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October 21, 1993

TV-67518A
Supp No. 25

RESALE RATE SCHEDULE SUBSTITUTION AGREEMENT
Between
TENNESSEE VALLEY AUTHORITY (TVA)
And
CITY OF BRISTOL, TENNESSEE (Distributor)

Distributor and TVA agree to substitute the new resale rate schedules specified in (a) below, copies of which are attached, for the resale rate schedules specified in (b) below, which are now in effect under provisions of the Power Contract dated June 27, 1985, between TVA and Distributor. This substitution is to be effective for all bills rendered from resale meter readings taken for revenue months of Distributor beginning with the November 1993 revenue month.

(a) New resale rate schedules:

Residential Rate--Schedule RS (November 1993)
General Power Rate--Schedule GSA (November 1993)
General Power Rate--Schedule GSB (November 1993)

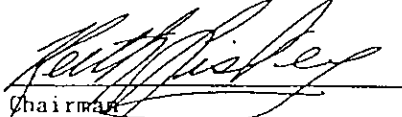
(b) Existing resale rate schedules:

Residential Rate--Schedule RS (June 1993)
General Power Rate--Schedule GSA (June 1993)
General Power Rate--Schedule GSB (June 1993)

It is understood that, upon execution of this agreement by TVA and Distributor, all references in the Power Contract to the existing resale rate schedules specified in (b) above, or to any predecessor schedules, shall be deemed to refer to the appropriate new resale rate schedules specified in (a) above.

CITY OF BRISTOL, TENNESSEE
By Board of Public Utilities

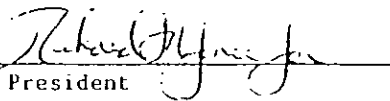
By


Chairman

Rate schedule substitution
agreed to as of the date
first above written.

TENNESSEE VALLEY AUTHORITY

By


President
Customer Group

BRISTOL TENNESSEE ELECTRIC SYSTEM

RESIDENTIAL RATE--SCHEDULE RS

(November 1993)

Availability

This rate shall apply only to electric service to a single-family dwelling (including its appurtenances if served through the same meter), where the major use of electricity is for domestic purposes such as lighting, household appliances, and the personal comfort and convenience of those residing therein.

Character of Service

Alternating current, single-phase, 60 hertz. Power shall be delivered at a service voltage available in the vicinity or agreed to by Distributor. Multiphase service shall be supplied in accordance with Distributor's standard policy.

Base Charges

Customer Charge: \$8.00 per month, less

Hydro Allocation Credit: \$2.48 per month

Energy Charge: First 1,000 kWh per month at 4.818¢ per kWh

Additional kWh per month at 5.290¢ per kWh

Adjustment

The base energy charge shall be increased or decreased in accordance with the current Adjustment Addendum published by TVA. (In addition, the base energy charge and the hydro allocation credit shall be increased or decreased to correspond to increases or decreases determined by TVA in the value of the hydro generation benefit allocated to residential customers.)

Minimum Monthly Bill

The minimum monthly bill for all customers served under this rate schedule shall be \$12.48 less the hydro allocation credit, except those customers for which a higher minimum monthly bill is required under Distributor's standard policy because of special circumstances affecting Distributor's cost of rendering service.

Payment

Bills under this rate schedule will be rendered monthly. Any amount of bill unpaid after due date specified on bill may be subject to additional charges under Distributor's standard policy.

Single-Point Delivery

The charges under this rate schedule are based upon the supply of service through a single delivery and metering point, and at a single voltage. If service is supplied to the same customer through more than one point of delivery or at different voltages, the supply of service at each delivery and metering point and at each different voltage shall be separately metered and billed.

Service is subject to Rules and Regulations of Distributor.

BRISTOL TENNESSEE ELECTRIC SYSTEM

GENERAL POWER RATE--SCHEDULE GSA

(November 1993)

Availability

This rate shall apply to the firm power requirements (where a customer's contract demand is 5,000 kW or less) for electric service to commercial, industrial, and governmental customers, and to institutional customers including, without limitation, churches, clubs, fraternities, orphanages, nursing homes, rooming or boarding houses, and like customers. This rate shall also apply to customers to whom service is not available under any other resale rate schedule.

Character of Service

Alternating current, single- or three-phase, 60 hertz. Power shall be delivered at a service voltage available in the vicinity or agreed to by Distributor.

Base Charges

1. If (a) the higher of (i) the customer's currently effective contract demand, if any, or (ii) its highest billing demand during the latest 12-month period is not more than 50 kW and (b) customer's monthly energy takings for any month during such period do not exceed 15,000 kWh:

Customer Charge: \$6.70 per delivery point per month

Energy Charge: 5.556¢ per kWh per month

2. If (a) the higher of (i) the customer's currently effective contract demand or (ii) its highest billing demand during the latest 12-month period is greater than 50 kW but not more than 1,000 kW or (b) the customer's billing demand is less than 50 kW and its energy takings for any month during such period exceed 15,000 kWh:

Customer Charge: \$6.70 per delivery point per month

Demand Charge: First 50 kW of billing demand per month, no demand charge

Excess over 50 kW of billing demand per month, at \$7.38 per kW, plus an additional

\$7.38 per kW per month for each kW, if any, of the amount by which the customer's billing demand exceeds the higher of 50 kW or its contract demand

Energy Charge: First 15,000 kWh per month at 5.408¢ per kWh

Additional kWh per month at 2.976¢ per kWh

3. If (a) the higher of the customer's currently effective contract demand or (b) its highest billing demand during the latest 12-month period is greater than 1,000 kW:

Customer Charge: \$6.70 per delivery point per month

Demand Charge: First 1,000 kW of billing demand per month, at \$7.38 per kW

Excess over 1,000 kW of billing demand per month, at
\$7.90 per kW, plus an additional

\$7.90 per kW per month for each kW, if any, of the amount by
which the customer's billing demand exceeds the higher of
2,500 kW or its contract demand

Energy Charge: 2.976¢ per kWh per month

Adjustment

The base demand and energy charges shall be increased or decreased in accordance with the current Adjustment Addendum published by TVA. (In addition, such charges shall be increased or decreased to correspond to increases or decreases determined by TVA in the value of the hydro generation benefit allocated to residential customers.)

Determination of Demand

Distributor shall meter the demands in kW of all customers having loads in excess of 50 kW. The metered demand for any month shall be the highest average during any 30-consecutive-minute period of the month of the load metered in kW. The measured demand for any month shall be the higher of the highest average during any 30-consecutive-minute period of the month of (a) the load metered in kW or (b) 85 percent of the load in kVA plus an additional 10 percent for that part of the load over 5,000 kVA, and such measured demand shall be used as the billing demand, except that the billing demand for any month shall in no case be less than 30 percent of the higher of the currently effective contract demand or the highest billing demand established during the preceding 12 months.

Minimum Bill

The monthly bill under this rate schedule shall not be less than the higher of (1) \$14.00, or (2) the sum of (a) the base customer charge, (b) the base demand charge, as adjusted, applied to 30 percent of the higher of the currently effective contract demand or the highest billing demand established during the preceding 12 months, and (c) the base energy charge, as adjusted, applied to the customer's energy takings; or (3) the sum of (a) the base customer charge and (b) 20 percent of the portion of the base demand charge, as adjusted, applicable to the second block (excess over 50 kW) of billing demand, multiplied by the higher of the customer's currently effective contract demand or its highest billing demand established during the preceding 12 months.

Distributor may require minimum bills higher than those stated above.

Seasonal Service

Customers who contract for service on a seasonal basis shall be limited to 2,500 kW and shall pay the above charges, as adjusted, plus an additional seasonal use charge equal to (1) 1.33¢ per kWh per month under 1 of the Base Charges, (2) the sum of 1.33¢ per kWh for the first 15,000 kWh per month and \$4.00 per kW per month of billing demand in excess of 50 kW under 2 of the Base Charges, and (3) \$4.00 per kW per month of billing demand under 3 of the Base Charges. Consistent with Distributor's standard policy, the customer may arrange for seasonal testing of equipment during offpeak hours.

For such customers, the minimum bill provided for above shall not apply. Distributor may require additional charges to provide recovery of costs for customer-specific distribution facilities.

Contract Requirement

Distributor may require contracts for service provided under this rate schedule. Customers whose demand requirements exceed 50 kW shall be required to execute contracts and such contracts shall be for an initial term of at least 1 year. The customer shall contract for its maximum requirements, which shall not exceed the amount of power capable of being used by customer, and Distributor shall not be obligated to supply power in greater amount at any time than the customer's currently effective contract demand. If the customer uses any power other than that supplied by Distributor under this rate schedule, the contract may include other special provisions. The rate schedule in any power contract shall be subject to adjustment, modification, change, or replacement from time to time as provided under the power contract between Distributor and TVA.

Payment

Bills under this rate schedule will be rendered monthly. Any amount of bill unpaid after due date specified on bill may be subject to additional charges under Distributor's standard policy.

Single-Point Delivery

The charges under this rate schedule are based upon the supply of service through a single delivery and metering point, and at a single voltage. If service is supplied to the same customer through more than one point of delivery or at different voltages, the supply of service at each delivery and metering point and at each different voltage shall be separately metered and billed.

Service is subject to Rules and Regulations of Distributor.

BRISTOL TENNESSEE ELECTRIC SYSTEM

GENERAL POWER RATE--SCHEDULE GSB

(November 1993)

Availability

This rate shall apply to the firm electric power requirements where a customer's currently effective contract demand is greater than 5,000 kW but not more than 15,000 kW.

Character of Service

Alternating current, single- or three-phase, 60 hertz. Power shall be delivered at a transmission voltage of 161 kV or, if such transmission voltage is not available, at the highest voltage available in the vicinity, unless at the customer's request a lower standard voltage is agreed upon.

Base Charges

Customer Charge:	\$1,500 per delivery point per month
Demand Charge:	\$9.57 per kW of billing demand per month, plus an additional \$9.57 per kW per month for each kW, if any, of the amount by which the customer's billing demand exceeds its contract demand
Energy Charge:	2.637¢ per kWh for up to 620 hours use of metered demand per month 2.152¢ per kWh for all additional kWh per month

Adjustment

The base demand and energy charges shall be increased or decreased in accordance with the current Adjustment Addendum published by TVA. (In addition, such charges shall be increased or decreased to correspond to increases or decreases determined by TVA in the value of the hydro generation benefit allocated to residential customers.)

Facilities Rental Charge

There shall be no facilities rental charge under this rate schedule for delivery at bulk transmission voltage levels of 161 kV or higher. For delivery at less than 161 kV, there shall be added to the customer's bill a facilities rental charge. This charge shall be 36¢ per kW per month except for delivery at voltages below 46 kV, in which case the charge shall be 93¢ per kW per month for the first 10,000 kW and 73¢ per kW per month for the excess over 10,000 kW.

Such charge shall be applied to the higher of (1) the highest billing demand established during the latest 12-consecutive-month period or (2) the customer's currently effective contract demand and shall be in addition to all other charges under this rate schedule, including minimum bill charges.

Reactive Demand Charges

If the reactive demand (in kVAR) is lagging during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's highest metered demand occurs, there shall be added to the customer's bill a reactive charge of 78¢ per kVAR of the amount, if any, by which the reactive demand exceeds 33 percent of such metered demand. If the reactive demand (in kVAR) is leading during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's lowest metered demand (excluding any metered demands which are less than 25 percent of the highest metered demand) occurs, there shall be added to the customer's bill a reactive charge of 33¢ per kVAR of the amount of reactive demand. Such charges shall be in addition to all other charges under this rate schedule, including minimum bill charges.

Determination of Demand

Distributor shall meter the demands in kW of all customers served under this rate schedule. The metered demand for any month shall be the highest average during any 30-consecutive-minute period beginning or ending on a clock hour of the month of the load metered in kW, and such amount shall be used as the billing demand, except that the billing demand for any month shall in no case be less than the sum of (1) 30 percent of the first 5,000 kW and (2) 40 percent of any kW in excess of 5,000 kW of the higher of the currently effective contract demand or the highest billing demand established during the preceding 12 months.

Minimum Bill

The monthly bill under this rate schedule, excluding any facilities rental charges and any reactive charges, shall not be less than the sum of (1) the base customer charge, (2) the base demand charge, as adjusted (but excluding the additional portion thereof applicable to excess of billing demand over contract demand) applied to the customer's billing demand, and (3) the base energy charge, as adjusted, applied to the customer's energy takings.

Distributor may require minimum bills higher than those stated above.

Contract Requirement

Distributor shall require contracts for all service provided under this rate schedule. The contract shall be for an initial term of at least 5 years and any renewals or extensions of the initial contract shall be for a term of at least 1 year; after 10 years of service, any such contract for the renewal or extension of service may provide for termination upon not less than 4 months' notice. The customer shall contract for its maximum requirements, which shall not exceed the amount of power capable of being used by customer, and Distributor shall not be obligated to supply power in greater amount at any time than the customer's currently effective contract demand. If the customer uses any power other than that supplied by Distributor under this rate schedule, the contract may include other special provisions. The rate schedule in any power contract shall be subject to adjustment, modification, change, or replacement from time to time as provided under the power contract between Distributor and TVA.

Payment

Bills under this rate schedule will be rendered monthly. Any amount of bill unpaid after due date specified on bill may be subject to additional charges under Distributor's standard policy.

Single-Point Delivery

The charges under this rate schedule are based upon the supply of service through a single delivery and metering point, and at a single voltage. If service is supplied to the same customer through more than one point of delivery or at different voltages, the supply of service at each delivery and metering point and at each different voltage shall be separately metered and billed.

Service is subject to Rules and Regulations of Distributor.

AGREEMENT
Between
CITY OF BRISTOL, TENNESSEE
and
TENNESSEE VALLEY AUTHORITY

DATE: February 17, 1994

TV-67518A, #26

THIS AGREEMENT, made and entered into between CITY OF BRISTOL, TENNESSEE (Distributor), a municipal corporation created and existing under and by virtue of the laws of the State of Tennessee, and TENNESSEE VALLEY AUTHORITY (TVA), a corporation created and existing under and by virtue of the Tennessee Valley Authority Act of 1933, as amended;

W I T N E S S E T H:

WHEREAS, under Power Contract TV-67518A, dated June 27, 1985, as amended (Power Contract), electric power and energy are supplied by TVA at wholesale and purchased by Distributor for resale; and

WHEREAS, TVA, Distributor, and Raytheon Company (Company) have entered into a contract of even date herewith (Company Contract) covering arrangements under which TVA will make available to Distributor for resale to Company a supply of firm power and of economy surplus power (ESP) for operation of Company's plant near Bristol, Tennessee; and

WHEREAS, the parties wish to supplement and amend the Power Contract and to enter into such other arrangements as are necessary between TVA and Distributor with respect to Distributor providing service to Company under the Company Contract;

NOW, THEREFORE, for and in consideration of the premises and of the mutual agreements set forth below, and subject to the Tennessee Valley Authority Act of 1933, as amended, the parties mutually agree as follows:

SECTION 1 - TERM OF AGREEMENT

This agreement shall become effective as of the effective date of the Company Contract, and shall continue in effect until expiration or termination of the Company Contract, or of the Power Contract, or until ESP is no longer available under the Company Contract, whichever first occurs.

SECTION 2 - BILLING DATA

Data obtained from the metering facilities referred to in section 4 of this agreement will be used by Distributor for the purposes of determining the power and energy taken by Company and by TVA for determining applicable adjustments for Distributor's wholesale bill. Accordingly, TVA will supply Distributor by the fourth working day following Company's scheduled meter-reading date the information regarding the amounts of ESP scheduled, the times such power was scheduled, the price for such power, and such other information as may be necessary so that Distributor may be able to calculate Company's bill under the Company Contract. In order to facilitate TVA's preparation of the bill to Distributor for power and energy made available under the Power Contract, each month Distributor shall furnish to TVA a copy of Distributor's bill to Company for power and energy made available under the Company Contract when it is rendered and such other information related to Company's power and energy takings as TVA may require.

SECTION 3 - ADJUSTMENTS TO DISTRIBUTOR'S WHOLESALE BILLING

In calculating the wholesale bill each month for Distributor, the following steps will be taken with respect to Company:

3.1 Firm Power and Energy. Distributor will be billed demand and energy charges as provided in the wholesale rate schedule (Wholesale Schedule), which is contained in the Schedule of Rates and Charges attached to and made a part of the Power Contract, for any firm power and energy resold under the Company Contract; provided, however, that for the purposes of calculating said charges for any month in which Company is deemed to have taken any ESP energy under the Company Contract, the term "metered demand" in the Wholesale Schedule shall be deemed to refer to an amount equal to the sum of the billing demand for firm power and any Excess Billing Demand (as those demands are calculated under the Company Contract).

3.2 ESP Energy. (a) The total dollar amount of base demand and energy charges calculated under the Wholesale Schedule shall be increased by adding thereto an amount equal to the sum of Distributor's monthly charges (exclusive of any surcharge applicable under the last paragraph of section F of the ESP Attachment to the Company Contract) to Company for ESP energy and unscheduled ESP (as determined under the Company Contract and adjusted to reflect losses as provided in (b) below).

(b) The loss adjustments provided for in (a) above shall be made by dividing the charges to be adjusted by 1.03.

(c) The amounts added to the base charges of the wholesale bill pursuant to (a) above shall also be added to the "sum of all charges" used for the distribution loss calculation under the section entitled "Distribution Loss Charge" of the Wholesale Schedule. In the event the ESP energy amount deemed taken by Company under the Company Contract in any month exceeds the metered amount of Company's total energy takings for the

month, the total amount of energy resold by Distributor to such customer during that month shall be reduced by the amount of said excess for the purpose of determining the Loss Factor under said Distribution Loss Charge section.

3.3 ESP Computer System. An amount equal to the applicable charges billed to Company in accordance with the second and third paragraphs of section A of the ESP Attachment to the Company Contract will be included as part of the wholesale bill.

SECTION 4 - METERING FACILITIES

4.1 Replacement Metering. The metering facilities previously used by Distributor in determining the power and energy taken by Company are inadequate for determining the amounts of power and energy associated with ESP. Accordingly, TVA and Distributor have arranged to replace the revenue meter in the existing metering facilities with a solid-state type revenue meter (Replacement Meter) capable of remote telephone access. Distributor will, at its expense, provide the equipment and materials and perform the work necessary to install the Replacement Meter, which will be provided by TVA at its expense. Thereafter, Distributor shall test, calibrate, operate, maintain, repair, and replace all facilities in the metering installation, except that TVA shall provide any necessary replacements for the Replacement Meter.

4.2 Distributor Responsibility. Distributor will not use the Replacement Meter for any purpose other than as specifically provided in this agreement unless it first obtains TVA's written agreement. Distributor shall reimburse TVA for any damage to the Replacement Meter caused by the negligence or other wrongful act or omission of Distributor or its agents or employees and shall promptly return the meter to TVA upon expiration or termination of this agreement. The obligations of this paragraph shall survive such expiration or termination until they are discharged.

4.3 Telephone Circuit for Remote Access. To allow remote access to the metering data recorded by the Replacement Meter, Distributor shall, at its expense, provide and install, or cause to be installed, and thereafter maintain a telephone circuit to be connected (through a modem furnished by TVA at its expense) to the Replacement Meter. The telephone circuit shall be installed in accordance with guidelines and specifications furnished or approved by TVA. TVA agrees to permit Distributor remote access through the telephone circuit to the metering data, and TVA will provide Distributor any information necessary for the exercise of such access. Distributor will require equipment not provided by TVA to exercise such access and TVA will assist Distributor in determining the equipment to be utilized; however, the acquisition of such equipment shall be the sole responsibility of Distributor. The use of the telephone circuit and access to the metering data will be coordinated by TVA's and Distributor's operating representatives to ensure unrestricted access by TVA for data retrieval purposes during such periods as specified by TVA.

4.4 Metering Outputs. Metering outputs from the Replacement Meter for such purposes as monitoring and load control will be available to Distributor under the provisions set out in the attachment entitled "Metering Outputs Attachment," which is made a part of this agreement.

SECTION 5 - RESTRICTION OF BENEFITS

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 from it unless the agreement be made with a corporation for its general benefit. Distributor shall not offer or give, directly or indirectly, to any officer, employee, special Government employee, or agent of TVA any gift, gratuity, favor, entertainment, loan, or any other thing of monetary value, except as provided in 5 C.F.R. part 2635 (as amended, supplemented, or replaced). Breach of this provision shall constitute a material breach of this agreement.


SECTION 6 - AFFIRMATION OF POWER CONTRACT

Except as expressly supplemented and amended by this agreement, the Power Contract shall be the continuing obligation of the parties.

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

Attest:

CITY OF BRISTOL, TENNESSEE
By Board of Public Utilities


(Title) Dan E. D. O.

By 
General Manager

TENNESSEE VALLEY AUTHORITY

By 
President
Customer Group

January 28, 1994

RESALE RATE SCHEDULE SUBSTITUTION AGREEMENT

Between
TENNESSEE VALLEY AUTHORITY (TVA)
And
CITY OF BRISTOL, TENNESSEE (Distributor)

Distributor and TVA agree to substitute the new resale rate schedule specified in (a) below, a copy of which is attached, for the resale rate schedule specified in (b) below, which is now in effect under provisions of the Power Contract dated June 27, 1985, between TVA and Distributor. This substitution is to be effective for all bills rendered from resale meter readings taken for revenue months of Distributor beginning with the February 1994 revenue month.

(a) New resale rate schedule:

General Power Rate--Schedule GSA (February 1994)

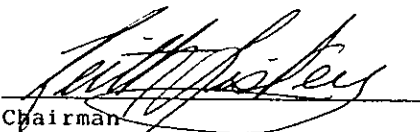
(b) Existing resale rate schedule:

General Power Rate--Schedule GSA (November 1993)

It is understood that, upon execution of this agreement by TVA and Distributor, all references in the Power Contract to the existing resale rate schedule specified in (b) above, or to any predecessor schedule, shall be deemed to refer to the appropriate new resale rate schedule specified in (a) above.

CITY OF BRISTOL, TENNESSEE
By Board of Public Utilities

By


Chairman

Rate schedule substitution
agreed to as of the date
first above written.

TENNESSEE VALLEY AUTHORITY

By



Manager, Business Resources

BRISTOL TENNESSEE ELECTRIC SYSTEM

GENERAL POWER RATE--SCHEDULE GSA

(February 1994)

Availability

This rate shall apply to the firm power requirements (where a customer's contract demand is 5,000 kW or less) for electric service to commercial, industrial, and governmental customers, and to institutional customers including, without limitation, churches, clubs, fraternities, orphanages, nursing homes, rooming or boarding houses, and like customers. This rate shall also apply to customers to whom service is not available under any other resale rate schedule.

Character of Service

Alternating current, single- or three-phase, 60 hertz. Power shall be delivered at a service voltage available in the vicinity or agreed to by Distributor.

Base Charges

1. If (a) the higher of (i) the customer's currently effective contract demand, if any, or (ii) its highest billing demand during the latest 12-month period is not more than 50 kW and (b) customer's monthly energy takings for any month during such period do not exceed 15,000 kWh:

Customer Charge: \$6.70 per delivery point per month

Energy Charge: 5.556¢ per kWh per month

2. If (a) the higher of (i) the customer's currently effective contract demand or (ii) its highest billing demand during the latest 12-month period is greater than 50 kW but not more than 1,000 kW or (b) the customer's billing demand is less than 50 kW and its energy takings for any month during such period exceed 15,000 kWh:

Customer Charge: \$6.70 per delivery point per month

Demand Charge: First 50 kW of billing demand per month, no demand charge

Excess over 50 kW of billing demand per month, at \$7.38 per kW, plus an additional

\$7.38 per kW per month for each kW, if any, of the amount by which the customer's billing demand exceeds the higher of 50 kW or its contract demand

Energy Charge: First 15,000 kWh per month at 5.408¢ per kWh

Additional kWh per month at 2.976¢ per kWh

3. If (a) the higher of the customer's currently effective contract demand or (b) its highest billing demand during the latest 12-month period is greater than 1,000 kW:

Customer Charge: \$6.70 per delivery point per month

Demand Charge: First 1,000 kW of billing demand per month, at \$7.38 per kW

Excess over 1,000 kW of billing demand per month, at
\$7.90 per kW, plus an additional

\$7.90 per kW per month for each kW, if any, of the amount by
which the customer's billing demand exceeds the higher of
2,500 kW or its contract demand

Energy Charge: 2.976¢ per kWh per month

Adjustment

The base demand and energy charges shall be increased or decreased in accordance with the current Adjustment Addendum published by TVA. (In addition, such charges shall be increased or decreased to correspond to increases or decreases determined by TVA in the value of the hydro generation benefit allocated to residential customers.)

Determination of Demand

Distributor shall meter the demands in kW of all customers having loads in excess of 50 kW. The metered demand for any month shall be the highest average during any 30-consecutive-minute period of the month of the load metered in kW. The measured demand for any month shall be the higher of the highest average during any 30-consecutive-minute period of the month of (a) the load metered in kW or (b) 85 percent of the load in kVA plus an additional 10 percent for that part of the load over 5,000 kVA, and such measured demand shall be used as the billing demand, except that the billing demand for any month shall in no case be less than 30 percent of the higher of the currently effective contract demand or the highest billing demand established during the preceding 12 months.

Minimum Bill

The monthly bill under this rate schedule shall not be less than (1) the sum of (a) the base customer charge, (b) the base demand charge, as adjusted, applied to 30 percent of the higher of the currently effective contract demand or the highest billing demand established during the preceding 12 months, and (c) the base energy charge, as adjusted, applied to the customer's energy takings; or (2) the sum of (a) the base customer charge and (b) 20 percent of the portion of the base demand charge, as adjusted, applicable to the second block (excess over 50 kW) of billing demand, multiplied by the higher of the customer's currently effective contract demand or its highest billing demand established during the preceding 12 months.

Distributor may require minimum bills higher than those stated above.

Seasonal Service

Customers who contract for service on a seasonal basis shall be limited to 2,500 kW and shall pay the above charges, as adjusted, plus an additional seasonal use charge equal to (1) 1.33¢ per kWh per month under 1 of the Base Charges, (2) the sum of 1.33¢ per kWh for the first 15,000 kWh per month and \$4.00 per kW per month of billing demand in excess of 50 kW under 2 of the Base Charges, and (3) \$4.00 per kW per month of billing demand under 3 of the Base Charges. Consistent with Distributor's standard policy, the customer may arrange for seasonal testing of equipment during offpeak hours.

For such customers, the minimum bill provided for above shall not apply. Distributor may require additional charges to provide recovery of costs for customer-specific distribution facilities.

Contract Requirement

Distributor may require contracts for service provided under this rate schedule. Customers whose demand requirements exceed 50 kW shall be required to execute contracts and such contracts shall be for an initial term of at least 1 year. The customer shall contract for its maximum requirements, which shall not exceed the amount of power capable of being used by customer, and Distributor shall not be obligated to supply power in greater amount at any time than the customer's currently effective contract demand. If the customer uses any power other than that supplied by Distributor under this rate schedule, the contract may include other special provisions. The rate schedule in any power contract shall be subject to adjustment, modification, change, or replacement from time to time as provided under the power contract between Distributor and TVA.

Payment

Bills under this rate schedule will be rendered monthly. Any amount of bill unpaid after due date specified on bill may be subject to additional charges under Distributor's standard policy.

Single-Point Delivery

The charges under this rate schedule are based upon the supply of service through a single delivery and metering point, and at a single voltage. If service is supplied to the same customer through more than one point of delivery or at different voltages, the supply of service at each delivery and metering point and at each different voltage shall be separately metered and billed.

Service is subject to Rules and Regulations of Distributor.

AGREEMENT
Between
CITY OF BRISTOL, TENNESSEE
and
TENNESSEE VALLEY AUTHORITY

DATE: May 17, 1994

TV- 67518A
Supp No. 28

THIS AGREEMENT, made and entered into between CITY OF BRISTOL, TENNESSEE (Distributor), a municipal corporation created and existing under and by virtue of the laws of the State of Tennessee, and TENNESSEE VALLEY AUTHORITY (TVA), a corporation created and existing under and by virtue of the Tennessee Valley Authority Act of 1933, as amended;

W I T N E S S E T H:

WHEREAS, under Power Contract TV-67518A, dated June 27, 1985, as amended (Power Contract), electric power and energy are supplied by TVA at wholesale and purchased by Distributor for resale; and

WHEREAS, TVA, Distributor, and Bristol Metals, Inc. (Company), have entered into a contract of even date herewith (Company Contract) covering arrangements under which TVA will make available to Distributor for resale to Company a supply of firm power and of economy surplus power (ESP) for operation of Company's plant in Bristol, Tennessee; and

WHEREAS, the parties wish to supplement and amend the Power Contract and to enter into such other arrangements as are necessary between TVA and Distributor with respect to Distributor providing service to Company under the Company Contract;

NOW, THEREFORE, for and in consideration of the premises and of the mutual agreements set forth below, and subject to the Tennessee Valley Authority Act of 1933, as amended, the parties mutually agree as follows:

SECTION 1 - TERM OF AGREEMENT

This agreement shall become effective as of the effective date of the Company Contract, and shall continue in effect until expiration or termination of the Company Contract, or of the Power Contract, or until ESP is no longer available under the Company Contract, whichever first occurs.

SECTION 2 - BILLING DATA

Data obtained from the metering facilities referred to in section 4 of this agreement will be used by Distributor for the purposes of determining the power and energy taken by Company and by TVA for determining applicable adjustments for Distributor's wholesale bill. Accordingly, TVA will supply Distributor by the fourth working day following Company's scheduled meter-reading date the information regarding the amounts of ESP deemed to have been taken by Company, the times this ESP was taken, the price for this ESP, and such other information as may be necessary so that Distributor may be able to calculate Company's bill under the Company Contract. In order to facilitate TVA's preparation of the bill to Distributor for power and energy made available under the Power Contract, each month Distributor shall furnish to TVA a copy of Distributor's bill to Company for power and energy made available under the Company Contract when it is rendered and such other information related to Company's power and energy takings as TVA may require.

SECTION 3 - ADJUSTMENTS TO DISTRIBUTOR'S WHOLESALE BILLING

In calculating the wholesale bill each month for Distributor, the following steps will be taken with respect to Company:

3.1 Firm Power and Energy. Distributor will be billed demand and energy charges as provided in the wholesale rate schedule (Wholesale Schedule), which is contained in the Schedule of Rates and Charges attached to and made a part of the Power Contract, for any firm power and energy resold under the Company Contract; provided, however, that for the purposes of calculating said charges for any month in which Company is deemed to have taken any ESP energy under the Company Contract, the term "metered demand" in the Wholesale Schedule shall be deemed to refer to an amount equal to the sum of the billing demand for firm power and any Excess Billing Demand (as those demands are calculated under the Company Contract).

3.2 ESP Energy. (a) The total dollar amount of base demand and energy charges calculated under the Wholesale Schedule shall be increased by adding thereto an amount equal to Distributor's monthly charge to Company for ESP energy under the first paragraph of section C of the ESP Attachment to the Company Contract (as determined under the Company Contract and adjusted to reflect losses as provided in (b) below).

(b) The loss adjustment provided for in (a) above shall be made by dividing the charge to be adjusted by 1.03.

(c) The amount added to the base charges of the wholesale bill pursuant to (a) above shall also be added to the "sum of all charges" used for the distribution loss calculation under the section entitled "Distribution Loss Charge" of the Wholesale Schedule. In the event the ESP energy amount deemed taken by Company under the Company Contract in any month exceeds the metered amount of Company's total energy takings for the

month, the total amount of energy resold by Distributor to such customer during that month shall be reduced by the amount of said excess for the purpose of determining the Loss Factor under said Distribution Loss Charge section.

3.3 Administrative Costs Charge. An amount equal to the charge billed to Company in accordance with section A of the ESP Attachment will be included as part of the wholesale bill.

SECTION 4 - METERING FACILITIES

4.1 Replacement Metering. The metering facilities previously used by Distributor in determining the power and energy taken by Company are inadequate for determining the amounts of power and energy associated with ESP. Accordingly, TVA and Distributor have arranged to replace the revenue meter in the existing metering facilities with a solid-state type revenue meter (Replacement Meter) capable of remote telephone access. Distributor will, at its expense, provide the equipment and materials and perform the work necessary to install the Replacement Meter, which will be provided by TVA at its expense. Thereafter, Distributor shall test, calibrate, operate, maintain, repair, and replace all facilities in the metering installation, except that TVA shall provide any necessary replacements for the Replacement Meter.

4.2 Distributor Responsibility. Distributor will not use the Replacement Meter for any purpose other than as specifically provided in this agreement unless it first obtains TVA's written agreement. Distributor shall reimburse TVA for any damage to the Replacement Meter caused by the negligence or other wrongful act or omission of Distributor or its agents or employees and shall promptly return the meter to TVA upon expiration or termination of this agreement. The obligations of this paragraph shall survive such expiration or termination until they are discharged.

4.3 Telephone Circuit for Remote Access. To allow remote access to the metering data recorded by the Replacement Meter, Distributor shall, at its expense, provide and install, or cause to be installed, and thereafter maintain a telephone circuit to be connected (through a modem furnished by TVA at its expense) to the Replacement Meter. The telephone circuit shall be installed in accordance with guidelines and specifications furnished or approved by TVA. TVA agrees to permit Distributor remote access through the telephone circuit to the metering data, and TVA will provide Distributor any information necessary for the exercise of such access. Distributor will require equipment not provided by TVA to exercise such access and TVA will assist Distributor in determining the equipment to be utilized; however, the acquisition of such equipment shall be the sole responsibility of Distributor. The use of the telephone circuit and access to the metering data will be coordinated by TVA's and Distributor's operating representatives to ensure unrestricted access by TVA for data retrieval purposes during such periods as specified by TVA.

SECTION 5 - RESTRICTION OF BENEFITS

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 from it unless the agreement be made with a corporation for its general benefit. Distributor shall not offer or give, directly or indirectly, to any officer, employee, special Government employee, or agent of TVA any gift, gratuity, favor, entertainment, loan, or any other thing of monetary value, except as provided in 5 C.F.R. part 2635 (as amended, supplemented, or replaced). Breach of this provision shall constitute a material breach of this agreement.

SECTION 6 - AFFIRMATION OF POWER CONTRACT

Except as expressly supplemented and amended by this agreement, the Power Contract shall be the continuing obligation of the parties.

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

Attest:

CITY OF BRISTOL, TENNESSEE
By Board of Public Utilities

L. A. Hinkle
(Title) *Director E + O*

By *R. Michael Bond*
General Manager

TENNESSEE VALLEY AUTHORITY

By *Richard B. Jones for*
President
Customer Group



TV-67518A
Supp. No. 29

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

June 16, 1994

Mr. A. Keith Liskey, Chairman
Board of Public Utilities
P.O. Box 549
Bristol, Tennessee 37620

Dear Mr. Liskey:

This will confirm the arrangements developed between representatives of City of Bristol, Tennessee (Distributor) and Tennessee Valley Authority (TVA) with respect to amending the wholesale power contract dated June 27, 1985, as amended (Power Contract) between the parties to provide for electronic payment of Distributor's monthly wholesale power bill.

It is understood and agreed that effective with the June 1994 wholesale billing month:

1. Definition of Terms. For the purposes of this agreement:
 - a. The time shall be Eastern Standard Time or Eastern Daylight Time, whichever is then applicable.
 - b. A business day shall be any day except Saturday, Sunday, or a weekday that is observed by TVA as a Federal holiday.
 - c. Federal holidays currently include New Year's Day, Martin Luther King's Birthday, Presidents' Day, Memorial Day, Independence Day, Labor Day, Columbus Day, Veteran's Day, Thanksgiving Day, and Christmas Day.
 - d. The Due Date for payment of the wholesale power bill shall be 15 calendar days after TVA's meter reading date or 7 calendar days after the date of the bill, whichever is later.
 - e. For the purpose of applying the late payment charges under section 5 of this agreement, the last date for electronic bill payment shall be the first business day that falls at least 17 calendar days after the Due Date.

Mr. A. Keith Liskey

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June 16, 1994

- f. For the purpose of applying the early payment credit under section 6 of this agreement, the last date for electronic bill payment shall be 17 calendar days after the Due Date.
 - g. TVA's average short-term interest rate shall be determined in the same manner set out in the first paragraph of the section headed "Billing" of the Schedule of Terms and Conditions of the Power Contract.
 - h. The section headed "Billing" of the Schedule of Terms and Conditions of the Power Contract shall be called the "Billing Section."
- 2. Electronic Payment of Wholesale Bill. Distributor agrees to pay its wholesale bill to TVA using one of the electronic payment methods approved by TVA. There are currently 2 methods available: Automatic Clearing House (ACH) Credit and ACH Debit. Distributor will inform TVA of the method it selects and TVA will supply Distributor with detailed instructions on using the method selected. Distributor may change to any other TVA-approved method upon 30 days notice. A third payment method, Fedwire Transfer, is only to be used on an emergency basis. If Distributor is currently using this method, unless otherwise agreed by TVA, Distributor will promptly arrange for the conversion from the Fedwire Transfer method to one of the above ACH payment methods following execution of this agreement.
- 3. All Invoice Items Covered. The provisions of this agreement will apply to all items shown on the monthly wholesale power invoice, whether or not such items are directly related to payment for power and energy used in the monthly billing period.
- 4. When Payment Is Considered Received. Payment will be considered to have been received by TVA on a particular business day if (a) the electronic fund transfer to TVA's account is effective that day and (b) Distributor notifies TVA, in the manner specified by TVA, of the pending electronic payment by no later than 12:00 p.m. on the preceding business day. Otherwise, the business day following the date that the transfer is effective will be considered to be the date of payment for all purposes of this agreement.

Mr. A. Keith Liskey

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June 16, 1994

5. Late Charge. To any amount not considered received on or before the last date for electronic bill payment, there shall be added an additional charge. This charge shall be equal to the sum of (a) \$150 and (b) an amount calculated by applying TVA's average short-term interest rate to the unreceived portion of the bill for each day of the period from the due date to the date payment in full is considered received.
6. Early Payment Credit. If payment is considered received by TVA at least 5 calendar days prior to the last date for electronic bill payment, TVA will allow Distributor an early payment credit. Such credit will be determined by applying TVA's average short-term interest rate to the amount of the early payment for each day of the period (not to exceed 25 days) from the date payment was considered received to the last date for electronic bill payment. Distributor may deduct the amount of this credit from its wholesale power bill. In such case, Distributor will send a credit advice showing how the credit amount was calculated.
7. Term of Agreement. This agreement shall remain in effect for the term of the Power Contract, unless terminated by either party upon 30 days prior written notice.
8. Suspension of Certain Existing Billing Provisions. During the term of this agreement certain provisions of the Billing Section are suspended. Those provisions are the first four sentences of the first paragraph and the entire second paragraph. In the event this agreement is terminated under section 7 above, the suspended provisions will be automatically reinstated.
9. Power Contract Affirmed. Except as expressly provided otherwise under this agreement, the provisions of the Billing Section shall remain in full force and effect. The Power Contract, as supplemented and amended by this agreement, is hereby ratified and confirmed as the continuing obligation of the parties.

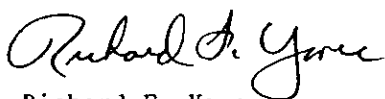
Mr. A. Keith Liskey

Page 4

June 16, 1994

If this letter satisfactorily sets forth our understandings, please have three copies executed on behalf of Distributor and return them to the TVA customer service center. Upon execution by TVA, this letter shall be a binding agreement, and a fully executed copy will be returned to you.

Very truly yours,



Richard F. Yonce
Manager of Business Resources

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

CITY OF BRISTOL, TENNESSEE
By Board of Public Utilities

By


Chairman

FACT SHEET

Proposal for Electronic Payment of Power Invoices

How was this developed?

- Developed by Treasury Services of Finance & Administration to utilize banking industry's Automatic Clearing House (ACH) network.
- Available to distributors and directly served customers
- Three methods available: ACH Credit, ACH Debit, and Fedwire Transfer

What are the advantages to TVA and Customers of Electronic Payment?

- Designed to improve TVA's cash receipt forecasting capabilities
- Allow two extra days of grace for late payment
- Allow two extra days of credit for early payment
- Allow additional flexibility for early payment credits (5-25 days) instead of fixed 15-day allowance
- Allow flexibility in the economic use of funds by both parties.

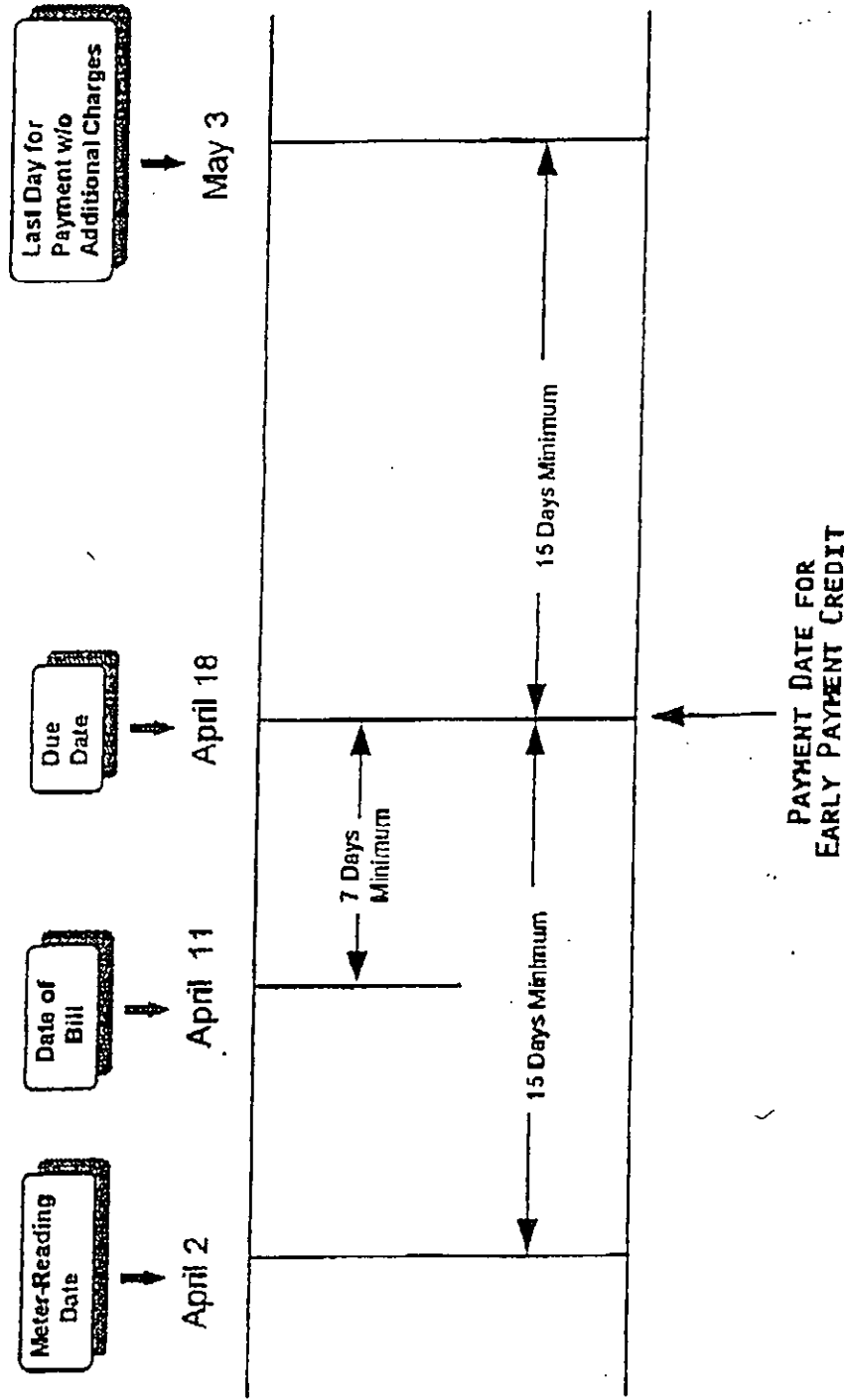
Is this optional?

- Payment of power bills by electronic transfer (rather than by mail) is a customer-elected option.

Does this modify power contract, or is this a separate agreement?

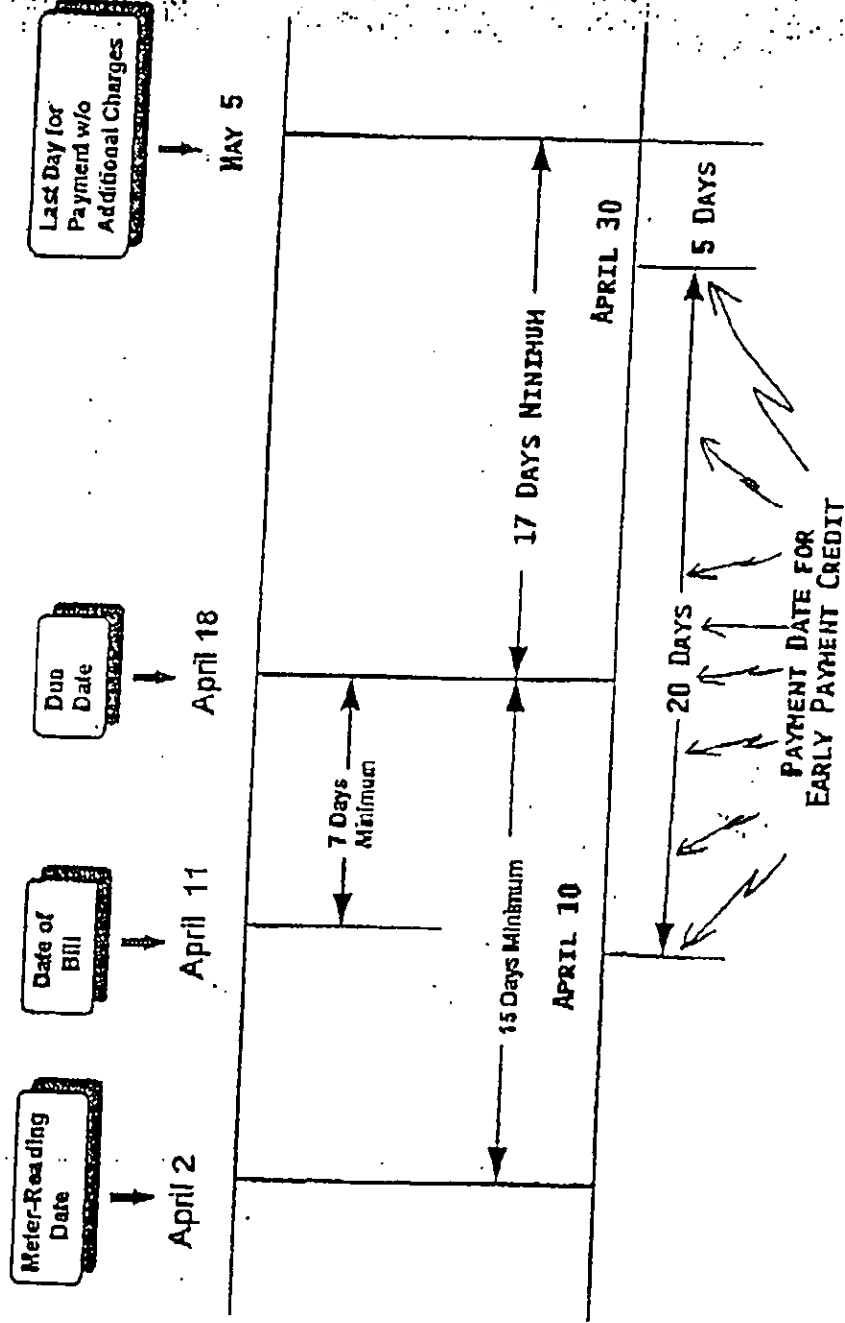
- Amends Terms and Conditions section of Power Contract

CURRENT PAYMENT METHOD



FIXED AMOUNT OF CREDIT ALLOWANCE (15 DAYS)

ACH PAYMENT METHOD (OPTIONAL)



VARIABLE AMOUNT OF CREDIT ALLOWANCE (5-25 DAYS)
 TWO EXTRA DAYS OF CREDIT ALLOWANCE UNDER ACH METHOD

DESCRIPTION OF ACH PAYMENT METHODS

Electronic Payment of Power Invoices Through Automated Clearing House Network

In order to improve its receipts forecasting capabilities, TVA is offering the following set of 4 incentives to our distributors who agree to (1) pay electronically through the ACH (Automated Clearing House) network and (2) give prior notification to TVA Cash Management of those payments and their amounts.

1. The Last Date for Electronic Payment will be two calendar days later than the current Last Date for Payment. The following table shows when payment and notification must be made:

Normal Last Date for Payment	New Last Date for Electronic Payment	Date by Which Payment Must Be Received	TVA Must be Notified By 12:00 Noon on
-----	-----	-----	-----
Monday	Wednesday	Wednesday	Tuesday
Tuesday	Thursday	Thursday	Wednesday
Wednesday	Friday	Friday	Thursday
Thursday	Saturday	Monday	Friday
Friday	Sunday	Monday	Friday
Saturday	Monday	Monday	Friday
Sunday	Tuesday	Tuesday	Monday

NOTE: If payment is due on a Holiday, payment may be made the next workday with notification to be made the workday before payment.

Notification should be made by fax to (615) 632-6397. Distributors should fax their TVA Remittance Advice form, showing amount to be paid, payment date, and payment method (ACH Credit or ACH Debit). THIS NOTIFICATION MUST BE MADE BY 12:00 NOON EASTERN TIME AT LEAST ONE BUSINESS DAY PRIOR TO MAKING PAYMENT.

2. Early payment credit will be given for payments received electronically five days or more prior to the Last Date for Electronic Payment. Currently, in order to grant an early payment credit, TVA must receive a distributor's payment by the Due Date, which is 15 days prior to the Last Date for Payment.
3. Early payment credit calculations will be based on actual number of days received by TVA prior to the Last Date for Electronic Payment up to a maximum of 25 days. (This includes two extra days credit due to the extended Last Date.) Currently, a payment received from a distributor 16 days or more prior to the Last Date is allowed only 15 days credit. This change would give the distributor credit for each day that TVA had use of the funds prior to the Last Date for Electronic Payment.

DESCRIPTION OF ACH PAYMENT METHODS (cont'd)

4. The distributor may calculate the amount of their early payment credit and deduct it prior to making payment, if they prefer. This calculation would be displayed on the TVA Remittance Advice. Currently, the distributor must wait to receive a credit memo which they deduct from the next month's invoice. In order to simplify the calculation of this credit, all components of the monthly wholesale power bill will be given credit, including those items which are not currently eligible for early payment credit, such as leased facilities and ESP access/transaction charges.

NOTE: If the distributor fails to notify TVA Cash Management at least one day prior to making payment, one day of the credit will not be eligible and will be added to the next month's power invoice.

To make electronic payment convenient for the distributor, TVA offers a choice in ACH payment methods. The distributor should contact their bank to determine which method to use.

1. ACH Credit - This method of payment is originated by the distributor's bank. The distributor would notify their bank at least one day before the payment is due to be sent. This is necessary because the bank must input the information in the ACH system the afternoon before the transfer is to be made so the Federal Reserve can process the ACH transaction overnight. Currently, there are some banks that do not yet offer ACH Credit to their customers.
2. ACH Debit - TVA offers this service to its customers without charge. It differs from ACH Credit in that, instead of being initiated by the distributor's bank, the transfer would be initiated by TVA upon receiving the fax from the distributor giving payment date, amount, and requesting ACH Debit. TVA Cash Management must receive the fax prior to 12:00 noon Eastern Time for the payment to be effective the next day. Also, prior to requesting an ACH Debit the first time, the distributor must sign an agreement with their bank to give permission for TVA to debit the distributor's account.
3. For emergency transfers, Fedwire transfer may be used. However, the same rules still apply for prior day notification of TVA Cash Management. Distributors now paying by Fedwire may continue to do so for up to three months after the effective date of the agreement, with the same effect as if they were paying by ACH.

This payment method will not only benefit TVA but will also be advantageous to our distributors. They will be able to manage their own cash better because they will know the exact date the funds will be disbursed from their account. Also, the changes in the early payment credit allow the distributor much more flexibility in use of its funds. Finally, payment through the ACH network is the least expensive method of payment available and should lower the distributor's costs associated with manually preparing, processing, and mailing check payments.

Distributors interested in being a part of this ACH payment program must sign a letter agreement which details the above provisions and amends the wholesale power contract. Such agreement may be cancelled by either TVA or the distributor by 30 days' written notice.

LARGE MANUFACTURER BILL CREDIT AGREEMENT
Between
TENNESSEE VALLEY AUTHORITY
And
CITY OF BRISTOL, TENNESSEE

THIS AGREEMENT, made and entered into as of the 1st day of June, 1994, by and between TENNESSEE VALLEY AUTHORITY (TVA), a corporation created and existing under and by virtue of the Tennessee Valley Authority Act of 1933, as amended (TVA Act), and CITY OF BRISTOL, TENNESSEE (Distributor), a municipal corporation created and existing under and by virtue of the laws of the State of Tennessee;

W I T N E S S E T H:

WHEREAS, TVA and Distributor have heretofore entered into a contract dated June 27, 1985, as amended (Power Contract), under which electric power and energy are supplied by TVA at wholesale and purchased by Distributor for resale; and

WHEREAS, the TVA Act provides that among TVA's objectives shall be those of promoting the wider and better use of electric power, of supplying electric power at the lowest feasible rates, and of applying electric power to the fuller and better balanced development of the resources of the region; and

WHEREAS, TVA and Distributor wish to cooperate in a program (Program) to encourage the fuller and better balanced development of the resources of the region by the application of credits against the electric bills of large manufacturing industries served by Distributor; and

WHEREAS, the parties wish to supplement and amend the Power Contract in the respects necessary to implement the Program;

NOW, THEREFORE, in consideration of the foregoing premises and the mutual covenants herein contained and subject to the provisions of the TVA Act, the parties agree as follows:

1. Identification of Eligible Accounts. An eligible account (Eligible Account) shall be a billing account for a delivery point serving any general power customer of Distributor which is (a) served under Schedules GSB, GSC, or GSD or Time-of-Day Schedules TGSB, TGSC, or TGSD, (b) where the customer's total power contract availability exceeds 5,000 kW, and (c) where the activities conducted are classified with a 2-digit Standard Industrial Classification code between 20 and 39, inclusive.

