

*copy*

*1/10/55*

**FILED**  
FEB 10 1955  
PUBLIC SERVICE COMMISSION

THIS AGREEMENT, dated ~~January 1, 1955~~, between EAST KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION (East Kentucky), and KENTUCKY UTILITIES COMPANY (Kentucky Utilities)

W I T N E S S E T H :

EAST KENTUCKY desires to purchase a supply of power and energy for its Member Cooperative, Licking Valley Rural Electric Cooperative Corporation (Licking Valley), and Kentucky Utilities has available by means of its own facilities and those of others, such supply of power and energy, and is willing to sell such supply to East Kentucky upon the terms and provisions herein set forth.

NOW, THEREFORE, it is agreed between the parties as follows:

1. Kentucky Utilities will obtain power and energy in amounts adequate to supply the existing, and the normally increasing requirements of Licking Valley, and cause such power and energy to be delivered over its own facilities and facilities of others, to points of delivery to Licking Valley at the following locations:

- (a) A connection at a point located at or near Falcon, Kentucky, at a nominal voltage of 12,500 volts.
- (b) A connection at a point located at or near Salyersville, Kentucky, at a nominal voltage of 12,500 volts.
- (c) A connection at a point located at or near West Liberty, Kentucky, at a nominal voltage of 66,000 volts.
- (d) A connection at a point located at or near Helechewa, Kentucky, at a nominal voltage of 33,000 volts.

East Kentucky will cause Licking Valley to accept and, pursuant to the terms of this agreement, East Kentucky will pay for all such power and energy.

2. At each of the aforesaid delivery points Kentucky Utilities will cause to be installed, owned, maintained and operated, in accordance with good engineering practice, the necessary metering equipment for measuring power and energy delivered hereunder. At said delivery points East Kentucky will cause suitable space to be provided for the above metering equipment and will cause to be installed, owned and operated, in accordance with good engineering practice, such substation equipment, including transformers, as may be required to complete the above connections. If the voltage of any existing distribution or transmission line over which power is delivered to any one or more of the foregoing delivery points is changed, East Kentucky will cause the substation and other facilities at such delivery point, or points, to be so provided and/or changed as to permit power to be delivered at the changed voltage.

3. The metering equipment to be installed at each point of delivery shall be such as to measure power and energy delivered to Licking Valley at 12.5-kv, and shall provide: (1) a continuous automatic printed numerical record of kilowatt demand established during each fifteen (15) minute period; (2) an indication of maximum demand; and (3) a continuous integrated record of the kilowatt-hours delivered. The timing devices of all meters, having such devices, shall be maintained in time synchronism so far as practicable. Authorized representatives of the parties hereto shall have access, at all reasonable hours, to the premises where the meters are located, and to the records made by said meters. A copy of the printed numerical record of kilowatt demands shall be provided to East Kentucky upon request. The metering equipment shall be tested at regular intervals in the presence of the representatives of East Kentucky. Such tests and any adjustments for errors in registration shall be made in accordance with the Rules and Regulations of the Public Service Commission of Kentucky.

When delivery of power and energy is begun pursuant to this agreement, Kentucky Utilities will advise East Kentucky of the hour and dates in each calendar month on which the meters located at the above delivery points will be read, and representatives of East Kentucky shall have an opportunity to be present at the reading of the meters.

4. The amount of power and energy delivered at the delivery points, heretofore referred to, shall be determined and paid for as follows:

- A. The "Maximum Demand", referred to in this agreement, will be the average kilowatt demand established during the fifteen (15) minute period of maximum power delivery during each month. "Diversified Demand" of the delivery points as used herein, shall be computed by applying to the aggregate of the maximum demands established at the individual delivery points, an appropriate diversity factor computed from the records of the recording demand meters to be maintained or cause to be maintained by Kentucky Utilities.
- B. For billing purposes the energy losses shall equal 10% of the delivered kilowatt-hours, and the power losses shall be computed by multiplying the Diversified Maximum Demand at the aforesaid delivery points by 10% and by a constant, which constant shall be 1.45 until July 1, 1955, and after said date said constant shall be redetermined periodically according to the General Electric Distribution Data Book, unless some other method is agreed upon by the parties.
- C. East Kentucky will pay for power and energy delivered, including losses as herein defined, pursuant to this agreement, at the rate schedule attached hereto, marked Exhibit A.

