



TO: Sixteen Member Systems
FROM: David G. Eames *dg*
DATE: August 4, 2009
RE: Fourth Amendment to the Wholesale Power Contract

The Fourth Amendment to the Wholesale Power Contract between East Kentucky Power Cooperative and your cooperative has received administrative approval from RUS.

Enclosed is a blue-jacketed copy containing an original signature. According to RUS, the blue-jacketed signature is sufficient for the amendment.

If you have any questions, please feel free to call me.

fo/dd

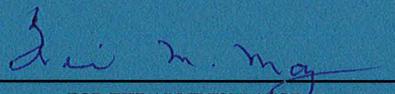
Enclosure

U.S. DEPARTMENT OF AGRICULTURE
RURAL UTILITIES SERVICE

RUS BORROWER DESIGNATION Kentucky 54 Wayne

THE WITHIN Fourth Amendment dated May 12, 2009 to the Wholesale Power Contract
dated October 1, 1964 between East Kentucky Power Cooperative, Inc.
and South Kentucky Rural Electric Cooperative Corporation

SUBMITTED BY THE ABOVE DESIGNATED BORROWER PURSUANT TO THE
TERMS OF THE LOAN CONTRACT, IS HEREBY APPROVED SOLELY FOR THE
PURPOSES OF SUCH CONTRACT.


FOR THE ADMINISTRATOR

DATED

7/27/09

FOURTH AMENDMENT
TO
WHOLESALE POWER CONTRACT, AS AMENDED

THIS AMENDMENT made on May 12, 2009 by and between EAST KENTUCKY POWER COOPERATIVE, INC., a corporation organized and existing under the laws of the Commonwealth of Kentucky, hereinafter called "SELLER", and SOUTH KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION., a corporation organized and existing under the laws of the Commonwealth of Kentucky, hereinafter called "MEMBER".

WHEREAS, SELLER and MEMBER have entered into a contract dated October 1, 1964, for the purchase and sale of electric power and energy, with the approval of the Administrator of the Rural Electrification Administration (the predecessor of the Rural Utilities Service), and said Wholesale Power Contract is now in full force and effect; and

WHEREAS, SELLER and MEMBER and the aforesaid Administrator have entered into two Supplemental Agreements dated October 1, 1964 and August 13, 1998, that provide for certain rights and obligations to guarantee compliance with the aforesaid Wholesale Power Contract; and

WHEREAS, SELLER and MEMBER have also entered into two amendments to the Wholesale Power Contract, dated October 21, 1976, and March 20, 1980, that provide for a combined extension in the Wholesale Power Contract from 2010 to 2025 in compliance with RUS loan policy and requirements; and

WHEREAS, SELLER and MEMBER have also entered into a third amendment to the Wholesale Power Contract, dated November 13, 2003, which provides for an extension of the Wholesale Power Contract from 2025 to 2041, in compliance with RUS loan policy and requirements, and which provides the MEMBER certain limited rights to provide a portion of its

own power requirements, or to obtain a portion of its power requirements from another power supplier;

WHEREAS, SELLER has proposed and the aforesaid Administrator is contemplating a lien accommodation request relating to approximately \$900,000,000 of private financing to finance a project consisting of the construction and operation of a 278 MW coal-fired generating unit, with related substation and transmission line facilities; and

NOW, THEREFORE, in consideration of the mutual undertakings herein contained, and in order to consummate and finalize the aforesaid financial arrangements, SELLER and MEMBER do hereby reiterate and reaffirm the provisions of the aforesaid Wholesale Power Contract, the two Supplemental Agreements, and the First, Second and Third Amendments to the Wholesale Power Contract, with the exception of the following provisions to which they do now hereby agree to amend and adopt, to-wit:

1. Section 10 of the aforesaid Wholesale Power Contract, as Amended, is further amended to read:

Term. This Agreement shall become effective only upon approval in writing by the Administrator and shall remain in effect until January 1, 2051, and thereafter until terminated by either party's giving to the other not less than six months' written notice of its intention to terminate. Subject to the provisions of Article 1 hereof, service hereunder and the obligation of the MEMBER to pay therefore shall commence upon completion of the facilities necessary to provide service.

IN WITNESS WHEREOF, the parties have caused this Fourth Amendment to be duly executed as of the date first above written.

(SELLER) EAST KENTUCKY POWER COOPERATIVE, INC.

By: 
(Title) Chairman of the Board

ATTEST:


Secretary

(MEMBER) SOUTH KENTUCKY RURAL ELECTRIC
COOPERATIVE CORPORATION

By: 
(Title) President

ATTEST:


Secretary

APPROVED: UNITED STATES OF AMERICA

By: _____
Administrator of Rural Utilities Service



September 20, 2004

Allen Anderson
Head Coach and CEO
South Kentucky RECC
P. O. Box 910
Somerset, KY 42502

Re: Amendment No. 3 – Wholesale Power Contract

Enclosed is your executed copy of Amendment No. 3 to the Wholesale Power Contract, approved by RUS.

Sincerely,



Dale W. Henley
General Counsel

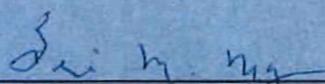
dwh/lh
enclosure

**U.S. DEPARTMENT OF AGRICULTURE
RURAL UTILITIES SERVICE**

RUS BORROWER DESIGNATION Kentucky 54 Wayne

THE WITHIN Amendment No. 3 dated November 13, 2003 to the Wholesale Power Contract
dated October 1, 1964 between East Kentucky Power Cooperative, Inc.
and South Kentucky Rural Electric Cooperative Corporation

**SUBMITTED BY THE ABOVE DESIGNATED BORROWER PURSUANT TO THE
TERMS OF THE LOAN CONTRACT, IS HEREBY APPROVED SOLELY FOR THE
PURPOSES OF SUCH CONTRACT.**



FOR THE ADMINISTRATOR

DATED
5/6/04

AMENDMENT NO. 3 TO WHOLESALE POWER CONTRACT
BETWEEN EAST KENTUCKY POWER COOPERATIVE, INC. AND
SOUTH KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION

This Agreement dated the 13th day of NOVEMBER, 2003, amends the Wholesale Power Contract dated October 1, 1964 between East Kentucky Power Cooperative, Inc. (hereinafter "Seller") and SOUTH KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION (hereinafter "Member") as follows:

