

## AGREEMENT FOR PURCHASE OF POWER

This Agreement is made and entered into this 8th day of November, 19 94, among East Kentucky Power Cooperative, Inc. (a Kentucky corporation with its principal office at 4758 Lexington Road, Winchester, Kentucky 40391) ("EKPC"), Taylor County Rural Electric Cooperative (a Kentucky corporation with its principal office at West Main Street, Campbellsville, Kentucky 42719) ("TCRECC") and Cox Waste-To-Energy, Inc. (a Kentucky Corporation with its principal office at 1001 New Columbia Road, Campbellsville, Kentucky 42718 ("Seller")).

### WITNESSETH:

WHEREAS, The Seller owns or will own a "qualifying cogeneration facility" (the "QF"), as defined by Section 201 of the Public Utility Regulatory Policies Act of 1978 ("PURPA"), and the Seller desires to produce electric power and energy for its own use and that of Cox Interior, Inc. (a Kentucky corporation with its principal office and wood products manufacturing facility at 1751 Old Columbia Road, Campbellsville, Kentucky 42718);

WHEREAS, EKPC is engaged in the generation, transmission and sale of electric power in the Commonwealth of Kentucky, EKPC is the wholesale power supplier for TCRECC, and EKPC desires to purchase electric power and energy from the Seller pursuant to 807 KAR 5:054;

WHEREAS, EKPC and TCRECC are willing to permit the Seller to be interconnected and operated in parallel with TCRECC's electric system, so that the Seller



will be able to deliver to EKPC through TCRECC's electric system such power and energy produced by the QF as will be sold to EKPC; and

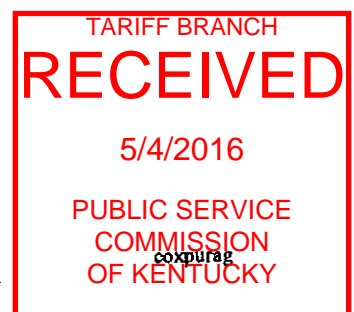
**WHEREAS,** The parties wish to specify in this Agreement their relative rights and responsibilities regarding the sale and purchase of QF electric power and energy;

**NOW, THEREFORE,** the parties agree as follows:

## **ARTICLE 1**

### **Sale of Power**

**1.1** The QF shall consist of a cogeneration facility located at the Seller's facilities at 1001 New Columbia Road, Campbellsville, Kentucky, having a nameplate rating of 4000 kW, and using as a fuel or energy source biomass consisting of waste wood and other solid waste. Unless the context requires otherwise, the QF shall include all of the Seller's electric generation facilities and all interconnection and safety equipment owned by the Seller and used in connection with its electric generation facilities. Except for the interconnection and safety equipment identified on the attached Schedule A (the "Interconnection Facilities") which the parties agree are owned by EKPC or TCRECC, the Seller owns or shall own all lines, wiring and equipment necessary to connect the QF with TCRECC's distribution system and all equipment necessary to protect the QF from disturbances occurring on the TCRECC system or the transmission system owned by EKPC or other interconnected utilities.



1.2 The Seller will sell, and EKPC will purchase electric power and energy from the Seller at its QF, on a "non-dispatchable" basis for periods when power and energy generated by the Seller is in excess of the Seller's own needs.

1.3 The Seller agrees that its QF will be installed, and except for sales of power and energy to EKPC, will be used at all times for the sole purpose of the Seller's and/or that of Cox Interior, Inc.'s benefit, and energy generated by said facilities shall not be otherwise transmitted, shared, or resold by the Seller or Cox Interior, Inc. to anyone other than EKPC, for the duration of this Agreement.

1.4 The point of delivery for power and energy to be delivered to EKPC hereunder shall be the point of connection of the 12,470 volt facilities of TCRECC and the 12,470 volt facilities of the Seller. The power delivered hereunder shall be in the form of three-phase, at a frequency of approximately 60-hertz, alternating current and within three percent (3%) above or below a nominal voltage of 12,470 volts or a normal operating voltage to be determined by TCRECC from actual operating experience. Failure to maintain voltage within the above stated limits shall constitute failure to maintain facilities in satisfactory operating condition and the Seller's facilities may be disconnected as provided in Section 2.7. Maintenance of deliveries by Seller at the above described point of connection within the above referenced limits shall constitute availability of cogenerated power and energy for purposes of this Agreement.

1.5 The Seller shall provide adequate facilities for the proper synchronization of Seller's QF with TCRECC's System such that synchronism is accomplished without causing undesirable harmful currents, surges, or voltage dips on TCRECC System or the transmission system owned by EKPC or other interconnected utilities. Failure to meet this



condition shall provide cause for disconnection of the interconnected QF as provided in Section 2.7.

1.6 The power and energy delivered by Seller hereunder shall not cause unusual fluctuations or disturbances on the TCRECC System or the transmission system owned by EKPC or other interconnected utilities. Accordingly, the Seller shall provide, at Seller's expense, suitable apparatus which will keep such fluctuations or disturbances within reasonable limits established by TCRECC and EKPC in accordance with IEEE Standard 519 and/or applicable standards. However, in the event that fluctuations or disturbances not so limited, including without limitation harmonic currents resulting in actionable interference with communication systems, or if harmonic resonance of facilities are caused by the Seller's QF, TCRECC or EKPC shall have the right to disconnect the Seller's QF as outlined in Section 2.7.

1.7 The Seller shall operate its QF to furnish its own reactive power (kvar) requirements within the following parameters:

A. Under the condition wherein the Seller generates all of its own power requirements and/or supplies excess power and energy to EKPC, reactive power (kvar) flow from TCRECC toward the Seller shall be subject to the Reactive Power Service charge specified in Schedule C.

B. Under the conditions wherein TCRECC supplies all or a portion of Seller's power and energy requirements, TCRECC shall supply reactive power (kvar) without charge up to an amount based on 0.33 times the kW demand supplied by TCRECC. Additional kvar amounts shall be provided subject to the provisions specified in Schedule C. The provisions of this Section 1.7B shall not apply during



any month in which the kvar billing demand for reactive power flow from TCRECC toward Seller under 1.7A above exceeds the amount of reactive power flow provided pursuant to this Section 1.7B.

C. A maximum of 1,000 kvar reactive power flow toward TCRECC from the Seller is permitted without charge. Reactive power flows in excess of 1,000 kvar will be subject to the Reactive Power Service charge specified in Schedule C.

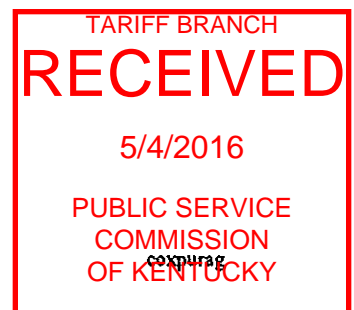
1.8 The Seller shall install a safety switch that will fully disconnect the generation circuit of its QF from TCRECC's System. The switch shall be of the visible break type which can be secured by a padlock by TCRECC. The disconnect switch shall be accessible to TCRECC and EKPC personnel at all times.

