

ORDINANCE NO. 07-92 AC CMS

**TO APPROVE THE FORM AND
AUTHORIZE THE EXECUTION OF A POWER SALES CONTRACT WITH
AMERICAN MUNICIPAL POWER – OHIO, INC. AND
TAKING OTHER ACTIONS IN CONNECTION THEREWITH
REGARDING HYDROELECTRIC PROJECT PARTICIPATION**

WHEREAS, the City of Oberlin, Ohio ("hereinafter Municipality") owns and operates an electric utility system for the sale of electric power and associated energy for the benefit of its citizens and taxpayers; and

WHEREAS, in order to satisfy the electric power and energy requirements of its electric utility system, Municipality has heretofore purchased, or desires to do so in the future, economical and reliable power and energy from, or arranged by, American Municipal Power – Ohio, Inc. (hereinafter "AMP-Ohio"), of which Municipality is a Member; and

WHEREAS, Municipality, acting individually and, along with other municipalities which own and operate electric utility systems, jointly endeavors to arrange for reliable, reasonably priced supplies of electric power and energy for ultimate delivery to its customers; and

WHEREAS, it is efficient and economical to act jointly in such regard; and

WHEREAS, AMP-Ohio is an Ohio nonprofit corporation, organized to own and operate facilities, or to provide otherwise for the generation, transmission or distribution of electric power and energy, or any combination thereof, and to furnish technical services on a cooperative nonprofit basis for the mutual benefit of its Members, such Members,

including Municipality, being political subdivisions that operate municipal electric utility systems in Ohio, Michigan, Pennsylvania, Virginia and West Virginia; and

WHEREAS, certain of the Members, including the Municipality ("Participants"), have determined they require additional, very long-term sources of reliable, environmentally sound and reasonably priced base load electric power and energy and have requested that AMP-Ohio arrange for the same, and have supported through the Developmental Agreement with AMP-Ohio approved by Ordinance 07-01 AC CMS, or for certain Michigan Members, through Michigan South Central Power Agency, the developmental effort to plan and permit three (3) hydroelectric generation projects at existing locks and dams on the Ohio River, namely the Cannelton Hydroelectric Project, the Smithland Hydroelectric Project and the Willow Island Hydroelectric Project, collectively AMP Hydroelectric System (hereinafter "AMP Hydro System") and now have the right, but not the obligation to execute the Power Sales Contract authorized below (hereinafter "PSC") to authorize AMP-Ohio to finance, construct and operate the AMP Hydro System, including potential additional hydroelectric projects as set forth in the PSC; and

WHEREAS, prior to the adoption of this ordinance , AMP-Ohio has (i) kept the Municipality informed regarding the developmental process and efforts undertaken by AMP-Ohio; (ii) provided the Municipality with a study prepared by R.W. Beck that demonstrates that the Municipality, as a Participant, can beneficially utilize the share of power and energy available from the AMP Hydro System authorized below, as well as a Project Feasibility Report prepared by J.S. Sawvel & Associates; and, (iii) afforded representatives of the Municipality the opportunity to ask such questions, review such data and reports, conduct such inspections and otherwise perform such investigations with respect to planning and

proposed engineering, acquisition, construction and operation of the AMP Hydro System and the terms and conditions of the PSC authorized below as the Municipality deems necessary or appropriate in connection herewith; and

WHEREAS, after consideration of the potential risks and benefits of the AMP Hydro System project and the PSC authorized below, the Municipality has determined it is reasonable and in its best interests to proceed as authorized herein and hereby requests and authorizes AMP-Ohio, in conjunction with similar authorizations by other AMP-Ohio Members, as Participants, to finance, construct and operate, and own up to a one hundred percent (100%) ownership interest in the AMP Hydro System on behalf of the Municipality and the other Participants in accordance with the PSC authorized below.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF OBERLIN, LORAIN COUNTY, STATE OF OHIO, A MAJORITY OF ALL MEMBERS ELECTED THERETO CONCURRING :

SECTION 1. That the Power Sales Contract (hereinafter "PSC") between Municipality and AMP-Ohio, substantially in the form attached hereto as Exhibit 1 including Appendices thereto is approved, and the City Manager is hereby authorized and directed to execute and deliver such Power Sales Contract, with such changes as the City Manager may approve as neither inconsistent with this Ordinance nor materially detrimental to the Municipality, his execution of the PSC to be conclusive evidence of such approval.

SECTION 2. That the City Manager is hereby authorized to acquire on behalf of the Municipality, as a Participant, as defined in the PSC, Power Sales Contract Resources (hereinafter "PSCR Share"), as defined in the PSC, without bid, from AMP-Ohio and to execute and deliver any and

all documents necessary to become a Participant in the AMP Hydro System project pursuant to the conditions set forth herein and in the PSC and to carry out its obligations thereunder.

SECTION 3. That it is further acknowledged and understood that because the Participants will finalize the precise PSCR Share to be acquired by each Participant electing to enter into the PSC after all such Participants execute and deliver the PSC, the City Manager in connection with the execution and delivery of the PSC, is authorized and directed to determine and acquire Municipality's PSCR Share, of up to a nominal amount of 2600 kilowatts, after consultation with AMP-Ohio and the other Participants regarding the PSCR Share available pursuant to said PSC, such PSCR Share to be set forth in Appendix A of the PSC, such determination as to such PSCR Share being conclusively evidenced by the adoption of Appendix A to the PSC, as authorized therein.

SECTION 4. That the City Manager , as a part of such officer's official duties, is hereby appointed as Municipality's representative for any meetings or determinations of the Participants or the Participants Committee pursuant to the PSC and is authorized and directed, acting for, in the name of and on behalf of this Municipality, to vote Municipality's PSCR Share with regard to any determinations regarding the AMP Hydro System project as set forth in the PSC

SECTION 5. That the City Manager may appoint, in writing from time to time as necessary, another representative of the Municipality as his or her alternate to carry out the duties set forth in Section 4 hereof.

SECTION 6. That it is hereby found and determined that all formal actions of this Council concerning and relating to the passage of this ordinance were taken in an open meeting of this Council and that all deliberations of this Council and of any committees that resulted in those

formal actions were in meetings open to the public, in compliance with all legal requirements.

SECTION 7. If any section, subsection, paragraph, clause or provision or any part thereof of this ordinance shall be finally adjudicated by a court of competent jurisdiction to be invalid, the remainder of this ordinance shall be unaffected by such adjudication and all the remaining provisions of this ordinance shall remain in full force and effect as though such section, subsection, paragraph, clause or provision or any part thereof so adjudicated to be invalid had not, to the extent of such invalidity, been included herein.

SECTION 8. That this ordinance is hereby declared to be an emergency measure necessary for the preservation of the public peace, health and safety of the citizens of the City of Oberlin, Ohio, or to provide for the usual daily operation of a municipality, to wit:

"to meet the established cut-off date by the AMP- Ohio Board of Directors for enacting legislation related to participating in the

AMP- Ohio hydro generation projects",

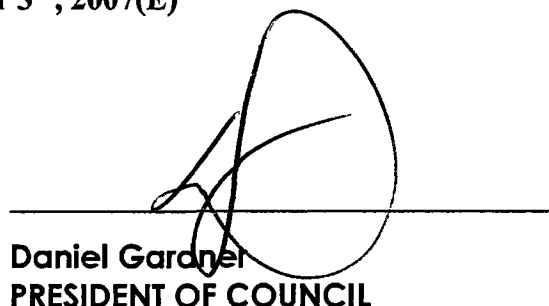
and shall take effect immediately upon passage.

PASSED: 1st Reading – November 19th, 2007
2nd Reading – December 3rd, 2007(E)
3rd Reading –

ATTEST:



Belinda B. Anderson
CLERK OF COUNCIL



Daniel Gardner
PRESIDENT OF COUNCIL

POSTED: 12/04/07

EFFECTIVE DATE: 12/04/07

s ORDNO07-92hydroelectricProjectParticipation

**POWER SALES CONTRACT
REGARDING THE
AMERICAN MUNICIPAL POWER
HYDROELECTRIC SYSTEM**

Between

AMERICAN MUNICIPAL POWER-OHIO, INC.

And

**EACH OF THE PARTICIPANTS LISTED ON THE
ATTACHED SCHEDULE OF PARTICIPANTS
INCLUDING THE
CITY OF OBERLIN, OHIO**

Dated as of November 1, 2007

**A COPY OF THE APPENDICES TO THE
POWER SALES CONTRACT IS ON FILE AT
THE CLERKS OFFICE**

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PREAMBLE

**POWER SALES CONTRACT
REGARDING THE
AMERICAN MUNICIPAL POWER
HYDROELECTRIC SYSTEM**

Between

AMERICAN MUNICIPAL POWER-OHIO, INC.

And

**EACH OF THE PARTICIPANTS LISTED ON THE
ATTACHED SCHEDULE OF PARTICIPANTS**

THIS POWER SALES CONTRACT regarding the American Municipal Power Hydroelectric System (herein referred to as "Power Sales Contract" or "Contract"), dated as of November 1, 2007, is made and entered into between American Municipal Power-Ohio, Inc ("AMP-Ohio") on the one hand, and its Members listed on the Schedule of Participants attached hereto as Appendix A (the "Participants"), including the City of Oberlin, Ohio (the "Participant"), on the other hand

WITNESSETH:

WHEREAS, AMP-Ohio is an Ohio nonprofit corporation, organized to own and operate facilities, or to provide otherwise, for the generation, transmission or distribution of electric power and energy, or any combination thereof, and to furnish technical services on a cooperative, nonprofit basis, for the mutual benefit of its members, such members, including each of the Participants, being, and to be, Political Subdivisions of their respective states that operate Electric Systems in Ohio, Michigan, Pennsylvania, Virginia and West Virginia, and

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WHEREAS, each of the Participants owns and operates its Electric System for the benefit of its customers, and

WHEREAS, each of the Participants, acting individually and, along with the other Members, jointly through AMP-Ohio, endeavors to arrange for reliable, reasonably priced supplies of electric power and energy for ultimate delivery to its customers, and

WHEREAS, it is efficient and economical to act jointly in such regard, and

WHEREAS, each of the Participants has determined it requires additional, very long-term sources of reliable, environmentally sound and reasonably priced base load electric power and energy and has requested that AMP-Ohio arrange for the same, and

WHEREAS, in furtherance of such purpose, each of the Participants requests and AMP-Ohio agrees and intends to finance, construct, operate and own up to a one hundred percent (100%), and in any case not less than an eighty percent (80%), undivided ownership interest, in certain hydroelectric generating facilities having an expected initial net rated electric generating capacity of approximately one hundred ninety-one megawatts (191 MW), to be known collectively as the American Municipal Power Hydroelectric System (as hereinafter defined, "AMP Hydro System"), and

WHEREAS, additional hydroelectric projects, or licenses or rights for the same, may become available, for development, acquisition or purchase and such projects or facilities may be added to AMP System (as hereinafter defined "Additional Projects") under the terms and conditions set forth herein, and

WHEREAS, AMP-Ohio has resolved, in accordance herewith, to develop, including, as appropriate, the financing, acquisition, construction, ownership and operation of other Power Sales Contract Resources, in addition to its ownership interest in the AMP Hydro System, which AMP-Ohio

PREAMBLE

and, in certain cases, the Participants Committee, deem necessary to enable AMP-Ohio to fulfill its obligations hereunder to sell and transmit electric power and energy to the Participants hereunder, and

WHEREAS, in order to obtain such sources of electric power and energy, the Participants are willing to pay AMP-Ohio for their respective rights to such electric power and energy and transmission service at rates that are sufficient, but only sufficient, to enable AMP-Ohio to (i) recover all costs and expenses incurred with respect to the AMP Hydro System, all other Power Sales Contract Resources obtained by AMP-Ohio to supplement the AMP Hydro System, and related service arrangements undertaken by AMP-Ohio to enable it to fulfill its obligations hereunder, and (ii) recover any other expenditures or revenues authorized hereunder,

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements herein contained, it is agreed by and among the parties hereto as follows

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SECTION 1 Definitions and Explanations of Terms As used herein

Additional Projects shall have the meaning set forth in Section 32

American Municipal Power Hydroelectric System or AMP Hydro System shall mean the following hydroelectric generating facilities located on the Ohio River, consisting of the Smithland Hydroelectric Project (FERC Project 6641), the Cannelton Hydroelectric Project (FERC Project 10228) and the Willow Island Hydroelectric Project (FERC Project 6902) and related equipment used in the production and transformation of electric power and energy and related interconnection and transmission facilities as well as any natural gas or diesel-fired back-up or blackstart generation sited at such facility, having an expected maximum rated net electric generating capacity (not including any natural gas or diesel-fired black start or back-up generation) of approximately one-hundred ninety-one megawatts (191 MW), as further described in Appendix D, including the sites and all related permits, licenses, easements and other real and personal property rights and interests, together with all additions, improvements, renewals and replacements to said electric generating facilities necessary to keep said facilities in good operating condition or to prevent a loss of revenues therefrom or as required by any governmental agency having jurisdiction. Appendix D shall be amended to reflect any additions to or changes in the AMP Hydro System, including Additional Projects, authorized or undertaken in accordance with Section 32 as well as other provisions of this Power Sales Contract.

AMP-Ohio Entitlement shall mean AMP-Ohio's ownership, undivided ownership in, or contractual rights to the available capacity of and energy from the AMP Hydro System and other Power Sales Contract Resources.

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Appendix shall mean any of the attachments to this Contract, all of which are incorporated herein and made a part hereof as the same shall be modified, updated or replaced from time to time pursuant to the terms hereof

Bonds shall mean revenue bonds, notes, bank loans, commercial paper or any other evidences of indebtedness, without regard to the term thereof, whether or not any issue thereof shall be subordinated as to payment to any other issue thereof, from time to time issued by AMP-Ohio (including any legal successor thereto) to finance or refinance any cost, expense or liability paid or incurred or to be paid or incurred by AMP-Ohio in connection with the planning, investigating, engineering, permitting, licensing, financing, acquiring and construction of any and all real or personal property, facilities, rights, licenses, permits that constitute the AMP Hydro System and any other Power Sales Contract Resources, and the refurbishing, operating, maintaining, improving, repairing, replacing, retiring, decommissioning or disposing of the AMP Hydro System or any other Power Sales Contract Resources or otherwise paid or incurred or to be paid or incurred by AMP-Ohio in connection with the performance of its obligations under this Power Sales Contract or any Related Agreement, and shall include revenue bonds, notes, bank loans, commercial paper, or any other evidences of indebtedness issued by AMP-Ohio (including any legal successor thereto) to refund any outstanding revenue bonds, notes, bank loans, commercial paper, or any other evidences of indebtedness issued by AMP-Ohio (including any legal successor thereto) for any of the foregoing purposes, as well as the repayment of the amounts listed in Appendix E to repay all AMP Hydro System or other Power Sales Contract Resources Developmental Costs advanced by AMP-Ohio and its members. Bonds shall also include any interest rate hedge, swap instrument and the effect thereof, where the context is appropriate

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Business Day shall mean a day other than a Saturday, Sunday or national or state holiday in any state in which a Participant is domiciled

Commercial Operation Date shall mean the earliest date, confirmed by a certificate by an independent engineer selected by AMP-Ohio, that a generating unit of the AMP Hydro System is determined to be in service after physical completion, completion of all specified testing and release by such unit's equipment suppliers and contractors for all commercial operating purposes without material restrictions

Contract or Power Sales Contract shall mean this Power Sales Contract together with all Appendices, amendments and supplements hereto as permitted by the provisions hereof

Contract Year shall mean the twelve Month period commencing 12 01 a m on January 1 of each year, provided, however, that the first Contract Year shall commence on the effective date of this Contract specified in Section 31(A) hereof and shall expire at 12 01 a m on the next succeeding January 1

Consulting Engineer shall mean the consulting engineering firm or firms, experienced in hydroelectric matters, retained by AMP-Ohio to provide reports or opinions on various aspects of the Project

Delivery Point – see Point of Delivery

Demand Charge shall mean the rate or charge to the Participants principally designed to recover fixed costs of Power Sales Contract Resources including those items that comprise Revenue Requirements as set forth in Section 5 hereof and the Rate Schedule not otherwise recovered

