

U.S. DEPARTMENT OF AGRICULTURE  
RURAL ELECTRIFICATION ADMINISTRATION

REBORROWER DESIGNATION

THEY WITHIN

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

APR 20 1968

OF THE ADMINISTRATOR

INTERCONNECTION AGREEMENT

INDIANA STATEWIDE RURAL ELECTRIC, INC.  
POOSIER ENERGY DIVISION

SOUTHERN ILLINOIS POWER COOPERATIVE

BIG RIVERS RURAL ELECTRIC COOPERATIVE CORPORATION

CITY OF HENDERSON, KENTUCKY  
UTILITY COMMISSION

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INTERCONNECTION AGREEMENT

THIS AGREEMENT made and entered into as of the 1st day of April, 1968 by and between INDIANA STATEWIDE RURAL ELECTRIC, INC., an Indiana corporation, acting through its HOOSIER ENERGY DIVISION, 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 RURAL ELECTRIC COOPERATIVE 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".

WITNESSETH:

STIPULATION: The parties to this Agreement are each engaged in the production and sale of electric power and energy, owning and operating their respective production facilities and selling such power and energy to their own respective consumers. 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 the sharing 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 and Big Rivers are presently operating under the provisions of an Interconnection Agreement dated June 25, 1965. Henderson is presently operating under similar Interconnection Agreement with Big Rivers dated September 1, 1965. It is the desire and intention of the parties that all of said existing agreements as supplemented and amended shall be terminated and superceded at the time 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 pool system.

1.03. "Pool System" or "Pool" shall mean the Combined Systems of all of the parties to this Agreement.

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

1.05. "Certified Pool Capacity" shall mean the total capacity available to the pool system, including the Generating Capacities of the parties to this Agreement plus any purchases of capacity from others not a party to this Agreement (when such Generating Capacities and purchases are recommended by the Operating Committee and approved by the parties to this Agreement), but not including capacity sales or purchases between the parties to this Agreement.

1.06. "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 to others not a party to this Agreement, but not including sales to other parties to this Agreement.

1.07. "Annual Pool System Peak" shall mean the maximum combined hourly kilowatt input to the pool system during the year, for service to the parties' consumers and firm sales to others not parties to this Agreement, but not including sales between or among the parties to this Agreement.

1.08. "System Capacity Requirement" shall mean the amount of capacity required to be provided to the pool by each party to this Agreement and shall be determined as provided in paragraph 2.07.

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

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

1.11. "Equalization Power" shall mean that portion of the Certified Pool Capacity available on a party's system from time to time which is in excess of such party's system capacity requirement.

1.12. "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.

1.13. "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.

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

1.15. "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.

1.16. "Operating Committee" shall mean the committee appointed by the parties in accordance with sub-article 2.10 of this Agreement.

1.17. "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,



1.18. "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.

1.19. "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.

## ARTICLE 2: INTERCONNECTED OPERATIONS

### 2.01. PURPOSE OF INTERCONNECTION

The parties agree:

- (a) To jointly plan and coordinate the addition of generation facilities and transmission facilities to meet the future requirements of the pool system under the terms of this contract in the optimum manner.
- (b) To interconnect their transmission systems so as to constitute an effective integrated system.
- (c) To furnish emergency assistance.
- (d) To coordinate maintenance scheduling of generation and transmission facilities.
- (e) To interchange, sell and purchase energy to effect operating economies.
- (f) To transfer energy through the transmission systems of one or more parties for the benefit of other party or parties.
- (g) To sell and purchase Equalization Power and associated energy available on the systems of other party or parties.

(h) 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 pool system. Additional facilities necessary to maintain required pool capacity shall be provided as mutually agreed upon by the parties.

#### 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 here to and made a part hereof. Immediately after the effective date of this Agreement the parties shall proceed as soon as reasonably practicable to construct the transmission facilities necessary to connect their systems at the initial points of interconnection as provided in said Exhibit A.

#### 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 establishment 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.

#### 2.06. GENERATING CAPACITY

Generating capacity shall be determined by the Operating Committee at the effective date of this contract and from time to time thereafter as changes in the pool system and the systems of the parties may warrant.

#### 2.07. ANNUAL SYSTEM CAPACITY REQUIREMENT

Each party's annual System Capacity Requirement shall be determined by the Operating Committee by multiplying the Annual System Peak of such party by a fraction, the numerator of which shall be the Certified Pool Capacity and the denominator of which shall be the sum of the Annual System Peaks of the parties to this Agreement.

