

AGREEMENT FOR PURCHASE OF POWER

AGREEMENT made this 5th day of September, 1958,
between JACKSON COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION
(hereinafter called the "Seller"), and WINONA OIL COMPANY OF
DELAWARE (hereinafter called the "Consumer"), a Corporation.

W I N E S S E I H

The Seller agrees to sell and to deliver to the Consumer,
and the Consumer agrees to purchase and receive from the Seller
all of the electric power and energy which the Consumer may need
at Dan McCoy lease near Furnace, Kentucky, up to 1500 KVA, upon
the following terms:

1. SERVICE CHARACTERISTICS:

Service hereunder shall be alternating current,
3 phase, sixty cycles, standard volts.

2. PAYMENT.

a. The Consumer shall pay the Seller for
service hereunder at the rates and upon
the terms and conditions set forth in
Schedule LP-1 attached to and made a part
of this agreement, which rate will be
applicable during Consumer's construction
period. Notwithstanding any provision of
the Schedule, however, and irrespective of
the Consumer's requirements, the Consumer
shall pay to the Seller not less than
\$900.00 plus \$3.00 times the maximum monthly
KW demand for the billing month for service
or for having service available hereunder.

b. The initial billing period shall start when
Consumer begins using electric power and
energy, or 30 days after the Seller notifies
the Consumer in writing that service is

available hereunder, whichever shall occur first, and it is further agreed that the Consumer will be in complete operation within 48 months from the date of this contract.

- c. Bills for service hereunder shall be paid at the office of the Seller in McKee, State of Kentucky, monthly within 15 days after the bill is mailed to the Consumer. If the Consumer shall fail to pay any such bill within such 15 day period, the Seller may discontinue service hereunder by giving 15 days' notice in writing to the Consumer.
- d. The Consumer agrees that if, at any time, the rate under which the Seller purchases electric energy at wholesale is modified, the Seller may make a corresponding modification in the rate for service hereunder, which modification, if any, will apply to all LP and LP-1 consumers of Seller's electric power and energy.

3. CONTINUITY OF SERVICE:

The Seller shall use reasonable diligence to provide a constant and uninterrupted supply of electric power and energy; but if such supply shall fail or be interrupted, or become defective through act of God, or the public enemy, or by accident, strikes, labor troubles, or by action of the elements, or inability to secure rights-of-way, or other permits needed, or for any other cause beyond the reasonable control of the Seller, the Seller shall not be liable therefor.

4. MEMBERSHIP:

The Consumer shall become a member of the Seller, shall pay the membership fee and be bound by the provisions of the articles of incorporation and by-laws of the Seller, and by such rules and regulations as may from time to time be adopted by the Seller.

5. TERM:

This agreement shall become effective on the date first above written and shall remain in effect until 7 years following the start of the initial billing period and thereafter until terminated by either party giving to the other 6 months notice in writing.

6. SUCCESSION AND APPROVAL:

This agreement shall be binding upon and inure to the benefit of the successors, legal representatives and assigns of the respective parties hereto. This agreement shall not be binding upon the parties until approved in writing by the Administrator of the Rural Electrification Administration.

7. DEPOSIT:

The Consumer agrees to execute and deliver to the Seller a performance bond, with sufficient surety satisfactory to the Seller, in the amount of \$56,000.00 on account of the cost of facilities required to make service available to the Consumer on or before commencement of construction of such facilities. Such bond shall be reduced at the rate of \$8,000.00 per year, at the end of each full year of service and shall continue until a total of \$56,000.00 has been reduced.

If, during this period, the Consumer is placed in bankruptcy, either voluntarily or otherwise, or makes an assignment for the benefit of creditors, or should cease to operate its business at said point, then and in that event the entire balance then due and owing shall become immediately due and owing and the Consumer agrees to pay said balance forthwith.



Farris Morris

Secretary

JACKSON COUNTY RURAL ELECTRIC
COOPERATIVE CORPORATION

Seller

L. H. Sparks

By: _____
President

WINONA OIL COMPANY
Consumer

L. A. Payne

By: _____

Vice Pres.

Treasurer

* If other than president, vice-president, partner or owner, a power of attorney must accompany.

Jackson County RECC, Inc.
Name of Issuing Corporation

CLASSIFICATION OF SERVICE

RATE
PER UNIT

AVAILABILITY

Available to consumers served by the Jackson County Rural Electric Cooperative Corporation, hereinafter called Seller, for all types of usage and subject to the established rules and regulations of the Seller and the conditions listed.