## ARTICLE 2

### Construction, Ownership and Maintenance of Qualifying Facility

2.1 The Seller shall design, construct, install, own, operate, and maintain the QF.

2.2 In designing, constructing, installing, operating and maintaining the QF, the Seller shall comply with all reasonable standards that EKPC and TCRECC may prescribe from time to time to ensure system safety and reliability of interconnected operations, good electric practices, and compliance with all applicable codes, laws and regulations. Seller is responsible for all costs in relation to changes in its interconnection and protective equipment as may be required from time to time to meet changing conditions and requirements on the TCRECC system or the transmission system owned by EKPC or other interconnected utilities.



2.3 Plans, specifications, and operating characteristics for the QF must be approved by EKPC and TCRECC before the QF is connected to the TCRECC system, and may not be revised or modified without EKPC's and TCRECC's approval. Prior to completion and energization of the interconnection between the QF and the TCRECC system, EKPC and TCRECC shall have the right to inspect the QF to determine that the QF is in compliance with all applicable requirements. Any deficiencies noted must be corrected prior to energization. The Seller shall not, after energization, modify or change in any way the design or operating characteristics of the QF without EKPC's and TCRECC's approval.

2.4 The Seller shall maintain records regarding all maintenance of the QF, and upon reasonable prior notice, Seller shall make those records available for inspection by EKPC and TCRECC during regular business hours.

2.5 EKPC's and TCRECC's acceptance of the plans, specifications, and operating characteristics for the QF, or any revisions or modification thereof, and EKPC's and TCRECC's inspection of the QF and subsequent authorization to energize the interconnection, or later consent to any change or modification of the design or operating characteristics of the QF, shall not be construed as confirming or endorsing the design, or as warranting the safety, durability, or reliability of the QF. Neither EKPC nor TCRECC assumes any duty to review or inspect the QF to assess its safety, durability, or reliability. EKPC and TCRECC shall not, by reason of any review, acceptance, inspection, or failure to review or inspect, be responsible for any aspect of the QF, including, but not limited to its safety, details of design, adequacy, or capacity thereof, nor shall EKPC's or TCRECC's acceptance or approval be deemed to be an endorsement of the safe condition of the QF.

2.6 At all times during the term of this Agreement and any extensions thereof, the Seller has the sole duty and responsibility for operation and maintenance of its own system



including the QF, and neither EKPC nor TCRECC shall furnish service personnel or material and equipment to the Seller for the maintenance or operation of the Seller's independent QF.

2.7 If, in the sole judgment of EKPC or TCRECC, the Seller has failed to maintain the QF in satisfactory operating condition, or has breached its obligations under Section 8.1 hereinbelow, EKPC or TCRECC may notify the Seller to disconnect the QF from the TCRECC system, and in the event the Seller fails to immediately comply with such notice, EKPC or TCRECC may discontinue its contract obligations and the operation of parallel generating facilities with the Seller until the QF is restored to satisfactory operating condition in the sole judgment of EKPC or TCRECC, or until the Seller corrects its breach of Section 8.1 hereinbelow. If in the sole judgment of EKPC or TCRECC an unsatisfactory condition exists, EKPC or TCRECC may immediately disconnect the QF, and then notify the Seller as provided in Section 11.3.

### ARTICLE 3

#### Construction, Ownership, and Maintenance of the Interconnection Facilities

3.1 The Interconnection Facilities are described and specified on Schedule A, attached, which includes all equipment and apparatus, including meters, which are necessary for the interconnection and purchase of power from the QF. Each part of the Interconnection Facilities shall be maintained by the owner of that part, as designated in Schedule A, or by owner's agent or representative. The Interconnection Facilities shall be constructed and maintained in accordance with good electrical practices, and with all applicable codes, laws, and regulations.



3.2 The Interconnection Facilities shall be installed at Seller's expense and shall be owned by EKPC and TCRECC respectively. Accordingly, EKPC and TCRECC will not have any unreimbursed costs for the Interconnection Facilities, provided, however, the Monthly Interconnection Service Charges specified in Section 3.3 shall be payable. To reimburse EKPC and TCRECC for their costs (including administrative costs) of acquiring and installing the Interconnection Facilities, to the extent that such costs and expenses exceed those that would have been incurred if no power were purchased from the QF, the Seller has paid or shall pay EKPC and TCRECC respectively estimated payments of \$37,187.00 and \$63,132.45, no later than thirty (30) days following the date of this Agreement. These payments are subject to adjustment to reflect the actual amounts of such costs through an additional payment by the Seller, or partial refund by EKPC and/or TCRECC within 60 days after completion of EKPC and TCRECC Interconnection Facilities. EKPC and TCRECC shall notify the Seller of the actual amounts of any such additional costs at least 30 days prior to the date payments are due. In lieu of such estimated costs payments Seller may provide security to EKPC and TCRECC for the payment of such costs and expenses of the Interconnection Facilities by the furnishing of a performance bond, irrevocable letter of credit or other form of security, acceptable to EKPC and TCRECC. EKPC and TCRECC will invoice Seller for the actual costs of the Interconnection Facilities within 60 days after their completion, and Seller shall pay such costs within 30 days of such invoice.

EKPC and TCRECC shall be under no obligation to order equipment or incur any other costs or expenses relating to the subject Interconnection Facilities until a payment of estimated costs or such security for payment, in a form acceptable to EKPC and TCRECC, is provided by Seller.





The parties acknowledge that the estimated interconnection cost payments to EKPC and TCRECC cited hereinabove are based upon the usage of existing EKPC and TCRECC capacity which is not now needed for system purposes, as specified in Schedule A, in lieu of the construction of a portion of the Interconnection Facilities which would otherwise be required under this Agreement. In the event that load growth or other needs on the EKPC and TCRECC systems require the construction of new facilities in the future to replace those temporarily used by Seller, EKPC and/or TCRECC agree to give Seller six (6) months advance notice, including a cost estimate for the new facilities and a date when costs will be incurred. Seller agrees to pay such estimated costs or provide EKPC and/or TCRECC with acceptable security for payment, as described hereinabove, by the date specified in such notice. Seller further agrees to pay all actual costs incurred for such new facilities prior to the in-service date for such facilities provided, however, that the parties agree that in no event shall Seller be required to pay costs in excess of \$39,375.00.

**3.3 Monthly Interconnection Service Charges** as provided in Schedule D shall reimburse EKPC and TCRECC for any maintenance and administrative costs related to the interconnection that would not have been incurred if EKPC and TCRECC did not engage in interconnected operation with the Seller. These monthly charges shall be determined on the basis of utility cost recovery concepts and may be adjusted by EKPC and TCRECC on an annual basis.