Distributor shall identify to TVA its customer accounts that it believes meet the eligibility requirements for participation in the Program. In the event that a particular customer account is not clearly eligible, TVA shall make the eligibility determination.

2. Application Forms. As soon as practicable after execution of this agreement, Distributor shall provide each eligible general power customer an application form for credit for each of its Eligible Accounts. The application forms shall be provided by or in a form approved by TVA.

Distributor shall furnish TVA a copy of each completed application form and shall notify TVA of any additions to or deletions of Eligible Accounts. It is understood and agreed that credits shall not be allowed by Distributor for any account until a completed application is received and approved by TVA.

3. Allowance of Credit. Notwithstanding anything appearing in the Power Contract (including the Schedule of Rates and Charges) that may be construed to the contrary, beginning with Distributor's July 1994 revenue month (as that term is defined in Wholesale Power Rate--Schedule WS, attached to and made a part of the Power Contract), Distributor shall apply a credit against the electric bill of each eligible manufacturing account as provided below. Allowance of the credits shall continue until implementation of the next Rate Change as provided for in the section of the Power Contract's Schedule of Terms and Conditions headed "Adjustment and Change of Wholesale Rate and Resale Rates." Distributor may, at its option, provide monthly credit amounts as a direct cash payment.

(a) Application of Credit. Subject to (b) below, for each Eligible Account, the credit shall be equal to 5 percent of the portion of the customer's monthly bill calculated under the Base Charges section of Distributor's applicable General Power Rate Schedule; provided, however, that no credit shall apply in any month in which the customer's metered demand for that account does not exceed 5,000 kW.

(b) Ineligible Bill Components. No credit shall be allowed against any portion of customer's bill for nonfirm power, for power billed under Competitive Indexed Rates, for special facilities charges, or for any amount calculated under sections of the General Power Rate Schedule other than the Base Charges section. Before applying any credit, the customer's bill shall first be reduced by any credits that will apply under the Growth Credit Program or any comparable program.

4. Reports. Distributor shall submit to TVA a monthly report (in a form furnished or approved by TVA) showing for each Eligible Account amounts billed to the customer for firm power and energy and the amount of the credit applied during that revenue month under section 3 above, together with such other information as may be reasonably required by TVA. Following receipt and verification of this information, TVA shall apply a credit to Distributor's

wholesale power bill equal to the total credits appropriately applied by Distributor during that revenue month. In the event that information becomes available which indicates that the credit amounts were incorrectly applied to a customer's bill for any reason, Distributor shall make an appropriate adjustment to the customer's bill and TVA shall make a corresponding adjustment to Distributor's wholesale power bill.

5. False Information Submitted by Applicant. It is recognized that the determination of a customer's eligibility may be based in part on information provided by such customer. In the event that it is subsequently determined that the customer has intentionally, or with deliberate ignorance of or reckless disregard for the truth, provided materially false information to Distributor, Distributor shall, if so requested by TVA's Operating Representative, terminate the payment of any further credits to that customer. Additionally, Distributor shall cooperate with TVA in collecting from such customer any and all credit amounts paid to such customer as a result of Distributor's use of such information.

6. Reimbursement of Distributor's Costs. In order to reimburse Distributor for costs incurred under the Program, for each month in which Distributor has at least one Eligible Account, TVA will credit Distributor's wholesale bill in the amount of \$300.

7. Effective Date. Except as otherwise provided above, this agreement shall become effective as of the date first above written, and shall continue in effect until all of the obligations of the parties have been fulfilled.

8. Operating Representatives. TVA's Operating Representative for administration of this agreement shall be the Senior Vice President, Customer Group, or a designee. Distributor's Operating Representative for administration of this agreement shall be the manager of its electric system or a designee. Subject to the provisions of this agreement, the Power Contract, and any applicable law, the Operating Representatives shall be authorized to agree upon such incidental administrative arrangements as are appropriate for the efficient and expeditious implementation of this agreement.

9. Program Guidelines. From time to time TVA shall furnish Distributor with Guidelines, consistent with the provisions of this agreement, providing for the efficient operation of the program.

10. Indemnity. TVA hereby releases Distributor, its officials, agents, and employees from, and shall indemnify and save harmless Distributor, its officials, agents, and employees from, any and all claims, demands, or causes of action of any kind of character whatsoever arising out of or in any way connected with TVA's development of or performance under this agreement. However, TVA's release and indemnity obligations to Distributor under this paragraph shall not apply unless such claims, demands, or causes of action are proximately caused by TVA's development, performance, or failure to perform

any of its obligations under this agreement or by the negligence or other wrongful acts of TVA or its agents or employees.

Distributor hereby releases the United States of America, TVA, their officials, agents, and employees from, and shall indemnify and save harmless the United States of America, TVA, their officials, agents, and employees from, any and all claims, demands, or causes of action of any kind or character whatsoever arising out of or in any way connected with Distributor's performance under this agreement. However, Distributor's release and indemnity obligations to TVA under this paragraph shall not apply unless such claims, demands, or causes of action are proximately caused by Distributor's failure to perform any of its obligations under this agreement or by the negligence or other wrongful acts of Distributor or its agents or employees.

Either party shall, along with a request for indemnification or reimbursement for a claim submitted to the other party, provide the other party with the information, explanation, and documentation necessary for the other party to determine that the indemnification or reimbursement of the requesting party is appropriate pursuant to the provisions contained in this section.

11. Power Contract Affirmed. The Power Contract, as amended and supplemented by this agreement, is hereby ratified and confirmed as the continuing obligation of the parties.

12. Officials Not to Benefit. 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 from it unless the agreement is made with a corporation for its general benefit. Distributor shall not offer or give, directly or indirectly, to any officer, employee, special Government employee, or agent of TVA any gift, gratuity, favor, entertainment, loan, or any other thing of monetary value, except as provided in 5 C.F.R. part 2635 (as amended, supplemented, or replaced). Breach of this provision shall constitute a material breach of this agreement.

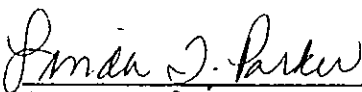
IN WITNESS WHEREOF, the parties hereto have caused this agreement to be executed by their duly authorized officers as of the day and year first above written.

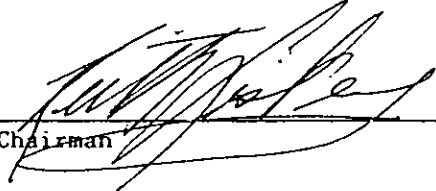
TENNESSEE VALLEY AUTHORITY

By 
Manager of Business Resources

Attest:

CITY OF BRISTOL, TENNESSEE
By Board of Public Utilities


(Title) Dir., Management Services

By 
Chairman



Tennessee Valley Authority, Post Office Box 11127, Chattanooga, Tennessee 37401-2127

May 11, 1994

Mr. A. Keith Liskey, Chairman
Board of Public Utilities
P.O. Box 549
Bristol, Tennessee 37620

Dear Mr. Liskey:

This will confirm the arrangements developed between representatives of the City of Bristol, Tennessee (Municipality), and the Tennessee Valley Authority (TVA) with respect to supplementing and amending the wholesale power contract dated June 27, 1985, as amended (Power Contract), between the parties to provide for a 13-kV revenue metering installation at a new 69-13-kV substation (Industrial Park Substation) being constructed by Municipality.

It is understood and agreed that:

1. TVA at its expense shall provide and install in a mutually satisfactory location on the 13-kV side of the Industrial Park Substation the revenue meter, meter cabinet, and related items necessary to determine the power and energy taken by Municipality at said substation. Said revenue meter shall be a solid-state type with telephone dial-up feature (Electronic Meter) which utilizes a telephone circuit for various data transmission and communication purposes (such as remote meter reading and data retrieval). Municipality shall, at its expense and in accordance with plans and specifications furnished or approved by TVA, install, on the source side of any station service transformer and any voltage correction equipment at said substation, the metering current and voltage transformers which are to be furnished by TVA and provide and install all other facilities required for the metering installation, including the foundation (if necessary) for TVA's meter cabinet, the primary connections from said metering transformers to Municipality's facilities, and the conduit (together with any required test boxes) and cable extending from the metering transformer secondaries to said meter cabinet, except that TVA will furnish said cable and test boxes. TVA shall coordinate its work hereunder with the work of Municipality to the extent necessary and practicable. Municipality hereby grants to TVA the right to

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Mr. A. Keith Liskey

Page 2

May 11, 1994

install, operate, maintain, test, calibrate, repair, replace, and remove TVA's meter, meter cabinet, and related items in said substation; and TVA shall have free access to said metering facilities at all times.

2. For TVA's metering purposes described above, Municipality shall provide and install, or cause to be installed, and thereafter operate and maintain at its expense at the Industrial Park Substation a telephone circuit, together with a conduit (necessary to protect said telephone circuit) extending from TVA's meter cabinet to a location specified by TVA, to be connected by TVA to its Electronic Meter. Said telephone circuit shall be installed in accordance with guidelines and specifications furnished or approved by TVA. In exchange for the use of Municipality's telephone circuit, TVA hereby agrees to permit Municipality remote access to TVA's metering data through use of the telephone circuit. In addition, TVA hereby also agrees to permit Municipality access to the metering information available from the readout display of the Electronic Meter. The use of the telephone circuit and access to TVA's metering data will be coordinated by TVA's and Municipality's operating representatives to ensure unrestricted telephone access by TVA for data retrieval purposes during such periods as specified by TVA. It is recognized that Municipality will require equipment not provided by TVA to obtain said metering data by remote telephone access. TVA will assist Municipality in determining the equipment to be utilized, but it is understood that acquisition of such equipment shall be the sole responsibility of Municipality.

It is recognized that Municipality may wish to obtain access to metering outputs from TVA's metering equipment for such purposes as monitoring and load control and that TVA is willing to make such access available at no charge to Municipality. Accordingly, Municipality may, at such time as it deems appropriate, provide and install at its expense such additional facilities as are necessary for obtaining access to metering outputs hereunder, including the provision and installation of a cable to be connected by TVA to a terminal block in TVA's meter cabinet. Municipality will keep TVA informed as to Municipality's plans for installation of said cable to the extent necessary and practicable. Municipality will neither install any facilities which are to be connected to TVA's metering equipment, nor, once installed, change them, without prior written notification from TVA that such installation or change is satisfactory to TVA. It is understood that the arrangements set out under this paragraph may be terminated by TVA or Municipality

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at any time upon at least 120 days' written notice to the other party. As soon as practicable following the effective date of such termination, TVA will disconnect said metering cable from said terminal block.

TVA makes no statement, representation, claim, guarantee, assurance, or warranty of any kind whatsoever, including, but not limited to, representations or warranties, express or implied, (a) as to the accuracy or completeness of the metering outputs to which Municipality has access hereunder or as to such outputs' merchantability or fitness for any purposes for which Municipality uses or will use them or (b) as to quantity, kind, character, quality, capacity, design, performance, compliance with specifications, condition, size, description of any property, merchantability, or fitness for any use or purpose of any facilities through which the metering outputs are supplied. Municipality hereby waives, and releases the United States of America, TVA, and their agents and employees from, any and all claims, demands, or causes of action, including, without limitation, those for consequential damages, arising out of or in any way connected with Municipality's use of the metering outputs.

It is understood that in exercising its access to metering outputs hereunder Municipality shall not interfere with TVA's operation and use of the Electronic Meter. In this regard Municipality agrees to immediately modify its facilities and operations in any manner as may be requested by TVA to avoid any such interference.

Except as otherwise provided for herein, the metering installation shall be for TVA's exclusive use and control unless otherwise agreed by TVA and may be used by TVA separately or in conjunction with any other metering facilities of TVA. TVA at its expense will test, calibrate, operate, maintain, and replace the portion of such installation provided and installed by TVA. Municipality at its expense shall as requested by TVA from time to time perform necessary maintenance (including making of replacements) of the remaining portion of the metering installation; provided, however, that TVA will furnish for installation by Municipality any replacements required for the current and voltage transformers, metering cable, and test boxes. TVA will place its seals on the meter and metering facilities in said metering installation, and Municipality shall assure that said seals are not broken except upon request by TVA.

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3. It is recognized that the Industrial Park Substation will be supplied from the 161-kV side of the Bluff City 161-kV Substation. Accordingly, effective as of the date on which the Industrial Park Substation is first placed in service, section 2 of Lease and Amendatory Agreement TV-27013A, Supplement No. 18, dated January 18, 1979, as amended (Lease Agreement), covering establishment of said 161-kV delivery point, is hereby amended to the extent necessary to provide that, for billing purposes under the Lease Agreement and under the Power Contract, the amounts of power and energy measured by the 13-kV revenue meters at the Industrial Park, Pemberton, King College, Ruthton, and Raytheon Substations and 69-kV revenue meters at the Bluff City 161-kV Substation, as appropriately adjusted to account for losses and nonmetered station service usage (if any), shall be included as part of the wholesale deliveries to Municipality at said 161-kV delivery point.

4. Any plans, specifications, requirements, guidelines, or coordination, and any review or approvals, provided by TVA hereunder are only for TVA's purposes, which include helping to assure (a) the safe and efficient operation of TVA's facilities and (b) that the arrangements provided for hereunder do not cause undue hazards to TVA's facilities and operations. They are not to be construed as confirming or endorsing such arrangements for Municipality's purposes.

5. Except as otherwise provided herein, this agreement shall be effective as of the date first above written and shall continue in effect for the term of the Power Contract or any renewal, extension, or replacement thereof.

6. The Power Contract and the Lease Agreement, as amended by this agreement, are hereby ratified and confirmed as the continuing obligations of the parties.

7. 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 Municipality offer or give, directly or indirectly, to any officer, employee, special Government employee, or agent of TVA any gift, gratuity, favor, entertainment, loan,

Mr. A. Keith Liskey

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or any other thing of monetary value, except as provided in 5 C.F.R. part 2635 (as amended, supplemented, or replaced). Breach of this provision shall constitute a material breach of this agreement.

If this letter satisfactorily sets forth our understandings, please have a duly authorized representative execute three counterparts on behalf of Municipality and return them to the TVA customer service center. Upon execution by TVA, this letter shall be a binding agreement, and a fully executed counterpart will be returned to you.

Sincerely,

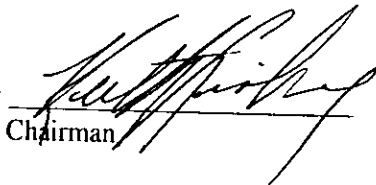


Richard F. Yonce
Manager of Business Resources

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

CITY OF BRISTOL, TENNESSEE
By Board of Public Utilities

By


Chairman

NEW DELIVERY POINT AGREEMENT
between
CITY OF BRISTOL, TENNESSEE
and
TENNESSEE VALLEY AUTHORITY

DATE: July 1, 1994

TV-67518A, Supp No. 32

THIS AGREEMENT, made and entered into between CITY OF BRISTOL, TENNESSEE (Distributor), a municipal corporation created and existing under and by virtue of the laws of the State of Tennessee and TENNESSEE VALLEY AUTHORITY (TVA), a corporation created and existing under and by virtue of the Tennessee Valley Authority Act of 1933, as amended;

W I T N E S S E T H:

WHEREAS, Distributor purchases power at specified delivery points from TVA for resale under Power Contract TV-67518A, dated June 27, 1985, as amended (Power Contract); and

WHEREAS, Distributor is building the Blountville 161-kV Substation (New Substation) near Blountville, Tennessee; and

WHEREAS, the parties wish to amend the Power Contract to add a new delivery point at the New Substation with a target in-service date of November 1, 1994;

NOW, THEREFORE, for and in consideration of the premises and of the mutual agreements set forth below, and subject to the Tennessee Valley Authority Act of 1933, as amended, the parties mutually agree as follows:

SECTION 1 - CONSTRUCTION BY DISTRIBUTOR

Distributor shall at its expense:

- (a) provide the New Substation,
- (b) provide the battery and station service power requirements for TVA's facilities and equipment, and
- (c) perform all work on its distribution and subtransmission system necessary to enable it to take power and energy at the New Substation on or as soon as practicable after the date the New Substation is completed.

SECTION 2 - CONSTRUCTION BY TVA

TVA shall at its expense:

- (a) provide a 161-kV slack span from TVA's Sullivan-North Bristol 161-kV Line to the New Substation,
- (b) connect this slack span to the New Substation,
- (c) provide and install two 161-kV Line Rupters, a 161-kV line trap, a 161-kV coupling capacitor voltage transformer (CCVT), and
- (d) provide and install an alarm reporting telephone system (ART System) and underfrequency and undervoltage relays, along with the cable necessary to connect TVA's ART System and relay equipment to the Line Rupters, line trap and CCVT.

SECTION 3 - AMENDMENT TO POWER CONTRACT

Effective as of the date on which Distributor first takes power at the New Substation, section 3 of the Power Contract is amended by adding to the respective columns of the tabulation set out in that section the following:

<u>Delivery Point</u>	<u>Normal Wholesale Delivery Voltage</u>
161-kV side of the Blountville 161-kV Substation	161-kV

SECTION 4 - REVENUE METERING INSTALLATION

TVA and Distributor will cooperate in providing a 161-kV revenue metering installation at the New Substation in accordance with the attached Terms and Conditions. There will, however, be no telephone circuit and no remote access by Distributor to meter data as specified in the Terms and Conditions. Instead, TVA (for its exclusive use) will supply a cellular phone for remote access to the metering installation.

SECTION 5 - PARALLEL METERING

TVA will provide connection points from the metering transformer secondary circuits for connection to Distributor's parallel metering equipment. Distributor agrees that such parallel metering arrangement will be carried out in a manner acceptable to TVA (as set out in TVA's metering guidelines) and may not affect the safe and efficient operation of TVA's facilities. Distributor also agrees that TVA provides no assurance as to the accuracy or fitness of the metering outputs and will not bear any responsibility to Distributor for its use of the outputs. This arrangement may be discontinued by TVA at any time by written

notice, in which case Distributor will disconnect its equipment from
TVA's metering equipment within 120 days following receipt of such notice.

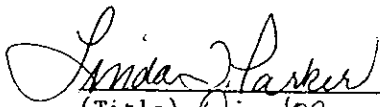
SECTION 6 - INCORPORATION OF TERMS AND CONDITIONS

The attached Terms and Conditions are made a part of this agreement. In the event of any conflict between the body of this agreement and the Terms and Conditions, the former shall control.

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

Attest:

CITY OF BRISTOL, TENNESSEE
By Board of Public Utilities


(Title) *Dir., Management Services*

By


Chairman

TENNESSEE VALLEY AUTHORITY

By 
Manager of Business Resources

TERMS AND CONDITIONS
(New Delivery Point)

SECTION 1 - COORDINATION

1.1 Objectives of Coordination. The parties agree that it is necessary to coordinate their efforts under this agreement to ensure that the following objectives are met: (a) timely and efficient completion of construction and connection of the New Substation to the TVA system, (b) timely and efficient completion of the metering installation, (c) the safe, reliable, and efficient operation of TVA's facilities, and (d) prevention of any undue hazards to TVA's facilities and operations. Each party will use reasonable diligence in carrying out its responsibilities under this agreement and will notify the other of any significant changes in schedule.

1.2 New Substation Plans and Specifications. Distributor shall consult with TVA in designing the New Substation and shall use plans and specifications that TVA concurs will ensure consistency with objectives (c) and (d) in subsection 1.1 above. Distributor will design, construct, operate, and maintain the New Substation in accordance with good, modern practices and procedures.

1.3 New Substation Protective Scheme. Distributor shall also consult with TVA in planning for the installation, operation, testing, calibration, and maintenance of the protective scheme for the New Substation. Distributor agrees not to install, operate, or maintain any protective devices without TVA's concurrence that objectives (c) and (d) in subsection 1.1 above will be fully met.

1.4 TVA Review. Any review by TVA of Distributor's plans provided for in this agreement should not be considered an endorsement that they are adequate for Distributor's purposes. TVA will not unreasonably withhold its concurrence following any such review.

1.5 Metering. TVA and Distributor will coordinate their work under section 2 below to the extent necessary and practicable.

SECTION 2 - METERING

2.1 TVA's Installation Work. TVA at its expense shall provide and install the revenue meter, meter cabinet, and related items necessary to determine the power and energy taken by Distributor at the New Substation. This metering installation will be at a mutually satisfactory location in the New Substation.

2.2 Distributor's Installation Work.

2.2.1 Current and Voltage Transformers. Distributor shall, at its expense and in accordance with plans and specifications furnished or

approved by TVA, install the metering current and voltage transformers (furnished by TVA). This will be done on the source side of any station service transformers and voltage correction equipment.

2.2.2 Miscellaneous Facilities. Distributor shall install all other facilities required for the metering installation, including the foundation (if necessary) for TVA's meter cabinet, the primary connections from the metering transformers to Distributor's facilities and the conduit (together with any required test boxes) and cable extending from the metering transformer secondaries to the meter cabinet. Distributor will furnish the supplies and materials needed under this subsection 2.2.2, except that TVA will furnish the cable and test boxes.

2.3 Remote Access to Metering Installation.

2.3.1 Installation of Circuit. For TVA's metering purposes, Distributor shall provide and install (or have installed) a telephone circuit (Circuit) and, if needed, protective conduit extending from TVA's revenue meter to a location specified by TVA. The installation shall be in accordance with guidelines and specifications furnished or approved by TVA. Distributor shall install and then operate and maintain the Circuit (and any such conduit) at its expense. TVA will connect the Circuit to the revenue meter.

2.3.2 Distributor Access to Meter Data. TVA agrees to allow Distributor (a) remote access to TVA's metering data through the Circuit and (b) access to the metering information available from the readout display of the revenue meter. Use of the Circuit and access to the readout display will be coordinated between TVA's and Distributor's operating representatives to ensure unrestricted telephone access by TVA for data retrieval purposes during such periods as specified by TVA.

2.3.3 Remote Access Equipment. It is recognized that Distributor will need equipment not provided by TVA in order to obtain metering data by remote telephone access. If requested, TVA will assist Distributor in selecting such equipment, but acquisition of the equipment shall be the sole responsibility of Distributor.

2.4 Control of Metering Installation. Except as specifically provided otherwise in this agreement (or as agreed otherwise by TVA), the metering installation shall be for TVA's exclusive use and control. It may be used by TVA separately or in conjunction with any other metering facilities of TVA. TVA will place its seals on the revenue meter and metering facilities in the metering installation, and Distributor shall assure that those seals are not broken except at TVA's request.

2.5 Maintenance of Metering Installation.

2.5.1 TVA's Responsibilities. TVA at its expense shall test, calibrate, operate, maintain, and replace the portion of the metering installation provided and installed by TVA.

2.5.2 Distributor's Responsibilities. As requested by TVA from time to time, Distributor at its expense shall perform necessary maintenance (including making of replacements) of the remaining portion of the metering installation. In doing this work Distributor shall furnish the necessary materials, except that TVA shall furnish for installation by Distributor any replacements required for the current and voltage transformers, metering cable, and test boxes.

SECTION 3 - METERING OUTPUTS

3.1 Access to Outputs. Distributor may desire access to metering outputs from the metering installation for such purposes as monitoring and load control, and TVA is willing to make such access available at no charge. Accordingly, Distributor may, at such time as it deems appropriate, provide and install at its expense such additional facilities as are necessary for obtaining access to metering outputs. This includes provision and installation of cable to be connected by TVA to a terminal block in TVA's meter cabinet. Distributor shall also furnish and install any protective facilities requested by TVA for the protection of TVA's metering installation.

3.2 Approval of Facilities. Distributor shall keep TVA informed as to Distributor's plans for installation of any such additional facilities to the extent necessary and practicable. Distributor shall neither install any facilities which are to be connected to the metering installation nor, once installed, change them without prior written notification from TVA that such installation or change is satisfactory to TVA insofar as required for the safe and efficient operation of the metering installation.

3.3 Noninterference With Metering. In exercising access to metering outputs, Distributor shall not interfere with any operation, use of, or access to the metering installation by TVA. In this regard Distributor agrees to immediately modify its facilities and operations, in any manner requested by TVA, to avoid any such interference.

3.4 Distributor Responsibility for Risk. The metering installation is operated and maintained for the purpose of measuring the power and energy taken by Distributor. In recognition of the allowance of access to the metering outputs at no charge to Distributor, it is understood and agreed that Distributor shall reimburse TVA for any

damage to TVA's property and to property in TVA's custody, and Distributor waives, and releases the United States of America, TVA, and their agents and employees from, and shall indemnify and save harmless the United States of America, TVA, and their agents and employees from, any and all claims, demands, or causes of action, including, without limitation, those for personal injuries, property damage, loss of life or property, or consequential damages sustained by Distributor, its agents or employees, or third parties, arising out of or in any way connected with (a) any of the work under subsection 3.1 or (b) Distributor's exercise of access to the metering outputs; provided, however, that the provisions of this sentence shall apply only if the personal injuries, property damage, loss of life or property, consequential damages, or other damage or loss is caused by the negligence or other wrongful act or omission of Distributor or its agents or employees.

3.5 No Warranty of Outputs. TVA makes no statement, representation, claim, guarantee, assurance, or warranty of any kind whatsoever, including, but not limited to, representations or warranties, express or implied, (a) as to the accuracy or completeness of the metering outputs or as to such outputs' merchantability or fitness for any purposes for which Distributor uses or will use them or (b) as to quantity, kind, character, quality, capacity, design, performance, compliance with specifications, condition, size, description of any property, merchantability, or fitness for any use or purpose of any facilities through which the metering outputs are supplied. Distributor hereby waives, and releases the United States of America, TVA, and their agents and employees from, any and all claims, demands, or causes of action, including, without limitation, those for consequential damages, arising out of or in any way connected with Distributor's use of the metering outputs. Distributor's obligations under subsection 3.4 and this subsection 3.5 shall survive any termination of this section 3, or any expiration or termination of this agreement until they are discharged.

3.6 Termination of Arrangements. The arrangements set out under this section 3, may be terminated by TVA or Distributor at any time upon at least 120 days' written notice. As soon as practicable following the effective date of such termination, TVA will disconnect the cable from the metering installation.

SECTION 4 - ADJUSTMENT OF METERED AMOUNTS

If the metering installation at the New Substation is not at the point of delivery specified in the Power Contract, the metered amounts of power and energy shall be appropriately adjusted to reflect losses (and non-metered station service or equipment use, if any) between the point of delivery and the metering installation. Distributor shall from time to time furnish TVA with the loss data

for Distributor's facilities needed to allow TVA to make such adjustments.

SECTION 5 - RIGHTS OF ACCESS

Distributor hereby grants to TVA such rights to use Distributor's property as are reasonably necessary or desirable to enable TVA to carry out its responsibilities under this agreement. These rights include installation, operation, maintenance, replacement, removal, and inspection of TVA's electrical facilities and equipment (including metering equipment) installed in connection with service to Distributor.

SECTION 6 - TERM OF AGREEMENT

Except as otherwise provided, this agreement shall become effective as of the date of the agreement and shall continue in effect for the term of the Power Contract or any renewal, extension, or replacement of it.

SECTION 7 - AFFIRMATION OF POWER CONTRACT

Except as expressly supplemented and amended by this agreement, the Power Contract shall be the continuing obligation of the parties.

SECTION 8 - RESTRICTION OF BENEFITS

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 from it unless the agreement be made with a corporation for its general benefit. Distributor shall not offer or give, directly or indirectly, to any officer, employee, special Government employee, or agent of TVA any gift, gratuity, favor, entertainment, loan, or any other thing of monetary value, except as provided in 5 C.F.R. part 2635 (as amended, supplemented, or replaced). Breach of this provision shall constitute a material breach of this agreement.

33

AGREEMENT
Between
CITY OF BRISTOL, TENNESSEE
and
TENNESSEE VALLEY AUTHORITY

DATE: October 4, 1994

TV- 67518A
Supp. No. 33

THIS AGREEMENT, made and entered into between CITY OF BRISTOL, TENNESSEE (Distributor), a municipal corporation created and existing under and by virtue of the laws of the State of Tennessee, and TENNESSEE VALLEY AUTHORITY (TVA), a corporation created and existing under and by virtue of the Tennessee Valley Authority Act of 1933, as amended;

W I T N E S S E T H:

WHEREAS, under Power Contract TV-67518A, dated June 27, 1985, as amended (Power Contract), electric power and energy are supplied by TVA at wholesale and purchased by Distributor for resale; and

WHEREAS, TVA, Distributor, and Exide Corporation (Company) have entered into a contract of even date herewith (Company Contract) covering arrangements under which TVA will make available to Distributor for resale to Company a supply of firm power and of economy surplus power (ESP) for operation of Company's plant near Bristol, Tennessee; and

WHEREAS, the parties wish to supplement and amend the Power Contract and to enter into such other arrangements as are necessary between TVA and Distributor with respect to Distributor providing service to Company under the Company Contract;

NOW, THEREFORE, for and in consideration of the premises and of the mutual agreements set forth below, and subject to the Tennessee Valley Authority Act of 1933, as amended, the parties mutually agree as follows:

SECTION 1 - TERM OF AGREEMENT

This agreement shall become effective as of the effective date of the Company Contract, and shall continue in effect until expiration or termination of the Company Contract, or of the Power Contract, or until ESP is no longer available under the Company Contract, whichever first occurs.

SECTION 2 - BILLING DATA

Data obtained from the metering facilities referred to in section 4 of this agreement will be used by Distributor for the purposes of determining the power and energy taken by Company and by TVA for determining applicable adjustments for Distributor's wholesale bill. Accordingly, TVA will supply Distributor by the fourth working day following Company's scheduled meter-reading date the information regarding the amounts of ESP deemed to have been taken by Company, the times this ESP was taken, the price for this ESP, and such other information as may be necessary so that Distributor may be able to calculate Company's bill under the Company Contract. In order to facilitate TVA's preparation of the bill to Distributor for power and energy made available under the Power Contract, each month Distributor shall furnish to TVA a copy of Distributor's bill to Company for power and energy made available under the Company Contract when it is rendered and such other information related to Company's power and energy takings as TVA may require.

SECTION 3 - ADJUSTMENTS TO DISTRIBUTOR'S WHOLESALE BILLING

In calculating the wholesale bill each month for Distributor, the following steps will be taken with respect to Company:

3.1 Firm Power and Energy. Distributor will be billed demand and energy charges as provided in the wholesale rate schedule (Wholesale Schedule), which is contained in the Schedule of Rates and Charges attached to and made a part of the Power Contract, for any firm power and energy resold under the Company Contract; provided, however, that for the purposes of calculating said charges for any month in which Company is deemed to have taken any ESP energy under the Company Contract, the term "metered demand" in the Wholesale Schedule shall be deemed to refer to an amount equal to the sum of the billing demand for firm power and any Excess Billing Demand (as those demands are calculated under the Company Contract).

3.2 ESP Energy. (a) The total dollar amount of base demand and energy charges calculated under the Wholesale Schedule shall be increased by adding thereto an amount equal to Distributor's monthly charge to Company for ESP energy under the first paragraph of section C of the ESP Attachment to the Company Contract (as determined under the Company Contract and adjusted to reflect losses as provided in (b) below).

(b) The loss adjustment provided for in (a) above shall be made by dividing the charge to be adjusted by 1.03.

(c) The amount added to the base charges of the wholesale bill pursuant to (a) above shall also be added to the "sum of all charges" used for the distribution loss calculation under the section entitled "Distribution Loss Charge" of the Wholesale Schedule. In the event the ESP energy amount deemed taken by Company under the Company Contract in any month exceeds the metered amount of Company's total energy takings for the

month, the total amount of energy resold by Distributor to such customer during that month shall be reduced by the amount of said excess for the purpose of determining the Loss Factor under said Distribution Loss Charge section.

3.3 Administrative Costs Charge. An amount equal to the charge billed to Company in accordance with section A of the ESP Attachment will be included as part of the wholesale bill.

SECTION 4 - METERING FACILITIES

4.1 Replacement Metering. The metering facilities previously used by Distributor in determining the power and energy taken by Company are inadequate for determining the amounts of power and energy associated with ESP. Accordingly, TVA and Distributor have arranged to replace the revenue meter in the existing metering facilities with a solid-state type revenue meter (Replacement Meter) capable of remote telephone access. Distributor will, at its expense, provide the equipment and materials and perform the work necessary to install the Replacement Meter, which will be provided by TVA at its expense. Thereafter, Distributor shall test, calibrate, operate, maintain, repair, and replace all facilities in the metering installation, except that TVA shall provide any necessary replacements for the Replacement Meter.

4.2 Distributor Responsibility. Distributor will not use the Replacement Meter for any purpose other than as specifically provided in this agreement unless it first obtains TVA's written agreement. Distributor shall reimburse TVA for any damage to the Replacement Meter caused by the negligence or other wrongful act or omission of Distributor or its agents or employees and shall promptly return the meter to TVA upon expiration or termination of this agreement. The obligations of this paragraph shall survive such expiration or termination until they are discharged.

4.3 Telephone Circuit for Remote Access. It is recognized that pursuant to the Company Contract, the telephone circuit necessary for remote access to the metering data will be provided by Company and connected to the Replacement Meter through a modem furnished by TVA. TVA agrees to permit Distributor remote access through the telephone circuit to the metering data, and TVA will provide Distributor any information necessary for the exercise of such access. Distributor will require equipment not provided by TVA to exercise such access and TVA will assist Distributor in determining the equipment to be utilized; however, the acquisition of such equipment shall be the sole responsibility of Distributor. The use of the telephone circuit and access to the metering data will be coordinated by TVA's and Distributor's operating representatives to ensure unrestricted access by TVA for data retrieval purposes during such periods as specified by TVA.

SECTION 5 - RESTRICTION OF BENEFITS

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 from it unless the agreement be made with a corporation for its general benefit. Distributor shall not offer or give, directly or indirectly, to any officer, employee, special Government employee, or agent of TVA any gift, gratuity, favor, entertainment, loan, or any other thing of monetary value, except as provided in 5 C.F.R. part 2635 (as amended, supplemented, or replaced). Breach of this provision shall constitute a material breach of this agreement.

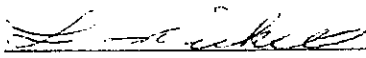
SECTION 6 - AFFIRMATION OF POWER CONTRACT

Except as expressly supplemented and amended by this agreement, the Power Contract shall be the continuing obligation of the parties.

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

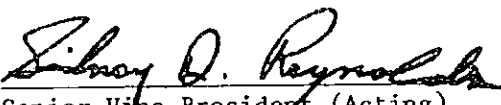
Attest:

CITY OF BRISTOL, TENNESSEE
By Board of Public Utilities


(Title) David E. E.

By 
General Manager

TENNESSEE VALLEY AUTHORITY

By 
Senior Vice President (Acting)
Customer Group

34

WHOLESALE ADJUSTMENT AGREEMENT

Between
CITY OF BRISTOL, TENNESSEE
(Distributor),
And
TENNESSEE VALLEY AUTHORITY
(TVA)

DATE: August 17, 1994

TV-67518A, Supp. No. 34

THIS AGREEMENT, made and entered into by and between Distributor and
TVA;

W I T N E S S E T H:

WHEREAS, Distributor purchases power from TVA for resale under a
contract dated June 27, 1985, as amended (Power Contract); and

WHEREAS, TVA and Distributor have previously entered into one or more
agreements (ESP Wholesale Agreements) amending the Power Contract to provide
for wholesale billing arrangements in connection with the supply of economy
surplus power (ESP) to one or more customers of Distributor; and

WHEREAS, TVA and Distributor are offering an Amendatory Agreement to
each ESP customer of Distributor which would amend the contract (Company
Contract) under which ESP is made available to (a) eliminate the scheduling of
ESP and (b) provide for a revised method of determining the billing amounts to
be used by Distributor in billing under the Company Contract; and

WHEREAS, the parties wish to amend the Power Contract in the respects
necessary to provide for wholesale billing arrangements in connection with any
Company Contract that is so amended;

NOW, THEREFORE, for and in consideration of the premises and of the
mutual agreements set forth below, and subject to the provisions of the
Tennessee Valley Authority Act of 1933, as amended, the parties mutually agree
as follows:

SECTION 1 - EFFECTIVE DATE

The provisions of this agreement shall be effective for any amounts of
power and energy supplied by Distributor under a Company Contract from and
after the Effective Date specified in the Amendatory Agreement amending
that Company Contract to eliminate ESP scheduling.

SECTION 2 - ADJUSTMENTS TO DISTRIBUTOR'S WHOLESALE BILLING

2.1 ESP Wholesale Agreement. For wholesale billings to Distributor for power and energy supplied under a Company Contract from and after the Effective Date referenced in section 1 above, the section entitled "Adjustments to Distributor's Wholesale Billing" in the ESP Wholesale Agreement relating to that Company Contract is amended in the respects necessary to provide that the applicable steps listed below in this section, in lieu of the steps presently set out, will be taken with respect to these wholesale billings.

2.2 Firm Power and Energy. Except with regard to any Company Contract for 100% ESP that is referred to in 2.3 below, Distributor will be billed demand and energy charges as provided in the wholesale rate schedule (Wholesale Schedule), which is contained in the Schedule of Rates and Charges attached to and made a part of the Power Contract, for any firm power and energy resold under a Company Contract; provided, however, that for the purposes of calculating said charges for any month in which the customer is deemed to have taken any ESP energy under the Company Contract, the term "metered demand" in the Wholesale Schedule shall be deemed to refer to an amount equal to the sum of the billing demand for firm power and any billing demand for excess power (as those demands are calculated under the Company Contract).

2.3 100% ESP Contracts - Excess Billing Demand and Excess Energy. With regard to any Company Contract where the only type of power made available is ESP, Distributor will be billed demand and energy charges as provided in the Wholesale Schedule for any billing demand for excess power established and any excess energy resold under that Company Contract; provided, however, that for the purposes of calculating said charges, the term "metered demand" in the Wholesale Schedule shall be deemed to refer to an amount equal to the billing demand for excess power (as that demand is calculated under the Company Contract).

2.4 ESP Charges. With regard to any Company Contract:

2.4.1 ESP Energy Charge. The total dollar amount of base demand and energy charges calculated under the Wholesale Schedule shall be increased by adding thereto an amount equal to Distributor's monthly charge to the customer for ESP energy under the first paragraph of section C of the ESP Attachment to the Company Contract (as determined under the Company Contract and adjusted to reflect losses as provided in 2.4.2 below).

2.4.2 Loss Adjustment. (a) Except as provided in (b) below with respect to any customer supplied through a delivery point which serves only that customer (Special Delivery Point), the loss adjustment provided for in 2.4.1 above shall be made by dividing the charge to be adjusted by 1.03.

(b) If service under the Company Contract is provided through a Special Delivery Point, the loss adjustment provided for in 2.4.1 above shall be made by dividing the charges to be adjusted by a factor of 1 plus the percentage (expressed in decimal form) of actual losses, if any, occurring between the Special Delivery Point and the point of delivery of power and energy under the Company Contract.

2.4.3 Administrative Costs Charge. An amount equal to the charge billed to the customer in accordance with section A of the ESP Attachment will be included as part of the wholesale bill.

2.5 Wholesale Distribution Loss Charge. With regard to any Company Contract, any amount added to the base charges of the wholesale bill pursuant to 2.4.1 above shall also be added to the "sum of all charges" used for the distribution loss calculation under the section entitled "Distribution Loss Charge" of the Wholesale Schedule.

SECTION 3 - RATIFICATION OF POWER CONTRACT.

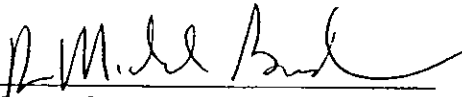
The Power Contract, as amended by this agreement, is ratified and confirmed as the continuing obligation of the parties.

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

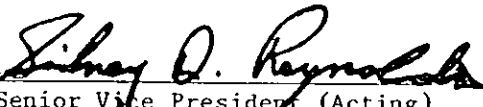
Attest:

CITY OF BRISTOL, TENNESSEE
By Board of Public Utilities

(Title)

By 
General Manager

TENNESSEE VALLEY AUTHORITY

By 
Senior Vice President (Acting)
Customer Group

100 2 7 1994

December 22, 1994

Eddie L. Tramel, 2107 West Market Street, Johnson City

BRISTOL, TENNESSEE - LETTER OF UNDERSTANDING TV-67518A,
SUPPLEMENT NO. 35, DATED DECEMBER 7, 1994, COVERING TRIAL
BILLING ARRANGEMENT FOR WHOLESALE BILLING PAYMENTS TO
TVA ON AN ESTIMATED BASIS

Attached for delivery to the distributor is a photocopy of the completed document
which has been assigned a contract supplement number. Reproduced copies of this
agreement will be forwarded to you for your files in the near future.

Dennis P. To / TCB

Dennis P. To, Manager
Contracts Development, SP 2A-C

TCB

Attachment

cc (Attachment):

J. W. Brooks, MR 3K-C
R. L. Owens, MR 3A-C
B. O. Stephens, WT 4A-K
J. E. Weatherington, MR 2J-C
K. Haun-Wood, WT 4A-K
RIMS, CST 13B-C

R:\TCB\0008\p. 2



TV-67518A
Supp. No. 35

Tennessee Valley Authority, 2107 West Market Street, Johnson City, Tennessee 37604-6024

December 7, 1994

Dr. Michael Browder, General Manager
Bristol Tennessee Electric System
P.O. Box 549
Bristol, Tennessee 37621

Dear Dr. Browder:

This is to confirm the understanding between Bristol Tennessee Electric System (BTES) and TVA relative to a trial billing arrangement whereby BTES will make monthly wholesale billing payments to TVA on an estimated basis and TVA will make an annual adjustment to reconcile the difference between estimated bill payments and actual wholesale charges incurred.

Therefore, beginning with the January 1995 billing month, TVA and BTES agree to the following:

1. MONTHLY POWER BILL PAYMENT

BTES will not receive a monthly power invoice from TVA. Rather, BTES will estimate the power bill in the manner set out below and make payment to TVA based on such estimated amount. BTES will submit an itemized statement together with each estimated bill payment to show how each component of the bill was determined.

2. WHOLESALE METER READING

BTES's wholesale meters are currently read on the 17th of each month. Thus, the payment due date for the estimated bill will be 15 days from the meter reading date each month (e.g., the same date that would normally be applicable if the bill were rendered by TVA), and the last day for payment without incurring additional charges will normally be 15 days from the due date. However, since BTES has entered into a letter agreement dated June 16, 1994, with TVA covering payment of wholesale power bill by electronic transfer method, as long as that letter agreement remains in effect, the last date for electronic bill payment without incurring additional charges will be the first business day (as defined in that letter agreement) that falls at least 17 calendar days after the due date. Payment will be subject to the same terms and conditions as the normal power bill payment. The due date and last day for payment would, of course, be changed to correspond to any future changes in the wholesale meter-reading date.

3. WHOLESALE END USE CHARGES

The wholesale end-use charges will be determined by BTES in the same manner as currently done (utilizing the format of TVA's power invoice Schedule 1) based on resale billing data from BTES's revenue month.

4. LOSS FACTOR FOR DISTRIBUTION LOSS CALCULATION

A loss factor of 5.0% will be applied each month to the end-use charges (determined under item 3 above) as a means of estimating the monthly distribution loss charges. TVA may request BTES to revise this estimated loss percentage from time to time so as to better approximate the actual level of distribution loss charges then incurred. A loss true-up will, of course, be done at the end of each annual period to determine actual distribution loss charges. The July 1995 Loss Factor will be used to true up the loss charges for the 1995 annual period. This could result in a billing debit or credit depending on how the July 1995 Loss Factor (actual loss factor) compares with the estimated loss factor. For instance, if the July 1995 Loss Factor turns out to be 6.0%, BTES would owe TVA a billing debit (for loss true-up) of about 1% of the wholesale end-use charges for the 1995 annual period. On the other hand, if the July 1995 Loss Factor turns out to be 4.0%, BTES should receive a billing credit of about 1% of the 1995 end-use charges.

5. RESIDENTIAL HYDRO CREDIT & MARKETING INCENTIVES

The residential hydro credit (currently \$2.48 per customer), Growth Credit, Enhanced Growth Credit, and Large Manufacturer Bill Credit will be determined by BTES in the same manner as currently done--utilizing the format of TVA's power invoice Schedule 1.

6. DELIVERY POINT CHARGE

A monthly delivery point charge will be included based on the number of delivery points established under BTES's wholesale power contract with TVA. This amount would, of course, be changed accordingly to reflect any future changes in the number of delivery points to BTES. BTES now has one 161-kV delivery point in place, plus an additional 161-kV delivery point pending for service to BTES's new Blountville 161-kV Substation. If this new delivery point is in service as of the January 1995 billing month (e.g., the effective date of this agreement), the monthly delivery point charge will be \$3,500. Otherwise, the charge would be \$1,500.

7. REACTIVE CHARGES

BTES is not, at this time, required to include a monthly amount for estimated reactive charges since TVA has decided to temporarily suspend the application of wholesale reactive power billings, effective with the July 1993 billing month. Should TVA reinstate reactive charges at some point in the future, we would then require BTES to start paying an estimated monthly amount so as to approximate the actual level of reactive charges then incurred by BTES.

Dr. Michael Browder, General Manager

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December 7, 1994

8. FACILITIES RENTAL CHARGES

BTES is not, at this time, required to include, for estimated billing payment purpose, a monthly amount for facilities rental charges since BTES's existing delivery point is currently established at 161 kV. (An estimated amount would, of course, need to be included should BTES later establish new delivery points at voltages below 161 kV.)

9. EDC CHARGES

Since BTES is not currently participating under TVA's Electrical Development Program (EDP), a monthly charge will not be included for EDP services provided by TVA. Should BTES later elect to participate in the program, a monthly charge will be included based on an annual amount computed by TVA for BTES's annual period of participation. Such amount will be subject to revision by TVA each July (beginning of a new annual period) when EDP charges are recomputed for the new annual period.

10. ESP CHARGES

Based on BTES's currently supplying ESP to six customers, a monthly charge of \$6,450.00 will be included for ESP administrative costs charges. This amount would be changed accordingly to reflect any future increase or decrease in the number of ESP customers served by BTES.

11. ANNUAL ADJUSTMENT

At the end of each annual wholesale billing period (which now ends with the June billing month), TVA will determine the actual amounts of all billings (including distribution loss true-up adjustments) that would otherwise have been rendered by TVA based on contractual arrangements with BTES and the wholesale rate schedule provisions. A billing adjustment will then be made to account for the difference between estimated payments and actual charges incurred.

12. DISCONTINUATION OF BILLING ESTIMATE

This estimated billing payment arrangement is intended for billing convenience of the parties only. For this reason, it may be discontinued at any time by either party by written notice to the other party, after which the current billing process (whereby TVA prepares and renders monthly power invoices to distributors) will resume. This arrangement will under no circumstances be construed as relieving BTES of the obligations (set out under the wholesale rate schedule provisions and BTES's contractual arrangements with TVA) to pay TVA for the charges actually incurred.

Dr. Michael Browder, General Manager

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December 7, 1994

If this correctly reflects the understanding between BTES and TVA regarding this billing arrangement, please sign and date this letter in the space provided below for each of the three duplicates enclosed. Please return two signed duplicates to us and retain one for your files.

Sincerely,



Eddie L. Tramel
Manager
Johnson City Customer Service Center

Accepted and agreed to as of
the 19 day of Dec, 1994.

BRISTOL TENNESSEE ELECTRIC SYSTEM

By 
General Manager

1881E
072194

ENHANCED GROWTH CREDIT PROGRAM AGREEMENT

Between
CITY OF BRISTOL, TENNESSEE
And
TENNESSEE VALLEY AUTHORITY

DATE: May 5, 1994

TV-67518A, Supp. No. 36

THIS AGREEMENT, made and entered into between TENNESSEE VALLEY AUTHORITY (TVA), a corporation created and existing under and by virtue of the Tennessee Valley Authority Act of 1933, as amended (TVA Act), and CITY OF BRISTOL, TENNESSEE (Distributor), a municipal corporation created and existing under and by virtue of the laws of the State of Tennessee;

W I T N E S S E T H:

WHEREAS, TVA and Distributor have entered into a contract dated June 27, 1985, as amended (Power Contract), under which electric power and energy are supplied by TVA at wholesale and purchased by Distributor for resale; and

WHEREAS, the TVA Act provides that among TVA's objectives shall be those of promoting the wider and better use of electric power, of supplying electric power at the lowest feasible rates, and of applying electric power to the fuller and better balanced development of the resources of the region; and

WHEREAS, TVA and Distributor wish to cooperate in an Enhanced Growth Credit Program (EGC Program) to encourage the fuller and better balanced development of the resources of the region by applying credits against the electric bills of certain eligible new and expanding general power customers of Distributor; and

WHEREAS, the parties wish to supplement and amend the Power Contract in the respects necessary to implement the EGC Program;

NOW, THEREFORE, in consideration of the foregoing premises and the mutual covenants herein contained and subject to the provisions of the TVA Act, the parties agree as follows:

SECTION 1 - ELIGIBILITY

1.1 Qualifying Customers. To be eligible for participation in the EGC Program, a general power customer must qualify under the provisions of either Guideline 2.1 or Guideline 3.1 of the EGC Participation Agreement Guidelines (Guidelines) attached to and made a part of this agreement. Distributor shall inform each of its qualifying customers about the EGC

Program. In the event that a particular customer does not clearly qualify, the Operating Representatives of the parties shall make a joint determination about the customer's eligibility.

1.2 Participation Agreement. Distributor shall conduct the EGC Program in strict accordance with the provisions of this agreement, including the Guidelines. Distributor shall enter into a Participation Agreement (as defined in and in accordance with the Guidelines) with each qualifying customer that wishes to participate in the EGC Program.

1.3 Notice to TVA of Customer Participation. Distributor shall promptly furnish to TVA a copy of each Participation Agreement, a copy of the corresponding power supply contract, and such other information concerning each customer's qualification for and participation in the EGC Program as TVA may reasonably request. In addition, Distributor shall promptly furnish a copy of any amendment to or renewal or replacement of such power supply contract which becomes effective during the term of the Participation Agreement.

1.4 Materially False Information. It is recognized that the determination of a customer's eligibility may be based in part on information provided by the customer. In the event that it is subsequently determined that the customer has intentionally, or with deliberate ignorance of or reckless disregard for the truth, provided materially false information to Distributor, Distributor shall, if so requested by TVA, terminate the payment of any further credits under 2.1 below to that customer. Additionally, Distributor shall cooperate with TVA in collecting from the customer any and all credit amounts paid as a result of Distributor's use of the false information.

SECTION 2 - CREDITS

2.1 Retail Credits. Distributor shall apply the credits (Retail Credits) provided for in Participation Agreements entered into in accordance with the Guidelines.

2.2 Wholesale Credit. Distributor shall be entitled to a credit (Wholesale Credit) on its wholesale power bill equal to 110 percent of the total Retail Credits applied by Distributor in accordance with this agreement. Distributor shall take this Wholesale Credit by deducting it from the amount owed to TVA under the wholesale invoice for power and energy resold to Company in the month for which the Retail Credits were applied.

2.3 Monthly Reports. Distributor shall promptly submit to TVA a monthly report (in a form furnished or approved by TVA) showing for each customer participating in the EGC Program (a) the amount of any Retail Credit for the month and (b) the billing data used to calculate that Retail Credit, together with such other information as may be reasonably required by TVA. In the event that information becomes available, through

Distributor's monthly report or otherwise, which establishes that any Retail Credits were incorrectly applied to a customer's bill for any reason, Distributor and TVA shall fully cooperate in (a) making appropriate adjustments to the retail power bill; (b) endeavoring to collect from the customer any amounts due as a result of the adjustment of the retail bill; and (c) making appropriate adjustments to the wholesale power bill to pass through to TVA amounts collected from the customer.

SECTION 3 - TERMINATION OF ADDITIONAL PARTICIPATION

3.1 Notice of Termination. At any time upon at least ninety (90) days' written notice, either party may terminate the applicability of the provisions of section 1 of this agreement to customers that have not yet signed Participation Agreements. From and after the effective date of such a termination, Distributor shall not be authorized to enter into any new Participation Agreements.

3.2 Automatic Termination. The applicability of the provisions of section 1 of this agreement to customers that have not yet signed Participation Agreements shall automatically terminate upon the date of receipt of any Power Contract termination notice given under the section of the Power Contract entitled "Term of Contract." From and after any such date of receipt, Distributor shall not be authorized to enter into any new Participation Agreements.

3.3 Existing Participation Agreements. Any termination under 3.1 or 3.2 above shall have no effect upon the application of the Retail and Wholesale Credits provided for under any then-existing Participation Agreements and section 2 of this agreement.

SECTION 4 - OPERATING REPRESENTATIVES

TVA's Operating Representative for administration of this agreement shall be the Senior Vice President, Customer Group, or a designee. Distributor's Operating Representative for administration of this agreement shall be the manager of its electric system or a designee. Subject to the provisions of this agreement, the Power Contract, and any applicable law, the Operating Representatives shall be authorized to agree upon such incidental administrative arrangements as are appropriate for the efficient and expeditious implementation of this agreement.

SECTION 5 - INDEMNITY

TVA hereby releases Distributor, its officials, agents, and employees from, and shall indemnify and save harmless Distributor, its officials, agents, and employees from, any and all claims, demands, or causes of action of any kind of character whatsoever arising out of or in any way connected with TVA's development of or performance under this agreement. However, TVA's release and indemnity obligations to Distributor under this

paragraph shall not apply unless such claims, demands, or causes of action are proximately caused by TVA's development, performance, or failure to perform any of its obligations under this agreement or by the negligence or other wrongful acts of TVA or its agents or employees.

Distributor hereby releases the United States of America, TVA, their officials, agents, and employees from, and shall indemnify and save harmless the United States of America, TVA, their officials, agents, and employees from, any and all claims, demands, or causes of action of any kind or character whatsoever arising out of or in any way connected with Distributor's performance under this agreement. However, Distributor's release and indemnity obligations to TVA under this paragraph shall not apply unless such claims, demands, or causes of action are proximately caused by Distributor's failure to perform any of its obligations under this agreement or by the negligence or other wrongful acts of Distributor or its agents or employees.

Either party shall, along with a request for indemnification or reimbursement for a claim submitted to the other party, provide the other party with the information, explanation, and documentation necessary for the other party to determine that the indemnification or reimbursement of the requesting party is appropriate pursuant to the provisions contained in this section.

