

THIS CONTRACT HAS BEEN REPLACED
BY CONTRACT #174
Superseded

81
CONTRACT #62

U.S. DEPARTMENT OF AGRICULTURE
RURAL ELECTRIFICATION ADMINISTRATION

REX BORROWER DESIGNATION Contract #62 Big Rivers
THE WITHIN Interconnection Agreement entered September 15, 1955
between Henderson Municipal Power and Light Department and Big
Rivers Central 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.

DATED

NOV 27 1955

[Signature]
RURAL ELECTRIFICATION ADMINISTRATION

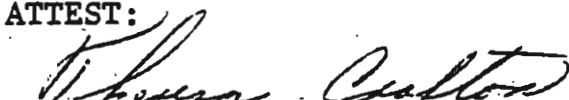
This agreement is hereby approved and adopted by the City of Henderson, Kentucky, and the action of the Utility Commission of Henderson, Kentucky in making this agreement is hereby ratified by the City of Henderson, Kentucky.

Executed pursuant to authority granted by resolution of the Board of Commissioners of the City of Henderson, Kentucky adopted on second and final reading on September 28, 1965.

CITY OF HENDERSON, KENTUCKY


Robert B. Posey, Mayor

ATTEST:


Theresa Crafton, City Clerk

(City Seal)

INTERCONNECTION AGREEMENT

Between

MUNICIPAL POWER AND LIGHT, HENDERSON, KENTUCKY

and

BIG RIVERS RURAL ELECTRIC COOPERATIVE CORPORATION

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INTERCONNECTION AGREEMENT

Between

MUNICIPAL POWER AND LIGHT, HENDERSON, KENTUCKY

and

BIG RIVERS RURAL ELECTRIC COOPERATIVE CORPORATION

THIS AGREEMENT made and entered into this 1st day of September, 1965, by and between MUNICIPAL POWER AND LIGHT, Henderson, Kentucky, hereinafter referred to as "Municipal P & L" and BIG RIVERS RURAL ELECTRIC COOPERATIVE CORPORATION, a Kentucky corporation of Henderson, Kentucky, hereinafter referred to as "Big Rivers".

WITNESSETH, THAT:

WHEREAS, Municipal P & L owns and operates the electric production and distribution system within and near the corporate limits of Henderson, Kentucky, and

WHEREAS, Big Rivers is an electric utility operating in western Kentucky by producing and transporting electric power and energy, and

WHEREAS, the parties have determined that interconnection of the Big Rivers system and the Municipal P & L system to achieve maximum integration of electrical facilities will bring about the realization of benefits and advantages, and

WHEREAS, the parties desire to establish an interconnection between their respective systems and to fix the terms and conditions upon which such an interconnection will be provided and/or built and

upon which the supply and sale of electric power shall be effected.

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

ARTICLE 1

General Facilities

1.01 System and Facilities of Municipal P & L.

Any reference to system and facilities of Municipal P & L shall mean the generation facilities and transmission facilities operated above 24 KV and other related facilities owned, leased, or otherwise operated by Municipal P & L which can be utilized by Municipal P & L for the generation, transmission, and receipt of power and energy under this agreement.

1.02 System and Facilities of Big Rivers RECC.

Any reference to system and facilities of Big Rivers RECC shall mean the generating facilities and transmission facilities operated above 24 KV and other related facilities owned, leased, or otherwise operation by Big Rivers which can be utilized by Big Rivers for the generation, transmission, and receipt of power and energy under this agreement.

ARTICLE 2

Integrated Operations

2.01 Purpose of Integration.

The Municipal P & L and Big Rivers RECC particularly agree:

- (a) to interconnect their transmission systems so as to constitute an integrated system.

- (b) to furnish mutual emergency assistance.
- (c) to coordinate maintenance schedule of generation and transmission facilities
- (d) to interchange, sell, and purchase energy to effect operating economics.
- (e) to transfer energy through the transmission system of one party for the benefit of the other.
- (f) to sell and purchase interim power and associated energy available on the system of the other.
- (g) to do such other things as may be necessary to provide for the integrated system the maximum assurance of an adequate supply of power and energy at minimum cost.

2.02 Integrated System.

Each of the parties hereto shall at all times, during the term of this contract, cooperate in the establishment, maintenance, and operation of their respective systems which will be interconnected. Such additional facilities as are necessary to maintain capacity required shall be provided as may be agreed upon by the parties.

2.03 Points of Interconnection.

The point of interconnection shall be at or near Henderson Substation of Henderson-Union Rural Electric Cooperative Corp.. The Municipal P & L shall furnish and construct from their existing facilities all transmission lines and other related facilities to the point of interconnection.