## ARTICLE 4

### Meters

**4.1** EKPC and TCRECC shall own, install, and maintain its respective metering equipment, which is specified in Schedule A and which EKPC and TCRECC deem appropriate, based on the size and other characteristics of the QF. EKPC and TCRECC



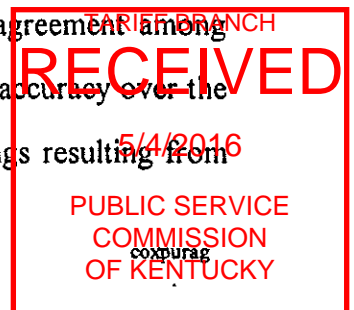
shall use such metering equipment to measure the power and energy sold by the Seller to EKPC, backup service provided to the Seller by TCRECC, and monitor voltage and reactive power flows on the interconnection. The metering equipment for TCRECC and the metering equipment for EKPC are designated by the references M1, M2 and M3, the latter of which is a backup meter, respectively on the schematic headed "Cox Cogeneration Project" and attached hereto in Schedule A.

4.2 EKPC and TCRECC shall each read its respective meter, or meters, on a monthly basis. The exact meter reading period shall be based on the meter reading schedule of EKPC and TCRECC and will be coordinated where necessary.

4.3 Any modifications that the Seller may request with respect to the metering equipment may be made at EKPC and TCRECC's discretion. Any additional costs incurred in making such modifications shall be borne by the Seller.

4.4 EKPC and TCRECC shall each inspect and test its respective meter or meters as frequently as deemed appropriate by EKPC and/or TCRECC, or at the request of the Seller, and shall, as a minimum, comply with requirements as set forth by the Kentucky Public Service Commission.

4.5 EKPC and TCRECC shall each calibrate its meter to maintain accuracy within plus or minus one (1) percent as far as practical. EKPC and TCRECC will give Seller notice of all meter tests at least 48 hours in advance thereof and Seller may have its representative present for such tests. If, at any test, a meter shall be found to be inaccurate by more than 1 percent, fast or slow, an adjustment shall be made through mutual agreement among EKPC, TCRECC, and the Seller to compensate for the effects of such inaccuracy over the period of inaccuracy that may be established. Any corrections in billings resulting from



inaccurate metering shall be made in the next monthly bill rendered, and such corrections, when made, shall constitute full adjustment. If at any time a meter shall fail to register, EKPC, TCRECC, and the Seller shall determine through mutual agreement the meter registrations to be used for billing purposes.

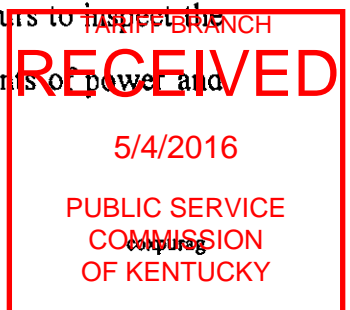
4.6 EKPC and/or TCRECC shall be allowed access at all reasonable hours to any metering equipment installed on the Seller's property, if practical, and in no event shall they be denied access to Metering Equipment during routine working hours.

## ARTICLE 5

### Rates, Cost Recovery Charges and Billing

5.1 Any power and energy purchased by EKPC shall be metered and accounted for separately from power and energy delivered and sold hereunder by TCRECC, and shall be purchased in accordance with rates, rules, and regulations established by EKPC and approved by the Kentucky Public Service Commission for qualifying cogeneration and small power production facilities, and any changes in such rates, rules and regulation as may become effective in the future.

5.2 The power and energy delivered by the Seller and purchased by EKPC shall be metered and paid for as set forth on Schedule B attached except that notwithstanding any provision of Schedule B, Seller shall be paid the Capacity and Energy payment specified in Schedule B. For each calendar month billing period EKPC shall determine from the recorded meter data the quantities of power and energy delivered by the Seller. Seller shall have the right upon 48 hours notice and during normal business hours to inspect the books and records of EKPC to the extent necessary to verify the amounts of power and energy delivered hereunder.



5.3 By the 15th of each month EKPC shall prepare and send to the Seller a statement showing any amounts due to the Seller for power and energy purchased and amounts due EKPC for other Interconnection Service Charges, as specified in Section 3.3. Such statement shall show the total amount of power and energy purchased from the Seller during the month, shall indicate how such amounts were determined and include the recorded meter data showing the quantities of power and energy delivered by Seller as determined under Section 5.2.

5.4 The monthly statement shall be accompanied by EKPC's payment for any net amount shown as due the Seller and shall otherwise serve as an invoice payable to EKPC by the end of the month, for any net amount due EKPC by the Seller.

5.5 Any delivery of electric power and energy and reactive support supplied to the Seller by TCRECC shall be metered and accounted for separately from the power and energy delivered and sold hereunder by the Seller to EKPC and shall be provided in accordance with rates, rules and regulations established by TCRECC and approved by the Kentucky Public Service Commission for Supplementary, Backup, Maintenance or Interruptible power and any changes in such rates, rules and regulations as may become effective in the future.

5.6 The Seller understands and agrees the TCRECC, of which it is a member, will impose a monthly backup service charge and charge for reactive power support as provided in Section 1.7 and shown in Schedule C attached for the use of TCRECC facilities and service in such amounts as are from time to time required by the Seller. For each monthly billing period, TCRECC shall determine from recorded meter data the quantities of backup



power and energy delivered to the Seller and reactive power charges due to TCRECC in the previous month.

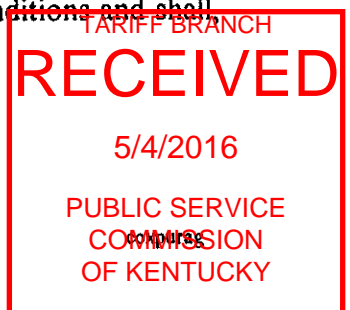
5.7 By the 10th of the month TCRECC shall prepare and send to the Seller a statement showing any amounts due to TCRECC for Backup Power Service, power and energy delivered, reactive power charges, and Interconnection Service Charges as specified in Section 3.3. Such statement shall show the total amount of power delivered to the Seller, the reactive power amounts subject to charge, and shall indicate how such amounts were determined.

## ARTICLE 6

### Property Rights and Access

6.1 The Seller shall provide at no cost to EKPC or TCRECC suitable space on the Seller's property for the installation of equipment, now and in the future, necessary for the operation of the Interconnection Facilities, including, but not limited to, metering, telemetry, protective, and communication equipment. EKPC and TCRECC shall be allowed access at all reasonable hours, to the Interconnection Facilities, including the metering, telemetry, protective and communication equipment.

6.2 Authorized employees of EKPC and TCRECC shall have the right to enter upon Seller's property at any time for the purpose of inspecting the QF and associated facilities and making additional tests to verify continued safe operation and the accuracy of metering and communication equipment, but such inspections shall not relieve the Seller from its obligations to maintain the facilities in satisfactory operating conditions and shall in no way, be deemed an endorsement of the safe condition of the QF.