The Operating Committee shall, in September of each year, prepare estimates of the annual System Peak of each Party

for the next four ensuing years, showing in detail that portion of the Certified Pool Capacity available to each party and listing the capacity deficiencies or excesses available toward meeting each party's annual System Capacity Requirement. The parties having estimated capacity deficiencies in their annual System Capacity Requirement shall, for at least 4 years in advance, contract by supplement hereto to purchase power to meet their estimated capacity deficiencies from the parties having excess capacity. In such agreements and adjustments thereto, the excess capacity of the parties having excess capacity shall be allocated to each party having a deficiency in proportion to that party's deficiency to the total deficiency. In the event the Annual System Peak of any party's system exceeds the estimated Annual System Peak reflected in the then effective contract supplements for purchase or sale of such deficiency or excess capacity, then the Annual System Capacity Requirement of all the Parties shall be adjusted without additional agreements to reflect such party's excess of Annual System Peak over the Estimated Annual System Peak, and appropriate adjustment made in billing therefor, with such adjustment to be applied equally over the succeeding 12 months. Such capacity sales and purchases shall be considered as equalization power and shall be subject to the rates, terms and conditions of Article 4 hereof and Article 9 hereof.

#### 2.08 PROVIDING OF SYSTEM CAPACITY REQUIREMENT

Each party shall maintain at all times sufficient capacity to supply its own System Capacity Requirement. Such party's System Capacity Requirement shall be provided for by its Generating Capacity as defined in sub-article 1.04 above, or any additions of Generating Capacity thereto, or by purchasing capacity from the other parties to this Agreement or from

other sources. Capacity purchases from other than parties to this Agreement may be made only when there are insufficient capacities available from the parties to this Agreement as determined by the Operating Committee in accordance with sub-article 2.07.

Several of the parties hereto have entered into agreements with Southeastern Power Administration (SEPA) under which SEPA agrees to furnish standby capacity to said parties. The Operating Committee shall determine the effective standby capacity available to the pool system from each of said parties under the terms of their agreements with SEPA. The amount of SEPA's standby capacity to be considered available from each such party to meet its system capacity requirement and spinning reserve requirement shall be determined by multiplying the total effective standby capacity available from SEPA under the terms of such agreements by a fraction, the numerator of which is the Annual System Peak of such party, and the denominator of which is the sum of the Annual System Peak of all of the parties having such agreements with SEPA. The SEPA contract standby demand charges under each agreement shall be totalled, and each party having such SEPA agreements shall be charged with its proportionate share thereof in accordance with the formula stated in this sub-paragraph. In making the calculations under section 9.01 each party shall credit or debit, as the case may be, the amount of contract standby charges paid directly to SEPA.

It is recognized by the parties hereto that future generating units may be installed by one party for the mutual benefit of all parties. A supplemental agreement may be required between the parties to reflect energy transactions from the generating unit and compensation required by the party installing the generating unit.

## 2.09 SPINNING RESERVE CAPACITY

The minimum amount of spinning reserve capacity operating on the pool system at any time shall be equal to the capacity of the largest generating unit in operation on the pool system at such time. Each party shall be responsible for operating its share of spinning reserve at such times as directed by the pool dispatcher, which share shall be that proportion of the minimum required spinning reserve in the pool system which represents the ratio of the input of that party's then operating generation to the total generation input to the pool system at that time. 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 2.08 hereof.

## 2.10 OPERATING COMMITTEE.

The Operating Committee shall consist of one representative and one 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 the day-to-day operations of the designating party. The duties of the Operating Committee shall include the following:

(a) Maintain planning studies to determine the optimum manner of meeting the future capacity requirements of the pool system and recommend to the parties the additions or purchases to be made by each party, and the appropriate times therefor.

(b) Determine Certified Pool Capacity and Annual Pool System Peak.

(c) Prepare estimates of each party's annual system peak and each party's annual system capacity requirement, and submit to the parties recommendations for purchase and sale of equalization power to meet each party's system capacity requirement.

(d) Determine fuel costs, maintenance costs, unit start-up and loss factors, and determine such other data and information as may be needed for transactions under this Agreement.

(e) Determine mutually agreeable points of interconnection and facilities needed to implement these interconnections.

(f) Recommend and coordinate maintenance shut-downs for generation and major transmission facilities.

(g) Perform such other and further duties as may from time to time be mutually agreed upon by the parties.

The Operating Committee shall meet as often and at such times and places as may be mutually agreed upon. Each party shall pay its own committee expenses. Costs of joint planning studies or other costs shall be shared as mutually agreed by the parties.

