Distributor's standard policy because of special circumstances affecting Distributor's cost of rendering service.

Payment

Bills under this rate schedule will be rendered monthly. Any amount of bill unpaid after due date specified on bill may be subject to additional charges under Distributor's standard policy.

Single-Point Delivery

The charges under this rate schedule are based upon the supply of service through a single delivery and metering point, and at a single voltage.

Service is subject to Rules and Regulations of Distributor.

WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION

GENERAL POWER RATE--SCHEDULE GSA

(April 2009)

Availability

This rate shall apply to the firm power requirements (where a customer's contract demand is 5,000 kW or less) for electric service to commercial, industrial, and governmental customers, and to institutional customers including, without limitation, churches, clubs, fraternities, orphanages, nursing homes, rooming or boarding houses, and like customers. This rate shall also apply to customers to whom service is not available under any other resale rate schedule.

Character of Service

Alternating current, single- or three-phase, 60 hertz. Power shall be delivered at a service voltage available in the vicinity or agreed to by Distributor.

Base Charges

1. If (a) the higher of (i) the customer's currently effective contract demand, if any, or (ii) its highest billing demand during the latest 12-month period is not more than 50 kW and (b) customer's monthly energy takings for any month during such period do not exceed 15,000 kWh:

Customer Charge: \$20.00 per delivery point per month

Right-of-way
Clearing Surcharge: \$3.25 per meter per month

Energy Charge: 8.423¢ per kWh per month

2. If (a) the higher of (i) the customer's currently effective contract demand or (ii) its highest billing demand during the latest 12-month period is greater than 50 kW but not more than 1,000 kW or (b) if the customer's billing demand is less than 50 kW and its energy takings for any month during such period exceed 15,000 kWh:

Customer Charge: \$43.50 per delivery point per month

Right-of-way
Clearing Surcharge: \$3.25 per meter per month

Demand Charge: First 50 kW of billing demand per month, no demand charge
Excess over 50 kW of billing demand per month, at \$14.66 per kW

Energy Charge: First 15,000 kWh per month at 8.423¢ per kWh
Additional kWh per month at 3.701¢ per kWh

3. If the higher of (a) the customer's currently effective contract demand or (b) its highest billing demand during the latest 12-month period is greater than 1,000 kW:

Customer Charge: \$106.50 per delivery point per month

Right-of-way
Clearing Surcharge: \$3.25 per meter per month

Demand Charge: First 1,000 kW of billing demand per month, at \$13.92 per kW

Excess over 1,000 kW of billing demand per month, at
\$15.03 per kW, plus an additional

\$15.03 per kW per month for each kW, if any, of the amount by which the
customer's billing demand exceeds the higher of 2,500 kW or its contract
demand

Energy Charge: 3.701¢ per kWh per month

Adjustment

The base demand and energy charges shall be increased or decreased in accordance with the current Adjustment Addendum published by TVA. (In addition, such charges shall be increased or decreased to correspond to increases or decreases determined by TVA under Adjustment 2 or Adjustment 4 of the wholesale power rate schedule applicable under contractual arrangements between TVA and Distributor.)

Determination of Demand

Distributor shall meter the demands in kW of all customers having loads in excess of 50 kW. The metered demand for any month shall be the highest average during any 30-consecutive-minute period of the month of the load metered in kW. The measured demand for any month shall be the higher of the highest average during any 30-consecutive-minute period of the month of (a) the load metered in kW or (b) 85 percent of the load in kVA plus an additional 10 percent for that part of the load over 5,000 kVA, and such measured demand shall be used as the billing demand, except that the billing demand for any month shall in no case be less than 30 percent of the higher of the currently effective contract demand or the highest billing demand established during the preceding 12 months.

Minimum Bill

The monthly bill under this rate schedule shall not be less than the sum of (a) the base customer charge, (b) the base demand charge, as adjusted, applied to the customer's billing demand, and (c) the base energy charge, as adjusted, applied to the customer's energy takings; provided, however, that, under 2 of the Base Charges, the monthly bill shall in no event be less than the sum of (a) the base customer charge and (b) 20 percent of the portion of the base demand charge, as adjusted, applicable to the second block (excess over 50 kW) of billing demand, multiplied by the higher of the customer's currently effective contract demand or its highest billing demand established during the preceding 12 months.

Distributor may require minimum bills higher than those stated above.

Seasonal Service

Customers who contract for service on a seasonal basis shall be limited to 2,500 kW and shall pay the above charges, as adjusted, plus an additional seasonal use charge equal to (1) 1.33¢ per kWh per month under 1 of the Base Charges, (2) the sum of 1.33¢ per kWh for the first 15,000 kWh per month and \$4.00 per kW per month of billing demand in excess of 50 kW under 2 of the Base Charges, and (3) \$4.00 per kW per month of billing demand under 3 of the Base Charges. Consistent with Distributor's standard policy, the customer may arrange for seasonal testing of equipment during offpeak hours.

For such customers, the minimum bill provided for above shall not apply. Distributor may require additional charges to provide recovery of costs for customer-specific distribution facilities.

Contract Requirement

Distributor may require contracts for service provided under this rate schedule. Customers whose demand requirements exceed 50 kW shall be required to execute contracts and such contracts shall be for an initial term of at least 1 year. The customer shall contract for its maximum requirements, which shall not exceed the amount of power capable of being used by customer, and Distributor shall not be obligated to supply power in greater amount at any time than the customer's currently effective contract demand. If the customer uses any power other than that supplied by Distributor under this rate schedule, the contract may include other special provisions. The rate schedule in any power contract shall be subject to adjustment, modification, change, or replacement from time to time as provided under the power contract between Distributor and TVA.

Payment

Bills under this rate schedule will be rendered monthly. Any amount of bill unpaid after due date specified on bill may be subject to additional charges under Distributor's standard policy.

Single-Point Delivery

The charges under this rate schedule are based upon the supply of service through a single delivery and metering point, and at a single voltage. If service is supplied to the same customer through more than one point of delivery or at different voltages, the supply of service at each delivery and metering point and at each different voltage shall be separately metered and billed.

Service is subject to Rules and Regulations of Distributor.

WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION

TIME-OF-DAY GENERAL POWER RATE--SCHEDULE TGSA

(April 2009)

Availability

This rate shall be available for the firm power requirements (where the higher of a customer's onpeak or offpeak contract demand is 5,000 kW or less) for electric service to commercial, industrial, and governmental customers, and to institutional customers including, without limitation, churches, clubs, fraternities, orphanages, nursing homes, rooming or boarding houses, and like customers, provided that the other conditions of this section are met.

For a customer requesting that its onpeak contract demand be different from its offpeak contract demand, this schedule shall be available only for (1) a new contract, (2) a replacement or renewal contract following expiration of the existing contract, or (3) a replacement or renewal contract or an amended existing contract in which the customer is increasing its demand requirements above the existing contract demand level, but under this item (3) neither the new onpeak nor the new offpeak contract demand shall be lower than the customer's existing contract demand.

Character of Service

Alternating current, single- or three-phase, 60 hertz. Power shall be delivered at a service voltage available in the vicinity or agreed to by Distributor.

Base Charges

1. If the higher of (1) the higher of the customer's currently effective onpeak or offpeak contract demand or (2) the customer's highest onpeak or offpeak billing demand during the latest 12-month period is not more than 50 kW:

Customer Charge: \$45.00 per delivery point per month

Right-of-way
Clearing Surcharge: \$3.25 per meter per month

Energy Charge: 13.235¢ per kWh per month for all onpeak kWh

5.128¢ per kWh per month for all offpeak kWh

2. If the higher of (1) the higher of the customer's currently effective onpeak or offpeak contract demand or (2) the customer's highest onpeak or offpeak billing demand during the latest 12-month period is greater than 50 kW but no more than 1,000 kW:

Customer Charge: \$68.50 per delivery point per month

Right-of-way
Clearing Surcharge: \$3.25 per meter per month

Demand Charge: \$14.59 per kW of the customer's onpeak billing demand, plus
\$7.09 per month for each kW, if any, of the amount by which the
customer's offpeak billing demand exceeds its onpeak billing demand

Energy Charge: 5.749¢ per kWh per month for all onpeak kWh
3.938¢ per kWh per month for all offpeak kWh

3. If the higher of (1) the higher of the customer's currently effective onpeak or offpeak contract demand or (2) the customer's highest onpeak or offpeak billing demand during the latest 12-month period is greater than 1,000 kW:

Customer Charge: \$131.50 per delivery point per month

Right-of-way
Clearing Surcharge: \$3.25 per meter per month

Demand Charge: \$14.71 per kW per month of the customer's onpeak billing demand, plus
\$5.75 per month for each kW, if any, of the amount by which the
customer's offpeak billing demand exceeds its onpeak billing demand,
plus an additional

\$14.71 per kW per month for each kW, if any, of the amount by which
(1) the customer's onpeak billing demand exceeds the higher of
2,500 kW or its onpeak contract demand or (2) the customer's offpeak
billing demand exceeds the higher of 2,500 kW or its offpeak contract
demand, whichever is higher

Energy Charge: 4.806¢ per kWh per month for all onpeak kWh
2.995¢ per kWh per month for all offpeak kWh

Adjustment

The base demand and energy charges shall be increased or decreased in accordance with the current Adjustment Addendum published by TVA. (In addition, such charges shall be increased or decreased to correspond to increases or decreases determined by TVA under Adjustment 2 or Adjustment 4 of the wholesale power rate schedule applicable under contractual arrangements between TVA and Distributor.)

Determination of Onpeak and Offpeak Hours

Except for Saturdays and Sundays and the weekdays that are observed as Federal holidays for New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day, onpeak hours for each day shall be 10 a.m. to 10 p.m. during calendar months of May through September and from 6 a.m. to 12 noon and from 4 p.m. to 10 p.m. during all other calendar months. All other hours of each day and all hours of such excepted days shall be offpeak hours. Such times shall be Central Standard Time or Central Daylight Time, whichever is then in effect. The onpeak and offpeak hours under this rate schedule are subject to change by TVA. In the event TVA determines that such changed onpeak and offpeak hours are appropriate, it shall so notify Distributor at least 12 months prior to the effective date of such changed hours, and Distributor shall promptly notify customer.

Determination of Onpeak and Offpeak Demands and Energy Amounts

The onpeak and offpeak kWh for any month shall be the energy amounts taken during the respective hours of the month designated under this rate schedule as onpeak and offpeak hours.

Distributor shall meter the onpeak and offpeak demands in kW of all customers taking service under this rate schedule. The onpeak demand and the offpeak demand for any month shall be determined separately for the respective hours of the month designated under this rate schedule as onpeak and offpeak hours and in each case shall be the higher of the highest average during any 30-consecutive-minute period beginning or ending on a clock hour of the month of (a) the load metered in kW or (b) 85 percent of the load in kVA plus an additional 10 percent for that part of the load over 5,000 kVA, and, except as provided below in this section, such amounts shall be used as the onpeak and offpeak billing demands. The onpeak billing demand shall in no case be less than 30 percent of the customer's onpeak demand amount. The offpeak billing demand shall in no case be less than 30 percent of the customer's offpeak demand amount.

For purposes of this section, the onpeak demand amount referred to above shall be the higher of the currently effective onpeak contract demand or the highest onpeak billing demand established in the preceding 12 months, and the offpeak demand amount referred to above shall be the higher of the currently effective offpeak contract demand or the highest offpeak billing demand established in the preceding 12 months.

Minimum Bill

The monthly bill under this rate schedule shall not be less than the sum of (a) the base customer charge, (b) the portion of the base demand charge, as adjusted, applicable to onpeak billing demand applied to the customer's onpeak billing demand, (c) the portion of the base demand charge, as adjusted, applicable to the excess of offpeak over onpeak billing demand applied to the amount, if any, by which the customer's offpeak billing demand exceeds its onpeak billing demand, (d) the base onpeak energy charge, as adjusted, applied to the customer's onpeak energy takings, (e) the base offpeak energy charge, as adjusted, applied to the customer's offpeak energy takings, and (f) the distribution capacity charge applied to the higher of the customer's onpeak or offpeak billing demand; provided, however, under 2 of the Base Charges, the monthly bill shall in no event be less than the sum of (a) the base customer charge, (b) 20 percent of the base onpeak demand charge, as adjusted, multiplied by the customer's onpeak billing demand, (c) 20 percent of the portion of the base demand charge, as adjusted, applicable to the excess of offpeak over onpeak billing demand applied to the amount, if any, by which the customer's offpeak billing demand exceeds its onpeak billing demand, and (d) 20 percent of the distribution capacity charge, as adjusted, applied to the higher of the customer's onpeak or offpeak billing demand.

Distributor may require minimum bills higher than those stated above.

Seasonal Service

Customers who contract for service on a seasonal basis shall be limited to 2,500 kW and shall pay the above charges, as adjusted, plus an additional seasonal use charge equal to (1) 1.33¢ per kWh per month under 1 above and (2) \$4.00 per kW per month of the higher of the onpeak or offpeak billing demand under 2 and 3 above. Consistent with Distributor's standard policy, the customer may arrange for seasonal testing of equipment during offpeak hours.

For such customers, the minimum bill provided for above shall not apply. Distributor may require additional charges to provide recovery of costs for customer-specific distribution facilities.

Contract Requirement

Distributor shall require contracts for all service provided under this rate schedule and such contracts shall be for an initial term of at least 1 year. The customer shall contract for its maximum requirements, which shall not exceed the amount of power capable of being used by customer, and Distributor shall not be obligated to supply power in greater amount at any time than the customer's currently effective contract demand. If the customer uses any power other than that supplied by Distributor under this rate schedule, the contract may include other special provisions. The rate schedule in any power contract shall be subject to adjustment, modification, change, or replacement from time to time as provided under the power contract between Distributor and TVA.

After having received service for at least 1 year under this rate schedule, the customer, subject to appropriate amendments in its power contract with Distributor, may receive service under the General Power Rate--Schedule GSA. In such case the term of the power contract shall remain the same and the contract demand for service under the General Power Rate--Schedule GSA shall not be less than the onpeak contract demand in effect when service was taken under this rate schedule.

Payment

Bills under this rate schedule will be rendered monthly. Any amount of bill unpaid after due date specified on bill may be subject to additional charges under Distributor's standard policy.

Single-Point Delivery

The charges under this rate schedule are based upon the supply of service through a single delivery and metering point, and at a single voltage. If service is supplied to the same customer through more than one point of delivery or at different voltages, the supply of service at each delivery and metering point and at each different voltage shall be separately metered and billed.

Service is subject to Rules and Regulations of Distributor.



Tennessee Valley Authority, 400 West Summit Hill Drive, Knoxville, Tennessee 37902-1401

April 29, 2010

TV-59577A, Supp. No. 75

Mr. David Smart, President/CEO
West Kentucky Rural Electric
Cooperative Corporation
Post Office Box 589
Mayfield, Kentucky 42066-0589

Dear Mr. Smart:

This will confirm the arrangements developed between representatives of West Kentucky Rural Electric Cooperative Corporation (West Kentucky RECC), and the Tennessee Valley Authority (TVA) with respect to supplementing and amending the wholesale power contract dated April 26, 1982, as amended (Power Contract), between the parties to provide for the addition of a TVA 13-kV revenue metering installation at West Kentucky RECC's John Edd Walker 69-kV Substation (Substation).

It is understood and agreed that:

1. The attachment entitled "Terms and Conditions (New Metering Installation)" (the Terms and Conditions) is made a part of this agreement. In the event of any conflict between the body of this agreement and this attachment, the former controls.
2. TVA and West Kentucky RECC shall cooperate in providing a 13-kV revenue metering installation at the Substation, in accordance with the Terms and Conditions.
3. TVA shall provide and install a cellular phone for remote access to the 13-kV metering installation. Accordingly, section 1.3.2 of the Terms and Conditions applies and addresses access to the metering installation.
4. TVA shall provide connection points from the metering transformer secondary circuits and 0.5-ampere fused potentials from the 13-kV revenue metering installation for connection to West Kentucky RECC's parallel metering equipment. West Kentucky RECC shall carry out this parallel metering arrangement in a manner acceptable to TVA (as set out in TVA's Revenue Metering Guide for Customer-Owned Substations) and shall not adversely affect the safe and efficient operation of TVA's facilities. The metering outputs from each metering installation shall be made available in accordance with section 2 of the Terms and Conditions.
5. Section 3 of the Terms and Conditions applies since the 13-kV metering installation at the Substation is not at the point of delivery specified in the Power Contract, which is at the 69-kV side of the Hickory Grove Substation.

Mr. David Smart
Page 2
April 29, 2010

6. This agreement shall become effective as of March 7, 2010.

If this letter satisfactorily sets forth our understandings, please have a duly authorized representative sign each duplicate original on behalf of West Kentucky RECC and return them to the TVA customer service center.

Sincerely,



John G. Trawick
Senior Vice President
Commercial Operations and Pricing

Accepted and agreed to as of the date first above written.

**WEST KENTUCKY RURAL ELECTRIC
COOPERATIVE CORPORATION**

By David E. Smart
Title: President & CEO

TERMS AND CONDITIONS (New Metering Installation)

SECTION 1 - METERING

1.1 TVA's Installation Work. TVA at its expense shall provide and install the revenue meter and related items necessary to determine the power and energy taken by Distributor at the Substation. This metering installation will be at a mutually satisfactory location in the Substation.

1.2 Distributor's Installation Work.

1.2.1 Current and Voltage Transformers. Distributor shall, at its expense and in accordance with plans and specifications furnished or approved by TVA, install the metering current and voltage transformers (supplied by TVA). This will be done on the source side of any station service transformers and voltage correction equipment.

1.2.2 Miscellaneous Facilities. Distributor shall install all other facilities required for the metering installation, including a prewired meter cabinet (supplied by TVA) and the foundation (if necessary) for TVA's meter cabinet, the primary connections from the metering transformers to Distributor's facilities and the conduit (together with any required test boxes) and cable extending from the metering transformer secondaries to the meter cabinet. Distributor will provide the supplies and materials needed under this subsection 1.2.2, except that TVA will supply the cable and test boxes.

1.3 Remote Access to Metering Installation.

1.3.1 Telephone Circuit. If Distributor provides and installs a telephone circuit:

1.3.1.1 Installation of Circuit. For TVA's metering purposes, including power quality monitoring, Distributor shall provide and install (or have installed) a telephone circuit (Circuit) and, if needed, protective conduit extending from TVA's revenue meter to a location specified by TVA. If TVA furnishes a telephone switcher, Distributor shall install it at an agreed upon location. Distributor installation of the Circuit and telephone switcher shall be in accordance with guidelines and specifications furnished or approved by TVA. Distributor shall install and then operate and maintain the Circuit (and any such conduit) at its expense. TVA will connect the Circuit to the revenue meter.

1.3.1.2 Distributor Access to Meter Data. Distributor may have (a) remote access to TVA's metering data through the Circuit and (b) access to the metering information available from the readout display of the revenue meter. TVA's and Distributor's operating representatives will coordinate use of the Circuit and access to the readout display to ensure unrestricted telephone access by TVA for data retrieval purposes during periods specified by TVA.

1.3.1.3 Remote Access Equipment. Distributor will need equipment not provided by TVA to obtain metering data by remote telephone access. If requested, TVA will assist Distributor in selecting such equipment, but acquisition of the equipment is Distributor's responsibility.

1.3.2 Cellular Phone. If TVA provides and installs a cellular phone:

1.3.2.1 Installation of Cellular Phone. For TVA's metering purposes, TVA will provide (for its exclusive use) a cellular phone for remote access to the metering installation, and Distributor will provide TVA at no charge 120-volt power for TVA's cellular phone.

1.3.2.2 Distributor Access to Meter Data. Distributor may have access to the metering information available from the readout display of the revenue meter. TVA's and Distributor's operating representatives will coordinate access to the readout display.

1.4 Control of Metering Installation. Except as specifically provided otherwise in this agreement (or as agreed otherwise by TVA), the metering installation shall be for TVA's exclusive use and control. It may be used by TVA separately or in conjunction with any other metering facilities of TVA. TVA will place its seals on the revenue meter and metering facilities in the metering installation, and Distributor shall assure that those seals are not broken except at TVA's request.

1.5 Maintenance of Metering Installation.

1.5.1 TVA's Responsibilities. TVA at its expense shall test, calibrate, operate, maintain, and replace the portion of the metering installation provided and installed by TVA.

1.5.2 Distributor's Responsibilities. As requested by TVA from time to time, Distributor at its expense shall perform necessary maintenance (including making of replacements) of the remaining portion of the metering installation. In doing this work Distributor shall supply the necessary materials, except that TVA shall supply for installation by Distributor any replacements required for the current and voltage transformers, metering cable, and test boxes.

SECTION 2 - METERING OUTPUTS

2.1 Access to Outputs. Distributor may have access at no charge to metering outputs from the metering installation for such purposes as monitoring and load control. Accordingly, Distributor may, at such time as it deems appropriate, provide and install at its expense such additional facilities as are necessary for obtaining access to metering outputs. This includes provision and installation of cable to be connected by TVA to a terminal block in TVA's meter cabinet. Distributor shall also furnish and install any protective facilities requested by TVA for the protection of TVA's metering installation.

2.2 Approval of Facilities. Distributor shall keep TVA informed as to Distributor's plans for installation of any such additional facilities consistent with TVA's Revenue Metering Guide for Customer-Owned Substations. Distributor shall neither install any facilities which are to be connected to the metering installation nor, once installed, change them without prior written notification from TVA that such installation or change is satisfactory to TVA insofar as required for the safe and efficient operation of the metering installation.

2.3 Noninterference with Metering. In exercising access to metering outputs, Distributor shall not interfere with any operation, use of, or access to the metering installation by TVA. In this regard Distributor agrees to immediately modify its facilities and operations, in any manner requested by TVA, to avoid any such interference.

2.4 No Warranty of Outputs. TVA makes no statement, representation, claim, guarantee, assurance, or warranty of any kind whatsoever, including, but not limited to, representations or warranties, express or implied, (a) as to the accuracy or completeness of the metering outputs or as to such outputs' merchantability or fitness for any purposes for which Distributor uses or will use them or (b) as to quantity, kind, character, quality, capacity, design, performance, compliance with specifications, condition, size, description of any property, merchantability, or fitness for any use or purpose of any facilities through which the metering outputs are supplied. Distributor hereby waives, and releases the United States of America, TVA, and their agents and employees from, any and all claims, demands, or causes of action, including, without limitation, those for consequential damages, arising out of or in any way connected with Distributor's use of the metering outputs.

2.5 Termination of Arrangements. The arrangements set out under this section 2, may be terminated by TVA or Distributor at any time upon at least 120 days' written notice. As soon as practicable following the effective date of such termination, TVA will disconnect the cable from the metering installation.

SECTION 3 - ADJUSTMENT OF METERED AMOUNTS

If the metering installation at the Substation is not at the point of delivery specified in the Power Contract, TVA shall adjust the metered amounts of power and energy appropriately to reflect losses (and non-metered station service or equipment use, if any) between the point of delivery and the metering installation and use these adjusted amounts for billing purposes under the Power Contract. Distributor shall from time to time furnish TVA with the loss data for Distributor's facilities needed to allow TVA to make such adjustments.

SECTION 4 - COORDINATION AND REVIEW

4.1 Coordination. TVA and Distributor will coordinate their work under section 1 above to the extent necessary and practicable to avoid jeopardizing (a) the safety and reliability of the parties' operations, (b) the reliability of TVA's supply of power to Distributor at the Substation, and (c) the safety of the parties' personnel.

4.2 TVA Review. Any plans, specifications, requirements, guidelines, or coordination, and any review or approvals, provided by TVA under this agreement are only for TVA's purposes and are not to be considered a confirmation or endorsement that they are adequate for Distributor's purposes. TVA's purposes include helping to assure (a) the safe and efficient operation of TVA's facilities and (b) that the arrangements under this agreement do not cause undue hazards to TVA's facilities and operations.

SECTION 5 - RIGHTS OF ACCESS

Distributor hereby grants to TVA such rights to use Distributor's property as are reasonably necessary or desirable to enable TVA to carry out its responsibilities under this agreement. These rights include installation, operation, maintenance, replacement, removal, and inspection of TVA's metering installation and related equipment.

SECTION 6 - POWER REQUIREMENTS

Distributor shall at its expense provide the battery and station service power requirements for TVA's facilities and equipment (including metering equipment) installed at the Substation.

SECTION 7 - TERM OF AGREEMENT

Except as otherwise provided, this agreement becomes effective as of the date of the agreement and continues in effect for the term of the Power Contract or any renewal, extension, or replacement of it.

SECTION 8 - RESTRICTION OF BENEFITS

No member of or delegate to Congress or Resident Commissioner, or any officer, employee, special Government employee, or agent of TVA shall be admitted to any share or part of this agreement or to any benefit that may arise from it unless the agreement be made with a corporation for its general benefit. Distributor shall not offer or give, directly or indirectly, to any officer, employee, special Government employee, or agent of TVA any gift, gratuity, favor, entertainment, loan, or any other thing of monetary value, except as provided in 5 C.F.R. part 2635 (as amended, supplemented, or replaced). Breach of this provision shall constitute a material breach of this agreement.

SECTION 9 - AMENDMENT

This agreement may be amended only by a writing signed by the parties.

**VALLEY INVESTMENT INITIATIVE
PARTICIPATION AGREEMENT**
Among
**R.T VANDERBILT COMPANY, INC.,
WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION,
And
TENNESSEE VALLEY AUTHORITY**

Date: 8/27/2010

VII-E Contract No. 3739

TV-59577A, Supp. No. 76

THIS AGREEMENT will confirm the understandings among R.T VANDERBILT COMPANY, INC. (Company), WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION (Distributor), and TENNESSEE VALLEY AUTHORITY (TVA) with respect to Company's participation in the Valley Investment Initiative for Existing Customers (VII-E) being jointly conducted by Distributor and TVA.

It is understood and agreed that:

SECTION 1 - DEFINITIONS AND ELIGIBILITY REQUIREMENTS

1.1 **Definitions.** Except as otherwise provided below, underlined terms used in this agreement are defined in Company's "Valley Investment Initiative for Existing Customers VII-E Award Application" (VII-E Award Application) which is attached to and made a part of this agreement.

1.1.1 Notwithstanding A.1.12 of Attachment 1 to the VII-E Award Application, Meter Data shall mean Plant interval data during Peak Hours and other Plant power use data necessary to calculate the following:

- (a) total Plant kWh usage and highest Total Metered Demand for each month of the Evaluation Period,
- (b) Annual Load Factor,
- (c) Coincident Load Factor.

1.1.2 Notwithstanding A.1.16 of Attachment 1 to the VII-E Award Application, Plant shall mean all (a) physical personal property and (b) things attached, annexed, or fixed to the Customer's real property (such as Customer's building) that are (1) used in Customer's trade or business characterized by the same NAICS code(s), (2) depreciable for federal income tax purposes, and (3) located on contiguous real property in the TVA service area.

1.2 **Eligibility Requirements.** It is expressly recognized that in determining Company's initial and continued eligibility for participation in VII, the following applies:

1.2.1 Section A.2.2 of Attachment 2 of the VII-E Award Application is replaced with the following:

Contractual Requirements. A Customer's power supply contract(s) for power supplied to its Plant must provide for the Customer to purchase firm power for a

term of at least 66 months from the date of submission of the Customer's completed VII-E Award Application under a general service rate schedule or a manufacturing service rate schedule, or any replacement schedule of the general service or manufacturing service rate schedule. The power supply contract(s) may include a pricing overlay under a separate agreement implementing a TVA-approved program, subject to all of the standard terms and conditions under which the program is offered.

1.2.2 Section A.2.8 of Attachment 2 of the VII-E Award Application is replaced with the following:

Financial Review. A Qualifying Customer must be determined by TVA to be financially viable. In order to facilitate TVA's evaluation of a Customer's financial condition, a Customer will provide, upon request by TVA: (i) copies of Customer's commercial credit ratings, where "commercial credit ratings" shall mean an estimate of creditworthiness as assigned by a recognized rating agency (such as Standard & Poor's, Moody's Investor Services, Inc. or Fitch Ratings) to a rated entity's unsecured, senior long-term debt obligations; and (ii) a copy of Customer's three most recent annual reports containing consolidated financial statements and its most recent quarterly report containing financial statements; and (iii) such different or additional financial information as TVA may from time to time request for TVA's use in evaluating Customer's financial condition. The financial statements to be provided by Customer shall be prepared in accordance with generally accepted accounting principles.

A Customer may provide the commercial credit ratings and/or financial statements requested in subsection (i) above for a parent entity of Customer, if Customer-level ratings and statements are not available. Such a Customer must certify that Customer is a wholly owned subsidiary of the parent entity and Customer's financial information is consolidated within the financial statements of the parent entity.

TVA will consider a Customer financially unviable and ineligible for VII under the following conditions:

- (a) Customer or Customer's parent entity is reorganizing or winding down in bankruptcy as of the date it submits a VII-E Award Application;
- (b) Customer's risk levels exceed allowable levels as solely determined by TVA; or
- (c) Customer fails to provide adequate power contract performance assurance as required by TVA or Distributor.

1.2.3 Section A.2.9 of Attachment 2 of the VII-E Award Application is replaced with the following:

Meter Data. A Qualifying Plant must have metering in place capable of recording Plant interval data during Peak Hours and other Plant power use data necessary to calculate the VII Metrics. A Qualifying Customer must have arrangements in place with TVA and/or Customer's Distributor to provide for

the collection, processing (if any), and transmission to TVA of all Plant Meter Data and corresponding VII Metrics.

SECTION 2 - TERM

This agreement shall become effective on the date first written above (Effective Date), and shall continue in effect through the end of the Award Period described below, except that the provisions of sections 3.2, 6.2, 7.3, 7.4, 9.3, and 10 below shall continue in effect until the obligations of the parties under them are fulfilled.

SECTION 3 - ELIGIBILITY FOR VII-E

3.1 Company's Certification. Company's eligibility for the VII-E award provided for in section 4 below is based on TVA's determination that Company meets the criteria of a Qualifying Customer at Company's Qualifying Plant. It is expressly recognized that such determination is based on information provided and certified by Company in the VII-E Award Application.

3.2 Access to Records. Company shall keep and make available accurate records and books of accounts related to Company's VII Metrics, as well as data to support compliance with the terms and conditions of this agreement. Company shall allow Distributor, TVA, and their agents and employees, free access, at any time during normal working hours and upon reasonable notice, to all such books, records, and other documents of Company until the completion of all close-out procedures respecting this agreement and the final settlement and conclusion of all issues arising out of this agreement.

SECTION 4 - VII-E AWARDS

Based on Company's projections and the information contained in the VII-E Award Application, Company will be eligible to receive a VII-E award in the form of monthly credits on Company's power bill (Bill Credits) for a 5-year Award Period, beginning on November 10, 2010. Except as otherwise provided below, Distributor shall apply the monthly Bill Credits for each year of the 5-year period in amounts equal to 1/12 of the Maximum Annual Award amounts set out in the table below.

Year	Maximum Annual Award
1	\$129,416.32
2	\$112,535.93
3	\$95,655.54
4	\$78,775.15
5	\$61,894.76

In the event that Company receives more than one power bill in any month for its Qualifying Plant, a pro rata portion of the Bill Credit will be applied to each power bill in proportion to the total retail amount of each power bill. Company shall not be eligible for and will not earn or receive any Bill Credits for any amount that exceeds the amount of Company's monthly power bill(s) attributable to Company's Qualifying Plant in any given month.

SECTION 5 - REPORTING BY COMPANY

5.1 Annual Reporting. Within 30 days after the first 12 months of Company's Evaluation Period, and within 30 days after each 12-month period of the Evaluation Period thereafter, Company shall provide TVA a report certified by Company's duly authorized officer (Annual Certification), and verified by Distributor pursuant to section 6.1 below, showing Company's VII Metrics for the previous year. The Annual Certification shall be in a form furnished by TVA.

5.2 Continuing Reporting Obligation. Company shall immediately notify Distributor and TVA of any material changes in the information provided in its VII-E Award Application or its Annual Certifications. Upon receipt of such notice, TVA may at that time calculate an Adjusted Award pursuant to section 7 below.

SECTION 6 - DATA SUPPLIED BY DISTRIBUTOR

6.1 Annual Certification. It is recognized that Company's eligibility to receive the Bill Credits provided for in this agreement is based on information provided by Company and, where applicable, verified by Distributor in Company's VII-E Award Application and Annual Certifications. Distributor shall review Company's Annual Certification each year and, where requested by TVA, shall certify the accuracy of certain items, including:

- (a) Company's payment history under its power supply contract with Distributor,
- (b) total kWh usage and highest Total Metered Demand of Company's Qualifying Plant for each of the previous 12 months,
- (c) total kWh usage of Company's Qualifying Plant during Peak Hours,
- (d) whether Company's Qualifying Plant is a Nonconforming Load, and
- (e) Company's Annual Base Charges.

6.2 Monthly Data. It is recognized that Distributor may be responsible for providing and maintaining metering facilities which are capable of recording the data specified in items (b) and (c) above. If requested by TVA, Distributor shall make available to TVA any such meter data necessary for TVA to verify Company's eligibility for participation in VII-E or calculate Bill Credits under this agreement. Distributor shall also furnish to TVA a copy of Company's power bill each month, which shall itemize the amount of any Bill Credit for that month, and any other information related to Company's eligibility for and participation in VII-E as TVA may reasonably request.

6.3 Other Information. Distributor shall promptly notify TVA if Company materially breaches the power supply contract under which power is supplied to Company's Qualifying Plant or materially breaches any overlay, supplement, or amendment to that contract, such that Distributor either suspends or terminates power supply, or suspends or terminates any product or other arrangements made available as an overlay, supplement, or amendment to the power supply contract.

SECTION 7 - AWARD ADJUSTMENT AND RECOVERY

7.1 Annual Award Adjustments. Each year, and immediately upon receipt of any notice pursuant to section 5.2 above, TVA will calculate adjusted Maximum Annual Awards

(Adjusted Awards) for the Evaluation Period. The Adjusted Awards will be calculated by applying the VII Metrics provided in Company's Annual Certification or notice to the same formula that was used in calculating the Maximum Annual Awards set out in the tabulation in section 4 above, except that if the Annual Base Charges for the previous year are at least 80% of the Annual Base Charges for the Base Year, the Base Year's Annual Base Charges will be used in the calculation. If the Adjusted Awards are less than the Maximum Annual Awards for those years set out in section 4 above, the sum of Company's monthly Bill Credits in the remaining Award Period years will be equal to the Adjusted Awards for the remaining Award Period minus the difference between the monthly Bill Credits Company received and the amount that the Bill Credits would have been if they had been calculated using the VII Metrics provided in Company's Annual Certification or notice. Notwithstanding TVA's calculation of Adjusted Awards, it is expressly recognized that Company shall neither earn nor receive in any month Bill Credits greater than 1/12 the Maximum Annual Awards set out above.

7.2 Disqualification. During the term of this agreement, TVA will use Company's VII Metrics and other information available to TVA during the Evaluation Period and Award Period to determine whether Company remains eligible to participate in VII-E. If at any time during the term of this agreement TVA determines that Company ceases to qualify for VII-E, the Bill Credits provided under section 4 above shall be discontinued. At such time, if any, during the Award Period that Company provides certification that it again meets the VII-E eligibility requirements set forth in the VII-E Award Application, the Bill Credits will resume. Company shall not be eligible for and will not earn or receive any Bill Credits for those periods when it does not qualify for VII-E.

7.3 Award Recovery. Company shall not be eligible to receive Bill Credits under section 4 above if at any time any of the following occurs:

- (a) Company provides materially false information on its VII-E Award Application or Annual Certifications;
- (b) Company fails to notify TVA of material changes in information provided in its VII-E Award Application or Annual Certification;
- (c) Company materially breaches the power supply contract under which power is supplied to Company's Qualifying Plant or materially breaches any overlay, supplement, or amendment to that contract, such that Distributor either suspends or terminates power supply, or suspends or terminates any product or other arrangements made available as an overlay, supplement, or amendment to the power supply contract;
- (d) Company's power supply contract otherwise expires or is terminated without being renewed or replaced by a power supply contract meeting the requirements of the VII-E Award Application; or
- (e) Company ceases commercial operation of its Qualifying Plant.

If any of the events identified in (a) – (e) above occur, this agreement shall be deemed to have automatically terminated as of the date of said occurrence, and promptly upon receipt of an invoice, Company shall immediately pay to Distributor any and all award amounts paid to Company during any period when Company was ineligible to receive Bill Credits as well as any and all award amounts in excess of those to which Company was entitled based on its actual VII Metrics.

7.4 Final Adjustment and Recovery. Upon receipt of Company's final Annual Certification and calculation of the corresponding Adjusted Award, Company's remaining monthly Bill Credits will be reduced by the difference between the monthly Bill Credits Company received and the amount that the Bill Credits would have been if they had been calculated using the VII Metrics provided in Company's final Annual Certification. In the event that the remaining Bill Credits are insufficient to recover the difference, Company shall immediately pay to Distributor the unrecovered balance of the difference.

SECTION 8 - ENHANCED GROWTH CREDIT

It is understood and agreed that Company and Distributor shall not enter into an Enhanced Growth Credit (EGC) participation agreement during the term of this agreement.

SECTION 9 - WHOLESALE ADJUSTMENTS

9.1 Company Credit. Each month Distributor shall apply the Bill Credit to Company's power bill. TVA shall notify Distributor of (a) any adjustment to the Bill Credits provided for under section 7.1 of this agreement and (b) any discontinuance of Bill Credits in accordance with sections 7.2, 7.3, or 7.4 of this agreement.

9.2 Distributor Credit. TVA will apply a monthly credit to Distributor's wholesale power bill equal to the Bill Credit applied by Distributor to Company's bill in that month.

9.3 Award Recovery. In the event that under the provisions of section 7.3 of this agreement it is determined that Company received Bill Credits for which it was not eligible, Distributor and TVA shall fully cooperate in (a) endeavoring to collect from Company any amounts due under said sections 7.3 and/or 7.4 and (b) making appropriate adjustments to Distributor's wholesale power bill to pass through to TVA amounts collected from Company. The obligations of this paragraph shall survive any expiration or termination of the VII-E Participation Agreement until they are discharged.

SECTION 10 - CONFIDENTIALITY

It is expressly recognized that the VII-E Award Application and the Annual Certification are the property of TVA and are not intended for further distribution. Except as may be otherwise required by law, (a) Company shall not disclose those documents or their contents except to TVA or Distributor and (b) TVA and Distributor will not disclose confidential information provided by Company in those documents or confidential information provided pursuant to 3.2 above without Company's consent.

SECTION 11 - NOTICES

11.1 Persons to Receive Notice. Any notice required by this agreement shall be deemed properly given if delivered in writing to the address specified below: (a) personally, (b) by recognized overnight courier service, or (c) by United States Mail, postage prepaid.

To TVA:

Jared E. Mitchem
Valley Investment Manager
TVA Economic Development
26 Century Blvd., Suite 100 OCP 2
Nashville, Tennessee 37214

To Company:

Richard Vonnahme
Executive Vice President/General Manager
R.T Vanderbilt Company, Inc
396 Pella Way
Murray, Kentucky 42071

To Distributor:

President & CEO
West Kentucky Rural Electric Cooperative Corporation
Post Office Box 589
Mayfield, Kentucky 42066-0589

11.2 Changes in Persons to Receive Notice. The designation of the person to be so notified, or the address of such person, may be changed at any time and from time to time by any party by similar notice.

SECTION 12 - WAIVERS

A waiver of one or more defaults shall not be considered a waiver of any other or subsequent default.

SECTION 13 - APPLICATION CORRECTION

Annual Base Charges. Notwithstanding the information provided by Company on page 2 of the attached VII-E Award Application, the parties acknowledge and agree that proper value of the Annual Base Charges for the Plant for the twelve months prior to the date of the VII-E Award Application is \$726,038.27.

SECTION 14 - ENTIRE AGREEMENT

All terms and conditions with respect to this agreement are expressly contained herein and Company agrees that no representative or agent of TVA or Distributor has made any representation or promise with respect to this agreement not expressly contained herein.

SECTION 15 - SUCCESSORS AND ASSIGNS

This agreement may be assigned by TVA, but shall not be assignable by Company or Distributor without written consent of TVA.

IN WITNESS WHEREOF, the parties have caused this agreement to be executed by their duly authorized representatives, as of the day and year first above written.

R.T VANDERBILT COMPANY, INC.

By *R.H. Vonnahme*
Title: *Exec. V.P. & Gen. Mgr.*

**WEST KENTUCKY RURAL ELECTRIC
COOPERATIVE CORPORATION**

By *David E. Smart*
Title: *President & CEO*

TENNESSEE VALLEY AUTHORITY

By *K.L. Beeder*
Executive Vice President
Customer Relations

**VALLEY INVESTMENT INITIATIVE FOR EXISTING CUSTOMERS
VII-E AWARD APPLICATION**

Please provide the following information and sign the certification below to apply for a Valley Investment Initiative Award. See Attachments 1 and 2 for definitions of relevant terms. The Evaluation Period for any Award based upon this application begins on the date of this VII-E Award Application. Your projections must be based upon such an Evaluation Period. Your distributor of TVA power must verify the items indicated before your VII-E Award Application is submitted to TVA. TVA reserves the right to request additional information to supplement this VII-E Award Application.

1. Customer Name: R.T. Vanderbilt Company, Inc.
2. Customer DUNS Number: 053350229
3. Plant Location: 396 Pella Way, Murray, Calloway, KY, 42071
4. Distributor of TVA power to Customer's Plant: West Kentucky Rural Electric
5. Physical Description of the Plant: Chemical/Mineral Production
6. Project Name/Description: Chemical/Mineral Expansion
7. Plant's NAICS code: Chem. Pri. 325199 Chem. Sec. 325188 Mineral Pri. 32799
8. Did the Plant have peak monthly demand of 250kW or greater in each of the last 12 months? YES NO Distributor verified: RM
If yes, what was the average monthly peak demand? 1380.2
9. Did the Customer have 25 or more Plant Full-Time Equivalent Employees (FTEs) in each of the previous 12 months? YES NO If yes, what was the average number of FTE's in the previous 12 months? 70
10. Does the Customer have any plans to reduce the number of FTE's at the Plant by 50% or more during five-year Evaluation Period? YES NO
11. Is the Customer projecting 25% Total Capital Investment in its Plant (as a percentage of Plant Book Value) over the five-year VII-E Evaluation Period with at least 5% in Year 1 and at least 3% per year in Years 2-4? YES NO
12. Power Contracts serving Customer's Plant: Standard Contract Dated 11/24/2003
Distributor verified:RM

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: RM
If no, will the Customer, within the next 180 days, make the contractual commitment necessary to purchase firm power for the Plant from Distributor for a term to end no earlier than 66 months from the date of submission of a completed VII-E Award Application? YES NO Distributor verified: RM
14. Does the Customer have half-hour interval metering in place at the Plant? YES NO
Distributor verified: RM
If no, will the Customer have such metering installed in the next 180 days and arrangements in place for reading and reporting meter data to TVA? YES NO
Distributor verified:
15. Is the Customer presently complying with the performance assurance provisions of its standard firm power contract? YES NO
Distributor verified: RM
16. What were Annual Base Charges for the Plant for the previous twelve months? \$
703894.24
Distributor verified: RM
17. What is the Plant's Book Value? \$ 6250000.00
18. Award Payment Options (select one): Decreasing Flat Increasing

TVA RESTRICTED INFORMATION:

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19. What are the Customer's projections for the Plant in the following categories:

	Year 1	Year 2	Year 3	Year 4	Year 5
Annual Capital Investment	\$ 11900000	\$ 6700000	\$ 1600000	\$ 50000	\$ 50000
Annual Energy Efficiency Improvement	0 %	0 %	0 %	0 %	0 %
Average Full-Time Equivalent Employees	77	77	81	85	89
Customer Average Wage	\$ 51554.00	\$ 52585.00	\$ 53637.00	\$ 54710.00	\$ 55804.00
Annual Load Factor	80 %	80 %	80 %	80 %	80 %
Coincident Load Factor	91 %	91 %	91 %	91 %	91 %

Required Documentation:

- Energy Efficiency Improvement Description:

Provide with this VII-E Award Application documentation describing the discrete, verifiable Energy Efficiency Improvement measures Customer intends to implement at the Plant and setting forth calculations which support the projected per cent Energy Efficiency Improvements based upon those measures.

- Billing Documents

Provide with this VII-E Award Application copies of Customer's power bills for the 12-month period preceding the date of this Award Application.

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• Financial Documents:

Provide with this VII-E Award Application copies of Customer-level financial statements, if available. If Customer-level statements are not available, provide copies of financial statements for a parent entity of Customer. "Financial documents" means the most recent quarterly report and the three most recent annual statements containing consolidated financial statements.

If Customer has chosen to provide parent entity financial statements, Customer certifies that Customer is a wholly owned subsidiary of the parent entity and Customer's financial information is consolidated within the financial statements of the parent entity.

I, Richard Vonnahme, am an authorized representative of Customer, and I certify to TVA that the above information is true and correct.

Richard Vonnahme
Signature

Exec. V. P. + Gen. Mgr.
Title

RICHARD VONNAHME
Printed

5/5/2010
Date

I, David E. Smart, am an authorized representative of Distributor, and I certify to TVA that the information verified above is true and correct.

David E. Smart
Signature

President + CEO
Title

David E. Smart
Printed

5/10/10
Date

TVA RESTRICTED INFORMATION:

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Attachment 1
Definitions

- A.1.1 "Annual Average Demand" shall mean for any 12-month period the kW amount calculated by dividing a Plant's total kWh usage during that period by the total number of clock hours in the period.
- A.1.2 "Annual Base Charges" shall mean for any 12-month period the sum of customer charge, demand charges, and energy charges under the applicable Rate Schedule and Adjustment Addendum (if any) during that period which are attributable to a Customer's Qualifying Plant; provided, however, that in calculating the Annual Base Charges, any portion of the energy charge designated as fuel costs shall be excluded, and the Annual Base Charges shall be reduced by the amount of any credits attributable to a Customer's Qualifying Plant which the Customer received under any contract overlays, credit programs, and/or any award programs offered by TVA and/or Distributor during that period.
- A.1.3 "Annual Load Factor" shall mean the percentage calculated by dividing a Plant's total metered energy for any year by the product of the highest Total Metered Demand for that year and the number of clock hours in that year.
- A.1.4 "Award Period" shall mean the period from the first billing period in which a Customer is scheduled to receive a VII Bill Credit through the 5th anniversary of said billing period.
- A.1.5 "Base Year" shall mean the 12-month period immediately preceding the date a Customer submits a VII-E Award Application.
- A.1.6 "Coincident Load Factor" shall mean for any 12-month period the percentage calculated by dividing the Annual Average Demand for that period by the Peak Period Average Demand for that period.
- A.1.7 "Customer" shall mean a customer purchasing power for its Plant from TVA or a distributor of TVA power under a written power supply contract(s).
- A.1.8 "Customer Average Wage" shall mean the Customer's total annual payroll (minus benefits) for Full-Time Equivalent Employees divided by the number of Full-Time Equivalent Employees.
- A.1.9 "Energy Efficiency Improvement" shall mean the projected percentage improvement during the Evaluation Period in a Plant's Energy Efficiency Measurement (as defined below) resulting from the implementation of either building improvements (Commercial Metric) or process-based improvements (Manufacturing Metric) at the Plant. The projected improvement in the Energy Efficiency Measurement will be based on calculations either performed or approved by TVA.

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The Energy Efficiency Measurement to be used in determining the Commercial Metric is the Customer's annual kWh usage per square foot of Plant area. The Energy Efficiency Measurement to be used in determining the Manufacturing Metric is the measurement submitted by the Customer and approved by TVA. This measurement may be the Plant's annual kWh usage per unit of plant output, the total Btu energy usage per unit of plant output, the ratio of the Plant's annual kWh usage and the Customer Average Wage, or such other measurement that is approved by TVA.

- A.1.10 "Evaluation Period" shall mean the period from the date of submission of a Customer's completed VII-E Award Application through the 5th anniversary of said date.
- A.1.11 "Full-Time Equivalent Employee" for any month shall mean the sum of (a) the number of full-time on-site Plant employees and contractors of a Customer who spend 100% of their work time on Plant-related matters in that month and (b) a number equal to the sum of total hours worked on Plant-related matters in that month by (i) full-time on-site Plant employees of Customer who spend less than 100% of their work time on Plant-related matters and (ii) part-time on-site Plant employees of Customer divided by the number of work hours in that month (based on an 8-hour work day, Monday through Friday).
- A.1.12 "Meter Data" shall mean Plant half-hourly interval data during Peak Hours and other Plant power use data necessary to calculate the following:
- (a) total Plant kWh usage and highest Total Metered Demand for each month of the Evaluation Period,
 - (b) Annual Load Factor,
 - (c) Coincident Load Factor.
- A.1.13 "Nonconforming Loads" as currently defined, shall mean electrical loads with one or more of the following characteristics:
- (a) expected load swings of approximately 50 MW or more and ramp rates of approximately 10 MW or more per minute,
 - (b) loads with expected daily reactive power ramp rates of 50 MVAR or more per minute,
 - (c) loads known to create voltage flicker exceeding the limits set out in the Institute of Electrical and Electronics Engineers (IEEE) Standard 1453, or
 - (d) loads known to create harmonic current distortions exceeding the limits set out in IEEE Standard 519.