6.3 All of EKPC's and TCRECC's representatives entering upon Seller's property will at all times comply with applicable safety and security rules and standards. EKPC and TCRECC will each use its best efforts to minimize disruption of Seller's operations which might result from the presence of EKPC's and TCRECC's employees on Seller's property.

6.4 Upon termination of this Agreement for any reason, any part or all of the Interconnection Facilities then owned by EKPC or the TCRECC may be removed by such owner at such owner's cost and expense. Any portion of the Interconnection Facilities owned by the Seller at the termination of this Agreement shall remain the Seller's property.

## ARTICLE 7

### Liability and Indemnity

7.1 The Seller agrees to protect, defend, indemnify and hold harmless EKPC and TCRECC, their directors, officers, employees, agents, and their representatives against and from any and all loss, claims, actions, penalties, fines or suits, including costs, expenses, judgments, settlements, and attorneys' fees, both at trial and on appeal, for or on account of any injury, bodily or otherwise, to or death of any person, or any damage to or destruction of property belonging to EKPC, TCRECC, or others, resulting from, or arising out of, any operations hereunder, excepting only such injury or death as may be caused by the fault or negligence of EKPC, TCRECC, their directors, officers, employees, or agents.

7.2 The obligations under Section 7.1 whether or not then accrued or known, shall survive termination of this Agreement with respect to any act, occurrence or omission occurring prior to termination of this Agreement.



7.3 EKPC and TCRECC shall not, in any event, be liable to Seller for any special, consequential or incidental damages nor shall Seller be liable to EKPC or TCRECC for any consequential or incidental damages.

## ARTICLE 8

### Insurance

8.1 The Seller shall procure and maintain the following types of insurance in the amount stated.

A. Public liability insurance for bodily injury in the amount of \$1,000,000 or greater per occurrence.

B. Property damage insurance in the amount of \$500,000 or greater per occurrence.

Each year the Seller shall provide EKPC and TCRECC with proof of insurance, listing EKPC and TCRECC as additional insured, and shall notify and obtain the consent of EKPC and TCRECC prior to any termination or modification of the insurance coverage. Failure to provide such proof of insurance or the termination or modification of insurance coverage without the knowledge and consent of EKPC and TCRECC shall be cause for disconnecting the Seller's facilities as provided in Section 2.7.



## ARTICLE 9

### Force Majeure

9.1 For purposes of this Agreement, "Force Majeure" means acts of God, strikes, walkouts, lockouts or other industrial disturbances, acts of public enemy, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquake, fires, storms, floods, washouts, civil disturbances, explosions, breakdown or failure of machinery, equipment or facilities, actions or orders of any governmental authority or court having jurisdiction over the affected party or its property, inability to obtain essential services, materials or equipment because of the effect of similar causes on party's suppliers, and any other causes, whether of the kind herein enumerated or otherwise, not within the reasonable control of the affected party. Force Majeure shall also mean and include, in those instances where any party is required to secure or maintain easements, rights of way grants, permits, licenses or other consents or approvals of third parties (including any governmental agency) to enable such party to fulfill its obligations, the inability of such party to secure or maintain, or delays on the part of such party in securing or maintaining, at reasonable costs and after the exercise of reasonable diligence, such easements, rights of way grants, permits, licenses, consents or approvals; and in those instances where any party is required to furnish materials and supplies for the purpose of constructing or maintaining facilities, Force Majeure shall also mean and include the inability of such party in acquiring at reasonable costs and after the exercise of reasonable diligence, such materials and supplies. If any party is rendered wholly or partly unable to perform its obligations or is delayed in performing its obligations under this Agreement because of Force Majeure, such party shall be excused from whatever performance is affected by the Force Majeure to the extent so affected.





9.2 The non-performing party, as soon as reasonably possible after becoming aware of the Force Majeure, shall give the other parties written notice describing the particulars of the occurrence and shall use its best efforts to remedy its inability to perform.

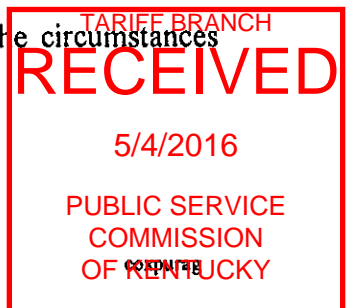
## ARTICLE 10

### System Emergencies

#### Protection and Maintenance of EKPC and TCRECC Systems

10.1 Notwithstanding any other provision of this Agreement, EKPC will not be required to purchase electric power and energy under this Agreement, and EKPC or TCRECC may break the interconnection to Seller's QF during any period when: such purchases if made or interconnection would reasonably be determined to have the likelihood of contributing to an emergency condition existing on the EKPC, TCRECC, or other interconnected utility system; the manner in which the QF is being operated or a characteristic of the energy being produced by it would reasonably be determined to have the likelihood of creating an unsafe condition involving the risk of loss to property or injury to persons or would otherwise have a material adverse effect on EKPC, TCRECC, or other interconnected utility system, their customers, or the metering equipment; or a break in the interconnection or other reduction or suspension of purchases is necessary to permit modifications, inspections, repairs, or any other maintenance of the EKPC, TCRECC, or other interconnected utility system, including the metering equipment.

10.2 Unless an emergency or the risk of an emergency is imminent, the Seller shall be given reasonable notice of an intention to break the interconnection or otherwise discontinue or reduce purchases from the Seller by reason of any of the circumstances described in Section 10.1 above.



10.3 The Seller shall have the sole responsibility for the safety and electrical protection of its facilities, irrespective of the condition of TCRECC's facilities. This protection shall include automatic sensing and immediate disconnection from a faulted or de-energized TCRECC line, and shall prevent the Seller from energizing a de-energized TCRECC line.

10.4 Switching to place the generator in Seller's QF in or out of service and parallel operation with EKPC's or TCRECC's system shall be coordinated with the EKPC system operator and designated TCRECC operating personnel.

## ARTICLE 11

### Miscellaneous

11.1 This Agreement, and any amendments hereto, shall not be binding on EKPC or TCRECC until approved by the Kentucky Public Service Commission and the Administrator of the Rural Electrification Administration. The Agreement shall become effective upon the receipt of such required approvals by the Public Service Commission and the Administrator and shall remain in effect for five year(s) following the start of the initial billing period (the "Initial Term") and thereafter on a year to year basis until terminated, as provided in Section 11.2.

11.2 Any party may terminate this Agreement at the expiration of the Initial Term or during any one year period thereafter that the parties continue to operate pursuant to this Agreement by giving the other parties 90 days advance notice in writing prior to the end of such initial term or extended term year. EKPC or TCRECC may terminate this Agreement at any time by written notice to Seller and the other parties if the Seller defaults in any of its obligations hereunder and fails to cure such default within 30 days after EKPC or TCRECC gives written notice to the Seller specifying the default except in

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OF KENTUCKY

the case of a default which by its nature cannot be cured within such 30 day period, in which event Seller shall take such action which is reasonably calculated to cure such default and thereafter diligently prosecute it to completion. Termination shall not affect any obligation accrued prior to such termination or any other obligation which, pursuant to the terms of this Agreement, survives termination.

