City of Carthage, Missouri

CITY COUNCIL

July 11, 2023 - 6:30 PM
CITY HALL COUNCIL CHAMBERS

AGENDA

1. **Call to Order**
2. **Invocation**
3. **Pledge of Allegiance to Flag**
4. **Calling of the Roll**
5. **Reading and Consideration of Minutes of Previous Meeting**
    1. Approval of June 27 and June 29, 2023 Minutes
6. **Presentations/Proclamations**
7. **Public Comments**
    (Each person addressing the Council shall state their name and address or the organization or firm represented and is limited to no more than five (5) minutes. The time may be extended by the chair if deemed necessary. Once a person has had their say on a particular issue they are not permitted to once again speak on the issue unless called to answer any further questions by the Council or Chair)
8. **Reports of Standing Committees**
    1. Agendas and Minutes of Standing Committees
9. **Reports from Special Committees and Board Liaisons**
    1. Agendas and Minutes of Special Committees
10. **Report of the Mayor**
11. **Reports/Remarks of Councilmembers**
    (Each Councilmember is limited to no more than two (2) minutes. The time may be extended by the Chair if deemed necessary. Once a Councilmember has had their say on a particular issue they are not permitted to once again speak on the issue unless permitted by the Chair)
12. **Administrative Reports**
13. **Report of Claims Presented Against the City**
    1. Motion and a second to approve the Claims
14. **Public Hearings**
15. **Old Business**
    1. C.B. 23-46 -- An Ordinance of the City of Carthage, Missouri authorizing the Mayor to execute an Agreement between the City of Carthage, Missouri and Stronghold Data for Managed IT Services for one-year in the City of Carthage, Missouri

2. C.B. 23-47 -- An Ordinance authorizing the Mayor to enter into a contract with ABE Paint Team in the amount of $32,030.00 for the repainting of the Memorial Hall Auditorium, in the City of Carthage, Missouri
3. C.B. 23-48 -- An Ordinance to enter into a Memorandum of Understanding Agreement with the Carthage R-9 School District, for the placement of a communication board at Carthage Municipal Park, in the City of Carthage, Missouri

16. New Business

1. C.B. 23-50 -- An Ordinance of the City of Carthage, Missouri authorizing the Mayor to execute an Agreement between the City of Carthage, Missouri and the Missouri Highway and Transportation Commission for Hazel Avenue and Airport Drive Roadway Improvements, in the City of Carthage, Missouri.
2. C.B. 23-51 -- An Ordinance authorizing the Mayor to enter into a Power Sales Agreement with the Southwestern Power Administration, in the City of Carthage, Missouri.
3. C.B. 23-52 -- An Ordinance authorizing the Mayor to enter into an Interconnection and Operating Agreement with the Southwestern Power Administration, and Southwest Power Pool, Inc. in the City of Carthage, Missouri.

17. Mayor's Appointments

18. Resolutions

19. Closing Comments

20. Executive Session

21. Adjournment

1. Additional Packet Correspondence

PERSONS WITH DISABILITIES WHO NEED SPECIAL ASSISTANCE CALL 417-237-7000 (VOICE) OR 1-800-735-2466 (TDD VIA RELAY MISSOURI) AT LEAST 24 HOURS PRIOR TO MEETING

City of Carthage, Missouri

CITY COUNCIL

June 27, 2023 - 6:30 PM
CARTHAGE MEMORIAL HALL

MINUTES

The Carthage City Council met in regular session on the above date at the Carthage Memorial Hall, 407 S Garrison, at 06:30 PM with Mayor Dan Rife presiding.

Fire Chief Ryan Huntley gave the invocation.

Police Chief Bill Hawkins led the flag salute.

The following Council Members answered roll call: Brandi Ensor, Chris Taylor, Trudy Blankenship, David Armstrong, Robin Blair, Terri Heckmaster, Ed Hardesty, Alan Snow, Mark Elliff, and Tiffany Cossey. City Attorney Nate Dally was also present. City Administrator Greg Dagnan was absent.

The following Department Heads were present: Police Chief Bill Hawkins, Fire Chief Ryan Huntley, Public Works Administrative Coordinator Julie Tilley, Parks & Recreation Director Abi Almandinger, Assistant City Administrator Traci Cox, City Clerk Miranda Deal, HR Coordinator Michael Miller, and IT Administrator Michael Keith.

Mr. Elliff made a motion, seconded by Mr. Armstrong, to approve the minutes of the June 15, 2023 Council Meeting. Motion carried unanimously.

Mayor Rife addressed the Council and the audience prior to Public Comments. He made a few statements regarding Carthage Water and Electric, their board, and where the City is currently at with working with Carthage Water and Electric. He also stated that anyone wishing to speak could sign up on the sign-in sheet and they would be called in order.