SECTION 1

Developmental Costs shall mean all development costs incurred by AMP-Ohio in furtherance of the planning, siting, engineering, permitting, land acquisition and related activities in connection with AMP Hydro System, potential and actual Additional Projects, or other Power Sales Contract Resources which are set forth on Appendix E, which are to be reimbursed to AMP-Ohio from the proceeds of its first issuance of Bonds, and a portion of which shall be remitted by AMP-Ohio to AMP-Ohio members and Michigan South Central Power Agency in accordance with certain developmental agreements between AMP-Ohio and those entities

Effective Date shall have the meaning set forth in Section 31 (A)

Electric System of a Participant shall mean the municipal electric utility system owned and operated by the Participant including, without limitation, its contractual rights and obligations under this Contract

Energy Charge shall mean the rate or charge to the Participants, principally designed to recover variable costs of the output of Power Sales Contract Resources including those items that comprise Revenue Requirements, as set forth in Section 5 hereof and in the Rate Schedule not otherwise recovered

Environmental Fund shall mean the sub-fund of the Reserve and Contingency Fund referred to in Section 5(A)(x) that may be used from time to time to mitigate AMP Hydro System or other Power Sales Contract Resources environmental impacts or to moderate volatility in the costs of environmental compliance, including but not limited to the funding of reserves for, or the purchase of, allowances or offsets from Participants, AMP-Ohio or others

FERC shall mean the Federal Energy Regulatory Commission and its successors

SECTION 1

Force Majeure shall mean any cause beyond the control of AMP-Ohio or a Participant, including, but not limited to, failure of facilities, flood, earthquake, storm, lightning, fire, epidemic, pestilence, war, riot, civil disturbance, labor disturbance, sabotage, and restraint by court or public authority, which by due diligence and foresight AMP-Ohio or such Participant, as the case may be, could not reasonably have been expected to avoid.

kW shall mean Kilowatt

kWh shall mean Kilowatt Hour

Load Factor shall mean the Participant's energy scheduled from Power Sales Contract Resources over a time period in MWh, divided by Participant's PSCR Share in MW multiplied by the hours in the same time period

Member shall mean any Political Subdivision that is a member of AMP-Ohio

MISO RTO shall mean the Midwest Independent System Operator RTO or its successor organization

Month or Monthly shall mean or refer to a calendar month

MW shall mean megawatt

MWh shall mean megawatt hour

O&M Expenses of a Participant shall mean (i) the ordinary and usual operating expenses, of its Electric System including purchased power expense and all amounts payable by the Participant to or for the account of AMP-Ohio under this Contract, including its obligations for Step Up Power, and (ii) to the

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extent not included in (1), all other items included in operating expenses under generally accepted accounting principles as adopted by the Governmental Accounting Standards Board or other applicable authority, provided, however, that if any amount payable by the Participant under this Contract is prohibited by applicable law or by a contract existing on the Effective Date hereof from being paid as an O&M Expense of the Participant's Electric System, such amount shall be payable from any available funds of the Participant's Electric System and shall constitute an O&M Expense of the Participant's Electric System at such time as such law or contract shall permit or terminate

Operating Agreement shall mean any agreements between AMP-Ohio and any other joint owners of any of the facilities or projects that constitute the AMP Hydro System or other Power Sales Contract Resource for the operation, fuel and maintenance, including repairs and replacements, thereof

PJM RTO shall mean the PJM RTO or its successor organization.

Participants shall mean those Member Political Subdivisions of the various states listed on the Schedule of Participants attached to this Power Sales Contract as Appendix A including the Political Subdivision named in the Parties clause of this Contract and includes, as the context requires, their officers, representatives and agents

Participants Committee shall mean a committee of AMP-Ohio's Board of Trustees consisting of Participants, the members of which, in the aggregate, have not less than a majority of the PSCR Shares, organized and operating in accordance with Appendix L

Party with reference to this Contract shall mean AMP-Ohio or any Participant.

Points of Delivery shall mean the points as set forth on Appendix C at which AMP-Ohio shall be required to deliver power and energy to or for the benefit of each of the respective Participants from the

SECTION 1

various hydroelectric generation facilities comprising the AMP Hydro System pursuant to this Contract at the PSR.

Political Subdivision shall mean a city, village, municipality, borough or other public entity that constitutes a political subdivision of a state, within the meaning of Section 103 of the Internal Revenue Code of 1986, as amended and as the same may be modified or amended from time to time

Power Sales Contract or Contract shall mean this Power Sales Contract, together with all Appendices, amendments and supplements hereto as permitted by the provisions hereof

Power Sales Contract Resources or PSCR shall mean, to the extent acquired or utilized by AMP-Ohio to meet its obligations to deliver electric power and energy to the Participants at their respective Points of Delivery pursuant to this Contract, (i) the AMP-Ohio Entitlement and (ii) all sources of Replacement Power and Transmission Service, whether real or personal property or contract rights

Postage Stamp Rates or PSR means the total delivered cost to Participants for Demand Charges, Energy Charges and any power cost adjustments at the Points of Delivery, as specified in the Rate Schedule

Power Cost Adjustment Factor shall have the meaning set forth in Section 5(D)

Project shall mean the acquisition, construction, equipping, testing and placing into service of AMP-Ohio's undivided ownership in or rights to all of the facilities comprising the AMP Hydro System, including Additional Projects

Project Costs shall mean all costs incurred in connection with the planning, investigating, licensing, siting, permitting, engineering, financing, equipping, construction and acquisition of the Project

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including, without limitation, the costs of any necessary transmission facilities or upgrades required to interconnect any of the generation facilities of AMP Hydro System with the PJM RTO, MISO RTO or any other transmission provider and transmit power and energy to the Participants any other Developmental Costs, all FERC license costs and payments to prior or current licensees associated with securing the rights to any FERC licenses or rights to output associated with the same, any payments in lieu of taxes and interest during construction of the Project, initial inventories, including the purchase of any inventories of emission allowances or other environmental rights, working capital, spares and other start up related costs, related environmental compliance costs, legal, engineering, accounting, advisory and other financing costs relating thereto and the refurbishing, improving, repairing, replacement, retiring, decommissioning or disposing of the Project, or otherwise paid or incurred or to be paid or incurred by or on behalf of the Participants or AMP-Ohio in connection with its performance of its obligations under this Contract, any Trust Indenture or any Related Agreement and may include the cost of the prepayment for Replacement Power

Project Feasibility Report shall mean a report to be prepared by a Consulting Engineer and released in September of 2007, analyzing technical and economic aspects of the Project

PSCR see Power Sales Contract Resources

PSCR Share for any Participant expressed in kilowatts (kW) shall mean such Participant's nominal entitlement to power and associated energy from the Power Sales Contract Resources such that the sum of all PSCR shares (in kW) equals the AMP-Ohio Entitlement (in kW) from the AMP Hydro System, subject to adjustment as set forth herein PSCR Share for any Participant expressed as a percentage (%), rounded to the nearest one-hundredth of one percent, shall mean the result derived by dividing such Participant's PSCR Share in kW by the total of all of the Participants' PSCR Shares

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(including such Participant's PSCR Share) in kW such that the sum of all such PSCR shares (in %) is one hundred percent (100%)

PSR shall mean Postage Stamp Rate

Prudent Utility Practice shall mean any of the practices, methods and acts which, in the exercise of reasonable judgment, in the light of the facts, including but not limited to the practices, methods and acts engaged in or approved by a significant portion of the United States electrical utility industry prior thereto, known at the time the decision was made, would have been expected to accomplish the desired result at the lowest reasonable cost consistent with reliability, safety and expedition. It is recognized that Prudent Utility Practice is not intended to be limited to the optimum practice, method or act at the exclusion of all others, but rather it is a spectrum of possible practices, methods or acts which could have been expected to accomplish the desired result at the lowest reasonable cost consistent with reliability, safety and expedition.

Rate Schedule shall mean the schedule of rates and charges attached hereto as Appendix B, as the same may be revised from time to time in accordance with the provisions of Section 5 hereof.

Rate Stabilization Fund shall mean the sub-fund of the Reserve and Contingency Fund referred to in Section 5 (A) (x) that may be used from time to time to moderate volatility of the PSR.

Regulations shall mean the bylaws for Participants and Participants Committee meetings and actions as set forth in Appendix L, as the same may be amended from time to time.

Related Agreements shall mean any Operating Agreement, agreements for interconnection of any of the facilities comprising the AMP Hydro System or other Power Sales Contract Resources to the appropriate transmission system, including, as set forth in Appendix F, any agreements for Supplemental

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Transmission Service and the interconnection agreement for the interconnection of any of the facilities comprising the AMP Hydro System to the PJM RTO or MISO RTO transmission systems, any agreements with the U S Army Corps of Engineers relating to the AMP Hydro System, any agreements for the purchase of electric power and energy, other agreements for Transmission Service to enable AMP-Ohio to meet its obligations to deliver electric power and energy for the Participants at their respective Secondary Points of Delivery pursuant to this Contract, any agreement entered into pursuant to Section 35 hereof, any agreements for coordination of operations with other hydroelectric projects and all other agreements of greater than one (1) year in length entered into by AMP-Ohio for the acquisition of Power Sales Contract Resources, all as the same may be amended from time to time

Replacement Power shall mean power and energy purchased by AMP-Ohio (i) after the Effective Date of this Contract but prior to the Commercial Operation Date of the last generating unit of the AMP Hydro System for delivery to the Participants, provided that such purchase is approved by a Super Majority of the Participants as set forth in Section 3(C) hereof, (ii) on or after the Commercial Operation Date of the first generating unit of the AMP Hydro System to back-up all or any portion of the output of the Project's generation facilities or to replace the same during periods in which any unit of the AMP Hydro System is not, for any reason, in service or is derated or otherwise incapable of generating its full nominal capability, or (iii) when, in AMP-Ohio's estimation and in accordance with procedures approved by the Participants Committee, to purchase from or sell to the market, perform commodity swaps or other like transactions such as capacity swaps, reliability exchanges and reserve sharing arrangements, will lower the expected PSR or is consistent with Prudent Utility Practices

Reserve and Contingency Fund shall have the meaning set forth in a Trust Indenture and refers to a special fund, including any sub-funds, established by AMP-Ohio to accumulate funds sufficient to

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provide an immediately available source of funds for the extraordinary maintenance, repair, overhaul and replacement of the Project facilities and equipment, to mitigate environmental impacts, achieve environmental compliance or purchase allowances (Environmental Fund) to stabilize or mitigate rate increases to the Participants (Rate Stabilization Fund) and to meet other requirements of a Trust Indenture for which other funds are not, by the terms of a Trust Indenture, immediately available

Revenue Requirements shall have the meaning assigned to such term in Section 5(A)

RTO shall mean any one of the regional transmission organizations approved by the FERC or its successors or assigns, the territory of which includes the transmission systems to which a Point of Delivery is connected.

Schedule of Participants shall mean the Schedule of Participants attached hereto as Appendix A, as the same may be amended or supplemented from time to time in accordance with the provisions hereof

Secondary Points of Delivery shall mean the receipt point for each Participant set forth on Appendix C hereto which is either (i) a metered point of interconnection with the transmission or distribution system of the Participant whose name is set forth opposite such Secondary Point of Delivery on such Appendix C or (ii) any other metered point of interconnection designated by a Participant for ultimate delivery of power and energy from the Points of Delivery to such Secondary Delivery Point under the Contract, provided, however, that the Secondary Point of Delivery with respect to any Participant may, with AMP-Ohio's written approval (which approval shall not be unreasonably withheld), be changed by such Participant, in which event the Appendix C shall be modified by AMP-Ohio to reflect any such change

SECTION 1

Service Fee shall mean AMP-Ohio's Service Fee B charge of up to one mill (\$0.001) per kWh for all energy delivered hereunder to the respective Participants at their respective Points of Delivery under this Contract. As of June 1, 2007, said charge is \$0.00038 per kWh. Said charge may be prospectively increased or decreased at the sole option of AMP-Ohio's Board of Trustees at any time provided, however, that except as provided hereunder, such fee shall not exceed one mill (\$0.001) per kWh. Any such increases are limited, however, to an additional one-tenth of one mill (\$0.0001) per kWh for energy delivered hereunder on and after January 1 of each year this Contract is in effect, provided, however, that (i) in the event AMP-Ohio's Board of Trustees elects not to increase said charge in any such year, the charge may be increased in any following year by an additional one-tenth of one mill (\$0.0001) per kWh for each year said charge was not increased, and (ii) at the sole option of AMP-Ohio's Board of Trustees, it may convert and replace said charge per kWh to a system of charges based upon demand (in kW) and energy (in kWh), provided, however, that any such demand and energy charges may not operate to cause any Participant to incur Service Fees in excess of what would have been allowable under the "per kWh" method utilizing an assumed Load Factor of eighty-five percent (85%), regardless of the Participant's actual Load Factor. Service Fee B may be increased above \$0.001 per kWh with the approval of both the AMP-Ohio Board of Trustees and the Participants Committee.

Step Up Power shall have the meaning set forth in Section 18(B)(ii).

Step Up Power Costs shall mean that portion of Revenue Requirements that is allocable to a defaulting Participant's payment obligations hereunder.

Super Majority shall mean not less than a seventy-five percent (75%) majority of the weighted vote, based upon PSCR Shares, of all the Participants.

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Supplemental Transmission Service shall mean the power delivery service under any agreements, tariffs and rate schedules necessary or convenient to transmit power and energy made available to or for the benefit of any Participant hereunder for delivery from the Points of Delivery to a Secondary Point of Delivery

Transmission Service shall mean all transmission arrangements, together with all related or ancillary services rights and facilities, to the extent the same are necessary or prudent to provide for delivery of power and energy hereunder to the Points of Delivery

Trust Indenture shall mean any one or more trust indentures, trust agreements, loan agreements, resolutions or other similar instruments providing for the issuance and securing of Bonds. A draft of the form of the initial Trust Indenture intended to secure Bonds issued for permanent financing of the Project is set forth in Appendix G

Utility Governing Body shall mean, as to any Participant, the governing body of the Participant identified in paragraph 3 of the legal opinion, in substantially in the form of Appendix H hereto, furnished to AMP-Ohio by such Participant pursuant to Section 22 hereof upon its execution and delivery of this Contract

Except where the context otherwise requires, words importing the singular number shall include the plural number and vice versa, and words importing persons shall include firms, associations, public and private corporations, and any other legal entities

SECTION 2

SECTION 2 Representations (A) Unless otherwise noticed in writing to the Participants prior to the Effective Date, AMP-Ohio represents to each Participant that, as of the Effective Date

(i) AMP-Ohio is a nonprofit corporation duly created and validly existing pursuant to the Constitution and statutes of the State of Ohio, and the Board of Trustees of AMP-Ohio is responsible for the management of its affairs

(ii) AMP-Ohio has full legal right and authority to enter into this Power Sales Contract, to carry out its obligations hereunder and to sell electric power and energy to the Participants as provided herein

(iii) AMP-Ohio's Board of Trustees duly approved this Power Sales Contract and authorized the execution and delivery hereof, on behalf of AMP-Ohio, by resolution duly and lawfully adopted at a meeting duly called and held at which a quorum was present and acting throughout.

