

U. S. DEPARTMENT OF AGRICULTURE
RURAL ELECTRIFICATION ADMINISTRATION

REA BORROWER DESIGNATION

Kentucky 62 Big Rivers
Indiana 106 Statewide
Illinois 50 Central

THE WITHIN Amendment to Interconnection Agreement dated

October 13, 1981, between Big Rivers Electric Corporation,
Hoosier Energy Rural Electric Cooperative, Inc., Southern
Illinois Power Cooperatives and the City of Henderson, Kentucky.

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

1/3/82



FOR THE ADMINISTRATOR

AMENDMENT TO INTERCONNECTION AGREEMENT
DATED APRIL 1, 1968

THIS AMENDED AGREEMENT made and entered into as of the 13th
day of October, 1981, by and between HOOSIER ENERGY
RURAL ELECTRIC COOPERATIVE, INC., an Indiana corporation, with
principal office at Bloomington, Indiana, hereinafter referred to as
"Hoosier"; SOUTHERN ILLINOIS POWER COOPERATIVE, an Illinois
corporation, with principal office at Marion, Illinois, hereinafter
referred to as "Southern Illinois"; BIG RIVERS ELECTRIC CORPORATION,
a Kentucky corporation with principal office at Henderson, Kentucky,
hereinafter referred to as "Big Rivers"; and CITY OF HENDERSON,
KENTUCKY, a municipal corporation of the third class, acting through
its UTILITY COMMISSION, with office at Henderson, Henderson County,
Kentucky, hereinafter referred to as "Henderson".

WHEREAS, the above parties entered into an Interconnection Agreement
dated April 1, 1968, and it is the desire and intention of the parties that
that Agreement be amended and supplemented, as hereinafter set out, and

WHEREAS, the parties to this Agreement are each engaged in the
production and sale of electric power and energy, and own and operate
their respective generation and transmission facilities, and sell such power
and energy to their own respective customers, and are presently interconnected,
as set forth in Exhibit "A", as amended, to the 1968 Agreement, and

WHEREAS, the parties, with the exception of the City of Henderson,
have in effect a contract for the purchase of power and energy from the
Southeastern Power Administration (SEPA), and the allocation of SEPA power
is set forth in the Allocation Agreement between the parties who receive the
SEPA power, which Allocation Agreement is incorporated herein by reference,
and made a part hereof, and the parties recognize the need for continuing to
coordinate the scheduling of such power. It is the expressed intent of the parties
to this Amended Agreement to retain the benefits of coordinated interconnected

system operation through this Amendment for the purpose of conducting such coordinated interconnecting system operation in a responsible manner in accordance with established industry practices; and

WHEREAS, in order to obtain maximum economies in the production of power and energy, to effect the most efficient utilization of their existing and future production and transmission facilities, and to assure maximum reliability of service to their respective consumers, the parties to this Agreement desire to interconnect their respective systems, thereby providing for more efficient utilization of generation and transmission facilities, the furnishing and obtaining of surplus power and energy, and providing for mutual assistance in the operation and maintenance of their respective systems.

Hoosier, Southern Illinois, Big Rivers and Henderson are presently operating under the provisions of an Interconnection Agreement dated April 1, 1968. It is the desire and intention of the parties that all of said existing agreements be supplemented and amended, and this Agreement is accepted and entered into by all of the parties hereto.

NOW, THEREFORE, in consideration of the premises, and of the mutual covenants and agreements hereinafter made, IT IS HEREBY MUTUALLY STIPULATED, COVENANTED, AND AGREED by and between the parties, as follows:

ARTICLE 1: DEFINITIONS

As used in this Agreement, unless the context requires otherwise:

1.01 "System" shall mean the generation facilities, transmission facilities, and other related facilities owned, leased or otherwise available to each party to this Agreement for its generation, transmission and receipt of power and energy under this Agreement.

1.02 "Transmission System" shall mean the transmission facilities, associated switching and substations, and control and communication facilities owned, leased or otherwise controlled by each of the parties to this Agreement, and which would affect the operation of the parties.

1.03 "Generating Capacity" shall mean the demonstrated 4-hour unit or units capability at the time of annual system peak, less the capacity required to operate the auxiliaries of the unit or units included in the 4-hour rating test.

1.04 "Annual System Peak" as applicable to each party's system, shall mean the maximum integrated hourly kilowatt input to that party's system, during the year, for service to its consumers and firm sales.

1.05 "System Capacity Requirement" shall mean the amount of capacity required to be provided by each party to this Agreement.

1.06 "Spinning reserve capacity" shall mean the amount of unloaded generating capacity which is spinning in synchronism with the system, and which is capable for promptly picking up load in that amount in the event of an emergency.

1.07 "Standby Capacity" shall mean power and energy available for emergencies and scheduled maintenance outages from systems of others not parties to this Agreement.

1.08 "Economy Energy" shall mean energy which can be supplied, at a saving, from one party's generating facilities not otherwise being fully utilized, and utilized by another party to reduce generation from units or sources having higher operating costs, or to avoid starting or operating generating units.

1.09 "Emergency" shall mean a condition resulting in the inability of a party to supply all or a portion of its requirements due to an unscheduled outage of generation or transmission facilities.

1.10 "Emergency Power and Energy" shall mean power and energy provided to a party during an emergency involving that party's system.

1.11 "Annual" or "Year" shall mean a period of 12 consecutive months commencing on the first day of November and ending on the thirty-first day of October of the following calendar year.

1.12 "Operating Committee" shall mean the committee appointed by the parties to this Agreement.

1.13 "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, labor disturbance, sabotage, or restraint or order by Court or public authority having jurisdiction.

1.14 "Billing Period" or "Month" shall mean a period of time beginning on the first day and extending through the last day of each calendar month.

1.15 "Net Balance in Money" shall mean the net compensation due from one party to another for any particular billing period, after properly debiting and crediting charges as provided in this Agreement.

1.16 "Nonparticipant" means any electric utility not a party hereto, which owns and operates electric generating equipment.

1.17 "Planned Reserve" of a party for a Seasonal Load Period shall be defined as the amount of kilowatts by which the projected adjusted Peak Load for the period is less than the projected System Net Capability for that period.

ARTICLE 2: INTERCONNECTED OPERATIONS

2.01 PURPOSE OF INTERCONNECTION

The parties agree:

- (a) To interconnect their transmission systems so as to constitute an effective integrated system.
- (b) To furnish emergency assistance.
- (c) To coordinate maintenance scheduling of generation and transmission facilities.

- (d) To interchange, sell, and purchase energy to effect operating economies.
- (e) To transfer energy through the transmission systems of one or more parties for the benefit of other party or parties.
- (f) To do such other things as may be reasonably necessary or convenient to provide for the interconnected system the maximum assurance of an adequate and reliable supply of power and energy at minimum costs.

2.02 INTERCONNECTED 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 to assure maximum economy and reliability of the interconnected systems. Additional facilities necessary to maintain required capacity shall be provided as mutually agreed upon by the parties to this Agreement.

2.03 POINTS OF INTERCONNECTION

The points of interconnection shall be at or near locations to be determined by the Operating Committee, and as mutually agreed upon by the parties during the term of this contract, except that the initial points of interconnection and the transmission facilities, either in existence or agreed to be built by each of the parties to extend their systems to such initial points of interconnection, shall be as described in Exhibit A, which is attached hereto and made a part hereof.