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- A.1.14 "Peak Hours" shall mean from 13:00:00 to 18:59:59 Central Prevailing Time (CPT) during the calendar months of July and August; provided, however, that Peak Hours shall not include hours that fall on Saturdays, Sundays, or Independence Day.
- A.1.15 "Peak Period Average Demand" for any 12-month period shall mean the kW amount calculated by dividing a Plant's total kWh usage during the Peak Hours of that 12-month period by the total number of those Peak Hours.
- A.1.16 "Plant" shall mean all physical personal property and fixtures used in the Customer's trade or business characterized by the same NAICS code(s) that is depreciable for federal income tax purposes and which is affixed to contiguous real property in the TVA service area.
- A.1.17 "Plant Book Value" shall mean the most recent depreciated value of a Customer's Plant for Federal income tax purposes.
- A.1.18 "Qualifying Customer" shall mean a Customer that submits a VII-E Award Application and is found by TVA to meet the Customer eligibility requirements.
- A.1.19 "Qualifying Plant" shall mean a Plant for which a Customer has submitted a VII-E Award Application and is found by TVA to meet the Plant eligibility requirements.
- A.1.20 "Total Metered Demand" shall mean the average during any 30-consecutive-minute period beginning or ending on a clock hour of the total load at the Customer's Plant measured in kW.
- A.1.21 "Total Capital Investment" shall mean the sum of all projected Plant investments during the Evaluation Period which Customer intends to depreciate for Federal income tax purposes.
- A.1.22 "VII Metrics" shall mean the information necessary for TVA to determine a Qualifying Customer's monthly award under the VII Program. For any year, the VII Metrics shall include that year's:
- (a) Annual Base Charges,
 - (b) total Plant kWh usage and highest Total Metered Demand for each month,
 - (c) contribution towards the Total Capital Investment,
 - (d) completed Energy Efficiency Improvements identified in Customer's VII-E Award Application,
 - (e) average number of Full-Time Equivalent Employees,
 - (f) Customer Average Wage,
 - (g) Annual Load Factor, and
 - (h) Coincident Load Factor.

The VII Metrics shall be based on the most current data available and certified by Customer's duly authorized officer.

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Attachment 2
Eligibility

- A.2.1 A Qualifying Customer with a Qualifying Plant will be eligible for a VII award.
- A.2.2 Contractual Requirements. A Customer's power supply contract(s) for power supplied to its Plant must provide for the Customer to purchase firm power for a term of at least five years from the date of submission of the Customer's completed VII-E Award Application under a general service rate schedule or a manufacturing service rate schedule, or any replacement schedule of the general service or manufacturing service rate schedule. The power supply contract(s) may include a pricing overlay under a separate agreement implementing a TVA-approved program, subject to all of the standard terms and conditions under which the program is offered.
- A.2.3 Minimum Demand Requirements. A Customer must establish a Total Metered Demand of at least 250 kW in each of the 12 billing months preceding the effective date of its Valley Investment Initiative Participation Agreement (VII Participation Agreement). Further, a Customer will not be eligible to receive a monthly award under the VII Participation Agreement, in any month where the Total Metered Demand is not at least 250 kW.
- A.2.4 Minimum Capital Investment. A Customer must make a Total Capital Investment of at least 25 percent of its Plant Book Value, including capital investment of at least
- (a) 5 percent of its Plant Book Value during the first year,
 - (b) 8 percent of its Plant Book Value during the first two years,
 - (c) 11 percent of its Plant Book Value during the first three years,
 - (d) 14 percent of its Plant Book Value during the first four years, and
 - (e) 25 percent of its Plant Book Value during the first five years
- of the Customer's Evaluation Period.
- A.2.5 Minimum Workforce Requirements. A Customer must employ at least 25 Full-Time Equivalent Employees during each month of the Customer's Base Year and in each month during the Evaluation Period. Further, a Customer that eliminates, or projects the elimination of, 50% or more of its Full-Time Equivalent Employees during the Evaluation Period shall not be a Qualifying Customer.
- A.2.6 Nonconforming Loads. A Plant with Nonconforming Load characteristics shall not be a Qualifying Plant.
- A.2.7 Ineligible Industry Sectors. A Plant where the major use of electricity is for activities which are classified with one of the following North American Industry Classification System (NAICS) codes shall not be a Qualifying Plant:

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Sector	Related NAICS
Agriculture, Forestry, Fishing, and Hunting	11
Mining	21
Utilities	22
Construction	23
Retail Trade	44-45
Transportation	48, 491, 492
Real Estate and Rental and Leasing	53
Administrative and Support and Waste Management and Remediation Services	56
Educational Services	61
Health care and Social Assistance	62
Arts, Entertainment, and Recreation	71
Accommodations and Food Service	72
Other Services	81
Public Administration	92

Provided however that a Plant where the major use of electricity is for activities within an excluded NAICS code may participate in the program if the Customer and Plant under the following conditions:

- a. The Plant's sub-sector industry multiplier and Customer Average Wage exceed the Valley average;
- b. The Customer provides documentation demonstrating economic development support and/or incentives being provided by state and/or local economic development partners; and
- c. TVA's VII Committee determines that the customer meets the above requirements, other VII qualification criteria, and programmatic intent.

A.2.8 Financial Review. A Qualifying Customer must be determined by TVA to be financially sound. In order to facilitate TVA's evaluation of a Customer's financial condition, a Customer will provide: (i) a copy of Customer's three most recent annual reports containing consolidated financial statements and its most recent quarterly report containing consolidated financial statements; and (ii) such different or additional financial information as TVA may from time to time request for TVA's use in evaluating Customer's financial condition. The statements to be provided by Customer shall be prepared in accordance with generally accepted accounting principles.

A Customer may provide the statements requested in subsection (i) above for a parent entity of Customer, if Customer-level statements are not available. Such a Customer must certify that Customer is a wholly owned subsidiary of the parent entity and

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Customer's financial information is consolidated within the financial statements of the parent entity.

TVA will consider a Customer financially unsound and ineligible for the VII program under the following conditions:

- (a) Customer or Customer's parent entity is reorganizing or winding down in bankruptcy as of the date it submits a VII-E Award Application;
- (b) Customer's risk levels exceed allowable levels as solely determined by TVA; or
- (c) Customer fails to provide adequate power contract performance assurance as required by TVA.

A.2.9 Meter Data. A Qualifying Plant must have metering in place capable of recording Plant half-hourly interval data during Peak Hours and other Plant power use data necessary to calculate the VII Metrics. A Qualifying Customer must have arrangements in place with TVA and/or Customer's Distributor to provide for the collection, processing (if any), and transmission to TVA of all Plant Meter Data and corresponding VII Metrics.

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Attachment 3
Worksheets

Load Factor

1. Annual Plant total metered energy: _____ kWh
2. Highest Plant 30-minute average demand for the year: _____ kW
3. Multiply line 2 by 8760 hours* = _____ kWh
4. Divide line 1 by the result from line 3 = _____%

Coincident Load Factor

1. Annual Plant total metered energy: _____ kWh
2. Divide line 1 by 8760 hours* = _____ kW
3. Average demand during Peak Hours: _____ kW
4. Divide the result from line 2 by the amount from line 3 = _____%

*For Leap Years, use 8784 hours.

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AMENDATORY AGREEMENT
Between
WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION
And
TENNESSEE VALLEY AUTHORITY

Date: February 28, 2011

TV-59577A, Supp. No. 77

THIS AGREEMENT, made and entered into by and between WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION (Distributor), a cooperative corporation created and existing under and by virtue of the laws of the Commonwealth of Kentucky, and TENNESSEE VALLEY AUTHORITY (TVA), a corporation created and existing under and by virtue of the Tennessee Valley Authority Act of 1933, as amended (TVA Act);

W I T N E S S E T H:

WHEREAS, Distributor and TVA have entered into a contract dated April 26, 1982 as amended (Power Contract), under which Distributor purchases its entire requirements for electric power and energy from TVA for resale; and

WHEREAS, Distributor and TVA have entered into a contract dated December 17, 2001 (ESDP Agreement), under which Distributor participates in the Enhanced Security Deposit Program (Enhanced Program); and

WHEREAS, TVA has given Distributor notice that effective March 1, 2011, the ESDP Agreement will terminate; and

WHEREAS, notwithstanding such notice of termination and in lieu of the ESDP Agreement terminating pursuant to it, the parties wish to supplement and amend the ESDP Agreement to provide for the ESDP Agreement to remain in effect to the limited extent described below in this agreement;

NOW, THEREFORE, for and in consideration of the premises and of the mutual agreements set forth below, and subject to the TVA Act, the parties mutually agree as follows:

SECTION 1 - ESDP AGREEMENT AMENDED

Effective March 1, 2011, the provisions of the ESDP Agreement shall terminate except with respect to Distributor's Enhanced Program Insured Accounts in effect on that date (Existing Accounts). Continued coverage for said Existing Accounts shall otherwise remain subject to all terms and conditions of the ESDP Agreement as it is amended and supplemented by the provisions of section 2 through 7 below.

SECTION 2 - NEW ACCOUNTS

It is expressly recognized and agreed that effective March 1, 2011, the provisions of Article III of the ESDP Agreement, providing for the nomination of new accounts, shall be of no further force and effect. Accordingly, on and after that date, no new accounts may be enrolled for coverage under the ESDP Agreement.

SECTION 3 - EARLY TERMINATION

Section 6.2 of the ESDP Agreement is replaced by the following:

Either party may terminate this agreement at any time upon sixty (60) days' written notice.

SECTION 4 - PREMIUM CONTRIBUTION FOR EXISTING ACCOUNTS

Effective October 1, 2011, for the TVA Fiscal Year that begins on that date and for subsequent TVA Fiscal Years, Distributor shall be responsible for twenty percent (20%) of the total annual cost of the premiums for coverage for its Existing Accounts (Premium Contribution). TVA shall annually invoice Distributor for the Premium Contribution by adding the amount due to Distributor's power invoice each December.

It is expressly recognized and agreed that Distributor, at its election, may require its Existing Accounts to pay or reimburse Distributor for the portion of the Premium Contribution attributable to each such account.

SECTION 5 - ANNUAL EXISTING ACCOUNTS CERTIFICATION

By October 1, 2011, and by October 1 each year thereafter, Distributor shall complete and submit to TVA the form designated by TVA for the purpose of confirming the Existing Accounts that Distributor wishes to continue to have covered under the ESDP Agreement.

SECTION 6 - WHOLESALE PORTION CALCULATION AFTER APRIL 2011 RATE CHANGE

It is expressly recognized that after the April 2011 Rate Change, TVA will no longer have the requisite data necessary to calculate the Wholesale Portion of its retail bill for certain Existing Accounts. Accordingly, for any months after March 31, 2011, for which the Wholesale Portion must be calculated under sections 5.3.2, 5.5, and 5.6.2 of the ESDP Agreement, TVA will require and Distributor shall provide (except as provided in the following sentence) full hourly interval load data (kW and kWh) for each such Existing Account (in a format acceptable to TVA) in order for TVA to be able to calculate such Existing Account's contribution to the wholesale bill. If Distributor does not have the capability to provide such hourly data, such Wholesale Portion will be deemed to be 90 percent of the retail demand and energy charges.

SECTION 7 - ESDP AGREEMENT AFFIRMED

Except as expressly set out above, nothing in this agreement shall affect the other terms of the ESDP Agreement.

IN WITNESS WHEREOF, the parties to this agreement have caused it to be executed by their duly authorized representatives, as of the day and year first above written.

**WEST KENTUCKY RURAL ELECTRIC
COOPERATIVE CORPORATION**

By David E. Smart
Title: President & CEO

TENNESSEE VALLEY AUTHORITY

By K. Beeden
Executive Vice President
Customer Relations



Tennessee Valley Authority, 400 West Summit Hill Drive, WT-3D, Knoxville, Tennessee 37902

September 20, 2010

TV-59577A, Supp. No. 78

Mr. David Smart, President/CEO
West Kentucky Rural Electric
Cooperative Corporation
Post Office Box 589
Mayfield, Kentucky 42066-0589

Dear Mr. Smart,

This will confirm the arrangements developed between representatives of the West Kentucky Rural Electric Cooperative Corporation (Distributor) and Tennessee Valley Authority (TVA) with respect to supplementing and amending the wholesale power contract, dated April 26, 1982, as amended (Power Contract), between the parties to remove the 13-kV revenue metering installations at the Mayfield District Substation.

It is understood and agreed that:

1. The amounts of power and energy delivered to the Mayfield District 69-kV Substation and the Hickory Grove 69-kV Substation are combined on a simultaneous basis for billing purposes under the Power Contract, and the point of delivery specified in the Power Contract is the 69-kV side of the Hickory Grove 69-kV Substation.
2. Distributor will discontinue taking power and energy from the Mayfield District 69-kV Substation on or before October 1, 2010 (Effective Date), following the transfer of the loads served by Distributor from this substation to the Distributor's John Edd Walker 69-kV Substation.
3. As of the Effective Date, the Power Contract is hereby amended by striking all references to deliveries to Distributor at the Mayfield District 69-kV Substation and the 13-kV revenue metering installations used in determining such deliveries.

Mr. David Smart
September 20, 2010
Page 2

If this letter satisfactorily sets forth our understanding on this matter, please have a duly authorized representative sign both duplicate originals of this letter on behalf of distributor and return both fully signed originals to TVA's Mayfield Customer Service Center.

Sincerely,

Bradley D. Peters for

John G. Trawick
Senior Vice President
Commercial Operations and Pricing

Accepted and agreed to as of
the date first above written.

WEST KENTUCKY RURAL ELECTRIC
COOPERATIVE CORPORATION

By: *David E. Smart*
Title *President & CEO*

**VALLEY INVESTMENT INITIATIVE
PARTICIPATION AGREEMENT**
Among
**PELLA CORPORATION,
WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION,
And
TENNESSEE VALLEY AUTHORITY**

Date: 10/29/2010

VII Contract No. 3890

TV-59577A, Supp. No. 79

THIS AGREEMENT will confirm the understandings among PELLA CORPORATION (Company), WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION (Distributor), and TENNESSEE VALLEY AUTHORITY (TVA) with respect to Company's participation in the Valley Investment Initiative (VII) being jointly conducted by Distributor and TVA.

It is understood and agreed that:

SECTION 1 - DEFINITIONS

Underlined terms used in this agreement are defined in Company's "Valley Investment Initiative Award Application" (VII Award Application) which is attached to and made a part of this agreement.

SECTION 2 - TERM

This agreement shall become effective on the date first written above (Effective Date), and shall continue in effect through the end of the Award Period described below, except that the provisions of sections 3.2, 6.2, 7.3, 7.4, 9.3, and 10 below shall continue in effect until the obligations of the parties under them are fulfilled.

SECTION 3 - ELIGIBILITY FOR VII

3.1 Company's Certification. Company's eligibility for the VII award provided for in section 4 below is based on TVA's determination that Company meets the criteria of a Qualifying Customer at Company's Qualifying Plant. It is expressly recognized that such determination is based on information provided and certified by Company in the VII Award Application.

3.2 Access to Records. Company shall keep and make available accurate records and books of accounts related to Company's VII Metrics, as well as data to support compliance with the terms and conditions of this agreement. Company shall allow Distributor, TVA, and their agents and employees, free access, at any time during normal working hours and upon reasonable notice, to all such books, records, and other documents of Company until the completion of all close-out procedures respecting this agreement and the final settlement and conclusion of all issues arising out of this agreement.

SECTION 4 - VII AWARDS

Based on Company's projections and the information contained in the VII Award Application, Company will be eligible to receive a VII award in the form of monthly credits on Company's power bill (Bill Credits) for a 5-year Award Period, beginning on January 22, 2011. Except as otherwise provided below, Distributor shall apply the monthly Bill Credits for each year of the 5-year period in amounts equal to 1/12 of the Maximum Annual Award amounts set out in the table below.

Year	Maximum Annual Award
1	\$102,842.72
2	\$102,842.72
3	\$102,842.72
4	\$102,842.72
5	\$102,842.72

In the event that Company receives more than one power bill in any month for its Qualifying Plant, a pro rata portion of the Bill Credit will be applied to each power bill in proportion to the total retail amount of each power bill. Company shall not be eligible for and will not earn or receive any Bill Credits for any amount that exceeds the amount of Company's monthly power bill(s) attributable to Company's Qualifying Plant in any given month.

SECTION 5 - REPORTING BY COMPANY

5.1 Annual Reporting. Within 30 days after the first 12 months of Company's Evaluation Period, and within 30 days after each 12-month period of the Evaluation Period thereafter, Company shall provide TVA a report certified by Company's duly authorized officer (Annual Certification), and verified by Distributor pursuant to section 6.1 below, showing Company's VII Metrics for the previous year. The Annual Certification shall be in a form furnished by TVA.

5.2 Continuing Reporting Obligation. Company shall immediately notify Distributor and TVA of any material changes in the information provided in its VII Award Application or its Annual Certifications. Upon receipt of such notice, TVA may at that time calculate an Adjusted Award pursuant to section 7 below.

SECTION 6 - DATA SUPPLIED BY DISTRIBUTOR

6.1 Annual Certification. It is recognized that Company's eligibility to receive the Bill Credits provided for in this agreement is based on information provided by Company and, where applicable, verified by Distributor in Company's VII Award Application and Annual Certifications. Distributor shall review Company's Annual Certification each year and, where requested by TVA, shall certify the accuracy of certain items, including:

- (a) Company's payment history under its power supply contract with Distributor,

- (b) total kWh usage and highest Total Metered Demand of Company's Qualifying Plant for each of the previous 12 months,
- (c) total kWh usage of Company's Qualifying Plant during Peak Hours, and
- (d) whether Company's Qualifying Plant is a Nonconforming Load..

6.2 Monthly Data. It is recognized that Distributor may be responsible for providing and maintaining metering facilities which are capable of recording the data specified in items (b) and (c) above. If requested by TVA, Distributor shall make available to TVA any such meter data necessary for TVA to verify Company's eligibility for participation in VII or calculate Bill Credits under this agreement. Distributor shall also furnish to TVA a copy of Company's power bill each month, which shall itemize the amount of any Bill Credit for that month, and any other information related to Company's eligibility for and participation in VII as TVA may reasonably request.

6.3 Other Information. Distributor shall promptly notify TVA if Company materially breaches the power supply contract under which power is supplied to Company's Qualifying Plant or materially breaches any overlay, supplement, or amendment to that contract, such that Distributor either suspends or terminates power supply, or suspends or terminates any product or other arrangements made available as an overlay, supplement, or amendment to the power supply contract.

SECTION 7 - AWARD ADJUSTMENT AND RECOVERY

7.1 Annual Award Adjustments. Each year, and immediately upon receipt of any notice pursuant to section 5.2 above, TVA will calculate adjusted Maximum Annual Awards (Adjusted Awards) for the Evaluation Period. The Adjusted Awards will be calculated by applying the VII Metrics provided in Company's Annual Certification or notice to the same formula that was used in calculating the Maximum Annual Awards set out in the tabulation in section 4 above, except that if the total kWh usage in the previous year is at least 80% of the total kWh usage for the Base Year, the monthly Total Metered Demand and kWh usage values from the Base Year will be used in the calculation. If the Adjusted Awards are less than the Maximum Annual Awards for those years set out in section 4 above, the sum of Company's monthly Bill Credits in the remaining Award Period years will be equal to the Adjusted Awards for the remaining Award Period minus the difference between the monthly Bill Credits Company received and the amount that the Bill Credits would have been if they had been calculated using the VII Metrics provided in Company's Annual Certification or notice. Notwithstanding TVA's calculation of Adjusted Awards, it is expressly recognized that Company shall neither earn nor receive in any month Bill Credits greater than 1/12 the Maximum Annual Awards set out above.

7.2 Disqualification. During the term of this agreement, TVA will use Company's VII Metrics and other information available to TVA during the Evaluation Period and Award Period to determine whether Company remains eligible to participate in VII. If at any time during the term of this agreement TVA determines that Company ceases to qualify for VII, the Bill Credits provided under section 4 above shall be discontinued. At such time, if any, during the Award Period that Company provides certification that it again meets the VII eligibility requirements set forth in the VII Award Application, the Bill Credits will resume. Company shall not be eligible for and will not earn or receive any Bill Credits for those periods when it does not qualify for VII.

7.3 Award Recovery. Company shall not be eligible to receive Bill Credits under section 4 above if at any time any of the following occurs:

- (a) Company provides materially false information on its VII Award Application or Annual Certifications;
- (b) Company fails to notify TVA of material changes in information provided in its VII Award Application or Annual Certification;
- (c) Company materially breaches the power supply contract under which power is supplied to Company's Qualifying Plant or materially breaches any overlay, supplement, or amendment to that contract, such that Distributor either suspends or terminates power supply, or suspends or terminates any product or other arrangements made available as an overlay, supplement, or amendment to the power supply contract;
- (d) Company's power supply contract otherwise expires or is terminated without being renewed or replaced by a power supply contract meeting the requirements of the VII Award Application; or
- (e) Company ceases commercial operation of its Qualifying Plant.

If any of the events identified in (a) – (e) above occur, this agreement shall be deemed to have automatically terminated as of the date of said occurrence, and promptly upon receipt of an invoice, Company shall immediately pay to Distributor any and all award amounts paid to Company during any period when Company was ineligible to receive Bill Credits as well as any and all award amounts in excess of those to which Company was entitled based on its actual VII Metrics.

7.4 Final Adjustment and Recovery. Upon receipt of Company's final Annual Certification and calculation of the corresponding Adjusted Award, Company's remaining monthly Bill Credits will be reduced by the difference between the monthly Bill Credits Company received and the amount that the Bill Credits would have been if they had been calculated using the VII Metrics provided in Company's final Annual Certification. In the event that the remaining Bill Credits are insufficient to recover the difference, Company shall immediately pay to Distributor the unrecovered balance of the difference.

SECTION 8 - ENHANCED GROWTH CREDIT

It is understood and agreed that Company and Distributor shall not enter into an Enhanced Growth Credit (EGC) participation agreement during the term of this agreement.

SECTION 9 - WHOLESALE ADJUSTMENTS

9.1 Company Credit. Each month Distributor shall apply the Bill Credit to Company's power bill. TVA shall notify Distributor of (a) any adjustment to the Bill Credits provided for under section 7.1 of this agreement and (b) any discontinuance of Bill Credits in accordance with sections 7.2, 7.3, or 7.4 of this agreement.

9.2 Distributor Credit. TVA will apply a monthly credit to Distributor's wholesale power bill equal to the Bill Credit applied by Distributor to Company's bill in that month.

9.3 Award Recovery. In the event that under the provisions of section 7.3 of this agreement it is determined that Company received Bill Credits for which it was not eligible, Distributor and TVA shall fully cooperate in (a) endeavoring to collect from Company any

amounts due under said sections 7.3 and/or 7.4 and (b) making appropriate adjustments to Distributor's wholesale power bill to pass through to TVA amounts collected from Company. The obligations of this paragraph shall survive any expiration or termination of the VII Participation Agreement until they are discharged.

SECTION 10 - CONFIDENTIALITY

It is expressly recognized that the VII Award Application and the Annual Certification are the property of TVA and are not intended for further distribution. Except as may be otherwise required by law, (a) Company shall not disclose those documents or their contents except to TVA or Distributor and (b) TVA and Distributor will not disclose confidential information provided by Company in those documents or confidential information provided pursuant to 3.2 above without Company's consent.

SECTION 11 - NOTICES

11.1 Persons to Receive Notice. Any notice required by this agreement shall be deemed properly given if delivered in writing to the address specified below: (a) personally, (b) by recognized overnight courier service, or (c) by United States Mail, postage prepaid.

To TVA:

Jared E. Mitchem
Valley Investment Manager
TVA Economic Development
26 Century Blvd., Suite 100 OCP 2
Nashville, TN 37214

To Company:

Emily Eisentrager
Assistant Controller
Pella Corporation
102 Main Street
Pella, IA 50219

To Distributor:

President/CEO
West Kentucky Rural Electric
Cooperative Corporation
Post Office Box 589
Mayfield, KY 42066-0589

11.2 Changes in Persons to Receive Notice. The designation of the person to be so notified, or the address of such person, may be changed at any time and from time to time by any party by similar notice.

SECTION 12 - WAIVERS

A waiver of one or more defaults shall not be considered a waiver of any other or subsequent default.

SECTION 13 - ENTIRE AGREEMENT

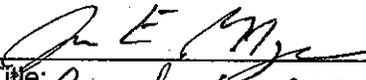
All terms and conditions with respect to this agreement are expressly contained herein and Company agrees that no representative or agent of TVA or Distributor has made any representation or promise with respect to this agreement not expressly contained herein.

SECTION 14 - SUCCESSORS AND ASSIGNS

This agreement may be assigned by TVA, but shall not be assignable by Company or Distributor without written consent of TVA.

IN WITNESS WHEREOF, the parties have caused this agreement to be executed by their duly authorized representatives, as of the day and year first above written.

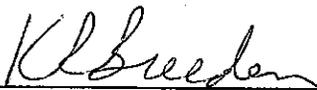
PELLA CORPORATION

By 
Title: President & CEO

**WEST KENTUCKY RURAL ELECTRIC
COOPERATIVE CORPORATION**

By 
Title: President & CEO

TENNESSEE VALLEY AUTHORITY

By 
Executive Vice President
Customer Relations

**VALLEY INVESTMENT INITIATIVE
(VII) AWARD APPLICATION**

Please provide the following information and sign the certification below to apply for a Valley Investment Initiative Award. See Attachments 1 and 2 for definitions of relevant terms. Your distributor of TVA power must verify the items indicated before your VII Award Application is submitted to TVA. The Evaluation Period for any Award based upon this application begins on the date TVA receives a complete, verified, and signed copy of this application with the accompanying "Required Documentation." Your projections must be based upon such an Evaluation Period. TVA reserves the right to request additional information to supplement this VII Award Application.

1. Customer Name: Pella Corporation

As stated in Attachment 1, "Customer" is the legal entity with a qualifying power contract. The company submitting this Application must be the same as the company purchasing power under a qualifying power contract.

2. Customer DUNS Number: 00-527-8502

3. Plant Location: 307 Pella Way, Murray, Calloway County, KY 42071

4. Person to Receive Notices related to any VII Award contract:

Emily Eisentrager
~~Assistant Controller~~
102 Main Street, Pella, IA 50219
~~641-621-3950~~

5. Distributor of TVA power to Customer's Plant: West Kentucky Rural Electric Cooperative

6. Physical Description of the Plant: Murray, Kentucky

7. Project Name/Description: 2010 Investment

8. Plant's NAICS code (at least three digits): 321210

9. Did the Customer have 25 or more Plant Full-Time Equivalent Employees (FTEs) in each of the previous 12 months? YES NO If yes, what was the average number of FTE's in the previous 12 months? 661

10. Does the Customer have any plans to reduce the number of FTE's at the Plant by 50% or more during five-year Evaluation Period? YES NO

11. Is the Customer projecting 25% Total Capital Investment in its Plant (as a percentage of Plant Book Value) over the five-year VII Evaluation Period with at least 5% in Year 1 and at least 3% per year in Years 2-4? YES NO

12. Power Contracts serving Customer's Plant: 12-553-1000-3

RM
Distributor verified: [Distributor Representative Initials Here]

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13. Does the Customer have a remaining term at least as long as Customer's VII Award Period on each standard firm power contract for the Plant? YES NO

Distributor verified: [Distributor Representative Initials Here] *RM*

If no, will the Customer, within the next 180 days, make the contractual commitment necessary to purchase firm power for the Plant from Distributor for a term to end no earlier than the end of Customer's VII Award Period?

YES NO

Distributor verified: [Distributor Representative Initials Here]

14. Does the Customer have interval metering in place at the Plant? YES NO

Distributor verified: [Distributor Representative Initials Here] *RM*

If no, will the Customer have such metering installed in the next 180 days and arrangements in place for reading and reporting meter data to TVA? YES NO

Distributor verified: [Distributor Representative Initials Here]

15. Is the Customer presently complying with the provisions of its standard firm power contract, including performance assurance provisions, if any? YES NO

Distributor verified: [Distributor Representative Initials Here] *RM*

16. What was the Plant's highest Total Metered Demand and kWh usage in each of the previous 12 months?

Month	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	March	April	May	June
Total Metered Demand (kW)	4,672	4,786	4,672	4,480	3,756	3,400	3,794	3,555	3,321	4,073	4,405	4,756 4,405 *
Total Metered Energy (kWh)	2,280,800	2,354,400	2,325,600	1,994,400	1,677,600	1,425,600	1,584,000	1,620,000	1,404,000	1,569,600	2,001,600	2,203,200 *

Distributor verified: [Distributor Representative Initials Here] *RM **

17. What is the Plant Book Value? \$ 15,317,859

18. Award Payment Options (select one): Decreasing Flat Increasing

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19. What are the Customer's projections for the Plant in the following categories:

	Year 1	Year 2	Year 3	Year 4	Year 5
Annual Capital Investment	\$ 1,500,000	\$ 5,000,000	\$ 1,000,000	\$ 750,000	\$ 750,000
Annual <u>Energy Efficiency Improvement</u>	2.0 %	5.0 %	1.0 %	1.0 %	1.0 %
Average <u>Full-Time Equivalent Employees</u>	686	711	726	741	756
<u>Customer Average Wage</u>	\$ 40,000	\$ 41,200	\$ 42,436	\$ 43,709	\$ 45,020
Annual Load Factor	53 %	53 %	53 %	53 %	53 %
<u>Coincident Load Factor</u>	81.9 %	81.9 %	81.9 %	81.9 %	81.9 %

Required Documentation:

- Billing Documents

Provide with this VII Award Application copies of Customer's power bills for the 12-month period preceding the date of this Award Application.

- Financial Documents:

Provide with this VII Award Application copies of Customer-level commercial credit ratings and/or financial statements, if available. If Customer-level ratings or statements are not available, provide copies of commercial credit ratings and/or financial statements for a parent entity of Customer. "Commercial credit rating" means an estimate of creditworthiness as assigned by a recognized rating agency, (such as Standard & Poor's, Moody's Investor Services, Inc. or Fitch Ratings) to a rated entity's unsecured, senior long-term debt obligations, or if such entity does not have a rating for its senior unsecured long-term debt obligations, then the rating assigned to such entity as an issuer rating. Acceptable commercial credit ratings will be determined by TVA. "Financial statements" means the most recent quarterly report and the three most recent annual statements containing consolidated financial statements.

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If Customer has chosen to provide parent entity commercial credit ratings or financial statements, Customer certifies that Customer-level ratings and statements are not available, that Customer is a wholly owned subsidiary of the parent entity, and that Customer's financial information is consolidated within the financial statements of the parent entity.

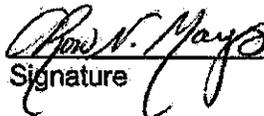
I, [Jim Meyer], am an authorized representative of Customer, and I certify to TVA that the above information is true and correct.


Signature

[President]
Title

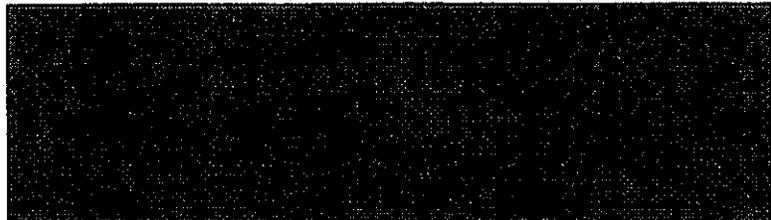
7-12-2010
Date

I, [Type Name Here], am an authorized representative of Distributor, and I certify to TVA that the information verified above is true and correct.


Signature

[Type Title Here]
Title VP OF FINANCE & ADM

7-22-10
Date



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Attachment 1
Definitions

- A.1.1 "Annual Average Demand" shall mean for any 12-month period the kW amount calculated by dividing a Plant's total kWh usage during that period by the total number of clock hours in the period.
- A.1.2 "Annual Load Factor" shall mean the percentage calculated by dividing a Plant's total metered energy for any year by the product of the highest Total Metered Demand for that year and the number of clock hours in that year.
- A.1.3 "Award Period" shall mean the period from the first billing period in which a Customer is scheduled to receive a VII Bill Credit through the 5th anniversary of said billing period.
- A.1.4 "Base Year" shall mean the 12-month period immediately preceding the date a Customer submits a VII Award Application.
- A.1.5 "Coincident Load Factor" shall mean for any 12-month period the percentage calculated by dividing the Annual Average Demand for that period by the Peak Period Average Demand for that period.
- A.1.6 "Customer" shall mean a company purchasing power for its Plant from TVA or a distributor of TVA power under a written power supply contract(s).
- A.1.7 "Customer Average Wage" shall mean the Customer's total annual payroll (minus benefits) for Full-Time Equivalent Employees divided by the number of Full-Time Equivalent Employees.
- A.1.8 "Energy Efficiency Improvement" shall mean the projected percentage improvement during the Evaluation Period in a Plant's Energy Efficiency Metric (as defined below) resulting from the implementation of either building improvements (Commercial Metric) or process-based improvements (Manufacturing Metric) at the Plant. The Energy Efficiency Improvement represents the incremental change in the Energy Efficiency Metric from year to year as a percentage Base Year Energy Efficiency Metric. The Energy Efficiency Improvement calculations will be either performed or approved by TVA.

The Energy Efficiency Metric to be used in determining the Commercial Metric is the Customer's annual kWh usage per square foot (ft²) of Plant area. The Energy Efficiency Metric to be used in determining the Manufacturing Metric is the measurement submitted by the Customer and approved by TVA. This measurement may be the Plant's annual kWh or Btu usage per unit of plant output, where plant output may be quantity of product produced, volume/weight of product produced, dollars of product produced (price held constant), or such other measurement that is approved by TVA.

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- A.1.9 "Evaluation Period" shall mean the period from the date of submission of a Customer's completed VII Award Application through the 5th anniversary of said date.
- A.1.10 "Full-Time Equivalent Employee" for any month shall mean the sum of (a) the number of full-time on-site Plant employees and contractors of a Customer who spend 100% of their work time on Plant-related matters in that month and (b) a number equal to the sum of total hours worked on Plant-related matters in that month by (i) full-time on-site Plant employees of Customer who spend less than 100% of their work time on Plant-related matters and (ii) part-time on-site Plant employees of Customer divided by the number of work hours in that month (based on an 8-hour work day, Monday through Friday).
- A.1.11 "Meter Data" shall mean Plant interval data during Peak Hours and other Plant power use data necessary to calculate the following:
- (a) total Plant kWh usage and highest Total Metered Demand for each month of the Evaluation Period,
 - (b) Annual Load Factor,
 - (c) Coincident Load Factor.
- A.1.12 "Nonconforming Loads" as currently defined, shall mean electrical loads with one or more of the following characteristics:
- (a) expected load swings of approximately 50 MW or more and ramp rates of approximately 10 MW or more per minute,
 - (b) loads with expected daily reactive power ramp rates of 50 MVAR or more per minute,
 - (c) loads known to create voltage flicker exceeding the limits set out in the Institute of Electrical and Electronics Engineers (IEEE) Standard 1453, or
 - (d) loads known to create harmonic current distortions exceeding the limits set out in IEEE Standard 519.
- A.1.13 "Peak Hours" shall mean from 13:00:00 to 18:59:59 Central Prevailing Time (CPT) during the calendar months of July and August; provided, however, that Peak Hours shall not include hours that fall on Saturdays, Sundays, or Independence Day.
- A.1.14 "Peak Period Average Demand" for any 12-month period shall mean the kW amount calculated by dividing a Plant's total kWh usage during the Peak Hours of that 12-month period by the total number of those Peak Hours.
- A.1.15 "Plant" shall mean all (a) physical personal property and (b) things attached, annexed, or fixed to the Customer's real property (such as Customer's building) that are (1) used in the Customer's trade or business characterized by the same NAICS code(s), (2) depreciable for federal income tax purposes, and (3) located on contiguous real property in the TVA service area.

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A.1.16 "Plant Book Value" shall mean the most recent depreciated value of a Customer's Plant for Federal income tax purposes.

A.1.17 "Qualifying Customer" shall mean a Customer that submits a VII Award Application and is found by TVA to meet the Customer eligibility requirements.

A.1.18 "Qualifying Plant" shall mean a Plant for which a Customer has submitted a VII Award Application and is found by TVA to meet the Plant eligibility requirements.

A.1.19 "Total Metered Demand" shall mean the average during any 30-consecutive-minute period beginning or ending on a clock hour of the total load at the Customer's Plant measured in kW.

A.1.20 "Total Capital Investment" shall mean the sum of all projected Plant investments during the Evaluation Period which Customer intends to depreciate for Federal income tax purposes.

A.1.21 "VII Metrics" shall mean the information necessary for TVA to determine a Qualifying Customer's monthly award under the VII Program. For any year, the VII Metrics shall include that year's:

- (a) ,
- (b) total Plant kWh usage and highest Total Metered Demand for each month,
- (c) contribution towards the Total Capital Investment,
- (d) Plant production data relevant to Customer's Energy Efficiency Improvements,
- (e) average number of Full-Time Equivalent Employees,
- (f) Customer Average Wage,
- (g) Annual Load Factor, and
- (h) Coincident Load Factor.

The VII Metrics shall be based on the most current data available and certified by Customer's duly authorized officer.

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Attachment 2
Eligibility

- A.2.1 A Qualifying Customer with a Qualifying Plant will be eligible for a VII award.
- A.2.2 Contractual Requirements. A Customer's power supply contract(s) for power supplied to its Plant must provide for the Customer to purchase firm power for a term at least as long as the Customer's VII Award Period under a general service rate schedule or a manufacturing service rate schedule, or any replacement schedule of the general service or manufacturing service rate schedule. The power supply contract(s) may include a pricing overlay under a separate agreement implementing a TVA-approved program, subject to all of the standard terms and conditions under which the program is offered.
- A.2.3 Minimum Demand Requirements. A Customer must establish a Total Metered Demand of at least 250 kW in each of the 12 billing months preceding the effective date of its Valley Investment Initiative Participation Agreement (VII Participation Agreement). Further, a Customer will not be eligible to receive a monthly award under the VII Participation Agreement, in any month where the Total Metered Demand is not at least 250 kW.
- A.2.4 Minimum Capital Investment. A Customer must make a Total Capital Investment of at least 25 percent of its Plant Book Value, including capital investment of at least
- (a) 5 percent of its Plant Book Value during the first year,
 - (b) 8 percent of its Plant Book Value during the first two years,
 - (c) 11 percent of its Plant Book Value during the first three years,
 - (d) 14 percent of its Plant Book Value during the first four years, and
 - (e) 25 percent of its Plant Book Value during the first five years
- of the Customer's Evaluation Period.
- A.2.5 Minimum Workforce Requirements. A Customer must employ at least 25 Full-Time Equivalent Employees during each month of the Customer's Base Year and in each month during the Evaluation Period. Further, a Customer that eliminates, or projects the elimination of, 50% or more of its Full-Time Equivalent Employees during the Evaluation Period shall not be a Qualifying Customer.
- A.2.6 Nonconforming Loads. A Plant with Nonconforming Load characteristics shall not be a Qualifying Plant.
- A.2.7 Ineligible Industry Sectors. A Plant where the major use of electricity is for activities which are classified with one of the following North American Industry Classification System (NAICS) codes shall not be a Qualifying Plant:

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Sector	Related NAICS
Agriculture, Forestry, Fishing, and Hunting	11
Mining	21
Utilities	22
Construction	23
Retail Trade	44-45
Transportation	48, 491, 492
Real Estate and Rental and Leasing	53
Administrative and Support and Waste Management and Remediation Services	56
Educational Services	61
Health care and Social Assistance	62
Arts, Entertainment, and Recreation	71
Accommodations and Food Service	72
Other Services	81
Public Administration	92

Provided however that a Plant where the major use of electricity is for activities within an excluded NAICS code may participate in the program if the Customer and Plant under the following conditions:

- a. The Plant's sub-sector industry multiplier and Customer Average Wage exceed the Valley average;
- b. The Customer provides documentation demonstrating economic development support and/or incentives being provided by state and/or local economic development partners; and
- c. TVA's VII Committee determines that the customer meets the above requirements, other VII qualification criteria, and programmatic intent.

A.2.8 Financial Review. A Qualifying Customer must be determined by TVA to be financially viable. In order to facilitate TVA's evaluation of a Customer's financial condition, a Customer will provide, upon request by TVA: (i) copies of Customer's commercial credit ratings, where "commercial credit ratings" shall mean an estimate of creditworthiness as assigned by a recognized rating agency (such as Standard & Poor's, Moody's Investor Services, Inc. or Fitch Ratings) to a rated entity's unsecured, senior long-term debt obligations; and (ii) a copy of Customer's three most recent annual reports containing consolidated financial statements and its most recent quarterly report containing consolidated financial statements; and (iii) such different or additional financial information as TVA may from time to time request for TVA's use in evaluating Customer's financial condition. The financial statements to be provided by Customer shall be prepared in accordance with generally accepted accounting principles.

TVA RESTRICTED INFORMATION:

This VII Award Application is the property of TVA and is not intended for further distribution. Except as may be otherwise required by law, (a) neither Customer nor Distributor shall disclose this document or its contents except to one another and/or TVA; and (b) TVA and Distributor will not disclose confidential information provided by Customer herein without Customer's consent.

A Customer may provide the commercial credit ratings and/or financial statements requested in subsection (i) above for a parent entity of Customer, if Customer-level ratings and statements are not available. Such a Customer must certify that Customer is a wholly owned subsidiary of the parent entity and Customer's financial information is consolidated within the financial statements of the parent entity.

TVA will consider a Customer financially unviable and ineligible for the VII program under the following conditions:

- (a) Customer or Customer's parent entity is reorganizing or winding down in bankruptcy as of the date it submits a VII Award Application;
- (b) Customer's risk levels exceed allowable levels as solely determined by TVA;
or
- (c) Customer fails to provide adequate power contract performance assurance as required by Distributor.

A.2.9 Meter Data. A Qualifying Plant must have metering in place capable of recording Plant interval data during Peak Hours and other Plant power use data necessary to calculate the VII Metrics. A Qualifying Customer must have arrangements in place with TVA and/or Customer's Distributor to provide for the collection, processing (if any), and transmission to TVA of all Plant Meter Data and corresponding VII Metrics.

TVA RESTRICTED INFORMATION:

This VII Award Application is the property of TVA and is not intended for further distribution. Except as may be otherwise required by law, (a) neither Customer nor Distributor shall disclose this document or its contents except to one another and/or TVA; and (b) TVA and Distributor will not disclose confidential information provided by Customer herein without Customer's consent.

AGREEMENT
Between
WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION
And
TENNESSEE VALLEY AUTHORITY

Date: 9/23/2010

TV-59577A, Supp. No. 80

THIS AGREEMENT, made and entered into between WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION (Distributor), a cooperative corporation created and existing under and by virtue of the laws of the Commonwealth of Kentucky, and TENNESSEE VALLEY AUTHORITY (TVA), a corporation created and existing under and by virtue of the Tennessee Valley Authority Act of 1933, as amended (TVA Act);

WITNESSETH:

WHEREAS, TVA and Distributor have entered into a contract dated April 26, 1982, as amended (Power Contract), under which Distributor purchases its entire requirements for electric power and energy from TVA for resale; and

WHEREAS, TVA and Distributor wish to cooperate in making Time Differentiated Hours Use of Demand (TD HUD) rates and Pilot Seasonal Demand and Energy (SDE) rates available as alternatives to General Power or Manufacturing Service rates for qualifying customers of Distributor for a 12-month period; and

WHEREAS, the parties wish to supplement and amend the Power Contract to provide for the application of the TD HUD rates and SDE rates to Distributor's customers that elect such alternative rates;

NOW, THEREFORE, in consideration of the foregoing premises and the mutual covenants herein contained, and subject to the provisions of the TVA Act, the parties agree as follows:

SECTION 1 – TERM OF AGREEMENT

This agreement shall become effective as of the date first above written and will continue until the expiration or termination of each Company Agreement provided for in section 2 below.

SECTION 2 – COMPANY AGREEMENTS

For each customer (Company) to which Distributor supplies power under TD HUD rates or SDE rates, as they may be modified, changed, replaced, or adjusted from time to time, Distributor shall enter into an appropriate agreement (Company Agreement) amending Company's power supply contract with Distributor in the respects necessary to provide for Company to be billed at TD HUD rates or SDE rates, whichever is applicable, in lieu of the otherwise applicable General Power or Manufacturing Service

rate schedule. All such Company Agreements shall be for a term of 12 months and shall become effective no earlier than October 1, 2010, and no later than March 1, 2011. The parties recognize and agree that Distributor shall supply power under TD HUD rates and SDE rates only to those customers that satisfy the "Availability" requirements of the applicable rate schedule specified in section 3 of this agreement.

If, under previous arrangements with TVA, Distributor has entered into an agreement with a Company (Previous Agreement) providing for the Company to be billed under TD HUD rates, said Previous Agreement may be extended or renewed for a 12-month term, effective upon its expiration.

SECTION 3 - PILOT RATE SCHEDULES

The following schedules (attached as Exhibit A and referred to collectively as "Pilot Schedules" and individually as "Pilot Schedule"):

- (a) Time Differentiated Hours Use Of Demand General Power Rate--
Schedule TDGSB,
- (b) Time Differentiated Hours Use Of Demand General Power Rate--
Schedule TDGSC,
- (c) Time Differentiated Hours Use Of Demand General Power Rate--
Schedule TDGSD,
- (d) Time Differentiated Hours Use Of Demand Manufacturing Service Rate--
Schedule TDMSB,
- (e) Time Differentiated Hours Use Of Demand Manufacturing Service Rate--
Schedule TDMSC,
- (f) Time Differentiated Hours Use Of Demand Manufacturing Service Rate--
Schedule TDMSD,
- (g) Pilot Seasonal Demand and Energy General Power Rate--Schedule PSGSB,
- (h) Pilot Seasonal Demand and Energy General Power Rate--Schedule PSGSC,
- (i) Pilot Seasonal Demand and Energy General Power Rate--Schedule PSGSD,
- (j) Pilot Seasonal Demand and Energy Manufacturing Service Rate--
Schedule PSMSB,
- (k) Pilot Seasonal Demand and Energy Manufacturing Service Rate--
Schedule PSMSC,
- (l) Pilot Seasonal Demand and Energy Manufacturing Service Rate--
Schedule PSMSD,

are made a part of this agreement and of the Schedule of Rates and Charges to the Power Contract. Further, the Supplemental Adjustment Addendum applicable to the TDHUD rates and the Supplemental Adjustment Addendum applicable to the SDE rates (attached collectively as Exhibit B) are made part of this agreement and of the Adjustment Addendum to Schedule of Rates and Charges for Distributor dated October 1, 2009 (Adjustment Addendum). Notwithstanding anything appearing in the Power Contract to the contrary, during the term of this agreement, Distributor shall bill each Company for power and energy made available to the Company in accordance with the Pilot Schedule applicable to that Company (together with the currently effective Adjustment Addendum as supplemented to cover the Pilot Schedules), as such Pilot Schedule may be further adjusted, changed, modified, or replaced from time to time.

SECTION 4 - WHOLESALE BILLING

4.1 Riders to Wholesale Rate Schedule. Wholesale Power Rate--Schedule WS, in the Schedule of Rates and Charges to the Power Contract (Schedule WS), is hereby amended by (a) adding to the "Demand and Energy Charges" of Schedule WS the charges for the Pilot Schedules listed in the Riders to said Schedule WS (Riders) attached to this agreement collectively as Exhibit C, and (b) revising the section headed "Adjustments" in said Schedule WS as described in the Rider applicable to the TDHUD rates. The Riders are made a part of this agreement and of Schedule WS.

4.2 Wholesale Charges. In calculating the wholesale bill each month for Distributor, the charges set out in the attached Riders (together with the currently effective Adjustment Addendum as supplemented to cover the Pilot Schedules) will be applied to demand and energy amounts resold by Distributor under each Pilot Schedule.

SECTION 5 - BILLING DATA

5.1 TVA Billing Analysis. It is recognized and agreed that TVA shall perform monthly meter-reading services and billing data analysis (Billing Analysis) with respect to the amounts of power and energy supplied by Distributor to each Company. Accordingly, each month TVA shall, as soon as practicable after the scheduled meter-reading date for each Company, furnish to Distributor the information regarding the amounts of power and energy taken by each Company and such other information as may be necessary for Distributor to calculate each Company's monthly bill and to meet its obligations under 5.2 below.

5.2 Billing Data Supplied by Distributor. To facilitate TVA's preparation of the bill to Distributor for power and energy made available under the Power Contract, each month Distributor shall furnish to TVA a copy of Distributor's bill to each Company for power and energy made available under the applicable Pilot Schedule when it is rendered and such other information related to each Company's power and energy takings as TVA may require.