5. The electric utility systems of the parties hereto are not constructed and are not to be operated in competition with each other. Kentucky Utilities is organized to serve all types and sizes of electric consumers. East Kentucky and Licking Valley are organized to serve customers in rural areas not receiving central station service. It is therefore the intent of this section of this Agreement to define, insofar as the load centers listed herein and insofar as is logical, practicable and feasible, the types of service for which their respective systems shall be available irrespective of size of service capacity. Therefore, the parties hereto agree:

- (a) East Kentucky will not furnish or deliver electric service directly or through its members to any incorporated municipality not now receiving REA service which would be logical, practicable and feasible for Kentucky Utilities to serve, and will so limit the use of power and energy it supplies to Licking Valley hereunder, except as may be agreed to by the parties hereto.
- (b) East Kentucky will not sell or supply or deliver power and energy purchased hereunder to any other consumer than Licking Valley.
- (c) Kentucky Utilities will not sell or offer to sell or deliver its electric service to a customer at any given premises, who is taking service from Licking Valley or has terminated service from it and acts to follow that termination by acceptance of service from Kentucky Utilities, without mutual agreement with Licking Valley.

- (d) Kentucky Utilities will not serve any new customer of the type herein designated to be served by Licking Valley, located nearest the service lines of Licking Valley and which would be logical, practicable and feasible for Licking Valley to serve from its lines, and if Kentucky Utilities extends its lines into areas now served by Licking Valley to serve commercial or industrial needs, as herein outlined, Kentucky Utilities will not serve along such lines farm houses or other users of electric energy of the type herein designated to be served by Licking Valley, except by mutual agreement with Licking Valley.
- (e) Kentucky Utilities will not sell or offer to sell or deliver electric energy to Licking Valley except as provided herein or with the permission of East Kentucky.
- (f) East Kentucky will not sell or deliver electric energy to any load center of Licking Valley except pursuant to a written and duly executed contract with Licking Valley, which shall contain the following provisions:

"Energy supplied under this agreement -

- (I) Shall not be sold nor offered to a customer at any premises who is taking service from Kentucky Utilities Company or has terminated service from Kentucky Utilities Company and acts to follow that termination by acceptance of service from Licking Valley.
- (II) Shall not be used to serve any new customer located nearest the service lines of Kentucky Utilities Company, and which would be logical, practical and feasible for Kentucky Utilities Company to serve from its lines.

(III) Shall not be sold to any incorporated municipality, commercial or industrial customer, not now being served by Licking Valley, which would be logical, practicable and feasible for Kentucky Utilities to serve, except ordinary and normal rural merchandising establishments, repair shops, garage and gasoline service stations, rural schools and rural motels, irrigation projects, sawmills, rock quarries, gravel pits, small coal mines, local and temporary service for road construction projects, rural recreational projects, and other similar electric energy usage considered to be allied with the agricultural industry, all or any of which shall be located on or within close reach of the service lines of Licking Valley, and which would be logical, practical and feasible for Licking Valley to serve from its distribution system.

In the event of a disagreement with Kentucky Utilities Company over the interpretation and/or application of the provisions heretofore enumerated above as (I), (II) and (III), then the questions presented by such disagreement shall be resolved by the Public Service Commission of Kentucky in procedure prescribed by the Kentucky Statutes."

A copy of the form of such contract between East Kentucky and Licking Valley, containing these provisions, is attached hereto as Exhibit B.

The provisions of this Section 5 shall apply only to the territory generally considered to be the service area of Kentucky Utilities Company.

