

116-0-10-3

U.S. DEPARTMENT OF AGRICULTURE
RURAL ELECTRIFICATION ADMINISTRATION

Kentucky 62 Big Rivers
Indiana 106 Statewide
REB BORROWER DESIGNATION Illinois 50 Cairo

THE WITHIN Supplement No. 3 dated October 24, 1969, between Big
Rivers RECC, the Hoosier Energy Division of the Indiana
Statewide Rural Electric Coop, Inc. the Southern Illinois
Power Coop and the City of Henderson

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

James M. Johnson
FOR THE ADMINISTRATOR

5-1-70

WHEREAS, Section 2.06 (Spinning Reserve Capacity) of said Inter-connection Agreement establishes minimum spinning reserve capacities and the means for sharing spinning reserve requirements; and

WHEREAS, the inability of "Hoosier" to participate in Section 2.07 or 2.08, due to "Hoosier" being estopped from generating power or serving load, renders the application of Section 2.07 inappropriate in determining shared "Pool" capacities, and

WHEREAS, the loss of "Hoosier's" spinning reserve capacities to the other members of the "KII POOL," due to "Hoosier" being estopped from operating its generating units, causes said Section 2.09 to be impractical in application for providing spinning reserve requirements of the other "KII POOL" members; and

WHEREAS, said Section 2.09 also provides for sharing of SEPA standby capacity as a portion of the Spinning reserve, and

WHEREAS, "Southern Illinois" has surplus capacity over and above its needs for system loads agreed to Pool Sales and shared reserves, and

WHEREAS, "Big Rivers" may be deficient in capacity needed for system loads and shared reserves,

NOW, THEREFORE, the parties hereto mutually agree as follows:

1. The mutual covenants and agreements herein contained shall remain in effect only until such time as "Hoosier" can generate power and provide service to its members in Indiana, but in no event to extend beyond one year from the effective date of this agreement.

2. "Hoosier's" portion of the SEPA standby provisions of the Interconnection Agreement as may effect the other Pool Members' operating and cost sharing agreements, as herein contained, shall be waived until such time as "Hoosier" can generate power and provide service to its members in Indiana.

3. The SEPA costs for standby capacity available to "Southern Illinois" and to "Big Rivers" shall be shared by the interim operating members of the "KII Pool" proportionately to their installed generating capacities. Example as follows:

| | <u>"BIG RIVERS"</u> | <u>"SOUTHERN ILLINOIS"</u> | <u>"CITY OF HENDERSON"</u> |
|------------|----------------------|----------------------------|----------------------------|
| Nov. 1969 | (260 MW) \$19,481.00 | (114 MW) \$8,538.75 | (48 MW) \$3,605. |
| Dec. 1969 | " " | " " | " " |
| Jan. 1970 | " " | " " | " " |
| Feb. 1970 | " " | " " | " " |
| Mar. 1970 | " " | " " | " " |
| Apr. 1970 | " " | " " | " " |
| May 1970 | " " | " " | " " |
| June 1970 | (440 MW) \$23,117.88 | (114 MW) \$5,977.12 | (48 MW) \$2,530. |
| July 1970 | " " | " " | " " |
| Aug. 1970 | " " | " " | " " |
| Sept. 1970 | " " | " " | " " |
| Oct. 1970 | " " | " " | " " |

It being understood that the "City of Henderson" does not have a contract with SEPA, and that "Big Rivers" or "Southern Illinois" individually or jointly will provide standby for the "City of Henderson".