IN WITNESS WHEREOF, the parties have caused this agreement to be executed by their duly authorized representatives as of the day and year first above written.

**WEST KENTUCKY RURAL ELECTRIC
COOPERATIVE CORPORATION**

By David E. Smart
Title: *PRESIDENT/CEO*

TENNESSEE VALLEY AUTHORITY

By [Signature]
Senior Vice President
Commercial Operations and Pricing

Exhibit A

WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION

TIME DIFFERENTIATED HOURS USE OF DEMAND GENERAL POWER RATE--SCHEDULE TDGSB

(October 2010)

Availability

This rate shall be available for firm electric power requirements where the customer's currently effective onpeak or offpeak contract demand, whichever is higher, is greater than 1,000 kW but not more than 15,000 kW and where this rate schedule is elected as an alternative to service under Schedules GSA, GSB, TGSA, or TGSB for a 12-month period beginning no earlier than October 1, 2010, and no later than March 1, 2011; provided that the other conditions of this section are met.

For customers served under this rate schedule, the customer's "meter-reading time" shall be 0000 hours CST or CDT, whichever is currently effective, on the first day of the calendar month following the month for which a bill under this rate schedule is being calculated. Further, in accordance with TVA furnished or approved guidelines or specifications, TVA shall have unrestricted remote access to the metering data at all times, as well as unrestricted physical access to the metering facilities for the purpose of confirming remotely-accessed data during such periods as are specified by TVA.

For a customer requesting that its onpeak contract demand be different from its offpeak contract demand, this rate schedule shall be available only for (1) a new contract, (2) a replacement or renewal contract following expiration of the existing contract, or (3) a replacement or renewal contract or an amended existing contract in which the customer is increasing its demand requirements above the existing contract demand level, but under this item (3) neither the new onpeak nor the new offpeak contract demand shall be lower than the customer's existing contract demand.

A customer may not be on this rate schedule and participate in any demand response program which is designated by TVA as inconsistent with service under this schedule. A customer may not be on this rate schedule and participate in the small manufacturing credit program. A customer may not be on this rate schedule and participate in TVA's Enhanced Growth Credit (EGC) Program unless it agrees to a modification of its EGC agreement to provide for the EGC credits to be capped according to applicable guidelines. A customer may not be on this rate schedule and participate in TVA's 5 Minute Response (5 MR) or 60 Minute Response (60 MR) Interruptible Programs unless it agrees to a modification of its 5 MR or 60 MR Agreement to provide for the 5 MR or 60 MR credit amounts to be shaped according to applicable guidelines.

Character of Service

Alternating current, single- or three-phase, 60 hertz. Power shall be delivered at a transmission voltage of 161 kV or, if such transmission voltage is not available, at the highest voltage available in the vicinity, unless at the customer's request a lower standard voltage is agreed upon.

Base Charges

Customer Charge: \$1,500 per delivery point per month

Administrative Charge: \$350 per delivery point per month

Right-of-Way

Clearing Surcharge: \$3.25 per meter per month

Demand Charge:

Summer Period	\$11.85 per kW per month of the customer's onpeak billing demand, plus \$3.15 per kW per month of the amount, if any, by which the customer's offpeak billing demand exceeds its onpeak billing demand, plus \$11.85 per kW per month of the amount, if any, by which (1) the customer's onpeak billing demand exceeds its onpeak contract demand or (2) the customer's offpeak billing demand exceeds its offpeak contract demand, whichever is higher
Winter Period	\$6.88 per kW per month of the customer's onpeak billing demand, plus \$3.15 per kW per month of the amount, if any, by which the customer's offpeak billing demand exceeds its onpeak billing demand, plus \$6.88 per kW per month of the amount, if any, by which (1) the customer's onpeak billing demand exceeds its onpeak contract demand or (2) the customer's offpeak billing demand exceeds its offpeak contract demand, whichever is higher
Transition Period	\$3.15 per kW of offpeak billing demand per month, plus \$6.88 per kW per month of the amount, if any, by which the customer's offpeak billing demand exceeds its offpeak contract demand

Energy Charge:

Summer Period	6.411¢ per kWh per month for all onpeak kWh, plus 3.807¢ per kWh (adjusted for hours use of maximum metered demand as provided below) per month for all offpeak kWh
Winter Period	4.281¢ per kWh per month for all onpeak kWh, plus 3.807¢ per kWh (adjusted for hours use of maximum metered demand as provided below) per month for all offpeak kWh
Transition Period	3.807¢ per kWh (adjusted for hours use of maximum metered demand as provided below) per month for all kWh

Offpeak Hours Use of Demand Adjustment:

The above offpeak energy charges for the Summer Period and the Winter Period shall be increased or decreased in accordance with the hours use of maximum metered demand as follows:

- 0.195¢ per kWh for the first 425 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy
- 1.101¢ per kWh for the next 195 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy
- 2.202¢ per kWh for the hours use of maximum metered demand in excess of 620 hours multiplied by the ratio of offpeak energy to total energy

The above energy charge for a Transition Period shall be increased or decreased in accordance with the hours use of maximum metered demand as follows:

0.195¢ per kWh for the first 425 hours use of maximum metered demand

-1.101¢ per kWh for the next 195 hours use of maximum metered demand

-2.202¢ per kWh for the hours use of maximum metered demand in excess of 620 hours

For the Summer Period, Winter Period and Transition Period, no Offpeak Hours Use of Demand Adjustment would apply to the portion, if any, of the minimum offpeak energy takings amount that is greater than the metered energy.

Adjustment

The base demand and energy charges, and the adjustment amounts provided for in the Offpeak Hours Use of Demand Adjustment shall be increased or decreased in accordance with the current Adjustment Addendum published by TVA. (In addition, such charges shall be increased or decreased to correspond to increases or decreases determined by TVA under Adjustment 2 or Adjustment 4 of the wholesale power rate schedule applicable under contractual arrangements between TVA and Distributor.)

Facilities Rental Charge

There shall be no facilities rental charge under this rate schedule for delivery at bulk transmission voltage levels of 161 kV or higher. For delivery at less than 161 kV, there shall be added to the customer's bill a facilities rental charge. This charge shall be 36¢ per kW per month except for delivery at voltages below 46 kV, in which case the charge shall be 93¢ per kW per month for the first 10,000 kW and 73¢ per kW per month for the excess over 10,000 kW. Such charge shall be applied to the higher of (1) the highest billing demand established during the latest 12-consecutive-month period or (2) the customer's currently effective onpeak or offpeak contract demand, whichever is higher, and shall be in addition to all other charges under this rate schedule, including minimum bill charges.

Reactive Demand Charges

If the reactive demand (in kVAR) is lagging during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's highest metered demand occurs, there shall be added to the customer's bill a reactive charge of \$1.46 per kVAR of the amount, if any, by which the reactive demand exceeds 33 percent of such metered demand. If the reactive demand (in kVAR) is leading during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's lowest metered demand (excluding any metered demands which are less than 25 percent of the highest metered demand) occurs, there shall be added to the customer's bill a reactive charge of \$1.14 per kVAR of the amount of reactive demand. Such charges shall be in addition to all other charges under this rate schedule, including minimum bill charges.

Determination of Seasonal Periods

Summer Period shall mean the June, July, August, and September billing months. Winter Period shall mean the December, January, February, and March billing months. Transition Period shall mean the April, May, October, and November billing months. The Seasonal Periods under this rate schedule are subject to change by TVA. In the event TVA determines that changed Seasonal Periods are

appropriate, it shall so notify Distributor at least 12 months prior to the effective date of such changed periods, and Distributor shall promptly notify customer.

Determination of Onpeak and Offpeak Hours

Except for Saturdays and Sundays and the weekdays that are observed as Federal holidays for New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day, onpeak hours for each day shall be 1 p.m. to 7 p.m. during the Summer Period and from 4 a.m. to 10 a.m. during the Winter Period. For the Summer Period and the Winter Period, all other hours of each year that are not otherwise defined as onpeak hours and all hours of such excepted days shall be offpeak hours. Such times shall be Central Standard Time or Central Daylight Time, whichever is then in effect. Said onpeak and offpeak hours are subject to change by TVA. In the event TVA determines that such changed onpeak and offpeak hours are appropriate, it shall so notify Distributor at least 12 months prior to the effective date of such changed hours, and Distributor shall promptly notify customer.

For the Transition Period, all hours shall be offpeak hours.

Determination of Onpeak and Offpeak Demands, Maximum Metered Demand, and Energy Amounts

The onpeak and offpeak kWh for any month shall be the energy amounts taken during the respective hours of the month designated under this rate schedule as onpeak and offpeak hours; provided, however, that notwithstanding the metered energy amount, the offpeak energy for any month shall in no case be less than the product of (1) the offpeak billing demand as calculated in the last sentence of the paragraph below and (2) 110 hours (reflecting a 15 percent load factor applied to the average number of hours in a month).

Distributor shall meter the onpeak and offpeak demands in kW of all customers taking service under this rate schedule. The onpeak metered demand and offpeak metered demand for any month shall be determined separately for the respective hours of the month designated under this rate schedule as onpeak and offpeak hours and in each case shall be the highest average during any 30-consecutive-minute period beginning or ending on a clock hour of the month of the load metered in kW, and, except as provided below in this section, such amounts shall be used as the onpeak and offpeak billing demands. The maximum metered demand for any month shall be the higher of (1) the highest onpeak metered demand in the month or (2) the highest offpeak metered demand in the month. The onpeak billing demand shall in no case be less than the sum of (1) 30 percent of the first 5,000 kW and (2) 40 percent of any kW in excess of 5,000 kW of the higher of the currently effective onpeak contract demand or the highest onpeak billing demand established during the preceding 12 months. The offpeak billing demand shall in no case be less than the sum of (1) 30 percent of the first 5,000 kW and (2) 40 percent of any kW in excess of 5,000 kW of the higher of the currently effective offpeak contract demand or the highest offpeak billing demand established during the preceding 12 months.

Minimum Bill

The monthly bill under this rate schedule, excluding any facilities rental charges and any reactive charges, shall not be less than the sum of (1) the base customer charge, (2) the portion of the base demand charge, as adjusted, (but excluding the additional portion thereof applicable to excess of billing demand over contract demand) applicable to onpeak billing demand applied to the customer's onpeak billing demand, (3) the portion of the base demand charge, as adjusted, (but excluding the additional portion thereof applicable to excess of billing demand over contract demand) applicable to any excess of offpeak over onpeak billing demand applied to the amount, if any, by which the customer's offpeak billing demand exceeds its onpeak billing demand, (4) the base onpeak energy charge, as adjusted, applied to the customer's onpeak energy takings, and (5) the base offpeak energy charge, as adjusted, applied to

the higher of customer's actual offpeak energy takings or the minimum offpeak energy takings amount provided for in the first paragraph of the section of this rate schedule entitled "Determination of Onpeak and Offpeak Demands, Maximum Metered Demand, and Energy Amounts". It is recognized that no Offpeak Hours Use of Demand Adjustment would apply to the portion, if any, of the minimum offpeak energy takings amount that is greater than the metered energy.

Distributor may require minimum bills higher than those stated above, including, without limitation, charges to cover any additional metering and related costs.

Contract Requirement

The contract requirement of the schedule (GSA, GSB, TGSA, or TGSB) for which this rate schedule is selected as an alternative shall continue to apply, both during the time this alternative rate schedule is in effect under that contract and afterwards. In addition, at the time that this rate schedule becomes effective for billing, there must be at least one year remaining on the contract required by such Schedule GSA, GSB, TGSA or TGSB. The customer shall contract for its maximum requirements, which shall not exceed the amount of power capable of being used by customer, and Distributor shall not be obligated to supply power in greater amount at any time than the customer's currently effective onpeak or offpeak contract demand. If the customer uses any power other than that supplied by Distributor under this rate schedule, the contract may include other special provisions. The rate schedule in any power contract shall be subject to adjustment, modification, change, or replacement from time to time as provided under the power contract between Distributor and TVA.

At the end of the period of service under this rate schedule, the customer, subject to appropriate amendments to its power contract with Distributor, may receive service under Schedule GSA, GSB, TGSA, or TGSB for any required contract term then remaining; provided, however, that the contract demand for any such service under Schedule GSA or GSB shall not be less than the onpeak contract demand in effect when service was taken under this rate schedule.

Payment

Bills under this rate schedule will be rendered monthly. Any amount of bill unpaid after due date specified on bill may be subject to additional charges under Distributor's standard policy.

Single-Point Delivery

The charges under this rate schedule are based upon the supply of service through a single delivery and metering point, and at a single voltage. If service is supplied to the same customer through more than one point of delivery or at different voltages, the supply of service at each delivery and metering point and at each different voltage shall be separately metered and billed.

Service is subject to Rules and Regulations of Distributor.

WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION

TIME DIFFERENTIATED HOURS USE OF DEMAND GENERAL POWER RATE--SCHEDULE TDGSC

(October 2010)

Availability

This rate shall be available for firm electric power requirements where the customer's currently effective onpeak or offpeak contract demand, whichever is higher, is greater than 15,000 kW but not more than 25,000 kW and where this rate schedule is elected as an alternative to service under Schedule GSC or Schedule TGSC for a 12-month period beginning no earlier than October 1, 2010, and no later than March 1, 2011; provided that the other conditions of this section are met.

For customers served under this rate schedule, the customer's "meter-reading time" shall be 0000 hours CST or CDT, whichever is currently effective, on the first day of the calendar month following the month for which a bill under this rate schedule is being calculated. Further, in accordance with TVA furnished or approved guidelines or specifications, TVA shall have unrestricted remote access to the metering data at all times, as well as unrestricted physical access to the metering facilities for the purpose of confirming remotely-accessed data during such periods as are specified by TVA.

For a customer requesting that its onpeak contract demand be different from its offpeak contract demand, this rate schedule shall be available only for (1) a new contract, (2) a replacement or renewal contract following expiration of the existing contract, or (3) a replacement or renewal contract or an amended existing contract in which the customer is increasing its demand requirements above the existing contract demand level, but under this item (3) neither the new onpeak nor the new offpeak contract demand shall be lower than the customer's existing contract demand.

A customer may not be on this rate schedule and participate in any demand response program which is designated by TVA as inconsistent with service under this schedule. A customer may not be on this rate schedule and participate in TVA's Enhanced Growth Credit (EGC) Program unless it agrees to a modification of its EGC agreement to provide for the EGC credits to be capped according to applicable guidelines. A customer may not be on this rate schedule and participate in TVA's 5 Minute Response (5 MR) or 60 Minute Response (60 MR) Interruptible Programs unless it agrees to a modification of its 5 MR or 60 MR Agreement to provide for the 5 MR or 60 MR credit amounts to be shaped according to applicable guidelines.

Character of Service

Alternating current, single- or three-phase, 60 hertz. Power shall be delivered at a transmission voltage of 161 kV or, if such transmission voltage is not available, at the highest voltage available in the vicinity, unless at the customer's request a lower standard voltage is agreed upon.

Base Charges

Customer Charge: \$1,500 per delivery point per month

Administrative Charge: \$350 per delivery point per month

Right-of-Way

Clearing Surcharge: \$3.25 per meter per month

Demand Charge:

- Summer Period** \$11.34 per kW per month of the customer's onpeak billing demand, plus
\$2.64 per kW per month of the amount, if any, by which the customer's offpeak billing demand exceeds its onpeak billing demand, plus
\$11.34 per kW per month of the amount, if any, by which (1) the customer's onpeak billing demand exceeds its onpeak contract demand or (2) the customer's offpeak billing demand exceeds its offpeak contract demand, whichever is higher
- Winter Period** \$6.37 per kW per month of the customer's onpeak billing demand, plus
\$2.64 per kW per month of the amount, if any, by which the customer's offpeak billing demand exceeds its onpeak billing demand, plus
\$6.37 per kW per month of the amount, if any, by which (1) the customer's onpeak billing demand exceeds its onpeak contract demand or (2) the customer's offpeak billing demand exceeds its offpeak contract demand, whichever is higher
- Transition Period** \$2.64 per kW of offpeak billing demand per month, plus
\$6.37 per kW per month of the amount, if any, by which the customer's offpeak billing demand exceeds its offpeak contract demand

Energy Charge:

- Summer Period** 6.160¢ per kWh per month for all onpeak kWh, plus
3.624¢ per kWh (adjusted for hours use of maximum metered demand as provided below) per month for all offpeak kWh
- Winter Period** 4.082¢ per kWh per month for all onpeak kWh, plus
3.624¢ per kWh (adjusted for hours use of maximum metered demand as provided below) per month for all offpeak kWh
- Transition Period** 3.624¢ per kWh (adjusted for hours use of maximum metered demand as provided below) per month for all kWh

Offpeak Hours Use of Demand Adjustment:

The above offpeak energy charges for the Summer Period and the Winter Period shall be increased or decreased in accordance with the hours use of maximum metered demand as follows:

- 0.195¢ per kWh for the first 425 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy
- 1.101¢ per kWh for the next 195 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy
- 2.202¢ per kWh for the hours use of maximum metered demand in excess of 620 hours multiplied by the ratio of offpeak energy to total energy

The above energy charge for a Transition Period shall be increased or decreased in accordance with the hours use of maximum metered demand as follows:

0.195¢ per kWh for the first 425 hours use of maximum metered demand

-1.101¢ per kWh for the next 195 hours use of maximum metered demand

-2.202¢ per kWh for the hours use of maximum metered demand in excess of 620 hours

For the Summer Period, Winter Period and Transition Period, no Offpeak Hours Use of Demand Adjustment would apply to the portion, if any, of the minimum offpeak energy takings amount that is greater than the metered energy.

Adjustment

The base demand and energy charges, and the adjustment amounts provided for in the Offpeak Hours Use of Demand Adjustment shall be increased or decreased in accordance with the current Adjustment Addendum published by TVA. (In addition, such charges shall be increased or decreased to correspond to increases or decreases determined by TVA under Adjustment 2 or Adjustment 4 of the wholesale power rate schedule applicable under contractual arrangements between TVA and Distributor.)

Facilities Rental Charge

There shall be no facilities rental charge under this rate schedule for delivery at bulk transmission voltage levels of 161 kV or higher. For delivery at less than 161 kV, there shall be added to the customer's bill a facilities rental charge. This charge shall be 36¢ per kW per month except for delivery at voltages below 46 kV, in which case the charge shall be 93¢ per kW per month for the first 10,000 kW and 73¢ per kW per month for the excess over 10,000 kW. Such charge shall be applied to the higher of (1) the highest billing demand established during the latest 12-consecutive-month period or (2) the customer's currently effective onpeak or offpeak contract demand, whichever is higher, and shall be in addition to all other charges under this rate schedule, including minimum bill charges.

Reactive Demand Charges

If the reactive demand (in kVAR) is lagging during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's highest metered demand occurs, there shall be added to the customer's bill a reactive charge of \$1.46 per kVAR of the amount, if any, by which the reactive demand exceeds 33 percent of such metered demand. If the reactive demand (in kVAR) is leading during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's lowest metered demand (excluding any metered demands which are less than 25 percent of the highest metered demand) occurs, there shall be added to the customer's bill a reactive charge of \$1.14 per kVAR of the amount of reactive demand. Such charges shall be in addition to all other charges under this rate schedule, including minimum bill charges.

Determination of Seasonal Periods

Summer Period shall mean the June, July, August, and September billing months. Winter Period shall mean the December, January, February, and March billing months. Transition Period shall mean the April, May, October, and November billing months. The Seasonal Periods under this rate schedule

are subject to change by TVA. In the event TVA determines that changed Seasonal Periods are appropriate, it shall so notify Distributor at least 12 months prior to the effective date of such changed periods, and Distributor shall promptly notify customer.

Determination of Onpeak and Offpeak Hours

Except for Saturdays and Sundays and the weekdays that are observed as Federal holidays for New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day, onpeak hours for each day shall be 1 p.m. to 7 p.m. during the Summer Period and from 4 a.m. to 10 a.m. during the Winter Period. For the Summer Period and the Winter Period, all other hours of each year that are not otherwise defined as onpeak hours and all hours of such excepted days shall be offpeak hours. Such times shall be Central Standard Time or Central Daylight Time, whichever is then in effect. Said onpeak and offpeak hours are subject to change by TVA. In the event TVA determines that such changed onpeak and offpeak hours are appropriate, it shall so notify Distributor at least 12 months prior to the effective date of such changed hours, and Distributor shall promptly notify customer.

For the Transition Period, all hours shall be offpeak hours.

Determination of Onpeak and Offpeak Demands, Maximum Metered Demand, and Energy Amounts

The onpeak and offpeak kWh for any month shall be the energy amounts taken during the respective hours of the month designated under this rate schedule as onpeak and offpeak hours; provided, however, that notwithstanding the metered energy amount, the offpeak energy for any month shall in no case be less than the product of (1) the offpeak billing demand as calculated in the last sentence of the paragraph below and (2) 110 hours (reflecting a 15 percent load factor applied to the average number of hours in a month).

Distributor shall meter the onpeak and offpeak demands in kW of all customers taking service under this rate schedule. The onpeak metered demand and offpeak metered demand for any month shall be determined separately for the respective hours of the month designated under this rate schedule as onpeak and offpeak hours and in each case shall be the highest average during any 30-consecutive-minute period beginning or ending on a clock hour of the month of the load metered in kW, and, except as provided below in this section, such amounts shall be used as the onpeak and offpeak billing demands. The maximum metered demand for any month shall be the higher of (1) the highest onpeak metered demand in the month or (2) the highest offpeak metered demand in the month. The onpeak billing demand shall in no case be less than the sum of (1) 30 percent of the first 5,000 kW, (2) 40 percent of the next 20,000 kW, and (3) 50 percent of any kW in excess of 25,000 kW of the higher of the currently effective onpeak contract demand or the highest onpeak billing demand established during the preceding 12 months. The offpeak billing demand shall in no case be less than the sum of (1) 30 percent of the first 5,000 kW, (2) 40 percent of the next 20,000 kW, and (3) 50 percent of any kW in excess of 25,000 kW of the higher of the currently effective offpeak contract demand or the highest offpeak billing demand established during the preceding 12 months.

Minimum Bill

The monthly bill under this rate schedule, excluding any facilities rental charges and any reactive charges, shall not be less than the sum of (1) the base customer charge, (2) the portion of the base demand charge, as adjusted, (but excluding the additional portion thereof applicable to excess of billing demand over contract demand) applicable to onpeak billing demand applied to the customer's onpeak billing demand, (3) the portion of the base demand charge, as adjusted, (but excluding the additional portion thereof applicable to excess of billing demand over contract demand) applicable to any excess of offpeak over onpeak billing demand applied to the amount, if any, by which the customer's offpeak billing

demand exceeds its onpeak billing demand, (4) the base onpeak energy charge, as adjusted, applied to the customer's onpeak energy takings, and (5) the base offpeak energy charge, as adjusted, applied to the higher of customer's actual offpeak energy takings or the minimum offpeak energy takings amount provided for in the first paragraph of the section of this rate schedule entitled "Determination of Onpeak and Offpeak Demands, Maximum Metered Demand, and Energy Amounts". It is recognized that no Offpeak Hours Use of Demand Adjustment would apply to the portion, if any, of the minimum offpeak energy takings amount that is greater than the metered energy.

Distributor may require minimum bills higher than those stated above, including, without limitation, charges to cover any additional metering and related costs.

Contract Requirement

The contract requirement of the schedule (GSC or TGSC) for which this rate schedule is selected as an alternative shall continue to apply, both during the time this alternative rate schedule is in effect under that contract and afterwards. In addition, at the time that this rate schedule becomes effective for billing, there must be at least one year remaining on the contract required by such Schedule GSC or TGSC. The customer shall contract for its maximum requirements, which shall not exceed the amount of power capable of being used by customer, and Distributor shall not be obligated to supply power in greater amount at any time than the customer's currently effective onpeak or offpeak contract demand. If the customer uses any power other than that supplied by Distributor under this rate schedule, the contract may include other special provisions. The rate schedule in any power contract shall be subject to adjustment, modification, change, or replacement from time to time as provided under the power contract between Distributor and TVA.

At the end of the period of service under this rate schedule, the customer, subject to appropriate amendments to its power contract with Distributor, may receive service under Schedule GSC or TGSC for any required contract term then remaining; provided, however, that the contract demand for any such service under Schedule GSC shall not be less than the onpeak contract demand in effect when service was taken under this rate schedule.

Payment

Bills under this rate schedule will be rendered monthly. Any amount of bill unpaid after due date specified on bill may be subject to additional charges under Distributor's standard policy.

Single-Point Delivery

The charges under this rate schedule are based upon the supply of service through a single delivery and metering point, and at a single voltage. If service is supplied to the same customer through more than one point of delivery or at different voltages, the supply of service at each delivery and metering point and at each different voltage shall be separately metered and billed.

Service is subject to Rules and Regulations of Distributor.

WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION

TIME DIFFERENTIATED HOURS USE OF DEMAND GENERAL POWER RATE--SCHEDULE TDGSD

(October 2010)

Availability

This rate shall be available for firm electric power requirements where the customer's currently effective onpeak or offpeak contract demand, whichever is higher, is greater than 25,000 kW and where this rate schedule is elected as an alternative to service under Schedule GSD or Schedule TGSD for a 12-month period beginning no earlier than October 1, 2010, and no later than March 1, 2011; provided that the other conditions of this section are met.

For customers served under this rate schedule, the customer's "meter-reading time" shall be 0000 hours CST or CDT, whichever is currently effective, on the first day of the calendar month following the month for which a bill under this rate schedule is being calculated. Further, in accordance with TVA furnished or approved guidelines or specifications, TVA shall have unrestricted remote access to the metering data at all times, as well as unrestricted physical access to the metering facilities for the purpose of confirming remotely-accessed data during such periods as are specified by TVA.

For a customer requesting that its onpeak contract demand be different from its offpeak contract demand, this rate schedule shall be available only for (1) a new contract, (2) a replacement or renewal contract following expiration of the existing contract, or (3) a replacement or renewal contract or an amended existing contract in which the customer is increasing its demand requirements above the existing contract demand level, but under this item (3) neither the new onpeak nor the new offpeak contract demand shall be lower than the customer's existing contract demand.

A customer may not be on this rate schedule and participate in any demand response program which is designated by TVA as inconsistent with service under this schedule. A customer may not be on this rate schedule and participate in TVA's Enhanced Growth Credit (EGC) Program unless it agrees to a modification of its EGC agreement to provide for the EGC credits to be capped according to applicable guidelines. A customer may not be on this rate schedule and participate in TVA's 5 Minute Response (5 MR) or 60 Minute Response (60 MR) Interruptible Programs unless it agrees to a modification of its 5 MR or 60 MR Agreement to provide for the 5 MR or 60 MR credit amounts to be shaped according to applicable guidelines.

Character of Service

Alternating current, single- or three-phase, 60 hertz. Power shall be delivered at a transmission voltage of 161 kV or, if such transmission voltage is not available, at the highest voltage available in the vicinity, unless at the customer's request a lower standard voltage is agreed upon.

Base Charges

Customer Charge: \$1,500 per delivery point per month
Administrative Charge: \$350 per delivery point per month
Right-of-Way
Clearing Surcharge: \$3.25 per meter per month

Demand Charge:

Summer Period	\$11.24 per kW per month of the customer's onpeak billing demand, plus \$2.54 per kW per month of the amount, if any, by which the customer's offpeak billing demand exceeds its onpeak billing demand, plus \$11.24 per kW per month of the amount, if any, by which (1) the customer's onpeak billing demand exceeds its onpeak contract demand or (2) the customer's offpeak billing demand exceeds its offpeak contract demand, whichever is higher
Winter Period	\$6.27 per kW per month of the customer's onpeak billing demand, plus \$2.54 per kW per month of the amount, if any, by which the customer's offpeak billing demand exceeds its onpeak billing demand, plus \$6.27 per kW per month of the amount, if any, by which (1) the customer's onpeak billing demand exceeds its onpeak contract demand or (2) the customer's offpeak billing demand exceeds its offpeak contract demand, whichever is higher
Transition Period	\$2.54 per kW of offpeak billing demand per month, plus \$6.27 per kW per month of the amount, if any, by which the customer's offpeak billing demand exceeds its offpeak contract demand

Energy Charge:

Summer Period	6.053¢ per kWh per month for all onpeak kWh, plus 3.443¢ per kWh (adjusted for hours use of maximum metered demand as provided below) per month for all offpeak kWh
Winter Period	3.915¢ per kWh per month for all onpeak kWh, plus 3.443¢ per kWh (adjusted for hours use of maximum metered demand as provided below) per month for all offpeak kWh
Transition Period	3.443¢ per kWh (adjusted for hours use of maximum metered demand as provided below) per month for all kWh

Offpeak Hours Use of Demand Adjustment:

The above offpeak energy charges for the Summer Period and the Winter Period shall be increased or decreased in accordance with the hours use of maximum metered demand as follows:

- 0.195¢ per kWh for the first 425 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy
- 1.101¢ per kWh for the next 195 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy
- 2.202¢ per kWh for the hours use of maximum metered demand in excess of 620 hours multiplied by the ratio of offpeak energy to total energy

The above energy charge for a Transition Period shall be increased or decreased in accordance with the hours use of maximum metered demand as follows:

0.195¢ per kWh for the first 425 hours use of maximum metered demand

-1.101¢ per kWh for the next 195 hours use of maximum metered demand

-2.202¢ per kWh for the hours use of maximum metered demand in excess of 620 hours

For the Summer Period, Winter Period and Transition Period, no Offpeak Hours Use of Demand Adjustment would apply to the portion, if any, of the minimum offpeak energy takings amount that is greater than the metered energy.

Adjustment

The base demand and energy charges, and the adjustment amounts provided for in the Offpeak Hours Use of Demand Adjustment shall be increased or decreased in accordance with the current Adjustment Addendum published by TVA. (In addition, such charges shall be increased or decreased to correspond to increases or decreases determined by TVA under Adjustment 2 or Adjustment 4 of the wholesale power rate schedule applicable under contractual arrangements between TVA and Distributor.)

Facilities Rental Charge

There shall be no facilities rental charge under this rate schedule for delivery at bulk transmission voltage levels of 161 kV or higher. For delivery at less than 161 kV, there shall be added to the customer's bill a facilities rental charge. This charge shall be 36¢ per kW per month except for delivery at voltages below 46 kV, in which case the charge shall be 93¢ per kW per month for the first 10,000 kW and 73¢ per kW per month for the excess over 10,000 kW. Such charge shall be applied to the higher of (1) the highest billing demand established during the latest 12-consecutive-month period or (2) the customer's currently effective onpeak or offpeak contract demand, whichever is higher, and shall be in addition to all other charges under this rate schedule, including minimum bill charges.

Reactive Demand Charges

If the reactive demand (in kVAR) is lagging during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's highest metered demand occurs, there shall be added to the customer's bill a reactive charge of \$1.46 per kVAR of the amount, if any, by which the reactive demand exceeds 33 percent of such metered demand. If the reactive demand (in kVAR) is leading during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's lowest metered demand (excluding any metered demands which are less than 25 percent of the highest metered demand) occurs, there shall be added to the customer's bill a reactive charge of \$1.14 per kVAR of the amount of reactive demand. Such charges shall be in addition to all other charges under this rate schedule, including minimum bill charges.

Determination of Seasonal Periods

Summer Period shall mean the June, July, August, and September billing months. Winter Period shall mean the December, January, February, and March billing months. Transition Period shall mean the April, May, October, and November billing months. The Seasonal Periods under this rate schedule

are subject to change by TVA. In the event TVA determines that changed Seasonal Periods are appropriate, it shall so notify Distributor at least 12 months prior to the effective date of such changed periods, and Distributor shall promptly notify customer.

Determination of Onpeak and Offpeak Hours

Except for Saturdays and Sundays and the weekdays that are observed as Federal holidays for New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day, onpeak hours for each day shall be 1 p.m. to 7 p.m. during the Summer Period and from 4 a.m. to 10 a.m. during the Winter Period. For the Summer Period and the Winter Period, all other hours of each year that are not otherwise defined as onpeak hours and all hours of such excepted days shall be offpeak hours. Such times shall be Central Standard Time or Central Daylight Time, whichever is then in effect. Said onpeak and offpeak hours are subject to change by TVA. In the event TVA determines that such changed onpeak and offpeak hours are appropriate, it shall so notify Distributor at least 12 months prior to the effective date of such changed hours, and Distributor shall promptly notify customer.

For the Transition Period, all hours shall be offpeak hours.

Determination of Onpeak and Offpeak Demands, Maximum Metered Demand, and Energy Amounts

The onpeak and offpeak kWh for any month shall be the energy amounts taken during the respective hours of the month designated under this rate schedule as onpeak and offpeak hours; provided, however, that notwithstanding the metered energy amount, the offpeak energy for any month shall in no case be less than the product of (1) the offpeak billing demand as calculated in the last sentence of the paragraph below and (2) 110 hours (reflecting a 15 percent load factor applied to the average number of hours in a month).

Distributor shall meter the onpeak and offpeak demands in kW of all customers taking service under this rate schedule. The onpeak metered demand and offpeak metered demand for any month shall be determined separately for the respective hours of the month designated under this rate schedule as onpeak and offpeak hours and in each case shall be the highest average during any 30-consecutive-minute period beginning or ending on a clock hour of the month of the load metered in kW, and, except as provided below in this section, such amounts shall be used as the onpeak and offpeak billing demands. The maximum metered demand for any month shall be the higher of (1) the highest onpeak metered demand in the month or (2) the highest offpeak metered demand in the month. The onpeak billing demand shall in no case be less than the sum of (1) 30 percent of the first 5,000 kW, (2) 40 percent of the next 20,000 kW, (3) 50 percent of the next 25,000 kW, (4) 60 percent of the next 50,000 kW, (5) 70 percent of the next 100,000 kW, (6) 80 percent of the next 150,000 kW, and (7) 85 percent of all kW in excess of 350,000 kW of the higher of the currently effective onpeak contract demand or the highest onpeak billing demand established during the preceding 12 months. The offpeak billing demand shall in no case be less than the sum of (1) 30 percent of the first 5,000 kW, (2) 40 percent of the next 20,000 kW, (3) 50 percent of the next 25,000 kW, (4) 60 percent of the next 50,000 kW, (5) 70 percent of the next 100,000 kW, (6) 80 percent of the next 150,000 kW, and (7) 85 percent of all kW in excess of 350,000 kW of the higher of the currently effective offpeak contract demand or the highest offpeak billing demand established during the preceding 12 months.

Minimum Bill

The monthly bill under this rate schedule, excluding any facilities rental charges and any reactive charges, shall not be less than the sum of (1) the base customer charge, (2) the portion of the base demand charge, as adjusted, (but excluding the additional portion thereof applicable to excess of billing demand over contract demand) applicable to onpeak billing demand applied to the customer's onpeak

billing demand, (3) the portion of the base demand charge, as adjusted, (but excluding the additional portion thereof applicable to excess of billing demand over contract demand) applicable to any excess of offpeak over onpeak billing demand applied to the amount, if any, by which the customer's offpeak billing demand exceeds its onpeak billing demand, (4) the base onpeak energy charge, as adjusted, applied to the customer's onpeak energy takings, and (5) the base offpeak energy charge, as adjusted, applied to the higher of customer's actual offpeak energy takings or the minimum offpeak energy takings amount provided for in the first paragraph of the section of this rate schedule entitled "Determination of Onpeak and Offpeak Demands, Maximum Metered Demand, and Energy Amounts". It is recognized that no Offpeak Hours Use of Demand Adjustment would apply to the portion, if any, of the minimum offpeak energy takings amount that is greater than the metered energy.

Distributor may require minimum bills higher than those stated above, including, without limitation, charges to cover any additional metering and related costs.

Contract Requirement

The contract requirement of the schedule (GSD or TGSD) for which this rate schedule is selected as an alternative shall continue to apply, both during the time this alternative rate schedule is in effect under that contract and afterwards. In addition, at the time that this rate schedule becomes effective for billing, there must be at least one year remaining on the contract required by such Schedule GSD or TGSD. The customer shall contract for its maximum requirements, which shall not exceed the amount of power capable of being used by customer, and Distributor shall not be obligated to supply power in greater amount at any time than the customer's currently effective onpeak or offpeak contract demand. If the customer uses any power other than that supplied by Distributor under this rate schedule, the contract may include other special provisions. The rate schedule in any power contract shall be subject to adjustment, modification, change, or replacement from time to time as provided under the power contract between Distributor and TVA.

At the end of the period of service under this rate schedule, the customer, subject to appropriate amendments to its power contract with Distributor, may receive service under Schedule GSD or TGSD for any required contract term then remaining; provided, however, that the contract demand for any such service under Schedule GSD shall not be less than the onpeak contract demand in effect when service was taken under this rate schedule.

Payment

Bills under this rate schedule will be rendered monthly. Any amount of bill unpaid after due date specified on bill may be subject to additional charges under Distributor's standard policy.

Single-Point Delivery

The charges under this rate schedule are based upon the supply of service through a single delivery and metering point, and at a single voltage. If service is supplied to the same customer through more than one point of delivery or at different voltages, the supply of service at each delivery and metering point and at each different voltage shall be separately metered and billed.

Service is subject to Rules and Regulations of Distributor.

WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION

TIME DIFFERENTIATED HOURS USE OF DEMAND MANUFACTURING SERVICE RATE--SCHEDULE TDMSB

(October 2010)

Availability

This rate shall be available for firm electric power requirements where (a) a customer's currently effective onpeak or offpeak contract demand, whichever is higher, is greater than 1,000 kW but not more than 15,000 kW, (b) the major use of electricity is for activities conducted at the delivery point serving that customer which are classified with a 2-digit Standard Industrial Classification Code between 20 and 39, inclusive, or classified with 2002 North American Industry Classification System (NAICS) code 5181, or 2007 NAICS codes 5182, 522320, and 541214; provided, however, customers qualifying for service under this schedule on the basis of such a NAICS code shall have a currently effective onpeak or offpeak contract demand greater than 5,000 kW, and shall have an average monthly load factor of at least 80 percent during the preceding 12 months; provided further, however, that for the first 12 months of service to a new customer this load factor requirement shall be based on the customer's expected load factor for those 12 months as projected before the customer begins taking service, and (c) this rate schedule is elected as an alternative to service under Schedules GSA, MSB, TGSA, or TMSB for a 12-month period beginning no earlier than October 1, 2010, and no later than March 1, 2011; provided that the other conditions of this section are met. As used in the previous sentence "monthly load factor" shall mean a percentage calculated by dividing the total metered energy for a month by the product of the metered demand for that month and the number of clock hours in that month, exclusive of any hours during which power was unavailable due to an interruption or curtailment of the customer's service and of any hours in which the customer was unable to use power due to a Force Majeure event reasonably beyond the customer's control.

Prior to initially taking any service under this schedule, and from time to time thereafter as may be required by Distributor or the Tennessee Valley Authority (TVA), a customer shall certify to both Distributor and TVA that it meets the requirements set forth in condition (b) above. The certification form to be used shall be (i) furnished or approved by TVA, (ii) provided by Distributor to the customer, and (iii) signed and promptly returned by the customer to Distributor. Further, such customer shall promptly certify any change in the status of any of the information contained in the certification form to Distributor.

Service during any period for which a customer does not meet the eligibility requirements set forth in condition (b) above will be made available by Distributor under, and billed in accordance with, the applicable General Power schedule.

For customers served under this rate schedule, the customer's "meter-reading time" shall be 0000 hours CST or CDT, whichever is currently effective, on the first day of the calendar month following the month for which a bill under this rate schedule is being calculated. Further, in accordance with TVA furnished or approved guidelines or specifications, TVA shall have unrestricted remote access to the metering data at all times, as well as unrestricted physical access to the metering facilities for the purpose of confirming remotely-accessed data during such periods as are specified by TVA.

For a customer requesting that its onpeak contract demand be different from its offpeak contract demand, this rate schedule shall be available only for (1) a new contract, (2) a replacement or renewal contract following expiration of the existing contract, or (3) a replacement or renewal contract or an amended existing contract in which the customer is increasing its demand requirements above the existing contract demand level, but under this item (3) neither the new onpeak nor the new offpeak contract demand shall be lower than the customer's existing contract demand.

A customer may not be on this rate schedule and participate in any demand response program which is designated by TVA as inconsistent with service under this schedule. A customer may not be on this rate schedule and participate in the small manufacturing credit program. A customer may not be on this rate schedule and participate in TVA's Enhanced Growth Credit (EGC) Program unless it agrees to a modification of its EGC agreement to provide for the EGC credits to be capped according to applicable guidelines. A customer may not be on this rate schedule and participate in TVA's 5 Minute Response (5 MR) or 60 Minute Response (60 MR) Interruptible Programs unless it agrees to a modification of its 5 MR or 60 MR Agreement to provide for the 5 MR or 60 MR credit amounts to be shaped according to applicable guidelines.

Character of Service

Alternating current, single- or three-phase, 60 hertz. Power shall be delivered at a transmission voltage of 161 kV or, if such transmission voltage is not available, at the highest voltage available in the vicinity, unless at the customer's request a lower standard voltage is agreed upon.

Base Charges

Customer Charge:	\$1,500 per delivery point per month
Administrative Charge:	\$350 per delivery point per month
Right-of-Way Clearing Surcharge:	\$3.25 per meter per month
Demand Charge:	
Summer Period	\$11.86 per kW per month of the customer's onpeak billing demand, plus \$3.16 per kW per month of the amount, if any, by which the customer's offpeak billing demand exceeds its onpeak billing demand, plus \$11.86 per kW per month of the amount, if any, by which (1) the customer's onpeak billing demand exceeds its onpeak contract demand or (2) the customer's offpeak billing demand exceeds its offpeak contract demand, whichever is higher
Winter Period	\$6.89 per kW per month of the customer's onpeak billing demand, plus \$3.16 per kW per month of the amount, if any, by which the customer's offpeak billing demand exceeds its onpeak billing demand, plus \$6.89 per kW per month of the amount, if any, by which (1) the customer's onpeak billing demand exceeds its onpeak contract demand or (2) the customer's offpeak billing demand exceeds its offpeak contract demand, whichever is higher
Transition Period	\$3.16 per kW of offpeak billing demand per month, plus \$6.89 per kW per month of the amount, if any, by which the customer's offpeak billing demand exceeds its offpeak contract demand

Energy Charge:

Summer Period	5.356¢ per kWh per month for all onpeak kWh, plus 2.778¢ per kWh (adjusted for hours use of maximum metered demand as provided below) per month for all offpeak kWh
Winter Period	3.270¢ per kWh per month for all onpeak kWh, plus 2.778¢ per kWh (adjusted for hours use of maximum metered demand as provided below) per month for all offpeak kWh
Transition Period	2.778¢ per kWh (adjusted for hours use of maximum metered demand as provided below) per month for all kWh

Offpeak Hours Use of Demand Adjustment:

The above offpeak energy charges for the Summer Period and the Winter Period shall be increased or decreased in accordance with the hours use of maximum metered demand as follows:

- 0.195¢ per kWh for the first 425 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy
- 1.101¢ per kWh for the next 195 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy
- 2.202¢ per kWh for the hours use of maximum metered demand in excess of 620 hours multiplied by the ratio of offpeak energy to total energy

The above energy charge for a Transition Period shall be increased or decreased in accordance with the hours use of maximum metered demand as follows:

- 0.195¢ per kWh for the first 425 hours use of maximum metered demand
- 1.101¢ per kWh for the next 195 hours use of maximum metered demand
- 2.202¢ per kWh for the hours use of maximum metered demand in excess of 620 hours

For the Summer Period, Winter Period and Transition Period, no Offpeak Hours Use of Demand Adjustment would apply to the portion, if any, of the minimum offpeak energy takings amount that is greater than the metered energy.

Adjustment

The base demand and energy charges, and the adjustment amounts provided for in the Offpeak Hours Use of Demand Adjustment shall be increased or decreased in accordance with the current Adjustment Addendum published by TVA. (In addition, such charges shall be increased or decreased to correspond to increases or decreases determined by TVA under Adjustment 2 or Adjustment 4 of the wholesale power rate schedule applicable under contractual arrangements between TVA and Distributor.)

Facilities Rental Charge

There shall be no facilities rental charge under this rate schedule for delivery at bulk transmission voltage levels of 161 kV or higher. For delivery at less than 161 kV, there shall be added to the customer's bill a facilities rental charge. This charge shall be 36¢ per kW per month except for delivery at voltages below 46 kV, in which case the charge shall be 93¢ per kW per month for the first 10,000 kW and 73¢ per kW per month for the excess over 10,000 kW. Such charge shall be applied to the higher of (1) the highest billing demand established during the latest 12-consecutive-month period or (2) the customer's currently effective onpeak or offpeak contract demand, whichever is higher, and shall be in addition to all other charges under this rate schedule, including minimum bill charges.

Reactive Demand Charges

If the reactive demand (in kVAR) is lagging during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's highest metered demand occurs, there shall be added to the customer's bill a reactive charge of \$1.46 per kVAR of the amount, if any, by which the reactive demand exceeds 33 percent of such metered demand. If the reactive demand (in kVAR) is leading during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's lowest metered demand (excluding any metered demands which are less than 25 percent of the highest metered demand) occurs, there shall be added to the customer's bill a reactive charge of \$1.14 per kVAR of the amount of reactive demand. Such charges shall be in addition to all other charges under this rate schedule, including minimum bill charges.

Determination of Seasonal Periods

Summer Period shall mean the June, July, August, and September billing months. Winter Period shall mean the December, January, February, and March billing months. Transition Period shall mean the April, May, October, and November billing months. The Seasonal Periods under this rate schedule are subject to change by TVA. In the event TVA determines that changed Seasonal Periods are appropriate, it shall so notify Distributor at least 12 months prior to the effective date of such changed periods, and Distributor shall promptly notify customer.

Determination of Onpeak and Offpeak Hours

Except for Saturdays and Sundays and the weekdays that are observed as Federal holidays for New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day, onpeak hours for each day shall be 1 p.m. to 7 p.m. during the Summer Period and from 4 a.m. to 10 a.m. during the Winter Period. For the Summer Period and the Winter Period, all other hours of each year that are not otherwise defined as onpeak hours and all hours of such excepted days shall be offpeak hours. Such times shall be Central Standard Time or Central Daylight Time, whichever is then in effect. Said onpeak and offpeak hours are subject to change by TVA. In the event TVA determines that such changed onpeak and offpeak hours are appropriate, it shall so notify Distributor at least 12 months prior to the effective date of such changed hours, and Distributor shall promptly notify customer.

For the Transition Period, all hours shall be offpeak hours.

Determination of Onpeak and Offpeak Demands, Maximum Metered Demand, and Energy Amounts

The onpeak and offpeak kWh for any month shall be the energy amounts taken during the respective hours of the month designated under this rate schedule as onpeak and offpeak hours; provided, however, that notwithstanding the metered energy amount, the offpeak energy for any month

shall in no case be less than the product of (1) the offpeak billing demand as calculated in the last sentence of the paragraph below and (2) 110 hours (reflecting a 15 percent load factor applied to the average number of hours in a month).

Distributor shall meter the onpeak and offpeak demands in kW of all customers taking service under this rate schedule. The onpeak metered demand and offpeak metered demand for any month shall be determined separately for the respective hours of the month designated under this rate schedule as onpeak and offpeak hours and in each case shall be the highest average during any 30-consecutive-minute period beginning or ending on a clock hour of the month of the load metered in kW, and, except as provided below in this section, such amounts shall be used as the onpeak and offpeak billing demands. The maximum metered demand for any month shall be the higher of (1) the highest onpeak metered demand in the month or (2) the highest offpeak metered demand in the month. The onpeak billing demand shall in no case be less than the sum of (1) 30 percent of the first 5,000 kW and (2) 40 percent of any kW in excess of 5,000 kW of the higher of the currently effective onpeak contract demand or the highest onpeak billing demand established during the preceding 12 months. The offpeak billing demand shall in no case be less than the sum of (1) 30 percent of the first 5,000 kW and (2) 40 percent of any kW in excess of 5,000 kW of the higher of the currently effective offpeak contract demand or the highest offpeak billing demand established during the preceding 12 months.

Minimum Bill

The monthly bill under this rate schedule, excluding any facilities rental charges and any reactive charges, shall not be less than the sum of (1) the base customer charge, (2) the portion of the base demand charge, as adjusted, (but excluding the additional portion thereof applicable to excess of billing demand over contract demand) applicable to onpeak billing demand applied to the customer's onpeak billing demand, (3) the portion of the base demand charge, as adjusted, (but excluding the additional portion thereof applicable to excess of billing demand over contract demand) applicable to any excess of offpeak over onpeak billing demand applied to the amount, if any, by which the customer's offpeak billing demand exceeds its onpeak billing demand, (4) the base onpeak energy charge, as adjusted, applied to the customer's onpeak energy takings, and (5) the base offpeak energy charge, as adjusted, applied to the higher of customer's actual offpeak energy takings or the minimum offpeak energy takings amount provided for in the first paragraph of the section of this rate schedule entitled "Determination of Onpeak and Offpeak Demands, Maximum Metered Demand, and Energy Amounts". It is recognized that no Offpeak Hours Use of Demand Adjustment would apply to the portion, if any, of the minimum offpeak energy takings amount that is greater than the metered energy.

