

116.0.10.2

FIRST AMENDMENT

to

THE AMENDED INTERCONNECTION AGREEMENT

Dated as of October 13, 1981

by and between

**HOOSIER ENERGY RURAL ELECTRIC COOPERATIVE, INC.
SOUTHERN ILLINOIS POWER COOPERATIVE
BIG RIVERS ELECTRIC CORPORATION
and
CITY OF HENDERSON, KENTUCKY**

Dated as of January 10, 19 89

THIS FIRST AMENDMENT, made and entered into as of the 10th day of January, 19 89, between Hoosier Energy Rural Electric Cooperative, Inc. (Hoosier), Southern Illinois Power Cooperative (SIPC), Big Rivers Electric Corporation (Big Rivers), and the City of Henderson, Kentucky.

W I T N E S S E T H

WHEREAS, Hoosier, SIPC, Big Rivers, and the City of Henderson have heretofore entered into an interconnection agreement dated as of April 1, 1968 and amended this agreement as of October 13, 1981 (said interconnection agreement and amended agreement being herein called the Amended 1981 Interconnection Agreement); and

WHEREAS, the parties desire to modify the 1981 Agreement, as hereinafter set forth:

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

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
- (g) Purchase and Sale of Non-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

Service Schedule G - Non-Displacement Power

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.

**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 April 1, 1981 between Big Rivers - Hoosier Energy - Henderson Municipal Power and Light and Southern Illinois Power Cooperative as amended by this modification dated January 10 19 89 shall become effective and shall continue in effect, upon approval by all parties to this Agreement and the Administrator of REA, until termination or expiration of the Amended 1981 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 up to 19 cents per day or up to 95 cents per week per kilowatt for the power reserved, 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 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:

BIG RIVERS ELECTRIC CORPORATION

William B. Briscoe
Secretary

BY Morton Henshaw
President

ATTEST:

SOUTHERN ILLINOIS POWER COOPERATIVE

Laurence Hicks
Secretary

BY Robert White
President

ATTEST:

HOOSIER ENERGY RURAL ELECTRIC
COOPERATIVE, INC.

Mel Woodward
Secretary

BY Burnett Carithus
President

ATTEST:

HENDERSON MUNICIPAL POWER &
LIGHT

Rudolph H. Emerson
Secretary

BY B E Emerson
Chairman

SERVICE SCHEDULE C
SHORT-TERM NON-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 C, entered into April 1, 1981 between Big Rivers - Hoosier Energy - Henderson Municipal Power and Light and Southern Illinois Power Cooperative as amended by this modification dated January 10 1989 shall become effective and shall continue in effect, upon approval by all parties to this Agreement and the Administrator of REA, until termination or expiration of the Amended 1981 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 up to 17 cents per day or up to 85 cents per week per kilowatt for the power reserved. Should unforeseen events force a curtailment of power by the supplier on any day or for any part of that day, the reservation charge shall be reduced by no greater than the agreed to daily reservation charge or if such power is subject to a weekly reservation charge, the daily reduction shall be calculated at one-fifth (1/5) of the agreed to weekly reservation charge.

The total daily reductions of charges shall not exceed the agreed to weekly reservation charge.

- (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 8 of the Interconnection Agreement.

ATTEST:

William B. Bruce
Secretary

BIG RIVERS ELECTRIC CORPORATION

BY Morton Hinshaw
President

ATTEST:

Lawrence Nieke
Secretary

SOUTHERN ILLINOIS POWER COOPERATIVE

BY Robert W. [Signature]
President

ATTEST:

Max Woodward
Secretary

HOOSIER ENERGY RURAL ELECTRIC
COOPERATIVE, INC.

BY Burnett Cassidus
President

ATTEST:

Rudolph Emerson
Secretary

HENDERSON MUNICIPAL POWER &
LIGHT

BY B. E. Higgins
Chairman

**SERVICE SCHEDULE G
NON-DISPLACEMENT 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 G, entered into this January 10, 19 89 between Big Rivers - Hoosier Energy - Henderson Municipal Power & Light and Southern Illinois Power Cooperative, shall become a part of and under the amended Interconnection Agreement dated April 1, 1981, and shall become effective and shall continue in effect, upon approval by all parties to this Agreement and the Administrator of REA, until termination or expiration of the Amended 1981 Interconnection Agreement, unless terminated or superseded by a new service schedule.

ARTICLE 2

Purpose

2.1 The purpose of this Service Schedule G is to provide for and establish the terms and conditions for Non-Displacement Energy 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 Non-Displacement Power is electric energy (herein called Non-Displacement Energy) which any of the parties is willing to make available from surplus capacity either on its own system or from sources outside its own system, or both, that can be utilized advantageously for short intervals by one of the other parties. It shall be the responsibility of the party desiring the receipt on Non-Displacement Energy to initiate the receipt and delivery of such energy. The party desiring such receipt of energy shall inform the other party of the extent to which it desires to use Non-Displacement Energy, and, whenever in its own judgment such other party determines that it has Non-Displacement Energy available, schedules providing the periods and extent of use shall be mutually agreed upon. Neither party shall be obligated to make any Non-Displacement Energy available to the other.

ARTICLE 4

Basis of Settlement

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

4.2 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.

4.3 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:

BIG RIVERS ELECTRIC CORPORATION

William B. Brusca
Secretary

BY J. Norton Henshaw
President

ATTEST:

SOUTHERN ILLINOIS POWER COOPERATIVE

Lawrence Thelke
Secretary

BY Robert A. [Signature]
President

ATTEST:

HOOSIER ENERGY RURAL ELECTRIC COOPERATIVE, INC.

Max Woodward
Secretary

BY Burnette Carithers
President

ATTEST:

HENDERSON MUNICIPAL POWER & LIGHT

Dudley H. Emerson
Secretary

BY B. E. Higgins
Chairman