Additional points of interconnection may be established from time to time during the term hereof by mutual agreement of the parties.

2.04 Points and Character of Delivery.

All electric power and energy exchanged between the parties hereto at the points of interconnection shall nominally be delivered and received as three phase alternating current, at a frequency of approximately 60 cycles per second and at the nominal voltage at such points of interconnection.

2.05 Operation of System

The parties shall operate their systems in parallel at all times, insofar as practical, during the term of this agreement. The parties hereto agree to coordinate their operations to assure maximum continuity of service to their respective customers, and with relation thereto shall cooperate with one another in the establishment of schedules for operation of equipment and maintenance and shall cooperate in the coordination of relay protection, frequency and load control, and communications. Each party hereto shall maintain and operate all facilities owned and constructed by it in such a way as to minimize interruptions to service.

2.06 Generating Capacity

The term "generating capacity" as used herein shall mean the demonstrated four-hour, unit or units, capability at the time of annual peak load, less the capacity required to operate the auxiliaries of the unit or units included in the four-hour rating of capability.

"Generating capacity" shall be determined at the effective date of this contract, by the Operating Committee, and as often thereafter as any substantial change may occur.

2.07 Providing of Capacity Requirements

Each Party shall maintain at all times sufficient capacity to supply its own requirements. Such Party's system capacity requirements shall be provided for by the Generating Capacity as established in Sub-Article 2.06 above, or any addition of generating capacities thereto, or by purchasing capacity from each other, or from sources other than the principals of this agreement. The Parties may, by mutual agreement, enter into a joint enterprise for the installation of generating capacity in the plant of one of the parties or the construction of a new plant. Should the parties so mutually agree, the said agreement shall contain the complete terms and conditions for such joint enterprise.

2.08 Spinning Reserve Capacity.

Spinning reserve as used herein is the excess of net generating and purchased capability in kilowatts in operation at any time over the load in kilowatts of each individual party requirement. It is the intent that each party will provide its own spinning reserve at all times as determined by the Operating Committee. An emergency by one party will not impose an obligation to the remaining party to supply emergency power in excess of the requirements of Article 5.02. If any such emergency due to deficiency of spinning reserve causes an adverse effect or burden, the party adversely affected shall have the right to open, or cause the other party to open, such switches as may be necessary to remove such adverse effect or burden.

2.09 Operating Committee.

The Operating Committee shall consist of one representative and an alternate representative of each party. Each representative and alternate shall be designated in writing delivered by each party to the other and shall be a responsible person connected with day-to-day operations of the respective party. The duties of the Operating Committee shall include the following:

- (a) Determine firm generating capacity of each party
- (b) Determine spinning reserve requirement of each party
- (c) Determine capacity kilowatt losses for each party
- (d) Determine compensation due Municipal P & L by Big Rivers for use of Municipal P & L's Transmission System.
- (e) Determine schedules of interim power for each party
- (f) Recommend mutually agreeable points of delivery
- (g) Determine fuel costs, maintenance costs, and costs of placing units and plants into operation.
- (h) Schedule maintenance of generating units and major transmission lines.
- (i) Such other duties as may be mutually agreed to by the parties.

If the Operating Committee is unable to agree unanimously on any matter coming under its jurisdiction, such matters shall be referred to the respective managements of the parties for decision.

The Operating Committee shall meet as often as may be mutually

agreed upon and at such times and places as may be agreed upon. Each party shall pay its own committee expense. Costs for joint planning studies or other costs shall be shared as mutually agreed by the parties.

All decisions or agreements of the Operating Committee shall be reduced to writing.

2.10 Mutual Assistance

If in the maintenance or utilization of their respective generation and transmission systems and related facilities for the purpose of this contract, it becomes necessary by reason of any emergency or extraordinary condition for either party to request the other to furnish personnel, materials, tools, and equipment, for the maintenance or modification of, or other work on, such generation and transmission systems and related facilities to insure continuity of power and energy deliveries, the party requested shall cooperate with the other and render such assistance as the party requested may determine to be available. The party making such request, upon receipt of properly itemized bills, shall reimburse the party rendering such assistance for all costs and expenses properly and reasonably incurred in rendering such assistance, including, not to exceed ten percent, thereof, for administrative expenses, such costs and expenses to be computed on the basis of current charges or rates used by the party rendering assistance in its own operation.

ARTICLE 3

Transmission System

3.01 Definition

As used, herein, transmission system shall mean the transmission lines operated above 24 KV, associated switching and substations, and control and communication facilities owned, leased or otherwise controlled by the contracting parties.