During Citizen's Participation, the following list of people spoke about the removal of the Carthage Water and Electric Plant Board and their hopes for the Council to reinstate them.
Jackie Boyer, 1184 S Main
Bill Putnam, 624 Belle Aire
Patrick Scott, 5305 County Road 175
Jeff Williams, 1623 Alexandria
Jack Crusa, 701 E Highland
Ceri Otero, 1149 S Main
Nathan Terry, 1224 S Maple

Mr. Snow reported that the Budget Ways & Means Committee is between meetings. He mentioned that there were a few items on the agenda that came from the committee, Council Bill 23-42 for the rate increase for Carthage Water and Electric, Council Bill 23-43 to approve the City and Carthage Water and Electric's budget for next fiscal year, and Council Bill 23-45 to amend the budget of the current year. The next meeting is scheduled for July 10.

Ms. Blair reported that the Committee on Insurance, Audit and Claims met on this date and approved the claims. The committee heard from Eduin Caceres who purchased 831 E. 5th

Street. He asked the committee to waive the special tax lien interest on the property. Ms. Blair made a motion, seconded by Mr. Armstrong, to waive the interest in the amount of $2,629.64 for 831 E 5th Street. Motion carried.

Mr. Elliff reported that the Public Safety Committee met on June 26. The committee approved the request for road closures for the Annual Belle Air Place block party. Mr. Elliff made a motion, seconded by Mr. Snow, to close Belle Air Place from Grand to the end of the cul-de-sac and put barricades up at Clinton, Fulton, and Grand on July 2nd from 5:15 to 8:30 pm. Motion carried. There was also a request for road closures for the block party on the 1100 block of Euclid. Mr. Elliff made a motion, seconded by Ms. Blankenship, to approve the closure of the 1100 block of Euclid (Pearl to Lilac) on July 3rd from 8 pm to 11 pm. Motion carried with Mr. Snow abstaining from the vote. The committee also heard complaints of speeding on Main Street between Fairview and Centennial, that is being referred to Public Works to see about getting additional signage. Under new business, the committee heard from Jen Kirby regarding the Red, White and Boom event at Municipal Park. Mr. Elliff made a motion, seconded by Mr. Snow, to close the entrance and streets and allow food trucks within Municipal Park from 2 pm to 9:30 pm for the July 4th event. Motion carried. Jen Kirby also spoke to the committee about the Get Away to Downtown sidewalk sale event on July 29. She requested the closure of the East side of the square, Grant Street from 3rd to 4th, from 7 am to 2 pm, and to allow food trucks on 3rd Street. Mr. Elliff made a motion, seconded by Mr. Snow, to approve the closure of Grant Street from 3rd to 4th and to allow food trucks to park on the south side of 3rd Street. Motion carried. Jen Kirby also spoke to the committee about the Paddle Battle event for August 26. She requested the closure of streets through Kellogg Lake Park and allowing 4 food trucks for the event. Mr. Elliff made a motion, seconded by Mr. Snow, to close Esterly Drive with the existing swing barricades, and placing cones to block traffic from entering, as well as allowing food trucks and overnight camping for August 25 to August 26. Motion carried. Roxanne Willard spoke to the committee about the Jasper County Youth Fair that will be at Municipal Park from July 8-17. She requested that the areas around the barns be closed, food trucks from July 8-17, tents for kids games and meals, overnight camping and the curfew for the area waived for the duration of the youth fair. Mr. Elliff made a motion, seconded by Ms. Blankenship, to close the park between the two barns, allow overnight camping and food trucks, the tents, and the waived curfew. Motion carried. The next meeting is scheduled for July 17.

Mr. Hardesty reported that the Public Services Committee met on June 20. They heard from the Jasper County Youth Fair regarding the use of the area at Municipal Park for the fair from July 8-17. Mr. Hardesty made a motion, seconded by Ms. Ensor, to approve the use of the Youth Fair Barn and the surrounding area from July 8-17. Motion carried. They also reviewed the sealed bids for the Memorial Hall paint project for the walls and the ceiling. This appears in Council Bill 23-47. They also reviewed the MOU with the Carthage R-9 School District regarding the communication board that is to be put in at Municipal Park, this appears as Council Bill 23-48. The next meeting is scheduled for July 18.

Mr. Armstrong reported that the Public Works Committee is between meetings with the next meeting scheduled for July 6. He did mention that at the end of the meeting, they will be taking a bridge tour for anyone interested in attending.

There were no special committee or board liaison reports given.