Distributor may require minimum bills higher than those stated above, including, without limitation, charges to cover any additional metering and related costs.

Contract Requirement

The contract requirement of the schedule (GSA, MSB, TGSA, or TMSB) for which this rate schedule is selected as an alternative shall continue to apply, both during the time this alternative rate schedule is in effect under that contract and afterwards. In addition, at the time that this rate schedule becomes effective for billing, there must be at least one year remaining on the contract required by such Schedule GSA, MSB, TGSA, or TMSB. The customer shall contract for its maximum requirements, which shall not exceed the amount of power capable of being used by customer, and Distributor shall not be obligated to supply power in greater amount at any time than the customer's currently effective onpeak or offpeak contract demand. If the customer uses any power other than that supplied by Distributor under this rate schedule, the contract may include other special provisions. The rate schedule in any power contract shall be subject to adjustment, modification, change, or replacement from time to time as provided under the power contract between Distributor and TVA.

At the end of the period of service under this rate schedule, the customer, subject to appropriate amendments to its power contract with Distributor, may receive service under Schedule GSA, MSB, TGSA, or TMSB for any required contract term then remaining; provided, however, that the contract demand for any such service under Schedule GSA or MSB shall not be less than the onpeak contract demand in effect when service was taken under this rate schedule.

Payment

Bills under this rate schedule will be rendered monthly. Any amount of bill unpaid after due date specified on bill may be subject to additional charges under Distributor's standard policy.

Single-Point Delivery

The charges under this rate schedule are based upon the supply of service through a single delivery and metering point, and at a single voltage. If service is supplied to the same customer through more than one point of delivery or at different voltages, the supply of service at each delivery and metering point and at each different voltage shall be separately metered and billed.

Service is subject to Rules and Regulations of Distributor.

WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION

TIME DIFFERENTIATED HOURS USE OF DEMAND MANUFACTURING SERVICE RATE--SCHEDULE TDMSC

(October 2010)

Availability

This rate shall be available for firm electric power requirements where (a) a customer's currently effective onpeak or offpeak contract demand, whichever is higher, is greater than 15,000 kW but not more than 25,000 kW, (b) the major use of electricity is for activities conducted at the delivery point serving that customer which are classified with a 2-digit Standard Industrial Classification Code between 20 and 39, inclusive, or classified with 2002 North American Industry Classification System (NAICS) code 5181, or 2007 NAICS codes 5182, 522320, and 541214; provided, however, customers qualifying for service under this schedule on the basis of such a NAICS code shall have an average monthly load factor of at least 80 percent during the preceding 12 months; provided further, however, that for the first 12 months of service to a new customer this load factor requirement shall be based on the customer's expected load factor for those 12 months as projected before the customer begins taking service, and (c) this rate schedule is elected as an alternative to service under Schedule MSC or TMSC for a 12-month period beginning no earlier than October 1, 2010, and no later than March 1, 2011; provided that the other conditions of this section are met. As used in the previous sentence "monthly load factor" shall mean a percentage calculated by dividing the total metered energy for a month by the product of the metered demand for that month and the number of clock hours in that month, exclusive of any hours during which power was unavailable due to an interruption or curtailment of the customer's service and of any hours in which the customer was unable to use power due to a Force Majeure event reasonably beyond the customer's control.

Prior to initially taking any service under this schedule, and from time to time thereafter as may be required by Distributor or the Tennessee Valley Authority (TVA), a customer shall certify to both Distributor and TVA that it meets the requirements set forth in condition (b) above. The certification form to be used shall be (i) furnished or approved by TVA, (ii) provided by Distributor to the customer, and (iii) signed and promptly returned by the customer to Distributor. Further, such customer shall promptly certify any change in the status of any of the information contained in the certification form to Distributor.

Service during any period for which a customer does not meet the eligibility requirements set forth in condition (b) above will be made available by Distributor under, and billed in accordance with, the applicable General Power schedule.

For customers served under this rate schedule, the customer's "meter-reading time" shall be 0000 hours CST or CDT, whichever is currently effective, on the first day of the calendar month following the month for which a bill under this rate schedule is being calculated. Further, in accordance with TVA furnished or approved guidelines or specifications, TVA shall have unrestricted remote access to the metering data at all times, as well as unrestricted physical access to the metering facilities for the purpose of confirming remotely-accessed data during such periods as are specified by TVA.

For a customer requesting that its onpeak contract demand be different from its offpeak contract demand, this rate schedule shall be available only for (1) a new contract, (2) a replacement or renewal contract following expiration of the existing contract, or (3) a replacement or renewal contract or an amended existing contract in which the customer is increasing its demand requirements above the existing contract demand level, but under this item (3) neither the new onpeak nor the new offpeak contract demand shall be lower than the customer's existing contract demand.

A customer may not be on this rate schedule and participate in any demand response program which is designated by TVA as inconsistent with service under this schedule. A customer may not be on

this rate schedule and participate in TVA's Enhanced Growth Credit (EGC) Program unless it agrees to a modification of its EGC agreement to provide for the EGC credits to be capped according to applicable guidelines. A customer may not be on this rate schedule and participate in TVA's 5 Minute Response (5 MR) or 60 Minute Response (60 MR) Interruptible Programs unless it agrees to a modification of its 5 MR or 60 MR Agreement to provide for the 5 MR or 60 MR credit amounts to be shaped according to applicable guidelines.

Character of Service

Alternating current, single- or three-phase, 60 hertz. Power shall be delivered at a transmission voltage of 161 kV or, if such transmission voltage is not available, at the highest voltage available in the vicinity, unless at the customer's request a lower standard voltage is agreed upon.

Base Charges

Customer Charge:	\$1,500 per delivery point per month
Administrative Charge:	\$350 per delivery point per month
Right-of-Way Clearing Surcharge:	\$3.25 per meter per month
Demand Charge:	
Summer Period	\$11.35 per kW per month of the customer's onpeak billing demand, plus \$2.65 per kW per month of the amount, if any, by which the customer's offpeak billing demand exceeds its onpeak billing demand, plus \$11.35 per kW per month of the amount, if any, by which (1) the customer's onpeak billing demand exceeds its onpeak contract demand or (2) the customer's offpeak billing demand exceeds its offpeak contract demand, whichever is higher
Winter Period	\$6.38 per kW per month of the customer's onpeak billing demand, plus \$2.65 per kW per month of the amount, if any, by which the customer's offpeak billing demand exceeds its onpeak billing demand, plus \$6.38 per kW per month of the amount, if any, by which (1) the customer's onpeak billing demand exceeds its onpeak contract demand or (2) the customer's offpeak billing demand exceeds its offpeak contract demand, whichever is higher
Transition Period	\$2.65 per kW of offpeak billing demand per month, plus \$6.38 per kW per month of the amount, if any, by which the customer's offpeak billing demand exceeds its offpeak contract demand

Energy Charge:

Summer Period	5.414¢ per kWh per month for all onpeak kWh, plus 2.770¢ per kWh (adjusted for hours use of maximum metered demand as provided below) per month for all offpeak kWh
Winter Period	3.280¢ per kWh per month for all onpeak kWh, plus 2.770¢ per kWh (adjusted for hours use of maximum metered demand as provided below) per month for all offpeak kWh
Transition Period	2.770¢ per kWh (adjusted for hours use of maximum metered demand as provided below) per month for all kWh

Offpeak Hours Use of Demand Adjustment:

The above offpeak energy charges for the Summer Period and the Winter Period shall be increased or decreased in accordance with the hours use of maximum metered demand as follows:

- 0.195¢ per kWh for the first 425 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy
- 1.101¢ per kWh for the next 195 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy
- 2.202¢ per kWh for the hours use of maximum metered demand in excess of 620 hours multiplied by the ratio of offpeak energy to total energy

The above energy charge for a Transition Period shall be increased or decreased in accordance with the hours use of maximum metered demand as follows:

- 0.195¢ per kWh for the first 425 hours use of maximum metered demand
- 1.101¢ per kWh for the next 195 hours use of maximum metered demand
- 2.202¢ per kWh for the hours use of maximum metered demand in excess of 620 hours

For the Summer Period, Winter Period and Transition Period, no Offpeak Hours Use of Demand Adjustment would apply to the portion, if any, of the minimum offpeak energy takings amount that is greater than the metered energy.

Adjustment

The base demand and energy charges, and the adjustment amounts provided for in the Offpeak Hours Use of Demand Adjustment shall be increased or decreased in accordance with the current Adjustment Addendum published by TVA. (In addition, such charges shall be increased or decreased to correspond to increases or decreases determined by TVA under Adjustment 2 or Adjustment 4 of the wholesale power rate schedule applicable under contractual arrangements between TVA and Distributor.)

Facilities Rental Charge

There shall be no facilities rental charge under this rate schedule for delivery at bulk transmission voltage levels of 161 kV or higher. For delivery at less than 161 kV, there shall be added to the customer's bill a facilities rental charge. This charge shall be 36¢ per kW per month except for delivery at voltages below 46 kV, in which case the charge shall be 93¢ per kW per month for the first 10,000 kW and 73¢ per kW per month for the excess over 10,000 kW. Such charge shall be applied to the higher of (1) the highest billing demand established during the latest 12-consecutive-month period or (2) the customer's currently effective onpeak or offpeak contract demand, whichever is higher, and shall be in addition to all other charges under this rate schedule, including minimum bill charges.

Reactive Demand Charges

If the reactive demand (in kVAR) is lagging during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's highest metered demand occurs, there shall be added to the customer's bill a reactive charge of \$1.46 per kVAR of the amount, if any, by which the reactive demand exceeds 33 percent of such metered demand. If the reactive demand (in kVAR) is leading during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's lowest metered demand (excluding any metered demands which are less than 25 percent of the highest metered demand) occurs, there shall be added to the customer's bill a reactive charge of \$1.14 per kVAR of the amount of reactive demand. Such charges shall be in addition to all other charges under this rate schedule, including minimum bill charges.

Determination of Seasonal Periods

Summer Period shall mean the June, July, August, and September billing months. Winter Period shall mean the December, January, February, and March billing months. Transition Period shall mean the April, May, October, and November billing months. The Seasonal Periods under this rate schedule are subject to change by TVA. In the event TVA determines that changed Seasonal Periods are appropriate, it shall so notify Distributor at least 12 months prior to the effective date of such changed periods, and Distributor shall promptly notify customer.

Determination of Onpeak and Offpeak Hours

Except for Saturdays and Sundays and the weekdays that are observed as Federal holidays for New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day, onpeak hours for each day shall be 1 p.m. to 7 p.m. during the Summer Period and from 4 a.m. to 10 a.m. during the Winter Period. For the Summer Period and the Winter Period, all other hours of each year that are not otherwise defined as onpeak hours and all hours of such excepted days shall be offpeak hours. Such times shall be Central Standard Time or Central Daylight Time, whichever is then in effect. Said onpeak and offpeak hours are subject to change by TVA. In the event TVA determines that such changed onpeak and offpeak hours are appropriate, it shall so notify Distributor at least 12 months prior to the effective date of such changed hours, and Distributor shall promptly notify customer.

For the Transition Period, all hours shall be offpeak hours.

Determination of Onpeak and Offpeak Demands, Maximum Metered Demand, and Energy Amounts

The onpeak and offpeak kWh for any month shall be the energy amounts taken during the respective hours of the month designated under this rate schedule as onpeak and offpeak hours; provided, however, that notwithstanding the metered energy amount, the offpeak energy for any month

shall in no case be less than the product of (1) the offpeak billing demand as calculated in the last sentence of the paragraph below and (2) 110 hours (reflecting a 15 percent load factor applied to the average number of hours in a month).

Distributor shall meter the onpeak and offpeak demands in kW of all customers taking service under this rate schedule. The onpeak metered demand and offpeak metered demand for any month shall be determined separately for the respective hours of the month designated under this rate schedule as onpeak and offpeak hours and in each case shall be the highest average during any 30-consecutive-minute period beginning or ending on a clock hour of the month of the load metered in kW, and, except as provided below in this section, such amounts shall be used as the onpeak and offpeak billing demands. The maximum metered demand for any month shall be the higher of (1) the highest onpeak metered demand in the month or (2) the highest offpeak metered demand in the month. The onpeak billing demand shall in no case be less than the sum of (1) 30 percent of the first 5,000 kW, (2) 40 percent of the next 20,000 kW, and (3) 50 percent of any kW in excess of 25,000 kW of the higher of the currently effective onpeak contract demand or the highest onpeak billing demand established during the preceding 12 months. The offpeak billing demand shall in no case be less than the sum of (1) 30 percent of the first 5,000 kW, (2) 40 percent of the next 20,000 kW, and (3) 50 percent of any kW in excess of 25,000 kW of the higher of the currently effective offpeak contract demand or the highest offpeak billing demand established during the preceding 12 months.

Minimum Bill

The monthly bill under this rate schedule, excluding any facilities rental charges and any reactive charges, shall not be less than the sum of (1) the base customer charge, (2) the portion of the base demand charge, as adjusted, (but excluding the additional portion thereof applicable to excess of billing demand over contract demand) applicable to onpeak billing demand applied to the customer's onpeak billing demand, (3) the portion of the base demand charge, as adjusted, (but excluding the additional portion thereof applicable to excess of billing demand over contract demand) applicable to any excess of offpeak over onpeak billing demand applied to the amount, if any, by which the customer's offpeak billing demand exceeds its onpeak billing demand, (4) the base onpeak energy charge, as adjusted, applied to the customer's onpeak energy takings, and (5) the base offpeak energy charge, as adjusted, applied to the higher of customer's actual offpeak energy takings or the minimum offpeak energy takings amount provided for in the first paragraph of the section of this rate schedule entitled "Determination of Onpeak and Offpeak Demands, Maximum Metered Demand, and Energy Amounts". It is recognized that no Offpeak Hours Use of Demand Adjustment would apply to the portion, if any, of the minimum offpeak energy takings amount that is greater than the metered energy.

Distributor may require minimum bills higher than those stated above, including, without limitation, charges to cover any additional metering and related costs.

Contract Requirement

The contract requirement of the schedule (MSC or 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.

WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION

TIME DIFFERENTIATED HOURS USE OF DEMAND MANUFACTURING SERVICE RATE--SCHEDULE TDMSD

(October 2010)

Availability

This rate shall be available for firm electric power requirements where (a) a customer's currently effective onpeak or offpeak contract demand, whichever is higher, is greater than 25,000 kW, (b) the major use of electricity is for activities conducted at the delivery point serving that customer which are classified with a 2-digit Standard Industrial Classification Code between 20 and 39, inclusive, or classified with 2002 North American Industry Classification System (NAICS) code 5181, or 2007 NAICS codes 5182, 522320, and 541214; provided, however, customers qualifying for service under this schedule on the basis of such a NAICS code shall have an average monthly load factor of at least 80 percent during the preceding 12 months; provided further, however, that for the first 12 months of service to a new customer this load factor requirement shall be based on the customer's expected load factor for those 12 months as projected before the customer begins taking service, and (c) this rate schedule is elected as an alternative to service under Schedule MSD or TMSD for a 12-month period beginning no earlier than October 1, 2010, and no later than March 1, 2011; provided that the other conditions of this section are met. As used in the previous sentence "monthly load factor" shall mean a percentage calculated by dividing the total metered energy for a month by the product of the metered demand for that month and the number of clock hours in that month, exclusive of any hours during which power was unavailable due to an interruption or curtailment of the customer's service and of any hours in which the customer was unable to use power due to a Force Majeure event reasonably beyond the customer's control.

Prior to initially taking any service under this schedule, and from time to time thereafter as may be required by Distributor or the Tennessee Valley Authority (TVA), a customer shall certify to both Distributor and TVA that it meets the requirements set forth in condition (b) above. The certification form to be used shall be (i) furnished or approved by TVA, (ii) provided by Distributor to the customer, and (iii) signed and promptly returned by the customer to Distributor. Further, such customer shall promptly certify any change in the status of any of the information contained in the certification form to Distributor.

Service during any period for which a customer does not meet the eligibility requirements set forth in condition (b) above will be made available by Distributor under, and billed in accordance with, the applicable General Power schedule.

For customers served under this rate schedule, the customer's "meter-reading time" shall be 0000 hours CST or CDT, whichever is currently effective, on the first day of the calendar month following the month for which a bill under this rate schedule is being calculated. Further, in accordance with TVA furnished or approved guidelines or specifications, TVA shall have unrestricted remote access to the metering data at all times, as well as unrestricted physical access to the metering facilities for the purpose of confirming remotely-accessed data during such periods as are specified by TVA.

For a customer requesting that its onpeak contract demand be different from its offpeak contract demand, this rate schedule shall be available only for (1) a new contract, (2) a replacement or renewal contract following expiration of the existing contract, or (3) a replacement or renewal contract or an amended existing contract in which the customer is increasing its demand requirements above the existing contract demand level, but under this item (3) neither the new onpeak nor the new offpeak contract demand shall be lower than the customer's existing contract demand.

A customer may not be on this rate schedule and participate in any demand response program which is designated by TVA as inconsistent with service under this schedule. A customer may not be on

this rate schedule and participate in TVA's Enhanced Growth Credit (EGC) Program unless it agrees to a modification of its EGC agreement to provide for the EGC credits to be capped according to applicable guidelines. A customer may not be on this rate schedule and participate in TVA's 5 Minute Response (5 MR) or 60 Minute Response (60 MR) Interruptible Programs unless it agrees to a modification of its 5 MR or 60 MR Agreement to provide for the 5 MR or 60 MR credit amounts to be shaped according to applicable guidelines.

Character of Service

Alternating current, single- or three-phase, 60 hertz. Power shall be delivered at a transmission voltage of 161 kV or, if such transmission voltage is not available, at the highest voltage available in the vicinity, unless at the customer's request a lower standard voltage is agreed upon.

Base Charges

Customer Charge:	\$1,500 per delivery point per month
Administrative Charge:	\$350 per delivery point per month
Right-of-Way Clearing Surcharge:	\$3.25 per meter per month
Demand Charge:	
Summer Period	\$11.24 per kW per month of the customer's onpeak billing demand, plus \$2.54 per kW per month of the amount, if any, by which the customer's offpeak billing demand exceeds its onpeak billing demand, plus \$11.24 per kW per month of the amount, if any, by which (1) the customer's onpeak billing demand exceeds its onpeak contract demand or (2) the customer's offpeak billing demand exceeds its offpeak contract demand, whichever is higher
Winter Period	\$6.27 per kW per month of the customer's onpeak billing demand, plus \$2.54 per kW per month of the amount, if any, by which the customer's offpeak billing demand exceeds its onpeak billing demand, plus \$6.27 per kW per month of the amount, if any, by which (1) the customer's onpeak billing demand exceeds its onpeak contract demand or (2) the customer's offpeak billing demand exceeds its offpeak contract demand, whichever is higher
Transition Period	\$2.54 per kW of offpeak billing demand per month, plus \$6.27 per kW per month of the amount, if any, by which the customer's offpeak billing demand exceeds its offpeak contract demand

Energy Charge:

Summer Period	5.297¢ per kWh per month for all onpeak kWh, plus 2.655¢ per kWh (adjusted for hours use of maximum metered demand as provided below) per month for all offpeak kWh
Winter Period	3.152¢ per kWh per month for all onpeak kWh, plus 2.655¢ per kWh (adjusted for hours use of maximum metered demand as provided below) per month for all offpeak kWh
Transition Period	2.655¢ per kWh (adjusted for hours use of maximum metered demand as provided below) per month for all kWh

Offpeak Hours Use of Demand Adjustment:

The above offpeak energy charges for the Summer Period and the Winter Period shall be increased or decreased in accordance with the hours use of maximum metered demand as follows:

- 0.195¢ per kWh for the first 425 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy
- 1.101¢ per kWh for the next 195 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy
- 2.202¢ per kWh for the hours use of maximum metered demand in excess of 620 hours multiplied by the ratio of offpeak energy to total energy

The above energy charge for a Transition Period shall be increased or decreased in accordance with the hours use of maximum metered demand as follows:

- 0.195¢ per kWh for the first 425 hours use of maximum metered demand
- 1.101¢ per kWh for the next 195 hours use of maximum metered demand
- 2.202¢ per kWh for the hours use of maximum metered demand in excess of 620 hours

For the Summer Period, Winter Period and Transition Period, no Offpeak Hours Use of Demand Adjustment would apply to the portion, if any, of the minimum offpeak energy takings amount that is greater than the metered energy.

Adjustment

The base demand and energy charges, and the adjustment amounts provided for in the Offpeak Hours Use of Demand Adjustment shall be increased or decreased in accordance with the current Adjustment Addendum published by TVA. (In addition, such charges shall be increased or decreased to correspond to increases or decreases determined by TVA under Adjustment 2 or Adjustment 4 of the wholesale power rate schedule applicable under contractual arrangements between TVA and Distributor.)

Facilities Rental Charge

There shall be no facilities rental charge under this rate schedule for delivery at bulk transmission voltage levels of 161 kV or higher. For delivery at less than 161 kV, there shall be added to the customer's bill a facilities rental charge. This charge shall be 36¢ per kW per month except for delivery at voltages below 46 kV, in which case the charge shall be 93¢ per kW per month for the first 10,000 kW and 73¢ per kW per month for the excess over 10,000 kW. Such charge shall be applied to the higher of (1) the highest billing demand established during the latest 12-consecutive-month period or (2) the customer's currently effective onpeak or offpeak contract demand, whichever is higher, and shall be in addition to all other charges under this rate schedule, including minimum bill charges.

Reactive Demand Charges

If the reactive demand (in kVAR) is lagging during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's highest metered demand occurs, there shall be added to the customer's bill a reactive charge of \$1.46 per kVAR of the amount, if any, by which the reactive demand exceeds 33 percent of such metered demand. If the reactive demand (in kVAR) is leading during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's lowest metered demand (excluding any metered demands which are less than 25 percent of the highest metered demand) occurs, there shall be added to the customer's bill a reactive charge of \$1.14 per kVAR of the amount of reactive demand. Such charges shall be in addition to all other charges under this rate schedule, including minimum bill charges.

Determination of Seasonal Periods

Summer Period shall mean the June, July, August, and September billing months. Winter Period shall mean the December, January, February, and March billing months. Transition Period shall mean the April, May, October, and November billing months. The Seasonal Periods under this rate schedule are subject to change by TVA. In the event TVA determines that changed Seasonal Periods are appropriate, it shall so notify Distributor at least 12 months prior to the effective date of such changed periods, and Distributor shall promptly notify customer.

Determination of Onpeak and Offpeak Hours

Except for Saturdays and Sundays and the weekdays that are observed as Federal holidays for New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day, onpeak hours for each day shall be 1 p.m. to 7 p.m. during the Summer Period and from 4 a.m. to 10 a.m. during the Winter Period. For the Summer Period and the Winter Period, all other hours of each year that are not otherwise defined as onpeak hours and all hours of such excepted days shall be offpeak hours. Such times shall be Central Standard Time or Central Daylight Time, whichever is then in effect. Said onpeak and offpeak hours are subject to change by TVA. In the event TVA determines that such changed onpeak and offpeak hours are appropriate, it shall so notify Distributor at least 12 months prior to the effective date of such changed hours, and Distributor shall promptly notify customer.

For the Transition Period, all hours shall be offpeak hours.

Determination of Onpeak and Offpeak Demands, Maximum Metered Demand, and Energy Amounts

The onpeak and offpeak kWh for any month shall be the energy amounts taken during the respective hours of the month designated under this rate schedule as onpeak and offpeak hours; provided, however, that notwithstanding the metered energy amount, the offpeak energy for any month

shall in no case be less than the product of (1) the offpeak billing demand as calculated in the last sentence of the paragraph below and (2) 110 hours (reflecting a 15 percent load factor applied to the average number of hours in a month).

Distributor shall meter the onpeak and offpeak demands in kW of all customers taking service under this rate schedule. The onpeak metered demand and offpeak metered demand for any month shall be determined separately for the respective hours of the month designated under this rate schedule as onpeak and offpeak hours and in each case shall be the highest average during any 30-consecutive-minute period beginning or ending on a clock hour of the month of the load metered in kW, and, except as provided below in this section, such amounts shall be used as the onpeak and offpeak billing demands. The maximum metered demand for any month shall be the higher of (1) the highest onpeak metered demand in the month or (2) the highest offpeak metered demand in the month. The onpeak billing demand shall in no case be less than the sum of (1) 30 percent of the first 5,000 kW, (2) 40 percent of the next 20,000 kW, (3) 50 percent of the next 25,000 kW, (4) 60 percent of the next 50,000 kW, (5) 70 percent of the next 100,000 kW, (6) 80 percent of the next 150,000 kW, and (7) 85 percent of all kW in excess of 350,000 kW of the higher of the currently effective onpeak contract demand or the highest onpeak billing demand established during the preceding 12 months. The offpeak billing demand shall in no case be less than the sum of (1) 30 percent of the first 5,000 kW, (2) 40 percent of the next 20,000 kW, (3) 50 percent of the next 25,000 kW, (4) 60 percent of the next 50,000 kW, (5) 70 percent of the next 100,000 kW, (6) 80 percent of the next 150,000 kW, and (7) 85 percent of all kW in excess of 350,000 kW of the higher of the currently effective offpeak contract demand or the highest offpeak billing demand established during the preceding 12 months.

Minimum Bill

The monthly bill under this rate schedule, excluding any facilities rental charges and any reactive charges, shall not be less than the sum of (1) the base customer charge, (2) the portion of the base demand charge, as adjusted, (but excluding the additional portion thereof applicable to excess of billing demand over contract demand) applicable to onpeak billing demand applied to the customer's onpeak billing demand, (3) the portion of the base demand charge, as adjusted, (but excluding the additional portion thereof applicable to excess of billing demand over contract demand) applicable to any excess of offpeak over onpeak billing demand applied to the amount, if any, by which the customer's offpeak billing demand exceeds its onpeak billing demand, (4) the base onpeak energy charge, as adjusted, applied to the customer's onpeak energy takings, and (5) the base offpeak energy charge, as adjusted, applied to the higher of customer's actual offpeak energy takings or the minimum offpeak energy takings amount provided for in the first paragraph of the section of this rate schedule entitled "Determination of Onpeak and Offpeak Demands, Maximum Metered Demand, and Energy Amounts". It is recognized that no Offpeak Hours Use of Demand Adjustment would apply to the portion, if any, of the minimum offpeak energy takings amount that is greater than the metered energy.

Distributor may require minimum bills higher than those stated above, including, without limitation, charges to cover any additional metering and related costs.

Contract Requirement

The contract requirement of the schedule (MSD or TMSD) for which this rate schedule is selected as an alternative shall continue to apply, both during the time this alternative rate schedule is in effect under that contract and afterwards. In addition, at the time that this rate schedule becomes effective for billing, there must be at least one year remaining on the contract required by such Schedule MSD or TMSD. The customer shall contract for its maximum requirements, which shall not exceed the amount of power capable of being used by customer, and Distributor shall not be obligated to supply power in greater amount at any time than the customer's currently effective onpeak or offpeak contract demand. If the customer uses any power other than that supplied by Distributor under this rate schedule, the contract may include other special provisions. The rate schedule in any power contract shall be subject to

adjustment, modification, change, or replacement from time to time as provided under the power contract between Distributor and TVA.

At the end of the period of service under this rate schedule, the customer, subject to appropriate amendments to its power contract with Distributor, may receive service under Schedule MSD or TMSD for any required contract term then remaining; provided, however, that the contract demand for any such service under Schedule MSD shall not be less than the onpeak contract demand in effect when service was taken under this rate schedule.

Payment

Bills under this rate schedule will be rendered monthly. Any amount of bill unpaid after due date specified on bill may be subject to additional charges under Distributor's standard policy.

Single-Point Delivery

The charges under this rate schedule are based upon the supply of service through a single delivery and metering point, and at a single voltage. If service is supplied to the same customer through more than one point of delivery or at different voltages, the supply of service at each delivery and metering point and at each different voltage shall be separately metered and billed.

Service is subject to Rules and Regulations of Distributor.

WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION

PILOT SEASONAL DEMAND AND ENERGY GENERAL POWER RATE--SCHEDULE PSGSB

(October 2010)

Availability

This rate shall be available for firm electric power requirements where the customer's currently effective contract demand is greater than 5,000 kW but not more than 15,000 kW and where this rate schedule is elected as an alternative to service under Schedules GSB or TGSB for a 12-month period beginning no earlier than October 1, 2010, and no later than March 1, 2011.

Unless otherwise provided for in a written agreement between TVA and the distributor providing service under this rate schedule, for customers served under this rate schedule, the customer's "meter-reading time" shall be 0000 hours CST or CDT, whichever is currently effective, on the first day of the calendar month following the month for which a bill under this rate schedule is being calculated. Further, unless otherwise provided for in a written agreement between TVA and the distributor providing service under this rate schedule, in accordance with TVA furnished or approved guidelines or specifications, TVA shall have unrestricted remote access to the metering data at all times, as well as unrestricted physical access to the metering facilities for the purpose of confirming remotely-accessed data during such periods as are specified by TVA.

Character of Service

Alternating current, single- or three-phase, 60 hertz. Power shall be delivered at a transmission voltage of 161 kV or, if such transmission voltage is not available, at the highest voltage available in the vicinity, unless at the customer's request a lower standard voltage is agreed upon.

Base Charges

Customer Charge:	\$1,500 per delivery point per month
Administrative Charge:	\$350 per delivery point per month
Right-of-Way Clearing Surcharge:	\$3.25 per meter per month
Demand Charge:	
Summer Period	\$15.26 per kW per month of the customer's billing demand, plus \$15.26 per kW per month of the amount, if any, by which the customer's billing demand exceeds its contract demand
Winter Period	\$10.90 per kW per month of the customer's billing demand, plus \$10.90 per kW per month of the amount, if any, by which the customer's billing demand exceeds its contract demand
Transition Period	\$7.61 per kW per month of the customer's billing demand, plus \$7.61 per kW per month of the amount, if any, by which the customer's billing demand exceeds its contract demand
Energy Charge:	
Summer Period	3.119¢ per kWh per month
Winter Period	2.835¢ per kWh per month
Transition Period	2.773¢ per kWh per month

Adjustment

The base demand and energy charges shall be increased or decreased in accordance with the current Adjustment Addendum published by TVA. In addition, such charges shall be increased or decreased to correspond to increases or decreases determined by TVA under Adjustment 2 or Adjustment 4 of the wholesale power rate schedule applicable under contractual arrangements between TVA and Distributor.

Facilities Rental Charge

There shall be no facilities rental charge under this rate schedule for delivery at bulk transmission voltage levels of 161 kV or higher. For delivery at less than 161 kV, there shall be added to the customer's bill a facilities rental charge. This charge shall be 36¢ per kW per month except for delivery at voltages below 46 kV, in which case the charge shall be 93¢ per kW per month for the first 10,000 kW and 73¢ per kW per month for the excess over 10,000 kW. Such charge shall be applied to the higher of (1) the highest billing demand established during the latest 12-consecutive-month period or (2) the customer's currently effective contract demand and shall be in addition to all other charges under this rate schedule, including minimum bill charges.

Reactive Demand Charges

If the reactive demand (in kVAR) is lagging during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's highest metered demand occurs, there shall be added to the customer's bill a reactive charge of \$1.46 per kVAR of the amount, if any, by which the reactive demand exceeds 33 percent of such metered demand. If the reactive demand (in kVAR) is leading during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's lowest metered demand (excluding any metered demands which are less than 25 percent of the highest metered demand) occurs, there shall be added to the customer's bill a reactive charge of \$1.14 per kVAR of the amount of reactive demand. Such charges shall be in addition to all other charges under this rate schedule, including minimum bill charges.

Determination of Seasonal Periods

Summer Period shall mean the June, July, August, and September billing months. Winter Period shall mean the December, January, February, and March billing months. Transition Period shall mean the April, May, October, and November billing months.

Determination of Demand

Distributor shall meter the demands in kW of all customers served under this rate schedule. The metered demand for any month shall be the highest average during any 30-consecutive-minute period beginning or ending on a clock hour of the month of the load metered in kW, and such amount shall be used as the billing demand, except that the billing demand for any month shall in no case be less than the sum of (1) 30 percent of the first 5,000 kW and (2) 40 percent of any kW in excess of 5,000 kW of the higher of the currently effective contract demand or the highest billing demand established during the preceding 12 months.

Minimum Bill

The monthly bill under this rate schedule, excluding any facilities rental charges and any reactive charges, shall not be less than the sum of (1) the base customer charge, (2) the base demand charge, as adjusted (but excluding the additional portion thereof applicable to excess of billing demand over contract demand) applied to the customer's billing demand, and (3) the base energy charge, as adjusted, applied to the customer's energy takings.

Distributor may require minimum bills higher than those stated above.

Contract Requirement

The contract requirement of the schedule (GSB or TGSB) for which this rate schedule is selected as an alternative shall continue to apply, both during the time this alternative rate schedule is in effect under that contract and afterwards. In addition, at the time that this rate schedule becomes effective for billing, there must be at least one year remaining on the contract required by such Schedule GSB or TGSB. The customer shall contract for its maximum requirements, which shall not exceed the amount of power capable of being used by customer, and Distributor shall not be obligated to supply power in greater amount at any time than the customer's currently effective contract demand. If the customer uses any power other than that supplied by Distributor under this rate schedule, the contract may include other special provisions. The rate schedule in any power contract shall be subject to adjustment, modification, change, or replacement from time to time as provided under the power contract between Distributor and TVA.

At the end of the period of service under this rate schedule, the customer, subject to appropriate amendments in its power contract with Distributor, may receive service under Schedule GSB or TGSB for any required contract term then remaining; provided, however, that the onpeak contract demand for any such service under Schedule TGSB shall not be less than the contract demand in effect when service was taken under this rate schedule.

Payment

Bills under this rate schedule will be rendered monthly. Any amount of bill unpaid after due date specified on bill may be subject to additional charges under Distributor's standard policy.

Single-Point Delivery

The charges under this rate schedule are based upon the supply of service through a single delivery and metering point, and at a single voltage. If service is supplied to the same customer through more than one point of delivery or at different voltages, the supply of service at each delivery and metering point and at each different voltage shall be separately metered and billed.

Service is subject to Rules and Regulations of Distributor.

WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION

PILOT SEASONAL DEMAND AND ENERGY GENERAL POWER RATE--SCHEDULE PSGSC

(October 2010)

Availability

This rate shall be available for firm electric power requirements where the customer's currently effective contract demand is greater than 15,000 kW but not more than 25,000 kW and where this rate schedule is elected as an alternative to service under Schedules GSC or TGSC for a 12-month period beginning no earlier than October 1, 2010, and no later than March 1, 2011.

Unless otherwise provided for in a written agreement between TVA and the distributor providing service under this rate schedule, for customers served under this rate schedule, the customer's "meter-reading time" shall be 0000 hours CST or CDT, whichever is currently effective, on the first day of the calendar month following the month for which a bill under this rate schedule is being calculated. Further, unless otherwise provided for in a written agreement between TVA and the distributor providing service under this rate schedule, in accordance with TVA furnished or approved guidelines or specifications, TVA shall have unrestricted remote access to the metering data at all times, as well as unrestricted physical access to the metering facilities for the purpose of confirming remotely-accessed data during such periods as are specified by TVA.

Character of Service

Alternating current, single- or three-phase, 60 hertz. Power shall be delivered at a transmission voltage of 161 kV or, if such transmission voltage is not available, at the highest voltage available in the vicinity, unless at the customer's request a lower standard voltage is agreed upon.

Base Charges

Customer Charge:	\$1,500 per delivery point per month
Administrative Charge:	\$350 per delivery point per month
Right-of-Way Clearing Surcharge:	\$3.25 per meter per month
Demand Charge:	
Summer Period	\$14.75 per kW per month of the customer's billing demand, plus \$14.75 per kW per month of the amount, if any, by which the customer's billing demand exceeds its contract demand
Winter Period	\$10.39 per kW per month of the customer's billing demand, plus \$10.39 per kW per month of the amount, if any, by which the customer's billing demand exceeds its contract demand
Transition Period	\$7.10 per kW per month of the customer's billing demand, plus \$7.10 per kW per month of the amount, if any, by which the customer's billing demand exceeds its contract demand
Energy Charge:	
Summer Period	3.127¢ per kWh per month
Winter Period	2.838¢ per kWh per month
Transition Period	2.777¢ per kWh per month

Adjustment

The base demand and energy charges shall be increased or decreased in accordance with the current Adjustment Addendum published by TVA. In addition, such charges shall be increased or decreased to correspond to increases or decreases determined by TVA under Adjustment 2 or Adjustment 4 of the wholesale power rate schedule applicable under contractual arrangements between TVA and Distributor.

Facilities Rental Charge

There shall be no facilities rental charge under this rate schedule for delivery at bulk transmission voltage levels of 161 kV or higher. For delivery at less than 161 kV, there shall be added to the customer's bill a facilities rental charge. This charge shall be 36¢ per kW per month except for delivery at voltages below 46 kV, in which case the charge shall be 93¢ per kW per month for the first 10,000 kW and 73¢ per kW per month for the excess over 10,000 kW. Such charge shall be applied to the higher of (1) the highest billing demand established during the latest 12-consecutive-month period or (2) the customer's currently effective contract demand and shall be in addition to all other charges under this rate schedule, including minimum bill charges.

Reactive Demand Charges

If the reactive demand (in kVAR) is lagging during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's highest metered demand occurs, there shall be added to the customer's bill a reactive charge of \$1.46 per kVAR of the amount, if any, by which the reactive demand exceeds 33 percent of such metered demand. If the reactive demand (in kVAR) is leading during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's lowest metered demand (excluding any metered demands which are less than 25 percent of the highest metered demand) occurs, there shall be added to the customer's bill a reactive charge of \$1.14 per kVAR of the amount of reactive demand. Such charges shall be in addition to all other charges under this rate schedule, including minimum bill charges.

Determination of Seasonal Periods

Summer Period shall mean the June, July, August, and September billing months. Winter Period shall mean the December, January, February, and March billing months. Transition Period shall mean the April, May, October, and November billing months.

Determination of Demand

Distributor shall meter the demands in kW of all customers served under this rate schedule. The metered demand for any month shall be the highest average during any 30-consecutive-minute period beginning or ending on a clock hour of the month of the load metered in kW, and such amount shall be used as the billing demand, except that the billing demand for any month shall in no case be less than the sum of (1) 30 percent of the first 5,000 kW, (2) 40 percent of the next 20,000 kW, and (3) 50 percent of any kW in excess of 25,000 kW of the higher of the currently effective contract demand or the highest billing demand established during the preceding 12 months.

Minimum Bill

The monthly bill under this rate schedule, excluding any facilities rental charges and any reactive charges, shall not be less than the sum of (1) the base customer charge, (2) the base demand charge, as adjusted (but excluding the additional portion thereof applicable to excess of billing demand over contract demand) applied to the customer's billing demand, and (3) the base energy charge, as adjusted, applied to the customer's energy takings.

Distributor may require minimum bills higher than those stated above.

Contract Requirement

The contract requirement of the schedule (GSC or TGSC) for which this rate schedule is selected as an alternative shall continue to apply, both during the time this alternative rate schedule is in effect under that contract and afterwards. In addition, at the time that this rate schedule becomes effective for billing, there must be at least one year remaining on the contract required by such Schedule GSC or TGSC. The customer shall contract for its maximum requirements, which shall not exceed the amount of power capable of being used by customer, and Distributor shall not be obligated to supply power in greater amount at any time than the customer's currently effective contract demand. If the customer uses any power other than that supplied by Distributor under this rate schedule, the contract may include other special provisions. The rate schedule in any power contract shall be subject to adjustment, modification, change, or replacement from time to time as provided under the power contract between Distributor and TVA.

At the end of the period of service under this rate schedule, the customer, subject to appropriate amendments in its power contract with Distributor, may receive service under Schedule GSC or TGSC for any required contract term then remaining; provided, however, that the onpeak contract demand for any such service under Schedule TGSC shall not be less than the contract demand in effect when service was taken under this rate schedule.

Payment

Bills under this rate schedule will be rendered monthly. Any amount of bill unpaid after due date specified on bill may be subject to additional charges under Distributor's standard policy.

Single-Point Delivery

The charges under this rate schedule are based upon the supply of service through a single delivery and metering point, and at a single voltage. If service is supplied to the same customer through more than one point of delivery or at different voltages, the supply of service at each delivery and metering point and at each different voltage shall be separately metered and billed.

Service is subject to Rules and Regulations of Distributor.

WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION

PILOT SEASONAL DEMAND AND ENERGY GENERAL POWER RATE--SCHEDULE PSGSD

(October 2010)

Availability

This rate shall be available for firm electric power requirements where the customer's currently effective contract demand is greater than 25,000 kW and where this rate schedule is elected as an alternative to service under Schedules GSD or TGSD for a 12-month period beginning no earlier than October 1, 2010, and no later than March 1, 2011.

Unless otherwise provided for in a written agreement between TVA and the distributor providing service under this rate schedule, for customers served under this rate schedule, the customer's "meter-reading time" shall be 0000 hours CST or CDT, whichever is currently effective, on the first day of the calendar month following the month for which a bill under this rate schedule is being calculated. Further, unless otherwise provided for in a written agreement between TVA and the distributor providing service under this rate schedule, in accordance with TVA furnished or approved guidelines or specifications, TVA shall have unrestricted remote access to the metering data at all times, as well as unrestricted physical access to the metering facilities for the purpose of confirming remotely-accessed data during such periods as are specified by TVA.

Character of Service

Alternating current, single- or three-phase, 60 hertz. Power shall be delivered at a transmission voltage of 161 kV or, if such transmission voltage is not available, at the highest voltage available in the vicinity, unless at the customer's request a lower standard voltage is agreed upon.

Base Charges

Customer Charge:	\$1,500 per delivery point per month
Administrative Charge:	\$350 per delivery point per month
Right-of-Way Clearing Surcharge:	\$3.25 per meter per month
Demand Charge:	
Summer Period	\$17.11 per kW per month of the customer's billing demand, plus \$17.11 per kW per month of the amount, if any, by which the customer's billing demand exceeds its contract demand
Winter Period	\$12.73 per kW per month of the customer's billing demand, plus \$12.73 per kW per month of the amount, if any, by which the customer's billing demand exceeds its contract demand
Transition Period	\$9.45 per kW per month of the customer's billing demand, plus \$9.45 per kW per month of the amount, if any, by which the customer's billing demand exceeds its contract demand
Energy Charge:	
Summer Period	2.640¢ per kWh per month
Winter Period	2.388¢ per kWh per month
Transition Period	2.332¢ per kWh per month

Adjustment

The base demand and energy charges shall be increased or decreased in accordance with the current Adjustment Addendum published by TVA. In addition, such charges shall be increased or decreased to correspond to increases or decreases determined by TVA under Adjustment 2 or Adjustment 4 of the wholesale power rate schedule applicable under contractual arrangements between TVA and Distributor.

Facilities Rental Charge

There shall be no facilities rental charge under this rate schedule for delivery at bulk transmission voltage levels of 161 kV or higher. For delivery at less than 161 kV, there shall be added to the customer's bill a facilities rental charge. This charge shall be 36¢ per kW per month except for delivery at voltages below 46 kV, in which case the charge shall be 93¢ per kW per month for the first 10,000 kW and 73¢ per kW per month for the excess over 10,000 kW. Such charge shall be applied to the higher of (1) the highest billing demand established during the latest 12-consecutive-month period or (2) the customer's currently effective contract demand and shall be in addition to all other charges under this rate schedule, including minimum bill charges.

Reactive Demand Charges

If the reactive demand (in kVAR) is lagging during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's highest metered demand occurs, there shall be added to the customer's bill a reactive charge of \$1.46 per kVAR of the amount, if any, by which the reactive demand exceeds 33 percent of such metered demand. If the reactive demand (in kVAR) is leading during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's lowest metered demand (excluding any metered demands which are less than 25 percent of the highest metered demand) occurs, there shall be added to the customer's bill a reactive charge of \$1.14 per kVAR of the amount of reactive demand. Such charges shall be in addition to all other charges under this rate schedule, including minimum bill charges.

Determination of Seasonal Periods

Summer Period shall mean the June, July, August, and September billing months. Winter Period shall mean the December, January, February, and March billing months. Transition Period shall mean the April, May, October, and November billing months.

Determination of Demand

Distributor shall meter the demands in kW of all customers served under this rate schedule. The metered demand for any month shall be the highest average during any 30-consecutive-minute period beginning or ending on a clock hour of the month of the load metered in kW, and such amount shall be used as the billing demand, except that the billing demand for any month shall in no case be less than the sum of (1) 30 percent of the first 5,000 kW, (2) 40 percent of the next 20,000 kW, (3) 50 percent of the next 25,000 kW, (4) 60 percent of the next 50,000 kW, (5) 70 percent of the next 100,000 kW, (6) 80 percent of the next 150,000 kW, and (7) 85 percent of all kW in excess of 350,000 kW of the higher of the currently effective contract demand or the highest billing demand established during the preceding 12 months.

Minimum Bill

The monthly bill under this rate schedule, excluding any facilities rental charges and any reactive charges, shall not be less than the sum of (1) the base customer charge, (2) the base demand charge, as adjusted (but excluding the additional portion thereof applicable to excess of billing demand over contract demand) applied to the customer's billing demand, and (3) the base energy charge, as adjusted, applied to the customer's energy takings.

Distributor may require minimum bills higher than those stated above.

Contract Requirement

The contract requirement of the schedule (GSD or TGSD) for which this rate schedule is selected as an alternative shall continue to apply, both during the time this alternative rate schedule is in effect under that contract and afterwards. In addition, at the time that this rate schedule becomes effective for billing, there must be at least one year remaining on the contract required by such Schedule GSD or TGSD. The customer shall contract for its maximum requirements, which shall not exceed the amount of power capable of being used by customer, and Distributor shall not be obligated to supply power in greater amount at any time than the customer's currently effective contract demand. If the customer uses any power other than that supplied by Distributor under this rate schedule, the contract may include other special provisions. The rate schedule in any power contract shall be subject to adjustment, modification, change, or replacement from time to time as provided under the power contract between Distributor and TVA.

At the end of the period of service under this rate schedule, the customer, subject to appropriate amendments in its power contract with Distributor, may receive service under Schedule GSD or TGSD for any required contract term then remaining; provided, however, that the onpeak contract demand for any such service under Schedule TGSD shall not be less than the contract demand in effect when service was taken under this rate schedule.

Payment

Bills under this rate schedule will be rendered monthly. Any amount of bill unpaid after due date specified on bill may be subject to additional charges under Distributor's standard policy.

Single-Point Delivery

The charges under this rate schedule are based upon the supply of service through a single delivery and metering point, and at a single voltage. If service is supplied to the same customer through more than one point of delivery or at different voltages, the supply of service at each delivery and metering point and at each different voltage shall be separately metered and billed.

Service is subject to Rules and Regulations of Distributor.

WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION

PILOT SEASONAL DEMAND AND ENERGY MANUFACTURING SERVICE RATE--SCHEDULE PSMSB

(October 2010)

Availability

This rate shall be available for firm electric power requirements where (a) a customer's currently effective contract demand is greater than 5,000 kW but not more than 15,000 kW, (b) the major use of electricity is for activities conducted at the delivery point serving that customer which are classified with a 2-digit Standard Industrial Classification Code between 20 and 39, inclusive, or classified with 2002 North American Industry Classification System (NAICS) code 5181, or 2007 NAICS codes 5182, 522320, and 541214; provided, however, customers qualifying for service under this schedule on the basis of such a NAICS code shall have an average monthly load factor of at least 80 percent during the preceding 12 months; provided further, however, that for the first 12 months of service to a new customer this load factor requirement shall be based on the customer's expected load factor for those 12 months as projected before the customer begins taking service, and (c) this rate schedule is elected as an alternative to service under Schedules MSB or TMSB for a 12-month period beginning no earlier than October 1, 2010, and no later than March 1, 2011. As used in the previous sentence "monthly load factor" shall mean a percentage calculated by dividing the total metered energy for a month by the product of the metered demand for that month and the number of clock hours in that month, exclusive of any hours during which power was unavailable due to an interruption or curtailment of the customer's service and of any hours in which the customer was unable to use power due to a Force Majeure event reasonably beyond the customer's control.

Prior to initially taking any service under this schedule, and from time to time thereafter as may be required by Distributor or the Tennessee Valley Authority (TVA), a customer shall certify to both Distributor and TVA that it meets the requirements set forth in condition (b) above. The certification form to be used shall be (i) furnished or approved by TVA, (ii) provided by Distributor to the customer, and (iii) signed and promptly returned by the customer to Distributor. Further, such customer shall promptly certify any change in the status of any of the information contained in the certification form to Distributor.

Service during any period for which a customer does not meet the eligibility requirements set forth in condition (b) above will be made available by Distributor under, and billed in accordance with, the applicable General Power schedule.