I. Numerical Section 1 of the Wholesale Power Contract shall be amended and restated to read in its entirety as follows:

1. General - The Seller shall sell and deliver to the Member and the Member shall purchase and receive from the Seller all electric power and energy which shall be required to serve the Member's load, including all electric power and energy required for the operation of the Member's system. Notwithstanding the foregoing, the Member shall have the option, from time to time, with notice to the Seller, to receive electric power and energy, from persons other than the Seller, or from facilities owned or leased by the Member, provided that the aggregate amount of all members' elections (measured in megawatts in 15-minute intervals) so obtained under this paragraph shall not exceed five percent (5%) of the rolling average of Seller's coincident peak demand for the single calendar month with the highest peak demand occurring during each of the 3 twelve month periods immediately preceding any election by the Member from time to time, as provided herein and further provided that no Member shall receive more than fifteen percent (15%) of the rolling average of its coincident peak demand for the single calendar month with the highest average peak demand occurring during each of the 3 twelve

month periods immediately preceding any election by the Member from time to time, as provided herein.

For any election made or cancelled under this Section, the following provisions shall apply:

a. During any calendar year, the Member may make or cancel any such election or elections by giving at least 90 days' notice to the Seller with respect to any load or loads with an average coincident peak demand (calculated in the same manner as provided in the preceding paragraph) of 5.0 Megawatts or less, in the annual aggregate.

b. During any calendar year, the Member may make or cancel any such election or elections by giving at least 18 months or greater notice to the Seller with respect to any load or loads with an average coincident peak demand (calculated in the same manner as provided in the preceding paragraph) of 5.0 Megawatts or more, in the annual aggregate

Upon the effective date of the Member's cancellation of any such election under this Agreement, the load or loads shall be governed by the all requirements obligations of the Seller and the Member in this Section, and notice of same shall be provided to the Rural Utilities Service ("RUS") by the member. Such loads which are transferred to Seller's all-requirements obligations shall not thereafter be switched by Member to a different power supplier.

c. Should any such election by Member involve the acquisition of new service territory currently served by another power supplier or municipal utility, Member shall provide evidence to Seller and RUS in the new Load Purchase Agreement that the acquired territory must be served by the current power supplier as a condition of the acquisition of the new load.

Seller will provide transmission, substation, and ancillary services without

discrimination or adverse distinction with regard to rates, terms of service or availability of such service as between power supplies under paragraphs above and Member will pay charges therefore to Seller. Seller also agrees to allow, at Member's sole cost and expense, such additional interconnection as may be reasonably required to provide such capacity and energy as contemplated in the above paragraphs.

Member will be solely responsible for all additional cost associated with the exercise of elections under the above paragraphs including but not limited to administrative, scheduling, transmission tariff and any penalties, charges and costs, imposed by the Midwest Independent System Operator ("MISO") or other authorities.

II. Section 10 of the Wholesale Power Contract shall be restated as Section 11 and new Section 10 and Section 11 shall read in their entirety as follows:

10. Retail Competition - Seller and its subsidiaries, shall not, during the term of this contract, without the consent of the Member, (i) sell or offer to sell electric power or energy at retail within the Member's assigned or expanded geographic area, if any, established by applicable laws or regulations or (ii) provide or offer to provide retail electric service to any person which is a customer of the Member.

11. Term - This Agreement shall become effective only upon approval in writing by the Administrator and shall remain in effect until January 1, 2041, and thereafter until terminated by either party's giving to the other not less than six months' written notice of its intention to terminate. Subject to the provisions of Section 1 hereof, service hereunder and the obligation of the Member to pay therefore shall commence upon completion of the facilities necessary to provide service.

Executed the day and year first above mentioned.

EAST KENTUCKY POWER
COOPERATIVE, INC.

BY: Delno Tolliver

Delno Tolliver

ITS: CHAIRMAN OF THE BOARD

Sam Penn

ATTEST, SECRETARY

Sam Penn

SOUTH KENTUCKY RURAL ELECTRIC
COOPERATIVE CORPORATION

BY: Allen Anderson

ITS: Manager + CEO

Tom Eto

ATTEST, SECRETARY

(H:Legal/misc/amend-3-wpc)

RESOLUTION

At a regular meeting of the Board of Directors of South Kentucky Rural Electric Cooperative Corporation held at Somerset, Kentucky on January 15, 2004, the following business was transacted:

A document entitled Third Amendment to Wholesale Power Contract, as Amended, dated ~~November 13, 2003~~, with East Kentucky Power Cooperative, Inc. was presented. This Amendment reaffirms two earlier Amendments, two Supplemental Agreements and a Memorandum of Understanding, and extends the term of the Wholesale Power Contract from January 1, 2025 to January 1, 2041; in addition to providing, for the first time, some flexibility in the Cooperative's obligation to secure all of its system power supply needs from EKPC, all in compliance with RUS Loan Policy and Requirements.

After discussion, a motion was made, seconded and passed to approve this Third Amendment to Wholesale Power Contract, as Amended, and authorize Allen Anderson, CEO of the Corporation to execute same.

The foregoing is a true and exact copy of a resolution passed at a meeting called pursuant to proper notice at which a quorum was present and which now appears on the Minute Book of Proceedings of the Board of Directors of the cooperative and said resolution has not been rescinded or modified.

Witness my hand this 15th day of January, 2004.



SECRETARY

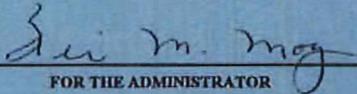
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**U.S. DEPARTMENT OF AGRICULTURE
RURAL UTILITIES SERVICE**

RUS BORROWER DESIGNATION Kentucky 54 Wayne

THE WITHIN Supplemental Agreement dated August 13, 1999 to Wholesale Power Contract
dated October 1, 1964 between South Kentucky Rural Electric Cooperative
Corporation and East Kentucky Power Cooperative, Inc.

**SUBMITTED BY THE ABOVE DESIGNATED BORROWER PURSUANT TO THE
TERMS OF THE LOAN CONTRACT, IS HEREBY APPROVED SOLELY FOR THE
PURPOSES OF SUCH CONTRACT.**


FOR THE ADMINISTRATOR

DATED

10/5/99

SUPPLEMENTAL AGREEMENT

THIS SUPPLEMENTAL AGREEMENT is made as of the 13th day of August, 1998, between **EAST KENTUCKY POWER COOPERATIVE, INC.** (hereinafter called the "Seller"), and South Kentucky Rural Electric Cooperative (hereinafter called the "Member"), its successors and assigns, and the United States of America (hereinafter called the "Government"), acting through the Administrator of the Rural Utilities Service (hereinafter called the "Administrator").