Mayor Rife reported that there will be a special Council meeting on Thursday to get the DMO money accepted from the Missouri Division of Tourism. It has a deadline to be accepted by and it was not prepared in time for tonight's meeting.

During reports from Council Members, Ms. Cossey thanked everyone who came out and she appreciated everyone voicing their opinions and concerns. Since the last special council meeting, she has had time to think about what was approved and she would like the Council to reconsider what was voted on. Ms. Cossey made a motion, seconded by Mr. Snow, to reconsider the vote of removing the Carthage Water and Electric Plant Board. The motion to reconsider needed a vote of 7 yeas according to Carthage City Ordinances. Motion failed after a vote of 6 yeas and 4 nays. Ayes: Brandi Ensor, Chris Taylor, Robin Blair, Terri Heckmaster, Alan Snow, and Tiffany Cossey. Nays: Trudy Blankenship, David Armstrong, Ed Hardesty, and Mark Elliff.

Parks and Recreation Director Abi Almandinger reported that the Municipal Park Playground ribbon cutting was scheduled for Monday July 3 at 10 am and invited everyone to attend.

Assistant City Administrator Traci Cox gave a report from City Administrator Greg Dagnan. He wanted to thank all for their support and their prayers regarding his wife's heart surgery, which was successful earlier in the day.

The Committee on Claims filed a report in the amount of $1,137,544.78 against the following funds: General Revenue: $85,332.54, Public Health $148,160.25, Lodging $346.98, Parks/Stormwater $646,903.35, Fire Protection $2,419.27, Golf $13,896.70, Use Tax $201.20, Public Library $10,000.00, and Payroll $230,284.49. Ms. Blair made a motion, seconded by Mr. Armstrong, to accept the report and allow the claims. Motion carried.

A Public Hearing for the approval of an increase in electric, water, and wastewater service rates provided by the Carthage Water and Electric Plant was held. No citizen's participated.

Under Old Business, C.B. 23-40 -- An Ordinance to enter into a Memorandum of Understanding Agreement with the Carthage Chamber of Commerce for the July 4th Red White and Boom Celebration, in the City of Carthage, Missouri was placed on second reading followed by a roll call vote of 10 yeas and 0 nays. Ayes: Brandi Ensor, Chris Taylor, Trudy Blankenship, David Armstrong, Robin Blair, Terri Heckmaster, Ed Hardesty, Alan Snow, Mark Elliff, and Tiffany Cossey. The Council Bill was approved and numbered Ordinance 23-46.

C.B. 23-41 -- An Ordinance authorizing the Mayor to enter into a contract with NBC Sports Marketing for advertising tee times, in the City of Carthage, Missouri was placed on second reading followed by a roll call vote of 10 yeas and 0 nays. Ayes: Brandi Ensor, Chris Taylor, Trudy Blankenship, David Armstrong, Robin Blair, Terri Heckmaster, Ed Hardesty, Alan Snow, Mark Elliff, and Tiffany Cossey. The Council Bill was approved and numbered Ordinance 23-47.

C.B. 23-42 -- An Ordinance authorizing utility rate changes for electric, water, and wastewater services as requested by the Carthage Water & Electric Plant Board was placed on second reading followed by a roll call vote of 10 yeas and 0 nays. Ayes: Brandi Ensor, Chris Taylor, Trudy Blankenship, David Armstrong, Robin Blair, Terri Heckmaster, Ed Hardesty, Alan Snow, Mark Elliff, and Tiffany Cossey. The Council Bill was approved and numbered Ordinance 23-48.

C.B. 23-43 -- An Ordinance adopting the budget of the City of Carthage, Missouri for the Fiscal Year 2023-2024, in the City of Carthage, Missouri was placed on second reading followed by a roll call vote of 10 yeas and 0 nays. Ayes: Brandi Ensor, Chris Taylor, Trudy Blankenship, David Armstrong, Robin Blair, Terri Heckmaster, Ed Hardesty, Alan Snow, Mark Elliff, and Tiffany Cossey. The Council Bill was approved and numbered Ordinance 23-49.

C.B. 23-44 -- An Ordinance to enter into a Memorandum of Understanding Agreement with the City of Joplin, for Participation in the Missouri Division of Tourism ("MDT") Marketing Matching Grant ("MMG") program, in the City of Carthage, Missouri was placed on second reading followed by a roll call vote of 10 yeas and 0 nays. Ayes: Brandi Ensor, Chris Taylor, Trudy Blankenship, David Armstrong, Robin Blair, Terri Heckmaster, Ed Hardesty, Alan Snow, Mark Elliff, and Tiffany Cossey. The Council Bill was approved and numbered Ordinance 23-50.