SECTION 6 - RESTRICTION OF BENEFITS

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 from it unless the agreement be made with a corporation for its general benefit. Distributor shall not offer or give, directly or indirectly, to any officer, employee, special Government employee, or agent of TVA any gift, gratuity, favor, entertainment, loan, or any other thing of monetary value, except as provided in 5 C.F.R. part 2635 (as amended, supplemented, or replaced). Breach of this provision shall constitute a material breach of this agreement.

SECTION 7 - TERM OF AGREEMENT

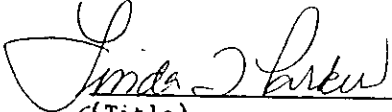
This agreement shall be effective as of the date first above written and shall continue in effect until all obligations of the parties have been fulfilled.

SECTION 8 - AFFIRMATION OF POWER CONTRACT

Except as expressly supplemented and amended by this agreement, the Power Contract shall be the continuing obligation of the parties.

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


Attest:


(Title)
Dir., Management Services

CITY OF BRISTOL, TENNESSEE
By Board of Public Utilities

By 
Chairman

TENNESSEE VALLEY AUTHORITY

By 
Senior Vice President
Customer Group

EGC PARTICIPATION AGREEMENT GUIDELINES

GUIDELINE 1 - DEFINITION OF TERMS

As used in these guidelines:

1.1 "Customer" shall mean a customer of Distributor purchasing power under one of the following rate schedules:

(a) Standard Service Schedules GSA, GSB, GSC, or GSD, or

(b) Time-of-Day Service Schedules TGSA, TGSB, TGSC, or TGSD;

except that "Customer" shall not be deemed to include customers taking service under the seasonal service provisions of schedules GSA or TGSA. (All references to a rate schedule in this Guideline 1.1 shall be deemed to refer to that schedule as modified, changed, replaced, or adjusted from time to time in accordance with the provisions of the Power Contract.)

1.2 "Power Supply Contract" shall mean a contract between Distributor and a Customer for the sale of power through a specific delivery point.

1.3 "Participation Agreement" shall mean an agreement entered into between Distributor and a Customer in accordance with Guideline 2 or Guideline 3 below.

1.4 Contract Demand

1.4.1 Standard Service. Under a Power Supply Contract with a Standard Service Schedule, "Contract Demand" shall mean the amount of firm power made available under that contract.

1.4.2 Time-of-Day Service. Under a Power Supply Contract with a Time-of-Day Service Schedule, "Contract Demand" shall mean the amount of firm power made available under that contract during onpeak periods.

1.5 Actual Firm Demand

1.5.1 Standard Service. Under a Power Supply Contract with a Standard Service Schedule, "Actual Firm Demand" shall mean an amount equal to the highest billing demand for firm power in any month computed under the Power Supply Contract but without regard to the exception language (Demand Ratchet) set out in the section headed "Determination of Demand" of that rate schedule.

1.5.2 Time-of-Day Service. Under a Power Supply Contract with a Time-of-Day Service Schedule, "Actual Firm Demand" shall mean an amount equal to the highest onpeak billing demand for firm power in any month computed under the Power Supply Contract but without regard to the exception language (Demand Ratchet) set out in the section headed "Determination of Demand" of that rate schedule.

1.6 "Base Amount" shall mean the highest Actual Firm Demand established at the Customer's delivery point during the 12-consecutive-month period immediately preceding the effective date of the Participation Agreement. (In the event that the necessary demand metering data is not available for any part of such a period, Distributor and TVA will jointly develop a reasonable approximation of the metered demands necessary to determine a particular Base Amount.)

1.7 "Total Metered Demand" shall mean the highest average during any 30-consecutive-minute period beginning or ending on a clock hour of the total load at the Customer's delivery point metered in kW.

1.8 "Total Metered Base Amount" shall mean the highest Total Metered Demand established during the 12-consecutive-month period immediately preceding the effective date of the Participation Agreement.

1.9 "SIC Customer" shall mean a Customer with a Contract Demand of at least 100 kW using power taken under a written Power Supply Contract to conduct activities which are classified with one of the following 2-digit Standard Industrial Classification (SIC) codes:

Division B: Mining 10 through 14, inclusive
Division D: Manufacturing 20 through 39, inclusive
Division E: 40 - Railroad Transportation
 42 - Motor Freight Transportation and
 Warehousing
 44 - Water Transportation
 45 - Transportation by Air

It is recognized that the above SIC codes have been selected to encourage new and expanded electrical loads in cases where the price of electricity has a particularly significant impact upon location, expansion, or fuel choice decisions. TVA may from time to time, by written notice to Distributor, modify the above listing of SIC codes when it deems it necessary to do so in order to better serve such purpose. In addition, in the event that TVA determines that a particular Customer is within the intended scope of the EGC Program but is excluded only because of the technical definition of an SIC code category, TVA and the Distributor may agree to consider that Customer to be an SIC Customer.

1.10 "All-Electric Customer" shall mean a Customer with a Contract Demand of at least 250 kW using power under a written Power Supply Contract where

(a) the Customer's space conditioning is accomplished solely by an all-electric heating, ventilating, and air conditioning system (HVAC System),

(b) at least fifty percent (50%) of the Customer's interior floor space at that location is heated and cooled by the all-electric HVAC System, and

(c) at least fifty percent (50%) of the rated electric load served under the Power Supply Contract is for interior lighting, cooking, and the HVAC System.

GUIDELINE 2 - NEW CUSTOMERS

2.1 Qualification. An SIC Customer or an All-Electric Customer is eligible to enter into a Participation Agreement under 2.2 below if the Customer

(a) initiates operations at an entirely new facility through a new delivery point, or

(b) restarts an existing facility with no current Contract Demand which has been operationally shut down for a period of at least 12 consecutive months.

2.2 New Customer Participation Agreement. To participate in the EGC Program, a Customer qualifying under 2.1 above must enter into a Participation Agreement. The Participation Agreement shall:

(a) be in a form furnished or approved by TVA;

(b) include (i) a certification by the Customer showing that it qualifies under 2.1 above and (ii) a requirement that the Customer promptly notify Distributor of any change in any aspect of such qualifying status;

(c) provide for a monthly credit to the Customer for the time period and in the credit amount specified in Guideline 4.2 or 4.3 below for each kW of the Customer's Actual Firm Demand in the month (up to and including the kW amount of the Contract Demand); provided, however, to receive a credit in any month

(i) an SIC Customer must establish an Actual Firm Demand of at least 100 kW in that month, and

(ii) an All-Electric Customer must establish an Actual Firm Demand of at least 250 kW in that month;

(d) provide that a Customer billed under part 2 of the section of schedule GSA or TGSA entitled "Base Charges" shall not receive a credit in any month which exceeds fifty percent (50%) of the amount of the charges billed to the Customer under that section; and

(e) provide for the automatic termination of the Participation Agreement if the Customer (i) does not qualify for a credit under (c), and where applicable (d), above within 12 months of the effective date of the Participation Agreement or (ii) ceases at any time to qualify for participation in the EGC Program under 2.1 above.

GUIDELINE 3 - EXPANSION CUSTOMER

3.1 Qualification

3.1.1 SIC Customer. An SIC Customer is eligible to enter into a Participation Agreement under 3.2 below if the Customer

(a) initiates an expansion of its facilities served through an existing delivery point, and

(b) on or before the effective date of the Participation Agreement, enters into a written Power Supply Contract specifying a Contract Demand which is at least 100 kW greater than the Base Amount applicable for that Customer.

3.1.2 All-Electric Customer. An All-Electric Customer is eligible to enter into a Participation Agreement under 3.2 below if the Customer

(a) initiates an expansion of its facilities served through an existing delivery point, and

(b) on or before the effective date of the Participation Agreement, enters into a written Power Supply Contract specifying a Contract Demand which is at least 250 kW greater than the Base Amount applicable for that Customer.

3.1.3 Other Qualified Customer. A Customer is eligible to enter into a Participation Agreement under 3.2 below if the Customer

(a) initiates an expansion of its facilities (served through an existing delivery point) where it adds at least 250 kW in load for the purpose(s) of all-electric space conditioning, all-electric water conditioning, and/or all-electric cooking, and

(b) on or before the effective date of the Participation Agreement, enters into a written Power Supply Contract specifying a Contract Demand which is at least 250 kW greater than the Base Amount applicable for that Customer.

3.2 Expansion Customer Participation Agreement. To participate in the EGC Program, a Customer qualifying under 3.1 above must enter into a Participation Agreement. The Participation Agreement shall:

(a) be in a form furnished or approved by TVA;

(b) include (i) a certification by the Customer showing that it qualifies under 3.1 above and (ii) a requirement that the Customer promptly notify Distributor of any change in any aspect of such qualifying status;

(c) provide for a monthly credit to the Customer for the time period and in the amount specified in Guideline 4.2 or 4.3 below for each kW by which the Customer's Actual Firm Demand (up to and including the kW amount of the Contract Demand) in the month exceeds the applicable Base Amount; provided, however, that

(i) for an SIC Customer, no credit shall be applicable unless such Actual Firm Demand exceeds the Base Amount by at least 100 kW, and

(ii) for an All-Electric Customer, or a Customer that qualifies under 3.1.3 above, no credit shall be applicable unless such Actual Firm Demand exceeds the Base Amount by at least 250 kW;

(d) provide that a Customer billed under part 2 of the section of schedule GSA or TGSA entitled "Base Charges" shall not receive a credit in any month which exceeds fifty percent (50%) of the amount of the charges billed to the Customer under that section;

(e) provide that where any type of power other than firm power was available at the Customer's delivery point at any time during the period used to calculate the applicable Base Amount

(i) for an SIC Customer no credit shall be applicable in any month unless the highest Total Metered Demand (up to and including the kW amount of the amount of power available) in that month exceeds the Total Metered Base Amount by at least 100 kW,

(ii) for an All-Electric Customer, or a Customer that qualifies under 3.1.3 above, no credit shall be applicable in any month unless the highest Total Metered Demand (up to and including the kW amount of the total amount of power available) in that month exceeds the Total Metered Base Amount by at least 250 kW, and

(iii) the kW amount eligible for a credit will be the lesser of the kW amount calculated under (c) above or the kW amount by which the highest Total Metered Demand (up to and including the kW amount of the total amount of power available) in the month exceeds the Total Metered Base Amount; and

(f) provide for the automatic termination of the Participation Agreement if (i) the Customer does not qualify for a credit under (c), and where applicable (d) and (e), above within 12 months of the effective date of the Participation Agreement or (ii) ceases at any time to qualify for participation in the EGC Program under 3.1 above.

GUIDELINE 4 - CREDITS

4.1 Credit Method. Distributor shall make available to each Customer that qualifies for participation in the Program one of the two credit

options set forth in 4.2 and 4.3 below and shall specify in the Participation Agreement with such Customer the credit option so selected.

4.2 Declining 6 Year Credit Option. If this credit option is selected, Distributor shall apply the following schedule of credit amounts in calculating the credits to be applied under a Participation Agreement. Such credits will be applied for a 6-year period beginning with the first month in which the Customer qualifies for a credit under 2.2(c) or 3.2(c) above.

\$6.00 per kW for the first 12-consecutive-month period.

\$5.00 per kW for the second 12-consecutive-month period.

\$4.00 per kW for the third 12-consecutive-month period.

\$3.00 per kW for the fourth 12-consecutive-month period.

\$2.00 per kW for the fifth 12-consecutive-month period.

\$1.00 per kW for the sixth 12-consecutive-month period.

4.3 Flat 3 Year Credit Option. If this credit option is selected, Distributor will apply a credit amount of \$6.00 per kW in calculating the credits to be applied under a Participation Agreement. Such credits will be applied for a 3-year period beginning with the first month in which the Customer qualifies for a credit under 2.2(c) or 3.2(c) above.

GUIDELINE 5 - EXPANSION DURING GROWTH CREDIT PARTICIPATION

It is recognized that a Customer receiving credits under the EGC Program or under the initial Growth Credit Program may subsequently expand its facilities in a manner which would qualify the Customer for additional credits under Guideline 3.1 above. In such event, the Customer may enter into a Participation Agreement (Additional Credit Agreement) to cover credits for the expanded load except that

(a) a Customer shall not be eligible to enter into such an Additional Credit Agreement within the 12-month period immediately following the month in which the Customer begins to receive credits under any Participation Agreement, and

(b) the Additional Credit Agreement shall provide that any kW amount of Actual Firm Demand for which the Customer receives a credit under the Additional Credit Agreement shall not be counted for purposes of determining the credit applicable under any previous Growth Credit or EGC agreements which are still effective.

AGREEMENT
Between
CITY OF BRISTOL, TENNESSEE
And
TENNESSEE VALLEY AUTHORITY

DATE: December 6, 1995

TV-67518A, Supp. No. 37

THIS AGREEMENT, made and entered into between CITY OF BRISTOL, TENNESSEE (Distributor), a municipal corporation created and existing under and by virtue of the laws of the State of Tennessee, and TENNESSEE VALLEY AUTHORITY (TVA), a corporation created and existing under and by virtue of the Tennessee Valley Authority Act of 1933, as amended;

W I T N E S S E T H:

WHEREAS, TVA and Distributor have entered into a contract dated June 27, 1985, as amended (Power Contract), under which electric power and energy are supplied by TVA at wholesale and purchased by Distributor for resale; and

WHEREAS, the parties wish to amend the provisions of the Power Contract relative to its transfer or assignment;

NOW, THEREFORE, for and in consideration of the premises and of the mutual agreements set forth below, and subject to the Tennessee Valley Authority Act of 1933, as amended, the parties mutually agree as follows:

SECTION 1 - POWER CONTRACT AMENDED

Section 12 of the Power Contract is entirely deleted, and the following language is substituted for it:

12. Transfer of Contract. Neither this contract nor any interest herein shall be transferable or assignable by either party without the consent of the other party.

SECTION 2 - TERM

This agreement shall become effective as of the date first above written and shall continue in effect for the term of the Power Contract.

SECTION 3 - POWER CONTRACT AFFIRMED

The Power Contract, as supplemented and amended by this agreement, is ratified and confirmed as the continuing obligation of the parties.

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

Attest:

CITY OF BRISTOL, TENNESSEE
By Board of Public Utilities

Linda J. Parker
(Title) Dir., Management Services

By

William R. Riley
Chairman

TENNESSEE VALLEY AUTHORITY

By

John Edwards
Senior Vice President
Customer Group



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

January 5, 1996

Mr. A. Keith Liskey, Chairman
Board of Public Utilities
P.O. Box 549
Bristol, Tennessee 37620

Dear Mr. Liskey:

This will confirm the arrangements developed between representatives of City of Bristol, Tennessee (Distributor) and Tennessee Valley Authority (TVA) with respect to amending the wholesale power contract dated June 27, 1985, as amended (Power Contract), between the parties to cover arrangements for TVA and Distributor to participate in a program (Program) under which Distributor will make electronic prepayment of its monthly wholesale power bill.

It is understood and agreed that, effective with the February 1996 wholesale billing month, the following provisions will be applicable for such electronic prepayment:

1. Definition of Terms. For purposes of this agreement:
 - a. The time shall be Eastern Standard Time or Eastern Daylight Time, whichever is then applicable.
 - b. A Business Day shall be any day except Saturday, Sunday, a weekday that is observed by TVA as a Federal holiday, or any day on which the New York Federal Reserve Bank is closed. It is recognized that the days observed by TVA as Federal holidays are subject to modification by Executive Order or otherwise. (Federal holidays currently include New Year's Day, Martin Luther King's Birthday, Presidents' Day, Memorial Day, Independence Day, Labor Day, Columbus Day, Veterans Day, Thanksgiving Day, and Christmas Day.)
 - c. The Due Date for payment of the wholesale power bill shall be 15 calendar days after TVA's meter-reading date or 7 calendar days after the date of the bill, whichever is later.

Mr. A. Keith Liskey

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January 5, 1996

- d. For purposes of this agreement, the Last Date for Electronic Payment shall be the first Business Day that falls at least 17 calendar days after the Due Date.
 - e. TVA's Average Short-Term Interest Rate shall be the average effective interest rate (converted to a bond-equivalent yield) on TVA's discount notes (having maturities of less than one year) issued during the prior calendar month or, if no such discount notes have been issued, on TVA's other short-term borrowings (having maturities of less than one year) issued during the preceding calendar month. In the event TVA has issued no such discount notes or other short-term borrowings during such preceding calendar month, TVA's Average Short-Term Interest Rate shall be the average effective interest rate on 30-day United States Treasury bills (based on the average of the closing bid and asked prices, converted to a bond-equivalent yield) outstanding on the last Business Day of the preceding calendar month. TVA will make available to Distributor information about the applicable interest rate for each calendar month as soon as practicable after the beginning of that month.
 - f. The section headed "Billing" of the Schedule of Terms and Conditions of the Power Contract shall be called the "Billing Section."
 - g. For purposes of this agreement, the Power Invoice shall be the monthly wholesale power invoice to Distributor from TVA, including all items shown, whether or not they are directly related to payment for power or energy.
 - h. For purposes of this agreement, a Prepayment shall be any payment made by Distributor into the account provided for in 4(a) below.
2. Electronic Prepayment of Power Invoice. Prepayments shall be made by an electronic payment method approved by TVA. There are currently two approved methods available: Automatic Clearing House (ACH) Credit and ACH Debit. Distributor will inform TVA of the method it selects, and TVA will supply Distributor with detailed instructions on using the method selected. Distributor may change to any other TVA-approved method upon 30 days' notice. A third payment method, Fedwire Transfer, is available for use only on an emergency basis.

Mr. A. Keith Liskey

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January 5, 1996

3. When Payment is Considered Received. A Prepayment will be considered to have been received by TVA on a particular Business Day if (a) the electronic fund transfer to TVA is effective that day and (b) Distributor notifies TVA, in a manner approved by TVA, of the pending electronic payment by no later than 12 noon on the Business Day prior to the effective payment date of the Prepayment. Otherwise, the Business Day following the date that the transfer is effective will be considered to be the date of a Prepayment for all purposes of this agreement.
4. Prepayment Account. (a) TVA will create and maintain on Distributor's behalf a separate account (Prepayment Account). All Prepayments paid by the Distributor to TVA under this agreement will be credited to the Prepayment Account on the date considered to have been received by TVA (as determined under section 3 above). Each month, on the Last Date for Electronic Payment, TVA will debit the Prepayment Account by the amount shown on the Power Invoice.

(b) A detailed monthly statement summarizing the monthly transactions with respect to the Prepayment Account will be provided by TVA to Distributor as soon as practicable after the first day of the next following month. In addition, Distributor may, from time to time during the month and in accordance with guidelines provided by TVA, obtain from TVA the then-current balance of the Prepayment Account.
5. Late Charge. Distributor is responsible for ensuring that there are sufficient funds in the Prepayment Account to pay each Power Invoice on the Last Date for Electronic Payment. In the event there are not sufficient funds in the Prepayment Account on the Last Date for Electronic Payment to pay the full amount of the Power Invoice due on that date, Distributor shall be subject to an additional charge. This charge shall be equal to the sum of (a) \$150 and (b) an amount calculated by applying TVA's Average Short-Term Interest Rate (determined in accordance with section 1(e) above) to the unpaid amount for each day of the period from the Due Date to the date payment in full is considered received. An amount equal to this late charge shall be debited from the Prepayment Account on the date of payment in full. Nothing in this agreement replaces or limits any of TVA's remedies under the last two sentences of the first paragraph of the Billing Section.

Mr. A. Keith Liskey

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January 5, 1996

6. Early Payment Credit. TVA will apply an early payment credit to Distributor's Prepayment Account as provided below. The early payment credit will be accrued on a daily basis by applying TVA's Average Short-Term Interest Rate (determined in accordance with section 1(e) above) to the balance in the Prepayment Account each day. The early payment credit will be accrued during the month and credited to the Prepayment Account on the Last Date for Electronic Payment prior to debiting the Prepayment Account for payment of the Power Invoice.
7. Frequency of Prepayment. Prepayments may be made by Distributor as often as once per week. If necessary to cover the Power Invoice amount due, an additional Prepayment may be made on the Last Date for Electronic Payment, even if a Prepayment has already been made that week.
8. No Limits on Amounts or Prepayment Periods. There will be no limit on: (a) the amount of a Prepayment, (b) the balance in the Prepayment Account, or (c) how far in advance a Prepayment may be made.
9. No Withdrawals. No refunds or withdrawals of Prepayments from the Prepayment Account will be allowed.
10. Term of Agreement. This agreement shall remain in effect for the term of the Power Contract, unless terminated by either party upon 30 days' prior written notice.
11. Electronic Payment Agreement. It is recognized that TVA and Distributor have previously entered into an agreement numbered TV-67518A, Supplement No. 29, and dated June 16, 1994 (Electronic Payment Agreement), covering the parties' participation in an electronic payment program. During the term of this agreement, the provisions of the Electronic Payment Agreement shall be of no force or effect, except for section 8 entitled "Suspension of Certain Existing Billing Provisions." In the event this agreement is terminated in accordance with section 10 above, unless otherwise agreed by the parties, Distributor's payments for power and energy shall then be made in accordance with the provisions of the Electronic Payment Agreement.
12. Power Contract Affirmed. Except as expressly provided otherwise under this agreement, the provisions of the Billing Section shall

Mr. A. Keith Liskey

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January 5, 1996

remain in full force and effect. The Power Contract, as supplemented and amended by this agreement, is hereby ratified and confirmed as the continuing obligation of the parties.

If this letter satisfactorily sets forth our understandings, please have three copies executed on behalf of Distributor and return them to the TVA customer service center. Upon execution by TVA, this letter shall be a binding agreement, and a fully executed copy will be returned to you.

Very truly yours,

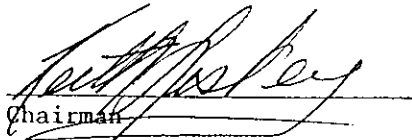


Robert H. Goodson
General Manager
Business Development
Customer Group

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

CITY OF BRISTOL, TENNESSEE
By Board of Public Utilities

By


Chairman

W121395

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File With
TV-67518A
Supp. No. 39

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

April 28, 1997

Dr. R. Michael Browder, General Manager
Bristol Tennessee Electric System
P. O. Box 549
Bristol, Tennessee 37620

Dear Dr. Browder:

This is to set forth the conditions under which TVA will apply credits to Bristol Tennessee Electric System's (BTES's) wholesale power bills under a program (Program) which will enable BTES to eliminate the 40 cents-per-kW surcharge to its Interruptible Power Customers. Interruptible Power Customers are those taking economy surplus power, limited interruptible power, limited firm power, testing and restart power, or interruptible standby power. (It is recognized that TVA and BTES have agreed to rescind formal agreement TV-67518A, Supp. No. 39, dated October 2, 1996, which was previously intended to implement the Program, and that this letter will instead describe the conditions under which TVA intends to provide such credits.)

BTES currently meets the requirement that Program participants have and maintain at least a 10-year Power Contract commitment to TVA. Accordingly, effective with the retail bills for meter-readings on or after October 2, 1996, so long as BTES (i) ceases to collect the surcharge from its Interruptible Power Customers and (ii) continues to meet the eligibility criteria for the Program, TVA will each month apply a credit to BTES's wholesale bill. This wholesale credit will be equal to the 40 cents-per-kW surcharge amount that BTES would have otherwise collected from those Interruptible Power Customers.

We hope and expect that our valued long-term relationship which supports BTES's eligibility to these credits will continue for many years to come as we work together on the changes and challenges that the electric power industry is and will be facing.

Sincerely,

A handwritten signature in cursive script that reads "W. T. Boston".

W. T. Boston
Manager, Pricing
Customer Service and Marketing

W042397
030\0032surch

Contract TV-67518A
Supplement No. 40

FACILITIES AGREEMENT

This FACILITIES AGREEMENT (Agreement) is made and entered into as of December 31, 1997, by and between TENNESSEE VALLEY AUTHORITY (TVA), a corporation created and existing under and by virtue of the Tennessee Valley Authority Act of 1933, as amended (TVA Act), and the CITY OF BRISTOL, TENNESSEE (Distributor), a municipal corporation duly created, organized, and existing under and by virtue of the laws of the State of Tennessee;

WITNESSETH:

WHEREAS, TVA is entering into a power supply contract with Strongwell, formerly Morrison Molded Fiberglass Company (Strongwell), for the supply of power and energy to Strongwell's plant (Strongwell Plant) near Bristol, Virginia;

WHEREAS, TVA has determined that the most practical means of supplying the Strongwell Plant is through the electric distribution system of Distributor;

WHEREAS, TVA and Distributor find it mutually desirable to enter into an arrangement whereby Distributor will provide, operate, and maintain certain distribution facilities for the purpose of transmitting TVA power and wish to agree on the terms and conditions for such an arrangement (including amending and supplementing the Power Contract dated June 27, 1985, and numbered TV-67518A, as amended (Power Contract) to the extent necessary to cover certain wholesale billing adjustments);

NOW, THEREFORE, in consideration of the premises and the mutual promises contained herein, the parties agree as follows:

10. **Restriction of Benefits.** 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 it be made with a corporation for its general benefit; nor shall Distributor offer or give, directly or indirectly, to any officer, employee, special Government employee, or agent of TVA any gift, gratuity, favor, entertainment, loan, or any other thing of monetary value, except as provided in 5 C.F.R. part 2635 (as amended, supplemented, or replaced). Breach of this provision shall constitute a material breach of this agreement.

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.

TENNESSEE VALLEY AUTHORITY

By W. J. Museler
Executive Vice President
Transmission and Power Supply Group

Attest:

Judy J. Sharratt, CPS
(Title) Adm. Secretary

CITY OF BRISTOL, TENNESSEE

By R. Michael Browder
Dr. R. Michael Browder, General Manager
Bristol Tennessee Electric System

September 30, 1997

RESALE RATE SCHEDULE SUBSTITUTION AGREEMENT
Between
CITY OF BRISTOL, TENNESSEE (DISTRIBUTOR)
And
TENNESSEE VALLEY AUTHORITY (TVA)

Distributor and TVA agree to substitute the new resale rate schedules specified in (a) below, copies of which are attached, for the resale rate schedules specified in (b) below, which are now in effect under provisions of the Power Contract dated June 27, 1985, between TVA and Distributor. This substitution is to be effective for all bills rendered from resale meter readings taken for revenue months of Distributor beginning with the October 1997 revenue month.

(a) New resale rate schedules:

Residential Rate--Schedule RS (October 1997, R1)
General Power Rate--Schedule GSA (October 1997, R1)
Outdoor Lighting Rate--Schedule LS (October 1997, R1)

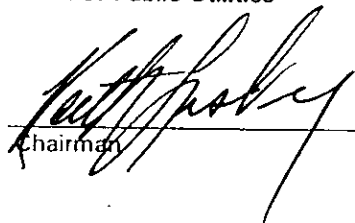
(b) Existing resale rate schedules:

Residential Rate--Schedule RS (November 1993)
General Power Rate--Schedule GSA (February 1994)
Outdoor Lighting Rate--Schedule LS (July 1993)

It is understood that, upon execution of this agreement by TVA and Distributor, all references in the Power Contract to the existing resale rate schedules specified in (b) above, or to any predecessor schedules, shall be deemed to refer to the appropriate new resale rate schedules specified in (a) above.

CITY OF BRISTOL, TENNESSEE
By Board of Public Utilities


By


Chairman

Rate schedule substitution agreed to as of
the date first above written.

TENNESSEE VALLEY AUTHORITY

By


Manager, Pricing
Customer Service and Marketing

BRISTOL TENNESSEE ELECTRIC SYSTEM

RESIDENTIAL RATE--SCHEDULE RS

(October 1997, R1)*

Availability

This rate shall apply only to electric service to a single-family dwelling (including its appurtenances if served through the same meter), where the major use of electricity is for domestic purposes such as lighting, household appliances, and the personal comfort and convenience of those residing therein.

Character of Service

Alternating current, single-phase, 60 hertz. Power shall be delivered at a service voltage available in the vicinity or agreed to by Distributor. Multiphase service shall be supplied in accordance with Distributor's standard policy.

Base Charges

Customer Charge: \$8.00 per month, less

Hydro Allocation Credit: \$2.48 per month

Energy Charge: First 1,000 kWh per month at 5.018¢ per kWh

Additional kWh per month at 5.615¢ per kWh

Adjustment

The base energy charge shall be increased or decreased in accordance with the current Adjustment Addendum published by TVA. (In addition, the base energy charge and the hydro allocation credit shall be increased or decreased to correspond to increases or decreases determined by TVA in the value of the hydro generation benefit allocated to residential customers.)

Minimum Monthly Bill

The minimum monthly bill for all customers served under this rate schedule shall be \$12.48 less the hydro allocation credit, except those customers for which a higher minimum monthly bill is required under Distributor's standard policy because of special circumstances affecting Distributor's cost of rendering service.

*Incorporates June 1993 Hydro Realignment Adjustments and adjustments set out in October 1997 Adjustment Addendum

Payment

Bills under this rate schedule will be rendered monthly. Any amount of bill unpaid after due date specified on bill may be subject to additional charges under Distributor's standard policy.

Single-Point Delivery

The charges under this rate schedule are based upon the supply of service through a single delivery and metering point, and at a single voltage. If service is supplied to the same customer through more than one point of delivery or at different voltages, the supply of service at each delivery and metering point and at each different voltage shall be separately metered and billed.

Service is subject to Rules and Regulations of Distributor.

BRISTOL TENNESSEE ELECTRIC SYSTEM

GENERAL POWER RATE--SCHEDULE GSA

(October 1997, R1)*

Availability

This rate shall apply to the firm power requirements (where a customer's contract demand is 5,000 kW or less) for electric service to commercial, industrial, and governmental customers, and to institutional customers including, without limitation, churches, clubs, fraternities, orphanages, nursing homes, rooming or boarding houses, and like customers. This rate shall also apply to customers to whom service is not available under any other resale rate schedule.

Character of Service

Alternating current, single- or three-phase, 60 hertz. Power shall be delivered at a service voltage available in the vicinity or agreed to by Distributor.

Base Charges

1. If (a) the higher of (i) the customer's currently effective contract demand, if any, or (ii) its highest billing demand during the latest 12-month period is not more than 50 kW and (b) customer's monthly energy takings for any month during such period do not exceed 15,000 kWh:

Customer Charge: \$10.00 per delivery point per month

Energy Charge: 5.820¢ per kWh per month

2. If (a) the higher of (i) the customer's currently effective contract demand or (ii) its highest billing demand during the latest 12-month period is greater than 50 kW but not more than 1,000 kW or (b) the customer's billing demand is less than 50 kW and its energy takings for any month during such period exceed 15,000 kWh:

Customer Charge: \$10.00 per delivery point per month

Demand Charge: First 50 kW of billing demand per month, no demand charge

Excess over 50 kW of billing demand per month, at \$7.86 per kW,
plus an additional

\$7.86 per kW per month for each kW, if any, of the amount by
which the customer's billing demand exceeds the higher of 50 kW
or its contract demand

Energy Charge: First 15,000 kWh per month at 5.774¢ per kWh

Additional kWh per month at 3.184¢ per kWh

*Incorporates June 1993 Hydro Realignment Adjustments and adjustments set out in October 1997 Adjustment Addendum

3. If (a) the higher of the customer's currently effective contract demand or (b) its highest billing demand during the latest 12-month period is greater than 1,000 kW:

Customer Charge: \$10.00 per delivery point per month

Demand Charge: First 1,000 kW of billing demand per month, at \$7.89 per kW

Excess over 1,000 kW of billing demand per month, at
\$9.06 per kW, plus an additional

\$9.06 per kW per month for each kW, if any, of the amount by which the
customer's billing demand exceeds the higher of 2,500 kW or its contract
demand

Energy Charge: 3.184¢ per kWh per month

Adjustment

The base demand and energy charges shall be increased or decreased in accordance with the current Adjustment Addendum published by TVA. (In addition, such charges shall be increased or decreased to correspond to increases or decreases determined by TVA in the value of the hydro generation benefit allocated to residential customers.)

Determination of Demand

Distributor shall meter the demands in kW of all customers having loads in excess of 50 kW. The metered demand for any month shall be the highest average during any 30-consecutive-minute period of the month of the load metered in kW. The measured demand for any month shall be the higher of the highest average during any 30-consecutive-minute period of the month of (a) the load metered in kW or (b) 85 percent of the load in kVA plus an additional 10 percent for that part of the load over 5,000 kVA, and such measured demand shall be used as the billing demand, except that the billing demand for any month shall in no case be less than 30 percent of the higher of the currently effective contract demand or the highest billing demand established during the preceding 12 months.

Minimum Bill

The monthly bill under this rate schedule shall not be less than (1) the sum of (a) the base customer charge, (b) the base demand charge, as adjusted, applied to 30 percent of the higher of the currently effective contract demand or the highest billing demand established during the preceding 12 months, and (c) the base energy charge, as adjusted, applied to the customer's energy takings; or (2) the sum of (a) the base customer charge and (b) 20 percent of the portion of the base demand charge, as adjusted, applicable to the second block (excess over 50 kW) of billing demand, multiplied by the higher of the customer's currently effective contract demand or its highest billing demand established during the preceding 12 months.

Distributor may require minimum bills higher than those stated above.

Seasonal Service

Customers who contract for service on a seasonal basis shall be limited to 2,500 kW and shall pay the above charges, as adjusted, plus an additional seasonal use charge equal to (1) 1.33¢ per kWh per month under 1 of the Base Charges, (2) the sum of 1.33¢ per kWh for the first 15,000 kWh per month and \$4.00 per kW per month of billing demand in excess of 50 kW under 2 of the Base Charges, and (3) \$4.00 per kW per month of billing demand under 3 of the Base Charges. Consistent with Distributor's standard policy, the customer may arrange for seasonal testing of equipment during offpeak hours.

For such customers, the minimum bill provided for above shall not apply. Distributor may require additional charges to provide recovery of costs for customer-specific distribution facilities.

Contract Requirement

Distributor may require contracts for service provided under this rate schedule. Customers whose demand requirements exceed 50 kW shall be required to execute contracts and such contracts shall be for an initial term of at least 1 year. The customer shall contract for its maximum requirements, which shall not exceed the amount of power capable of being used by customer, and Distributor shall not be obligated to supply power in greater amount at any time than the customer's currently effective contract demand. If the customer uses any power other than that supplied by Distributor under this rate schedule, the contract may include other special provisions. The rate schedule in any power contract shall be subject to adjustment, modification, change, or replacement from time to time as provided under the power contract between Distributor and TVA.

Payment

Bills under this rate schedule will be rendered monthly. Any amount of bill unpaid after due date specified on bill may be subject to additional charges under Distributor's standard policy.

Single-Point Delivery

The charges under this rate schedule are based upon the supply of service through a single delivery and metering point, and at a single voltage. If service is supplied to the same customer through more than one point of delivery or at different voltages, the supply of service at each delivery and metering point and at each different voltage shall be separately metered and billed.

Service is subject to Rules and Regulations of Distributor.

BRISTOL TENNESSEE ELECTRIC SYSTEM
OUTDOOR LIGHTING RATE--SCHEDULE LS
(October 1997, R1)*

Availability

Available for service to street and park lighting systems, traffic signal systems, athletic field lighting installations, and outdoor lighting for individual customers.

Service under this schedule is for a term of not less than 1 year.

Payment

Bills under this rate schedule will be rendered monthly. Any amount of bill unpaid after due date specified on bill may be subject to additional charges under Distributor's standard policy.

Adjustment

The energy charge in Part A and Part B of this rate schedule shall be increased or decreased in accordance with the current Adjustment Addendum published by TVA. (In addition, the energy charge in Part A and Part B of this rate schedule shall be increased or decreased to correspond to increases or decreases determined by TVA in the value of the hydro generation benefit allocated to residential customers.)

**PART A--CHARGES FOR STREET AND PARK LIGHTING SYSTEMS, TRAFFIC
SIGNAL SYSTEMS, AND ATHLETIC FIELD LIGHTING INSTALLATIONS**

I. Energy Charge: 4.161¢ per kWh per month

II. Facility Charge

The annual facility charge shall be 8 percent of the installed cost to Distributor's electric system of the facilities devoted to street and park lighting service specified in this Part A. Such installed cost shall be recomputed on July 1 of each year, or more often if substantial changes in the facilities are made. Each month, one-twelfth of the then total annual facility charge shall be billed to the customer. If any part of the facilities has not been provided at the electric system's expense or if the installed cost of any portion thereof is reflected on the books of another municipality or agency or department, the annual facility charge shall be adjusted to reflect properly the remaining cost to be borne by the electric system.

Traffic signal systems and athletic field lighting installations shall be provided, owned, and maintained by and at the expense of the customer, except as Distributor may agree

*Incorporates June 1993 Hydro Realignment Adjustments and adjustments set out in October 1997 Adjustment Addendum

otherwise in accordance with the provisions of the paragraph next following in this section II. The facilities necessary to provide service to such systems and installations shall be provided by and at the expense of Distributor's electric system, and the annual facility charge provided for first above in this section II shall apply to the installed cost of such facilities.

When so authorized by policy duly adopted by Distributor's governing board, traffic signal systems and athletic field lighting installations may be provided, owned, and maintained by Distributor's electric system for the customer's benefit. In such cases Distributor may require reimbursement from the customer for a portion of the initial installed cost of any such system or installation and shall require payment by the customer of a facility charge sufficient to cover all of Distributor's costs (except reimbursed costs), including appropriate overheads, of providing, owning, and maintaining such system or installation; provided that, for athletic field lighting installations, such facility charge shall in no case be less than 12 percent per year of such costs. Said facility charge shall be in addition to the annual facility charge on the facilities necessary to provide service to such system or installation as provided for in the preceding paragraph. Replacement of lamps and related glassware for traffic signal systems and athletic field lighting installations provided under this paragraph shall be paid for under the provisions of paragraph A in Section IV.

III. Customer Charge - Traffic Signal Systems and Athletic Field Lighting Installations.

Distributor shall apply a uniform monthly customer charge of \$2.50 for service to each traffic signal system or athletic field lighting installation.

IV. Replacement of Lamps and Related Glassware - Street and Park Lighting

Customer shall be billed and shall pay for replacements as provided in paragraph B below, which shall be applied to all service for street and park lighting.

A. Distributor shall bill the customer monthly for such replacements during each month at Distributor's cost of materials, including appropriate storeroom expense.

B. Distributor shall bill the customer monthly for one-twelfth of the amount by which Distributor's cost of materials, including appropriate storeroom expense, exceeds the product of 3 mills multiplied by the number of kilowatthours used for street and park lighting during the fiscal year immediately preceding the fiscal year in which such month occurs.

Metering

For any billing month or part of such month in which the energy is not metered or for which a meter reading is found to be in error or a meter is found to have failed, the energy for billing purposes for that billing month or part of such month shall be computed from the rated capacity of the lamps (including ballast) plus 5 percent of such capacity to reflect secondary circuit losses, multiplied by the number of hours of use.

Revenue and Cost Review

Distributor's costs of providing service under Part A of this rate schedule are subject to review at any time and from time to time to determine if Distributor's revenues from the charges being applied are sufficient to cover its costs. (Such costs, including applicable overheads, include, but are not limited to, those incurred in the operation and maintenance of the systems provided and those resulting from depreciation and payments for taxes, tax equivalents and interest.) If any such review discloses that revenues are either less or more than sufficient to cover said costs, Distributor shall revise the above facility charges so that revenues will be sufficient to cover said costs. Any such revision of the annual facility charge provided for first above in section II of Part A of this rate schedule shall be by agreement between Distributor and TVA.

PART B--CHARGES FOR OUTDOOR LIGHTING FOR INDIVIDUAL CUSTOMERS

Charges Per Fixture Per Month

(a) <u>Type of Fixture</u>	<u>Lamp Size</u>		<u>Rated kWh</u>	<u>Facility Charge</u>
	<u>(Watts)</u>	<u>(Lumens)</u>		
Mercury Vapor or Incandescent	175	7,650	70	\$2.71
	250	10,400	98	\$3.21
	400	19,100	155	\$4.06
	700	33,600	266	\$5.48
	1,000	47,500	378	\$6.98
High Pressure Sodium	70	4,860	31	\$3.85
	100	8,550	42	\$4.12
	150	14,400	63	\$4.24
	200	18,900	82	\$4.61
	250	23,000	105	\$4.87
	400	45,000	165	\$5.78
	1,000	126,000	385	\$9.24
Low Pressure Sodium	55	7,650	32	\$3.87
	90	12,750	53	\$6.44
	135	22,000	75	\$8.49
	180	33,000	93	\$9.64

(b) Energy Charge: For each lamp size under (a) above, 4.161¢ per rated kWh per month

Additional Facilities

The above charges in this Part B are limited to service from a photoelectrically controlled standard lighting fixture installed on a pole already in place. If the customer wishes to have the fixture installed at a location other than on a pole already in place, Distributor may apply an additional monthly charge.

Lamp Replacements

Replacements of lamps and related glassware will be made in accordance with replacement policies of Distributor without additional charge to the customer.

Special Outdoor Lighting Installations

When so authorized by policy duly adopted by Distributor's governing board, special outdoor lighting installations (other than as provided for under Parts A and B above) may be provided, owned, and maintained by Distributor's electric system. In such cases Distributor may require reimbursement from the customer for a portion of the initial installed cost of any such installation and shall require payment by the customer of monthly charges sufficient to cover all of Distributor's costs (except reimbursed costs), including appropriate overheads, or providing, owning, and maintaining such installations, and making lamp replacements.

Service is subject of Rules and Regulations of Distributor.

AGREEMENT
Between
CITY OF BRISTOL, TENNESSEE
And
TENNESSEE VALLEY AUTHORITY

DATE: October 1, 1997

TV-67518A, Supp. No. 42

THIS AGREEMENT, made and entered into between CITY OF BRISTOL, TENNESSEE (Distributor), a municipal corporation created and existing under and by virtue of the laws of the State of Tennessee, and TENNESSEE VALLEY AUTHORITY (TVA), a corporation created and existing under and by virtue of the Tennessee Valley Authority Act of 1933, as amended;

W I T N E S S E T H:

WHEREAS, TVA and Distributor have entered into a contract dated June 27, 1985, as amended (Power Contract), under which Distributor purchases its entire requirements for electric power and energy from TVA for resale; and

WHEREAS, the parties wish to amend the provisions of the Power Contract relative to its term;

NOW, THEREFORE, for and in consideration of the premises and of the mutual agreements set forth below, and subject to the Tennessee Valley Authority Act of 1933, as amended, the parties mutually agree as follows:

SECTION 1 - EFFECTIVE DATE

This agreement shall become effective as of the date first above written (Effective Date) and shall continue for the term of the Power Contract.

SECTION 2 - POWER CONTRACT AMENDED

From and after the Effective Date of this agreement, the second sentence of the section of the Power Contract entitled "Term of Contract" is hereby amended in the respects necessary to provide that the Power Contract may be terminated by either TVA or Distributor at any time upon not less than 5 years' prior written notice.

SECTION 3 - NOTICE OF POWER CONTRACT TERMINATION

Notwithstanding the provisions of the section of the Power Contract entitled "Term of Contract" (as amended by section 2 of this agreement), neither TVA nor Distributor shall exercise its right to give notice of termination under that section before the date occurring five years after the Effective Date of this agreement.

SECTION 4 - COST RECOVERY

- (a) It is recognized that in providing service to Distributor, TVA has made investments, thereby incurring fixed costs, in generation, transformation, and transmission facilities. In consideration of the agreements set out in sections 2 and 3 above, TVA fully releases and discharges all claims against Distributor for the recovery of those fixed costs to the extent they are not recovered through payment of charges billed for service during the term of the Power Contract. Without limiting the foregoing release and discharge, TVA represents and covenants that, following the termination of the Power Contract in accordance with the notice provisions set out in the Power Contract and in this agreement, TVA will neither charge nor impose upon Distributor (or any retail customer of Distributor) charges for unrecovered fixed costs (commonly referred to as "stranded investment"), whether such charges are denominated as exit fees, wire surcharges, transmission surcharges, or terms having similar effect, nor shall such costs be otherwise assigned by TVA to Distributor or any retail customer of Distributor; provided, however, that with respect to any retail customer of Distributor, the provisions of this sentence are expressly made subject to the provisions of (c) below. Accordingly, nothing in this agreement shall be construed to relieve any retail customer of Distributor of any obligation to Distributor or TVA for unrecovered investment in the event that retail open access occurs in Distributor's service area and the retail customer of Distributor discontinues the retail purchase of power and energy from Distributor. It is further understood and agreed that nothing in this agreement shall be construed to (i) relieve Distributor from the obligation to pay all invoices submitted by TVA in accordance with the terms of the Power Contract for power, energy, property, materials or services furnished to Distributor during the term of the Power Contract, or (ii) relieve Distributor from paying the agreed-upon price for any power, energy, property, materials or services (including, but not limited to, transmission service) that TVA may furnish to Distributor after the termination of the Power Contract.
- (b) Notwithstanding any provision of (a) above, there shall be no discharge or release of any claim for any investment made in connection with additions to or changes in facilities as provided under the last sentence of the section of the Power contract entitled Term of Contract (as amended by section 2 above).
- (c) It is further understood and agreed that if retail open access occurs in Distributor's service area, TVA and Distributor will work together to (i) identify the amount of unrecovered investment by Distributor and TVA in generation, transformation, transmission, and distribution facilities and (ii) collect such amounts from departing retail customers of Distributor or the successor power supplier of the departing retail customer to the extent allowed by law. It is expressly understood and agreed that neither TVA nor Distributor by this agreement releases or discharges any claim that either may have against any retail customer of Distributor or of TVA for any such amounts.
- (d) For the purposes of this section 4, the words "retail customer of Distributor" shall mean a person or entity who purchases from Distributor electric power and energy that Distributor has purchased from a wholesale supplier and which Distributor in turn sells at retail to such person or entity connected to its distribution lines.

SECTION 5 - FUTURE ADJUSTMENTS AND CHANGES IN RATES AND CHARGES

In evaluating whether there is any need for future rate increases to recover its fixed costs, TVA will (a) abide by the requirements of the TVA Act, including particularly

section 15d(f), having due regard for the primary objectives of the Act, including the objective now set out in that section that power shall be sold at rates as low as are feasible and (b) meet all tests and comply with the provisions of TVA's bond resolutions (as from time to time adopted and amended) in such a manner as to assure TVA's ability to continue to finance and operate its power program at the lowest feasible cost.

SECTION 6 - POWER CONTRACT AFFIRMED

The Power Contract, as supplemented and amended by this agreement, is ratified and confirmed as the continuing obligation of the parties.

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

Attest:

Judy F. Sharrett
(Title) Adm. Secretary

CITY OF BRISTOL, TENNESSEE
By Board of Public Utilities

By [Signature]
Chairman

Attest:

Robert J. Wilcox
(Title)

Approved:
CITY OF BRISTOL, TENNESSEE

By [Signature]
Mayor

TENNESSEE VALLEY AUTHORITY

By [Signature]
Manager, Pricing
Customer Service and Marketing

43

WHOLESALE ADJUSTMENT AGREEMENT

Between
CITY OF BRISTOL, TENNESSEE
And
TENNESSEE VALLEY AUTHORITY

DATE: DECEMBER 17, 1997 TV-67518A, Supp. No. 43

THIS AGREEMENT, made and entered into by and between CITY OF BRISTOL, TENNESSEE (Distributor), a municipal corporation created and existing under and by virtue of the laws of the State of Tennessee; and TENNESSEE VALLEY AUTHORITY (TVA), a corporation created and existing under and by virtue of the Tennessee Valley Authority Act of 1933, as amended;

W I T N E S S E T H:

WHEREAS, TVA and Distributor have entered into a contract dated June 27, 1985, as amended (Power Contract), under which Distributor purchases its entire requirements for electric power and energy from TVA for resale; and

WHEREAS, TVA and Distributor have previously entered into one or more agreements (ESP Wholesale Agreements) amending the Power Contract to provide for wholesale billing arrangements in connection with the supply of economy surplus power (ESP) to one or more customers of Distributor; and

WHEREAS, TVA and Distributor are offering certain Amendatory Agreements to ESP customers of Distributor which would amend the contract under which ESP is made available (ESP Contract) to provide for a per kW charge for ESP takings; and

WHEREAS, the parties wish to amend the Power Contract in the respects necessary to provide for wholesale billing arrangements in connection with any Company Contract that is so amended;

NOW, THEREFORE, for and in consideration of the premises and of the mutual agreements set forth below, and subject to the Tennessee Valley Authority Act of 1933, as amended, the parties mutually agree as follows:

SECTION 1 - TERM OF AGREEMENT

The provisions of this agreement shall be effective for any amounts of ESP supplied by Distributor under a Company Contract from and after the effective date specified in the Amendatory Agreement amending that Company Contract to provide for a per kW charge (Per kW Charge) on the highest ESP demand each month.

SECTION 2 - ADJUSTMENTS TO DISTRIBUTOR'S WHOLESALE BILLING

Notwithstanding anything in the Power Contract that may be construed to the contrary and in lieu of the adjustment previously provided for with respect to the charge (Energy Charge) for the amount of ESP energy deemed to have been taken under the Company Contract, in calculating the wholesale bill each month for Distributor, the following steps will be taken with respect to the Energy Charge and the Per kW Charge:

2.1 Charges for ESP Usage. The total dollar amount of base demand and energy charges calculated under the Wholesale Schedule shall be increased by adding thereto an amount equal to the sum of Distributor's monthly (i) Energy Charge and (ii) Per kW Charge to Company under the Company Contract (as both charges are determined under the Company Contract and adjusted to reflect losses as provided in 2.2 below).

2.2 Loss Adjustment. (a) Except as provided in (b) below with respect to any customer supplied through a delivery point which serves only that customer (Special Delivery Point), the loss adjustments provided for in 2.1 above shall be made by dividing the charge to be adjusted by 1.03.

(b) If service under the Company Contract is provided through a Special Delivery Point, the loss adjustments provided for in 2.1 above shall be made by dividing the charge to be adjusted by a factor of 1 plus the percentage (expressed in decimal form) of actual losses, if any, occurring between the Special Delivery Point and the point of delivery of power and energy under the Company Contract.

2.3 Wholesale Distribution Loss Charge. The amount added to the base charges of the wholesale bill pursuant to 2.1 above shall also be added to the "sum of all charges" used for the distribution loss calculation under the section entitled "Distribution Loss Charge" of the Wholesale Schedule.

SECTION 3 - AFFIRMATION OF POWER CONTRACT

The Power Contract, as amended by this agreement, shall be the continuing obligation of the parties.

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

Attest:

CITY OF BRISTOL, TENNESSEE
By Board of Public Utilities

Judy F. Shavett
(Title) Adm. Secretary

By R. M. del B...
General Manager

TENNESSEE VALLEY AUTHORITY

By Terry Boston
Manager, Pricing
Customer Service and Marketing

44

AGREEMENT
Between
CITY OF BRISTOL, TENNESSEE
And
TENNESSEE VALLEY AUTHORITY

DATE: October 1, 1997

TV-67518A, Supp No. 44

THIS AGREEMENT, made and entered by and between CITY OF BRISTOL, TENNESSEE (Distributor), a municipal corporation created and existing under and by virtue of the laws of the State of Tennessee, and TENNESSEE VALLEY AUTHORITY (TVA), a corporation created and existing under and by virtue of the Tennessee Valley Authority Act of 1933, as amended (TVA Act);

W I T N E S S E T H:

WHEREAS, TVA and Distributor have entered into a contract dated June 27, 1985, as amended (Power Contract), under which Distributor purchases its entire requirements for electric power and energy from TVA for resale; and

WHEREAS, under an agreement dated June 1, 1994 (LMBC Agreement), TVA and Distributor have been participating in a Large Manufacturer Bill Credit Program (LMBC Program) to encourage the fuller and better balanced development of the resources of the region by the application of credits against the electric bills of manufacturing industries with demands greater than 5,000 kW; and

WHEREAS, in connection with TVA's publishing of the October 1997 Adjustment Addendum, the LMBC Program is being expanded to provide for the application of additional credits to the electric bills of manufacturing industries with demands greater than 1,000 kW to offset the adjustment amounts specified in that Adjustment Addendum; and

WHEREAS, the parties wish to supplement the LMBC Agreement and the Power Contract in the respects necessary to provide for the application of these additional credits;

NOW, THEREFORE, in consideration of the foregoing premises and the mutual covenants herein contained and subject to the provisions of the TVA Act, the parties agree as follows:

SECTION 1 - EXPANDED CREDITS

TVA and Distributor agree to participate in an expanded program under which certain credits (Expanded Credits) will be applied to the bills of manufacturing customers with loads greater than 1,000 kW. Accordingly, the LMBC Agreement is hereby supplemented and amended by inserting the following new section 1a (between sections 1 and 2) and the following new section 3a (between sections 3 and 4) to provide for the application of such Expanded Credits:

1a. Identification of Expanded Eligible Accounts. An Expanded Eligible Account shall be a billing account for a delivery point serving any general power

customer of Distributor (a) which is served under Part 3 of either Schedule GSA or Time-of-Day Schedule TGSA or under Schedules GSB, GSC, GSD or Time-of-Day Schedules TGSB, TGSC, or TGSD and (b) where the activities conducted are classified with a 2-digit Standard Industrial Classification code between 20 and 39, inclusive. The provisions of this agreement (except for those in sections 1 and 3) applicable to Eligible Accounts shall also apply to Expanded Eligible Accounts.

Distributor shall identify to TVA its customer accounts that it believes meet the eligibility requirements for participation in the expanded Program. In the event that a particular customer account is not clearly eligible, TVA shall make the eligibility determination.

3a. Allowance of Expanded Credit. Notwithstanding anything in the Power Contract (including the Schedule of Rates and Charges and the October 1997 Adjustment Addendum (Adjustment Addendum)) that may be construed to the contrary, beginning with Distributor's October 1997 revenue month (as that term is defined in Wholesale Power Rate--Schedule WS of the Schedule of Rates and Charges), Distributor shall apply a credit against the electric bill of each Expanded Eligible Account as provided below. Allowance of the Expanded Credits shall continue until implementation of the next Rate Change as provided for in the section of the Power Contract's Schedule of Terms and Conditions headed "Adjustment and Change of Wholesale Rate and Resale Rates." Distributor may, at its option, provide monthly credit amounts as a direct cash payment.

