

POWER SALES CONTRACT BETWEEN JACKSON PURCHASE RURAL
ELECTRIC COOPERATIVE CORPORATION AND
SHELL PIPELINE CORPORATION

THIS AGREEMENT made and entered into as of the 31ST day
of OCTOBER, 1973, by and between JACKSON PURCHASE RURAL
ELECTRIC COOPERATIVE CORPORATION (hereinafter referred to as
"Jackson Purchase"), and SHELL PIPELINE CORPORATION (hereinafter
referred to as "Shell"), a corporation contracting for itself and
as operator of the Capline System.

W I T N E S S E T H :

SECTION 1. GENERAL OBLIGATION.

1.1. Jackson Purchase shall provide all of the power and
energy required by Shell for its pipeline pumping station located at
the Shell-Joppa Microwave Station, between Ragland and Needmore
Communities in McCracken County, Kentucky up to 15,000 KVA at a
maximum rate of delivery equal to the applicable contract demand
as set forth in Exhibit A, hereto annexed and by this reference
made a part hereof. Shell shall pay for power and energy at the
rates and charges stated in Exhibit A, subject, however, to the
terms and conditions stated in this agreement. Shell shall not
resell or deliver such power and energy to third parties.

1.2 Minimum Monthly Payments -- Irrespective of Shell's
requirement for and use of electric power and energy, Shell shall
pay to Jackson Purchase not less than Eight-Thousand Eight-Hundred
Seventy -Five Dollars (\$8,875.00) per month for service or for
having service available with 7500 KVA transformer capacity installed
or Fourteen-Thousand Five-Hundred Dollars (\$14,500.00) per month for
service or for having service available at 15,000KVA transformer
capacity installed in accordance with Schedule I which is a part
of this contract and incorporated herein.

SECTION 2. CHARACTERISTICS OF SERVICE AND POINT OF DELIVERY.

2.1 Electric service to be provided by Jackson Purchase to Shell under this agreement shall be 3 phase, 60 cycle, 4 wire at 2.4/4.16 KV at the Jackson Purchase Substation, to be located in reasonable proximity to the Shell pumping station.

SECTION 3. FACILITIES TO BE PROVIDED BY JACKSON PURCHASE.

3.1 Jackson Purchase will furnish 69 KV transmission line to a point located adjacent to the Shell pumping station and thereafter will provide a substation, which substation shall receive delivery of the power and energy set forth hereunder, at 69KV to be transformed to 2.4/4.16 KV with a transformer bearing a rated capacity of 7,500 KVA initially by October 1, 1974; and Jackson Purchase will install a second identical transformer about January 1, 1977, the exact date to be determined by Shell when estimated future load conditions are confirmed to provide a combined total installed capacity at the substation of 15,000 KVA. Jackson Purchase will have on hand a standby transformer to replace the above transformer in the event of sudden failure.

SECTION 4. FACILITIES TO BE PROVIDED BY SHELL.

4.1 Shell shall furnish and install, or cause to be furnished and installed, such facilities and equipment as may be necessary to enable it to receive and use electric power and energy purchased hereunder at and from the point of delivery, including such protective devices as may be necessary in the reasonable judgement of Jackson Purchase and Shell to protect its system. Plans for equipment to be installed for such protection of such facilities shall be submitted to Jackson Purchase for prior approval.

4.2 Shell shall be responsible for the operation and maintenance of all facilities controlled by Shell.

SECTION 5. STANDARDS.

5.1 Transmission and related facilities referred to in this agreement shall be constructed, operated, and maintained by or on behalf of, Jackson Purchase and Shell in accordance with standard electric utility practices.

SECTION 6. RIGHT OF ACCESS.

6.1 Each Party grants to the other party right of access to its premises to install, maintain, operate, repair, and renew any and all equipment, apparatus, and devices owned or operated by such other party and necessary in the performance of this agreement. The rights granted by the parties herein include the right of Jackson Purchase to locate the Substation referred to in this agreement upon Shell's property at a site to be agreed upon between the parties and at no cost to Jackson Purchase.

SECTION 7. RIGHT OF REMOVAL.

7.1 Any and all equipment, apparatus, devices or facilities placed or installed, or caused to be placed or installed, by any of the parties hereto on or in the premises owned or operated by the other 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 and upon termination of this agreement the owner thereof shall have the right to enter upon the premises owned or operated by the other party and shall within a reasonable time remove such equipment, apparatus, devices, or facilities.

