



**LOUISIANA**  
POWER & LIGHT

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December 5, 1978

D. L. ASWELL  
Vice President-Power Production

LPL 10195  
Q-3-A29

Mr. Argil Toalston, Chief  
Power Supply Analysis Section  
Antitrust & Indemnity Group  
Nuclear Reactor Regulation  
U. S. Nuclear Regulatory Commission  
Washington, D. C. 20555

SUBJECT: Waterford 3  
Responses to Request for Additional  
Antitrust Information

Dear Mr. Toalston:

We have reviewed your letter of October 31, 1978 requesting additional information for the Waterford 3 Operating License Antitrust Review. Attached are our responses to those requests.

If you have any further questions regarding this submittal, please advise.

Yours very truly,

D. L. Aswell

DLA:RWP:kat

Attachment

cc: E. Blake  
M. Stevenson

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RESPONSES TO REQUESTS FOR ADDITIONAL  
INFORMATION FOR THE WATERFORD 3  
OPERATIONAL LICENSE ANTITRUST  
REVIEW

DOCKET NO. 50-382

1. Has the City of Plaquemine requested any services from LP&L other than under its Emergency Assistance Agreement (FERC 44)? If so, please describe the services requested, LP&L's response, and the reasons for such a response. Has the City of Plaquemine taken any position with respect to the reserve requirement provision (article XI) of the Emergency Assistance Agreement? If so, please describe Plaquemine's position and LP&L's position.

ANSWER

The City of Plaquemine has not requested any service from LP&L other than under its Emergency Assistance Agreement (FERC #44). However, in August, 1978 LP&L and Plaquemine came to an agreement on LP&L's willingness and possible purchase of power from the City of Plaquemine during the summers of 1978, 1979 and 1980.

When the Emergency Assistance Agreement dated April 13, 1971, was filed with the FPC, the City of Plaquemine's attorney took issue with Article XI of the Emergency Assistance Agreement, but after a preliminary hearing before FPC staff members with Plaquemine's attorney and a representative of LP&L, an understanding of the Article was reached and the complaint was withdrawn and FPC accepted it for filing.

About May 10, 1976, the City of Plaquemine discontinued the utilization of the Emergency Assistance Agreement with LP&L by physically disconnecting the interconnection facilities. The City then switched over to Gulf States Utilities Company which had, as of that date, completed facilities for a tie with the City. No service has been rendered through LP&L's facilities since that time even though the Emergency Assistance Agreement is still in effect and LP&L's facilities are still in place.

2. Has Cajun Electric Power Cooperative, Inc. requested any services from LP&L other than under its Wholesale Service Schedule REA-8A? If so, please describe the services requested, LP&L's response, and the reason for such a response. Has Cajun contested any of the provisions or requirements of REA-8A? If so, please describe Cajun's position and LP&L's position.

ANSWER

Cajun has requested additional services from LP&L other than LP&L wholesale service Schedule REA-8A. Cajun is presently purchasing wholesale power under Rate Schedule REA-8A for its member cooperatives at 56 delivery points from LP&L. Cajun has in operation a 230 MW gas fired generating station that provides service to Cajun's member distribution cooperatives on the Gulf States system. It has under construction two 540 MW coal fired units scheduled for operation in 1979 and 1980. These units are required to supply power to Cajun's members when existing purchase power agreements terminate in May 1980 with Central Louisiana Electric Company and LP&L. Cajun has served notice to LP&L of its intention to cancel the existing Agreements with LP&L covering service under Schedule REA-8A. Cajun is now constructing a control center with communications and telemetering facilities to its delivery points from LP&L. To replace the cancelled Agreements for service under Schedule REA-8A, Cajun requested an interconnection agreement, and LP&L and Cajun executed an Electric System Interconnection Agreement on May 25, 1976, making available five service schedules to Cajun. These are Emergency Assistance, Supplemental Power, Surplus Power, Economy Energy, and Transmission Service. This Interconnection Agreement was approved by the U. S. Department of Agriculture, Rural Electrification Administration, on August 17, 1977. The Agreement was filed with the Federal Energy Regulatory Commission on October 19, 1978. This Agreement is a result of arm-length negotiations started in 1969 between LP&L and Louisiana Electric Cooperative, Inc., predecessor of Cajun.

Cajun has not contested any of the provisions or requirements of Schedule REA-8A.

3. Has the City of Minden or the Town of Vidalia requested any services from LP&L other than under Electric Services Agreements (FERC 52 and FERC 53)? If so, please describe the electric services requested, LP&L's response, and the reasons for such response. Has the City or Town contested any provisions of the Service Agreements? If so, please describe the positions of the City or Town and LP&L, respectively.

ANSWER

The City of Minden has requested service from LP&L other than under FERC #52, in protracted negotiations extending from April, 1971 to March, 1975. During that period, Minden requested an interconnection agreement, and LP&L and Minden entered into such an agreement. However before it was implemented, Minden requested other power supply arrangements, which request was fulfilled by consummation of FERC #52. Also, in January, 1977 the City of Minden requested LP&L and others to submit a proposal for an agreement to operate the City's system. LP&L complied with that request, but the electorate of the City rejected the proposal in an election held on May 13, 1978.

The Town of Vidalia has not requested any services from LP&L other than under Electric Service Agreement FERC #53.

Neither the City of Minden nor the Town of Vidalia has contested any provisions of the Service Agreements.

4. In the information you have furnished, you have listed the Towns of Rayville, Jonesboro, Homer and Lake Providence as new wholesale customers of LP&L. What were the power supply sources for these towns just prior to when LP&L began to furnish wholesale service? Was there any organized opposition to LP&L furnishing such wholesale service? If so, please describe. Are there presently any other suppliers of wholesale service to these towns? If so, please indicate the approximate proportions of the various suppliers.

ANSWER

The sole source of power utilized by the Towns of Rayville, Jonesboro, Homer, and Lake Providence prior to the time LP&L began to furnish wholesale service was from self-generation by each town.

There was no organized opposition to LP&L furnishing wholesale service to any of these towns.

Wholesale service is available to these towns from other suppliers, such as their neighboring municipalities of Ruston, Lafayette, and others, as has been demonstrated by the fact that the Town of Jonesboro is buying wholesale service from the City of Lafayette, and this service is being transmitted over a portion of LP&L's transmission system pursuant to the interconnection agreement with the Town of Jonesboro. LP&L does not know the proportions of power supplied by others.

5. Has LP&L declined to furnish wholesale service to any Entity that requested such service? If so, please describe the circumstances and LP&L's position.

ANSWER

LP&L has not declined to furnish wholesale service to any Entity that requested it.

6. Has LP&L declined to furnish a different kind of service than it is now furnishing to any Entity that requested such service? If so, please describe the service requested and the reasons for refusing.

ANSWER

LP&L has not declined to furnish a different kind of service than it is now furnishing to any Entity that requested such service.

7. You have indicated that LP&L is presently operating the electric systems of the towns of Homer and Lake Providence and the City of Thibodaux with an option of ultimate acquisition. Was there any organized opposition to LP&L operating the systems or to the option of ultimate acquisitions? If so, please describe. Please describe the acquisition option. Who, other than LP&L, will have a say regarding the acquisitions?

ANSWER

LP&L is operating the systems of the Towns of Homer, Lake Providence, and the City of Thibodaux, with an option of ultimate acquisition on the basis of a formal proposal made to each of these municipalities wherein an election was held and the citizens voted to enter into the operating agreement with an option to acquire. The only opposition was by those who voted against the proposed operating agreements. The vote in Homer was approximately 2-to-1 in favor of the proposition, the vote in Lake Providence was 4-to-1, and the vote in Thibodaux was 5-to-1 in favor of entering into the operating agreement with an ultimate option to acquire.

The acquisition option is dependant upon the performance by LP&L of the commitments specified in the Operating Agreement, and the option to the Company to take title to the facilities at the end of the Operating Agreement arises when and if all obligations under the Operating Agreement have been fulfilled.

Nobody other than LP&L will "have a say" regarding the acquisition (other than SEC approval when LP&L fulfills its obligations under the Operating Agreement).

8. You have indicated that LP&L is presently operating the electric system of the City of Monroe under an Emergency Interim Agreement. Please describe the nature of the emergency and the reason why Monroe was not able to operate its own system. Why did Monroe choose LP&L to operate its system? If in writing, please furnish a copy of the interim agreement. If not in writing, please describe. Was there any organized opposition to the interim agreement? If so, please discuss. What is the duration of the interim agreement? Will Monroe resume operation of its system after termination of the interim agreement? If not, what alternatives are being considered?

ANSWER

LP&L is presently operating the electric system of the City of Monroe under an Emergency Interim Agreement. This agreement came about as a result of the City's deteriorated position in the operation of its system while the Company was awaiting approval of the SEC for an operating agreement which had been presented to the City and voted on in an election held for that purpose and approved by the citizens of the City by a ratio of approximately 7-to-1 to enter into the Operating Agreement. After the overwhelming election in favor of the Operating Agreement, essentially all of Monroe's distribution personnel walked off the job and left the City without personnel to operate its system. The City also had a very unstable and undependable fuel supply, and since the citizens had voted overwhelmingly to enter into the Operating Agreement and ultimate ownership agreement with LP&L, the City insisted that LP&L commence operating the system immediately and assume the responsibility of the operations as though the final Operating Agreement was in effect. Since there was pending SEC approval for the Operating Agreement, the interim arrangement was entered into, and will continue in effect until such time as approval has been granted by the SEC for the final effectuation of the Operating Agreement. (Copy of the Emergency Interim Agreement is included as Attachment I.) There was no opposition to the Emergency Interim Agreement.

It is anticipated by LP&L and the City that the interim agreement will be superseded by the Operating Agreement, and Monroe thus will not resume operation of its system after termination of the interim agreement.

No alternatives are being considered by LP&L.

9. The following questions pertain to the Middle South Utilities (MSU) System Agreement (FERC #48), and in particular, to paragraph 30.03, of Service Schedule MSS-3, on allocation of energy.
- (a) In determining a Company's load, are the transmission losses within its control area considered to make up part of that load?

ANSWER

Yes, they are.

- (b) If a Participation Unit is in Company A's control area, is Company A compensated for the extra transmission losses occurring within its control area as caused by power deliveries to the other companies? If so, how is it compensated and how is the proper amount of compensation determined? (Please illustrate the procedure by assuming a single Participation Unit supplying the power requirements of all the MSU operating subsidiaries.)

ANSWER

A company receives compensation when it shows losses. This question cannot be specifically answered at this time because no circumstance such as described in the question has yet occurred. If such circumstance does occur in the future, a procedure will be developed.

10. The following questions pertain to LP&L's interconnection agreement with the City of Ruston (FERC 54) and similar interconnection agreements with the Town of Rayville, Town of Jonesboro, and City of Monroe.
- (a) The October 1, 1975 transmittal letter to FPC from W. C. Montgomery refers to an Exhibit 1 attachment which shows the components of the four mills per kwh markup for energy furnished under Schedules A, B and C. If available, would you please furnish us with a copy of this Exhibit 1 for our records?

ANSWER

Attached (Attachment II) is a copy of the letter dated October 1, 1975, to the Federal Power Commission, Attention Mr. Kenneth F. Plumb, Secretary from W. C. Montgomery, Re: "Louisiana Power & Light Company Interconnection Agreement with City of Ruston, Louisiana," with the attached Exhibits No. 1 and No. 2.

- (b) Our review of Exhibit 1, in FERC's Public Document Room, indicates that the four-mill adder per kwh is associated with fixed charges on production and transmission facilities. At the same time, Schedules B and C have demand charges which are presumably also based on fixed charges on production facilities. Please clarify for us this apparent double charge. Did the FPC Staff or Intervenor in FPC Docket ER 76-162 contest in any way the four-mills per kwh adder, particularly for Schedules B and C? If so, please discuss the nature of the objections and the resolution of such.

ANSWER

Also attached (Attachment III) is a letter to the Federal Power Commission, Mr. K. F. Plumb, Secretary, from Mr. W. C. Montgomery dated March 29, 1976, Re: "Louisiana Power & Light Company, Interconnection Agreement with City of Ruston, Louisiana, (Docket No. ER 76-162)," along with Exhibits 6, 7, 8, 9, 10 and 11. The four-mill adder, explained completely in the letter of March 29, will clarify that there cannot be and there are not any double charges. The FPC requested additional data to verify the various charges, which was provided in the letter dated March 29, 1976. The four-mill kwh adder was not separately contested. After interventions and hearings, FPC issued an order entitled, "Order Granting Permission to Withdraw" dated September 28, 1976, granting permission for the Intervenor to withdraw from this proceeding and terminate Docket ER 76-162. The Commission stated, "All questions of staff with respect to this filing now have been resolved satisfactorily, and there remains no issue in dispute".

- (c) Some of the documentation associated with Docket ER 76-162 alludes to FPC Staff concerns with respect to the interconnection agreement. In particular, pages 4 and 5 of the conference transcript is referred to. Please describe the nature of the FPC Staff problems, the names of the FPC Staff involved, and the resolution of these problems.

ANSWER

Also attached (Attachment IV) are Pages 4, 5 and 9 of the pre-hearing conference in Docket ER 76-162 held at Washington, D. C. May 18, 1976, and a copy of the order in Docket No. ER 76-162 entitled, "Order Granting Permission to Withdraw" (Issued September 28, 1976). Apparently, this question concerns the answer of Staff Counsel, Ms. Nygaard, "Therefore, as far as we are concerned, the only remaining issues deal with the rationale for the pricing of demand charges in, I believe, Schedules B and C, and, again, possibly the rationale behind the four-mill adder appearing in some of these schedules."

Turning to Page 9 of the same transcript, Ms. Nygaard, states, "Your Honor, we feel we have sufficient data, and we're really not contemplating a Data Request, since the responses to the various Deficiency Letters satisfied the questions in those Letters."

"A separate question, again, is whether once you have those answers the rationale implicit in those numbers is acceptable, and that's if you feel that's necessary, or otherwise get together on it."

The attached (Attachment V) order issued September 28, 1976, states, "On September 2, 1976, the Presiding Administrative Law Judge issued an order granting Commission Staff's motion to terminate the proceeding inasmuch as 'all questions of Staff with respect to the filing now have been resolved satisfactorily, and there remains no issue in dispute.'" The Presiding Judge's order took note of the July 12 Notice of Withdrawal of EPSA. Consistent therewith and in light of the above, Docket No. ER 76-162 is hereby terminated."

- (d) Please furnish the total kwh sales to each City or town and the range of monthly energy charges (demand charges excluded or separated) in mills per kwh under each Service Schedule A, B, C and D, respectively, for the period of time from when the agreements were put into effect until the most recent time that the information is available. Please furnish the same information for purchases (if any) from the cities or towns.

ANSWER

Billings to Municipals under Schedules A, B, C and D  
 (The exclusion of billing months, schedules and municipal name indicates that there were none for that period)

<u>Municipal</u>	<u>Billing Month</u>	<u>Billing Under Schedule A</u>		<u>Billing Under Schedule D</u>		
		<u>KWH</u>	<u>Mills per KWH</u>	<u>KWH</u>	<u>Mills per KWH</u>	
	<u>1977</u>					
City of Monroe	July	1,916,000	34.963205			
	August	2,180,000	31.767885			
	September	1,428,000	29.10666			
	October	592,000	36.11098			
	November			9,153,000	16.488258	
	December			22,908,000	18.7050083	
		<u>1978</u>				
		January			24,146,000	23.05877
		February			25,015,000	29.2355074
		March			22,430,000	23.8669005
		April			23,746,000	18.0217603
		May			536,365	18.0217603

<u>Municipal</u>	<u>Billing</u> <u>Month</u>	<u>Billing Under</u> <u>Schedule A</u>		<u>Billing Under</u> <u>Schedule D</u>	
		<u>KWH</u>	<u>Mills per KWH</u>	<u>KWH</u>	<u>Mills per KWH</u>
Town of Rayville	<u>1976</u>				
	October	190,400	20.362973		
	<u>1977</u>				
	January	5,600	21.61071		
	April	36,400	25.4522		
	May	2,800	33.167857		
	June	221,200	30.67455		
	July	30,800	32.14188		
	August	23,600	45.178		
	September	365,200	28.4612		
	October	224,000	35.487143		
	November			2,262,400	17.526454
	December			2,301,600	18.821446
	<u>1978</u>				
	January			2,150,400	22.809184
February			2,312,800	29.525277	
March			2,032,800	24.138223	
April			1,881,600	18.5224065	
July	19,600	59.36			
September	338,800	41.4332645			
October	8,400	54.604762			
City of Ruston	<u>1976</u>				
	July	20,000	15.8385		
	August	52,000	14.09		
	September	107,000	14.9315		
	<u>1977</u>				
	May	139,000	30.713957		
	June	130,000	38.91846		
	July	149,000	46.50		
	October	12,000	64.61		
	November	143,000	45.76		
	December	45,000	31.17		
	<u>1978</u>				
	September	19,000	42.00		

Billings to LP&L by Municipals

<u>Municipals</u>	<u>Billing Month</u>	<u>Billing to LP&amp;L</u>	
		<u>KWH</u>	<u>Mills per KWH</u>
	<u>1977</u>		
City of Monroe	April	12,000	28.50
	<u>1977</u>		
Town of Rayville	October	18,000	28.2961
	<u>1977</u>		
City of Ruston	January	3,453,000	35.193797
	<u>1978</u>		
	January	3,892,000	46.189543
	February	1,945,000	46.355656
	March	1,309,000	46.94916
	April	13,000	44.10
	May	2,304,000	44.499305
	June	9,567,000	44.10
	July	6,286,000	43.971969

- (e) Is the Lafayette to Jonesboro transmission service under Schedule F or F-1? How long has LP&L been providing such transmission service to Jonesboro? Is Jonesboro internal or external to LP&L's control area? Have the participants experienced any difficulty in maintaining the reactive power flow requirements of the transmission schedule? If so, please describe in what way and the method of resolution of the problem. Have the Participants experienced any difficulties in controlling the scheduled interchange such that (1) the supply was deficient by more than the 1.5% allowed for inadvertent interchange or (2) the supply was in excess of the schedule and thereby ignored for billing purposes? If so, describe each instance and the approximate kwh involved.

ANSWER

The Lafayette to Jonesboro transmission service is under Schedule F. LP&L has been providing such service to Jonesboro since June 19, 1978. Jonesboro is internal to LP&L's control area.

LP&L knows of no difficulty in maintaining the reactive power flow requirements of the schedule.

The Town of Jonesboro has had difficulties in controlling the scheduled interchange due to the difference in metering locations and the minimum setting of 1-MW of their controller. These deficiencies are being corrected and no difficulties are expected following this correction.

(f) Has the following statement, found in the transmission schedules, ever been contested by any Entity or in any forum?

"It is recognized that the input and withdrawal of power and energy is under the control of the participating Entities, ....."

If so, please discuss and furnish any documentation.

ANSWER

No.

- (g) Has LP&L declined to supply transmission services requested by any Entity under Schedules F or F-I or otherwise? If so, please describe the reasons given in each instance.

ANSWER

LP&L has not declined to supply transmission services requested by any Entity under Schedule F or Schedule F-I.

- (h) Have there been any requests by the cities or towns to purchase power under Schedules A, B, C or D in which LP&L declined to furnish the service? If so, please describe the reasons given in each case.

ANSWER

There have been no requests by any city or town to purchase power under Schedules A, B, C, or D in which LP&L declined to furnish the service.

