

## AGREEMENT

Among

TENNESSEE VALLEY AUTHORITY

POWELL VALLEY ELECTRIC COOPERATIVE

OLD DOMINION POWER COMPANY

And

KENTUCKY UTILITIES COMPANY

THIS AGREEMENT, made and entered into as of the 12 day of July, 1968, by and among the TENNESSEE VALLEY AUTHORITY (hereinafter called "TVA"), a corporation created and existing under and by virtue of the Tennessee Valley Authority Act of 1933, as amended, POWELL VALLEY ELECTRIC COOPERATIVE (hereinafter called "Cooperative"), OLD DOMINION POWER COMPANY (hereinafter called "Old Dominion"), a subsidiary of Kentucky Utilities Company, both Cooperative and Old Dominion being corporations duly created, organized, and existing under and by virtue of the laws of the Commonwealth of Virginia, and KENTUCKY UTILITIES COMPANY (hereinafter called "Company"), a corporation duly created, organized, and existing under and by virtue of the laws of the Commonwealth of Kentucky;

W I T N E S S E T H:

WHEREAS, Cooperative, TVA, and Company have heretofore entered into an agreement dated October 8, 1952 <sup>TERMINATED</sup> (TV-14190A), as amended, supplementing and amending the Interconnection Agreement of March 22, 1951 (TV-11505A), between Company and TVA (the latter agreement as amended and supplemented being hereinafter called the "Interconnection Agreement"),

and providing, among other things, for the construction, operation, and maintenance by Cooperative of its Tazewell Substation and for Cooperative to reserve capacity in said substation for use by Company in supplying its distribution facilities in the vicinity of said substation; and

WHEREAS, Company and Cooperative have agreed to the sale by Company to Cooperative of certain electric facilities, including but not limited to said distribution facilities and a 69-kv line from Harrogate to Tazewell, owned by Company in Claiborne County, Tennessee (the agreement between Company and Cooperative for such sale being hereinafter called the "Sale Agreement," and the date upon which said facilities are conveyed to Cooperative being hereinafter referred to as the "Acquisition Date"); and

WHEREAS, Cooperative, TVA, Company, and Old Dominion have heretofore entered into an agreement dated June 22, 1961 (TV-22721A), as amended which agreement supplements and amends the Interconnection Agreement and provides, among other things, for the establishment of emergency interchange points between the 12.5-kv systems of Cooperative and Old Dominion near Jonesville, Virginia, and near Woodway, Virginia; and

WHEREAS, in connection with the change in ownership of facilities which will occur on the Acquisition Date, the parties hereto desire to enter into a new agreement to consolidate certain existing agreements into one agreement, and to substitute arrangements for a new delivery point from Company's system to TVA at Harrogate, Tennessee, for the arrangements covering the existing delivery point at Tazewell, Tennessee;

NOW, THEREFORE, for and in consideration of the mutual covenants herein contained and subject to the provisions of the Tennessee Valley Authority Act of 1933, as amended, the parties hereto covenant and agree as follows:

1. The portion of the tabulation appearing in section 1 of Article III of the Interconnection Agreement referring to and describing the delivery point at Cooperative's Tazewell Substation, which delivery point was added to said tabulation by section 4(a) of the agreement dated October 8, 1952 (TV-14190A), is hereby deleted and the following substituted therefor: TERMINATED BY SECTION 7 HEREIN.

<u>Delivery Point</u>	<u>Maximum Demand</u>	<u>Present Delivery Voltage</u>	<u>Future Delivery Voltage</u>
At or near Company's Harrogate Substation	20,000 kva	69,000	69,000

Notwithstanding the foregoing, Company may at any time, upon at least three years' advance written notice to TVA and Cooperative, reduce the 20,000-kva maximum demand if in Company's judgment the continued delivery of 20,000 kva would require otherwise unwarranted changes in its transmission system. If Company gives notice of its desire to so reduce the 20,000-kva demand, or if TVA or Cooperative provides additional transmission lines into the area, TVA may at any time elect to discontinue its power takings from Company at Company's Harrogate Substation. ?? EVR

Company shall, at its expense, install metering equipment suitable for determining the 60-minute demands of the power and the kilowatt-hours delivered to Cooperative for TVA's account for the Harrogate 69-kv delivery point.

2. During the interim period beginning with the Acquisition Date and continuing until the expiration of 12 months from said Acquisition Date or until Cooperative has modified its facilities to supply from its system its power requirements in the vicinity of Harrogate, Tennessee, whichever occurs first, Company will supply from the 13-kv side of its Harrogate Substation for TVA's account Cooperative's power requirements

A 2nd "OUT" METER WAS INSTALLED BY KID IN MARCH 1987 LISTED BY TVA (PER TRAVIS HOBBS AT JOHN SCULER 4-17-87)

in the vicinity of Harrogate, Tennessee. Accordingly, for purposes of accounting between TVA and Company during said interim period, the 13-kv side of Company's Harrogate Substation will be deemed to be a delivery point to TVA under section 1 of Article III of the Interconnection Agreement. For purposes of accounting between TVA and Cooperative, the deliveries to Cooperative at the 13-kv side of Company's Harrogate Substation, adjusted for transformation losses, during said interim period will be added to the deliveries to Cooperative at the Harrogate 69-kv delivery point established under section 1 above.

The amounts of power and energy delivered to Cooperative for TVA's account at the Harrogate 13-kv delivery point shall be determined from Company's existing meters and shall be the amounts remaining after deducting the meter registrations on Company's 13-kv circuit to Old Dominion from the meter registrations of the total 13-kv deliveries from Company's Harrogate Substation.