CONDITIONS

1. An "Agreement for Purchase of Power" shall be signed by the consumer for service under this schedule.

2. The consumer shall use an annual monthly average in excess of 999 Kilowatts (K.W.'s) when construction of consumer's facilities to use such service is completed.

3. Failure on part of consumer to use an annual monthly average in excess of 999 Kilowatts when construction of consumer's facilities to use such service is completed, his actual requirements shall be reviewed and the Sellers Applicable rate shall be applied to the consumer's usage.

TYPE OF SERVICE

The electric service furnished under this rate will be: Three-phase, 60 cycle, alternating current, at the Seller's standard voltages of 7.2/12.5Y and 14.4/25Y volts.

RATE

Maximum Demand Charge:

\$1.25 per month per kilowatt (K.W.) of billing demand.

Plus Energy Charges

2.0 Cents (¢) per KWH for the first 50 KWH used per month per KW of billing demand.

1.5 Cents (¢) per KWH for the next 100 KWH used per month per KW of billing demand.

0.72 Cents (¢) per KWH for all remaining KWH used per month.

DETERMINATION OF BILLING DEMAND

The billing demand shall be the maximum kilowatt demand established by the consumer for any period of fifteen consecutive minutes during the month for which the bill is rendered, as indicated or recorded by a demand meter and adjusted for power factor as provided below.

Jackson County RECC, Inc.
 Name of Issuing Corporation

Cancelling P. S. C. No. _____

CLASSIFICATION OF SERVICE

	RATE PER UNIT
<p><u>POWER FACTOR ADJUSTMENT</u> The consumer agrees to maintain unity power factor as nearly as practicable. Demand charges will be adjusted for consumers with 50 KW or more measured demand to correct for average power factors lower than 85%, and may be so adjusted for other consumers if and when the Seller deems necessary. Such adjustments will be made by increasing the measured demand 1% for each 1% by which the average power factor is less than 85% lagging.</p> <p><u>FUEL COST ADJUSTMENT CHARGE</u> In case the rate under which Seller purchases power at wholesale is adjusted in accordance with a fuel cost adjustment provision in Seller's wholesale power contract, the foregoing energy charges shall be adjusted each month by the same amount per KWH as the fuel cost adjustment per KWH in Seller's wholesale power bill for the next preceding month.</p> <p><u>MINIMUM MONTHLY CHARGE</u> The minimum monthly charge shall be the highest one of the following charges as determined for the consumer in question.</p> <p>(1) The minimum monthly charge as specified in the contract for service. (2) A charge of \$0.75 per KVA of installed transformer capacity. (3) A charge of \$25.00.</p> <p><u>SERVICE PROVISIONS</u> 1. <u>Delivery Point.</u> If service is furnished at secondary voltage the delivery point shall be the metering point unless otherwise specified in the contract for service. All wiring, pole lines and other electric equipment on the load side of the delivery point shall be owned and maintained by the Consumer. If service is furnished at Seller's primary line voltage the delivery point shall be the point of attachment of Seller's primary line to Consumer's transformer structure unless otherwise specified in the contract for service. All wiring, pole lines and other electric equipment (except metering equipment) on the load side of the delivery point shall be owned and maintained by the Consumer.</p>	<p>✓</p>

DATE OF ISSUE August 15, 1958
month day year

DATE EFFECTIVE September 12, 1958
month day year

ISSUED BY _____ Manager
name of officer title

McKee, Kentucky
address

For Complete Service Area
Community, Town or City

P. S. C. No. 2

Original SHEET No. 23
~~Revised~~

Jackson County RECC, Inc.

Name of Issuing Corporation

Cancelling P. S. C. No. _____

Original SHEET No. _____
Revised

CLASSIFICATION OF SERVICE

2. Lighting. Both power and lighting shall be billed at the foregoing rate. If a separate meter is required for the lighting circuit, the registrations of the two-watt-hour meters shall be added to obtain total kilowatt-hours used and the registrations of the two demand meters shall be added to obtain the total kilowatt demand for billing purposes.

3. Primary Service. If service is furnished at primary distribution voltage, a discount of seven per cent (7%) shall apply to the demand and energy charges, and if the minimum charge is based on transformer capacity, a discount of seven per cent (7%) shall also apply to the minimum charge. However, the Seiler shall have the option of metering at secondary voltage and adding the estimated transformer losses to the metered kilowatt-hours and kilowatt demand.