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 3-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, to the maximum extent possible, operate their

systems in parallel at all times, and coordinate their operations to assure maximum continuity of service to their respective consumers, and with relation thereto, shall cooperate with one another in the establishing of schedules for operation and maintenance of equipment, and shall cooperate in the coordination of relay protection, frequency and load control and communications. Each party to this Agreement shall maintain and operate all facilities owned and constructed by it in such a way as to minimize interruptions to service, and so as not to unduly burden or adversely affect the systems of the other parties. At all times during the life of this Agreement, no party shall utilize the transmission system of any other party for any purpose without notification. The manner of notification shall be determined by the Operating Committee, and may be revised from time to time as needed by the Committee.

2.06 PLANNING AND OPERATING COMMITTEE

There shall be a planning and operating committee (hereinafter called "Operating Committee") which shall meet at least four times during the first full twelve months of operation under this Agreement, and at least two times in each calendar year thereafter. Each party shall designate in writing one member and one alternate member to act as its representative. Meetings referred to herein shall be held at the offices of the parties on an alternate rotating basis, and the member or alternate in whose offices the meeting is held shall provide the resources necessary to take minutes of each meeting, and to prepare a rough draft of those minutes, which will be circulated to the other representatives or alternates. After review and agreement by each member or alternate of the committee, the set of minutes shall be prepared by the representative or alternate at whose offices the meeting was held, and forwarded to the other members and alternates of the committee. The principal duties of the Operating Committee shall be to coordinate the

operations of the parties, in order that the advantages to be derived from this Agreement may be realized by the parties to the fullest extent. The Operating Committee shall have the additional responsibility to review and agree upon the following terms:

- (1) Set up accounting procedures for transactions hereunder.
- (2) Matters pertaining to the coordination of maintenance of generation and transmission facilities of the parties, and of such facilities of Nonparticipants which are interconnected with one or more of the parties.
- (3) The Operating Committee shall review every six months all of the rates and charges set forth in the Schedules for Services which are attached to this Agreement, and as changed by additions or deletions thereto in the future, for the express purpose of assuring that the rates and charges in force and effect in the schedules are realistic and reflective of the parties' actual costs during the time that the schedules are in use. It is the intent of this provision to keep current all charges set forth in the various schedules that from time to time will be effective as a part of this Agreement.
- (4) Matters pertaining to the control of time, system frequency, energy flow, kilovar interchanges, voltage, and other items associated with the synchronous operation of the systems of the parties.
- (5) At each meeting of the Operating Committee as specified hereinabove, a mandatory agenda item which must be discussed and reflected in the minutes shall be transactions by the parties to the Agreement with third parties. The necessity for discussing these transactions as a mandatory agenda item is necessary in order to compile the history for the purpose of the re-evaluation after the first continuous twelve months of operation by the parties under this Agreement.

- (6) All other matters not specifically provided for herein upon which cooperation, coordination, and agreement as to quantity, time, method, terms and conditions are necessary in order that the operation of the systems of the parties may be coordinated to the end that optimum reliability will be realized to the fullest practicable extent.

All matters agreed upon are subject to approval of the General Managers or equivalent of the parties. If the Operating Committee is unable to agree unanimously upon any matter for which it is responsible, such matter shall be referred for decision to the General Managers or equivalents of the parties. The General Managers or equivalents of the parties shall meet at least once each year with the Operating Committee for the purposes of continued coordination and communication.

2.07 PROVIDING OF SYSTEM CAPACITY REQUIREMENT

Each party shall maintain at all times sufficient capacity to supply its own System Capacity Requirement. Hoosier, Big Rivers, and Southern Illinois entered into an Agreement on November 2, 1977, which establishes procedures for the allocation of SEPA Emergency and Maintenance Standby Service. This Agreement is attached to and made a part of this present Interconnection Agreement. (Exhibit "B").

2.08 SPINNING RESERVE CAPACITY

The minimum amount of spinning reserve capacity operating on each individual system at any time shall be determined by the Operating Committee. For the purposes of this sub-paragraph, standby capacity available to any party from SEPA shall be included in spinning reserve, and the amount of SEPA standby capacity available to each party shall be considered as that allocated to each party under the terms of Section 2.07 hereof.

2.09 MUTUAL ASSISTANCE

If, in the maintenance or utilization of their respective generation and transmission systems and related facilities for the purposes of this contract,

it becomes necessary by reason of any emergency or extraordinary condition for any party to request the others to furnish personnel, materials, tools or equipment for the maintenance or modification of, or other work on such generation and transmission systems and related facilities in order to insure continuity of power and energy deliveries, the party or parties requested shall cooperate and render such assistance as it or they may determine to be available. The party making such request, upon receipt of properly itemized bills, shall reimburse the assisting party or parties for all costs and expenses properly and reasonably incurred in rendering such assistance, including, without limitation, mutually agreed overhead charges. Such costs and expenses shall be computed on the basis of current charges or rates used by the assisting party in its own operations.

ARTICLE 3: TRANSMISSION SYSTEM

3.01 NOTICES

Each party shall promptly notify the other parties of any changes in the operation of its major transmission facilities which would affect the operation of the parties to this Agreement. When reasonably possible, such notices shall be furnished in advance of such changes in sufficient time for the parties to properly adapt their operations to such changes.

3.02 TRANSMISSION OF CAPACITY AND ENERGY

Transmission facilities of each party's system, other than those facilities which directly serve purposes of interconnection, will first be used to supply the requirements of the party's own consumers and commitments. To the extent that transmission capacities are available in excess of the party's own requirements, it shall make available to the other parties such excess capacities. Each party shall have the right to make, or cause to be made, without cost or expense to the other parties, interconnections or extensions to its own Transmission System.

ARTICLE 4: SERVICES TO BE RENDERED

4.01 SERVICES

It is the purpose of the parties to seek and realize, on an equitable

basis, all benefits practicable to be effected through coordination in the operation and development of their respective systems. It is understood by the parties that such benefits may be realized by them by carrying out, under stated terms and conditions, various interconnection services and transactions, including, but not limited to:

- (a) Interchange of Emergency Assistance Power
- (b) Purchase and Sale of Short-Term Firm Power
- (c) Purchase and Sale of Short-Term Non-Firm Power
- (d) Purchase and Sale of Unit Power
- (e) Purchase and Sale of Economy Power
- (f) Provision for Displacement Power

4.02 TERMS AND CONDITIONS

Inasmuch as the specific services to be rendered in furtherance of such purpose will vary from time to time during the duration of this Agreement, and the terms and conditions applicable to such services may require modifications from time to time, it is intended that such specific services and the terms and conditions applicable thereto will be set forth in service schedules from time to time mutually agreed upon between the parties. Such service schedule, until and unless changed, terminated, or supplemented, shall be those provided by Section 4.03 hereof.

4.03 SCHEDULES

The respective service schedules designated

- Service Schedule A - Emergency Power
- Service Schedule B - Short-Term Firm Power
- Service Schedule C - Short-Term Non-Firm Power
- Service Schedule D - Unit Power
- Service Schedule E - Economy Power
- Service Schedule F - Displacement Service

which have been agreed upon between the parties hereto and are attached and hereby made a part hereof. It is contemplated by the parties that service schedules covering future agreements as to specific services will be similarly made a part of this Agreement upon presentation and acceptance thereof.

ARTICLE 5: POWER AND ENERGY FLOW,
METERING AND COMMUNICATIONS

5.01 RECOGNITION OF FLOW OF POWER AND 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 each party may have interconnection 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.

5.02 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, 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 operations, 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 generation, 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 amounts 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 deliveries and receipts of power and energy and under load conditions reasonably comparable to those existing at the time said inadvertent deviations occurred. No charge shall be made by either party for inadvertent deliveries or for power and energy delivered to balance off the same.