C.B. 23-45 -- An Ordinance amending the Annual Operating and Capital Budget of the City of Carthage for Fiscal Year 2022-2023 for specified funds (General Fund, Golf Course Fund, Public Health Fund, Capital Improvements Tax Fund, and Use Tax Fund) was placed on second reading followed by a roll call vote of 10 yeas and 0 nays. Ayes: Brandi Ensor, Chris Taylor, Trudy Blankenship, David Armstrong, Robin Blair, Terri Heckmaster, Ed Hardesty, Alan Snow, Mark Elliff, and Tiffany Cossey. The Council Bill was approved and numbered Ordinance 23-51.

Under New Business, C.B. 23-46 -- An Ordinance of the City of Carthage, Missouri authorizing the Mayor to execute an Agreement between the City of Carthage, Missouri and Stronghold Data for Managed IT Services for one-year in the City of Carthage, Missouri was placed on first reading with no action taken.

C.B. 23-47 -- An Ordinance authorizing the Mayor to enter into a contract with ABE Paint Team in the amount of $32,030.00 for the repainting of the Memorial Hall Auditorium, in the City of Carthage, Missouri was placed on first reading with no action taken.

C.B. 23-48 -- An Ordinance to enter into a Memorandum of Understanding Agreement with the Carthage R-9 School District, for the placement of a communication board at Carthage Municipal Park, in the City of Carthage, Missouri. was placed on first reading with no action taken.

Mr. Armstrong made a motion, seconded by Mr. Elliff, to approve the Mayor's Appointments as follows: the appointment of Tyler Markham to the Care Leave Committee until August 2024, the reappointment of Chad Dininger to the Police and Fire Pension Committee until July 2025, and the reappointment of Brian Schmidt, Justin Baucom, and Gary Cole to the Library Board until July 2026. Motion carried.

During Closing Comments, Ms. Cossey thanked the audience for coming and that she would like to see more citizen's participation. Mr. Armstrong reported that he recently visited Washington, D.C. and he wanted to thank Senator Hawley's office for their hospitality during his visit to the Senate. Ms. Blair stated that she is aware that people are disappointed with the vote that happened, and encouraged people to regularly participate in the Council meetings. Ms. Heckmaster stated that she had worked closely with Chuck Bryant for many years and greatly admires him and his work. Mr. Snow thanked everyone for coming, he was also upset with the vote and he hopes the City and Carthage Water and Electric can move forward from everything that has happened.

Mr. Elliff made a motion, seconded by Mr. Hardesty, to adjourn the regular session of the Council Meeting. Motion carried and meeting adjourned at 7:51 p.m.

City of Carthage, Missouri
CITY COUNCIL

June 29, 2023 - 5:00 PM
ZOOM VIDEO CONFERENCING

MINUTES

The Carthage City Council met via Zoom video conferencing on the above date at 5:00 PM with Mayor Dan Rife presiding.

The following Council Members answered roll call: Brandi Ensor, Christopher Taylor, David Armstrong, Robin Blair, Terri Heckmaster, Ed Hardesty, Mark Elliff, and Tiffany Cossey. City Attorney Nate Dally was also present. Brandi Ensor and Robin Blair were present via Zoom. Trudy Blankenship was absent.

Alan Snow joined the meeting at 5:04 PM.

Under New Business, C.B. 23-49 -- An Emergency Ordinance authorizing the Mayor to sign an agreement with Missouri Division of Tourism to be the DMO, and to accept and administer $100,000.00 for Missouri Fiscal Year 2024 was placed on first reading.

Mr. Armstrong made a motion, seconded by Mr. Elliff, to advance the Council Bill to second reading due to its emergency status. Motion carried unanimously.

C.B. 23-49 -- An Emergency Ordinance authorizing the Mayor to sign an agreement with Missouri Division of Tourism to be the DMO, and to accept and administer $100,000.00 for Missouri Fiscal Year 2024 was placed on second reading following by a show of hands vote of 9 yeas and 0 nays. Ayes: Brandi Ensor, Chris Taylor, David Armstrong, Robin Blair, Terri Heckmaster, Ed Hardesty, Alan Snow, Mark Elliff, and Tiffany Cossey. The Council Bill was approved and numbered Ordinance 23-52.