**RATE
PER UNIT**

DATE OF ISSUE August 15, 1958
month day year

DATE EFFECTIVE September 12, 1958
month day year

ISSUED BY _____
name of officer

Manager
title

McKee, Kentucky
address



The Aetna Casualty and Surety Company

Hartford, Connecticut

INDEMNITY BOND

KNOW ALL MEN BY THESE PRESENTS,

That WINONA OIL COMPANY OF DELAWARE
 (hereinafter called the Principal), as Principal, and THE AETNA CASUALTY AND SURETY COMPANY, a corporation organized and existing under the laws of the State of Connecticut with its principal office in the City of Hartford, Connecticut (hereinafter called the Surety), as Surety, are held and firmly bound unto JACKSON COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION
 (hereinafter called the Oblige), in the just and full sum of FIFTY-SIX THOUSAND AND NO/100 ----- (\$56,000.00) Dollars to the payment of which sum, well and truly to be made, the said Principal and Surety bind themselves, and their respective heirs, administrators, executors, successors and assigns, jointly and severally, firmly by these presents.

WHEREAS, the Principal has entered into a certain written Agreement for Purchase of Power with the Oblige, dated the 5th day of September, 1958 providing for the purchase of power under agreed conditions which Agreement for Purchase of Power is hereby referred to and made a part hereof as fully and to the same extent as if copied at length herein.

NOW THEREFORE, THE CONDITION OF THIS OBLIGATION IS SUCH, that if the said Principal shall fully indemnify and reimburse the Oblige for any loss he (they, it) may suffer through the failure of the Principal faithfully to observe and perform each and every obligation and duty imposed upon the Principal by the said Agreement for Purchase of Power at the time and in the manner therein specified, then this obligation to be void; otherwise to remain in full force and virtue in law.

PROVIDED, HOWEVER, it shall be a condition precedent to any right of recovery hereunder, that in event of any default on the part of the Principal, a written statement of the particular facts showing the date and nature of such default shall be immediately delivered to the Surety by registered mail at its Home Office in the City of Hartford, Connecticut.

IN WITNESS WHEREOF, the said Principal and Surety have signed and sealed this instrument this 11th day of September, 1958.

WINONA OIL COMPANY

BY _____

ATTEST Francis Cowden
 Resident Assistant Secretary

THE AETNA CASUALTY AND SURETY COMPANY

BY A. M. McKim
 Resident Vice President



The Aetna Casualty and Surety Company

Hartford, Connecticut

Certificate of Authority of Resident Vice-Presidents and Resident Assistant Secretaries.

KNOW ALL MEN BY THESE PRESENTS, THAT *The Aetna Casualty and Surety Company*, a corporation organized under the laws of the State of Connecticut and having its principal office in the City of Hartford, State of Connecticut, by its duly authorized officer, does hereby appoint the following resident officers, with business address indicated below but without territorial restriction, and does grant full power and authority to each Resident Vice-President to sign and execute on its behalf, and to each Resident Assistant Secretary to seal and attest on its behalf, any and all bonds, recognizances, contracts of indemnity, or writings obligatory in the nature of a bond, recognizance, or conditional undertaking, and all such instruments signed by any one of said Resident Vice-Presidents, when sealed and attested by any other person named below as one of said Resident Assistant Secretaries, shall be as valid and binding upon the Company as if the same had been signed by the President and duly sealed and attested:

RESIDENT VICE-PRESIDENTS

A. M. McMekin
M. C. Kirk
Emory L. Smith

RESIDENT ASSISTANT SECRETARIES

A. M. McMekin
M. C. Kirk
Emory L. Smith
Francille Cowden

BUSINESS ADDRESS

Tulsa,
Oklahoma

These appointments are made under and by authority of the following provisions of the by-laws of the Company which provisions are now in full force and effect and are the only applicable provisions of said by-laws:

ARTICLE IV—Section 8. The President, any Vice-President, or any Secretary may from time to time appoint Resident Vice-Presidents, Resident Assistant Secretaries, Attorneys-in-Fact, and Agents to act for and on behalf of the Company and may give any such appointee such authority as his certificate of authority may prescribe to sign with the Company's name and seal with the Company's seal bonds, recognizances, contracts of indemnity, and other writings obligatory in the nature of a bond, recognizance, or conditional undertaking, and any of said officers or the Board of Directors may at any time remove any such appointee and revoke the power and authority given him.

