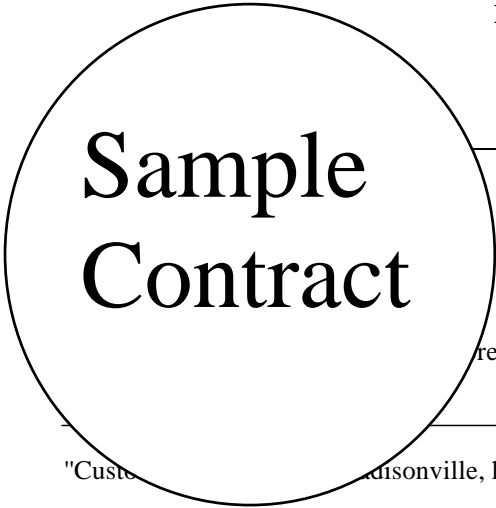


ENERGY SERVICES CONTRACT

Between



And

CITY OF MADISONVILLE

red into as of the _____ day of _____, 2015, by and between ,
_____ Madisonville, Kentucky, hereinafter called
"Customer" and the City of Madisonville, hereinafter called "City."

WITNESSETH:

WHEREAS, Customer has requested electric services, including generation, transmission, and distribution services, for the operation of a _____ at _____, Madisonville, Kentucky; and

WHEREAS, the City desires to supply such electric services subject to certain conditions, rules, and regulations;

NOW, THEREFORE, for and in consideration of the premises and of the mutual agreements herein after set forth, the parties hereto mutually agree as follows:

1. **Term of Contract.**

This contract shall become effective on the date first above written, and shall continue in effect for an initial term of five (5) years. The initial term of this contract shall be automatically extended from year to year thereafter, unless written notice of termination is given by either party to the other one (1) year prior to the expiration of the term of the contract or any then existing renewal thereof:

Early Termination Cost: \$ _____.

2. **Availability of Power.**

Under this contract, the City shall supply, and Customer shall take and pay for, all electric power and energy for the operation of the above described business in accordance with the terms hereof and the Rules and Regulations of the City.

3. **Contract Demand.**

Customer's contract demand, for billing purposes, shall be no less than _____ kilowatt (kW). However, the apparent power demand shall not exceed _____ kilovolt amperes (kVA). Customer shall not take electricity in excess of the apparent power demand except by agreement of the City and revision of the Energy Services Contract; however, nothing herein contained shall be construed to relieve Customer of the obligation to pay for such amounts of electricity as may actually be taken.

4. **Rate Schedule.**

The Customers rate schedule will be the City's currently effective rate applicable to consumers of the same class as customer, or limits set within the applicable class. The power and energy made available hereunder shall be purchased and paid for by Customer in accordance with the rates, charges, and provisions of said rate schedule as modified from time to time by the City, regardless of the rate in effect at the time this contract becomes effective or expires.

Accordingly, this customer is first assigned to an energy rate schedule of _____ and a demand rate schedule of _____.

For purposes of determining Minimum Bill provisions of applicable rate schedule the Customer is allotted _____ kVA of installed transformer/system capacity.

5. **Facilities Charges.**

In addition to the charges for power and energy as set forth in Section 4, Rate Schedule, Customer may be required to pay facilities charges. To the extent that the Customer requests electric facilities in excess of the amount supported by the applicable rate schedule, the City will prepare specific cost-based calculations, on a case-by-case basis, to determine any facilities charge requirements.

6. **Power and Energy Furnished.**

The power and energy furnished hereunder shall be in the form of _____, _____ phase, alternating
Type
current, at approximately 60 hertz and _____ volts.

7. **Delivery of Power and Energy.**

The Point of Delivery for the power and energy supplied hereunder shall be at the City's metering point located on the Customer's permanent structure or building, unless otherwise specified by the City.

Maintenance by the City of approximately the above-stated voltage and frequency at said Point of Delivery shall constitute delivery of Power and energy for the purpose of this contract.

