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TENNESSEE VALLEY AUTHORITY

KNOXVILLE, TENNESSEE 37902

TV-24847A S.9

400 West Summit Hill Drive

SEP 25 1986

Mr. Donald R. Norris
President and General Manager
East Kentucky Power Cooperative
P.O. Box 707
Winchester, Kentucky 40391

Mr. J. B. Galloway
General Manager
Farmers Rural Electric Cooperative Corporation
504 S. Broadway
Glasgow, Kentucky 42141

Mr. Jack E. Dillard
General Manager
Tri-County Electric Membership Corporation
Lafayette, Tennessee 37083

Gentlemen:

This will confirm the arrangements agreed upon among the representatives of East Kentucky Power Cooperative (hereinafter called "East Kentucky"), Farmers Rural Electric Cooperative Corporation (hereinafter called "Farmers"), Tri-County Electric Membership Corporation (hereinafter called "Tri-County"), and the Tennessee Valley Authority (hereinafter called "TVA") relative to the establishment of a temporary 13-kV emergency connection between TVA and East Kentucky (utilizing certain facilities of Tri-County and Farmers respectively), through which deliveries of power and energy will be provided as concurrent exchange under Interconnection Agreement TV-24847A, dated January 22, 1964, as amended, between TVA and East Kentucky (hereinafter called "Interconnection Agreement").

It is understood and agreed that:

1. Tri-County will, at Farmers' expense, construct and thereafter operate and maintain a 13-kV tapline from a point in a 13-kV distribution line extending from Tri-County's Fountain Run Substation to a point in Farmers' 13-kV line which supplies the Barren River State Park (which points will be mutually agreed upon by Tri-County and Farmers). Tri-County will design the tapline and will acquire any necessary rights-of-way required for said tapline. Tri-County and Farmers will make whatever modifications are necessary in their respective facilities to permit the temporary connection from time to time of said tapline constructed by Tri-County. Promptly upon receipt of a statement

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- therefor, Farmers shall reimburse Tri-County for all costs associated with Tri-County's provision of the tapline in accordance with this section 1, including applicable overheads, which cost is estimated for the convenience of the parties only to be \$1,400; provided, however, notwithstanding anything contained herein which may be construed to the contrary, the tapline constructed by Tri-County hereunder shall be and remain the property of Tri-County.
2. Upon completion of the arrangements provided for in section 1 above, the Interconnection Agreement is hereby amended in the respects necessary to recognize the establishment of a temporary 13-kV emergency connection between TVA and East Kentucky at the point of connection of Tri-County's 13-kV tapline to Farmers' 13-kV line provided for in said section 1 above.
 3. The emergency connection established hereunder shall be normally open and shall be closed from time to time for temporary periods as herein set forth. If East Kentucky's normal source of power to Farmers is interrupted, TVA will deliver power and energy at said emergency connection for the account of East Kentucky. If TVA's normal source of power to Tri-County is interrupted, East Kentucky will deliver power and energy at said emergency connection for the account of TVA. East Kentucky and TVA are obligated to deliver power and energy hereunder only to the extent that either has excess capacity on its system not needed for its customers or for prior commitments to other electric systems and only on the condition that one or more of the interconnections between the systems of East Kentucky and TVA are closed, in order to facilitate concurrent return deliveries as provided for in this agreement.

It is anticipated by the parties that the initial transaction hereunder will consist of the delivery of power and energy by TVA for the account of East Kentucky at said emergency connection in conjunction with a planned outage on Farmers' electric system beginning October 1, 1986. As part of such transaction, it is agreed that the amounts of power and energy to be delivered by TVA to East Kentucky are deemed and established as a 794-kW peak load demand and 10,564 kWh per day, including losses associated with delivery of power across Tri-County's electric system, and said kWh amount shall be prorated for any fractional days. In recognition of said delivery of power and energy being for the account of East Kentucky, TVA's revenue meter readings for delivery of power and energy to Tri-County and East Kentucky's revenue meter readings for delivery of power and energy to Farmers will be appropriately adjusted for billing purposes.

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The methods of determining the amounts of power and energy delivered by either East Kentucky or TVA to the other hereunder from time to time, and the losses associated therewith will be similarly determined and agreed upon by the operating representatives of the parties hereto for subsequent periods of connection hereunder, and revenue meter readings for delivery of power and energy to Tri-County from TVA and to Farmers from East Kentucky shall be appropriately adjusted for billing purposes to reflect said agreed-upon amounts of power and energy delivered.

4. Consistent with the provisions of Article III, section 3.4 of the Interconnection Agreement, as nearly concurrently as practicable with any deliveries made by TVA hereunder for East Kentucky's account, East Kentucky shall deliver to TVA at system interconnection points amounts of power and energy equivalent to power and energy delivered by TVA as adjusted for losses in accordance with section 3 above. Similarly, as nearly concurrently as practicable with any deliveries made by East Kentucky hereunder for TVA's account, TVA shall deliver to East Kentucky at system interconnection points amounts of power and energy equivalent to power and energy delivered by East Kentucky as adjusted for losses in accordance with section 3 above.
5. This agreement will become effective as of the date first above written and shall continue in effect until termination of (1) the Interconnection Agreement between TVA and East Kentucky, (2) Power Contract TV-52337A, dated July 18, 1979, between TVA and Tri-County, or any renewal, replacement, or extension thereof, or (3) Wholesale Power Contract, dated October 1, 1964, as amended, between East Kentucky and Farmers, whichever of the above items (1) through (3) occurs first.
6. No member of or delegate to Congress or Resident Commissioner, or any officer, employee, special Government employee, or agent of TVA shall be admitted to any share or part of this agreement or to any benefit that may arise therefrom unless the agreement be made with a corporation for its general benefit, nor shall East Kentucky, Farmers, or Tri-County offer or give, directly or indirectly, to any officer, employee, special Government employee, or agent of TVA any gift, gratuity, favor,

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entertainment, loan or any other thing of monetary value, except as provided in 18 C.F.R. § 1300.735-12 or -34. Breach of this provision shall constitute a material breach of this agreement.

If the foregoing satisfactorily states the understanding among us, please have eight counterparts of this agreement executed on behalf of East Kentucky, on behalf of Farmers, and on behalf of Tri-County, and return them to me. Upon execution by TVA, two fully executed counterparts each will be returned to East Kentucky, Farmers, and to Tri-County.

Very truly yours,

TENNESSEE VALLEY AUTHORITY

/s/ W. F. Willis

W. F. Willis
General Manager

(SEAL)

/s/ SDK
OGC

Accepted and agreed to as of
the date first above written.

EAST KENTUCKY POWER COOPERATIVE

Approved by TVA
Board of Directors
SEP 25 1986

By /s/ Donald R. Norris
Title: Pres and Gen'l Mgr

HSD
Assistant Secretary

FARMERS RURAL ELECTRIC
COOPERATIVE CORPORATION

By /s/ J. B. Galloway
Title: General Manager

TRI-COUNTY ELECTRIC MEMBERSHIP
CORPORATION

By /s/ Jack E. Dillard
Title: General Manager