Unless otherwise provided for in a written agreement between TVA and the distributor providing service under this rate schedule, for customers served under this rate schedule, the customer's "meter-reading time" shall be 0000 hours CST or CDT, whichever is currently effective, on the first day of the calendar month following the month for which a bill under this rate schedule is being calculated. Further, unless otherwise provided for in a written agreement between TVA and the distributor providing service under this rate schedule, in accordance with TVA furnished or approved guidelines or specifications, TVA shall have unrestricted remote access to the metering data at all times, as well as unrestricted physical access to the metering facilities for the purpose of confirming remotely-accessed data during such periods as are specified by TVA.

Character of Service

Alternating current, single- or three-phase, 60 hertz. Power shall be delivered at a transmission voltage of 161 kV or, if such transmission voltage is not available, at the highest voltage available in the vicinity, unless at the customer's request a lower standard voltage is agreed upon.

Base Charges

Customer Charge:	\$1,500 per delivery point per month
Administrative Charge:	\$350 per delivery point per month
Right-of-Way Clearing Surcharge:	\$3.25 per meter per month
Demand Charge:	
Summer Period	\$13.26 per kW per month of the customer's billing demand, plus \$13.26 per kW per month of the amount, if any, by which the customer's billing demand exceeds its contract demand
Winter Period	\$8.89 per kW per month of the customer's billing demand, plus \$8.89 per kW per month of the amount, if any, by which the customer's billing demand exceeds its contract demand
Transition Period	\$5.60 per kW per month of the customer's billing demand, plus \$5.60 per kW per month of the amount, if any, by which the customer's billing demand exceeds its contract demand
Energy Charge:	
Summer Period	2.589¢ per kWh per month
Winter Period	2.268¢ per kWh per month
Transition Period	2.194¢ per kWh per month

Adjustment

The base demand and energy charges shall be increased or decreased in accordance with the current Adjustment Addendum published by TVA. In addition, such charges shall be increased or decreased to correspond to increases or decreases determined by TVA under Adjustment 2 or Adjustment 4 of the wholesale power rate schedule applicable under contractual arrangements between TVA and Distributor.

Facilities Rental Charge

There shall be no facilities rental charge under this rate schedule for delivery at bulk transmission voltage levels of 161 kV or higher. For delivery at less than 161 kV, there shall be added to the customer's bill a facilities rental charge. This charge shall be 36¢ per kW per month except for delivery at voltages below 46 kV, in which case the charge shall be 93¢ per kW per month for the first 10,000 kW and 73¢ per kW per month for the excess over 10,000 kW. Such charge shall be applied to the higher of (1) the highest billing demand established during the latest 12-consecutive-month period or (2) the customer's currently effective contract demand and shall be in addition to all other charges under this rate schedule, including minimum bill charges.

Reactive Demand Charges

If the reactive demand (in kVAR) is lagging during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's highest metered demand occurs, there shall be added to the customer's bill a reactive charge of \$1.46 per kVAR of the amount, if any, by which the reactive demand exceeds 33 percent of such metered demand. If the reactive demand (in kVAR) is leading during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's lowest metered demand (excluding any metered demands which are less than 25 percent of the highest metered demand) occurs, there shall be added to the customer's bill a reactive charge of \$1.14 per kVAR of the amount of reactive demand. Such charges shall be in addition to all other charges under this rate schedule, including minimum bill charges.

Determination of Seasonal Periods

Summer Period shall mean the June, July, August, and September billing months. Winter Period shall mean the December, January, February, and March billing months. Transition Period shall mean the April, May, October, and November billing months.

Determination of Demand

Distributor shall meter the demands in kW of all customers served under this rate schedule. The metered demand for any month shall be the highest average during any 30-consecutive-minute period beginning or ending on a clock hour of the month of the load metered in kW, and such amount shall be used as the billing demand, except that the billing demand for any month shall in no case be less than the sum of (1) 30 percent of the first 5,000 kW and (2) 40 percent of any kW in excess of 5,000 kW of the higher of the currently effective contract demand or the highest billing demand established during the preceding 12 months.

Minimum Bill

The monthly bill under this rate schedule, excluding any facilities rental charges and any reactive charges, shall not be less than the sum of (1) the base customer charge, (2) the base demand charge, as adjusted (but excluding the additional portion thereof applicable to excess of billing demand over contract demand) applied to the customer's billing demand, and (3) the base energy charge, as adjusted, applied to the customer's energy takings.

Distributor may require minimum bills higher than those stated above.

Contract Requirement

The contract requirement of the schedule (MSB or TMSB) for which this rate schedule is selected as an alternative shall continue to apply, both during the time this alternative rate schedule is in effect under that contract and afterwards. In addition, at the time that this rate schedule becomes effective for billing, there must be at least one year remaining on the contract required by such Schedule MSB or TMSB. The customer shall contract for its maximum requirements, which shall not exceed the amount of power capable of being used by customer, and Distributor shall not be obligated to supply power in greater amount at any time than the customer's currently effective contract demand. If the customer uses any power other than that supplied by Distributor under this rate schedule, the contract may include other special provisions. The rate schedule in any power contract shall be subject to adjustment, modification, change, or replacement from time to time as provided under the power contract between Distributor and TVA.

At the end of the period of service under this rate schedule, the customer, subject to appropriate amendments in its power contract with Distributor, may receive service under Schedule MSB or TMSB for any required contract term then remaining; provided, however, that the onpeak contract demand for any such service under Schedule TMSB shall not be less than the contract demand in effect when service was taken under this rate schedule.

Payment

Bills under this rate schedule will be rendered monthly. Any amount of bill unpaid after due date specified on bill may be subject to additional charges under Distributor's standard policy.

Single-Point Delivery

The charges under this rate schedule are based upon the supply of service through a single delivery and metering point, and at a single voltage. If service is supplied to the same customer through more than one point of delivery or at different voltages, the supply of service at each delivery and metering point and at each different voltage shall be separately metered and billed.

Service is subject to Rules and Regulations of Distributor.

WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION

PILOT SEASONAL DEMAND AND ENERGY MANUFACTURING SERVICE RATE--SCHEDULE PSMSC

(October 2010)

Availability

This rate shall be available for firm electric power requirements where (a) a customer's currently effective contract demand is greater than 15,000 kW but not more than 25,000 kW, (b) the major use of electricity is for activities conducted at the delivery point serving that customer which are classified with a 2-digit Standard Industrial Classification Code between 20 and 39, inclusive, or classified with 2002 North American Industry Classification System (NAICS) code 5181, or 2007 NAICS codes 5182, 522320, and 541214; provided, however, customers qualifying for service under this schedule on the basis of such a NAICS code shall have an average monthly load factor of at least 80 percent during the preceding 12 months; provided further, however, that for the first 12 months of service to a new customer this load factor requirement shall be based on the customer's expected load factor for those 12 months as projected before the customer begins taking service, and (c) this rate schedule is elected as an alternative to service under Schedules MSC or TMSC for a 12-month period beginning no earlier than October 1, 2010, and no later than March 1, 2011. As used in the previous sentence "monthly load factor" shall mean a percentage calculated by dividing the total metered energy for a month by the product of the metered demand for that month and the number of clock hours in that month, exclusive of any hours during which power was unavailable due to an interruption or curtailment of the customer's service and of any hours in which the customer was unable to use power due to a Force Majeure event reasonably beyond the customer's control.

Prior to initially taking any service under this schedule, and from time to time thereafter as may be required by Distributor or the Tennessee Valley Authority (TVA), a customer shall certify to both Distributor and TVA that it meets the requirements set forth in condition (b) above. The certification form to be used shall be (i) furnished or approved by TVA, (ii) provided by Distributor to the customer, and (iii) signed and promptly returned by the customer to Distributor. Further, such customer shall promptly certify any change in the status of any of the information contained in the certification form to Distributor.

Service during any period for which a customer does not meet the eligibility requirements set forth in condition (b) above will be made available by Distributor under, and billed in accordance with, the applicable General Power schedule.

Unless otherwise provided for in a written agreement between TVA and the distributor providing service under this rate schedule, for customers served under this rate schedule, the customer's "meter-reading time" shall be 0000 hours CST or CDT, whichever is currently effective, on the first day of the calendar month following the month for which a bill under this rate schedule is being calculated. Further, unless otherwise provided for in a written agreement between TVA and the distributor providing service under this rate schedule, in accordance with TVA furnished or approved guidelines or specifications, TVA shall have unrestricted remote access to the metering data at all times, as well as unrestricted physical access to the metering facilities for the purpose of confirming remotely-accessed data during such periods as are specified by TVA.

Character of Service

Alternating current, single- or three-phase, 60 hertz. Power shall be delivered at a transmission voltage of 161 kV or, if such transmission voltage is not available, at the highest voltage available in the vicinity, unless at the customer's request a lower standard voltage is agreed upon.

Base Charges

Customer Charge:	\$1,500 per delivery point per month
Administrative Charge:	\$350 per delivery point per month
Right-of-Way Clearing Surcharge:	\$3.25 per meter per month
Demand Charge:	
Summer Period	\$12.75 per kW per month of the customer's billing demand, plus \$12.75 per kW per month of the amount, if any, by which the customer's billing demand exceeds its contract demand
Winter Period	\$8.38 per kW per month of the customer's billing demand, plus \$8.38 per kW per month of the amount, if any, by which the customer's billing demand exceeds its contract demand
Transition Period	\$5.09 per kW per month of the customer's billing demand, plus \$5.09 per kW per month of the amount, if any, by which the customer's billing demand exceeds its contract demand
Energy Charge:	
Summer Period	2.569¢ per kWh per month
Winter Period	2.268¢ per kWh per month
Transition Period	2.196¢ per kWh per month

Adjustment

The base demand and energy charges shall be increased or decreased in accordance with the current Adjustment Addendum published by TVA. In addition, such charges shall be increased or decreased to correspond to increases or decreases determined by TVA under Adjustment 2 or Adjustment 4 of the wholesale power rate schedule applicable under contractual arrangements between TVA and Distributor.

Facilities Rental Charge

There shall be no facilities rental charge under this rate schedule for delivery at bulk transmission voltage levels of 161 kV or higher. For delivery at less than 161 kV, there shall be added to the customer's bill a facilities rental charge. This charge shall be 36¢ per kW per month except for delivery at voltages below 46 kV, in which case the charge shall be 93¢ per kW per month for the first 10,000 kW and 73¢ per kW per month for the excess over 10,000 kW. Such charge shall be applied to the higher of (1) the highest billing demand established during the latest 12-consecutive-month period or (2) the customer's currently effective contract demand and shall be in addition to all other charges under this rate schedule, including minimum bill charges.

Reactive Demand Charges

If the reactive demand (in kVAR) is lagging during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's highest metered demand occurs, there shall be added to the customer's bill a reactive charge of \$1.46 per kVAR of the amount, if any, by which the reactive demand exceeds 33 percent of such metered demand. If the reactive demand (in kVAR) is leading during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's lowest metered demand (excluding any metered demands which are less than 25 percent of the highest metered demand) occurs, there shall be added to the customer's bill a reactive charge of \$1.14 per kVAR of the amount of reactive demand. Such charges shall be in addition to all other charges under this rate schedule, including minimum bill charges.

Determination of Seasonal Periods

Summer Period shall mean the June, July, August, and September billing months. Winter Period shall mean the December, January, February, and March billing months. Transition Period shall mean the April, May, October, and November billing months.

Determination of Demand

Distributor shall meter the demands in kW of all customers served under this rate schedule. The metered demand for any month shall be the highest average during any 30-consecutive-minute period beginning or ending on a clock hour of the month of the load metered in kW, and such amount shall be used as the billing demand, except that the billing demand for any month shall in no case be less than the sum of (1) 30 percent of the first 5,000 kW, (2) 40 percent of the next 20,000 kW, and (3) 50 percent of any kW in excess of 25,000 kW of the higher of the currently effective contract demand or the highest billing demand established during the preceding 12 months.

Minimum Bill

The monthly bill under this rate schedule, excluding any facilities rental charges and any reactive charges, shall not be less than the sum of (1) the base customer charge, (2) the base demand charge, as adjusted (but excluding the additional portion thereof applicable to excess of billing demand over contract demand) applied to the customer's billing demand, and (3) the base energy charge, as adjusted, applied to the customer's energy takings.

Distributor may require minimum bills higher than those stated above.

Contract Requirement

The contract requirement of the schedule (MSC or TMSC) for which this rate schedule is selected as an alternative shall continue to apply, both during the time this alternative rate schedule is in effect under that contract and afterwards. In addition, at the time that this rate schedule becomes effective for billing, there must be at least one year remaining on the contract required by such Schedule MSC or TMSC. The customer shall contract for its maximum requirements, which shall not exceed the amount of power capable of being used by customer, and Distributor shall not be obligated to supply power in greater amount at any time than the customer's currently effective contract demand. If the customer uses any power other than that supplied by Distributor under this rate schedule, the contract may include other special provisions. The rate schedule in any power contract shall be subject to adjustment, modification, change, or replacement from time to time as provided under the power contract between Distributor and TVA.

At the end of the period of service under this rate schedule, the customer, subject to appropriate amendments in its power contract with Distributor, may receive service under Schedule MSC or TMSC for any required contract term then remaining; provided, however, that the onpeak contract demand for any such service under Schedule TMSC shall not be less than the contract demand in effect when service was taken under this rate schedule.

Payment

Bills under this rate schedule will be rendered monthly. Any amount of bill unpaid after due date specified on bill may be subject to additional charges under Distributor's standard policy.

Single-Point Delivery

The charges under this rate schedule are based upon the supply of service through a single delivery and metering point, and at a single voltage. If service is supplied to the same customer through more than one point of delivery or at different voltages, the supply of service at each delivery and metering point and at each different voltage shall be separately metered and billed.

Service is subject to Rules and Regulations of Distributor.

WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION

PILOT SEASONAL DEMAND AND ENERGY MANUFACTURING SERVICE RATE--SCHEDULE PSMSD

(October 2010)

Availability

This rate shall be available for firm electric power requirements where (a) a customer's currently effective contract demand is greater than 25,000 kW, (b) the major use of electricity is for activities conducted at the delivery point serving that customer which are classified with a 2-digit Standard Industrial Classification Code between 20 and 39, inclusive, or classified with 2002 North American Industry Classification System (NAICS) code 5181, or 2007 NAICS codes 5182, 522320, and 541214; provided, however, customers qualifying for service under this schedule on the basis of such a NAICS code shall have an average monthly load factor of at least 80 percent during the preceding 12 months; provided further, however, that for the first 12 months of service to a new customer this load factor requirement shall be based on the customer's expected load factor for those 12 months as projected before the customer begins taking service, and (c) this rate schedule is elected as an alternative to service under Schedules MSD or TMSD for a 12-month period beginning no earlier than October 1, 2010, and no later than March 1, 2011. As used in the previous sentence "monthly load factor" shall mean a percentage calculated by dividing the total metered energy for a month by the product of the metered demand for that month and the number of clock hours in that month, exclusive of any hours during which power was unavailable due to an interruption or curtailment of the customer's service and of any hours in which the customer was unable to use power due to a Force Majeure event reasonably beyond the customer's control.

Prior to initially taking any service under this schedule, and from time to time thereafter as may be required by Distributor or the Tennessee Valley Authority (TVA), a customer shall certify to both Distributor and TVA that it meets the requirements set forth in condition (b) above. The certification form to be used shall be (i) furnished or approved by TVA, (ii) provided by Distributor to the customer, and (iii) signed and promptly returned by the customer to Distributor. Further, such customer shall promptly certify any change in the status of any of the information contained in the certification form to Distributor.

Service during any period for which a customer does not meet the eligibility requirements set forth in condition (b) above will be made available by Distributor under, and billed in accordance with, the applicable General Power schedule.

Unless otherwise provided for in a written agreement between TVA and the distributor providing service under this rate schedule, for customers served under this rate schedule, the customer's "meter-reading-time" shall be 0000 hours CST or CDT, whichever is currently effective, on the first day of the calendar month following the month for which a bill under this rate schedule is being calculated. Further, unless otherwise provided for in a written agreement between TVA and the distributor providing service under this rate schedule, in accordance with TVA furnished or approved guidelines or specifications, TVA shall have unrestricted remote access to the metering data at all times, as well as unrestricted physical access to the metering facilities for the purpose of confirming remotely-accessed data during such periods as are specified by TVA.

Character of Service

Alternating current, single- or three-phase, 60 hertz. Power shall be delivered at a transmission voltage of 161 kV or, if such transmission voltage is not available, at the highest voltage available in the vicinity, unless at the customer's request a lower standard voltage is agreed upon.

Base Charges

Customer Charge:	\$1,500 per delivery point per month
Administrative Charge:	\$350 per delivery point per month
Right-of-Way Clearing Surcharge:	\$3.25 per meter per month
Demand Charge:	
Summer Period	\$14.64 per kW per month of the customer's billing demand, plus \$14.64 per kW per month of the amount, if any, by which the customer's billing demand exceeds its contract demand
Winter Period	\$10.28 per kW per month of the customer's billing demand, plus \$10.28 per kW per month of the amount, if any, by which the customer's billing demand exceeds its contract demand
Transition Period	\$6.99 per kW per month of the customer's billing demand, plus \$6.99 per kW per month of the amount, if any, by which the customer's billing demand exceeds its contract demand
Energy Charge:	
Summer Period	2.076¢ per kWh per month
Winter Period	1.836¢ per kWh per month
Transition Period	1.778¢ per kWh per month

Adjustment

The base demand and energy charges shall be increased or decreased in accordance with the current Adjustment Addendum published by TVA. In addition, such charges shall be increased or decreased to correspond to increases or decreases determined by TVA under Adjustment 2 or Adjustment 4 of the wholesale power rate schedule applicable under contractual arrangements between TVA and Distributor.

Facilities Rental Charge

There shall be no facilities rental charge under this rate schedule for delivery at bulk transmission voltage levels of 161 kV or higher. For delivery at less than 161 kV, there shall be added to the customer's bill a facilities rental charge. This charge shall be 36¢ per kW per month except for delivery at voltages below 46 kV, in which case the charge shall be 93¢ per kW per month for the first 10,000 kW and 73¢ per kW per month for the excess over 10,000 kW. Such charge shall be applied to the higher of (1) the highest billing demand established during the latest 12-consecutive-month period or (2) the customer's currently effective contract demand and shall be in addition to all other charges under this rate schedule, including minimum bill charges.

Reactive Demand Charges

If the reactive demand (in kVAR) is lagging during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's highest metered demand occurs, there shall be added to the customer's bill a reactive charge of \$1.46 per kVAR of the amount, if any, by which the reactive demand exceeds 33 percent of such metered demand. If the reactive demand (in kVAR) is leading during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's lowest metered demand (excluding any metered demands which are less than 25 percent of the highest metered demand) occurs, there shall be added to the customer's bill a reactive charge of \$1.14 per kVAR of the amount of reactive demand. Such charges shall be in addition to all other charges under this rate schedule, including minimum bill charges.

Determination of Seasonal Periods

Summer Period shall mean the June, July, August, and September billing months. Winter Period shall mean the December, January, February, and March billing months. Transition Period shall mean the April, May, October, and November billing months.

Determination of Demand

Distributor shall meter the demands in kW of all customers served under this rate schedule. The metered demand for any month shall be the highest average during any 30-consecutive-minute period beginning or ending on a clock hour of the month of the load metered in kW, and such amount shall be used as the billing demand, except that the billing demand for any month shall in no case be less than the sum of (1) 30 percent of the first 5,000 kW, (2) 40 percent of the next 20,000 kW, (3) 50 percent of the next 25,000 kW, (4) 60 percent of the next 50,000 kW, (5) 70 percent of the next 100,000 kW, (6) 80 percent of the next 150,000 kW, and (7) 85 percent of all kW in excess of 350,000 kW of the higher of the currently effective contract demand or the highest billing demand established during the preceding 12 months.

Minimum Bill

The monthly bill under this rate schedule, excluding any facilities rental charges and any reactive charges, shall not be less than the sum of (1) the base customer charge, (2) the base demand charge, as adjusted (but excluding the additional portion thereof applicable to excess of billing demand over contract demand) applied to the customer's billing demand, and (3) the base energy charge, as adjusted, applied to the customer's energy takings.

Distributor may require minimum bills higher than those stated above.

Contract Requirement

The contract requirement of the schedule (MSD or TMSD) for which this rate schedule is selected as an alternative shall continue to apply, both during the time this alternative rate schedule is in effect under that contract and afterwards. In addition, at the time that this rate schedule becomes effective for billing, there must be at least one year remaining on the contract required by such Schedule MSD or TMSD. The customer shall contract for its maximum requirements, which shall not exceed the amount of power capable of being used by customer, and Distributor shall not be obligated to supply power in greater amount at any time than the customer's currently effective contract demand. If the customer uses any power other than that supplied by Distributor under this rate schedule, the contract may include other special provisions. The rate schedule in any power contract shall be subject to adjustment, modification, change, or replacement from time to time as provided under the power contract between Distributor and TVA.

At the end of the period of service under this rate schedule, the customer, subject to appropriate amendments in its power contract with Distributor, may receive service under Schedule MSD or TMSD for any required contract term then remaining; provided, however, that the onpeak contract demand for any such service under Schedule TMSD shall not be less than the contract demand in effect when service was taken under this rate schedule.

Payment

Bills under this rate schedule will be rendered monthly. Any amount of bill unpaid after due date specified on bill may be subject to additional charges under Distributor's standard policy.

Single-Point Delivery

The charges under this rate schedule are based upon the supply of service through a single delivery and metering point, and at a single voltage. If service is supplied to the same customer through more than one point of delivery or at different voltages, the supply of service at each delivery and metering point and at each different voltage shall be separately metered and billed.

Service is subject to Rules and Regulations of Distributor.

Exhibit B

WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION

SUPPLEMENTAL ADJUSTMENT ADDENDUM

The following adjustments shall be deemed to be a part of the Adjustment Addendum to Schedule of Rates and Charges for Distributor dated October 1, 2009. As provided for by the previous Adjustment Addendum dated October 1, 2003 (Environmental Adjustment), the amounts listed under each column (1) are designated, subject to any future Rate Adjustment or Rate Change, to remain in effect for ten (10) years from the effective date of said Environmental Adjustment.

	Wholesale Power Rate - Schedule WS			Resale Schedules		
	(1)	(2)	(3)	(1)	(2)	(3)
TIME DIFFERENTIATED HOURS USE OF DEMAND SERVICE						
<u>General Power Service</u>						
<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 Rate - Schedule WS			Resale Schedules		
	(1)	(2)	(3)	(1)	(2)	(3)
<u>Schedule TDGSC</u>						
Demand Charge						
Summer Period						
Onpeak	Add	\$0.54	+	\$3.55	Add	\$0.56 + \$3.66
Excess Offpeak	Add	\$0.11	+	\$0.70	Add	\$0.11 + \$0.72
Winter Period						
Onpeak	Add	\$0.29	+	\$1.92	Add	\$0.30 + \$1.98
Excess Offpeak	Add	\$0.11	+	\$0.70	Add	\$0.11 + \$0.72
Transition Period	Add	\$0.11	+	\$0.70	Add	\$0.11 + \$0.72
Energy Charge						
Summer Period						
Onpeak	Add	0.316¢	+	2.056¢	+	A _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¢
<u>Schedule TDGSD</u>						
Demand Charge						
Summer Period						
Onpeak	Add	\$0.54	+	\$3.55	Add	\$0.56 + \$3.66
Excess Offpeak	Add	\$0.11	+	\$0.70	Add	\$0.11 + \$0.72
Winter Period						
Onpeak	Add	\$0.29	+	\$1.92	Add	\$0.30 + \$1.98
Excess Offpeak	Add	\$0.11	+	\$0.70	Add	\$0.11 + \$0.72
Transition Period	Add	\$0.11	+	\$0.70	Add	\$0.11 + \$0.72
Energy Charge						
Summer Period						
Onpeak	Add	0.310¢	+	2.022¢	+	A _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
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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¢

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
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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¢	

WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION

SUPPLEMENTAL ADJUSTMENT ADDENDUM

The following adjustments shall be deemed to be a part of the Adjustment Addendum to Schedule of Rates and Charges for Distributor dated October 1, 2009. As provided for by the previous Adjustment Addendum dated October 1, 2003 (Environmental Adjustment), the amounts listed under each column (1) are designated, subject to any future Rate Adjustment or Rate Change, to remain in effect for ten (10) years from the effective date of said Environmental Adjustment.

	Wholesale Power Rate - Schedule WS			Resale Schedules		
	(1)	(2)	(3)	(1)	(2)	(3)
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)	

Exhibit C

**RIDER TO WHOLESALE POWER RATE--SCHEDULE WS
WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION**

Wholesale Power Rate--Schedule WS is hereby amended by (a) adding the following under "Demand and Energy Charges" as a reference to additional resale schedules applicable to WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION and (b) revising the section headed "Adjustments" in said Schedule WS as further described below.

TIME DIFFERENTIATED HOURS USE OF DEMAND SERVICE

General Power Service

Schedule TDGSB

Administrative Charge:	\$350 per delivery point per month
Demand Charge:	
Summer Period	\$10.52 per kW of metered onpeak demand per month \$2.08 per kW per month of the amount, if any, by which metered offpeak demand exceeds metered onpeak demand
Winter Period	\$5.70 per kW of metered onpeak demand per month \$2.08 per kW per month of the amount, if any, by which metered offpeak demand exceeds metered onpeak demand
Transition Period	\$2.08 per kW of metered offpeak demand per month
Energy Charge:	
Summer Period	6.224¢ per kWh per month for all metered onpeak kWh 3.696¢ per kWh (adjusted for hours use of maximum metered demand as provided below) per month for all metered offpeak kWh
Winter Period	4.156¢ per kWh per month for all metered onpeak kWh 3.696¢ per kWh (adjusted for hours use of maximum metered demand as provided below) per month for all metered offpeak kWh
Transition Period	3.696¢ per kWh (adjusted for hours use of maximum metered demand as provided below) per month for all metered kWh
Offpeak Hours Use of Demand Adjustment:	
Summer Period and Winter Period	0.195¢ per kWh for up to 425 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy -1.101¢ per kWh for the next 195 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy -2.202¢ per kWh for the hours use of maximum metered demand in excess of 620 hours multiplied by the ratio of offpeak energy to total energy
Transition Period	0.195¢ per kWh for up to 425 hours use of maximum metered demand -1.101¢ per kWh for the next 195 hours use of maximum metered demand -2.202¢ per kWh for the hours use of maximum metered demand in excess of 620 hours

Schedule TDGSC

Administrative Charge:	\$350 per delivery point per month
Demand Charge:	
Summer Period	\$10.52 per kW of metered onpeak demand per month \$2.08 per kW per month of the amount, if any, by which metered offpeak demand exceeds metered onpeak demand
Winter Period	\$5.70 per kW of metered onpeak demand per month \$2.08 per kW per month of the amount, if any, by which metered offpeak demand exceeds metered onpeak demand
Transition Period	\$2.08 per kW of metered offpeak demand per month
Energy Charge:	
Summer Period	5.981¢ per kWh per month for all metered onpeak kWh 3.518¢ per kWh (adjusted for hours use of maximum metered demand as provided below) per month for all metered offpeak kWh
Winter Period	3.963¢ per kWh per month for all metered onpeak kWh 3.518¢ per kWh (adjusted for hours use of maximum metered demand as provided below) per month for all metered offpeak kWh
Transition Period	3.518¢ per kWh (adjusted for hours use of maximum metered demand as provided below) per month for all metered kWh
Offpeak Hours Use of Demand Adjustment:	
Summer Period and Winter Period	0.195¢ per kWh for up to 425 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy -1.101¢ per kWh for the next 195 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy -2.202¢ per kWh for the hours use of maximum metered demand in excess of 620 hours multiplied by the ratio of offpeak energy to total energy
Transition Period	0.195¢ per kWh for up to 425 hours use of maximum metered demand -1.101¢ per kWh for the next 195 hours use of maximum metered demand -2.202¢ per kWh for the hours use of maximum metered demand in excess of 620 hours

Schedule TDGSD

Administrative Charge:	\$350 per delivery point per month
Demand Charge:	
Summer Period	\$10.52 per kW of metered onpeak demand per month \$2.08 per kW per month of the amount, if any, by which metered offpeak demand exceeds metered onpeak demand
Winter Period	\$5.70 per kW of metered onpeak demand per month \$2.08 per kW per month of the amount, if any, by which metered offpeak demand exceeds metered onpeak demand
Transition Period	\$2.08 per kW of metered offpeak demand per month

Energy Charge:

Summer Period	5.877¢ per kWh per month for all metered onpeak kWh 3.343¢ per kWh (adjusted for hours use of maximum metered demand as provided below) per month for all metered offpeak kWh
Winter Period	3.801¢ per kWh per month for all metered onpeak kWh 3.343¢ per kWh (adjusted for hours use of maximum metered demand as provided below) per month for all metered offpeak kWh
Transition Period	3.343¢ per kWh (adjusted for hours use of maximum metered demand as provided below) per month for all metered kWh

Offpeak Hours Use of Demand Adjustment:

Summer Period and Winter Period	0.195¢ per kWh for up to 425 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy -1.101¢ per kWh for the next 195 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy -2.202¢ per kWh for the hours use of maximum metered demand in excess of 620 hours multiplied by the ratio of offpeak energy to total energy
Transition Period	0.195¢ per kWh for up to 425 hours use of maximum metered demand -1.101¢ per kWh for the next 195 hours use of maximum metered demand -2.202¢ per kWh for the hours use of maximum metered demand in excess of 620 hours

Manufacturing Service

Schedule TDMSB

Administrative Charge:	\$350 per delivery point per month
Demand Charge:	
Summer Period	\$10.52 per kW of metered onpeak demand per month \$2.08 per kW per month of the amount, if any, by which metered offpeak demand exceeds metered onpeak demand
Winter Period	\$5.70 per kW of metered onpeak demand per month \$2.08 per kW per month of the amount, if any, by which metered offpeak demand exceeds metered onpeak demand
Transition Period	\$2.08 per kW of metered offpeak demand per month
Energy Charge:	
Summer Period	5.200¢ per kWh per month for all metered onpeak kWh 2.697¢ per kWh (adjusted for hours use of maximum metered demand as provided below) per month for all metered offpeak kWh
Winter Period	3.175¢ per kWh per month for all metered onpeak kWh 2.697¢ per kWh (adjusted for hours use of maximum metered demand as provided below) per month for all metered offpeak kWh

Adjustments

Schedule WS is further amended by replacing item 3 in the section headed "Adjustments" with the following:

3. In any case in which a bill involving a metered demand less than the billing demand is applicable to a customer of Distributor with a contract demand in excess of 5,000 kW, Distributor's bill under this rate schedule shall be adjusted by adding thereto for each such customer an amount computed as provided below. When such bill involves a customer served under a standard schedule, the amount added shall be computed by multiplying (except as provided in the last paragraph of this section) 50 percent of the amount by which the customer's billing demand exceeds the metered demand times the appropriate base demand charge, as adjusted, of this rate schedule. When such bill involves a customer served under a time-of-day rate schedule or a Time Differentiated Hours Use of Demand rate schedule, the amount added shall be (except as provided in the last paragraph of this section) 50 percent of the amount by which (a) the amount computed by applying the appropriate base demand charges of this rate schedule, as adjusted, to the customer's onpeak billing demand and to its excess of offpeak billing demand over onpeak billing demand exceeds (b) the amount computed by applying the appropriate base demand charges of this rate schedule, as adjusted, to the customer's metered onpeak demand and to its excess of metered offpeak demand over metered onpeak demand.

For any customer of Distributor served under a Time Differentiated Hours Use of Demand rate schedule, in any case in which a bill involving metered offpeak energy less than the billed offpeak energy is applicable to such a customer with a contract demand in excess of 5,000 kW, Distributor's bill under this rate schedule shall be adjusted by adding thereto for each such customer an amount which shall be (except as provided in the last paragraph of this section) 50 percent of the amount by which (a) the amount computed by applying the appropriate base offpeak energy charges of this rate schedule, as adjusted, to the customer's billed offpeak energy exceeds (b) the amount computed by applying the appropriate base offpeak energy charges of this rate schedule, as adjusted, to the customer's metered offpeak energy.

For purposes of applying these adjustments with respect to customers with contract demands in excess of 25,000 kW, all references to the term "50 percent" in the preceding paragraphs shall be replaced with the term "75 percent."

**RIDER TO WHOLESALE POWER RATE--SCHEDULE WS
WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION**

Wholesale Power Rate--Schedule WS is hereby amended by adding the following under "Demand and Energy Charges" as a reference to additional resale schedules applicable to WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION.

PILOT SEASONAL DEMAND AND ENERGY SERVICE

General Power Service

Schedule PSGSB

Administrative Charge:	\$350 per delivery point per month
Demand Charge:	
Summer Period	\$13.83 per kW of metered demand per month
Winter Period	\$9.59 per kW of metered demand per month
Transition Period	\$6.40 per kW of metered demand per month
Energy Charge:	
Summer Period	3.028¢ per kWh per month
Winter Period	2.752¢ per kWh per month
Transition Period	2.692¢ per kWh per month

Schedule PSGSC

Administrative Charge:	\$350 per delivery point per month
Demand Charge:	
Summer Period	\$13.83 per kW of metered demand per month
Winter Period	\$9.59 per kW of metered demand per month
Transition Period	\$6.40 per kW of metered demand per month
Energy Charge:	
Summer Period	3.036¢ per kWh per month
Winter Period	2.755¢ per kWh per month
Transition Period	2.696¢ per kWh per month

Schedule PSGSD

Administrative Charge:	\$350 per delivery point per month
Demand Charge:	
Summer Period	\$16.22 per kW of metered demand per month
Winter Period	\$11.97 per kW of metered demand per month
Transition Period	\$8.79 per kW of metered demand per month
Energy Charge:	
Summer Period	2.563¢ per kWh per month
Winter Period	2.318¢ per kWh per month
Transition Period	2.264¢ per kWh per month

Manufacturing Service

Schedule PSMSB

Administrative Charge:	\$350 per delivery point per month
Demand Charge:	
Summer Period	\$11.88 per kW of metered demand per month
Winter Period	\$7.64 per kW of metered demand per month
Transition Period	\$4.45 per kW of metered demand per month
Energy Charge:	
Summer Period	2.514¢ per kWh per month
Winter Period	2.202¢ per kWh per month
Transition Period	2.130¢ per kWh per month

Schedule PSMSC

Administrative Charge:	\$350 per delivery point per month
Demand Charge:	
Summer Period	\$11.88 per kW of metered demand per month
Winter Period	\$7.64 per kW of metered demand per month
Transition Period	\$4.45 per kW of metered demand per month
Energy Charge:	
Summer Period	2.494¢ per kWh per month
Winter Period	2.202¢ per kWh per month
Transition Period	2.132¢ per kWh per month

Schedule PSMSD

Administrative Charge:	\$350 per delivery point per month
Demand Charge:	
Summer Period	\$13.83 per kW of metered demand per month
Winter Period	\$9.59 per kW of metered demand per month
Transition Period	\$6.40 per kW of metered demand per month
Energy Charge:	
Summer Period	2.016¢ per kWh per month
Winter Period	1.783¢ per kWh per month
Transition Period	1.726¢ per kWh per month

AGREEMENT
Between
WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION
And
TENNESSEE VALLEY AUTHORITY

Effective Date: April 1, 2011

TV-59577A, Supp. No. 81

THIS AGREEMENT, made and entered into between WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION (Distributor), a cooperative corporation created and existing under and by virtue of the laws of the Commonwealth of Kentucky, and TENNESSEE VALLEY AUTHORITY (TVA), a corporation created and existing under and by virtue of the Tennessee Valley Authority Act of 1933, as amended (TVA Act);

W I T N E S S E I H:

WHEREAS, TVA and Distributor have entered into a contract dated April 26, 1982, as amended (Power Contract), under which Distributor purchases its entire requirements for electric power and energy from TVA for resale; and

WHEREAS, the parties wish to amend the Power Contract in the respects necessary to place into effect changed wholesale and resale schedules and in certain other respects;

NOW, THEREFORE, for and in consideration of the premises and of the mutual agreements set forth below, and subject to the TVA Act, the parties mutually agree as follows:

SECTION 1 - WHOLESALE RATE SCHEDULE SUBSTITUTION

1.1 Implementation of Time-Of-Use Wholesale Rate. The Schedule of Rates and Charges attached to and made a part of the Power Contract contains a wholesale rate schedule (Existing Wholesale Schedule). A substitute wholesale schedule, designated Schedule WS-TOU (Changed Wholesale Schedule WS-TOU), dated April 2011, is attached hereto. The Existing Wholesale Schedule shall remain in full force and effect for all bills rendered from wholesale meter readings scheduled to be taken before April 2, 2011, and the Changed Wholesale Schedule shall become effective in accordance with the provisions thereof for all bills rendered from wholesale meter readings scheduled to be taken on and after April 2, 2011. Commencing with the first application of the Changed Wholesale Schedule WS-TOU, all references in the Power Contract to the Existing Wholesale Schedule shall be deemed to refer to the Changed Wholesale Schedule WS-TOU.

1.2 Demand and Energy Wholesale Rate Option Available Until October 2012.

1.2.1 Schedules WS-DE and WS-DE Modified. An optional wholesale schedule, designated as Schedule WS-DE (Optional Wholesale Schedule WS-DE), dated April 2011-September 2012, is attached hereto. As used in 1.2.3 below, "Optional Wholesale Schedule WS-DE Modified" shall mean a modified version of said attached optional schedule in which the Standard Service energy charges of the schedule are replaced by the Standard Service energy charges of Changed Wholesale Schedule WS-TOU (but not including the Standard Service TOU Amounts).

1.2.2 Initial Option to Elect Schedule WS-DE. Notwithstanding 1.1 above, by providing written notice to TVA no later than December 31, 2010, Distributor may elect to put into place Optional Wholesale Schedule WS-DE. In such case, the Optional Wholesale Schedule WS-DE shall become effective in accordance with the provisions thereof for all bills rendered from wholesale meter readings scheduled to be taken on and after April 2, 2011.

1.2.3 Subsequent Election of Schedule WS-DE Modified. After April 2, 2011, Distributor may elect Optional Wholesale Schedule WS-DE Modified by providing at least 45 days' written notice for said Schedule WS-DE Modified to become effective for all bills rendered from wholesale meter readings scheduled to be taken on or after the second day of a month specified in such notice.

1.2.4 Term of Optional Schedule Election. If an optional schedule is elected and put into effect under 1.2.2 or 1.2.3 above, said elected optional schedule will remain in effect for all bills rendered from wholesale meter readings scheduled to be taken before October 2, 2012; provided, however, that Distributor may cancel that election upon at least 45 days' written notice to TVA to become effective for all bills rendered from wholesale meter readings scheduled to be taken on or after the second day of a month specified in such notice. During the period when such an optional schedule is in effect, all references in the Power Contract to the Existing Wholesale Schedule shall be deemed to refer to such optional schedule. Changed Wholesale Schedule WS-TOU shall become effective as provided in 1.1 above for all bills rendered from wholesale meter readings scheduled to be taken on and after the earlier of (a) the second day of a month specified in any cancellation notice given under the proviso to the first sentence of this subsection 1.2.4 or (b) October 2, 2012.

1.3 Rates Applicable to Summer Period 2011.

Notwithstanding the Standard Service rates in Schedules WS-TOU and WS-DE, during the Summer Period of 2011 only, (i) the Demand Charge is hereby agreed to be \$8.30 per kW of Billing Demand per month (plus any applicable adjustment addendum Demand Charges) and (ii) the Non-Fuel Energy Charge is hereby agreed to be 3.076 ¢ per kWh per month (plus any applicable adjustment addendum Energy Charges and any TOU Amount applicable for Schedule WS-TOU).

SECTION 2 - RESALE RATE SCHEDULE SUBSTITUTION

2.1 Changed Resale Schedules. The Schedule of Rates and Charges attached to and made a part of the Power Contract contains various resale rate schedules (Existing Resale Schedules). Substitute resale schedules, designated Schedules RS, GSA, GSB, GSC, GSD, TGSA, LS, MSB, MSC, MSD, SGSB, SGSC, SGSD, SMSB, SMSC, and SMSD (Changed Resale Schedules), all dated April 2011, are attached to this agreement.

2.2 Resale Effective Date. The Existing Resale Schedules shall remain in full force and effect for all bills rendered from resale meter readings taken for revenue months of Distributor prior to Distributor's April 2011 revenue month, and the respective Changed Resale Schedules shall become effective in accordance with the provisions thereof for all bills rendered from resale meter readings taken for revenue months of Distributor beginning with the April 2011 revenue month. Beginning with Distributor's April 2011 revenue month, Distributor shall provide electric service to all customers at and in accordance with the rates, charges, and provisions of the appropriate Changed Resale Schedule and the provisions of the Power Contract as supplemented and amended by this agreement.

The table below lists the Existing Resale Schedules and the corresponding Changed Resale Schedules that will replace each one of them in accordance with this section 2.

Existing Resale Schedule (Where applicable)		Changed Resale Schedule (Where applicable)
RS	corresponds to	RS
GSA	corresponds to	GSA
GSA, Part 3	corresponds to	TDGSA or TDMSA if SIC qualified (optional)
GSB	corresponds to	GSB
GSB	corresponds to	SGSB (optional)
GSC	corresponds to	GSC
GSC	corresponds to	SGSC (optional)
GSD	corresponds to	GSD
GSD	corresponds to	SGSD (optional)
MSB	corresponds to	MSB
MSB	corresponds to	SMSB (optional)
MSC	corresponds to	MSC
MSC	corresponds to	SMSC (optional)
MSD	corresponds to	MSD
MSD	corresponds to	SMSD (optional)
PSGSB	corresponds to	SGSB
PSGSC	corresponds to	SGSC
PSGSD	corresponds to	SGSD
PSMSB	corresponds to	SMSB
PSMSC	corresponds to	SMSC
PSMSD	corresponds to	SMSD
TRS	corresponds to	TRS
TGSA	corresponds to	TGSA

TGSA, Part 3	corresponds to	TDGSA or TDMSA if SIC qualified (optional)
TGSB	corresponds to	GSB
TGSC	corresponds to	GSC
TGSD	corresponds to	GSD
TMSB	corresponds to	MSB
TMSC	corresponds to	MSC
TMSD	corresponds to	MSD
LS	corresponds to	LS
TDGSB	corresponds to	TDGSA (optional for customers with contract demands greater than 1,000 kW but not more than 5,000 kW)
TDGSB	corresponds to	GSB
TDGSC	corresponds to	GSC
TDGSD	corresponds to	GSD
TDMSB	corresponds to	TDMSA (optional for customers with contract demands greater than 1,000 kW but not more than 5,000 kW)
TDMSB	corresponds to	MSB
TDMSC	corresponds to	MSC
TDMSD	corresponds to	MSD

SECTION 3 - SMALL MANUFACTURING CREDITS

3.1 Previous Agreement. It is expressly recognized that certain manufacturing credits (Small Manufacturing Credits) are provided for under the agreement numbered TV-59577A, Supp. No. 32, and dated June 1, 1994, as amended (Manufacturing Credit Agreement). Notwithstanding the rate change reflected in this agreement, the Manufacturing Credit Agreement shall continue in effect and shall be deemed amended as provided below in this section 3.

3.2 Changed Resale Schedules. Beginning with Distributor's April 2011 revenue month, the Manufacturing Credit Agreement shall be deemed amended in the respects necessary to provide that customers served under Part 3 of the applicable Changed Resale Schedule GSA or TGSA shall be deemed to be Expanded Eligible Accounts eligible for Expanded Credits. It is expressly recognized that customers served under Schedules TDGSA and TDMSA are not eligible for such credits.

The Manufacturing Credit Agreement shall be deemed further amended to provide that, if the applicable TGSA resale schedule does not provide for different demand charges for a customer's onpeak and offpeak billing demand, in lieu of the credit amounts specified for the metered demands of customers taking time-of-day service, the credits amounts specified or the metered demands of customers taking standard service shall apply.

3.3 Wholesale Credits. Beginning with the April 2011 billing month, the Manufacturing Credit Agreement shall be amended in the respects necessary to provide that:

- (a) Except as otherwise provided below, each month TVA's wholesale bill to Distributor shall include a wholesale credit (Estimated Small Manufacturing Credit) for that month equal to the total amount of credits applied to each Eligible Account by Distributor in the preceding month and reported in Distributor's ESS Report to TVA (as provided in section 5 below).
- (b) The wholesale bill will then be adjusted to reflect the difference between the actual amount of credits applied to each Eligible Account by Distributor in the preceding month and the Estimated Small Manufacturing Credit applied to Distributor's wholesale bill for the preceding month.
- (c) If TVA does not receive Distributor's ESS Report at least 10 calendar days prior to the wholesale billing date, Distributor shall not receive an Estimated Small Manufacturing Credit on that month's wholesale bill. Instead, upon receipt of Distributor's ESS Report, the wholesale bill for the following month will include a credit equal to the actual amount of credits applied to each Eligible Account and reported to TVA for that month.

3.4 Application Forms. The Manufacturing Credit Agreement is amended to provide that Distributor shall keep on file a copy of each completed application form for audit purposes. This responsibility to maintain application forms and TVA's ability to audit shall replace any requirement of TVA approval of completed application forms in the existing Manufacturing Credit Agreement.

SECTION 4 - ENHANCED GROWTH CREDIT PROGRAM

Under an agreement numbered TV-59577A, Supp. No. 34 and dated May 5, 1994, as amended (EGCP Agreement), TVA and Distributor are participating in an Enhanced Growth Credit (EGC) Program to encourage the fuller and better balanced development of the resources of the region by applying credits against the electric bills of certain eligible new and expanding general power customers of Distributor.

Beginning with the April 2011 billing month, the EGCP Agreement shall be amended in the respects necessary to provide that:

- (a) Except as otherwise provided below, each month TVA's wholesale bill to Distributor shall include a wholesale credit (Estimated Enhanced Growth Credit) for that month equal to 110 percent of the total Retail Credits applied by Distributor in the preceding month and reported in Distributor's ESS Report to TVA (as provided in section 5 below).
- (b) The wholesale bill will then be adjusted to reflect the difference between 110 percent of the actual amount of Retail Credits applied by Distributor in the preceding month and the Estimated Enhanced Growth Credit applied to Distributor's wholesale bill for the preceding month.

- (c) If TVA does not receive Distributor's ESS Report at least 10 calendar days prior to the wholesale billing date, Distributor shall not receive an Estimated Enhanced Growth Credit on that month's wholesale bill. Instead, upon receipt of Distributor's ESS Report, the wholesale bill for the following month will include a credit equal to 110 percent of the actual amount of Retail Credits applied by Distributor and reported to TVA for that month.

SECTION 5 - REPORTING

It is recognized that the monthly statistical information to be furnished to TVA under the Terms and Conditions of the Power Contract is currently provided by Distributor in a monthly Electric Sales Statistics (ESS) Report. Beginning with Distributor's April 2011 revenue month, Distributor shall include in its ESS Report monthly data showing:

- (a) for each Eligible Account under the Manufacturing Credit Agreement, the amounts billed to each customer for firm power and energy and the amount of the credit applied during that revenue month, together with such other information as may be reasonably required by TVA under the Manufacturing Credit Agreement;
- (b) for each customer participating in the EGC Program (i) the amount of any Retail Credit for the month and (ii) the billing data used to calculate that Retail Credit, together with such other information as may be reasonably required by TVA under of the EGCP Agreement;
- (c) the amount of any Hydro Allocation Adjustment applied in accordance with Adjustment 2 of the Changed Wholesale Schedule or the Optional Wholesale Schedule and the billing data used to calculate such adjustment;
- (d) the generation output and applicable credits from each individual type of Qualifying System at each Site, as required under the Generation Partners pilot;
- (e) the amounts of any PCA and the billing data for each rate class used to calculate such amounts.

The information furnished under this section 5 shall be provided in accordance with TVA's ESS Reporting Guidelines, as they may be modified, changed, or replaced by TVA from time to time.

SECTION 6 - NOTICES OF ADJUSTMENT OR CHANGE OF RATES

Notwithstanding the section entitled "Adjustment and Change of Wholesale Rate and Resale Rates" in the Schedule of Terms and Conditions attached to and made part of the Power Contract, (a) any Adjustment Addendum providing for adjustments to the charges of the Schedule of Rates and Charges shall be deemed properly published and (b) any notice required to place into effect any changes in the Schedule of Rates and Charges shall be deemed properly given if provided electronically either by electronic mail or by posting electronically on a computer-based information system designated by TVA for such purpose.

SECTION 7 - TERM

Except as otherwise specifically provided herein, this agreement shall become effective as of the Effective Date first above written, and shall continue in effect until expiration of the Power Contract, or any renewal, extension, or replacement thereof.

SECTION 8 - ADJUSTMENT ADDENDUM COST RECOVERY

It is expressly recognized:

- (a) that the schedules attached to this agreement do not include any charges to recover TVA's fuel costs or any charges to cover the costs currently being recovered by the Environmental Adjustment amounts currently provided for in the Adjustment Addendum, and
- (b) that accordingly all fuel cost recovery (including the current Fuel Cost Adjustment and current base fuel charges) and the costs currently being recovered by the Environmental Adjustment amounts will be addressed through an Adjustment Addendum.

