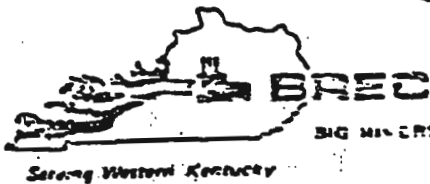


SCHULTZ  
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BIG RIVERS ELECTRIC CORPORATION / P. O. BOX 24, HENDERSON, KY. 42420 / Telephone 502-827-31

September 18, 1979

Mr. Bill Perry  
Henderson Municipal Power & Light  
P. O. Box 8  
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

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U.S. DEPARTMENT OF AGRICULTURE  
RURAL ELECTRIFICATION ADMINISTRATION

AREA-BORROWER DESIGNATION: KENTUCKY 62, BIG RIVERS

THE WITHIN STATE CONTRACT DATED June 12, 1978

with the City of Ferson, 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 *L. B. Helms*  
Chairman

BIG RIVERS ELECTRIC CORPORATION

By *Walter Henshaw*  
President