5.03 REACTIVE POWER

Each party hereto shall normally provide all the reactive kilovolt amperes (kilovars) required for its own load.

5.04 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 the Operating Committee.

5.05 COMMUNICATIONS FACILITIES

The parties shall install, operate and maintain, or cause to be installed, operated, and maintained on their respective systems or other systems such equipment as may be required to afford a communication system between the parties.

ARTICLE 6: GENERAL PROVISIONS

6.01 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, and as required by any regulatory authority having jurisdiction thereof.

6.02 FACILITIES FURNISHED

All parties shall furnish, install, and operate, or cause to be furnished, installed, and operated such facilities and equipment as may be reasonably necessary to interconnect their respective systems at the points of interconnection, including, without limitation, such metering equipment as may be required to measure the flow of power and energy at any point of interconnection and to assure reasonable protection to the system. The plan or plans for the installation of equipment for interconnection, metering and protection shall be submitted to the Operating Committee for prior approval, but such approval, if granted, shall not constitute a guaranty of the adequacy of such equipment.

6.03 RIGHT OF ACCESS

Each party hereto shall permit duly authorized representatives and employees of the other parties 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 party located on such premises, or for the purpose of performing any other work necessary in the performance of this Agreement. Each party shall be responsible for the safety of its own representatives and employees when on the premises of others pursuant to the right of access granted in this sub-article, and shall hold harmless and indemnify the party granting access from any loss or damage whatsoever by reason of any property damage or injury, including death of any person or entity or of such representatives and/or employees, unless the same shall be due to the negligence or willful misconduct of the party granting such access or its authorized representatives and employees.

6.04 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.

6.05 RIGHT OF REMOVAL

Any and all equipment, apparatus, devices or facilities placed or installed, or caused to be placed or installed, by any party hereto on or in the premises of another 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, within a reasonable time, to enter upon the premises of the other and remove such equipment, apparatus, devices or facilities.

6.06 CONTINUITY OF DELIVERIES

Electric service under this Agreement shall meet accepted standards of reliability and adequacy. 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, by operation of devices installed for system protection, or by the necessary installation, maintenance, repair, and/or replacement of equipment. Such interruptions or reductions in service, as hereinbefore set forth, shall not constitute a breach of this Agreement, and no party shall be liable to another party for damages resulting therefrom. Except in cases of emergencies, each party shall give the other parties reasonable advance notice of temporary interruptions or curtailments in service necessary for such installations, maintenance, repair and replacement of equipment, and shall schedule such interruptions or curtailments so as to cause the least inconvenience to the parties hereto.

6.07 UNCONTROLLABLE FORCE

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 obligation by reason of an uncontrollable force. Any party unable to fulfill any obligation by reason of uncontrollable forces shall exercise due diligence to remove such disability as soon as reasonably possible.

6.08 REMEDIES OF PARTIES

If any party breaches a material provision of this Agreement, the Agreement shall not be terminated, but the remedy for such breach shall be action for damages, injunction, or other relief necessary to compel performance.

6.09 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 a waiver with respect to any other default or matter.

6.10 NOTICES

Any payment, written notice, demand or request, required or authorized under this Agreement shall be deemed properly given to or served upon the recipient when posted through regular United States mail, addressed as follows:

To Hoosier	:	Hoosier Energy Rural Electric Cooperative, Inc. P.O. Box 908 Bloomington, Indiana 47401
To Southern Illinois	:	Southern Illinois Power Cooperative R.R. #4, Box 255 Marion, Illinois 62959
To Big Rivers	:	Big Rivers Electric Corporation P.O. Box 24 Henderson, Kentucky 42420
To Henderson	:	Municipal Power and Light P.O. Box 8 Henderson, Kentucky 42420

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.

6.11 SUCCESSORS AND ASSIGNS

This Agreement shall inure to the benefit of, and be binding upon the parties hereto, their respective successors and assigns.

6.12 RELATIONSHIP OF THE PARTIES

The terms of this Agreement shall not be construed as an Agreement for partnership, joint venture, association or other relationship, whereby any party shall be responsible for the obligations and/or liabilities of any other party hereto. No party to this Agreement shall be liable for any act, omission, or legal obligation of any other party hereto with respect to (a) the parties to this Agreement, (b) the agents, servants and/or employees of such party to this Agreement, or (c) any persons, corporations, or other entities not a party to this Agreement. No party to this Agreement shall, by reason of the provisions hereof, be deemed a principal, agent, sub-contractor or employee of any other party hereto, nor shall any party to this Agreement have the authority to bind any other party to this Agreement to any contract or other obligation, without specific written authority therefor.

ARTICLE 7: TAXES

7.01 RESPONSIBILITY

If there shall be imposed after the effective date of this Agreement by federal, state, or other governmental authority, any appropriate tax payable by any of the parties hereto upon any exchange under the terms of this Agreement shall be borne by the selling party and included in the exchange at the time of the transaction.

ARTICLE 8: ACCOUNTING, BILLING AND PAYMENT

8.01 RECORDS

Each party 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 10th day of each month, shall prepare and submit a 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.

8.02 INTERCOMPANY BILLING

Each party shall maintain, or cause to be maintained, an accurate record of the electric power and energy purchased, sold, or exchanged under this

Agreement. Billing between the parties shall be on a calendar month basis. Bills shall be rendered within 15 days after the end of the month and paid within 15 days after receipt thereof, but in no event should payment be absolutely due earlier than the twentieth (20th) day after the end of the month. Billings shall be at the rates specified in the Service Schedules attached to this Agreement. The billing between parties shall be consolidated in a manner so as to result in the smallest possible net billing amount for each of the parties.

ARTICLE 9: EFFECTIVE DATE, APPROVALS AND TERM

9.01 EFFECTIVE DATE AND APPROVALS

This Agreement shall be subject to any state or federal regulatory bodies having jurisdiction, and shall become effective upon execution by the parties and approval by the Administrator of REA, and shall remain in effect until midnight October 31, 1995, and shall continue thereafter subject to the right of termination as hereinafter provided.

9.02 TERMINATION

Any party to this Agreement may terminate its rights and obligations hereunder on or after October 31, 1995, by delivering written notice of its intention to so terminate to the other parties at least 5 years prior to the date of such termination, provided that no such termination shall become effective as long as an obligation exists upon the terminating party to any other party to this Agreement.

ARTICLE 10: AMENDMENT INCLUSION OF OTHER PARTIES AND SEVERABILITY

10.01 AMENDMENTS

This Agreement, or any portion thereof, may be amended from time to time, but only upon written memorandum of such amendment, accepted and executed by all of the parties to this Agreement, and approved by the Administrator of REA.

10.02 ADDITIONAL PARTIES

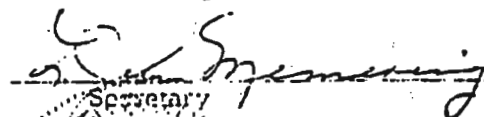
Upon mutual agreement of all of the parties hereto, additional persons, firms, or corporations may become parties to this Agreement, provided, however, that any such additional party shall accept the terms and provisions of this Agreement and shall execute a copy thereof in acknowledgement of such acceptance, and thereafter shall be fully bound and obligated under the terms and provisions hereof and any amendments thereto.

10.03 SEVERABILITY

In the event that any part of this Agreement is declared illegal or no longer in force by reason of an order issued by a Court or regulatory body of competent jurisdiction, all remaining portions of this Agreement, which are not affected by such order shall continue in full force and effect.