(iv) This Power Sales Contract has been duly authorized by, and executed and delivered by the appropriate officers of AMP-Ohio, AMP-Ohio's Board of Trustees, and, assuming the Participant has all the requisite power and authority to execute and deliver and has duly authorized, executed and delivered this Contract, this Contract, as between AMP-Ohio and the Participant, constitutes a legal, valid and binding obligation of AMP-Ohio enforceable in accordance with its terms, except to the extent enforceability may be limited by bankruptcy, insolvency, moratorium, reorganization or other similar laws affecting creditors' rights generally and by equitable principles

SECTION 2

(v) The execution and delivery by AMP-Ohio of this Power Sales Contract and the performance by AMP-Ohio of its obligations hereunder do not and will not contravene any law in existence on the date of execution and delivery of this Contract or any order, injunction, judgment, decree, rule or regulation in existence on the date of execution and delivery of this Contract of any court or administrative agency having jurisdiction over AMP-Ohio or its property or result in a breach or violation of any of the terms and provisions of, or constitute a default under, any bond ordinance, trust agreement, indenture, mortgage, deed of trust or other agreement in existence on the date of execution and delivery of this Contract to which AMP-Ohio is a party or by which it or its property is bound

(vi) All approvals, consents or authorizations of, or registrations or filings with, any governmental or public agency, authority or person required on the part of AMP-Ohio in connection with the execution, delivery and performance of this Contract have been obtained or made, other than such approvals, consents, authorizations, registrations, or filings as relate to any Power Sales Contract Resources and are not yet required to have been obtained or submitted

(vii) Except as set forth in Appendix K, there is no litigation or other proceedings pending or, to the best knowledge of AMP-Ohio, threatened against AMP-Ohio in any court, regulatory agency or other tribunal of competent jurisdiction (either State or Federal) questioning the creation, organization or existence of AMP-Ohio or the validity, legality or enforceability of this Contract or the authority of AMP-Ohio or, to AMP-Ohio's knowledge, any Participant to perform as contemplated by the terms of this Contract, other than any proceeding brought by or on behalf of AMP-Ohio or any of the Participants to validate this Power Sales Contract or any Bonds issued under a Trust Indenture

SECTION 2

(viii) The facts, descriptions and other information regarding this Contract, the AMP Hydro System, the FERC licenses for the same and power supply matters provided by AMP-Ohio to the Participants and by AMP-Ohio to the Consulting Engineer for the purposes of its load forecasts and Project feasibility studies provided to the Participants, have been prepared by or on behalf of AMP-Ohio, in good faith and based on the facts known to AMP-Ohio, and AMP-Ohio has no knowledge or reason to believe there exists any information that has been withheld from any Participant or the Consulting Engineer that would cause such information to be materially misleading

(B) Unless otherwise noticed in writing to AMP-Ohio prior to the Effective Date, each Participant represents to AMP-Ohio that, as of the Effective Date

(i) The Participant is a Political Subdivision duly created and validly existing pursuant to the Constitution and statutes of its domicile state set forth on Appendix A

(ii) The Participant has full legal right and authority to enter into this Contract, to carry out its obligations hereunder and to furnish electric power and energy to its customers

(iii) The governing body that has the requisite authority to authorize an appropriate officer of the Participant to execute and deliver this Contract in the name of, and on behalf of, the Participant is the Utility Governing Body. The Utility Governing Body duly approved this Contract and its execution and delivery on behalf of the Participant by legislative action duly and lawfully adopted at a meeting or meetings duly called and held pursuant to any necessary public notice at which any necessary quorums were present and acting throughout.

SECTION 2

(iv) This Contract has been duly executed and delivered by the appropriate officers of the Participant so authorized or directed pursuant to legislative action its Utility Governing Body, and, assuming that AMP-Ohio has all the requisite power and authority to execute and deliver and has duly authorized, executed and delivered this Contract, this Contract, as between AMP-Ohio and the Participant, constitutes a legal, valid and binding obligation of the Participant enforceable in accordance with its terms, except to the extent enforceability may be limited by bankruptcy, insolvency, moratorium, reorganization or other similar laws affecting creditors' rights generally and by equitable principles

(v) The execution and delivery of this Contract by the Participant and the performance by the Participant of its obligations hereunder do not and will not contravene any law in existence on the date of execution and delivery of this Contract or any order, injunction, judgment, decree, rule or regulation in existence on the date of execution and delivery of this Contract of any court or administrative agency having jurisdiction over the Participant or its property or result in a breach or violation of any of the terms and provisions of, or constitute a default under, any bond ordinance, trust agreement, indenture, mortgage, deed of trust or other agreement in existence on the date of execution and delivery of this Contract to which the Participant is a party or by which it or its property is bound

(vi) All approvals, consents or authorizations of, or registrations or filings with, any governmental or public agency, authority or person required on the part of the Participant in connection with the execution, delivery and performance of this Contract have been obtained or made

SECTION 2

(vii) Except as disclosed in writing to AMP-Ohio prior to the execution and delivery of this Contract and described in Appendix K, the Participant has the power and authority to establish, collect and revise the rates charged to the customers of its Electric System in accordance with this Contract and such rates are not subject to regulation by any regulatory authority of its domicile state or the United States of America

(viii) Except as disclosed in writing to AMP-Ohio prior to the execution and delivery of this Contract and described in Appendix K, the obligations of the Participant to make payments to AMP-Ohio pursuant to this Contract are payable as O&M Expenses of the Participant's Electric System and, neither such Participant nor its Electric System has outstanding any bonds, notes or other evidences of indebtedness payable from any revenues of its Electric System prior to or on a parity with its obligations to make payments to AMP-Ohio under this Contract

(ix) Except for pending or threatened litigation, if any, disclosed in writing to AMP-Ohio prior to the execution and delivery of this Contract by the Participant and set forth in Appendix K, there is no litigation or other proceedings pending or, to the best knowledge of the Participant, threatened against the Participant in any court, regulatory agency or other tribunal of competent jurisdiction (either local, State or Federal) questioning the creation, organization or existence of the Participant or its Electric System or the title to any property material to the operation of its Electric System, or the validity, legality or enforceability of this Contract other than any proceeding brought by or on behalf of AMP-Ohio or any of the Participants to validate this Power Sales Contract or any Bonds issued under a Trust Indenture

(x) Prior to the execution and delivery of this Contract by the Participant, AMP-Ohio has (a) provided the Participant with (I) a study prepared by a Consulting Engineer that

SECTION 2

demonstrates that the Participant can beneficially utilize not less than 100% of the maximum PSCR Share authorized by its Utility Governing Body, and (II) a September 2007 initial Project Feasibility Report also prepared by a Consulting Engineer, and (b) afforded the duly authorized representatives of the Participant the opportunity to ask such questions, review such data and reports, conduct such inspections and otherwise perform such investigations with respect to planning and proposed engineering, acquisition, construction and operation of the AMP Hydro System and the terms and conditions of this Contract, as the Participant deems necessary or appropriate in connection with its entering into this Contract

(x1) After consideration of the potential risks and benefits of the Project and this Contract, the Participant has determined it is reasonable and in its best interests to enter into this Contract for the purpose of purchasing its PSCR Share of the output of the Power Sales Contract Resources from AMP-Ohio pursuant to this Contract on a "take-or-pay" basis in accordance with Section 5(I) and to pay AMP-Ohio at the rates determined in accordance with this Contract and sufficient to enable AMP-Ohio to recover all of its Revenue Requirements with respect to all Power Sales Contract Resources undertaken by AMP-Ohio to enable it to meet its obligations hereunder

(x11) By the execution and delivery of this Contract, the Participant authorizes, empowers and directs AMP-Ohio to perform such undertakings for the benefit of the Participant as are specified in this Contract, subject to such limitations and standards as are set forth herein

SECTION 3

SECTION 3 Sale and Purchase (A) AMP-Ohio hereby agrees to sell to each Participant, and each Participant agrees to buy from AMP-Ohio, such Participant's PSCR Share (in kW) of the Power Sales Contract Resources, such PSCR Share being shown on Appendix A, adjacent to such Participant's name, subject to increase as provided in Section 18 and Section 32 and subject to *pro rata* reduction or increase, but in no event greater than authorized by such Participant's Utility Governing Body, if the AMP-Ohio Entitlement in MW from the Cannelton, Smithland and Willow Island projects is different than 191 MW AMP-Ohio's obligations to furnish Power Sales Contract Resources shall be principally those set forth in Section 4, in addition to those set out in other provisions of this Contract The Participants' obligations to take or pay for their respective PSCR Shares of Power Sales Contract Resources shall be principally those set forth in Section 5 and the Rate Schedule (Appendix B), in addition to those set out in other provisions of this Contract

(B) Subject to the absolute payment obligations of the Participants set forth in Section 5(I), AMP-Ohio (i) shall borrow, and capitalize from the proceeds of such borrowing, all or a portion of the amounts otherwise payable by the Participants in respect of AMP-Ohio's Revenue Requirements prior to the Commercial Operation Date of the first generating unit of the AMP Hydro System and (ii) may borrow, and capitalize from the proceeds of such borrowing, all or a portion of the amounts otherwise payable by the Participants in respect of AMP-Ohio's Revenue Requirements prior to the Commercial Operation Date of the last generating unit of the AMP Hydro System and for a reasonable time thereafter, or (iii) to the extent that AMP-Ohio, upon the request and subject to the approval of the Participants Committee, does not borrow and capitalize from the proceeds of such borrowing all of AMP-Ohio's Revenue Requirements prior to the Commercial Operation Date of the first generating unit of the AMP Hydro System and for a reasonable period thereafter, AMP-Ohio shall, to such extent and only upon not less than one hundred twenty (120) days prior written notice, bill the Participants for their PSCR Shares

SECTION 3

of up to twenty-five percent (25%) of AMP-Ohio's Revenue Requirements for such period or, with the approval of a Super Majority of the Participants, up to one hundred percent (100%) of AMP-Ohio's Revenue Requirements for such period

(C) Upon the request and subject to approval of a Super Majority of the Participants, in order to decrease the amount of capitalized interest which may otherwise be accrued during the construction of the AMP Hydro System, AMP-Ohio may purchase and sell and deliver to the Participants, prior to the Commercial Operation Date of the AMP Hydro System last generating unit, power and energy hereunder from Power Sales Contract Resources in *pro rata* amounts up to the amounts listed in Appendix A for such period and in such amounts as determined appropriate by the Participants Committee, at rates which cover all costs of such power and which may include all or any portion of AMP-Ohio's Revenue Requirements for such period, provided, however, that any Participant may elect not to receive such energy and only be charged the Demand Charge portion of Revenue Requirements relating to such interest during construction

(D) If at any time any Participant has power and energy in excess of its needs, it may request that AMP-Ohio sell and deliver any or all of said Participant's PSCR Share of power and energy available hereunder, and AMP-Ohio shall use commercially reasonable efforts in consultation with such Participant to attempt to sell such surplus for such Participant at not less than a minimum price approved by the Participant, first, *pro rata* to any other Participants that shall have previously indicated a willingness to AMP-Ohio, pursuant to Section 4(H) hereof, to purchase any such surplus, second, *pro rata*, to any Members (that are not Participants) that shall have previously indicated a willingness to AMP-Ohio to purchase any such surplus, and, third, to any other entity, on such terms and for such period as AMP-Ohio deems appropriate and as AMP-Ohio deems not adverse to the tax or regulatory status or other interests of

SECTION 3

AMP-Ohio or the Participants or any Bonds All net revenues (revenues received less any expenses incurred in connection with the sale) received by AMP-Ohio from any such sales shall be credited against the Revenue Requirements allocable to such Participant on such Participant's next invoice rendered pursuant to Section 5 hereof, provided that nothing contained herein shall relieve such Participant from any obligation hereunder, unless and to the extent AMP-Ohio shall receive net revenues for such sales

E As certain of the facilities comprising AMP Hydro System will be located in more than one state and in order to control and minimize certain risks and taxes, the Participants specifically acknowledge and authorize AMP-Ohio to create subsidiary or affiliated entities to own certain of the facilities to be acquired hereunder provided that

(i) AMP-Ohio shall retain control and not less than majority ownership of all such entities and shall remain responsible to the Participants for all obligations to the Participants hereunder

(ii) AMP-Ohio shall have received the respective opinions of counsel and a Consulting Engineer that the arrangements regarding such entities should not materially adversely affect the rights of, or costs to, the Participants hereunder and are not inconsistent with any Trust Indenture

(iii) All such arrangements are approved by the Participants Committee

SECTION 4 AMP-Ohio Undertakings (A) AMP-Ohio, in good faith and in accordance with the provisions of this Contract and Prudent Utility Practice

(i) shall undertake, or cause to be undertaken, the planning, developing, engineering, acquisition, construction and equipping, with or without formal bidding, of the Project, the financing of costs of the same (including financing costs, legal, engineering, accounting and financial advisory fees and expenses and the Developmental Costs), and the operating, maintaining, refurbishing, replacing, retiring, decommissioning and disposing of the Project, and to obtain, or cause to be obtained, all Federal, state and local permits, licenses and other rights and regulatory approvals as are necessary or convenient to accomplish the same

(ii) shall utilize, to the extent available and in the best interests of the Participants, the Project's hydroelectric facilities as the primary Power Sales Contract Resources to fulfill its obligations to deliver power and energy to the Participants at Points of Delivery and respective Secondary Points of Delivery hereunder and utilize Replacement Power, when prudent and appropriate, as secondary Power Sales Contract Resources, and

(iii) may undertake, or cause to be undertaken, the acquisition of other Power Sales Contract Resources, in addition to the Project, as AMP-Ohio deems necessary or desirable to enable AMP-Ohio to deliver electric power and energy to the Participants at their respective Points of Delivery in such amounts and on such terms as are set forth herein, provided, however, that any obligations for any such additional Power Sales Contract Resources shall be subject to approval of the Participants Committee if (a) such obligations are for periods greater than one (1) year or (b) if such obligations are for other than Replacement Power during deratings or planned or forced outages of any of the facilities comprising the AMP Hydro System or other Power Sales Contract Resources, and

SECTION 4

(iv) may, at the direction of the Participants Committee, utilize funds from the Reserve and Contingency Fund, to the extent not inconsistent with any Trust Indenture, to defray the costs of Replacement Power to the Participants during any prolonged outage or derating of any of the generating units comprising the AMP Hydro System, and

(v) shall inform the Participants Committee on a regular basis, not less often than in conjunction with the regular meetings of the AMP-Ohio Board of Trustees, of its actions, plans and efforts undertaken in furtherance of clauses (i), (ii) and (iii), of this subsection (A) and subsections (C) and (D) of this Section 4 as well as its other activities under this Contract including review of the Project's proposed annual operating and capital budgets prior to their adoption and to receive and give due consideration to any recommendations of the Participants Committees regarding the same, and

(vi) shall submit to the Participants Committee for approval, the general plan of financing for the Project along with any proposed material changes to such general plan as the same may be proposed from time to time

(B) In the event that, notwithstanding its efforts undertaken in accordance with subsection (A) of this Section 4, AMP-Ohio is unable to supply all of the power and energy contracted for by the Participants hereunder, it shall allocate the power and energy available from the Power Sales Contract Resources among the Participants *pro rata*, on the basis of their respective PSCR Share percentages. During any period AMP-Ohio is unable, despite such efforts, to supply all of the power and energy contracted for by the Participants at their respective Points of Delivery and Secondary Points of Delivery hereunder, AMP-Ohio shall not, absent willful misconduct, be liable to any Participant for damages resulting from such interruption or diminution of service

(C) In the event that at any time Power Sales Contract Resources acquired by AMP-Ohio to supply power and energy to the Participants at the Point of Delivery and their respective Secondary Points

SECTION 4

of Delivery pursuant to this Contract result in surplus power, surplus energy, surplus Transmission Service or Supplemental Transmission Service capacity, or other surplus rights, products or services that AMP-Ohio believes may be salable to another entity in light of prevailing market conditions and the characteristics of any such surplus, or which due to prevailing market conditions make it desirable and in the best interests of AMP-Ohio, the holders of the Bonds or the Participants to sell all or any portion of the power and energy associated with the Project or other Power Sales Contract Resource and utilize Replacement Power, to the extent required, to replace the same, AMP-Ohio shall use commercially reasonable efforts to attempt to sell such surplus power, surplus energy, surplus transmission capacity, or other surplus product or service or such power and energy for such Participant at not less than a minimum price approved by the Participant, first, *pro rata* to Participants that shall have previously indicated a willingness to AMP-Ohio, pursuant to Section 4 (H) hereof, to purchase any such surplus, and second *pro rata*, to any Members (that are not Participants) that shall have previously indicated a willingness to AMP-Ohio to purchase any such surplus, and third, to any other entity, on such terms and for such period as AMP-Ohio deems appropriate and as AMP-Ohio deems not adverse to the tax or regulatory status or other interests of AMP-Ohio, the Participants or any Bonds. All net revenues received from AMP-Ohio from surplus sales pursuant to this subsection (C) shall be utilized by AMP-Ohio to reduce the Revenue Requirements that otherwise must be paid by the Participants and thereby offset rates and charges to the Participants hereunder. Any such sales for periods of one year or greater shall be subject to approval by the Participants Committee.