#### 2.11 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 pool system. 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.



3.03 LOSSES

Each contracting party shall furnish its own capacity and energy losses. The Operating Committee shall determine capacity and energy losses, giving full consideration to displacement.

ARTICLE 4: EQUALIZATION POWER AND ENERGY

4.01 SCHEDULING

Equalization Power and associated energy shall be furnished and delivered in accordance with written schedules prepared by the Operating Committee from time to time, and shall not be scheduled in quantities which would create hazardous or grossly uneconomical operating conditions for the selling party's equipment.

4.02 SALE TO OTHER PARTY

The parties shall contract for the purchase and sale of Equalization Power in accordance with sub-article 2.07 hereof, which shall be scheduled through the Operating Committee.

4.03 COMPENSATION

Compensation for Equalization Power and associated energy shall be as provided in article 9 hereof.

ARTICLE 5: MAINTENANCE AND EMERGENCY POWER AND ENERGY

5.01 EMERGENCY POWER AND ENERGY

If a party requires power and energy during any emergency, the other parties shall, upon request, furnish such power and energy as the supplying party can supply without curtailment of service to its own

consumers, injury to its equipment, or conflict with its obligations to others not parties to this Agreement.

#### 5.02 MAINTENANCE POWER AND ENERGY

If a party requires power and energy during any scheduled outage, the other parties shall, upon request, furnish such power and energy as the supplying party can supply without curtailment of service to its own consumers, injury to its equipment, or conflict with its obligations to others not parties to this Agreement.

The Operating Committee shall coordinate the schedules maintenance of generating facilities and major transmission facilities in order to maintain adequate pool capacity at all times.

#### 5.03 COMPENSATION

Energy furnished during emergencies or scheduled outage shall be returned in kind by the receiving party according to a schedule to be mutually agreed upon by the parties involved. If the parties shall not make return in kind, or if such power and energy is furnished from parties not a party to this Agreement, such emergency or maintenance energy shall be paid for as provided in article 9 hereof.

### ARTICLE 6: ECONOMY ENERGY

#### 6.01 SCHEDULING

Tenders and acceptances of economy energy shall be made between the parties through their respective system dispatchers.

6.02. COMPENSATION

Compensation for economy energy shall be paid by the receiving party as provided in article 9 hereof.

ARTICLE 7: POWER AND ENERGY FLOW,  
METERING AND COMMUNICATIONS.

7.01. 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.

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, 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.

7.03. REACTIVE POWER

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

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 the Operating Committee.

## 7.05 COMMUNICATIONS 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 pool dispatch office, the generating plants of the parties and such other points as may be required for operations under this Agreement.

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

### 8.02 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.

8.03. 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 other 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 injury, including death, 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.

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 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.

#### 8.06 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.

#### 8.07 UNCONTROLLABLE FORCE

No party hereto shall be considered to be 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.

#### 8.08 REPORTS AND INFORMATION

The parties hereto shall furnish to each other, to the Operating Committee and to the Pool Dispatcher such reports and information concerning their operations as may be reasonably requested from time to time.

#### 8.09. DISPATCHING OFFICE

To obtain the maximum benefits available under this Agreement, the parties hereto shall establish a dispatching office for the pool system. Said dispatching office shall be established as soon as technically and economically feasible. The said dispatching office shall, under the direction of the Operating Committee, schedule the generation and other capacity indicated as available to meet the combined load of the pool system, and shall perform such other and further duties as may from time to time be assigned in order to achieve the purposes of this Agreement. Each of the parties shall share equally cost of establishing and operating the dispatching office.

#### 8.10 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.

#### 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 a waiver with respect to any other 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 upon the recipient when posted through regular United States mail, addressed as follows:

To Hoosier : Hoosier Energy Division  
P. O. Box 908  
Bloomington, Indiana 47401

To Southern Illinois : Southern Illinois Power Cooperative  
P. O. Box 143  
Marion, Illinois 62959

To Big Rivers : Big Rivers RECC  
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.

8.13 SUCCESSORS AND ASSIGNS

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

8.14 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 9: COMPENSATION

9.01 COMPENSATION FOR EQUALIZATION POWER AND ENERGY

The rate for equalization 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, payable \$0.83 1/3 per billing month.