4. Minimum spinning reserves shall be shared proportionately as to installed generating capacities of the interim operating members of the "KII Pool". Example as follows:

(a) Unit Schedule

| | "BR" | "SIPC" | "HMPL" | TOTAL SPINNING | LESS EXPECTED LOADS & SPINNING RESERVE REQUIREMENTS | NET ABOVE REQUIREMENTS |
|------------|--------|--------|--------|-------------------|---|------------------------------|
| Nov. 1969 | 180 MW | 76 MW | 27 MW | 283 MW | 275 MW | 8 MW |
| Dec. 1969 | 260 MW | 76 MW | 27 MW | 363 MW | 288 MW | 75 MW |
| Jan. 1970 | 260 MW | 76 MW | 27 MW | 363 MW | 328 MW | 35 MW |
| Feb. 1970 | 260 MW | 76 MW | 27 MW | 363 MW | 336 MW | 27 MW |
| Mar. 1970 | 260 MW | 114 MW | 27 MW | 401 MW | 366 MW | 35 MW |
| Apr. 1970 | 260 MW | 76 MW | 27 MW | 363 MW | 353 MW | 10 MW |
| May 1970 | 260 MW | 76 MW | 27 MW | 363 MW | 351 MW | 12 MW |
| June 1970 | 360 MW | 76 MW | 37 MW | 473 MW | 373 MW | 100 MW |
| July 1970 | 360 MW | 76 MW | 27 MW | 463 MW | 390 MW | 73 MW |
| Aug. 1970 | 260 MW | 114 MW | 37 MW | 411 MW | 394 MW | 17 MW |
| Sept. 1970 | 440 MW | 76 MW | 27 MW | 543 MW | 497 MW | 46 MW |
| Oct. 1970 | 440 MW | 76 MW | 27 MW | 543 MW | 501 MW | 42 MW |

(b) Shared Spinning

| | "BR" | | | "SIPC" | | | "HMPL" | | |
|------------|-------------------|----------------|--------------------|-------------------|----------------|--------------------|-------------------|----------------|--------------------|
| | EXPECTED LOADS | SEPA ALLOC. | SHARED SPINNING | EXPECTED LOADS | SEPA ALLOC. | SHARED SPINNING | EXPECTED LOADS | SEPA ALLOC. | SHARED SPINNING |
| Nov. 1969 | 112 MW | 62 MW | 49 MW | 63 MW | 27 MW | 22 MW | 20 MW | 11 MW | 9 MW |
| Dec. 1969 | 120 MW | 62 MW | 49 MW | 66 MW | 27 MW | 22 MW | 22 MW | 11 MW | 9 MW |
| Jan. 1970 | 158 MW | 62 MW | 49 MW | 67 MW | 27 MW | 22 MW | 23 MW | 11 MW | 9 MW |
| Feb. 1970 | 171 MW | 62 MW | 49 MW | 65 MW | 27 MW | 22 MW | 20 MW | 11 MW | 9 MW |
| Mar. 1970 | 209 MW | 62 MW | 49 MW | 57 MW | 27 MW | 22 MW | 20 MW | 11 MW | 9 MW |
| Apr. 1970 | 199 MW | 62 MW | 49 MW | 55 MW | 27 MW | 22 MW | 19 MW | 11 MW | 9 MW |
| May 1970 | 195 MW | 62 MW | 49 MW | 56 MW | 27 MW | 22 MW | 20 MW | 11 MW | 9 MW |
| June 1970 | 197 MW | 73 MW | 59 MW | 64 MW | 19 MW | 15 MW | 30 MW | 8 MW | 6 MW |
| July 1970 | 211 MW | 73 MW | 59 MW | 65 MW | 19 MW | 15 MW | 34 MW | 8 MW | 6 MW |
| Aug. 1970 | 212 MW | 73 MW | 59 MW | 66 MW | 19 MW | 15 MW | 36 MW | 8 MW | 6 MW |
| Sept. 1970 | 330 MW | 73 MW | 59 MW | 57 MW | 19 MW | 15 MW | 30 MW | 8 MW | 6 MW |
| Oct. 1970 | 340 MW | 73 MW | 59 MW | 60 MW | 19 MW | 15 MW | 21 MW | 8 MW | 6 MW |

5. Each party shall normally be expected to provide for his loads, either by his own generation or by purchase, plus his share of the spinning reserve. Beginning on November 1, 1969, a monthly computation will be made of each member's maximum peak load plus his share of spinning, as determined in Paragraph 4, which in turn will be subtracted from his actual spinning. The monthly excess or deficiency of spinning will be carried from month to month throughout the scheduled period to October 31, 1970. Deficiencies shall be provided for by altering unit spinning schedules during the period or by other agreed to arrangements for reimbursement.