SECTION 8. MEASUREMENT OF POWER AND ENERGY

8.1 Jackson Purchase will install, maintain, and operate, or cause to be installed, maintained and operated, the metering equipment required to measure the quantities of power and energy delivered to Shell hereunder at the point of delivery, provided, that Jackson Purchase shall have the option of metering at another location in which event measurement shall be approximately adjusted for losses to the point of delivery, said adjustment to be agreed upon by Jackson Purchase and Shell. Any meter used under this agreement shall be read at 7:00 A.M. the First day of each month (or such other date as may be mutually agreed upon) by a representative of Jackson Purchase, and may be simultaneously read by a representative of Shell, if Shell so elects. At least once each 12 months Jackson Purchase will make, or cause to be made, such tests and inspections of the meter or meters as may be necessary to maintain the same at the highest practicable commercial standard

of accuracy. If periodic tests show that a meter used for billing is accurate within 2% slow or fast, no adjustment shall be made in the billing of Shell for the period during which the parties agree that no inaccuracy more than the said 2% existed. If any of the inspections or tests provided for herein, including tests requested by Shell, disclose an error exceeding 2%, an adjustment based on the inaccuracy found shall be made in the records of and the billings for electric service furnished since the beginning of the monthly billing period immediately preceeding the billing period during which the test was made and such adjustment, when made, shall constitute full adjustment of any claim between the parties hereto arising out of such inaccuracy of metering equipment. Jackson Purchase will make, or cause to be made, additional tests of meters at the request and expense of Shell and in the presence of Shell's representative. In all other respects, meters shall be installed, operated, maintained and tested in accordance with the usual standards of the electric utility industry.

SECTION 9. MEMBERSHIP.

9.1 Shell shall become a member of Jackson Purchase, and shall pay the membership fee and be bound by the provisions of the Articles of Incorporation and By-Laws of Jackson Purchase and by the other rules and regulations now in effect and as may from time to time be adopted by Jackson Purchase.

9.2 Liability, Shell, by paying a membership fee and becoming a member, assumes no liability or responsibility for any debts or liabilities of Jackson Purchase, and it is expressly agreed and understood that the property of Shell cannot be attached for debts or liabilities of Jackson Purchase.

SECTION 10. UNCONTROLLABLE FORCES.

10.1 The term Uncontrollable Forces shall mean, any cause reasonably beyond the control of the party whose performance is affected by such cause, and which by the exercise of due diligence such party is unable to prevent or overcome, including but not limited to an Act of God, Fire, Flood, Earthquake, Explosion, Strike, Sabotage, an Act of the Public Enemy, Civil or Military Authority, including Court Orders, Injunctions and Orders of Government Agencies

having proper jurisdiction, Insurrection or Riot, an Act of Elements, Failure of Equipment, or inability to obtain or ship materials or equipment because of the effect of similar causes on suppliers or carriers.

10.2 Any party which invokes the Existence of uncontrollable forces as cause for its nonperformance of any obligation or condition shall proceed with due diligence to the best of its ability to remove said cause.

SECTION 11. NOTICES.

11.1 Any written notice, demand or request required or authorized under this agreement shall be deemed properly given to or served on Jackson Purchase if mailed by registered mail, postage prepaid, addressed to General Manager, Any such notice, demand or request shall be properly given to or served on Shell if mailed by registered mail, postage prepaid, addressed to Shell Pipe Line Corp., P. O. Box 2648, Houston, Texas 77001, Attention, Manager Operations Analysis.

SECTION 12. SUCCESSORS IN INTEREST.

12.1 The terms and conditions of this agreement shall inure to and be binding upon the parties, together with their respective successors and assigns. Shell may, at its election, assign or transfer this agreement to any subsidiary or affiliate of Shell or participant in the Capline System which may become engaged in the operation of the pipeline and pumping activities of Shell; but, in such event, no such assignment or transfer shall relieve the parties hereto of any obligation assumed hereunder notwithstanding that such assignee or transferee of Shell shall have assumed all obligations or responsibilities of Shell under this Agreement, but Shell shall continue to be primarily liable for such obligations and responsibilities.

SECTION 13. REMEDIES OF THE PARTIES.

13.1 Except as otherwise provided herein, nothing contained in this agreement shall be construed to a-bridge, limit, or deprive any party of any means of enforcing any remedy, either at law or at equity, for the breach of any of the provision hereof, Waiver

at any time by any party of rights with respect to a default or any other matter arising in connection with this agreement shall not be deemed to be waived with respect to any subsequent default or matter.

13.2 In no event shall this agreement subject any party hereto to consequential damages or damages for loss of anticipated profits.

SECTION 14. TERM

14.1 This agreement shall become fully effective and binding upon its execution by the parties hereto, and shall remain in effect for a primary period of ten years thereafter from the start of the initial billing period as set forth in Section 4 of Exhibit A. This agreement shall continue after expiration of the primary term from year to year unless and until terminated by either party upon a one year notice to the other.

