TENNESSEE VALLEY AUTHORITY Chattanooga, Tennessee 37401

November 18, 1982

Mr. Carlisle Evans, Jr., Chairman Harriman Utility Board Harriman, Tennessee 37748

Dear Mr. Evans:

This will confirm the understanding reached between representatives of the City of Harriman, Tennessee (hereinafter called "Municipality"), and the Tennessee Valley Authority (hereinafter called "TVA") with respect to supplementing and amending the wholesale power contract dated July 9, 1979 (which contract as heretofore amended and supplemented is hereinafter called the "Power Contract"), between Municipality and TVA to cover the establishment of an additional delivery point of power to Municipality from TVA's Rockwood-Harriman District 69-kV Transmission Line.

It is understood and agreed that:

- 1. Municipality shall provide the materials and equipment required for and shall construct, or cause to be constructed, by the summer of 1983, south of Harriman, Tennessee, a 69-13-kV substation (hereinafter called "Cardiff Valley Substation") on a substation site owned by Municipality near TVA's Rockwood-Harriman District 69-kV Transmission Line, together with the 69-kV facilities necessary to connect said substation to TVA's said line between structures Nos. 50 and 51 thereof. Except for the metering facilities provided for in section 2 hereof, the Cardiff Valley Substation and said 69-kV line facilities to be provided by Municipality shall be designed, constructed, operated, and maintained by Municipality at its expense in accordance with good, modern practices and procedures and shall be constructed in accordance with plans and specifications satisfactory to TVA only insofar as required for the safe and efficient operation of TVA's facilities and properties.
- 2. TVA at its expense shall provide and install on the low-tension side of Municipality's Cardiff Valley Substation the revenue meters, meter cabinet, and related items necessary to determine the power and energy taken by Municipality at the 69-kV delivery point specified in section 4 hereof. Municipality 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 and provide and install all other facilities in the metering installation including the meter cabinet foundations, the primary connections from said transformers to the 13-kV facilities, and the conduit and cable necessary from the metering transformer secondaries to the meter cabinet except that TVA shall provide said cable. 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 install, operate, maintain, repair, and replace in said substation TVA's meters and related items and TVA shall have free access to said facilities at all times.

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The metering installation shall be for TVA's exclusive use and control unless otherwise agreed by the parties. TVA, at its expense, shall 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 said facilities installed by Municipality; provided, however, that TVA shall furnish for installation by Municipality any replacements required for said current and voltage transformers. TVA shall place its seals on the meters and metering facilities, and Municipality shall not break said seals except upon request by TVA.

- 3. Upon completion of Municipality's and TVA's work under sections 1 and 2 hereof, TVA at its expense shall perform the work required on its system to connect the Cardiff Valley Substation facilities to TVA's Rockwood-Harriman District 69-kV Transmission Line, and TVA shall make said connection. Municipality shall at its expense perform all work necessary on its distribution system to enable it to take power and energy at the Cardiff Valley Substation on or as soon as practicable after the date on which Municipality completes said substation facilities and TVA makes said connection. TVA will coordinate its work under this section 3 with the work of Municipality to the extent necessary and practicable.
- 4. Effective as of the date on which Municipality first takes power at the Cardiff Valley Substation, section 3 of the Power Contract is hereby amended by adding to the respective columns of the tabulation appearing therein the following:

Delivery Point

Normal Wholesale Delivery Voltage

Point of connection of Municipality's Cardiff Valley Substation facilities to TVA's Rockwood-Harriman District 69-kV Transmission Line

69,000

The amounts of real and reactive power and energy measured by the meters to be installed by TVA on the low-tension side of the Cardiff Valley Substation as provided in section 2 hereof shall be appropriately adjusted by taking into account transformer losses to reflect delivery at the 69-kV delivery point specified herein, and such adjusted amounts shall be used for purposes of billing Municipality hereunder and under the Power Contract. Municipality shall furnish to TVA such core, copper, and auxiliary loss data as may be necessary from time to time to permit TVA to determine such losses in Municipality's facilities.

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- 5. Except as otherwise provided herein, this agreement shall become effective as of the date first above written and shall continue in effect for the term of the Power Contract or of any renewal, extension, or replacement thereof.
- 6. The Power Contract as supplemented and amended by this agreement is hereby ratified and confirmed as the continuing obligation 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, or any other thing of monetary value, except as provided in 18 C.F.R. § 1300.735-12 or -34 (1980). Breach of this provision shall constitute a material breach of this agreement.

If this letter correctly states the understanding between us, please execute three duplicate originals hereof and return them to the TVA power district office. Upon execution by TVA, a fully executed duplicate original will be returned to you.

Very truly yours,

TENNESSEE VALLEY AUTHORITY

R. C. Crawford Director of Energy Use and Distributor Relations

Enclosures

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

CITY OF HARRIMAN, TENNESSEE By Harriman Utility Board

Chairman Chairman

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