(b) Energy charge per kilowatt-hour equal to the average fuel cost per net generated kilowatt-hour on the seller's system for the preceding month plus 0.15 mills per kilowatt-hour. The average fuel cost shall be determined by dividing the total charges to Accounts 501, 518 and 547, as prescribed by the Federal Power Commission Uniform System of Accounts effective January 1, 1961, for fuel consumed during the month, by the total net generation in kilowatt-hours on the seller's system during the month.

## 9.02 COMPENSATION FOR EMERGENCY AND MAINTENANCE ENERGY

(a) Energy furnished during emergencies or scheduled outages as provided for in article 5 hereof shall be returned in kind by the receiving party upon a schedule to be mutually agreed upon by the parties involved. If the parties shall not agree upon such return in kind, such emergency or maintenance energy shall be charged to the account of the receiving party and credited to the account of the supplying party at the average fuel cost of net generation on the supplying party's system for the preceding month as defined in section 9.01 hereof plus 0.15 mills per kilowatt-hour.

### (b) SEPA STANDBY

Where a scheduled or emergency outage necessitates the scheduling of SEPA Standby or standby power and energy from others not a party to this Agreement, any kilowatt per calendar day charges and standby energy charges resulting from such scheduling shall be paid for at the resulting cost by the party whose facility outage resulted in the charge.

## 9.03 COMPENSATION FOR ECONOMY ENERGY

Economy energy furnished shall be paid for by the receiving party at one-half ( $\frac{1}{2}$ ) 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, as adjusted to reflect transmission energy losses. Costs incurred in placing plant or units into operation shall be included where applicable. The Operating Committee shall annually determine in-bunker fuel costs, and costs of placing the respective plant or units in plant into operation.

#### 9.04 COMPENSATION FOR PEAKING POWER

It is recognized that the purchases of peaking power from SEPA and other parties may incur energy charges which tend to unfairly distort the purchaser's cost of power. When such purchases of peaking power represent Certified Pool Capacity, the energy associated with such peaking power shall be allocated to all parties to this Agreement on the ratio of that party's annual system peak to the sum of the annual system peaks of the parties, and the charges for that share of energy shall be debited to each party's account on the basis of the energy charges for such peaking power and a like amount credited to the account of the party purchasing such peaking power.

#### 9.05. TAXES

If there shall be imposed after the affective 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 receiving party.

### ARTICLE 10: ACCOUNTING, BILLING AND PAYMENT

#### 10.01 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.

## 10.02 PAYMENTS

Within 30 days after receipt of a billing statement, the party owing compensation to another party, as the case may be, shall pay or cause to be paid to the other party the net balance in money due as set forth in such statement.

## ARTICLE 11: EFFECTIVE DATE, APPROVALS AND TERM

### 11.01. 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, 1987, and shall continue thereafter subject to the right of termination as hereinafter provided, except however, that the provisions section 2.08 and article 4 shall become operative on November 1, 1969.

This contract supercedes the agreements referred to in the stipulation and renders those null and void from and after the effective date of this contract.

### 11.02 TERMINATION

Any party to this Agreement may terminate its rights and obligations hereunder on or after October 31, 1987, 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 for the purchase or sale of equalization power under the terms of this Agreement or any supplement thereto. The terminating party shall not be required after

service of termination notice to enter into any such contract for purchase or sale of Equalization Power which would extend the otherwise effective date of termination.

ARTICLE 12: AMENDMENT INCLUSION OF OTHER PARTIES AND SEVERABILITY

12.01. 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.

12.02. 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.

12.03 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 portion 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:

*The Louisville Energy Commission*  
INDIANA STATEWIDE RURAL ELECTRIC, INC.

*Walter Woodruff*  
Secretary

By *James Bennett*  
~~President~~ Chairman

(corporate seal)

ATTEST:

SOUTHERN ILLINOIS POWER COOPERATIVE

*P. J. Noel*  
Secretary

*H. C. Kasper*  
President

(corporate seal)

ATTEST:

BIG RIVERS RURAL ELECTRIC COOPERATIVE  
CORPORATION

*L. B. Wilson*  
Secretary

*Robert Reid, Jr.*  
President

(corporate seal)

ATTEST:

UTILITY COMMISSION,  
CITY OF HENDERSON, KENTUCKY

*Joseph M. Dunbar*  
Secretary

*Frank Miller*  
Chairman

(corporate seal)

ATTEST:

CITY OF HENDERSON, KENTUCKY

[Signature]  
City Clerk

[Signature]  
Mayor

(city seal)

STATE OF Indiana

COUNTY OF Harrison . . . SCT.