6. Kentucky Utilities shall be under no liability for failure to supply power and energy or for failure to adequately supply power and energy pursuant to this agreement if such failure shall result from fire, windstorm, Acts of God, strikes or any labor disturbances or any other casualty beyond its reasonable control, or if such failure shall be caused by defects in transmission lines or other facilities not owned and maintained by Kentucky Utilities, but which facilities are made use of in supplying power and energy pursuant to this agreement:

7 (a) In the event that East Kentucky shall establish one or more connections to its transmission lines through which it shall undertake to supply all or any portion of the requirements of Licking Valley at Helecheva and/or West Liberty, the provisions of Section (1) of this agreement which provide for Kentucky Utilities to supply the same requirement shall cease and terminate.

(b) At least 30 days prior to the date that East Kentucky shall undertake to supply, from its transmission facilities, the requirements of Licking Valley to an extent that deliveries of power and energy through Helecheva and/or West Liberty shall not normally be required, East Kentucky shall so advise Kentucky Utilities and shall concurrently request Kentucky Utilities to supply such emergency service as may be required thereafter at said delivery point or points. To the extent that such service is so requested, Kentucky Utilities shall thereafter cause only emergency service to be delivered to Licking Valley at said point or points. In the event that such service is not so requested, no further deliveries to Licking Valley shall take place at said point or points except by East Kentucky.

(c) Kentucky Utilities will cause emergency service to be delivered to Licking Valley only upon request by, and at the specific direction of, East Kentucky.

(d) In the event an emergency connection is requested by East Kentucky at Heleshewa and/or West Liberty, as provided for herein, Kentucky Utilities will work out with East Kentucky a contract mutually satisfactory covering the cost of emergency power to be delivered, and will cause such emergency service to be delivered.

(e) As used herein "emergency service" shall mean power and energy in such quantities as Kentucky Utilities can reasonably deliver, or cause to be delivered, during periods when East Kentucky is unable to supply requirements of Licking Valley because of a discontinuity in the transmission lines of East Kentucky which shall have been prearranged by the parties hereto or which shall have resulted from events or conditions beyond the reasonable control of said parties.

8. This agreement is contingent upon Kentucky Utilities providing East Kentucky with satisfactory assurance of suitable contractual arrangements to permit the fulfillment of the conditions of this agreement.

9. This agreement and the binding effect thereof are subject to the approval of the Public Service Commission of Kentucky and the Administrator of the Rural Electrification Administration.

10. This agreement shall remain in effect until January 31, 1964, except that the service to West Liberty or Heleshewa, or both, delivery points may be canceled by East Kentucky at any time on six (6) months' written notice.

IN TESTIMONY WHEREOF, the names of the parties hereunto have been subscribed by their representatives thereunto duly authorized as of the day and year first written above.

EAST KENTUCKY RURAL ELECTRIC  
COOPERATIVE CORPORATION

By Alex B. Veech  
Alex B. Veech, President

ATTEST:

James S. Patterson  
James S. Patterson, Secretary

KENTUCKY UTILITIES COMPANY

By W. H. Skinner  
W. H. Skinner  
Vice President

ATTEST:

J. M. Silvers  
J. M. Silvers, Secretary  
asst.

Approved: James S. Patterson, Secretary  
PUBLIC SERVICE COMMISSION OF KENTUCKY

Date 2/11/55

Approved: \_\_\_\_\_ Date \_\_\_\_\_  
ADMINISTRATOR FOR REA



EXHIBIT A.

RATE

A. Maximum Demand Charge.

\$1.92 per month per kilowatt of the billing demand which shall be the maximum Diversified Demand of the delivery points of Licking Valley, plus prescribed adjustment for power losses.

B. Energy Charge.

3.50 mills per kilowatt-hour for the total of the kilowatt-hours used each month as measured at Licking Valley delivery points, plus 10% adjustment for energy losses.