Mr. Elliff made a motion, seconded by Mr. Hardesty, to close the meeting according to Section 610.021 (1), the Agenda includes the possibility of a vote to close part of the meeting to discuss legal actions, causes of action or litigation involving a public governmental body or its representatives and its attorneys followed by a show of hands vote of 9 yeas and no nays. Ayes: Brandi Ensor, Chris Taylor, David Armstrong, Robin Blair, Terri Heckmaster, Ed Hardesty, Alan Snow, Mark Elliff,and Tiffany Cossey. Motion carried at 5:07 p.m

CLOSED SESSION

Mr. Taylor made a motion, seconded by Mr. Elliff, to return to the regular session of the Council Meeting, followed by a show of hands vote of 9 yeas and no nays. Ayes: Brandi Ensor, Chris Taylor, David Armstrong, Robin Blair, Terri Heckmaster, Ed Hardesty, Alan Snow, Mark Elliff, and Tiffany Cossey. Motion carried at 6:38 p.m.

Mr. Elliff made a motion, seconded by Mr. Hardesty, to adjourn the regular session of the Council Meeting. Motion carried and meeting adjourned at 6:39 p.m.

CLOSED SESSION MINUTES
June 29, 2023

The Carthage City Council met via Zoom video conferencing on the above date with Mayor Dan Rife presiding.

The following Council Members answered roll call: Brandi Ensor, Christopher Taylor, David Armstrong, Robin Blair, Terri Heckmaster, Ed Hardesty, Mark Elliff, and Tiffany Cossey. City Attorney Nate Dally was also present. Brandi Ensor and Robin Blair were present via Zoom. Trudy Blankenship was absent.
Alan Snow joined the meeting at 5:04 PM.

After New Business, Mr. Elliff made a motion, seconded by Mr. Hardesty, to close the meeting according to Section 610.021 (1), the Agenda includes the possibility of a vote to close part of the meeting to discuss legal actions, causes of action or litigation involving a public governmental body or its representatives and its attorneys followed by a show of hands vote of 9 yeas and no nays. Ayes: Brandi Ensor, Chris Taylor, David Armstrong, Robin Blair, Terri Heckmaster, Ed Hardesty, Alan Snow, Mark Elliff,and Tiffany Cossey. Motion carried at 5:07 p.m

City Attorney Nate Dally explained some recent legal matters that could affect the City. After discussions, there was no further actions taken.

Mr. Taylor made a motion, seconded by Mr. Elliff, to return to the regular session of the Council Meeting, followed by a show of hands vote of 9 yeas and no nays. Ayes: Brandi Ensor, Chris Taylor, David Armstrong, Robin Blair, Terri Heckmaster, Ed Hardesty, Alan Snow, Mark Elliff, and Tiffany Cossey. Motion carried at 6:38 p.m.

Respectfully submitted,

Miranda Deal,
City Clerk

--NOTICE OF MEETING--

PUBLIC WORKS COMMITTEE

July 6, 2023

5:30 PM

CITY HALL

326 GRANT STREET

COUNCIL CHAMBERS

-- AGENDA—

1. **MEETING CANCELED DUE TO LACK OF BUSINESS**

NEW BUSINESS

OTHER BUSINESS

STAFF REPORTS

ADJOURNMENT

PERSONS WITH DISABILITIES WHO NEED SPECIAL ASSISTANCE CALL 417-237-7000 (VOICE) OR 1-800-735-2466 (TDD VIA RELAY MISSOURI) AT LEAST 24 HOURS PRIOR TO MEETING.

POSTED: 07/03/2023

BY: Rachel Sutherland

City of Carthage, Missouri

BUDGET WAYS & MEANS COMMITTEE

July 10, 2023 - 5:30 PM
CITY HALL COUNCIL CHAMBERS

AGENDA

1. **Call to Order**
2. **Old Business**
    1. Approval of June 12, 2023 Minutes
3. **Citizens Participation**
    (Citizens wishing to speak should notify Department Head or Committee Chair in advance)
4. **New Business**
    1. Staff Reports
5. **Adjournment**

PERSONS WITH DISABILITIES WHO NEED SPECIAL ASSISTANCE CALL 417-237-7000 (VOICE) OR 1-800-735-2466 (TDD VIA RELAY MISSOURI) AT LEAST 24 HOURS PRIOR TO MEETING

City of Carthage, Missouri

COMMITTEE ON INSURANCE/AUDIT AND CLAIMS

July 11, 2023 - 5:30 PM
CITY HALL COUNCIL CHAMBERS

AGENDA

1. **Call to Order**
2. **Old Business**
    1. Approval of June 27, 2023 Minutes
    2. Review & Approval of the Claims Report
3. **Citizens Participation**
   (Citizens wishing to speak should notify Department Head or Committee Chair in advance)
4. **New Business**
    1. Staff Reports
5. **Adjournment**

PERSONS WITH DISABILITIES WHO NEED SPECIAL ASSISTANCE CALL 417-237-7000 (VOICE) OR 1-800-735-2466 (TDD VIA RELAY MISSOURI) AT LEAST 24 HOURS PRIOR TO MEETING

CARTHAGE PUBLIC LIBRARY BOARD OF TRUSTEES
Tuesday, July 11, 2023 5:15 p.m.