11.3 Any notice required by this Agreement to be given in writing shall be deemed properly given if and when delivered in person, or sent by registered or certified mail, postage prepaid to the person specified below:

If to EKPC:                   President & Chief Executive Officer  
East Kentucky Power Cooperative, Inc.  
4758 Lexington Road  
P.O. Box 0707  
Winchester, Kentucky 40392-0707

If to TCRECC:               General Manager  
Taylor County Rural Electric Cooperative  
Corporation  
West Main Street  
P.O. Box 100  
Campbellsville, Kentucky 42719

If to Seller:                 Cox Waste-To-Energy, Inc.  
1001 New Columbia Road  
Campbellsville, Kentucky 42718

or to such other person or address as a party may have been designated in a written notice given by or on behalf of the party entitled to receive notice to the other parties.

11.4 This Agreement contains the entire agreement among the parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings relating to such subject matter. Except for any modification which this Agreement



expressly authorizes a party to make unilaterally, no modification or waiver of any term or provision of this Agreement shall be effective unless it is in writing and signed by all of the parties.

**11.5** The headings of the Articles in this Agreement have been inserted for convenience only and shall in no way affect the interpretation of any of the terms or provisions hereof.

**11.6** Any waiver at any time by any party of its rights with respect to a default under this Agreement, or with respect to any other matters arising in connection with this Agreement, shall not be deemed a waiver with respect to any subsequent default or other matter.

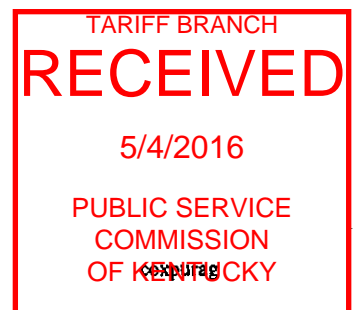
**11.7** This Agreement, as it may be revised from time to time, shall be binding upon and inure to the benefit of the respective successors and assigns of the parties; provided, however, that the Seller may not assign, subcontract, or otherwise transfer its rights or delegate its duties under this Agreement without the written consent of EKPC or TCRECC which shall not be unreasonably withheld and in any event Seller may without the consent of EKPC or TCRECC assign any payments due Seller under this Agreement to a bank or financing institution.

**11.8** This Agreement shall be construed and interpreted in accordance with the laws of the Commonwealth of Kentucky except to the extent Federal law is applicable.

**11.9** Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid, but if any provision of this Agreement or the application thereof shall be prohibited or held invalid, such prohibition or invalidity shall not affect any other provisions or the application of any other provision which can be



given without the invalid provision or application, and to this end the provisions of this Agreement are declared to be severable.



IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized officers and have caused their seals to be affixed as of the date first written above.

EAST KENTUCKY POWER  
COOPERATIVE, INC.

By: Rex M. Falk  
Title: Pres. & CEO

Attest: Candice H. Embel

TAYLOR COUNTY RURAL  
ELECTRIC COOPERATIVE  
CORPORATION

By: Benny L. Myers  
Title: Manager

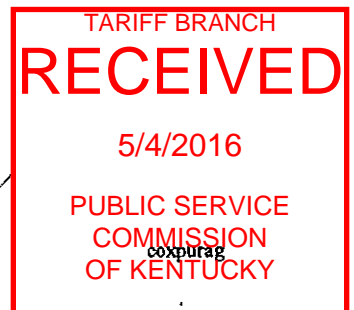
Attest: Della E. Demar

COX WASTE-TO-ENERGY, INC.

By: Lanny Cox  
Title: President

Attest: Jillian Luwhorn

COXPURAG



## LIST OF SCHEDULES

**Schedule A - Interconnection Facilities**

**Schedule B - Purchase Rates**

**Schedule C - Monthly Backup Service and Reactive Support Charges**

**Schedule D - Interconnection Service Charges**



**SCHEDULE A**

**INTERCONNECTION FACILITIES**





**INTERCONNECTION FACILITIES**

**(As Shown On Schematic of this Schedule A Headed  
"Cox Cogeneration Project")**

**Facilities Owned and Maintained by EKPC**

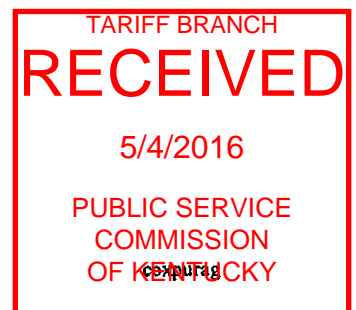
Oil Circuit Recloser (Temporary Use Facilities)  
Switches, Support Facilities (Temporary Use Facilities)  
Metering Equipment  
Special Protection Equipment  
SCADA Equipment

**Facilities Owned and Maintained by TCRECC**

0.35 Miles of 3 Phase 397ACSR Distribution Line  
Metering Structure  
Metering Equipment  
In-Line Lockable 3 phase 12.5 kV Group Operated Switch (To be installed at  
TCRECC's option)

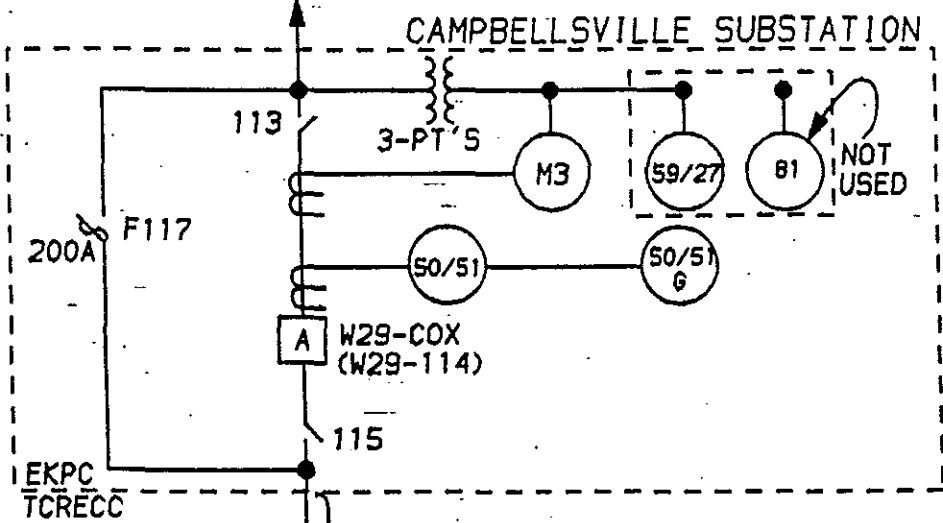
**Facilities Owned and Maintained by Cox Waste-To-Energy**

All facilities used for the purposes of this Agreement except those facilities identified in  
this Schedule A as being owned and maintained by EKPC and TCRECC.