SECTION 9 - POWER CONTRACT AFFIRMED

Except as expressly set out above, nothing in this agreement shall affect the other terms of the Power Contract.

IN WITNESS WHEREOF, the parties have caused this agreement to be executed by their duly authorized representatives, as of the day and year first above written.

**WEST KENTUCKY RURAL ELECTRIC
COOPERATIVE CORPORATION**

By David E. Smart
Title: President & CEO

TENNESSEE VALLEY AUTHORITY

By [Signature]
Senior Vice President
Commercial Operations and Pricing

Large Customers under the Standard Billing Arrangement shall be metered in accordance with TVA furnished or approved guidelines or specifications. Distributor shall provide to TVA, in accordance with TVA furnished or approved guidelines or specifications, unrestricted remote access to the metering data at all times, as well as physical access to the metering facilities for the purpose of confirming remotely-accessed data during such periods as are specified by TVA. Further, for each Large Customer, Distributor shall furnish TVA with such contract information as TVA reasonably requests for purposes of performing monthly billing analysis for each such customer. In the event that TVA is not given such access to all such metering data, or is not provided such contract information, all power and energy taken hereunder shall be billed in accordance with the Alternate Billing Arrangement.

STANDARD SERVICE

Demand Charge:	Summer Period	\$ 8.83 per kW of Billing Demand per month
	Winter Period	\$ 8.04 per kW of Billing Demand per month
	Transition Period	\$ 8.04 per kW of Billing Demand per month
Non-Fuel Energy Charge:	Summer Period	3.076¢ per kWh per month
	Winter Period	3.076¢ per kWh per month
	Transition Period	3.076¢ per kWh per month

TOU SERVICE

General Power Service

Schedule GSB

Administrative Charge:	\$350 per delivery point per month
Demand Charge:	
Summer Period	\$14.00 per kW of metered onpeak demand per month \$ 2.71 per kW per month of the amount, if any, by which metered offpeak demand exceeds metered onpeak demand
Winter Period	\$ 7.56 per kW of metered onpeak demand per month \$ 2.71 per kW per month of the amount, if any, by which metered offpeak demand exceeds metered onpeak demand
Transition Period	\$ 2.71 per kW of metered offpeak demand per month
Non-Fuel Energy Charge:	
Summer Period	6.512¢ per kWh per month for all metered onpeak kWh 3.370¢ per kWh per month for the first 425 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy 1.678¢ per kWh per month for the next 195 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy 0.243¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours multiplied by the ratio of offpeak energy to total energy
Winter Period	3.733¢ per kWh per month for all metered onpeak kWh 3.370¢ per kWh per month for the first 425 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy 1.678¢ per kWh per month for the next 195 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy 0.243¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours multiplied by the ratio of offpeak energy to total energy

Transition Period 3.370¢ per kWh per month for the first 425 hours use of maximum metered demand
 1.678¢ per kWh per month for the next 195 hours use of maximum metered demand
 0.243¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours.

Schedule GSC

Administrative Charge: \$350 per delivery point per month

Demand Charge:

Summer Period \$14.00 per kW of metered onpeak demand per month
 \$ 2.71 per kW per month of the amount, if any, by which metered offpeak demand exceeds metered onpeak demand
 Winter Period \$ 7.56 per kW of metered onpeak demand per month
 \$ 2.71 per kW per month of the amount, if any, by which metered offpeak demand exceeds metered onpeak demand
 Transition Period \$ 2.71 per kW of metered offpeak demand per month

Non-Fuel Energy Charge:

Summer Period 6.186¢ per kWh per month for all metered onpeak kWh
 3.132¢ per kWh per month for the first 425 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy
 1.439¢ per kWh per month for the next 195 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy
 0.004¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours multiplied by the ratio of offpeak energy to total energy
 Winter Period 3.475¢ per kWh per month for all metered onpeak kWh
 3.132¢ per kWh per month for the first 425 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy
 1.439¢ per kWh per month for the next 195 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy
 0.004¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours multiplied by the ratio of offpeak energy to total energy
 Transition Period 3.132¢ per kWh per month for the first 425 hours use of maximum metered demand
 1.439¢ per kWh per month for the next 195 hours use of maximum metered demand
 0.004¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours

Schedule GSD

Administrative Charge: \$350 per delivery point per month

Demand Charge:

Summer Period \$14.00 per kW of metered onpeak demand per month
 \$ 2.71 per kW per month of the amount, if any, by which metered offpeak demand exceeds metered onpeak demand
 Winter Period \$ 7.56 per kW of metered onpeak demand per month
 \$ 2.71 per kW per month of the amount, if any, by which metered offpeak demand exceeds metered onpeak demand
 Transition Period \$ 2.71 per kW of metered offpeak demand per month

Non-Fuel Energy Charge:

Summer Period	6.048¢ per kWh per month for all metered onpeak kWh 2.899¢ per kWh per month for the first 425 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy 1.207¢ per kWh per month for the next 195 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy -0.230¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours multiplied by the ratio of offpeak energy to total energy
Winter Period	3.258¢ per kWh per month for all metered onpeak kWh 2.899¢ per kWh per month for the first 425 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy 1.207¢ per kWh per month for the next 195 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy -0.230¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours multiplied by the ratio of offpeak energy to total energy
Transition Period	2.899¢ per kWh per month for the first 425 hours use of maximum metered demand 1.207¢ per kWh per month for the next 195 hours use of maximum metered demand -0.230¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours

Schedule TDGSA

Administrative Charge:	\$350 per delivery point per month
Demand Charge:	
Summer Period	\$14.00 per kW of metered onpeak demand per month \$ 2.71 per kW per month of the amount, if any, by which metered offpeak demand exceeds metered onpeak demand
Winter Period	\$ 7.56 per kW of metered onpeak demand per month \$ 2.71 per kW per month of the amount, if any, by which metered offpeak demand exceeds metered onpeak demand
Transition Period	\$ 2.71 per kW of metered offpeak demand per month

Non-Fuel Energy Charge:

Summer Period	6.512¢ per kWh per month for all metered onpeak kWh 3.370¢ per kWh per month for the first 425 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy 1.678¢ per kWh per month for the next 195 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy 0.243¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours multiplied by the ratio of offpeak energy to total energy
Winter Period	3.733¢ per kWh per month for all metered onpeak kWh 3.370¢ per kWh per month for the first 425 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy 1.678¢ per kWh per month for the next 195 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy 0.243¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours multiplied by the ratio of offpeak energy to total energy

Transition Period 3.370¢ per kWh per month for the first 425 hours use of maximum metered demand
 1.678¢ per kWh per month for the next 195 hours use of maximum metered demand
 0.243¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours

Manufacturing Service

Schedule MSB

Administrative Charge: \$350 per delivery point per month
 Demand Charge:
 Summer Period \$14.00 per kW of metered onpeak demand per month
 \$ 2.71 per kW per month of the amount, if any, by which metered offpeak demand exceeds metered onpeak demand
 Winter Period \$ 7.56 per kW of metered onpeak demand per month
 \$ 2.71 per kW per month of the amount, if any, by which metered offpeak demand exceeds metered onpeak demand
 Transition Period \$ 2.71 per kW of metered offpeak demand per month

Non-Fuel Energy Charge:

Summer Period 5.136¢ per kWh per month for all metered onpeak kWh
 2.029¢ per kWh per month for the first 425 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy
 0.338¢ per kWh per month for the next 195 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy
 -1.098¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours multiplied by the ratio of offpeak energy to total energy
 Winter Period 2.415¢ per kWh per month for all metered onpeak kWh
 2.029¢ per kWh per month for the first 425 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy
 0.338¢ per kWh per month for the next 195 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy
 -1.098¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours multiplied by the ratio of offpeak energy to total energy
 Transition Period 2.029¢ per kWh per month for the first 425 hours use of maximum metered demand
 0.338¢ per kWh per month for the next 195 hours use of maximum metered demand
 -1.098¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours

Schedule MSC

Administrative Charge: \$350 per delivery point per month
 Demand Charge:
 Summer Period \$14.00 per kW of metered onpeak demand per month
 \$ 2.71 per kW per month of the amount, if any, by which metered offpeak demand exceeds metered onpeak demand
 Winter Period \$ 7.56 per kW of metered onpeak demand per month
 \$ 2.71 per kW per month of the amount, if any, by which metered offpeak demand exceeds metered onpeak demand
 Transition Period \$ 2.71 per kW of metered offpeak demand per month

Non-Fuel Energy Charge:

Summer Period	5.211¢ per kWh per month for all metered onpeak kWh 2.016¢ per kWh per month for the first 425 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy 0.325¢ per kWh per month for the next 195 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy -1.110¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours multiplied by the ratio of offpeak energy to total energy
Winter Period	2.428¢ per kWh per month for all metered onpeak kWh 2.016¢ per kWh per month for the first 425 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy 0.325¢ per kWh per month for the next 195 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy -1.110¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours multiplied by the ratio of offpeak energy to total energy
Transition Period	2.016¢ per kWh per month for the first 425 hours use of maximum metered demand 0.325¢ per kWh per month for the next 195 hours use of maximum metered demand -1.110¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours

Schedule MSD

Administrative Charge:	\$350 per delivery point per month
Demand Charge:	
Summer Period	\$14.00 per kW of metered onpeak demand per month \$ 2.71 per kW per month of the amount, if any, by which metered offpeak demand exceeds metered onpeak demand
Winter Period	\$ 7.56 per kW of metered onpeak demand per month \$ 2.71 per kW per month of the amount, if any, by which metered offpeak demand exceeds metered onpeak demand
Transition Period	\$ 2.71 per kW of metered offpeak demand per month

Non-Fuel Energy Charge:

Summer Period	5.060¢ per kWh per month for all metered onpeak kWh 1.868¢ per kWh per month for the first 425 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy 0.176¢ per kWh per month for the next 195 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy -1.259¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours multiplied by the ratio of offpeak energy to total energy
Winter Period	2.262¢ per kWh per month for all metered onpeak kWh 1.868¢ per kWh per month for the first 425 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy 0.176¢ per kWh per month for the next 195 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy -1.259¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours multiplied by the ratio of offpeak energy to total energy

Transition Period 1.868¢ per kWh per month for the first 425 hours use of maximum metered demand
 0.176¢ per kWh per month for the next 195 hours use of maximum metered demand
 -1.259¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours

Schedule TDMSA

Administrative Charge: \$350 per delivery point per month
 Demand Charge:
 Summer Period \$14.00 per kW of metered onpeak demand per month
 \$ 2.71 per kW per month of the amount, if any, by which metered offpeak demand exceeds metered onpeak demand
 Winter Period \$ 7.56 per kW of metered onpeak demand per month
 \$ 2.71 per kW per month of the amount, if any, by which metered offpeak demand exceeds metered onpeak demand
 Transition Period \$ 2.71 per kW of metered offpeak demand per month

Non-Fuel Energy Charge:

Summer Period 5.136¢ per kWh per month for all metered onpeak kWh
 2.029¢ per kWh per month for the first 425 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy
 0.338¢ per kWh per month for the next 195 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy
 -1.098¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours multiplied by the ratio of offpeak energy to total energy
 Winter Period 2.415¢ per kWh per month for all metered onpeak kWh
 2.029¢ per kWh per month for the first 425 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy
 0.338¢ per kWh per month for the next 195 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy
 -1.098¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours multiplied by the ratio of offpeak energy to total energy
 Transition Period 2.029¢ per kWh per month for the first 425 hours use of maximum metered demand
 0.338¢ per kWh per month for the next 195 hours use of maximum metered demand
 -1.098¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours

SEASONAL DEMAND AND ENERGY SERVICE

General Power Service

Schedule SGSB

Administrative Charge: \$350 per delivery point per month
 Demand Charge:
 Summer Period \$18.61 per kW of metered demand per month
 Winter Period \$12.90 per kW of metered demand per month
 Transition Period \$ 8.61 per kW of metered demand per month

Non-Fuel Energy Charge:

Summer Period	2.224¢ per kWh per month
Winter Period	1.853¢ per kWh per month
Transition Period	1.772¢ per kWh per month

Schedule SGSC

Administrative Charge: \$350 per delivery point per month

Demand Charge:

Summer Period	\$18.61 per kW of metered demand per month
Winter Period	\$12.90 per kW of metered demand per month
Transition Period	\$ 8.61 per kW of metered demand per month

Non-Fuel Energy Charge:

Summer Period	2.235¢ per kWh per month
Winter Period	1.857¢ per kWh per month
Transition Period	1.777¢ per kWh per month

Schedule SGSD

Administrative Charge: \$350 per delivery point per month

Demand Charge:

Summer Period	\$21.83 per kW of metered demand per month
Winter Period	\$16.11 per kW of metered demand per month
Transition Period	\$11.83 per kW of metered demand per month

Non-Fuel Energy Charge:

Summer Period	1.598¢ per kWh per month
Winter Period	1.268¢ per kWh per month
Transition Period	1.196¢ per kWh per month

Manufacturing Service

Schedule SMSB

Administrative Charge: \$350 per delivery point per month

Demand Charge:

Summer Period	\$15.99 per kW of metered demand per month
Winter Period	\$10.28 per kW of metered demand per month
Transition Period	\$ 5.99 per kW of metered demand per month

Non-Fuel Energy Charge:

Summer Period	1.532¢ per kWh per month
Winter Period	1.113¢ per kWh per month
Transition Period	1.016¢ per kWh per month

Schedule SMSC

Administrative Charge: \$350 per delivery point per month

Demand Charge:

Summer Period	\$15.99 per kW of metered demand per month
Winter Period	\$10.28 per kW of metered demand per month
Transition Period	\$ 5.99 per kW of metered demand per month

Non-Fuel Energy Charge:

Summer Period	1.505¢ per kWh per month
Winter Period	1.112¢ per kWh per month
Transition Period	1.018¢ per kWh per month

Schedule SMSD

Administrative Charge:	\$350 per delivery point per month
Demand Charge:	
Summer Period	\$18.61 per kW of metered demand per month
Winter Period	\$12.90 per kW of metered demand per month
Transition Period	\$ 8.61 per kW of metered demand per month

Non-Fuel Energy Charge:

Summer Period	0.862¢ per kWh per month
Winter Period	0.548¢ per kWh per month
Transition Period	0.472¢ per kWh per month

Adjustments

1. The base demand and energy charges in this rate schedule shall be increased or decreased in accordance with the current Adjustment Addendum published by TVA.

2. Distributor's bill for each month shall be adjusted by applying the net of the following calculations: (1) subtract 0.297¢ per kWh for the energy resold by Distributor in the previous month to customers entitled to service under residential rate schedules, (2) subtract \$1.60 per customer for each such customer, (3) add 0.279¢ per kWh for the energy resold by Distributor in the previous month to other customers whose contract demands do not exceed 5,000 kW, but excluding any customers served under schedules TDGSA and TDMSA, and (4) where Distributor is billed under the Alternate Billing Arrangement, add 45¢ per kW and 0.096¢ per kWh for the power and energy resold by Distributor in the previous month (i) to other customers whose contract demands exceed 5,000 kW and (ii) other customers served under schedules TDGSA and TDMSA. The dollar and cent amounts used in determining the adjustment applied under the preceding sentence (hereafter referred to as the "Hydro Allocation Adjustment") shall remain constant for 12 consecutive months from October 1 of each year.

Effective October 1 of each year, the dollar and cent amounts used in determining the Hydro Allocation Adjustment shall be recomputed to take account of changed sales and customer account data and applied accordingly. In performing such computations, the latest 12-month period ending June 30 shall be used for purposes of determining the amounts used in (1), (3), and (4) above and the number of customers entitled to be served under Distributor's residential rate schedules at the end of such 12-month period shall be used for purposes of determining the amount used in (2) above.

Each month Distributor shall report, in a form specified by TVA, the kWh amounts of energy used in determining components (1), (3), and (4) above and the number of customers used in determining component (2) above for purposes of computing the Hydro Allocation Adjustment for the upcoming month. To the extent that such data is not so reported on a timely manner, the Hydro Allocation Adjustment shall be computed from estimates determined by TVA.

3. In any case in which a bill involving a metered demand less than the billing demand is applicable to a customer of Distributor with a contract demand in excess of 5,000 kW, Distributor's bill under this rate schedule shall be adjusted by adding thereto for each such customer an amount computed as provided below. When such a bill involves a customer served under a resale schedule that provides for a different onpeak and offpeak billing demand, the amount added shall be (except as provided in the last paragraph of this section) 50 percent of the amount by which (a) the amount computed by applying the appropriate base demand charges of this rate schedule, as adjusted, to the customer's onpeak billing demand and to its excess of offpeak billing demand over onpeak billing demand exceeds (b) the amount computed by applying the appropriate base demand charges of this rate schedule, as adjusted, to the customer's metered onpeak demand and to its excess of metered offpeak demand over metered onpeak demand. When such a bill

involves a customer served under a resale schedule that does not provide for a different onpeak and offpeak billing demand, the amount shall be computed by multiplying (except as provided in the last paragraph of this section) 50 percent of the amount by which the customer's billing demand exceeds the metered demand times the appropriate base demand charge, as adjusted, of this rate schedule.

In any case in which a bill involving metered offpeak energy less than the billed offpeak energy is applicable to such a customer with a contract demand in excess of 5,000 kW, Distributor's bill under this rate schedule shall be adjusted by adding thereto for each such customer an amount which shall be (except as provided in the last paragraph of this section) 50 percent of the amount by which (a) the amount computed by applying the appropriate base offpeak energy charges of this rate schedule, as adjusted, to the customer's billed offpeak energy exceeds (b) the amount computed by applying the appropriate base offpeak energy charges of this rate schedule, as adjusted, to the customer's metered offpeak energy.

For purposes of applying these adjustments with respect to customers with contract demands in excess of 25,000 kW, all references to the term "50 percent" in the preceding paragraphs shall be replaced with the term "75 percent."

4. It is recognized that the TOU Service and Seasonal Demand and Energy Service demand and energy charges listed above contain debit and credit components designed, together with the components (1) – (4) of Adjustment No. 2 above, to reflect the value of the hydro generation benefits allocated by TVA to residential customers. The dollar and cent amounts listed above in Adjustment No. 2 and the base TOU Service and Seasonal Demand and Energy Service demand and energy charges listed above may be increased or decreased by TVA from time to time to appropriately reflect changes in the value of the hydro generation benefits allocated by TVA to residential customers.

In addition, said charges and components may be adjusted by TVA from time to time for the purpose of ensuring that (a) TVA does not pay out more in credits for sales to residential consumers than it receives in debits for sales to other consumers and (b) TVA does not receive more in debits for sales to other consumers than it pays out in credits for sales to residential consumers.

In the event of an adjustment under either paragraph of this Adjustment No. 4, TVA shall make corresponding adjustments in all of Distributor's resale schedules.

Facilities Rental Charge

There shall be no facilities rental charge under this rate schedule for delivery at bulk transmission voltage levels of 161 kV or higher. For delivery to Distributor at less than 161 kV, there shall be added to Distributor's bill a facilities rental charge. This charge shall be 36¢ per kW per month, except for delivery at voltages below 46 kV, in which case the charge shall be 93¢ per kW per month for the first 10,000 kW and 73¢ per kW per month for the excess over 10,000 kW. For each delivery point, such charge shall be applied to the highest average demand during any 60-consecutive-minute period (beginning on the clock hour) for each month of the preceding 12-consecutive-month period of the load measured in kW (Delivery Point Demand). The facilities rental charge shall be in addition to all other charges under this rate schedule, including minimum bill charges, and such amounts in cents per kW may be increased or decreased by TVA, effective with the effective date of any Adjustment Addendum published by TVA, to reflect changes in the costs of providing for delivery at voltage levels below 161 kV.

Reactive Demand Charges

For each delivery point to Distributor, if the reactive demand (in kVAR) is lagging during the 60-consecutive-minute period of the month in which the Delivery Point Demand occurs, there shall be added to Distributor's bill for the following month a reactive charge of \$1.46 per kVAR of the amount, if any, by which the reactive demand exceeds 33 percent of the Delivery Point Demand. If the reactive demand (in kVAR) at a delivery point is leading during the 60-consecutive-minute period (beginning on the clock hour) of the month in

which Distributor's lowest measured demand (excluding any measured demands which are less than 25 percent of the Delivery Point Demand) occurs, there shall be added to Distributor's bill for the following month a reactive charge of \$1.14 per kVAR of the amount of reactive demand. Such charges shall be in addition to all other charges under this rate schedule, including minimum bill charges, and such amounts in cents per kVAR may be increased or decreased by TVA, effective with the effective date of any Adjustment Addendum published by TVA, to reflect changes in the costs of providing reactive power.

Determination of Seasonal Periods

Summer Period shall mean the months of June, July, August, and September. Winter Period shall mean the months of December, January, February, and March. The Transition Period shall mean the months of April, May, October, and November.

Determination of Standard Service Demand and Energy Billing Amounts

For every 60-consecutive-minute period (beginning on the clock hour) of the month, the average of the loads measured in kW for each customer served under the TOU Service and Seasonal Demand and Energy Service subsections above shall be subtracted from the average loads measured in kW at all delivery points. The highest difference computed in accordance with the previous sentence will be the Billing Demand for Standard Service provided for any month.

The Standard Service Energy for any month shall be the kWh amount equal to the total energy measured in kWh at all delivery points less the sum of the energy amounts used in calculating charges for that month under said TOU Service and Seasonal Demand and Energy Service subsections.

Minimum Bill

The monthly bill under this rate schedule, exclusive of any applicable facilities rental charges and any reactive charges, shall not be less than the higher of (a) the base delivery point charge or (b) 35 percent of the highest bill to Distributor, exclusive of any applicable facilities rental charge and any reactive charges, rendered under this rate schedule in the preceding 36-consecutive-month period.

RIDER TO WHOLESALE POWER RATE--SCHEDULE WS-DE

Wholesale Power Rate--Schedule WS-DE, to which this rider is attached, is hereby amended by adding the following section:

Distribution Loss Adjustment

It is recognized that under the provisions of the section entitled "Distribution Loss Charge" of the wholesale schedule designated Wholesale Power Rate--Schedule WS, dated October 2003, an Annual Loss Adjustment has been applied to Distributors wholesale bill each year to reflect distribution losses incurred during the preceding 12-month period. Notwithstanding anything appearing in said section, as soon as practicable after Distributor's wholesale billing date for March 2011, a loss adjustment will be applied to Distributor's wholesale bill to appropriately reflect distribution losses actually incurred during the period from the end of the period of the last determination of the Annual Loss Adjustment to such date.

If (1) Distributor's wholesale billing date is not on the first day of the calendar month prior to April 1, 2011, and (2) Distributor changes its wholesale billing date to the first day of the calendar month on April 1, 2011, for purposes of calculating the final Distribution Loss Adjustment provided for above, Distributor may choose one of the two reporting options described below:

- (a) Distributor may report the energy resold from the end of the period of Distributor's last Annual Loss Adjustment through Distributor's last wholesale billing date before April 1, 2011; or
- (b) Distributor may report the sum of (i) energy resold from the end of the period of Distributor's last Annual Loss Adjustment through Distributor's last wholesale billing date, plus (ii) an estimate of the additional energy resold from Distributor's last wholesale billing date to April 1, 2011. To facilitate Distributor's estimate under (ii), TVA will provide wholesale meter data for the additional period.

The Distribution Loss Adjustment will then be calculated based on the difference between (a) the energy takings of Distributor measured at each delivery point to Distributor from the end of the period of Distributor's last Annual Loss Adjustment to April 1, 2011, and (b) the amount of energy reported by Distributor under (a) or (b) above.

Large Customers under the Standard Billing Arrangement shall be metered in accordance with TVA furnished or approved guidelines or specifications. Distributor shall provide to TVA, in accordance with TVA furnished or approved guidelines or specifications, unrestricted remote access to the metering data at all times, as well as physical access to the metering facilities for the purpose of confirming remotely-accessed data during such periods as are specified by TVA. Further, for each Large Customer, Distributor shall furnish TVA with such contract information as TVA reasonably requests for purposes of performing monthly billing analysis for each such customer. In the event that TVA is not given such access to all such metering data, or is not provided such contract information, all power and energy taken hereunder shall be billed in accordance with the Alternate Billing Arrangement.

STANDARD SERVICE

Demand Charge:	Summer Period	\$8.83 per kW of Billing Demand per month
	Winter Period	\$8.04 per kW of Billing Demand per month
	Transition Period	\$8.04 per kW of Billing Demand per month
Non-Fuel Energy Charge:	Summer Period	3.301¢ per kWh per month (as adjusted by TOU Amount below)
	Winter Period	3.020¢ per kWh per month (as adjusted by TOU Amount below)
	Transition Period	2.908¢ per kWh per month

TOU Amounts to be added to Non-Fuel Energy Charge:

Summer Period	
Onpeak:	0.750¢ per kWh per month
Offpeak:	-0.350¢ per kWh per month
Winter Period	
Onpeak:	0.400¢ per kWh per month
Offpeak:	-0.100¢ per kWh per month

The above TOU Amounts shall not be subject to adjustment under Adjustment 1 below.

TOU SERVICE

General Power Service

Schedule GSB

Administrative Charge: \$350 per delivery point per month

Demand Charge:

Summer Period	\$14.00 per kW of metered onpeak demand per month
	\$ 2.71 per kW per month of the amount, if any, by which metered offpeak demand exceeds metered onpeak demand
Winter Period	\$ 7.56 per kW of metered onpeak demand per month
	\$ 2.71 per kW per month of the amount, if any, by which metered offpeak demand exceeds metered onpeak demand
Transition Period	\$ 2.71 per kW of metered offpeak demand per month

Non-Fuel Energy Charge:

Summer Period	6.512¢ per kWh per month for all metered onpeak kWh
	3.370¢ per kWh per month for the first 425 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy
	1.678¢ per kWh per month for the next 195 hours use of maximum metered demand multiplied by the ratio of offpeak energy to total energy

	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 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.

WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION

RESIDENTIAL RATE--SCHEDULE RS

(April 2011)

Availability

This rate shall apply only to electric service to a single-family dwelling (including its appurtenances if served through the same meter), where the major use of electricity is for domestic purposes such as lighting, household appliances, and the personal comfort and convenience of those residing therein.

Character of Service

Alternating current, single-phase, 60 hertz. Power shall be delivered at a service voltage available in the vicinity or agreed to by Distributor. Multiphase service shall be supplied in accordance with Distributor's standard policy.

Base Charges

Customer Charge: \$20.00 per month, less

Hydro Allocation Credit: \$1.60 per month

Right-of-way

Clearing Surcharge: \$3.25 per meter per month

Energy Charge:

Summer Period

First 800 kWh per month, at 7.512¢ per kWh

Additional kWh per month, at 6.744¢ per kWh

Winter Period

First 800 kWh per month, at 7.500¢ per kWh

Additional kWh per month, at 6.732¢ per kWh

Transition Period

First 800 kWh per month, at 7.436¢ per kWh

Additional kWh per month, at 6.668¢ per kWh

Adjustment

The base energy charges shall be increased or decreased in accordance with the current Adjustment Addendum published by TVA. In addition, the base energy charge and the hydro allocation credit shall be increased or decreased to correspond to increases or decreases determined by TVA under Adjustment 4 of the wholesale power rate schedule applicable under contractual arrangements between TVA and Distributor.

Determination of Seasonal Periods

Summer Period shall mean the June, July, August, and September billing months. Winter Period shall mean the December, January, February, and March billing months. Transition Period shall mean the April, May, October, and November billing months.

Minimum Monthly Bill

The base customer charge, as reduced by the hydro allocation credit, constitutes the minimum monthly bill for all customers served under this rate schedule except those customers for which a higher minimum monthly bill is required under Distributor's standard policy because of special circumstances affecting Distributor's cost of rendering service.

Payment

Bills under this rate schedule will be rendered monthly. Any amount of bill unpaid after due date specified on bill may be subject to additional charges under Distributor's standard policy.

Single-Point Delivery

The charges under this rate schedule are based upon the supply of service through a single delivery and metering point, and at a single voltage.

Service is subject to Rules and Regulations of Distributor.

WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION

GENERAL POWER RATE--SCHEDULE GSA

(April 2011)

Availability

This rate shall apply to the firm power requirements (where a customer's contract demand is 5,000 kW or less) for electric service to commercial, industrial, and governmental customers, and to institutional customers including, without limitation, churches, clubs, fraternities, orphanages, nursing homes, rooming or boarding houses, and like customers. This rate shall also apply to customers to whom service is not available under any other resale rate schedule.

Character of Service

Alternating current, single- or three-phase, 60 hertz. Power shall be delivered at a service voltage available in the vicinity or agreed to by Distributor.

Base Charges

1. If (a) the higher of (i) the customer's currently effective contract demand, if any, or (ii) its highest billing demand during the latest 12-month period is not more than 50 kW and (b) the customer's monthly energy takings for any month during such period do not exceed 15,000 kWh:

Customer Charge: \$20.00 per delivery point per month

Right-of-way

Clearing Surcharge: \$3.25 per meter per month

Energy Charge:

Summer Period 8.701¢ per kWh per month

Winter Period 8.689¢ per kWh per month

Transition Period 8.625¢ per kWh per month

2. If (a) the higher of (i) the customer's currently effective contract demand or (ii) its highest billing demand during the latest 12-month period is greater than 50 kW but not more than 1,000 kW or (b) the customer's billing demand is less than 50 kW and its energy takings for any month during such period exceed 15,000 kWh:

Customer Charge: \$43.50 per delivery point per month

Right-of-way

Clearing Surcharge: \$3.25 per meter per month

Demand Charge:

Summer Period First 50 kW of billing demand per month, no demand charge

Excess over 50 kW of billing demand per month, at \$16.05 per kW

Winter Period First 50 kW of billing demand per month, no demand charge

Excess over 50 kW of billing demand per month, at \$15.23 per kW

Transition Period First 50 kW of billing demand per month, no demand charge

Excess over 50 kW of billing demand per month, at \$15.23 per kW

Energy Charge:

Summer Period	First 15,000 kWh per month at 8.858¢ per kWh Additional kWh per month at 3.673¢ per kWh
Winter Period	First 15,000 kWh per month at 8.846¢ per kWh Additional kWh per month at 3.673¢ per kWh
Transition Period	First 15,000 kWh per month at 8.782¢ per kWh Additional kWh per month at 3.673¢ per kWh

3. If the higher of (a) the customer's currently effective contract demand or (b) its highest billing demand during the latest 12-month period is greater than 1,000 kW:

Customer Charge: \$106.50 per delivery point per month

Right-of-way
Clearing Surcharge: \$3.25 per meter per month

Demand Charge:

Summer Period	First 1,000 kW of billing demand per month, at \$14.75 per kW Excess over 1,000 kW of billing demand per month, at \$14.36 per kW, plus an additional \$14.36 per kW per month for each kW, if any, of the amount by which the customer's billing demand exceeds the higher of 2,500 kW or its contract demand
Winter Period	First 1,000 kW of billing demand per month, at \$13.93 per kW Excess over 1,000 kW of billing demand per month, at \$13.54 per kW, plus an additional \$13.54 per kW per month for each kW, if any, of the amount by which the customer's billing demand exceeds the higher of 2,500 kW or its contract demand
Transition Period	First 1,000 kW of billing demand per month, at \$13.93 per kW Excess over 1,000 kW of billing demand per month, at \$13.54 per kW, plus an additional \$13.54 per kW per month for each kW, if any, of the amount by which the customer's billing demand exceeds the higher of 2,500 kW or its contract demand

Energy Charge:

Summer Period	3.728¢ per kWh per month
Winter Period	3.728¢ per kWh per month
Transition Period	3.728¢ per kWh per month

Adjustment

The base demand and energy charges shall be increased or decreased in accordance with the current Adjustment Addendum published by TVA. In addition, such charges shall be increased or decreased to correspond to increases or decreases determined by TVA under Adjustment 4 of the wholesale power rate schedule applicable under contractual arrangements between TVA and Distributor.

Determination of Seasonal Periods

Summer Period shall mean the June, July, August, and September billing months. Winter Period shall mean the December, January, February, and March billing months. Transition Period shall mean the April, May, October, and November billing months.

Determination of Demand

Distributor shall meter the demands in kW of all customers having loads in excess of 50 kW. The metered demand for any month shall be the highest average during any 30-consecutive-minute period of the month of the load metered in kW. The measured demand for any month shall be the higher of the highest average during any 30-consecutive-minute period of the month of (a) the load metered in kW or (b) 85 percent of the load in kVA plus an additional 10 percent for that part of the load over 5,000 kVA, and such measured demand shall be used as the billing demand, except that the billing demand for any month shall in no case be less than 30 percent of the higher of the currently effective contract demand or the highest billing demand established during the preceding 12 months.

Minimum Bill

The monthly bill under this rate schedule shall not be less than the sum of (a) the base customer charge, (b) the base demand charge, as adjusted, applied to the customer's billing demand, and (c) the base energy charge, as adjusted, applied to the customer's energy takings; provided, however, that, under 2 of the Base Charges, the monthly bill shall in no event be less than the sum of (a) the base customer charge and (b) 20 percent of the portion of the base demand charge, as adjusted, applicable to the second block (excess over 50 kW) of billing demand, multiplied by the higher of the customer's currently effective contract demand or its highest billing demand established during the preceding 12 months.

Distributor may require minimum bills higher than those stated above.

Seasonal Service

Customers who contract for service on a seasonal basis shall be limited to 2,500 kW and shall pay the above charges, as adjusted, plus an additional seasonal use charge equal to (1) 1.33¢ per kWh per month under 1 of the Base Charges, (2) the sum of 1.33¢ per kWh for the first 15,000 kWh per month and \$4.00 per kW per month of billing demand in excess of 50 kW under 2 of the Base Charges, and (3) \$4.00 per kW per month of billing demand under 3 of the Base Charges. Consistent with Distributor's standard policy, the customer may arrange for seasonal testing of equipment during offpeak hours.

For such customers, the minimum bill provided for above shall not apply. Distributor may require additional charges to provide recovery of costs for customer-specific distribution facilities.

Contract Requirement

Distributor may require contracts for service provided under this rate schedule. Customers whose demand requirements exceed 1,000 kW shall be required to execute contracts and such contracts shall be for an initial term of at least 1 year. The customer shall contract for its maximum requirements, which shall not exceed the amount of power capable of being used by customer, and Distributor shall not be obligated to supply power in greater amount at any time than the customer's currently effective contract demand. If the customer uses any power other than that supplied by Distributor under this rate schedule, the contract may include other special provisions. The rate schedule in any power contract

shall be subject to adjustment, modification, change, or replacement from time to time as provided under the power contract between Distributor and TVA.

Payment

Bills under this rate schedule will be rendered monthly. Any amount of bill unpaid after due date specified on bill may be subject to additional charges under Distributor's standard policy.

Single-Point Delivery

The charges under this rate schedule are based upon the supply of service through a single delivery and metering point, and at a single voltage. If service is supplied to the same customer through more than one point of delivery or at different voltages, the supply of service at each delivery and metering point and at each different voltage shall be separately metered and billed.

Service is subject to Rules and Regulations of Distributor.

WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION

GENERAL POWER RATE--SCHEDULE GSB

(April 2011)

Availability

This rate shall apply to the firm electric power requirements where a customer's currently effective onpeak or offpeak contract demand, whichever is higher, is greater than 5,000 kW but not more than 15,000 kW; provided that the other conditions of this section are met.

Unless otherwise provided 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	<p>\$8.81 per kW per month of the customer's onpeak billing demand, plus</p> <p>\$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</p> <p>\$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</p>
Transition Period	<p>\$3.81 per kW per month of the customer's offpeak billing demand, plus</p> <p>\$8.81 per kW per month of the amount, if any, by which the customer's offpeak billing demand exceeds its offpeak contract demand</p>
Energy Charge:	
Summer Period	<p>6.707¢ per kWh per month for all onpeak kWh, plus</p> <p>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</p> <p>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</p> <p>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</p>
Winter Period	<p>3.845¢ per kWh per month for all onpeak kWh, plus</p> <p>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</p> <p>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</p> <p>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</p>
Transition Period	<p>3.471¢ per kWh per month for the first 425 hours use of maximum metered demand, plus</p> <p>1.728¢ per kWh per month for the next 195 hours use of maximum metered demand, plus</p> <p>0.250¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours</p>

For the Summer Period, Winter Period and Transition Period, 3.471¢ per kWh per month shall be applied to the portion, if any, of the minimum offpeak energy takings amount that is greater than the metered energy.

Adjustment

The base demand and energy charges shall be increased or decreased in accordance with the current Adjustment Addendum published by TVA. In addition, such charges shall be increased or decreased to correspond to increases or decreases determined by TVA under Adjustment 4 of the wholesale power rate schedule applicable under contractual arrangements between TVA and Distributor.

Facilities Rental Charge

There shall be no facilities rental charge under this rate schedule for delivery at bulk transmission voltage levels of 161 kV or higher. For delivery at less than 161 kV, there shall be added to the customer's bill a facilities rental charge. This charge shall be 36¢ per kW per month except for delivery at voltages below 46 kV, in which case the charge shall be 93¢ per kW per month for the first 10,000 kW and 73¢ per kW per month for the excess over 10,000 kW. Such charge shall be applied to the higher of (1) the highest billing demand established during the latest 12-consecutive-month period or (2) the customer's currently effective onpeak or offpeak contract demand, whichever is higher, and shall be in addition to all other charges under this rate schedule, including minimum bill charges.

Reactive Demand Charges

If the reactive demand (in kVAR) is lagging during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's highest metered demand occurs, there shall be added to the customer's bill a reactive charge of \$1.46 per kVAR of the amount, if any, by which the reactive demand exceeds 33 percent of such metered demand. If the reactive demand (in kVAR) is leading during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's lowest metered demand (excluding any metered demands which are less than 25 percent of the highest metered demand) occurs, there shall be added to the customer's bill a reactive charge of \$1.14 per kVAR of the amount of reactive demand. Such charges shall be in addition to all other charges under this rate schedule, including minimum bill charges.

Determination of Seasonal Periods

Summer Period shall mean the June, July, August, and September billing months. Winter Period shall mean the December, January, February, and March billing months. Transition Period shall mean the April, May, October, and November billing months.

Determination of Onpeak and Offpeak Hours

Except for Saturdays and Sundays and the weekdays that are observed as Federal holidays for New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day, onpeak hours for each day shall be from 1 p.m. to 7 p.m. during the Summer Period and from 4 a.m. to 10 a.m. during the Winter Period. For the Summer Period and the Winter Period, all other hours of each day that are not otherwise defined as onpeak hours and all hours of such excepted days shall be offpeak hours. For the Transition Period, all hours shall be offpeak hours. Such times shall be Central Standard Time or Central Daylight Time, whichever is then in effect. Said onpeak and offpeak hours are subject to change by TVA. In the event TVA determines that such changed onpeak and offpeak hours are appropriate, it shall so notify Distributor at least 12 months prior to the effective date of such changed hours, and Distributor shall promptly notify customer.

**Determination of Onpeak and Offpeak Demands,
Maximum Metered Demand, and Energy Amounts**

The onpeak and offpeak kWh for any month shall be the energy amounts taken during the respective hours of the month designated under this rate schedule as onpeak and offpeak hours; provided, however, that notwithstanding the metered energy amount, the offpeak energy for any month shall in no case be less than the product of (1) the offpeak billing demand as calculated in the last sentence of the paragraph below and (2) 110 hours (reflecting a 15 percent load factor applied to the average number of hours in a month).

Distributor shall meter the onpeak and offpeak demands in kW of all customers taking service under this rate schedule. The onpeak metered demand and offpeak metered demand for any month shall be determined separately for the respective hours of the month designated under this rate schedule as onpeak and offpeak hours and in each case shall be the highest average during any 30-consecutive-minute period beginning or ending on a clock hour of the month of the load metered in kW, and, except as provided below in this section, such amounts shall be used as the onpeak and offpeak billing demands. The maximum metered demand for any month shall be the higher of (1) the highest onpeak metered demand in the month or (2) the highest offpeak metered demand in the month. The onpeak billing demand shall in no case be less than the sum of (1) 30 percent of the first 5,000 kW and (2) 40 percent of any kW in excess of 5,000 kW of the higher of the currently effective onpeak contract demand or the highest onpeak billing demand established during the preceding 12 months. The offpeak billing demand shall in no case be less than the sum of (1) 30 percent of the first 5,000 kW and (2) 40 percent of any kW in excess of 5,000 kW of the higher of the currently effective offpeak contract demand or the highest offpeak billing demand established during the preceding 12 months.

Minimum Bill

The monthly bill under this rate schedule, excluding any facilities rental charges and any reactive charges, shall not be less than the sum of (1) the base customer charge, (2) the portion of the base demand charge, as adjusted, (but excluding the additional portion thereof applicable to excess of billing demand over contract demand) applicable to onpeak billing demand applied to the customer's onpeak billing demand, (3) the portion of the base demand charge, as adjusted, (but excluding the additional portion thereof applicable to excess of billing demand over contract demand) applicable to any excess of offpeak over onpeak billing demand applied to the amount, if any, by which the customer's offpeak billing demand exceeds its onpeak billing demand, (4) the base onpeak energy charge, as adjusted, applied to the customer's onpeak energy takings, and (5) the base offpeak energy charge, as adjusted, applied to the higher of customer's actual offpeak energy takings or the minimum offpeak energy takings amount provided for in the first paragraph of the section of this rate schedule entitled "Determination of Onpeak and Offpeak Demands, Maximum Metered Demand, and Energy Amounts".

Distributor may require minimum bills higher than those stated above, including, without limitation, charges to cover any additional metering and related costs.

Contract Requirement

Distributor shall require contracts for all service provided under this rate schedule. The contract shall be for an initial term of at least 5 years and any renewals or extensions of the initial contract shall be for a term of at least 1 year; after 10 years of service, any such contract for the renewal or extension of service may provide for termination upon not less than 4 months' notice. The customer shall contract for its maximum requirements, which shall not exceed the amount of power capable of being used by customer, and Distributor shall not be obligated to supply power in greater amount at any time than the customer's currently effective onpeak or offpeak contract demand. If the customer uses any power other than that supplied by Distributor under this rate schedule, the contract may include other special provisions. The rate schedule in any power contract shall be subject to adjustment, modification, change, or replacement from time to time as provided under the power contract between Distributor and TVA.

Payment

Bills under this rate schedule will be rendered monthly. Any amount of bill unpaid after due date specified on bill may be subject to additional charges under Distributor's standard policy.

Single-Point Delivery

The charges under this rate schedule are based upon the supply of service through a single delivery and metering point, and at a single voltage. If service is supplied to the same customer through more than one point of delivery or at different voltages, the supply of service at each delivery and metering point and at each different voltage shall be separately metered and billed.

Service is subject to Rules and Regulations of Distributor.

WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION

GENERAL POWER RATE--SCHEDULE GSC

(April 2011)

Availability

This rate shall apply to the firm electric power requirements where a customer's currently effective onpeak or offpeak contract demand, whichever is higher, is greater than 15,000 kW but not more than 25,000 kW; provided that the other conditions of this section are met.

Unless otherwise provided for in a written agreement between TVA and the distributor providing service under this rate schedule, for customers served under this rate schedule, the customer's "meter-reading time" shall be 0000 hours CST or CDT, whichever is currently effective, on the first day of the calendar month following the month for which a bill under this rate schedule is being calculated. Further, in accordance with TVA furnished or approved guidelines or specifications, TVA shall have unrestricted remote access to the metering data at all times, as well as unrestricted physical access to the metering facilities for the purpose of confirming remotely-accessed data during such periods as are specified by TVA.

For a customer requesting that its onpeak contract demand be different from its offpeak contract demand, this rate schedule shall be available only for (1) a new contract, (2) a replacement or renewal contract following expiration of the existing contract, or (3) a replacement or renewal contract or an amended existing contract in which the customer is increasing its demand requirements above the existing contract demand level, but under this item (3) neither the new onpeak nor the new offpeak contract demand shall be lower than the customer's existing contract demand.

Character of Service

Alternating current, single- or three-phase, 60 hertz. Power shall be delivered at a transmission voltage of 161 kV or, if such transmission voltage is not available, at the highest voltage available in the vicinity, unless at the customer's request a lower standard voltage is agreed upon.

Base Charges

Customer Charge: \$1,500 per delivery point per month

Administrative Charge: \$350 per delivery point per month

Demand Charge:

Summer Period \$14.93 per kW per month of the customer's onpeak billing demand, plus \$3.30 per kW per month of the amount, if any, by which the customer's offpeak billing demand exceeds its onpeak billing demand, plus \$14.93 per kW per month of the amount, if any, by which (1) the customer's onpeak billing demand exceeds its onpeak contract demand or (2) the customer's offpeak billing demand exceeds its offpeak contract demand, whichever is higher

Winter Period	<p>\$8.30 per kW per month of the customer's onpeak billing demand, plus</p> <p>\$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</p> <p>\$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</p>
Transition Period	<p>\$3.30 per kW per month of the customer's offpeak billing demand, plus</p> <p>\$8.30 per kW per month of the amount, if any, by which the customer's offpeak billing demand exceeds its offpeak contract demand</p>
Energy Charge:	
Summer Period	<p>6.372¢ per kWh per month for all onpeak kWh, plus</p> <p>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</p> <p>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</p> <p>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</p>
Winter Period	<p>3.579¢ per kWh per month for all onpeak kWh, plus</p> <p>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</p> <p>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</p> <p>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</p>
Transition Period	<p>3.226¢ per kWh per month for the first 425 hours use of maximum metered demand, plus</p> <p>1.482¢ per kWh per month for the next 195 hours use of maximum metered demand, plus</p> <p>0.004¢ per kWh per month for the hours use of maximum metered demand in excess of 620 hours</p>

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.

WEST KENTUCKY RURAL ELECTRIC COOPERATIVE 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.

WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION

TIME-OF-USE GENERAL POWER RATE--SCHEDULE TGSA

(April 2011)

Availability

This rate shall be available for 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.

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: \$45.00 per delivery point per month

Right-of-way

Clearing Surcharge: \$3.25 per meter per month

Energy Charge:

Summer Period 9.451¢ per kWh per month for all onpeak kWh, plus

8.351¢ per kWh per month for all offpeak kWh

Winter Period 9.089¢ per kWh per month for all onpeak kWh, plus

8.589¢ per kWh per month for all offpeak kWh

Transition Period 8.625¢ per kWh per month for all 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 not more than 50 kW and its energy takings for any month during such period exceed 15,000 kWh:

Customer Charge: \$68.50 per delivery point per month

Right-of-way

Clearing Surcharge: \$3.25 per meter per month

Demand Charge:

Summer Period First 50 kW of billing demand per month, no demand charge
Excess over 50 kW of billing demand per month, at \$16.05 per kW

Winter Period First 50 kW of billing demand per month, no demand charge
Excess over 50 kW of billing demand per month, at \$15.23 per kW

Transition Period First 50 kW of billing demand per month, no demand charge
Excess over 50 kW of billing demand per month, at \$15.23 per kW

Energy Charge:

Summer Period 9.608¢ per kWh per month for all onpeak kWh, plus
8.508¢ per kWh per month for all offpeak kWh

Winter Period 9.246¢ per kWh per month for all onpeak kWh, plus
8.746¢ per kWh per month for all offpeak kWh

Transition Period 8.782¢ per kWh per month for all 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: \$131.50 per delivery point per month

Right-of-way

Clearing Surcharge: \$3.25 per meter per month

Demand Charge:

Summer Period First 1,000 kW of billing demand per month, at \$14.75 per kW
Excess over 1,000 kW of billing demand per month, at \$14.36 per kW,
plus an additional
\$14.36 per kW per month for each kW, if any, of the amount by which the
customer's billing demand exceeds the higher of 2,500 kW or its contract
demand

Winter Period First 1,000 kW of billing demand per month, at \$13.93 per kW
Excess over 1,000 kW of billing demand per month, at \$13.54 per kW,
plus an additional
\$13.54 per kW per month for each kW, if any, of the amount by which the
customer's billing demand exceeds the higher of 2,500 kW or its contract
demand

Transition Period First 1,000 kW of billing demand per month, at \$13.93 per kW

Excess over 1,000 kW of billing demand per month, at \$13.54 per kW, plus an additional

\$13.54 per kW per month for each kW, if any, of the amount by which the customer's billing demand exceeds the higher of 2,500 kW or its contract demand

Energy Charge:

Summer Period 4.478¢ per kWh per month for all onpeak kWh, plus
3.378¢ per kWh per month for all offpeak kWh
Winter Period 4.128¢ per kWh per month for all onpeak kWh, plus
3.628¢ per kWh per month for all offpeak kWh
Transition Period 3.728¢ per kWh per month for all 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 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 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 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 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 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.