Carthage Public Library Board Room
612 S. Garrison Ave.

AGENDA
Roll Call of Members

Minutes from the Last Meeting

Financial Reports

Director's Progress and Service Report

President's Message
 Committee Appointments

Council Liaison's Report

Committee Reports
 Building Committee

 Budget Committee

 Community Relations

 By-Laws

 Library Gardens

 ADA Compliance

 Communications

 Compensation/Wages

 New Business

 Payment of Bills

 Adjournment

AGENDA

Planning, Zoning, and Historic Preservation Commission

Monday, July 3, 2023 5:30 pm

City Hall Chambers

326 Grant St. / Carthage MO 64836

Call to Order

Minutes of Previous Meeting Monday, May 1, 2023

Public Hearing

NOTICE:

MEETING IS CANCELED

1. Request for a Special U ... ated at 1330 Glenwood Place.

New Business

Old Business

1. Discuss Comprehensive Plan Amendments

Next Meeting: Monday, August 7, 2023

Adjourn

Commission Members

Voting Members:	Chairman	Jim Hunter	1514 S River	417-850-5355
	Vice Chairman	Jim Swatsenbarg	601 Howard	417-358-1690
	Secretary	Joshua Anderson	1205 S Main	417-793-2196
	Member	Alan Bull	614 E Centennial	417-388-2309
	Member	Bill Barksdale	1314 S Garrison	417-388-2464
	Member	Robin Harrison	721 E 10th	417-483-8835
	Member	Matt Smith	1022 E Chestnut	417-437-2281
Non-Voting Members:	Mayor	Dan Rife	City Hall	417-237-7003
	City Administrator	Greg Dagnan	City Hall	417-237-7003
	Asst. City Administrator	Traci Cox	City Hall	417-237-7003
	Councilmember	Mark Elliff	1511 Grand Ave	417-359-3662
Staff:	Public Works Director	Zeb Carney	Public Works Department	417-237-7010

Public Works Department 623 E Seventh Carthage MO 64836 Tele: (417) 237-7010 Fax: (417) 237-7011 Email: pwd@carthagemo.gov

John Bartosh
Presiding Commissioner

Tom Flanigan
Eastern District Commissioner

Darieus K. Adams
Western District Commissioner

JASPER COUNTY COMMISSION

302 S. Main ST
Carthage, MO 64836

Carthage: 417-358-0421
Joplin: 417-625-4350

Toll Free: 800-404-0421
Fax: 417+358-0483

COMMISSION AGENDA
JULY 4, 2023
9:00 A.M.
JASPER COUNTY COURTHOUSE ROOM 101

NO COMMISSION MEETING DUE TO THE

FOURTH OF JULY HOLIDAY

THE NEWS MEDIA MAY OBTAIN COPIES OF THIS NOTICE BY CONTACTING:
COMMISSION OFFICE, 302 S. MAIN, COURTHOUSE, ROOM 101, CARTHAGE 417-358-0421

NOTICE POSTED JUNE 30, 2023 AT 4:00 P.M. (RSMO 610.020)

COUNCIL BILL NO. ___23-46___ **ORDINANCE NO. _________**

An Ordinance of the City of Carthage, Missouri authorizing the Mayor to execute an Agreement between the City of Carthage, Missouri and Stronghold Data for Managed IT Services for one-year in the City of Carthage, Missouri.

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF CARTHAGE, JASPER COUNTY, MISSOURI as follows:

SECTION I: The agreement with Stronghold Data for Managed IT Services, attached hereto as Exhibit A, and incorporated herein by reference is approved as a contractual obligation of the City of Carthage, Missouri.

SECTION II: The Mayor is hereby authorized and directed to execute said agreement, in Exhibit A, on behalf of the City of Carthage, Missouri, and to affix the municipal seal hereto and to attest the same.

SECTION III: This Ordinance shall take effect and be in force from and after its passage and approval.

PASSED AND APPROVED THIS _________ DAY OF ___________, 2023.