WHEREAS, the Seller and the Member have entered into a contract for the purchase and sale of electric power and energy dated 10/1/64
8/16/98, which contract, as it may heretofore have been amended and supplemented, is hereinafter called the "Power Contract"; and,

WHEREAS, the Seller is seeking a new loan which is subject to the approval of the Administrator; and,

WHEREAS, the Government is relying on the Power Contract as supplemented by this Supplemental Agreement, and similar contracts between Seller and other borrower from the Rural Utilities Service to assure that the "Notes" referred to in the Power Contract are repaid and the purposes of the Rural Electrification Act of 1936, as amended, are carried out and the Seller and Member by executing this Supplemental Agreement, acknowledge this reliance.

NOW, THEREFORE, for and in consideration of the mutual undertaking herein contained and the approval by the Administrator of the pending loan, the parties hereto agree as follows:

SECTION I Limitations on Transfers of the Member's Assets.

(a) The Member agrees that, for so long as any of the Seller Notes are outstanding, the Member will not, without the approval in writing of the Seller and the Administrator, take or suffer to be taken any steps for reorganization or dissolution, or to consolidate with or merge into any corporation, or to sell, lease or transfer (or make any agreement therefor) all or a substantial portion of its assets, whether now owned or hereafter acquired. The Seller will not unreasonably withhold or condition its consent to any such reorganization, dissolution, consolidation, or merger,

or to any such sale, lease or transfer (or any agreement therefor) of assets. The Seller will not withhold or condition its consent except in cases where to do so otherwise would result in rate increases for the other members of the Seller or impair the ability of the Seller to repay its secured loans in accordance with their terms, or adversely affect system performance in any material way.

(b) Notwithstanding paragraph (a) of this section, the Member may take or suffer to be taken any steps for reorganization or dissolution or to consolidate with or merge into any corporation or to sell, lease or transfer (or make any agreement therefor) all or a substantial portion of its assets, whether now owned or hereafter acquired without the Seller's consent, so long as the Member shall pay such portion of the outstanding indebtedness on the Seller's Notes or other obligations as shall be determined by the Seller with the prior written consent of the Administrator and shall otherwise comply with such reasonable terms and conditions as the Administrator and Seller may require either:

(1) to eliminate any adverse effect that such action seems likely to have on the rates of the other members of the Seller, or

(2) to assure that the Seller's ability to repay the Seller Notes and other obligations of the Seller in accordance with their terms is not impaired.

(c) The Administrator may require, among other things, that any payment owed under (b)(2) of this section that represent a portion of the Seller's indebtedness on the Seller Notes shall be paid by the Member in the manner necessary to accomplish a defeasance of those obligations in accordance with the loan documents relating thereto, or be paid directly to the holders of the Seller Notes for application by them as prepayments in accordance with the provisions of such documents, or be paid to the Seller and held and invested in a manner satisfactory to the Administrator

SECTION 2 Permitted Transactions

Notwithstanding the provisions of section 1 of this Supplemental Agreement, the Member may merge into or consolidate with:

(i) another member of the Seller, provided that the Member shall have provided evidence, in form and substance satisfactory to the Seller and the Administrator, that the obligations of the Member under the Power Contract and this Supplemental Agreement have been assumed by and are binding on the successor; or

(ii) a third party that is not a business competitor of the Seller or another Member System, or is not owned by or affiliated with such a business competitor of the Seller or another Member System, provided that the Member and such third party shall have provided assurances, in form and substance satisfactory to the Seller and the Administrator, that the obligations of the Member under the Power Contract and this Supplemental Agreement have been assumed by and are binding on such third party, the third party shall have the ability to perform its payment and other obligations under the Power Contract and this Supplemental Agreement, electric service will continue to be provided to those customers served by such Member, and such merger or consolidation will not otherwise materially adversely affect the Seller or the Government.

SECTION 3. Specific Performance Available.

The Seller, the Member and the Administrator agree that (i) if the Member shall fail to comply with any provision of the Power Contract, the Seller, or the Administrator, if the Administrator so elects, shall have the right to enforce the obligations of the Member under the provisions of the Power Contract and (ii) if the Seller shall fail to comply with any provision of the Power Contract, the Member, or the Administrator, if the Administrator so elects, shall have the right to enforce the obligations of the Seller under the provisions of the Power Contract. Such enforcement may be by instituting all necessary actions at law or suits in equity, including, without limitation, suits for specific performance. Such rights of the Administrator to enforce the provisions of the Power Contract are in addition to and shall not limit the rights which the Administrator shall otherwise have as third party beneficiary of the Power Contract or pursuant to

the assignment and pledge of the Power Contract and the payments required to be made thereunder as provided in the "Mortgage" referred to in the Power Contract. The government shall not, under any circumstances, assume or be bound by the obligations of the Seller or Member under the Power Contract except to the extent the Government shall agree in writing to accept and be bound by any such obligations in whole or in part.

SECTION 4. This Agreement may be simultaneously executed and delivered in two or more counterparts, each of which so executed and delivered shall be deemed to be an original, and all shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the day and year first above mentioned.

By: Keith Sloan
Member
Title: General Manager/CEO

ATTEST:
Tom Este
Secretary

By: Ed Schultz
Seller
Title: CHAIRMAN OF THE BOARD

ATTEST:
Diana Tolson
Secretary

UNITED STATES OF AMERICA

By: _____
**Administrator
of the
Rural Utilities Service**

MEMORANDUM OF AGREEMENT

This Memorandum of Agreement, dated 8/13/98, by and between South Ky RECC, a Kentucky corporation with its principal office at 925-929 N. Main St. Somerset, KY (hereinafter called "Member"); and East Kentucky Power Cooperative, Inc., a Kentucky corporation with its principal offices at 4775 Lexington Road, P. O. Box 707, Winchester, Kentucky 40392-0707 (hereinafter referred to as "Seller").