(D) In addition to sales of power and energy to any entity permitted by subsection (C) of this Section 4 and subsection (D) of Section 3, AMP-Ohio may (i) sell, on a temporary or permanent basis, or otherwise dispose of fuel, emission allowances or other inventory or spare parts for or byproducts from the AMP Hydro System or any other Power Sales Contract Resource or sell, lease or rent any excess land

SECTION 4

or land rights, including mineral or other subsurface rights and facilities associated with any by-product not required for operation of the AMP Hydro System or any other Power Sales Contract Resource or (u) sell, lease or otherwise dispose of on a temporary or permanent basis any other rights or interests associated with any Power Sales Contract Resource, provided, however, that prior to entering into any such agreement on a permanent basis, or for any term of five (5) years or longer, pursuant to this clause (D)(u), AMP-Ohio shall have determined that such disposition will not adversely affect the tax or regulatory status of AMP-Ohio or any Bonds and, for such sales if the rights or interests are valued in excess of \$500,000 in 2007 dollars, shall have obtained the approval of the Participants Committee and a report or certificate of an independent engineer or engineering firm or corporation having a national reputation for experience in such work to the effect that such permanent sale, lease or other disposition should not, in the ordinary course of operation of the affected Power Sales Contract Resource, materially adversely affect the operation of the affected Power Sales Contract Resource or AMP-Ohio's ability to perform its obligations under this Contract. Neither arrangements pursuant to subsection (E) of Section 3 hereof nor a sale/lease back or similar financial or operating device appropriate under Prudent Utility Practice where the property sold or leased continues to provide benefits to Power Sales Contract Resources shall not be construed to be governed by the provisions of clause (u) of this subsection (D), if approved by the Participants Committee.

(E) All power sold or made available hereunder shall include the associated capacity, in kilowatts, and AMP-Ohio, upon written request of a Participant, shall provide such Participant with any appropriate certifications reasonably necessary for the Participant to confirm its rights to such capacity for any purpose, including any requirements of the MISO RTO or the PJM RTO.

SECTION 4

(F) AMP-Ohio covenants that it shall prior to entering into any such agreements and in consultation with the Participants Committee, adopt, maintain and revise from time to time a written policy respecting any variable rate indebtedness and hedge or swap agreements entered into hereunder, including the circumstances and terms under which any such agreements may be terminated

(G) AMP-Ohio shall update the Appendices hereto as appropriate hereunder and provide copies of the same to the Participants in a timely manner

(H) Whenever in this Contract, other than for sales of two (2) months or less pursuant to, for example, Section 18 (A), AMP-Ohio shall be obligated to provide the Participants a right of first refusal with respect to Power Sales Contract Resources, it is understood by the Participants that it may be in the best interests of the Participants for AMP-Ohio to resell such Power Sales Contract Resources immediately and that it may be impracticable for AMP-Ohio to effectively communicate a *bona fide* offer to all the Participants of such Power Sales Contract Resources under the circumstances. Therefore, AMP-Ohio agrees to poll the Participants annually and to maintain a list of those Participants that shall evidence in a written response delivered to AMP-Ohio, their current interest in purchasing Power Sales Contract Resources in excess of their PSCR Shares, provided, however, that AMP-Ohio shall not be liable to any Participant to which AMP-Ohio shall not extend a right of first refusal where AMP-Ohio shall have acted in good faith.

(I) AMP-Ohio and the Participants recognize that there may be certain environmental attributes such as green tags, renewable energy credits, carbon credits or the like associated with AMP Hydro System's hydroelectric generation. Each Participant shall be entitled to a share of the benefits associated with all such environmental attributes in proportion to its PSCR Share, AMP-Ohio shall adopt,

SECTION 4

from time to time, with the approval of the Participants Committee, protocols for utilizing or distributing such environmental attributes to, or for the benefit of, the Participants

SECTION 5

SECTION 5 Rates and Charges, Method of Payment (A) After consultation with the Participants Committee, the Board of Trustees of AMP-Ohio shall establish, maintain and adjust rates or charges, or any combination thereof, as set forth in the Rate Schedule, for the capability and output of the Power Sales Contract Resources sold to the Participants under this Contract that result in Postage Stamp Rates and other rates and charges hereunder, adjusted as set forth herein, at levels that will provide revenues to or for the account of AMP-Ohio sufficient, but only sufficient, to meet the "Revenue Requirements" of AMP-Ohio, which Revenue Requirements shall consist of the sum of the following without duplication

(i) all costs incurred by AMP-Ohio under the Related Agreements, including, without limitation, all costs to AMP-Ohio of any Replacement Power, and the cost of Transmission Service for delivery of electric power and energy under this Contract to the Points of Delivery as well as any costs incurred pursuant to Section 18(F),

(ii) all costs incurred by AMP-Ohio for the operation and maintenance of all Power Sales Contract Resources, including but not limited to, the costs of equipment and other leases, an appropriate allocation of AMP-Ohio's energy control center, metering and other common costs of AMP-Ohio reasonably allocable to Power Sales Contract Resources and not otherwise recovered by the Service Fee or other fees or charges, such as AMP-Ohio's Energy Control Center charges, that AMP-Ohio charges the Participants pursuant to other agreements, the cost to AMP-Ohio of taxes, payments in lieu of taxes, all permits, licenses and related fees, related to any Power Sales Contract Resource, the cost of insurance and damage claims to the extent associated with any Power Sales Contract Resource, any fuel and fuel related costs, pollution control or emissions costs, fees and allowances, cost of any refunds to any Participant pursuant to the provision hereof

SECTION 5

and (to the extent not paid out of the proceeds of Bonds or related investment income legal, engineering, accounting and financial advisory fees and expenses,

(iii) costs of decommissioning and disposal of properties constituting Power Sales Contract Resources, including reserves therefor,

(iv) the cost to establish and maintain, or to obtain the agreement of third parties to provide to the extent not included in Project Costs, an allowance for working capital, inventories and spares, including emission fees, allowances, credits or other environmental rights, and reasonable reserves for repairs, refurbishments, renewals, replacements and other contingencies deemed necessary by the Board of Trustees of AMP-Ohio in order to carry out its obligations under this Contract and the cost to AMP-Ohio of renewals and replacements of all Power Sales Contract Resources to the extent not paid for out of working capital or reserves,

(v) the cost of power supply engineering, planning and forecasting incurred by AMP-Ohio in connection with the performance of its obligations under this Contract or in attempting to comply with laws or regulations requiring the same to the extent such laws or regulations are applicable to Power Sales Contract Resources,

(vi) the Service Fees not otherwise charged by AMP-Ohio pursuant to other agreements,

(vii) the costs of Supplemental Transmission Services furnished or procured and paid by AMP-Ohio for the respective Participants as set forth in the Rate Schedule, such costs to be reimbursed to AMP-Ohio by the respective Participants receiving such services and not through the PSR as provided in subsection (C) of this Section 5,

SECTION 5

(viii) payments of principal of and premium, if any, and interest on all Bonds, payments which AMP-Ohio is required to make into any fund or account during any period to be set aside for the payment of such principal, premium or interest when due from time to time under the terms of any Trust Indenture (whether, in the case of principal of any Bond, upon the stated maturity or upon prior redemption, including any mandatory sinking fund redemption, under such Trust Indenture), and payments which AMP-Ohio is required to make into any fund or account to establish or maintain a reserve for the payment of such principal, premium or interest under the terms of any Trust Indenture, provided, however, that the amounts required to be included in Revenue Requirements pursuant to this clause (viii) shall not include payments in respect of the principal of any Bonds payable solely as a result of acceleration of maturity of such Bonds and not otherwise scheduled to mature or to be redeemed by application of mandatory sinking fund payments, provided further, however, that the amounts required to be included in Revenue Requirements pursuant to this clause (viii) may include payments in respect of a termination of a hedge or swap agreement

(ix) amounts required under any Trust Indenture to be paid or deposited into any fund or account established by such Trust Indenture (other than funds and accounts referred to in clause (viii) above), including any amounts required to be paid or deposited by reason of the transfer of moneys from such funds or accounts to the funds or accounts referred to in clause (viii) above,

(x) the cost to establish and maintain additional reserves, or to obtain the agreement of third parties to provide, for contingencies including (a) reserves against losses established in connection with any program of self-insurance, (b) the making up of any deficiencies in any funds or accounts as may be required by the terms of any Trust Indenture, (c) contributions to any Rate

SECTION 5

Stabilization Fund or Environmental Fund, subject, to the extent not otherwise required to be paid as a part of Revenue Requirements or required by any Trust Indenture, to approval by the Participants Committee,

(xi) amounts required to be paid by AMP-Ohio to procure, or to perform its obligations under, any liquidity or credit support obligation (to the extent not included in clause (viii) above), interest rate swap or hedging instrument (including, in each case, any amounts due in connection with the termination thereof to the extent not included in clause (viii) above) associated with any Bonds or amounts payable with respect thereto,

(xii) additional amounts, if any, which must be realized by AMP-Ohio in order to meet the requirements of any rate covenant with respect to coverage of debt service on Bonds under the terms of any Trust Indenture, and such additional amounts as may be deemed by AMP-Ohio desirable to facilitate marketing Bonds on favorable terms, and

(xiii) any cost and expenditures approved by the Participants Committee for investigating, planning, permitting and developing any potential or actual Additional Projects that are being considered for inclusion in the AMP Hydro System pursuant to Section 32 hereof

(xiv) and any cost or expenditure associated with the AMP Hydro System facilities' compliance with any reliability standards approved by the FERC

less amounts arising from any Operating Agreement and amounts available as a result of any appropriate refunds, rebates, miscellaneous revenues or other distributions relating to the AMP Hydro System and any sales or other arrangements referred to in subsections (C) and (D) of Section 4 hereof (after payment of all associated costs and expenses incurred by AMP-Ohio in

SECTION 5

connection therewith) and less any Bond proceeds or related investment income applied by AMP-Ohio in the exercise of its discretion to pay any costs referred to in clauses (i) through (xii) above, provided, however that in the event that any Trust Indenture requires another application of such funds or AMP-Ohio determines that any of such amounts of proceeds or income must be applied in accordance with the provisions of clause (i) of subsection (J) of this Section 5, then and to such extent such other application shall be required, such funds shall be so applied

(B) The Revenue Requirements of AMP-Ohio in respect of any Month shall be computed as provided in this Section 5 and shall be paid by the respective Participants through rates and charges as set forth in the Rate Schedule. In determining the rates and charges hereunder, estimated amounts may be utilized until actual data becomes available, at which time any necessary adjustments necessary to true-up the estimates to actual shall be made

(C) The rates and charges to each of the Participants under this Contract, as set forth on the Rate Schedule, shall be a uniform PSR to the Points of Delivery, provided that (i) each Participant which receives delivery of power and energy hereunder at a Secondary Point of Delivery shall be responsible for the cost of Supplemental Transmission Service or other services related to such delivery and, if not paid to a third party transmission entity by the Participant, shall be charged an additional amount equal to the additional cost to AMP-Ohio, if any, of delivery to such Secondary Point of Delivery, including any state and local taxes incurred as a result of such delivery or sale, as set forth on the Rate Schedule, and (ii) amounts, if any, respecting reactive power requirements or power factor standards as set forth in Section 10 hereof shall be charged an additional amount equal to such cost

(D) An estimated initial Rate Schedule is attached as Appendix B hereto. After consultation with the Participants Committee, the Board of Trustees of AMP-Ohio will determine and establish the

SECTION 5

initial Rate Schedule to be effective, except as provided in subsections (B) and (C) of Section 3, on or about the Commercial Operation Date of the first generating unit of AMP Hydro System, to meet AMP-Ohio's Revenue Requirements. At such intervals as the Board of Trustees of AMP-Ohio shall determine appropriate, but in any event not less frequently than at the end of each quarter during each Contract Year, the Participants Committee and the Board of Trustees of AMP-Ohio shall review and, if necessary, the Board of Trustees shall revise prospectively the Rate Schedule to ensure that the rates and charges under this Contract continue to cover AMP-Ohio's estimate of all of the Revenue Requirements and to recognize, to the extent not inconsistent with this Contract, other factors and changes in service conditions as it determines appropriate. AMP-Ohio shall transmit to each Participant a copy of each revised Rate Schedule, setting forth the effective date thereof, for delivery not less than thirty (30) days prior to such effective date. Each Participant agrees that the revised Rate Schedule, as determined from time to time by the Board of Trustees of AMP-Ohio in accordance with this Section 5, shall be deemed to be substituted for the Rate Schedule previously in effect and agrees to pay for electric power and energy and related Transmission Service made available by AMP-Ohio to it hereunder after the effective date of any revision of the Rate Schedule in accordance with such revised Rate Schedule. Unless otherwise determined by the AMP-Ohio Board of Trustees, the Rate Schedule shall be structured so as to consist of (i) a Demand Charge, principally designed to recover fixed costs, including those described in clauses (viii) through (xii) of the definition of Revenue Requirements and the fixed costs of Transmission Service, associated with providing Power Sales Contract Resources, (ii) an Energy Charge, principally designed to recover the variable costs of providing the output of Power Sales Contract Resources and the variable costs of Transmission Service, (iii) a Power Cost Adjustment Factor designed to adjust either or both the Demand Charge or Energy Charge upward or downward to reflect Monthly changes in fuel and environmental costs and purchased power, any power sales to third parties hereunder and any changes in the cost of

SECTION 5

Transmission Service, (iv) the Service Fee, and (v) a Participant specific rate for Supplemental Transmission Service for each Secondary Delivery Point to the extent AMP-Ohio incurs costs related thereto. The determination of the Power Cost Adjustment Factor each Month shall be made by appropriate officials designated by the Board of Trustees of AMP-Ohio according to methodology determined by the Participants Committee and approved by the Board of Trustees, no specific action by the Participants Committee or Board of Trustees to approve the Power Cost Adjustment Factor so determined each Month shall be required.

(E) Unless some other time period is otherwise approved by the AMP-Ohio Board of Trustees and the Participants Committee, in each Month after the establishment of the initial Rate Schedule, AMP-Ohio shall render to each Participant a Monthly invoice (a sample of which is included in Appendix B) showing the amount payable by such Participant under this Contract with respect to power and energy, Transmission Service, including any Supplemental Transmission Service or other charges, credits, adjustments or true-ups, applicable to such Participant with respect to the immediately preceding Month. Prior to the Commercial Operation of the first generating unit of the AMP Hydro System, such invoice may include payments with respect to any Bonds issued hereunder as well as Replacement Power, but only to the extent required and approved as required in subsections (B) and (C) of Section 3. Such Participant shall pay such amounts to AMP-Ohio at its principal office, or to such other person at such other address as shall be designated by AMP-Ohio by written notice to such Participant, at such time and in such manner as shall provide to AMP-Ohio (or such other person so designated by AMP-Ohio) funds available for use by AMP-Ohio (or its designee, including a trustee under any Trust Indenture) on the first banking day not more than the fifteenth (15th) day after the date of the issuance of the Monthly invoice.