3.02 Notices

Each contracting party shall immediately notify the other of any changes in its system which would impair the ability of the interconnecting parties to perform the functions contemplated by this agreement. Notice shall be furnished in advance of such changes sufficient for the remaining contracting party to properly adapt its system to the new requirements, but this sentence shall not be construed as obligating the recipient of the notice to make any expenditure.

3.03 Approval

Each contracting party shall have the sole prior right of approval of any uses made by the remaining party of the transmission system the first party owns, leases, or otherwise operates. Further, not withstanding prior approval, if any operation of the remaining contracting party at any time adversely affects or imposes a burden upon the transmission system of the first contracting party, the first contracting party may open or cause to open any interconnecting switches as may be necessary to eliminate such adverse effect or burden.

3.04 Transmission of Capacity & Energy

Transmission capacity in the Big Rivers' transmission system will first be used to supply the requirements of its customers. Transmission capacity in the Municipal P & L transmission system will first be used to supply the requirements of its customers. To the extent that transmission capacity is available in excess of that required for the purposes set forth above, such excess capacity may be used by the remaining contracting party subject to the provisions of Articles 3.02 Notices and 3.03 Approval. Each contracting party shall have the right to make or cause to be made, without cost or expense to the other party, interconnections or extensions to its own system. The party making such interconnections or extensions shall perform, or cause to be performed without cost or expense to the other party, all necessary operation and maintenance (including replacements) of such interconnections and extensions. Equipment and facilities constructed or installed by either party to make such interconnections and extensions shall be designed and operated so as not to adversely affect or impose a burden upon the system of the other party. If any such interconnection or extension at any time causes such an adverse effect or burden, the party adversely affected shall have the right to open, or cause the other party to open such switches as may be necessary to remove such adverse effect or burden. Notwithstanding any Article to the contrary, each party shall have the sole and exclusive right to approve any interconnections or

extensions to be made to its transmission system by the remaining contracting party and such approval must be obtained before the interconnection or extension is made.

3.05 Losses

Each contracting party shall furnish its own capacity and energy losses.

The Operating Committee shall determine capacity kilowatt losses for each contracting party's use of the other's transmission system, except the losses for Municipal P & L's use of Big Rivers' transmission system shall not be less than four percent (4.0%). The energy losses (Kilowatt hour) shall be determined from the monthly operating reports of transmission losses of the contracting parties for the twelve month period ending with the second month preceding the month for which losses are to be applied. The percent kilowatt hour losses to be used herein is the total kilowatt hour loss divided by the total net kilowatt hour input times 100.

3.06 Compensation

(a) Big Rivers will transmit between points mutually agreed upon with Municipal P & L power and energy (including losses), as required by Municipal P & L under the terms of this contract. Municipal P & L will pay to Big Rivers at a rate of 1.0 mill per kilowatt hour or one dollar per kilowatt per year, (whichever is the greater), for all power and energy delivered over Big Rivers' transmission system, excluding power and energy furnished under Articles 4, 5 and 6, but not excluding emergency power and energy purchased under Article 5.04.(b). Payment for kilowatts

shall be the amount actually delivered or contracted, (whichever is the greater), in accordance with Article 3.04 .

(b) Compensation due Municipal P & L by Big Rivers for use of Municipal P & L's transmission system shall be determined by the Operating Committee but in no event shall such compensation exceed 1.0 mill per kilowatt hour or one dollar per kilowatt per year (whichever is the greater), for all power and energy including losses, but excluding power and energy furnished under Articles 4, 5 and 6, but not excluding emergency power and energy purchased under Article 5.04 (b).

ARTICLE 4

Interim Power and Energy

4.01 Definition

Interim power shall be surplus capacity available on the Seller's system from time to time resulting from installation of generating units, purchases of capacity from other systems, or a combination of both.

4.02 Scheduling

Interim power and energy shall be furnished and delivered in accordance with written schedules prepared by the Operating Committee from time to time. Power shall not be scheduled in quantities to create hazardous or grossly uneconomic operating conditions for Seller.

4.03 Sale to Other Party

Each party shall offer for sale to the other party, the interim surplus power and energy which in the Seller's sole judgment

is available as surplus power and energy on the Seller's system. Such interim power and energy made available by each party, one to another, shall be scheduled by the Operating Committee.

4.04 Compensation

The rate for interim power and energy shall consist of a capacity charge and an energy charge as follows:

- A. Capacity charge of \$10 per year for each kilowatt of contract demand (Contract Demand shall be the interim power purchased upon an annual basis) payable \$0.83 1/3 per billing month.
- B. Energy charge of 2.90 mills per kilowatt-hour for all energy delivered hereunder as scheduled by the Operating Committee.
- C. The kilowatt-hour charge shall be increased or decreased at the rate of 0.12 mills for energy sold by Big Rivers and 0.13 mills for energy sold by Municipal P & L per kilowatt-hour for each 1¢ (and proportionally for fractional variations of 0.1¢) of the weighted average of delivered cost of fuel to be burned if the power supplier's power plant exceeds the following: Municipal P & L: exceeds 15¢ per 1,000,000 BTU or is less than 13¢ per 1,000,000 BTU; Big Rivers exceeds 16¢ per 1,000,000 BTU or is less than 14¢ per 10,000,000 BTU.