8. **Balanced Three Phase Current.**

Customer shall endeavor to take and use power and energy in such manner that the current will be reasonably balanced on the three phases. In the event that any check indicates that the current on the most heavily loaded phase exceeds the current on either of the other phases by more than twenty percent (20%), Customer shall make at its expense, upon request, the changes necessary to correct the unbalanced condition. If said unbalanced condition is not corrected within sixty (60) days, or such other period as may be agreed upon, the City may thereafter elect to meter the load on individual phases and compute the billing demand as being equal to three times the maximum kilowatt load on any phase. For all purposes hereunder, the load on any phase shall be the load measured by a wattmeter connected with the current coil in that phase wire and the potential coil connected between that phase wire and the neutral voltage point.

9. **Power Factor Charge.**

The City installs electric facilities to meet Customer's requested Contract Demand at or near unity power factor. If the measured power factor, measured at Customer's maximum demand during the billing period, is less than 90% leading or lagging, the Billing Demand shall be adjusted to reflect a power factor of 90%.

The following formula will be used to adjust the Customer's Billing Demand:

$$\text{Billing Demand (adjusted)} = \frac{\text{Maximum Measured Demand (kW)} \times 90\%}{\text{Measured Power Factor (\%)}}$$

Where the Customer's power factor is less than 90%, the City reserves the right to require the Customer to furnish, at Customer's expense, suitable corrective equipment to maintain a power factor of 90% or higher.

In the event, the power factor requirements of the City's supplier of power and energy is revised, this paragraph will be modified to conform to the requirements of the City's supplier.

10. **Unusual Fluctuations of Disturbances.**

The power and energy taken hereunder by Customer shall not be used in such manner as to cause unusual fluctuations of disturbances to the City's system. Customer shall provide at its expense suitable apparatus, which will reasonably limit such fluctuations or disturbances. In the event that unreasonable fluctuations or disturbances, including without limitation, harmonic currents resulting in actionable interference with communications systems or in harmonic resonance of now existing facilities, are caused by Customer's

facilities, the City shall immediately notify Customer of the circumstances, and the City shall then have the right to discontinue the delivery of power and energy hereunder until the condition causing such fluctuations or disturbances is corrected by Customer. City shall give Customer written notice of these circumstances in addition to the above-mentioned notice, but the written notice shall not limit or delay the City's right to discontinue service to Customer. Despite such discontinuance of service, Customer shall remain obligated to pay a minimum monthly bill in accordance with the rate schedule.

11. **Customer Shall Furnish.**

Customer shall furnish where required the following:

- (a) Transformer station site, concrete pads, conduit system and /or any required facilities as determined, and power line right-of-way thereto over the property of Customer for the period hereof, including the right of ingress and egress at all times, by the City's employees; Easements and conduit as required for the City's electric facilities; Such facilities, or actual contributions to construct facilities, as necessary to provide the desired service.

12. **Deposit.**

A minimum customer deposit equal to two months maximum estimated billing is required on all accounts.

Commercial Deposit Deferral -

City may allow an existing commercial customer who desires to relocate, expand or start a new business; defer part of the initial electric utility deposit, providing all the following minimum requirements are met:

- b. A new Energy Services Contract application shall be completed and submitted to the City's Electric Department at 609 McCoy Avenue.
- c. Applicant must have an existing active commercial City Utility account and have no more than one late notice within the preceding twenty-four (24) continuous months of active service. Applicant must also be current on all accounts. (Account number to be used for deferral consideration) _____ .
- d. Applicant applying for a partial deposit deferral must be the same person(s) currently listed on the existing City Utility account and this application.
- e. Upon review and subject to approval by City, the applicant will be required to execute

the Energy Services Contract and submit an initial payment of no less than fifty (50) percent of the initial full deposit requirement, prior to rendering service.

- f. The deposit deferral shall not exceed \$2,500.
- g. The remaining deposit balance will be added to the regular monthly utility bill in five (5) equal payments. In the event a utility billing late notice or delinquency occurs during the deferral period, all remaining deposits also become delinquent, and shall be immediately paid in full.
- h. Only one (1) deposit deferral will be allowed per applicant within a 24 month period.
- i. Deposit deferral eligible: _____ Yes _____ No(reason) _____
Amount of deposit due now \$ _____ Deferral amount \$ _____

13. **Notice or Demand.**

Any notice or demand required by or concerning this contract shall be deemed properly given if mailed, postage prepaid, to Mayor, City of Madisonville, 67 N. Main St., Madisonville, KY 42431, on behalf of the City, or to _____
_____ behalf of Customer. The designation of the person to be so notified or the address of such person may be changed at any time and from time to time by either party by similar notice.