(a) Application of Credit. The dollar amount of the Expanded Credit shall be equal to (i) the amount of the kW and kWh increases set out in the column of the Adjustment Addendum entitled "Resale Schedules" for the General Power Rate Schedule applicable to each Expanded Eligible Account multiplied by (ii) the respective kW components of firm billing demand and kWh components of firm energy determined for the customer's monthly bill; provided, however, that no Expanded Credit shall be applied in any month in which the customer's measured demand for that account does not exceed 1,000 kW. For purposes of so determining measured demand:

(A) if the customer is served under Part 3 of either Schedule GSA or Time-of-Day Schedule TGSA, the term "measured demand" shall be deemed to refer to the highest average during any 30-consecutive-minute period of the month of the higher of the load measured in kW or 85 percent of the load in kVA plus an additional 10 percent for that part of the load over 5,000 kVA; or

(B) if the customer is served under any other general power rate schedule, the term "measured demand" shall be deemed to refer to the highest average during any 30-consecutive-minute period of the month of the load measured in kW.

(b) Application of Other Credits. The customer's bill shall be reduced by the amount of the Expanded Credit prior to the application of any credit amounts provided for under section 3 of this agreement, and any credits applicable under the Growth Credit Program, or any comparable program, for which the customer may be eligible.

SECTION 2 - TERM

This agreement shall become effective with Distributor's October 1997 revenue month, and shall continue in effect for the term of the LMBC Agreement.

SECTION 3 - RATIFICATION OF CONTRACTS

The Power Contract and the LMBC Agreement, as supplemented and amended by this agreement, are ratified and confirmed as the continuing obligations of the parties.

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

Attest:

Judy J. Shavett, CPS
(Title)

CITY OF BRISTOL, TENNESSEE
By Board of Public Utilities

By [Signature]
Chairman

TENNESSEE VALLEY AUTHORITY

By [Signature]
Manager, Pricing
Customer Service and Marketing

45

AGREEMENT
Between
CITY OF BRISTOL, TENNESSEE,
And
TENNESSEE VALLEY AUTHORITY

DATE: March 17, 1998

TV-67518A, Supp. No. 45

THIS AGREEMENT, made and entered into between CITY OF BRISTOL, TENNESSEE (Distributor), a municipal corporation created and existing under and by virtue of the laws of the State of Tennessee, and TENNESSEE VALLEY AUTHORITY (TVA), a corporation created and existing under and by virtue of the Tennessee Valley Authority Act of 1933, as amended;

W I T N E S S E I H:

WHEREAS, under Power Contract TV-67518A, dated June 27, 1985, as amended (Power Contract), electric power and energy are supplied by TVA at wholesale and purchased by Distributor for resale; and

WHEREAS, TVA, Distributor, and Bristol Metals, Inc. (Company), have entered into a contract of even date herewith (Company Contract) covering arrangements under which TVA will make available to Distributor for resale to Company a supply of firm power and of economy surplus power (ESP) for operation of Company's plant in Bristol, Tennessee; and

WHEREAS, the parties wish to supplement and amend the Power Contract and to enter into such other arrangements as are necessary between TVA and Distributor with respect to Distributor providing service to Company under the Company Contract;

NOW, THEREFORE, for and in consideration of the premises and of the mutual agreements set forth below, and subject to the Tennessee Valley Authority Act of 1933, as amended, the parties mutually agree as follows:

SECTION 1 - TERM OF AGREEMENT

This agreement shall become effective as of the effective date of the Company Contract, and shall continue in effect until expiration or termination of the Company Contract, or of the Power Contract, or until ESP is no longer available under the Company Contract, whichever first occurs.

SECTION 2 - BILLING DATA

Data obtained from the metering facilities referred to in section 4 of this agreement will be used by Distributor for the purposes of determining the power and energy taken by Company and by TVA for determining applicable adjustments for Distributor's wholesale bill. Accordingly, TVA will supply Distributor by the fourth working day following Company's scheduled meter-reading date the information regarding the amounts of ESP deemed to have been taken by Company, the times this ESP was taken, the price for this ESP, and such other information as may be necessary so that Distributor may be able to calculate Company's bill under the Company Contract. In

order to facilitate TVA's preparation of the bill to Distributor for power and energy made available under the Power Contract, each month Distributor shall furnish to TVA a copy of Distributor's bill to Company for power and energy made available under the Company Contract when it is rendered and such other information related to Company's power and energy takings as TVA may require.

SECTION 3 - ADJUSTMENTS TO DISTRIBUTOR'S WHOLESALE BILLING

In calculating the wholesale bill each month for Distributor, the following steps will be taken with respect to Company:

3.1 Firm Power and Energy. Distributor will be billed demand and energy charges as provided in the wholesale rate schedule (Wholesale Schedule), which is contained in the Schedule of Rates and Charges attached to and made a part of the Power Contract, for any firm power and energy resold under the Company Contract; provided, however, that for the purposes of calculating said charges for any month in which Company is deemed to have taken any ESP energy under the Company Contract, the term "metered demand" in the Wholesale Schedule shall be deemed to refer to an amount equal to the sum of the billing demand for firm power and any billing demand for excess power (as those demands are calculated under the Company Contract).

3.2 ESP Energy. (a) The total dollar amount of base demand and energy charges calculated under the Wholesale Schedule shall be increased by adding thereto an amount equal to Distributor's monthly (i) energy charge and (ii) per kW Charge to Company under section C of the ESP Attachment to the Company Contract (as both charges are determined under the Company Contract and adjusted to reflect losses as provided in (b) below).

(b) The loss adjustment provided for in (a) above shall be made by dividing the charge to be adjusted by 1.03.

(c) The amount added to the base charges of the wholesale bill pursuant to (a) above shall also be added to the "sum of all charges" used for the distribution loss calculation under the section entitled "Distribution Loss Charge" of the Wholesale Schedule.

3.3 Administrative Costs Charge. An amount equal to the charge billed to Company in accordance with section A of the ESP Attachment will be included as part of the wholesale bill.

3.4 Credit for Distributor Margin. In order to enable Distributor to recover more adequately the cost of making ESP available to Company, TVA will apply a credit to the wholesale bill derived by multiplying 40 cents times the highest ESP Demand established under the Company Contract during the month; provided, however, if a notice to terminate the Power Contract (Termination Notice) is given under the section of the Power Contract entitled "Term of Contract," the provisions of this subsection 3.4 shall be of no force and effect with respect to any ESP Demand established after the date the Termination Notice is received.

SECTION 4 - METERING FACILITIES

4.1 Revenue Meter. Under previous arrangements for the provision of ESP to Company, Distributor and TVA arranged to replace the revenue meter in Distributor's former metering facilities with a solid-state type revenue meter (Replacement Meter) capable of remote telephone access. Distributor, at its expense, provided the equipment and materials and performed the work necessary to install the Replacement Meter, which was provided by TVA at its expense. TVA will continue to provide the

Replacement Meter for Distributor's use in determining the amounts of power and energy associated with ESP. Distributor shall continue to test, calibrate, operate, maintain, repair, and replace all facilities in the metering installation, except that TVA shall provide any necessary replacements for the Replacement Meter.

4.2 Distributor Responsibility. Distributor will not use the Replacement Meter for any purpose other than as specifically provided in this agreement unless it first obtains TVA's written agreement. Distributor shall reimburse TVA for any damage to the Replacement Meter caused by the negligence or other wrongful act or omission of Distributor or its agents or employees and shall promptly return the Replacement Meter to TVA upon expiration or termination of this agreement. The obligations of this paragraph shall survive such expiration or termination until they are discharged.

4.3 Telephone Circuit for Remote Access. To allow remote access to the metering data recorded by the Replacement Meter, Distributor, at its expense shall continue to provide and maintain, or to cause the provision and maintenance of, a telephone circuit connected (through a modem furnished by TVA at its expense) to the Replacement Meter. The telephone circuit shall be installed in accordance with guidelines furnished or approved by TVA. TVA agrees to permit Distributor remote access through the telephone circuit to the metering data, and TVA will provide Distributor any information necessary for the exercise of such access. Distributor will require equipment not provided by TVA to exercise such access and TVA will assist Distributor in determining the equipment to be utilized; however, the acquisition of such equipment shall be the sole responsibility of Distributor. The use of the telephone circuit and access to the metering data will be coordinated by TVA's and Distributor's operating representatives to ensure unrestricted access by TVA for data retrieval purposes during such periods as specified by TVA.

SECTION 5 - AFFIRMATION OF POWER CONTRACT

The Power Contract, as supplemented and amended by this agreement, shall be the continuing obligation of the parties.

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

Attest:

CITY OF BRISTOL, TENNESSEE
By Board of Public Utilities

Judy F. Sharrett, CPS
(Title) Adm. Secretary

By R. M. L. B.
General Manager

TENNESSEE VALLEY AUTHORITY

By Terry Boston
Manager, Pricing
Customer Service and Marketing

AGREEMENT
Between
CITY OF BRISTOL, TENNESSEE
And
TENNESSEE VALLEY AUTHORITY

Date: JUNE 18, 1999

TV-67518A, Supp. No. 46

THIS AGREEMENT, made and entered into between CITY OF BRISTOL, TENNESSEE (Distributor), a municipal corporation created and existing under and by virtue of the laws of the State of Tennessee and TENNESSEE VALLEY AUTHORITY (TVA), a corporation created and existing under and by virtue of the Tennessee Valley Authority Act of 1933, as amended;

W I T N E S S E T H:

WHEREAS, TVA and Distributor have entered into a contract dated June 27, 1985, as amended (Power Contract), under which electric power and energy are supplied by TVA at wholesale and purchased by Distributor for resale; and

WHEREAS, TVA and Distributor wish to amend the Power Contract to provide for certain revisions in the determination of reactive power amounts delivered by TVA to Distributor and billed under Wholesale Power Rate--Schedule WS (Schedule WS) of the Schedule of Rates and Charges of the Power Contract;

NOW, THEREFORE, for and in consideration of the premises and of the mutual agreements set forth below, and subject to the Tennessee Valley Authority Act of 1933, as amended, the parties mutually agree as follows:

SECTION 1 - TERM OF AGREEMENT

This agreement shall become effective as of the date first above written (Effective Date) and shall continue for the term of the Power Contract.

SECTION 2 - DETERMINATION OF REACTIVE DEMAND ON SIMULTANEOUS BASIS

For all bills rendered from wholesale meter readings scheduled to be taken on or after June 18, 1999, for purposes of determining any applicable reactive charges under the Reactive Demand Charges section of Schedule WS, that section shall be applied to all delivery points to Distributor considered together, and the terms "Delivery Point Demand" and "lowest measured demand" appearing in that section shall mean the highest sum and the lowest sum, respectively, of the average demands measured in kW for all delivery points to Distributor.

SECTION 3 - SUSPENSION OF VOLTAGE LIMITATIONS

It is recognized that any reactive demand for any delivery point to Distributor that would have (except for section 2 above) resulted in a charge to Distributor under the Reactive Demand Charges section of Schedule WS may adversely affect TVA's ability to maintain voltage at the delivery point within the 3-percent voltage limitations set out in section 3 of the Power Contract. Accordingly, Distributor and TVA hereby agree that the 3-percent voltage limitations of that section shall not be applicable for any delivery point to Distributor during a billing month when a charge for reactive demand at that delivery point would have (except for section 2 above) been applicable under the Reactive Demand Charges section of Schedule WS.

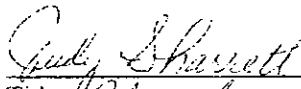
SECTION 4 - AFFIRMATION OF POWER CONTRACT

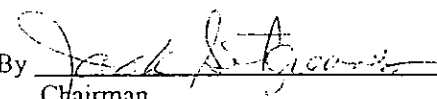
The Power Contract, as supplemented and amended by this agreement, is ratified and confirmed as the continuing obligation of the parties.

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

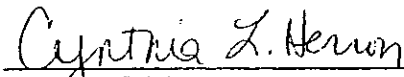
Attest:

CITY OF BRISTOL, TENNESSEE
By Board of Public Utilities


Title: Adm. Secretary

By 
Chairman

TENNESSEE VALLEY AUTHORITY

By 
Manager, Pricing
Customer Service and Marketing



Tennessee Valley Authority, Post Office Box 292409, Nashville, Tennessee 37229-2409

April 1, 1999

TV-67518A
Supp. No. 47

Dr. R. Michael Browder, General Manager
Bristol Tennessee Electric System
Post Office Box 549
Bristol, Tennessee 37621-0549

Dear Dr. Browder:

As a supplement to the economy surplus power (ESP) programs offered by TVA, you may choose to offer an enhancement to that program called forward supported power (FSP) to your customers that are currently being supplied with ESP. Under this FSP arrangement, TVA would endeavor to make forward purchases as described in the enclosures to this letter for those ESP customers electing the greater reliability that would be afforded by FSP.

This offering is fully described in the enclosed draft letter agreement (which will amend the power supply contract providing for the supply of ESP to participating customers) and the enclosures entitled "Forward Supported Power Guidelines (Distributor-Served Customers, April 1999)" and "ESP Pricing Confidentiality Provisions (April 1999)." In accordance with the provisions of Guideline 3, participating customers may elect or withdraw from FSP for any month (FSP Month) by notifying your system and TVA at least 10 business days prior to the beginning of that month.

If your system wishes to participate in this offering, please sign the enclosed three duplicate originals of this letter and return two of them to TVA. Upon return of this letter, individual letter agreements (in the form of the enclosed draft letter) will be forwarded for execution by your system and your ESP customers.

Dr. R. Michael Browder

Page 2

April 1, 1999

Please note that by signing this letter, the wholesale billing provisions associated with the supply of ESP under each ESP contract will be deemed to be amended in the respects necessary to provide that for wholesale billing purposes any FSP energy supplied to participating customers will be treated as if it were ESP energy.

Sincerely,




Manager, Pricing
Customer Service and Marketing

Enclosures

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

CITY OF BRISTOL, TENNESSEE
By Board of Public Utilities

By 
General Manager

<<<Addressed to ESP customers>>>

Dear _____:

_____ (Distributor) and TVA are pleased to offer forward supported power (FSP) as an optional enhancement to the economy surplus power (ESP) provided for under the power supply contract numbered TV _____ and dated _____ (ESP Contract).

Detailed contract provisions regarding the FSP option are set forth in Enclosure A to this letter, entitled "Forward Supported Power Guidelines (Distributor-Served Customers, April 1999)," and in Enclosure B to this letter, entitled "ESP Pricing Confidentiality Provisions (April 1999)." The FSP option will be available to Company beginning with electric usage measured from meter readings scheduled to occur after May 1, 1999. In accordance with the provisions of Guideline 3, Company may elect or withdraw from FSP for any month (FSP Month) by notifying Distributor and TVA at least 10 business days prior to the beginning of that month. For any FSP Month, TVA would endeavor to purchase forward power options (Forwards) in accordance with Guideline 4.1 for periods of anticipated tight power supply. Accordingly, TVA's ability to require FSP customers to suspend their takings in any such month would be subject to the restrictions in Guideline 4.2.

Following the implementation of FSP, Forwards will not otherwise be purchased by TVA for the purpose of providing for the reliability of ESP load and no additional amount to reflect the cost of Forwards will be included in the incremental cost used to determine the hourly ESP energy charges paid by customers not selecting FSP. Accordingly, during periods of tight power supply, there could be an increased suspension risk for those ESP customers that have not elected the FSP option for those periods.

The hourly energy charge to be paid by all ESP customers in any hour will continue to reflect TVA's actual hourly incremental cost per kWh of providing ESP to all consumers during that hour based on either (a) TVA's cost of generating the top 100 MW increment of ESP load from TVA's resources or (b) the cost of power purchased to serve the top 100 MW increment of ESP load, as applicable in any hour. In addition to the hourly ESP price otherwise provided for under their contracts, in accordance with Guideline 5 and for any FSP Month, FSP customers would also pay an additional amount (FSP Charge) to reflect the cost of Forwards.

In conjunction with the implementation of FSP, TVA also plans to begin providing additional information via the system used to provide ESP price estimates (System). This additional information will be available to all ESP customers with access to the System, without regard to whether a customer enters into the umbrella FSP arrangements provided for by this letter or to whether a customer doing so selects FSP in any particular month. Because of the increased sensitivity of such planned additional information, access to the System after June 1, 1999, will require a customer's agreement to the revised confidentiality provisions set forth in Enclosure B.

If Company believes it might be interested in FSP for any month, the YES box at the end of this letter should be checked and three duplicate originals of this letter duly executed on behalf of Company and returned to Distributor. Thereafter, for any months covered by an enrollment form submitted in accordance with the provisions of Enclosure A, the enrollment form, together with this letter and its enclosures (as said enclosures may be modified, revised or replaced), will

supplement and amend the ESP Contract in the respects necessary to provide for the obligations of the parties with respect to FSP.

Note that merely returning the executed letter agreement marked YES will not in itself obligate Company to pay any FSP Charges for any month and that such an obligation will arise only under the enrollment form. However, if Company does not wish to enter into even the umbrella agreement to allow for possibly later activating FSP via an enrollment form, please check the NO box and return a duly executed copy to acknowledge Company's agreement to the revised ESP pricing confidentiality obligations set forth in Enclosure B. (Checking NO will not prevent Company from executing an umbrella agreement for FSP at a later date so long as such agreements are still being made available at that time by both TVA and Distributor.)

Sincerely,

TENNESSEE VALLEY AUTHORITY

W. Terry Boston
Manager, Pricing
Customer Service and Marketing

{ INSERT DISTRIBUTOR NAME }

{Name/Title}

☐ YES, Company would like the option to select FSP arrangements. Accordingly, the signature of its authorized agent below shall be deemed to confirm its agreement to the supplementation and amendment of the ESP Contract in the respects necessary to reflect the terms and conditions set forth in this letter, Enclosure A, and Enclosure B.

☐ NO, Company does not desire the option of selecting FSP. Accordingly, the signature of its authorized agent below shall be deemed to confirm its agreement to the supplementation and amendment of the ESP Contract to reflect the revised ESP pricing confidentiality provisions set forth in Enclosure B as a condition of continued access to the pricing System but shall not be deemed to supplement or amend the ESP Contract to provide for FSP.

{INSERT CUSTOMER NAME}

By: _____
Title: _____

ENCLOSURE A

FORWARD SUPPORTED POWER GUIDELINES **(Distributor-Served Customers, April 1999)**

GUIDELINE 1 - GUIDELINE APPLICABILITY

The customer that is a party to the forward supported power (FSP) letter agreement (FSP Agreement) with which these Guidelines are an enclosure (which customer is referred to in said letter and below as "Company"), may elect the FSP option of the economy surplus power (ESP) program in accordance with and subject to the terms and conditions set forth in these Guidelines and said agreement. ESP is made available to Company by the Distributor referred to in said letter under arrangements with the Tennessee Valley Authority (referred to in said letter and below as "TVA").

GUIDELINE 2 - DEFINITION OF TERMS

As used in these Guidelines:

2.1 "ESP Contract" shall mean the power supply contract, as amended, which is identified by number and date in the FSP Agreement to which these Guidelines are an enclosure.

2.2 "FSP Agreement" shall mean the letter agreement to which these Guidelines are an enclosure, including, without limitation, these Guidelines and all other enclosures referenced in said letter.

2.3 "Month" shall mean the monthly billing period provided for under Company's ESP Contract; provided, however, that upon at least 60 days' notice to Company, TVA may change the definition of Month for all purposes of applying these Guidelines from and after the effective date of said notice.

2.4 "FSP Enrollment Form" shall mean the document to be used by Company to elect FSP for any FSP Month under Guideline 3.1 below. The FSP Enrollment Form shall be substantially in the form of the enrollment form attached as Exhibit A to these Guidelines, as said attached form may be revised or replaced by TVA from time to time upon at least 60 days' notice to Company.

2.5 "FSP Withdrawal Form" shall mean the document to be used by Company under Guideline 3.2 to withdraw from its election of FSP for any Month. The FSP Withdrawal Form shall be substantially in the form of the withdrawal form attached as Exhibit B to these Guidelines, as said attached form may be revised or replaced by TVA from time to time upon at least 60 days' notice to Company.

2.6 "Business Days" shall mean all days except Saturdays and Sundays and any weekdays that are observed as Federal holidays.

2.7 "FSP Month" shall mean any Month for which an FSP election is effective under the provisions of Guidelines 3 and 6 below.

GUIDELINE 3 - ENROLLMENT IN FSP

3.1 Election of FSP. Company shall elect FSP for a specific ESP option for any Month or Months through an FSP Enrollment Form sent to TVA via such means specified in said form and received by TVA at least 10 Business Days prior to the first Month for which said election is to be effective. At the same time, Company shall also provide the FSP Enrollment Form to Distributor via the means designated by Distributor for that purpose. Upon confirmation by both Distributor and TVA that the election is timely and otherwise in accordance with the requirements of the FSP Agreement (which confirmation shall be sent by FAX to the other parties), the provisions of the FSP Agreement, including, without limitation, Guidelines 4 and 5 below, will supplement and amend the ESP Contract in the respects necessary to provide for the obligations of the parties with respect to FSP during any Months so elected by Company.

3.2 Withdrawal of FSP Election. Similarly, Company may elect to withdraw its FSP election for a specific ESP option for any Month or Months through an FSP Withdrawal Form sent to TVA via a means specified in said form and received by TVA at least 10 Business Days prior to the first Month for which said withdrawal for that ESP option is to be effective. Upon confirmation by both TVA and Distributor that the withdrawal is timely and otherwise in accordance with the requirements of the FSP Agreement (which confirmation shall be by the same means provided for confirmation in 3.1 above), the election made for any such Months under 3.1 above shall be deemed to be of no force and effect.

GUIDELINE 4 - FORWARD PURCHASES FOR RELIABILITY OF FSP LOAD

4.1 Forwards. TVA will purchase forward power options (Forwards) for those periods of anticipated tight power supply where TVA deems it appropriate to do so in order to decrease the probability of a need to suspend the availability of ESP to customers electing FSP for the such periods.

4.2 Suspensions. Accordingly, notwithstanding the suspension provisions of the ESP Contract, for any FSP Month, the ESP available to Company shall:

(a) only be suspended in a power supply emergency and

(b) only after (or if necessary due to extreme conditions, at the same time that) TVA has sought to require the suspension of ESP other than that for which an election of FSP is then in effect.

GUIDELINE 5 - FSP BILLING

5.1 Hourly ESP Charges. For any FSP Month, Company's hourly charges for ESP energy may also include additional charges (FSP Charges) as determined by TVA under this paragraph to reflect the cost of Forwards. The FSP Charge for any hour will be determined by allocating the additional cost determined by TVA to result from each Forward over the critical hours for which the Forward is purchased, using the spot-market pricing curve projected for those hours by TVA. For any Month for which an FSP election is effective under Guideline 3 above, TVA will endeavor to include the amount of the FSP Charge

component, if any, to be included in the ESP energy price for each hour in the weekly, daily, and hourly price estimates made available to Company to the extent that Forwards have been purchased prior to the time that a particular price estimate is given.

5.2 Resale of Forwards. To the extent that the power supply resources represented by any Forward reflected in an FSP Charge are later resold, credits will be applied to the bills of the customers that paid the charge to appropriately reflect TVA's determination of its net margin from the resale. The amount of each customer's share of such net margin will be a pro rata portion based on each customer's actual ESP takings during the period for which such Forward was purchased.

GUIDELINE 6 - TERMINATION OF FSP AGREEMENT

Distributor or TVA may terminate the FSP Agreement at any time upon 6 months' notice. From and after the effective date of any such notice, any election of FSP made by Company under Guideline 3 above shall be of no further force and effect.

GUIDELINE 7 - OTHER ESP CONTRACT PROVISIONS

Except as expressly modified by any provision of the FSP Agreement, including, without limitation, the provisions of these Guidelines, the provisions of Company's ESP Contract shall remain in full force and effect.

EXHIBIT A

FSP Enrollment Form

FAX to TVA at: TVA Real Time Pricing Manager (423) 751- 4607	Mail to: TVA Power Business Center 1101 Market Street Chattanooga, TN 37402 Attn: Real Time Pricing Manager
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(or such different person or number as TVA may designate by notice to Company and Distributor)
At the same time this form should also be sent to Distributor via the means designated by Distributor.

In accordance with Guideline 3.1 of the FSP Agreement supplementing and amending the ESP Contract numbered _____ and dated _____, and subject to the other provisions of said FSP Agreement, the Company on whose behalf this form has been executed by the authorized agent signing below desires to elect FSP under said agreement (a) for all of the Option(s) _____ available under its ESP Contract and (b) for the Months indicated by the block checked below (check and complete only one):

☐ The Month beginning as of the first meter-reading time under the ESP Contract falling at least 10 Business Days after the date that this notice is received by Distributor and TVA, and for all Months thereafter.

☐ The Month beginning as of the first meter-reading time under the ESP Contract falling at least 10 Business Days after the date that this notice is received by Distributor and TVA, and for all Months thereafter through the meter-reading time on _____ (mm/dd/yy).

☐ The Month(s) beginning as of the meter-reading time(s) on _____

_____ (mm/dd for each such Month) each year, effective with the first such Month beginning as of the first meter-reading time under the ESP Contract falling at least 10 Business Days after the date that this notice is received by Distributor and TVA.

(Check and complete only one box above. Where both ESP Option B and ESP Option C are available under the ESP Contract, FSP may be elected for either one or both Options. If different Months are to be elected for each Option, a separate form should be used for each Option.)

Confirmation of receipt of this form should be provided to Company at fax number (____) _____. (Note: Company should not be considered to have elected FSP until confirmation by FAX from TVA and Distributor has been received. If confirmation is not promptly received, contact TVA's Real Time Pricing Manager at (423) 751-7412.)

It is expressly recognized that the election(s) made above (1) will become effective upon confirmation by TVA in accordance with Guideline 3.1 of the FSP Agreement and (2) is subject to (a) withdrawal by Company under Guideline 3.2 of the FSP Agreement or (b) termination by

Distributor or TVA under Guideline 6 of the FSP Agreement (to the extent, if any, that said termination provisions are applicable to any Month for which Company elects FSP by this form).

Company's authorized agent:

Print: _____
_____ (Agent's name & title)
for _____
_____ Company's name)

Sign: _____ Date _____

FSP Withdrawal Form

W032399
interruptible power/fsp/fsp enrollment form

ENCLOSURE B

ESP PRICING CONFIDENTIALITY PROVISIONS

(APRIL 1999)

From and after the effective date of the letter agreement with which these Provisions are enclosed, such Provisions shall apply to provide for obligations of the customer that is a party to such agreement (which customer is referred to in said agreement and below as "Company") with respect to maintaining the confidentiality of certain information, proprietary to Tennessee Valley Authority (TVA), as described in 1(c) below.

1. As used in these Provisions:

(a) "ESP Contract" shall mean the contract, as amended, which is identified by number and date in the letter agreement with which these Provisions are enclosed and under which economy surplus power (ESP) is made available to Company.

(b) "System" shall mean the computer bulletin board system or such other system designated by TVA in accordance with the provisions of the ESP Contract for the purpose of making available ESP, and if applicable forward supported power (FSP), price estimates to Company.

(c) "Proprietary Information" shall mean any and all ESP or FSP pricing and related information, including, without limitation, projected estimates of ESP and FSP prices, projected forecasts of TVA's power system operations, and other forecasts relative to potential suspensions of ESP and FSP disclosed by TVA to Company whether via the System or otherwise.

2. As a condition of access to the System and in consideration of TVA's making Proprietary Information available to Company:

(a) except as may be required by law, Company agrees not to divulge Proprietary Information to third parties without the written consent of TVA, and

(b) Company further agrees not to use the Proprietary Information disclosed to it by TVA (i) to compete with TVA or (ii) for any purpose other than those set forth in the ESP Contract and for otherwise planning Company's utilization of ESP or FSP.

3. Notwithstanding section 2 above, Company may disclose, after having given TVA written notice five working days before the disclosure, Proprietary Information to its contractors so long as the disclosure (a) is not to a competitor of TVA; (b) is made subject to a nondisclosure agreement entered into by Company's contractor and those employees of the contractor who will have access to the Proprietary Information, which agreement is subject to TVA's approval; (c) is made solely on a "need to know" basis; (d) is made subject to a restriction that Company's contractor and the contractor's employees use the Proprietary Information solely in performing work for Company in connection with Company's evaluation of the Proposed FSP Arrangements; and (e) is made subject to the requirement that all copies of the Proprietary Information be returned to Company upon conclusion of the contractor's work for Company. Company

will make reasonable efforts (consistent, however, with its requirements) to minimize the amount of any such information disclosed to its contractors.

4. In the event that Company is legally required to disclose any Proprietary Information to others, Company shall endeavor to secure the agreement of such other party to maintain the information in confidence. In the event that Company is unable to secure such agreement, Company shall notify TVA with reasonable promptness so that TVA may join Company in the pursuit of such an agreement of confidence, work with such other party to revise the information in a manner consistent with its interests and the interests of the other party, or take any other action it deems appropriate.
5. Company shall afford Proprietary Information the same security and care in handling and storage as Company provides for its own confidential or proprietary information and data.
6. The foregoing obligations of Company shall terminate if and when, but only to the extent that, such Proprietary Information (a) is or shall become publicly known through no fault of Company, (b) is in company's possession as supported by written records prior to receipt of said Proprietary Information from TVA, or (c) is disclosed to Company by a third party who is legally free to disclose such Proprietary Information.
7. TVA makes no representations or warranties to Company concerning the Proprietary Information made available. TVA shall have no obligation or liability to Company for or as a result of the furnishing of any Proprietary Information. Company agrees that if it elects to rely on any of the information, it does so at its sole risk.
8. It is acknowledged that money damages may be an inadequate remedy for breach of this Company's obligations with respect to Proprietary Information. Accordingly, Company agrees in advance to the granting of injunctive or other equitable relief in favor of TVA without proof of actual damages.
9. Company's obligations with respect to Proprietary Information shall inure to the benefit of, and shall be binding upon, Company and TVA, and, as applicable, their respective subsidiaries, successors and assigns. In addition, Company's obligations with respect to Proprietary Information shall be binding upon any and all directors, officers, and employees of Company and Company shall secure the compliance by all of the foregoing with all of the terms and conditions of obligations with respect to Proprietary Information required to be observed or performed hereunder.
10. It is recognized that Company may have previously entered into other confidentiality or nondisclosure arrangements with TVA that continue to be applicable to some or all of the Proprietary Information. In the event of any conflict between such prior arrangements and these Provisions, these Provisions shall control.

AGREEMENT
Between
CITY OF BRISTOL, TENNESSEE
And
TENNESSEE VALLEY AUTHORITY

DATE: January 1, 1999

TV-67518A, Supp. No. 48

THIS AGREEMENT, made and entered into between CITY OF BRISTOL, TENNESSEE (Distributor), a municipal corporation created and existing under and by virtue of the laws of the State of Tennessee, and TENNESSEE VALLEY AUTHORITY (TVA), a corporation created and existing under and by virtue of the Tennessee Valley Authority Act of 1933, as amended;

W I T N E S S E T H:

WHEREAS, TVA and Distributor have entered into a contract dated June 27, 1985, as amended (Power Contract), under which Distributor purchases its entire requirements for electric power and energy from TVA for resale; and

WHEREAS, section 2 of the Power Contract, as such section may have heretofore been amended and supplemented, covers arrangements with respect to service to certain consumers of electricity; and

WHEREAS, the parties wish to amend the Power Contract to change the provisions of section 2 in order to implement certain alternative arrangements for service to such consumers;

NOW, THEREFORE, for and in consideration of the premises and of the mutual agreements set forth below, and subject to the Tennessee Valley Authority Act of 1933, as amended, the parties mutually agree as follows:

SECTION 1 - EFFECTIVE DATE

This agreement shall become effective as of the date first above written (Effective Date) and, subject to the provisions of section 7 below, shall continue in effect for the term of the Power Contract.

SECTION 2 - ALTERNATIVE ARRANGEMENTS

During the term of this agreement, in lieu of the provisions of sections 2(b) and 2(c) of the Power Contract, the alternative arrangements set out in this agreement shall apply.

SECTION 3 - SERVICE BY DISTRIBUTOR

Distributor shall be entitled to use the power made available under the Power Contract to serve all consumers except those TVA is entitled to serve directly as provided in section 4 below. However, notwithstanding the provisions of section 4, Distributor shall remain entitled to serve all consumers it was serving as of the Effective Date.

SECTION 4 - SERVICE BY TVA

4.1 Consumers Served by TVA. TVA shall be entitled to serve directly the following consumers:

- (a) any consumer to whom the resale rate schedules specified in section 5(b) of the Power Contract (or other resale rate arrangements agreed to by TVA) are not applicable,
- (b) any Federal installations excepting those with loads less than 5,000 kilowatts served from a general delivery point,
- (c) any existing consumer being served by TVA directly in accordance with section 2 of the Power Contract immediately prior to the Effective Date, and
- (d) any new consumer that begins taking electric service after the Effective Date if the consumer's Projected Monthly Base Energy Amount (as determined in 4.2 below) exceeds the sum of 15 million kilowatthours plus the amount determined by multiplying 1,250 kilowatthours times the applicable number of residential consumers of Distributor (as determined in 4.3 below).

4.2 Projected Monthly Base Energy Amount. The Projected Monthly Base Energy Amount for any new consumer shall be the lesser of (i) the consumer's projection of its highest expected average monthly energy use in kilowatthours or (ii) 547.5 hours multiplied by the consumer's projection of its highest expected monthly demand. Such projections shall be made by the consumer at the earliest feasible time during discussions regarding the supply of power to such consumer. Further, these projections shall reflect the energy and demand amounts expected by the consumer when its production facilities are in full operation, but in no event later than 36 months after initial service to the consumer. Both TVA and Distributor shall have the right to participate in discussions with the consumer involving establishment of such projections, and either may request from the consumer such data and other information as it considers desirable in support of the consumer's projections. Such projections shall become accepted as the Projected Monthly Base Energy Amount only after TVA and Distributor agree that such projections are realistic, which agreement shall not be unreasonably withheld.

4.3 Determination of Applicable Number of Residential Consumers. If TVA provides no transmission facilities (except such metering facilities, tap point or loop connection point facilities, communication facilities, and manual or sectionalizing switches as are determined by TVA to be necessary) to serve a new consumer, the number of

residential consumers used in the computation in 4.1(d) above shall be the total number of residential consumers that were being served by Distributor as of the June 30 immediately preceding the date of such computation. Otherwise, the number of residential consumers used in that computation shall be only the residential consumers, if any, that were being served by Distributor as of the immediately preceding June 30 with energy received from TVA at the delivery point through which Distributor would receive the energy for such new consumer if it were served by Distributor.

SECTION 5 - SUPPLY TO CONSUMERS OF 5,000 KILOWATTS OR MORE

The supply of power by TVA to Distributor for resale to any consumer which has a supply of 5,000 kilowatts or more of power other than that furnished by Distributor under the resale rate schedules specified in section 5(b) of the Power Contract, and the contract for such resale between Distributor and such consumer, shall be subject to such special arrangements as TVA may reasonably require.

SECTION 6 - TRANSFER OF CONSUMERS

The party entitled to serve a new consumer, as provided under sections 3 and 4 of this agreement, shall continue to be entitled to serve the consumer during the full term of this agreement. Transfer between TVA and Distributor of service to a consumer shall be made only upon specific request by Distributor and upon agreement among TVA, Distributor, and the consumer.

SECTION 7 - TERMINATION

On the date of receipt by TVA of any notice of Power Contract termination provided by Distributor under the section of the Power Contract entitled "Term of Contract," this agreement shall automatically terminate with respect to the entitlement of service to new consumers initiating service on and after such date and the provisions of sections 2(b) and 2(c) of the Power Contract, as they were effective immediately prior to the Effective Date, shall become automatically reinstated with respect to any such consumers and shall continue in effect for the then remaining term of the Power Contract. Notwithstanding anything in this agreement to the contrary, until the end of the term of the Power Contract TVA and Distributor shall each be entitled to continue serving all existing consumers being served by them on such date of receipt of notice of Power Contract termination.

SECTION 8 - POWER CONTRACT AFFIRMED

The Power Contract, as supplemented and amended by this agreement, is ratified and confirmed as the continuing obligation of the parties.

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

Attest:

CITY OF BRISTOL, TENNESSEE
By Board of Public Utilities

July J. Sherritt CPS
Title: Adm. Secretary

By Jack H. Geaves
Chairman

TENNESSEE VALLEY AUTHORITY

By Terry Boston
Manager, Pricing
Customer Service and Marketing

SECURITY DEPOSIT PROGRAM AGREEMENT

Between
CITY OF BRISTOL, TENNESSEE
And
TENNESSEE VALLEY AUTHORITY

Date: March 15, 2000

TV-67518A, Supp. No. 49

THIS AGREEMENT, made and entered into by and between CITY OF BRISTOL, TENNESSEE (Distributor), a municipal corporation created and existing under and by virtue of the laws of the State of Tennessee and TENNESSEE VALLEY AUTHORITY (TVA), a corporation created and existing under and by virtue of the Tennessee Valley Authority Act of 1933, as amended (TVA Act);

WITNESSETH:

WHEREAS, Distributor and TVA have entered into a contract dated June 27, 1985, as amended (Power Contract), under which Distributor purchases its entire requirements for electric power and energy from TVA for resale; and

WHEREAS, Distributor, under its standard policy, requires a cash deposit or other substantially equivalent form of security for power bills for commercial and industrial accounts; and

WHEREAS, TVA has developed a program (Program) to provide a limited guarantee to Distributor in lieu of Distributor's requiring or maintaining the standard cash deposit or other substantially equivalent form of security for those commercial and industrial accounts which are nominated by Distributor and approved as eligible by TVA; and

WHEREAS, the Program will be especially responsive to the needs of commercial and industrial customers who operate in more than one location; and

WHEREAS, the parties hereto wish to agree upon the terms and conditions under which Distributor may participate in the Program;

NOW, THEREFORE, for and in consideration of the premises and of the mutual agreements set forth below, and subject to the provisions of the TVA Act, the parties mutually agree as follows:

SECTION 1 - DEFINITION OF TERMS

The underlined terms used in this agreement shall have the meanings set forth in the attachment entitled "Definitions Attachment," which is made a part of this agreement.

SECTION 2 - ACCOUNT ELIGIBILITY

To be Eligible under the Program, an account must be a Commercial Account:

- (a) nominated by Distributor for participation in the Program as provided in subsection 3.1 below;
- (b) from which Distributor otherwise would require a cash deposit or other substantially equivalent form or security for the account's electric power bill under Distributor's standard deposit policy; and
- (c) which:
 - (1) has been assigned and maintains an Investment Grade Rating, or
 - (2) provides an unconditional guarantee of payment, in a form and amount acceptable to TVA, from a parent company that has been assigned and maintains an Investment Grade Rating, or
 - (3) provides an irrevocable letter of credit, in a form and amount acceptable to TVA, from a financial institution acceptable to TVA, or
 - (4) provides other alternative security in a form and amount that TVA deems acceptable; and
- (d) which assumes a contract obligation to either maintain the security basis on which it qualifies under subsection 2(c) above or, upon termination of such basis, to immediately substitute or provide alternative security in a form and amount that TVA deems acceptable.

SECTION 3 - APPLICATION AND APPROVAL PROCESS

3.1 Account Nomination. Distributor may consider potentially Eligible accounts for nomination under the Program, and TVA, from time to time, also may suggest that Distributor consider certain accounts, especially those that operate in more than one location. Distributor shall in its sole discretion determine whether to nominate a potentially Eligible account as an Applicant.

3.2 Account Application. Distributor shall cause each Applicant to complete a credit application in such form as may be furnished or approved by TVA from time to time. Distributor shall send duplicate originals of the credit application to the TVA Regional Account Manager and the TVA Credit Department at the postal addresses, electronic mail addresses, or facsimile numbers designated by TVA.

3.3 TVA Review. For each Applicant, TVA will review the account application, determine whether the account is Eligible for the Program, and notify Distributor of its decision at the postal address, electronic mail address, or facsimile number designated by Distributor. An Applicant shall be deemed to be a Covered Account from the date of such approval by TVA until the expiration or termination of this agreement.

3.4 Notification Changes. The designation of the persons or departments to receive applications under subsection 3.1 above, the person or department to be notified of TVA's application decision under subsection 3.2 above, or the addresses or facsimile numbers designated in accordance with those subsections may be changed at any time and from time to time by similar notice to the other party.

SECTION 4 - LIMITED GUARANTEE

To the extent of and subject to the conditions set forth in this section 4, TVA shall provide a limited guarantee for each Covered Account.

4.1 Collection Procedures. When any Covered Account becomes delinquent, Distributor shall promptly and diligently pursue collection efforts in accordance with the Guidelines. At such times and intervals as may be specified in the Guidelines, Distributor shall provide reports to TVA concerning any delinquent accounts and Distributor's efforts to collect the same.

4.2 Allocation of Collected Amounts. Any amounts collected from a delinquent Covered Account, excluding any amounts applied to litigation or other collection costs in accordance with the Guidelines, shall be applied to that account's electric bill, beginning with the oldest outstanding past due amount (commonly known as the "first in first out" accounting basis), and shall be assigned on a pro-rata basis to the Wholesale Portion and the Retail Adder of the account.

4.3 Uncollectible Accounts. If Distributor, through the collection efforts outlined in the Guidelines, is unable to fully collect from a delinquent Covered Account, Distributor may make a written application to TVA to have the Covered Account deemed uncollectible. TVA will declare the Covered Account uncollectible after verification that Distributor has exhausted all reasonable efforts to collect the unpaid balance in full compliance with the Guidelines.

4.4 TVA Limited Guarantee. For each Covered Account declared to be uncollectible, TVA will apply a credit to Distributor's wholesale bill in an amount up to the Wholesale Portion of the first two monthly billing cycles of usage that resulted in the unpaid balance (not to exceed a total period of 65 days), to the extent such Wholesale Portion remains uncollected after application of any collected amounts in accordance with subsection 4.2 above. Further, it is expressly recognized and agreed that TVA's guarantee shall not apply to:

(a) the Retail Adder or

(b) any unpaid balance resulting from usage after said billing cycles (except as provided otherwise in subsection 4.5 below with respect to the bankruptcy of a Covered Account).

4.5 Bankruptcy. If a Covered Account files for bankruptcy under Title 11 of the United States Code (as it now exists or may hereafter be amended and referred to below as the "Bankruptcy Code"), the two month billing cycle limitation provided for in subsection 4.4 above shall not apply with respect to coverage of usage that Distributor is required to supply to the Covered Account as debtor (or to the bankruptcy trustee for the Covered Account)

under section 366 of the Bankruptcy Code, so long as Distributor fulfills its obligations under 4.1 above to promptly and diligently pursue collection efforts in accordance with the Guidelines by:

- (a) promptly obtaining adequate assurance of payment under said section 366, and
- (b) otherwise promptly and diligently pursuing all of its rights to collection and security under the Bankruptcy Code.

4.6 Collections After Exercise of the TVA Limited Guarantee. In the event that circumstances arise under which collection efforts again become reasonable in relation to a Covered Account that has been declared uncollectible and for which TVA has provided a credit to Distributor:

- (a) TVA may request that Distributor pursue collection efforts;
- (b) TVA may provide assistance to Distributor in pursuing collection efforts to the extent TVA determines that such assistance is appropriate;
- (c) upon Distributor's refusal or failure to pursue collection efforts, TVA may pursue such efforts, including litigation, in the name of Distributor, TVA, or both, and any actions taken by TVA in such efforts will be binding on Distributor; and
- (d) any amounts received through collection efforts will be allocated in accordance with subsection 4.2 above.

SECTION 5 - MONITORING OF COVERED ACCOUNTS

5.1 Investment Grade Rating Review. At least annually, TVA will review the Investment Grade Rating of each Covered Account that qualified on the basis of such Rating (under subsection 2(c)(1) or (2) above) to ensure that the account is maintaining a Rating that satisfies the eligibility criteria applicable to a Covered Account.

5.2 Review of Other Securities. Distributor shall cooperate with TVA in performing ongoing monitoring of each Covered Account that qualified on the basis of any security other than or in addition to an Investment Grade Rating (under subsection 2(c)(2), (3), or (4) above) to ensure that the qualifying security arrangements continue to be of full force and effect.

5.3 Failure of Security. In the event that the Investment Grade Rating or other security provided by a Covered Account becomes defective in any way in relation to the qualifying criteria:

- (a) the party first discovering the defect will promptly notify the other party, and
- (b) Distributor and TVA will thereafter cooperate in efforts to resolve the defect and/or to enforce the Covered Account's obligation to provide substitute security in accordance with subsection 2(d) above.

SECTION 6 - TERM

6.1 Agreement Term. This agreement shall become effective as of the date first written above. Unless sooner terminated as provided below, it shall continue in effect during the term of the Power Contract.

6.2 Early Termination. Either party may terminate this agreement at any time upon one hundred twenty (120) days' written notice.

6.3 Continuing Obligations. Notwithstanding the termination or expiration of this agreement, the obligations of the parties:

(a) with respect to any Covered Account retail bills accruing prior to the effective date of any such expiration or termination, and

(b) under subsection 4.5 above,

shall continue in effect until they are discharged.

SECTION 7 - ADDITIONAL SECURITY

Other than any security that might be required from a Covered Account under the provisions of this agreement, during the term of this agreement Distributor shall not require or retain any deposit or other security from a Covered Account. It is expressly recognized and agreed that nothing in this section 7 or elsewhere in this agreement shall be construed to prohibit Distributor from requiring or retaining a deposit or other security:

(a) from a Nominated Account until such time as TVA approves the account as a Covered Account, or

(b) from a Covered Account to provide security for additional facilities or other obligations undertaken by Distributor for the benefit of the Covered Account, where such additional obligations are not a part of the standard arrangements covered by rate schedule charges or other standard charges applicable to the type of power provided to the Covered Account.

SECTION 8 - THIRD PARTIES NOT TO BENEFIT

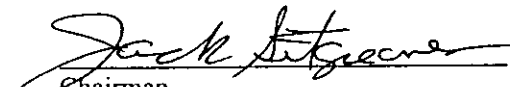
Notwithstanding any provision of this Agreement that may be interpreted to the contrary, this Agreement does not confer any benefits or rights on any third party except as specifically set out in this agreement.

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

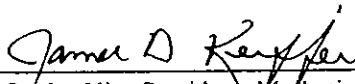
Attest:

CITY OF BRISTOL, TENNESSEE
By Board of Public Utilities


Title:
Dir. Management
Service


Chairman

TENNESSEE VALLEY AUTHORITY

By 
Senior Vice President, Marketing

DEFINITIONS ATTACHMENT

As used in this agreement:

- (1) "Applicant" shall mean a potentially Eligible account nominated by Distributor.
- (2) "Commercial Account" shall mean a new or existing account that satisfies the "Availability" requirements of the General Power Rate - Schedule GSA, Schedule GSB, Schedule GSC, or Schedule GSD contained in the Schedule of Rates and Charges attached to and made a part of the Power Contract, as such schedules may be modified, changed, replaced, or adjusted from time to time, and which:
 - (a) has electrical requirements of greater than 50 kW served by Distributor or
 - (b) has electrical requirements of no more than 50 kW served by Distributor but is proposed by TVA for inclusion in the Program as a regional account.
- (3) "Covered Account" shall mean an Applicant that TVA has determined is Eligible under the Program.
- (4) "Eligible" shall mean qualified under the Program by meeting the eligibility requirements set forth in section 3 of the agreement, except that in determining eligibility under said section, TVA also may determine that an Applicant is not Eligible where non-standard wholesale billing arrangements applicable with respect to the Applicant are deemed to be inconsistent with the objectives of the Program.
- (5) "Guidelines" shall mean such guidelines applicable to the Program as may from time to time be furnished or approved by TVA. In the event of any conflict between the provisions of the Guidelines and the provisions of this agreement, the provisions of this agreement shall control.
- (6) "Investment Grade Rating" or "Rating" shall mean a Long-Term Debt Rating (a) by Standard and Poor's of BBB- or better or (b) by Moody's Investors Service of Baa3 or better.
- (7) "Retail Adder" shall mean all amounts other than the Wholesale Portion of the retail bill.
- (8) "Wholesale Billing Adjustment Provisions" shall mean provisions setting forth the steps to be taken with respect to the Covered Account in calculating the wholesale bill each month, which are set forth in any agreement between Distributor and TVA amending or supplementing the Power Contract to provide for arrangements under which a Covered Account pays for power or energy other than at the rates and charges provided for in the Schedule of Rates and Charges to the Power Contract.

(9) "Wholesale Portion" of a retail bill shall mean an amount equal to TVA's wholesale charges to Distributor for the end-usage resulting in the retail bill, consisting of:

(a) the per kW and per kWh wholesale charges to Distributor for kW and kWh amounts deemed to have been taken at the delivery point for the Covered Account and either (i) provided for as base charges under the wholesale schedule in the Schedule of rates and charges to the Power Contract or (ii) added to such base charges in accordance with Wholesale Billing Adjustment Provisions, and

(b) any other charges added to the wholesale bill under Wholesale Billing Adjustment Provisions expressly providing for wholesale charges equal to all or part of a retail charge to the Covered Account.

Security Deposit Program

Parent Guaranty Process for Distributors

1. If you agree to designate the applicant as a Covered Account(s), sign the enclosed nomination form.
2. In the table below the nomination form, complete the following information for all locations in your service area (refer to Attachment A):
 - applicant name
 - address
 - estimated monthly bill amount
3. Fax to TVA as shown on the form.
4. Upon TVA's receipt of the nomination form, the applicant(s) listed in the table shall be deemed to be a Covered Account(s). Please keep in mind *locations you do not include in the table will not be considered a Covered Account(s)*, unless changes are agreed to as outlined in Section 4 of the Guaranty.

NOTE: In accordance with Section 7 of the Agreement, Distributor may not require or retain any deposit or other security from a Covered Account(s).

5. Wal-Mart Stores Inc. has requested that security deposits be returned to:

Wal-Mart Stores Inc.
Kathy Green, Energy Securities Administrator
Dept. 8017
2001 Southeast 10th Street
Bentonville, AR 72712-6489
Phone 501-277-9086

6. An executed copy of the Wal-Mart Stores Inc. guaranty is attached for your files. Attachment A will be updated with the information provided and sent to Wal-Mart Stores Inc. when all distributors serving this customer have responded.

Guaranty

This Guaranty is made by Wal-Mart Stores, Inc., ("Guarantor"), a corporation created and existing under the laws of the State of Delaware, in favor of the Tennessee Valley Authority ("TVA"), a corporate agency and instrumentality of the United States Government and the third-party beneficiaries identified herein;

WHEREAS, Guarantor's subsidiary or subsidiaries identified in Attachment A, attached hereto and made a part hereof ("Customer"*) has entered or will enter into one or more agreements with one or more distributors of power supplied by TVA identified in Attachment A ("Distributor"*) for the supply of Customer's facility(ies) identified in Attachment A (the "Facilities") (as such agreements may be modified, supplemented, or replaced from time to time, the "Power Supply Arrangements") and has requested that TVA and Distributor accept a guaranty in lieu of security deposits in connection with the Power Supply Arrangements ("Security Deposits");

WHEREAS, Guarantor, as the parent corporation of Customer and by virtue of its interest in and relationship with Customer, deems it to be in Guarantor's best interest to execute and deliver this Guaranty;

NOW, THEREFORE, to induce Distributor to forego the Security Deposits, in order to obtain the benefits to business resulting from Distributor's performance pursuant to the Power Supply Arrangements and to satisfy the requirements of the Security Deposit Program Agreement between TVA and Distributor, Guarantor desires to enter into this Guaranty and hereby agrees as follows:

1. Guaranty. Guarantor hereby irrevocably, unconditionally, and absolutely guarantees the punctual payment when due of Customer's payment obligations arising under the Power Supply Arrangements (including monetary damages for breach of the Power Supply Arrangements) and any and all reasonable legal fees, costs, and other expenses incurred by Distributor in enforcing any such payment obligation or by Distributor or TVA in enforcing this Guaranty (all such obligations, including monetary damages, collectively, the "Payment Obligations"). In the case of a failure of Customer punctually to pay Distributor any such Payment Obligations, Guarantor hereby agrees to pay (i) Distributor such Payment Obligations promptly upon demand made by Distributor upon Guarantor or (ii) TVA for, and to the extent of, any payments that TVA certifies to Guarantor TVA has made to Distributor with respect to Payment Obligations of the Customer. In each case the demand or certification shall identify the Customer that has failed to meet its payment obligations and the amount claimed hereunder. In no event shall Guarantor be required to pay both TVA and Distributor for the same Payment Obligation or any portion thereof. This Guaranty is a guaranty of payment and not of collection.

This Guaranty shall continue to be effective or be reinstated, as the case may be, if at any time any payment made pursuant to the Payment Obligations is rescinded or must otherwise be returned by Distributor or TVA upon the insolvency, bankruptcy, or reorganization of Customer or otherwise, all as though such payment had not been made. Guarantor acknowledges and represents that it has authority to provide this Guaranty to TVA and to Distributor, as a third-party beneficiary, and that Guarantor will benefit in the manner indicated in the recitals above from the Guaranty granted hereby. This Guaranty shall be limited to the Payment Obligations set forth above.

* The singular "Customer" and "Distributor" shall be read to include both single Customers and Distributors and, when multiple Customers and Distributors are identified in Attachment A, each of the multiple Customers and Distributors.

2. Guarantor to be Bound by Agreement Terms. Guarantor hereby absolutely, unconditionally, and irrevocably agrees to be bound by the provisions of the Power Supply Arrangements to the extent that the Power Supply Arrangements relate to or affect Guarantor in any respect, including, without limitation, by describing or defining the Payment Obligations hereby guaranteed by Guarantor.

3. Waiver. Guarantor hereby waives:

- (a) notice of (i) acceptance of this Guaranty, (ii) the creation, amount, existence, and/or extension of the time for payment of any of the Payment Obligations as they may from time to time exist, (iii) any action by Distributor in reliance hereon or in connection herewith, (iv) the occurrence of any event of default or breach with respect to the Power Supply Arrangements or Payment Obligations, and (v) any other occurrences to which Guarantor might otherwise be entitled to notice, except as otherwise provided in this Guaranty;
- (b) presentment, demand for payment (other than demand by Distributor for payment hereunder), notice of dishonor or nonpayment, protest and notice of protest with respect to the Payment Obligations; and
- (c) any requirement that suit be brought against, or any other action by Distributor or TVA be taken against, or any notice of default or other notice be given to, or any demand be made on, Customer or any other person or entity, or that any other action be taken or not taken as a condition to Guarantor's payment obligations under this Guaranty or as a condition to enforcement of this Guaranty against Guarantor.