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(F) If any Participant does not make a required payment in full in funds available for use by AMP-Ohio (or its designee) on or before the close of business on the due date thereof, a delayed-payment charge on the unpaid amount due for each day over-due will be imposed at a rate per annum equal to the lesser of (i) the maximum rate permitted by law, and (ii) two percent (2%) per annum above the rate available to AMP-Ohio through its short-term credit facilities as the same may be adjusted from time to time, together with any damages or losses incurred by AMP-Ohio, or through AMP-Ohio, or any other Participant, as a result of such failure to make timely payment which is not compensated by such delayed-payment charge

(G) In the event of any dispute by any Participant as to any portion of any invoice, such Participant shall nevertheless pay the full amount of the disputed charges when due and shall give written notice of the dispute to AMP-Ohio not later than one hundred eighty (180) days from the date such payment is due, provided, however, that AMP-Ohio shall not be required to refund any disputed amounts relating to third-party charges if such notice, although timely hereunder, does not afford AMP-Ohio a reasonable opportunity to pursue a claim against such third-party due to the requirements of a Related Agreement, Supplemental Transmission Agreement, RTO or other Transmission Service provider dispute resolution procedures. Such notice shall identify the disputed invoice, state the amount in dispute and set forth a full statement of the grounds on which such dispute is based. No adjustment need be considered or made for disputed charges unless such notice is given. AMP-Ohio shall consider such dispute and shall advise such Participant with regard to its position relative thereto within sixty (60) days following receipt of such written notice. Upon final determination (whether by agreement, arbitration, adjudication or otherwise) of the correct amount, any difference between such correct amount and such full amount, together with interest (from the date of the disputed payment to the due date of the invoice next submitted to the Participant after such determination) at the rate which would apply under this Contract to overdue

SECTION 5

payments by such Participant pursuant to subsection (F) of this Section 5, shall be subtracted by AMP-Ohio from the invoice next submitted to such Participant after such determination (and paid by AMP-Ohio to the Participant in funds available for use by the Participant on the due date of such next invoice if, but only to the extent by which, the amount so due to the Participant exceeds the amount of the next invoice) For purposes of this subsection (G), the date of payment by the Participant shall mean the date on which funds in the amount so paid first become available for use by AMP-Ohio (or its designee) Billing disputes and any subsequent adjustments hereunder shall be limited to the two (2) year period prior to the date timely notice was given as required by this subsection (G), provided, however, that to the extent AMP-Ohio may reasonably pursue a third-party on account of such dispute for a period longer than such two (2) year period, AMP-Ohio shall do so and adjustments may, to such extent, relate to such longer period

(H) In the event that at any time AMP-Ohio shall determine that it has rendered an invoice containing a billing error, AMP-Ohio shall furnish promptly to each Participant whose invoice was in error a revised invoice, clearly marked as such, with the error corrected If the revised invoice indicates that the Participant has been undercharged, the difference between the amount paid by the Participant and the correct amount, together with interest (from the date of payment by the Participant of the incorrect amount to the due date of the invoice next submitted to the Participant after AMP-Ohio has furnished the revised invoice) at the rate which would apply under this Contract to overdue payments by such Participant pursuant to subsection (F) of this Section 5, less two percent (2%), shall be paid by the Participant to AMP-Ohio (or such other person designated by AMP-Ohio pursuant to subsection (E) of this Section 5) at such time and in such manner as shall provide to AMP-Ohio (or such other person so designated) funds available for use by AMP-Ohio (or its designee) on the due date of such next invoice If the revised invoice indicates that the Participant has been overcharged, the difference between the

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correct amount and the amount paid by the Participant, together with interest (from the date of payment by the Participant of the incorrect amount to the due date of the invoice next submitted to the Participant after AMP-Ohio has furnished the revised invoice) at the rate which would apply under this Contract to overdue payments by such Participant pursuant to subsection (F) of this Section 5, less two percent (2%), shall be subtracted by AMP-Ohio from the invoice next submitted to such Participant (and paid by AMP-Ohio to the Participant in funds available for use by the Participant on the due date of such next invoice if, but only to the extent by which, the amount so due to the Participant exceeds the amount of the next invoice) For purposes of this subsection (H), the date of payment by the Participant shall mean the date on which funds in the amount so paid first become available for use by AMP-Ohio (or its designee)

(I) The obligations of each Participant to make its payments under this Section 5 shall constitute obligations of such Participant payable as an O&M Expense of its Electric System No Participant shall be required to make payments under this Contract except from the revenues of its Electric System and from other funds of such system legally available therefor In no event shall any Participant be required to make payments under this Contract from tax revenues, or any other source of funds other than its Electric System's funds, but it may elect, in its sole discretion, to do so The obligations of each Participant to make payments under this Section 5 in respect of any Month or other billing period shall be on a "take-or-pay" basis and, therefore, shall not be subject to any reduction, whether by offset, counterclaim, or otherwise, such payment obligations of such Participant shall not be conditioned upon the performance by AMP-Ohio or any other Participant of its obligations under this Contract, or any other agreement, and such payments shall be made whether or not any generating unit of the AMP Hydro System, any other component of the Project or any other Power Sales Contract Resource is completed, operable, operating and, as long as Bonds issued under Section 15 hereof remain outstanding, notwithstanding the suspension, interruption, interference, reduction or curtailment, in whole

SECTION 5

or in part, for any reason whatsoever, of the AMP-Ohio Entitlement or the Participant's PSCR Share, including Step Up Power, if any, provided, however, that nothing contained herein shall be construed to prevent or restrict such Participant from asserting any rights which it may have against AMP-Ohio under this Contract or in any provision of law, including institution of legal proceedings

(J) Proceeds from the sale of Bonds in excess of the amount required for the purposes for which such Bonds were issued and investment income earned on any investments held under the Trust Indenture shall be applied, subject to the provisions of any Trust Indenture, by AMP-Ohio, as approved by the Participants Committee (1)(a) to pay principal or interest on the Bonds, (b) to the purchase or redemption of Bonds prior to their stated maturity, (c) to the payment of costs of renewals and replacements of any property constituting a part of the Power Sales Contract Resources, or as a reserve therefor and (11) as a credit against the Revenue Requirements Insurance proceeds, condemnation awards and damages received by AMP-Ohio in connection with any Power Sales Contract Resource and not required to be applied to the restoration, renewal or replacement of facilities, and proceeds from the sale or disposition of surplus property constituting a part of the Power Sales Contract Resources, shall be applied by AMP-Ohio, subject to approval by the Participants Committee, (a) to the purchase or redemption of Bonds prior to their stated maturity, (b) to the payment of costs of renewals and replacements of any property constituting a part of the Power Sales Contract Resources, or as a reserve therefor by deposit to the Reserve and Contingency Fund, or (c) as a credit against Revenue Requirements Notwithstanding anything contained in the foregoing provisions of this subsection (J), if any Trust Indenture, any instrument of a similar nature relating to borrowings by AMP-Ohio to finance Power Sales Contract Resources or any Related Agreement shall require the application of any amount referred to in the foregoing provisions of this subsection (J) to any specific purpose, AMP-Ohio shall apply such amount to such purpose as so required

SECTION 6

SECTION 6 Scheduling of Deliveries (A) At the request of any Participant, AMP-Ohio shall provide scheduling services for such Participant for the power and energy purchased hereunder without additional charge over and above what is included in Revenue Requirements. Each Participant shall be entitled to schedule each hour up to the amount of power shown for such Participant in Appendix A together with available associated energy. Each Participant shall provide AMP-Ohio, information, in the form reasonably requested by AMP-Ohio, for the purpose of preparing schedules, including revisions from time to time, for deliveries of power and energy hereunder, and such information shall be submitted in a timely manner and in a form sufficient to allow AMP-Ohio to satisfy the requirements for scheduling in any applicable tariffs for Transmission Service or Supplemental Transmission Service or any Related Agreements. Subject to the provisions of each such tariff or Related Agreement, AMP-Ohio shall, recognizing losses (with losses on Supplemental Transmission Service treated separately as shown in the Rate Schedule), schedule or cause to be scheduled deliveries of power and energy hereunder in accordance with the information including revisions thereto, furnished to it by each Participant or its agent as herein. Should it so desire, each Participant or its agent shall be permitted to maintain twenty-four (24) hour communication with AMP-Ohio's energy control center or appropriate AMP-Ohio operating personnel for purposes of modifying schedules. It is understood by each Participant that the AMP Hydro System primarily consists of hydroelectric resources and, unless otherwise agreed by AMP-Ohio, such agreement not to be unreasonably withheld, such Participant shall schedule, in accordance with Appendix I, and take at the Points of Delivery, each hour an amount of power equal to the percentage of that Participant's PSCR Share as shown on Appendix A multiplied by the lesser of (1) the sum of the nominal hydroelectric generation capacity, in MW, of all AMP Hydro System's hydroelectric generation resources as shown as Appendix D, or (2) during such hour the net capability of the Project's generating facilities, as determined by AMP-Ohio in accordance with Prudent Utility Practice, plus any available capacity

SECTION 6

associated with Replacement Power at any particular time. The scheduling protocol set forth herein may be modified by AMP-Ohio upon the recommendation of the Participants Committee if not otherwise inconsistent with this Power Sales Contract or any Related Agreement and consistent with Prudent Utility Practice. It is understood by the Parties, however, that to the extent there are no economic, technical or engineering reasons not to change these requirements to allow Participants the benefits of economic dispatch, the load factor requirements stated herein may be modified accordingly.

(B) It is further understood by each Participant, however, that such Participant may be required from time to time to accept scheduling or delivery protocols from AMP-Ohio, upon the recommendation of the Participants Committee, regarding power and energy from Power Sales Contract Resources that limit the levels or the change in level requested in any hour, because the facilities that comprise the AMP Hydro System are primarily run of the river hydroelectric resources that cannot be scheduled or ramped up or down. AMP-Ohio shall use its best efforts to inform each Participant or its agent when such Participant's schedule of power and energy in any hour is increased or decreased. AMP-Ohio shall attempt to sell any excess or otherwise mitigate the impact of such changes on the Participants and to the extent it cannot, shall impose any such change equitably. In the event any Participant fails to provide AMP-Ohio with the necessary written information for the purpose of AMP-Ohio preparing schedules, AMP-Ohio, in its sole judgment and discretion, shall have the right to estimate a schedule for deliveries to such Participant and use such estimated schedule for purposes of satisfying any scheduling requirements of AMP-Ohio. AMP-Ohio shall endeavor to keep each Participant or its agent informed of all matters that may affect such Participant's ability to carry out its responsibilities under the provisions of this Section 6.

SECTION 6

(C) Provided the same is not inconsistent with any requirements imposed pursuant to subsections (A) and (B) of this Section 6 and provided further that the same does not increase costs to the Participants or AMP-Ohio in scheduling power and energy hereunder, AMP-Ohio shall use all commercially reasonable efforts consistent with Prudent Utility Practice to allow Participants to take full advantage of available tariff or other charge reductions including any grandfathered contractual provisions or settlement arrangements

D Any modifications to the scheduling and dispatch protocols set forth in this Section 6 shall be reflected in a revised Appendix I

SECTION 7 Electric Characteristics, Point of Delivery, Measurement of Electric Power and Energy Furnished Electric power and energy to be furnished hereunder shall be alternating current, three phase, 60 Hertz Electric power and energy scheduled pursuant to this Contract shall be delivered at the Participants' respective Secondary Points of Delivery The points of measurement, delivery voltage and other conditions of service shall be as set forth on Appendix C or as otherwise agreed between AMP-Ohio and any Participant or as otherwise determined pursuant to policies and procedures agreed to by AMP-Ohio and the Participants Committee

SECTION 8

SECTION 8 Metering (A) Unless otherwise agreed by AMP-Ohio and any Participant, all deliveries of power and energy to such Participant pursuant to this Contract shall be on a scheduled basis

(B) To the extent necessary, AMP-Ohio shall install, maintain and operate, or cause to be installed, maintained and operated, any metering equipment, including area interchange metering and telemetering equipment, required to measure the power and energy produced and delivered pursuant to this Contract. Each Participant agrees to cooperate with AMP-Ohio as necessary to enable AMP-Ohio to meet its obligations pursuant to the immediately preceding sentence.

(C) Each Participant shall be responsible for the costs of metering at its respective Secondary Points of Delivery in accordance with any applicable RTO's or transmission provider's tariffs, rules or regulations. Unless otherwise noted on Appendix C, AMP-Ohio believes no metering modifications are required, as of the Effective Date.

SECTION 9

SECTION 9 Right of Access Duly authorized representatives of AMP-Ohio shall be permitted any reasonably necessary access to any Participant's premises at reasonable times and in a reasonable manner in order to carry out the provisions of this Contract, and duly authorized representatives of any Participant shall be permitted any reasonably necessary access to AMP-Ohio's premises at reasonable times and in a reasonable manner in order to carry out the provisions of this Contract. The Participants and AMP-Ohio agree to cooperate with any third parties, including but not limited to transmission providers or representatives of the PJM RTO or the MISO RTO, to the extent necessary to facilitate operations hereunder.

SECTION 10

SECTION 10 Reactive Power, Power Factor It is understood by the parties that each Participant shall furnish or cause to be furnished, at its own expense, its own interconnection reactive power requirements in accordance with the standards of the applicable RTO or other entity providing wholesale delivery service to its Secondary Delivery Point. It is also understood that the delivery of electric power and energy to such Secondary Delivery Point pursuant to this Contract may require such Participant to maintain a specific power factor or keep its power factor within a specified range. Such Participant shall take all steps necessary to maintain the range or specific power factor required so as to be able to accept deliveries hereunder. AMP-Ohio may levy a charge on a Participant equal to AMP-Ohio's cost of obtaining any required local load interconnection reactive power or power factor service for such Participant if and to the extent AMP-Ohio is required to pay the same in order to deliver power and energy hereunder. If under an RTO or other applicable tariff or agreement AMP-Ohio or the Participant is required to obtain equipment to correct such local load interconnection reactive power or power factor deficiencies, the Participant will cooperate with AMP-Ohio to install the required equipment and will be solely responsible for the costs associated with the equipment. It is further understood that should a Participant designate delivery of power and energy hereunder to some other entity, then such Participant is responsible for arranging for such entity to comply with the provisions of this Section 10.

Non-compliance with this Section 10 shall relieve AMP-Ohio of any responsibility or liability for failure to deliver to any Secondary Delivery Point if, and to the extent, it is unable to do so as a result of a Participant's non-compliance. In such instance, the Participant shall nonetheless be liable for all payments hereunder.

SECTION 11

SECTION 11 Force Majeure Neither AMP-Ohio nor any Participant shall be considered to be in default in respect to any obligation hereunder (other than the obligation of each Participant to make payments hereunder) if prevented from fulfilling such obligation by reason of *Force Majeure*. A Party rendered unable to fulfill any such obligation by reason of *Force Majeure* shall exercise due diligence to remove such inability with all reasonable dispatch and such Party shall promptly communicate with the other regarding such *Force Majeure*, its expected length and the actions being taken to remove the same.

SECTION 12

SECTION 12 Insurance AMP-Ohio shall maintain, or cause to be maintained, in force, and is authorized to procure insurance with responsible insurers with policies payable to the parties as their interests shall appear, against risk of direct physical loss, damage or destruction, at least to the extent that similar insurance is mandated by law or usually carried by utilities constructing and operating facilities of the nature of the facilities of the Power Sales Contract Resources, including liability insurance, Workers' Compensation and employers' liability, all to the extent available at reasonable cost and subject to reasonable deductible provisions, but in no case less than will satisfy all applicable regulatory requirements, including FERC license requirements and requirements of the U S Army Corps of Engineers, and conform to Prudent Utility Practice AMP-Ohio may procure additional insurance subject to the approval of the Participants Committee Notwithstanding the foregoing, AMP-Ohio may, to the extent permitted by the Related Agreements, the Trust Indentures and the similar instruments relating to borrowings by AMP-Ohio to finance Power Sales Contract Resources and, subject to the approval of the Participants Committee, self-insure or participate in a program of self-insurance or group insurance to the extent it receives a written opinion of a qualified insurance consultant that such self-insurance, after consideration of any existing or required reserve deposits, is reasonable in light of existing programs of comparable utilities constructing and operating facilities of the nature of the facilities of the Power Sales Contract Resources All insurance proceeds shall be utilized in accordance with and subject to the provisions of subsection (J) of Section 5 hereof

SECTION 13

SECTION 13 Accounting AMP-Ohio shall keep accurate records and accounts relating to this Contract substantially in accordance with generally accepted accounting principles, separate and distinct from its other records and accounts. Said accounts shall be audited annually by a firm of certified public accountants, of favorable national reputation, to be employed by AMP-Ohio. A copy of each annual audit, with all written comments and recommendations of such accountants included with or accompanying such final audit, shall be furnished by AMP-Ohio to each Participant within a reasonable time after the end of each Contract Year. Each Participant agrees to keep accurate records and accounts relating to the conduct of its Electric System in accordance with generally accepted governmental accounting standards or otherwise if and as required by applicable law or any contract existing on the Effective Date.

