



OHIO VALLEY ELECTRIC CORPORATION
3932 U. S. Route 23
P. O. Box 468
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740-289-7200

ATTACHMENT F

Service Agreement For Network Integration Transmission Service

[Draft]

This Agreement is entered into this ___ day of _____, 19__, by and between _____ (“Customer”) and Ohio Valley Electric Corporation (“OVEC”). In consideration of the mutual covenants and agreements herein, it is agreed as follows:

Article 1. Network Transmission Service.

- 1.1 OVEC agrees, during the term of this Agreement, to provide Network Transmission Service for Customer, and Customer agrees to pay for such service, in accordance with OVEC’s Open Access Transmission Tariff (“Open Access Tariff”) filed with the Federal Energy Regulatory Commission (“FERC”), the Service Schedules appended thereto, as applicable, and for other costs identified herein or in attachments hereto as incurred on behalf of Customer, but not otherwise recovered from Customer, pursuant to the Service Schedules.
- 1.2 The terms and conditions of such Network Transmission Service shall be governed by the Open Access Tariff, as it exists at the time of this Agreement, or as hereafter amended. The Open Access Tariff as it currently exists or as hereafter amended is incorporated in this Agreement by reference. In the case of any conflict between this Agreement and the Open Access Tariff, the Open Access Tariff shall control.
- 1.3 The Application for Network Transmission Service tendered by Customer and accepted by OVEC for this Agreement is hereby incorporated by this reference and made a part of this Agreement.
- 1.4 Agreements for System Impact or Facility Studies, if performed in connection with this Agreement, are attached hereto.
- 1.5 The Service Specifications for Network Transmission Service under this Agreement as requested by Customer and accepted by OVEC, including, without limitation, power factor, any ancillary services provided by OVEC, Customer or third parties, direct assignment facilities, system upgrades, opportunity costs or customer owned network facilities are hereby incorporated by this reference and made a part of this Agreement.

- 1.6 Customer and OVEC shall coordinate operation of their respective systems as provided for in this Agreement, the Open Access Tariff and the Network Operating Agreement. In furtherance thereof, an Operating Committee chartered pursuant to the Network Operating Agreement shall be established.
- 1.7 In the event that the Network Customer fails to respond to established Load Shedding and Curtailment Procedures, Network Customer shall pay the Transmission Provider an amount equal to the greater of (i) 100 mills/kWh multiplied by the amount of Network Customer's failure to respond or (ii) the actual costs to Transmission Provider resulting from such respond.

Article 2. Cost Recovery Protection.

- 2.1 The coordinated transmission plan of OVEC and Customer will be predicated upon the plans of the respective Parties as to their planned use of the transmission system, including Customer's planned use of external and internal generating capacity. Customer will not alter the planned level of use of the transmission system so as to reduce its transmission service payments to OVEC unless: a) the Parties mutually agree otherwise; b) Customer gives _____ years advance notice in writing of its intention to alter its planned use of the transmission system; or c) Customer compensates OVEC for the unrecovered cost of any facilities exclusively constructed during the term of the Service Agreement to accommodate service that would be reduced as a result of the change in Customer's capacity and/or operating plan, less the net present value of transmission revenue, if any, OVEC would expect to derive by providing transmission service to other customers by using the transmission capacity freed up by Customer's change in plans.

Article 3. Effective Date and Term of Agreement.

- 3.1 This Agreement shall become effective and shall become a binding obligation of the parties on the date on which the last of the following events shall have occurred (effective date):
 - (a) OVEC and Customer each shall have caused this Agreement to be executed by their duly authorized representatives and each shall have furnished to the other satisfactory evidence thereof;
 - (b) This Agreement has been accepted for filing and made effective by order of the FERC under the Federal Power Act, in which case the effective date of this Agreement shall be as specified in the said Commission order.
- 3.2 This Agreement shall continue for a term of.
- 3.3 The parties agree to request an effective date of

Article 4. General.

4.1 Any notice given pursuant to this Agreement shall be in writing as follows:

If to OVEC:

If to Customer:

4.2 The above names and addresses of any party may be changed at any time by notice to the other parties.

4.3 This Agreement shall inure to the benefit of and be binding upon the successors and assigns of the Parties. This Agreement shall not be assigned by either Party without the written consent of the others.

IN WITNESS WHEREOF, each of the Parties has caused this Agreement to be duly executed.