6. During periods when a member will need to spin an additional unit or units in order to provide Pool spinning requirements, if said member's internal daily load will not sustain the additional capacity, the other members agree to supply load to the extent necessary to sustain said additional unit or units. Said member will be reimbursed by the member or members taking the energy at net fuel costs for the fuel consumed within the given month energy is supplied.

7. "Southern Illinois" will sell, and "Big Rivers" will purchase 13 MW of capacity for the contract year beginning November 1, 1969. The rate for the said capacity so purchased shall be billed at the rate provided for under Section 9.01 of the Interconnection Agreement.

8. Should a member's system load increase in any given month to the extent its load plus its share of spinning reserve, as determined in Paragraph 4, exceeds its then installed net capacity, it shall pay four cents (\$.04) per KW per calendar day for each day its load plus its share of spinning reserve exceeds its installed capacity. The deficient member, under the above condition, shall arrange with a member or members having excess capacity for purchase of such deficiencies.

Energy supplied in connection with the capacities herein contracted shall be billed at the rate for energy as provided in Section 9.01 of the Interconnection Agreement.

This Supplemental Agreement shall become effective upon execution by the parties and approved by the Administrator of the Rural Electrification Administration.

IN WITNESS WHEREOF, the parties hereunto have signed and sealed this Supplemental Agreement, acting by the Corporate Officers thereunto duly authorized, all of the date above written.

BIG RIVERS RURAL ELECTRIC COOPERATIVE CORPORATION.

Attest: L. B. Lusk
Secretary

By: Robert Reid Jr.
President

UTILITY COMMISSION CITY OF HENDERSON, KENTUCKY

Attest: L. B. Haskins
Secretary
Vice Chairman

By: Jack M. Taylor
Chairman

HOOSIER ENERGY DIVISION INDIANA STATEWIDE RURAL ELECTRIC INC.

Attest: Walter Underwood
Secretary

By: Henry Barnett
President Chairman

SOUTHERN ILLINOIS POWER COOPERATIVE

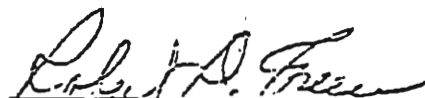
Attest: Mike F. Hurston
Secretary

By: Ray Webb
President

EXCERPT FROM THE MINUTES OF REGULAR MEETING OF
BOARD OF DIRECTORS OF BIG RIVERS RURAL ELECTRIC
COOPERATIVE CORPORATION HELD IN HENDERSON, KENTUCKY
ON NOVEMBER 21, 1969

The Manager presented Supplement #3 to Interconnection Agreement with the KyII Pool. Supplement #3 provides for operation between Southern Illinois Power Cooperative, Henderson Municipal Power and Light, and Big Rivers and is required due to the legal restriction prohibiting Hoosier Energy from operating. Supplement #3 has been reviewed with REA and approved. Upon motion of Leslie G. Jenkins seconded by D. B. Wilson it was moved that Supplement #3 to Interconnection Agreement with the KyII Pool be approved. Motion carried.

I, Robert D. Green, Vice President of Board of Directors of Big Rivers Rural Electric Cooperative Corporation hereby certify that the above is a true and correct excerpt from the minutes of regular meeting of said corporation held on November 21, 1969.



Robert D. Green, Vice President

RESOLUTION 6 - 1970
DOCUMENT NO. 522

BE IT RESOLVED that Amending and Supplemental Agreement #3 to KII Pool Interconnection Agreement, as presented, providing for operation between Southern Illinois Power Cooperative, Henderson Municipal Power and Light and Big Rivers Rural Electric Cooperative Corporation, be and the same is hereby approved.

BE IT FURTHER RESOLVED that Dewey Barnett, Chairman, and Walter Underwood, Secretary, be and they are hereby authorized to execute said agreement.