SECTION 14 Access to Information. (A) Subject to applicable law and the provisions of the Related Agreements and upon written request to AMP-Ohio

(i) all drawings, plans, specifications, capital cost estimates, capital budgets, construction schedules, licenses, permits and contracts relating to the planning, engineering, acquisition, construction and operation of the Project and any other Power Sales Contract Resources shall be made available for examination by any Participant,

(ii) copies of all agreements and data in the possession of AMP-Ohio relating to its financing of costs associated with the Project and any other Power Sales Contract Resources shall be made available for examination by any Participant,

(iii) copies of all budgets, operating and billing and financial data records and reports, including but not limited to rates under the Rate Schedule and the determination of Revenue Requirements relating to the AMP Hydro System and the other Power Sales Contract Resources in the possession of AMP-Ohio shall be made available for examination by any Participant,

(iv) copies of insurance policies (or certificates of insurance) carried pursuant to Section 12 hereof shall be made available for examination by any Participant, and

(v) each Participant's representatives shall at all reasonable times be given reasonable access to all AMP Hydro System facilities and any other facilities owned by AMP-Ohio that constitute Power Sales Contract Resources

(B) Each Participant shall, upon written request, furnish to AMP-Ohio all such information, certificates, engineering reports, feasibility reports, financial statements, opinions of counsel and other

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documents as shall be reasonably necessary or useful to AMP-Ohio in connection with the performance of AMP-Ohio's obligations under this Contract, including the issuance and sale of Bonds by AMP-Ohio

(C) AMP-Ohio and each of the Participants will promptly furnish to each other such other information as may be reasonably requested from time to time in order to carry out the intent and purpose of this Contract or as may be reasonably necessary and convenient in the conduct of the operations of the party requesting such information and, in particular, may be necessary or useful in connection with the issuance of Bonds by AMP-Ohio or the issuance of debt by any Participant

(D) The Parties shall accommodate reasonable requests for documents and information made available pursuant to subsections (A), (B) and (C) of this Section 14 via electronic copies, secure internet access or paper copies sent to the requesting Party without charge, unless such request is unduly burdensome on the Party upon whom such request is made. In such case, such documents or information may be made available for inspection only at the offices of the Party in possession of such documents or information with copies to be made available for a reasonable charge. The Parties recognize such information may be proprietary and/or business confidential and agree, to the extent consistent with law, to treat the same as such

SECTION 15 Bonds, Trust Indenture, Power Sales Contract AMP-Ohio is hereby requested and authorized by the Participants to issue Bonds for the purpose of paying Project Costs as well as all or any part of the costs of planning, engineering, siting, permitting, acquiring, constructing, improving, repairing, restoring, renewing or refurbishing Power Sales Contract Resources as provided in Section 4(A) hereof, including, without limitation, reimbursement of all Developmental Costs or to refund any outstanding Bonds, all upon such terms and pursuant to one or more Trust Indentures having such terms as AMP-Ohio, in its sole discretion and exclusive judgment, deems necessary or desirable to enable AMP-Ohio to fulfill satisfactorily its obligations hereunder, provided, however, that AMP-Ohio shall not issue Bonds having a final maturity date extending beyond the later of 2057 or the initial estimated useful life of the Project, as estimated, in a report or certificate of an independent engineer or engineering firm or corporation having a national reputation for experience in electric utility matters All Bonds, any Trust Indenture, and all revenues and other funds of AMP-Ohio allocable to the Participants and to this Power Sales Contract, other than the Service Fee, shall be separate and apart from all other borrowings, indentures, revenues, and funds of AMP-Ohio AMP-Ohio shall not pledge or assign any of its right, title or interest in, to or under any of the foregoing, this Power Sales Contract or any Power Sales Contract Resources, or otherwise make available any thereof, to secure or pay any indebtedness or obligation of AMP-Ohio other than as expressly permitted by this Power Sales Contract

SECTION 16 Disposition or Termination of the AMP Hydro System or other Power Sales

Contract Resources For so long as any Bonds are outstanding, except as permitted in subsection (E) of Section 3 and this Section 16, AMP-Ohio shall not sell or otherwise dispose of, in whole or in part, its ownership interest in any of the hydroelectric generation facilities comprising the AMP Hydro System without the consent of a Super Majority of the Participants. This Section 16 shall not prohibit (i) a merger or consolidation or sale of all or substantially all of the property of AMP-Ohio as permitted by Section 26, (ii) any sale, lease or other disposition or arrangement permitted by subsections (C) and (E) of Section 3 and subsections (C) or (D) of Section 4 or (iii) the mortgaging, pledging or encumbering of all or any portion of AMP-Ohio's ownership interest in the AMP Hydro System or any other Power Sales Contract Resources pursuant to any Trust Indenture to secure any Bonds. Subject to the provisions of the Related Agreements, any facilities of the AMP Hydro System shall be terminated and AMP-Ohio shall cause such facilities to be salvaged, discontinued, decommissioned, and disposed of or sold in whole or in part on such terms as both the AMP-Ohio Board of Trustees and the Participants Committee determine to be reasonable and appropriate when

(a) so required pursuant to the applicable Related Agreement, or

(b) both the AMP-Ohio Board of Trustees and the Participants Committee determine that AMP-Ohio is unable to operate such facilities due to licensing or operating conditions or other similar causes, or

(c) both the AMP-Ohio Board of Trustees and the Participants Committee determine that such facilities are not capable of producing or delivering energy consistent with Prudent Utility Practice

SECTION 17

SECTION 17 Additional Covenants of the Participants (A) Each Participant covenants and agrees to establish and maintain rates for electric power and energy to its consumers which shall provide to such Participant revenues at least sufficient, together with other available funds, to meet its obligations to AMP-Ohio under this Contract, to pay all other O&M Expenses, to pay all obligations, whether now outstanding or incurred in the future, payable from, or constituting a charge or lien on, the revenues of its Electric System, and to make any other payments required by law

(B) Each Participant covenants and agrees that, unless this Contract has been assigned pursuant to Section 26 hereof, it shall not sell, lease or otherwise dispose of all or substantially all of its Electric System except on 180 days' prior written notice to AMP-Ohio and, in any event, shall not so sell, lease or otherwise dispose of the same unless AMP-Ohio shall reasonably determine that all of the following conditions are met (i) such Participant shall assign this Contract and its rights hereunder (except as otherwise provided in the last sentence of this subsection (B)) in writing to the purchaser or lessee of the Electric System and such purchaser or lessee, as assignee of rights and obligations of such Participant under this Contract, shall assume in writing all obligations (except to the extent theretofore accrued) of such Participant under this Contract or such Participant shall post a bond or other security, in either case reasonably acceptable to AMP-Ohio, to assure its obligations hereunder are fulfilled and clauses (iv) (a), (b) and (c) are satisfied, (ii) if and to the extent necessary to reflect such assignment and assumption, AMP-Ohio and such assignee shall enter into an agreement supplemental to this Contract to clarify the terms on which power and energy are to be sold hereunder by AMP-Ohio to such assignee, (iii) the senior debt of such assignee shall be rated in one of the four highest whole rating categories, without regard to sub-categories represented by + or - or similar designations, by at least one nationally recognized bond rating agency or if such entity is not rated, AMP-Ohio and any trustee under any Trust Indenture shall receive an opinion from a nationally recognized financial expert that the assignment does not materially

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adversely affect the security for any Bonds, and (iv) AMP-Ohio shall have received an opinion or opinions of counsel of recognized standing selected by AMP-Ohio stating that such assignment (a) will not adversely affect any pledge and assignment by AMP-Ohio of this Contract or the revenues derived by AMP-Ohio hereunder (other than the Service Fee) as security for the payment of Bonds and the interest thereon, (b) is lawfully permitted under applicable law, and (c) will not affect the regulatory or tax status of AMP-Ohio or any Bonds. Notwithstanding the foregoing, if AMP-Ohio reasonably determines that the assignment of this Contract, pursuant to the immediately preceding sentence in connection with the sale, lease or other disposition of a Participant's Electric System, could reasonably be expected to result in any increase in the rates and charges to any of the remaining Participants for power and energy and associated Transmission Service made available under the Contract, AMP-Ohio may, by delivery of written notice thereof sent no later than 120 days following receipt by AMP-Ohio of notice pursuant to the immediately preceding sentence, refuse to approve such sale, lease or other disposition and, should the Participant nonetheless and in contravention of the provisions of this Contract proceed with such sale, lease or other disposition, terminate, effective upon such sale, lease or other disposition, all of such Participant's rights under this Contract (except to the extent of any rights theretofore accrued), provided, however, that prior to the effective date of any such termination AMP-Ohio shall have arranged for the assignment by such Participant of its rights (except as otherwise in the last sentence of this subsection) and obligations (except to the extent theretofore accrued) hereunder to another entity which assumes in writing all obligations of such Participant hereunder (except to the extent theretofore accrued) and which satisfies each of the conditions set forth in clauses (ii) through (iv) of the immediately preceding sentence, provided, further, that nothing contained in this subsection (B) shall be construed to prevent or restrict any Participant from issuing mortgage revenue bonds (subject to the provisions of subsection (E) of this Section 17) secured by a mortgage of the property and revenues of such Participant's Electric System,

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including a franchise. Each Participant agrees to cooperate in effecting any assignment pursuant to the immediately preceding sentence. In no event shall any assignee of a Participant's rights and obligations hereunder pursuant to this subsection (B) of Section 17 other than in the case of an assignment to another Participant, be entitled to exercise any of such Participant's rights under Sections 3 (B) and (C), 4 (A) (iii), 5, 6, 7, 9, 12, 14, 16, 17 (H) and any rights to vote or participate on the Participants Committee hereof, which rights are personal and inalienable and shall be deemed to terminate with the disposition of such Participant's Electric System.

(C) Each Participant covenants and agrees that it shall take no action the effect of which would be to prevent, hinder or delay AMP-Ohio from the timely fulfillment of its obligations under this Contract, any Related Agreement, any then outstanding Bonds or any Trust Indenture, provided, however, that nothing contained herein shall be construed to prevent or restrict such Participant from asserting any rights which it may have against AMP-Ohio hereunder or under any provision of law, including institution of legal proceedings for specific performance or recovery of damages.

(D) Each Participant covenants and agrees that it shall, in accordance with Prudent Utility Practice, (i) operate the properties of its Electric System and the business in connection therewith in an efficient manner, (ii) maintain its Electric System in good repair, working order and condition, and (iii) make all necessary and proper repairs, renewals, replacements, additions, betterments and improvements with respect to its Electric System, provided, however, that this subsection (D) shall not be construed as requiring such Participant to expend any funds which are derived from sources other than the operation of its Electric System, although nothing herein shall be construed as preventing such Participant from doing so.

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(E) Each Participant covenants and agrees that it shall not issue bonds, notes or other evidences of indebtedness or incur lease or contractual obligations which are payable from the revenues derived from its Electric System superior to the payment of the O&M Expenses of its Electric System, provided, however, that nothing herein shall limit such Participant's present or future rights (i) to incur lease or contractual obligations that, under generally accepted accounting principles, are operating expenses of its Electric System and that are payable on a parity with O&M Expenses or (ii) to issue bonds, notes or other evidences of indebtedness payable from revenues of its Electric System subject to the prior payment or provision for the payment of the O&M Expenses, including amounts payable under this Contract, of its Electric System

(F) Each Participant covenants and agrees that not later than the date on which it issues bonds, notes or other evidences of indebtedness or incurs capital lease or take-or-pay contractual obligations which are payable from the revenues of its Electric System on a parity with O&M Expenses it will provide to AMP-Ohio, with a copy to the Participants Committee, of an independent engineer's estimation that such issuance or incurrence will not result in total O&M Expenses and debt service in excess of the revenues of the Participant's Electric System adjusted for any rate increases enacted by the Governing Body prior to such issuance or incurrence in the fiscal year immediately preceding the issuance of such obligations

(G) Each Participant agrees to use all commercially reasonable efforts to take all actions necessary or convenient to fulfill all of its obligations under this Contract

(H) Each Participant agrees that, prior to any assignment of its rights under this Contract pursuant to subsection (B) of this Section 17 it shall grant to AMP-Ohio, for the benefit of the remaining

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Participants, a right of first refusal for a period of not less than one hundred twenty (120) days to match any *bona fide* offer for such assignment

(I) Each Participant that has noted an exception to subsection 2 (B) (viii) on Appendix K, or otherwise has some contractual or other legal impediment, its payment obligation to AMP-Ohio hereunder being O&M Expenses, covenants and agrees that it will in good faith endeavor to remove any such contractual or other legal impediments at the earliest possible time

SECTION 18

SECTION 18 Default (A) In the event any payment due from any Participant under this Contract remains unpaid subsequent to the due date thereof, such event shall constitute a default hereunder and AMP-Ohio may, upon fifteen (15) days prior written notice to and at the cost and expense of such defaulting Participant (i) withhold any payments otherwise due such Participant and suspend deliveries or availability of such defaulting Participant's PSCR Share to or on behalf of the defaulting Participant under this Contract, (ii) bring any suit, action or proceeding at law or in equity as may be necessary or appropriate to enforce any covenant, agreement or obligation against the defaulting Participant, and (iii) take any other action permitted by law to enforce this Contract. Upon suspension of the rights of the defaulting Participant as provided in the immediately preceding sentence, AMP-Ohio shall be entitled to and may, sell or make available, from time to time, to any other person or persons any power or energy associated with the defaulting Participant's PSCR Share, and any such sale may be on such terms and for such period deemed necessary or convenient in AMP-Ohio's judgment, which shall not be exercised unreasonably, to make such sale under then existing market conditions, provided, however, that no such sale shall be made for a period exceeding two (2) Months. Any such sale of such PSCR Share contracted for by AMP-Ohio under this Section 18 shall not relieve the defaulting Participant from any liability under this Contract, except that the net proceeds of such sale shall be applied in reduction of the liability (but not below zero) of such defaulting Participant under this Contract. When any default giving rise to the suspension of the rights, including the delivery of power and energy of the defaulting Participant, has been cured in less than sixty (60) days subsequent to such default and payment has been made by the defaulting Participant to AMP-Ohio of all costs and expenses incurred as a result of such default, the Participant which had been in default shall be entitled to the restoration of its rights, including a resumption of delivery of its PSCR Share or other service to this Contract, subject to any sale to others of its PSCR Share made by AMP-Ohio pursuant to this Section 18. AMP-Ohio shall promptly

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notify all Participants in writing of any default by any other Participant, which remains uncured for thirty (30) days or more

(B) (i) If any Participant shall fail to pay any amounts due under this Contract, or to perform any other obligation hereunder, which failure constitutes a default under this Contract and such default continues for sixty (60) days or more, AMP-Ohio may, in addition to any other remedy available at law or equity, terminate the provisions of this Contract insofar as the same entitle the Participant to a PSCR Share and during such default, the defaulting Participant shall not be entitled to any vote on the Participants Committee or any matter which requires a vote of the Participants, but, the obligations of the Participant under this Contract shall continue in full force and effect AMP-Ohio shall forthwith notify such Participant of such termination

(ii) Upon the termination of entitlement to a PSCR Share as provided in paragraph (i) of this subsection (B), AMP-Ohio shall attempt to sell the defaulting Participant's PSCR share first to other Participants, then to Members who are not Participants and then to other persons, and, to the extent such defaulting Participant's obligations are not thereby fulfilled, each non-defaulting Participant shall purchase, for so long as such default remains uncured, a *pro rata* share of the defaulting Participant's entitlement to its PSCR Share which, together with the shares of the other non-defaulting Participants, is equal to the defaulting Participant's PSCR Share, in kilowatts, as set forth in Appendix A ("Step Up Power"), provided, however, that no such termination shall reduce the defaulting Participant's obligations under paragraph (iii) of this subsection (B), and, provided further, however, that the sum of all such increases for each non-defaulting Participant pursuant to this paragraph (ii) of subsection (B) shall not exceed, without consent of the non-defaulting Participant, an accumulated maximum kilowatts equal to twenty-five percent (25%), or such lesser percentage as set forth in any Trust Indenture, of such non-