- (i) Have there been any other requests by any Entity for an interconnection agreement similar to FERC 54? If so, what was LP&L's position with respect to entering into such an agreement and the reasons for its position in each case.

ANSWER

There have been no other requests by any Entities for an interconnection agreement similar to FERC #54, other than those now in operation and, in one instance, where the facilities are under construction for implementation of the agreement.

- (j) Have there been any requests by any Entity for transmission services of less than five months duration? If so, please describe LP&L's response in each case. If LP&L's response was negative in any instance, please describe the reasons given.

ANSWER

There has been one request, by the City of Ruston, for transmission service of less than five months' duration. LP&L's response to Ruston has been that Ruston has an interconnection agreement with LP&L which includes a specific service schedule for interruptible transmission service, and that LP&L was prepared to furnish whatever service was desired by Ruston under that agreement on file with the FERC.

7.

- (k) Please describe any actions that LP&L must take with respect to its interchange schedule setters when providing transmission services under Schedules F or F-I. Are transmission Schedules F or F-I ever applicable to Entities within LP&L's control area, (1) if the power exchanging entities are all within the control area or (2) if only the power receiving (or supplying) entities are within the control area? If the power receiving and power supplying entities are all external to LP&L's control area, how does LP&L adjust its interchange schedule setters to receive the 3% transmission losses, and how does LP&L determine that the power supplying entities are indeed furnishing 3% more energy than the receiving entities are taking? Are transmission Schedules F and F-I applicable to Entities that are interconnected with both LP&L and another entity to which LP&L is interconnected? If so, how does LP&L determine the portion of the interchange which is passing through its transmission system and the portion that is passing through other transmission systems?

ANSWER

The interchange schedule setters would be adjusted to receive 103% of the schedule from the supplying entity and to deliver 100% of the schedule to the receiving entity.

Yes, in either case.

If the power-receiving and power-supplying entities are external to LP&L's control area, LP&L's interchange schedule setter would be adjusted to receive 3% of the schedule of the supplying entity. The interchange is on a scheduled basis and does not require instantaneous reconciliation of the power flows. The actual interchange is recorded by meters and compared to the scheduled interchange at the end of the month to determine if the interchange control of each of the parties was correct. Because scheduling can only be done in one-MW increments, the accumulated errors of round-off are scheduled at times mutually agreeable to all system operators. LP&L determines that the supplying entity is supplying the power during the periodic energy surveys in the same manner all such transactions are checked.

Yes, they are.

In the evolutionary development of the application of this schedule, the physical path and the contractual path have been the same. If future situations arise where this is not the case, then accommodations to the physics of the situation will have to be made.

11. The information already furnished to us by LP&L in response to Regulatory Guide 9.3 states on page B-4 that "In addition to the interconnection agreements with the municipal operating entities, a similar agreement has been signed with Cajun Electric Power Cooperative, Inc." Which agreement is it similar to? In what ways is it different? When will the agreement be filed with FERC? Is Cajun contesting any of the provisions of the agreement? If so, please discuss them, including LP&L's and Cajun's respective positions.

ANSWER

The Electric System Interconnection Agreement between Cajun Electric Power Cooperative, Inc. and LP&L is similar to the Electric System Interconnection Agreement with the City of Ruston (FERC #54), with the Town of Homer (FERC #57), with the Town of Rayville (FERC #58), with the Town of Lake Providence (FERC #56), with the Town of Jonesboro (FERC #59) and with the City of Monroe (FERC #60).

This Agreement (Attachment VI) was filed with the Federal Energy Regulatory Commission on October 19, 1978, with a transmittal letter by Mr. W. C. Montgomery, LP&L's Director of Rates and Research. Mr. Montgomery's letter outlines the minor differences between the Cajun Agreement and the Agreements with the other municipalities. Cajun has not contested any of the provisions of the Agreement, and in fact, wrote a letter to LP&L which was transmitted with our filing to the Federal Energy Regulatory Commission requesting that the Agreement be given prompt approval since Cajun is now progressing with the installation of equipment necessary to implement this Agreement. A copy of Mr. Montgomery's filing letter of October 19, 1978, and attachments (including the Electric System Interconnection Agreement between Cajun and LP&L) are included in Attachment VI.

Attaciment I

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EMERGENCY INTERIM AGREEMENT

by and between

CITY OF MONROE

and

LOUISIANA POWER & LIGHT COMPANY

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This Emergency Interim Agreement by and between

CITY OF MONROE, a municipal corporation of the State of Louisiana, sometimes hereinafter referred to as "City", herein acting through (a) the Commission Council of the City, herein represented by W. L. Howard, the Mayor of the City, pursuant to and hereunto duly authorized by Ordinance No. 7012 of the Commission Council of the City duly adopted on March 31, 1978, a certified true copy of which is annexed hereto, said Commission Council being the governing authority and body of the City, and (b) the City of Monroe Utilities Commission, sometimes hereinafter referred to as "Utilities Commission", a part of the city government of the City, herein represented by Joe E. Marks, Jr., the Chairman of the Utilities Commission, pursuant to and hereunto duly authorized by a resolution of the Utilities Commission duly adopted on March 31, 1978, a certified true copy of which is annexed hereto, and

LOUISIANA POWER & LIGHT COMPANY, a Louisiana corporation, sometimes hereinafter referred to as "Company", herein acting through and represented by G. D. McLendon, its Senior Vice President, hereunto duly authorized by resolutions of the Board of Directors of the Company duly adopted on November 21, 1977, a certified true copy of which resolutions is annexed hereto,

WITNESSETH THAT:

WHEREAS, under date of April 26, 1977, the Company submitted to the City a proposition and offer ("Offer") providing for the operation and possible ultimate ownership by the Company of the electric system of the City ("Electric System"), which Offer included among other documents, as Appendix 1

thereto a form of proposed Operating Agreement between the City and the Company ("Operating Agreement") and as Appendix 2 thereto a proposed form of authorizing and franchise ordinance; and

WHEREAS, the special election contemplated by the Offer was called and held on July 9, 1977, and resulted in a vote by the electorate of the City which was overwhelmingly in favor of the acceptance of the Offer; and

WHEREAS, certain lawsuits have been filed (the "Outstanding Litigation", hereinafter defined) which have prevented the consummation of the transaction contemplated by the Offer, and although all of such suits then outstanding were dismissed by judgment signed on February 23, 1978, an appeal from such judgment of dismissal has been filed and is pending; and

WHEREAS, the delay in consummating the transaction provided for by the Offer has caused an emergency situation to arise, requiring the execution and implementation of this Emergency Interim Agreement, providing for the temporary handling of such situation;

NOW, THEREFORE, the City and the Company, each for and in consideration of the premises and of the agreements of the other hereinafter set forth, do hereby mutually agree, covenant and stipulate as follows:

Section 1. Unless the context obviously requires otherwise, terms used herein which are not defined herein but which are defined in the Operating Agreement shall have the same respective meanings as set forth in the Operating Agreement, and the following words, terms and/or phrases shall have the meanings hereinafter set forth:

(a) "Interim Period" shall mean the period of time during which this Emergency Interim Agreement is to be and remain in effect in accordance with its terms.

(b) "Outstanding Litigation" shall mean the three pending law suits, presently consolidated, in which W. E. Perry is the plaintiff and the City, the Utilities Commission and the Board of Supervisors of Elections of Ouachita Parish, Louisiana, are defendants, bearing the Nos. 111,145, 111,146 and 111,147 on the Docket of the Fourth District Court, Parish of Ouachita, State of Louisiana, presently on appeal to the Second Circuit Court of Appeals, State of Louisiana.

Section 2. Subject to such changes therein and deviations therefrom as are provided for hereinafter as being necessary because of the temporary or interim nature of this agreement, the aforesaid Operating Agreement, upon the execution hereof by the City and the Company, shall go into effect and be effective as if the same had been fully executed and delivered by the City and the Company, and shall be fully implemented by the City and the Company.

Section 3. During the Interim Period, no refunding of the Bonds shall be effected and Section 15 of the Operating Agreement shall not be in effect.

Section 4. Without in any manner derogating from or limiting the generality of the foregoing or of any other provision hereof, it is specifically provided herein and agreed, although not by way of limitation, that during the Interim Period Section 13 of the Operating Agreement shall be in effect and fully effective, and the Company shall have all rights, powers, and obligations therein set forth.

Section 5. Without in any manner derogating from or limiting the generality of the foregoing or of any other provision hereof, it is specifically provided herein and agreed, although not by way of limitation, that the Company shall have the right and power to offer employment to and retain as employees of the Company such of the present employees of the Electric System as the Company sees fit, who shall be employed under all of the Company's normal conditions of employment, including salary or wages, policies, practices and benefits, and who, if then still so employed, shall revert back to employment by the City if and when this Emergency Interim Agreement is terminated or nullified without the Operating Agreement then or theretofore becoming effective.

Section 6. The inventory provided for by Section 2 (c) of the Operating Agreement shall not be made during the Interim Period, but shall be made as of the Commencement Date hereafter fixed in the Operating Agreement as executed.

Section 7. The first reading of the meters of the customers of the Distribution System by the Company shall be effected as soon as reasonably practicable after the commencement of the Interim Period, and the final meter reading determination for the City (which will also be the beginning meter reading determination for the Company) shall be calculated by pro rating the customer's usage to the commencement of the Interim Period.

Section 8. In the event that this Emergency Interim Agreement is terminated or nullified without the Operating Agreement having theretofore become or then becoming effective, the City shall thereupon be obligated to pay to the Company, and shall pay to the Company promptly and in any event no later than 120 days after such termination or nullification of this Emergency

Interim Agreement, the depreciated book cost of all additions, improvements and replacements made by the Company to the Electric System, including all extensions of the Distribution System (and including any Capital Improvements made under the provisions of Section 6 of the Operating Agreement), located within the corporate limits of the City as such corporate limits exist at the beginning of the Interim Period, and all replacements effected by way of maintenance, less any salvage realized from retired property, and upon such payment being made by the City to the Company, all of said additions, improvements, replacements and extensions within the corporate limits of the City as such corporate limits exist at the beginning of the Interim Period shall become the property of and belong to the City, and the Company shall have no further ownership rights with respect thereto.

Section 9. The City recognizes that in order for the Company to provide electric service hereunder, it will be necessary for the Company to effect modifications and/or additions to the Company's facilities in the immediate vicinity of the City at an initial cost estimated at approximately \$400,000, and that it may thereafter be necessary for the Company to make other capital additions to handle the load growth of the City. In the event that this Emergency Interim Agreement is terminated or nullified without the Operating Agreement having become effective or being in effect, the City shall reimburse the Company its cost and expenses in connection with the facilities referred to above in this Section 9 as follows: (a) if the Company, in its sole discretion, determines that such facilities can justifiably be removed or dismantled, the payment by the City to the Company of the "up and down" costs, or (b) if, in the judgment of the Company, such removing or dismantling is not justifiable, the payment by the City to the Company of the Company's fixed charges on such facilities from the time that this Emergency Interim Agreement is so terminated or nullified until the Company has need for such facilities for its own purposes; provided, however, that no single project of the nature aforesaid costing more than \$250,000 after the initial modifications and/or additions in the approximate amount of \$400,000 aforesaid shall be commenced or undertaken by the Company without the prior consent of the City, but if such consent is withheld and adversely affects the ability of the Company to provide adequate electric service to the customers of the Distribution System, the Company's obligation to provide such adequate service shall be modified accordingly.

Section 10. Certain of the Company's rate schedules require the installation of demand meters and the City is presently serving without demand meters many customers who will be served on such rate schedules. In view of the interim or temporary nature of this Emergency Interim Agreement, the Company will not be obligated to install during the Interim Period demand meters for the billing of such customers, but will during the Interim Period estimate demands for billing purposes with respect to all such customers for which demand meters are not installed.

Section 11. This Emergency Interim Agreement shall become effective and shall be in effect immediately upon the execution hereof by both the City and the Company, and shall remain in effect until, and shall be terminated if and when,

either (a) the Operating Agreement shall have become effective and be in effect, or (b) a final, non-appealable judgment of a court of competent jurisdiction has determined that the proposed Operating Agreement is or would be illegal, or that the above-mentioned election of July 9, 1977, was illegal or is invalid, or (c) this Emergency Interim Agreement has been terminated or nullified or superseded or replaced by mutual consent of the parties or by a final, non-appealable judgment of a court of competent jurisdiction.

Section 12. This Emergency Interim Agreement shall be binding upon and shall inure to the benefit of the City, the Commission Council of the City, the Utilities Commission, the Company, and the respective successors and assigns of each of them.

IN WITNESS WHEREOF, the City and the Company have signed and executed this Emergency Interim Agreement in several multiple original counterparts on the 31st day of March, 1978, at Monroe, Louisiana, both in the presence of the two undersigned competent witnesses.

WITNESSES:

CITY OF MONROE

Charles A. Patten, Jr.

By: Commission Council of the City of Monroe

[Signature]

By

[Signature]

Mayor

By: City of Monroe Utilities Commission

By

[Signature]

Chairman

LOUISIANA POWER & LIGHT COMPANY

By

[Signature]

Senior Vice President

Attachment II

RECEIVED

OCT 6 '75

RATE DEPT.

**LOUISIANA**

POWER &amp; LIGHT / 142 DELARONDE STREET • NEW ORLEANS, LOUISIANA 70174

October 1, 1975

Federal Power Commission  
Washington, D. C. 20426

Attention: Mr. Kenneth F. Plumb, Secretary

Re: Louisiana Power & Light Company  
Interconnection Agreement  
with City of Ruston, Louisiana

Gentlemen:

Enclosed herewith for filing with the Commission pursuant to Part 35 of the Commission's Regulations are six copies of an "Electric System Interconnection Agreement" between the City of Ruston (City), Louisiana and Louisiana Power & Light Company (LP&L), dated September 15, 1975.

This Agreement supersedes LP&L Rate Schedule FPC No. 30 which was filed September 19, 1968 and became effective October 24, 1968.

The Commission is respectfully requested to accept for filing this Agreement with the City of Ruston to become effective at the earliest date in accordance with the Commission's rules.

This Agreement makes available seven service schedules as follows:

Service Schedule "A"	Emergency Assistance
Service Schedule "B"	Reserve Capacity
Service Schedule "C"	Supplemental Power
Service Schedule "D"	Surplus Power
Service Schedule "E"	Economy Power
Service Schedule "F"	Transmission Service
Service Schedule "F-I"	Transmission Service

The City is presently taking only Emergency Assistance Electric Service under FPC Rate Schedule No. 30 with a maximum capacity of 14,500 kilowatts at 34,500 volts three phase. This superseding agreement will provide a capacity of 45,000 kva at 115,000 volts, three phase, and in addition to Emergency Assistance Electric Service, will provide Reserve Capacity, Supplemental Power, Surplus Power, Economy Power, and Firm and/or Interruptible Transmission Service.

To provide 45,000 kilowatts at 115,000 volts, LP&L changed the voltage on the line from the Vienna substation to Ruston from 34,500 volts to 115,000 volts and dead ended the line just beyond the City's substation. The City tapped LP&L's line adjacent to City's substation - diagram showing interconnection attached to Agreement.

This Agreement is the result of arm-length negotiations started in August 1972 between LP&L and the (1) Louisiana Municipal Association Utilities Group, (LMAUG), representing the generating municipalities in Louisiana (including the City of Ruston, (2) the Atomic Energy Commission, and (3) the Department of Justice. These negotiations resulted in this Agreement, accepted by LMAUG, which was a part of the requirements for obtaining a construction permit for the Company's Waterford No. 3 nuclear generating unit and represents the interpretation of our commitments to the Atomic Energy Commission and to the Department of Justice as to providing electric power for the generating municipalities in Louisiana.

It is expected that this negotiated Agreement with Service Schedules "A" through "F-I" are being signed by other generating municipalities who may require additional electric power assistance.

SERVICE SCHEDULE "A", "Emergency Service," Part 1. (a), is changed from 8.5 mills to 12.5 mills for each kwh of emergency power and energy delivered by either party to the other. The increase in the rate will cause the price for emergency service to be nearer in line with the present day costs. The increase is necessary due to rapidly escalating labor, material, operation and maintenance costs and also to compensate the supplying parties for the difficulty being incurred in obtaining and maintaining adequate fuel supplies. Emergency service will most likely be required by the buyer at the time the seller is experiencing his peak system load and, therefore, the seller should be adequately compensated for the additional load placed on his generation and transmission facilities.

The proposed Service Schedule is a reciprocal type of arrangement between the parties and the rate of 12.5 mills per kwh was arrived at through negotiations between the parties. It is considered fair and equitable, particularly when compared with the present rate of 17.5 mills per kwh charged by the major utilities in the geographic area for similar service and, it more adequately compensates the supplying party for the cost of supplying such service.

Part 1. (b) of Service Schedule "A", (the incremental cost per kwh of fossil fuel plus four mills per kwh) times 1.06, becomes applicable when such incremental cost is greater than the rate in 1. (a). The adder of four mills per kwh is considered fair and equitable. The emergency is most likely to occur at a time when the system is heavily loaded, which places a greater burden on the interconnected system that results in increased energy losses and increased cost. The components of the four mills per kwh are shown in Exhibit 1, attached hereto.

The multiplier of 1.06 Part 1. (b), is to partially compensate seller for losses suffered in delivering emergency power and energy either by the City or LP&L.

The losses associated with step-up transformation at the generating stations and losses on the transmission are in the order of four per cent (Exhibit No. 3, Page 8, Paragraph 4). Since emergency sales and sale of additional power would be incremental losses, the actual losses would double to about eight per cent. Losses vary as the square of the current (I<sup>2</sup>R), therefore, incremental losses associated with ten per cent increase in load would be twice

the existing loss rate (Exhibit No. 4). Larger incremental loads will cause incremental losses greater than double the average losses. The multiplier of 1.06 falls between average and incremental losses and, therefore, is fair and equitable to both the seller and purchaser.

Part 2. of Service Schedule "A" provides for the purchase of emergency service from other systems at the cost of purchased energy, plus fifteen per cent. The fifteen per cent adder, arrived at through negotiations between the parties, will partially compensate the seller for losses associated with transmission of power and the cost of purchasing and load dispatching associated with purchasing emergency power.

SERVICE SCHEDULE "B", "Reserve Capacity," is a new schedule to provide "reserve capacity" to either party desiring to purchase reserve capacity from the other when the supplying party has such capacity above its own requirements and when the purchasing party has "sustained run" generating capacity available to carry its load responsibility and spinning reserve for which this reserve is required.

The reserve capacity rate of \$18 per kilowatt per calendar year (\$1.50 per month) was considered fair and equitable. Exhibit No. 2, attached hereto, shows that the present rate being charged by LP&L to its sister companies under the System Agreement, FPC Rate Schedule No. 48, is \$2.9150 per kilowatt per month.

The rate for energy is identical to that in Service Schedule "A."

SERVICE SCHEDULE "C", "Supplemental Power" is a new schedule to provide supplemental power to either party desiring to purchase supplemental power and energy from the other when the supplying party has such power and energy available, which contracts for such power and energy in accordance with the terms of this Agreement.

This supplemental power is supplied on a firm basis and the demand charge of \$1.75 per kilowatt month is based on the \$1.50 per kilowatt charge in Service Schedule "B" plus a charge for reserves.

The rate of (a) 6 mills per kwh for energy is 3.7 mills per kwh above the 2.3 mill fuel cost. Refer to explanation of Service Schedule A Part 1. (b) herein and Exhibit No. 1 for the cost support of four mills per kwh.