I, F. L. HALL, a Notary Public in and for the state and county aforesaid, do hereby certify that on this day personally appeared before me [Signature] as president and [Signature] as secretary of Indiana Statewide Rural Electric, Inc., Hoosier Energy Division, 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 8 day of April, 1961.

My commission expires March 13, 1970.

(seal)

[Signature]  
Notary Public, Harrison County, Indiana

STATE OF ILLINOIS

COUNTY OF UNION . . . SCT.

I, CARL EDDLEMAN, a Notary Public in and for the state and county aforesaid, do hereby certify that on this day personally appeared before me K. R. DOUGLAS as president and R. S. HOLT as secretary of Southern Illinois Power Cooperative, who 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 28<sup>TH</sup> day of MARCH, 1968.

My commission expires 7-7-69.

Carl R. Edler

Notary Public HENDERSON County,

(seal)

STATE OF KENTUCKY

COUNTY OF HENDERSON . . . SCT.

I, Dorothy B. Tawler, a notary public in and for the state and county aforesaid, do hereby certify that on this day personally appeared before me Robert R. Smith as president and D. H. Williams as secretary of Big Rivers Rural Electric Cooperative Corporation, who 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 15<sup>th</sup> day of March, 1968.

My commission expires Oct. 25-1968.

Dorothy B. Tawler

Notary Public, Henderson County,  
Kentucky

(seal)

STATE OF KENTUCKY

COUNTY OF HENDERSON . . . SCT.

I, [Signature], a notary public in and for the state and county aforesaid, do hereby certify that on this day appeared before me [Signature] and [Signature], 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 15 day of Sept, 1964.

My commission expires Sept 26 1964.

Notary Public, Henderson County, Kentucky  
My Commission Expires September 26, 1964

(seal)

[Signature]  
Notary Public, Henderson County,  
Kentucky

STATE OF KENTUCKY

COUNTY OF HENDERSON . . . SCT.

I, [Signature], a notary public in and for the state and county aforesaid, do hereby certify that on this day appeared before me [Signature] and [Signature], personally known to me to be the Mayor and City Clerk of the City of Henderson, Kentucky who signed and acknowledged the foregoing as said mayor and city clerk to be their free and voluntary act and deed and the free and voluntary act and deed of said City of Henderson.

Given under my hand and seal of office this 14 day of Sept, 1964.

My commission expires Sept 26 1964.

(seal)

[Signature]  
Notary Public, Henderson County,  
Kentucky

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 Hayesville, 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 Fish and Elk 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 Fish and Elk substations connects with Big Rivers' 69 KV line extending from Henderson-Union's Henderson substation.

Maurice G. Galloway  
Maurice G. Galloway, Mayor

MARCH 27, 1968  
Date

ATTEST  
William C. [unclear]  
City Attorney

\_\_\_\_\_



RESOLUTION NO. 11-68

RESOLUTION AUTHORIZING AND DIRECTING  
THE MAYOR TO EXECUTE AN INTERCONNECT-  
ION AGREEMENT WITH OTHER ELECTRIC  
UTILITIES IN BEHALF OF THE CITY.

WHEREAS, the Utility Commission has recommended to  
the Board of Commissioners that the Municipal Power & Light  
System be interconnected and made a part of a power pool con-  
sisting of the Municipal Power & Light System, Indiana Statewide  
Rural Electric, Inc., Hoosier Energy Division, Southern Illinois  
Power Cooperative and Big Rivers Rural Electric Cooperative  
Corporation; and

WHEREAS, the Board of Commissioners has deemed it  
in the best interest of the City of Henderson that this  
Interconnection Agreement be adopted, executed and approved:

NOW THEREFORE, BE IT RESOLVED by the Board of  
Commissioners for the City of Henderson, Kentucky, that the  
Mayor, Maurice G. Galloway, be and he hereby is authorized  
and directed to execute in behalf of the City a certain  
Interconnection Agreement dated April 1, 1968, with Indiana State-  
wide Rural Electric, Inc., Hoosier Energy Division, Southern  
Illinois Power Cooperative and Big Rivers Rural Electric Cooper-  
ative Corporation, and the terms and provisions of said Agreement  
are incorporated in this resolution by reference.

On motion of Commissioner N.L. Newman, seconded by  
Commissioner G. Cheaney, that the foregoing resolution be duly  
adopted, the vote was called. On roll call the vote stood:

Mayor Galloway:	<u>Aye</u>
Com'r Newman:	<u>Aye</u>
Com'r Bentley:	<u>Aye</u>
Com'r Cheaney:	<u>Aye</u>
Com'r Neel:	<u>Aye</u>

WHEREUPON, Mayor Galloway declared the resolution duly  
adopted, affixed his signature and the date thereto and ordered  
that the same be recorded.