4. Amendment. No amendment of this Guaranty shall be effective unless signed by Guarantor and consented to in writing by TVA. Upon Guarantor's written request to TVA and TVA's written consent to such request, which consent shall not be unreasonably withheld or delayed, Attachment A may be amended from time to time to (i) add to the list of Facilities covered by this Guaranty or (ii) delete Facilities that (x) are no longer served under Power Supply Arrangements and with respect to which all payments to the Distributor under the affected Power Supply Arrangements have been made or (y) as to which a Security Deposit is being and will continue to be held by the Distributor supplying such Facilities under Power Supply Arrangements. TVA's written consent shall set forth the changes to Attachment A to which TVA consents and shall constitute an amendment to Attachment A. No waiver of any provision of this Guaranty or consent to any departure by Guarantor therefrom shall in any event be effective unless the same shall be in writing and signed by TVA, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

5. Notices. All notices and other communications provided for hereunder shall (i) be in writing and shall be addressed to the parties at their respective addresses set forth below or at such other addresses as shall be designated in a written notice to the other party and (ii) when mailed, be effective five (5) business days after being deposited in the U.S. mail, registered or certified, return receipt requested, postage prepaid, and in the case of personal delivery, when delivered at the following addresses:

(a) if to Guarantor:

*Wal-Mart Stores, Inc.
2001 Southeast 10th Street
Bentonville, AR 72716-0550*

(b) if to Customer:

To the name and address
shown on Attachment A.

(c) if to TVA:

*Tennessee Valley Authority
400 West Summit Hill Drive, WT 4C
Knoxville, TN 37902-1499
Attention: Credit Department*

(d) if to Distributor:

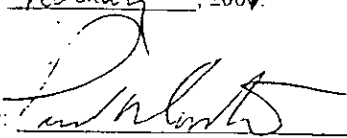
To the name and address
shown on Attachment A.

6. Effect of Certain Events. Guarantor agrees that Guarantor's liability hereunder will be discharged with respect to any payment Obligation only by Guarantor's full performance of its payment obligations hereunder and that such liability will not be released, reduced, or impaired, without limitation, by the occurrence of any one or more of the following events:

- (a) the insolvency, bankruptcy, reorganization, release, receivership, or discharge of Guarantor or Customer;
- (b) any changes (whether material or otherwise) from time to time in the Power Supply Arrangements by virtue of renewal, consolidation, extension, modification, amendment, or replacement;
- (c) the acceptance of any note, deposit, or any security of any kind for the Payment Obligations, or any renewals of such other than as provided for in provision (ii)(v) of Section 4;
- (d) the surrender, release, exchange or alteration of any note, deposit, or other security held by Distributor to secure payment of the Payment Obligations;
- (e) the failure, delay, waiver, or refusal by Distributor to exercise, in whole or part, any right or remedy held by Distributor with respect to the Power Supply Arrangements;
- (f) lack of consideration or any other deficiency in the formation of the Power Supply Arrangements and any and all amendments and modifications thereof;
- (g) lack of corporate power or authority of Guarantor or Customer;
- (h) the merger or consolidation of Guarantor or Customer or a change in Guarantor's or Customer's business operations or management;
- (i) any present or future law or order of any Government agency thereof purporting to reduce, amend, or otherwise affect this Guarantee or any other obligation of Guarantor; or

- (j) any other act or circumstances that might otherwise constitute a defense available to, or a discharge of, Customer with respect to the Payment Obligations or Guarantor with respect hereto (other than full and final payment of all Payment Obligations).
7. Term. This Guaranty shall be effective until final discharge of all Payment Obligations created or arising under or with respect to the Power Supply Arrangements or upon deletion of all Facilities in accordance with provision (ii) of Section 4.
8. Successors and Assigns. TVA or Distributor may assign its rights hereunder without the consent of the Guarantor. Guarantor may assign its rights hereunder with the prior written consent of TVA; provided TVA shall not withhold its consent in the case of an assignment to an affiliate of Guarantor having a credit rating and net worth equal to or exceeding the then current credit rating and net worth of the Guarantor. Subject to the foregoing, this Guaranty shall be binding upon and inure to the benefit of the parties hereto and their respective successors, permitted assigns, and legal representatives.
9. Governing Law. The validity, interpretation, and performance of this Guaranty shall be governed by Federal law.
10. Waiver of Subrogation. Guarantor shall have no rights (direct or indirect) of subrogation, contribution, reimbursement, indemnification, or other rights of payment or recovery from any person or entity (including, without limitation, Customer) for any payment made by the Guarantor hereunder, and Guarantor hereby waives and releases, absolutely and unconditionally, any such rights of subrogation, contribution, reimbursement, indemnification and either rights or recovery which it may now have or hereafter acquire.
11. Multiple Defaults. Each and every default by Customer shall give rise to a separate cause of action hereunder, and separate suits may be brought hereunder by TVA or the Distributor as each cause of action arises.
12. Third-Party Beneficiaries. The Distributor is an express third-party beneficiary of this Guaranty and may enforce Guarantor's obligations hereunder with respect to Payment Obligations owed to Distributor and, as provided in section 1, may require Guarantor to make payment directly to Distributor.
13. Headings. The headings used herein are for purposes of convenience only and shall not be used in construing the provisions hereof.

IN WITNESS WHEREOF, Guarantor has caused this Guaranty to be duly executed and delivered by its duly authorized officer, effective as of this 8th day of February, 2000.

By: 

Name: Paul R. Carter

Title: Executive Vice President &
President, Wal-Mart Realty



003676989



Security Deposit Program Guaranty
Attachment A

Subsidiary Name	State of Incorporation	Store Number	Address	City	State	Zip Code	Power Distributor Providing Electric Service	Outstanding Address
Wal-Mart Stores East, Inc.	Delaware	672	875 Louisville Road	Alcoa	TN	37001	Alcoa Electric Department	204 North Rannin Road, Alcoa TN 37001-2522
Wal-Mart Stores East, Inc.	Delaware	105	2301 Goding Drive	Corinth	MS	38834	Alcorn County Electric Power Assoc	P O Box 1590, Corinth MS 38835-1590
Wal-Mart Stores East, Inc.	Delaware	118	1515 US Hwy 276 East	Amory	MS	38821	Amory Water & Electric	P O Box 266, Amory MS 38821-0266
Wal-Mart Stores East, Inc.	Delaware	724	630 East Broadway	Jefferson City	TN	37760	Appalachian Electric Cooperative	P O Box 400, New Market TN 37820
Wal-Mart Stores East, Inc.	Delaware	663	1510 Congress Pkwy South	Ahens	TN	37303	Ahens, TN, Utilities Board	P O Box 689, Ahens TN 37371-0689
Wal-Mart Stores East, Inc.	Delaware	738	190 Hwy 641 North	Camden	TN	38320	Benton County Electric System	P O Box 429, Camden TN 38320-0429
Wal-Mart Stores East, Inc.	Delaware	143	310 West 5th St	Benton	KY	42025	Benton Electric System	P O Box 10, Benton KY 42025-0010
Wal-Mart Stores East, Inc.	Delaware	764	750 Academy Drive	Bessemer	AL	35020	Bessemer Electric Service	P O Box 1246, Bessemer AL 35021-1246
Wal-Mart Stores East, Inc.	Delaware	486	US Hwy 64	Bolivar	TN	37020	Bolivar Electric Department	P O Box 188, Bolivar TN 38008-0188
Wal-Mart Stores East, Inc.	Delaware	299	150 Walton Ave	Bowling Green	KY	42104	Bowling Green Municipal Utilities	P O Box 10300, Bowling Green KY 42102-7300
Wal-Mart Stores East, Inc.	Delaware	620	2535 West State Street	Bristol	TN	37620	Bristol Term Electric System	P O Box 549, Bristol TN 37621-0549
Wal-Mart Stores East, Inc.	Delaware	64	100 S. Duane	Brownsville	TN	38012	Brownsville Utility Department	P O Box 424, Brownsville TN 38012-0424
Wal-Mart Stores East, Inc.	Delaware	161	20940 East Main	Huntingdon	TN	38344	Carroll County Electric Department	P O Box 527, Huntingdon TN 38344-0527
Wal-Mart Stores East, Inc.	Delaware	305	907 Hwy 16 West	Carthage	MS	39051	Central Electric Power Association	P O Box 477, Carthage MS 39051-0477
Wal-Mart Stores East, Inc.	Delaware	239	220 Veterans Memorial Dr	Kosciusko	MS	39090	Central Electric Power Association	P O Box 477, Carthage MS 39051-0477
Wal-Mart Stores East, Inc.	Delaware	661	1011 US HWY 72 East	Ahens	AL	35611	City of Ahens Utilities	P O Box 1089, Ahens AL 35612-1089
Wal-Mart Stores East, Inc.	Delaware	619	200 Able Drive	Dayton	TN	37321	City of Dayton Electric Department	P O Box 226, Dayton TN 37321-0226
Wal-Mart Stores East, Inc.	Delaware	766	3100 Hough Road	Florence	AL	35630	City of Florence Utilities	P O Box 2816, Florence AL 35631
Wal-Mart Stores East, Inc.	Delaware	8196	364 Cox Creek Pkwy	Florence	AL	35630	City of Florence Utilities	P O Box 2816, Florence AL 35631
Wal-Mart Stores East, Inc.	Delaware	672	501 Footmill Plaza	Maryville	TN	37801	City of Maryville Electric Department	332 Home Ave., Maryville TN 37801-3971
Wal-Mart Stores East, Inc.	Delaware	699	1111 Jackson Avenue West	Oxford	MS	38655	City of Oxford Electrical Department	P O Box 827, Oxford MS 38655-0827
Wal-Mart Stores East, Inc.	Delaware	259	3929 North Gloster Street	Tupelo	MS	38801	City of Tupelo Light & Water	P O Box 588, Tupelo MS 38802-0588
Wal-Mart Stores East, Inc.	Delaware	391	2270 West Main Street	Tupelo	MS	38801	City of Tupelo Light & Water	P O Box 588, Tupelo MS 38802-0588
Wal-Mart Stores East, Inc.	Mississippi	6329	3833 North Gloster Street	Tupelo	MS	38801	City of Tupelo Light & Water	P O Box 588, Tupelo MS 38802-0588
Wal-Mart Stores East, Inc.	Delaware	115	Route #5, Box 121	West Point	MS	39773	City of West Point Electric System	P O Box 1117, West Point MS 39773-1117
Wal-Mart Stores East, Inc.	Delaware	673	3050 Wima Rudolph Blvd	Clarksville	TN	37040	Clarksville Dept. of Electricity	P O Box 31509, Clarksville TN 37040-0026
Wal-Mart Stores East, Inc.	Delaware	1075	1680 Ft. Campbell Blvd, Hwy 41-A	Clarksville	TN	37040	Clarksville Dept. of Electricity	P O Box 31509, Clarksville TN 37040-0026
Wal-Mart Stores East, Inc.	Tennessee	6512	2840 Wima Rudolph Blvd	Clarksville	TN	37040	Clarksville Dept. of Electricity	P O Box 31509, Clarksville TN 37040-0026
Wal-Mart Stores East, Inc.	Tennessee	698	4495 Keith St., NW	Cleveland	TN	37312	Cleveland Utilities	P O Box 2730, Cleveland TN 37320-2730
Wal-Mart Stores East, Inc.	Delaware	192	2101 Brookmead Drive	Columbia	TN	38401	Columbia Power & Water Systems	P O Box 379, Columbia TN 38402-0379
Wal-Mart Stores East, Inc.	Delaware	495	1913 Hwy 45 North	Columbus	MS	39701	Columbus Light & Water	P O Box 949, Columbus MS 39701-0949
Wal-Mart Stores East, Inc.	Delaware	485	1721 Hwy 45 North	Columbus	MS	39701	Columbus Light & Water	P O Box 949, Columbus MS 39701-0949
Wal-Mart Stores East, Inc.	Delaware	657	768 S. Jefferson Avenue	Cookeville	TN	38501	Cookeville Electric Department	55 West Davis Road, Cookeville TN 38506
Wal-Mart Stores East, Inc.	Delaware	93	975 Highway 51 North	Covington	TN	38019	Covington Electric System	P O Box 488, Covington TN 38019-0488
Wal-Mart Stores East, Inc.	Delaware	670	1700 2nd Ave SW	Cullman	AL	35055	Cullman Power Board	P O Box 927, Cullman AL 35056-0927
Wal-Mart Stores East, Inc.	Delaware	662	2800 Spring Ave SW	Decatur	AL	35603	Decatur Utilities	P O Box 2232, Decatur AL 35609-2232
Wal-Mart Stores East, Inc.	Delaware	562	1605 Bellline Road SW	Decatur	AL	35603	Decatur Utilities	P O Box 2232, Decatur AL 35609-2232
Wal-Mart Stores East, Inc.	Delaware	254	175 Beasley Drive	Dickson	TN	37055	Dickson Electric Department	P O Box 627, Dickson TN 37056-0627
Wal-Mart Stores East, Inc.	Delaware	308	US Hwy 41 S & I-24	Manchester	TN	37055	Dickson Electric Department	P O Box 89, Shelbyville TN 37162-0089
Wal-Mart Stores East, Inc.	Delaware	677	2650 Lake Road	Oyersburg	TN	38024	Dyersburg Electric System	P O Box 664, Dyersburg TN 38025-0664
Wal-Mart Stores East, Inc.	Delaware	1459	2020 Gun Barrel Road	Chattanooga	TN	37421	Electric Power Board of Chattanooga	P O Box 182255, Chattanooga TN 37422-7255
Wal-Mart Stores East, Inc.	Delaware	1506	5450 Highway 153	Chattanooga	TN	37343	Electric Power Board of Chattanooga	P O Box 182255, Chattanooga TN 37422-7255
Wal-Mart Stores East, Inc.	Delaware	477	US Hwy 27/10049 Dayton Pike	Socoy-Daisy	TN	37319	Electric Power Board of Chattanooga	P O Box 182255, Chattanooga TN 37422-7255
Wal-Mart Stores East, Inc.	Tennessee	8112	6101 Lee Highway	Chattanooga	TN	37421	Electric Power Board of Chattanooga	P O Box 182255, Chattanooga TN 37422-7255
Wal-Mart Stores East, Inc.	Delaware	690	791 West Elk Avenue	Elizabethton	TN	37643	Elizabethton Electric System	P O Box 790, Elizabethton TN 37644-0790
Wal-Mart Stores East, Inc.	Delaware	314	1224 Huntsville Hwy	Fayetteville	TN	37334	Fayetteville Electric System	P O Box 120, Fayetteville TN 37334-0120
Wal-Mart Stores East, Inc.	Delaware	366	4525 Hwy 411	Macdonville	TN	37354	Font Loudoun Electric Cooperative	P O Box 307, Macdonville TN 37354-0307
Wal-Mart Stores East, Inc.	Delaware	691	2011 Glenn Blvd SW	Ft. Payne	AL	35630	Font Loudoun Electric Cooperative	P O Box 666017, Ft. Payne AL 35668-0617
Wal-Mart Stores East, Inc.	Delaware	262	1550 Nashville Rd	Franklin	KY	42134	Franklin Electric Company	P O Box 349, Franklin KY 42135-0349
Wal-Mart Stores East, Inc.	Delaware	674	1112 Nashville Pike	Gallatin	TN	37066	Gallatin Department of Electricity	P O Box 1555, Gallatin TN 37066-1555
Wal-Mart Stores East, Inc.	Delaware	711	100 Barren River Plaza	Glasgow	KY	42141	Glasgow Electric Plant Board	P O Box 1809, Glasgow KY 42142-1809
Wal-Mart Stores East, Inc.	Delaware	660	2755 E. Andrew Johnson Hwy	Greenville	TN	37743	Greenville Light & Power System	P O Box 1690, Greenville TN 37744-1690
Wal-Mart Stores East, Inc.	Delaware	681	11697 US Hwy 431	Greenville	AL	35976	Greenville Electric Board	325 Gunter Avenue, Greenville AL 35976-1148
Wal-Mart Stores East, Inc.	Delaware	1124	1201 US Hwy 431 NW	Huntsville	AL	35890	Huntsville Electric Board	P O Box 448, Huntsville AL 35890-0448
Wal-Mart Stores East, Inc.	Delaware	653	Under construction	Huntsville	AL	35890	Huntsville Electric Board	P O Box 448, Huntsville AL 35890-0448
Wal-Mart Stores East, Inc.	Delaware	653	300 Clinic Drive	Huntsville	AL	35890	Huntsville Electric Board	P O Box 448, Huntsville AL 35890-0448
Wal-Mart Stores East, Inc.	Delaware	1201	2500 N. Central Ave	Huntsville	AL	35890	Huntsville Electric Board	P O Box 448, Huntsville AL 35890-0448
Wal-Mart Stores East, Inc.	Delaware	375	2900 S Memorial Pkwy	Huntsville	AL	35890	Huntsville Electric Board	P O Box 448, Huntsville AL 35890-0448
Wal-Mart Stores East, Inc.	Delaware	433	3240 Memorial Pkwy NW	Huntsville	AL	35890	Huntsville Electric Board	P O Box 448, Huntsville AL 35890-0448

**Security Deposit Program Guaranty
Attachment A**

Subsidiary Name	State of Incorporation	Store Number	Address	City	State	Zip Code	Power Distributor Providing Electric Service	Distributor Address
Wal-Mart Stores East, Inc.	Delaware	332	6140-A University Drive	Huntsville	AL	35806	Huntsville Utilities	P O Box 2048, Huntsville AL 35802
Wal-Mart Stores East, Inc.	Delaware	2590	8650 Hwy 20 West	Madison	AL	35758	Huntsville Utilities	P O Box 2048, Huntsville AL 35802
Wal-Mart Stores East, Inc.	Delaware	335	2196 Hwy 45 Bypass	Jackson	TN	38305	Jackson Utility Division	P O Box 68, Jackson TN 38302-0068
Wal-Mart Stores East, Inc.	Delaware	393	US Hwy 45	Jackson	TN	38314	Jackson Utility Division	P O Box 68, Jackson TN 38302-0068
Wal-Mart Stores East, Inc.	Delaware	394	11655 Hwy 157 N	Moulton	AL	35650	Joe Wheeler Elec. Membership Corp	P O Box 480, Trinity AL 35873
Wal-Mart Stores East, Inc.	Delaware	1080	3111 Browns Mill Road	Johnson City	TN	37604	Johnson City Power Board	P O Box 1636, Johnson City TN 37605-1636
Wal-Mart Stores East, Inc.	Delaware	1080	2612 N. Ross Street	Johnson City	TN	37604	Johnson City Power Board	P O Box 1636, Johnson City TN 37605-1636
Wal-Mart Stores East, Inc.	Delaware	2310	5300 Millbrook Pike	Knoxville	TN	37924	Knoxville Utilities Board	P O Box 59017, Knoxville TN 37950-9017
Wal-Mart Stores East, Inc.	Delaware	1319	7340 Norris Freeway NE	Knoxville	TN	37918	Knoxville Utilities Board	P O Box 59017, Knoxville TN 37950-9017
Wal-Mart Stores East, Inc.	Delaware	1318	6777 Clinton Hwy	Knoxville	TN	37912	Knoxville Utilities Board	P O Box 59017, Knoxville TN 37950-9017
Wal-Mart Stores East, Inc.	Delaware	1320	6522 Chapman Highway	Knoxville	TN	37920	Knoxville Utilities Board	P O Box 59017, Knoxville TN 37950-9017
Wal-Mart Stores East, Inc.	Delaware	2932	10900 Parkside Drive	Knoxville	TN	37922	Knoxville Utilities Board	P O Box 59017, Knoxville TN 37950-9017
Wal-Mart Stores East, Inc.	Delaware	2065	8445 Walbrook Drive	Knoxville	TN	37923	Knoxville Utilities Board	P O Box 59017, Knoxville TN 37950-9017
Wal-Mart Stores East, Inc.	Delaware	2065	251 Walker Springs Road	Knoxville	TN	37923	Knoxville Utilities Board	P O Box 59017, Knoxville TN 37950-9017
Wal-Mart Stores East, Inc.	Delaware	8256	301 Walker Springs Road	Knoxville	TN	37923	Knoxville Utilities Board	P O Box 59017, Knoxville TN 37950-9017
Sam's East, Inc.	Tennessee	6572	2920 E Towne Mall Cir	Knoxville	TN	37924	Knoxville Utilities Board	P O Box 59017, Knoxville TN 37950-9017
Sam's East, Inc.	Tennessee	1456	2824 Appalachian Hwy	Jackboro	TN	37757	LaFollette Utilities Board	P O Box 1411, LaFollette TN 37758-1411
Wal-Mart Stores East, Inc.	Delaware	1456	242 Cumberland Shopping Center	LaFollette	TN	37757	LaFollette Utilities Board	P O Box 1411, LaFollette TN 37758-1411
Wal-Mart Stores East, Inc.	Delaware	683	2130 N Locust Avenue	Lawrenceburg	TN	38464	Lawrenceburg Power System	P O Box 549, Lawrenceburg TN 38464-0549
Wal-Mart Stores East, Inc.	Delaware	671	615 S. Cumberland St., Ste 100	Lebanon	TN	37087	Lebanon Electric Department	200 Castle Heights Ave. N., Lebanon TN 37087
Wal-Mart Stores East, Inc.	Delaware	741	911 Hwy 321 North	Lebanon	TN	37771	Lebanon Electric Department	P O Box 449, Lebanon TN 37771-0449
Wal-Mart Stores East, Inc.	Delaware	684	657 West Church Street	Lexington	TN	38351	Lexington Electric System	P O Box 219, Lexington TN 38351-0200
Wal-Mart Stores East, Inc.	Delaware	298	US 431 North	Boaz	AL	35957	Marshall Dekalb Elec. Coop	P O Box 724, Boaz AL 35957-0724
Wal-Mart Stores East, Inc.	Delaware	430	1225 Park Road	Mayfield	KY	42066	Mayfield Electric & Water System	P O Box 347, Mayfield KY 42066-2405
Wal-Mart Stores East, Inc.	Delaware	568	915 N. Chancery St., Suite 100	McMinnville	TN	37110	McMinnville Electric System	P O Box 508, McMinnville TN 37111
Wal-Mart Stores East, Inc.	Delaware	668	1339 Smithville Hwy, Suite 1	McMinnville	TN	37110	McMinnville Electric System	P O Box 508, McMinnville TN 37111
Wal-Mart Stores East, Inc.	Delaware	950	8400 Hwy 64	Bartlett	TN	38133	Memphis Light, Gas & Water Division	P O Box 430, Memphis TN 38101-0430
Wal-Mart Stores East, Inc.	Delaware	175	560 Poplar Avenue	Collierville	TN	38017	Memphis Light, Gas & Water Division	P O Box 430, Memphis TN 38101-0430
Wal-Mart Stores East, Inc.	Delaware	2322	1280 S. Germantown Road	Germanatown	TN	38138	Memphis Light, Gas & Water Division	P O Box 430, Memphis TN 38101-0430
Wal-Mart Stores East, Inc.	Delaware	1561	3915 Austin Peay Hwy	Memphis	TN	38128	Memphis Light, Gas & Water Division	P O Box 430, Memphis TN 38101-0430
Wal-Mart Stores East, Inc.	Delaware	1561	3950 Austin Peay Hwy	Memphis	TN	38128	Memphis Light, Gas & Water Division	P O Box 430, Memphis TN 38101-0430
Wal-Mart Stores East, Inc.	Delaware	950	5140 Macon Rd	Memphis	TN	38134	Memphis Light, Gas & Water Division	P O Box 430, Memphis TN 38101-0430
Wal-Mart Stores East, Inc.	Delaware	1031	5000 American Way	Memphis	TN	38115	Memphis Light, Gas & Water Division	P O Box 430, Memphis TN 38101-0430
Wal-Mart Stores East, Inc.	Delaware	1248	7525 Winchester Road	Memphis	TN	38125	Memphis Light, Gas & Water Division	P O Box 430, Memphis TN 38101-0430
Wal-Mart Stores East, Inc.	Delaware	1248	6990 Shelby Drive	Memphis	TN	38115	Memphis Light, Gas & Water Division	P O Box 430, Memphis TN 38101-0430
Wal-Mart Stores East, Inc.	Delaware	94	8445 Hwy 51 North	Millington	TN	38053	Memphis Light, Gas & Water Division	P O Box 430, Memphis TN 38101-0430
Sam's East, Inc.	Tennessee	8258	1805 Getwell Road	Memphis	TN	38111	Memphis Light, Gas & Water Division	P O Box 430, Memphis TN 38101-0430
Sam's East, Inc.	Tennessee	8292	2150 Covington Pike	Memphis	TN	38128	Memphis Light, Gas & Water Division	P O Box 430, Memphis TN 38101-0430
Sam's East, Inc.	Tennessee	5256	7475 Winchester Road	Memphis	TN	38125	Memphis Light, Gas & Water Division	P O Box 430, Memphis TN 38101-0430
Wal-Mart Stores East, Inc.	Delaware	1115	608 E. Main St	Hohenwald	TN	38462	Memphis Light, Gas & Water Division	P O Box 430, Memphis TN 38101-0430
Wal-Mart Stores East, Inc.	Delaware	272	350 Williamson Square	Franklin	TN	37044	Memphis Light, Gas & Water Division	P O Box 430, Memphis TN 38101-0430
Wal-Mart Stores East, Inc.	Delaware	405	570 Ellen Springs Road East	Smyrna	TN	37167	Memphis Light, Gas & Water Division	P O Box 430, Memphis TN 38101-0430
Sam's East, Inc.	Tennessee	6249	3070 Mallory Drive	Franklin	TN	37067	Memphis Light, Gas & Water Division	P O Box 430, Memphis TN 38101-0430
Wal-Mart Stores East, Inc.	Delaware	104	6045 South First Street	Milan	TN	38358	Memphis Light, Gas & Water Division	P O Box 109, Milan TN 38358-0109
Wal-Mart Stores East, Inc.	Delaware	685	2550 E. Morris Blvd	Morristown	TN	37813	Morristown Power System	P O Box 667, Morristown TN 37815-0667
Wal-Mart Stores East, Inc.	Delaware	582	2000 Old Fort Parkway	Murfreesboro	TN	37139	Murfreesboro Electric Department	P O Box 9, Murfreesboro TN 37133-0009
Wal-Mart Stores East, Inc.	Delaware	682	1720 Old Fort Parkway	Murfreesboro	TN	37139	Murfreesboro Electric Department	P O Box 9, Murfreesboro TN 37133-0009
Wal-Mart Stores East, Inc.	Delaware	515	640 Highway 19	Murphy	NC	28906	Murphy Power Board	P O Box 1009, Murphy NC 28906-1009
Wal-Mart Stores East, Inc.	Delaware	410	809 North 12th Street	Murray	KY	42071	Murray Electric System	P O Box 1095, Murray KY 42071-1095
Wal-Mart Stores East, Inc.	Delaware	410	US Hwy 541 North	Murray	KY	42071	Murray Electric System	P O Box 1095, Murray KY 42071-1095
Wal-Mart Stores East, Inc.	Delaware	660	517 West Avalon Avenue	Muscle Shoals	AL	35661	Muscle Shoals Electric Board	P O Box 2547, Muscle Shoals AL 35662-2547
Wal-Mart Stores East, Inc.	Delaware	710	4101 Lebanon Pike	Hermilage	TN	37076	Nashville Electric Service	1214 Church St., Nashville TN 37203-0001
Wal-Mart Stores East, Inc.	Delaware	659	7044 Charlotte Pike	Nashville	TN	37209	Nashville Electric Service	1214 Church St., Nashville TN 37203-0001
Wal-Mart Stores East, Inc.	Delaware	659	6670 Charlotte Pike	Nashville	TN	37029	Nashville Electric Service	1214 Church St., Nashville TN 37203-0001
Wal-Mart Stores East, Inc.	Delaware	710	4101 Lebanon Pike	Nashville	TN	37076	Nashville Electric Service	1214 Church St., Nashville TN 37203-0001
Wal-Mart Stores East, Inc.	Delaware	695	2232 Gallatin Road North	Nashville	TN	37215	Nashville Electric Service	1214 Church St., Nashville TN 37203-0001
Wal-Mart Stores East, Inc.	Delaware	698	Nolensville Road & Old Hickory	Nashville	TN	37211	Nashville Electric Service	1214 Church St., Nashville TN 37203-0001
Wal-Mart Stores East, Inc.	Delaware	688	5520 Nolansville Pike	Nashville	TN	37211	Nashville Electric Service	1214 Church St., Nashville TN 37203-0001

Security Deposit Program Guaranty
Attachment A

Date:

Subsidiary Name	State of Incorporation	Store Number	Address	City	State	Zip Code	Power Distributor Providing Electric Service	Distributor Address
Sam's East, Inc.	Tennessee	6447	615 Old Hickory Blvd	Nashville	TN	37209	Nashville Electric Service	1214 Church St, Nashville TN 37203-0001
Sam's East, Inc.	Tennessee	8257	2240 Gallatin Pike North	Nashville	TN	37115	Nashville Electric Service	1214 Church St, Nashville TN 37203-0001
Sam's East, Inc.	Tennessee	8258	1300 Antioch Pike	Nashville	TN	37211	Nashville Electric Service	1214 Church St, Nashville TN 37203-0001
Wal-Mart Stores East, Inc.	Delaware	411	MS Hwy 8660 E, Madison	Houston	MS	38851	Natchez Trace Electric Power Assoc	P O Box 609, Houston MS 38851-0609
Wal-Mart Stores East, Inc.	Delaware	153	202 Park Plaza Drive	New Albany	MS	38652	New Albany Light, Gas & Water	P O Drawer 727, New Albany MS 38652-0727
Wal-Mart Stores East, Inc.	Delaware	678	1075 Cosby Highway	Newport	TN	37821	Newport Utilities Board	P O Box 519, Newport TN 37822-0519
Wal-Mart Stores East, Inc.	Delaware	1215	450 West Belmont Drive	Calhoun	GA	30701	North Georgia Elec Membership Corp	P O Box 1407, Dalton GA 30722-1407
Wal-Mart Stores East, Inc.	Delaware	669	2545 E Walnut Ave	Dalton	GA	30721	North Georgia Elec Membership Corp	P O Box 1407, Dalton GA 30722-1407
Wal-Mart Stores East, Inc.	Delaware	1458	3040 Battlefield Pkwy	Fl Oglethorpe	GA	30742	North Georgia Elec Membership Corp	P O Box 1407, Dalton GA 30722-1407
Wal-Mart Stores East, Inc.	Delaware	2988	2625 N Hwy 27	La Fayette	GA	30728	North Georgia Elec Membership Corp	P O Box 1407, Dalton GA 30722-1407
Wal-Mart Stores East, Inc.	Delaware	2846	7950 Craft Goodman Frontage Rd	Oak Ridge	MS	38654	North Georgia Elec Membership Corp	P O Box 1407, Dalton GA 30722-1407
Wal-Mart Stores East, Inc.	Delaware	1194	373 South Illinois Ave	Oak Ridge	TN	37831	North Georgia Elec Membership Corp	P O Box 1407, Dalton GA 30722-1407
Wal-Mart Stores East, Inc.	Delaware	1194	103 South Illinois Ave	Oak Ridge	TN	37831	North Georgia Elec Membership Corp	P O Box 1407, Dalton GA 30722-1407
Wal-Mart Stores East, Inc.	Delaware	491	5130 Hinkley Rd	Paducah	KY	42001	Oak Ridge Electric Department	P O Box 1, Oak Ridge TN 37831-0001
Wal-Mart Stores East, Inc.	Delaware	431	3220 Irving Cobb Drive	Paducah	KY	42001	Oak Ridge Electric Department	P O Box 1, Oak Ridge TN 37831-0001
Sam's East, Inc.	Kentucky	6449	5009 Hinkley Ave	Paducah	KY	42001	Paducah Power System	P O Box 180, Paducah KY 42002-0180
Wal-Mart Stores East, Inc.	Delaware	177	1210 Mineral Well Avenue	Paris	TN	38242	Paducah Power System	P O Box 180, Paducah KY 42002-0180
Wal-Mart Stores East, Inc.	Delaware	205	1002 Beacon Street	Philadelphia	PA	19106	Paducah Power System	P O Box 180, Paducah KY 42002-0180
Wal-Mart Stores East, Inc.	Delaware	218	1017 Mulberry Ave	Philadelphia	PA	19106	Paducah Power System	P O Box 180, Paducah KY 42002-0180
Wal-Mart Stores East, Inc.	Delaware	583	19740 Alberta Street	Seiner	TN	38375	Philadelphia Utilities	P O Box 460, Paris TN 38242-0460
Wal-Mart Stores East, Inc.	Delaware	164	350 Wal-Mart Circle	Seiner	TN	38375	Philadelphia Utilities	P O Box 460, Paris TN 38242-0460
Wal-Mart Stores East, Inc.	Delaware	1159	432 S. Broad St	Seiner	TN	38375	Philadelphia Utilities	P O Box 460, Paris TN 38242-0460
Wal-Mart Stores East, Inc.	Delaware	114	200 Wal-Mart Circle	Seiner	TN	38375	Philadelphia Utilities	P O Box 460, Paris TN 38242-0460
Wal-Mart Stores East, Inc.	Delaware	204	500 US 62 West	Seiner	TN	38375	Philadelphia Utilities	P O Box 460, Paris TN 38242-0460
Wal-Mart Stores East, Inc.	Delaware	238	1655 W. College St	Seiner	TN	38375	Philadelphia Utilities	P O Box 460, Paris TN 38242-0460
Wal-Mart Stores East, Inc.	Delaware	97	832 Hwy 51 Bypass	Seiner	TN	38375	Philadelphia Utilities	P O Box 460, Paris TN 38242-0460
Wal-Mart Stores East, Inc.	Delaware	678	Gateway Avenue	Rockwood	TN	37854	Pickwick Electric Cooperative	P O Box 88, Philadelphia MS 39350-0688
Wal-Mart Stores East, Inc.	Delaware	736	1496 Highway 27	Rockwood	TN	37854	Pickwick Electric Cooperative	P O Box 88, Philadelphia MS 39350-0688
Wal-Mart Stores East, Inc.	Delaware	712	1142 W. 9th	Rockwood	TN	37854	Pickwick Electric Cooperative	P O Box 88, Philadelphia MS 39350-0688
Wal-Mart Stores East, Inc.	Delaware	712	24633 John T Reid Pkwy	Ripley	TN	38053	Pickwick Electric Cooperative	P O Box 88, Philadelphia MS 39350-0688
Wal-Mart Stores East, Inc.	Delaware	1089	1509 S. Broad Street	Ripley	TN	38053	Pickwick Electric Cooperative	P O Box 88, Philadelphia MS 39350-0688
Wal-Mart Stores East, Inc.	Delaware	578	501 Kimball Crossing	Ripley	TN	38053	Pickwick Electric Cooperative	P O Box 88, Philadelphia MS 39350-0688
Wal-Mart Stores East, Inc.	Delaware	656	1414 Parkway	Ripley	TN	38053	Pickwick Electric Cooperative	P O Box 88, Philadelphia MS 39350-0688
Wal-Mart Stores East, Inc.	Delaware	304	1250 Madison Street	Ripley	TN	38053	Pickwick Electric Cooperative	P O Box 88, Philadelphia MS 39350-0688
Wal-Mart Stores East, Inc.	Delaware	112	US 431 South	Ripley	TN	38053	Pickwick Electric Cooperative	P O Box 88, Philadelphia MS 39350-0688
Wal-Mart Stores East, Inc.	Delaware	1468	782 Hwy 12 West	Ripley	TN	38053	Pickwick Electric Cooperative	P O Box 88, Philadelphia MS 39350-0688
Wal-Mart Stores East, Inc.	Delaware	268	198 Keating Road	Ripley	TN	38053	Pickwick Electric Cooperative	P O Box 88, Philadelphia MS 39350-0688
Wal-Mart Stores East, Inc.	Delaware	176	1015 Water Street	Ripley	TN	38053	Pickwick Electric Cooperative	P O Box 88, Philadelphia MS 39350-0688
Wal-Mart Stores East, Inc.	Delaware	273	822 City Avenue South	Ripley	TN	38053	Pickwick Electric Cooperative	P O Box 88, Philadelphia MS 39350-0688
Wal-Mart Stores East, Inc.	Delaware	2654	100 Interchange Drive	Ripley	TN	38053	Pickwick Electric Cooperative	P O Box 88, Philadelphia MS 39350-0688
Wal-Mart Stores East, Inc.	Delaware	879	1650 Edmonson Road	Ripley	TN	38053	Pickwick Electric Cooperative	P O Box 88, Philadelphia MS 39350-0688
Wal-Mart Stores East, Inc.	Delaware	667	419 Hwy 52 Bypass West	Ripley	TN	38053	Pickwick Electric Cooperative	P O Box 88, Philadelphia MS 39350-0688
Wal-Mart Stores East, Inc.	Delaware	675	2111 N. Jackson St	Ripley	TN	38053	Pickwick Electric Cooperative	P O Box 88, Philadelphia MS 39350-0688
Wal-Mart Stores East, Inc.	Delaware	568	1601 West Reservoir Ave	Ripley	TN	38053	Pickwick Electric Cooperative	P O Box 88, Philadelphia MS 39350-0688
Wal-Mart Stores East, Inc.	Delaware	567	Tennessee Highway 25	Ripley	TN	38053	Pickwick Electric Cooperative	P O Box 88, Philadelphia MS 39350-0688
Wal-Mart Stores East, Inc.	Delaware	1467	451 N. Main Street	Ripley	TN	38053	Pickwick Electric Cooperative	P O Box 88, Philadelphia MS 39350-0688
Wal-Mart Stores East, Inc.	Delaware	445	US Hwy 62 E	Ripley	TN	38053	Pickwick Electric Cooperative	P O Box 88, Philadelphia MS 39350-0688
Wal-Mart Stores East, Inc.	Delaware	107	850 Wal-Mart Drive	Ripley	TN	38053	Pickwick Electric Cooperative	P O Box 88, Philadelphia MS 39350-0688
Wal-Mart Stores East, Inc.	Delaware	735	2675 Decatur Blvd	Ripley	TN	38053	Pickwick Electric Cooperative	P O Box 88, Philadelphia MS 39350-0688

**WHOLESALE ENERGY TO MARKET
AGREEMENT
Between
CITY OF BRISTOL, TENNESSEE
And
TENNESSEE VALLEY AUTHORITY**

Date: April 3, 2002

TV-67518A, Supp. No. 50

THIS AGREEMENT, made and entered into between CITY OF BRISTOL, TENNESSEE (Distributor), a municipal corporation created and existing under and by virtue of the laws of the State of Tennessee, and TENNESSEE VALLEY AUTHORITY (TVA), a corporation created and existing under and by virtue of the Tennessee Valley Authority Act of 1933, as amended (TVA Act);

WITNESSETH:

WHEREAS, TVA and Distributor have entered into a contract dated June 27, 1985, as amended (Power Contract), under which Distributor purchases its entire requirements for electric power and energy from TVA for resale; and

WHEREAS, the power and energy supplied by TVA to Distributor emanates primarily from TVA-owned generation but at times is supplemented by short-term purchases of power and energy by TVA from suppliers outside its system and delivered to TVA at specific locations of interchange of such system with the systems of certain other utilities; and

WHEREAS, TVA and Distributor wish to cooperate in a test program (Test Program) under which (a) on a week-by-week basis Distributor may at its expense arrange for the purchase, and delivery to TVA at one or more of such locations of interchange, of power and energy for use on the TVA system to supplement TVA-owned generation and (b) in consideration for such purchase for the TVA system of such power and energy and its delivery to the TVA system Distributor will receive certain credits against its wholesale power bill from TVA; and

WHEREAS, the parties wish to supplement the Power Contract in the respects necessary to implement the Test Program;

NOW, THEREFORE, in consideration of the foregoing premises and the mutual covenants herein contained and subject to the provisions of the TVA Act, the parties agree as follows:

SECTION 1 - DEFINITION OF TERMS

As used in this agreement:

1.1 "Outside Supplier" shall mean any entity that has, or is able to obtain, electric power supply resources which could be purchased for use on the TVA electric power system.

1.2 "Purchased Block" shall mean a block of not less than 25,000 kilowatts (any Purchased Block over 25,000 kilowatts shall be in one or more 1,000-kilowatt increments above such amount) of electric power that may be purchased by Distributor for delivery to the TVA system during a period each day Monday through Friday beginning at 6:00 AM for energy accounting hour ending 7:00 AM and ending at 10:00 PM for energy accounting hour ending 10:00 PM. Under this agreement, no purchase by Distributor for any week shall exceed 11,161 kilowatts, which represents (a) 5 percent of the average weekly energy taken by Distributor from TVA during the TVA fiscal year beginning October 1, 1997, divided by (b) 80 hours. The times specified in this definition and elsewhere in this agreement shall mean Central Standard Time or Central Daylight Time, whichever is currently effective. It is recognized that this definition of Purchased Block will be modified, as provided in the Program Guidelines defined in 1.8 below, for weeks that include North American Electric Reliability Council holidays, and may also be modified from time to time in accordance with the provisions of section 6 below. It is also recognized that if the amount set out in the second sentence above is less than 25,000 kilowatts, Distributor may only participate in the Test Program as part of an Aggregate Group in accordance with section 7 below.

1.3 "Interconnection Point" shall mean the point of interconnection of TVA's electric power system and the electric power system of any other utility through which a Purchased Block arranged by Distributor under the Test Program is to be delivered to the TVA system.

1.4 "Transmission Path" shall mean the specific electric transmission facilities over which a Purchased Block arranged by Distributor under the Test Program is to be delivered through the Interconnection Point to the TVA system.

1.5 "System Value(s)" shall mean an amount(s) (expressed in cents per kilowatt-hour) that TVA determines each week to reflect the value to the TVA system of Distributor purchasing a Purchased Block(s) from an Outside Supplier for use on the TVA system the following week. Such values may be expressed as decreasing amounts for successive megawatt blocks of power in such total amount as is determined by TVA to be appropriate each week.

1.6 "Undelivered Energy" shall mean any undelivered portion of the scheduled energy in a Purchased Block that Distributor has arranged for any hour.

1.7 "Replacement Cost" shall mean the amount charged by TVA to be paid by Distributor for TVA's cost, including lost opportunity cost, of supplying power and energy to replace any Undelivered Energy. Such Replacement Cost for each kWh of Undelivered Energy shall be the highest amount, if any, by which:

(a) the market price per kWh (as determined by TVA in a commercially reasonable manner) for the Undelivered Energy, or

(b) the revenue lost by TVA (acting in a commercially reasonable manner), expressed as a cost per kWh, as a result of interrupting a previously arranged sale to provide the Undelivered Energy, including any damages paid by TVA as a result of interrupting the sale,

exceeds the System Value which would have been credited to Distributor if the Undelivered Energy had been delivered.

1.8 "Program Guidelines" shall mean such detailed standards, procedures, and other guidelines as may from time to time be furnished or approved by TVA to ensure the proper and efficient operation of the Test Program. In the event of any conflict between the provisions of the Program Guidelines and the provisions of this agreement, the provisions of this agreement shall control.

1.9 "Information System" shall mean the procedure or system specified in the Program Guidelines for communicating information between TVA and Distributor in connection with operation of the Test Program.

1.10 "Test Program Agreement" shall mean both (a) this agreement and (b) an agreement between TVA and any other distributor of TVA power which (i) provides for such distributor's participation in the Test Program and (ii) contains provisions in the form of those specified in section 7 below (Aggregate Provisions) under which distributors may participate in the Test Program on an aggregate basis.

1.11 "Aggregate Group" shall mean two or more distributors of TVA power that have entered into Test Program Agreements with TVA and that have further elected to form a group so as to participate from time to time in the Test Program on an aggregate basis as provided for in accordance with the Aggregate Provisions.

1.12 "Aggregate Group Amount" shall mean a kW amount equal to the portion of the allocation set out in the second sentence in subsection 1.2 above which Distributor assigns to an Aggregate Group. It is expressly recognized that if Distributor elects to participate in two Aggregate Groups, the sum of the Aggregate Group Amounts assigned by Distributor to those groups shall not be greater than said allocation.

1.13 "Remaining Individual Amount" shall mean a kW amount equal to the kW amount, if any, which remains after any then-effective Aggregate Group Amounts are deducted from the allocation set out in the second sentence in subsection 1.2 above.

1.14 "Purchase Agent" shall mean the specific distributor within an Aggregate Group appointed by the Aggregate Group under the Aggregate Provisions to act as its legal agent to carry out the activities of, and to act for and legally bind, the Aggregate Group and each distributor member of the Aggregate Group under the distributor's Test Program Agreement. In lieu of a distributor member of the Aggregate Group being appointed as the Purchase Agent, TVA and the distributor members of an Aggregate Group may agree to the appointment of a Purchase Agent from outside the Aggregate Group through appropriate contractual arrangements.

1.15 "Purchase Group" shall mean the specific distributors of an Aggregate Group that are involved for a particular week in a purchase, as such specific distributors are designated by the Purchase Agent under the provisions of sections 3 and 7 below.

1.16 "Participation Amount" shall mean the kW amount to be used for each distributor member of a Purchase Group in determining the ratio to be applied for prorating any applicable credits and debits under item (c) of subsection 7.2 below. Unless a lesser amount is specified by the Purchase Agent under item (b) of said subsection, a group member's Participation Amount shall be deemed to be the full amount of the member's Aggregate Group Amount for the Aggregate Group from which the Purchase Group is created.

SECTION 2 - SYSTEM VALUE

Each week during the term of this agreement, TVA shall, not later than 1:00 PM on Thursday of the week and by use of the Information System, inform Distributor of the amount of the System Value that will be applicable for the following week to any Purchased Block for which arrangements are made by Distributor in accordance with the provisions of this agreement.

It is recognized that the System Value reflects information which is proprietary to TVA, the public release of which, or use for purposes other than the Test Program, could cause competitive harm to TVA and hinder TVA in carrying out the purposes of the TVA Act. Accordingly, as a condition of participating in the Test Program, Distributor:

- (a) shall access the Information System only in accordance with the Program Guidelines,
- (b) shall not use the System Value information provided by TVA under this section 2 for any purpose other than determining if it wishes to arrange to provide a Purchased Block to TVA for the following week, and
- (c) shall maintain the confidentiality of such System Value information in accordance with the provisions of the attached "System Value Confidentiality Attachment" which is made a part of this agreement and the Power Contract.

SECTION 3 - DISTRIBUTOR PURCHASE OF PURCHASED BLOCK

If Distributor wishes to arrange for the delivery of a Purchased Block to the TVA system for the next week in exchange for the System Value specified by TVA under section 2 above, it shall:

- (a) promptly make arrangements at its expense for the purchase, transmission, and delivery of that Purchased Block, and
- (b) by use of the Information System notify TVA of those arrangements.

The notices to TVA under item (b) shall include the name and address of the Outside Supplier, the size in kilowatts of the Purchased Block, and such information regarding

Transmission Path, Interconnection Point, and other aspects of the arrangements as TVA may reasonably require, all as specified in the Program Guidelines.

It is expressly recognized and agreed that with respect to any arrangements made by Distributor for a Purchased Block:

- (i) except as may be otherwise provided in Program Guidelines, such arrangements shall include only a single Outside Supplier and a single Interconnection Point,
- (ii) Distributor shall be solely responsible for arranging for the purchase of the Purchased Block and for its transmission to the TVA system, including, without limitation, arranging for delivery of the Purchased Block to the TVA system through an Interconnection Point where TVA has the capability to receive delivery of the Purchased Block (considering such other deliveries as may already be scheduled by TVA and others for delivery at such points and consistent with TVA's Transmission Service Guidelines),
- (iii) Distributor shall be solely responsible for paying the purchase price of the power and energy represented by a Purchased Block and for all other costs associated with the purchase of the Purchased Block and its transmission to the TVA system, and
- (iv) TVA shall assume no liability to the Outside Supplier or to any transmission provider.

SECTION 4 - TRANSFER OF OWNERSHIP TO TVA

Upon delivery of power and energy represented by a Purchased Block to the TVA system at an Interconnection Point, such power and energy shall become the property of TVA, and title shall pass to TVA without further action of TVA or Distributor.

SECTION 5 - ADJUSTMENTS TO DISTRIBUTOR'S WHOLESALE BILLING

In calculating the wholesale bill each month for Distributor, the following steps will be taken with respect to each hour of any month for which Distributor has agreed under section 3 above to arrange for the delivery of a Purchased Block to TVA:

5.1 System Value Credit. A credit shall be applied to the wholesale bill equal to (a) the applicable System Value multiplied by (b) the amount of the Purchased Block in kilowatt-hours scheduled and actually delivered to the TVA system in that hour.

5.2 Undelivered Energy. For any scheduled but Undelivered Energy for which TVA incurs a Replacement Cost, a debit shall be applied to the wholesale bill equal to (a) the amount in kilowatt-hours of Undelivered Energy for the hour multiplied by (b) the amount of the Replacement Cost for that hour.

SECTION 6 - ADDITIONS AND CHANGES TO THE TEST PROGRAM

By either (a) mutual agreement of the parties evidenced in writing or (b) at least 60 days' written notice from TVA, additions to and changes in the Test Program as provided for above may be made to:

- (a) provide for additional Purchased Block offerings to be made each week covering different hours and/or different days,
- (b) revise the hours and/or days of any Purchased Block offering to be made each week,
- (c) revise the kilowatt amount of any Purchased Block,
- (d) increase the maximum kilowatt amount applicable to any purchase by Distributor in a week, and/or
- (e) revise the time deadline provided for under section 2 or section 3 above; provided, however, that unless made by the mutual agreement of the parties, no such revision shall result in there being less than 1 hour between said deadlines.

SECTION 7 - AGGREGATE PROVISIONS

7.1 Aggregate Participation by Distributors. It is recognized that, in lieu of, or in addition to, individual participation by Distributor in the Test Program, Distributor may wish to participate in up to two Aggregate Groups. In such event, and for each Aggregate Group in which Distributor elects to participate, Distributor shall so notify TVA in writing and shall provide TVA:

- (a) the names of the other distributors in the Aggregate Group,
- (b) a designation of the Aggregate Group Amount assigned by the Distributor to the Aggregate Group, and
- (c) the name of the Purchase Agent.

Distributor may change the Aggregate Group Amount originally assigned by the Distributor under (b) above by a notice given within the time period for such notice specified by TVA in the Program Guidelines; provided, however, that the notice period so specified shall be no longer than 14 calendar days. In addition, it is expressly recognized and agreed that Distributor:

- (i) shall not participate in more than two Aggregate Groups at any one time, and
- (ii) may only participate individually (in addition to participation in either one or two Aggregate Groups) to the extent of its Remaining Individual Amount and only if its Remaining Individual Amount is sufficient to fulfill the minimum kilowatt requirements of a Purchased Block provided for in subsection 1.2 above.

7.2 Aggregate Groups. During such time that Distributor is a member of an Aggregate Group (and for each such group):

(a) for the purpose of (i) fulfilling the minimum kilowatt requirements of a Purchased Block provided for in subsection 1.2 above and (ii) determining the maximum amount that may be purchased in a specific week under the Test Program, Aggregate Group Amounts assigned to the Aggregate Group by each distributor member of the Purchase Group shall be combined,

(b) at the time of the Purchase Agent's notification to TVA of arrangements for delivery of a Purchased Block under the provisions of section 3 of this Test Program Agreement, the Purchase Agent shall specify, in such manner as may be provided for in the Program Guidelines, (i) the specific distributors of the Aggregate Group that will constitute the Purchase Group for that Purchased Block and (ii) for any distributors so participating based on less than their full Aggregate Group Amount, the lesser Participation Amount to be used for that distributor, and

(c) with respect to any Purchased Block, any applicable credits and debits provided for in section 5 of the Test Program Agreements shall be computed by TVA for the entire Purchase Group and prorated among the distributor members of the Purchase Group in a ratio equal to (i) the distributor member's Participation Amount divided by (ii) the sum of the Participation Amounts for all members of the Purchase Group.

It is recognized that, at least at the present time, TVA may administratively be able to accommodate having only one Purchase Group per Aggregate Group each week, with one Participation Amount per each member of that group. Accordingly, except to the extent that TVA may otherwise later provide in Program Guidelines, it is expressly recognized that the specifications to be made under item (b) above shall be so limited.

7.3 Purchase Agent Authority. If Distributor becomes a part of an Aggregate Group under 7.1 above, Distributor:

(a) shall remain a part of that Aggregate Group, and

(b) with respect to the Aggregate Group Amount assigned by Distributor to said group, may only act under the Test Program Agreement through the actions of the Purchase Agent appointed under 7.1 above for the Aggregate Group

until the effective date of any written notification by Distributor to TVA that Distributor will no longer be a part of that Aggregate Group. Further, it is expressly recognized and agreed that, with respect to the Aggregate Group Amount assigned by Distributor to said group:

(i) except as provided in item (c) of subsection 7.2 above, all actions referred to in this agreement as being the right or responsibility of Distributor shall instead be the right or responsibility of the Purchase Agent on behalf of the Aggregate Group and each member of the Aggregate Group,

(ii) the Purchase Agent shall have full and complete legal authority to act for and bind the Aggregate Group and each member of the Aggregate Group with respect to such rights and responsibilities,

(iii) Distributor agrees to be bound by the actions of the Purchase Agent, including, without limitation, each notification form submitted by the Purchase Agent under item (b) of 7.2 above, and

(iv) notwithstanding the provisions of section 8 of this agreement, the Operating Representative designated by the Purchase Agent shall be the Operating Representative for the Aggregate Group, the Purchase Group, and each distributor member of those groups.

SECTION 8 - OPERATING REPRESENTATIVES

TVA's Operating Representative for administration of this agreement shall be the Executive Vice President, Customer Service and Marketing, or a designee. Except as otherwise provided in section 7 with respect to an Aggregate Group and a Purchase Group, Distributor's Operating Representative for administration of this agreement shall be the manager of its electric system or a designee. Subject to the provisions of this agreement, the Power Contract, and applicable law, the Operating Representatives shall be authorized to agree upon such incidental administrative arrangements as are appropriate for the efficient and expeditious implementation of this agreement.