The rate of (b) (Incremental cost per kwh of fossil fuel plus four mills per kwh) times 1.06 is identical to that in Service Schedule A.

SERVICE SCHEDULE "D", "Surplus Power," is a new schedule to provide surplus power to either party desiring to purchase surplus power and energy from the other upon request by the purchasing party, when the supplying party, in its sole judgment, has determined that it has such power and energy available.

The rate of \$1.25 per kilowatt for surplus power is lowered from the charge for reserve capacity and supplemental power in that it may be somewhat less valuable and the cost to provide may be less.

The energy rate is lowered to the incremental cost per kwh of fossil fuel plus two mills per kwh times 1.06 for the same reason.

SERVICE SCHEDULE "E", "Economy Energy" is a new schedule to provide economy energy to either party desiring to purchase economy energy from the other upon request by the purchasing party, when the supplying party, in its sole judgment, has determined it has such economy energy available.

The rate is simply a "sharing of savings" calculated at the time of agreement between the parties.

SERVICE SCHEDULE "F", "Transmission Service" is a new schedule for the transmission of power and energy by LP&L over its transmission facilities to and from entities in the State of Louisiana with which it has Electric System Interconnection Agreements including Service Schedules "A" and "B."

A "Transmission Service Cost Analysis," dated May 1974, is enclosed herewith as Exhibit No. 3.

SERVICE SCHEDULE "F-I", "Transmission Service" is a new schedule similar to Service Schedule "F" except that transmission service is interruptible and contracted for a minimum period of five months.

Negotiations began on this Agreement in 1972 and, therefore, rates are based on the 1972 and 1973 periods. The fuel adjustment clause is based on 0.23 cents per kwh as delivered to the customer. Calculations of the fuel adjustment follow the FPC requirements of Section 35.14. The wording of the fuel adjustment clause may require revision to meet the requirements of FPC by January 1, 1976. The fuel adjustment base of 0.23¢ per kwh is in the City's present contract, FPC Rate Schedule No. 30, and in all other contracts with the municipalities. This Agreement was negotiated with the 0.23¢ fuel base in all its rate schedules.

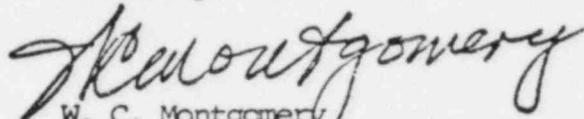
Exhibit No. 5, attached hereto, shows the Billing for Emergency Assistance for the twelve month period ending September 16, 1975. Future sales and revenues for emergency assistance are too unpredictable to be estimated with any accuracy. The City has not requested electric service under the Service Schedules "B" through "F-I," and, therefore, no estimated billing data can be provided.

Enclosed is Louisiana Power & Light Company's check in the amount of \$500.00 payable to the Treasurer of the United States in accordance with Part 36.2 of the Commission's Regulations.

A copy of this transmittal letter with the attachments is concurrently mailed to the City of Ruston, Louisiana.

If further information is required, please advise us or our attorney,  
Mr. Richard M. Merriman, Reid & Priest, 1701 K Street, N. W.,  
Washington, D. C. 20006.

Sincerely,



W. C. Montgomery  
Director of Rates & Research

WCM:CHP

cc: Honorable John W. Perritt, Mayor  
City Hall City of Ruston, Louisiana 71270  
Louisiana Public Service Commission  
One American Place, Suite 1630  
Baton Rouge, Louisiana 70825  
Mr. Richard M. Merriman

Louisiana Power & Light Company  
 COST COMPONENTS  
4 MILL ADDER

A. Average* Gross Production Plant	\$292,011,866 (1)
B. Average* Gross Transmission Plant	\$139,440,510 (1)
C. Average* Plant Capability - Kw	3,525,000 (1)
D. System Peak - Kw	2,692,000 (1)
E. Fixed Rate on Production	17.36% (2)
F. Fixed Rate on Transmission	15.35% (2)
G. Input to LP&L System - Kwh	13,897,535,000 (1)
H. Average Hours Use (G ÷ D)	5,163
I. Annual Production Investment per Kw (A ÷ C)	\$82.84
J. Annual Transmission Investment per Kw (B ÷ D)	\$51.80
K. Facilities Charges for Capacity $\left[ \frac{(I \times E) \div H}{H} \right]$	2.79 Mills
L. Facilities Charges for Transmission $\left[ \frac{(J \times F)}{H} \right] \div H$	1.54 Mills
M. Total Facilities Charge (K + L)	4.33 Mills
	Use
	4 Mills

\* Average of beginning and end of year 1974.

(1) 1974 FPC-1

(2) Includes return, taxes, depreciation, property insurance, and O & M. Excludes general overheads, customer accounts, and sales expense.

PARTICIPATION UNIT

A. Louisiana Power & Light Company  
Waterford No. 1 - Oil Firing

B. Investment	Total	Per kw
Depreciable	70,076,000	180.61
Non Depreciable	<u>2,826,080</u>	<u>7.28</u>
Total	72,902,080	187.89

C. Demonstrated Capability - 388,000 kw

D. In Service Date - 6/20/75

E. Cost of Capital

.56 x .08375 =	.0469
.10 x .07920 =	.00792
.34 x .116 =	<u>.03944</u>
Average	<u>.09426</u>

F. Summary of Annual Charges

1. Cost of Money	.09426 (180.61 x .9859 + 7.28)	17.4705
2. Depreciation	.0282 x 180.61	5.0876
3. Income Taxes	.9647 x .04736 x (180.61 x .9859 + 7.28)	8.46813
4. Insurance		.1505
5. Property Tax		.0563
6. Franchise Tax		.2470
7. Operation & Maintenance		2.5000
8. General Administration		<u>1.0000</u>
	Annual Cost per kw	\$ 34.98021
	Monthly Cost per kw	\$ 2.91502

Attachment III



**LOUISIANA**

POWER & LIGHT / 142 DELARONCE STREET • NEW ORLEANS, LOUISIANA 70174

March 29, 1976

Federal Power Commission  
Washington, D. C. 20426

Attention: Mr. Kenneth F. Plumb, Secretary

Re: Louisiana Power & Light Company  
Interconnection Agreement with  
City of Ruston, Louisiana  
(Docket No. ER 76-162)

Gentlemen:

We are hereby providing the information requested by your letters of October 29, 1975 and December 4, 1975 in subject Docket.

Your letter of December 4, 1975 raises the question of "incremental fuel cost," and Louisiana Power & Light Company (LP&L) does in fact calculate its incremental fuel cost on an hour by hour basis. The reference to "this price would probably be based on oil" referred to the fact that we anticipate the need to generate kilowatt hours on oil almost continuously by the time Ruston or Homer would start taking power under the proposed interconnection agreement. Thus our "incremental fuel cost" even on an hour by hour basis would probably come mostly from oil. Some generation on lower cost gas may be available during early morning hours starting after midnight.

Your October 29, 1975 letter requested that we provide data verifying the appropriateness of the various charges for energy associated with Emergency Assistance, Reserve Capacity, Supplemental Power, and Surplus Power.

Pricing for emergency service, as ordered by the F. P. C. in Order No. 520, Docket No. RM75-3, issued November 29, 1974 provides for the pricing of emergency service on three separate basis, depending upon the characteristics of the buyers needs. When the emergency service has the characteristics of firm service the pricing should be based upon fully allocated costs. When the service to be rendered is non-firm in nature, the generating and transmission system shall each be entitled to recover their respective incremental costs plus some additional reasonable compensation. The third characteristic is generally regarded as economy transaction rather than emergency. This is where the pricing is based on a share-the-savings approach.

The service provided by this Interconnection Agreement can take on the characteristics of either firm or non-firm service. Therefore, the pricing should be based upon some combination of the two characteristics that assures that all costs associated with providing such service are recovered thus eliminating the possibility of subsidization by other customers.

This contract provides that each party agrees to keep not less than sixteen (16) per cent of their annual projected peak demand as adequate reserves. Furthermore, to insure ready availability, each will hold capacity of not less than six (6) per cent of its annual projected peak demand as "Ready Reserves." A deficiency in the lack of dependable generating capacity to meet load requirements plus reserves shall not be deemed an emergency.

Emergency Assistance is limited to an emergency or breakdown affecting the system of the purchaser or upon suitable arrangements in writing by either party to shut down generating units for scheduled maintenance. This means that the emergency service or breakdown will usually be provided in the peak load periods of the supplier. Exhibit No. 5 showed that during the billing periods ending July 17, 1975, August 19, 1975, and September 16, 1975 the City of Ruston was taking emergency service. This is during the peak load months of July, August, and September on the LP&L system. Exhibit No. 6 shows the billing of all nine Emergency Assistance customers, which tends to peak in the summer months. Therefore, the full on-peak costs should be considered for providing such service.

The actual pricing of emergency service is not a precise art due to the need to utilize "so-called" incremental costs. These generally may be said to be the estimated savings in expense if you had not made the transaction. This requires judgment and is negotiated between two capable and responsible parties which should provide the best result for both parties.

A look at three different pricing methods should support the proposed level. These three methods are (1) costs incurred by generation and transmission, (2) costs to purchase, and (3) incremental costs. It should also be pointed out that although emergency service can be supplied, at the proposed prices, by either party there is an extreme disparity in their respective sizes. The total capability of the interconnection of 45,000 kva, even if it could be supplied by Ruston is only 1.03% of LP&L's 1975 capability. Ruston controls the amount and direction of power flow through the interconnection and can take up to 45,000 kilowatts at any time from the LP&L system. Ruston has about 45,000 kilowatts available for LP&L, including starting up several small diesel engines. Over the life of the contract the 45,000 kw available to LP&L will decrease toward zero. Ruston will probably presently carry their total load on one 43,000 kw generating unit and in case of an emergency LP&L would pick up Ruston's total load. Ruston could provide only a minimum of assistance in the event of a problem on LP&L's system.

(1) Costs to Company of on-peak emergency.

The LP&L peak load period extends for eleven hours each day during the summer months. This is where the load is within 90% of the maximum load. The maximum load can come at any time during this period.

Therefore, the cost of one kw on-peak and eleven kwh per day should be the pricing criterion for an on-peak emergency. Under the system agreement one kw on the system peak would result in a cost to LP&L of:

$$\begin{aligned} 1 \text{ kw} \times 2.91502 - (\text{Waterford \#1}) &= \$2.91502 \text{ (Exhibit No. 2)} \\ 11 \text{ kwh} \times 31 \times *11.16 \text{ mills/kwh} &= \underline{3.80556} \\ &= \$6.72058 \end{aligned}$$

$$\$6.72058 \div 341 \text{ kwh} = \$0.01971 \text{ per kwh}$$

\* Average fuel cost LP&L delivery to exchange (Exhibit No. 7).

An analysis of the nine municipalities served Emergency Assistance Service for the year 1975 (Exhibit No. 8) shows that the revenue per kw of contract demand was only \$0.10 per kw month and the revenue for demand after deducting fuel cost was only \$0.35 per kw month as compared to LP&L's actual cost shown above of \$2.92 per kw.

(2) Costs if purchased from outside sources. (Exhibit No. 9)

During the three months period, July - September, 1975, LP&L purchased under Emergency or Replacement Energy at the following prices:

	<u>Mwh</u>	<u>\$</u>
July	54,923	\$780,753.24
August	44,239	646,840.62
September	<u>41,237</u>	<u>535,611.26</u>
	140,399	\$1,963,205.12

$$\$1,963,205.12 \div 140,399 = \$0.01398 \text{ per kwh}$$

(3) Incremental costs. (Exhibit No. 10)

Incremental costs depend upon the necessity for emergency service within the configuration of the daily load shape of the supplier. The Company operates on economic dispatch such that the fuel cost would be from the next lowest cost source available to supply the emergency energy. The Company has incremental fuel costs ranging from 2.68 mills/kwh to 30.10 mills/kwh. It is impossible to forecast which unit might supply emergency energy at some unknown time. During last summer peak load periods the minimum hourly load was about 1,775 mw. This takes up most of the lower priced fuel supply for firm customers. Under the very minimum load conditions it could be possible to supply emergency energy from units with fuel costs in the 7 mill/kwh range.

The pricing for this is constructed as follows:

	<u>Mills per Kwh</u>
Estimated incremental fuel cost average	7.00
Incremental O & M (Exhibit No. 11)	0.45
Incremental overheads (Exhibit No. 11)	<u>0.50</u>
Total	7.95
Loss factor X 1.06 (Letter 10-1-75)	8.43
Cost components 4 mill adder (Exhibit No. 1)	<u>4.33</u>
Total Mills Kwh Minimum	12.76

Thus the minimum cost to supply additional loads is about 12.5 mills/kwh.

The pricing schedules for the emergency service covers most of the conditions that can occur due to the clock hour time of the emergency. We again would point out that these prices were established by negotiation between two responsible parties and such prices apply regardless of which is the supplier. We do not purport to know the costing methods of the City of Ruston.

In summary for emergency service during off-peak hours the price minimum should be 12.5 mills/kwh, plus the standard fuel adjustment which is based on average fuel costs rather than incremental costs. The average fuel price moves up proportionally as the higher priced units are run to supply load.

At times for more on-peak service the incremental fuel cost plus adder as provided in Section 1(b) will move to the higher range of fuel costs, i. e., 15 through 30 mills per kwh. This puts the pricing in line with the on-peak cost burden placed on the Company, as developed above of \$0.01971 per kwh. This also provides for the price to move smoothly upwards in the event that higher cost units are the emergency supply. The following chart will illustrate this principle.

Fuel		12.5 + FA	Incremental +
Average	Incremental	(1)	4.0 X 1.06
Mills/Kwh		Mills/Kwh	(2) Mills/Kwh
2.3	20	12.5	25.44
4	20	14.2	25.44
8	20	18.2	25.44
12	20	22.2	25.44
16	20	26.2	25.44
20	20	30.2	25.44
20	24	30.2	29.68

If the Company has to purchase emergency energy due to unavailability internally to supply such energy the purchase price would generally be in excess of 17.5 mills plus 15% which is the minimum charge for emergency throughout the Southwest Power Pool.

While emergency sales are made on the basis that "supplier is obligated to make deliveries only to the extent it can do so without jeopardizing service to its own customers," sales on the reserve capacity and supplemental power rate schedules required that the supplier hold certain capacity available for the purchasing party.

In the case of LP&L, this capacity would be supplied from our most recent generation. As shown in Exhibit No. 2 which accompanied our October 1, 1975 filing, Waterford Unit No. 1 cost \$187.89 per kw. Exhibit No. 1 which justified the four mill adder shows that our average installed cost for production plant to be \$82.84 per kw.

Thus LP&L needs to recover an additional \$105.05 per kw. We are attempting to do this through the demand charge of these rates. The \$1.50 per kw charge in the reserve capacity rate is justified by \$105.05 times 18.62% fixed charges (Exhibit No. 2) equals an annual revenue requirement of \$19.56. This \$19.56 ÷ 12 months gives a demand charge of \$1.63 compared to the \$1.50 in service schedule "B," Reserve Capacity.

For supplemental power the capacity must be furnished with reserves. Using a 16% reserve figure our cost of capacity becomes \$187.89 X 1.16 = \$217.95 per kw. This is \$135.11 per kw more than the four mill adder. This \$135.11 X 18.62% equals \$25.16 per kw year. \$25.16 ÷ 12 months gives a rate of \$2.10 per kw compared to the actual charge of \$1.75 in service schedule "C", Supplemental Power.

Since surplus power is available only when the supplying party has it available it was priced somewhat less than reserve and supplemental power.

The two mill adder to energy only recovers a little more than the transmission component on Exhibit No. 1 while the \$82.84 per kw average production cost, times our current fixed costs of 18.62% gives an annual revenue requirement of \$15.42 or \$1.29 per kw month which compares with the \$1.25 charge in the service schedule "D" Surplus Power.

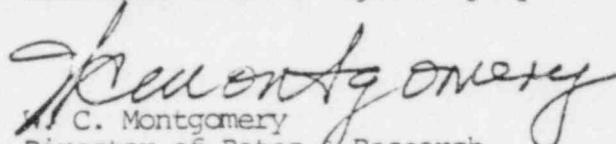
In all of these justifications we have given the municipality the benefit because their load factor is less than LP&L's load factor (58.9% - Exhibit No. 1) and, therefore, we will not recover adequate revenue through the adders to the fuel cost.

We are also enclosing a Fuel Adjustment Rider, Exhibit No. 12, as filed with FPC December 30, 1975, for attachment to Service Schedule "A" - Emergency Assistance, "B" - Reserve Capacity, and "C" - Supplemental Power to supersede adjustment "second," which will bring these rates into conformity with Section 35.14 of the Regulations as amended by Order No. 517.

If you require additional information, please contact me or our attorney, Mr. Richard M. Merriman, 1701 K Street, N. W., Washington, D. C. 20006.