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defaulting Participant's initial PSCR Share in kilowatts as shown on Appendix A prior to any such increases AMP-Ohio shall mail written notice, and may, at its option, also transmit the same by electronic means, to each non-defaulting Participant of the amount of any Step Up Power as soon as practicable All Step Up Power Costs shall be determined consistent with and be treated as a part of Revenue Requirements pursuant to Section 5 and shall be paid by the non-defaulting Participant in accordance with this Contract Notwithstanding the foregoing provision of this Section 18 (B)(ii), within twenty (20) days after the notice of default by any other Participant sent in accordance with Section 18 (A), a Participant may notify AMP-Ohio in writing of its election to purchase voluntarily Step Up Power under the terms and conditions of this Section 18 (B) in any amount more than that which would otherwise be its *pro rata* share and up to the amount of the defaulting Participant's PSCR Share Such purchase shall continue for so long as the default is not cured To the extent the sum of such voluntary elections is greater than the amount of Step Up Power to be distributed, the same shall be distributed among the Participants so electing in proportion to the amounts requested To the extent the sum of such voluntary elections is less than the defaulting Participant's PSCR Share, the remainder shall be distributed *pro rata* among the balance of the Participants as otherwise set forth herein Non-defaulting Participants assuming Step-Up Power shall be entitled to exercise all voting rights associated with all amounts of Step Up Power taken or assigned

(iii) The fact that other Participants have assumed their obligations for Step Up Power Costs shall not relieve the defaulting Participant of its liability for such payments and all Participants assuming such obligation (voluntarily or otherwise), either individually or as a member of a group, shall have a right of recovery from the defaulting Participant of all damages occasioned thereby, including all costs of recovery and attorney fees less any amounts recovered by operation of this Section 18 AMP-Ohio in consultation with the Participants Committee may commence such suits, actions or proceedings,

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at law or in equity, including suits for specific performance, as may be necessary or appropriate to enforce the obligations of this Contract against the defaulting Participant

(C) In the event of default by a Participant in the payment of any of the sum or sums now or hereafter secured hereby, or in the performance of any of the covenants and conditions of this Contract, or in the event Participant shall for any reason be rendered incapable of fulfilling its obligations hereunder, or final judgment for payment of money shall be rendered against Participant which adversely affects its ability to fulfill its obligations hereunder, and any such judgment shall not be discharged within 60 days from the entry thereof or an appeal shall not be taken therefrom or from the order, decree or process upon which, or pursuant to which, such judgment shall have been granted, or entered, in such manner as to stay the execution of, or levy under, such judgment, order, decree, or process or the enforcement thereof, or any proceeding shall be instituted with the consent or acquiescence of Participant for the purpose of effecting a compromise between Participant and its creditors, or for the purpose of adjusting the claims of such creditors pursuant to any Federal or State statute now or hereafter enacted, if the claims of such creditors are under any circumstances payable from the Participant's rights under this Contract, or if (a) Participant is adjudged insolvent by a court of competent jurisdiction which assumes jurisdiction of Participant's Electric System, or (b) an order, judgment or decree be entered by any court of competent jurisdiction appointing, without the consent of Participant, a receiver or trustee of Participant or of the whole or any part of Participant's Electric System and any of the aforesaid adjudications, orders, judgments or decrees shall not be vacated or set aside or stayed within sixty (60) days from the date of entry thereof, or if Participant shall file a petition or answer seeking reorganization or any arrangement under the Federal bankruptcy laws or any other applicable law or statute of the United States of America or any state thereof, which would place jurisdiction of Participant's Electric System in other than Participant, then, in addition to the remedies specified in subsections (A) and (B) of this Section 18, and

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any other remedy available under applicable law, including the remedy of specific performance, AMP-Ohio shall have the right and power to, and may, at its sole option, by notice in writing to the Participant, apply for the appointment of a receiver of rents, income and profits of the Participant's Electric System received or receivable by Participant as a matter of right and as security for the amounts due AMP-Ohio without consideration of the value of Participant's Electric System, or the solvency of any person or persons liable for the payment of such amounts, the rents, income and profits of the Participant's Electric System received or receivable by Participant being hereby assigned by Participant to AMP-Ohio as security for payment of the sum or sums now or hereafter secured hereby

(D) Anything in this Section 18 to the contrary notwithstanding, if at any time before the entry of final judgment or decree in any suit, action or proceeding instituted by AMP-Ohio on account of default as defined above, or before the completion of the enforcement of any other remedy under this Contract or law, a defaulting Participant shall pay all sums then payable by their stated terms, and all arrears of interest, if any, upon said sums then outstanding and the charges, compensation, expenses, disbursements, advances and liabilities of AMP-Ohio, and all other amounts then payable by Participant hereunder, and every other default of which AMP-Ohio has notice shall have been remedied to the satisfaction of AMP-Ohio, then and in every such case AMP-Ohio shall, and if such default continued for a period greater than one (1) year, AMP-Ohio may, with the approval of its Board of Trustees and the Participants Committee, and to the extent another Participant has voluntarily "stepped up" for all or a portion of such defaulting Participant's entitlement to its PSCR share pursuant to subsection (B)(11) of this Section 18, with the approval of such other Participant, rescind and annul the declaration of default and its consequences, provided, however, that if any Participant has defaulted and all or any portion of such Participant's PSCR Share has become Step Up Power, such Participant shall cure such default by paying all arrearages and all liabilities otherwise owing due to such default, net of the proceeds of any sales

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pursuant to this Section 18 and of the recovery of Step Up Power Costs, as hereinabove provided in this subsection (D), and such defaulting Participant shall also pay, as liquidated damages and not as a penalty in recognition of the difficulty in precisely measuring damages to the non-defaulting Participants caused by reason of such written notice of the defaulting Participant, an amount equal to the product of one hundred twenty-five percent (125%) of the defaulting Participant's PSCR Share of the Demand Charges paid by the non-defaulting Participants as Step Up Power Costs, multiplied by the "Prime Rate" as published in "Money Rates" in the *Wall Street Journal*, or, if in determination of AMP-Ohio, the Prime Rate is no longer publicly available, then the prime rate values published in the Federal Reserve Bulletin plus, in any case, two percent (2%) Such amount shall then be paid to the non-defaulting Participants in proportion to their respective payments of Step Up Power Costs However, no such rescission or annulment shall extend to or affect any subsequent default or impair any right consequent thereon.

(E) AMP-Ohio shall provide timely reports to the Participants Committee of any Participant defaults and actions taken by AMP-Ohio pursuant to this Section 18

(F) Should AMP-Ohio default of any of its obligations hereunder and such default continues for a period of thirty (30) days, any Participant or the Participants Committee may give AMP-Ohio written notice of such default Subject to the provisions of any Trust Indenture, should AMP-Ohio not cure such default, or provide the Participants Committee with a satisfactory plan to cure such default within sixty (60) days of such written notice, then by the affirmative vote of a Super Majority of the Participants, AMP-Ohio may be directed to contract with a third party to perform whatever duties or obligations which are in default The costs of such contract shall be included in Revenue Requirements

SECTION 19

SECTION 19 Waiver of Default No waiver at any time by any Party to this Contract of its rights with respect to any default of any other Party hereto, and no grant by any Party to any other Party of an extension of time on any payments hereunder or with respect to any other matter arising in connection with such Contract, shall be considered a waiver with respect to any subsequent default, right or matter

SECTION 20

SECTION 20 Relationship to and Compliance with Other Instruments It is recognized by the Parties hereto that AMP-Ohio in undertaking, or causing to be undertaken, the planning, engineering, permitting, licensing, financing, construction, refurbishment, acquisition, operation and maintenance of the Power Sales Contract Resources must comply with the requirements of each Trust Indenture, the Related Agreements and all licenses, permits and regulatory approvals necessary for such planning, financing, construction, refurbishment, acquisition, operation and maintenance of the AMP Hydro System and any other Power Sales Contract Resources, and it is therefore agreed that this Contract is made subject to the terms and provisions of each Trust Indenture, the Related Agreements and all such licenses, permits, and regulatory approvals

SECTION 21

SECTION 21 Modification or Amendment of this Contract Except to the extent otherwise provided herein with respect to changes in the Project, the Appendices hereto and supplemental agreements entered into pursuant to this Contract, this Contract shall not be amended, modified or otherwise changed except by written instrument executed and delivered by AMP-Ohio and each of the Participants, provided, however that this Contract shall not in any event be amended, modified or otherwise changed in any manner that will materially adversely affect the security afforded by the provisions of this Contract for the payment of the principal, interest, and premium, if any, on the Bonds, except as, and to the extent, permitted by any Trust Indenture

SECTION 22

SECTION 22 Opinions as to Validity Each Participant, upon execution and delivery of this Contract, shall furnish to AMP-Ohio, substantially in the form of Appendix H hereto, an opinion of counsel retained or employed by such Participant and acceptable to AMP-Ohio. Upon request by AMP-Ohio made from time to time after the Effective Date, each Participant shall furnish AMP-Ohio with a letter from the attorney or firm of attorneys which rendered the foregoing opinion, or such other attorney as shall be acceptable to AMP-Ohio, confirming, as of the date specified in such request, the foregoing opinion delivered upon execution and delivery of this Contract.

SECTION 23 Notices and Computation of Time Any notice or demand by any Participant to AMP-Ohio under this Contract shall be deemed properly given if mailed postage prepaid and addressed to AMP-Ohio as set forth in Appendix J Any notice or demand by AMP-Ohio to any Participant under this Contract shall be deemed properly given if mailed postage prepaid and addressed to the Participant at the address furnished to AMP-Ohio in connection with the execution and delivery of this Contract and set forth on Appendix J In computing any period of time from any such notice, such period shall commence (i) on the same Business Day that the notice is issued if hand delivered, (ii) at Noon on the first Business Day following the date such notice was issued if delivered by electronic mail, facsimile or by hand-delivery, or (iii) at Noon of the second Business Day following the date such notice was issued if sent by overnight mail, or (iv) at Noon of the third Business Day following the date such notice was issued if sent by regular mail The name and address to which such notice or demand is directed may be changed at any time and from time to time by any Party giving notice as above which shall then be updated on Appendix J

SECTION 24

SECTION 24 Governing Law This Contract and any controversies arising hereunder and thereunder are to be construed and determined in accordance with the law of the State of Ohio applicable to contracts executed within and to be wholly performed within such State, provided, however, that if Participant is domiciled in a State other than Ohio, the power and authority of such Participant to enter into this Contract (and the required procedures with respect thereto) shall be construed in accordance with the laws of such domicile State

SECTION 25

SECTION 25 Severability If any section, subsection, clause or provision of this Contract shall be finally adjudicated by a court of competent jurisdiction to be invalid, the remainder of this Contract shall be unaffected by such adjudication and all the remaining provisions of this Contract shall remain in full force and effect as though such section, paragraph, clause or provision or any part thereof so adjudicated to be invalid had not been included herein

SECTION 26

SECTION 26 Assignment of Contract (A) This Contract shall inure to the benefit of and shall be binding upon the respective successors and assigns of the Parties to this Contract, provided, however, that (i) except for any assignment by AMP-Ohio authorized by subsection (E) of Section 3 or subsection (B) of this Section 26, neither this Contract nor any interest herein shall be transferred or assigned by AMP-Ohio except with the consent of a Super Majority of the Participants, which consent shall not be unreasonably withheld, and (ii) except for an assignment by a Participant with the consent of AMP-Ohio in accordance with subsection (C) of this Section 26 or an assignment in connection with the sale, lease or other disposition of all or substantially all of a Participant's Electric System as provided in Section 17(B) hereof, neither this Contract nor any interest herein shall be transferred or assigned by any Participant

(B) Each Participant acknowledges and agrees that AMP-Ohio may sell, lease or otherwise dispose of all or substantially all of its property and assets to or merge into or consolidate with, any other entity which shall assume all of AMP-Ohio's obligations hereunder or may, in order to facilitate the provisions of subsection (E) of Section 3, be required to undertake such sales, leases, assignments or the like, and that AMP-Ohio may assign and pledge to any trustee or similar fiduciary designated in any Trust Indenture all of, or any interest in, its right, title, and interest in and to all payments to be made to AMP-Ohio under the provisions of this Contract (other than the Service Fee) as security for the payment of any Bonds, and, upon such assignment, pledge and delivery, AMP-Ohio may grant to such trustee any rights and remedies herein to AMP-Ohio and thereupon any reference herein to AMP-Ohio shall be deemed, to the extent of such rights and remedies and with the necessary changes in detail, to include such trustee which shall be a third party beneficiary of the covenants and agreements of such Participant herein contained

(C) Any Participant may assign to any entity this Contract and its rights hereunder (except as otherwise in the last sentence of this subsection) if all of the following conditions are met (i) AMP-Ohio consents in writing to such assignment, which consent shall not be unreasonably withheld, (ii) the assignment shall be evidenced by a written instrument pursuant to which the assignee shall assume all obligations (except to the extent theretofore accrued) of such Participant under this Contract or such Participant shall post an acceptable bond or other reasonably acceptable security to assure its obligations hereunder are fulfilled and clauses (vi) (a), (b) and (c) of this subsection (C) are satisfied, (iii) if and to the extent necessary to reflect such assignment and assumption, AMP-Ohio and such assignee shall enter into an agreement supplemental to this Contract to clarify the terms on which power and energy are to be sold hereunder by AMP-Ohio to such assignee, (iv) the senior debt of such assignee shall be rated in one of the four highest whole rating categories, without regard to sub-categories represented by + or – or similar designations, at least one nationally-recognized bond rating agency, (v) in the opinion of a nationally recognized financial expert, such assignment will not materially adversely affect the security afforded by the provisions of this Contract for the payment of the principal, interest and premium, if any, on the Bonds, and (vi) AMP-Ohio shall have received an opinion or opinions of counsel of recognized standing selected by AMP-Ohio stating that such assignment (a) will not adversely affect the pledge and assignment of this Contract or the revenues derived by AMP-Ohio hereunder (other than the Service Fee) as security for payment of Bonds and the interest thereon, (b) is lawfully permitted under the law of the Participant's domicile state, and (c) will not affect the regulatory or tax status of AMP-Ohio or any Bonds AMP-Ohio shall not consent to the assignment of this Contract pursuant to the immediately preceding sentence unless AMP-Ohio and the Participants Committee reasonably determine that such assignment is not expected to result in any increase in the rates and charges to any of the remaining Participants for power and energy and associated Transmission Service made available under this

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Contract or that the Participants are otherwise expected to be made whole. Nothing contained in this subsection (C) shall be construed to prevent or restrict any Participant from issuing mortgage revenue bonds (subject to the provisions of subsection (E) of Section 17) secured by a mortgage of the property and revenues of such Participant's Electric System, including a franchise. In no event shall any assignee of any Participant's rights and obligations hereunder pursuant to this subsection (C), other than in the case of an assignment to another Participant be entitled to exercise any of such Participant's rights under subsections (B) and (C) of Section 3, clause (A) (iii) of subsection A of Section 4, subsections (A) and (E) of Section 5, Sections 6, 7, 9, 12, 14 and 16, and subsection (H) of Section 17 and any rights to vote or participate on the Participants Committee, which rights are personal and inalienable and shall be deemed to terminate with the assignment of such Participant's rights under this Contract.

(D) Each Participant agrees that, prior to any assignment of its rights under this Contract pursuant to subsection (C) of this Section 26, it shall grant to AMP-Ohio a right of first refusal for a period of not less than 180 days for the benefit of the remaining Participants, to match any *bona fide* offer for such assignment.

SECTION 27

SECTION 27 Beneficiaries Subject to the provisions of Section 31, this Contract shall constitute a binding agreement between AMP-Ohio and each of the Participants Other than a trustee or creditor but only to the extent for either specifically set forth in any Trust Indenture in the event of any default by a Participant under this Contract and as a consequence a default by AMP-Ohio under such Trust Indenture, there shall be no third party beneficiaries to this Contract

SECTION 28 Survivorship of Obligations The termination of this Contract shall not discharge any Party hereto from any obligation it owes to any other Party under this Contract by reason of any transaction, loss, cost, damage, expense, or liability which shall occur or arise (or the circumstances, events, or basis of which shall occur or arise) prior to such termination. It is the intent of the Parties hereby that any such obligation owed (whether the same shall be known or unknown at the termination of this Contract or whether the circumstances, events, or basis of the same shall be known or unknown at the termination of this Contract) shall survive the termination of this Contract.