C. Subject to adjustments for

(1) Fuel

The energy charge is based upon the weighted average cost of fuel consumed by the company at the Green River, Tyrone and Pineville Generating Stations.

If, during any monthly period such average cost is in excess of 21 cents per 1,000,000 BTU, an additional charge will be made for the second month thereafter on the kilowatt-hours purchased by East Kentucky during said month at .001323 cents per kilowatt-hour for each .1 cent increase or interpolation of said amount for any fractional increase thereof in the cost of fuel over 21 cents per 1,000,000 BTU.

If, during any monthly period such average cost is less than 16 cents per 1,000,000 BTU, a credit will be given for the second succeeding month by an amount equal to the kilowatt-hours purchased by East Kentucky during said month at .001323 cents per kilowatt-hour for each .1 cent decrease or interpolation of said amount for any fractional decrease thereof, in the cost of fuel below 16 cents per 1,000,000 BTU.

Kentucky Utilities will supply East Kentucky with information used in determining the fuel adjustment.

(2) Taxes

(a) There shall be added or subtracted the proportionate part of any increase or decrease in directly assignable taxes,

assessments and other governmental charges (occurring subsequent to December 31, 1954) based on meters, customers, poles or other units of property, or on the price of or revenue from electric energy or service sold, or on the volume of energy generated, transmitted or purchased for sale or sold; and

(b) There shall be added or subtracted an amount computed by multiplying the total Demand Charge for the month by the percentage tabulated below (or interpolated from the tabulated values) opposite the composite of Federal and State of Kentucky Income Tax rates applicable to current monthly revenues. Actual tax rates shall apply, if known, otherwise rates for income tax accrual purposes, as used currently by the Company, shall be applied until the appropriate tax rates have been fixed by law. The amount of this adjustment billed in any calendar year will be corrected to conform with the established legal tax rates.

<u>Tax Rate</u>	<u>Adjustment</u>
Composite percentage of Federal and State of Kentucky Income Taxes, exclusive of Excess Profit Taxes, applicable to all dollars of net taxable income that are subject to such taxes.	Percent to apply to Total Maximum Demand Charge.
38	- 10.32
39	- 9.49
40	- 8.58
41	- 7.67
42	- 6.75
43	- 5.79
44	- 4.79
45	- 3.75
46	- 2.66
47	- 1.48
48	- .35
48.29	0
49	.87
50	2.13
51	3.40
52	4.79
53	6.23
54	7.71
55	9.23
56	10.89
57	12.59
58	14.37

Should the composite rate be less than 3% or greater than 5% during the life of this contract, then additional percentage figures will be calculated in a similar manner for the higher or lower tax rate and used for adjustment on maximum demand charges.

(3) Commodity Price.

If, for any calendar month, the average of the three most recently published current values of the "All Commodities" index of "Wholesale Prices", compiled by the United States Department of Labor, Bureau of Labor Statistics, is higher than 200 or less than 150, then the bill rendered to East Kentucky next following the expiration of such calendar month, shall be increased or decreased by .015 mills per KWH for each whole point increase above 200 or decrease below 150; provided, however, that regardless of any changes in base used by said Department in said index, the year 1926 as equal to 100 shall continue to be used as the base for purposes of this Agreement.

CHARACTER OF SERVICE:

Power and energy to be delivered will be three phase, alternating current at sixty (60) cycles; the voltage to be that available at the delivery points as specified in paragraph 1 of the agreement to which this Exhibit is attached.

DETERMINATION OF MAXIMUM DEMAND:

The Maximum Demand for billing purposes, referred to herein, shall be the Diversified Maximum Demand, as defined in paragraph 4-A, adjusted for losses as outlined in paragraph 4-B of the agreement to which this Exhibit is attached.

DUE DATE OF BILL:

Monthly bills will be due within 20 days from date of bill.