Respectfully submitted,

Louisiana Power & Light Company

  
W. C. Montgomery  
Director of Rates & Research

WCM:CHP

cc: Mr. R. M. Merriman

Louisiana Power & Light Company  
Rate Schedule EAS-2 Code #52  
Year 1975

City of Ruston, Louisiana

<u>1975</u>	<u>Kw Demand Measured</u>	<u>Kwh Consumption</u>	<u>Net Charges</u>
Jan.	-	-	-
Feb.	-	-	-
Mar.	-	-	-
Apr.	-	-	-
May	-	-	-
June	-	-	-
July	1,450.0	4,000 76,000	\$38.68 \$734.92
Aug.	1,150.0	183,000	1,767.78
Sep.	1,150.0	89,000	848.17
Oct.	-	-	-
Nov.	-	-	-
Dec.	-	-	-
Total		352,000	\$3,389.55

Louisiana Power & Light Company  
Rate Schedule EAS-2 Code #52  
Year 1975

City of Thibodaux, Louisiana

<u>1975</u>	<u>Kw Demand Measured</u>	<u>Kwh Consumption</u>	<u>Net Charges</u>
Jan.	1,344.0	414,400	\$4,446.51
Feb.	1,344.0	117,600	1,265.38
Mar.	1,232.0	56,000	546.56
Apr.	3,808.0	1,310,400	13,012.27
May	5,264.0	1,719,200	17,088.85
June	4,032.0	1,450,400	14,837.59
July	4,256.0	1,702,400	16,462.21
Aug.	4,480.0	1,047,200	10,115.95
Sep.	2,688.0	268,800	2,561.66
Oct.	4,704.0	78,400	755.78
Nov.	-	-	-
Dec.	-	-	-
Total		8,164,800	\$81,092.76

Louisiana Power & Light Company  
Rate Schedule EAS-2 Code #52  
Year 1975

City of Plaquemine, Louisiana

<u>1975</u>	<u>Kw Demand Measured</u>	<u>Kwh Consumption</u>	<u>Net Charges</u>
Jan.	-	-	-
Feb.	-	-	-
Mar.	-	-	-
Apr.	3,584.0	148,400	\$1,473.61
May	-	-	-
June	-	-	-
July	-	-	-
Aug.	8,512.0	341,600	3,299.86
Sep.	2,240.0	2,800	26.68
Oct.	6,384.0	5,600	53.98
Nov.	-	-	-
Dec.	-	-	-
Total		498,400	\$4,854.13

Louisiana Power & Light Company  
Rate Schedule EAS-2 Code #52  
Year 1975

City of Homer, Louisiana

<u>1975</u>	<u>Kw Demand Measured</u>	<u>Kwh Consumption</u>	<u>Net Charges</u>
Jan.	-	-	-
Feb.	-	-	-
Mar.	-	-	-
Apr.	-	-	-
May	-	-	-
June	-	-	-
July	-	-	-
Aug.	-	-	-
Sep.	-	-	-
Oct.	-	-	-
Nov.	932.5	93,800	\$883.60
Dec.	-	-	-
Total		93,800	\$883.60

Louisiana Power & Light Company  
Rate Schedule EAS-2 Code #52  
Year 1975

City of Houma, Louisiana

<u>1975</u>	<u>Kw Demand Measured</u>	<u>Kwh Consumption</u>	<u>Net Charges</u>
Jan.	1,562.5	33,600	\$327.77
Feb.	5,393.0	56,000	602.56
Mar.	-	-	-
Apr.	-	-	-
May	-	-	-
June	-	-	-
July	-	-	-
Aug.	-	-	-
Sep.	-	-	-
Oct.	5,997.5	67,200	647.81
Nov.	4,284.0	11,200	105.50
Dec.	-	-	-
Total		168,000	\$1,683.64

Louisiana Power & Light Company  
Rate Schedule EAS-2 Code #52  
Year 1975

Town of Lake Providence, Louisiana

<u>1975</u>	<u>Kw Demand Measured</u>	<u>Kwh Consumption</u>	<u>Net Charges</u>
Jan.	1,288.0	50,400	\$540.79
Feb.	-	-	-
Mar.	-	-	-
Apr.	-	-	-
May	-	-	-
June	1,512.0	114,800	1,174.40
July	1,680.0	100,800	974.74
Aug.	1,904.0	551,600	5,328.46
Sep.	1,848.0	722,400	6,884.47
Oct.	-	-	-
Nov.	-	-	-
Dec.	-	-	-
Total		1,540,000	\$14,902.86

Louisiana Power & Light Company  
Rate Schedule EAS-2 Code #52  
Year 1975

City of Monroe, Louisiana

<u>1975</u>	<u>Kw Demand Measured</u>	<u>Kwh Consumption</u>	<u>Net Charges</u>
Jan.	-	-	-
Feb.	-	-	-
Mar.	-	-	-
Apr.	-	-	-
May	10,000.0	43,000	\$427.42
June	-	-	-
July	-	-	-
Aug.	-	56,000	540.96
Sep.	-	-	-
Oct.	-	-	-
Nov.	-	-	-
Dec.	-	-	-
Total		99,000	\$968.38

Louisiana Power & Light Company  
Rate Schedule EAS-2 Code #52  
Year 1975

Town of Rayville, Louisiana

<u>1975</u>	<u>Kw Demand Measured</u>	<u>Kwh Consumption</u>	<u>Net Charges</u>
Jan.			
Feb.			
Mar.			
Apr.	616.0	5,600	\$55.61
May	1,680.0	2,800	27.83
June	-	-	-
July	-	-	-
Aug.	-	-	-
Sep.	3,080.0	775,600	\$7,391.47
Oct.		523,700	5,048.47
Nov.	-	-	-
Dec.	-	-	-
Total		1,307,700	\$12,523.38

EXCHANGE ENERGY

Source	MWH	Mills Per KWH	Charge
PSO "ES"	98 -	23.80	\$ 2,332.40
SWEPSCO "ES"	247	22.54	5,567.38
Sterlington #7 Oil	1,082	19.31	20,893.42
Sterlington #6 Oil	15,296	19.19	293,530.24
Ninemile Pt. #4 Oil (2)	30,546	18.78	573,653.88
Little Gypsy #2 Oil	7,654	18.51	141,675.54
Ninemile Pt. #3 Oil (6)	25,604	17.96	459,847.84
Waterford #1 Oil	75,519	17.90	1,351,790.10
OG&E "ES"	9,316	17.50	163,030.00
CLECO "ES"	6,326	17.50	110,705.00
EDE "ES"	26	17.50	455.00
Buras	3,440	17.17	59,064.80
Sterlington #5 UG	4,796	16.50	79,134.00
Rex Brown #2 SFI Gas	322	15.38	4,952.36
Sterlington #5 CSC #2	1,216	15.28	18,580.48
Rex Brown #3 SFI Gas	578	15.08	8,716.24
Buras Peaking	4,217	14.62	61,652.54
Sterlington #5 CSC #1	458	14.07	6,444.06
Rex Brown #4 SFI Gas	2,904	14.03	40,743.12
Sterlington #6 UG	17,153	13.83	237,225.99
CLECO "RE"	148 -	13.28	1,965.44
Sterlington #6 CSC #2	22,172	12.81	284,023.32
Sterlington #7 CSC #2	321	12.26	3,935.46
TVA Economy	1,322	11.916149	15,753.15
OG&E "RE"	29,185	11.90457721	347,435.09
Sterlington #6 CSC #1	9,893	11.80	116,737.40
Sterlington #6 C-P-LIG	9,178	11.80	108,300.40
Sterlington #7 CSC #1	1,231	11.29	13,897.99
Sterlington #7 C-P-LIG	18,620	11.29	210,219.80
EDE "RE"	348	10.4516129	3,637.16
Sterlington #6 TG	8,344	10.18	84,941.92
Sterlington #7 TG	2,041	9.74	19,879.34
UE (Firm Energy Return)	2,005	6.9448183	13,924.36
Ninemile Pt. #1 UG	15,447	6.19	95,616.93
Ninemile Pt. #2 UG	9,004	5.49	49,431.96
Ninemile Pt. #3 UG	3,655	4.96	18,128.80
Ninemile Pt. #4 UG	1,152	4.92	5,667.84
TVA - RD	9,492	4.20188463	39,884.29
Ninemile Pt. #1 Texaco	26	3.66	95.16
Sterlington #6 PA	4,996	3.51	17,535.96
Sterlington #7 PA	1,127	3.36	3,786.72
Ninemile Pt. #2 Texaco	4,874	3.25	15,840.50
Ninemile Pt. #3 Texaco	12,134	2.94	35,673.96
Ninemile Pt. #4 Texaco	78,276	2.92	228,565.92
Little Gypsy #2	227	2.88	653.76
July	452,016	11.89	\$5,375,527.02
Aug.	579,683	11.72	6,795,078.44
Sep.	437,440	10.17	4,450,829.58
	1,469,139	11.32	\$16,621,435.04
		- 0.15	
		11.16	

EXCHANGE ENERGY

<u>Source</u>	<u>MWH</u>	<u>Mills Per KWH</u>	<u>Charge</u>
Moses #2 Oil	1,520	28.45	\$ 43,244.00
Moses #1 Oil	540	28.41	15,341.40
Lake Catherine #3 Oil	28	23.92	669.76
Lake Catherine #4 Oil	1,383	21.43	29,637.69
Ritchie #1 Oil	3,052	20.96	63,969.92
McClellan Oil	4,963	19.90	98,763.70
Ritchie #2 Oil	8,287	19.38	160,602.06
Andrus Oil (Part.)	31,099	18.45	573,776.55
Waterford #1 Oil (Part.)	69	18.45	1,273.05
U.E. (Firm Energy Return)	1,100	16.4054871	18,046.04
Rex Brown #2 SFI Gas	6	15.56	93.36
TVA - RD	994	15.4643967	15,371.61
Rex Brown #3 SFI Gas	28	15.25	427.00
Rex Brown #4 SFI Gas	249	14.19	3,533.31
OG&E - RE	637	11.85375902	7,550.84
TVA - Economy	13	11.743383	152.66
Lynch #3	990	8.62	8,533.80
Couch #2 (Ark-La)	256	8.02	2,053.12
Ritchie #1	136	7.44	1,011.84
Lake Catherine #4	289	7.01	2,025.89
	<u>55,639</u>		<u>\$ 1,046,077.60</u>
Sterlington #6 Oil	12,403	20.01	\$ 248,184.03
Ninemile Pt. #4 Oil (2)	25,871	20.01	517,678.71
Little Gypsy #2 Oil	4,708	19.75	92,983.00
Waterford #1 Oil	145,120	18.60	2,699,232.00
Ninemile Pt. #3 Oil (6)	17,404	18.51	322,148.04
CLECO - ES	5,872	17.53745632	102,979.94
OG&E - ES	11,240	17.50	196,700.00
Buras	2,379	17.17	40,847.43
PSO - RE	914	16.75	15,309.50
Sterlington #5 UG	3,848	16.50	63,492.00
Rex Brown #2 SFI Gas	500	15.56	7,780.00
Rex Brown #3 SFI Gas	577	15.25	8,799.25
Sterlington #5 CSC #2	891	15.28	13,614.48
Buras Peaking	2,393	14.62	34,985.66
Rex Brown #4 SFI Gas	3,352	14.19	47,564.88
CLECO - RE	3,221	13.9019525	44,778.19
Sterlington #6 UG	19,307	13.83	267,015.81
Sterlington #6 CSC #2	30,631	12.81	392,383.11
EDE - RE	356	12.39147287	4,411.36
OG&E - RE	17,923	11.85375902	212,454.92
Sterlington #6 CSC #1	13,136	11.80	155,004.80
Sterlington #6 C-P - LIG	10,992	11.80	129,705.60
TVA Economy	1,708	11.743383	20,057.70
Sterlington #7 CSC #1	225	11.29	2,540.25
Sterlington #7 C-P - LIG	21,019	11.29	237,304.51

EXCHANGE ENERGY

<u>Source</u>	<u>MWH</u>	<u>Mills Per KWH</u>	<u>Charge</u>
Sterlington #6 TG	11,507	10.18	\$ 117,141.26
Sterlington #7 TG	1,088	9.74	10,597.12
U.E. (Firm Energy Return)	11,272	7.2706575	81,954.85
Ninemile Pt. #1 UG	17,569	5.99	105,238.31
Ninemile Pt. #2 UG	10,726	5.30	56,847.80
Ninemile Pt. #3 UG	4,928	4.79	23,605.12
Ninemile Pt. #4 UG	1,396	4.76	6,644.96
TVA - RD	21,104	4.20188463	88,676.57
Sterlington #6 PA	6,000	3.51	21,060.00
Sterlington #7 PA	383	3.36	1,286.88
Ninemile Pt. #2 Texaco	4,868	3.25	15,821.00
Ninemile Pt. #3 Texaco	18,444	2.94	54,225.36
Ninemile Pt. #4 Texaco	113,225	2.92	330,617.00
Little Gypsy #2	<u>1,183</u>	2.88	<u>3,407.04</u>
	579,683	11.722	\$ 6,795,078.44
Michoud #1 Oil (5)	85	21.10	\$ 1,793.50
Michoud #3 Oil (5)	<u>93</u>	20.03	<u>1,862.79</u>
	178		\$ 3,656.29
Total Exchange	635,500		\$ 7,844,812.33

Weighted Average Cost =  $\frac{\$ 7,844,812.33}{635,500,000} = 12.34431523$  Mills per KWH.

EXCHANGE ENERGY

<u>Source</u>	<u>MWH</u>	<u>Mills Per KWH</u>	<u>Charge</u>
Moses #2 Oil	30	28.59	\$ 857.70
Lake Catherine #4 Oil	83	21.65	1,796.95
Ritchie #2 Oil	986	19.55	19,276.30
Andrus Oil (Part.)	31,212	18.77	585,849.24
Waterford #2 Oil (Part.)	771	18.68	14,402.28
OG&E "ES"	326	17.50	5,705.00
UE - Firm Energy Return	4,736	16.3226867	77,304.24
TVA-RD	13,976	15.4643967	216,130.41
Rex Brown #4 SFI Gas	1,617	14.30	23,123.10
OG&E "RE"	3,543	12.2768095	43,496.74
SWEPCO "RE"	681	11.5832183	7,888.17
EDE "RE"	162	8.544663	1,384.24
Lynch #3	6,799	8.62	58,607.38
Couch #2 (Ark-La)	1,440	8.02	11,548.80
Ritchie #1	2,160	7.44	16,070.40
Lake Catherine #4	21,056	7.01	147,602.56
Ritchie #2	10,071	6.88	69,288.48
ANO #1	251	6.79	1,704.29
	<u>99,900</u>		<u>\$1,302,036.28</u>
Andrus Oil (Part.)	640	18.77	\$ 12,012.80
Waterford #2 Oil (Part.)	52	18.68	971.36
OG&E "ES"	5	17.50	87.50
UE-Firm Energy Return	219	12.5557086	2,749.70
OG&E "RE"	482	12.2768095	5,917.42
SWEPCO "RE"	11	11.5832183	127.42
TVA-RD	330	9.6825226	3,195.23
EDE "RE"	1	8.544663	8.54
New Madrid	251	6.30	1,581.30
	<u>1,991</u>		<u>\$ 26,651.27</u>
Sterlington #6 Oil	3,977	21.00 20.15	\$ 80,136.55
Ninemile Pt. #4 Oil (2)	7,645	18.43 19.82	151,523.90
Little Gypsy #2 Oil	3,434	18.09 19.57	67,203.38
Ninemile Pt. #5 Oil	1,713	17.88 19.21	32,906.73
Andrus Oil (Part.)	12,027	18.77	225,746.79
Waterford #1 Oil	54,032	19.47 18.83	1,017,422.56
Waterford #2 Oil	3,736	24.72 18.83	70,348.88
Ninemile Pt. #3 Oil (6)	2,996	18.55	55,575.80
CLECO "ES"	2,211	17.54218	38,785.76
OG&E "ES"	2,818	17.50	49,315.00
Buras	3,511	17.17	60,283.87
PSO "RE"	539	16.75	9,028.25
Sterlington #5 UC	4,958	16.50	81,807.00
Rex Brown #2 SFI Gas	59	15.67	924.53
Rex Brown #3 SFI Gas	48	15.36	737.28

EXCHANGE ENERGY

<u>Source</u>	<u>MWH</u>	<u>Mills Per KWH</u>	<u>Charge</u>
Sterlington #5 CSC #2	357	15.28	\$ 5,454.96 ✓
Buras Peaking	3,223	14.62	47,120.26 ✓
Rex Brown #4 SFI Gas	4,042	14.30	57,800.60
Sterlington #5 PH-LIG	318	14.07	4,474.26 ✓
Sterlington #6 UG	23,871	13.83	330,135.93 ✓
Sterlington #6 CSC #2	29,193	12.81	373,962.33 ✓
OG&E "RE"	26,852	12.2768095	329,656.89
Sterlington #6 CSC #1	11,949	11.80	140,998.20 ✓
Sterlington #6 PH-LIG	19,453	11.80	229,545.40 ✓
SWEPSCO "RE"	4,397	11.5832183	50,931.41
Sterlington #7 CSC #1	217	11.29	2,449.93 ✓
Sterlington #7 PH-LIG	8,175	11.29	92,295.75 ✓
Sterlington #6 TG	9,742	10.18	99,173.56 ✓
Sterlington #7 TG	402	9.74	3,915.48 ✓
EDE "RE"	360	8.544663	3,076.08
UE - Firm Energy Return	11,677	7.7976571	91,053.24
Ninemile Pt. #1 UG	2,339	6.80	15,905.20 ✓
Ninemile Pt. #2 UG	6,619	6.02	39,846.38 ✓
Ninemile Pt. #3 UG	610	5.44	3,318.40 ✓
Ninemile Pt. #4 UG	24,259	5.40	130,998.60 ✓
TVA-RD	21,108	4.20188463	88,493.38
Sterlington #5 PA	202	4.17	842.34 ✓
Sterlington #6 PA	2,724	3.51	9,561.24 ✓
Sterlington #7 PA	127	3.36	426.72 ✓
Ninemile Pt. #2 Texaco	452	3.27	1,478.04 ✓
Ninemile Pt. #3 Texaco	1,740	2.96	5,150.40 ✓
Ninemile Pt. #4 Texaco	119,208	2.94	350,471.52 ✓
Little Gypsy #2	120	2.89	346.80
	<u>437,440</u>	<u>10.17</u>	<u>\$4,450,829.58</u>
Michoud #3 Oil (5)	<u>894</u>	20.28	<u>\$ 18,130.32</u>
	894		\$ 18,130.32
Total Exchange	540,225		\$5,797,647.45

Weighted Average Cost =  $\frac{\$5,797,647.45}{540,225,000} = 10.73191254$  Mills per KWH

LOUISIANA POWER & LIGHT COMPANY  
Municipal Emergency Service Rate Schedule EAS-2 (Code #52)  
Analysis of Revenues  
Year 1975

Contract demand		*103,550 kw
* Includes only 14,500 kw for Ruston		
Total maximum individual demands		37,140 kw
Total coincident demand on LP&L's 4 - 1975 peaks		8,326.5 kw
Energy use		12,267,350 kwh
Revenue to LP&L		\$120,720.29
Revenue less minimum incremental fuel cost 7 mills per kwh		\$34,848.84
	<u>Annual</u>	<u>Average Monthly</u>
Revenue per kw of contract demand	\$1.16	\$0.10
Revenue per kw of coincident demand on LP&L's 4 - 1975 peaks	\$14.50	\$1.21
Revenue (less minimum incremental fuel cost) per kw of coincident demand on LP&L's 4 - 1975 peaks	\$4.19	\$0.35

LOUISIANA POWER & LIGHT COMPANY  
MUNICIPAL EMERGENCY SERVICE RATE SCHEDULE EAS-2 (Code 52)  
DEMANDS ON LP&L 4 HIGHEST SYSTEM PEAKS  
YEAR 1975

	LP&L System Mw	Total Municipal Kw	Plaquemine 447813	Minden 554607	Rayville 491362	Homer 18933	Lake Providence 113489	Houma 325408	Monroe 404125	Thibodaux 26870	Ruston 450524
August 27 75 6 PM	2,837	6,552	0	0	2,800	0	1,736	0	0	2,016	0
August 28 75 2 PM	2,852	6,836	0	0	2,800	0	1,596	0	0	2,240	200
Sep. 2 75 6 PM	2,883	13,048	0	0	3,024	0	1,750	5,884	0	2,240	150
Sep. 3 75 5 PM	2,821	6,870	0	0	2,912	0	1,792	0	0	2,016	150
Average 4 Demands	2,848	8,326.5	0	0	2,884	0	1,718.5	1,471	0	2,128	125
Contract Demand		103,550	10,000	4,500	4,300	2,000	2,000	10,000	50,000	6,500	14,500*
Kwh Year		12,267,350	498,400	43,650	1,307,700	93,800	1,540,000	168,000	99,000	8,164,800	352,000
Revenue \$		\$120,720.29	\$4,854.13	\$421.99	\$12,523.38	\$883.60	\$14,902.86	\$1,683.64	\$968.38	\$81,092.76	\$3,389.55

\* Ruston - Present contract demand of 14,500 kw being increased to 45,000 kw.

In Account with Middle South Services, Inc.