WITNESSETH

Whereas, Seller and Member are parties to a Wholesale Power Contract (the "Power Contract") along with the United States of America, acting through the Administrator of the Rural Utilities Service (the "Administrator") dated ~~8/13/98~~ ^{10/1/04}, and a Supplemental Agreement to said Power Contract (the "Agreement") dated 8/13/98, and

Whereas, The Parties hereto desire to establish certain additional understandings relating to said Agreement;

Now, Therefore, in consideration of the mutual covenants made herein, the parties hereto agree as follows:

1. Settlement Efforts

In the event that Member shall determine to enter any transaction requiring approval under paragraph 1(a) of the Agreement or to exercise its rights under paragraph 1(b) of the Agreement, Seller and Member agree to enter into negotiations in good faith in an effort to reach a mutually acceptable determination of any factual issues concerning the possible adverse impacts of such actions and/or a fair and equitable determination of a settlement amount or the portion of outstanding indebtedness on Seller's Notes and other obligations, which portion shall be determined as provided in paragraph 1(b) of the

Agreement, that Member shall be required to pay. The parties agree to keep all of Seller's other Member Systems advised of the progress of such negotiations and to seek the advice and input of such Member Systems, as appropriate. In the event that the parties cannot reach agreement on the subjects involved in such negotiations, they may agree to utilize alternative dispute resolution measures to facilitate the completion of the negotiations : Provided however, that nothing herein shall limit the rights of the Administrator to determine the acceptability of such a determination or settlement with Seller or such portion of Seller's indebtedness that must be paid by the Member, taking into account the recommendation of the Member and Seller.

2. Fundamental Rights.

The parties hereto agree that the terms of the Supplemental Agreement are not intended to and do not change the fundamental rights of the parties under the Power Contract, and do not change any legal rights of the Seller or Member which existed prior to the execution of the Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the day and year first above mentioned.

By: *Keith Sloan*
Member
Title: *General Manager/CEO*

ATTEST
Tom Estes
Secretary

By: *EA Gullett*
Seller
Title CHAIRMAN OF THE BOARD

ATTEST
Diana Tolson
Secretary

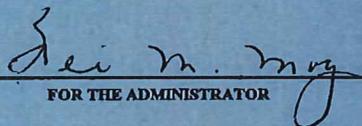
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U.S. DEPARTMENT OF AGRICULTURE
RURAL UTILITIES SERVICE

RUS BORROWER DESIGNATION Kentucky 54 Wayne

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PURPOSES OF SUCH CONTRACT.


FOR THE ADMINISTRATOR

DATED

10/5/99

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WHEREAS, the Seller and the Member have entered into a contract for the purchase and sale of electric power and energy dated 10/1/64
8/13/98, which contract, as it may heretofore have been amended and supplemented, is hereinafter called the "Power Contract"; and,

WHEREAS, the Seller is seeking a new loan which is subject to the approval of the Administrator; and,

WHEREAS, the Government is relying on the Power Contract as supplemented by this Supplemental Agreement, and similar contracts between Seller and other borrower from the Rural Utilities Service to assure that the "Notes" referred to in the Power Contract are repaid and the purposes of the Rural Electrification Act of 1936, as amended, are carried out and the Seller and Member by executing this Supplemental Agreement, acknowledge this reliance.

NOW, THEREFORE, for and in consideration of the mutual undertaking herein contained and the approval by the Administrator of the pending loan, the parties hereto agree as follows:

SECTION I Limitations on Transfers of the Member's Assets.

(a) The Member agrees that, for so long as any of the Seller Notes are outstanding, the Member will not, without the approval in writing of the Seller and the Administrator, take or suffer to be taken any steps for reorganization or dissolution, or to consolidate with or merge into any corporation, or to sell, lease or transfer (or make any agreement therefor) all or a substantial portion of its assets, whether now owned or hereafter acquired. The Seller will not unreasonably withhold or condition its consent to any such reorganization, dissolution, consolidation, or merger,

or to any such sale, lease or transfer (or any agreement therefor) of assets. The Seller will not withhold or condition its consent except in cases where to do so otherwise would result in rate increases for the other members of the Seller or impair the ability of the Seller to repay its secured loans in accordance with their terms, or adversely affect system performance in any material way.

(b) Notwithstanding paragraph (a) of this section, the Member may take or suffer to be taken any steps for reorganization or dissolution or to consolidate with or merge into any corporation or to sell, lease or transfer (or make any agreement therefor) all or a substantial portion of its assets, whether now owned or hereafter acquired without the Seller's consent, so long as the Member shall pay such portion of the outstanding indebtedness on the Seller's Notes or other obligations as shall be determined by the Seller with the prior written consent of the Administrator and shall otherwise comply with such reasonable terms and conditions as the Administrator and Seller may require either:

(1) to eliminate any adverse effect that such action seems likely to have on the rates of the other members of the Seller, or

(2) to assure that the Seller's ability to repay the Seller Notes and other obligations of the Seller in accordance with their terms is not impaired.

(c) The Administrator may require, among other things, that any payment owed under (b)(2) of this section that represent a portion of the Seller's indebtedness on the Seller Notes shall be paid by the Member in the manner necessary to accomplish a defeasance of those obligations in accordance with the loan documents relating thereto, or be paid directly to the holders of the Seller Notes for application by them as prepayments in accordance with the provisions of such documents, or be paid to the Seller and held and invested in a manner satisfactory to the Administrator.

SECTION 2. Permitted Transactions.

Notwithstanding the provisions of section 1 of this Supplemental Agreement, the Member may merge into or consolidate with:

(i) another member of the Seller, provided that the Member shall have provided evidence, in form and substance satisfactory to the Seller and the Administrator, that the obligations of the Member under the Power Contract and this Supplemental Agreement have been assumed by and are binding on the successor; or

(ii) a third party that is not a business competitor of the Seller or another Member System, or is not owned by or affiliated with such a business competitor of the Seller or another Member System, provided that the Member and such third party shall have provided assurances, in form and substance satisfactory to the Seller and the Administrator, that the obligations of the Member under the Power Contract and this Supplemental Agreement have been assumed by and are binding on such third party, the third party shall have the ability to perform its payment and other obligations under the Power Contract and this Supplemental Agreement, electric service will continue to be provided to those customers served by such Member, and such merger or consolidation will not otherwise materially adversely affect the Seller or the Government.