Customer

OVEC

By:

By:

ATTACHMENT G

Network Operating Agreement

OVEC currently has no network Transmission service customers. If OVEC enters into a Network Operating Agreement in the future, the terms of such agreement shall be determined based on the nature of the customer and the service required.

[Draft]

This Agreement is entered into this ___ day of _____, 19___, by and between _____ (“Customer”) and Ohio Valley Electric Corporation (“OVEC”). In consideration of the mutual covenants and agreements herein, it is agreed as follows:

ARTICLE 1. INTERCONNECTED OPERATIONS

1.1 Interconnection and Delivery Points.

The Customer and OVEC shall operate their systems in continuous synchronism through such interconnections as the Operating Committee shall, from time to time, designate; such points being points where power and energy may flow from, as well as to, the Customer. OVEC and Customer, to the extent practicable, shall each maintain the facilities on their respective sides of such points, and other points of delivery to Customer’s load centers, in accordance with Good Utility Practice, each at its own expense, in order that said facilities will operate in a reliable and satisfactory manner, and without material reduction in their intended capacity or purpose.

If the function of any such facility is impaired or the capacity of any point of interconnection or delivery is reduced or such synchronous operation at any point or points of interconnection or delivery becomes interrupted, either manually or automatically, as a result of force majeure or maintenance coordinated by the parties, OVEC and Customer will cooperate to remove the cause of such impairment, interruption or reduction, so as to restore normal operating conditions expeditiously.

1.2 Scheduling.

By noon each day, the Customer shall provide OVEC a schedule setting forth the energy to be received into the OVEC control area on behalf of the Customer, during the following day, at each interface between the OVEC System and other control areas. Thereafter, Customer may make changes in such schedules upon such notice and with such frequency as is the standard practice of company, or as agreed by the Operating Committee.

ARTICLE 2. SERVICE CONDITIONS 2.1

Priority of Service.

Unless a waiver of this provision is obtained, delivery of power and energy to Customer from Customer's Network Resources will be on a firm basis, in all respects, of equal priority with OVEC's other firm and native load customers. Other deliveries to Customer will be provided on an as-available basis, with such deliveries and OVEC's economy transactions, of like type (eg. firmness and duration), to be accorded similar priority. In the event that operating conditions require that loadings on the OVEC's facilities, a portion thereof, or interconnecting facilities, be reduced, actions to relieve such conditions will be determined and taken on the basis of their efficacy in providing the relief necessary. If the facilities which must be relieved serve firm and/or native loads of both Customer and OVEC, any reductions in load required to provide such relief will, to the extent practicable, be borne proportionately by Customer and OVEC on a load ratio basis.

2.2 Measurement of Network Load.

Customer's Network Load shall be measured on an hourly or shorter periodic integrated basis, by suitable metering equipment located at each interconnection and delivery point. The measurements taken and all metering equipment shall be in accordance with OVEC's standards and practices for similarly determining OVEC's load. The Actual Hourly Network Loads, by delivery point, internal generation site and point where power may flow to and from the Customer, with separate readings for each direction of flow, shall be provided for each calendar month by the fifth business day of the following calendar month. If such measurements are provided by Customer, the information provided shall be in an electronic format specified by OVEC. If such measurements are provided by OVEC, the information shall be made available to Customer, upon request, in suitable electronic format, coincidentally with the issuance of OVEC's billing. If Customer is not already being billed the cost of measuring and billing, pursuant to a power sale transaction, or otherwise, Customer shall compensate OVEC monthly for such costs, in accordance with the Service Agreement. If either OVEC or Customer wishes to obtain real-time load or facility status information from the meter points, the other party shall cooperate, to the extent necessary, in order that such monitoring and telecommunication equipment as shall be needed for such purpose may be installed and maintained during normal business hours common to OVEC and Customer.

ARTICLE 3. COORDINATION OF PLANNING AND OPERATIONS

3.1 Operating Committee.

OVEC and Customer shall each appoint a member and an alternate to an Operating Committee, and so notify the other party of such appointment(s) in writing. Such appointment(s) may be changed at any time by similar notice. Each member and alternate shall be a responsible person working with the day-to-day operations of their respective system. The Operating Committee shall represent OVEC and Customer in all matters arising under this Operating Agreement and which may be delegated to it by mutual agreement of the parties hereto.