14. **Ownership of Distribution Equipment.**

Transformer, distribution facilities, metering and other equipment furnished by the City and installed on Customer's property shall remain the personal property of the City unless otherwise specifically stated.

15. **Waiver of Defaults.**

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

16. **Transfer of Contract.**

This contract shall inure to the benefit of and be binding upon the respective heirs, legal representatives, successors, and assigns of the parties hereto, but is not assignable by Customer without written consent of the City.

17. **Counterparts.**

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

18. **Replaces Existing Service Agreement.**

This Energy Service Contract is to replace any existing service agreement between Customer and the City, in its entirety. Upon execution of this contract, said existing service agreement shall become null and void.

19. **Force Majeure.**

In the event any party to this Agreement is delayed, hindered, or prevented in the performance of any act or the achievement of any deadline required under this Agreement (other than the payment of money) by reason of fire, casualty, strikes, lockout, labor disputes, abnormal delays in obtaining permits not attributable to the applicant therefore, inability to procure materials or supplies, extreme weather, riots, war or other forces of nature not reasonably foreseeable, and such other delays, hindrances or prevention of performance as are not within the reasonable control of the party obligated to perform, the party affected by such delay shall promptly give notice to the other party and performance of such act shall be excused for the period of delay and/or such deadline extended for a period equal to the period of delay. Delays directly attributable to regulatory approval processes shall constitute Force Majeure. Such excusal and/or extension of time shall be, however, predicated upon the party affected by such delay (a) notifying the other party in writing of the delays and reasons causing the delay within a reasonable period of time upon learning of the same, and (b) taking all reasonable steps to avoid the delay and all reasonable steps to remove and address the condition(s) causing the delay.

20. **Continuity of Service.**

The City shall use reasonable diligence to provide a constant and uninterrupted supply of electric power and energy to Customer. Should the Customer have equipment sensitive to normal line disturbances, single phasing, or other problem, the Customer shall provide such corrective measures to control/correct same. If the supply of electric power and energy shall be interrupted or become defective through an act of God, governmental authority, action of the elements, public enemy, accident, strikes, labor trouble, required maintenance work, inability to secure right-of-way, or any other cause beyond the reasonable control of the City, the City shall not be liable therefore for damages caused thereby.

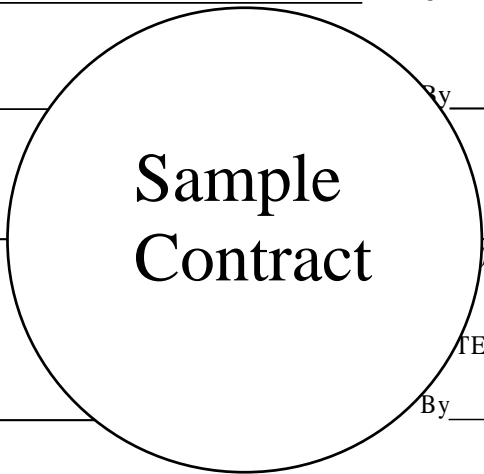
21. **Deregulation.**

Many states have adopted customer choice legislation that allows purchase of generation service by end-use customers. Should customer choice be made available in the State of Kentucky through legislative

action, the City customers may be able to procure their power and energy directly from non-utility electric service providers (ESPs). The Customer agrees that the City will remain the provider of local distribution services pursuant to this contract. This contract shall not relieve Customer of any additional transition cost obligations which may apply under future laws and regulations governing Customer's right to choose another wholesale power supplier, such as transition charges related to stranded investments in generation, common and bulk transmission facilities, and distribution facilities.

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

_____	CITY OF MADISONVILLE
Customer	
By _____	By _____
(Title)	(Title)
ATTEST:	TEST:
By _____	By _____
_____	_____
(Title)	(Title)
Date _____	



Information contained in this contract is extracted in part from the City of Madisonville ordinances, rules, regulation, policies and procedures. A complete copy is on file with the City Clerk or visit our website at <http://www.madisonvillegov.com>

This contract is void after 45 days, if not properly executed.

Madisonville Electric Operations
609 McCoy Avenue
Madisonville, Kentucky 42431
270-824-2130

Madisonville Municipal Utilities
77 North Main Street
Madisonville, Kentucky 42431
270-824-2102