PURCHASES AND SALES Associated Companies	Energy (MWH)		Billing	
	Deliveries	Receipts	Credit (Deliveries)	Charge (Receipts)
Exchange Energy	452,016	224	\$5,375,527.02	\$ 2,958.01
Waterford Cap. Equal.	-	-	11,660.00*#	-
Waterford Energy	42,877	-	761,066.75	-
Transmission Equal. Charge	-	-	-	43,441.00
LGP Gas Energy	33,582	-	234,498.46	-
Miss. SFI Gas Energy	-	4,357	-	62,601.56
	528,475	4,581	\$6,382,752.23*#	\$ 109,000.57
<u>Non-Associated Companies</u>				
Net Balance for Sales	-	-	\$ 172,136.36	\$ -
Energy Supplied for Sales	79	-	1,516.01	-
OG&E "ES"	-	13,567	-	237,422.50
OG&E "RE"	-	30,694	-	365,399.09
UE Firm Return	-	6,323	-	-
TVA RD "E"	-	52,483	-	-
EDE "RE"	-	356	-	3,720.78
EDE "ES"	-	26	-	455.00
SWEPCO "ES"	-	247	-	5,567.38
PSO "ES"	-	98	-	2,332.40
CLECO "RE"	-	148	-	1,965.44
CLECO "ES"	-	8,465	-	148,137.50
TVA Economy "B"	-	1,322	-	15,753.15
UE Firm Energy Return	-	2,278	-	-
TVA STP	49,547	-	-	(276,775.71)
SWEPCO Energy Adjustment for May 1975	-	-	-	1,285.67
UE Firm Sales	14,111	-	-	-
	63,737	116,007	\$ 173,652.37	\$ 505,263.20
<b>TOTAL</b>	<b>592,212</b>	<b>120,588</b>	<b>\$6,556,404.60*#</b>	<b>\$ 614,263.77</b>

Middle South Services, Inc. payable to LP&L

\$5,942,140.83 \*

In Account with Middle South Services, Inc.

PURCHASES AND SALES Associated Companies	Energy (MWH)		Billing	
	Deliveries	Receipts	Credit (Deliveries)	Charge (Receipts)
Exchange Energy	579,683	-	\$6,795,078.44	\$ -
Andrus Cap. Equal	-	-	-	227,608.00 **#
Andrus Energy	-	-	-	73,971.00
Transmission Equal. Charge	-	-	⊖ @	-
Cap. Equal. Adj. for July 1975	-	-	56,567.70	-
Waterford Energy	3,066	4,836	-	70,224.08
SFI Gas Energy	-	-	242,883.11	-
LGP Gas Energy	34,776	-	-	-
	617,525	4,836	\$7,094,529.25#	\$ 371,803.08 **#
<u>Non-Associated Companies</u>				
Net Balance for Sales	-	-	\$ 282,991.01	\$ -
Energy supplied for Sales	5,277	-	105,361.87	-
CLECO "RE"	-	3,221	-	44,778.19
PSO "RE"	-	1,050	-	17,587.50
OG&E "RE"	-	18,274	-	216,615.59
TVA RD "E"	-	53,892	-	-
UE Firm Energy Return	-	12,225	-	-
OG&E "ES"	-	11,961	-	209,317.50
TVA Economy "B"	-	1,708	-	20,057.70
EDE "RE"	-	438	-	5,427.46
CLECO "ES"	-	7,587	-	133,056.68
UE Firm Sales	9,949	-	-	-
	15,226	110,356	\$ 388,352.88	\$ 646,840.62
	632,751	115,192	\$7,482,882.13#	\$1,018,643.70 *
<b>TOTAL</b>				\$6,464,238.43 *

Middle South Services, Inc. payable to LP&L

@ July adjustment eliminated due to revision of July billing.

In Account with Middle South Services, Inc.

PURCHASES AND SALES Associated Companies	Energy (MWH)		Billing	
	Deliveries	Receipts	Credit (Deliveries)	Charge (Receipts)
Exchange Energy	437,440	-	\$4,450,829.58	\$ -
Andrus Cap. Equal.	-	-	-	61,355.20 #
Andrus Energy	-	13,163	-	247,069.51
Transmission Equal. Charge	-	-	-	88,008.00 #
Andrus Cap. Equal. Adj. for August 1975	-	-	-	-0- @
Waterford #2 Cap. Equal.	-	-	302,169.60 #	-
Waterford #2 Energy	2,736	-	51,108.48	-
SFI Gas Energy	-	4,307	-	61,812.13
LGP Gas Energy	26,955	-	189,744.88	-
	467,131	17,470	\$4,993,852.54 #	\$ 458,244.84 #
<u>Non-Associated Companies</u>				
Net Balance for Sales	-	-	\$ 84,843.97	\$ -
Energy Supplied for Sales	2,754	-	53,602.02	-
SWEPSCO "RE"	-	4,527	-	52,437.23
OG&E "RE"	-	29,402	-	360,962.75
OG&E "ES"	-	2,975	-	52,062.50
TVA-RD "E"	-	42,436	-	-
UE Firm Energy Return	-	14,799	-	-
PSO "RE"	-	539	-	9,028.25
EDE "RE"	-	604	-	5,160.98
CLECO "ES"	-	3,190	-	55,959.55
UE Firm Sales	3,815	-	-	-
	6,569	98,472	\$ 138,445.99	\$ 535,611.26
<b>TOTAL</b>	<b>473,700</b>	<b>115,942</b>	<b>\$5,132,298.53 #</b>	<b>\$ 993,856.10 #</b>

\$4,138,442.43 #

Middle South Services, Inc. payable to LP&L

@ August adjustment eliminated due to revision of August billing.

Louisiana Power & Light Company  
August 1975 Incremental Fuel

<u>Unit</u>	<u>Net Capability Kilowatts</u>	<u>Fuel Costs Mills/Kwh</u>
Sterlington #5	43,750	16.35, 15.13, 13.92, 11.98, 8.71, 4.02
Sterlington #6	247,775	19.86, 13.68, 12.66, 11.65, 10.03, 7.29, 3.36
Sterlington #7	231,850	20.53, 13.09, 12.11, 11.14, 9.59, 6.98, 3.21
Ninemile #1	69,000	23.07, 5.84, 3.51
Ninemile #2	112,500	22.22, 20.38, 5.15, 3.10
Ninemile #3	169,837	20.02, 18.36, 4.64, 2.79
Ninemile #4	783,000	19.86, 18.21, 4.61, 2.77
Ninemile #5	783,000	19.24, 2.68
Little Gypsy #1	247,775	19.27, 2.68
Little Gypsy #2	420,750	19.60, 2.73
Little Gypsy #3	582,250	19.47, 2.70
Waterford #1	388,000	18.45
Waterford #2	388,000	18.45
Buras	19,000	17.02, 14.47

Louisiana Power & Light Company  
 Development of Production Adders  
 Federal Power Commission  
 Form #1-1974

FPC\*1 Pages 417

<u>Account</u>	<u>\$</u>
500	\$182,970
502	590,984
505	588,643
506	708,806
510	159,870
511	45,515 <sup>m</sup>
512	2,847,270
513	2,832,480
514	106,458
	<u>\$8,062,898</u> ÷ 17,877,854,000 = \$.000450

Allocation of G. A. O. - FPC #1 - Page 420

	<u>1974 Totals</u>	GAO - - Ovhd.
Generation (Less Fuel)	\$24,820,912	\$9,000,671
Transmission	1,815,802	658,455
Distribution	9,314,233	3,377,569
	<u>\$35,950,947</u>	<u>\$13,036,695</u>

\$9,000,671 ÷ 17,877,854,000 = \$.000503

## Fuel Adjustment Rider

The fuel adjustment clause contained in the rate schedule to which this rider is a part reads, "Plus or minus .001 cent per kwh used during the month for each .001 cent by which the average fuel cost per kwh as delivered to Company's customers during the second preceding calendar month is more or less than .230 cent."

As used in the fuel adjustment clause the statement "---the average fuel cost per kwh as delivered to Company's customers during the second preceding calendar month---" is defined as  $F_m/S_m$  where

$F_m$  = Cost to Company in the second preceding month of fossil and nuclear fuel used during the month, which shall include:

(a) fossil and nuclear fuel consumed in the utility's own plants, and the utility's share of fossil and nuclear fuel consumed in jointly owned or leased plants.

(b) the actual identifiable fossil and nuclear fuel costs associated with energy purchased for reasons other than identified in (c) below.

(c) the net energy cost of energy purchases exclusive of capacity or demand charges (irrespective of the designation assigned to such transactions) when such energy is purchased on an economic dispatch basis. Included therein may be such costs as the charges for economy energy purchases and the charges as a result of scheduled outage, all such kinds of energy being purchased by the buyer to substitute for its own higher cost energy; and less

(d) the cost of fossil and nuclear fuel recovered through intersystem sales including the fuel costs related to economy energy sales and other energy sold on an economic dispatch basis.

$S_m$  = Net kwh input into Company's system for the supply of energy in its operating area for the second preceding month. Said input shall be determined as the sum of (1) generation, (2) purchases, (3) interchange-in, less (4) intersystem sales referred to in (d) above, less (5) total system losses associated with wholesale sales for resale delivery level.

The adjustment factor computed above shall be further modified to allow the recovery of gross receipts and other similar revenue based tax charges occasioned by the fuel adjustment revenues.

Attachment IV

FOR YOUR INFORMATION  
R. M. MERRILL  
REID & POLLEY  
WASH., D. C. OFFICE

OFFICIAL STENOGRAPHERS' REPORT

BEFORE THE

FEDERAL POWER COMMISSION

SUBJECT

In the Matter of:

LOUISIANA POWER AND LIGHT COMPANY

DOCKET NO. ER76-162

PRE-HEARING CONFERENCE

Held at Washington, D. C.

Tuesday, May 18, 1976

PAGES 1 TO 19

Columbia Reporting Company

OFFICIAL REPORTERS

300 SEVENTH STREET, S.W.

WASHINGTON, D. C. 20024

TELEPHONE 737-8333

RECEIVED

MAY 24 1976

RATE DEPT.

1 which, you might say, flesh out the interconnection.

2 PRESIDING JUDGE: Very well.

3 Is there a difference between what I assume would be  
4 Supplement No. 1 to Rate Schedule FPC 54 Emergency Assistance,  
5 which is now Service Schedule A, and the previous Emergency  
6 Service Tariff?

7 MR. CARTER: I would say, Your Honor, that fundamentally  
8 the Emergency Schedule is about the same, except for it being  
9 a larger interconnection. It's an increased supply available.

10 PRESIDING JUDGE: Was the increased supply made available  
11 at the request of Ruston?

12 MR. CARTER: Yes, sir.

13 PRESIDING JUDGE: Very well.

14 Ms. Nygaard, do you have any idea yet what the problems  
15 are?

16 MS. NYGAARD: Well, Your Honor, the Staff has no problems  
17 with the calculations made by the Company, and the Fuel Adjust-  
18 ment Clause we believe complies with Section 35.14 of the Com-  
19 mission's Rules and Regulations, as modified by R-517. There-  
20 fore, as far as we are concerned, the only remaining issues  
21 deal with the rationale for the pricing of demand charges in,  
22 I believe, Schedules B and C, and, again, possibly the rationale  
23 behind the four mill adder appearing in some of these Schedules.

24 PRESIDING JUDGE: Is it Schedules B and C or C and D?

25 MS. NYGAARD: B and C.

1 PRESIDING JUDGE: And the adder?

2 MS. NYGAARD: And the four mill adder.

3 Therefore, we would hope for a rather expeditious proceed-  
4 ing.

5 PRESIDING JUDGE: Mr. Goldberg, what problems does Ruston  
6 have?

7 MR. GOLDBERG: Your Honor, the material that was submitted  
8 in response to Deficiency Letters by the Louisiana Power & Light  
9 Company is still under study, and, therefore, I would not be in  
10 a position to give you any definitive response as to whether the  
11 information supplied by Louisiana Power & Light has satisfied  
12 the inquiries made by the Commission.

13 There was an additional inquiry made by the Commission  
14 which related to the charge to be made for supplemental power,  
15 and I think the incremental fuel costs with respect to Service  
16 Schedule C. I understand Staff counsel to indicate that while  
17 they have no problems with the calculations, there may still be  
18 problems about whether the charges satisfy the rate-making  
19 standards of the Act, if I understood what Staff counsel meant.

20 PRESIDING JUDGE: Were these charges subject to negotiation  
21 between Ruston and the Company, Mr. Goldberg, or were these  
22 unilateral charges?

23 MR. GOLDBERG: I think I probably have to tell you this, in  
24 response to that question: The matter of an interconnection  
25 agreement for these additional services arose as part of a

1           PRESIDING JUDGE: Well then we're in a different kind of  
2 proceeding, obviously.

3           Ms. Nygaard, your questions with respect to the demand  
4 charge rationale in Schedules B and C and the four mill adder,  
5 are they susceptible for at least greater determination if an  
6 opportunity is made available for exchanging Data Requests,  
7 filing of data, or conferences with the Company?

8           MS. NYGAARD: Your Honor, we feel we have sufficient data,  
9 and we're really not contemplating a Data Request, since the  
10 responses to the various Deficiency Letters satisfied the  
11 questions in those Letters.

12           A separate question, again, is whether once you have those  
13 answers the rationale implicit in those numbers is acceptable,  
14 and that's where we are now.

15           Certainly we would be very happy to have a settlement dis-  
16 cussion with the parties to see if the rationale can be explained  
17 further, if you feel that's necessary, or otherwise get together  
18 on it.

19           PRESIDING JUDGE: I understand your problem. So now it's  
20 between Louisiana Power & Light and Ruston and EPSA, and it  
21 seems to me that this is more in the nature of a dispute over  
22 the terms of a contract, which ought to be at least attempted to  
23 make a determination by the parties themselves.

24           MR. GOLDBERG: I can say this in that connection, Your  
25 Honor: We thought we could possibly be ready today to talk

Attachment V



In its Notice of Withdrawal EPSA states that as a result of conferences held between representatives of EPSA and LP&L, questions respecting the interpretation and application of certain provisions of the Interconnection Agreement have been resolved to EPSA's satisfaction. Appended to its Notice of Withdrawal are illustrative calculations submitted to EPSA by LP&L which satisfy EPSA's concerns. Good cause having been shown therefor, permission to withdraw shall be granted.

On September 2, 1976, the Presiding Administrative Law Judge issued an order granting Commission Staff's motion to terminate the proceeding inasmuch as "all questions of Staff with respect to the filing now have been resolved satisfactorily, and there remains no issue in dispute." The Presiding Judge's order took note of the July 12 Notice of Withdrawal of EPSA. Consistent therewith and in light of the above, Docket No. ER76-162 is hereby terminated.

The Commission finds:

Good cause exists to grant EPSA permission to withdraw from this proceeding and to terminate Docket No. ER76-162.

The Commission orders:

(A) EPSA is hereby granted permission to withdraw from this proceeding.

(B) Docket No. ER76-162 is hereby terminated.

(C) The Secretary shall cause the prompt publication of this order in the Federal Register.

By the Commission.

( S E A L )

Lois D. Cashell,  
Acting Secretary.

Attachment VI



**LOUISIANA**  
POWER & LIGHT / 142 DELARONDE STREET  
P. O. BOX 6008 • NEW ORLEANS, LOUISIANA 70174 • (504) 366-2345

October 19, 1978

Federal Energy Regulatory Commission  
Washington, D. C. 20426

Attention: Mr. Kenneth F. Plumb, Secretary

Re: Louisiana Power & Light Company  
Interconnection Agreement with  
Cajun Electric Cooperative, Inc.

Gentlemen:

Enclosed herewith for filing with the Commission pursuant to Part 35 of the Commission's Regulations are six copies of an "Electric System Interconnection Agreement" between Cajun Electric Power Cooperative, Inc. (Cajun), Louisiana and Louisiana Power & Light Company (LP&L) dated May 25, 1976. The Agreement was approved by the Rural Electrification Administration on August 17, 1977.

Also enclosed are the following:

1. Letter from James R. Smith (Cajun) to W. C. Montgomery (LP&L) dated September 8, 1978.
2. Notice of filing.
3. LP&L check for filing fee.
4. Letters cancelling the Cajun Agreements from M. L. Burgin (Cajun) to J. M. Wyatt (LP&L) dated September 23, 1976 and September 9, 1977.

Among other things, this Agreement contemplates the construction by Cajun of generating stations and transmission service by LP&L to deliver power for Cajun.

Pursuant to Section 35.3 (b) of the Commission's Regulations, the Commission is respectfully requested to permit this Agreement to be tendered for filing more than ninety days before it is to become effective and to accept for filing this Agreement with Cajun to become effective on May 29, 1980 or the date upon which the interconnection is first made available,

October 19, 1978

whichever is earlier. Substantial amounts of money must be spent for construction of electric facilities and microwave metering and control to provide for the operation of this Agreement. (See enclosed letter from James R. Smith to W. C. Montgomery dated September 8, 1978.)

When it becomes effective, this Agreement will supersede LP&L Rate Schedules FERC Nos. 34, 35, 37, and 42.

FERC No. 34, Dixie Electric Membership Corporation

FERC No. 35, Pointe Coupee Electric Membership Corporation

FERC No. 37, Washington-St. Tammany Electric Cooperative, Inc.

FERC No. 42, Louisiana Electric Cooperative, Inc. - now Cajun

The letters from Cajun dated September 23, 1976 and September 9, 1977 informing LP&L that Cajun intends to terminate the agreements are enclosed.

This Agreement makes available five service schedules as follows:

Service Schedule "EA-1"	Emergency Assistance
Service Schedule "SUP-1"	Supplemental Power
Service Schedule "SUR-1"	Surplus Power
Service Schedule "EE-1"	Economy Energy
Service Schedule "TS-1"	Transmission Service

This Agreement is the result of arm-length negotiations started in 1969 between LP&L and Louisiana Electric Cooperative Inc. (predecessor of Cajun). Negotiations continued for several years, and in 1972 negotiations were carried on with (1) Louisiana Municipal Association Utilities Group, (LMAUG), representing the generating municipalities in Louisiana, (2) Cajun, (3) the Atomic Energy Commission (now Nuclear Regulatory Commission), and (4) the Department of Justice. These negotiations resulted in agreements accepted by LMAUG and subsequently by Cajun which were a part of the requirements for obtaining a construction permit for the Company's Waterford No. 3 nuclear generating unit and represents the interpretation of our commitments to the Nuclear Regulatory Commission and to the Department of Justice as to providing electric power for the generating municipalities and cooperatives in Louisiana.

October 19, 1978

Electric System Interconnection Agreements with Service Schedules A - Emergency Assistance, B - Reserve Capacity, C - Supplemental Power, D - Surplus Power, E - Economy Energy, and F and F-1 - Transmission Service were accepted for filing in FERC Docket No. ER76-162, with the City of Ruston, Louisiana and made effective May 4, 1976, Rate Schedule FERC No. 54; in Docket No. ER76-867, with the Town of Homer, Louisiana and made effective August 1, 1976, Rate Schedule FERC No. 57; in Docket No. ER76-868, with the Town of Rayville, Louisiana and made effective September 19, 1976, Rate Schedule FERC No. 58; in Docket No. ER76-870, with the Town of Lake Providence, Louisiana and made effective August 16, 1976, Rate Schedule FERC No. 56; in Docket No. ER77-405 with the Town of Jonesboro, Louisiana and made effective May 10, 1978, Rate Schedule FERC No. 59; and in Docket No. ER77-404 with the City of Monroe, Louisiana and made effective May 24, 1977, Rate Schedule FERC No. 60.

The five service schedules in the LP&L-Cajun Agreement listed above are similar to the service schedules accepted for filing in the Electric System Interconnection Agreements with the six municipalities set forth in the above dockets.

SERVICE SCHEDULE "EA-1," "Emergency Assistance," provides for a rate which shall be the greater of (a) 17.5 mills per kwh or (b) the incremental cost per kwh plus five mills per kwh. Since incremental cost plus five mills will be more than 17.5 mills, (a) will probably never apply. The plus five mills per kwh rate was agreed to by the parties to replace plus four mills times 1.06 for losses which is in the Interconnection Agreements with the municipalities because there will be many interconnection LP&L-Cajun points and it will be impossible to account for power losses.