For the purpose of facilitating the prompt mailing of bills, the fuel adjustment for any month shall be based on the average cost of fuel and the kilowatt hours consumed by customers during that month, but shall appear as a credit or a debit on the succeeding monthly bill.

ARTICLE 5

EMERGENCY POWER AND ENERGY

5.01 Definition.

For the purposes of this Agreement, an emergency is defined as a condition resulting in the inability of a party to supply all or a portion of its requirement due to an unscheduled outage of generating facilities or transmission facilities.

5.02 Scheduling.

If either party required power and energy during any emergency the other party shall, upon request, furnish such power and energy as the supplying party can, supply without curtailment of service to its own customers, injury to its equipment, or conflict with its contractual obligations to others not party to this Agreement.

5.03 Schedule of Maintenance

The Operating Committee shall coordinate the scheduled maintenance of generating facilities and major transmission facilities and shall, as far as practicable, avoid scheduling the maintenance of any such facilities during periods of anticipated peak loads on the integrated system.

5.04 Compensation

Energy furnished during emergencies shall be paid for by the receiving party at the incremental cost of the supplying party as follows:

- (a) Incremental production expenses incurred in the production of energy furnished. If the station used to furnish the energy is operating and carrying load, the incremental production

expense will be the sum of in-bunker fuel expenses in mills per KWH plus 0.25 mills per KWH for incremental operating labor, plus an allowance for maintenance equal to one-half of the weighted average cost expressed in mills per KWH of net generation incurred at such station for maintenance during the past twelve month period. If the station is normally held in reserve as standby, all expense incurred that is in excess of the expense that would have been incurred for standby operation will be considered incremental expense.

An additional charge of 0.25 mills per KWH to cover administrative and billing costs will be added to the production costs.

Municipal P & L shall furnish transmission energy losses as determined in Article 3.05.

- (b) If the energy requested is not available from the other party's generating facilities and it is necessary for the supplying party to purchase the energy in order to make the delivery, the cost to the receiving party for such energy will be the actual cost to the delivering party of such purchased energy. Transmission losses of Article 3.05 and transmission system compensation of Article 3.06 shall apply to all such energy.

ARTICLE 6

Economy Energy

6.01 Definition

Economy energy is energy which can be supplied at a saving from

one party's generating facilities which would not otherwise be fully utilized, but which can be utilized by the other party to reduce generation from units or sources having higher operating costs or to avoid starting or operating generating units.

6.02 Scheduling

Tenders and acceptance of economy energy shall be made between the system dispatchers of the parties.

6.03 Compensation

Energy furnished shall be paid for by the receiving party at one-half (1/2) of the sum of the incremental operating expense of the plant or units from which energy is supplied and the decremental operating expense of the plant, units, or source replaced.

Incremental Operating Expenses of the plant or units from which energy is supplied shall be the sum of in-bunker fuel expenses in mills per KWH plus 0.25 mills per KWH for incremental operating labor, plus an allowance for maintenance equal to one-half of the weighted average cost expressed in mills per KWH of net generation incurred at such station for maintenance during the past twelve month period. Costs of placing the plant or unit into operation, if such cost is incurred, shall also be included.

Decremental Operating Expenses of the plant or units from which energy is being replaced shall be the sum of in-bunker fuel expense that would have been incurred by the replaced units, plus 0.25 mills per KWH for incremental operating labor, plus an allowance for maintenance equal to one-half of the weighted

average cost expressed in mills per KWH of net generation incurred at such station for maintenance during the past twelve month period. Costs that would have been incurred in placing the plant or unit into operation shall also be included.

The Operating Committee shall annually determine fuel costs, maintenance costs, and costs of placing the respective units and plants into operation.

For the purpose of this section, whether or not the cost of placing a plant or units in operation is incurred or would have been incurred is to be determined in the judgment of the party controlling said plant or units.

Operating Expenses of sources other than the party's generating plant for energy shall be the actual cost of the energy per kilowatt hour, to the party actually paying such costs.

Municipal P & L shall furnish transmission energy losses as determined in Article 3.05.