SECTION 9 - TERM OF AGREEMENT

9.1 Agreement Term. This agreement shall become effective as of the date first above written. Unless sooner terminated as provided below, it shall continue in effect until the expiration or termination of the Power Contract.

9.2 Termination of Agreement. Either party may terminate this agreement effective as of April 7, 2001, or as of anytime thereafter, by giving written notice to the other party at least 3 months prior to the effective date of the notice.

SECTION 10 - AFFIRMATION OF POWER CONTRACT

The Power Contract, as supplemented by this agreement, is hereby ratified and confirmed as the continuing obligation of the parties.

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

Attest:

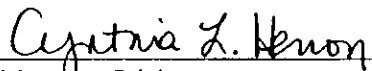
CITY OF BRISTOL, TENNESSEE

By Board of Public Utilities


Title: *Dir., Management Services*

By 
Chairman

TENNESSEE VALLEY AUTHORITY

By 
Manager, Pricing
Customer Service and Marketing

System Value Confidentiality Attachment

The provisions in this attachment shall apply to provide for Distributor's obligations with respect to maintaining the confidentiality of System Value information.

1. Except as may be otherwise required by law, as a condition of participation in the Test Program, and in consideration of TVA's making System Value information available to Distributor or to a Purchase Agent, Distributor agrees not to divulge System Value information to third parties without the written consent of TVA.
2. In the event that Distributor is legally required to disclose any System Value information to another party, Distributor shall notify TVA with reasonable promptness so that TVA may join Distributor in the pursuit of an agreement of confidence with such other party, work with such other party to revise the information in a manner consistent with TVA's interests and the interests of the other party, or take any other action TVA deems appropriate.
3. The foregoing obligations of Distributor shall terminate if and when, but only to the extent that, such System Value information is or shall become publicly known through no fault of Distributor. Accordingly, it is expressly recognized and agreed that the obligations of the parties under this attachment shall survive any expiration or termination of the Test Program Agreement until all of Distributor's obligations with respect to any System Value information so terminates.
4. It is acknowledged that money damages may be an inadequate remedy for breach of Distributor's obligations with respect to System Value information. Accordingly, without waiving any right not expressly waived by this sentence, Distributor agrees in advance to the granting of injunctive or other equitable relief in favor of TVA if TVA can make each and every showing required for such injunctive or equitable relief, except that TVA need not demonstrate that it suffered actual money damages before being entitled to injunctive or equitable relief.
5. Distributor's obligations with respect to System Value information shall inure to the benefit of, and shall be binding upon, Distributor and TVA, and, as applicable, their respective subsidiaries, successors and assigns. In addition, Distributor's obligations with respect to System Value information shall be binding upon any Purchase Agent for Distributor, as well as all directors, officers, and employees of Distributor, and Distributor shall secure the compliance by all of the foregoing with all of the terms and conditions of obligations with respect to System Value information required to be observed or performed hereunder.

51

AGREEMENT
Between
CITY OF BRISTOL, TENNESSEE
And
TENNESSEE VALLEY AUTHORITY

Date: October 17, 2000

TV-67518A, Supp. No. 51

THIS AGREEMENT, made and entered into between CITY OF BRISTOL, TENNESSEE (Distributor), a municipal corporation created and existing under and by virtue of the laws of the State of Tennessee, and TENNESSEE VALLEY AUTHORITY (TVA), a corporation created and existing under and by virtue of the Tennessee Valley Authority Act of 1933, as amended;

WITNESSETH:

WHEREAS, TVA and Distributor have entered into a contract dated June 27, 1985, as amended (Power Contract), under which Distributor purchases its entire requirements for electric power and energy from TVA for resale; and

WHEREAS, TVA, Distributor, and Exide Corporation (Company) have entered into a contract of even date herewith (Company Contract) covering arrangements under which TVA will make available to Distributor for resale to Company a supply of firm power and of variable price interruptible power (VPI) for operation of Company's plant near Bristol Tennessee; and

WHEREAS, the parties wish to supplement and amend the Power Contract and to enter into such other arrangements as are necessary between TVA and Distributor with respect to Distributor providing service to Company under the Company Contract;

NOW, THEREFORE, for and in consideration of the premises and of the mutual agreements set forth below, and subject to the Tennessee Valley Authority Act of 1933, as amended, the parties mutually agree as follows:

SECTION 1 - TERM OF AGREEMENT

This agreement shall become effective as of the effective date of the Company Contract, and shall continue in effect until expiration or termination of the Company Contract, or of the Power Contract, or until VPI is no longer available under the Company Contract, whichever first occurs.

SECTION 2 - BILLING DATA

Data obtained from the metering facilities referred to in section 4 of this agreement will be used (a) by Distributor for the purposes of determining the power and energy taken by Company and (b) by TVA for determining applicable adjustments for Distributor's wholesale bill. Accordingly, TVA will supply Distributor by the fourth working day

following Company's scheduled meter-reading date the information regarding the amounts of VPI deemed to have been taken by Company, the times this VPI was taken, the price for this VPI, and such other information as may be necessary so that Distributor may be able to calculate Company's bill under the Company Contract. In order to facilitate TVA's preparation of the bill to Distributor for power and energy made available under the Power Contract, each month Distributor shall furnish to TVA a copy of Distributor's bill to Company for power and energy made available under the Company Contract when it is rendered and such other information related to Company's power and energy takings as TVA may require.

SECTION 3 - ADJUSTMENTS TO DISTRIBUTOR'S WHOLESALE BILLING

In calculating the wholesale bill each month for Distributor, the following steps will be taken with respect to Company:

3.1 Firm Power and Energy. Distributor will be billed demand and energy charges as provided in the wholesale rate schedule (Wholesale Schedule), which is contained in the Schedule of Rates and Charges attached to and made a part of the Power Contract, for any firm power and energy resold under the Company Contract; provided, however, that for the purposes of calculating said charges for any month in which Company is deemed to have taken any VPI energy under the Company Contract, the term "metered demand" in the Wholesale Schedule shall be deemed to refer to an amount equal to the sum of the billing demand for firm power and any billing demand for excess power (as those demands are calculated under the Company Contract).

3.2 Adjustment to Base Charges. (a) The total dollar amount of base demand and energy charges calculated under the Wholesale Schedule shall be increased by adding thereto an amount equal to Distributor's monthly (i) charge to Company for VPI energy under section 6.3 of the Company Contract and (ii) per kW charge to Company under subsection 6.2.2 of the Company Contract (as both charges are determined under the Company Contract and adjusted to reflect losses as provided in (b) below).

(b) The loss adjustment provided for in (a) above shall be made by dividing the charge to be adjusted by 1.03.

(c) The amount added to the base charges of the wholesale bill pursuant to (a) above shall also be added to the "sum of all charges" used for the distribution loss calculation under the section entitled "Distribution Loss Charge" of the Wholesale Schedule.

3.3 Administrative Costs Charge. An amount equal to the charge billed to Company in accordance with subsection 6.2.1 of the Company Contract will be included as part of the wholesale bill.

3.4 Suspension Tier 3 Monthly Charge. If Article III of the Company Contract provides for Suspension Tier 3, an amount equal to the charge billed to Company in accordance with subsection 6.2.3 of the Company Contract will be included as part of the wholesale bill.

3.5 Credit for Distributor Margin. In order to enable Distributor to recover more adequately the cost of making VPI available to Company, TVA will apply a credit to the wholesale bill derived by multiplying 40 cents times the highest VPI Demand established under the Company Contract during the month; subject to the same conditions as are

applicable with respect to such payments based on ESP demand under the agreement numbered TV-67518A, Supp. No. 39 and dated October 2, 1996.

SECTION 4 - METERING FACILITIES

4.1 Revenue Meter. Under previous arrangements for the provision of ESP to Company, Distributor and TVA arranged to replace the revenue meter in Distributor's former metering facilities with a solid-state type revenue meter (Replacement Meter) capable of remote telephone access. Distributor, at its expense, provided the equipment and materials and performed the work necessary to install the Replacement Meter, which was provided by TVA at its expense. TVA will continue to provide the Replacement Meter for Distributor's use in determining the amounts of power and energy associated with VPI. Distributor shall continue to test, calibrate, operate, maintain, repair, and replace all facilities in the metering installation, except that TVA shall provide any necessary replacements for the Replacement Meter.

4.2 Distributor Responsibility. Distributor will not use the Replacement Meter for any purpose other than as specifically provided in this agreement unless it first obtains TVA's written agreement. Distributor shall reimburse TVA for any damage to the Replacement Meter caused by the negligence or other wrongful act or omission of Distributor or its agents or employees and shall promptly return the Replacement Meter to TVA upon expiration or termination of this agreement. The obligations of this paragraph shall survive such expiration or termination until they are discharged.

4.3 Telephone Circuit for Remote Access. To allow remote access to the metering data recorded by the Replacement Meter, Distributor, at its expense shall continue to provide and maintain, or to cause the provision and maintenance of, a telephone circuit connected (through a modem furnished by TVA at its expense) to the Replacement Meter. The telephone circuit shall be installed in accordance with guidelines furnished or approved by TVA. TVA agrees to permit Distributor remote access through the telephone circuit to the metering data, and TVA will provide Distributor any information necessary for the exercise of such access. Distributor will require equipment not provided by TVA to exercise such access and TVA will assist Distributor in determining the equipment to be utilized; however, the acquisition of such equipment shall be the sole responsibility of Distributor. The use of the telephone circuit and access to the metering data will be coordinated by TVA's and Distributor's operating representatives to ensure unrestricted access by TVA for data retrieval purposes during such periods as specified by TVA.

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

Attest:

CITY OF BRISTOL, TENNESSEE
By Board of Public Utilities

Judy Sharratt
Title Administrative Secretary

By R. M. Huff, Jr.
General Manager

TENNESSEE VALLEY AUTHORITY

By Cynthia L. Heron
Manager, Pricing
Customer Service and Marketing

WETM AMENDATORY AGREEMENT
Between
CITY OF BRISTOL, TENNESSEE
And
TENNESSEE VALLEY AUTHORITY

Date: May 29, 2001

TV-67518A, Supp. No. 52

THIS AGREEMENT, made and entered into between CITY OF BRISTOL, TENNESSEE (Distributor), a municipal corporation created and existing under and by virtue of the laws of the State of Tennessee, and TENNESSEE VALLEY AUTHORITY (TVA), a corporation created and existing under and by virtue of the Tennessee Valley Authority Act of 1933, as amended (TVA Act);

W I T N E S S E T H

WHEREAS, TVA and Distributor have entered into a contract dated June 27, 1985, as amended (Power Contract), under which Distributor purchases its entire requirements for electric power and energy from TVA for resale; and

WHEREAS, TVA and Distributor have also entered into a Wholesale Energy to Market Agreement dated April 3, 2000 (WETM Agreement); and

WHEREAS, the parties wish to supplement and amend the WETM Agreement in the respects necessary to provide for force majeure relief under the conditions set forth in the new section 10 of the WETM Agreement provided for by section 3 below; and

WHEREAS, the parties also wish to supplement and amend the WETM Agreement in the respects necessary to provide for a credit to reflect damages sustained by Distributor for a failure by TVA to accept delivery which is not an excused failure under said new section 10 or which is not otherwise caused by Distributor or any agent acting for Distributor, said credit to be applicable under the conditions set forth in the new section 11 of the WETM Agreement also provided for by said section 3 below;

NOW, THEREFORE, in consideration of the foregoing premises and the mutual covenants herein contained and subject to the provisions of the TVA Act, the parties agree as follows:

1. **ADDITIONAL WETM AGREEMENT DEFINITIONS.** Section 1 of the WETM Agreement is hereby amended by adding the following additional definitions:

1.17 "Transmission Provider" shall mean any entity transmitting or transporting all or a portion of a Purchased Block.

1.18 "Firm Transmission" shall mean arrangements for firm transmission under the Transmission Provider's tariff applicable to such arrangements.

1.19 "Scheduled Firm Transmission" shall mean arrangements for the delivery of a Purchased Block or a portion thereof which:

(a) are arranged for by Distributor in accordance with the provisions of item (ii) in the last paragraph of section 3 of this agreement, and

(b) include both (i) Firm Transmission over all Transmission Providers' systems from the generation source to the Interconnection Point and (ii) TVA capability to accept delivery at the Interconnection Point on a firm basis.

1.20 "Scheduled Firm Interconnection Point" shall mean arrangements for the delivery of a Purchased Block or a portion thereof which:

(a) are arranged for by Distributor in accordance with the provisions of item (ii) in the last paragraph of section 3 of this agreement, and

(b) include TVA capability to accept delivery at the Interconnection Point on a firm basis, whether or not transmission to the Interconnection Point is Scheduled Firm Transmission.

It is expressly recognized and agreed that no TVA obligation to accept delivery at an Interconnection Point shall be deemed to arise under this agreement except to the extent that such delivery arrangements include a Scheduled Firm Interconnection Point.

1.21 "Transmission Service Guidelines" and "TVA's Transmission Service Guidelines" shall mean the Tennessee Valley Authority Transmission Service Guidelines or any successor TVA tariff of general applicability.

1.22 "Sales Price" (as used in calculating the amount, if any, of a credit applicable under section 11 of this agreement) shall mean:

(a) the price (expressed in cents per kilowatt hour) at which Distributor, acting in a commercially reasonable manner, resells (if at all) any electric energy not received by TVA, reduced by additional transmission charges, if any, incurred by Distributor to effect such resale, less any costs Distributor avoids as a consequence of TVA's failure to take delivery, or

(b) absent any such sale, the market price for such quantity of substitute or replacement electric energy delivered at the Scheduled Firm Interconnection Point during the applicable period of delivery as determined by Distributor in a commercially reasonable manner;

provided, however, in no event shall the Sales Price include any penalties, ratcheted demand or similar charges or any stranded costs.

2. REPLACEMENT COST DEFINITION. Section 1 of the WETM Agreement is hereby further amended by replacing subsection 1.7 with the following language:

1.7 "Replacement Cost" (as used in calculating the amount, if any, of a debit to Distributor's wholesale bill for Undelivered Energy in accordance with subsection 5.2) shall mean the amount by which:

(a) the revenue lost by TVA (acting in a commercially reasonable manner), expressed in cents per kWh, as a result of interrupting a previously arranged sale to provide the Undelivered Energy, including any damages paid by TVA as a result of interrupting the sale, or

(b) (absent any such interruption as set forth in (a) above) the market price per kWh (as determined by TVA in a commercially reasonable manner) for the Undelivered Energy,

exceeds the System Value, which would have been credited to Distributor if the Undelivered Energy had been delivered. It is expressly recognized and agreed that nothing in this subsection 1.7 shall be construed to require TVA to interrupt a previously arranged sale as the preferred method of obtaining energy to replace Undelivered Energy.

3. **NEW WETM AGREEMENT SECTIONS.** The WETM Agreement is hereby amended to (1) renumber Section 10 as Section 12 and (2) add the following new Sections 10 and 11:

SECTION 10 FORCE MAJEURE RELIEF

10.1 Scheduled Firm Transmission. To the extent that Distributor has first completed arrangements for Scheduled Firm Transmission, (a) Distributor may be relieved of its obligation to deliver energy as provided for in 10.2 or 10.4 below and (b) TVA may be relieved of its obligation to accept delivery of energy as provided for in 10.3 or 10.4 below. It is expressly recognized and agreed that no such relief shall be based on (i) the loss of TVA's markets, (ii) TVA's inability economically to use or resell any portion of the Purchased Block arranged hereunder, (iii) the loss or failure of Distributor's supply, (iv) Distributor's ability to sell any portion of the Purchased Block arranged hereunder at a price greater than the applicable System Value, or (v) loss, interruption, or curtailment of transmission except as provided in subsections 10.2 and 10.3 below.

10.2 Distributor Relief. To the extent that any undelivered portion of a Purchased Block for which Scheduled Firm Transmission has been arranged is not delivered due to a loss, interruption, or curtailment of Firm Transmission caused by an event which excuses performance by the Transmission Provider under a "force majeure" provision, an "uncontrollable forces" provision, or a similar provision in the Transmission Provider's tariff, Distributor shall be excused from its obligation to deliver such energy and any such undelivered portion shall be deemed not to be Undelivered Energy for purposes of applying the provisions of subsections 1.6, 1.7, and 5.2 of this agreement.

10.3 TVA Relief. To the extent that any failure by TVA to accept delivery of any portion of a Purchased Block for which Scheduled Firm Transmission has been arranged is due to a cause which would excuse TVA from accepting delivery under the Force Majeure provisions of the Transmission Service Guidelines in effect on the date that such Scheduled Firm Transmission arrangements are completed by Distributor, TVA shall be excused from its obligation to accept such delivery.

10.4. Distributor or TVA Relief. In addition to the relief afforded by subsections 10.2 or 10.3, either party may be excused from performance to the extent said party is prevented from completing its performance by an event or circumstance not anticipated as of the date when Scheduled Firm Transmission arrangements are completed, which event or circumstance is not within the reasonable control of, or the result of the negligence of, said party and which by the exercise of due diligence said party is unable to overcome or avoid or cause to be avoided.

10.5 Relief Process. Either party may seek relief from the other party as provided for in subsections 10.1, 10.2, 10.3 and 10.4 above by notifying the other party as soon as practicable after the beginning of an event or circumstance that the party seeking relief believes to be an event or circumstance entitling the party to relief under this section 10.

SECTION 11- TVA FAILURE TO ACCEPT DELIVERY

11.1 Distributor Credit. To the extent that TVA fails to take delivery of any portion of a Purchased Block as to which Distributor has completed arrangements with TVA for a Scheduled Firm Interconnection Point and unless such failure by TVA is excused under subsection 10.3 or 10.4 above or is caused by Distributor or any agent acting for Distributor with respect to the Purchased Block, in lieu of the System Value Credit which would have been applicable for delivered energy under the provisions of subsection 5.1 of this agreement, distributor shall be entitled to a credit, if any, equal to the product of:

(a) the amount of energy not so taken

multiplied by

(b) the positive difference, if any, obtained by subtracting the Sales Price from the applicable System Value.

11.2 Distributor Claim. If Distributor believes that it is due a credit under 11.1 above, as soon as practicable after the end of the period for which it is claimed that TVA failed to accept delivery, Distributor shall notify TVA in writing of the amount of the credit which it claims is due, which notice shall include a written statement explaining in reasonable detail the calculation of such amount.

11.3 Exclusive Remedy. The remedy set forth above in this section 11:

(a) shall be the sole and exclusive remedy of Distributor for the failure of TVA to accept delivery of a Purchased Block, or any portion thereof, and

(b) Distributor waives all rights to seek or collect any other damages for such failure.

4. WETM AGREEMENT SECTION 5. Section 5 of the WETM Agreement is amended in the respects necessary to expressly recognize that

(a) the remedy set forth in subsection 5.2 of the WETM Agreement shall be the sole and exclusive remedy of TVA for Undelivered Energy, and

(b) TVA waives all rights to seek or collect any other damages for Undelivered Energy.

5. AMENDATORY AGREEMENT TERM. This agreement shall become effective as of the date first above written. It shall continue in effect until the expiration or termination of the WETM Agreement.

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

Attest:

CITY OF BRISTOL, TENNESSEE

By Board of Public Utilities

Judy I. Sharrett
Title: Adm. Secretary

By

Peuda R. Patey
Chairman

TENNESSEE VALLEY AUTHORITY

By

Cynthia L. Hume
Manager, Pricing
Customer Service and Marketing

ENHANCED SECURITY DEPOSIT PROGRAM AGREEMENT
Between
CITY OF BRISTOL, TENNESSEE
And
TENNESSEE VALLEY AUTHORITY

Date: DECEMBER 3, 2001

TV-67518A, Supp. No. 53

THIS AGREEMENT, made and entered into by and between CITY OF BRISTOL, TENNESSEE (Distributor), a municipal corporation created and existing under and by virtue of the laws of the State of Tennessee, and TENNESSEE VALLEY AUTHORITY (TVA), a corporation created and existing under and by virtue of the Tennessee Valley Authority Act of 1933, as amended (TVA Act);

W I T N E S S E T H:

WHEREAS, Distributor and TVA have entered into a contract dated June 27, 1985, as amended (Power Contract), under which Distributor purchases its entire requirements for electric power and energy from TVA for resale; and

WHEREAS, Distributor, under its standard policy, requires a cash deposit or other substantially equivalent form of security for power bills for commercial and industrial accounts; and

WHEREAS, TVA has developed an Enhanced Security Deposit Program (Enhanced Program), replacing an earlier Security Deposit Program; and

WHEREAS, the Enhanced Program has been designed to provide an enhanced limited guarantee to Distributor in lieu of Distributor's requiring or maintaining the standard cash deposit or other substantially equivalent form of security for those commercial and industrial accounts which are nominated by Distributor and as to which TVA obtains credit insurance (from a third-party underwriter selected by TVA) to cover the risk of non-payment by the account; and

WHEREAS, the Enhanced Program will be especially responsive to the needs of commercial and industrial customers who operate in more than one location; and

WHEREAS, the parties hereto wish to agree upon the terms and conditions under which Distributor may participate in the Enhanced Program;

NOW, THEREFORE, for and in consideration of the premises and of the mutual agreements set forth below, and subject to the provisions of the TVA Act, the parties mutually agree as follows and enter into this agreement consisting of the Articles and exhibits listed in Article I below:

ARTICLE I
AGREEMENT CONTENTS

ARTICLE I AGREEMENT CONTENTS

ARTICLE II DEFINITIONS

- 2.1 Applicant
- 2.2 Commercial or Industrial Account
- 2.3 Underwriter
- 2.4 Insurance Coverage
- 2.5 Requested Insurance Coverage
- 2.6 Insured Account
- 2.7 Uninsured Account
- 2.8 Uninsured Covered Account
- 2.9 Alternative Security
- 2.10 Credit Application and Nomination Form
- 2.11 Uncollectable Account Form
- 2.12 Guidelines
- 2.13 Retail Adder
- 2.14 Wholesale Billing Adjustment Provisions
- 2.15 Adjustment 3 Amount
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ARTICLE III INSURED ACCOUNTS

- 3.1 Procedures
- 3.2 Account Nomination
- 3.3 Credit Worthiness Determination
- 3.4 Coverage as an Insured Account
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- 4.1 Lapse of Insurance Coverage
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ARTICLE V LIMITED GUARANTEE

- 5.1 TVA Limited Guarantee
- 5.2 Cooperation Regarding Insurance and Claims
- 5.3 Distributor Collection Efforts
- 5.4 Uncollectable Accounts
- 5.5 Wholesale Bill Credits
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ARTICLE VI TERM PROVISIONS

- 6.1 Agreement Term
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- 6.3 Continuing Obligations

ARTICLE VII MISCELLANEOUS PROVISIONS

- 7.1 Additional Security
- 7.2 Third Parties Not to Benefit
- 7.3 Previous Security Deposit Agreement

AGREEMENT ATTACHMENTS:

Exhibit A - Credit Application & Nomination Form
Exhibit B - Uncollectable Account Form

ARTICLE II **DEFINITIONS**

SECTION 2.1 - APPLICANT

"Applicant" shall mean a potentially eligible account nominated by Distributor.

SECTION 2.2 - COMMERCIAL OR INDUSTRIAL ACCOUNT

"Commercial or Industrial Account" shall mean a new or existing account that satisfies the "Availability" requirements of the General Power Rate - Schedule GSA, Schedule GSB, Schedule GSC, or Schedule GSD contained in the Schedule of Rates and Charges attached to and made a part of the Power Contract, as such schedules may be modified, changed, replaced, or adjusted from time to time.

SECTION 2.3 - UNDERWRITER

"Underwriter" shall mean a business entity that regularly rates and secures risk in the routine course of commerce.

SECTION 2.4 - INSURANCE COVERAGE

"Insurance Coverage" shall mean credit insurance purchased by TVA from a third-party Underwriter selected by TVA in an amount that transfers the risk of Applicant's non-payment of its electric power bills to the Underwriter for a period not to exceed 65 days. It is expressly recognized and agreed:

- (a) that such coverage of any particular account will be approved and issued by the Underwriter in accordance with the terms of the credit insurance purchased by TVA;
- (b) that the Underwriter will be solely responsible for creditworthiness determinations, and neither TVA nor Distributor will be responsible for determining creditworthiness;
- (c) that TVA will be solely responsible for the payment of premiums on any Insurance Coverage;
- (d) that deductible amounts applicable under any such Insurance Coverage shall not reduce any amounts owed by TVA to Distributor under the limited guarantee provided for by this agreement; and
- (e) Distributor shall not be an additional insured under the Insurance Coverage.

SECTION 2.5 - REQUESTED INSURANCE COVERAGE

"Requested Insurance Coverage" shall mean the amount of credit insurance coverage requested by Distributor in the Credit Application and Nomination Form. The requested

coverage shall reflect the amount that Distributor would normally require as a security deposit.

SECTION 2.6 - INSURED ACCOUNT

"Insured Account" shall mean a Commercial or Industrial Account:

- (a) which has electrical requirements of greater than 50 kW served by Distributor; and
- (b) which is nominated by Distributor for participation in the Enhanced Program as provided in section 3.2 below; and
- (c) from which Distributor otherwise would require a cash deposit or other substantially equivalent form of security for the account's electric power bill under Distributor's standard deposit policy in the amount specified in the Credit Application and Nomination Form as the Requested Insurance Coverage; and
- (d) which is approved for and continues to be subject to Insurance Coverage, in a specified amount; and
- (e) which assumes contract obligations, as set out in the Credit Application and Nomination Form, to: (i) furnish such financial information (including, without limitation, balance sheets, income statements, cash flow statements and notes to financial statements) as might from time to time be requested by the Underwriter or TVA, and (ii) to immediately provide Alternative Security upon any lapse of Insurance Coverage; and
- (f) as to which Distributor assumes the obligations set forth in this agreement.

SECTION 2.7 - UNINSURED ACCOUNT

"Uninsured Account" shall mean an account originally qualifying and approved for the Enhanced Program under 2.6 above and Article III below as an Insured Account but as to which Insurance Coverage is no longer operative or in force, regardless of the basis for any such loss of Insurance Coverage. It is expressly recognized and agreed that the basis for a loss of Insurance Coverage may include, but is not limited to:

- (a) cancellation, for any reason, of the Insurance Coverage for a particular Insured Account;
- (b) expiration or termination, for any reason, of the Insurance Coverage policy or agreement providing the risk coverage for the Insured Account without that policy or agreement being renewed or replaced, regardless of the reasons for there being no such renewal or replacement; or
- (c) the occurrence of any other event which triggers cancellation, termination, expiration, or any other lapse of the Insurance Coverage;

provided, however, that nothing in this section shall prevent an Uninsured Account from requalifying as an Insured Account at such time, if any, that Insurance Coverage is restored.

SECTION 2.8 - UNINSURED COVERED ACCOUNT

"Uninsured Covered Account" shall mean an Uninsured Account that is still covered by the limited guarantee provided for in Article V below; provided, however, that it is expressly recognized and agreed that such limited guarantee coverage for an Uninsured Covered Account shall be further limited to the Wholesale Portion of the covered retail bill as provided for in section 5.5 below.

SECTION 2.9 - ALTERNATIVE SECURITY

"Alternative Security" shall mean security from an Uninsured Covered Account in a form and amount acceptable to TVA; provided, however, that TVA shall not require such security in an amount which exceeds the amount provided for under item (b) of section 5.5 below.

SECTION 2.10 - CREDIT APPLICATION AND NOMINATION FORM

"Credit Application and Nomination Form" shall mean the form covering nomination and credit application information which is attached as Exhibit A to this agreement or such revised form as may be specified by TVA by giving at least 30 days' notice to Distributor. It is expressly recognized and agreed that the Credit Application and Nomination Form to be submitted under section 3.2 below shall be in substantially the same form as that provided for in this section 2.10 and shall be signed by an authorized representative of the Distributor and an authorized representative of the Applicant.

SECTION 2.11 - UNCOLLECTABLE ACCOUNT FORM

"Uncollectable Account Form" shall mean the form, certifying to TVA that Distributor has exhausted all reasonable efforts to collect any unpaid balance consistent with the terms of this agreement and the Guidelines, which is attached as Exhibit B to this agreement or such revised form as may be specified by TVA by giving at least 30 days' notice to Distributor. It is expressly recognized and agreed that the Uncollectable Account Form to be submitted under section 5.4 below shall be in substantially the same form as that provided for in this section 2.11.

SECTION 2.12 - GUIDELINES

"Guidelines" shall mean such guidelines applicable to the Enhanced Program as may from time to time be furnished or approved by TVA. In the event of any conflict between the provisions of the Guidelines and the provisions of this agreement, the provisions of this agreement shall control.

SECTION 2.13 - RETAIL ADDER

"Retail Adder" shall mean all amounts other than the Wholesale Portion of the retail bill.

SECTION 2.14 - WHOLESALE BILLING ADJUSTMENT PROVISIONS

"Wholesale Billing Adjustment Provisions" shall mean provisions setting forth the steps to be taken with respect to the Uninsured Covered Account in calculating the wholesale bill each month, which are set forth in any agreement between Distributor and TVA amending or supplementing the Power Contract to provide for arrangements under which an Uninsured Covered Account pays for power or energy other than at the rates and charges provided for in the Schedule of Rates and Charges to the Power Contract.

SECTION 2.15 - ADJUSTMENT 3 AMOUNT

"Adjustment 3 Amount" shall mean any amount accruing to TVA under Adjustment 3 of the wholesale rate schedule contained in the Schedule of Rates and Charges to the Power Contract.

SECTION 2.16 - WHOLESALE PORTION

"Wholesale Portion" of a retail bill shall mean an amount equal to TVA's wholesale charges to Distributor for the end-usage resulting in the retail bill, consisting of:

- (a) the per kW and per kWh wholesale charges to Distributor for kW and kWh amounts delivered to the Uninsured Covered Account (adjusted to reflect losses as provided for below in this section 2.16);
- (b) any other charges added to the wholesale bill under Wholesale Billing Adjustment Provisions expressly providing for wholesale charges equal to all or part of a retail charge to the Uninsured Covered Account; and
- (c) any Adjustment 3 Amount;

provided, however, that for purposes of determining the amount of credits to be applied under section 5.5 or 5.6 below, under which payment of such Adjustment 3 Amount is deferred under the second paragraph of section 4 of Agreement TV-67518A, Supp. No. 19, dated May 1, 1992, the amount referenced in item (c) above shall be deemed to be only that portion, if any, of the Adjustment 3 Amount which actually becomes payable by Distributor.

Except as provided below with respect to any Uninsured Covered Account served through a wholesale delivery point which serves only that customer (Special Delivery Point), the loss adjustments provided for in (a) above shall be made by multiplying the charge to be adjusted by 1.03.

If an Uninsured Covered Account is served through a Special Delivery Point, the loss adjustments provided for in (a) above shall be made by multiplying the charge to be adjusted by a factor of 1 plus the percentage (expressed in decimal form) of actual losses, if any, occurring between the Special Delivery Point and the point of delivery of power and energy provided for in the retail contract between the Distributor and the Uninsured Covered Account.

ARTICLE III

INSURED ACCOUNTS

SECTION 3.1 - PROCEDURES

Distributor may consider potentially eligible accounts for nomination under the Enhanced Program, and TVA may also suggest that Distributor consider certain accounts, especially those that operate in more than one location. Applicants shall be considered for approval as Insured Accounts in accordance with the provisions of this Article III and such procedures as may be specified by TVA in the Guidelines; provided, however, that it is expressly recognized and agreed that a suggestion by TVA in accordance with the preceding sentence that Distributor consider an account with electrical requirements of 50 kW or less, shall be deemed to be a waiver with respect to that account of the requirement set forth in item (a) of section 2.6 above.

SECTION 3.2 - ACCOUNT NOMINATION

Distributor shall in its sole discretion determine whether to nominate a potentially eligible account as an Applicant. When Distributor wishes to nominate an account it shall submit, or cause the Applicant to submit, a completed Credit Application and Nomination Form.

SECTION 3.3 - CREDITWORTHINESS DETERMINATION

TVA will cause the Underwriter to review the Credit Application and Nomination Form and such additional information as the Underwriter may require to determine whether an otherwise eligible Applicant qualifies for Insurance Coverage, and if so, the amount of Insurance Coverage (up to the Requested Insurance Coverage) for which the Applicant qualifies. The determination of whether or not the Applicant meets the requirement of item (d) in section 2.6 shall be in the Underwriter's sole discretion.

SECTION 3.4 - COVERAGE AS AN INSURED ACCOUNT

If Applicant otherwise meets the requirements set forth in this agreement, TVA will promptly obtain Insurance Coverage for any Applicant approved by the Underwriter, and Distributor will be promptly notified of the amount of Insurance Coverage for which the Applicant is approved. The Applicant shall then be deemed to be an Insured Account from the date of such notice until the date, if any, as of which the account becomes an Uninsured Account under 2.7 above.

SECTION 3.5 - ADJUSTMENTS IN COVERAGE AMOUNT

If at any time there is a substantial increase in an Insured Account's load or the charges it incurs for power and energy such that Distributor would normally seek additional security under its standard deposit policy, Distributor shall have the right to submit a supplemental Credit Application and Nomination Form seeking an increase in the amount of Insurance Coverage. Any such supplemental Credit Application and Nomination Form will be processed in accordance with section 3.3 and section 3.4 above.

ARTICLE IV

UNINSURED ACCOUNTS

SECTION 4.1 - LAPSE OF INSURANCE COVERAGE

The provisions of this Article IV shall apply when the Insurance Coverage for an Insured Account lapses for any reason.

SECTION 4.2 - COVERAGE AS AN UNINSURED COVERED ACCOUNT

An Uninsured Account shall be deemed to be an Uninsured Covered Account from the effective date of the lapse in Insurance Coverage until the earlier of:

- (a) such time, if any, that Insurance Coverage is restored and the account again becomes an Insured Account;
- (b) the effective date of the expiration or termination of this agreement; or
- (c) the effective date of any termination notice given by TVA under paragraph (d) of section 4.3 below.

SECTION 4.3 - ALTERNATIVE SECURITY

(a) Upon notice from TVA that Insurance Coverage has lapsed, or will lapse as of a specified date, Distributor and TVA will cooperate in efforts to enforce the account's obligation to provide Alternative Security.

(b) If the Alternative Security provided by an Uninsured Covered Account in accordance with paragraph (a) of this section 4.3 becomes defective in any way:

- (i) the party first discovering the defect will promptly notify the other party; and
- (ii) Distributor and TVA will cooperate in efforts to resolve the defect and/or to enforce the account's obligation to provide Alternative Security.

(c) As used in this section 4.3, "cooperate" shall mean to promptly initiate and diligently pursue all available remedies legally available for the correction of the defect or the substitution of Alternative Security, including, without limitation, those provided for under the Distributor's power arrangements with the Uninsured Account and under the Credit Application and Nomination Form submitted by the Uninsured Account. Further, in the event that other Alternate Security arrangements are not in place by the date falling 60 days after the date of a notice given under (a) or (b) above, Distributor's obligation of cooperation under this section 4.3 shall include, without limitation, its employment of extraordinary billing and metering arrangements (including weekly metering and billing) where they are a part of Alternative Security arrangements acceptable to TVA and the account.

(d) It is expressly recognized and agreed that as long as the cooperation provided for above in this section 4.3 continues, an account shall be deemed to be an Uninsured

Covered Account without regard to whether Alternative Security is actually put in place or maintained. If, however, the Distributor fails or refuses to cooperate with TVA in the enforcement of an Uninsured Account's obligation to provide and maintain Alternative Security, TVA may terminate the account's status as an Uninsured Covered Account upon at least 10 days' notice to Distributor.

(e) Any monitoring activities undertaken by TVA with respect to the status of an Uninsured Covered Account shall not relieve Distributor of its responsibility to notify TVA of any defect in the Alternative Security.

ARTICLE V

LIMITED GUARANTEE

SECTION 5.1 - TVA LIMITED GUARANTEE

To the extent of and subject to the conditions set forth in this Article V, including, without limitation, Distributor's obligations under sections 5.2 and 5.3 and subsection 5.6.1 below, TVA shall provide a limited guarantee applicable to each Insured Account and each Uninsured Covered Account.

SECTION 5.2 - COOPERATION REGARDING INSURANCE AND CLAIMS

As a condition of payment by TVA of the limited guarantee, the Distributor shall agree to fully cooperate with TVA and to provide such information as may be needed by TVA in:

- (a) obtaining or maintaining Insurance Coverage for an account, and
- (b) filing and receiving payment on any claim in accordance with the provisions of any such Insurance Coverage.

Such obligation to cooperate shall include, without limitation:

- (i) submitting all names under which the Distributor will sell power and energy to a nominated account and under which the nominated account will purchase power and energy, including any such names which will be used in either contracting with or billing such account; and
- (ii) allowing access by TVA or the Underwriter to Distributor's books and records regarding an Insured Account or any account as to which there is a claim; and
- (iii) promptly providing such information regarding the financial condition and solvency of an Insured Account as may be known to the Distributor and specified or requested by TVA or Underwriter; and
- (iv) notifying TVA or the Underwriter of any sizable decrease in an Insured Account's load or the charges it incurs for power and energy such that the amount of Insurance Coverage, and the corresponding limited guarantee, can be substantially reduced (except that no reduction will be required if the Distributor would not reduce its security under its standard deposit policy); and
- (v) assigning to the Underwriter all Distributor's rights, claims, or causes of action arising from any nonpayment by an Insured Account which are the basis of any claim, to the extent that such assignment is necessary in order for TVA to file or receive payment from the Underwriter on that claim.

It is expressly recognized and agreed that the amount to be assigned to the Underwriter under item (v) above may exceed the total amount of Insurance Coverage approved and issued by the Underwriter for the account (Insurance Coverage Amount); provided, however, that in no event shall such assignment allow the Underwriter to retain any

funds collected from the account pursuant to the assignment which are in excess of the Insurance Coverage Amount plus reasonable collection expenses, including, without limitation, attorney's fees.

SECTION 5.3 - DISTRIBUTOR COLLECTION EFFORTS

5.3.1 Collection Procedures. When any Insured Account or any Uninsured Covered Account becomes delinquent, Distributor shall promptly and diligently pursue collection efforts in accordance with the Guidelines. At such times and intervals as may be specified in the Guidelines, Distributor shall provide reports to TVA concerning any such delinquent accounts and collection efforts.

5.3.2 Allocation of Collected Amounts. Any amounts collected from a delinquent account, excluding any amounts applied to litigation or other collection costs in accordance with the Guidelines, shall be applied to that account's electric bill, beginning with the oldest outstanding past due amount (commonly known as the "first in first out" accounting basis), and shall be assigned on a pro-rata basis to the Wholesale Portion and the Retail Adder of the account.

SECTION 5.4 - UNCOLLECTABLE ACCOUNTS

If Distributor, through the collection efforts outlined in the Guidelines, is unable to fully collect from a delinquent Insured Account or Uninsured Covered Account, Distributor may submit an Uncollectable Account Form, along with documentation, to TVA to have the account deemed uncollectable. The Uncollectable Account Form, along with documentation, shall:

- (a) reflect the details of all actions Distributor has taken to collect the past-due amounts;
- (b) show full implementation of the collection efforts provided for by this agreement and the Guidelines; and
- (c) show the uncollected dollar amount for which Distributor is entitled to be reimbursed through credits applicable under this agreement.

TVA will declare the account uncollectible after verification that Distributor has exhausted all reasonable efforts to collect the unpaid balance in full compliance with the Guidelines.

Upon TVA's approval of a Distributor request to have an account declared uncollectable, such account will no longer be an Insured Account or an Uninsured Covered Account for any purpose under the Enhanced Program until such time, if any, that a new nomination to the Enhanced Program is made by Distributor and approved by TVA.

SECTION 5.5 - WHOLESALE BILL CREDITS

For each account declared to be uncollectible under section 5.4 above, TVA will apply a credit to Distributor's wholesale bill in an amount up to the lower of:

(a) the amount of the retail bill for the first two monthly billing cycles of usage that resulted in the unpaid balance (not to exceed a total period of 65 days), to the extent such balance remains uncollected after application of any collected amounts in accordance with subsection 5.3.2 above; or

(b) the amount of Insurance Coverage, or in the case of an Uninsured Covered Account, the amount of Insurance Coverage which was in effect immediately prior to the lapse of coverage;

provided, however, that for any of the usage described in item (a) above which occurred while the account was an Uninsured Covered Account, the amount used to calculate said item (a) shall be deemed to be limited to the Wholesale Portion of said retail bill and, thus, shall not include the amount of the Retail Adder.

It is expressly recognized and agreed that, except as otherwise provided in subsection 5.6.2 below with respect to bankruptcy, TVA's limited guarantee shall not:

(i) apply to any unpaid balance resulting from usage after the billing cycles described in item (a) above; or

(ii) result in a credit to the Distributor greater than the amount described in item (b) above.

SECTION 5.6 - BANKRUPTCY

5.6.1 Security and Collections. It is expressly recognized and agreed that with regard to a bankruptcy under Title 11 of the United States Code (as it now exists or may hereafter be amended and referred to below as the "Bankruptcy Code"), Distributor shall fulfill its obligations under section 5.3 above to promptly and diligently pursue collection efforts in accordance with the Guidelines by:

(a) promptly obtaining adequate assurance of payment under section 366 of the Bankruptcy Code; and

(b) otherwise promptly and diligently pursuing all of its rights to collection and security under the Bankruptcy Code.

5.6.2 Additional Wholesale Credit. If an Insured Account or an Uninsured Covered Account:

(a) files for protection from creditors under Bankruptcy Code; and

(b) is declared to be uncollectible under section 5.4 above;

in addition to any credits applicable under section 5.5 above and expressly subject to the Distributor's obligations described in 5.6.1 above, for any period beyond the two monthly billing cycles of usage covered under said section 5.5 during which Distributor is required to supply electricity to the account as debtor (or to the bankruptcy trustee for the account) under section 366 of the Bankruptcy Code, TVA will apply a credit to Distributor's wholesale bill in the amount of the Wholesale

Portion of any retail bill for such additional period, to the extent such portion remains uncollected after application of any collected amounts in accordance with subsection 5.3.2 above. It is expressly recognized and agreed that the portion of the TVA limited guarantee provided for by this subsection 5.6.2 shall not apply to the Retail Adder.

SECTION 5.7 - COLLECTIONS AFTER EXERCISE OF THE TVA LIMITED GUARANTEE

In the event that circumstances arise under which collection efforts again become reasonable in relation to an account that has been declared uncollectible and for which TVA has provided a credit to Distributor under sections 5.5 or 5.6 above, subject to any rights or claims by Underwriter:

- (a) TVA may request that Distributor pursue collection efforts;
- (b) TVA may provide assistance to Distributor in pursuing collection efforts to the extent TVA determines that such assistance is appropriate;
- (c) upon Distributor's refusal or failure to pursue collection efforts, TVA may pursue such efforts, including litigation, in the name of Distributor, TVA, or both, and any actions taken by TVA in such efforts will be binding on Distributor; and
- (d) any amounts received through collection efforts will be allocated in accordance with subsection 5.3.2 above.

ARTICLE VI

TERM PROVISIONS

SECTION 6.1 - AGREEMENT TERM

This agreement shall become effective as of the date first written above. Unless sooner terminated as provided below, it shall continue in effect during the term of the Power Contract.

SECTION 6.2 - EARLY TERMINATION

Either party may terminate this agreement at any time upon one hundred twenty (120) days' written notice.

SECTION 6.3 - CONTINUING OBLIGATIONS

Notwithstanding the termination or expiration of this agreement, the obligations of the parties:

(a) with respect to the retail bills of any Insured Account or any Uninsured Covered Account accruing prior to the effective date of any such expiration or termination; and

(b) under sections 5.6 and 5.7 above;

shall continue in effect until they are discharged.

ARTICLE VII

MISCELLANEOUS PROVISIONS

SECTION 7.1 - ADDITIONAL SECURITY

During the term of this agreement Distributor shall not require or retain any deposit or other security from an Insured Account or Uninsured Covered Account; provided, however, that nothing in this section 7 or elsewhere in this agreement shall be construed to prohibit Distributor from requiring or retaining a deposit or other security:

- (a) from a nominated account until such time as it becomes an Insured Account;
- (b) from an Insured Account in an amount up to the amount, if any, by which the Requested Insurance Coverage exceeds the amount of Insurance Coverage;
- (c) from an Uninsured Covered Account in the amount of the Alternative Security obtained from the account, plus, to the extent, if any, that it is not included as a part of such Alternative Security:
 - (i) the amount, if any, allowed under (b) above when the account was an Insured Account; and
 - (ii) an amount equal to the Retail Adder reflected in the amount of Insurance Coverage approved by the Underwriter under section 3.3 above; and
- (d) from an Uninsured Account after such time, if any, that it ceases to be an Uninsured Covered Account.

SECTION 7.2 - THIRD PARTIES NOT TO BENEFIT

Notwithstanding any provision of this agreement that may be interpreted to the contrary, this agreement does not confer any benefits or rights on any third party except as specifically set out in this agreement.

SECTION 7.3 - PREVIOUS SECURITY DEPOSIT AGREEMENT

7.3.1 Security Deposit Program Agreement. Security Deposit Program Agreement, TV-67518A, Supp. No. 49, dated March 15, 2000, between Distributor and TVA (Agreement) is hereby terminated as of the effective date of this agreement.

7.3.2 Covered Accounts. Any "Covered Accounts" under the Agreement shall be deemed to be Insured Accounts under this agreement without the requirement that a Credit Application and Nomination Form be submitted; provided, however, that if any defect arises in the basis upon which the Covered Account qualified under the Agreement, it is expressly recognized and agreed that:

(a) for purposes of this agreement the defect shall be treated as if it were a lapse in Insurance Coverage, thereby causing the account to be deemed to be an Uninsured Covered Account; and

(b) the account shall not thereafter re-qualify as an Insured Account unless it meets the requirements of Section 2.6 and Article III above.

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

CITY OF BRISTOL, TENNESSEE
By Board of Public Utilities

By R. Michael Burch
Title: GENERAL MANAGER

TENNESSEE VALLEY AUTHORITY

By James O. Keyser
Senior Vice President, Marketing

Exhibit "A"
Enhanced Security Deposit Program
Credit Application & Nomination Form

Credit Application Section (to be completed by Applicant)

APPLICANT: _____
(List all name(s) under which the nominated account will contract for or be billed for power and energy.)

Applicant Address: _____

_____ (include street address, City, State, & zip code) **Telephone:** _____
DUNS No. _____ ☐ **Additional financial information is attached.**
(Providing additional financial information may facilitate faster processing of this application.)

By the signature of its duly authorized representative and as an application for participation in the Enhanced Security Deposit Program (Program) being jointly conducted by Distributor and its wholesale power supplier, the Tennessee Valley Authority (TVA), Applicant hereby:

1. represents and warrants that the above information and any attached financial information is true and correct;
2. authorizes such inquiries as are considered necessary by the insurer or underwriter used by TVA for the Program (hereinafter "Underwriter") to obtain credit information regarding Applicant and authorizes banks, creditors, or other entities having such credit information to release such information to the Underwriter;
3. agrees to furnish such financial information (including, without limitation, balance sheets, income statements, cash flow statements and notes to financial statements) as might be requested by the Underwriter in connection with its review of this application; and
4. agrees, if nominated and approved for participation in the Program on the basis of credit insurance obtained by TVA (hereinafter "Insurance Coverage"):
 - (a) to furnish such financial information as might from time to time be requested by the Underwriter or TVA, and
 - (b) authorizes such inquiries as are considered necessary by the Underwriter or TVA to from time to time obtain credit information regarding Applicant and authorizes banks, creditors, or other entities having such credit information to release such information to the Underwriter or TVA, and
 - (c) to immediately substitute or provide alternative security, in a form and amount that TVA deems acceptable, upon any lapse in the Insurance Coverage for any reason, including, without limitation, the Underwriter or TVA (i) canceling the coverage for any reason or (ii) not renewing the coverage for any reason;
5. agrees that as a part of such alternative security arrangements Distributor may employ weekly or other extraordinary meter-reading or billing arrangements calculated to facilitate such alternative security arrangements;
6. agrees that any failure to substitute or provide alternative security will be deemed to be a breach of the Applicant's power supply arrangements with the Distributor;
7. agrees that if Applicant does not fully remedy such a breach by the date falling 30 days' after the date when it first arises, Distributor shall have the right, upon 15 days' written notice, to discontinue the supply of power to Applicant and to refuse to resume delivery until Applicant substitutes or provides alternative security to fully remedy the breach; and
8. agrees that any discontinuance of supply in accordance with 7 above shall not relieve Applicant of liability for minimum monthly charges or payment of past due amounts.

Signature: _____ **Title:** _____

Nomination Section (to be completed by Distributor)

DISTRIBUTOR: _____
(List all name(s) under which power and energy will be sold or billed by Distributor.)

Requested Insurance Coverage Amount: \$ _____

Distributor Contact Name: _____

E-mail Address: _____ **Telephone:** _____ **Fax:** _____

By the signature of its duly authorized representative and in accordance with and subject to the Enhanced Security Program Agreement and Guidelines, Distributor hereby:

1. nominates the Applicant for participation in the Enhanced Security Deposit Program, and
2. represents and warrants that (a) said nominated account is a new or existing commercial or industrial customer from which Distributor would otherwise require a cash deposit or other substantially equivalent form of security, (b) the Requested Insurance Coverage Amount set forth above reflects the amount of such deposit or security that Distributor would otherwise so require, and (c) that the Credit Application section of this form has been completed by a duly authorized representative of the Applicant.

Signature: _____ **Title:** _____

Exhibit "B"
Enhanced Security Deposit Program
Uncollectable Account Form

Date:

Tennessee Valley Authority
Attn. Credit Department
400 West Summit Hill Drive, WT 5D
Knoxville, TN 37902-1499

Dear Credit Manager:

This is in reference to the account of _____
(name of the Insured Account or Uninsured Covered Account) for service to its
plant/facility in/near _____, which account is an account to
which a limited guarantee applies under the Enhanced Security Deposit Program being
jointly conducted by TVA and _____
(Distributor). By the signature of its duly authorized representative appearing below and
in accordance with and subject to the Enhanced Security Deposit Program Agreement,
and Guidelines, Distributor hereby makes a written application to TVA to have the
account declared by TVA to be uncollectable and certifies that:

1. Distributor has fully complied with the procedures set forth in the
Enhanced Security Deposit Program Agreement and the Guidelines.
2. The total uncollected amount for which it believes it is entitled to be
reimbursed by TVA through credits applicable under the Enhanced
Security Deposit Program Agreement is \$ _____.
3. Distributor has attached to this form copies of all documents from
Distributor's records (a) showing such compliance (b) showing the details
of or relating to Distributor's efforts to collect the delinquent account, and
(c) supporting the amount claimed under item 2 above.

Distributor: _____

By: _____
Title: _____

ENHANCED SECURITY DEPOSIT PROGRAM GUIDELINES (November 2001)

Guideline 1 - Purpose. Distributors that have entered into an Enhanced Security Deposit Program Agreement (Agreement) with TVA have an opportunity to offer their qualifying accounts relief from any cash deposit or other substantially equivalent security Distributor would otherwise require. In accordance with subsection 2.12 of the Agreement, these Guidelines specify procedures, standards, and other guidelines to ensure the proper and efficient operation of the Enhanced Program. The underlined defined terms used in these Guidelines shall have the meanings set forth in Article II of the Agreement.

Guideline 2 - Account Approval. A completed Credit Application and Nomination Form shall be mailed to Underwriter at the following address:

Underwriter
c/o CNA Credit
Bristol Building
7003 Chadwick Drive, Suite 220
Brentwood, Tennessee 37027

For faster processing of an application, the form may also be faxed (toll free) to Underwriter at (866) 376-6006 in addition to mailing the form. It is expected that Insurance Coverage determinations will be made and Distributors will be notified of the coverage decision within 5 business days of Underwriter's receipt of a faxed Credit Application and Nomination Form.

Guideline 3 - Collection Of Accounts. If an Insured Account or an Uninsured Covered Account fails to fully comply with its payment obligations, Distributor shall promptly and diligently pursue efforts to collect all amounts owed, including, at a minimum, the steps outlined in the attached Collection Procedures which are made a part of these Guidelines.

Guideline 4 - Guideline Changes. These Guidelines will continue in effect until modified or replaced by TVA by notice to all Distributors participating in the Enhanced Program. No change in these Guideline shall be construed to amend the Agreement or any arrangement previously approved by TVA under the Agreement or under Guideline 3 and the Collection Procedures.

COLLECTION PROCEDURES **(November 2001)**

These Collection Procedures shall be applicable under Guideline 3 of the Enhanced Security Deposit Program Guidelines.

PROCEDURE A - Collection Measures

When an account is delinquent in payment, Distributor will follow its standard collection and termination of service procedures and, as a part of, or, in addition to such procedures, will at a minimum, comply with the following requirements:

1. Five (5) days after payment is due, Distributor should have contacted the account by telephone or other personal contact. By such date, Distributor should also send an official "past due notice." Such notice, in accordance with Distributor's obligations to afford due process to customers prior to any suspension of service, shall also include a notification to the account of the procedures available to dispute the accuracy of the account's bill or of Distributor's payment records.
2. Thirteen (13) days after payment is due, Distributor must send a "past due notice" to the account and submit copies to TVA. TVA also recommends that the Distributor, at this time, notify the account in writing that the Distributor will discontinue electric power service to the account if the past-due balance is not satisfied within five (5) days.
3. Distributor should thereafter discontinue the service if the balance is not paid or if the account does not otherwise make acceptable arrangements with Distributor.
4. Twenty-eight (28) days after payment is due, Distributor must have instituted efforts for the liquidation of any security provided on behalf of a delinquent account, if applicable, and thereafter shall promptly initiate and continue to diligently pursue all available remedies for collection and/or for requiring cure of any security defect until such time that all payments are current and all security defects are cured.

Assuming a 30-day billing month, the timing of the minimum requirements set forth in steps 1 through 4 above may be illustrated as follows:

- Day 1 - First day of billing month
- Day 30 - Read meter (metering)
- Day 31 - Mail out bill (billing)
- Day 47 - Payment due date (last day to pay before late charges apply)
- Day 48 - Late charges become applicable
- Day 52 - Step 1

Day 65 - Step 3

*Note that except as provided otherwise with respect to bankruptcy, the coverage for nonpayment provided by the limited guarantee will not exceed a total period of 65 days.