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, (c) the base onpeak energy charge, as adjusted, applied to the customer's onpeak energy takings, and (d) the base offpeak energy charge, as adjusted, applied to the customer's offpeak energy takings; provided, however, under 2 of the Base Charges, the monthly bill shall in no event be less than the sum of (a) the base customer charge, (b) 20 percent of the 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 shall require contracts for service provided under this rate schedule and such contracts shall be for an initial term of at least 1 year. The customer shall contract for its maximum requirements, which shall not exceed the amount of power capable of being used by customer, and Distributor shall not be obligated to supply power in greater amount at any time than the customer's currently effective contract demand. If the customer uses any power other than that supplied by Distributor under this rate schedule, the contract may include other special provisions. The rate schedule in any power contract shall be subject to adjustment, modification, change, or replacement from time to time as provided under the power contract between Distributor and TVA.

After having received service for at least 1 year under this rate schedule, the customer, subject to appropriate amendments in its power contract with Distributor, may receive service under the General Power Rate--Schedule GSA. In such case the term of the power contract shall remain the same and the contract demand for service under the General Power Rate--Schedule GSA shall not be less than the onpeak contract demand in effect when service was taken under this rate schedule.

Payment

Bills under this rate schedule will be rendered monthly. Any amount of bill unpaid after due date specified on bill may be subject to additional charges under Distributor's standard policy.

Single-Point Delivery

The charges under this rate schedule are based upon the supply of service through a single delivery and metering point, and at a single voltage. If service is supplied to the same customer through more than one point of delivery or at different voltages, the supply of service at each delivery and metering point and at each different voltage shall be separately metered and billed.

Service is subject to Rules and Regulations of Distributor.

WEST KENTUCKY RURAL ELECTRIC COOPERATIVE 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 3.726¢ per kWh per month
Winter Period 3.714¢ per kWh per month
Transition Period 3.650¢ per kWh per month

II. Facility Charge

The annual facility charge shall be 15 percent of the installed cost to Distributor's electric system of the facilities devoted to street and park lighting service specified in this Part A. Such installed cost shall be recomputed on July 1 of each year, or more often if substantial changes in the facilities are made. Each month, one-twelfth of the then total annual facility charge shall be billed to the customer. If any part of the facilities has not been provided at the electric

system's expense or if the installed cost of any portion thereof is reflected on the books of another municipality or agency or department, the annual facility charge shall be adjusted to reflect properly the remaining cost to be borne by the electric system.

Traffic signal systems and athletic field lighting installations shall be provided, owned, and maintained by and at the expense of the customer, except as Distributor may agree otherwise in accordance with the provisions of the paragraph next following in this section II. The facilities necessary to provide service to such systems and installations shall be provided by and at the expense of Distributor's electric system, and the annual facility charge provided for first above in this section II shall apply to the installed cost of such facilities.

When so authorized by policy duly adopted by Distributor's governing board, traffic signal systems and athletic field lighting installations may be provided, owned, and maintained by Distributor's electric system for the customer's benefit. In such cases Distributor may require reimbursement from the customer for a portion of the initial installed cost of any such system or installation and shall require payment by the customer of a facility charge sufficient to cover all of Distributor's costs (except reimbursed costs), including appropriate overheads, of providing, owning, and maintaining such system or installation; provided that, for athletic field lighting installations, such facility charge shall in no case be less than 12 percent per year of such costs. Said facility charge shall be in addition to the annual facility charge on the facilities necessary to provide service to such system or installation as provided for in the preceding paragraph. Replacement of lamps and related glassware for traffic signal systems and athletic field lighting installations provided under this paragraph shall be paid for under the provisions of paragraph A in Section IV.

III. Customer Charge - Traffic Signal Systems and Athletic Field Lighting Installations.

Distributor shall apply a uniform monthly customer charge of \$2.50 for service to each traffic signal system or athletic field lighting installation.

IV. Replacement of Lamps and Related Glassware - Street and Park Lighting

Customer shall be billed and shall pay for replacements as provided in paragraph B below, which shall be applied to all service for street and park lighting.

- A. Distributor shall bill the customer monthly for such replacements during each month at Distributor's cost of materials, including appropriate storeroom expense.
- B. Distributor shall bill the customer monthly for one-twelfth of the amount by which Distributor's cost of materials, including appropriate storeroom expense, exceeds the product of 3 mills multiplied by the number of kilowatthours used for street and park lighting during the fiscal year immediately preceding the fiscal year in which such month occurs.

V. Right-of-way Clearing Surcharge: \$3.25 per meter per month for service to street and park lighting systems, traffic signal systems, and athletic field lighting installations.

Metering

For any billing month or part of such month in which the energy is not metered or for which a meter reading is found to be in error or a meter is found to have failed, the energy for billing purposes for that billing month or part of such month shall be computed from the rated capacity of the lamps (including ballast) plus 5 percent of such capacity to reflect secondary circuit losses, multiplied by the number of hours of use.

Revenue and Cost Review

Distributor's costs of providing service under Part A of this rate schedule are subject to review at any time and from time to time to determine if Distributor's revenues from the charges being applied are sufficient to cover its costs. (Such costs, including applicable overheads, include, but are not limited to, those incurred in the operation and maintenance of the systems provided and those resulting from depreciation and payments for taxes, tax equivalents and interest.) If any such review discloses that revenues are either less or more than sufficient to cover said costs, Distributor shall revise the above facility charges so that revenues will be sufficient to cover said costs. Any such revision of the annual facility charge provided for first above in section II of Part A of this rate schedule shall be by agreement between Distributor and TVA.

PART B--CHARGES FOR OUTDOOR LIGHTING FOR INDIVIDUAL CUSTOMERS

Charges Per Fixture Per Month

<u>(a) Type of Fixture</u>	<u>Lamp Size</u>		<u>Rated</u>	<u>Facility</u>
	<u>(Watts)</u>	<u>(Lumens)</u>	<u>kWh</u>	<u>Charge</u>
Mercury Vapor or Incandescent	175	7,650	70	\$4.43
	250	10,400	98	\$3.21
	400	19,100	155	\$5.92
	700	33,600	266	\$5.48
	1,000	47,500	378	\$6.98
High Pressure Sodium	70	4,860	31	\$3.85
	100	8,550	42	\$4.95
	150	14,400	63	\$4.90
	200	18,900	82	\$4.61
	250	23,000	105	\$4.87
	400	45,000	165	\$5.87
Low Pressure Sodium	1,000	126,000	385	\$10.40
	55	7,650	32	\$3.87
	90	12,750	53	\$6.44
	135	22,000	75	\$8.49
	180	33,000	93	\$9.64

(b) Energy Charge: For each lamp size under (a) above,

Summer Period 3.726¢ per kWh per month

Winter Period 3.714¢ per kWh per month

Transition Period 3.650¢ 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.

WEST KENTUCKY RURAL ELECTRIC COOPERATIVE 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 System (NAICS) code 5181, 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.

WEST KENTUCKY RURAL ELECTRIC COOPERATIVE 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.

WEST KENTUCKY RURAL ELECTRIC COOPERATIVE 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.

WEST KENTUCKY RURAL ELECTRIC COOPERATIVE 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
Right-of-Way Clearing Surcharge:	\$3.25 per meter 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.

WEST KENTUCKY RURAL ELECTRIC COOPERATIVE 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
Right-of-Way Clearing Surcharge:	\$3.25 per meter per month
Demand Charge:	
Summer Period	\$19.68 per kW per month of the customer's billing demand, plus \$19.68 per kW per month of the amount, if any, by which the customer's billing demand exceeds its contract demand
Winter Period	\$13.80 per kW per month of the customer's billing demand, plus \$13.80 per kW per month of the amount, if any, by which the customer's billing demand exceeds its contract demand
Transition Period	\$9.38 per kW per month of the customer's billing demand, plus \$9.38 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.

WEST KENTUCKY RURAL ELECTRIC COOPERATIVE 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
Right-of-Way Clearing Surcharge:	\$3.25 per meter 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.

WEST KENTUCKY RURAL ELECTRIC COOPERATIVE 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
Right-of-Way Clearing Surcharge:	\$3.25 per meter 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.

WEST KENTUCKY RURAL ELECTRIC COOPERATIVE 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
Right-of-Way Clearing Surcharge:	\$3.25 per meter 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.

WEST KENTUCKY RURAL ELECTRIC COOPERATIVE 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
Right-of-Way Clearing Surcharge:	\$3.25 per meter 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 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.

April 1, 2011

RESALE RATE SCHEDULE SUBSTITUTION AGREEMENT

Between

WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION (DISTRIBUTOR)

And

TENNESSEE VALLEY AUTHORITY (TVA)

Distributor and TVA agree to substitute the new resale rate schedule specified in (a) below, a copy of which is attached, for the resale rate schedule specified in (b) below, which, as adjusted, is now in effect as a part of the Schedule of Rates and Charges attached to and made a part of the Power Contract, TV-59577A, dated April 26, 1982, as amended (Power Contract), between TVA and Distributor. This substitution is to be effective for all bills rendered from resale meter readings taken for revenue months of Distributor beginning with the April 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:
Time-of-Use General Power Rate--Schedule TGSA R1 (April 2011)
- (b) Existing resale rate schedule:
Time-of-Use General Power Rate--Schedule TGSA (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.

**WEST KENTUCKY RURAL ELECTRIC
COOPERATIVE CORPORATION**

By David E. Smart
Title: President + CEO

Rate schedule substitution agreed to as of
the date first above written.

TENNESSEE VALLEY AUTHORITY

By Bradley D. Peters for John Trawick
Senior Vice President
Commercial Operations and Pricing

WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION

TIME-OF-USE GENERAL POWER RATE--SCHEDULE TGSA

(April 2011)

Availability

This rate shall be available for the firm power requirements (where the higher of a customer's onpeak or offpeak contract demand is 5,000 kW or less) for electric service to commercial, industrial, and governmental customers, and to institutional customers including, without limitation, churches, clubs, fraternities, orphanages, nursing homes, rooming or boarding houses, and like customers.

For a customer requesting that its onpeak contract demand be different from its offpeak contract demand, this schedule shall be available only for (1) a new contract, (2) a replacement or renewal contract following expiration of the existing contract, or (3) a replacement or renewal contract or an amended existing contract in which the customer is increasing its demand requirements above the existing contract demand level, but under this item (3) neither the new onpeak nor the new offpeak contract demand shall be lower than the customer's existing contract demand.

Character of Service

Alternating current, single- or three-phase, 60 hertz. Power shall be delivered at a service voltage available in the vicinity or agreed to by Distributor.

Base Charges

1. If (a) the higher of (i) the customer's currently effective onpeak or offpeak contract demand or (ii) its highest onpeak or offpeak 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: \$45 per delivery point per month

Right-of-way
Clearing Surcharge: \$3.25 per meter per month

Energy Charge:

Summer Period	16.343¢ per kWh per month for all onpeak kWh, plus 6.373¢ per kWh per month for all offpeak kWh
Non-Summer Period	15.503¢ per kWh per month for all onpeak kWh, plus 6.373¢ per kWh per month for all offpeak kWh

2. If (a) the higher of (i) the customer's currently effective onpeak or offpeak contract demand or (ii) its highest onpeak or offpeak 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 onpeak or offpeak billing demand is not more than 50 kW and its energy takings for any month during such period exceed 15,000 kWh:

Customer Charge: \$68.50 per delivery point per month

Right-of-way
Clearing Surcharge: \$3.25 per meter per month

Demand Charge:

Summer Period \$16.27 per kW of the customer's onpeak billing demand, plus
\$6.78 per month for each kW, if any, of the amount by which the customer's offpeak billing demand exceeds its onpeak billing demand

Non-Summer Period \$15.43 per kW of the customer's onpeak billing demand, plus
\$6.78 per month for each kW, if any, of the amount by which the customer's offpeak billing demand exceeds its onpeak billing demand

Energy Charge:

Summer Period 6.161¢ per kWh per month for all onpeak kWh, plus
6.161¢ per kWh per month for all offpeak kWh

Non-Summer Period 6.161¢ per kWh per month for all onpeak kWh, plus
6.161¢ per kWh per month for all offpeak kWh

3. If the higher of (a) the customer's currently effective onpeak or offpeak contract demand or (b) its highest onpeak or offpeak billing demand during the latest 12-month period is greater than 1,000 kW:

Customer Charge: \$131.50 per delivery point per month

Right-of-way
Clearing Surcharge: \$3.25 per meter per month

Demand Charge:

Summer Period \$14.76 per kW per month of the customer's onpeak billing demand, plus
\$5.61 per month for each kW, if any, of the amount by which the customer's offpeak billing demand exceeds its onpeak billing demand, plus an additional
\$14.76 per kW per month for each kW, if any, of the amount by which (1) the customer's onpeak billing demand exceeds the higher of 2,500 kW or its onpeak contract demand or (2) the customer's offpeak billing demand exceeds the higher of 2,500 kW or its offpeak contract demand, whichever is higher

Non-Summer Period \$13.93 per kW per month of the customer's onpeak billing demand, plus
\$5.61 per month for each kW, if any, of the amount by which the customer's offpeak billing demand exceeds its onpeak billing demand, plus an additional
\$13.93 per kW per month for each kW, if any, of the amount by which (1) the customer's onpeak billing demand exceeds the higher of 2,500 kW or its onpeak contract demand or (2) the customer's offpeak billing demand exceeds the higher of 2,500 kW or its offpeak contract demand, whichever is higher

Energy Charge:

Summer Period 3.856¢ per kWh per month for all onpeak kWh, plus
3.856¢ per kWh per month for all offpeak kWh
Non-Summer Period 3.856¢ per kWh per month for all onpeak kWh, plus
3.856¢ 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 4 of the wholesale power rate schedule applicable under contractual arrangements between TVA and Distributor.

Determination of Seasonal Periods

Summer Period shall mean the May, June, July, August, September, and October billing months. Non-Summer Period shall mean the November, December, January, February, March, and April 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 11 a.m. to 9 p.m. during the Summer Period and from 2 a.m. to 12 p.m. during the Non-Summer 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. 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 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.

Determination of Onpeak and Offpeak Demands

Distributor shall meter the onpeak and offpeak demands in kW of all customers taking service under this rate schedule. The onpeak demand and the offpeak demand for any month shall be determined separately for the respective hours of the month designated under this rate schedule as onpeak and offpeak hours and in each case shall be the higher of the highest average during any 30-consecutive-minute period beginning or ending on a clock hour of the month of (a) the load metered in kW or (b) 85 percent of the load in kVA plus an additional 10 percent for that part of the load over 5,000 kVA, and, except as provided below in this section, such amounts shall be used as the onpeak and offpeak billing demands. The onpeak billing demand shall in no case be less than 30 percent of the customer's onpeak demand amount. The offpeak billing demand shall in no case be less than 30 percent of the customer's offpeak demand amount.

For purposes of this section, the onpeak demand amount referred to above shall be the higher of the currently effective onpeak contract demand or the highest onpeak billing demand established in the preceding 12 months, and the offpeak demand amount referred to above shall be the higher of the currently effective offpeak contract demand or the highest offpeak billing demand established in the preceding 12 months.

Minimum Bill

The monthly bill under this rate schedule shall not be less than the sum of (a) the base customer charge, (b) the portion of the base demand charge, as adjusted, applicable to onpeak billing demand applied to the customer's onpeak billing demand, (c) the portion of the base demand charge, as adjusted, applicable to the excess of offpeak over onpeak billing demand applied to the amount, if any, by which the customer's offpeak billing demand exceeds its onpeak billing demand, (d) the base onpeak energy charge, as adjusted, applied to the customer's onpeak energy takings, and (e) the base offpeak energy charge, as adjusted, applied to the customer's offpeak energy takings; provided, however, under 2 of the Base Charges, the monthly bill shall in no event be less than the sum of (a) the base customer charge, (b) 20 percent of the base onpeak demand charge, as adjusted, multiplied by the customer's onpeak billing demand, and (c) 20 percent of the portion of the base demand charge, as adjusted, applicable to the excess of offpeak over onpeak billing demand applied to the amount, if any, by which the customer's offpeak billing demand exceeds its onpeak billing demand.

Distributor may require minimum bills higher than those stated above.

Seasonal Service

Customers who contract for service on a seasonal basis shall be limited to 2,500 kW and shall pay the above charges, as adjusted, plus an additional seasonal use charge equal to (1) 1.33¢ per kWh per month under 1 above and (2) \$4.00 per kW per month of the higher of the onpeak or offpeak billing demand under 2 and 3 above. Consistent with Distributor's standard policy, the customer may arrange for seasonal testing of equipment during offpeak hours.

For such customers, the minimum bill provided for above shall not apply. Distributor may require additional charges to provide recovery of costs for customer-specific distribution facilities.

Contract Requirement

Distributor shall require contracts for service provided under this rate schedule and such contracts shall be for an initial term of at least 1 year. The customer shall contract for its maximum requirements, which shall not exceed the amount of power capable of being used by customer, and Distributor shall not be obligated to supply power in greater amount at any time than the customer's

currently effective contract demand. If the customer uses any power other than that supplied by Distributor under this rate schedule, the contract may include other special provisions. The rate schedule in any power contract shall be subject to adjustment, modification, change, or replacement from time to time as provided under the power contract between Distributor and TVA.

After having received service for at least 1 year under this rate schedule, the customer, subject to appropriate amendments in its power contract with Distributor, may receive service under the General Power Rate--Schedule GSA. In such case the term of the power contract shall remain the same and the contract demand for service under the General Power Rate--Schedule GSA shall not be less than the onpeak contract demand in effect when service was taken under this rate schedule.

Payment

Bills under this rate schedule will be rendered monthly. Any amount of bill unpaid after due date specified on bill may be subject to additional charges under Distributor's standard policy.

Single-Point Delivery

The charges under this rate schedule are based upon the supply of service through a single delivery and metering point, and at a single voltage. If service is supplied to the same customer through more than one point of delivery or at different voltages, the supply of service at each delivery and metering point and at each different voltage shall be separately metered and billed.

Service is subject to Rules and Regulations of Distributor.

January 1, 2012

RESALE RATE SCHEDULE SUBSTITUTION AGREEMENT

Between

WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION (DISTRIBUTOR)

And

TENNESSEE VALLEY AUTHORITY (TVA)

Distributor and TVA agree to substitute the new resale rate schedules specified in (a) below, copies of which are attached, for the resale rate schedules specified in (b) below, which, as adjusted, are now in effect as a part of the Schedule of Rates and Charges attached to and made a part of the Power Contract, TV-59577A, dated April 26, 1982, as amended (Power Contract), between TVA and Distributor. This substitution is to be effective for all bills rendered from resale meter readings taken for revenue months of Distributor beginning with the January 2012 revenue month. It is expressly recognized that the adjustments set forth in the applicable Adjustment Addendum to said Schedule of Rates and Charges shall continue to apply to the charges provided for by the attached schedules specified in (a) below.

(a) New resale rate schedules:

Residential Rate--Schedule RS (January 2012)
General Power Rate--Schedule GSA (January 2012)
Seasonal Demand and Energy General Power Rate--Schedule SGSB (January 2012)
Seasonal Demand and Energy General Power Rate--Schedule SGSC (January 2012)
Seasonal Demand and Energy General Power Rate--Schedule SGSD (January 2012)
Seasonal Demand and Energy Manufacturing Service Rate--Schedule SMSB (January 2012)
Seasonal Demand and Energy Manufacturing Service Rate--Schedule SMSC (January 2012)
Seasonal Demand and Energy Manufacturing Service Rate--Schedule SMSD (January 2012)
Outdoor Lighting Rate--Schedule LS (January 2012)

(b) Existing resale rate schedules:

Residential Rate--Schedule RS (April 2011)
General Power Rate--Schedule GSA (April 2011)
Seasonal Demand and Energy General Power Rate--Schedule SGSB (April 2011)
Seasonal Demand and Energy General Power Rate--Schedule SGSC (April 2011)
Seasonal Demand and Energy General Power Rate--Schedule SGSD (April 2011)
Seasonal Demand and Energy Manufacturing Service Rate--Schedule SMSB (April 2011)
Seasonal Demand and Energy Manufacturing Service Rate--Schedule SMSC (April 2011)
Seasonal Demand and Energy Manufacturing Service Rate--Schedule SMSD (April 2011)
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 schedules specified in (b) above, or to any predecessor schedules, shall be deemed to refer to the appropriate new resale rate schedules specified in (a) above.

**WEST KENTUCKY RURAL ELECTRIC
COOPERATIVE CORPORATION**

By David E. Smart
Title: President & CEO

Rate schedule substitution agreed to as of
the date first above written.

TENNESSEE VALLEY AUTHORITY

By Bradley D. Allen for John Trawick
Senior Vice President
Commercial Operations and Pricing

WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION

RESIDENTIAL RATE--SCHEDULE RS

(January 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: \$20.00 per month, less

Hydro Allocation Credit: \$1.60 per month

Energy Charge:

Summer Period

First 800 kWh per month, at 7.512¢ per kWh

Additional kWh per month, at 6.744¢ per kWh

Winter Period

First 800 kWh per month, at 7.500¢ per kWh

Additional kWh per month, at 6.732¢ per kWh

Transition Period

First 800 kWh per month, at 7.436¢ per kWh

Additional kWh per month, at 6.668¢ per kWh

Adjustment

The base energy charges shall be increased or decreased in accordance with the current Adjustment Addendum published by TVA. In addition, the base energy charge and the hydro allocation credit shall be increased or decreased to correspond to increases or decreases determined by TVA under Adjustment 4 of the wholesale power rate schedule applicable under contractual arrangements between TVA and Distributor.

Determination of Seasonal Periods

Summer Period shall mean the June, July, August, and September billing months. Winter Period shall mean the December, January, February, and March billing months. Transition Period shall mean the April, May, October, and November billing months.

Minimum Monthly Bill

The base customer charge, as reduced by the hydro allocation credit, constitutes the minimum monthly bill for all customers served under this rate schedule except those customers for which a higher minimum monthly bill is required under Distributor's standard policy because of special circumstances affecting Distributor's cost of rendering service.

Payment

Bills under this rate schedule will be rendered monthly. Any amount of bill unpaid after due date specified on bill may be subject to additional charges under Distributor's standard policy.

Single-Point Delivery

The charges under this rate schedule are based upon the supply of service through a single delivery and metering point, and at a single voltage.

Service is subject to Rules and Regulations of Distributor.

WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION

GENERAL POWER RATE--SCHEDULE GSA

(January 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: \$20.00 per delivery point per month

Energy Charge:

Summer Period 8.701¢ per kWh per month

Winter Period 8.689¢ per kWh per month

Transition Period 8.625¢ per kWh per month

2. If (a) the higher of (i) the customer's currently effective contract demand or (ii) its highest billing demand during the latest 12-month period is greater than 50 kW but not more than 1,000 kW or (b) the customer's billing demand is less than 50 kW and its energy takings for any month during such period exceed 15,000 kWh:

Customer Charge: \$43.50 per delivery point per month

Demand Charge:

Summer Period First 50 kW of billing demand per month, no demand charge

Excess over 50 kW of billing demand per month, at \$16.05 per kW

Winter Period First 50 kW of billing demand per month, no demand charge

Excess over 50 kW of billing demand per month, at \$15.23 per kW

Transition Period First 50 kW of billing demand per month, no demand charge

Excess over 50 kW of billing demand per month, at \$15.23 per kW

Energy Charge:

- Summer Period** First 15,000 kWh per month at 8.858¢ per kWh
Additional kWh per month at 3.673¢ per kWh
- Winter Period** First 15,000 kWh per month at 8.846¢ per kWh
Additional kWh per month at 3.673¢ per kWh
- Transition Period** First 15,000 kWh per month at 8.782¢ per kWh
Additional kWh per month at 3.673¢ per kWh

3. If the higher of (a) the customer's currently effective contract demand or (b) its highest billing demand during the latest 12-month period is greater than 1,000 kW:

Customer Charge: \$106.50 per delivery point per month

Demand Charge:

- Summer Period** First 1,000 kW of billing demand per month, at \$14.75 per kW
Excess over 1,000 kW of billing demand per month, at \$14.36 per kW,
plus an additional
\$14.36 per kW per month for each kW, if any, of the amount by which the
customer's billing demand exceeds the higher of 2,500 kW or its contract
demand
- Winter Period** First 1,000 kW of billing demand per month, at \$13.93 per kW
Excess over 1,000 kW of billing demand per month, at \$13.54 per kW,
plus an additional
\$13.54 per kW per month for each kW, if any, of the amount by which the
customer's billing demand exceeds the higher of 2,500 kW or its contract
demand
- Transition Period** First 1,000 kW of billing demand per month, at \$13.93 per kW
Excess over 1,000 kW of billing demand per month, at \$13.54 per kW,
plus an additional
\$13.54 per kW per month for each kW, if any, of the amount by which the
customer's billing demand exceeds the higher of 2,500 kW or its contract
demand

Energy Charge:

- Summer Period** 3.728¢ per kWh per month
- Winter Period** 3.728¢ per kWh per month
- Transition Period** 3.728¢ per kWh per month

Adjustment

The base demand and energy charges shall be increased or decreased in accordance with the current Adjustment Addendum published by TVA. In addition, such charges shall be increased or decreased to correspond to increases or decreases determined by TVA under Adjustment 4 of the wholesale power rate schedule applicable under contractual arrangements between TVA and Distributor.

Determination of Seasonal Periods

Summer Period shall mean the June, July, August, and September billing months. Winter Period shall mean the December, January, February, and March billing months. Transition Period shall mean the April, May, October, and November billing months.

Determination of Demand

Distributor shall meter the demands in kW of all customers having loads in excess of 50 kW. The metered demand for any month shall be the highest average during any 30-consecutive-minute period of the month of the load metered in kW. The measured demand for any month shall be the higher of the highest average during any 30-consecutive-minute period of the month of (a) the load metered in kW or (b) 85 percent of the load in kVA plus an additional 10 percent for that part of the load over 5,000 kVA, and such measured demand shall be used as the billing demand, except that the billing demand for any month shall in no case be less than 30 percent of the higher of the currently effective contract demand or the highest billing demand established during the preceding 12 months.

Minimum Bill

The monthly bill under this rate schedule shall not be less than the sum of (a) the base customer charge, (b) the base demand charge, as adjusted, applied to the customer's billing demand, and (c) the base energy charge, as adjusted, applied to the customer's energy takings; provided, however, that, under 2 of the Base Charges, the monthly bill shall in no event be less than the sum of (a) the base customer charge and (b) 20 percent of the portion of the base demand charge, as adjusted, applicable to the second block (excess over 50 kW) of billing demand, multiplied by the higher of the customer's currently effective contract demand or its highest billing demand established during the preceding 12 months.

Distributor may require minimum bills higher than those stated above.

Seasonal Service

Customers who contract for service on a seasonal basis shall be limited to 2,500 kW and shall pay the above charges, as adjusted, plus an additional seasonal use charge equal to (1) 1.33¢ per kWh per month under 1 of the Base Charges, (2) the sum of 1.33¢ per kWh for the first 15,000 kWh per month and \$4.00 per kW per month of billing demand in excess of 50 kW under 2 of the Base Charges, and (3) \$4.00 per kW per month of billing demand under 3 of the Base Charges. Consistent with Distributor's standard policy, the customer may arrange for seasonal testing of equipment during offpeak hours.

For such customers, the minimum bill provided for above shall not apply. Distributor may require additional charges to provide recovery of costs for customer-specific distribution facilities.

Contract Requirement

Distributor may require contracts for service provided under this rate schedule. Customers whose demand requirements exceed 1,000 kW shall be required to execute contracts and such contracts shall be for an initial term of at least 1 year. The customer shall contract for its maximum requirements, which shall not exceed the amount of power capable of being used by customer, and Distributor shall not be obligated to supply power in greater amount at any time than the customer's currently effective contract demand. If the customer uses any power other than that supplied by Distributor under this rate schedule, the contract may include other special provisions. The rate schedule in any power contract

shall be subject to adjustment, modification, change, or replacement from time to time as provided under the power contract between Distributor and TVA.

Payment

Bills under this rate schedule will be rendered monthly. Any amount of bill unpaid after due date specified on bill may be subject to additional charges under Distributor's standard policy.

Single-Point Delivery

The charges under this rate schedule are based upon the supply of service through a single delivery and metering point, and at a single voltage. If service is supplied to the same customer through more than one point of delivery or at different voltages, the supply of service at each delivery and metering point and at each different voltage shall be separately metered and billed.

Service is subject to Rules and Regulations of Distributor.

WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION

SEASONAL DEMAND AND ENERGY GENERAL POWER RATE--SCHEDULE SGSB (January 2012)

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.

WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION

SEASONAL DEMAND AND ENERGY GENERAL POWER RATE--SCHEDULE SGSC

(January 2012)

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 \$19.68 per kW per month of the customer's billing demand, plus
\$19.68 per kW per month of the amount, if any, by which the customer's
billing demand exceeds its contract demand

Winter Period \$13.80 per kW per month of the customer's billing demand, plus
\$13.80 per kW per month of the amount, if any, by which the customer's
billing demand exceeds its contract demand

Transition Period \$9.38 per kW per month of the customer's billing demand, plus
\$9.38 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.

WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION

SEASONAL DEMAND AND ENERGY GENERAL POWER RATE--SCHEDULE SGSD (January 2012)

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.

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.

WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION

SEASONAL DEMAND AND ENERGY MANUFACTURING SERVICE RATE--SCHEDULE SMSB (January 2012)

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.

WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION

SEASONAL DEMAND AND ENERGY MANUFACTURING SERVICE RATE--SCHEDULE SMSC (January 2012)

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.

WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION

SEASONAL DEMAND AND ENERGY MANUFACTURING SERVICE RATE--SCHEDULE SMSD

(January 2012)

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 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.

WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION

OUTDOOR LIGHTING RATE--SCHEDULE LS

(January 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 3.726¢ per kWh per month

Winter Period 3.714¢ per kWh per month

Transition Period 3.650¢ per kWh per month

II. Facility Charge

The annual facility charge shall be 15 percent of the installed cost to Distributor's electric system of the facilities devoted to street and park lighting service specified in this Part A. Such installed cost shall be recomputed on July 1 of each year, or more often if substantial changes in the facilities are made. Each month, one-twelfth of the then total annual facility charge shall be billed to the customer. If any part of the facilities has not been provided at the electric

system's expense or if the installed cost of any portion thereof is reflected on the books of another municipality or agency or department, the annual facility charge shall be adjusted to reflect properly the remaining cost to be borne by the electric system.

Traffic signal systems and athletic field lighting installations shall be provided, owned, and maintained by and at the expense of the customer, except as Distributor may agree otherwise in accordance with the provisions of the paragraph next following in this section II. The facilities necessary to provide service to such systems and installations shall be provided by and at the expense of Distributor's electric system, and the annual facility charge provided for first above in this section II shall apply to the installed cost of such facilities.

When so authorized by policy duly adopted by Distributor's governing board, traffic signal systems and athletic field lighting installations may be provided, owned, and maintained by Distributor's electric system for the customer's benefit. In such cases Distributor may require reimbursement from the customer for a portion of the initial installed cost of any such system or installation and shall require payment by the customer of a facility charge sufficient to cover all of Distributor's costs (except reimbursed costs), including appropriate overheads, of providing, owning, and maintaining such system or installation; provided that, for athletic field lighting installations, such facility charge shall in no case be less than 12 percent per year of such costs. Said facility charge shall be in addition to the annual facility charge on the facilities necessary to provide service to such system or installation as provided for in the preceding paragraph. Replacement of lamps and related glassware for traffic signal systems and athletic field lighting installations provided under this paragraph shall be paid for under the provisions of paragraph A in Section IV.

III. Customer Charge - Traffic Signal Systems and Athletic Field Lighting Installations.

Distributor shall apply a uniform monthly customer charge of \$2.50 for service to each traffic signal system or athletic field lighting installation.

IV. Replacement of Lamps and Related Glassware - Street and Park Lighting

Customer shall be billed and shall pay for replacements as provided in paragraph B below, which shall be applied to all service for street and park lighting.

- A. Distributor shall bill the customer monthly for such replacements during each month at Distributor's cost of materials, including appropriate storeroom expense.
- B. Distributor shall bill the customer monthly for one-twelfth of the amount by which Distributor's cost of materials, including appropriate storeroom expense, exceeds the product of 3 mills multiplied by the number of kilowatthours used for street and park lighting during the fiscal year immediately preceding the fiscal year in which such month occurs.

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	70	\$4.43
	250	10,400	98	\$3.21
	400	19,100	155	\$5.92
	700	33,600	266	\$5.48
	1,000	47,500	378	\$6.98
High Pressure Sodium	70	4,860	31	\$3.85
	100	8,550	42	\$4.95
	150	14,400	63	\$4.90
	200	18,900	82	\$4.61
	250	23,000	105	\$4.87
	400	45,000	165	\$5.87
	1,000	126,000	385	\$10.40
Low Pressure Sodium	55	7,650	32	\$3.87
	90	12,750	53	\$6.44
	135	22,000	75	\$8.49
	180	33,000	93	\$9.64

(b) Energy Charge: For each lamp size under (a) above,

Summer Period 3.726¢ per kWh per month

Winter Period 3.714¢ per kWh per month

Transition Period 3.650¢ 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.

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.

GREEN POWER PROVIDERS AGREEMENT
Between
WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION
And
TENNESSEE VALLEY AUTHORITY

Date: OCTOBER 3, 2012

Contract No. TV-59577A, Supp. No. 84
Purchase Order No. 422734

THIS AGREEMENT (Distributor Agreement), made and entered into by and between WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION (Distributor), a cooperative corporation created and existing under and by virtue of the laws of the Commonwealth of Kentucky; and 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);

WITNESSETH:

WHEREAS, TVA and Distributor have entered into a power contract dated April 26, 1982, as amended (Power Contract), under which Distributor purchases its entire requirements for electric power and energy from TVA for resale; and

WHEREAS, the 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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- 2.13 Participant
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CONTRACT ATTACHMENTS AND OTHER PROGRAM DOCUMENTS:

- 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.

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.

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.

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.

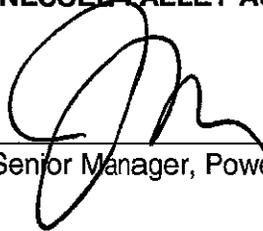
7.5.3 The obligations of this Section 7.5 with respect to Proprietary Information shall inure to the benefit of, and shall be binding upon, Distributor and TVA, and, as applicable, their respective subsidiaries, affiliates, successors, and assigns. In addition, the Distributor's and TVA's obligations 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.

**WEST KENTUCKY RURAL ELECTRIC
COOPERATIVE CORPORATION**

By David E. Smart
Title: Resident & CEO

TENNESSEE VALLEY AUTHORITY

By 
Senior Manager, Power Contracts

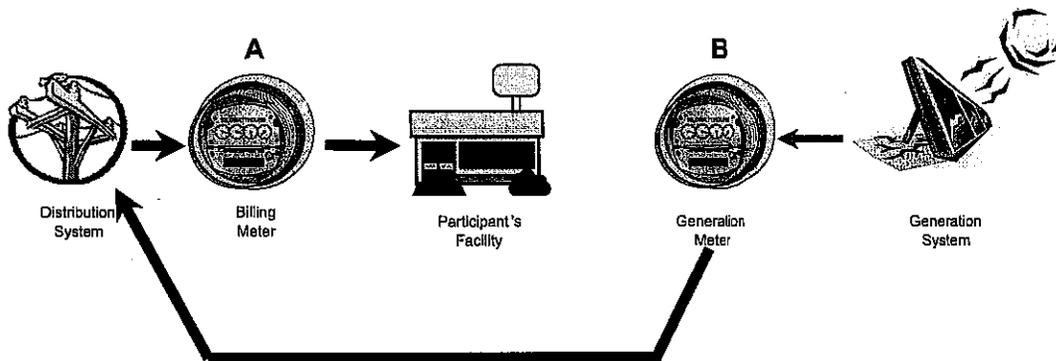
ATTACHMENT A

METERING CONNECTION OPTIONS

Option 1 Metering Connection (Supply-Side Tie-In Generation Meter).

Billing calculated as follows:

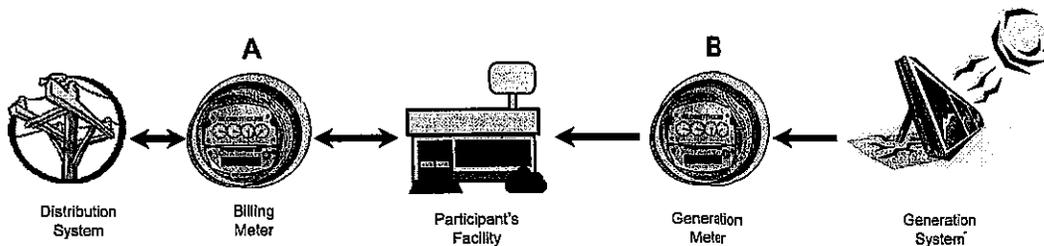
1. Use the kWh energy measured on the Billing Meter.
2. Apply all charges and credits for power and energy in accordance with the applicable retail rate schedule.
3. Credit Participant by adding the retail rate (residential or GSA1 for all commercial and industrial customers) and the Premium Rate (as 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 West Kentucky RECC, (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

David E. Smart President + CEO
Distributor Representative Name & Title

David E. Smart
Distributor Representative Signature

September 25, 2012
Date

For TVA Use Only:

Supp.

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): _____

**Participant Signature

Date

Current Qualifying System Owner (PRINT NAME): _____
/Transferor

**Current Qualifying System Owner/Transferor Signature

Date

New Qualifying System Owner (PRINT NAME): _____
/Transferee

**New Qualifying System Owner/Transferee Signature

Date

**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:

[REDACTED]

[REDACTED]

Distributor Name

[REDACTED]

Distributor Representative Name & Title

[REDACTED]

Date

[REDACTED]

***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

[REDACTED]

TVA Representative Name & Title

[REDACTED]

Date

[REDACTED]

TVA Representative Signature

For TVA Use Only:

Supp.

ATTACHMENT D

REQUEST TO AMEND PARTICIPATION AGREEMENT TO MODIFY CAPACITY OF QUALIFYING SYSTEM

Date of request: [REDACTED]

Green Power Providers Participation Agreement or Green Power Providers Distributor
Facility Participation Agreement (Participation Agreement) No.: [REDACTED]

Participant (PRINT NAME): [REDACTED]

- A) Existing total nameplate capacity of qualifying system: [REDACTED] kW
- B) Requested increment or decrement in nameplate capacity of Qualifying System: [REDACTED] kW
- C) Total new requested nameplate capacity of Qualifying System: [REDACTED] 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): [REDACTED]

Qualifying System Owner Signature & Date: [REDACTED]

[REDACTED]

*Participant Signature

[REDACTED]

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

[Redacted]

Distributor Name

[Redacted]

Distributor Representative Name & Title

**Distributor Representative Signature

[Redacted]

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

[Redacted]

TVA Representative Name & Title

[Redacted]

TVA Representative Signature

[Redacted]

Date

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.

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 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

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

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 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

(c) Force Majeure Event until the event ends. Distributor 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

TVA shall have access to the Site and/or Address 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.

SECTION 13 - DISCLOSURE

Distributor understands that TVA may publish or disclose to others information obtained from the Program but will not release, without the prior consent of Distributor, information that could personally identify Distributor except to employees, contractors, or agents of TVA, or when disclosure is required by law.

SECTION 14 - THIRD PARTY BENEFICIARIES

This Participation Agreement is solely for the benefit of 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.

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

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

APPROVED <input type="checkbox"/>	DENIED <input type="checkbox"/>
COMMENTS/REASONS FOR DENIAL:	
<hr/>	
<hr/>	
Accepted and agreed to the foregoing this ____ day of _____,	
20____.	
TENNESSEE VALLEY AUTHORITY	
<hr/>	
(TVA Representative Name & Title)	
<hr/>	
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

years 11 – 20. TVA will pay the applicable retail rates only (Residential (RS) or GSA1) for energy generated in the subsequent ten year term of the Participation Agreement. All environmental attributes (RECs) are purchased by TVA for the term of the Participation Agreement. Note that the Premium Rates as well as other Program attributes will be reviewed and evaluated on an annual basis, and future Program parameters, including Premium Rates may differ from the projections above.

GUIDELINE 9 - BILLING AND INCENTIVE DISTRIBUTION

Each Distributor is required to elect either the Distributor Billing Option or TVA-Vendor Billing Option, as defined in the Participation Agreement, and Generation Credits and incentives will be credited or paid to each Participant accordingly.

Under the Distributor Billing Option, the Distributor issues the total Generation Credit to the Participant's monthly electric power bill. In addition, the Distributor provides the one-time \$1,000 rebate incentive to the Participant after the Delivery Commencement Date.

Under the TVA-Vendor Direct Billing Option, Participants receive a portion (retail rate portion only) of their monthly Generation Credit from their Distributor via the monthly electric power bill. The Premium Rate portion of the Generation Credit will be issued, on a monthly basis, to the Participant through a TVA-designated third-party vendor. The TVA-designated third-party vendor will also issue the one-time \$1,000 rebate incentive to the Participant after system commissioning.

GUIDELINE 10 - INSTALLERS

Beginning January 1, 2013, solar photovoltaic and wind installations must be completed by installers who have completed and passed the North American Board of Certified Energy Practitioners (NABCEP) entry-level installer examination. For proof of eligibility and upon request by the Distributor, qualified installers must submit either a copy of their Achievement Award or NABCEP Certification. Installers must submit either a copy of their Achievement Award or NABCEP Certification Number to the Distributor as part of the initial application for Interconnection submittal. A list of NABCEP installers is posted at www.nabcep.org.

GUIDELINE 11 - QUALIFYING SYSTEM EXPANSION

Any capacity upgrades or additions to an existing Qualifying System's approved nameplate capacity are subject to TVA's and Distributor's approval. Participant must complete Attachment D (Request to Amend Participation Agreement to Modify Capacity of Qualifying System form) and submit it to the Distributor and TVA for review and obtain the approval of both Distributor and TVA prior to making any modifications to the system. Capacity expansions will be subject to available program capacity in the given year. Additionally, any requested increases or additions in nameplate capacity, if approved, must be completed and the entire modified Qualifying System must be fully operational and interconnected within one hundred eighty (180) Calendar Days of acceptance and approval of the modification by TVA, as indicated by the date of TVA's execution of Attachment D. Additionally, the Participant is responsible for any associated expenses incurred due to said capacity expansion(s), such as Site inspections, reviews, and processing.

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>).

GREEN POWER PROVIDERS PROGRAM PARTICIPATION GUIDELINES

(Effective October 1, 2012, R1)

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 "Delivery Point" shall mean the point at which the Site is interconnected to Distributor's distribution system, as determined in the Interconnection Agreement.
- 2.7 "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.
- 2.8 "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.
- 2.9 "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 nameplate capacity of up to 10 kW (DC for inverter-based systems, AC for non-inverter-based systems) are deemed "Fast Track" projects, which will require a less stringent review, will not require usage history and distribution system study of impacts, and 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. NOTE: A Site with multiple Billing Meters is limited to one "Fast Track" Qualifying System.

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.

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.

- (b) 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.
- (c) The LOI is deemed valid as long as an official Participation Agreement is fully executed between the Participant, Qualifying System Owner (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.
- (d) 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.
- (e) Proposed "Fast Track" projects 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. NOTE: A Site with multiple Billing Meters is limited to one "Fast Track" Qualifying System.

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 any 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 subject to approval 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 the System Acceptance Form, upon TVA's approval of the 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.tvagreenpowerproviders.com>) one (1) month 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 years 11 - 20. TVA will pay the applicable retail rates only (Residential (RS) or GSA1) for energy generated in the subsequent ten-year term of the Participation Agreement. All environmental attributes (RECs) are purchased by TVA for the term of the Participation Agreement. Note that the Premium Rates as well as other Program attributes will be reviewed and evaluated on an annual basis, and future Program parameters, including Premium Rates may differ from the projections above.

GUIDELINE 9 - BILLING AND INCENTIVE DISTRIBUTION

Each Distributor is required to elect either the Distributor Billing Option or TVA-Vendor Billing Option, as defined in the Participation Agreement, and Generation Credits and incentives will be credited or paid to each Participant accordingly.

Under the Distributor Billing Option, the Distributor issues the total Generation Credit to the Participant's monthly electric power bill. In addition, the Distributor provides the one-time \$1,000 rebate incentive to the Participant after the Delivery Commencement Date.

Under the TVA-Vendor Direct Billing Option, Participants receive a portion (retail rate portion only) of their monthly Generation Credit from their Distributor via the monthly electric power bill. The Premium Rate portion of the Generation Credit will be issued, on a monthly basis, to the Participant through a TVA-designated third-party vendor. The TVA-designated third-party vendor will also issue the one-time \$1,000 rebate incentive to the Participant after system commissioning.

GUIDELINE 10 - INSTALLERS

Beginning January 1, 2013, solar photovoltaic and wind installations must be completed by installers who have completed and passed the North American Board of Certified Energy Practitioners (NABCEP) entry-level installer examination. For proof of eligibility and upon request by the Distributor, qualified installers must submit either a copy of their Achievement Award or NABCEP Certification to the Distributor as part of the initial application for interconnection submittal. A list of NABCEP installers is posted at www.nabcep.org.

GUIDELINE 11 - QUALIFYING SYSTEM EXPANSION

Any capacity upgrades or additions to an existing Qualifying System's approved nameplate capacity are subject to TVA's and Distributor's approval. Participant must complete Attachment D (Request to Amend Participation Agreement to Modify Capacity of Qualifying System form), submit it to the Distributor and TVA for review, and obtain the approval of both Distributor and TVA prior to making any modifications to the system. Capacity expansions will be subject to available Program capacity in the given year. Additionally, any requested increases or additions in nameplate capacity, if approved, must be completed and the entire modified Qualifying System must be fully operational and interconnected within one hundred eighty (180) Calendar Days of acceptance and approval of the modification by TVA, as indicated by the date of TVA's execution of

Attachment D. Additionally, the Participant is responsible for any associated expenses incurred due to said capacity expansion(s), such as Site inspections, reviews, and processing.

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. In order to ensure sufficient time to review and process newly submitted Participation Agreements, TVA shall stop accepting Participation Agreements submitted to it on December 1st of each calendar year. TVA shall resume, on January 1st of the following calendar year, accepting new Participation Agreements, for its review and potential approval, in accordance with the then-current Program requirements.

TVA will publish the progress towards the annual MW limit on the Program's website (<http://www.tvagreenpowerproviders.com>). 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 for that particular year. TVA will announce and notify the public via the Program's website if eligible capacity becomes available in that same year and may start accepting new Participation Agreements.

The initial MW limit is set to be 2.5 MW of nameplate capacity for Participation Agreements approved, executed, and dated by TVA in calendar year 2012. To ensure diverse and equitable participation in the Program for calendar year 2012, the "Fast Track" MW reservation for Qualifying Systems will comprise a total of no less than 20%, or 0.5 MW, of the total 2.5 MW limit in calendar year 2012.

Both the "Fast Track" reservation amount and the total Program limits will be reviewed annually and adjusted as appropriate based on Program participation and market conditions. The currently effective Program limits and reservations are outlined in the table below.

2012	0.5	2.5
2013	1.5	7.5
Total through 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 and Distributor.

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.tvaqreenpowerproviders.com>).

October 1, 2012

RESALE RATE SCHEDULE SUBSTITUTION AGREEMENT**Between****WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION (DISTRIBUTOR)****And****TENNESSEE VALLEY AUTHORITY (TVA)**

Distributor and TVA agree to substitute the new resale rate schedules specified in (a) below, copies of which are attached, for the resale rate schedules specified in (b) below, which, as adjusted, are now in effect as a part of the Schedule of Rates and Charges attached to and made a part of the Power Contract, TV-59577A, dated April 26, 1982, as amended (Power Contract), between TVA and Distributor. This substitution is to be effective for all bills rendered from resale meter readings taken for revenue months of Distributor beginning with the October 2012 revenue month. It is expressly recognized that the adjustments set forth in the applicable Adjustment Addendum to said Schedule of Rates and Charges shall continue to apply to the charges provided for by the attached schedules specified in (a) below.

(a) New resale rate schedules:

Residential Rate--Schedule RS (October 2012)

General Power Rate--Schedule GSA (October 2012)

Time-of-Use General Power Rate--Schedule TGSA (October 2012)

(b) Existing resale rate schedules:

Residential Rate--Schedule RS (January 2012)

General Power Rate--Schedule GSA (January 2012)

Time-of-Use General Power Rate--Schedule TGSA R1 (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 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.

It is expressly recognized that in accordance with Supp. No. 81 to the Power Contract, Wholesale Power Rate--Schedule WS-TOU will become effective for all bills rendered from wholesale meter readings scheduled to be taken on and after October 2, 2012.

**WEST KENTUCKY RURAL ELECTRIC
COOPERATIVE CORPORATION**

By David E. Smart
Title: President + CEO

Rate schedule substitution agreed to as of
the date first above written.

TENNESSEE VALLEY AUTHORITY

By 
Senior Manager
Power Contracts

WEST KENTUCKY RURAL ELECTRIC COOPERATIVE 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: \$25.00 per month, less

Hydro Allocation Credit: \$1.60 per month

Energy Charge:

Summer Period 6.758¢ per kWh per month

Winter Period 6.746¢ per kWh per month

Transition Period 6.682¢ 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.