14.2 During the primary period this agreement may be terminated by either party giving to the other notice in writing 12 months previous to date of the proposed date of termination. Provided, however, that if Shell terminates operation prior to the primary term specified herein and desires to cancel this agreement, notification as referred to herein to Jackson Purchase and hereby agrees to pay to Jackson Purchase a lump sum payment upon the following formula:

- a. The depreciated cost of facilities used to serve Shell, including all additional facilities covered herein that are made idle by such cancellation. The depreciated cost to be Jackson Purchase's actual capitalized cost, less actual depreciation and reflected on the books of Jackson Purchase;
- b. The labor cost of removal of the facilities less the actual salvage value of the materials recovered. Upon payment in full of this amount, this agreement shall be considered cancelled.

14.3 In event that any portion of the transmission facilities provided by Jackson Purchase here under become useful to others during the primary period of this contract, an appropriate deduction to the lump sum payment shall be made.

RATE SCHEDULE "I"

(Industrial Service)

SCHEDULE "I"

This schedule states the rates, charges, adjustments and payment provision for furnishing a supply of power and energy to Shell Pipeline Corporation pursuant to the contract between Jackson Purchase Rural Electric Cooperative Corporation and Shell Pipeline Corporation to which this Schedule "I" is attached.

SECTION 1. CAPACITY

1.1. Contract

The Contract capacity shall be 7500 KVA beginning October 1, 1974. The Contract Capacity shall become 15,000 KVA (two 7500 KVA transformers) at some later date to be determined by Shell by written notice at least twelve months in advance of such date.

1.2 Increase

In the event that Shell elects to have the capacity increased above the amount stated in 1.1 above, it shall give at least twelve months written notice thereof to Jackson Purchase.

SECTION 2. BILLING DEMAND AND POWER FACTOR

2.1 Billing Demand

The Billing Demand shall be the maximum demand established by Shell for any period of fifteen minutes during the month for which the bill is rendered, as indicated or recorded by a demand meter but shall be not less than 5000 Kilowatts.

2.2 Power Factor Adjustment

Shell shall at all times take and use power in such a manner that the power factor at the time of maximum load shall be as near 100% as is consistent with good engineering practice, but when the power factor at the time of monthly maximum load is determined to be less than 85%, an adjustment will be made by increasing the measured demand by one percent for each one percent by which the power factor is less than 85% lagging.

SECTION 3. MONTHLY RATES AND CHARGES

3.1 Demand Charge

First 5000 kilowatts or less of billing demand,	\$7,000.00
All kilowatts of billing demand in excess of 5000 kilowatts, per kilowatt of billing demand	\$ 1.40

3.2 Energy Rate

First 500,000 KWH used per month, per KWH	\$ 0.01
Next 1,000,000 KWH used per month, per KWH	\$ 0.007
All KWH used in excess of 1,500,000 per month, per KWH	\$ 0.004
Except all KWH used per month in excess of 3,000,000 plus 300 KWH per KW, per KWH	\$ 0.0025

3.3 Fuel Adjustment

In case the rate under which Jackson Purchase purchases wholesale power is adjusted in accordance with the Fuel Clause provision in the Wholesale Power Contract with the wholesale power supplier the foregoing energy charges shall be

adjusted each month by an amount per KWH equal to 1.10 times the fuel cost adjustment per KWH or fraction thereof in Jackson Purchase's wholesale power bill for the next preceding month.

3.4 Tax Clause

In case the rate under which Jackson Purchase purchases wholesale power is adjusted in accordance with the Tax Clause provision in the Wholesale Power Contract with the Wholesale power supplier the foregoing energy charges shall be adjusted each month by an amount per KWH equal to 1.10 times the tax adjustment per KWH or fraction thereof in Jackson Purchase's wholesale power bill for the next preceding month.

3.5 State Sales Tax

No State Sales Tax is included in the above rates, but if such a tax is applicable, it will be paid by Shell in addition to the foregoing rates and charges.

3.6 Wholesale Modification

Shell agrees that if any time the rate at which Jackson Purchase purchases electric energy at wholesale is modified, Jackson Purchase may make a corresponding modification in the rate hereunder.

SECTION 4. PAYMENT AND BILLING

4.1 Initial Billing Period

The Initial Billing Period shall start when Shell begins using electric power and energy or thirty (30) days after Jackson Purchase notifies Shell in writing that service is available hereunder, whichever shall occur first. In the event that Shell notifies Jackson Purchase of inability to take service as herein provided, the minimum monthly charge shall be waived for a period not to exceed six months and the term of contract shall be extended for an equal period of time that Shell is unable to take service as provided in the Contract.

4.2 Payment

Bills for service hereunder shall be paid at the office of Jackson Purchase in Paducah, Kentucky monthly and promptly within fifteen (15) days after the net bill is mailed to Shell. If the net bill is not paid within such fifteen (15) days period, the gross rates which are two percent (2%) higher shall apply. The billing shall be considered as paid as of the date shown by the postmark on the remittance by Shell to Jackson Purchase.