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

ATTEST:


Secretary

(Corporate Seal)

ATTEST:


Secretary

(Corporate Seal)

HOOSIER ENERGY RURAL ELECTRIC COOPERATIVE, INC.

BY 
President

SOUTHERN ILLINOIS POWER COOPERATIVE

BY 
President



ATTEST:

Loyal Brooks
Secretary

(Corporate Seal)

ATTEST:

Dudley H. Emerson
Secretary

BIG RIVERS ELECTRIC CORPORATION

BY *Morton Henshaw*
President

UTILITY COMMISSION,
CITY OF HENDERSON, KENTUCKY

Lawrence B. Hatcher
Chairman

STATE OF Indiana)
COUNTY OF Marion)

SS:

I, Herbert P. Rucker, a Notary Public in and for the state and county aforesaid, do hereby certify that on this day personally appeared before me Ronald Lane as President and John Manning as Secretary of Hoosier Energy Rural Electric Cooperative, Inc., who each signed and acknowledged the foregoing as said President and Secretary to be their free and voluntary act and deed and the free and voluntary act and deed of said corporation.

Given under my hand and seal of office this 22nd day of April 1981.

Herbert P. Rucker
Notary Public

My Commission Expires: December 12 1982

STATE OF Illinois)
COUNTY OF Williamson)

SS:

I, Margaret Skottor, a Notary Public in and for the state and county aforesaid, do hereby certify that on this day personally appeared before me Wile R. Hurston President and Archer Hamilton as Secretary of Southern Illinois Power Cooperative, who each signed and acknowledged the foregoing as said President and Secretary to be their free and voluntary act and deed and the free and voluntary act and deed of said corporation.

Given under my hand and seal of office this 26th day of March 1981.

Margaret Skottor
Notary Public

My Commission Expires: 3-10-84

STATE OF *Kentucky*)
COUNTY OF *Henderson*)

SS:

I, *Paula Mitchell*, a Notary Public in and for the state and county aforesaid, do hereby certify that on this day personally appeared before me *Morton Henshaw* as President and *Desel Brooks* as Secretary of *Big Rivers Electric Corporation*, who each signed and acknowledged the foregoing as said President and Secretary to be their free and voluntary act and deed and the free and voluntary act and deed of said corporation.

Given under my hand and seal of office this *10th* day of *April*, 1981.

Paula Mitchell
Notary Public

My Commission Expires: *1-12-85*

STATE OF *Kentucky*)
COUNTY OF *Henderson*)

SS:

I, *Mary Sue Bawn*, a Notary Public in and for the state and county aforesaid, do hereby certify that on this day appeared before me *Louis B. Mitchell* and *Dudley H. Eason* personally known to me to be the Chairman and Secretary of the Utility Commission of the City of Henderson, Kentucky, who signed and acknowledged the foregoing instrument to be their own free and authorized act and deed.

Given under my hand and seal of office this *13th* day of *October*, 1981.

Mary Sue Bawn
Notary Public

My Commission Expires: *6-23-84*



STIPULATION

IT IS STIPULATED, UNDERSTOOD AND AGREED by and among Hoosier Energy Rural Electric Cooperative, Inc., Southern Illinois Power Cooperative, Big Rivers Electric Corporation and City of Henderson, Kentucky, acting through its Utility Commission, that the operation of electric facilities of City of Henderson, Kentucky, and the operation of some of the electric facilities of Big Rivers Electric Corporation, is subject to the provisions of a Ruling of the Internal Revenue Service issued to the City of Henderson, Kentucky, on January 26, 1971; that the parties hereto have received a copy of such Internal Revenue Service Ruling and are knowledgeable as to the contents thereof; that neither City of Henderson, Kentucky, nor Big Rivers Electric Corporation shall be required, by and through the provisions of the parties' Interconnection Agreement dated April 1, 1968, and all amendments thereto, including the amendment dated October 13, 1981, to which this Stipulation is attached, to operate its electric facilities so as to violate or conflict with the provisions of such Internal Revenue Service Ruling, as the same may from time to time be applicable and enforceable.

In witness whereof the parties have caused this STIPULATION to be executed by their duly authorized officers as of this 13th day of October, 1981.

ATTEST:

Secretary

ATTEST:

Secretary

ATTEST:

Secretary

ATTEST:

Secretary

UTILITY COMMISSION,
CITY OF HENDERSON, KENTUCKY

Chairman

BIG RIVERS ELECTRIC CORPORATION

President

HOOSIER ENERGY RURAL ELECTRIC
COOPERATIVE, INC.

President

SOUTHERN ILLINOIS POWER
COOPERATIVE

President

Dudley Eason
Lucas B. Hatfield
Donald Brinker
Morton Henshaw
John M. ...
Donald ...
Richard Masby
Joseph C. Lentz

EXHIBIT A

INTERCONNECTION AGREEMENT - April 1, 1968

Points of Interconnection shall be:

1. Troy Interconnection:

At the state boundary between Indiana and Kentucky near Troy, Indiana where Hoosier's 161 KV lines extending from the Taswell transmission substation connects with Big Rivers' 161 KV lines extending from the Coleman Power Plant near Hawesville, Kentucky.

2. Bay City Interconnection:

At the state boundary between Kentucky and Illinois near Bay City, Illinois where Big Rivers' 161 KV line extending from the Barkley Dam substation connects with Southern Illinois' 161 KV line extending from the Renshaw transmission substation.

3. Shawneetown Interconnection:

At the state boundary between Kentucky and Illinois near Shawneetown, Illinois where Southern Illinois' 69 KV line extending from the New Gallatin switching station connects with Big Rivers' 69 KV line extending from the Morganfield switching station.

4. Henderson East:

At the city limits of Henderson, Kentucky, where Henderson's 69 KV line extending from the Fifth and Elm substation connects with Big Rivers' 69 KV line extending from the Zion substation.

5. Henderson South:

At the city limits of Henderson, Kentucky where Henderson's 69 KV line extending from the Fifth and Elm substations connects with Big Rivers' 69 KV line extending from Henderson-Union's, Henderson substation.

SERVICE SCHEDULE A

EMERGENCY POWER

BETWEEN

Big Rivers, Hoosier Energy Rural Electric
Cooperative, Henderson Municipal Power &
Light, and Southern Illinois Power Cooperative

ARTICLE 1

Duration

1.1 This Service Schedule A, entered into this April 1, 1981, between Big Rivers - Hoosier Energy - Henderson Municipal Power & Light and Southern Illinois Power Cooperative, shall become effective as of April 1, 1981, as a part of and under the Interconnection Agreement dated April 30, 1968, and shall continue in effect until termination or expiration of the Interconnection Agreement, unless terminated or superseded by a new service schedule.

ARTICLE 2

Services to be Rendered

2.1 For the purposes of this Article 2, the system of each party shall include only its facilities and the system of such others with whom it may have contractual obligations that include, among other things, the first claim on the capabilities of the party.

2.2 Subject to the provisions of Section 2.3 of this Article 2, in the event of a breakdown or other emergency in or on the system of either involving either sources of power or transmission facilities, or both, impairing or jeopardizing the ability of the party suffering the emergency to meet the loads of its system, the other party shall deliver to such party electric energy in amounts up to and including 40,000 kilowatts, and shall also deliver any additional electric energy in excess of said amount that it is requested to deliver; provided, however, that neither party shall be obligated to deliver any part of such additional energy which, in its sole judgment, it cannot deliver without interposing a hazard to its operations or without impairing or jeopardizing the other load requirements of its system; and provided further, that neither party shall be obligated to deliver electric energy in any amounts to the

other for a period in excess of forty-eight consecutive hours during any single emergency.