SERVICE SCHEDULE "SUP-1," "Supplemental Power," provides supplemental power to either party desiring to purchase supplemental power and energy from the other when the supplying party has such power and energy available which contracts for such power and energy in accordance with the terms of this Agreement. The rate is the same as in Service Schedule "C" on file for supplemental power in the Interconnection Agreements with the municipalities except that in Service Schedule EA-1 the plus five mills per kwh was agreed to by the parties to replace plus four mills times 1.06 for losses because there will be many interconnection points and it will be impossible to account for losses.

October 19, 1978

SERVICE SCHEDULE "SUR-1," "Surplus Power" provides surplus power to either party desiring to purchase surplus power and energy from the other upon request by the purchasing party, when the supplying party, in its sole judgment, has determined that it has such power and energy available. The rate is the same as the Rate Schedule "D" on file for surplus power in the Interconnection Agreements with the municipalities except that the plus three mills per kwh was agreed to by the parties to replace the two mills times 1.06 for losses, because there will be many interconnection points and it will be impossible to account for losses.

SERVICE SCHEDULE "EE-1," "Economy Energy" provides economy energy to either party desiring to purchase economy energy from the other upon request by the purchasing party, when the supplying party, in its sole judgment, has determined it has such economy energy available. The rate is simply a "sharing of savings" calculated at the time of agreement between the parties and is the same as the Rate Schedule "E" on file for economy energy in the Interconnection Agreements with the municipalities.

SERVICE SCHEDULE "TS-1," "Transmission Service" provides for the transmission of power and energy by LP&L over its transmission and distribution facilities to and from Cajun to other entities and to Cajun's isolated distribution systems. The rate is the same as the Rate Schedule "F" on file for transmission service at transmission voltage (115 kv or higher). The adjustment "second" has been added for transmission service at distribution voltage since Cajun will continue receiving transmission service at certain distribution voltage delivery points until such time that all delivery points are integrated into Cajun's transmission system. The rkva price is provided in case the rkva loads become excessive and have to be corrected. The cost study for transmission and distribution service was submitted as a part of the filing for Rate Schedule FERC No. 54, City of Ruston, Docket No. ER76-162.

It is respectfully requested that the Commission waive the requirements of its regulations for submitting estimated sales and revenues because future sales and revenues are too unpredictable to be estimated with any accuracy, and it is requested that the Commission also waive any other requirements of its Regulations in order that the Agreement may be accepted for filing and made effective as requested herein.

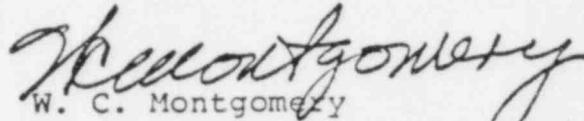
October 19, 1978

Enclosed is Louisiana Power & Light Company's check in the amount of \$100.00 payable to the Treasurer of the United States in accordance with Part 36.2 of the Commission's Regulations.

A copy of this transmittal letter with the attachments is concurrently mailed to Cajun.

If further information is required, please advise us or our attorney, Richard M. Merriman or James K. Mitchell, Reid & Priest, 1701 K Street, N. W., Washington, D. C. 20006.

Sincerely,

  
W. C. Montgomery  
Director of Rates & Research

WCM:CHP

cc: Mr. James R. Smith  
Cajun Electric Power Cooperative, Inc.  
P. O. Box 578  
New Roads, Louisiana 70760

Louisiana Public Service Commission  
One American Place, Suite 1630  
Baton Rouge, Louisiana 70825

Mr. Richard M. Merriman/Mr. James K. Mitchell



**CAJUN ELECTRIC POWER COOPERATIVE, INC.**  
P. O. BOX 578 • NEW ROADS, LA. 70760 • NEW ROADS (504) 638-6326  
BATON ROUGE (504) 383-2603

September 8, 1978

John Randall, President  
G. F. Fletcher, Vice President  
J. S. Robbins, Secretary - Treasurer  
Merl L. Burgin, General Manager

Mr. W. C. Montgomery  
Director of Rates & Research  
Louisiana Power and Light Company  
142 Delaronde Street  
New Orleans, Louisiana 70174

Re: Filing with FERC  
Electric System Interconnection Agreement  
between Cajun Electric Power Cooperative, Inc.  
and Louisiana Power and Light Company

Dear Mr. Montgomery:

The said Interconnection Agreement dated May 25, 1976, signed by both parties, approved by the "United States Department of Agriculture Rural Electrification Administration" on August 17, 1977, shall become effective May 29, 1980 through May 28, 2015.

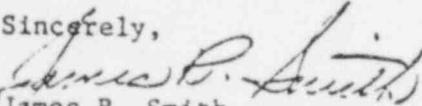
Cajun Electric has in operation a 230 MW gas fired generation station that provides service to Cajun's member distribution cooperatives on the Gulf States System. It has under construction two 540 MW coal fired units scheduled for operation in 1979 and 1980. These units are required to supply power to Cajun's members when existing power purchase agreements terminate in May, 1980 with Central Louisiana Electric Company and Louisiana Power and Light Company. The estimated cost of this generating facility is \$600,000,000.

In view of the fact that both Cajun and LP&L must spend substantial amounts of money for construction of electric facilities and microwave metering and control to provide for the operation of this Agreement, we believe and request that LP&L proceed to make an early filing of this contract with the FERC.

In order to provide electric service to Cajun's seven member distribution cooperatives served by Louisiana Power and Light, it is necessary that Cajun have in service by May 1980, a Control Center with Communications and Telemetering Facilities to its delivery points from Louisiana Power and Light. Cajun has spent approximately \$1,000,000 and has committed to spend an additional \$7,000,000 on the above described facilities.

We will appreciate you filing the Interconnection Agreement with FERC and requesting an early approval. If you require additional information, please advise.

Sincerely,

  
James R. Smith  
General Manager

RECEIVED

SEP 11 1978

RATE DEPT.

UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

Louisiana Power & Light Company ) Docket No. ER \_\_\_\_\_

NOTICE OF  
PROPOSED ELECTRIC SYSTEM INTERCONNECTION AGREEMENT  
( , 1978)

Take notice that on \_\_\_\_\_, 1978 the Louisiana Power & Light Company (LP&L) tendered for filing an Electric System Interconnection Agreement dated May 25, 1976 with Cajun Electric Power Cooperative, Inc. (Cajun) which provides in addition to Emergency Assistance Service, schedules for Supplemental Power, Surplus Power, Economy Energy, and Transmission Service.

Among other things, the LP&L-Cajun Agreement contemplates the construction by Cajun of generating stations and transmission service by LP&L to deliver power for Cajun.

LP&L requests that the proposed agreement be accepted for filing to become effective May 29, 1980, or the date upon which the interconnection is first made available, whichever is earlier. Substantial amounts of money must be spent for construction of electric facilities and microwave metering and control to provide for the operation of this Agreement.

LP&L stated that a copy of this filing was mailed to Cajun.

Any person desiring to be heard or to protest said filing should file a petition to intervene or protest with the Federal Energy Regulatory Commission, 825 North Capitol Street, N. E. Washington, D. C. 20426, in accordance with Sections 1.8 and 1.10 of the Commission's Rules of Practice and Procedure (18CFR 1.8, 1.10). All such petitions or protests should be filed on or before \_\_\_\_\_. Protests will be considered by the Commission in determining the appropriate action to be taken, but will not serve to make protestants parties to the proceeding. Any person wishing to become a party must file a petition to intervene. Copies of this filing are on file with the Commission and are available for public inspection.

Kenneth F. Plumb  
Secretary



CAJUN ELECTRIC POWER COOPERATIVE, INC.

P.O. BOX 578 • NEW ROADS, LA. 70760 • NEW ROADS (504) 638-6326  
BATON ROUGE (504) 383-2603

September 23, 1976

John Randall, Chairman  
Alfred A. Robinson, President  
T. Scott McVea, Vice President  
J. S. Robbins, Sec. Treas.  
Merl L. Burgin, General Manager

Louisiana Power and Light Company  
P. O. Box 6008  
New Orleans, Louisiana 70174

ATTENTION: Mr. J. M. Wyatt, President

Gentlemen:

Pursuant to the provisions of Article XIV, Section 14.02 of that certain document entitled "ELECTRIC SERVICE AGREEMENT Between Louisiana Power & Light Company And Louisiana Electric Cooperative, Inc.", bearing date of May 29, 1970, and affecting electric service to Bossier Rural Electric Membership Corporation, Claiborne Electric Cooperative, Inc., Concordia Electric Cooperative, Inc., Northeast Louisiana Power Cooperative, Inc., South Louisiana Electric Cooperative Association, and Valley Electric Membership Corporation, this is to inform you that Cajun Electric Power Cooperative, Inc., intends to terminate that Agreement effective with the expiration of its term on May 29, 1980.

We would appreciate receiving acknowledgment of receipt of the notice on the copy enclosed.

Very truly yours,

M. L. Burgin  
General Manager

MLB:cc

Date Received: 9-27-76

LOUISIANA POWER AND LIGHT COMPANY

By: [Handwritten Signature]



# CAJUN ELECTRIC POWER COOPERATIVE, INC.

P.O. BOX 578 • NEW ROADS, LA. 70760 • NEW ROADS (504) 638-6326  
BATON ROUGE (504) 383-2603

September 9, 1977

John Randall, Chairman  
Alfred A. Robinson, President  
T. Scott McVea, Vice President  
J. S. Robbins, Sec. Treas.  
Merl L. Burgin, General Manager

Louisiana Power and Light Company  
142 Delaronde Street  
New Orleans, Louisiana 70174

ATTENTION: Mr. J. M. Wyatt, President

Gentlemen:

Pursuant to the provisions of Article XIV of those certain documents entitled "Electric Service Agreements between Louisiana Power and Light Company and Washington-St. Tammany Electric Cooperative, Inc."; "Louisiana Power and Light Company and Dixie Electric Membership Corporation"; and "Louisiana Power and Light Company and Pointe Coupee Electric Membership Corporation" all dated September 14, 1968, and all assigned to Louisiana Electric Cooperative, Inc., presently known as Cajun Electric Power Cooperative, Inc., this is to inform you that Cajun Electric Power Cooperative, Inc., intends to terminate these agreements on May 29, 1980. Please consider this the notice of termination contemplated by said Article XIV.

We would appreciate receiving acknowledgement of receipt of this notice on the copy enclosed.

Very truly yours,

M. L. Burgin  
General Manager

MLB:cc

Date Received: 9-12-77

LOUISIANA POWER AND LIGHT COMPANY

By:

U. S. DEPARTMENT OF AGRICULTURE  
RURAL ELECTRIFICATION ADMINISTRATION

REA BORROWER DESIGNATION Louisiana 30 Bayou

THE WITHIN Electric System interconnection Agreement  
between Cajun Electric Power Cooperative, Inc., and  
Louisiana Power and Light Company dated 5/25/76.

SUBMITTED BY THE ABOVE DESIGNATED BORROWER PURSUANT TO THE  
TERMS OF THE LOAN CONTRACT, IS HEREBY APPROVED SOLELY FOR THE  
PURPOSES OF SUCH CONTRACT.

  
FOR THE ADMINISTRATOR

DATED

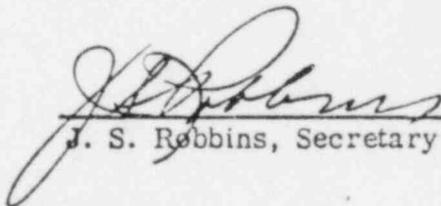
5/17/77

RESOLUTION

RESOLVED that the Board of Directors of Cajun Electric Power Cooperative, Inc. does hereby approve and accept the terms, conditions and provisions of that certain "Electric System Interconnection Agreement between Cajun Electric Power Cooperative, Inc. and Louisiana Power & Light Company" submitted this date to the Board of Directors, dated as of May 25, 1976, between the cooperative and Louisiana Power & Light Company, does hereby authorize the President, A. A. Robinson, to execute and deliver multiple originals thereof to Louisiana Power & Light Company; the effectiveness of the "Electric System Interconnection Agreement between Cajun Electric Power Cooperative, Inc. and Louisiana Power & Light Company" to be conditioned upon approval by the Administrator of the Rural Electrification Administration.

CERTIFICATE

I hereby certify that the above is a true and correct copy of excerpts from the minutes of Cajun Electric Power Cooperative, Inc., Board of Directors Meeting of May 25, 1976.

  
\_\_\_\_\_  
J. S. Robbins, Secretary

ELECTRIC SYSTEM INTERCONNECTION AGREEMENT  
BETWEEN CAJUN ELECTRIC POWER COOPERATIVE, INC.  
AND  
LOUISIANA POWER & LIGHT COMPANY

THIS AGREEMENT (hereinafter referred to as "Agreement") made this 25 day of May, 1976, by and between CAJUN ELECTRIC POWER COOPERATIVE, INC., (hereinafter referred to as "Cajun") and LOUISIANA POWER & LIGHT COMPANY (hereinafter referred to as "Company").

. WITNESSETH THAT

WHEREAS, the Company and Cajun each own and operate an electric system, and

WHEREAS, the public interest requires that each party shall make all provisions necessary to reasonably assure the continuous availability of electric service in sufficient amounts to supply all of its normal requirements, and

WHEREAS, this Agreement contemplates the construction by Cajun of generating stations, and

WHEREAS, this Agreement contemplates that the Company will provide transmission service to deliver power for Cajun, and

WHEREAS, benefits will accrue to both the Company and Cajun by the interconnection of the two systems,

NOW, THEREFORE, in consideration of these premises and the benefits accruing to each party hereto, the Company and Cajun agree as follows:

The Company and Cajun agree to electrically interconnect facilities whereby sources of electrical power and energy can be made available to each other subject to the terms and conditions of this Agreement.

The connection of facilities may take the form of interconnection points or delivery points. An interconnection point is any connection of facilities where power may flow either to the Company or to Cajun. A delivery point is any connection where power can only flow to Cajun for its member cooperatives or to other entities (as "entities" is defined in Schedule "TS-1").

It is contemplated under this Agreement that Cajun may deliver or receive power over the facilities of other utilities which are connected to the Company. This condition shall be operative only if Cajun has in effect a transmission contract with those connected utilities, and the Company determines that Cajun's connection with said utility(ies) meets the criteria of the "Availability" paragraph of Schedule "TS-1."

The Company and Cajun agree that the location and specifications of interconnection points and delivery points under this Agreement shall be specified and set forth in Appendix A, "Points of Interconnection" and Appendix B, "Delivery Points," attached hereto and properly executed by both parties. Capacity and associated energy will be available to Cajun from the Company and to the Company from Cajun in accordance with the conditions herein contained and the certain applicable Service Schedules designated as Service Schedule "EA-1," Service Schedule "SUP-1," Service Schedule "SUR-1," Service Schedule "EE-1," and Service Schedule "TS-1" attached hereto, when properly executed by both parties.

When service is being taken by either party under any one or a combination of the above Service Schedules at any one or more points, it is agreed by both parties that the maximum capacity of the interconnection points as specified in Appendix A shall not be exceeded. In order to protect the integrity of the Company's transmission system and the Company's and Cajun's tie facilities, connecting ties may be opened when such excess occurs.

## ARTICLE II

The Company and Cajun mutually agree that the implementation of this Agreement shall at all times comply with the then existing (or amended) Operating Manuals of the North American Power Systems Interconnection Committee (NAPSIC) and the Southwest Power Pool (SWPP), including but not limited to the Operating Guides, Minimum Criteria for Operating Reliability and Control Performance Criteria of NAPSIC and the Operating Recommendations of the SWPP.

## ARTICLE III

To the extent its then existing transmission facilities are capable of accommodating the contemplated power flows, the facilities that are necessary for Company to construct (as distinguished from facilities that Cajun may have to construct) to effect each initial interconnection specified in Appendix A shall

be provided by, owned, operated and maintained by the Company from its power source to the point of interconnection. Cajun will pay to the Company the cost of all facilities required to be added by Company in order to meet Cajun's request for any increase in the capacity of an interconnection, unless some other mutually agreed upon proportioning of such costs is reached by the parties, or unless a regulatory body of competent jurisdiction otherwise determines. These added facilities shall also be owned, operated and maintained by Company.

Cajun recognizes that the Company operates as part of the Middle South Utilities System and that its operating companies' generation and transmission facilities are operated as one system to achieve economic dispatching. All accounting for generation and transmission costs are kept on a Middle South Utilities System basis and the incremental generation and transmission costs of the Company for the purposes of this Agreement are the incremental generation and transmission costs of the Middle South Utilities System.

Cajun shall own, operate and maintain, at its sole expense (or otherwise have the use of), the facilities on its side of the points of interconnection specified in Appendix A.

Cajun shall be responsible, either directly or through its members or other entities, for owning, operating and maintaining the facilities on its side of the points of delivery specified in Appendix B.

In order to protect the integrity of its system operations, the Company reserves the right to approve all proposed protective equipment and relaying to be owned or used by Cajun to effect each interconnection and delivery point. Company reserves the right to operate and maintain any protective and control equipment of Cajun (including its member cooperatives), or other entities whenever such equipment may affect the integrity of Company's system, for Cajun's account.

#### ARTICLE IV

Service schedules as indicated above will set forth the type of service to be supplied, the terms and conditions of such supply and the charges to be paid therefor, all in accordance with the conditions outlined in such service schedule when signed and accepted by authorized officials of the parties hereto. Each service schedule so authorized shall become a part of this Agreement for the term hereof or for such shorter term as may be provided in the service schedule.

Service Schedules hereunder are as follows:

SERVICE SCHEDULE "EA-1" -- This schedule sets forth the conditions under which emergency power and energy, as described therein, may be supplied to either Cajun or the Company.

SERVICE SCHEDULE "SUP-1" -- This schedule sets forth the terms and conditions under which supplemental power and energy, as described therein, may be supplied to either Cajun or the Company.

SERVICE SCHEDULE "SUR-1" -- This schedule sets forth the terms and conditions under which surplus power and energy, as described therein, may be supplied to either Cajun or the Company.

SERVICE SCHEDULE "EE-1" -- This schedule sets forth the terms and conditions under which economy energy, as described therein, may be supplied to either Cajun or the Company.

SERVICE SCHEDULE "TS-1" -- This schedule sets forth the terms and conditions under which transmission service may be available for the transmission of power and energy over the transmission facilities of the Company.

## ARTICLE V

Each party shall take all reasonable measures and exercise due diligence to insure the continuity of service through its respective portion of its facilities.

Each party shall, insofar as practicable, protect, operate and maintain its system and facilities in such a manner as to avoid or minimize the likelihood of disturbances originating in its system causing impairment of service in the system of the other.

Each party shall arrange to operate as separate control areas according to the guides and recommendations spelled out in Article II and shall plan to constantly provide sufficient capacity to carry the load in its control area at 60 hertz with provision for adequate reserve and regulating margin.

Each party agrees to operate its system (control area) in accordance with the NAPSIC Operating Manual supplement titled "Control Performance Criteria." Operation in accordance with this supplement shall be known as Control Area Responsibility.

Each party shall endeavor to operate at all times in such a manner as not to impose its regulating burden on the interconnected systems.

Each party shall balance continuously its generation against its load, with allowance for losses as provided for in Schedule "TS-1" so that the net loading on its tie lines agrees with the scheduled net interconnection, plus or minus its frequency bias obligation.

