

Tennessee Valley Authority, 1101 Market Street, Chattanooga, Tennessee 37402-2801

William J. Museler
Vice President
Transmission/Power Supply Group

TV-11505A
Supp. 37

For FERC APPROVAL,
See letter dated 11/21/95
DSG (FERC) to RMH (KW).

SDW
12/8/95

April 1, 1995

Mr. Floyd Ellis, President
Warren Rural Electric Cooperative Corporation
Bowling Green, Kentucky 42101

Mr. Michael R. Whitley, President
Kentucky Utilities Company
One Quality Street
Lexington, Kentucky 40507

Gentlemen:

This will confirm the agreement reached among representatives of Warren Rural Electric Cooperative Corporation (hereinafter called "WRECC"), Kentucky Utilities Company (hereinafter called "KU"), and the Tennessee Valley Authority (hereinafter called "TVA") with respect to KU providing WRECC with a backup feed to supply WRECC's loads in the Leitchfield area that are normally supplied through a 69-kV delivery point at KU's Leitchfield 138-69-kV Substation.

It is understood and agreed that:

1. At its expense, WRECC will construct a tap structure at a point mutually agreed upon in or adjacent to KU's Leitchfield-Stephensburg 69-kV Transmission Line and will construct a circuit approximately 1,100 feet in length extending from said tap structure to WRECC's East Leitchfield 69-13-kV Substation. Said tap structure shall include a 69-kV switch on the substation side of the tap structure. WRECC shall provide, operate, and maintain the necessary facilities (which facilities shall be acceptable to KU and TVA) to provide to KU and TVA the power and energy readings for the power and energy taken by WRECC hereunder. It is estimated, for convenience only, that the facilities provided by WRECC and TVA under this section 1 shall be completed and ready for service by October 1, 1995.

Mr. Floyd Ellis
Mr. Michael R. Whitley
Page 2
April 1, 1995

2. KU will connect WRECC's circuit to KU's Leitchfield-Stephensburg 69-kV Transmission Line. The point of connection is hereinafter called the "Leitchfield Backup Delivery Point." WRECC will reimburse KU for its costs, including applicable overheads, of making said connection promptly after receipt of an invoice covering such costs.
3. The Leitchfield Backup Delivery Point shall be open or disconnected during normal operating conditions and shall be closed or reconnected only during emergencies or outages of facilities in the area. As a result of relay protection considerations, an operating procedure will be developed by the parties prior to placing the Leitchfield Backup Delivery Point in service.
4. This agreement shall become effective as of the date first above written. Interconnection Agreement TV-11505A, dated March 22, 1951, and agreements amendatory and supplemental thereto, as further supplemented by this agreement, are hereby ratified and confirmed as the continuing obligations of the respective parties thereto.

If the foregoing satisfactorily states our understandings, please have duly authorized representatives execute six counterparts of this letter on behalf of WRECC and KU and return them to H. Dieter Waffel, Manager of Market Management, 1101 Market Street, MR BA-C, Chattanooga, Tennessee 37402. Upon completion by TVA, two fully executed copies will be returned to each of the parties hereto.

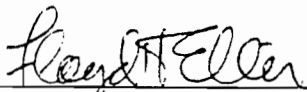
Sincerely,




William J. Museler

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

WARREN RURAL ELECTRIC COOPERATIVE CORPORATION

By 
Title: _____

KENTUCKY UTILITIES COMPANY

By 
Title: _____