SECTION 3. Specific Performance Available

The Seller, the Member and the Administrator agree that (i) if the Member shall fail to comply with any provision of the Power Contract, the Seller, or the Administrator, if the Administrator so elects, shall have the right to enforce the obligations of the Member under the provisions of the Power Contract and (ii) if the Seller shall fail to comply with any provision of the Power Contract, the Member, or the Administrator, if the Administrator so elects, shall have the right to enforce the obligations of the Seller under the provisions of the Power Contract. Such enforcement may be by instituting all necessary actions at law or suits in equity, including, without limitation, suits for specific performance. Such rights of the Administrator to enforce the provisions of the Power Contract are in addition to and shall not limit the rights which the Administrator shall otherwise have as third party beneficiary of the Power Contract or pursuant to

the assignment and pledge of the Power Contract and the payments required to be made thereunder as provided in the "Mortgage" referred to in the Power Contract. The government shall not, under any circumstances, assume or be bound by the obligations of the Seller or Member under the Power Contract except to the extent the Government shall agree in writing to accept and be bound by any such obligations in whole or in part.

SECTION 4. This Agreement may be simultaneously executed and delivered in two or more counterparts, each of which so executed and delivered shall be deemed to be an original, and all shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the day and year first above mentioned.

By: Keith Sloan
Member
Title: General Manager/CEO

ATTEST:
Tom Este
Secretary

By: Eric Sulherst
Seller
Title: CHAIRMAN OF THE BOARD

ATTEST:
Diana Tolson
Secretary

UNITED STATES OF AMERICA

By: _____
**Administrator
of the
Rural Utilities Service**

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WITNESSETH

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Agreement, that Member shall be required to pay. The parties agree to keep all of Seller's other Member Systems advised of the progress of such negotiations and to seek the advice and input of such Member Systems, as appropriate. In the event that the parties cannot reach agreement on the subjects involved in such negotiations, they may agree to utilize alternative dispute resolution measures to facilitate the completion of the negotiations : Provided however, that nothing herein shall limit the rights of the Administrator to determine the acceptability of such a determination or settlement with Seller or such portion of Seller's indebtedness that must be paid by the Member, taking into account the recommendation of the Member and Seller.

2. Fundamental Rights.

The parties hereto agree that the terms of the Supplemental Agreement are not intended to and do not change the fundamental rights of the parties under the Power Contract, and do not change any legal rights of the Seller or Member which existed prior to the execution of the Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the day and year first above mentioned.

By: *Keith Sloan*
Member
Title: *General Manager/CEO*

ATTEST

Tom Estes
Secretary

By: *E.A. Gilbert*
Seller

Title: CHAIRMAN OF THE BOARD

ATTEST

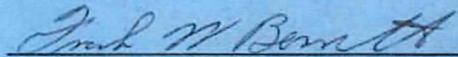
Diana Tolson
Secretary

U. S. DEPARTMENT OF AGRICULTURE
RURAL ELECTRIFICATION ADMINISTRATION

REA BORROWER DESIGNATION Kentucky 54 Wayne

THE WITHIN Amendment No. 2 dated March 20, 1980, to the
Wholesale Power Contract dated October 1, 1964, with East
Kentucky Power Cooperative, Inc.

SUBMITTED BY THE ABOVE DESIGNATED BORROWER PURSUANT TO THE
TERMS OF THE LOAN CONTRACT, IS HEREBY APPROVED SOLELY FOR THE
PURPOSES OF SUCH CONTRACT.


FOR THE ADMINISTRATOR

DATED

5/14/81

SECOND AMENDMENT
TO
WHOLESALE POWER CONTRACT, AS AMENDED

THIS AMENDMENT made on April 1, 1980 by and between EAST KENTUCKY POWER COOPERATIVE, INC. (formerly named EAST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION), a corporation organized and existing under the laws of the Commonwealth of Kentucky, hereinafter called "SELLER", and SOUTH KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION, a corporation organized and existing under the laws of the Commonwealth of Kentucky, hereinafter called "MEMBER".

WHEREAS, SELLER and MEMBER have entered into a contract dated October 1, 1964, for the purchase and sale of electric power and energy, with the approval of the Administrator of the Rural Electrification Administration, and said Wholesale Power Contract is now in full force and effect; and

WHEREAS, SELLER, MEMBER and the aforesaid Administrator have entered into a Supplemental Agreement dated October 1, 1964, that provides for certain rights and obligations to guarantee compliance with the aforesaid Wholesale Power Contract; and

WHEREAS, SELLER and MEMBER have also entered into a First Amendment to Wholesale Power Contract dated October 21, 1976, that provides for an extension in the Wholesale Power Contract from 2010 to 2018 in compliance with REA loan policy and requirements; and

WHEREAS, SELLER has proposed and the aforesaid Administrator is contemplating a loan, guaranteed or otherwise, in the approximate amount of \$1,500,000,000 to finance a project consisting of the construction and operation of two 650 MW generating units, with related substation and transmission

line facilities; and

NOW, THEREFORE, in consideration of the mutual undertakings herein contained, and in order to consummate and finalize the aforesaid financial arrangements, SELLER and MEMBER do hereby reiterate and reaffirm the provisions of the aforesaid Wholesale Power Contract, Supplemental Agreement and First Amendment to Wholesale Power Contract with the exception of the following provisions to which they do now hereby agree to amend and adopt, to-wit:

1. Section 2 of the aforesaid Wholesale Power Contract, as Amended, is further amended to read:

Electric Characteristics and Delivery Point(s). Electric power and energy to be furnished hereunder shall be alternating current, three phase, four wire, sixty cycle. The Seller shall make and pay for all final connections between the systems of the SELLER and the MEMBER at the point(s) of delivery.

The points of delivery will be:

<u>Albany</u>	<u>Bronston</u>	<u>East Somerset</u>	<u>Floyd</u>
<u>Monticello</u>	<u>Mt. Olive</u>	<u>Mt. Victory</u>	<u>Nancy</u>
	<u>Norwood</u>	<u>Russell Springs</u>	<u>Sewellton</u>
	<u>Shopville</u>	<u>Somerset</u>	<u>South Albany</u>
	<u>Whitley City</u>	<u>Windsor</u>	<u>Zula</u>

and such other points as may be required by MEMBER to adequately serve their respective members.

2. Section 10 of the aforesaid Wholesale Power Contract, as Amended, is further amended to read:

Term. This Agreement shall become effective only upon approval in writing by the Administrator and shall remain in effect until

January 1, 2025, and thereafter until terminated by either party's giving to the other not less than six months' written notice of its intention to terminate. Subject to the provisions of Article 1 hereof, service hereunder and the obligation of the MEMBER to pay therefor shall commence upon completion of the facilities necessary to provide service.