ARTICLE IV—Section 10. Any bond, recognizance, contract of indemnity, or writing obligatory in the nature of a bond, recognizance, or conditional undertaking shall be valid and binding upon the Company when (a) signed by the President or a Vice-President or by a Resident Vice-President, pursuant to the power prescribed in the certificate of authority of such Resident Vice-President, and duly attested and sealed with the Company's seal by a Secretary or Assistant Secretary or by a Resident Assistant Secretary, pursuant to the power prescribed in the certificate of authority of such Resident Assistant Secretary; or (b) duly executed (under seal, if required) by one or more Attorneys-in-Fact pursuant to the power prescribed in his or their certificate or certificates of authority.

IN WITNESS WHEREOF, *The Aetna Casualty and Surety Company* has caused this instrument to be signed by its Secretary, and its corporate seal to be hereto affixed, this 25th day of June, A. D., 19 57.

The Aetna Casualty and Surety Company,

By

J. A. SWEARINGEN
Secretary.

State of Connecticut, County of Hartford—ss:

On this 25th day of June

J. A. SWEARINGEN

, A. D., 19 57, before me personally came, to me known, who, being by me duly sworn, did depose and say: that he is Secretary of *The Aetna Casualty and Surety Company*, the corporation described in and which executed the above instrument; that he knows the seal of said corporation; that the seal affixed to the said instrument is such corporate seal; that it was so affixed by authority of his office under the by-laws of said corporation and that he signed his name thereto by like authority.

EMMA S. LATIMER

Notary Public.

My Commission Expires Mar. 31, 19 61.

CERTIFICATE

I, the undersigned, Assistant Secretary of *The Aetna Casualty and Surety Company*, a stock corporation of the State of Connecticut, DO HEREBY CERTIFY that the CERTIFICATE OF AUTHORITY of which the foregoing and attached copy is a full, true and perfect copy remains in full force and has not been revoked; and furthermore, that ARTICLE IV, Sections 8 and 10, of the by-laws of the Company, set forth in the Certificate of Authority, is now in force.

Given under my hand and the seal of the Company, at the Home Office of the Company, in the City of Hartford, State of

Connecticut, this 11th day of September, A. D., 19 58.

WINONA OIL COMPANY

OF DELAWARE

TULSA, OKLAHOMA

September 9, 1958

Jackson County Rural Electric
Co-Operative Corporation, Incorporated
McKee, Kentucky

Attention: Mr. Luther Farmer, Manager

Gentlemen:

Confirming the telephone conversation between myself and Mr. Farmer of September 8, 1958, we hand you three executed copies of an "Agreement for Purchase of Power" and one copy of a bond in the amount of \$56,000.00 covering our power usage on the Dan McCoy lease near Furnace, Kentucky, in the South Fork Unit area subject to the following amendments to same:

1. The term of this Agreement shall be for seven (7) years, but in the event the Winona Oil Company wishes to terminate the Agreement in less time, which termination can be caused by the cessation of their secondary recovery operations, they may terminate by forfeiting any unreduced portion of the bond mentioned in Article 7 of the "Agreement for Purchase of Power."
2. If Jackson County Co-Operative furnishes any industrial load of 150 H.P. or greater using the facilities, the construction cost of which is guaranteed by the bond posted by the Winona Oil Company. Jackson County Co-Operative agrees to require of the new industrial customer that it furnish a bond or a cash payment to underwrite its pro rata share of the facilities used and to reduce Winona's obligation by like amount.
3. It is understood and agreed that the Winona Oil Company will furnish its own transformer facilities and that Jackson County Co-Operative will meter on the primary side.

4. Since the Winona will not need 1500 KVA at the beginning of their operations, it is mutually agreed that Jackson County Co-Operative may install facilities heavy enough to handle Winona's actual load and to increase these facilities only as Winona needs the additional capacity.

If the above sets out our agreement relative to amendments to the above mentioned "Agreement for Purchase of Power", please indicate your agreement to same in the space provided below and return one fully executed copy of this letter together with a fully executed copy of said "Agreement for Purchase of Power" to this office.

Yours very truly,

WINONA OIL COMPANY OF DELAWARE

L. A. Payne, Vice President

LAP:kp

ACCEPTED _____ September, 1958

JACKSON COUNTY RURAL ELECTRIC
CO-OPERATIVE CORPORATION, INC.

By _____
L. H. Sparks, President