

**INDUSTRIAL POWER CONTRACT**

**BETWEEN**

**TODD COUNTY BOARD OF EDUCATION**

**AND**

**PENNYRILE RURAL ELECTRIC COOPERATIVE CORPORATION**

**THIS CONTRACT, by and between the TODD COUNTY BOARD OF**

**EDUCATION (hereinafter called "Customer"), a corporation created, organized,**

**and existing under the laws of the State of KENTUCKY and the PENNYRILE**

**RURAL ELECTRIC COOPERATIVE CORPORATION (hereinafter called**

**"Distributor"), a cooperative corporation duly created, organized and existing**

**under the laws of the State of Kentucky.**

**W I T N E S S E T H:**

**WHEREAS, Customer is establishing a HIGH SCHOOL near ELKTON,**

**Kentucky, and the Customer has requested Distributor to supply firm electric**

**power and energy, under terms of this contract, for the operation of said, HIGH**

**SCHOOL and**

**WHEREAS, the parties wish to agree upon the terms and conditions under**

**which firm electric power and energy will be made available by Distributor for**

**Customer's said operation.**

**NOW, THEREFORE, for and in consideration of the premises and mutual**

**covenants hereinafter set forth, the parties hereto covenant and agree as follows:**

1. **Term.** This contract shall become effective JUNE, 2011, which date shall be the date of initial availability, and shall continue in effect for an initial term of ONE (1) year from said date. Thereafter, this contract shall be automatically extended from year to year unless written notice to the contrary is given by either party to the other at least ninety (90) days prior to the expiration of the initial term or any yearly period of extension.

However, for the purpose of changing to another appropriate rate schedule, this contract, during its initial term or thereafter, may be modified or replaced by another contract provided the modifications or the replacement contract are agreed upon by both the Customer and Distributor.

2. **Availability of Power.** Subject to the other provisions of this contract, Distributor will make available to Customer, and Customer will take and buy from Distributor, Customer's requirement of firm power and energy for the operation of Customer's said HIGH SCHOOL up to the respective amounts specified below for the periods of the contract which is stated in paragraph 1. The amount specified below shall be the "contract demand" for the respective term of this contract.

The maximum amount of firm power Distributor shall be obligated to make Available hereunder during the period indicated below is the amount designated as the contract demand for the respective term of this contract.

**Contract Demand**

55 kW

The power and energy made available to Customer hereunder shall be delivered, taken, and paid for in accordance with the terms hereof and the Schedule of Rules and Regulations, a copy of which is attached hereto and hereby made a part hereof. Customer shall not take power during any period in excess of the contract demand specified for said period except by agreement of Distributor and revision of this contract, but nothing herein contained shall be construed to relieve Customer of the obligation to pay for such amounts of power as may actually be taken.

In the event Customer does take power during any period in excess of the contract demand specified, Customer hereby agrees to reimburse and indemnify Distributor for any damage to Distributor's equipment including necessary materials, labor, and all other required expense incurred by Distributor due to the excess power usage. Further, and in the event of said excess power usage by Customer, the Distributor shall be immediately entitled to require a revised Industrial Power Contract to meet the power and equipment requirements of the Customer, and Distributor shall be entitled to change to the required equipment and facilities promptly.

3. Conditions of Delivery. The point of delivery for power and energy made available to Customer hereunder shall be the first point of contact with customer's electrical service entrance equipment. The power made available hereunder shall be in the form of three-phase alternating current at a frequency of

approximately 60 hertz and at a nominal voltage of 120/208 volts. Except for temporary periods of abnormal operating conditions, voltage variations shall not exceed seven percent up or down from a normal voltage to be determined from operation experience. Customer hereby grants to Distributor without costs such rights in, over, and across its property as may be necessary to permit the construction, maintenance, and operation of Distributor's facilities and equipment used to make power and energy available to Customer hereunder. Distributor's facilities shall be installed on Customer's property in a mutually satisfactory location and the facilities shall be and remain Distributor's property. Each party hereto shall install only such protective devices as in its opinion are necessary for the protection of its own facilities and equipment.