IN WITNESS WHEREOF, the parties have caused this Second Amendment to be duly executed as of the date first above written.

(SELLER) EAST KENTUCKY POWER COOPERATIVE, INC.

By:

James S Patterson
Chairman of the Board

ATTEST:

Howard Rayland
Secretary

(MEMBER) SOUTH KENTUCKY RECC

By:

Heyle B Morrison
(Title) President of the Board

ATTEST:

Richard S. Stephens
Secretary

APPROVED: UNITED STATES OF AMERICA

By:

Administrator of
Rural Electrification Administration

001098

FROM THE MINUTE BOOK OF PROCEEDINGS
OF THE BOARD OF DIRECTORS OF

South Kentucky RECC

At a regular meeting of the Board of Directors of South Kentucky
RECC held at Somerset, Kentucky on 20th,
March, 1980, the following business was transacted:

A document entitled Second Amendment to Wholesale Power Contract, as Amended, dated October 21, 1976, with East Kentucky Power Cooperative, Inc. was presented. This Amendment lists all current points (substations) of power deliveries and extends the expiration date of the aforesaid contract, as Amended, from January 1, 2018 to January 1, 2025 in compliance with REA Loan Policy and Requirements.

After discussion, a motion was made, seconded and passed to approve this Second Amendment to Wholesale Power Contract, as Amended, and authorize its execution.

The foregoing is a true and exact copy of a resolution passed at a meeting called pursuant to proper notice at which a quorum was present and which now appears on the Minute Book of Proceedings of the Board of Directors of the Cooperative and said resolution has not been rescinded or modified.

Witness my hand and seal this 20th day of March, 1980.

Richard J. Stephens, Secretary

Corporate Seal

001099

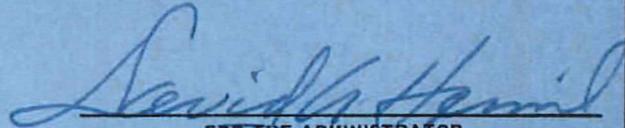
VAULT FILE

U. S. DEPARTMENT OF AGRICULTURE
RURAL ELECTRIFICATION ADMINISTRATION

REA BORROWER DESIGNATION Kentucky 54 Wayne

THE WITHIN Amendment #1 dated October 21, 1976 to Wholesale
Power Contract dated October 1, 1964 with East Kentucky Power
Cooperative, Inc.

SUBMITTED BY THE ABOVE DESIGNATED BORROWER PURSUANT TO THE
TERMS OF THE LOAN CONTRACT, IS HEREBY APPROVED SOLELY FOR THE
PURPOSES OF SUCH CONTRACT.

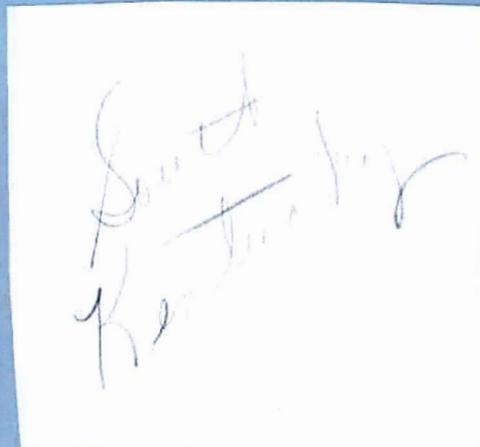


FOR THE ADMINISTRATOR

DAVID A. HAMIL
Administrator

DATED

JAN 12 1977



001100

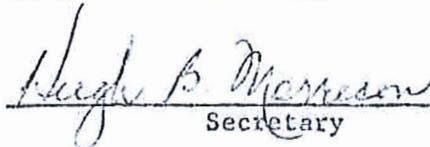
SOUTH KENTUCKY RECC
SOMERSET, KENTUCKY

Resolution Approving First Amendment to
Wholesale Power Contract

RESOLUTION: A document entitled First Amendment to Wholesale Power Contract dated October 1, 1964 with East Kentucky Power Cooperative, Inc. was presented. This amendment lists all current points (substations) of power deliveries and extends the expiration date of the aforesaid contract from January 1, 2010 to January 1, 2018 in compliance with REA Loan Policy and Requirements.

After discussion, a motion was made, seconded and passed to approve this First Amendment to Wholesale Power Contract and authorize its execution.

I, Hugh B. Morrison, Secretary of South Kentucky Rural Electric Cooperative Corporation do hereby certify that the above is a true and correct copy of a resolution duly adopted by the Board of Directors of said cooperative and entered in the minutes of the meeting held on the 21st day of October, 1976.


Secretary

FIRST AMENDMENT TO
WHOLESALE POWER CONTRACT

THIS AMENDMENT made on October 21, 1976 by and between EAST KENTUCKY POWER COOPERATIVE, INC. (formerly named EAST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION), a corporation organized and existing under the laws of the Commonwealth of Kentucky, hereinafter called "SELLER", and SOUTH KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION, a corporation organized and existing under the laws of the Commonwealth of Kentucky, hereinafter called "MEMBER".

WHEREAS, SELLER and MEMBER have entered into a contract dated October 1, 1964, for the purchase and sale of electric power and energy, with the approval of the Administrator of the Rural Electrification Administration, and said Wholesale Power Contract is now in full force and effect; and

WHEREAS, SELLER, MEMBER and the aforesaid Administrator have entered into a Supplemental Agreement dated October 1, 1964, that provides for certain rights and obligations to guarantee compliance with the aforesaid Wholesale Power Contract; and

WHEREAS, the aforesaid Administrator has entered into a contract of guarantee with SELLER, whereby SELLER shall obtain a guaranteed loan of \$379,268,000 to finance a project consisting of the construction and operation of a 500 MW generating unit at the Spurlock Power Station, with related substation and transmission line facilities; and

NOW, THEREFORE, in consideration of the mutual undertakings herein contained, and in order to consummate and finalize the aforesaid financial

arrangements, SELLER and MEMBER do hereby reiterate and reaffirm the provisions of the aforesaid Wholesale Power Contract and Supplemental Agreement with the exception of the following provisions to which they do now hereby agree to amend and adopt, to-wit:

1. Section 2 of the aforesaid Wholesale Power Contract is amended to read:

Electric Characteristics and Delivery Point(s). Electric power and energy to be furnished hereunder shall be alternating current, three phase, four wire, sixty cycle. The Seller shall make and pay for all final connections between the systems of the Seller and the Member at the point(s) of delivery.