____
Dan Rife, Mayor

ATTEST:

____
Miranda Deal, City Clerk

Sponsored by: Budget Ways & Means

Stronghold Data

Comprehensive IT Solutions

A New Charter TECHNOLOGIES Company

Managed IT Services RFP

Quote # 008150 | Version 2

Prepared for:

City of Carthage

Stronghold Data LLC 7115 E 24th St Joplin, MO 64804 Phone (417) 627-9878 Fax (417) 623-7606
http://www.strongholddata.com/

Wednesday, June 21, 2023

City of Carthage
Michael Keith
623 E 7th
Carthage, MO 64836
m.keith@carthagemo.gov

Dear Michael,

Thank you for contacting Stronghold Data to build a better business through better technology. Stronghold Data has been providing quality products and services since 1990 and has grown from a small company selling PC's to the area's largest Joplin Based IT company serving organizations of all types and sizes across the four-state region.

We understand your business needs quiet and predictable IT Support. We quiet the noise with dedicated IT support and complete IT solutions.

The following proposal is for a Managed IT solution. In addition to our Managed Services, we offer a complete line of Business Continuity Solutions, Hardware and Software Solutions, Cloud Services, and Information Security.

Please review this proposal and contact us with any questions you have. We will be happy to assist in explaining the items and navigating the ordering process. Again, thank you for the opportunity to present our products and services. We look forward to providing you with the best solution available for your business needs.

Jason Rincker
Sales Director
Stronghold Data LLC

Monthly Services

Description	Recurring	Qty	Ext. Recurring
Managed IT Services - Contract Terms are 1 Year	**$12,170.00**	**1**	**$12,170.00**
Managed Server (Physical) Per month fee for each server on Managed Service Plan		10	
Managed Workstation Essentials Support and management fee per Windows workstation. Support Features include: Multi-Factor Authentication, DNS Filtering, Dark Web ID Monitoring, Security/Awareness Training, Patch Management, Service/Device Monitoring, Automation, Advanced Persistent Threat Monitoring, Ransomware Monitoring, Complete Endpoint Detection & Response, Application Ringfencing		91	
Support for Printer Connectivity to Network		15	
Backup Services for 10 Servers with Appliance Includes replication to Offsite Data Center. *THIS APPLIANCE REMAINS THE PROPERTY OF STRONGHOLD DATA. THERE IS NO PHYSICAL PRODUCT BEING SOLD WITH THIS SERVICE.		1	
Managed Firewall		3	
Network Management -per Location		7	
Support for Client-Owned Wireless AP Managed Service for Client-Owned Access Points		21	
Co-Managed Monthly Discount Monthly discount per workstation for Co-Management including: - Frontline for organization's employees to reach out to with IT Issues. - Facilitating majority of on-site issues that must be addressed in person. - Effectively communicates the priorities of the organization, and escalates to Stronghold Data. - Includes and consults with Stronghold Data in IT Strategy decisions.	($25.00)	91	($2,275.00)

Recurring Subtotal: **$9,895.00**

Managed Services Onboarding

Description	Price	Qty	Ext. Price
Onboarding Setup Documentation of Passwords and Devices Backup and Disaster Recovery Setup Deploy: • Wireless Access Point Management • Advanced Persistent Threat Monitoring • Complete Endpoint Detection & Response • Application Ringfencing • DNS Content Filtering • Patch Management • Remote Support Tools	$500.00	1	$500.00

Subtotal: **$500.00**

Microsoft 365 Licensing

Description	Recurring	Qty	Ext. Recurring
Monthly Management of 365 Tenant Monthly Management of a 365 Tenant INCLUDED: Reporting: User , License, Secure Score, Device, Stack Rank, Azure AD Sync Client Maintenance User Adds/Moves/Changes Password/2FA Reset Baseline Configs (Security Best Practices, Defender for Cloud 365, Teams, OneDrive) Status updates of Services Spam Management Email Delivery Management License Review https://strongholddata.com/properly-managing-a-microsoft-365-tenant/	$500.00	1	$500.00

Microsoft 365 Licensing

Description	Recurring	Qty	Ext. Recurring
M365 Business Premium with Spam Filtering & Apps Annual Term Includes: Hosted email with a 50 GB mailbox Latest versions of Word, Excel, PowerPoint, Outlook, Exchange, and Teams for Desktop and Web. Desktop versions of Publisher and Access 1 TB of cloud storage on OneDrive per user Enhanced phishing and ransomware protection. Control access to sensitive information using encryption Email Security and Anti-Spam Encrypted Documents & Email	$22.00	110	$2,420.00
Dropsuite Business Backups Monthly Subscription Includes: Advanced cloud-based storage to protect and preserve Microsoft Office 365 and Gmail data. • Exchange Online backup • SharePoint backup • OneDrive backup • Groups backup • Teams backup	$5.00	110	$550.00