ARTICLE 7

Power & Energy Flow, Metering, & Communications

7.01 Recognition of Flow of Power & Energy

It is recognized by the parties hereto that power and energy will be integrated with power and energy from generating facilities owned by others, and Big Rivers will have integration and exchange agreements with other power systems. Accordingly, the flow of power and energy between the systems of the parties hereto and the

interconnected systems of others will in part be controlled by the physical and electrical characteristics of such systems, and power and energy purchased, sold, or exchanged under this Agreement may flow through any or all of such interconnected systems. In order to account for the power and energy purchased, sold, or exchanged under this Agreement, the parties hereto shall by mutual agreement, from time to time, determine methods and take appropriate action to establish accounting and operating procedures to be followed in calculating the amounts of power and energy delivered and received by each of the parties hereto.

7.02 Inadvertent Flow and Balancing Off

It is recognized that the flow of electric power and energy between the interconnected systems of the parties hereto will not be completely within the control of the parties hereto, but will in part be controlled by the electrical characteristics of such systems and the manner in which they are operated.

It is further recognized that by reason of such characteristics and operation, the delivery of electric power and energy may vary from scheduled deliveries, and that power and energy may be exchanged inadvertently.

The parties hereto agree to operate their generating, transmission, and related facilities in such manner, consistent with their other power commitments, as to follow as closely as practicable the scheduled delivery and receipt of electric power and energy, but the inadvertent delivery of power and energy in excess of, or less than, the amount scheduled shall not constitute a breach of this Agreement. Such inadvertent deviations from schedule

shall be balanced off by the parties hereto as soon as practicable in the subsequent delivery and receipt of power and energy under load conditions of the other party as nearly as possible comparable to those existing at the time said inadvertent deviations occurred, and no charge shall be made by either party for inadvertent deliveries or for power and energy delivered to balance off the same. If any such inadvertent flow of power and energy causes an overload on the system of either party, or if such inadvertent flow interferes with service rendered by either party to its customers, the party adversely affected shall have the right to open, or cause the other to open, such switches interconnecting the systems as may be necessary to eliminate such overload or interference.

7.03 Reactive Power

Each party hereto shall take power and energy from the system of the other at the point of delivery at such power factor as will, from time to time, and at any time, best fulfill the requirements of the party receiving such power and energy, except that neither party shall impose a power factor, or permit a power factor to be imposed, on the system of the other which will result in an overload or an impairment of the other's service or facilities. Each party hereto shall normally provide all the reactive kilovolt amperes (kilovars) required for its own load. If the power factor imposed or caused to be imposed at any point of delivery is such as to overload facilities or to impair service the party which is adversely affected, shall have the right to open or cause the other to open, such interconnecting switches as may be nec-

essary to eliminate such overloading of facilities or impairment of service.

7.04 Metering

Electric power and energy purchased and sold or exchanged under this Agreement shall be metered and accounted for in accordance with procedures and methods established from time to time by mutual agreement of the parties hereto. Each party hereto shall have the right to install suitable check meters at any point of delivery or point of interconnection.

All meters associated with determining the flow of electric power at the points of interconnection between the systems of the parties hereto and the systems of others shall be read by the party furnishing such meters, and may be simultaneously read by a representative of either or both of the parties hereto.

7.05 Meter Tests and Adjustments

Each meter used under this Agreement shall be tested and adjustment in billing made; in accordance with the following provisions:

(a) Each meter shall, by comparison with an accurate standard meter, be tested by and at the expense of the owner in the presence of a representative of the other parties, if such other parties so desire, at intervals of not to exceed twelve months. The other parties shall be given at least five days' advance notice of the date when such tests will be made. If a meter is found to be incorrect or inaccurate, it shall be restored to an accurate condition or an accurate meter sub-

stituted by the owner. A meter shall be considered inaccurate if it is found to deviate from an accurate standard meter in excess of two-tenths of one percent when tested at one hundred percent power factor and one hundred percent of load or five-tenths of one percent when tested at ten percent of load.

(b) Any of the parties hereto shall have the right to request and to have a special meter test made at any time. If any such special meter test discloses that a questioned meter is registering accurately, then the party requesting such special meter test shall bear the expense thereof. If a questioned meter is found to be registering inaccurately the expense of such test shall be borne by the owner of the meter.

(c) Results of all such tests and calibrations shall be open for inspection by the parties hereto, and a report of each test shall be furnished upon request. Any meter tested and found to be within two percent accurate, but of greater deviation from an accurate standard meter than that specified in part (a), above, shall be calibrated but no correction in billing shall be made. If, as a result of any test, the average percentage of inaccuracies found at one hundred percent and ten percent of load of any meter deviates in excess of two percent from an accurate standard meter, then the readings of such meter previously recorded shall be corrected according to the percentage of inaccuracy found, and previous billings shall be revised to reflect the corrected readings, except that no such correction or revision shall extend

beyond ninety days previous to the date on which the inaccuracy is discovered by such test, nor for a longer period than such inaccuracy may be determined to have existed.

