

**SPECIAL CONTRACT FOR
BACK-UP ELECTRIC SERVICE AND
RETAIL ELECTRIC TRANSMISSION SERVICE**

This Agreement for Back-Up Electric Service and Retail Electric Transmission Service ("Agreement") is made and entered into this 26th day of September, 2016, by and between Jackson Purchase Energy Corporation, a Kentucky non-profit corporation ("Company"), and American Municipal Power, Inc., an Ohio non-profit corporation ("Customer").

WITNESSETH:

WHEREAS, Customer is currently constructing, and will subsequently test, commission, synchronize to the grid, and commercially operate, a hydroelectric generating facility in Smithland, Kentucky ("AMP Smithland");

WHEREAS, Company is currently providing electric service to AMP Smithland under its Rate Schedule D (Commercial and Industrial Demand Less Than 3,000 kW) while Customer is constructing AMP Smithland;

WHEREAS, AMP Smithland interconnects with the Midcontinent Independent System Operator, Inc. ("MISO"), via a portion of the MISO transmission system owned by Big Rivers Electric Corporation ("BREC") (the "Transmission Facilities");

WHEREAS, Company and Customer acknowledge and agree that Company has exclusive retail service rights under Kentucky Revised Statutes 278.018 and other related statutes, regulations, and the common law of Kentucky for the territory where AMP Smithland is located;

WHEREAS, Company and Customer acknowledge and agree that it would be economically impracticable for Company to provide the energy to serve those generating facilities of Customer at AMP Smithland that are directly interconnected with the Transmission Facilities (*i.e.*, the generator/powerhouse) ("Static

WHEREAS, Company and Customer are entering into this arrangement to accommodate this economic reality while protecting Company's statutory retail service

**KENTUCKY
PUBLIC SERVICE COMMISSION**
Talina R. Mathews
EXECUTIVE DIRECTOR
Talina R. Mathews
**EFFECTIVE
11/3/2016**
PURSUANT TO 607 KAR 5.011 SECTION 9 (1)

rights, and are further entering into this agreement to provide for the terms and conditions under which Customer will receive back-up electric service and retail electric service other than Station Power at AMP Smithland; and

WHEREAS, Company and Customer acknowledge that the provision of electric service to AMP Smithland is a unique situation, not a template for future projects;

NOW, THEREFORE, in consideration of the foregoing premises and the respective covenants and agreements of Company and Customer herein set forth, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, it is mutually agreed as follows:

1. Effective Date. This Agreement shall become effective on the earliest date authorized by law but no later than the date on which power first flows to or from AMP Smithland across the Transmission Facilities.

2. Service and Rates.

A. Retail Electric Transmission Service.

i. As described in the foregoing recitals, which recitals are incorporated into and deemed an integral part of this Agreement, Company and Customer acknowledge and agree that it would be economically impracticable for Company to provide the Station Power. Accordingly, Company and Customer agree that the Station Power will be supplied by entities other than Company according to the applicable rules, policies, and practices of MISO.

a) The load that may be served by entities other than Company shall be specifically limited to Station Power. Energy from entities other than Company shall not be utilized to serve any auxiliary buildings at AMP Smithland, nor outdoor lighting, not directly attached to the generator/powerhouse, nor any other facilities of Customer that may be reasonably outside of the primary generator/powerhouse facility.

KENTUCKY
PUBLIC SERVICE COMMISSION

Jalina R. Mathews
EXECUTIVE DIRECTOR

Jalina R. Mathews

EFFECTIVE

11/3/2016

PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

ii. Notwithstanding the foregoing, Company and Customer acknowledge Company's exclusive right under Kentucky Revised Statutes 278.018 and other related statutes, regulations, and the common law of Kentucky to provide retail electric service to AMP Smithland. Therefore, beginning on the date on which power first flows to or from AMP Smithland across the Transmission Facilities, Customer shall pay Company for Retail Electric Transmission Service in accordance with the following terms:

- a) Customer shall pay to Company a monthly Facilities Charge of \$1,000.00;
- b) Customer shall pay all taxes, charges, or assessments now or hereafter applicable to the Retail Electric Transmission Service provided by Company to Customer, including those imposed by the Franchise Fee Rider (Sheet 112) and the School Tax rider (Sheet 114) under Company's tariff on file with the Kentucky Public Service Commission ("Commission"), or any successor tariff(s), subject to such changes as may become effective from time to time by operation of law or by order of the Commission;
- c) The rate for Retail Electric Transmission Service described above is net, the gross rate being five percent (5%) higher. In the event the current bill is not paid by Customer on or before the due date as shown on the bill, the gross rate shall apply to any unpaid portion.