The points of delivery will be:

<u>Albany</u>	<u>Mt. Olive</u>	<u>Sewellton</u>
		<u>Shopville</u>
<u>Bronston</u>	<u>Mt. Victory</u>	<u>Somerset</u>
		<u>South Albany</u>
<u>Floyd</u>	<u>Nancy</u>	<u>Whitley City</u>
		<u>Windsor</u>
<u>Ingle</u>	<u>Norwood</u>	<u>Zula</u>
<u>Monticello</u>	<u>Russell Springs</u>	

and such other points as may be required by Member to adequately serve their respective members.

2. Section 10 of the aforesaid Wholesale Power Contract is amended to read:

Term. This Agreement shall become effective only upon approval in writing by the Administrator and shall remain in effect until January 1, 2018, and thereafter until terminated by either party's giving to the other not less than six months' written notice of its intention to terminate. Subject to the provisions of Article 1

hereof, service hereunder and the obligation of the Member to pay therefor shall commence upon completion of the facilities necessary to provide service.

IN WITNESS WHEREOF, the parties have caused this First Amendment to be duly executed as of the date first above written.

(SELLER) EAST KENTUCKY POWER COOPERATIVE, INC.

By: James S. Patterson
Chairman of the Board

ATTEST:

Howard Rayland
Secretary

(MEMBER) SOUTH KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION

By: Grant C. Rice
(Title) President

ATTEST: 10/21/76

Hugh B. Morrison
Secretary

001104

RECEIVED JAN 31 1977

001106

W H O L E S A L E P O W E R C O N T R A C T

Between

EAST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION

and

SOUTH KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION

Made as of October 1, 1964

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EAST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION

WHOLESALE POWER CONTRACT
(Superseding Previous Contract)

AGREEMENT made as of October 1, 1964, between EAST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION (hereinafter called the "Seller"), a corporation organized and existing under the laws of the State of Kentucky and SOUTH KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION (hereinafter called the "Member"), a corporation organized and existing under the laws of the State of Kentucky.

WHEREAS, the Seller owns and operates electric generating plants, transmission system and other facilities, and may purchase or otherwise obtain electric power and energy for the purpose, among others, of supplying electric power and energy to borrowers from the Rural Electrification Administration which are or may become members of the Seller; and

WHEREAS, the Seller has heretofore entered into or is about to enter into agreements for the sale of electric power and energy similar in form to this agreement with all of the borrowers which are members of the Seller, and may enter into similar contracts with other such borrowers who may become members, and

WHEREAS, the Member desires to purchase electric power and energy from the Seller on the terms and conditions herein set forth;

NOW THEREFORE, in consideration of the mutual undertakings herein contained, the parties hereto agree as follows:

1. General. The Seller shall sell and deliver to the Member and the Member shall purchase and receive from the Seller all electric power and energy which the Member shall require for the operation of the Member's system to the extent that the Seller shall have such power and energy and facilities available; provided, however, that the Member shall have the right to continue to purchase electric power and energy under any existing contract or contracts with a supplier other

than the Seller during the remainder of the term thereof. The Member shall terminate, if the Seller shall, with the approval or at the direction of the Administrator of the Rural Electrification Administration (hereinafter called the "Administrator"), so request, any such existing contract or contracts with a supplier other than the Seller at such times as it may legally do so, provided the Seller shall have sufficient electric power and energy and facilities available for the Member.

2. Electric Characteristics and Delivery Point(s). Electric power and energy to be furnished hereunder shall be alternating current, three phase, four wire, sixty cycle. The Seller shall make and pay for all final connections between the systems of the Seller and the Member at the point(s) of delivery.

The points of delivery will be:

<u>Albany</u>	<u>Sewellton</u>	<u>Windsor</u>
<u>Floyd</u>	<u>Shopville</u>	<u>Mt. Olive</u>
<u>Monticello</u>	<u>Somerset</u>	
<u>Nancy</u>	<u>Whitley City</u>	
<u> </u>	<u> </u>	<u> </u>

and such other points as may be required by Member to adequately serve their respective members.

3. Substations. The Seller shall install, own, and maintain the necessary substation equipment at the point(s) of connection. The Seller shall own and maintain switching and protective equipment which may be reasonably necessary to enable the Member to take and use the electric power and energy hereunder and to protect the system of the Seller. Meters and metering equipment shall be furnished and maintained by the Seller and shall be located at the point of delivery on the low voltage side of such transforming equipment. Member will be responsible for reading meters and making reading information available to Seller.

4. Rate.(a) The Member shall pay the Seller for all electric power and energy furnished hereunder at the rates and on the terms and conditions set forth

in Rate Schedule A, (Effective January 1, 1963), attached hereto and made a part hereof.

(b) The Board of Directors of the Seller at such intervals as it shall deem appropriate, but in any event not less frequently than once in each calendar year, shall review the rate for electric power and energy furnished hereunder and under similar agreements with other Members and, if necessary, shall revise such rate so that it shall produce revenues which shall be sufficient, but only sufficient, with the revenues of the Seller from all other sources, to meet the cost of the operation and maintenance (including without limitation, replacements, insurance, taxes and administrative and general overhead expenses) of the generating plant, transmission system and related facilities of the Seller, the cost of any power and energy purchased for resale hereunder by the Seller, the cost of transmission service, make payments on account of principal of and interest on all indebtedness of the Seller, and to provide for the establishment and maintenance of reasonable reserves. The Seller shall cause a notice in writing to be given to the Member and other members of the Seller and the Administrator which shall set out all the proposed revisions of the rate with the effective date thereof, which shall be not less than thirty (30) nor more than forty-five (45) days after the date of the notice, and shall set forth the basis upon which the rate is proposed to be adjusted and established. The Member agrees that the rate from time to time established by the Board of Directors of the Seller shall be deemed to be substituted for the rate herein provided and agrees to pay for electric power and energy furnished by the Seller to it hereunder after the effective date of any such revisions at such revised rates; provided, however, that no such revision shall be effective unless approved in writing by the Administrator.