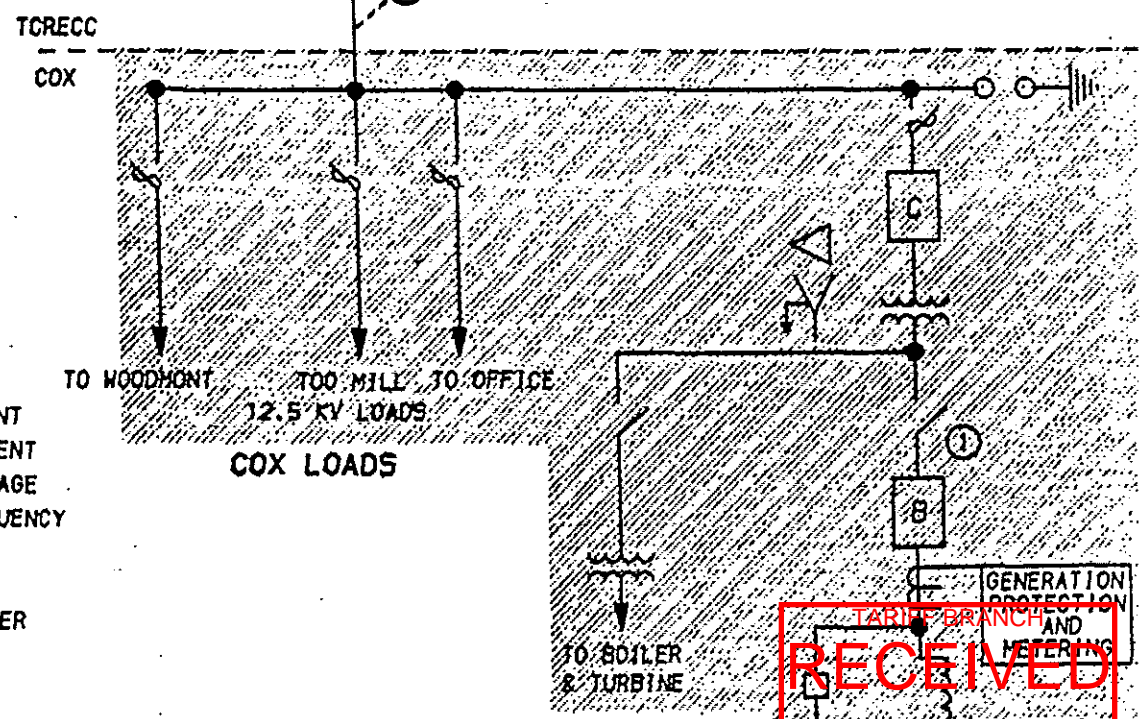
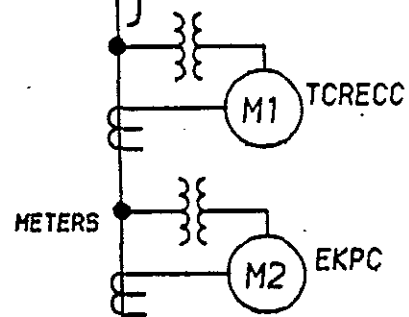


# COX COGENERATION PROJECT

TO SUB 12.5 KV REG. BUS



0.35 MILES 3Ø 397 ACSR



## LEGEND

DEVICE	FUNCTION
50/51	PHASE OVERCURRENT
50/51G	GROUND OVERCURRENT
59/27	OVER/UNDER VOLTAGE
81	OVER/UNDER FREQUENCY
M 1	TCRECC METER
M 2	EKPC METER
M 3	EKPC BACKUP METER

- ① LOCATIONS FOR ACCESSIBLE & LOCKABLE DISCONNECT DEVICE.
- ② TO BE INSTALLED BY TCRESS IN THE FUTURE.

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5/4/2016

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**SCHEDULE B**

**PURCHASE RATES**

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P.S.C. KY. NO. 3  
Cancels P.S.C. KY. NO. 2

EAST KENTUCKY POWER COOPERATIVE, INC.  
OF  
WINCHESTER, KENTUCKY

RATES, RULES AND REGULATIONS FOR PURCHASING  
ELECTRIC POWER AND ENERGY  
AT  
VARIOUS LOCATIONS THROUGHOUT KENTUCKY  
FROM  
QUALIFIED COGENERATION AND  
SMALL POWER PRODUCTION FACILITIES

FILED WITH PUBLIC SERVICE COMMISSION  
KENTUCKY

ISSUED July 18, 1994

EFFECTIVE September 1, 1994

ISSUED BY EAST KENTUCKY POWER COOPERATIVE, INC.

By

*Roy M. Palk*  
Roy M. Palk

President and Chief Executive Officer



FOR COX INTERIOR

For Area Served  
P.S.C. No. 4  
Original Sheet No. 1  
Canceling P.S.C. No. 3  
Original Sheet No. 1

EAST KENTUCKY POWER COOPERATIVE, INC.

COGENERATION AND SMALL POWER PRODUCTION  
POWER PURCHASE RATE SCHEDULE  
OVER 100 kW

New Rates

AVAILABILITY

Available only to qualified cogeneration or small power production facilities with a design capacity of over 100 kW which have executed a contract with East Kentucky Power Cooperative and one of EKPC's member distribution systems for the purchase of electric power by East Kentucky Power Cooperative.

change rates in May on P.S.C. Urgent

RATES

1. Capacity

- a. \$18.60 per kW per year is applicable if cogenerator or small power producer is dispatched by East Kentucky Power Cooperative.
- b. \$0.00283 per kWh is applicable if cogenerator or small power producer is not dispatched by East Kentucky Power Cooperative.

2. Energy - A base payment per kWh is listed below for a time-differentiated basis or a non-time differentiated basis for the specified years.

a. Time Differentiated Rates:

Charge May

Year	Winter		Summer	
	On-Peak	Off-Peak	On-Peak	Off-Peak
2000	\$0.01600	\$0.01500	\$0.01440	\$0.01330
2001	\$0.01810	\$0.01640	\$0.01580	\$0.01410
2002	\$0.01880	\$0.01710	\$0.01710	\$0.01490
2003	\$0.02260	\$0.02040	\$0.02370	\$0.01740
2004	\$0.02510	\$0.02290	\$0.02690	\$0.02310

b. Non-Time Differentiated Rates:

Year	2000	2001	2002	2003	2004
Rate	\$0.01480	\$0.01610	\$0.01690	\$0.02070	\$0.02310

DATE OF ISSUE October 8, 1999

DATE EFFECTIVE November 8, 1999

ISSUED BY \_\_\_\_\_ TITLE President & Chief Executive Officer

TARIFF BRANCH  
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5/4/2016  
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COMMISSION  
OF KENTUCKY

East Kentucky Power Cooperative

**COGENERATION AND SMALL POWER PRODUCTION  
POWER PURCHASE RATE SCHEDULE  
OVER 100 kW**

**AVAILABILITY**

Available only to qualified cogeneration or small power production facilities with a design capacity of over 100 kW which have executed a contract with East Kentucky Power Cooperative and one of EKPC's member distribution systems for the purchase of electric power by East Kentucky Power Cooperative.