4. *Rates and Charges.* Customer will pay the Distributor's standard membership fee of \$15.00 and will become a member of Distributor for the duration of the term of this contract. Customer shall pay Distributor monthly for power and energy available under this contract in accordance with the rates, charges, and provisions of Distributor's General Power Rate, GSA, as modified, adjusted, or replaced from time to time by agreement between Distributor and TVA. Said rate schedule, which is Distributor's current effective standard rate schedule applicable to consumers of the same class as Customer, together with its current adjustment addendum, is attached hereto and hereby made a part hereof. In the event of any conflict between the provisions of said rate schedule, as so modified, adjusted, or replaced, and other provisions of this contract, the latter shall control.

During the term of this contract, Customer shall pay, as a minimum, the amount determined under the provisions entitled "Minimum Bill" in the attached Rate Schedule, which may be modified or replaced from time to time by agreement between Distributor and the Tennessee Valley Authority.

5. Phase Balancing. Customer shall endeavor to take and use power and energy in such a manner that the current will be reasonably balanced on three phases. In the event that any check indicates that the current on the most heavily loaded phase exceeds the current on either of the other phases by more than 20 percent, Customer shall make at its expense, upon request, the changes necessary to correct the unbalanced condition. If said unbalanced condition is not corrected within 60 days, or such period as may be agreed upon, Distributor may thereafter elect to meter the load on individual phases and compute the billing demand as being equal to three times the maximum kilowatt load on any phase. The load shall be metered in accordance with standards that provide accuracy equal all metering Rules and Regulations.

6. Electrical Fluctuations. The power and energy taken by the Customer hereunder shall not be used in such manner as to cause unusual voltage fluctuations or disturbances to Distributor's or TVA's system. In the event Customer's use of power causes fluctuations or disturbances on Distributor's or TVA's system, Distributor may require Customer, at Customer's expense, to install suitable apparatus to keep such fluctuations or disturbances within reasonable limits. Customer shall reimburse and indemnify Distributor for all necessary expenses required from any damage done to equipment thereby, including necessary materials, labor, and all other required expenses.



It is agreed that Distributor assumes no responsibility, financial or otherwise, for objectionable voltage variations, including harmonic distortion, which may be caused on Customer's system by the operation of Customer's equipment.

7. Termination of Contract by Customer. Customers who have fulfilled their contract terms and wish to discontinue service must give at least (3) days' written notice to the effect, unless contract specifies otherwise. Notice to discontinue service prior to expiration of contract term will not relieve Customer from any minimum or guaranteed payment under any contract or rate.

8. Notices. Any notice or demand required by this Contract shall be deemed properly given if posted by registered mail addressed to Manager, Pennyrite Rural Electric Cooperative Corporation, P.O. Box 2900, 2000 Harrison Street, Hopkinsville, Kentucky 42241-2900, on behalf of Distributor or to Customer at 205 AIRPORT RD., ELKTON, KY. 42220 on behalf of Customer. The designation of the person to be so notified or the address of such person may be changed at any time and from time to time by either party by similar notice.

9. Waivers. A waiver of one or more defaults shall not be considered a waiver of any other or subsequent default.

10. Successors and Assigns. This contract shall inure to the benefit of and be binding upon the respective successors and assigns of the parties hereto but shall not be assignable by Customer without written consent of Distributor.

11. Counterparts. This contract may be executed in any number of counterparts, and all such counterparts, each executed and delivered as an original, shall constitute but one and the same instrument.

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

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*Member: All information in this section is required. Please complete in full.*

TODD COUNTY BOARD OF EDUCATION

FED ID# 61-6001275

(Required)

\_\_\_\_\_  
Company Representative & Title (Signature)

\_\_\_\_\_  
Company Representative & Title (Print)

\_\_\_\_\_  
Company Witness (Signature)

\_\_\_\_\_  
Company Witness (Print)

\_\_\_\_\_  
Date

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*This section for Pennyrile RECC use only.*

PENNYRILE RURAL ELECTRIC

\_\_\_\_\_  
PRECC President & CEO (Signature)

Eston Glover, President & CEO  
PRECC President & CEO (Print)

\_\_\_\_\_  
PRECC Witness (Signature)

John W. Wheeler Jr., P.E.  
PRECC Witness (Print)

\_\_\_\_\_  
Date