WEST KENTUCKY RURAL ELECTRIC COOPERATIVE 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 8.063¢ per kWh per month

Winter Period 8.051¢ per kWh per month

Transition Period 7.987¢ 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: \$65.00 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 \$13.05 per kW

Winter Period First 50 kW of billing demand per month, no demand charge

Excess over 50 kW of billing demand per month, at \$12.23 per kW

Transition Period First 50 kW of billing demand per month, no demand charge

Excess over 50 kW of billing demand per month, at \$12.23 per kW

Energy Charge:

Summer Period First 15,000 kWh per month at 8.858¢ per kWh
Additional kWh per month at 3.673¢ per kWh
Winter Period First 15,000 kWh per month at 8.846¢ per kWh
Additional kWh per month at 3.673¢ per kWh
Transition Period First 15,000 kWh per month at 8.782¢ per kWh
Additional kWh per month at 3.673¢ per kWh

3. If the higher of (a) the customer's currently effective contract demand or (b) its highest billing demand during the latest 12-month period is greater than 1,000 kW:

Customer Charge: \$150.00 per delivery point per month

Demand Charge:

Summer Period First 1,000 kW of billing demand per month, at \$11.75 per kW
Excess over 1,000 kW of billing demand per month, at \$11.36 per kW,
plus an additional
\$11.36 per kW per month for each kW, if any, of the amount by which the
customer's billing demand exceeds the higher of 2,500 kW or its contract
demand
Winter Period First 1,000 kW of billing demand per month, at \$10.93 per kW
Excess over 1,000 kW of billing demand per month, at \$10.54 per kW;
plus an additional
\$10.54 per kW per month for each kW, if any, of the amount by which the
customer's billing demand exceeds the higher of 2,500 kW or its contract
demand
Transition Period First 1,000 kW of billing demand per month, at \$10.93 per kW
Excess over 1,000 kW of billing demand per month, at \$10.54 per kW,
plus an additional
\$10.54 per kW per month for each kW, if any, of the amount by which the
customer's billing demand exceeds the higher of 2,500 kW or its contract
demand

Energy Charge:

Summer Period 3.728¢ per kWh per month
Winter Period 3.728¢ per kWh per month
Transition Period 3.728¢ per kWh per month

Adjustment

The base demand and energy charges shall be increased or decreased in accordance with the current Adjustment Addendum published by TVA. In addition, such charges shall be increased or decreased to correspond to increases or decreases determined by TVA under Adjustment 4 of the wholesale power rate schedule applicable under contractual arrangements between TVA and Distributor.

Determination of Seasonal Periods

Summer Period shall mean the June, July, August, and September billing months. Winter Period shall mean the December, January, February, and March billing months. Transition Period shall mean the April, May, October, and November billing months.

Determination of Demand

Distributor shall meter the demands in kW of all customers having loads in excess of 50 kW. The metered demand for any month shall be the highest average during any 30-consecutive-minute period of the month of the load metered in kW. The measured demand for any month shall be the higher of the highest average during any 30-consecutive-minute period of the month of (a) the load metered in kW or (b) 85 percent of the load in kVA plus an additional 10 percent for that part of the load over 5,000 kVA, and such measured demand shall be used as the billing demand, except that the billing demand for any month shall in no case be less than 30 percent of the higher of the currently effective contract demand or the highest billing demand established during the preceding 12 months.

Minimum Bill

The monthly bill under this rate schedule shall not be less than the sum of (a) the base customer charge, (b) the base demand charge, as adjusted, applied to the customer's billing demand, and (c) the base energy charge, as adjusted, applied to the customer's energy takings; provided, however, that, under 2 of the Base Charges, the monthly bill shall in no event be less than the sum of (a) the base customer charge and (b) 20 percent of the portion of the base demand charge, as adjusted, applicable to the second block (excess over 50 kW) of billing demand, multiplied by the higher of the customer's currently effective contract demand or its highest billing demand established during the preceding 12 months.

Distributor may require minimum bills higher than those stated above.

Seasonal Service

Customers who contract for service on a seasonal basis shall be limited to 2,500 kW and shall pay the above charges, as adjusted, plus an additional seasonal use charge equal to (1) 1.33¢ per kWh per month under 1 of the Base Charges, (2) the sum of 1.33¢ per kWh for the first 15,000 kWh per month and \$4.00 per kW per month of billing demand in excess of 50 kW under 2 of the Base Charges, and (3) \$4.00 per kW per month of billing demand under 3 of the Base Charges. Consistent with Distributor's standard policy, the customer may arrange for seasonal testing of equipment during offpeak hours.

For such customers, the minimum bill provided for above shall not apply. Distributor may require additional charges to provide recovery of costs for customer-specific distribution facilities.

Contract Requirement

Distributor may require contracts for service provided under this rate schedule. Customers whose demand requirements exceed 1,000 kW shall be required to execute contracts and such contracts shall be for an initial term of at least 1 year. The customer shall contract for its maximum requirements, which shall not exceed the amount of power capable of being used by customer, and Distributor shall not be obligated to supply power in greater amount at any time than the customer's currently effective contract demand. If the customer uses any power other than that supplied by Distributor under this rate schedule, the contract may include other special provisions. The rate schedule in any power contract

shall be subject to adjustment, modification, change, or replacement from time to time as provided under the power contract between Distributor and TVA.

Payment

Bills under this rate schedule will be rendered monthly. Any amount of bill unpaid after due date specified on bill may be subject to additional charges under Distributor's standard policy.

Single-Point Delivery

The charges under this rate schedule are based upon the supply of service through a single delivery and metering point, and at a single voltage. If service is supplied to the same customer through more than one point of delivery or at different voltages, the supply of service at each delivery and metering point and at each different voltage shall be separately metered and billed.

Service is subject to Rules and Regulations of Distributor.

WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION

TIME-OF-USE GENERAL POWER RATE--SCHEDULE TGSA

(October 2012)

Availability

This rate shall be available for the firm power requirements (where the higher of a customer's onpeak or offpeak contract demand is 5,000 kW or less) for electric service to commercial, industrial, and governmental customers, and to institutional customers including, without limitation, churches, clubs, fraternities, orphanages, nursing homes, rooming or boarding houses, and like customers.

For a customer requesting that its onpeak contract demand be different from its offpeak contract demand, this schedule shall be available only for (1) a new contract, (2) a replacement or renewal contract following expiration of the existing contract, or (3) a replacement or renewal contract or an amended existing contract in which the customer is increasing its demand requirements above the existing contract demand level, but under this item (3) neither the new onpeak nor the new offpeak contract demand shall be lower than the customer's existing contract demand.

Character of Service

Alternating current, single- or three-phase, 60 hertz. Power shall be delivered at a service voltage available in the vicinity or agreed to by Distributor.

Base Charges

1. If (a) the higher of (i) the customer's currently effective onpeak or offpeak contract demand or (ii) its highest onpeak or offpeak 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: \$45.00 per delivery point per month

Energy Charge:

Summer Period 16.343¢ per kWh per month for all onpeak kWh, plus
6.373¢ per kWh per month for all offpeak kWh

Non-Summer Period 15.503¢ per kWh per month for all onpeak kWh, plus
6.373¢ per kWh per month for all offpeak kWh

2. If (a) the higher of (i) the customer's currently effective onpeak or offpeak contract demand or (ii) its highest onpeak or offpeak 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 onpeak or offpeak billing demand is not more than 50 kW and its energy takings for any month during such period exceed 15,000 kWh:

Customer Charge: \$90.00 per delivery point per month

Demand Charge:

Summer Period \$16.27 per kW of the customer's onpeak billing demand, plus
\$6.78 per month for each kW, if any, of the amount by which the customer's offpeak billing demand exceeds its onpeak billing demand

Non-Summer Period \$15.43 per kW of the customer's onpeak billing demand, plus
\$6.78 per month for each kW, if any, of the amount by which the
customer's offpeak billing demand exceeds its onpeak billing
demand

Energy Charge:

Summer Period 6.161¢ per kWh per month for all onpeak kWh, plus
6.161¢ per kWh per month for all offpeak kWh
Non-Summer Period 6.161¢ per kWh per month for all onpeak kWh, plus
6.161¢ per kWh per month for all offpeak kWh

3. If the higher of (a) the customer's currently effective onpeak or offpeak contract demand or (b) its highest onpeak or offpeak billing demand during the latest 12-month period is greater than 1,000 kW:

Customer Charge: \$175.00 per delivery point per month

Demand Charge:

Summer Period \$14.76 per kW per month of the customer's onpeak billing demand,
plus
\$5.61 per month for each kW, if any, of the amount by which the
customer's offpeak billing demand exceeds its onpeak billing
demand, plus an additional
\$14.76 per kW per month for each kW, if any, of the amount by
which (1) the customer's onpeak billing demand exceeds the higher
of 2,500 kW or its onpeak contract demand or (2) the customer's
offpeak billing demand exceeds the higher of 2,500 kW or its offpeak
contract demand, whichever is higher

Non-Summer Period \$13.93 per kW per month of the customer's onpeak billing demand,
plus
\$5.61 per month for each kW, if any, of the amount by which the
customer's offpeak billing demand exceeds its onpeak billing
demand, plus an additional
\$13.93 per kW per month for each kW, if any, of the amount by
which (1) the customer's onpeak billing demand exceeds the higher
of 2,500 kW or its onpeak contract demand or (2) the customer's
offpeak billing demand exceeds the higher of 2,500 kW or its offpeak
contract demand, whichever is higher

Energy Charge:

Summer Period 3.856¢ per kWh per month for all onpeak kWh, plus
3.856¢ per kWh per month for all offpeak kWh
Non-Summer Period 3.856¢ per kWh per month for all onpeak kWh, plus
3.856¢ 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 4 of the wholesale power rate schedule applicable under contractual arrangements between TVA and Distributor.

Determination of Seasonal Periods

Summer Period shall mean the May, June, July, August, September, and October billing months. Non-Summer Period shall mean the November, December, January, February, March, and April 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 11 a.m. to 9 p.m. during the Summer Period and from 2 a.m. to 12 p.m. during the Non-Summer 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. 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 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.

Determination of Onpeak and Offpeak Demands

Distributor shall meter the onpeak and offpeak demands in kW of all customers taking service under this rate schedule. The onpeak demand and the offpeak demand for any month shall be determined separately for the respective hours of the month designated under this rate schedule as onpeak and offpeak hours and in each case shall be the higher of the highest average during any 30-consecutive-minute period beginning or ending on a clock hour of the month of (a) the load metered in kW or (b) 85 percent of the load in kVA plus an additional 10 percent for that part of the load over 5,000 kVA, and, except as provided below in this section, such amounts shall be used as the onpeak and offpeak billing demands. The onpeak billing demand shall in no case be less than 30 percent of the customer's onpeak demand amount. The offpeak billing demand shall in no case be less than 30 percent of the customer's offpeak demand amount.

For purposes of this section, the onpeak demand amount referred to above shall be the higher of the currently effective onpeak contract demand or the highest onpeak billing demand established in the preceding 12 months, and the offpeak demand amount referred to above shall be the higher of the currently effective offpeak contract demand or the highest offpeak billing demand established in the preceding 12 months.

Minimum Bill

The monthly bill under this rate schedule shall not be less than the sum of (a) the base customer charge, (b) the portion of the base demand charge, as adjusted, applicable to onpeak billing demand applied to the customer's onpeak billing demand, (c) the portion of the base demand charge, as adjusted, applicable to the excess of offpeak over onpeak billing demand applied to the amount, if any, by which

the customer's offpeak billing demand exceeds its onpeak billing demand, (d) the base onpeak energy charge, as adjusted, applied to the customer's onpeak energy takings, and (e) the base offpeak energy charge, as adjusted, applied to the customer's offpeak energy takings; provided, however, under 2 of the Base Charges, the monthly bill shall in no event be less than the sum of (a) the base customer charge, (b) 20 percent of the base onpeak demand charge, as adjusted, multiplied by the customer's onpeak billing demand, and (c) 20 percent of the portion of the base demand charge, as adjusted, applicable to the excess of offpeak over onpeak billing demand applied to the amount, if any, by which the customer's offpeak billing demand exceeds its onpeak billing demand.

Distributor may require minimum bills higher than those stated above.

Seasonal Service

Customers who contract for service on a seasonal basis shall be limited to 2,500 kW and shall pay the above charges, as adjusted, plus an additional seasonal use charge equal to (1) 1.33¢ per kWh per month under 1 above and (2) \$4.00 per kW per month of the higher of the onpeak or offpeak billing demand under 2 and 3 above. Consistent with Distributor's standard policy, the customer may arrange for seasonal testing of equipment during offpeak hours.

For such customers, the minimum bill provided for above shall not apply. Distributor may require additional charges to provide recovery of costs for customer-specific distribution facilities.

Contract Requirement

Distributor shall require contracts for service provided under this rate schedule and such contracts shall be for an initial term of at least 1 year. The customer shall contract for its maximum requirements, which shall not exceed the amount of power capable of being used by customer, and Distributor shall not be obligated to supply power in greater amount at any time than the customer's currently effective contract demand. If the customer uses any power other than that supplied by Distributor under this rate schedule, the contract may include other special provisions. The rate schedule in any power contract shall be subject to adjustment, modification, change, or replacement from time to time as provided under the power contract between Distributor and TVA.

After having received service for at least 1 year under this rate schedule, the customer, subject to appropriate amendments in its power contract with Distributor, may receive service under the General Power Rate--Schedule GSA. In such case the term of the power contract shall remain the same and the contract demand for service under the General Power Rate--Schedule GSA shall not be less than the onpeak contract demand in effect when service was taken under this rate schedule.

Payment

Bills under this rate schedule will be rendered monthly. Any amount of bill unpaid after due date specified on bill may be subject to additional charges under Distributor's standard policy.

Single-Point Delivery

The charges under this rate schedule are based upon the supply of service through a single delivery and metering point, and at a single voltage. If service is supplied to the same customer through more than one point of delivery or at different voltages, the supply of service at each delivery and metering point and at each different voltage shall be separately metered and billed.

Service is subject to Rules and Regulations of Distributor.

**VALLEY INVESTMENT INITIATIVE
PARTICIPATION AGREEMENT**
Among
**PILGRIM'S PRIDE CORPORATION,
WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION,
And
TENNESSEE VALLEY AUTHORITY**

Date: March 26, 2013

VII Contract No. 7057

TV-59577A, Supp. No. 86

THIS AGREEMENT will confirm the understandings among PILGRIM'S PRIDE CORPORATION (Company), WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION (Distributor), and TENNESSEE VALLEY AUTHORITY (TVA) with respect to Company's participation in the Valley Investment Initiative (VII) being jointly conducted by Distributor and TVA.

It is understood and agreed that:

SECTION 1 - DEFINITIONS

Underlined terms used in this Agreement are defined in Company's "Valley Investment Initiative Award Application" (VII Award Application) which is attached to and made a part of this Agreement.

SECTION 2 - TERM

This Agreement shall become effective on the date first written above (Effective Date), and shall continue in effect through the end of the Award Period described below, except that the provisions of sections 3.2, 6.2, 7.3, 7.4, 9.3, and 10 below shall continue in effect until the obligations of the parties under them are fulfilled.

SECTION 3 - ELIGIBILITY FOR VII

3.1 Company's Certification. Company's eligibility for the VII award provided for in section 4 below is based on TVA's determination that Company meets the criteria of a Qualifying Customer at Company's Qualifying Plant. It is expressly recognized that such determination is based on information provided and certified by Company in the VII Award Application.

3.2 Access to Records. Company shall keep and make available accurate records and books of accounts related to Company's VII Metrics, as well as data to support compliance with the terms and conditions of this Agreement subject to the provisions of section 10 of this Agreement. Company shall allow Distributor, TVA, and their agents and employees, access, during normal working hours and upon advance reasonable notice and the signing of any necessary confidentiality documents, 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 July 18, 2013. 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	\$118,957.92
2	\$118,957.92
3	\$118,957.92
4	\$118,957.92
5	\$118,957.92

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 promptly 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 written consent, and

(b) Company shall not disclose those documents or their contents except to the following:

(i) TVA or Distributor;

(ii) Company's employees, representatives, 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 or destroyed upon conclusion of an 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:

Head of Energy Procurement
Pilgrim's Pride Corporation
1770 Promontory Circle
Greeley, Colorado 80634

To Distributor:

President/CEO
West Kentucky Rural Electric
Cooperative Corporation
Post Office Box 589
Mayfield, Kentucky 42066-0589

11.2 **Changes in Persons to Receive Notice.** The designation of the person to be so notified, or the address of such person, may be changed at any time and from time to time by any party by similar notice.

SECTION 12 - WAIVERS

A waiver of one or more defaults shall not be considered a waiver of any other or subsequent default.

SECTION 13 - ENTIRE AGREEMENT

All terms and conditions with respect to this Agreement are expressly contained herein and Company agrees that no representative or agent of TVA or Distributor has made any representation or promise with respect to this Agreement not expressly contained herein.

SECTION 14 - SUCCESSORS AND ASSIGNS

This Agreement may be assigned by TVA, but shall not be assignable by Company or Distributor without written consent of TVA.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized representatives, as of the day and year first above written.

PILGRIM'S PRIDE CORPORATION

By 
Title: Head of Procurement

WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION

By 
Title: VP OF FINANCE & ADM

TENNESSEE VALLEY AUTHORITY

By 
Senior Manager
Power Contracts



THE VALLEY Works
TVA.com | TVA.net



To receive a TVA Incentive, a Customer must complete the grid fields to give and provide the electrical loads to give TVA Economic Development Dept. a detailed To show a full Award Application and see the award, visit: www.tva.com

Customer Information

Customer or project name:	Papier's Pride Corporation
Customer contact person:	Jim Mulkin
Title:	Head of Energy Procurement
Telephone number:	(970)506.7858
E-mail address:	Jim.Mulkin@PSSA.com

Project Information

Project/Investment description:	Ongoing Capital Investment in Facility
Estimated Customer decision date:	N/A
Is this a competitive project?	No
If yes, list competing locations:	N/A
Is the investment related to, or does it depend on another facility closing?	No
If yes, list facilities and locations:	N/A

Plant Information

Plant location:	2653 State Route 1241	Hickory	Graves	KY	42051
	Street Address	City	County	State	Zip Code
Plant Book Value:	\$82,768,141				
Plant is served by:	West Kentucky Rural Electric Cooperative Corporation				
What was/will be the Plant's Commercial Operation Date?	01/01/91				
List the Plant's non-excluded 3-Digit NAICS code (reference Attachment 2, section A.2.7 below):	811				
Is the Customer receiving Enhanced Growth Credits (EGC) or participating in the EGC Program?	No				
If Customer is currently receiving EGC, is the Customer more than half-way through its EGC credit period?	N/A				
Will the Customer have a standard firm power contract at least as long as the Customer's VII Award Period?	Yes				

Base Year Power Usage for Existing Plant

Contract Demand from Power Contract:	0: Greater than 5,000 kW; but not more than 15,000 kW											
Base Year Power Usage: Please input existing Plant's monthly measured demand (kW) and energy usage (MWh)												
Consumption Month:	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12
kW:	6,604	6,306	6,514	6,642	6,480	6,562	6,824	6,894	6,786	6,898	6,358	6,360
MWh:	3,706,430	3,566,282	3,351,891	3,626,581	3,503,769	3,802,469	3,621,899	3,975,196	3,984,648	3,597,992	3,735,832	3,475,460

Year-by-Year VII Projections

	ENERGY				ECONOMIC		
	Average Monthly Total Measured Demand (kW)	Highest Annual Measured Demand (kW)	Total Annual Electric Energy (kWh)	Annual Load Factor	Capital Investment (\$)	Average Full-Time Equivalent Employees	Customer Assisted Years (Annual)
Base Year	6,595	6,898	43,947,548	72.8%	N/A	1,106	N/A
Evaluation Period Year 1	6,588	6,896	40,241,118	66.6%	\$2,621,451	1,106	\$23,962
Evaluation Period Year 2	6,588	6,896	40,241,118	66.6%	\$3,604,416	1,106	\$23,962
Evaluation Period Year 3	6,588	6,896	40,241,118	66.6%	\$4,587,540	1,106	\$23,962
Evaluation Period Year 4	6,588	6,896	40,241,118	66.6%	\$5,570,584	1,106	\$23,962
Evaluation Period Year 5	6,588	6,896	40,241,118	66.6%	\$9,175,080	1,106	\$23,962

TVA RESTRICTED INFORMATION: This Form 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; (b) TVA and Distributor will not disclose confidential information provided by Customer herein without Customer's consent.

Attachment 1
Definitions

- A.1.1 "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.1.2 "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.1.3 "Base Year" shall mean the 12-month period immediately preceding the date a Customer submits a VII Award Application.
- A.1.4 "Commercial Operation Date" shall mean the date certified by Customer and agreed to by TVA when the Plant achieved Commercial Operation. Factors to be considered by Customer in determining and certifying to TVA that a Plant has achieved Commercial Operation include but are not limited to the following: whether Plant construction is complete; whether testing is complete; whether the Plant is regularly producing goods or services for sale; whether Plant assets have been placed in service for Federal income tax purposes; and whether the Plant is purchasing firm power pursuant to a written power contract conforming with A.2.2.
- A.1.5 "Customer" shall mean a company purchasing power for its Plant from TVA or a distributor of TVA power under a written power supply contract(s).
- A.1.6 "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.1.7 "Evaluation Period" shall mean the period from either (a) the date of submission of a Customer's completed VII Award Application, or (b) the date on which Customer's Qualifying Plant achieves Commercial Operation, whichever is later, through the 5th anniversary of said date.
- A.1.8 "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.1.9 "Nonconforming Loads" shall mean electrical loads which use power intermittently, subject the TVA system to extreme fluctuations, have a total contract demand of more than 50 MW, and have one or more of the following characteristics:
- expected load swings of approximately 50 MW or more and ramp rates of approximately 10 MW or more per minute,
 - loads with expected daily reactive power ramp rates of 50 MVAR or more per minute,
 - loads known to create voltage flicker exceeding the limits set out in the Institute of Electrical and Electronics Engineers (IEEE) Standard 1453, or
 - loads known to create harmonic current distortions exceeding the limits set out in IEEE Standard S19.
- A.1.10 "Plant" shall mean all (a) physical personal property and (b) things attached, annexed, or fixed to the Customer's real property (such as Customer's building) that are (1) used in the Customer's trade or business characterized by the same NAICS code(s), (2) depreciable for federal income tax purposes, and (3) located on contiguous real property in the TVA service area.
- A.1.11 "Plant Book Value" shall mean the most recent depreciated value of a Customer's Plant for Federal income tax purposes, as of the date Customer submits a VII Award Application.
- A.1.12 "Disqualifying Customer" shall mean a Customer that submits a VII Award Application and is found by TVA to meet the Customer eligibility requirements.
- A.1.13 "Qualifying Plant" shall mean a Plant for which a Customer has submitted a VII Award Application and is found by TVA to meet the Plant eligibility requirements.
- A.1.14 "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.1.15 "Total Capital Investment" shall mean the sum of the following during the Evaluation Period:
- investments in the Plant which Customer intends to depreciate for Federal income tax purposes;
 - the depreciated book value of Customer assets transferred to the Plant from outside the TVA service area; and
- In the event TVA provides Customer a VII Preliminary Evaluation prior to Customer's Commercial Operation Date, the Total Capital Investment shall also include the sum of the following during the period from the date TVA first provides a VII Preliminary Evaluation through the beginning of the Evaluation Period:
- investments in the Plant which Customer intends to depreciate for Federal income tax purposes;
 - the depreciated book value of Customer assets transferred to the Plant from outside the TVA service area; and
 - the appraised value of real estate and existing building(s), if any, which are part of the Plant and are acquired by Customer pursuant to a purchase and/or lease or which Customer becomes otherwise legally entitled to occupy.
- A.1.16 "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:
- total Plant kWh usage and highest Total Metered Demand for each month,
 - contribution towards the Total Capital Investment,
 - average number of Full-Time Equivalent Employees,
 - Customer Average Wage,
 - Annual Load Factor.
- The VII Metrics shall be based on the most current data available and certified by Customer's duly authorized officer.

Attachment 2
Eligibility

A.2.1 A Qualifying Customer with a Qualifying Plant will be eligible for a VII award.

A.2.2 Contractual Requirements. A Customer's power supply contract(s) for power supplied to its Plant must provide for the Customer to purchase firm power for a term at least as long as the Customer's VII Award Period under a general service rate schedule or a manufacturing service rate schedule, or any replacement schedule of the general service or manufacturing service rate schedule. The power supply contract(s) may include a standard 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's power supply contract must provide for a firm contract demand of at least 250 kW. Customers with meaningful Base Year data as solely determined by TVA must establish a Total Metered Demand of at least 250 kW in each month of the Base Year. 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 with meaningful Base Year data for its Plant must make a Total Capital Investment of at least 25 percent of its Plant Book Value including minimums of

- a. 5 percent of its Plant Book Value by the end of the first Evaluation Period year,
- b. 8 percent of its Plant Book Value by the end of the second Evaluation Period year,
- c. 11 percent of its Plant Book Value by the end of the third Evaluation Period year,
- d. 14 percent of its Plant Book Value by the end of the fourth Evaluation Period year, and
- e. 25 percent of its Plant Book Value by the end of the fifth Evaluation Period year.

Whether Base Year data for a Plant is meaningful shall be solely determined by TVA.

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, if any, and during each month of the Customer's 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:

Excluded Sectors - Corresponding NAICS Codes:

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 under the following conditions:

- a. The Plant's sub-sector industry multiplier and Customer Average Wage exceed the Valley average;
- b. The Customer provides documentation demonstrating economic development support and/or incentives being provided by state and/or local economic development partners; and
- c. TVA's VII Committee determines that the Customer meets the above requirements, other VII qualification criteria, and programmatic intent.

A.2.8 Financial Review. A Qualifying Customer must be determined by TVA to be financially viable. In order to facilitate TVA's evaluation of a Customer's financial condition, a Customer will provide, upon request by TVA: (i) 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 financial statements to be provided by Customer shall be prepared in accordance with generally accepted accounting principles.

A Customer may provide financial statements requested in subsection (i) above for a parent entity of Customer, if Customer-level statements are not available. By signing a Valley Investment Initiative Award Application, such a 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.

TVA will consider a Customer financially unstable and ineligible for the VII program under the following conditions:

- (a) Customer or Customer's parent entity is reorganizing or winding down in bankruptcy as of the date it submits a VII Award Application;
- (b) Customer's risk levels exceed allowable levels as solely determined by TVA; or
- (c) Customer fails to provide adequate power contract performance assurance as required by Distributor.

A.2.9 Meter Data. A Qualifying 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 total Plant kWh usage and highest Total Metered Demand for each month of the Base Year, if applicable, and Evaluation Period.

COPY

NEW DELIVERY POINT AGREEMENT
Between
WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION
And
TENNESSEE VALLEY AUTHORITY

Date: _____

TV-59577A, Supp. No. 87

THIS AGREEMENT, made and entered into between WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION (Distributor), a cooperative corporation created and existing under and by virtue of the laws of the Commonwealth of Kentucky, and TENNESSEE VALLEY AUTHORITY (TVA), a corporation created and existing under and by virtue of the Tennessee Valley Authority Act of 1933, as amended (TVA Act);

W I T N E S S E T H:

WHEREAS, Distributor purchases power from TVA for resale at specified delivery points under Power Contract TV-59577A, dated April 26, 1982, as amended (Power Contract); and

WHEREAS, Distributor is building the Ralph C. Edrington 161-kV Substation (New Substation) near Milburn, Kentucky, with a target in-service date of July 1, 2013; 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) install a 13-kV metering installation, provided by TVA, in the New Substation, as described in section 5 of this agreement,
- (d) install relays, provided by TVA, in the New Substation as described in section 6 of this agreement,

access to the metering installation, and Distributor will supply TVA, at no charge, 120-volt power for TVA's cellular phone.

- c) TVA shall provide connection points from the metering transformer secondary circuits and 0.5-ampere fused potentials from the 13-kV revenue metering installation for connection to 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 output from the 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 and installing 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.

SECTION 7 - CIRCUIT SWITCHER INSTALLATIONS

In accordance with plans and specifications satisfactory to TVA, Distributor shall, at its expense, provide and install back-to-back circuit switchers for transformer bank protection.

SECTION 8 - WAVE TRAP INSTALLATIONS

TVA and Distributor will cooperate in providing and installing an 800 Amp Phase B wave trap and related facilities (Wave Trap) at the New Substation. In accordance with plans and specifications satisfactory to TVA, Distributor shall at its expense install the Wave Trap and thereafter remove or replace the Wave Trap at TVA's request.

TVA shall at its expense (a) provide the Wave Trap, (b) provide any needed replacements of the Wave Trap, and (c) operate, maintain, and repair the Wave Trap.

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.

3.7 169

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.

October 1, 2013

RESALE RATE SCHEDULE SUBSTITUTION AGREEMENT
Between
WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION
(DISTRIBUTOR)
And
TENNESSEE VALLEY AUTHORITY (TVA)

Distributor and TVA agree to substitute the new resale rate schedule specified in (a) below, a copy of which is attached, for the resale rate schedule specified in (b) below, which, as adjusted, is now in effect as a part of the Schedule of Rates and Charges attached to and made a part of the Power Contract, TV-59577A, dated April 26, 1982, as amended (Power Contract), between TVA and Distributor. This substitution 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:
Time-of-Use General Power Rate--Schedule TGSA (October 2013)
- (b) Existing resale rate schedule:
Time-of-Use General Power Rate--Schedule TGSA (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.

**WEST KENTUCKY RURAL ELECTRIC
COOPERATIVE CORPORATION**

By David E. Smart
Title: President + CEO

Rate schedule substitution agreed to as of
the date first above written.

TENNESSEE VALLEY AUTHORITY

By 
Senior Manager
Power Contracts

WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION

TIME-OF-USE GENERAL POWER RATE--SCHEDULE TGSA

(October 2013)

Availability

This rate shall be available for the firm power requirements (where the higher of a customer's onpeak or offpeak contract demand is 5,000 kW or less) for electric service to commercial, industrial, and governmental customers, and to institutional customers including, without limitation, churches, clubs, fraternities, orphanages, nursing homes, rooming or boarding houses, and like customers.

For a customer requesting that its onpeak contract demand be different from its offpeak contract demand, this schedule shall be available only for (1) a new contract, (2) a replacement or renewal contract following expiration of the existing contract, or (3) a replacement or renewal contract or an amended existing contract in which the customer is increasing its demand requirements above the existing contract demand level, but under this item (3) neither the new onpeak nor the new offpeak contract demand shall be lower than the customer's existing contract demand.

Character of Service

Alternating current, single- or three-phase, 60 hertz. Power shall be delivered at a service voltage available in the vicinity or agreed to by Distributor.

Base Charges

1. If (a) the higher of (i) the customer's currently effective onpeak or offpeak contract demand or (ii) its highest onpeak or offpeak 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: \$50.00 per delivery point per month

Energy Charge:

Summer Period 16.343¢ per kWh per month for all onpeak kWh, plus
6.373¢ per kWh per month for all offpeak kWh

Non-Summer Period 15.503¢ per kWh per month for all onpeak kWh, plus
6.373¢ per kWh per month for all offpeak kWh

2. If (a) the higher of (i) the customer's currently effective onpeak or offpeak contract demand or (ii) its highest onpeak or offpeak 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 onpeak or offpeak billing demand is not more than 50 kW and its energy takings for any month during such period exceed 15,000 kWh:

Customer Charge: \$90.00 per delivery point per month

Demand Charge:

Summer Period \$16.27 per kW of the customer's onpeak billing demand, plus
\$6.78 per month for each kW, if any, of the amount by which the
customer's offpeak billing demand exceeds its onpeak billing
demand

Non-Summer Period \$15.43 per kW of the customer's onpeak billing demand, plus
\$6.78 per month for each kW, if any, of the amount by which the
customer's offpeak billing demand exceeds its onpeak billing
demand

Energy Charge:

Summer Period 6.161¢ per kWh per month for all onpeak kWh, plus
6.161¢ per kWh per month for all offpeak kWh

Non-Summer Period 6.161¢ per kWh per month for all onpeak kWh, plus
6.161¢ per kWh per month for all offpeak kWh

3. If the higher of (a) the customer's currently effective onpeak or offpeak contract demand or (b) its highest onpeak or offpeak billing demand during the latest 12-month period is greater than 1,000 kW:

Customer Charge: \$175.00 per delivery point per month

Demand Charge:

Summer Period \$14.76 per kW per month of the customer's onpeak billing demand,
plus
\$5.61 per month for each kW, if any, of the amount by which the
customer's offpeak billing demand exceeds its onpeak billing
demand, plus an additional
\$14.76 per kW per month for each kW, if any, of the amount by
which (1) the customer's onpeak billing demand exceeds the higher
of 2,500 kW or its onpeak contract demand or (2) the customer's
offpeak billing demand exceeds the higher of 2,500 kW or its offpeak
contract demand, whichever is higher

Non-Summer Period \$13.93 per kW per month of the customer's onpeak billing demand,
plus
\$5.61 per month for each kW, if any, of the amount by which the
customer's offpeak billing demand exceeds its onpeak billing
demand, plus an additional
\$13.93 per kW per month for each kW, if any, of the amount by
which (1) the customer's onpeak billing demand exceeds the higher
of 2,500 kW or its onpeak contract demand or (2) the customer's
offpeak billing demand exceeds the higher of 2,500 kW or its offpeak
contract demand, whichever is higher

Energy Charge:

Summer Period 3.856¢ per kWh per month for all onpeak kWh, plus
3.856¢ per kWh per month for all offpeak kWh

Non-Summer Period 3.856¢ per kWh per month for all onpeak kWh, plus
3.856¢ 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

the customer's offpeak billing demand exceeds its onpeak billing demand, (d) the base onpeak energy charge, as adjusted, applied to the customer's onpeak energy takings, and (e) the base offpeak energy charge, as adjusted, applied to the customer's offpeak energy takings; provided, however, under 2 of the Base Charges, the monthly bill shall in no event be less than the sum of (a) the base customer charge, (b) 20 percent of the base onpeak demand charge, as adjusted, multiplied by the customer's onpeak billing demand, and (c) 20 percent of the portion of the base demand charge, as adjusted, applicable to the excess of offpeak over onpeak billing demand applied to the amount, if any, by which the customer's offpeak billing demand exceeds its onpeak billing demand.

Distributor may require minimum bills higher than those stated above.

Seasonal Service

Customers who contract for service on a seasonal basis shall be limited to 2,500 kW and shall pay the above charges, as adjusted, plus an additional seasonal use charge equal to (1) 1.33¢ per kWh per month under 1 above and (2) \$4.00 per kW per month of the higher of the onpeak or offpeak billing demand under 2 and 3 above. Consistent with Distributor's standard policy, the customer may arrange for seasonal testing of equipment during offpeak hours.

For such customers, the minimum bill provided for above shall not apply. Distributor may require additional charges to provide recovery of costs for customer-specific distribution facilities.

Contract Requirement

Distributor shall require contracts for service provided under this rate schedule and such contracts shall be for an initial term of at least 1 year. The customer shall contract for its maximum requirements, which shall not exceed the amount of power capable of being used by customer, and Distributor shall not be obligated to supply power in greater amount at any time than the customer's currently effective contract demand. If the customer uses any power other than that supplied by Distributor under this rate schedule, the contract may include other special provisions. The rate schedule in any power contract shall be subject to adjustment, modification, change, or replacement from time to time as provided under the power contract between Distributor and TVA.

After having received service for at least 1 year under this rate schedule, the customer, subject to appropriate amendments in its power contract with Distributor, may receive service under the General Power Rate--Schedule GSA. In such case the term of the power contract shall remain the same and the contract demand for service under the General Power Rate--Schedule GSA shall not be less than the onpeak contract demand in effect when service was taken under this rate schedule.

Payment

Bills under this rate schedule will be rendered monthly. Any amount of bill unpaid after due date specified on bill may be subject to additional charges under Distributor's standard policy.

Single-Point Delivery

The charges under this rate schedule are based upon the supply of service through a single delivery and metering point, and at a single voltage. If service is supplied to the same customer through more than one point of delivery or at different voltages, the supply of service at each delivery and metering point and at each different voltage shall be separately metered and billed.

Service is subject to Rules and Regulations of Distributor.

Valley Commitment Program Agreement

Company's Legal Name (Customer): PILGRIM'S PRIDE CORPORATION
Customer Address: 2653 STATE ROUTE 1241, HICKORY, KY 42051
Customer Account Number(s) (as reported to ESS): 90124791
Served by (Distributor/LPC Legal Name): 385 - West Kentucky Rural Electric Cooperative Corporation
Does this contract automatically renew, i.e., is this an "evergreen" contract? Yes NO RUM
If no, what is the contract expiration date? Click here to enter text. October 1, 2020
Rate Class: B (5,000 kW < Contract Demand <= 15,000 kW)
Rate Schedule: MSB

TVA is offering a Valley Commitment (VC) credit of 0.2¢ per kWh to qualifying Customers who make a commitment to the Valley region and meet the eligibility requirements set out below during the period from October 1, 2013 to September 30, 2015 (Commitment Period). By signing below, Customer agrees that during the remaining Commitment Period, Customer will not give notice to terminate its firm power contract or otherwise take action to cause its firm power contract to terminate. Customer agrees that providing such notice or otherwise taking action to cause its firm power contract to terminate will require the repayment of all VC credits paid to Customer.

1. Customer and Distributor certify that Customer has a contract demand greater than 1 MW and is either (a) eligible for and taking electric service under a manufacturing rate schedule, or (b) eligible to receive Small Manufacturing Credits.

2. Customer and Distributor shall provide to TVA with this Agreement a copy Customer's firm power contract with a remaining term at least as long as the Commitment Period (Qualifying Firm Power Contract).

3. This Agreement shall be effective as of the date of TVA's execution below (Effective Date), and shall be subject to the attached Terms and Conditions. Distributor shall apply the VC credit to Customer's monthly power invoice for power taken during each full billing month of the remaining Commitment Period. When fully executed by all parties, this Agreement shall amend Customer's firm power contract and Distributor's wholesale power contract, but only to the extent expressly set forth herein.

4. VC Customers eligible to receive Small Manufacturing Credits will receive the VC credit on the same energy sales base as those energy sales eligible for the Small Manufacturing Credit. All other VC Customers will receive VC credits on the total billed kWh for each qualifying month.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized representatives.

Customer By [Signature] Title [Signature] Date 9/26/13
Distributor By David E. Smart Title Click here to enter text. President + CEO Date Click here to enter text. 9/30/13
Tennessee Valley Authority By [Signature] Title Senior Manager, Power Contracts Date [Signature]

Send signed VCP Agreement and a copy of Customer's firm power contract to valleycommitment@tva.gov and include Distributor name and Customer name in the subject line, or (optional) send signed VCP Agreement and a copy of Customer's firm power contract by mail to: Senior Manager, Power Contracts, Tennessee Valley Authority 400 West Summit Hill Drive, WT 3 D-K, Knoxville, TN 37902

CONTRACTS
OCT 21 2013
RECEIVED

Terms and Conditions

1.1 Wholesale Credits.

(a) Beginning with the November 2013 billing month, TVA's monthly wholesale bill to Distributor shall include a wholesale credit (Estimated VC Credit) for that month equal to the total amount of credits applied to each account eligible to receive the VC credit (Eligible Account) by Distributor in the preceding month and reported in Distributor's Electric Sales Statistics (ESS) Report to TVA (as provided in section 1.4 below). For the October 2013 billing month, TVA shall calculate the Estimated VC Credit based upon the September 2013 billing month energy takings of each Eligible Account.

(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 VC 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 VC 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.

1.2 Application Forms. Distributor shall provide to TVA a fully executed version of the Agreement to which these Terms and Conditions are attached and a copy of Customer's Qualifying Firm Power Contract. Distributor shall also keep on file a copy of each completed application form for audit purposes.

1.3 ESS Data. 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 ESS Report. Beginning with Distributor's October 2013 billing month, Distributor shall include in its ESS Report monthly data showing for each Eligible Account (a) the amounts billed to each customer for energy and (b) the amount of the credit applied during that billing month, together with such other information as may be reasonably required by TVA. The information furnished under this section 1.3 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.

1.4. The VC credit will not apply to energy priced under Start-up & Test Power, Real-time Energy, Real-time Pricing, Standby Power, or Interruptible Standby Power.

1.5 In the event that Customer breaches this Agreement or receives VC Credits for which it was not eligible, Distributor and TVA shall cooperate in (a) endeavoring to collect from Company any amounts due and (b) making appropriate adjustments to Distributor's wholesale power bill to pass through to TVA amounts collected from Customer. The obligations of this paragraph shall survive any expiration or termination of the VC Program.

MANUFACTURING BILL CREDIT PROGRAM

Application for Credits

Power Distributor: WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION
Customer Name: Pilgrim's Pride Corporation
Mailing Address: PO Box 847
Mandan, ND 58554

Plant Name/Location: Pilgrim's Pride Corporation
21653 STATE ROUTE 1241, HICKORY, KY 42051

Customer is applying for credits to its electric bills under a program offered by Distributor and the Tennessee Valley Authority (Program). It is understood that for an account to be eligible the primary business activity at that account must be classified with a 2-digit Standard Industrial Classification (SIC) code between 20 and 39, inclusive, and have power requirements greater than 1,000 kW at that account. Please list the contract demand (if any), account number, applicable SIC code, and business activity:

Contract Demand: 8000KW
Account Number: 90124791
SIC Code: 20
Business Activity: POULTRY SLAUGHTERING AND PROCESSING

Customer agrees to inform Distributor of changes in the status of any of the above information.

Customer understands that the credits it receives are paid in reliance on the accuracy of its representations in this application. Federal law provides substantial penalties for intentionally providing materially false information on this application, and if this occurs, Customer's participation in the program is subject to termination. Customer agrees to promptly repay to Distributor any amounts overpaid to Customer as a result of Distributor's use of such false information.

Customer will allow Distributor or TVA to review, at any time during normal working hours and upon reasonable notice, any of Customer's books and records related to the information contained in this application.

Customer hereby certifies to TVA and to Distributor that the information given above is accurate and complete.

By: [Signature]

Title: Head of Plant

Date: 9/26/2013

INDUSTRIAL POWER CONTRACT
Between
WEST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION
and
PILGRIMS PRIDE CORPORATION

This CONTRACT, made and entered into as of the 1st day of October, 2010, by and between WEST KENTUCKY RECC, Mayfield, Kentucky, (hereinafter, called "Distributor"), and PILGRIMS PRIDE CORPORATION, 2653 State Route 1241, Hickory, Kentucky, (hereinafter called "Customer");

W I T N E S S E T H:

WHEREAS, Distributor and Customer have agreed to enter into an agreement dated as first written above, under which electric power and energy are supplied by Distributor and purchased by Customer;

NOW, THEREFORE, for and in consideration of the premises and of the mutual agreements hereinafter set forth, the parties hereto mutually agree as follows:

1. Term of Contract. This contract shall become effective as of Oct. 1, 2010, and, subject to Distributor's rights under section 6 below to modify, change, replace, or adjust SDE rates, shall continue in effect for an initial term of one year and shall automatically be renewed from year to year thereafter through the tenth year; provided, however, that this contract may be terminated at the end of the initial term by either party upon at least 90 days' prior written notice to the other party.
2. Availability of Power. Subject to the other provisions of this contract,

Distributor shall, commencing with the effective date hereof, make available to Customer, and Customer shall take and buy from Distributor, Customer's requirement for firm power and energy for the operation of Customer's facility up to a maximum of 8,000 kW, which amount shall be the "contract demand" under this contract.

The power and energy made available to Customer hereunder shall be delivered, taken, and paid for in accordance with the terms hereof and with the schedule of Rules and Regulations of Distributor, a copy of which is attached hereto and hereby made a part hereof. In the event of any conflict between the provisions of said schedule and the other provisions of this contract, the latter shall control.

Customer shall not take power and energy in excess of said contract demand except by agreement of Distributor and revision of this contract, but nothing herein contained shall be construed to relieve Customer of the obligation to pay for such amounts of power and energy as may actually be taken.

3. Conditions of Delivery. The power and energy made available by Distributor hereunder shall be in the form of three-phase, alternating current, at a frequency of approximately 60-hertz and a voltage of approximately 12,470 volts. The point of delivery for power and energy made available hereunder shall be the load side of Distributor's 12,470 - volt metering facilities, to be owned, operated, and maintained by Distributor. Delivery by Distributor of the above-stated voltage and frequency at said point of delivery shall constitute availability of power and energy for purposes of this contract. Customer hereby grants to Distributor without costs such rights in, over,

and across its property as may be necessary to permit the construction, maintenance, and operation of Distributor's facilities and equipment used to make power and energy available to Customer hereunder. Distributor's facilities shall be installed on Customer's property in a mutually satisfactory location and shall be and remain Distributor's property. Each party hereto shall install only such protective devices as in its opinion are necessary for the protection of its own facilities and equipment.

4. Facilities. Distributor has agreed to provide and maintain the following transformers and equipment:

- 1 ea. 1250 kVA 3Ph pad mount transformers - 12,470/480 volts
- 4 ea. 2500 kVA 3Ph pad mount transformers - 12,470/480 volts
- 3 ea. 167 kVA 1Ph pole mount transformers - 12,470/480 volts
- 3 ea. 75 kVA 1 Ph pole mount transformers - 12,470/480 volts
- 1 ea. 750 kVA 3 Ph pad mount transformer -12,470/480 volts and
327' (#1/0 AL URD cable)

Also included hereunder are any associated structures and facilities required by Distributor.

5. Facilities Charge. In consideration of Distributor's agreement to provide and maintain said facilities specified in section 4 hereof, Customer agrees to pay Distributor a monthly facilities charge of one and one-half percent (1 ½ %) of the total cost incurred by Distributor in providing the above facilities which is \$2,486.64. The term "costs," as used herein, shall include the labor, material, and other costs, including applicable overheads, incurred by Distributor. Said facilities shall be and remain the property of Distributor.

Said monthly facilities charge shall continue until the termination of this

contract or any renewal or replacement thereof; and shall be in addition of all other rates and charges provided for herein.

In the event that this contract or any renewal or replacement thereof is terminated, Customer shall pay to Distributor, promptly upon receipt of a statement therefore, the cost of removing said facilities and the undepreciated portion of the cost of installing said facilities (the latter cost being the actual total installed cost less the original material cost of reusable materials and equipment). Any facilities determined by Distributor to be not reusable will become the property of Customer. Customer shall remain obligated to make the payment provided for in this paragraph notwithstanding termination of this contract or of any renewal or replacement thereof.

6. Rates and Charges. Customer shall pay Distributor monthly for power and energy available under this contract in accordance with the rates, charges, and provisions of Distributor's Pilot SDE (General Power/Manufacturing Service) Rate-Schedule PSMSB, as modified, adjusted, or replaced from time to time by agreement between Distributor and TVA. Said rate schedule, together with its current adjustment addendum, which is Distributor's currently effective standard rate schedule applicable to consumers of the same class of Customer is attached hereto and hereby made a part hereof. In the event of any conflict between the provisions of said rate schedule, as so modified, adjusted, or replaced, and other provisions of this contract, the latter shall control.

7. Phase Balancing. Customer 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, Customer 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 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 the phase wire and the neutral voltage point.

8. Electrical Fluctuations. The power and energy taken by Customer hereunder shall not be used in such manner as to cause unusual voltage fluctuations or disturbances to Distributor's or TVA's system. In the event Customer's use of power causes fluctuations or disturbances on Distributor's or TVA's system, Distributor may require Customer, at Customer's expense, to install suitable apparatus to keep such fluctuations or disturbances within reasonable limits.

9. Notices. Any notice or demand required by this contract shall be deemed properly given if mailed, postage prepaid, to the President/CEO, West Kentucky RECC, Mayfield, Kentucky, on behalf of Distributor, or Plant Manager, Pilgrims Pride Corporation, 2653 State Route 1241, Hickory, Kentucky, on behalf of Customer. With copy to Customer's General Counsel at 1770 Promontory Circle, Greeley, Colorado 80634, 970/506-8109.

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.

10. Waivers. A waiver of one or more defaults shall not be considered a waiver of any other or subsequent default.

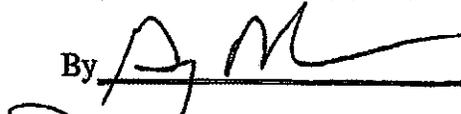
11. Successors and Assigns. This contract shall inure to the benefit of and be binding upon the respective successors and assigns of the parties hereto but shall not be assignable by Customer without written consent of Distributor whose consent shall not be unreasonably withheld.

12. 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 respective officers thereunto duly authorized, as of the day and year first above written.

PILGRIMS PRIDE CORP.

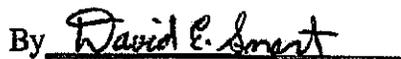
By



Principal Financial: Chief Accts Officer
Title

WEST KENTUCKY RECC

By



President + CEO
Title