**RATES**

1. Capacity
  - a. \$28.46 per kW per year if cogenerator or small power producer is dispatched by East Kentucky Power Cooperative.
  - b. \$0.00433 per kWh if cogenerator or small power producer is not dispatched by East Kentucky Power Cooperative.

2. Energy

A base payment per kWh is listed below for on-peak and off-peak hours for the winter and summer seasons for the appropriate calendar year:

**RATE PER kWh**

<u>Year</u>	<u>Winter</u>		<u>Summer</u>	
	<u>On-Peak</u>	<u>Off-Peak</u>	<u>On-peak</u>	<u>Off-Peak</u>
1994	.01501	.01466	.01544	.01427
1995	.01706	.01629	.01915	.01535
1996	.01825	.01728	.02038	.01596
1997	.01927	.01792	.02086	.01623
1998	.02434	.02116	.02558	.01713
1999	.02605	.02249	.02762	.01847

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COMMISSION  
KENTUCKY

DATE OF ISSUE JULY 18, 1994

DATE EFFECTIVE SEPTEMBER 1, 1994

ISSUED BY *Ray M. Falk*

TITLE President and Chief Executive Officer

For Area Served  
P.S.C. NO. 3  
Original Sheet NO. 2  
Cancelling P.S.C. NO. 2  
Original Sheet NO. 2

East Kentucky Power Cooperative

The on-peak and off-peak energy rates are applicable during the hours listed below for each season:

**Winter (October - April)**

**On-Peak** 7:00 a.m. - 12:00 noon  
5:00 p.m. - 10:00 p.m.

**Off-Peak** 12:00 noon - 5:00 p.m.  
10:00 p.m. - 7:00 a.m.

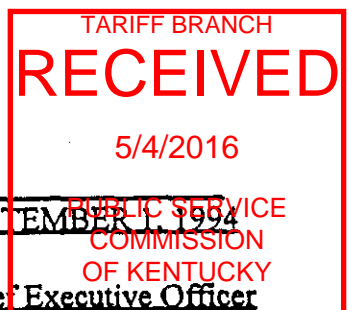
**Summer (May - September)**

**On-Peak** 10:00 a.m. - 10:00 p.m.

**Off-Peak** 10:00 p.m. - 10:00 a.m.

**TERMS AND CONDITIONS**

1. All power from a Qualifying Facility (QF) will be sold only to East Kentucky Power Cooperative.
2. Seller must provide good quality electric power within a reasonable range of voltage, frequency, flicker, harmonic currents, and power factor.
3. Qualifying Facility (QF) shall provide reasonable protection for EKPC and the member cooperative's system.
4. Qualifying Facility (QF) shall design, construct, install, own, operate, and maintain the Qualifying Facility in accordance with all applicable codes, laws, regulations, and generally accepted utility practices.
5. Qualifying Facility shall reimburse EKPC and its member cooperatives for all costs incurred as a result of interconnecting with the QF, including operation, maintenance, administration, and billing.



DATE OF ISSUE JULY 18, 1994

DATE EFFECTIVE SEPTEMBER 1, 1994

ISSUED BY

Ray M. Walker

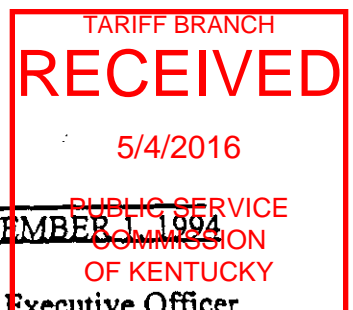
TITLE President and Chief Executive Officer

For Area Served  
P.S.C. NO. 3  
Original Sheet NO. 3  
Cancelling P.S.C. NO. 2  
Original Sheet NO. 3

East Kentucky Power Cooperative

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6. Qualifying Facility shall obtain insurance in the following minimum amounts for each occurrence:
  - a. Public Liability for Bodily Injury - \$1,000,000.00
  - b. Property Damage - \$500,000.00
7. Initial contract term shall be for a minimum of twenty years.
8. Qualifying Facilities proposing to supply as available (non-firm) electric power shall not be entitled to a capacity payment.



DATE OF ISSUE JULY 18, 1994

DATE EFFECTIVE SEPTEMBER 1, 1994

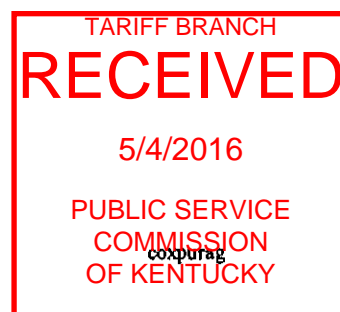
ISSUED BY Ray M. Balk

TITLE President and Chief Executive Officer



**SCHEDULE C**

**MONTHLY BACKUP SERVICE  
AND REACTIVE SUPPORT CHARGES**



**PROPOSED TCRECC TARIFF  
BACKUP POWER SERVICE**

Monthly Rate

Demand Charge per kW Billing Demand	\$2.93
Energy Charge per kWh <u>Billing Demand</u>	\$0.03383

The kilowatt demand shall be the greater of (a) or (b) listed below:

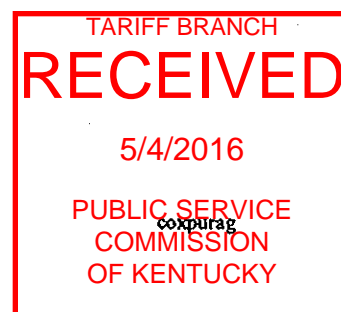
- (a) The contract demand of 800 kW.
- (b) The consumer's highest demand during the current month or preceding eleven months. The peak demand is the highest average rate at which energy is used during any fifteen-minute interval for each month.

Fuel Adjustment Charge

All rates are applicable to the Fuel Adjustment Clause and may be increased or decreased by an amount per kWh equal to the fuel adjustment amount per kWh as billed by the Wholesale Power Supplier plus an allowance for line losses. The allowance for line losses will not exceed ten percent (10%) and is based on a twelve-month moving average of such losses. This Fuel Clause is subject to all other applicable provisions as set out in 807 KAR 50:075.

Minimum Monthly Charge

The minimum monthly charge shall not be less than the product of the billing demand multiplied by the demand charge.



Other Conditions

The maximum usage of 150 hours per month is allowed. Charges for any usage in excess of this maximum usage shall be as prescribed in the applicable tariff approved by the Kentucky Public Service Commission.



## REACTIVE POWER SERVICE

### Monthly Rate

Demand Charge per kvar of Billing Demand \$0.15.