SECTION 29 Dispute Resolution. (A) The Parties agree to negotiate in good faith to settle any and all disputes arising hereunder. Representatives of the Participants Committee and AMP-Ohio Board of Trustees shall participate in any such negotiations.

(B) Good faith mediation shall be a condition precedent to the filing of any litigation in law or equity by any Party against any other Party relating to this Contract except injunctive litigation necessary to solely restrain or cure an imminent threat to the public or employee safety. Before the remedies provided for in this Section 29 may be exercised by any Party, such Party shall give written notice to the other Parties that such Party believes that an event of default or impasse under this Contract may have occurred, specifying the circumstances constituting the event of default or impasse in sufficient detail that the other Parties will be fully advised of the nature of the event of default or impasse. The responding Party shall prepare and serve a written response thereto within ten (10) Business Days of receipt of such notice.

(C) The Parties shall attempt to resolve the controversy by engaging a single mediator, experienced in the subject matter, to mediate the dispute. The mediator shall be mutually selected by the Parties to the controversy and conduct mediation at a location agreed upon by the Parties or, absent agreement, by the mediator. Within two (2) Business Days of selection, the mediator shall be furnished copies of the notice, this Contract, response and any other documents exchanged by the Parties. If the Parties and the mediator are unable to settle the same within thirty (30) days from selection, or such other time as the Parties agree, the mediator shall make a written recommendation as to the resolution of the dispute. Each Party, in its sole discretion, shall accept or reject such recommendation in writing within ten (10) Business Days. Should the Parties be unable to agree upon a single mediator within five (5) Business Days of the written response of the responding Party, any Party or the Parties jointly shall

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petition the Presiding Judge of the Court of Common Pleas of Franklin County Ohio, to appoint a mediator, experienced and knowledgeable in the matters which are the subject of the dispute

Notwithstanding the preceding sentence, the parties reserve the right to file suit or pursue litigation in any court that is otherwise proper with respect to jurisdiction and venue. The Parties' consent to selection of a mediator by the Franklin County Court of Common Pleas shall not constitute consent to jurisdiction of such court or waiver of defenses as to venue or jurisdiction. The costs of the Mediator and the mediation shall be shared equally by the Parties to the dispute.

(D) The Parties may mutually agree to waive mediation or subsequent to mediation waive their right to litigate in Court and, in either case, submit any dispute hereunder to binding arbitration, if permitted by law, before one or more arbitrators pursuant to the Commercial Arbitration Rules of the American Arbitration Association or such other arbitration procedures to which they may agree. Such agreement shall be in writing and may otherwise modify the procedures set forth in this Section 29 for resolving any particular dispute.

(E) Nothing in this Section 29 shall be construed to affect jurisdiction or venue over any dispute that is otherwise appropriate under law, except to the extent the Parties mutually arbitrate pursuant to subsection (D) of this Section 29.

SECTION 30

SECTION 30 Liability (A) AMP-Ohio shall not be responsible for the receipt, transmission, control, use, application, or distribution of electric power and energy under this Contract beyond any Secondary Point of Delivery and shall not, in any event, be liable for damage or injury to any person or property whatsoever arising, accruing, or resulting from, in any manner, the receipt, transmission, control, use, application, or distribution of said electric power and energy beyond the interconnection with another entity of any facilities owned and operated by AMP-Ohio

(B) No recourse shall be had against any individual member of the Utility Governing Body of any Participant or any individual Member of the AMP-Ohio Board of Trustees or the Participants Committee, or their respective representatives, or any officer, employee or other agent of any Participant or AMP-Ohio, past, present or future, either directly or indirectly, whether by virtue of any penalty or otherwise, for any claim based upon or arising out of this Contract or the obligations of the parties hereunder, all such liability, if any, being by the execution and delivery of this Contract specially waived and released, provided, however, the foregoing shall not relieve any individual from the performance of any official duty by law

SECTION 31 Term of Contract (A) Except for its effectiveness for any determinations regarding this Contract's validity and the legality of the issuance of Bonds for which this Contract shall be effective upon execution, this Contract shall become effective upon the later of November 1, 2007 and the date, not later than December 14, 2007 (or such later date as approved by the AMP-Ohio Board of Trustees), upon which counterparts of this Power Sales Contract shall have been executed and delivered by AMP-Ohio and Participants which shall have agreed by such execution to purchase, in the aggregate, not less than a nominal one hundred ninety one MW (191 MW) of power and associated energy pursuant to this Contract ("Effective Date"), provided, however, that any Member of AMP-Ohio that executes this Contract subsequent to the Effective Date may nonetheless become a Participant upon execution so long as the same (i) is not inconsistent with any Trust Indenture and (ii) is approved by the Participants Committee and AMP-Ohio's Board of Trustees before December 31, 2008. Notwithstanding the foregoing and the representations of the Participants herein, in the event it is ultimately determined that any Participant failed duly and validly to execute and deliver this Power Sales Contract or that this Power Sales Contract, or any portion hereof, is invalid or unenforceable with respect to any Participant for any reason whatsoever, such determination shall in no way affect the commencement, term, validity or enforceability of this Power Sales Contract with respect to any other Participant or AMP-Ohio.

(B) Unless terminated pursuant to subsection (C) or (D) of this Section 31, this Contract shall remain in effect until December 31, 2057, and thereafter, unless otherwise required by law, until (i) the date the principal of, premium, if any, and interest on all Bonds have been paid or deemed paid in accordance with any applicable Trust Indenture, and (ii) a Super Majority of the Participants recommends this Contract be terminated, provided, however, that each Participant shall remain obligated to pay to AMP-Ohio its respective share of the costs of terminating, discontinuing, disposing of, and decommissioning all Power Sales Contract Resources except those Power Sales Contract Resources

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which AMP-Ohio, in its sole discretion, elects not to terminate, discontinue, dispose of or decommission in connection with or prior to the termination of this Contract, and provided further, however, that the requirements of subsection (B)(1) are satisfied. In the event that a Super Majority of the Participants does not elect to terminate this Contract, each Participant that so elects may continue to receive its PSCR Share of the power and energy available to AMP-Ohio from such Power Sales Contract Resources at rates which reflect the lack of payments with respect to Bonds pursuant to Subsection 5 (A) (viii) and any Participant that does not so elect may discontinue taking any power and energy hereunder and shall have no other liability hereunder except as specified in this Section 31 (B). Neither termination, cessation of taking power and energy hereunder, nor expiration of this Power Sales Contract shall affect any accrued right, liability or obligation hereunder.

(C) This Power Sales Contract may be terminated by a Super Majority of the Participants at any time prior to AMP-Ohio's giving a notice to proceed to the primary contractor for the construction of the initial hydroelectric generating unit or units that are a part of the AMP Hydro System, provided, however, that the Participants shall be responsible for and pay their respective PSCR Share of all AMP-Ohio expenditures and costs, including payments with respect to any Bonds, in furtherance of the AMP Hydro System, including all costs related to such cancellation, such amounts to be payable and paid as O&M Expenses of the Participant's Electric Systems on or before the date that is twenty-four (24) Months subsequent to such date of termination.

D This Power Sales Contract may be terminated by a Super Majority of the Participants subsequent to AMP-Ohio's giving a notice to proceed to the primary contractor for the construction of the initial hydroelectric generating unit or units that are a part of AMP-Ohio Hydro System but prior to the commercial operation of such unit or units if, in a report to the Participants and AMP-Ohio, a Consulting

Engineer concludes none of the AMP Hydro System's initial generating units can economically be placed into commercial operation, provided, however, that the Participants shall be responsible for and pay their respective PSCR Share of all AMP-Ohio expenditures and costs, including payments with respect to any Bonds, in furtherance of the AMP Hydro System, including all costs related to such cancellation, such amounts to be payable and paid as O&M Expenses of the Participant's Electric Systems over such period of time as is approved as reasonable under the circumstances by AMP-Ohio and the Participants Committee

SECTION 32 Additional Hydroelectric Facilities (A) The Participants recognize that in order to spread risks, pursue economies of scale, maximize efficiencies and provide for additional environmentally desirable hydroelectric generation, it may be appropriate to pursue additional hydroelectric facilities to become part of the AMP Hydro System. Accordingly, the Participants agree that, if approved by the Participants Committee, AMP-Ohio may, after not less than one hundred twenty (120) days written notice to all Participants, undertake as a part of the AMP Hydro System, the planning, engineering, siting, permitting, licensing, construction and operation or the acquisition of the licenses or rights to the output of any one or more of the following additional projects ("Additional Projects")

(i) The R.C. Byrd Hydroelectric Project located on the Ohio River at the R.C. Byrd Locks and Dam, the license for which is the subject of an application currently being prosecuted by AMP-Ohio for its Member, the City of Wadsworth, Ohio,

(ii) The Meldahl Hydroelectric Project located on the Ohio River at the Meldahl Locks and Dam, the license for which is the subject of an application currently being prosecuted by AMP-Ohio Member, the City of Hamilton, Ohio,

(iii) The Greenup Hydroelectric Project located on the Ohio River at the Greenup Locks and Dam currently owned and operated by AMP-Ohio Member, the City of Hamilton, Ohio,

(iv) The BlueStone Hydroelectric Project located in West Virginia which AMP-Ohio Member, Phillip, West Virginia, has an interest in, and

(v) Any other hydroelectric project deemed appropriate by AMP-Ohio, the Participants Committee and a Super Majority of the Participants

(B) AMP-Ohio shall allot PSCR Shares in any Additional Project as follows

(1) First, AMP-Ohio will allot to the Members that are then Participants in the AMP Hydro System additional PSCR Shares in kW of the nominal capacity of such Additional Project in prorated amounts up to their respective existing PSCR Share percentages. These Members shall have rights of first refusal, for a period of one hundred twenty (120) days after receipt of the written notice from AMP-Ohio referenced in subsection (A) above, to increase their PSCR Shares in kW in prorated amounts, up to their PSCR Share percentages, of the nominal capacity of such Additional Project.

(2) Second, from the nominal capacity of such Additional Project remaining after the allocation made paragraph (1), if any, AMP-Ohio will allot to the Members that are then Participants in the AMP Hydro System additional PSCR Shares in kW, in prorated amounts up to the balance of the nominal capacity of such Additional Project. The Participants that subscribed for the maximum amount of their respective allotments under paragraph (1) shall have rights of first refusal to the balance of the nominal capacity of such Additional Project in the same period of one hundred twenty (120) days mentioned in paragraph (1). Consequently, Participants that wish to request PSCR Shares in the nominal capacity of such Additional Project in excess of their rights under paragraph (1) should request within the same 120 day period mentioned in the paragraph (1) the total amount in kW of the nominal capacity of such Additional Project for which such Participants wish to subscribe.

(3) Third, from the nominal capacity of such Additional Project remaining after the allocations made the preceding two paragraphs, if any, AMP-Ohio will allot to the Members that are not then Participants in the AMP Hydro System PSCR Shares in kW of the nominal capacity of such Additional Project in prorated amounts the balance of the remaining PSCR Shares in kW in the Additional Project.

SECTION 32

No Participant shall be required to subscribe for any of the additional capacity and associated energy made available hereunder as a result of an Additional Project.

(C) No Additional Project shall be added to the AMP Hydro System unless

(i) The Participants shall have a report of a Consulting Engineer providing an estimate of the capital cost of the Additional Project, an estimate of the principal amount of Bonds required to finance the Project Costs of such Additional Project, a projection of the cost per kWh of the additional generation from the Additional Project and such other additional information as AMP-Ohio or the Participants Committee shall request,

(ii) AMP-Ohio or a Member shall have either acquired the license for the Additional Project or have contractual rights to the same,

(iii) A Super Majority of the Participants approves to the extent such Additional Project is not described in subsections (A) (i) through (iv) of this Section 32,

(iv) All additional PSCR shares in MW of the Additional Project shall have been fully subscribed by the Participants in accordance with paragraphs (1) and (2) of subsection (B) above or by other Members in accordance with the provisions of paragraph (3) of subsection (B) above that shall, by virtue of their subscription, become Participants in the AMP Hydro System, and

(v) (Y) Each Participant increasing its PSCR Share in accordance with paragraphs (1) and (2) of subsection (B) above shall provide a certificate that affirms the representations contained in Section 2 hereof, and shall, upon request of AMP-Ohio, provide a legal opinion in the form of Appendix H hereto with regard to the PSCR Shares acquired in the Additional Project and (Z) each Member acquiring PSCR Shares in accordance with the provisions of paragraph (3)

of subsection (B) above shall execute a joinder to this Power Sales Contract in the form provided by AMP-Ohio and shall, upon request of AMP-Ohio, provide a legal opinion in the form of Appendix H hereto with regard to the PSCR Shares acquired

D The effective date of new shares and the Additional Project becoming part of the AMP Hydro Systems shall be determined by AMP-Ohio with the approval of the Participants Committee

E AMP-Ohio shall revise the Appendices hereto to reflect such additional PSCR Shares, Participants Delivery Points and related information. As a result of such revisions, the PSCR Shares of each Participant will be adjusted to reflect thereafter its PSCR Share in both MW and percentage of the AMP Hydro System including the Additional Project. By way of example, a Participant in the AMP Hydro System prior to the subscription for an Additional Project that does not request additional PSCR Shares in such Additional Project will have the same PSCR Share in MW but a lower PSCR Share in percentage than it had prior to the addition of the Additional Project to the AMP Hydro System, and a Member that was not previously a Participant and that acquires PSCR Shares in accordance with paragraph (3) of subsection (B) shall have the same amount of PSCR Shares in MW in the AMP Hydro System as the PSCR Shares in MW for which it subscribed in the Additional Project and PSCR Shares in percentage in the Hydroelectric System in same proportion as its PSCR Shares in MW in the AMP Hydro System bear to the total amount of the PSCR Shares of all of the Participants in the AMP Hydro System, including the Member

SECTION 33

SECTION 33 Counterparts This Contract may be executed and delivered in counterparts, each of which shall for all purposes be treated as the original hereof and all of which shall constitute a single agreement

SECTION 34 AMP Hydro System Share Allocation (A) As soon as practical after the Effective Date of this Power Sales Contract, as specified in Section 31 (A), there shall be an initial meeting of the Participants held at a time and place determined by AMP-Ohio. Notice for such meeting shall be given to each Participant in writing, mailed, and at AMP-Ohio's option, sent by electronic means not less than seven (7) days prior to such meeting. In addition to such other business that shall properly be determined by the Participants at such meeting in accordance with the Regulations, the Participants shall adopt at such meeting or at a later meeting called for such purpose at such time as 100% of the AMP-Ohio Entitlement is subscribed by Participants, an initial allocation of PSCR Shares among the Participants with due regard to, among other things, the total kW available from the AMP-Ohio Entitlement and the amount requested by each Participant, provided, however, that in no case shall a Participant be allocated a PSCR Share less than any minimum amount or greater than any maximum amount specified by such Participant pursuant to the legislative action by such Participant's Utility Governing Body authorizing execution of this Power Sales Contract. Such finalized PSCR Shares, as adopted, shall be reflected on a revised Appendix A and shall total one hundred percent (100%) of PSCR Shares.

(B) If additional Participants or hydroelectric facilities are added to AMP Hydro System pursuant to Sections 31 and 32, the PSCR Shares shall be reallocated accordingly and the requests of the Participants for the same will be determined in accordance with methodologies contained herein and as approved by the Participants Committee, provided, however, that no Participant shall be allocated a PSCR share greater than that authorized by such Participant's Utility Governing Body.

SECTION 35

SECTION 35 Other Agencies AMP-Ohio and the Participants recognize that certain Michigan and Virginia Participants are, as of the Effective Date, and may continue to be in the future, members of existing joint action agencies, respectively, Michigan South Central Power Agency and Blue Ridge Power Agency. AMP-Ohio may enter into Related Agreements with such Participants and respectively, Michigan South Central Power Agency and Blue Ridge Power Agency, pursuant to which such agencies may, by written agreement between such Agency and each such Agency's member Participants, act on behalf of such Participants for the purposes of this Contract, provided, however, that nothing in such Related Agreements shall relieve any Participant of any obligation incurred hereunder.