(d) For any period that a meter is found to have failed to register, readings of check meters, if installed and found to have normal accuracy, shall be used for such period of failure. In case meters and check meters fail to register at the same time, the amount of electric energy delivered during such period shall be determined in such manner as may be agreed upon by the parties hereto.

7.06 Communication Facilities

The parties shall install, operate, and maintain, or cause to be installed, operated, and maintained, on their respective systems such equipment as may be required to afford a communication system between the generating plants of the parties and such equipment as may be required for operations under this Contract.

ARTICLE 8

General Provisions

8.01 Construction Standards

The parties hereto shall construct, maintain, and operate their respective systems and related facilities in accordance with standards and specifications at least equal to those provided by the National Electrical Safety Code of the United States Bureau of Standards. Nothing contained in this Agreement shall be construed to render either party liable for any damage to property or injury to persons, including agents and employees of the other, arising out of or resulting from the exclusive operation

and maintenance of the other's transmission system and related facilities by the other party.

8.02 Facilities Furnished

If and when additional points of interconnection are established pursuant to section 2.03 hereof, the Party requesting such additional interconnection shall furnish, install, and operate such facilities and equipment as may be reasonably necessary to effect the interconnection and to measure the flow of electric power and energy at the interconnection. The plan or plans for the installation of equipment for interconnection, metering, and protective equipment shall be submitted to the other Party for prior approval, but such approval by the other Party, if granted, shall not constitute a guaranty of the adequacy of such equipment.

8.03 Right of Access Accorded Each Party

Each party hereto shall permit duly authorized representatives and employees of the other party to enter upon its premises for the purpose of reading or checking meters, inspecting, testing, repairing, renewing, or exchanging any or all of the equipment owned by the other party located on such premises, or for the

purpose of performing any other work necessary in the performance of this Agreement.

8.04 Right of Installation

Each party hereto grants to the other permission to install, maintain, and operate, or cause to be installed, maintained, and operated, on its premises any and all terminal equipment and associated apparatus and devices necessary in the performance of this Agreement.

8.05 Right of Removal

Any and all equipment, apparatus, devices, or facilities placed or installed, or caused to be placed or installed, by either party hereto on or in the premises of the other party shall be and remain the property of the party owning and installing such equipment, apparatus, devices, or facilities, regardless of the mode or manner of annexation or attachment to real property of the other, and upon the termination of this Agreement, the owner thereof shall have the right to enter upon the premises of the other and shall, within a reasonable time, remove such equipment, apparatus, devices, or facilities.

8.06 Continuity of Deliveries

Electric service rendered under this Agreement shall meet accepted standards of reliability and adequacy. If questions are raised concerning the quality of service, factual data shall be obtained with respect to the character of such service and appropriate corrective or remedial action shall be promptly taken by the party at fault.

Electric power and energy delivered under this Agreement shall be furnished continuously and/or as scheduled except for interruptions or curtailments in service caused by an Uncontrollable Force, or by operation of devices installed for system protection, or by the necessary installation, maintenance, repair and replacement of equipment. Such interruptions or reductions in service, as hereinbefore set forth, shall not constitute a breach of this Agreement, and neither party shall be liable to the other for damages resulting therefrom. Except in case of an emergency, each party shall give the other reasonable advance notice of temporary interruptions or curtailments in service necessary for such installation, maintenance, repair, and replacement of equipment, and shall schedule such interruptions or curtailments so as to cause the least inconvenience to the parties hereto.

8.07 Uncontrollable Forces

The term "Uncontrollable Force" shall mean any force which is not within the control of any of the parties hereto, and which by exercise of due diligence and foresight could not reasonably have been avoided, including, but not limited to, failure of facilities, failure of water supply, flood, earthquake, storm, lightning, fire, epidemic, war, riot, civil disturbance, strike, sabotage, or restraint or order by court or public authority having jurisdiction. No party hereto shall be considered to be in default or breach with respect to any obligation under this Agreement if prevented

from fulfilling such obligations by reason of Uncontrollable Force.

Any party unable to fulfill any obligation by reason of uncontrollable forces shall exercise due diligence to remove such disability with reasonable dispatch.

8.08 Reports and Information

Each party hereto shall furnish to the other such reports and information concerning its operations as the other party may reasonably request from time to time. Reports shall be in accordance with the FPC Uniform System of Accounts where applicable.

8.09 Liability

If either party breaches a material provision of this Agreement, the party adversely affected, at its option may terminate this Agreement upon thirty days' prior written notice of its intention to do so, and this Agreement shall ipso facto terminate at the end of such thirty-day period unless within that period such violation is corrected, provided however, the rights or obligations of the Parties under provision of Article 5 shall continue in effect for an additional period of 12 months following such termination.