### Billing Demand

The billing demand (kilovar demand) shall be the consumer's highest kvar demands received from and delivered to TCRECC during the current month or preceding eleven months and shall be calculated separately. The peak demand is the highest average rate at which reactive support (kvar) is used during any fifteen-minute interval for each month adjusted for the conditions stated in Section 1.7 of this Agreement.

### Minimum Monthly Charge

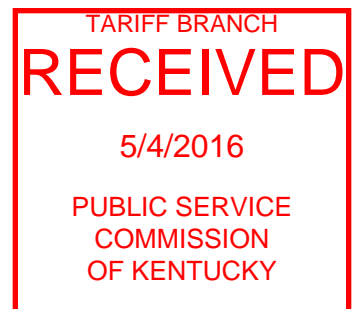
The minimum monthly charge shall not be less than the sum of (a) and (b) below:

- (a) The product of the billing demand for kvar received from TCRECC multiplied by the kvar demand charge, plus
- (b) The product of the billing for kvar delivered to TCRECC multiplied by the kvar demand charge.



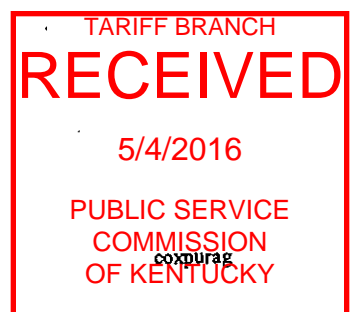
## STANDBY RATES MAIN FEATURES

- APPLICABLE FOR RETAIL CONSUMERS WHO HAVE OWN GENERATION
- MAXIMUM USAGE OF 150 HOURS PER MONTH
- TRANSMISSION SEGMENT OF DEMAND RATE \$1.41
- GENERATION SEGMENT OF DEMAND RATE \$1.15
- TOTAL DEMAND RATE \$2.56
- ADJUSTED FOR TRANSMISSION LINE LOSSES \$2.64
- ENERGY RATE PER KWH – Cents 1.988
- MINIMUM BILL EQUALS STANDBY DEMAND x DEMAND RATE
- DEMAND IN EXCESS OF STANDBY DEMAND IS RATCHETED
- PENALTY IS TWELVE MONTH RATCHET AT FIRM RATE FOR  
USAGE IN EXCESS OF 150 HOURS PER MONTH



**SCHEDULE D**

**INTERCONNECTION SERVICE CHARGES**



**INTERCONNECTION SERVICE CHARGES**

**EKPC Charges**

Monthly Metering Point Charge \$125.00

**TCRECC Charges**

Monthly Consumer Charge \$ 43.42

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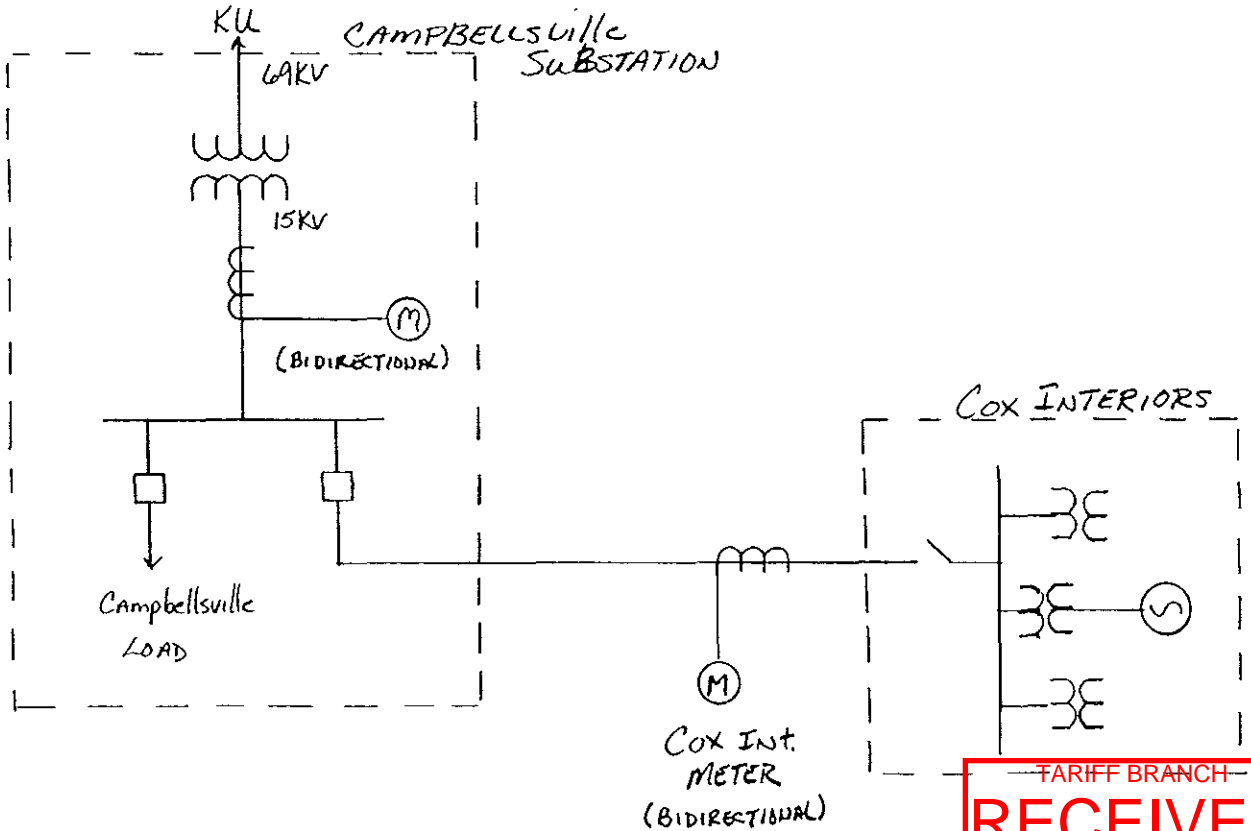
Computed by DS Date 1/14/94  
 Checked by \_\_\_\_\_ Date \_\_\_\_\_  
 Reviewed by \_\_\_\_\_ Date \_\_\_\_\_  
 Approved by \_\_\_\_\_ Date \_\_\_\_\_

Subject METERING + DATA TRANSLATION  
PROCESS FOR Campbellsville  
Substation AND COX INTERIORS  
CO-GENERATOR

COX METER  
 (CH1) KWH-D = To COX INT  
 (CH3) KWH-R = To Campbellsville Sub.

Campbellsville Sub. Meter  
 (CH1) KWH-D = To Campbellsville Sub.  
 (CH3) KWH-R = To KU system

- \*1 - COX KWH-R + Sub KWH-D - Sub KWH-R = Camptot
- \*2 - COX KWH-D = STANDBY RATE CALC.
- \*3 - Sub KWH D + Sub KWH R = WHEELING (TO KW)
- \*4 - COX KWH R = COX REVENUE FROM EKPC



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