Day 75 - Step 4

PROCEDURE B - Coordination of Collection Efforts

At every stage of the collection process, Distributor shall closely coordinate its efforts with TVA, to the extent necessary or appropriate under the circumstances. More detailed and frequent reports, or other coordination between TVA and Distributor (such as status or collection letters, etc.) may be required if they are deemed necessary by Underwriter or if TVA has another reasonable basis for requesting them with respect to any particular account. Distributor should be mindful of the limitations of the limited guarantee and the need for timely collection activities.

PROCEDURE C - Bankruptcy

Distributor will provide written notification to TVA within five (5) business days after Distributor receives notice of the filing of a bankruptcy petition by an account, whether or not such account is delinquent in its payments. In addition, during the entire period that any bankruptcy action is pending with respect to such an Uninsured Covered Account:

1. Distributor shall coordinate with and report to TVA, to the extent deemed necessary and appropriate by TVA under the circumstances, regarding all actions taken to comply with Distributor's obligations under the Agreement, and
2. Distributor's compliance with its obligations under item 1 of this Procedure C shall be deemed to be compliance with the requirements of Procedure A above.

PROCEDURE D - Modification of Collection Steps

Distributor may request written approval from TVA's operating representative to eliminate or delay any particular collection step described in these procedures. Generally, to obtain such approval, Distributor should show both the reasons for the elimination or delay and that in the circumstances the elimination or delay will not significantly jeopardize collection efforts or the likelihood of full payment from the account. Unless such advance written approval is obtained from TVA, in accordance with the requirements of the Agreement, the Distributor must promptly and diligently follow the procedures above as precondition to enforcement of the limited guarantee provided for in the Agreement; provided, however, that any failure of Distributor to follow any one or more requirements set forth herein because of reasonable circumstances preventing a request for such advance written approval under this paragraph shall not be deemed to be a violation of these Guidelines so long as (i) TVA is notified of such circumstances as soon as practicable after the failure occurs and (ii) for any further delay, TVA's written approval is obtained in accordance with this paragraph.

Exhibit "B"
Enhanced Security Deposit Program
Uncollectable Account Form

Date:

Tennessee Valley Authority
Attn. Credit Department
400 West Summit Hill Drive, WT 5D
Knoxville, TN 37902-1499

Dear Credit Manager:

This is in reference to the account of _____ (name of the Insured Account or Uninsured Covered Account) for service to its plant/facility in/near _____, which account is an account to which a limited guarantee applies under the Enhanced Security Deposit Program being jointly conducted by TVA and _____ (Distributor). By the signature of its duly authorized representative appearing below and in accordance with and subject to the Enhanced Security Deposit Program Agreement, and Guidelines, Distributor hereby makes a written application to TVA to have the account declared by TVA to be uncollectable and certifies that:

1. Distributor has fully complied with the procedures set forth in the Enhanced Security Deposit Program Agreement and the Guidelines.
2. The total uncollected amount for which it believes it is entitled to be reimbursed by TVA through credits applicable under the Enhanced Security Deposit Program Agreement is \$ _____.
3. Distributor has attached to this form copies of all documents from Distributor's records (a) showing such compliance (b) showing the details of or relating to Distributor's efforts to collect the delinquent account, and (c) supporting the amount claimed under item 2 above.

Distributor: _____

By: _____
Title: _____

54

**AGREEMENT
Between
CITY OF BRISTOL, TENNESSEE
And
TENNESSEE VALLEY AUTHORITY**

Date: January 17, 2002

TV-67518A, Supp. No. 54

THIS AGREEMENT, made and entered into between CITY OF BRISTOL, TENNESSEE (Distributor), a municipal corporation created and existing under and by virtue of the laws of the State of Tennessee, and TENNESSEE VALLEY AUTHORITY (TVA), a corporation created and existing under and by virtue of the Tennessee Valley Authority Act of 1933, as amended;

W I T N E S S E T H:

WHEREAS, TVA and Distributor have entered into a contract dated June 27, 1985, as amended (Power Contract), under which Distributor purchases its entire requirements for electric power and energy from TVA for resale; and

WHEREAS, TVA, Distributor, and Modern Forge Co. of Tenn. Inc. (Company), have entered into a contract of even date herewith (Company Contract) covering arrangements under which TVA will make available to Distributor for resale to Company a supply of firm power and of variable price interruptible power (VPI) for operation of Company's plant near Piney Flats, Tennessee; and

WHEREAS, the parties wish to supplement and amend the Power Contract and to enter into such other arrangements as are necessary between TVA and Distributor with respect to Distributor providing service to Company under the Company Contract;

NOW, THEREFORE, for and in consideration of the premises and of the mutual agreements set forth below, and subject to the Tennessee Valley Authority Act of 1933, as amended, the parties mutually agree as follows:

SECTION 1 - TERM OF AGREEMENT

This agreement shall become effective as of the effective date of the Company Contract, and shall continue in effect until expiration or termination of the Company Contract, or of the Power Contract, or until VPI is no longer available under the Company Contract, whichever first occurs.

SECTION 2 - BILLING DATA

Data obtained from the metering facilities referred to in section 4 of this agreement will be used (a) by Distributor for the purposes of determining the power and energy taken by Company and (b) by TVA for determining applicable adjustments for Distributor's wholesale bill. Accordingly, TVA will supply Distributor by the fourth working day following Company's scheduled meter-reading date the information regarding the amounts of VPI deemed to have been taken by Company, the times this VPI was taken, the price for this VPI, and such other information as may be necessary so that Distributor may be able to calculate Company's bill under the Company Contract. In order to facilitate TVA's preparation of the bill to Distributor for power and energy made available under the Power Contract, each month Distributor shall furnish to TVA a copy of Distributor's bill to Company for power and energy made available under the Company Contract when it is rendered and such other information related to Company's power and energy takings as TVA may require.

SECTION 3 - ADJUSTMENTS TO DISTRIBUTOR'S WHOLESALE BILLING

In calculating the wholesale bill each month for Distributor, the following steps will be taken with respect to Company:

3.1 Firm Power and Energy. Distributor will be billed demand and energy charges as provided in the wholesale rate schedule (Wholesale Schedule), which is contained in the Schedule of Rates and Charges attached to and made a part of the Power Contract, for any firm power and energy resold under the Company Contract; provided, however, that for the purposes of calculating said charges for any month in which Company is deemed to have taken any VPI energy under the Company Contract, the term "metered demand" in the Wholesale Schedule shall be deemed to refer to an amount equal to the sum of the billing demand for firm power and any billing demand for excess power (as those demands are calculated under the Company Contract).

3.2 Adjustment to Base Charges. (a) The total dollar amount of base demand and energy charges calculated under the Wholesale Schedule shall be increased by adding thereto an amount equal to Distributor's monthly (i) charge to Company for VPI energy under section 6.3 of the Company Contract and (ii) per kW charge to Company under subsection 6.2.2 of the Company Contract (as both charges are determined under the Company Contract and adjusted to reflect losses as provided in (b) below).

(b) The loss adjustment provided for in (a) above shall be made by dividing the charge to be adjusted by 1.03.

(c) The amount added to the base charges of the wholesale bill pursuant to (a) above shall also be added to the "sum of all charges" used for the distribution loss calculation under the section entitled "Distribution Loss Charge" of the Wholesale Schedule.

3.3 Administrative Costs Charge. An amount equal to the charge billed to Company in accordance with subsection 6.2.1 of the Company Contract will be included as part of the wholesale bill.

3.4 Suspension Tier 3 Monthly Charge. If Article III of the Company Contract provides for Suspension Tier 3, an amount equal to the charge billed to Company in accordance with subsection 6.2.3 of the Company Contract will be included as part of the wholesale bill.

3.5 Credit for Distributor Margin. In order to enable Distributor to recover more adequately the cost of making VPI available to Company, TVA will apply a credit to the wholesale bill derived by multiplying 40 cents times the highest VPI Demand established under the Company Contract during the month.

SECTION 4 - METERING FACILITIES

4.1 Revenue Meter. Under previous arrangements for the provision of ESP to Company, Distributor and TVA arranged to replace the revenue meter in Distributor's former metering facilities with a solid-state type revenue meter (Replacement Meter) capable of remote telephone access. Distributor, at its expense, provided the equipment and materials and performed the work necessary to install the Replacement Meter, which was provided by TVA at its expense. TVA will continue to provide the Replacement Meter for Distributor's use in determining the amounts of power and energy associated with VPI. Distributor shall continue to test, calibrate, operate, maintain, repair, and replace all facilities in the metering installation, except that TVA shall provide any necessary replacements for the Replacement Meter.

4.2 Distributor Responsibility. Distributor will not use the Replacement Meter for any purpose other than as specifically provided in this agreement unless it first obtains TVA's written agreement. Distributor shall reimburse TVA for any damage to the Replacement Meter caused by the negligence or other wrongful act or omission of Distributor or its agents or employees and shall promptly return the Replacement Meter to TVA upon expiration or termination of this agreement. The obligations of this paragraph shall survive such expiration or termination until they are discharged.

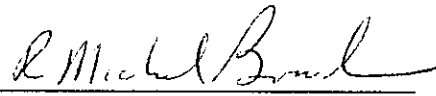
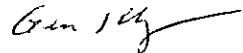
4.3 Telephone Circuit for Remote Access. To allow remote access to the metering data recorded by the Replacement Meter, Distributor, at its expense shall continue to provide and maintain, or to cause the provision and maintenance of, a telephone circuit connected (through a modem furnished by TVA at its expense) to the Replacement Meter. The telephone circuit shall be installed in accordance with guidelines furnished or approved by TVA. TVA agrees to permit Distributor remote access through the telephone circuit to the metering data, and TVA will provide Distributor any information necessary for the exercise of such access. Distributor will require equipment not provided by TVA to exercise such access and TVA will assist Distributor in determining the equipment to be utilized; however, the acquisition of such equipment shall be the sole responsibility of Distributor. The use of the telephone circuit and access to the metering data will be coordinated by

TVA's and Distributor's operating representatives to ensure unrestricted access by TVA for data retrieval purposes during such periods as specified by TVA.

4.4 Metering Outputs. Metering outputs from the Replacement Meter for such purposes as monitoring and load control will be available to Distributor under the provisions set out in the attachment entitled "Metering Outputs Attachment," which is made a part of this agreement.

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

CITY OF BRISTOL, TENNESSEE
By Board of Public Utilities

By 
Title: 

TENNESSEE VALLEY AUTHORITY

By 
Manager, Contracts and Pricing
Customer Service and Marketing

METERING OUTPUTS ATTACHMENT

Under the provisions of the body of this agreement, TVA provides a revenue meter or meters for use in determining the amounts of power and energy taken under the Company Contract. If Distributor desires access to metering outputs from that metering installation for such purposes as monitoring and load control, TVA will make such access available at no charge under the conditions set forth below.

A. Access to Outputs

Distributor may, at such time as it deems appropriate, provide and install at its expense such additional facilities as are necessary for obtaining access to metering outputs, including provision and installation of cable to be connected to the metering installation by Distributor (or by TVA in the event that this agreement provides for TVA to maintain the metering installation). Distributor shall also furnish and install any protective facilities requested by TVA for the protection of TVA's meter(s).

B. Approval of Facilities

Distributor shall keep TVA informed as to Distributor's plans for installation of any such additional facilities to the extent necessary and practicable. Distributor shall neither install any facilities which are to be connected to TVA's meter(s) nor, once installed, change them without prior written notification from TVA that such installation or change is satisfactory to TVA insofar as required for the safe and efficient operation of the metering installation.

C. Noninterference With Metering

In exercising access to metering outputs, Distributor shall not interfere with any operation, use of, or access to the metering installation by TVA. In this regard Distributor agrees to immediately modify its facilities and operations, in any manner requested by TVA, to avoid any such interference.

D. No Warranty of Outputs

TVA makes no statement, representation, claim, guarantee, assurance, or warranty of any kind whatsoever, including, but not limited to, representations or warranties, express or implied, (a) as to the accuracy or completeness of the metering outputs or as to such outputs' merchantability or fitness for any purposes for which Distributor uses or will use them or (b) as to quantity, kind, character, quality, capacity, design, performance, compliance with specifications, condition, size, description of any property, merchantability, or fitness for any use or purpose of any facilities through which the metering outputs are supplied. Distributor hereby waives, and releases the United States of America, TVA, and their agents and employees from, any and all claims, demands, or causes of action, including, without limitation, those for consequential damages, arising out of or in any way connected with Distributor's use of the metering outputs.

E. Termination of Arrangements

The arrangements set out in this attachment may be terminated by TVA or Distributor at any time upon at least 120 days' written notice. As soon as practicable following the effective date of such termination, Distributor (or TVA in the event that this agreement provides for TVA to maintain the metering installation) will disconnect the cable from the metering installation.

GREEN POWER SWITCH® AGREEMENT
Between
CITY OF BRISTOL, TENNESSEE
And
TENNESSEE VALLEY AUTHORITY

Date: February 15, 2002

TV-67518A, Supp. No. 55

THIS AGREEMENT, made and entered into by and between CITY OF BRISTOL, TENNESSEE (Distributor), a municipal corporation created and existing under and by virtue of the laws of the State of Tennessee, and TENNESSEE VALLEY AUTHORITY (TVA), a corporation created and existing under and by virtue of the Tennessee Valley Authority Act of 1933, as amended (TVA Act);

W I T N E S S E T H:

WHEREAS, TVA, pursuant to authority granted it by the TVA Act, operates and maintains an electric power generation and transmission system serving parts of seven states; and

WHEREAS, Distributor and TVA have entered into a contract dated June 27, 1985, as amended (Power Contract), under which Distributor purchases its entire requirements for electric power and energy from TVA for resale; and

WHEREAS, the TVA Act provides that among TVA's objectives shall be those of promoting the wider and better use of electric power and of supplying electric power at the lowest feasible rates; and

WHEREAS, TVA and Distributor wish to participate in a program (Program) in which TVA will provide renewable generation from generation sources acceptable for the Green Power Switch® Program, including photovoltaic solar, wind turbines, and methane gas sources (which generation sources are collectively referred to as "Green Power Sources"), for resale at a premium by Distributor to its participating customers; and

WHEREAS, TVA and Distributor desire to agree upon the respective rights and obligations of the parties with respect to the development, implementation, and administration of the Program;

NOW, THEREFORE, for and in consideration of the premises and of the mutual agreements set forth below, and subject to the provisions of the TVA Act, the parties mutually agree as follows:

SECTION 1 - GREEN POWER PROGRAM

1.1 Purpose. The Program is designed to offer end-use customers a choice in the supply of power by offering participating customers the option of paying for power and energy generated by Green Power Sources.

1.2 Customer Participation. Customers of Distributor who participate in the Program (Participants) will do so by entering into appropriate arrangements with Distributor providing for the selection of and premium payment for one or more 150-kWh blocks of energy (Energy Blocks) generated by Green Power Sources.

1.3 Green Power Switch[®] Charges. A Participant will pay a charge (Green Power Switch[®] Charge) for each Energy Block that the Participant commits to pay for each month. This Green Power Switch[®] Charge will be determined in accordance with Appendix A, attached to and made a part of this agreement, as such Appendix A may be modified, changed, replaced, or adjusted by TVA from time to time in accordance with the Green Power Switch[®] Program.

SECTION 2 - RESPONSIBILITY OF PARTIES

2.1 TVA. TVA will provide, construct, or otherwise obtain the output of various facilities to provide generating capacity from Green Power Sources to meet Participant demand.

2.2 Distributor. Distributor will, consistent with the provisions of this agreement, develop and implement appropriate arrangements with its customers wishing to enroll in the Program and will thereafter conduct the Program with each Participant in accordance with the provisions of this agreement and such participation arrangements.

SECTION 3 - RETAIL CHARGE AND WHOLESALE BILLING ADJUSTMENT

3.1 Retail Charge. Beginning with the first billing month following the effective date of each Participant's enrollment in the Program and for each month thereafter, Distributor will add to that Participant's bill, in addition to all other charges for power and energy determined in accordance with Distributor's rate schedule applicable to that Participant, an amount equal to the applicable Green Power Switch[®] Charge.

3.2 Wholesale Billing Adjustment. The total dollar amount of base demand and energy charges calculated under the wholesale rate schedule attached to and made a part of the Power Contract shall be increased by adding thereto an amount equal to the total Green Power Switch[®] Charges determined in accordance with subsection 3.1 above; provided, however, that any such amounts billed to a Participant but not paid to Distributor will be deducted from the amount due to TVA.

3.3 Reimbursement of Distributor's Costs. In order to compensate Distributor for its Program costs, TVA will for each Participant that enrolls in the Program allow a one-time \$4 credit to Distributor. Such credits will be applied to Distributor's monthly wholesale bill for power and energy.

SECTION 4 - JOINT RESPONSIBILITIES

4.1 Promotion. Distributor will promote the Program using promotional materials, resources, and methods agreed upon by Distributor and TVA and provide TVA annually Distributor's plan of marketing activities to promote the Program. A sample outline of a marketing plan for this purpose is attached as Appendix B. Distributor will provide such a marketing plan (Plan) as soon as practicable after the date of this agreement and will update its Plan prior to each anniversary date of this agreement. TVA will support the Program with its marketing personnel and with advertising and promotional campaigns in the TVA region. TVA and Distributor will agree in advance on the cost sharing between TVA and Distributor for any joint marketing and promotional campaigns.

4.2 Evaluation of Program. At TVA's request, Distributor will provide information to TVA regarding the results of Distributor's participation in the Program. Such information may include, but is not limited to, profile data of Participants' in the Program, Distributor personnel working on the Program, results of promotional activities, and customer surveys. TVA, after consultation with Distributor, will compare these results with the objectives set forth in the Plan to determine further funding levels in Distributor's service area for the Program.

4.3 Trademark License. During the term of this agreement TVA grants to Distributor the revocable non-exclusive right and license to adopt and use the trademark, trade name, and logo (Service Marks) developed and owned by TVA for advertising and promoting the Program, in accordance with the terms of the Green Power Switch® Application Guidelines, attached to and made a part of this agreement as Appendix C. Distributor acknowledges that TVA is the sole owner of all rights to such Service Marks, including but not limited to, the "good will" associated with them.

SECTION 5 - TERM OF AGREEMENT

5.1 Term of Agreement. This agreement shall become effective as of the date first above written, and shall remain in effect unless sooner terminated as provided below.

5.2 Termination of Agreement. Either party may terminate this agreement as of one year from its effective date, or as of any time thereafter, by giving written notice to the other party at least 30 days prior to the effective date of termination. This agreement terminates as of the date that the Power Contract and any renewal, extension, or replacement of it terminates or expires. From and after the effective date of such a termination, Distributor shall not be authorized to enroll any new Participants into the Program and shall terminate its arrangements with existing Participants.


5.3 Continuing Obligations. Nothing contained in this agreement shall be construed as relieving either TVA or Distributor of its obligations arising or accruing prior to the date of termination of this agreement. Upon sending or receiving such a termination notice, Distributor shall make no further commitments affected by the termination.

SECTION 6 - OPERATING REPRESENTATIVES

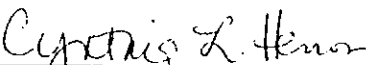
TVA's Operating Representative for administration of this agreement shall be the Executive Vice President, Customer Service and Marketing, or a designee. Distributor's Operating Representative for administration of this agreement shall be the manager of its electric system, or a designee. Subject to the provisions of this agreement, the Power Contract, and any applicable law, the Operating Representatives shall be authorized to agree upon such incidental administrative arrangements as are appropriate for the efficient and expeditious implementation of this agreement.

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

CITY OF BRISTOL, TENNESSEE
By Board of Public Utilities

By 
Title: General Manager

TENNESSEE VALLEY AUTHORITY

By 
Manager, Contracts and Pricing
Customer Service and Marketing

APPENDIX A

GREEN POWER SWITCH[®] CHARGE (May 2004)

<u>Resale Schedule Applicable to Participant</u>	<u>Energy Block (kWh)</u>	<u>Charge</u>	<u>Minimum Number of Energy Blocks to be Purchased</u>
Schedule RS and Time-of-Day Schedule TRS	150 kWh	\$4.00 per Energy Block	One
Schedule GSA, Part 1 and Time-of-Day Schedule TGSA, Part 1	150 kWh	\$4.00 per Energy Block	Five
Schedule GSA, Part 2 and Time-of-Day Schedule TGSA, Part 2	150 kWh	\$4.00 per Energy Block	Higher of (a) 25 or (b) the number (rounded to the next following whole number) determined by dividing (i) an amount equal to five percent of Participant's average monthly Energy Load (as defined below) by (ii) 150 kWh *See note for a possible alternative.
Schedule GSA, Part 3 and Time-of-Day Schedule TGSA, Part 3	150 kWh	\$4.00 per Energy Block	250
Schedules GSB, GSC, and GSD and Time-of-Day Schedules TGSB, TGSC, and TGSD	150 kWh	\$4.00 per Energy Block	375

For determining the minimum number of Energy Blocks to be purchased by Participants served under Schedule GSA, Part 2 and Time-of-Day Schedule TGSA, Part 2, Participant's average monthly Energy Load is the monthly kWh average during the 12-consecutive-month period immediately preceding the month in which Participant enrolls in the Program. (After a Participant enrolls in the Program, the minimum number of Energy Blocks to be purchased by the Participant remains constant.)

*Participants with multiple locations in the TVA region that commit to meet the U.S. EPA's Green Power Partnership requirements may have an alternative minimum number of energy blocks to be purchased. Contact TVA Marketing at (615) 232-6124 for information and Participant eligibility.

Green Power Switch Marketing Plan

January 2002

- Ad in BTES News – distributed to all customers
- Lobby Display with brochures
- *I made the switch...* green ink pens for everyone signing up for the program

February 2002

- Promote along with Tree Line USA Award

March 2002

- Promotion at annual Home Show – Distribute bill stuffers

April 2002

- TVA ads in Bristol Herald Courier for four Sundays
- Ad in BTES News
- Distribute bill stuffers in schools
- Distribute *I made the Green Power Switch* stickers to students
- Earth Day/Arbor Day event promotion
- Media Release with Earth Day/Arbor Day event

Ongoing

- Promote through existing industries program during business visits

APPENDIX C

APPLICATION GUIDELINES

SECTION 1 - GUIDELINES FOR THE GREEN POWER SWITCH® LOGO

1.1 A registration symbol (®) must always appear with the name and logo. This symbol indicates that the Green Power Switch® name and logo are always marks of TVA, registered with the U. S. Patent and Trademark Office.

1.2 The Pantone® colors used are 116 yellow, 279 blue, and 368 green.

1.3 It can be reproduced in the three-color format, or as a one-color logo in Pantone® 368 green, black, or white.

1.4 The typeface used for the Green Power Switch® letterform (the words "Green Power Switch" that accompany the logo) is 95 Helvetica Black with capital and lower-case letters as shown.

1.5 The color for the letterform used on the 3-color logo is generally green, however, in situations where legibility might be compromised, it can be white.

1.6 Digital files or camera-ready artwork are available through TVA, or may be downloaded from www.tva.com/greenpowerswitch/logo.htm.

SECTION 2 - USING THE GREEN POWER SWITCH® LOGO

2.1 The logo should always be placed on a background that provides a strong visual contrast.

2.2 Green Power Switch® is offered in the Tennessee Valley by TVA and by distributors of TVA power, so multiple logos are often shown in Green Power Switch® products. When used in conjunction with the Green Power Switch® logo, other logos should be shown in black.

2.3 When using multiple logos, the Green Power Switch® logo should be equal to or more prominent than the other logos.

2.4 Logos of TVA and participating power distributors should have about the same size, weight, and importance; leave an equal distance between the various logos not less than half the size of the smallest one. (TVA logo usage guidelines are available from TVA Corporate Branding.)

2.5 In large blocks of text, the words Green Power Switch® are often highlighted in bolder type. When they appear, use the ® symbol as a superscript following the words. The symbol ® should be approximately one-third of the Green Power Switch® font size superscripted beside the words in the upper right-hand corner. If the phrase Green Power Switch® is mentioned several times in a brochure or letter, the symbol only needs to be used in the first reference.

AGREEMENT
Between
CITY OF BRISTOL, TENNESSEE
and
TENNESSEE VALLEY AUTHORITY

Date: FEB 26, 2002

TV-67518A, Supp. No. 56

THIS AGREEMENT, made and entered into by and between CITY OF BRISTOL, TENNESSEE (Distributor), a municipal corporation created and existing under and by virtue of the laws of the State of Tennessee, and TENNESSEE VALLEY AUTHORITY (TVA), a corporation created and existing under and by virtue of the Tennessee Valley Authority Act of 1933, as amended (TVA Act);

W I T N E S S E T H

WHEREAS, Distributor purchases power from TVA for resale under Power Contract TV-67518A, dated June 27, 1985, as amended (Power Contract); and

WHEREAS, Marley Mouldings Limited, a Nevada corporation (formerly known as RGTL Nevada Limited) (Company), a division of Royal Group Technologies Limited, is constructing a plant in Bristol, Tennessee (Bristol Plant), and has requested that Distributor supply firm power for operation of the plant; and

WHEREAS, TVA and Distributor wish to supplement and amend the Power Contract in the respects necessary to provide for Company's participation in TVA's Competitive Indexed Rate demonstration program (CIR Program) under which the rate applicable for service to participating customers is indexed to the corresponding retail rate of competing electric suppliers;

NOW, THEREFORE, in consideration of the foregoing premises and the mutual covenants herein contained, and subject to the provisions of the TVA Act, the parties agree as follows:

SECTION 1 - CORRESPONDING SCHEDULE

During the term provided for in section 2 below, the rate applicable for service by Distributor to Company shall be the corresponding retail rate (as designated in this section) of the Appalachian Power Company, d/b/a American Electric Power (AEP) of Roanoke, VA. Said corresponding rate schedule (Corresponding Schedule) shall be AEP's published VA.S.C.C. TARIFF NO. 17, SCHEDULE L.P.S.-T.O.D. (Large

Power Service Time-of-day) rate schedule, which became effective on December 1, 1999, as such schedule may be modified or changed from time to time by AEP by published action; provided, however, that:

(a) for purposes of billing Company, any such modification or change shall only be effective prospectively and

(b) no retroactive modification, refund, or other retroactive adjustment to the charges of the Corresponding Schedule made by AEP shall be applicable for billing Company, or adjusting Company's bill, for power and energy provided by Distributor to Company prior to the date that a modification or change is made and published by AEP.

SECTION 2 - APPLICATION OF CORRESPONDING SCHEDULE

Notwithstanding anything in the Power Contract (including the Schedule of Rates and Charges) that may be construed to the contrary, Distributor will enter into arrangements with Company under which Company will participate in the CIR Program subject to the following:

2.1 Corresponding Schedule Charges and Term. Distributor will enter into an appropriate power supply contract (Company Contract) providing for the supply of firm power to Company. Beginning with the date in which power and energy is first made available to Company under the Company Contract (Effective Date), Distributor shall determine and bill Company each month for the charges for power and energy under the Corresponding Schedule. Unless sooner terminated as provided in 2.2.2 below, the Corresponding Schedule shall continue to be so applied through the meter-reading time under the Company Contract that falls at least four years after the Effective Date, after which Company shall be billed under Distributor's applicable standard general power rate schedule.

2.2 Conditions of Corresponding Schedule Availability.

2.2.1 Bill Credit Programs. During the term of the CIR Program, Company will not be eligible for any credit that would otherwise be applicable under the Growth Credit Program, Enhanced Growth Credit Program, Large Manufacturer Bill Credit Program, or any other retail bill credit or comparable program offered by Distributor or TVA.

2.2.2 Termination of Availability. Application of the Corresponding Schedule shall terminate as of the date that (a) the Company Contract terminates or expires or (b) any type of power other than firm power is made available under the Company Contract for the operation of Company's Bristol Plant. Further, in the event that the Company Contract is assigned by Company to another entity, application of the Corresponding Schedule shall terminate as of the effective date of the assignment unless both TVA and Distributor expressly agree in writing to the continued application of the Corresponding Schedule.

SECTION 3 - ACCOMMODATION TO CORRESPONDING SCHEDULE

If the Corresponding Schedule is replaced or is substantially modified by AEP, TVA and Distributor shall agree upon (and if necessary, jointly adapt) an appropriate

replacement Corresponding Schedule. Furthermore, in the event that Distributor encounters difficulty in determining billing amounts or applying other provisions of the Corresponding Schedule, the parties will agree upon a reasonable method of accommodation.

SECTION 4 - WHOLESALE POWER BILL ADJUSTMENTS

During any revenue month (as that term is defined in Wholesale Power Rate - Schedule WS) in which Company has been billed by Distributor under the Corresponding Schedule, the following adjustments will be made for purposes of determining Distributor's wholesale bill to TVA:

(a) Distributor shall promptly report to TVA the power and energy amounts sold to Company during that revenue month, and Distributor shall pay TVA for such power and energy in accordance with the wholesale charges set out in Wholesale Power Rate - Schedule WS as if such power had been resold to Company under Distributor's applicable standard general power rate schedule.

(b) TVA will then apply a credit on Distributor's wholesale power bill equal to any amount by which (i) the total amount Company would have paid if billed under Distributor's applicable standard general power rate schedule exceeds (ii) the total amount billed to Company under the Corresponding Schedule. In the event that the amount under (ii) exceeds the amount under (i), Distributor's wholesale power bill will be increased by the difference.

SECTION 5 - REPORTS

Distributor shall prepare and furnish to TVA a monthly report (in the form furnished or approved by TVA) showing, for the relevant billing month, (a) the Company's contract demand, billing demand, and metered energy and (b) the amount billed to Company for firm power and energy under the Corresponding Schedule, together with such other information as may be reasonably required by TVA for determining any wholesale billing adjustments.

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

CITY OF BRISTOL, TENNESSEE
By Board of Public Utilities

By R. M. del Bouch
Title: Gen Mgr

TENNESSEE VALLEY AUTHORITY

By Cynthia L. Heron
Manager, Contracts and Pricing
Customer Service and Marketing

AGREEMENT
Between
CITY OF BRISTOL, TENNESSEE
And
TENNESSEE VALLEY AUTHORITY

Date: March 24, 2003

TV-67518A, Supp. No. 57
000 23908

THIS AGREEMENT, made and entered into between CITY OF BRISTOL, TENNESSEE (Distributor), a municipal corporation created and existing under and by virtue of the laws of the State of Tennessee, and TENNESSEE VALLEY AUTHORITY (TVA), a corporation created and existing under and by virtue of the Tennessee Valley Authority Act of 1933, as amended (TVA Act);

W I T N E S S E T H:

WHEREAS, TVA and Distributor have entered into a contract dated June 27, 1985, as amended (Power Contract), under which Distributor purchases its entire requirements for electric power and energy from TVA for resale; and

WHEREAS, TVA plans to construct a 161-kV transmission line and to install 161-kV breakers and switches at Distributor's Blountville 161-kV Substation (161-kV Substation) to provide an alternate source of power to said substation; and

WHEREAS, the parties wish to supplement and amend the Power Contract and to enter into such other arrangements as are necessary between TVA and Distributor with respect to implementing these arrangements;

NOW, THEREFORE, for and in consideration of the premises and of the mutual agreements set forth below, and subject to the TVA Act, the parties mutually agree as follows:

SECTION 1 - 161-kV LINE INSTALLATION

To provide an alternate source of power to the 161-kV Substation, TVA shall construct a 161-kV radial line (161-kV Line) extending approximately 7.5 miles from TVA's Sullivan 500/161-kV Substation and connect the 161-kV Line into the 161-kV Substation.

SECTION 2 - INCORPORATION OF BILLING AND PAYMENT TERMS

The attached Billing and Payment Terms are made a part of this agreement. In the event of any conflict between the body of this agreement and the Billing and Payment Terms, the former shall control.

SECTION 3 – FACILITIES INSTALLATION

TVA and Distributor will cooperate in providing at the 161-kV Substation (a) two 161-kV breakers, all equipment associated with the breakers (including the conductors between the breakers), isolating switches, structures, relays, controls, and associated equipment (Facilities) and (b) related relay and supervisory control and data acquisition (SCADA) equipment. Distributor shall at its expense design, provide, and install the Facilities in accordance with specifications furnished or approved by TVA. TVA shall at its expense test the Facilities (in particular the 161-kV breakers). After the work is completed, TVA shall, consistent with the Billing and Payment Terms, reimburse Distributor for the cost (estimated to be \$293,000) of providing and installing the Facilities. The Facilities shall become TVA's property as soon as TVA makes this reimbursement. Thereafter, TVA shall operate, maintain, repair, and replace the Facilities. TVA shall at its expense provide and install the SCADA equipment in Distributor's switchhouse.

SECTION 4 - POWER REQUIREMENTS

Distributor shall at its expense provide the battery and station service power requirements for TVA's facilities and equipment (including the Facilities and SCADA equipment) installed at the 161-kV Substation.

SECTION 5 – SALE AND PURCHASE OF FACILITIES

If TVA determines it no longer needs the Facilities, TVA shall offer to sell and Distributor may purchase the Facilities in place at the 161-kV Substation. This sale will be at TVA's net book cost for the Facilities as of the sale date.

SECTION 6 - RIGHTS OF ACCESS

Distributor grants to TVA such rights to use Distributor's property as are reasonably necessary or desirable to enable TVA to carry out its responsibilities under this agreement. These rights include installation, operation, maintenance, replacement, removal, and inspection of TVA's facilities and equipment (including the 161-kV Line, Facilities, and SCADA equipment) installed in connection with service to Distributor.

SECTION 7 - TERM OF AGREEMENT

Except as otherwise provided, this agreement shall become effective as of the date of the agreement and shall continue in effect until the earlier of (a) TVA's permanent removal of the Facilities, (b) Distributor's purchase of the Facilities in accordance with Section 5, or (c) the expiration or termination of the Power Contract or any renewal, extension, or replacement of it.

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

CITY OF BRISTOL, TENNESSEE
By Board of Public Utilities

By R. M. del Bond
Title: Gen Mgr

TENNESSEE VALLEY AUTHORITY

By Cynthia L. Heron
General Manager, Contracts and Pricing
Customer Service and Marketing

58

**AGREEMENT
Between
CITY OF BRISTOL, TENNESSEE
And
TENNESSEE VALLEY AUTHORITY**

Date: November 17, 2002 TV-67518A, Supp. No. 58

THIS AGREEMENT, made and entered into between CITY OF BRISTOL, TENNESSEE (Distributor), a municipal corporation created and existing under and by virtue of the laws of the State of Tennessee, and TENNESSEE VALLEY AUTHORITY (TVA), a corporation created and existing under and by virtue of the Tennessee Valley Authority Act of 1933, as amended;

W I T N E S S E T H:

WHEREAS, TVA and Distributor have entered into a contract dated June 27, 1985, as amended (Power Contract), under which Distributor purchases its entire requirements for electric power and energy from TVA for resale; and

WHEREAS, TVA, Distributor, and Microporous Products, Inc. (Company), have entered into a contract of even date herewith (Company Contract) covering arrangements under which TVA will make available to Distributor for resale to Company a supply of firm power and of variable price interruptible power (VPI) for operation of Company's plant near Piney Flats, Tennessee; and

WHEREAS, the parties wish to supplement and amend the Power Contract and to enter into such other arrangements as are necessary between TVA and Distributor with respect to Distributor providing service to Company under the Company Contract;

NOW, THEREFORE, for and in consideration of the premises and of the mutual agreements set forth below, and subject to the Tennessee Valley Authority Act of 1933, as amended, the parties mutually agree as follows:

SECTION 1 - TERM OF AGREEMENT

This agreement shall become effective as of the effective date of the Company Contract, and shall continue in effect until expiration or termination of the Company Contract, or of the Power Contract, or until VPI is no longer available under the Company Contract, whichever first occurs.

SECTION 2 - BILLING DATA

Data obtained from the metering facilities referred to in section 4 of this agreement will be used (a) by Distributor for the purposes of determining the power and energy taken by Company and (b) by TVA for determining applicable adjustments for Distributor's wholesale bill. Accordingly, TVA will supply Distributor by the fourth working day following Company's scheduled meter-reading date the information regarding the amounts of VPI deemed to have been taken by Company, the times this VPI was taken, the price for this VPI, and such other information as may be necessary so that Distributor may be able to calculate Company's bill under the Company Contract. In order to facilitate TVA's preparation of the bill to Distributor for power and energy made available under the Power Contract, each month Distributor shall furnish to TVA a copy of Distributor's bill to Company for power and energy made available under the Company Contract when it is rendered and such other information related to Company's power and energy takings as TVA may require.

SECTION 3 - ADJUSTMENTS TO DISTRIBUTOR'S WHOLESALE BILLING

In calculating the wholesale bill each month for Distributor, the following steps will be taken with respect to Company:

3.1 Firm Power and Energy. Distributor will be billed demand and energy charges as provided in the wholesale rate schedule (Wholesale Schedule), which is contained in the Schedule of Rates and Charges attached to and made a part of the Power Contract, for any firm power and energy resold under the Company Contract; provided, however, that for the purposes of calculating said charges for any month in which Company is deemed to have taken any VPI energy under the Company Contract, the term "metered demand" in the Wholesale Schedule shall be deemed to refer to an amount equal to the sum of the billing demand for firm power and any billing demand for excess power (as those demands are calculated under the Company Contract).

3.2 Adjustment to Base Charges. (a) The total dollar amount of base demand and energy charges calculated under the Wholesale Schedule shall be increased by adding thereto an amount equal to Distributor's monthly (i) charge to Company for VPI energy under section 6.3 of the Company Contract and (ii) per kW charge to Company under subsection 6.2.2 of the Company Contract (as both charges are determined under the Company Contract and adjusted to reflect losses as provided in (b) below).

(b) The loss adjustment provided for in (a) above shall be made by dividing the charge to be adjusted by 1.03.

(c) The amount added to the base charges of the wholesale bill pursuant to (a) above shall also be added to the "sum of all charges" used for the distribution loss calculation under the section entitled "Distribution Loss Charge" of the Wholesale Schedule.

3.3 Administrative Costs Charge. An amount equal to the charge billed to Company in accordance with subsection 6.2.1 of the Company Contract will be included as part of the wholesale bill.

3.4 Suspension Tier 3 Monthly Charge. If Article III of the Company Contract provides for Suspension Tier 3, an amount equal to the charge billed to Company in accordance with subsection 6.2.3 of the Company Contract will be included as part of the wholesale bill.

3.5 Credit for Distributor Margin. In order to enable Distributor to recover more adequately the cost of making VPI available to Company, TVA will apply a credit to the wholesale bill derived by multiplying 40 cents times the highest VPI Demand established under the Company Contract during the month.

SECTION 4 - METERING FACILITIES

4.1 Revenue Meter. Under previous power supply arrangements with Company, Distributor and TVA arranged to replace the revenue meter in Distributor's former metering facilities with a solid-state type revenue meter (Replacement Meter) capable of remote telephone access. Distributor, at its expense, provided the equipment and materials and performed the work necessary to install the Replacement Meter, which was provided by TVA at its expense. TVA will continue to provide the Replacement Meter for Distributor's use in determining the amounts of power and energy associated with VPI. Distributor shall continue to test, calibrate, operate, maintain, repair, and replace all facilities in the metering installation, except that TVA shall provide any necessary replacements for the Replacement Meter.

4.2 Distributor Responsibility. Distributor will not use the Replacement Meter for any purpose other than as specifically provided in this agreement unless it first obtains TVA's written agreement. Distributor shall reimburse TVA for any damage to the Replacement Meter caused by the negligence or other wrongful act or omission of Distributor or its agents or employees and shall promptly return the Replacement Meter to TVA upon expiration or termination of this agreement. The obligations of this paragraph shall survive such expiration or termination until they are discharged.

4.3 Telephone Circuit for Remote Access. To allow remote access to the metering data recorded by the Replacement Meter, Distributor, at its expense shall continue to provide and maintain, or to cause the provision and maintenance of, a telephone circuit connected (through a modem furnished by TVA at its expense) to the Replacement Meter. The telephone circuit shall be installed in accordance with guidelines furnished or approved by TVA. TVA agrees to permit Distributor remote access through the telephone circuit to the metering data, and TVA will provide Distributor any information necessary for the exercise of such access. Distributor will require equipment not provided by TVA to exercise such access and TVA will assist Distributor in determining the equipment to be utilized; however, the acquisition of such equipment shall be the sole responsibility of Distributor. The use of the telephone circuit and access to the metering data will be coordinated by

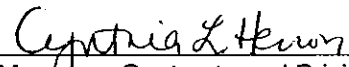
TVA's and Distributor's operating representatives to ensure unrestricted access by
TVA for data retrieval purposes during such periods as specified by TVA.

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

CITY OF BRISTOL, TENNESSEE
By Board of Public Utilities

By 
Title: General Manager

TENNESSEE VALLEY AUTHORITY

By 
Manager, Contracts and Pricing
Customer Service and Marketing

**TEN-YEAR
DISCOUNTED ENERGY UNIT AGREEMENT
Between
CITY OF BRISTOL, TENNESSEE
And
TENNESSEE VALLEY AUTHORITY**

Effective Date: December 16, 2002 TV-67518A, Supp. No. 59

THIS AGREEMENT, made and entered into between CITY OF BRISTOL, TENNESSEE (Distributor), a municipal corporation created and existing under and by virtue of the laws of the State of Tennessee, and TENNESSEE VALLEY AUTHORITY (TVA), a corporation created and existing under and by virtue of the Tennessee Valley Authority Act of 1933, as amended;

W I T N E S S E T H:

WHEREAS, TVA and Distributor have a longstanding relationship as seller and buyer of power, under which Distributor currently purchases all of its power requirements from TVA pursuant to Power Contract TV-67518A, dated June 27, 1985, as amended (Power Contract); and

WHEREAS, TVA has created a Discounted Energy Unit (DEU) product which allows Distributor to prepay a portion of the price of a block of kilowatthours yet to be supplied by TVA, each such block being a DEU, and receive a discount over a defined period of years for each kWh included in the DEUs which Distributor actually purchases from TVA; and

WHEREAS, the DEU product provides an additional vehicle through which TVA and distributors can work together to benefit the users of TVA-generated power by providing funds that TVA can use for projects like restarting Browns Ferry Unit 1; and

WHEREAS, Distributor has decided to participate in the DEU program by prepaying a portion of the price of the firm energy it plans to purchase from TVA in the future and, as a result, receiving a discount when it takes this firm energy from TVA;

NOW THEREFORE, in consideration of the mutual promises set forth below, and subject to the provisions of the Tennessee Valley Authority Act of 1933, as amended, the parties agree as follows:

1. Distributor agrees to purchase eight (8) DEUs by paying TVA \$8,000,000. (This amount is based upon a price of one million dollars (\$1,000,000) per DEU.) The total kWh prepaid under this Agreement for each month is three million, four hundred and eighty thousand (3,480,000) kWh (Monthly kWh DEU Volume). (This amount is based upon four hundred and thirty-five thousand (435,000) kWh per month per DEU.) Unless this Agreement is terminated early, Distributor shall receive a discount from TVA

on the Monthly kWh DEU Volume for ten (10) years (plus periods provided for in section 4 below). The total kWh for which a discount is applicable under this Agreement for the ten-year term is four hundred seventeen million, six hundred thousand (417,600,000) kWh. (This amount is based upon fifty-two million, two hundred thousand (52,200,000) kWh per DEU for a ten-year term.)

2. Distributor shall pay TVA the purchase price for the DEU by electronic fund transfer on or before such Distributor's first meter reading date that occurs after the Effective Date set out at the beginning of this Agreement.

3. Beginning with the invoice for the first full billing month after the Effective Date and continuing for the term of this Agreement, Distributor shall receive a discount on its monthly power bill of 2.50¢ per kWh on the Monthly kWh DEU Volume of firm energy purchased from TVA in that month.

4. If Distributor's firm energy takings in any billing month are less than the Monthly kWh DEU Volume, there will be a shortfall equaling the difference between the Monthly kWh DEU Volume and the firm energy Distributor actually takes in the billing month (Shortfall kWh). The Shortfall kWh will be carried forward to the next month such that the Monthly kWh DEU Volume to which the discount shall be applied in that month shall be deemed increased by the amount of such Shortfall kWh. This process will be repeated in each billing month, without regard to the expiration of the initial 10 year credit period described above, until Distributor has taken all of the Shortfall kWh.

5. During the term of this Agreement, if Distributor requires money to meet power system operating needs, Distributor may apply for and TVA agrees to approve a loan to Distributor under and in accordance with the then-existing terms and conditions of TVA's standard distributor loan agreement. For any loan made by TVA pursuant to this section 5, the maximum loan amount to Distributor, combined with any other outstanding loans made to Distributor under other DEU Agreements, cannot be greater than the aggregate amount of discounts Distributor is entitled to have applied to its power bill under this Agreement and all other DEU Agreements between Distributor and TVA. Nothing in this Agreement is intended to limit, alter, or modify any loans Distributor currently has under TVA's Distributor Loan Program or might obtain in the future under TVA's Distributor Loan Program.

6. It is expressly recognized and agreed that nothing in this Agreement shall limit, alter, or modify TVA's ability to change or adjust Distributor's wholesale rates; provided, however, that notwithstanding any such rate change or adjustment and without regard to the amount or amounts of TVA's then-current rates (even if such rates include an energy charge of less than 2.50¢ per kWh), the discount associated with the prepayment shall remain fixed during the term of this Agreement.

7. This Agreement shall continue in effect until the obligations provided for in sections 2, 3, and 4 above have been fulfilled; provided, however, that it may be sooner terminated by Distributor as provided in section 8 below or by TVA as provided in section 9 below.

8. Except as provided below in this section 8, any termination of the Distributor's Power Contract by Distributor shall also be deemed to be a termination of this Agreement. In the event of such a termination, TVA shall refund Distributor an

amount equal to the present value of each of the monthly discounts yet to be applied calculated using a discount rate equal to the then-applicable interest rate for loans under TVA's Distributor Loan Program plus fifty (50) basis points to reflect the value lost by TVA due to such termination. Notwithstanding the foregoing, at the Distributor's sole option, TVA will continue this Agreement under renewal or amended power supply arrangements that may be agreed to by Distributor and TVA so long as the renewal or amended power supply arrangements provide for the continuing purchase by Distributor of an amount of energy each month at least equal to the Monthly kWh DEU Volume provided for by section 1 above.

9. Unless otherwise agreed, any termination of the Power Contract by TVA shall also be deemed to be a termination of this Agreement and TVA shall pay Distributor an amount equal to the present value of each of the monthly discounts yet to be applied calculated using a discount rate equal to the then-applicable interest rate for loans under TVA's Distributor Loan Program minus fifty (50) basis points to reflect the value lost by Distributor due to TVA's early termination of the Agreement.

10. For purposes of applying sections 8 and 9 above, the difference between what the Distributor would have received as discounts under this Agreement and the amount it would receive from TVA under these sections shall be conclusively considered and accepted by both parties to be liquidated damages reflecting, among other things, the present value of each of the monthly discounts yet to be applied. Further, it is expressly recognized and agreed that any TVA refund or payment obligation arising under said sections shall survive the termination of this Agreement until the obligation is discharged by TVA.

11. (a) It is expressly recognized and agreed that TVA shall not, because of Distributor's execution of this Agreement, foreclose or limit, in whole or in part, Distributor's participation in any new or existing contract options, incentives and other programs as they are now offered, or may in the future be offered, to other municipal and cooperative distributors of TVA power.

(b) It is further expressly recognized and agreed that in the event of a future Rate Change, TVA shall not consider the credits provided for by this Agreement in determining the design of the demand and energy charges for the changed wholesale rate schedule. (As used in this paragraph, "Rate Change" shall mean a change made in the wholesale power rate schedule of the Schedule of Rates and Charges in accordance with the paragraph headed "Change" of the section of the Power Contract's Schedule of Terms and Conditions entitled "Adjustment and Change of Wholesale Rate and Resale Rates.")

12. Each party will be deemed to represent to the other party on the date it enters into this Agreement that: (a) it is acting for its own account, and it has made its own independent decision to enter into this Agreement and as to whether the arrangements described in this Agreement are appropriate or proper for it based upon its own judgment and upon advice from such other advisers as it has deemed necessary, (b) it is capable of assessing the merits of and understanding (on its own behalf or through independent professional advice), and understands and accepts, the terms, conditions, and risks of the Agreement, and (c) the other party is not acting as a fiduciary for or an advisor to it in respect of this Agreement.

13. This Agreement contains the entire agreement and understanding between the parties, and there are no oral understandings, terms, or conditions not herein recited, and neither party has relied upon any representations not contained in this Agreement. All prior understandings, terms, or conditions are deemed to be merged in this Agreement and the same may not be changed or supplemented orally by either party.

14. Except as expressly set out above, nothing in this Agreement shall affect the other terms of the Power Contract.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized officers as of the date first above written.

CITY OF BRISTOL, TENNESSEE

By Board of Public Utilities

By R. Michael Branch
Title Gen Mgr

TENNESSEE VALLEY AUTHORITY

By Cynthia L. Heron
Manager, Contracts and Pricing
Customer Service and Marketing

60

**AGREEMENT
Between
CITY OF BRISTOL, TENNESSEE
And
TENNESSEE VALLEY AUTHORITY**

Date: July 17, 2003 TV-67518A, Supp. No. 60

THIS AGREEMENT; made and entered into between CITY OF BRISTOL, TENNESSEE (Distributor), a municipal corporation created and existing under and by virtue of the laws of the State of Tennessee, and TENNESSEE VALLEY AUTHORITY (TVA), a corporation created and existing under and by virtue of the Tennessee Valley Authority Act of 1933, as amended;

WITNESSETH:

WHEREAS, TVA and Distributor have entered into a contract dated June 27, 1985, as amended (Power Contract), under which Distributor purchases its entire requirements for electric power and energy from TVA for resale; and

WHEREAS, TVA, Distributor, and Bristol Metals, Inc. (Company) have entered into a contract of even date herewith (Company Contract) covering arrangements under which TVA will make available to Distributor for resale to Company a supply of firm power and of variable price interruptible power (VPI) for operation of Company's plant in Bristol, Tennessee; and

WHEREAS, the parties wish to supplement and amend the Power Contract and to enter into such other arrangements as are necessary between TVA and Distributor with respect to Distributor providing service to Company under the Company Contract;

NOW, THEREFORE, for and in consideration of the premises and of the mutual agreements set forth below, and subject to the Tennessee Valley Authority Act of 1933, as amended; the parties mutually agree as follows:

SECTION 1 - TERM OF AGREEMENT

This agreement shall become effective as of the effective date of the Company Contract, and shall continue in effect until expiration or termination of the Company Contract, or of the Power Contract, or until VPI is no longer available under the Company Contract, whichever first occurs.

SECTION 2 - BILLING DATA

Data obtained from the metering facilities referred to in section 4 of this agreement will be used (a) by Distributor for the purposes of determining the power and energy taken by Company and (b) by TVA for determining applicable adjustments for Distributor's wholesale bill. Accordingly, TVA will supply Distributor by the fourth working day following Company's scheduled meter-reading date the information regarding the amounts of VPI deemed to have been taken by Company, the times this VPI was taken, the price for this VPI, and such other information as may be necessary so that Distributor may be able to calculate Company's bill under the Company Contract. In order to facilitate TVA's preparation of the bill to Distributor for power and energy made available under the Power Contract, each month Distributor shall furnish to TVA a copy of Distributor's bill to Company for power and energy made available under the Company Contract when it is rendered and such other information related to Company's power and energy takings as TVA may require.

SECTION 3 - ADJUSTMENTS TO DISTRIBUTOR'S WHOLESALE BILLING

In calculating the wholesale bill each month for Distributor, the following steps will be taken with respect to Company:

3.1 Firm Power and Energy. Distributor will be billed demand and energy charges as provided in the wholesale rate schedule (Wholesale Schedule), which is contained in the Schedule of Rates and Charges attached to and made a part of the Power Contract, for any firm power and energy resold under the Company Contract; provided, however, that for the purposes of calculating said charges for any month in which Company is deemed to have taken any VPI energy under the Company Contract, the term "metered demand" in the Wholesale Schedule shall be deemed to refer to an amount equal to the sum of the billing demand for firm power and any billing demand for excess power (as those demands are calculated under the Company Contract).

3.2 Adjustment to Base Charges. (a) The total dollar amount of base demand and energy charges calculated under the Wholesale Schedule shall be increased by adding thereto an amount equal to Distributor's monthly (i) charge to Company for VPI energy under section 6.3 of the Company Contract and (ii) per kW charge to Company under subsection 6.2.2 of the Company Contract (as both charges are determined under the Company Contract and adjusted to reflect losses as provided in (b) below).

(b) The loss adjustment provided for in (a) above shall be made by dividing the charge to be adjusted by 1.03.

(c) The amount added to the base charges of the wholesale bill pursuant to (a) above shall also be added to the "sum of all charges" used for the distribution loss calculation under the section entitled "Distribution Loss Charge" of the Wholesale Schedule.

3.3 Administrative Costs Charge. An amount equal to the charge billed to Company in accordance with subsection 6.2.1 of the Company Contract will be included as part of the wholesale bill.

3.4 Suspension Tier 3 Monthly Charge. If Article III of the Company Contract provides for Suspension Tier 3, an amount equal to the charge billed to Company in accordance with subsection 6.2.3 of the Company Contract will be included as part of the wholesale bill.

3.5 Credit for Distributor Margin. In order to enable Distributor to recover more adequately the cost of making VPI available to Company, TVA will apply a credit to the wholesale bill derived by multiplying 40 cents times the highest VPI Demand established under the Company Contract during the month.

SECTION 4 - METERING FACILITIES

4.1 Revenue Meter. Under previous power supply arrangements, Distributor and TVA arranged to replace the revenue meter in Distributor's former metering facilities with a solid-state type revenue meter (Replacement Meter) capable of remote telephone access. Distributor, at its expense, provided the equipment and materials and performed the work necessary to install the Replacement Meter, which was provided by TVA at its expense. TVA will continue to provide the Replacement Meter for Distributor's use in determining the amounts of power and energy associated with VPI. Distributor shall continue to test, calibrate, operate, maintain, repair, and replace all facilities in the metering installation, except that TVA shall provide any necessary replacements for the Replacement Meter.

4.2 Distributor Responsibility. Distributor will not use the Replacement Meter for any purpose other than as specifically provided in this agreement unless it first obtains TVA's written agreement. Distributor shall reimburse TVA for any damage to the Replacement Meter caused by the negligence or other wrongful act or omission of Distributor or its agents or employees and shall promptly return the Replacement Meter to TVA upon expiration or termination of this agreement. The obligations of this paragraph shall survive such expiration or termination until they are discharged.