POWER FACTOR PROVISION:

Licking Valley shall at all times take and use power in such manner that the power factor at the time of maximum demand shall be as near 100% as is consistent with good engineering practice, but when the power factor

EXHIBIT A (Continued)

at any delivery point at the time of monthly maximum demand is determined to be less than 80%, the Maximum Demand used for billing purposes shall be determined by multiplying the Maximum Demand by 80% and dividing the product thus obtained by the actual power factor at the time of such Maximum Demand.

EXHIBIT B

WHOLESALE POWER CONTRACT

AGREEMENT made as of \_\_\_\_\_ between  
\_\_\_\_\_ hereinafter called  
the "Seller"), a corporation organized and existing under the laws of the  
State of \_\_\_\_\_ and \_\_\_\_\_  
(hereinafter called the "Consumer"), a corporation organized and existing  
under the laws of the State of \_\_\_\_\_.

WHEREAS, the Seller proposes to construct an electric generating  
plant and transmission system and may purchase or otherwise obtain electric  
power and energy for the purpose, among others, of supplying electric power  
and energy to borrowers from the Rural Electrification Administration which  
are or may become members of the Seller; and

WHEREAS, the Seller has heretofore entered into or presently will  
enter into agreements for the sale of electric power and energy identical  
in form with this agreement with all said borrowers which are members of  
the Seller, and may enter into similar contracts with other such borrowers  
who may become members; and

WHEREAS, the Consumer desires to purchase electric power and energy  
from the Seller on the terms and conditions herein set forth;

NOW THEREFORE, in consideration of the mutual undertakings herein  
contained the parties hereto agree as follows:

1. General. The Seller shall sell and deliver to the Consumer and  
the Consumer shall purchase and receive from the Seller all electric power  
and energy which the Consumer shall require for that portion of the Consumer's  
system connected to the point (s) of delivery hereinafter specified to the extent  
that the Seller shall have such power and energy available, provided, how-  
ever, that the Consumer shall have the right to continue to purchase electric  
power and energy under any existing contract or contracts with a supplier  
other than the Seller during the remainder of the term thereof. The Consumer  
shall terminate, if the Seller shall, with the approval or at the direction  
of the Administrator of the Rural Electrification Administration (hereinafter

called the "Administrator"), so request, any such existing contract or contracts with a supplier other than the Seller at such times as it may legally do so, provided the Seller shall have sufficient electric power and energy available for the Consumer.

2. Electric Characteristics and Delivery Points (s). Electric power and energy to be furnished hereunder shall be alternating current, \_\_\_\_\_ phase, \_\_\_\_\_ wire, sixty cycle. The Seller shall make and pay for all final connections between the systems of the Seller and the Consumer at the point (s) of delivery. The point (s) of delivery and delivery voltage shall be:

---

---

---

---

---

---

---

and such other point or points as may be agreed upon by the Seller and the Consumer.

3. Substation. The Consumer shall install, own, and maintain the necessary substation equipment at the point (s) of connection. The Seller shall own and maintain switching and protective equipment which may be reasonably necessary to enable the Consumer to take and use the electric power and energy hereunder and to protect the system of the Seller. Meters and metering equipment shall be furnished, maintained and read by the Seller and shall be located at the point of delivery on the Consumer's side of such transforming equipment.

4. Rate. (a) The Consumer shall pay the Seller for all electric power and energy furnished hereunder at the rates and on the terms and conditions set forth in Rate Schedule A, attached hereto and made a part hereof.