2.3 The parties recognize that the delivery of electric energy as provided for is subject to two conditions which may preclude the delivery of such energy as so provided: (a) the system of a party may be suffering an emergency in or on its own system as described in said Section 2.2, or (b) the system of a party may be delivering electric energy, under a mutual emergency interchange agreement, to the system of another interconnected company which is suffering an emergency in or on its system. Under conditions as cited under (a) above, neither party shall be considered to be in default hereunder if unable to comply with the provisions of said Section 2.2. Under conditions as cited under (b) above, neither party shall be considered to be in default hereunder if it is unable to comply with the provisions of said Section 2.2 provided that the afore-said interconnected company has suffered said emergency in or on its system prior to and within forty-eight hours of that of the other party hereto and that, if requested by said other party, such delivery of electric energy to said interconnected company shall be discontinued, except where prohibited by pre-existing contract, within forty-eight hours following the start of such delivery, and a subsequent delivery shall be made for a full forty-eight hour period to said other party in accordance with the provisions of said Section 2.2.

ARTICLE 3

Basis of Settlement

3.1 Electric energy delivered under Article 2 above shall be settled for either by the return of equivalent energy or, at the option of the party that supplied such energy, by payment of the out-of-pocket cost of the supplying party plus ten per cent (10%) of such cost, taking into account electrical losses incurred from the source or sources of such energy to the delivery point, as provided for in the Interconnection Agreement. If equivalent energy is returned, it shall be returned at times when the load conditions of the party receiving it are equivalent to the load conditions of such party at the time the energy for which it is returned was delivered or, if such party elects to have equivalent energy returned under different conditions, it shall be returned in such amounts, to be agreed upon by the parties, as will compensate for the difference in conditions.

3.2 Any billings and payments for transactions under the terms of this Service Schedule shall be made in accordance with the Interconnection Agreement.

ATTEST:

Loyal Brooks
Secretary

BIG RIVERS ELECTRIC CORPORATION

BY *Morton Venable*
President

ATTEST:

Archie Hamilton
Secretary

SOUTHERN ILLINOIS POWER COOPERATIVE

BY *Wile E. Hurst*
President

ATTEST:

John M. Mims
Secretary

HOOSIER ENERGY RURAL ELECTRIC COOPERATIVE, INC.

BY *Ronald Brown*
President

ATTEST:

Dudley H. Eason
Secretary

HENDERSON MUNICIPAL POWER & LIGHT

BY *John R. H. H. H.*
Chairman

SERVICE SCHEDULE B
SHORT-TERM FIRM POWER

BETWEEN

Big Rivers, Hoosier Energy Rural Electric
Cooperative, Henderson Municipal Power &
Light and Southern Illinois Power Cooperative

ARTICLE 1

Duration

1.1 This Service Schedule B, entered into this April 1, 1981, between Big Rivers - Hoosier Energy - Henderson Municipal Power & Light and Southern Illinois Power Cooperative, shall become effective as of April 1, 1981, as a part of and under the Interconnection Agreement dated April 30, 1968, and shall continue in effect until termination or expiration of the Interconnection Agreement, unless terminated or superseded by a new service schedule.

ARTICLE 2

Services to be Rendered

2.1 Short-Term Firm Power is power and associated energy which one party purchases from the other party for the purpose of obtaining a supply of power intended to be available at all times during the period covered by a commitment. Such commitment shall not extend beyond the time during which the supplying party can make such supply of power and energy available without increasing its generating capacity.

2.2 To reserve Short-Term Firm Power, the party desiring such power shall specify in its notice to the other party the number of kilowatts and the period for which it so desires to reserve such power and the desired schedule of delivery of the power so reserved. The party receiving such notice, in a prompt acknowledgment, shall specify the extent of its ability to comply with the provisions of such request. Any request or any acknowledgment of such request that may be given orally, initially, shall be confirmed in writing and such confirmation shall be forwarded not later than the third day following the day such oral request is given.

2.3 During the period that Short-Term Firm Power has been reserved as above provided, the party having agreed to supply such power shall

deliver electric energy to the other party at the delivery point, as provided for in the Interconnection Agreement, upon call and in amounts up to the number of kilowatts reserved.

2.4 The Short-Term Firm Power billing demand for any specified period shall be taken as equal to the number of kilowatts reserved for such period as Short Term Firm Power.

ARTICLE 3

Basis of Settlement

3.1 The rates and charges for Short-Term Firm Power shall be:

- (a) A reservation charge of 19 cents per day or 95 cents per week per kilowatt for the power reserved, and
 - up to 27*
 - up to 135*
- (b) An energy charge per kilowatt-hour delivered, equivalent to the supplying party's out-of-pocket cost plus 10% of such cost. Out-of-pocket costs shall be based on the cost of fuel, labor, maintenance and operating supplies (including start-up costs, if any), purchased energy, and losses in transmission to the delivery point as provided for in the Interconnection Agreement.
- (c) In the event the supplying party, with the consent of or at the request of the other party, obtains capacity from another party, the capacity charges for such power shall be equal to the charges which the supplying party must pay.

3.2 Any billings and payments for transactions under the terms of this Service Schedule shall be made in accordance with Article 8 of the Interconnection Agreement.

ATTEST:

Donald Brooks
Secretary

BIG RIVERS ELECTRIC CORPORATION

BY *Walter Henshaw*
President

ATTEST:

Arthur Hamilton
Secretary

SOUTHERN ILLINOIS POWER COOPERATIVE

BY *Walter F. Thurston*
President

ATTEST:

John Memering
Secretary

ATTEST:

Dudley H. Emerson
Secretary

HOOSIER ENERGY RURAL ELECTRIC
COOPERATIVE

BY *Donald Davis*
President

HENDERSON MUNICIPAL POWER & LIGHT

BY *Paul B. Haddock*
Chairman

SERVICE SCHEDULE C

SHORT-TERM NON-FIRM POWER

BETWEEN

Big Rivers, Hoosier Energy, Henderson
Municipal Power & Light, and Southern Illinois
Power Cooperative

ARTICLE 1

Duration

1.1 This Service Schedule C, entered into this April 1, 1981, between Big Rivers - Hoosier Electric - Henderson Municipal Power & Light and Southern Illinois Power Cooperative shall become effective as of April 1, 1981, as a part of and under the Interconnection Agreement dated April 30, 1968, and shall continue in effect until termination or expiration of the Interconnection Agreement, unless terminated or superseded by a new service schedule.

ARTICLE 2

Services to be Rendered

2.1 Short-Term Non-Firm Power is power and associated energy which one party may make available to the other party on short notice for a specified period. The party asked to supply Short-Term Non-Firm Power shall be sole judge as to the amounts and periods that it has electric power available that may be reserved by the other party as Short-Term Non-Firm Power.

2.2 To reserve Short-Term Non-Firm Power, the party desiring such power shall specify in its notice to the other party the number of kilowatts and the period for which it desires to so reserve such power and the desired schedule of delivery of the power so reserved. The party receiving such notice, in a prompt acknowledgment shall signify the extent of its ability and willingness to comply with the provisions of such request. Any request or any acknowledgment of such request that may be given orally, initially, shall be confirmed in writing and such confirmation

shall be forwarded not later than the third day following the day such oral request is given.

