

**MEMORANDUM**

**TO:** Board of Directors  
Member System Managers

**FROM:** Roy M. Palk

**SUBJECT:** Amendment No. 3 to the Wholesale Power Contract

**DATE:** October 8, 2003

With their permission, I am sending you a copy of Allen and Tony's letter dated October 6, 2003. This letter served as a basis for a detailed conversation with them and their attorneys on Tuesday afternoon. We have agreed to have a follow-up discussion later this week, possibly on Friday. Tony and Allen are working to develop their thoughts regarding a term sheet for a Partial Requirements Contract (point 3), and to possibly offer additional options to the four suggestions already on the table regarding allocation of the five percent EKPC average peak, and the fifteen percent average member system peak (point 2).

I am also resubmitting for your attention the four suggestions previously shared with you.

rmp/lh  
enclosures

*Material emailed to directors and managers on 10/8/03.*

*Copy mailed to:*

*Jimmy Longmire  
Jack Dinter*

*Wade May  
P. D. Depp*

Method 1:

Each co-op is allocated 5% and is allowed to give, trade or sell it if they do not want to use it themselves.

Method 2:

Each co-op is asked if they want it and it is then allocated only to those co-ops that express a desire to use their allocation. They are then free to use, sell, trade or give away their allocation.

Method 3:

EKPC auctions off its allocation in 5 MW (or any other size) bundles to the highest bidder.

Method 4:

First come first serve.

(H:Legal/misc/wpc/bdmem)