(b) The Board of Directors of the Seller at such intervals as it shall deem appropriate, but in any event not less frequently than once in each calendar year, shall review the rate for electric power and energy furnished hereunder and under similar agreements with other member

associations and, if necessary shall revise such rate so that it shall produce revenues which shall be sufficient, but only sufficient, with the revenues of the Seller from all other sources, to meet the cost of the operation and maintenance of the generating plant, transmission system and related facilities of the Seller, the cost of any power and energy purchased for resale hereunder by the Seller, pay taxes, make payments on account of principal of and interest on all indebtedness of the Seller, and to provide for the establishment and maintenance of reasonable reserves. The Seller shall cause a notice in writing to be given to the Consumer and other members of the Seller and the Administrator which shall set out all the proposed revisions of the rate with the effective date thereof, which shall be not less than thirty (30) nor more than forty-five (45) days after the date of the notice, and shall set forth the basis upon which the rate is proposed to be adjusted and established. The Consumer agrees that the rate from time to time established by the Board of Directors of the Seller shall be deemed to be substituted for the rate herein provided and agrees to pay for electric power and energy furnished by the Seller to it hereunder after the effective date of any such revisions at such revised rates; provided, however, that no such revision shall be effective unless approved in writing by the Administrator.

5. Meter Readings and Payment of Bills. The Seller shall read meters monthly. Electric power and energy furnished hereunder shall be paid for at the office of the Seller in \_\_\_\_\_ monthly within fifteen (15) days after the bill therefore is mailed to the Consumer. If the Consumer shall fail to pay any such bill within such fifteen-day period, the Seller may discontinue delivery of electric power and energy hereunder upon fifteen (15) days' written notice to the Consumer of its intention so to do.

6. Meter Testing and Billing Adjustment. The Seller shall test and calibrate meters by comparison with accurate standards at intervals of twelve (12) months. The Seller shall also make special meter tests at any time at the Consumer's request. The costs of all tests shall be borne by the Seller, provided, however, that if any special meter test made at the

Consumer's request shall disclose that the meters are recording accurately, the Consumer shall reimburse the Seller for the cost of such test. Meters registering not more than two percent (2%) above or below normal shall be deemed to be accurate. The readings of any meter which shall have been disclosed by test to be inaccurate shall be corrected for the ninety (90) days previous to such test in accordance with the percentage of inaccuracy found by such test. If any meter shall fail to register for any period the Consumer and the Seller shall agree as to the amount of energy furnished during such period and the Seller shall render a bill therefor.

7. Notice of Meter Reading or Test. The Seller shall notify the Consumer in advance of the time of any meter reading or test so that the Consumer's representative may be present at such meter reading or test.

8. Right Access. Duly authorized representatives of either party hereto shall be permitted to enter the premises of the other party hereto at all reasonable times in order to carry out the provisions hereof.

9. Continuity of Service. The Seller shall use reasonable diligence to provide a constant and uninterrupted supply of electric power and energy hereunder. If the supply of electric power and energy shall fail or be interrupted, or become defective through act of God or of the public enemy, or because of accident, labor troubles, or any other cause beyond the control of the Seller, the Seller shall not be liable therefor or for damages caused thereby.

10. Term. This Agreement shall become effective only upon approval in writing by the Administrator and shall remain in effect until \_\_\_\_\_, and thereafter until terminated by either party's giving to the other not less than six months' written notice of its intention to terminate. Subject to the provisions of Article 1 hereof, service hereunder and the obligation of the Consumer to pay therefor shall commence upon completion of the facilities necessary to provide service.

EXECUTED THE day and year first above mentioned.

\_\_\_\_\_  
(Seller)

By \_\_\_\_\_  
(President)

Attest:

\_\_\_\_\_  
Secretary



\_\_\_\_\_  
(Consumer)

By \_\_\_\_\_  
President

Attest:

\_\_\_\_\_  
Secretary

SUPPLEMENTAL AGREEMENT

AGREEMENT made as of \_\_\_\_\_, between  
 \_\_\_\_\_ hereinafter called  
 the "Seller"), \_\_\_\_\_,  
 (hereinafter called the "Consumer"), and the United States of America,  
 acting through the Administrator of the Rural Electrification Administration  
 (hereinafter called the "Administrator").