3. Old Dominion and Cooperative will continue to maintain their respective facilities for the 12.5-kv Jonesville and the 12.5-kv Woodway emergency interchange points established under an agreement dated June 22, 1961 (TV-22721A), as amended, among the parties hereto.

It is the intent of the parties that the emergency conditions under which one party is entitled to call for emergency assistance and the other party is obligated, to the extent hereinafter provided, to supply emergency assistance at these interconnection points are conditions arising from temporary circumstances, resulting in the unavailability of normally available facilities, which are beyond the control of the party

affected and which prevent or interfere with or jeopardize the rendering of adequate and satisfactory service in the system of the party calling for emergency assistance.

Company shall, upon request by TVA during emergency conditions on the system of TVA or Cooperative, supply power in the amount requested to TVA at the Jonesville and/or Woodway interconnection points if in the judgment of Company it has capacity in excess of its prior commitments available to deliver such power. TVA shall, upon request of Company during emergency conditions on Company's or Old Dominion's system, supply power in the amount requested to Company at the Jonesville and/or Woodway interconnection points if in the judgment of TVA and Cooperative they have capacity in excess of their prior commitments available to deliver such power. Notwithstanding the foregoing, neither party shall be obligated to supply more than 700 kw at the Jonesville interconnection.

It is the further intent of the parties that other interchange transactions may take place at the Jonesville and Woodway interconnections from time to time under conditions agreed to at the time by the operating representatives of the parties hereto.

The Jonesville and Woodway interconnections shall remain open except when power is interchanged as provided herein and, during such periods of interchange, the portion of the system of the receiving party being supplied with power hereunder shall be disconnected from its normal source of supply. Power supplied to Company by TVA pursuant to this section 3 will be treated as power delivered in accordance with section 2 of Article III of the Interconnection Agreement. Power supplied by Company to TVA pursuant to this section 3 will be treated as power delivered under section 1 of Article III of the Interconnection Agreement. TVA and Company will account for all such power on the basis of the amounts registered by Old Dominion's and Cooperative's metering equipment.

4. The Stone Creek Substation delivery point established by the agreement dated June 22, 1961 (TV-22721A), shall continue as a delivery point under section 1 of Article III of the Interconnection Agreement, notwithstanding the provisions of section 7 hereof. Accordingly, Old Dominion and Cooperative will continue to maintain their respective facilities at the Stone Creek Substation delivery point, including the operation and maintenance by Old Dominion at its expense of a recording demand and watt-hour meter suitable for determining the 60-minute interval demand on the 12.5-kv side of said substation. Old Dominion's meter at Stone Creek and Company's 69-kv and 12.5-kv meters at Harrogate shall be read on the same date each month as TVA reads its meter at the Fitts Gap Substation. Company agrees to make available to TVA immediately after said date each month the readings of and the charts removed from said meters. Said charts shall be returned to Company to be retained for record purposes.

5. Deliveries of power and energy by Company for TVA's account at the Harrogate 69-kv delivery point, the Harrogate 13-kv delivery point (during the interim period described in section 2), and the Stone Creek Substation delivery point, shall be made in accordance with the provisions of Articles III and V of the Interconnection Agreement.

6. Power and energy supplied by TVA to Cooperative through the system of Company as provided herein shall be delivered, taken, and paid for in accordance with and subject to all the terms and provisions of the agreement between TVA and Cooperative dated January 1, 1967 (which agreement, as supplemented and amended, is hereinafter called the "Power Contract"), except as expressly provided herein. For purposes of billing

under the Power Contract, the power and energy so delivered to Cooperative shall be the amounts registered on Old Dominion's meter at the Stone Creek Substation plus an adjustment for transformer losses and on Company's meters at the Harrogate 69-kv delivery point, and, during the interim period, the amounts delivered at the Harrogate 13-kv delivery point, adjusted for transformation losses, as determined in accordance with section 2 hereof, and the net amounts delivered to or by Cooperative at the Jonesville and Woodway emergency interchange points, as determined from existing meters, shall be added algebraically on a simultaneous basis to the measurements of power and energy delivered to Cooperative by TVA at the Fitts Gap Substation.

7. This agreement, upon becoming effective, shall supersede and cancel the following contracts:

Agreements among TVA, Cooperative, and Company dated  
October 8, 1952 (TV-14190A); and May 2, 1967  
(TV-11505A, Supp. #16, and TV-14190A, Supp. #1);

Agreements among TVA, Cooperative, Company, and  
Old Dominion dated June 22, 1961 (TV-22721A),  
and November 7, 1966 (TV-22721A, Supp. #1).

8. The Interconnection Agreement and agreements amendatory and supplemental thereto, as further amended and supplemented by this Agreement, are hereby ratified and confirmed as the continuing obligation of Company and TVA.

9. This agreement shall become effective as of the Acquisition  
Date in the Sale Agreement. 8-22-68

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be executed by their duly authorized officers as of the day and year first above written.

Attest:

TENNESSEE VALLEY AUTHORITY

(SEAL)

s/ Madge Evans  
Assistant Secretary

By s/ L. J. Van Mol  
General Manager

s/CAR  
LAW

Attest:

POWELL VALLEY ELECTRIC COOPERATIVE

s/ Ray James  
(Title) Secretary

By s/ O. B. Yeary  
(Title) President

Attest:

OLD DOMINION POWER COMPANY

s/ John T. Newton  
(Title) Secretary

By s/ M. W. Whitaker  
(Title) V. Pres

Attest:

KENTUCKY UTILITIES COMPANY

s/ John T. Newton  
(Title) Secretary

By s/ A. Clay Stewart  
(Title) Vice President

Approved by TVA  
Board of Directors  
Jul 12, 1968  
s/ M.E.  
Assistant Secretary