RESOLUTION

Upon motion by Mr. R. S. Holt and seconded by Mr. George Pape it was unanimously resolved that the Interconnection agreement between Hoosier Energy Division, Southern Illinois Power Cooperative, Henderson M.P. & L. and Big Rivers RECC shall be executed by the officers of Southern Illinois Power Cooperative.

I, R. S. Holt, Secretary of Southern Illinois Power Cooperative do hereby certify that the foregoing is a true and correct excerpt from the minutes of a regular meeting of the Board of Directors held on March 28, 1968.

*R. S. Holt*

\_\_\_\_\_  
R. S. Holt, Secretary  
Southern Illinois Power  
Cooperative

DATE: March 28, 1968

CITY UTILITY COMMISSION  
HENDERSON, KENTUCKY

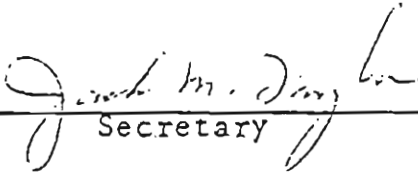
RESOLUTION

WHEREAS, it is the desire and intention of the City Utility Commission to join with Hoosier Energy Division, Southern Illinois Power Co-operative and Big Rivers Rural Electric Cooperative Corporation to form an interconnection agreement; and,

WHEREAS, the members of the Commission, after examining the agreement, deem it advisable to enter into such an agreement and do hereby approve same; now, therefore,

BE IT RESOLVED that the Commission, in regular session assembled, does hereby authorize the Chairman and Secretary to sign said interconnection agreement dated March 13, 1968, for and on behalf of the Commission.

  
Chairman

  
Secretary

EXCERPT FROM MINUTES OF REGULAR MEETING OF BOARD OF DIRECTORS  
OF BIG RIVERS RURAL ELECTRIC COOPERATIVE CORPORATION, HELD ON  
FRIDAY, MARCH 15, 1968 IN HENDERSON, KENTUCKY

Upon motion of Robert D. Green seconded by D. B. Wilson it was  
unanimously moved that the Interconnection Agreement between Hoosier Energy  
Division, Southern Illinois Power Cooperative, Henderson M. P. & L. and Big  
Rivers be approved.

I, Robert Reid, Sr., President  
of Big Rivers Rural Electric Cooperative  
Corporation, do hereby certify that the  
foregoing is a true and correct excerpt  
from the minutes of regular meeting of  
Board of Directors held on Friday, March  
15, 1968.

Robert Reid Sr.  
President



RESOLUTION 12 - 1968  
DOCUMENT NO. 326

WHEREAS, it is deemed to be to the best interests of Hoosier Energy Division that it interconnect with Southern Illinois Power Cooperative, hereinafter called "Illinois", Big Rivers Rural Electric Cooperative Corporation, hereinafter called "Big Rivers" and City of Henderson, Kentucky, hereinafter called "Henderson"; and

WHEREAS, a form of contract dated April 1, 1968, providing for such interconnection has been presented to and considered by the Operating Committee; now, therefore,

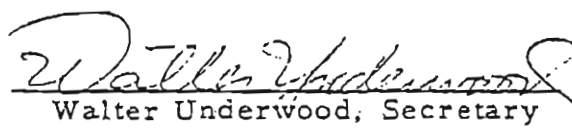
BE IT RESOLVED, that the Hoosier Energy Division, acting for and in behalf of Indiana Statewide Rural Electric Cooperative, Inc. does hereby approve the interconnection agreement dated April 1, 1968, between Hoosier, Illinois, Big Rivers and Henderson and does further authorize Dewey Barnett as Chairman and Walter Underwood as Secretary-Treasurer, to execute said agreement and as many counterparts as may be deemed necessary, for and on behalf of The Hoosier Energy Division.

CERTIFICATION

I, Walter Underwood, do hereby certify that I am the duly elected, qualified and acting Secretary of The Hoosier Energy Division, Indiana Statewide Rural Electric Cooperative, Inc., and that the above and foregoing is a true, correct and complete copy of Resolution 12 -1963, adopted by the Operating Committee of The Hoosier Energy Division, Indiana Statewide Rural Electric Cooperative, Inc., at a meeting of the Operating Committee held March 11, 1968.

Dated this 17<sup>th</sup> day of March

1968.

  
Walter Underwood, Secretary