4.3 Telephone Circuit for Remote Access. To allow remote access to the metering data recorded by the Replacement Meter, Distributor, at its expense shall continue to provide and maintain, or to cause the provision and maintenance of, a telephone circuit connected (through a modem furnished by TVA at its expense) to the Replacement Meter. The telephone circuit shall be installed in accordance with guidelines furnished or approved by TVA. TVA agrees to permit Distributor remote access through the telephone circuit to the metering data, and TVA will provide Distributor any information necessary for the exercise of such access. Distributor will require equipment not provided by TVA to exercise such access and TVA will assist Distributor in determining the equipment to be utilized; however, the acquisition of such equipment shall be the sole responsibility of Distributor. The use of the telephone circuit and access to the metering data will be coordinated by TVA's and Distributor's operating representatives to ensure unrestricted access by TVA for data retrieval purposes during such periods as specified by TVA.

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

CITY OF BRISTOL, TENNESSEE
By Board of Public Utilities

By R. Michael Burch
Title: Gen Mgr

TENNESSEE VALLEY AUTHORITY

By Cynthia L. Henson
General Manager, Contracts and Pricing
Customer Service and Marketing

September 25, 2003

RESALE RATE SCHEDULE SUBSTITUTION AGREEMENT

Between

CITY OF BRISTOL, TENNESSEE (DISTRIBUTOR)

And

TENNESSEE VALLEY AUTHORITY (TVA)

Distributor and TVA agree to substitute the new resale rate schedules specified in (a) below, copies of which are attached, for the resale rate schedules specified in (b) below, which were to be effective as of the October 2003 revenue month, under provisions of Power Contract TV-67518A, dated June 27, 1985, as amended (Power Contract), between TVA and Distributor. This substitution is to be effective for all bills rendered from resale meter readings taken for revenue months of Distributor beginning with the October 2003 revenue month.

(a) New resale rate schedules:

Residential Rate--Schedule RS (October 2003, R1)
General Power Rate--Schedule GSA (October 2003, R1)
Outdoor Lighting Rate--Schedule LS (October 2003, R1)

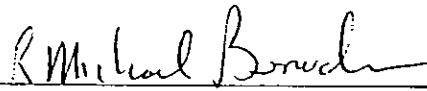
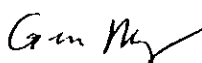
(b) Existing resale rate schedules:

Residential Rate--Schedule RS (October 2003)
General Power Rate--Schedule GSA (October 2003)
Outdoor Lighting Rate--Schedule LS (October 2003)

It is understood that, upon execution of this agreement by TVA and Distributor, all references in the Power Contract to the existing resale rate schedules specified in (b) above, or to any predecessor schedules, shall be deemed to refer to the appropriate new resale rate schedules specified in (a) above.

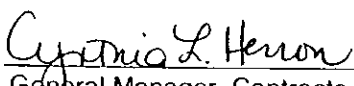
CITY OF BRISTOL, TENNESSEE

By Board of Public Utilities

By 
Title: 

Rate schedule substitution agreed to as of
the date first above written.

TENNESSEE VALLEY AUTHORITY

By 
General Manager, Contracts and Pricing
Customer Service and Marketing

BRISTOL TENNESSEE ELECTRIC SYSTEM

RESIDENTIAL RATE--SCHEDULE RS

(October 2003, R1)*

Availability

This rate shall apply only to electric service to a single-family dwelling (including its appurtenances if served through the same meter), where the major use of electricity is for domestic purposes such as lighting, household appliances, and the personal comfort and convenience of those residing therein.

Character of Service

Alternating current, single-phase, 60 hertz. Power shall be delivered at a service voltage available in the vicinity or agreed to by Distributor. Multiphase service shall be supplied in accordance with Distributor's standard policy.

Base Charges

Customer Charge: \$8.00 per month, less

Hydro Allocation Credit: \$1.71 per month

Energy Charge: First 1,000 kWh per month at 5.374¢ per kWh

Additional kWh per month at 5.918¢ per kWh

Adjustment

The base energy charge shall be increased or decreased in accordance with the current Adjustment Addendum published by TVA. (In addition, the base energy charge and the hydro allocation credit shall be increased or decreased to correspond to increases or decreases determined by TVA under Adjustment 2 or Adjustment 4 of the wholesale power rate schedule applicable under contractual arrangements between TVA and Distributor.)

Minimum Monthly Bill

The minimum monthly bill for all customers served under this rate schedule shall be \$12.48 less the hydro allocation credit, except those customers for which a higher minimum monthly bill is required under Distributor's standard policy because of special circumstances affecting Distributor's cost of rendering service.

Payment

Bills under this rate schedule will be rendered monthly. Any amount of bill unpaid after due date specified on bill may be subject to additional charges under Distributor's standard policy.

* Incorporates adjustments set out in October 2003 Adjustment Addendum (Environmental Adjustment)

Single-Point Delivery

The charges under this rate schedule are based upon the supply of service through a single delivery and metering point, and at a single voltage. If service is supplied to the same customer through more than one point of delivery or at different voltages, the supply of service at each delivery and metering point and at each different voltage shall be separately metered and billed.

Service is subject to Rules and Regulations of Distributor.

BRISTOL TENNESSEE ELECTRIC SYSTEM

GENERAL POWER RATE--SCHEDULE GSA

(October 2003, R1)*

Availability

This rate shall apply to the firm power requirements (where a customer's contract demand is 5,000 kW or less) for electric service to commercial, industrial, and governmental customers, and to institutional customers including, without limitation, churches, clubs, fraternities, orphanages, nursing homes, rooming or boarding houses, and like customers. This rate shall also apply to customers to whom service is not available under any other resale rate schedule.

Character of Service

Alternating current, single- or three-phase, 60 hertz. Power shall be delivered at a service voltage available in the vicinity or agreed to by Distributor.

Base Charges

1. If (a) the higher of (i) the customer's currently effective contract demand, if any, or (ii) its highest billing demand during the latest 12-month period is not more than 50 kW and (b) customer's monthly energy takings for any month during such period do not exceed 15,000 kWh:

Customer Charge: \$14.00 per delivery point per month

Energy Charge: 6.240¢ per kWh per month

2. If (a) the higher of (i) the customer's currently effective contract demand or (ii) its highest billing demand during the latest 12-month period is greater than 50 kW but not more than 1,000 kW or (b) the customer's billing demand is less than 50 kW and its energy takings for any month during such period exceed 15,000 kWh:

Customer Charge: \$25.00 per delivery point per month

Demand Charge: First 50 kW of billing demand per month, no demand charge

Excess over 50 kW of billing demand per month, at \$8.56 per kW, plus an additional

\$8.56 per kW per month for each kW, if any, of the amount by which the customer's billing demand exceeds the higher of 50 kW or its contract demand

Energy Charge: First 15,000 kWh per month at 6.194¢ per kWh

Additional kWh per month at 3.420¢ per kWh

* Incorporates adjustments set out in October 2003 Adjustment Addendum (Environmental Adjustment)

3. If the higher of (a) the customer's currently effective contract demand or (b) its highest billing demand during the latest 12-month period is greater than 1,000 kW:

Customer Charge: \$25.00 per delivery point per month

Demand Charge: First 1,000 kW of billing demand per month, at \$8.56 per kW

Excess over 1,000 kW of billing demand per month, at
\$10.06 per kW, plus an additional

\$10.06 per kW per month for each kW, if any, of the amount by which the customer's billing demand exceeds the contract demand

Energy Charge: 3.420¢ per kWh per month

Adjustment

The base demand and energy charges shall be increased or decreased in accordance with the current Adjustment Addendum published by TVA. (In addition, such charges shall be increased or decreased to correspond to increases or decreases determined by TVA under Adjustment 2 or Adjustment 4 of the wholesale power rate schedule applicable under contractual arrangements between TVA and Distributor.)

Determination of Demand

Distributor shall meter the demands in kW of all customers having loads in excess of 50 kW. The metered demand for any month shall be the highest average during any 30-consecutive-minute period of the month of the load metered in kW. The measured demand for any month shall be the higher of the highest average during any 30-consecutive-minute period of the month of (a) the load metered in kW or (b) 85 percent of the load in kVA plus an additional 10 percent for that part of the load over 5,000 kVA, and such measured demand shall be used as the billing demand, except that the billing demand for any month shall in no case be less than 30 percent of the higher of the currently effective contract demand or the highest billing demand established during the preceding 12 months.

Minimum Bill

The monthly bill under this rate schedule shall not be less than (1) the sum of (a) the base customer charge, (b) the base demand charge, as adjusted, applied to 30 percent of the higher of the currently effective contract demand or the highest billing demand established during the preceding 12 months, and (c) the base energy charge, as adjusted, applied to the customer's energy takings; or (2) the sum of (a) the base customer charge and (b) 20 percent of the portion of the base demand charge, as adjusted, applicable to the second block (excess over 50 kW) of billing demand, multiplied by the higher of the customer's currently effective contract demand or its highest billing demand established during the preceding 12 months.

Distributor may require minimum bills higher than those stated above.

Seasonal Service

Customers who contract for service on a seasonal basis shall be limited to 2,500 kW and shall pay the above charges, as adjusted, plus an additional seasonal use charge equal to (1) 1.33¢ per kWh

per month under 1 of the Base Charges, (2) the sum of 1.33¢ per kWh for the first 15,000 kWh per month and \$4.00 per kW per month of billing demand in excess of 50 kW under 2 of the Base Charges, and (3) \$4.00 per kW per month of billing demand under 3 of the Base Charges. Consistent with Distributor's standard policy, the customer may arrange for seasonal testing of equipment during offpeak hours.

For such customers, the minimum bill provided for above shall not apply. Distributor may require additional charges to provide recovery of costs for customer-specific distribution facilities.

Contract Requirement

Distributor may require contracts for service provided under this rate schedule. Customers whose demand requirements exceed 50 kW shall be required to execute contracts and such contracts shall be for an initial term of at least 1 year. The customer shall contract for its maximum requirements, which shall not exceed the amount of power capable of being used by customer, and Distributor shall not be obligated to supply power in greater amount at any time than the customer's currently effective contract demand. If the customer uses any power other than that supplied by Distributor under this rate schedule, the contract may include other special provisions. The rate schedule in any power contract shall be subject to adjustment, modification, change, or replacement from time to time as provided under the power contract between Distributor and TVA.

Payment

Bills under this rate schedule will be rendered monthly. Any amount of bill unpaid after due date specified on bill may be subject to additional charges under Distributor's standard policy.

Single-Point Delivery

The charges under this rate schedule are based upon the supply of service through a single delivery and metering point, and at a single voltage. If service is supplied to the same customer through more than one point of delivery or at different voltages, the supply of service at each delivery and metering point and at each different voltage shall be separately metered and billed.

Service is subject to Rules and Regulations of Distributor.

BRISTOL TENNESSEE ELECTRIC SYSTEM

OUTDOOR LIGHTING RATE--SCHEDULE LS

(October 2003, R1)*

Availability

Available for service to street and park lighting systems, traffic signal systems, athletic field lighting installations, and outdoor lighting for individual customers.

Service under this schedule is for a term of not less than 1 year.

Payment

Bills under this rate schedule will be rendered monthly. Any amount of bill unpaid after due date specified on bill may be subject to additional charges under Distributor's standard policy.

Adjustment

The energy charge in Part A and Part B of this rate schedule shall be increased or decreased in accordance with the current Adjustment Addendum published by TVA. (In addition, the energy charge in Part A and Part B of this rate schedule shall be increased or decreased to correspond to increases or decreases determined by TVA under Adjustment 2 or Adjustment 4 of the wholesale power rate schedule applicable under contractual arrangements between TVA and Distributor.)

PART A--CHARGES FOR STREET AND PARK LIGHTING SYSTEMS, TRAFFIC SIGNAL SYSTEMS, AND ATHLETIC FIELD LIGHTING INSTALLATIONS

I. Energy Charge: 4.404¢ per kWh per month

II. Facility Charge

The annual facility charge shall be 8 percent of the installed cost to Distributor's electric system of the facilities devoted to street and park lighting service specified in this Part A. Such installed cost shall be recomputed on July 1 of each year, or more often if substantial changes in the facilities are made. Each month, one-twelfth of the then total annual facility charge shall be billed to the customer. If any part of the facilities has not been provided at the electric system's expense or if the installed cost of any portion thereof is reflected on the books of another municipality or agency or department, the annual facility charge shall be adjusted to reflect properly the remaining cost to be borne by the electric system.

Traffic signal systems and athletic field lighting installations shall be provided, owned, and maintained by and at the expense of the customer, except as Distributor may agree otherwise in accordance with the provisions of the paragraph next following in this section II. The facilities necessary to provide service to such systems and installations shall be provided by and at the expense of Distributor's electric system, and the annual facility charge provided for first above in this section II shall apply to the installed cost of such facilities.

* Incorporates adjustments set out in October 2003 Adjustment Addendum (Environmental Adjustment)

When so authorized by policy duly adopted by Distributor's governing board, traffic signal systems and athletic field lighting installations may be provided, owned, and maintained by Distributor's electric system for the customer's benefit. In such cases Distributor may require reimbursement from the customer for a portion of the initial installed cost of any such system or installation and shall require payment by the customer of a facility charge sufficient to cover all of Distributor's costs (except reimbursed costs), including appropriate overheads, of providing, owning, and maintaining such system or installation; provided that, for athletic field lighting installations, such facility charge shall in no case be less than 12 percent per year of such costs. Said facility charge shall be in addition to the annual facility charge on the facilities necessary to provide service to such system or installation as provided for in the preceding paragraph. Replacement of lamps and related glassware for traffic signal systems and athletic field lighting installations provided under this paragraph shall be paid for under the provisions of paragraph A in Section IV.

III. Customer Charge - Traffic Signal Systems and Athletic Field Lighting Installations.

Distributor shall apply a uniform monthly customer charge of \$2.50 for service to each traffic signal system or athletic field lighting installation.

IV. Replacement of Lamps and Related Glassware - Street and Park Lighting

Customer shall be billed and shall pay for replacements as provided in paragraph B below, which shall be applied to all service for street and park lighting.

- A. Distributor shall bill the customer monthly for such replacements during each month at Distributor's cost of materials, including appropriate storeroom expense.
- B. Distributor shall bill the customer monthly for one-twelfth of the amount by which Distributor's cost of materials, including appropriate storeroom expense, exceeds the product of 3 mills multiplied by the number of kilowatthours used for street and park lighting during the fiscal year immediately preceding the fiscal year in which such month occurs.

Metering

For any billing month or part of such month in which the energy is not metered or for which a meter reading is found to be in error or a meter is found to have failed, the energy for billing purposes for that billing month or part of such month shall be computed from the rated capacity of the lamps (including ballast) plus 5 percent of such capacity to reflect secondary circuit losses, multiplied by the number of hours of use.

Revenue and Cost Review

Distributor's costs of providing service under Part A of this rate schedule are subject to review at any time and from time to time to determine if Distributor's revenues from the charges being applied are sufficient to cover its costs. (Such costs, including applicable overheads, include, but are not limited to, those incurred in the operation and maintenance of the systems provided and those resulting from depreciation and payments for taxes, tax equivalents and interest.) If any such review discloses that revenues are either less or more than sufficient to cover said costs, Distributor shall revise the above facility charges so that revenues will be sufficient to cover said costs. Any such revision of the annual facility charge provided for first above in section II of Part A of this rate schedule shall be by agreement between Distributor and TVA.

PART B--CHARGES FOR OUTDOOR LIGHTING FOR INDIVIDUAL CUSTOMERS

Charges Per Fixture Per Month

(a) <u>Type of Fixture</u>	<u>Lamp Size</u>		<u>Rated kWh</u>	<u>Facility Charge</u>
	<u>(Watts)</u>	<u>(Lumens)</u>		
Mercury Vapor or Incandescent	175	7,650	70	\$2.71
	250	10,400	98	\$3.21
	400	19,100	155	\$4.06
	700	33,600	266	\$5.48
	1,000	47,500	378	\$6.98
High Pressure Sodium	70	4,860	31	\$3.85
	100	8,550	42	\$4.12
	150	14,400	63	\$4.24
	200	18,900	82	\$4.61
	250	23,000	105	\$4.87
	400	45,000	165	\$5.78
	1,000	126,000	385	\$9.24
Low Pressure Sodium	55	7,650	32	\$3.87
	90	12,750	53	\$6.44
	135	22,000	75	\$8.49
	180	33,000	93	\$9.64

(b) Energy Charge: For each lamp size under (a) above, 4.404¢ per rated kWh per month

Additional Facilities

The above charges in this Part B are limited to service from a photoelectrically controlled standard lighting fixture installed on a pole already in place. If the customer wishes to have the fixture installed at a location other than on a pole already in place, Distributor may apply an additional monthly charge.

Lamp Replacements

Replacements of lamps and related glassware will be made in accordance with replacement policies of Distributor without additional charge to the customer.

Special Outdoor Lighting Installations

When so authorized by policy duly adopted by Distributor's governing board, special outdoor lighting installations (other than as provided for under Parts A and B above) may be provided, owned, and maintained by Distributor's electric system. In such cases Distributor may require reimbursement from the customer for a portion of the initial installed cost of any such installation and shall require payment by the customer of monthly charges sufficient to cover all of Distributor's costs (except reimbursed costs), including appropriate overheads, or providing, owning, and maintaining such installations, and making lamp replacements.

Service is subject to Rules and Regulations of Distributor.

WETM AMENDATORY AGREEMENT
Between
CITY OF BRISTOL, TENNESSEE
And
TENNESSEE VALLEY AUTHORITY

Date: May 29, 2001

TV-67518A, Supp. No. 52

THIS AGREEMENT, made and entered into between CITY OF BRISTOL, TENNESSEE (Distributor), a municipal corporation created and existing under and by virtue of the laws of the State of Tennessee, and TENNESSEE VALLEY AUTHORITY (TVA), a corporation created and existing under and by virtue of the Tennessee Valley Authority Act of 1933, as amended (TVA Act);

W I T N E S S E T H

WHEREAS, TVA and Distributor have entered into a contract dated June 27, 1985, as amended (Power Contract), under which Distributor purchases its entire requirements for electric power and energy from TVA for resale; and

WHEREAS, TVA and Distributor have also entered into a Wholesale Energy to Market Agreement dated April 3, 2000 (WETM Agreement); and

WHEREAS, the parties wish to supplement and amend the WETM Agreement in the respects necessary to provide for force majeure relief under the conditions set forth in the new section 10 of the WETM Agreement provided for by section 3 below; and

WHEREAS, the parties also wish to supplement and amend the WETM Agreement in the respects necessary to provide for a credit to reflect damages sustained by Distributor for a failure by TVA to accept delivery which is not an excused failure under said new section 10 or which is not otherwise caused by Distributor or any agent acting for Distributor, said credit to be applicable under the conditions set forth in the new section 11 of the WETM Agreement also provided for by said section 3 below;

NOW, THEREFORE, in consideration of the foregoing premises and the mutual covenants herein contained and subject to the provisions of the TVA Act, the parties agree as follows:

1. ADDITIONAL WETM AGREEMENT DEFINITIONS. Section 1 of the WETM Agreement is hereby amended by adding the following additional definitions:

1.17 "Transmission Provider" shall mean any entity transmitting or transporting all or a portion of a Purchased Block.

1.18 "Firm Transmission" shall mean arrangements for firm transmission under the Transmission Provider's tariff applicable to such arrangements.

1.19 "Scheduled Firm Transmission" shall mean arrangements for the delivery of a Purchased Block or a portion thereof which:

(a) are arranged for by Distributor in accordance with the provisions of item (ii) in the last paragraph of section 3 of this agreement, and

(b) include both (i) Firm Transmission over all Transmission Providers' systems from the generation source to the Interconnection Point and (ii) TVA capability to accept delivery at the Interconnection Point on a firm basis.

1.20 "Scheduled Firm Interconnection Point" shall mean arrangements for the delivery of a Purchased Block or a portion thereof which:

(a) are arranged for by Distributor in accordance with the provisions of item (ii) in the last paragraph of section 3 of this agreement, and

(b) include TVA capability to accept delivery at the Interconnection Point on a firm basis, whether or not transmission to the Interconnection Point is Scheduled Firm Transmission.

It is expressly recognized and agreed that no TVA obligation to accept delivery at an Interconnection Point shall be deemed to arise under this agreement except to the extent that such delivery arrangements include a Scheduled Firm Interconnection Point.

1.21 "Transmission Service Guidelines" and "TVA's Transmission Service Guidelines" shall mean the Tennessee Valley Authority Transmission Service Guidelines or any successor TVA tariff of general applicability.

1.22 "Sales Price" (as used in calculating the amount, if any, of a credit applicable under section 11 of this agreement) shall mean:

(a) the price (expressed in cents per kilowatt hour) at which Distributor, acting in a commercially reasonable manner, resells (if at all) any electric energy not received by TVA, reduced by additional transmission charges, if any, incurred by Distributor to effect such resale, less any costs Distributor avoids as a consequence of TVA's failure to take delivery, or

(b) absent any such sale, the market price for such quantity of substitute or replacement electric energy delivered at the Scheduled Firm Interconnection Point during the applicable period of delivery as determined by Distributor in a commercially reasonable manner;

provided, however, in no event shall the Sales Price include any penalties, ratcheted demand or similar charges or any stranded costs.

2. **REPLACEMENT COST DEFINITION.** Section 1 of the WETM Agreement is hereby further amended by replacing subsection 1.7 with the following language:

1.7 "Replacement Cost" (as used in calculating the amount, if any, of a debit to Distributor's wholesale bill for Undelivered Energy in accordance with subsection 5.2) shall mean the amount by which:

(a) the revenue lost by TVA (acting in a commercially reasonable manner), expressed in cents per kWh, as a result of interrupting a previously arranged sale to provide the Undelivered Energy, including any damages paid by TVA as a result of interrupting the sale, or

(b) (absent any such interruption as set forth in (a) above) the market price per kWh (as determined by TVA in a commercially reasonable manner) for the Undelivered Energy,

exceeds the System Value, which would have been credited to Distributor if the Undelivered Energy had been delivered. It is expressly recognized and agreed that nothing in this subsection 1.7 shall be construed to require TVA to interrupt a previously arranged sale as the preferred method of obtaining energy to replace Undelivered Energy.

3. NEW WETM AGREEMENT SECTIONS. The WETM Agreement is hereby amended to (1) renumber Section 10 as Section 12 and (2) add the following new Sections 10 and 11:

SECTION 10 FORCE MAJEURE RELIEF

10.1 Scheduled Firm Transmission. To the extent that Distributor has first completed arrangements for Scheduled Firm Transmission, (a) Distributor may be relieved of its obligation to deliver energy as provided for in 10.2 or 10.4 below and (b) TVA may be relieved of its obligation to accept delivery of energy as provided for in 10.3 or 10.4 below. It is expressly recognized and agreed that no such relief shall be based on (i) the loss of TVA's markets, (ii) TVA's inability economically to use or resell any portion of the Purchased Block arranged hereunder, (iii) the loss or failure of Distributor's supply, (iv) Distributor's ability to sell any portion of the Purchased Block arranged hereunder at a price greater than the applicable System Value, or (v) loss, interruption, or curtailment of transmission except as provided in subsections 10.2 and 10.3 below.

10.2 Distributor Relief. To the extent that any undelivered portion of a Purchased Block for which Scheduled Firm Transmission has been arranged is not delivered due to a loss, interruption, or curtailment of Firm Transmission caused by an event which excuses performance by the Transmission Provider under a "force majeure" provision, an "uncontrollable forces" provision, or a similar provision in the Transmission Provider's tariff, Distributor shall be excused from its obligation to deliver such energy and any such undelivered portion shall be deemed not to be Undelivered Energy for purposes of applying the provisions of subsections 1.6, 1.7, and 5.2 of this agreement.

10.3 TVA Relief. To the extent that any failure by TVA to accept delivery of any portion of a Purchased Block for which Scheduled Firm Transmission has been arranged is due to a cause which would excuse TVA from accepting delivery under the Force Majeure provisions of the Transmission Service Guidelines in effect on the date that such Scheduled Firm Transmission arrangements are completed by Distributor, TVA shall be excused from its obligation to accept such delivery.

10.4. Distributor or TVA Relief. In addition to the relief afforded by subsections 10.2 or 10.3, either party may be excused from performance to the extent said party is prevented from completing its performance by an event or circumstance not anticipated as of the date when Scheduled Firm Transmission arrangements are completed, which event or circumstance is not within the reasonable control of, or the result of the negligence of, said party and which by the exercise of due diligence said party is unable to overcome or avoid or cause to be avoided.

10.5 Relief Process. Either party may seek relief from the other party as provided for in subsections 10.1, 10.2, 10.3 and 10.4 above by notifying the other party as soon as practicable after the beginning of an event or circumstance that the party seeking relief believes to be an event or circumstance entitling the party to relief under this section 10.

SECTION 11- TVA FAILURE TO ACCEPT DELIVERY

11.1 Distributor Credit. To the extent that TVA fails to take delivery of any portion of a Purchased Block as to which Distributor has completed arrangements with TVA for a Scheduled Firm Interconnection Point and unless such failure by TVA is excused under subsection 10.3 or 10.4 above or is caused by Distributor or any agent acting for Distributor with respect to the Purchased Block, in lieu of the System Value Credit which would have been applicable for delivered energy under the provisions of subsection 5.1 of this agreement, distributor shall be entitled to a credit, if any, equal to the product of:

(a) the amount of energy not so taken

multiplied by

(b) the positive difference, if any, obtained by subtracting the Sales Price from the applicable System Value.

11.2 Distributor Claim. If Distributor believes that it is due a credit under 11.1 above, as soon as practicable after the end of the period for which it is claimed that TVA failed to accept delivery, Distributor shall notify TVA in writing of the amount of the credit which it claims is due, which notice shall include a written statement explaining in reasonable detail the calculation of such amount.

11.3 Exclusive Remedy. The remedy set forth above in this section 11:

(a) shall be the sole and exclusive remedy of Distributor for the failure of TVA to accept delivery of a Purchased Block, or any portion thereof, and

(b) Distributor waives all rights to seek or collect any other damages for such failure.

4. WETM AGREEMENT SECTION 5. Section 5 of the WETM Agreement is amended in the respects necessary to expressly recognize that

(a) the remedy set forth in subsection 5.2 of the WETM Agreement shall be the sole and exclusive remedy of TVA for Undelivered Energy, and

(b) TVA waives all rights to seek or collect any other damages for Undelivered Energy.

5. AMENDATORY AGREEMENT TERM. This agreement shall become effective as of the date first above written. It shall continue in effect until the expiration or termination of the WETM Agreement.

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

Attest:

CITY OF BRISTOL, TENNESSEE
By Board of Public Utilities

Judy F. O'Harrett
Title: Adm. Secretary

By Pereda R. Patey
Chairman

TENNESSEE VALLEY AUTHORITY

By Cynthia L. Henn
Manager, Pricing
Customer Service and Marketing

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AGREEMENT
Between
CITY OF BRISTOL, TENNESSEE
And
TENNESSEE VALLEY AUTHORITY

Effective Date: October 1, 2003

TV-67518A, Supp. No. 63

THIS AGREEMENT, made and entered into between CITY OF BRISTOL, TENNESSEE (Distributor), a municipal corporation created and existing under and by virtue of the laws of the State of Tennessee, and TENNESSEE VALLEY AUTHORITY (TVA), a corporation created and existing under and by virtue of the Tennessee Valley Authority Act of 1933, as amended (TVA Act);

W I T N E S S E T H:

WHEREAS, TVA and Distributor have entered into a contract dated June 27, 1985, as amended (Power Contract), under which Distributor purchases its entire requirements for electric power and energy from TVA for resale; and

WHEREAS, the parties wish to supplement and amend the Power Contract in the respects necessary to provide for revised and extended manufacturing credits for small manufacturing loads;

NOW, THEREFORE, for and in consideration of the premises and of the mutual agreements set forth below, and subject to the TVA Act, the parties mutually agree as follows:

SECTION 1 – REVISED GSA AND TGSA MANUFACTURING CREDITS

1.1 Previous Agreement. It is recognized that the agreement numbered TV-67518A, Supp. No. 30, and dated June 1, 1994, as supplemented and amended by an agreement numbered TV-67518A, Supp. No. 44, and dated October 1, 1997 (Manufacturing Credit Agreement), is due to terminate and be of no further force and effect after Distributor's September 2003 revenue month. Notwithstanding that scheduled termination, it is agreed that said Manufacturing Credit Agreement shall continue in effect for the limited purpose provided for below in this section 1.

1.2 Revised Credits. (a) Notwithstanding the scheduled termination of the Manufacturing Credit Agreement, it shall be deemed amended in the respects necessary to provide that effective with Distributor's October 2003 revenue month:

- (i) the Manufacturing Credit Agreement shall continue to apply, in its entirety, to provide for the revised Expanded Credits specified in (ii) and (iii) below;

(ii) only customers served under Part 3 of either Schedule GSA or Time-of-Day Schedule TGSA shall be deemed to be Expanded Eligible Accounts eligible for the revised Expanded Credits; and

(iii) section 3a of the Manufacturing Credit Agreement shall be replaced with the following:

3a. Allowance of Expanded Credit. Notwithstanding anything in the Power Contract (including the Schedule of Rates and Charges) that may be construed to the contrary, beginning with Distributor's October 2003 revenue month (as that term is defined in Wholesale Power Rate--Schedule WS of the Schedule of Rates and Charges), Distributor shall apply a credit against the electric bill of each Expanded Eligible Account as provided below. Allowance of the Expanded Credit shall continue until implementation of the next Rate Change as provided for in the section of the Power Contract's Schedule of Terms and Conditions headed "Adjustment and Change of Wholesale Rate and Resale Rates." Distributor may, at its option, provide monthly credit amounts as a direct cash payment.

(a) Application of Credit. Except as provided in the next paragraph with respect to accounts taking time-of-day service, the dollar amount of the Expanded Credit applicable to each Expanded Eligible Account shall be equal to the sum of:

(i) \$1.38 per kW multiplied by the first 1,000 kW of metered demand applicable in calculating the firm billing demand determined for the customer's monthly bill;

(ii) \$1.63 per kW multiplied by any amount in excess of 1,000 kW of such metered demand; and

(iii) 0.54¢ per kWh multiplied by the firm energy determined for the customer's monthly bill;

provided, however, that no Expanded Credit shall be applied in any month in which the customer's metered demand for that account does not exceed 1,000 kW.

The dollar amount of the Expanded Credit applicable to each Expanded Eligible Account taking time-of-day service shall be equal to the sum of:

(i) \$1.52 per kW multiplied by the metered onpeak demand applicable in calculating the firm billing demand determined for the customer's monthly bill;

(ii) \$0.16 per kW multiplied by each kW of metered offpeak demand applicable in calculating such firm billing demand (which shall be the kW amount, if any, by which the metered offpeak demand exceeds the metered onpeak demand);

(iii) 0.708¢ per kWh multiplied by the firm onpeak energy determined for the customer's monthly bill; and

(iv) 0.433¢ per kWh multiplied by the firm offpeak energy determined for the customer's monthly bill;

provided, however, that no Expanded Credit shall be applied in any month in which the customer's metered demand for that account does not exceed 1,000 kW.

(b) Application of Other Credits. The customer's bill shall be reduced by the amount of the Expanded Credit prior to the application of any credits applicable under the Growth Credit Program, or any comparable program, for which the customer may be eligible.

(b) It is expressly recognized that effective with Distributor's October 2003 revenue month, no credits other than the revised Expanded Credits provided for above in this section 3 shall be applicable under the Manufacturing Credit Agreement.

SECTION 2 - TERM

Except as otherwise specifically provided herein, this agreement shall become effective as of the Effective Date first above written, and shall continue in effect until expiration of the Power Contract, or any renewal, extension, or replacement thereof.

SECTION 3 - POWER CONTRACT AFFIRMED

Except as expressly set out above, nothing in this agreement shall affect the other terms of the Power Contract.

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

CITY OF BRISTOL, TENNESSEE
By Board of Public Utilities

By R. Michel Beeson
Title: General Manager

TENNESSEE VALLEY AUTHORITY

By Cynthia L. Heron
General Manager, Contracts and Pricing
Customer Service and Marketing

54

AGREEMENT
Between
CITY OF BRISTOL, TENNESSEE
And
TENNESSEE VALLEY AUTHORITY

Date: October 17, 2004 TV-67518A, Supp. No. 64

THIS AGREEMENT, made and entered into between CITY OF BRISTOL, TENNESSEE (Distributor), a municipal corporation created and existing under and by virtue of the laws of the State of Tennessee, and TENNESSEE VALLEY AUTHORITY (TVA), a corporation created and existing under and by virtue of the Tennessee Valley Authority Act of 1933, as amended (TVA Act);

W I T N E S S E T H:

WHEREAS, TVA and Distributor have entered into a contract dated June 27, 1985, as amended (Power Contract), under which Distributor purchases its entire requirements for electric power and energy from TVA for resale; and

WHEREAS, TVA, Distributor, and Exide Corporation (Company) have entered into a contract of even date herewith (Company Contract) covering arrangements under which TVA will make available to Distributor for resale to Company a supply of firm power and of variable price interruptible power (VPI) for operation of Company's plant in Bristol, Tennessee; and

WHEREAS, the parties wish to supplement and amend the Power Contract and to enter into such other arrangements as are necessary between TVA and Distributor with respect to Distributor providing service to Company under the Company Contract;

NOW, THEREFORE, for and in consideration of the premises and of the mutual agreements set forth below, and subject to the provisions of the TVA Act, the parties mutually agree as follows:

SECTION 1 - TERM OF AGREEMENT

This agreement shall become effective as of the effective date of the Company Contract, and shall continue in effect until expiration or termination of the Company Contract, or of the Power Contract, or until VPI is no longer available under the Company Contract, whichever first occurs.

SECTION 2 - BILLING DATA

Data obtained from the metering facilities referred to in section 4 of this agreement will be used (a) by Distributor for the purposes of determining the power and energy taken by Company and (b) by TVA for determining applicable adjustments for Distributor's wholesale bill. Accordingly, TVA will supply Distributor by the fourth working day following Company's scheduled meter-reading date the information regarding the amounts of VPI deemed to have been taken by Company, the times this VPI was taken, the price for this VPI, and such other information as may be necessary so that Distributor may be able to calculate Company's bill under the Company Contract. In order to facilitate TVA's preparation of the bill to Distributor for power and energy made available under the Power Contract, each month Distributor shall furnish to TVA a copy of Distributor's bill to Company for power and energy made available under the Company Contract when it is rendered and such other information related to Company's power and energy takings as TVA may require.

SECTION 3 - ADJUSTMENTS TO DISTRIBUTOR'S WHOLESALE BILLING

In calculating the wholesale bill each month for Distributor, the following steps will be taken with respect to Company:

3.1 Firm Power and Energy. Distributor will be billed demand and energy charges as provided in the wholesale rate schedule (Wholesale Schedule), which is contained in the Schedule of Rates and Charges attached to and made a part of the Power Contract, for any firm power and energy resold under the Company Contract; provided, however, that for the purposes of calculating said charges for any month in which Company is deemed to have taken any VPI energy under the Company Contract, the term "metered demand" in the Wholesale Schedule shall be deemed to refer to an amount equal to the sum of the billing demand for firm power and any billing demand for excess power (as those demands are calculated under the Company Contract).

3.2 Adjustment to Base Charges. (a) The total dollar amount of base demand and energy charges calculated under the Wholesale Schedule shall be increased by adding thereto an amount equal to Distributor's monthly (i) charge to Company for VPI energy under section 6.3 of the Company Contract and (ii) per kW charge to Company under subsection 6.2.2 of the Company Contract (as both charges are determined under the Company Contract and adjusted to reflect losses as provided in (b) below).

(b) The loss adjustment provided for in (a) above shall be made by dividing the charge to be adjusted by 1.03.

(c) The amount added to the base charges of the wholesale bill pursuant to (a) above shall also be added to the "sum of all charges" used for the distribution loss calculation under the section entitled "Distribution Loss Charge" of the Wholesale Schedule.

3.3 Administrative Costs Charge. An amount equal to the charge billed to Company in accordance with subsection 6.2.1 of the Company Contract will be included as part of the wholesale bill.

3.4 Suspension Tier 3 Monthly Charge. If Article III of the Company Contract provides for Suspension Tier 3, an amount equal to the charge billed to Company in accordance with subsection 6.2.3 of the Company Contract will be included as part of the wholesale bill.

3.5 Credit for Distributor Margin. In order to enable Distributor to recover more adequately the cost of making VPI available to Company, TVA will apply a credit to the wholesale bill derived by multiplying 40 cents times the highest VPI Demand established under the Company Contract during the month.

SECTION 4 - METERING FACILITIES

4.1 Revenue Meter. Under previous power supply arrangements, Distributor and TVA arranged to replace the revenue meter in Distributor's former metering facilities with a solid-state type revenue meter (Replacement Meter) capable of remote telephone access. Distributor, at its expense, provided the equipment and materials and performed the work necessary to install the Replacement Meter, which was provided by TVA at its expense. TVA will continue to provide the Replacement Meter for Distributor's use in determining the amounts of power and energy associated with VPI. Distributor shall continue to test, calibrate, operate, maintain, repair, and replace all facilities in the metering installation, except that TVA shall provide any necessary replacements for the Replacement Meter.

4.2 Distributor Responsibility. Distributor will not use the Replacement Meter for any purpose other than as specifically provided in this agreement unless it first obtains TVA's written agreement. Distributor shall reimburse TVA for any damage to the Replacement Meter caused by the negligence or other wrongful act or omission of Distributor or its agents or employees and shall promptly return the Replacement Meter to TVA upon expiration or termination of this agreement. The obligations of this paragraph shall survive such expiration or termination until they are discharged.

4.3 Telephone Circuit for Remote Access. To allow remote access to the metering data recorded by the Replacement Meter, Distributor, at its expense shall continue to provide and maintain, or to cause the provision and maintenance of, a telephone circuit connected (through a modem furnished by TVA at its expense) to the Replacement Meter. The telephone circuit shall be installed in accordance with guidelines furnished or approved by TVA. TVA agrees to permit Distributor remote access through the telephone circuit to the metering data, and TVA will provide Distributor any information necessary for the exercise of such access. Distributor will require equipment not provided by TVA to exercise such access and TVA will assist Distributor in determining the equipment to be utilized; however, the acquisition of such equipment shall be the sole responsibility of Distributor. The use of the telephone circuit and access to the metering data will be coordinated by TVA's and Distributor's operating representatives to ensure unrestricted access by TVA for data retrieval purposes during such periods as specified by TVA.

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

CITY OF BRISTOL, TENNESSEE

By Board of Public Utilities

By Michael Bouch
Title: Gen Mgr

TENNESSEE VALLEY AUTHORITY

By Cynthia L. Heron
General Manager, Contracts and Pricing
Customer Service and Marketing



Tennessee Valley Authority, Post Office Box 292409, Nashville, Tennessee 37229-2409

June 27, 2005

67513A 65
TV-73611A, Supp. No. 62

Mr. Patrick W. Hickie Jr., Chairman
Bristol Tennessee Essential Services
Post Office Box 549
Bristol, Tennessee 37621

Dear Mr. Hickie:

This letter confirms the understanding between the City of Bristol, Tennessee (Bristol), and Tennessee Valley Authority (TVA) relating to the joint use of funds between the Bristol Tennessee Essential Services (Electric Services) and the Internet and Cable Unit (Internet and Cable Unit) of Bristol Tennessee Essential Services, both systems being managed by the same independent five member board, which has oversight into the financial soundness of each.

Bristol represents that:

- A. The General Assembly of the State of Tennessee enacted the Tennessee Code Annotated, Title 7, Chapter 52, which provides for municipal electric plants to own and operate cable and internet services. Under this provision, the municipal electric system can lend funds to the Internet and Cable Unit;
- B. The Electric Services has revenues and assets available to loan to the Internet and Cable Unit, as authorized by state statute;
- C. Any use of property and personnel jointly by Bristol for its Electric Services and to operate the Internet and Cable Unit, with those expenses being properly allocated between the Electric Services and the Internet and Cable Unit, will provide efficiency and economy in the Electric Services' overall operations; and
- D. The Electric Services will financially benefit from its loans to the Internet and Cable Unit.

Mr. Patrick Hickie
Page 2 of 4
June 27, 2005

Based upon the above assurance and subject to the following terms and conditions, this letter shall constitute TVA's agreement, as provided for in section 1(a) of the Schedule of Terms and Conditions of the Power Contract between Bristol and TVA, numbered TV-67518A and dated June 27, 1985, as amended (Power Contract), to the Electric Services' loan or loans to the Internet and Cable Unit described herein. In light of the foregoing:

1. Bristol may make a loan or loans from Electric Services funds not to exceed an aggregate amount of up to \$28,000,000 (28 million dollars) to the Internet and Cable Unit. Electric Services has no obligation or responsibility to make or keep any funds available for this purpose.
2. Bristol shall cause its Internet and Cable Unit to pay semi-annually to its Electric Services interest accruing on all advances outstanding and to make repayments of the amortized principal balance, beginning 18 (eighteen) months after the initial funding date of each loan (Initial Date), until such time as the principal is fully repaid. The Internet and Cable Unit shall repay the Electric Services the principal amount, together with all accrued and unpaid interest, not to exceed 20 years beyond the Initial Date of each loan, unless Bristol and TVA agree on a later date.
3. Unless TVA agrees otherwise, the Internet and Cable Unit shall accrue interest payable to the Electric Services at the highest interest rate then earned by the Electric Services on invested electric plant funds in accordance with state law as set out in Tennessee Code Annotated Section 7-52-603 (B). The interest accrual will be calculated by applying the ratio of the annual interest rate over a period of 360 days, multiplied by the outstanding principal balance, multiplied by the actual number of days the principal balance is outstanding. In no event shall the effective rate of interest for any semi-annual payment exceed the highest rate of interest permitted to be charged under the laws of the State of Tennessee.
4. If the Internet and Cable Unit fails to make a required payment on or prior to the applicable payment date, interest will accrue on such payment at a rate equal to the applicable interest rate + 1% until such payment is made, and such failure shall not affect the Internet and Cable Unit's obligation to make other required payments. If the Internet and Cable Unit fails to make all of its required payments by the date on which the last required payment is due, the Electric Services shall, unless TVA agrees otherwise, take steps satisfactory to TVA to fully maintain and exercise all legal rights and remedies it may possess or hereafter acquire with respect to the full recovery of the liability between the Internet and Cable Unit and the Electric Services in order to make the Electric Services whole as soon as practical.
5. This agreement shall terminate in the event that ownership or control of Internet and Cable Unit reverts or changes to an entity other than the Electric Services. In addition, Electric Services shall make no additional loans in the event that

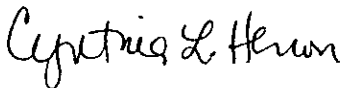
ownership or control of Internet and Cable Unit reverts or changes to an entity other than Bristol.

6. It is recognized that under the Power Contract, section 5 (c), the Electric Services shall be maintained on a self-supporting and financially sound basis. If TVA determines, in its judgment, that continuing the loans from the Electric Services to the Internet and Cable Unit might threaten the financial soundness of the Electric Services, then TVA may terminate this agreement upon 90 days' written notice to Bristol.
7. Unless otherwise agreed to by TVA in writing, upon any termination of this agreement, Internet and Cable Unit shall immediately repay any funds previously advanced by Electric Services, along with accumulated interest, and the loan or loans shall be closed and of no further force or effect.
8. Unless TVA agrees otherwise, Electric Services will furnish no other credit, guarantee or other financial accommodation to or on behalf of Internet and Cable Unit, except for the loan or loans described above.
9. In the event that Bristol, for purposes of efficiency and economy, wishes to use any additional property and personnel jointly for its Electric Services and to operate the Internet and Cable Unit, those arrangements will be provided for in a supplementary agreement in which those expenses are properly allocated between the Electric Services and the Internet and Cable Unit.
10. The Electric Services shall, within ninety days of each of the fiscal year and mid-year reporting periods of the Internet and Cable Unit, provide a semi-annual financial statement and supplementary reports to TVA including year-to-date financial results measured against the business plan of the Internet and Cable Unit.
11. This agreement may not be modified except in writing signed by the parties' authorized representatives.

Mr. Patrick Hickie
Page 4 of 4
June 27, 2005

If this letter correctly states the understanding between us, please so indicate by having a duly authorized representative sign both enclosed originals on behalf of the City of Bristol, Tennessee, and return them to your TVA Customer Service Manager. A fully executed original will be returned to you following signature on behalf of TVA.

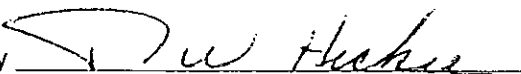
Sincerely,



Cynthia L. Herron
General Manager, Contracts and Pricing
Customer Service and Marketing

Accepted and agreed to as of
the 8 day of July, 2005

CITY OF BRISTOL, TENNESSEE
By Board of Public Utilities

By 
Title: CHAIRMAN



Tennessee Valley Authority, Post Office Box 292409, Nashville, Tennessee 37229-2409

June 27, 2005

67518A
TV-73611A, Supp. No. 66

Mr. Patrick W. Hickie Jr., Chairman
Bristol Tennessee Essential Services
Post Office Box 549
Bristol, Tennessee 37621

Dear Mr. Hickie:

This letter confirms the understanding between the City of Bristol, Tennessee (Bristol), and Tennessee Valley Authority (TVA) relating to the joint use of funds between the Bristol Tennessee Essential Services (Electric Services) and the Telephone Business Unit (Telephone Business Unit) of Bristol Tennessee Essential Services, both systems being managed by the same independent five member board, which has oversight into the financial soundness of each.

Bristol represents that:

- A. The General Assembly of the State of Tennessee enacted the Tennessee Code Annotated, Title 7, Chapter 52, which provides for municipal electric plants to own and operate telecommunications services. Under this provision, the municipal electric system can lend funds to the Telephone Business Unit;
- B. The Electric Services has revenues and assets available to loan to the Telephone Business Unit, as authorized by state statute;
- C. Any use of property and personnel jointly by Bristol for its Electric Services and to operate the Telephone Business Unit, with those expenses being properly allocated between the Electric Services and the Services, will provide efficiency and economy in the Electric Services' overall operations; and
- D. The Electric Services will financially benefit from its loans to the Telephone Business Unit.

Mr. Patrick Hickie
Page 2 of 4
June 27, 2005

Based upon the above assurance and subject to the following terms and conditions, this letter shall constitute TVA's agreement, as provided for in section 1(a) of the Schedule of Terms and Conditions of the Power Contract between Bristol and TVA, numbered TV-67518A and dated June 27, 1985, as amended (Power Contract), to the Electric Services' loan or loans to the Telephone Business Unit described herein. In light of the foregoing:

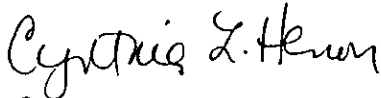
1. Bristol may make a loan or loans from Electric Services funds not to exceed an aggregate amount of up to \$2,000,000 (2 million dollars) to the Telephone Business Unit. Electric Services has no obligation or responsibility to make or keep any funds available for this purpose.
2. Bristol shall cause its Telephone Business Unit to pay semi-annually to its Electric Services interest accruing on all advances outstanding and to make repayments of the amortized principal balance, beginning 18 (eighteen) months after the initial funding date of each loan (Initial Date), until such time as the principal is fully repaid. The Telephone Business Unit shall repay the Electric Services the principal amount, together with all accrued and unpaid interest, not to exceed 20 years beyond the Initial Date of each loan, unless Bristol and TVA agree on a later date.
3. Unless TVA agrees otherwise, the Telephone Business Unit shall accrue interest payable to the Electric Services at the highest interest rate then earned by the Electric Services on invested electric plant funds in accordance with state law as set out in Tennessee Code Annotated Section 7-52-402. The interest accrual will be calculated by applying the ratio of the annual interest rate over a period of 360 days, multiplied by the outstanding principal balance, multiplied by the actual number of days the principal balance is outstanding. In no event shall the effective rate of interest for any semi-annual payment exceed the highest rate of interest permitted to be charged under the laws of the State of Tennessee.
4. If the Telephone Business Unit fails to make a required payment on or prior to the applicable payment date, interest will accrue on such payment at a rate equal to the applicable interest rate + 1% until such payment is made, and such failure shall not affect the Telephone Business Unit's obligation to make other required payments. If the Telephone Business Unit fails to make all of its required payments by the date on which the last required payment is due, the Electric Services shall, unless TVA agrees otherwise, take steps satisfactory to TVA to fully maintain and exercise all legal rights and remedies it may possess or hereafter acquire with respect to the full recovery of the liability between the Telephone Business Unit and the Electric Services in order to make the Electric Services whole as soon as practical.

5. This agreement shall terminate in the event that ownership or control of Telephone Business Unit reverts or changes to an entity other than the Electric Services. In addition, Electric Services shall make no additional loans in the event that ownership or control of Telephone Business Unit reverts or changes to an entity other than Bristol.
6. It is recognized that under the Power Contract, section 5 (c), the Electric Services shall be maintained on a self-supporting and financially sound basis. If TVA determines, in its judgment, that continuing the loans from the Electric Services to the Telephone Business Unit might threaten the financial soundness of the Electric Services, then TVA may terminate this agreement upon 90 days' written notice to Bristol.
7. Unless otherwise agreed to by TVA in writing, upon any termination of this agreement, Telephone Business Unit shall immediately repay any funds previously advanced by Electric Services, along with accumulated interest, and the loan or loans shall be closed and of no further force or effect.
8. Unless TVA agrees otherwise, Electric Services will furnish no other credit, guarantee or other financial accommodation to or on behalf of Telephone Business Unit, except for the loan or loans described above.
9. In the event that Bristol, for purposes of efficiency and economy, wishes to use any additional property and personnel jointly for its Electric Services and to operate the Telephone Business Unit, those arrangements will be provided for in a supplementary agreement in which those expenses are properly allocated between the Electric Services and the Telephone Business Unit.
10. The Electric Services shall, within ninety days of each of the fiscal year and mid-year reporting periods of the Telephone Business Unit, provide a semi-annual financial statement and supplementary reports to TVA including year-to-date financial results measured against the business plan of the Telephone Business Unit.
11. This agreement may not be modified except in writing signed by the parties' authorized representatives.

Mr. Patrick Hickie
Page 4 of 4
June 27, 2005

If this letter correctly states the understanding between us, please so indicate by having a duly authorized representative sign both enclosed originals on behalf of the City of Bristol, Tennessee, and return them to your TVA Customer Service Manager. A fully executed original will be returned to you following signature on behalf of TVA.

Sincerely,

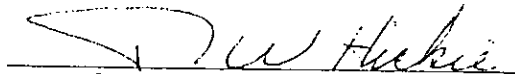


Cynthia L. Herron
General Manager, Contracts and Pricing
Customer Service and Marketing

Accepted and agreed to as of
the 8 day of July, 2005

CITY OF BRISTOL, TENNESSEE
By Board of Public Utilities

By



Title: CHAIRMAN

July 20, 2005

RECEIVED
JUL 21 2005
BRISTOL TENNESSEE
ESSENTIAL SERVICES

Dear Dr. Browder,

We understand that you have requested that fully executed copies of TV-67518A, Supp. No. 65, and TV-67518A, Supp. No. 66, both dated June 27, 2005, be sent to your office directly. Herein, you will find one fully executed copy of each of these two documents which authorize the joint use of funds between Bristol Tennessee Essential Services and its Internet and Cable Unit and Telephone Business Unit, respectively, under the conditions specified in each agreement. If you have any questions, please feel free to contact me.

Thank you.



Megan Keen
Electrical Engineer
TVA, Power Contracts
(615) 232-6114

38) Please explain in detail how BTES telephone customers will have access to E911 services in the event of a power outage.

RESPONSE: Battery/generator backup is provided at every point on the system requiring power between the customer and BTES's main plant.

39) Will BTES customers be required to purchase a combination of cable television, Internet and/or telephone services, or will such customers be able to individually purchase cable television service, Internet service, telephone service, or basic telephone service?

RESPONSE: Such services will be individually available.

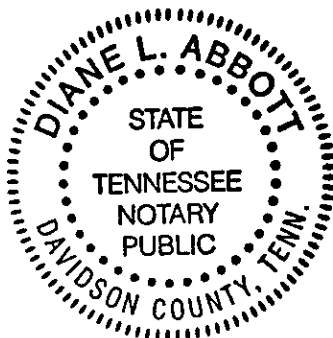
VERIFICATION

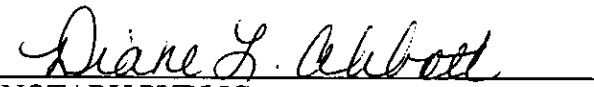
STATE OF TENNESSEE)
)
COUNTY OF DAVIDSON)

I, HENRY WALKER, after being duly sworn, depose that I have read the foregoing responses to United Telephone-Southeast, Inc's First Set Of Interrogatories And Requests For Production Of Documents propounded to Bristol Tennessee Essential Services, and that the responses are true and correct.


Henry Walker

Sworn to and subscribed before me this 13th day of December, 2005.




NOTARY PUBLIC

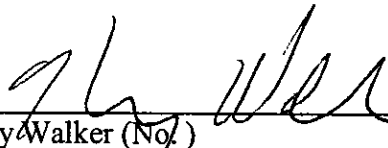
My commission expires: 9-19-09

My Commission Expires SEPT. 19, 2009

Respectfully submitted,

BOULT, CUMMINGS, CONNERS & BERRY, PLC

By: _____


Henry Walker (No.)

1600 Division Street, Suite 700

P.O. Box 340025

Nashville, Tennessee 37203

(615) 252-2363

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing is being forwarded via U.S. mail, postage prepaid,, to:

Edward Phillips
United Telephone-Southeast, Inc.
Mailstop: NCWKFR0313
14111 Capital Blvd.
Wake Forest, NC 27587-5900

Guy Hicks
BellSouth Telecommunications, Inc.
333 Commerce Street, Ste. 2101
Nashville, TN 37201

Charles B. Welch, Jr.
Farris Matthews Branan Bobango Hellen & Dunlar, PIC
618 Church Street, Ste. 300
Nashville, TN 37219

on this the 14th day of December 2005.



Henry Walker