## ARTICLE VI

Since the systems of the Company and Cajun will be operated in parallel, Cajun hereby recognizes that, under such parallel operations, the electric systems of each party are so connected that any electric power and energy (both real and reactive) that flows through the interconnection is under control of Cajun with respect to rate of flow. Cajun accordingly agrees that it will install load control devices capable of controlling its generation at all times.

The control devices shall be of sufficient accuracy to assure proper operation under this Agreement.

It is the intent that each party shall provide for the supply of its reactive requirements, including appropriate reserve, and its share of the reactive requirements and control on interconnecting transmission circuits.

Each party shall coordinate the utilization of voltage control equipment to maintain transmission voltages and reactive flows at optimum levels for system stability.

## ARTICLE VII

The Company and Cajun agree that it is the intent and requirement of this Agreement that each party provide its own system load requirements and

adequate reserves by the installation of generating capacity, by purchase of reserves, and/or purchase of supplemental power, sufficient at all times to carry its own load.

Neither party assumes any responsibility for the supply of any electric power and/or energy to the other party, except as specifically provided for in an applicable service schedule properly executed and attached hereto.

Each party agrees that if either party is unable to meet its control area responsibility and is unable to purchase power from others directly or indirectly, it is obligated to initiate load relief measures until its control area load responsibility is satisfied.

In order to provide rapid load relief in the event of an emergency covering an extended area, each party agrees to install and keep active underfrequency relays capable of shedding load in increments as specified in the SWPP manual. Restoration of service after load relief measures have been initiated by said underfrequency relays shall be in accordance with procedures outlined in the manuals referred to in Article II.

It is further agreed that adequate reserves as required herein shall be the percentage (or other measure) as may be in effect by operating groups of which the Company is a part, or that percentage (or other measure) prescribed by SWPP of NAPSIC, whichever is greater.

To insure ready availability, the Company and Cajun agree that each will hold capacity of not less than six (6) per cent of its annual projected peak demand as "Ready Reserves," or as hereafter prescribed by the SWPP of NAPSIC. When either party is furnishing power to the other party, said other party shall maintain Ready Reserves of not less than six (6) per cent or as hereafter prescribed by the SWPP of NAPSIC in order to maintain the interchange schedule.

#### ARTICLE VIII

All measurement of electrical power and energy delivered by one party to the other under the appropriate service schedule shall be made by suitable kilowatt, kilovar, and kilowatt-hour meters. Periodic testing of metering equipment as agreed upon from time to time shall be made jointly by representatives of the Company and Cajun.

In the event of malfunction of the meter or meters, the amount of power and energy delivered during the period of such malfunction shall be estimated by and agreed upon by both parties hereto from the best available data.

## ARTICLE IX

As outlined in Article II, the systems of both parties are to be operated in accordance with the Operating Manuals of NAPSIC and the Southwest Power Pool of NAPSIC, copies of which are available at the Southwest Power Pool office at 210 Mart Building, Little Rock, Arkansas, 72205.

In order to administer this Agreement, the Company and Cajun will each appoint one representative and one alternate to serve in the absence of the representative, to act for it in matters pertaining to the detailed operating arrangements of this Agreement.

Any deviations allowed one party from the obligations referred to above will be at the sole discretion of the other party and such deviations may continue for only so long as the other party, in its sole judgment, feels that such deviations do not impair the other party's ability to meet its obligations with other interconnected systems.

## ARTICLE X

The Company and Cajun agree that should either the Company or Cajun fail or refuse to perform any act or obligation created by this Agreement or

any service schedule attached hereto and made a part hereof, then specific performance may be demanded of the defaulting party, and if such demand is not satisfied, the aggrieved party may demand relief in court, reserving its rights to damages, if any be suffered by reason of such default. However, failure to perform as the result of an Act of God, war, civil disturbance, order of a governmental regulatory body, or like occurrence beyond the control of the parties hereto, shall not constitute a default.

#### ARTICLE XI

Each party assumes all responsibility on its side of the points of interconnection and points of delivery for the power and energy delivered, as well as the electrical installations and appurtenances used in connection therewith, and shall save the other party harmless from and against all claims for injury or damage to persons or property on its side of the points of interconnection and points of delivery.

#### ARTICLE XII

Any waiver by either party of its rights with respect to a default under this Agreement, or with respect to any other matter arising out of or in connection with this Agreement, shall not be deemed a waiver with respect to any other matter arising in connection with this Agreement, nor shall it be deemed a waiver with respect to any subsequent default or matter under this Agreement.

## ARTICLE XIII

Any notice, demand or request provided for in this Agreement or given in connection with this Agreement shall be deemed to be properly given when sent by registered mail, postage prepaid, to Louisiana Power & Light Company, 142 Delaronde Street, New Orleans, Louisiana 70174, for the Company or to Cajun Electric Power Cooperative, Inc., P. O. Box 578, New Roads, Louisiana, 70760, for Cajun.

## ARTICLE XIV

This Agreement shall bind the Company and Cajun from May 29, 1980, or the date upon which the interconnection is first made available, whichever is earlier, through May 28, 2015, and thereafter for 5-year periods unless terminated by written notice given by one party to the other not more than forty-eight (48) months nor less than thirty-six (36) months prior to the expiration of the original term or any extension thereof. At any time, the parties may extend the original term or renewal period of this Agreement.

## ARTICLE XV

This Agreement is subject to the approval of regulatory bodies having jurisdiction, and either the Company or Cajun may request lawful change in

service schedules or contract in accordance with such jurisdiction. However, nothing contained herein shall be construed as affecting in any way the right of the party furnishing service under this rate schedule to unilaterally make application to the Federal Power Commission for a change in rates, charges, classification, or service, or any rule, regulation, or contract relating thereto, under Section 205 of the Federal Power Act and pursuant to the Commission's Rules and Regulations promulgated thereunder.

#### ARTICLE XVI

Neither party to this Agreement shall assign or otherwise dispose of its rights or interest in this Agreement in whole or in part, other than the Company to a successor organization, or Cajun, in the event of default, to the Administrator of the Rural Electrification Administration of the United States of America, without the written consent of the other party.

#### ARTICLE XVII

This Agreement, including any amendments and/or supplements, shall not be binding upon the parties hereto until approved by the Administrator of the Rural Electrification Administration of the United States of America.

IN WITNESS WHEREOF, the parties hereto have caused their corporate names to be subscribed hereto, signed by their duly authorized officers, and their corporate seals have been attached and attested by the Secretary of Cajun and the Secretary of the Company as of the day, month, and year first above written.

ATTEST:

*J. B. Thomas*  
Secretary

CAJUN ELECTRIC POWER COOPERATIVE, INC.

By

*Alfred A. Robinson*  
Alfred A. Robinson

ATTEST:

*M. H. Zilber*  
Secretary

LOUISIANA POWER & LIGHT COMPANY

By

*G. D. McLendon*  
G. D. McLendon

SERVICE SCHEDULE "EA-1"  
EMERGENCY ASSISTANCE

This Service Schedule is made and entered into this 25 day of May 1976, as a supplement to the Electric System Interconnection Agreement entered into on May 25, 1976, by and between Cajun Electric Power Cooperative, Inc. and Louisiana Power & Light Company.

AVAILABILITY

Service under this Schedule is available where interconnecting facilities of adequate capacity and suitable phase and voltage are proximate to the points of interconnection or have been mutually arranged, and service is to be delivered by one party to the other according to the provisions of a mutual agreement. Service under this schedule is available for a maximum period of seventy-two (72) consecutive hours for each particular emergency.

APPLICATION

This Schedule is applicable to mutual emergency assistance electric service to and from an electric system which supplies its own power and energy requirements.

Service is to be delivered by each party to the other at the points of interconnection specified in Appendix A and measured by suitable kilowatt, kilovar, and kilowatt-hour meters. Service is deliverable hereunder only when the supplier has been given notice as detailed herein as to the requirements, and supplier can provide the requested amount of capacity. Supplier is obligated to make deliveries only to the extent it can, in its sole judgment, do so without jeopardizing service to its own customers.

Service supplied hereunder is for emergency assistance only, in case of an emergency or breakdown affecting the system responsibilities of the purchaser. Deficiencies in power supply occasioned by lack of dependable generating capacity to meet load requirements, including adequate reserves, shall not be considered an emergency condition under this Agreement.

#### TYPE OF SERVICE

Alternating current, 60 hertz, three phase and at a standard transmission voltage of 115,000 volts or higher as available.

#### NET MONTHLY BILL

Rate: 1. The Seller will furnish the scheduled emergency power and energy from its system, and the rate shall be the greater of the following:

- (a) 17.5 mills for each kwh of emergency power and energy scheduled by either party to the other during the month, or

1. (con't)

(b) the incremental cost per kwh including start-up and other incremental operation and maintenance costs, if any, of fossil fuel plus 5 mills per kwh -- to be agreed upon at the time of request.

2. If, however, conditions on the Seller's system are such that Seller determines it is unable to supply the emergency service requested from its own system, then if requested by the Buyer, Seller will attempt to purchase such emergency service from other systems interconnected with Seller and deliver same to Buyer. In the event such a purchase is made as requested by Buyer, such emergency service shall be billed by Seller and paid for by Buyer at the Seller's cost for such purchased energy including start-up costs, if any, plus 10%.

Adjustments:

First - Plus the applicable proportionate part of any directly allocable tax, impost or assessment imposed or levied by any governmental authority after the effective date of this Schedule, which is assessed or levied against the Company or Cajun or directly affects the Company's or Cajun's cost of operation and which the Company or Cajun is legally obligated to pay on the basis of meters, customers, or rates of, or revenue from electric power and energy or service sold, or on the volume of energy generated, transmitted,

purchased for sale, or sold, or on any other basis where direct allocation is possible.

Second - If energy is supplied from a nuclear plant, revision may be made in this Schedule to compensate for investment and cost of fuel in nuclear generation as compared to fossil generation, as approved by the appropriate regulatory body.

CONFIRMATION OF EMERGENCY REQUIREMENTS

Immediately after an emergency has occurred on either party s system, and the affected party does not have resources to supply its control area responsibility, the affected party may notify the other party of the amount of capacity it requires along with details of the trouble it is experiencing and its best estimate of the time required to get its system back to normal. The party receiving such a request shall then agree to what amount of capacity, if any, it can supply to the affected party for that particular emergency and the anticipated cost of such energy. When emergency energy is being taken, each morning the dispatchers of the parties will agree on the amount to be billed for energy taken the previous day. The details of each transaction outlining the capacity agreed to, the trouble experienced, and the time involved will be confirmed in writing by the affected party within forty-eight (48) hours after each such emergency.

## PAYMENT

The Net Monthly Bill is due and payable each month upon presentation by each party to the other.

## CONTRACT PERIOD

The term of this Schedule shall be from May 29, 1980 through May 28, 2015, and thereafter for 5-year periods unless terminated by written notice given by one party to the other not more than forty-eight (48) nor less than thirty-six (36) months prior to the expiration of the original term or any extension thereof.

## REGULATORY APPROVAL

This Service Schedule is subject to the approval of regulatory bodies having jurisdiction, and either the Company or Cajun may request lawful change in this Service Schedule in accordance with such jurisdiction. However, nothing contained herein shall be construed as affecting in any way the right of the party furnishing service under this rate schedule to unilaterally make application to the Federal Power Commission for a change in rates, charges, classification, or service, or any rule, regulation, or contract relating thereto, under Section 205 of the Federal Power Act and pursuant to the Commission's Rules and Regulations promulgated thereunder.

IN WITNESS WHEREOF the parties hereto have caused their corporate names to be subscribed hereto, signed by their duly authorized officers, and their corporate seals have been attached and attested by the Secretary of Cajun and the Secretary of the Company as of the day, month and year first above written.

ATTEST:

*[Handwritten Signature]*  
Secretary

CAJUN ELECTRIC POWER COOPERATIVE, INC

By *[Handwritten Signature]*  
Alfred A. Robinson

ATTEST:

*[Handwritten Signature]*  
Secretary

LOUISIANA POWER &amp; LIGHT COMPANY

By *[Handwritten Signature]*  
G. D. McLendon

## SERVICE SCHEDULE "SUP-1"

## SUPPLEMENTAL POWER

This Service Schedule is made and entered into this 25 day of May 1976, as a supplement to the Electric System Interconnection Agreement entered into on May 25, 1976, by and between Cajun Electric Power Cooperative, Inc. and Louisiana Power & Light Company.

## AVAILABILITY

Service under this Schedule is available where interconnecting facilities of adequate capacity and suitable phase and voltage are proximate to the points of interconnection or have been mutually arranged, and service is to be delivered by one party to the other according to the provisions of a mutual Agreement. Supplemental power is only available for a period of not less than twelve (12) consecutive months.

## APPLICATION

This Service Schedule is applicable to either party desiring to purchase Supplemental Power and Energy from the other when the supplying party has such Power and Energy available, which contracts for such Power and Energy shall be in accordance with the terms herein set forth and the terms of the Interconnection Agreement to which this Service Schedule "SUP-1," when properly executed by both parties, shall be attached and made a part thereof.

Supplemental power, as contemplated by this Schedule, may be utilized by either party to fulfill its power supply requirements. Supplemental power, including associated reserves, is power from the supplier's resources which is in excess of its projected peak demand plus required reserves necessary to meet the purchasing party's peak demand.

#### SUPPLEMENTAL POWER SCHEDULING

Supplemental Power requirements will be the capacity agreed to by representatives of both parties, and set forth on the basis of the maximum annual amounts of capacity required for each of the years specified. Such annual Supplemental Power requirements shall be reduced to writing, accepted by both parties, and attached hereto and made a part of this Service Schedule "SUP-1."

Associated energy shall be available with Supplemental Power capacity purchases in accordance with mutually agreed to schedules submitted twenty-four (24) hours in advance or as mutually agreed to by the parties. At the time of scheduling such energy, an estimate of the incremental cost shall be furnished by the supplying party. If the cost changes appreciably from the estimate, the purchasing party will be notified and allowed to amend the amount of energy scheduled if such amendment does not adversely affect the supplying party.

#### SUPPLEMENTAL POWER RESERVES

It is hereby agreed by both parties that Supplemental Power and Energy purchased by either party from the other under this Service Schedule "SUP-1" shall be delivered to the purchasing party on a firm basis, backed up with the minimum reserve requirements of the supplying party.

## TYPE OF SERVICE

Alternating current, 60 hertz, three phase and at one standard transmission voltage of 115,000 volts or higher as available at the interconnection points as specified in Appendix A.

## NET MONTHLY BILL

Rate: Supplemental Power

\$1.75 per kilowatt per month for the maximum kw demand contracted for during any 60-minute interval.

Energy: The rate for energy shall be the incremental cost per kwh of fossil fuel plus 5 mills per kwh.

## Adjustments:

First - Plus the applicable proportionate part of any directly allocable tax, impost or assessment imposed or levied by any governmental authority after the effective date of this Schedule, which is assessed or levied against the Company or Cajun or directly affects the Company's or Cajun's cost of operation and which the Company or Cajun is legally obligated to pay on the basis of meters, customers, or rates of, or revenue from electric power and energy or service sold, or on the volume of energy generated, transmitted, purchased for sale, or sold or on any other basis where direct allocation is possible.

Second - If energy is supplied from a nuclear plant, revision may be made in this Schedule to compensate for investment and cost of fuel in nuclear generation as compared to fossil generation, as approved by the appropriate regulatory body.

#### PAYMENT

The Net Monthly Bill is due and payable each month upon presentation by each party to the other

#### CONTRACT PERIOD

The term of this Schedule shall be from May 29, 1980 through May 28, 2015, and thereafter for 5-year periods unless terminated by written notice given by one party to the other not more than forty-eight (48) nor less than thirty-six (36) months prior to the expiration of the original term or extension thereof.

#### REGULATORY APPROVAL

This Service Schedule is subject to the approval of regulatory bodies having jurisdiction, and either the Company or Cajun may request lawful change in this Service Schedule in accordance with such jurisdiction. However, nothing contained herein shall be construed as affecting in any way the right of the party furnishing service under this rate schedule to unilaterally make application to the Federal Power Commission for a change in rates, charges, classification, or service, or any rule, regulation, or contract relating thereto, under Section

205 of the Federal Power Act and pursuant to the Commission's Rules and Regulations promulgated thereunder.

IN WITNESS WHEREOF the parties hereto have caused their corporate names to be subscribed hereto, signed by their duly authorized officers, and their corporate seals have been attached and attested by the Secretary of Cajun and the Secretary of the Company as of the day, month and year first above written.

ATTEST:

CAJUN ELECTRIC POWER COOPERATIVE, INC.

*J. D. Roberts*  
Secretary

By *Alfred A. Robinson*  
Alfred A. Robinson

ATTEST:

LOUISIANA POWER & LIGHT COMPANY

*H. D. Zwart*  
Secretary

By *G. D. McLendon*  
G. D. McLendon

## SERVICE SCHEDULE "SUR-1"

## SURPLUS POWER

This Service Schedule is made and entered into this 25 day of May 1976, as a supplement to the Electric System Interconnection Agreement entered into on May 25, 1976 by and between Cajun Electric Power Cooperative, Inc. and Louisiana Power & Light Company.

## AVAILABILITY

Service under this Schedule is available where interconnecting facilities of adequate capacity and suitable phase and voltage are proximate to the point of interconnection or have been mutually arranged, and service is to be delivered by one party to the other according to the provisions of a mutual Agreement.

## APPLICATION

This Service Schedule is applicable to either party desiring to purchase Surplus Power and Energy from the other upon request by the Purchasing Party, and when the Supplying Party, in its sole judgment, has determined that it has such power and energy available and can supply such quantities as agreed upon, and the Purchasing Party contracts for such Surplus Power and Energy in accordance with the terms herein set forth in this Schedule "SUR-1" and the terms of the Interconnection Agreement to which this Service Schedule "SUR-1,"

when properly executed by both parties, shall be attached to and made a part.

Surplus Power for the purpose of this application shall mean that capacity available over and above the Supplying Party's total system requirements, including reserves, and in no sense implies the installation of capacity for the account of the Purchasing Party.

#### SURPLUS POWER SCHEDULING

When either party desires to purchase and schedule deliveries of Surplus Power and Energy from the other, the Purchasing Party must notify the Supplying Party, in writing, stating the amount of capacity required, the interval of time during which such capacity will be required and an estimate of the energy requirements to accompany the capacity sale. The Supplying Party shall, in its sole judgment, then determine whether all or any part of such Surplus Power and Energy can be supplied and, if so, shall determine and notify the Purchasing Party of the amount and schedule of such Surplus Power and the amount and price of accompanying energy which can be supplied or deemed to have been supplied by the Supplying Party.

Neither party shall be obligated to purchase or to supply Surplus Power and Energy, unless and until both parties have agreed to do so, in accordance with this Service Schedule "SUR-1," in a written agreement executed by an authorized officer of each party.

## TYPE OF SERVICE

Alternating current, 60 hertz, three phase and at one standard transmission voltage of 115,000 volts or higher as available at the interconnection points specified in Appendix A.

## ADJUSTMENT FOR NON-AVAILABILITY

In the event of an interruption or a curtailment of service for a period of more than thirty (30) consecutive minutes in any scheduled hour, the capacity charge for the current billing month for service under this Schedule SUR-1 shall be reduced to reflect such interruption. The amount of the reduction for a total interruption shall be on the basis of a ratio, the numerator of which shall be the duration of such total interruption and the denominator of which shall be the actual number of scheduled hours of delivery during the billing month in which the interruption or curtailment occurred.