8.10 Remedies of Parties

Except as otherwise specifically provided, nothing contained in this Agreement shall be construed to abridge, limit, or deprive any of the parties hereto of any means of enforcing any remedy which it might otherwise have, either at law or in equity, including the right, if any, of injunction and specific performance, for the breach of any of the provisions hereof or for any cause whatever.

8.11 Waivers

Waiver at any time of rights with respect to a default or any other matter arising in connection with this Agreement shall not be deemed to be a waiver with respect to any subsequent default or matter.

8.12 Notices

Any payment, written notice, demand, or request, required or authorized under this Agreement shall be deemed properly given to or served on Big Rivers if mailed to:

General Manager,
Big Rivers Rural Electric Cooperative Corporation
P. O. Box 24, Henderson, Kentucky

Any such payment, notice, demand, or request shall be deemed properly given to or served on the Municipal Power and Light if mailed to:

Superintendent
Municipal Power and Light
P. O. Box 8
Henderson, Kentucky

The designation of the persons to be notified, or the addresses of such persons, may be changed at any time upon written notice to the other parties.

8.13 Assignments

This agreement shall inure to the benefit of and be binding upon the parties hereto, and their respective successors and assigns, but this Agreement shall not be assigned without the written consent of the other party.

ARTICLE 9

Accounting, Billing and Payment

9.01 Records

Big Rivers shall maintain, or cause to be maintained, an accurate record of the electric power and energy purchased, sold, or exchanged under this Agreement, and on or before the twentieth day of each month shall prepare and submit to Municipal Power and Light a billing statement covering the preceding month setting forth in necessary detail the amount of power and energy purchased, sold and exchanged and the "Net Balance in Money" due.

9.02 Billing Period

The term "billing period" and the term "month" shall mean the period beginning on the first day and extending through the last day of each calendar month.

9.03 Billings

The term "Net Balance in Money", as used herein, shall mean either the total compensation due Big Rivers or the total compensation due Municipal Power and Light for any particular billing period, whichever amount is the greater.

Billing for transmission system useage (Article 3.06) shall be computed for the first 11 months of each calendar year upon the basis of 1.0 mill per kilowatt-hour. An adjustment shall be made in the twelfth month by applying the annual charge of either 1.0 mill per kilowatt hour or \$1.00 per kilowatt of maximum demand (either actual or scheduled) whichever is the greater sum.

9.04 Taxes

If there shall be imposed after the effective date of this Agreement by Federal, State or other governmental authority, any tax payable by the contracting parties upon the gross revenue or earnings, or upon the production, transmission, or sale of electric energy, a pro-rata share of such additional tax or taxes shall be added to the monthly bill of the party to whom the billing applies.

9.05 Payments

Within thirty days after receipt of a billing statement, Big Rivers or Municipal Power and Light, as the case may be, shall pay or cause to be paid to the other the Net Balance in Money due as set forth in such statement. In the event a party desires to dispute all or any part of the charges submitted by the other party, it shall nevertheless pay the full amount of the charges when due and give notification in writing, stating the grounds on which the charges are disputed, and the amount in dispute.

All payments shall be made upon the above basis unless otherwise agreed to by the parties.

9.06 Failure to Pay

The failure of either party to pay to the other any amount due under this Agreement, except with regard to any billing statement the accuracy or the amount of which is in good faith disputed, shall entitle the party to whom the obligation is owed to discontinue the delivery of power and energy under this Agreement upon ninety days' prior written notice unless the amount due is paid within such ninety-day period, or unless legal action

EXCERPT FROM THE MINUTES OF MEETING OF BOARD
OF DIRECTORS OF BIG RIVERS RURAL ELECTRIC
COOPERATIVE CORPORATION, HELD FRIDAY, JULY 15, 1966

Upon motion of John Hardin seconded by J.R. Miller

the Manager was directed to purchase power from Henderson Municipal
Power and Light under the terms of the Big-Rivers-Henderson Municipal
Power and Light contract.

I, D. B. Wilson, Secretary, do hereby
certify that the above is a true
and accurate excerpt from the Minutes
of Meeting of Board of Directors
of Big Rivers Rural Electric Cooperative
Corporation held on July 15, 1966.

D. B. Wilson
Secretary

IN WITNESS WHEREOF, the parties hereto pursuant to the corporate authority of each of the respective Boards of Directors have executed this Agreement in several counterparts as of the day and year first above written.