2.3 During the period that Short-Term Non-Firm Power has been reserved as above provided, the party having agreed to supply such power shall deliver electric energy to the other party at the delivery point, as provided for in the Interconnection Agreement, upon call and in amounts up to the number of kilowatts reserved. However, in the event conditions arise during such period which were not reasonably foreseen by the supplying party at the time said power was reserved and such conditions would in the sole judgment of the supplying party cause the delivery of Short-Term Non-Firm Power to be burdensome to the supplying party, said supplying party has the right to notify and require the receiving party to reduce its take of such energy to any amount specified and for any portion of such period. The party so requested shall promptly comply with the decision of the supplying party.

2.4 The Short-Term Non-Firm Power billing demand for any specified period shall be taken as equal to the number of kilowatts reserved for such period as Short-Term Non-Firm Power.

ARTICLE 3

Basis of Settlement

3.1 The rates and charges for Short-Term Non-Firm Power shall be:

- (a) A reservation charge of 17 cents per day, 85 cents per week per kilowatt for the power reserved. Should unforeseen events force a curtailment of power by supplier on any day for any part of that day, the reservation charge shall be reduced by 17 cents per day for each kilowatt so curtailed, but not more than 85 cents per week, and
- (b) An energy charge per kilowatt-hour delivered, equivalent to the supplying party's out-of-pocket cost plus 10% of such cost. Out-of-pocket costs shall be based on the cost of fuel, labor, maintenance and operating supplies (including start-up costs, if any), purchased energy and losses in transmission to the delivery point as provided in the Interconnection Agreement.
- (c) In the event the supplying party, with the consent of or at:

the request of the other party, obtains capacity from another party, the capacity charges for such power shall be equal to the charges which the supplying party must pay.

3.2 Any billings and payments for transactions under the terms of this Service Schedule shall be made in accordance with Article 3 of the Interconnection Agreement.

ATTEST:

Loyal Brooks
Secretary

BIG RIVERS ELECTRIC CORPORATION

BY Morton Henshaw
President

ATTEST:

Archie Hamilton
Secretary

SOUTHERN ILLINOIS POWER COOPERATIVE

BY Walter F. Thurston
President

ATTEST:

John Mamerig
Secretary

HOOSIER ENERGY RURAL ELECTRIC COOPERATIVE, INC.

BY Ronald Davis
President

ATTEST:

Dudley H. Emerson
Secretary

HENDERSON MUNICIPAL POWER & LIGHT

BY James B. Hartsell
Chairman

SERVICE SCHEDULE D

UNIT POWER

BETWEEN

Big Rivers Electric Corporation, Hoosier
Energy Rural Electric Cooperative, Inc.,
Southern Illinois Power Cooperative, and
City of Henderson, Kentucky

ARTICLE 1

Duration

1.1 This Service Schedule D, entered into this April 1, 1981, between Big Rivers - Hoosier Energy - Henderson Municipal Power & Light and Southern Illinois Power Cooperative, shall become effective as of April 1, 1981, as a part of and under the Interconnection Agreement dated April 30, 1968, and shall continue in effect until termination or expiration of the Interconnection Agreement, unless terminated or superseded by a new service schedule.

ARTICLE 2

Services to be rendered

2.1 Any party by giving the other party written notice may reserve for periods of not less than six consecutive months beginning April 1 or October 1, such electric power (herein called "Unit Power") as the supplying party has made available from its designated unit. The supplying party shall be the sole judge as to the acceptability of the amount that may be reserved by the other party as Unit Power.

2.11 To reserve Unit Power, the party desiring such power shall specify in a written notice to the other party the Unit or Units, the kilowatt amount from each Unit it desires to so reserve such Power. The party receiving such notice shall signify in a letter the extent of its ability and willingness to comply with the provisions of such notice.

ARTICLE 3

Conditions of Service

3.1 For the periods during which Unit Power is reserved according

to Section 2.11. Unit Power and Energy shall be continuously available from the designated unit or units except when the Unit is not capable of generating its rated output, is off the line for scheduled maintenance, or has been forced or taken off the line due to emergency conditions on the Unit, at which time delivery of energy from other generating units shall be at the seller's option.

- 3.11 Unit Power entitlement shall be reduced by the ratio of the actual capability to the rated capability times the kilowatt amount whenever the unit is not capable of its full rated output.
- 3.12 The Unit Power schedule may be reduced on notice of the selling party that the Unit has been forced or taken off the line or its output curtailed because of conditions in the Unit.
- 3.13 Maintenance schedules shall be specified for the unit supplying Unit Power at the time the schedule commitment is made. Changes in the unit maintenance schedule are subject to the approval of the purchaser; however, the owner of the unit shall retain the right to determine the need to remove the unit from service. If the owner elects to change the maintenance schedule and remove the unit from service without the purchaser's approval, the purchaser shall have the right to terminate the schedule for the balance of the period.

ARTICLE 4

COMPENSATION

4.1 Capacity Charge

A capacity charge shall be made monthly equal to the designated kilowatt amount 1/12 of the Annual Fixed Costs of the unit divided by the rated net capability of the unit.

Annual Fixed Costs shall include capital costs, depreciation, taxes, insurance and such additional fixed costs as may be agreed upon by the Operating Committee. Plant fixed costs not specifically assignable

to a unit shall be prorated among all units committed to the plant site according to unit size.

4.2 Energy Charge

An energy charge for the kilowatt-hours scheduled shall be made at a rate equal to 1.1 times the average production cost of the total net kilowatt-hours generated by the unit during the period plus transmission charges if applicable. Production costs shall include appropriate fuel, labor, material and maintenance expenses.

Plant labor and material expenses not specifically assignable to a unit shall be prorated among all units in commercial operation at the site. Maintenance expenses shall be estimated by applying an appropriate industry average value for units of the same class and size such as expressed in EEI reports or by such other methods which may be determined by the Operating Committee.

ATTEST:

Lesal Breake
Secretary

BIG RIVERS ELECTRIC CORPORATION

BY Walter Hernandez
President

ATTEST:

Arthur Hamilton
Secretary

SOUTHERN ILLINOIS POWER COOPERATIVE

BY Mike F. Thurston
President

ATTEST:

John Manning
Secretary

HOOSIER ENERGY RURAL ELECTRIC COOPERATIVE

BY Donald Davis
President

ATTEST:

Dudley H. Emerson
Secretary

HENDERSON MUNICIPAL POWER & LIGHT

BY James B. ...
Chairman

SERVICE SCHEDULE E

ECONOMY POWER

BETWEEN

Big-Rivers, Hoosier Energy Rural Electric
Cooperative, Henderson Municipal Power &
Light and Southern Illinois Power Cooperative

ARTICLE 1

Duration

1.1 This Service Schedule E, entered into this April 1, 1981, between Big Rivers - Hoosier Energy - Henderson Municipal Power & Light and Southern Illinois Power Cooperative, shall become effective as of April 1, 1981, as a part of and under the Interconnection Agreement dated April 30, 1968, and shall continue in effect until termination or expiration of the Interconnection Agreement, unless terminated or superseded by a new service schedule.

ARTICLE 2

Purpose

2.1 The purpose of this Service Schedule E is to provide for and establish the terms and conditions for Economy Transactions between the systems of the parties as defined in the Interconnection Agreement. Such energy is non-firm and can be withdrawn by the supplying party upon oral notice to the receiving party.

ARTICLE 3

Services to be Rendered

3.1 Economy Power shall mean electric energy which the supplying party can produce and deliver to or for the account of the receiving party at an incremental cost which is lower than the incremental cost the receiving party would incur by generating or obtaining equivalent energy from other available sources.