When only a portion of capacity is interrupted, appropriate proration shall be made giving due weight to the capacity actually delivered.

## NET MONTHLY BILLING

Rate: Surplus Capacity

\$1.25 per kw per month for the maximum kw demand contracted for during any 60-minute period.

Energy:

The energy charge per month shall be the incremental cost per kwh of fossil fuel plus three mills per kwh.

### Adjustments:

First - Plus the applicable proportionate part of any directly allocable tax, impost or assessment imposed or levied by any governmental authority after the effective date of this Schedule, which is assessed or levied against the Company or Cajun or directly affects the Company's or Cajun's cost of operation and which the Company or Cajun is legally obligated to pay on the basis of meters, customers, or rates of, or revenue from electric power and energy or service sold<sup>7</sup>, or on the volume of energy generated, transmitted, purchased for sale, or sold, or on any other basis where direct allocation is possible.

Second - If energy is supplied from a nuclear plant, revision may be made in this Schedule to compensate for investment and cost of fuel in nuclear generation as compared to fossil generation, as approved by the appropriate regulatory body.

### PAYMENT

The Net Monthly Bill is due and payable each month upon presentation by each party to the other.

### CONTRACT PERIOD

The term of this Schedule shall be from May 29, 1980 through May 28, 2015, and thereafter for 5-year periods, unless terminated by written notice given by one party to the other not more than forty-eight (48) nor less than thirty-six

(36) months prior to the expiration of the original term or any extension thereof.

### REGULATORY APPROVAL

This Service Schedule is subject to the approval of regulatory bodies having jurisdiction, and either the Company or Cajun may request lawful change in this Service Schedule in accordance with sur jurisdiction. However, nothing contained herein shall be construed as affecting in any way the right of the party furnishing service under this rate schedule to unilaterally make application to the Federal Power Commission for a change in rates, charges, classification, or service, or any rule, regulation, or contract relating thereto, under Section 205 of the Federal Power Act and pursuant to the Commission's Rules and Regulations promulgated thereunder.

IN WITNESS WHEREOF, the parties hereto have caused their corporate names to be subscribed hereto, signed by their duly authorized officers, and their corporate seals have been attached and attested by the Secretary of Cajun and the Secretary of the Company as of the day, month and year first above written.

ATTEST:

*J. D. Johnson*  
Secretary

CAJUN ELECTRIC POWER COOPERATIVE, INC.

By *Alfred A. Robinson*  
Alfred A. Robinson

ATTEST:

*H. D. Zilist*  
Secretary

LOUISIANA POWER & LIGHT COMPANY

By *G. D. McLendon*  
G. D. McLendon

## ECONOMY ENERGY

This Service Schedule is made and entered into this 25 day of May 1976, as a supplement to the Electric System Interconnection Agreement entered into on May 25, 1976, by and between Cajun Electric Power Cooperative, Inc. and Louisiana Power & Light Company.

## AVAILABILITY

Service under this Schedule is available where interconnecting facilities of adequate capacity and suitable phase and voltage are proximate to the point of connection or have been mutually arranged, and service is to be delivered by one party to the other according to the provisions of a mutual Agreement.

Either party is entitled to receive economy energy hereunder only to the extent that such party has alternative dependable capacity, including adequate reserves, concurrently available that would otherwise be used. Economy energy is immediately recallable by the supplying party or cancellable at any time by the purchaser.

## APPLICATION

This Service Schedule is applicable to either party desiring to purchase Economy Energy from the other upon request by the Purchasing Party, and when the Supplying Party, in its sole judgment, has determined it has such Economy Energy available and desires to make such Economy Energy available to the Purchasing Party under the terms and conditions herein set forth in this Service Schedule "EE-1" and the terms of the Interconnection Agreement to which this Service Schedule "EE-1," when properly executed by both parties, shall be attached and made a part thereof.

## TYPE OF SERVICE

Alternating current, 60 hertz, three phase and at one standard transmission voltage of 115,000 volts or higher as available.

## ECONOMY ENERGY SCHEDULING

When either party desires to purchase Economy Energy, it will notify the Supplying Party, indicating the amount and time interval of such desired purchases of Economy Energy.

If the Supplying Party, in its sole judgment, determines it has such Economy Energy available and wishes to sell such Economy Energy to the Purchasing Party in accordance with this Service Schedule "EE-1," it shall promptly notify the Purchasing Party.

Nothing herein shall be construed as obligating either party to reserve Economy Energy for the other. Each party shall have the right, at all times, to dispose of or make such other use of its Economy Energy as it may see fit.

## ECONOMY ENERGY RATE

The rate for Economy Energy scheduled under this Service Schedule "EE-1" shall be on a "sharing of savings" basis calculated at the time of agreement between the parties for any specific amount of Economy Energy.

Rate per kwh =  $\frac{A+B}{2}$ , when

A = calculated incremental fossil fuel cost of energy involved, plus applicable adjustments, if supplied from resources of the Purchasing Party.

B = calculated incremental fossil fuel cost of energy involved, plus applicable adjustments, if supplied from resources of the Supplying Party.

Incremental fossil fuel cost for calculations of "A" and "B" above shall be costs as calculated at the time the mutual agreement between the parties for the Economy Energy transaction became effective.

Adjustments:

First - Plus the applicable proportionate part of any directly allocable tax, impost or assessment imposed or levied by any governmental authority after the effective date of this Schedule, which is assessed or levied against the Company or Cajun or directly affects the Company's or Cajun's cost of operation and which the Company or Cajun is legally obligated to pay on the basis of meters, customers, or rates of, or revenue from electric power and energy or service sold, or on the volume of energy generated, transmitted, purchased for sale, or sold, or on any other basis where direct allocation is possible.

## PAYMENT

The Net Monthly Bill is due and payable each month upon presentation by each party to the other.

## CONTRACT PERIOD

The term of this Schedule shall be from May 29, 1980 through May 28, 2015, and thereafter for 5-year periods, unless terminated by written notice given by one party to the other not more than forty-eight (48) nor less than thirty-six (36) months prior to the expiration of the original term or any extension thereof.

## REGULATORY APPROVAL

This Service Schedule is subject to the approval of regulatory bodies having jurisdiction, and either the Company or Cajun may request lawful change in this Service Schedule in accordance with such jurisdiction. However, nothing contained herein shall be construed as affecting in any way the right of the party furnishing service under this rate schedule to unilaterally make application to the Federal Power Commission for a change in rates, charges, classification, or service, or any rule, regulation, or contract relating thereto, under Section 205 of the Federal Power Act and pursuant to the Commission's Rules and Regulations promulgated thereunder.

IN WITNESS WHEREOF the parties hereto have caused their corporate names to be subscribed hereto, signed by their duly authorized officers, and their corporate seals have been attached and attested by the Secretary of Cajun and the Secretary of the Company as of the day, month and year first above written.

ATTEST:

*J. D. Roberts*  
Secretary

CAJUN ELECTRIC POWER COOPERATIVE, INC.

By *Alfred A. Robinson*  
Alfred A. Robinson

ATTEST:

*N. H. Gilbert*  
Secretary

LOUISIANA POWER &amp; LIGHT COMPANY

By *G. D. McLendon*  
G. D. McLendon

## SERVICE SCHEDULE "TS-1"

## TRANSMISSION SERVICE

This Service Schedule is made and entered into this 25 day of May 1976 as a supplement to the Electric System Interconnection Agreement entered into on May 25, 1976 by and between Cajun Electric Power Cooperative, Inc. , and Louisiana Power & Light Company.

## APPLICATION

Transmission service under this Schedule is applicable to the transmission of power and energy by the Company over its facilities from the point or points of interconnection, as outlined in Appendix "A" attached hereto, to the delivery points listed in Appendix "B" attached hereto, or as subsequently amended, provided that Service Schedules "EA-1" and "SUP-1" and this Transmission Service Schedule "TS-1" are in effect. Power and energy available from Cajun's resources over and above Cajun's requirements (including reserves) may, after execution of a transmission service schedule and suitable contractual arrangements executed by an officer of each party, be transmitted under this Service Schedule "TS-1" to other entities which are interconnected with the Company within the State of Louisiana. As used herein, "entity" shall mean any municipality, rural electric cooperative, public or private corporation, governmental agency such as TVA and Southwest Power Administration, or lawful association of any of the foregoing (a) which lawfully exists and owns and operates or proposes in good faith to own or operate facilities for generation of electric power

and energy; (b) which, with exception of municipalities, rural electric cooperatives and governmental agencies, is or will upon commencement of operations be a public utility (or in the case of an association each member thereof, excepting municipalities, rural electric cooperatives and governmental agencies, is a public utility) under the law of Louisiana and the Federal Power Act and provides or upon commencement of operations will provide electric service under contracts or rate schedules on file with and subject to regulation of the Louisiana Public Service Commission and the FPC.

#### TYPE OF SERVICE

- A. Transmission Service shall be three phase, 60 hertz, alternating current at a transmission voltage of 115,000 volts or higher, as may be available adjacent to the point of delivery for a minimum contract demand of 10,000 kw or at a lower contract demand as may be agreed to by the Company in accordance with good engineering principles.
  
- B. Transmission service may also be three phase, 60 hertz, alternating current at a primary distribution voltage of 13,800, 24,000 or 34,500 volts as may be available at a point of delivery adjacent to an existing Company distribution substation or at a point distant from a Company distribution substation as may be agreed to by the Company.

## AVAILABILITY

A. Company will furnish scheduled transmission service for existing Cajun loads (including historic load growth) in accordance with this Service Schedule and Agreement to the extent it has existing transmission capacity available to provide such service under sound engineering practice and subject to the following standards:

- a) Such service shall not require the Company to construct or install any new facilities;
- b) Such service will neither impair the ability of the Company to render adequate service to its customers nor impair or reduce the reliability of electric service by Company to its own customers during the term of the scheduled service:
- c) Such service will not endanger, impair, or create unsafe conditions on the system or any of the facilities of the Company or its customers or parties with which it is interconnected. The Company shall have the right to approve designs of equipment owned, operated, or controlled by Cajun at points of interconnection and points of delivery.

- d) Such service, and the purchase and sale associated therewith, shall not violate or be inconsistent with and shall not cause the Company to violate, directly or indirectly, or become a party to violation of any applicable statute, order, ordinance, governmental or agency rule, regulation, or other applicable federal, state or local law, and without limiting the scope of the foregoing, the sale, purchase and delivery of the power and energy by and between the Company and Cajun must in all events be lawful, duly authorized, and approved or accepted for filing by all regulatory agencies, if any, which then have jurisdiction over such sale, purchase or delivery, and the transmission service shall not cause Company to be discriminatory or preferential in any service, rate or charge to any customers of the Company within the meaning of any applicable law.
- e) In the event Cajun is unable for any reason to supply power or energy for transmission, the Company shall have no responsibility to deliver power or energy except as provided for in the appropriate executed schedules attached to the agreement.

f) The determination of the availability of existing capacity of the Company during the proposed scheduled period shall be made on the basis of the existing load of Cajun, future projected new loads of Cajun (furnished by Cajun), other previously scheduled transmission commitments, and the load and normal load growth of the Company, all as estimated by the Company on the basis of sound engineering practice, which upon request will be made available to Cajun.

B. In addition to the conditions outlined in Section "A" above, Company will, if economically justifiable and all of the following conditions and the other standards described in this Schedule are met, include in its planning and will construct sufficient capacity to accommodate proposed transmission service under this Schedule:

a) Cajun gives Company sufficient advance written notice of the functional and technical requirements to allow the Company to design the necessary facilities and include them in its construction program.

b) Cajun compensates Company for a portion of the cost of such facilities beyond the cost Company would otherwise

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incur for its own use if the facilities are to be installed with less than 20 years remaining in the term of the initial agreement. Such portion shall be computed by multiplying the full cost over and above what Company would incur for its own use by a fraction whose numerator shall be 20 minus the number of years remaining and whose denominator shall be 20. The Company shall reimburse Cajun a portion of this contribution each year after the then existing term would have expired so that if the contract is still in effect at the end of 20 years, the full contribution shall have been refunded. As an alternative to such payments, the term of the agreement may be altered by mutual consent to insure that twenty years remain in the agreement. Such mutual consent shall not be withheld arbitrarily or unreasonably.

c) In the event Cajun requests transmission service under this Section B at a specific location at which the Company cannot economically justify the installation under this Section B, the Company will propose an alternate location(s) where such requested transmission service is available to meet Cajun's needs. If Cajun accepts a location proposed above and all of the conditions of this Section B are met by Cajun, Company will furnish scheduled transmission service to such alternate location in accordance with and pursuant to the conditions of this Section B.

- C. Transmission service to other entities as defined herein shall also be available in accordance with Sections A and B above, but shall be limited to a single point of delivery for each entity.
- D. Transmission service delivery points shall be connected together through Cajun's or its members' systems or the systems of other entities only upon determination by the Company that such connection will not adversely affect the Company's transmission system and the conditions of Sections A and B above are fulfilled.

#### TRANSMISSION SERVICE SCHEDULING

Transmission service requirements shall be determined on a calendar year basis and set forth in writing as Appendix "B" on the basis of the contract demand required. Company will provide the transmission capacity therein scheduled for the use of Cajun solely for the transmission of wholesale power and energy to its member cooperatives and to other entities, as contemplated by "Application" herein above.

Capacity, specified by the Company as being available, is available only when the transmission and generation system is in its normal operating mode. Emergency conditions or required maintenance can cause the system capability to be modified as conditions of the moment dictate. Should the maximum demand on a delivery point jeopardize the Company's facilities or service to Company's customers by exceeding the Contract Demand specified in Appendix "B" or other

similar Appendices covering delivery to other entities, Company reserves the right to open the switches controlling the delivery point without notification in order to protect the integrity of the Company's system.

#### TRANSMISSION SERVICE SPECIFICATIONS

All power and energy to be transmitted by the Company must be received and will be delivered at the Company's nominal voltage.

Cajun and Company shall supply their individual reactive loads under all normal conditions. Recognizing that it is impractical to transmit reactive power from the Cajun interconnection points to the delivery points, it shall be the responsibility of Cajun to supply its required reactive power at each delivery point.

It is recognized that the input and withdrawal of power and energy is under the control of Cajun. It shall be the responsibility of Cajun to supply the amount of power and energy, plus losses, which Cajun's member cooperatives and other entities are taking from the Company's transmission system at all times.

Cajun shall supply at all times 103 per cent of all power and energy being taken by Cajun's member cooperatives and other entities to compensate for losses.

It shall be the responsibility of Cajun to install the necessary control equipment to accomplish the foregoing. If Cajun's area control error accumulation exceeds 2% of its control area load, in any hourly period of operation, and Cajun is unable or unwilling to correct its performance, then it is understood and agreed that the Company has the right to open the interconnections and/or delivery points as listed in this Agreement.

#### MEASUREMENT

The measurement of all power and energy transmitted from Cajun to Cajun's member cooperatives and other entities shall be by suitable kilowatt, kilovar and watt-hour meters capable of measuring demands on a 60-minute interval.

Cajun shall own and bear the installation, operating and maintenance costs of a telemetering system (including instrument transformers) to be installed, operated, and maintained by Company in transmitting and totalizing the demands of the member cooperatives' delivery points and delivery points to any other entities to the Cajun Operating Center and to Company's Control Center. If instrument transformers are already installed as of the date this Agreement becomes effective at existing delivery points to be telemetered and their utilization for telemetering is compatible with Company's existing metering, said transformers may be utilized in lieu of Cajun installing additional transformers. The cost of any replacement of said transformers for any reason shall be borne by Cajun.

If two transmission delivery points are connected together through Cajun's or another entity's system as provided in the paragraph of this Schedule entitled "Availability," the power and energy for the two delivery points shall be the arithmetic sum of the two metered quantities.

The meters at the interconnection points listed in Appendix "A" and at Cajun's

member cooperative delivery points listed in Appendix "B" and at delivery points to any other entities, shall be owned, operated, and maintained by the Company and these meter readings shall be used in accounting for the power and energy transmitted by the Company.

#### NET MONTHLY BILL

All billing for service hereunder shall be billed to and paid for by Cajun.

Rate: All transmission service under this Service Schedule "TS-1" shall be as follows:

- 1) \$7.80 per kw per year, payable at the rate of \$0.65 per month, for all kw of Billing Demand, and adjusted as new kw Billing Demands are established during the current calendar year.
- 2) \$1.80 per RKVA per year, payable at the rate of \$0.15 per month, for all lagging RKVA of Billing Demand, and adjusted as new RKVA Billing Demands are established during the current calendar year.

#### Adjustments:

First - Plus the applicable proportionate part of any directly allocable tax, impost or assessment imposed or levied by any governmental authority after the effective date of this Schedule, which is assessed or levied against

the Company or entities or directly affects the Company's or entities' cost of operation and which the Company or entities are legally obligated to pay on the basis of meters, customers, or rates of, or revenue from electric power and energy or service sold, or on the volume of energy generated, transmitted, purchased for sale, or sold, or on any other basis where direct allocation is possible.

Second - When service is delivered at a nominal voltage of less than 115,000 volts and Company owns and maintains the distribution facilities, \$4.20 per year, payable at the rate of \$0.35 per month, for all kw of Contract Demand at each such delivery point shall be added to the above rate. This adjustment shall apply on an individual delivery point basis and the previous months' billings under this adjustment during the current calendar year shall be adjusted as new maximum demands are established at each such delivery point.

#### CONTRACT DEMAND

The Contract Demand shall be the maximum kw capacity contracted for at each delivery point listed in Appendix "B" and other similar Appendices covering delivery to other entities, but shall never be less than the maximum kw and Rkva demands delivered to each delivery point during the clock-hour period of maximum use at each delivery point during the term of the currently effective Appendix "B" of this Agreement.

## BILLING DEMAND

The Billing Demand shall be the sum of the Contract Demands for each delivery point as determined above.

## PAYMENT

The Net Monthly Bill is due and payable each month upon presentation.

## CONTRACT PERIOD

The term of this Schedule shall be from May 29, 1980 through May 28, 2015, and thereafter for 5-year periods, unless terminated by written notice given by one party to the other not more than forty-eight (48) nor less than thirty-six (36) months prior to the expiration of the original term or any extension thereof.

## REGULATORY APPROVAL

This Service Schedule is subject to the approval of regulatory bodies having jurisdiction, and either the Company or Cajun may request lawful change in the Service Schedule in accordance with such jurisdiction. However, nothing contained herein shall be construed as affecting in any way the right of the party furnishing service under this rate schedule to unilaterally make application to the Federal Power Commission for a change in rates, charges, classification, or service, or any rule, regulation, or contract relating thereto, under Section 205 of the Federal Power Act and pursuant to the Commission's Rules and Regulations promulgated thereunder.

IN WITNESS WHEREOF the parties hereto have caused their corporate names to be subscribed hereto, signed by their duly authorized officers, and their corporate seals have been attached and attested by the Secretary of Cajun and the Secretary of the Company as of the day, month and year first above written.

ATTEST:

*J. H. Johnson*  
Secretary

CAJUN ELECTRIC POWER COOPERATIVE, INC.

By *Alfred A. Robinson*  
Alfred A. Robinson

ATTEST:

*A. H. Zandt*  
Secretary

LOUISIANA POWER & LIGHT COMPANY

By *G. D. McLendon*  
G. D. McLendon