5. Meter Readings and Payment of Bills. The Member shall read meters monthly. Electric power and energy furnished hereunder shall be paid for at the office of the Seller in Seller's designated office monthly within fifteen(15)

days after the bill therefor is mailed to the Member. If the Member shall fail to pay any such bill within such fifteen-day period, the Seller may discontinue delivery of electric power and energy hereunder upon fifteen (15) days' written notice to the Member of its intention so to do.

6. Meter Testing and Billing Adjustment. The Seller shall test and calibrate meters by comparison with accurate standards at intervals of twelve (12) months. The Seller shall also make special meter tests at any time at the Member's request. The costs of all tests shall be borne by the Seller; provided, however, that if any special meter test made at the Member's request shall disclose that the meters are recording accurately, the Member shall reimburse the Seller for the cost of such test. Meters registering not more than two per cent (2%) above or below normal shall be deemed to be accurate. The readings of any meter which shall have been disclosed by test to be inaccurate shall be corrected for the ninety (90) days previous to such test in accordance with the percentage of inaccuracy found by such test. If any meter shall fail to register for any period, the Member and the Seller shall agree as to the amount of power and energy furnished during such period and the Seller shall render a bill therefor.

7. Notice of Meter Reading or Test. The Seller shall notify the Member in advance of the time of any meter reading or test so that the Member's representative may be present at such meter reading or test.

8. Right of Access. Duly authorized representatives of either party hereto shall be permitted to enter the premises of the other party hereto at all reasonable times in order to carry out the provisions hereof.

9. Continuity of Service. The Seller shall use reasonable diligence to provide a constant and uninterrupted supply of electric power and energy hereunder. If the supply of electric power and energy shall fail or be interrupted, or become defective through act of God or of the public enemy, or because of accident, labor troubles, or any other cause beyond the control of the Seller, the Seller shall not be liable therefor or for damages caused thereby.

10. Term. This Agreement shall become effective only upon approval in writing by the Administrator and shall remain in effect until January 1, 2010, and thereafter until terminated by either party's giving to the other not less than six months' written notice of its intention to terminate. Subject to the provisions of Article 1 hereof, service hereunder and the obligation of the Member to pay therefor shall commence upon completion of the facilities necessary to provide service.

When this contract and agreement is fully approved and executed, it completely replaces and supersedes Wholesale Power Contract dated January 13, 1951, and all amendments related thereto, between Seller and Member.

EXECUTED THE day and year first above mentioned.

EAST KENTUCKY RURAL ELECTRIC COOP.CORP.

Seller

By: Alex B. Wade
President

ATTEST:

James S. Patterson
Secretary

SOUTH KENTUCKY RURAL ELECTRIC COOP.CORP.

Member

By: Frank Crawford
President

ATTEST:

C.E. Smith
Secretary

SUPPLEMENTAL AGREEMENT

AGREEMENT made as of October 1, 1964, between EAST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION (hereinafter called the "Seller"), SOUTH KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION (hereinafter called the "Member"), and the United States of America, acting through the Administrator of the Rural Electrification Administration (hereinafter called the "Administrator").

WHEREAS, the Seller and the Member have entered into a contract for the purchase and sale of electric power and energy, which contract is attached hereto and is hereinafter called the "Power Contract"; and

WHEREAS, the execution of the Power Contract between the Member and the Seller is subject to the approval of the Administrator under the terms of the loan contracts entered into with the Administrator by the Seller and the Member respectively;

NOW, THEREFORE, in consideration of the mutual undertakings herein contained, and the approval by the Administrator of the Power Contract, the parties hereto agree as follows:

1. The Seller, the Member and the Administrator agree that if the Member, upon being requested to do so by the Seller with the approval or at the direction of the Administrator, shall fail to terminate any contract with a power supplier other than the Seller, as provided by Section 1 of the Power Contract, the Seller, or the Administrator if he shall so elect, shall have the right to enforce the obligations of the Member under the provisions of said Section 1 of the Contract by instituting all necessary actions at law or suits in equity, including, without limitations, suits for specific performance.

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed as of the day and year first above mentioned.

001114

Supplemental Agreement
(Contd.) - Page 2

EAST KENTUCKY RURAL ELECTRIC COOP. CORP.
Seller

By: Alex B Decker
President

ATTEST:

James S Patterson
Secretary

SOUTH KENTUCKY RURAL ELECTRIC COOP. CORP.
Member

By: Frank Crawford
President

ATTEST:

C. E. Smith
Secretary

UNITED STATES OF AMERICA

By: _____
Administrator
of
Rural Electrification Administration

EAST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION
Wholesale Power Rate Structure
Schedule A (Revised - Effective January 1, 1963)

001115

AVAILABILITY

Available to all cooperative associations which are or shall be members of the Seller. The electric power and energy furnished hereunder shall be separately metered for each point of delivery.

MONTHLY RATE - PER SUBSTATION OR METERING POINT

Substation Charge

\$100 per month for each energized substation. In the event of joint utilization, this charge shall be divided equally.

Demand Charge

\$1.10 per kw of billing demand.

Energy Charge

First 300,000 Kwh @ 5.0 mills per Kwh
Next 400,000 Kwh @ 4.4 mills per Kwh
Excess of 700,000 Kwh @ 3.9 mills per Kwh

Minimum Monthly Charge

The minimum monthly charge under the above rate shall not be less than \$100 to each member for each energized substation (metering point).

BILLING DEMAND

The billing demand is the arithmetical sum of the maximum kilowatt demands measured (and adjusted for power factor as provided below) at all points of delivery. The maximum kilowatt demand at each point of delivery shall be the highest average rate at which energy is used during any fifteen consecutive minute period of the month.

FUEL ADJUSTMENT

The above energy charges will be increased or decreased 0.001323¢ per Kwh for each .1¢ by which the average delivered cost of fuel at the Dale and Cooper stations during the immediately preceding six months exceeds 21¢ or is less than 18¢ per million BTU.

POWER FACTOR ADJUSTMENT

The member cooperative agrees to maintain unity power factor as nearly as practicable at each point of delivery. If the power factor measured at a point of delivery at the time of monthly maximum demand is determined to be less than 80%, the monthly maximum demand measured at that point of delivery shall be adjusted by multiplying the monthly maximum demand by 80% and dividing the product thus obtained by the actual per cent power factor measured at the time of such maximum demand.

001116

RECEIVED
JAN 18 1985
EAST KENTUCKY R. E. C. C.