3.2 A party is entitled to receive Economy Power hereunder only

to the extent that such party has alternative dependable capacity concurrently available to it that would otherwise be used. In order that the advantages to be derived hereunder may be realized by the parties to the fullest extent practicable, the operating representatives of each party will, from time to time upon request of the other party, furnish information with respect to (a) the cost, as hereinafter defined, of Economy Power it can make available and (b) the value, as hereinafter defined, of Economy Power it can utilize.

3.3 The cost of Economy Power hereunder shall mean the incremental expense that the supplying party would incur in supplying Economy Power and shall consist of the supplying party's incremental expense of generating the energy, including any start-up cost, or of obtaining it from another source, including an adjustment to reflect the incremental increase or decrease in the cost of transmission losses on the supplying system attributable to the transaction. Similarly, the value of Economy Energy hereunder shall mean the incremental expense which the receiving party would incur if the Economy Power were not to be received, and shall consist of the receiving party's incremental expense of generating the energy, including start-up cost or of obtaining it from another source and an adjustment to reflect the incremental increase or decrease in the cost of transmission losses on the receiving system attributable to the transaction.

3.4 Insofar as practicable, the supplying party in Economy Power transactions will utilize for such purpose those power sources available at the time which have the lowest cost for energy as defined in Section 3.3.

ARTICLE 4

Basis of Settlement

4.1 For each transaction hereunder, the settlement shall be agreed upon by the operating representatives at the time of scheduling.

4.2 The basis of settlement for energy hereunder shall be one-half of the sum of the cost incurred by the supplying party in delivering energy and the value to the receiving party of the energy (each determined in accordance with Section 3.3 hereof).

4.3 Any billings and payments for transactions under the terms of this Service Schedule shall be made in accordance with the Interconnection Agreement.

ATTEST:

Leola Brackley
Secretary

BIG RIVERS ELECTRIC CORPORATION

BY *Milton Henshaw*
President

ATTEST:

Cochie Hamilton
Secretary

SOUTHERN ILLINOIS POWER COOPERATIVE

BY *Mike F. Thurston*
President

ATTEST:

John Manning
Secretary

HOOSIER ENERGY RURAL ELECTRIC COOPERATIVE, INC.

BY *Donald Davis*
President

ATTEST:

Dudley Emerson
Secretary

HENDERSON MUNICIPAL POWER & LIGHT

BY *Lawrence B. Ketchum*
Chairman

SERVICE SCHEDULE F*

DISPLACEMENT SERVICE

BETWEEN

Hoosier Energy Rural Electric Cooperative, Inc.,
Big Rivers Electric Corporation, Southern Illinois
Power Cooperative, and City of Henderson, Kentucky

ARTICLE 1

Duration

1.1 This Service Schedule F*, entered into this April 1, 1981, between Big Rivers - Hoosier Energy - Henderson Municipal Power & Light and Southern Illinois Power Cooperative, shall become effective as of April 1, 1981, as a part of and under the Interconnection Agreement dated April 30, 1968, and shall continue in effect until termination or expiration of the Interconnection Agreement, unless terminated or superseded by a new service schedule.

ARTICLE 2

Service to be Rendered

2.1 Displacement Service

The parties may find it desirable under this agreement to schedule power and energy between parties whose systems are not directly connected. The parties recognize the need for coordination and utilization of their transmission systems to best provide for the transfer of such power and energy to attain the mutual benefits of services provided under this agreement. The parties agree to furnish displacement service under this agreement to an extent which would not jeopardize service to the consumers of the party providing such service. The party supplying power will notify the party providing the displacement service of the amounts and times involved.

2.2 Compensation

Unless otherwise agreed upon prior to the utilization of wheeling service, the party providing such wheeling service shall be compensated at a rate of 1.5 mills per kilowatt hour by the party physically receiving such power and energy under this provision.

The parties, with the exception of Henderson, have in effect a contract with Southeastern Power Administration (SEPA) for the purchase of power and energy for emergency and maintenance purposes. This power and energy is excluded from this agreement.

* This schedule does not apply to physical interchange of power and energy by Southern Illinois to TVA through the Bay City Interconnection.

ATTEST:

Leola Brack
Secretary

BIG RIVERS ELECTRIC CORPORATION

BY Morton Henshaw
President

ATTEST:

Archie Hamilton
Secretary

SOUTHERN ILLINOIS POWER COOPERATIVE

BY Walter F. Hurst
President

ATTEST:

John Memery
Secretary

HOOSIER ENERGY RURAL ELECTRIC COOPERATIVE

BY Donald Davis
President

ATTEST:

Dudley H. Emerson
Secretary

HENDERSON MUNICIPAL POWER & LIGHT

BY Louis B. Ketchum
Chairman

EXHIBIT B

November 2, 1977

SEPA ALLOCATION AGREEMENT

AGREEMENT among Big Rivers Electric Corporation (BIG RIVERS), Southern Illinois Power Cooperative (SIPC) and Hoosier Energy Division of Indiana Statewide Rural Electric, Inc. (HED),

WITNESSETH:

WHEREAS, the parties presently have a contract with the Southeastern Power Administration, Department of Interior, U.S.A. (SEPA) for the supplying by SEPA of emergency and maintenance standby service and peaking power to the parties' respective electric systems, and

WHEREAS, under the terms of said SEPA contract, 100 MW of emergency standby service has been supplied to the parties on a first-come, first-served basis, and

WHEREAS, during emergencies that occur to two or more parties at the same time, it is the desire of the parties by this Agreement to divide among themselves the SEPA emergency standby service so that each will be assured of a firm supply of such service, and to establish priorities for the use of such service:

NOW, THEREFORE, it is stipulated and agreed among the parties as follows:

1. Emergency Standby Service:

(a) The 100 MW emergency standby service presently

provided to the parties by SEPA on a first-come, first-served basis shall be and is hereby allocated among the parties as follows:

(1) Present through October 31, 1978:

BIG RIVERS (100 MW contract)	-	42 MW allocation
HED (100 MW contract)	-	42 MW allocation
SIPC (38 MW contract)	-	16 MW allocation

(2) Beginning November 1, 1978:

BIG RIVERS (100 MW contract)	-	33 MW allocation
HED (100 MW contract)	-	33 MW allocation
SIPC (100 MW contract)	-	33 MW allocation

and hereafter each of the parties shall have the first and prior right at all times (except as hereinafter provided to the contrary) to use its allocated portion of such emergency standby service during emergencies occurring on its electric system.

- (b) Each party shall have the right to use the SEPA emergency standby reserves allocated to the other parties to the extent not then being used for emergency service by the other parties (up to its SEPA contract demand), but shall immediately relinquish same for use by the other parties, respectively, in the event of emergencies on their respective electric systems. If two parties shall simultaneously have use for SEPA emergency standby service for emergencies

on their respective electric systems, they shall be entitled to use the SEPA emergency standby reserve not then being used by the third party in the ratio of their allocated shares of SEPA emergency standby service as provided in paragraph 1 (a) of this Agreement.

2. Maintenance Service:

(a) It is recognized that the respective parties have annual contractual rights to SEPA maintenance service as follows:

BIG RIVERS	-	2800 MW days, at 100 MW maximum load
HED	-	2800 MW days, at 100 MW maximum load
SIPC	-	1064 MW days, at 38 MW maximum load (through October 31, 1978).
	-	2800 MW days, at 100 MW maximum load (after October 31, 1978).

(b) Scheduled SEPA maintenance service will take precedence over SEPA emergency standby service. To the extent that SEPA emergency standby service is available, during scheduled SEPA maintenance service to any party or parties of this Agreement, the same shall be allocated to the parties in the same ratio as their respective allocations as set forth in paragraph 1 (a) of this Agreement, and may be utilized by the respective parties on the same basis as provided in paragraph 1 of this Agreement.