WHEREAS, the Seller and the Consumer have entered into a contract  
 for the purchase and sale of electric power and energy, which contract is  
 attached hereto and is hereinafter called the "Power Contract"; and

WHEREAS, the execution of the Power Contract between the Consumer  
 and the Seller is subject to the approval of the Administrator under the  
 terms of the loan contracts entered into with the Administrator by the  
 Seller and the Consumer respectively;

NOW THEREFORE, in consideration of the mutual undertakings herein  
 contained, and the approval by the Administrator of the Power Contract,  
 the parties hereto agree as follows:

1. The Seller, the Consumer and the Administrator agree that if the  
 Consumer, upon being requested to do so by the Seller with the approval  
 or at the direction of the Administrator, shall fail to terminate any  
 contract with a power supplier other than the Seller, as provided by  
 Section 1 of the Power Contract, the Seller, or the Administrator if he  
 shall so elect, shall have the right to enforce the obligations of the  
 Consumer under the provisions of said Section 1 of the Contract by  
 instituting all necessary actions at law or suits in equity, including,  
 without limitation, suits for specific performance.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement  
 to be duly executed as of the day and year first above mentioned.

\_\_\_\_\_  
 (Seller)

By \_\_\_\_\_  
 President

Attest:

\_\_\_\_\_  
 Secretary

\_\_\_\_\_  
(Consumer)

By \_\_\_\_\_  
President

Attest:

\_\_\_\_\_  
Secretary

UNITED STATES OF AMERICA

By \_\_\_\_\_  
Administrator  
of  
Rural Electrification Administration

AMENDMENT OF WHOLESALE POWER CONTRACT

Agreement made as of Feb-8, 1955, between East Kentucky Rural Electric Cooperative and Licking Valley R. E. C. C. (hereinafter called the "Member Cooperative")

NOW THEREFORE, in consideration of the mutual undertakings herein contained, the parties agree as follows:

The power contract previously entered into between the Member Cooperative and the East Kentucky R.E.C.C. providing for the furnishing to the Member Cooperative of power by the East Kentucky R. E. C. C. is hereby amended so as to incorporate the following provisions regarding the use of said power which the Member Cooperative may obtain through East Kentucky R. E. C. C.: The power shall not be sold nor offered to a customer at any premises who is taking service from Kentucky Utilities Company or has terminated and service from Kentucky Utilities Company/acts to follow that termination by acceptance of service from Licking Valley; it shall not be used to serve any new customer located nearest the service lines of Kentucky Utilities Company, and which would be logical, practical and feasible for Kentucky Utilities Company to serve from its lines; it shall not be sold to any incorporated municipality, commercial or industrial customer, not now being served by Licking Valley, which would be logical, practicable and feasible for Kentucky Utilities to serve, except ordinary and normal rural merchandising establishments, repair shops, garage and gasoline service stations, rural schools and rural motels, irrigation projects, sawmills, rock quarries, gravel pits, small coal mines, local and temporary service for road construction projects, rural recreational projects, and other similar electric energy usage considered to be allied with the agricultural industry, all or any of which shall be located on or within close reach of the service lines of Licking Valley, and which would be logical, practical and feasible for Licking Valley to serve from its distribution system.

It is understood that in the event of a disagreement with Kentucky Utilities Company over the interpretation and/or application of the provisions heretofore enumerated above, then the questions presented by such disagreement shall be resolved by the Public Service Commission of Kentucky in procedure prescribed by the Kentucky Statutes.

It is also understood that the provisions of this amendment shall apply only to the territory generally considered to be the service area of Kentucky Utilities Company.

This agreement shall be effective only upon approval thereof by the Administrator of the Rural Electrification Administration .

Signed and delivered this 24th day of January, 1955,

~~1954.~~  
~~XXXX~~

LICKING VALLEY RURAL ELECTRIC COOPERATIVE CORPORATION  
Member Cooperative

By R K Mickell  
President

Joe H. Stanz  
Secretary  
Acting

East Kentucky R.E.C.C.

By Alex B. Beach  
President

James S. Patterson  
Secretary