ATTEST:

J. R. Hardin
Secretary

BIG RIVERS RURAL ELECTRIC
COOPERATIVE CORPORATION

BY Samuel C. Coleman
President

ATTEST:

E. L. Whitledge
Secretary

UTILITY COMMISSION
HENDERSON, KENTUCKY

BY Charles Yates
Chairman

has been instituted on such disputed claim.

If either party fails to pay any bill on or before the due date, except any bill in which the amount or accuracy is in good faith disputed, an interest charge of one percent (1%) of the amount unpaid shall be added thereto as liquidated damages, and thereafter as further liquidated damages, an additional interest charge of one-half of one percent (1/2%) of the unpaid bill shall be added on the first day of each succeeding billing period until the amount due, including interest, is paid in full.

ARTICLE 10

Effective Date, Terms & Termination

10.01 Effective Date

This agreement shall not become effective unless and until:

(a) Compensation, terms and conditions provided herein are confirmed and approved by the Administrator of REA and by such state or federal regulatory bodies having jurisdiction and required by law to confirm and approve such rates and compensation; Provided, that if necessary confirmations and approvals are not received on or before December 31, 1965, this Agreement may be terminated by either Party.

(b) The securing of all necessary approvals and authority to construct such facilities that may be required for the inter-connection referred to in the first paragraph of Section 2.03.

10.02 Term of Contract

Subject to the provisions of Section 10.01 of this Article 10, this Agreement shall be effective for a term beginning as of the date of its execution by the parties hereto and ending at midnight, August 31 1975, and shall thereafter be automatically renewed for successive one-year terms unless and until terminated pursuant to the provision of Section 10.03 of this Article 10.

The purchase, sale, and interchange of power and energy and the performance of the transmission and related services pursuant to the provisions of this Agreement, shall begin on the first day of the month following the date of receipt of all necessary approvals. Provided, That if service under this Agreement is not begun on or before January 1, 19 66, this Agreement shall ipso facto terminate and have no further force or effect.

10.03 Termination

This Agreement may be terminated by any party hereto as of midnight, August 31 19 75, or as of midnight December 31, of any year thereafter, upon not less than forty-eight months' advance written notice to the other parties.

BIG RIVERS

R.E.C.C.
HENDERSON - KENTUCKY

223 NORTH MAIN STREET

P. O. BOX 24, 42420

July 15, 1966

Mr. Ernest Brown, Superintendent,
Henderson Municipal Power and Light Company
Henderson, Kentucky

Subject: 335 - Henderson Municipal P & L

Dear Mr. Brown:

In accordance with Article 4 of our contract dated September 1, 1965 we wish to inform you of our requirement to purchase 13,000 kilowatts for a supply year commencing July 1, 1968 and ending June 30, 1969. Compensation shall be in accordance with Article 4.04. We will furnish prior to delivery schedules as required by Article 4.02. Delivery shall be made at our point of interconnection.

Will you please signify the availability of this power from your system and your willingness to sell this capacity to Big Rivers R.E.C.C. under the terms and conditions of Article 4 of our contract.

Very truly yours,

Robert Reid Sr.

Robert Reid, Sr.
President, Big Rivers R.E.C.C.

RR/ddt

ACCEPTANCE

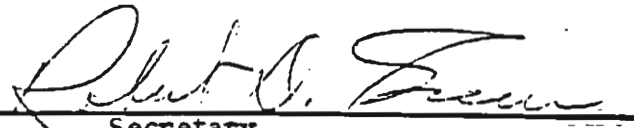
Henderson Municipal Power and Light Company certifies that it will sell to Big Rivers R.E.C.C. in conformance with the contract referred to above 13,000 kilowatts of capacity for the supply year July 1, 1968-June 30, 1969.

Dated at Henderson, Kentucky, this _____ day of _____, 1966.

EXCERPT FROM REGULAR MEETING OF BOARD
OF DIRECTORS OF BIG RIVERS RURAL
ELECTRIC COOPERATIVE CORPORATION
HELD IN HENDERSON, KENTUCKY, FRIDAY
JUNE 18, 1965

The Manager reported that a Contract had been negotiated with Henderson Municipal Power and Light Company that would be of material benefit to both parties. The Contract is subject to the approval of the Administrator of REA and by the Public Service Commission of Kentucky. Upon motion of J. R. Miller, seconded by Robert Reid, Sr., the President Mr. Kenneth C. Coleman or the Manager, William W. Rumans, was authorized to sign the Contract for Big Rivers when, in the opinion of the Manager and legal counsel, the Contract is in proper form ready for signature. Motion unanimously carried.

I, Robert D. Green, Secretary of Big Rivers Rural Electric Cooperative Corporation, hereby certify that the above is true and correct copy of excerpt from minutes of Regular Meeting of Board of Directors, June 18, 1965.


Secretary