(c) The parties agree to coordinate maintenance schedules so as to assure maximum effective use of SEPA maintenance

service. The scheduling of maintenance power shall be mutually agreed upon by all parties.

3. Emergency Priorities:

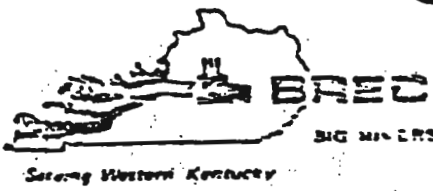
In the event of simultaneous emergencies on the electric system of two or more of the parties:

- (1) Any party experiencing any emergency on its electric system, which has inadequate emergency standby service from all sources available to it to meet such emergency, may request the other party or parties to relinquish the requesting party's pro rata share of available SEPA emergency.
- (2) In the event of a request under (1) above, the requesting party shall reimburse the relinquishing party for that day's SEPA (daily) demand charge for the amount of capacity used by the requesting party and the actual SEPA energy charge for the amount of energy taken.

4. Definitions:

As used in this Agreement, "emergency", "emergencies", "scheduled maintenance" and "maintenance service" shall mean the same as defined in the parties' SEPA contract.

File 116.0.7 SCHULTZ
T. J. ... w/c
-FILE COPY



BIG RIVERS ELECTRIC CORPORATION / P. O. BOX 24, HENDERSON, KY, 42420 / Telephone 302-827-21

September 18, 1979

Mr. Bill Perry
Henderson Municipal Power & Light
P. O. Box 6
Henderson, Kentucky 42420

Subject: 85 - Reid Switchyard OCB Exchange
Agreement Between City and Big Rivers

Dear Mr. Perry:

Please find enclosed one REA approved copy of the Switchyard Agreement between the City and Big Rivers to cover the exchange of the oil circuit breakers at Reid Switchyard.

Your efforts in making this agreement possible are greatly appreciated.

If you have any questions concerning this matter, please contact me.

Sincerely,

David E. Schultz
David E. Schultz, P.E.
Manager of System Planning
and Design Engineering

DES/vk

Enclosure

cc: S. Reed
V. Mitchell
R. Hollander

000001

U.S. DEPARTMENT OF AGRICULTURE
RURAL ELECTRIFICATION ADMINISTRATION

AREA-BORROWER DESIGNATION: KENTUCKY 62 BIG RIVERS

THE WITHIN STATE BORROWER AGREEMENT DATED JUNE 14, 1978,
WITH THE CITY OF FERGUSON, KENTUCKY

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

James T. Sisk

DEPUTY ADMINISTRATOR

DATED
SEP 6 1979

SWITCHYARD AGREEMENT

THIS AGREEMENT made as of June 1, 1978, between the City of Henderson, Kentucky, (City) acting by and through the City of Henderson Utility Commission, and Big Rivers Electric Corporation, (Big Rivers) with offices in Henderson, Kentucky;

WITNESSETH:

Stipulations

1. City and Big Rivers, respectively, own separate electric generating plants located at a common site in Henderson and Webster Counties, Kentucky, on Green River near the City of Sebree, Kentucky, which separate generating plants are served by certain common facilities (Joint Facilities) under terms of the parties' Joint Facilities Agreement, dated August 27, 1970, as amended.

2. Among such Joint Facilities is the Station II and Reid Station Switchyard (Switchyard) which contains transformation and switching facilities utilized by both parties in the operation of their respective generating plants.

3. In the establishment and construction of the Switchyard there were included fourteen 5,000 MVA Oil Circuit Breakers (5,000 MVA OCB's), nine of which were provided by City in connection with its Station II Generating Plant, and five of which were provided by Big Rivers in connection with its Reid Generating Plant, all fourteen of which became

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Joint Facilities subject to the terms of the Joint Facilities Agreement.

4. Because of increased loads imposed upon the Switchyard resulting from the growth in loads served by both parties' generating plants . . . from the addition by Big Rivers of new generating facilities to be served by the Switchyard, it has become necessary to replace the fourteen existing 5,000 MVA OCB's with fourteen 15,000 MVA Oil Circuit Breakers (15,000 MVA OCB's), thus increasing the total capability of the Switchyard.

5. The parties have mutually agreed upon the terms and conditions by which the 5,000 MVA OCB's will be replaced by fourteen new 15,000 MVA OCB's, upon an equitable allocation of the costs of such replacement, upon the disposition of the replaced equipment and upon providing in the future additional switchyard space to City in connection with its utilization of Station II power for its Existing System. The parties desire to formalize their agreement as follows:

NOW THEREFORE, in consideration of the premises and of the mutual covenants and agreements of the parties, it is hereby stipulated, covenanted and agreed by and between the parties as follows:

A. Big Rivers shall purchase and install in the Switchyard fourteen 15,000 MVA Oil Circuit Breakers, General Electric Company type #FK-169-50000-0, which 15,000 MVA

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OCB's shall replace the fourteen 5,000 MVA OCB's originally constructed as part of the Switchyard. Big Rivers shall bear all costs and expenses in connection with the purchase and installation of the 15,000 MVA OCB's and the removal of the existing 5,000 MVA OCB's.

B. Title and ownership of four of the new 15,000 MVA OCB's shall be transferred and conveyed by Big Rivers to City, to become a part of City's Station II Electric Generating Plant, and the other ten of the 15,000 MVA OCB's shall remain the property of Big Rivers. All fourteen of the 15,000 MVA OCB's shall become Joint Facilities, subject to the terms and provisions of the parties' Joint Facilities Agreement dated August 27, 1970, as amended.

C. In consideration of the transfer of ownership to it of four 15,000 MVA OCB's, as provided herein, City shall transfer, convey and deliver to Big Rivers, six of the 5,000 MVA OCB's originally provided by City as part of the Switchyard. The other three 5,000 MVA OCB's originally provided by City shall remain the property of City's Station II Electric Generating Plant, but shall be withdrawn from the classification of Joint Facilities under terms of the Joint Facilities Agreement. The five 5,000 MVA OCB's originally provided by Big Rivers as part of the Switchyard shall remain the property of Big Rivers, and, together with the six 5,000 MVA OCB's conveyed to it by City as herein provided, shall be withdrawn from classification as Joint Facilities under terms of the

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parties' Joint Facilities Agreement and City shall have no further rights or interests therein.

D. Big Rivers shall dedicate, and does hereby dedicate to City, sufficient space in Big Rivers' present and/or future switchyard or substation facilities at/or near City's Station II, or other mutually agreeable locations, so as to provide for City's future construction of substation and transmission facilities at Big Rivers' present or future voltages as required to transmit power to City's Existing System from its Station II Electric Generating Plant. Big Rivers shall have no obligation to provide switchgear or other mechanical facilities for City's use in connection therewith, but is obligated to provide substation space and the right of connection therein to City, at such time as it shall be necessary or advisable for City to construct such additional substation and transmission facilities.

E. This Agreement shall be binding upon the parties hereto, their respective successors and assigns.

F. It is understood and agreed that this Agreement is subject to approval by the Board of Directors of Big Rivers Electric Corporation, the Utility Commission of the City of Henderson, Kentucky, Burns & McDonnell Engineering Company, and the Administrator of the Rural Electrification Administration.

WITNESS the hands of the parties, by and through
their duly authorized officers.

UTILITY COMMISSION OF THE CITY
OF HENDERSON, KENTUCKY:

By *[Signature]*
Chairman

BIG RIVERS ELECTRIC CORPORATION

By *[Signature]*
President