B. Back-Up Electric Service.

i. Beginning on the date on which power first flows to or from AMP Smithland across the Transmission Facilities, Company shall provide to AMP Smithland Back-Up Electric Service to ~~serve Customer's Station~~ Power in the event other AMP Smithland back-up systems or arrangements fail. The delivery point for the provision shall

KENTUCKY
Public Service Commission
Talina R. Mathews
EXECUTIVE DIRECTOR
Talina R. Mathews

EFFECTIVE
11/3/2016
PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

be the existing primary metering point under which the Customer is currently receiving Schedule D service from the Company.

- a) So that Company can adequately prepare to provide this Back-Up Electric Service, Customer shall give Company at least thirty (30) calendar days' notice of the date on which power will first flow to or from AMP Smithland across the Transmission Facilities.
- ii. All back-up electric capacity and energy taken by Customer under this Agreement shall be delivered as 3 phase, 60 cycle, alternating current, at a nominal voltage at the delivery point of 12,470 volts, metered and billed as primary service.
- iii. Company and Customer agree that the delivery point requires an estimated system capacity of 600 kW.
- iv. Each month, Customer shall pay Company for all facilities provided, and capacity and energy delivered, to Customer in the preceding billing period in an amount determined in accordance with Company's Rate Schedule D under Company's tariff on file with the Commission, or any successor tariff(s), subject to such changes as may become effective from time to time by operation of law or by order of the Commission, with the following exception:
 - a) The monthly Facilities Charge shall not be that reflected in Company's Rate Schedule D, but instead shall be \$450.00.

C. Retail Electric Distribution Service.

- i. Company will provide Retail Electric Distribution Service to any and all Customer facilities in Company's certified service territory that are not generating facilities of Customer directly interconnected with the Transmission Facilities (i.e., that are not Customer facilities) at standard, applicable tariff rates, terms, and conditions.

KENTUCKY
PUBLIC SERVICE COMMISSION

Tina R. Mathews
EXECUTIVE DIRECTOR

Tina R. Mathews

EFFECTIVE
11/3/2016
PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

3. Term. This Agreement shall be in full force and effect for a period of one (1) year from the date on which power first flows to or from AMP Smithland across the Transmission Facilities and shall continue in force thereafter for successive periods of one (1) year each until either party shall give the other not less than sixty (60) days written notice of its intention to terminate this Agreement at the expiration of said yearly periods. Notwithstanding anything in this Agreement to the contrary, this Agreement shall automatically terminate upon the proper cancellation by the Commission of any rate or tariff whose administration of the same is necessary for this Agreement to continue; however, the renaming, restructuring, or changing of rates of any tariff provision this Agreement addresses shall not constitute cancellation of the same, and shall not automatically terminate this Agreement.
4. Tariff Provisions. It is mutually agreed that Company's general terms and conditions and applicable rate schedules, as from time to time are approved by and on file with the Commission, are made a part of this Agreement as fully as if written here unless such term or condition is in express conflict with a term or condition of this Agreement, in which case the term or condition of this Agreement shall prevail. Nothing in this Agreement prohibits or precludes Customer from challenging any changes proposed to Company's tariff that impact Customer.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized representatives this day and year shown above.

JACKSON PURCHASE ENERGY CORPORATION

By: 

Dennis L. Cannon, President and CEO
Official Capacity

Attest:
By: 
Scott W. Ribble, Vice President

AMERICAN MUNICIPAL POWER, INC.

By: 

Marc S. Gerken, President/CEO

Attest:
By:  
John W. Bentine, Secretary Talina R. Mathews, Counsel

<p>KENTUCKY PUBLIC SERVICE COMMISSION</p> <p>Talina R. Mathews EXECUTIVE DIRECTOR</p>
<p>EFFECTIVE 11/3/2016 PURSUANT TO 807 KAR 5:011 SECTION 9 (1)</p>