The principle duties of the Operating Committee shall be as follows:

- a. to establish operating, scheduling and control procedures as needed to meet the requirements of coordinated operation and this Agreement;
- b. to establish accounting and billing procedures;
- c. to coordinate regarding the changing service requirements of Customer and the course of action the Parties will pursue to meet such requirements;
- d. to coordinate regarding facility construction and maintenance as appropriate, and to the extent agreed by the Parties; and
- e. to perform such other duties as may be specifically identified in, or required for the proper function of the Open Access Tariff, the Service Agreement or this Agreement.

3.2 Operating Committee Meetings.

The Operating Committee shall meet or otherwise conference, at least once each calendar year, or at the request of either Party upon reasonable notice, and each Party may place items on the meeting agenda. All proceedings of the Operating Committee shall be conducted by its members taking into account the exercise of good utility practice. If the Operating Committee is unable to agree on any matter coming under its jurisdiction, that matter shall be resolved pursuant to sections 12.1 through 12.5 of the Open Access Tariff, or otherwise, as mutually agreed by Customer and OVEC.

3.3 Coordinated Planning.

A subcommittee established by the Operating Committee shall meet or otherwise confer, at least once each calendar year, to exchange and review all relevant transmission planning data. The Operating Committee, or their designated representatives, will conduct such load flow and other system studies as are necessary to identify any potential constraints on the transmission system that may limit Customer's ability to deliver power and energy from Network Resources to its load centers on an aggregate and individual basis (Base Case Supply Study). The cost of the Base Case Supply Study will be considered a cost of service recovered in the charges paid by Customer pursuant to its load ratio share of OVEC costs. Separate reimbursement shall be made for the cost of additional studies Customer requests that go beyond the level of investigation identified by the Operating Committee as sufficient for purposes of Network Resources and Network Load integration.

In the event that studies reveal a potential limitation of Customer's ability to deliver power and energy to any of its load centers, the Parties shall identify appropriate remedies for such constraints including, but not limited to: a) construction of new transmission facilities, b) upgrade or other improvements to existing transmission facilities, and c) temporary modification to operating procedures designed to relieve identified constraints. OVEC will, consistent with Good Utility Practice, endeavor to

construct and place into service sufficient transmission capacity to maintain priority of service to Customer. An appropriate sharing of the costs of relieving such constraints will be determined by the parties, consistent with the FERC rules, regulations, policies and precedents then in effect. If there are no such rules, regulations, policies or precedents, and/or the Parties are unable to agree upon an appropriate sharing of the costs, OVEC shall submit its proposal for the sharing of such costs to the FERC for approval.

3.4 Network Resource Designation.

Sections 30.1 through 30.9 of the Open Access Tariff governs Network Resource designation, termination, operation and delivery. In furtherance of such Open Access Tariff provisions, OVEC and Customer additionally agree that by _____, of each year during any term of service under the Agreement, Customer shall designate the generating facilities and/or contractual arrangements (i.e. Network Resources) it will use in the next calendar year to supply its Network Load, including the capacity, in MW, to be available from each resource and the type of capacity, eg., unit, system, or other types. Customer shall also provide at such times a forecast of the diversified monthly peak load to be supplied at each meter point during the corresponding calendar year. The Network Resources shall be adequate to serve such load, and allow for reserves to cover planned and forced outages and provide daily operating reserves. Customer shall make such designations with as much advance notice as is practicable prior to the initial term of the Service Agreement, and with at least ____ months notice prior to any renewal term of the Service Agreement. Changes in such designations may be made consistent with the Open Access Tariff; accordingly, Customer shall provide OVEC as much notice as is practicable in the circumstances.

3.5. Additional Terms and Conditions.

The Customer and OVEC shall comply with the terms and conditions for network operation contained in the Open Access Tariff, including, if not herein specified, the terms and conditions listed in section 35.2 thereof. In the case of any conflict between this Agreement and the Open Access Tariff, the Open Access Tariff shall control.

ARTICLE 4. GENERAL

4.1 Any notice given pursuant to this Agreement shall be in writing as follows:

If to OVEC:

If to Customer:

- 4.2 The above names and addresses of any party may be changed at any time by notice to the other parties.
- 4.3 This Agreement shall inure to the benefit of and be binding upon the successors and assigns of the Parties. This Agreement shall not be assigned by either Party without the written consent of the others.

IN WITNESS WHEREOF, each of the Parties has caused this Agreement to be duly executed.

Customer

OVEC

By:

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