Recurring Subtotal: **$3,470.00**

Service Summary

Description	Qty
Labor for Remote and On-Site Support -Access to Emergency 24/7 Technician on Call for Priority 1 & 2 Issues -Remote Support for Immediate Response for Most Needs -Help Desk Response and On-Site Support When Needed -Consulting for Technology Products and Services for Your Business -Periodic Business Review for Technology Support and Planning **Automated Services** -24/7 Hardware Monitoring and Management for Servers and Workstations -Patch Management for Microsoft and other Major Software Packages -Ransomware Detection & Isolation With Device Lock-down Capabilities -Basic Network Anomaly and Breach Detection **Backup and Business Continuity** -On-Site Backup and Recovery Appliance -Off-Site Backup to Our World Class Underground Data Center with Redundancy to Second Data Center -Protect Continually With Up to 288 Snapshots Per Day -Failover and Failback Capabilities -Option of Bootable Virtual Standby **Managed Firewall** -Firewall Hardware, Software, and Support -Comprehensive Up-To-Date Network Security -Internet Content Filtering & Deep Packet Inspection -Data and Application Usage Reports -VPN Access and Management **Additional Included Services** -Monthly Automated Risk Assessment -Anti-Virus Software and Remediation for Servers and Workstations -Managed Endpoint Detection and Response for Servers and Workstations -Application Ringfencing to Prohibit Unauthorized Changes to all Applications -Duo Two-Factor Authentication -Threat Hunting Services looking for advanced persistent threats (APTs) -DNS Filtering -Documented Network Information -Periodic In-Person Cyber Awareness Training for Staff -Dark Web Scanning for Primary Email Domain Breaches **Optional Services Upon Request** -SIEM (Security Incident and Event Monitoring) Services -SOC (Fully Staffed Security Operations Center) -Automated Security Awareness Training and Phishing Testing	

Managed IT Services RFP

Prepared for:

City of Carthage
623 E 7th
Carthage, MO 64836
Michael Keith
(417) 237-7010
m.keith@carthagemo.gov

Prepared by:

Stronghold Data LLC
Jason Rincker
(417) 627-9878
Fax (417) 623-7606
jason.rincker@strongholddata.com

Quote Information:

Quote #: 008150
Version: 2
Delivery Date: 06/21/2023
Expiration Date: 07/07/2023

Quote Summary

Description	Amount
Managed Services Onboarding	$500.00
Total:	**$500.00**

Monthly Recurring Expenses Summary

Description	Amount
Monthly Services	$9,895.00
Microsoft 365 Licensing	$3,470.00
Recurring Total:	**$13,365.00**

Taxes, shipping, handling and other fees may apply. We reserve the right to cancel orders arising from pricing or other errors. By accepting and signing this proposal to purchase products and services from Stronghold Data you are also accepting the contract terms to our Master Services Agreement included with the official quote. This official quote can be downloaded by clicking the icon under the "Download the PDF" section on the Order Web Page. Once you accept this proposal by signing the order you will receive an email with the completed quote including contract agreement terms and your signature of acceptance.

STRONGHOLD DATA, LLC

MASTER SERVICE AGREEMENT

This Master Service Agreement ("Agreement") is between Stronghold Data, LLC a Missouri limited liability company with its primary offices located in Joplin, Missouri ("Stronghold Data") and the Customer as defined in the attached quote ("Client") and is effective on the date of the first agreement invoice.

1. **PROVISION OF SERVICES.** Stronghold Data shall provide product(s) and services(s) to Client in accordance with the details listed in the attached quote that is part of this Master Service Agreement.

2. **SERVICE PERIOD.** The agreement shall begin on the date of the first agreement invoice. Stronghold Data shall provide service(s) as described, for a one (1) year term unless otherwise notated in the applicable quote. On expiration of the initial term or a renewal term, the service schedule shall automatically renew for a period of 1 year unless either party gives written notice of termination to the other sixty (60) days before the expiration of the initial term or any renewal term.

3. **CLIENT RESPONSIBILITIES.** Client will provide access to the site, bandwidth, and necessary utilities as needed by Stronghold Data to perform this Agreement. Clients will designate a contact person with authority to direct Stronghold Data.

4. **PAYMENTS AND ADJUSTMENTS.** Payment for all charges shall be due and payable within thirty (30) days of the date of invoice. All invoices not paid within thirty (30) days of the invoice shall bear interest at the rate of 1 ½ % per month or the highest rate allowed by law, whichever is less.

   For all quoted recurring services (monthly, annually, or as otherwise stated in the official quote), the Client agrees that all recurring service charges will be scheduled accordingly and paid to Stronghold Data through our Automated ACH Payment system on a net 30 term or be subject to a 3% admin fee per invoice for manual processing. Hardware only and non-recurring service purchases are not subject to the ACH Payment requirement.

   Stronghold Data consistently invests in our clients by providing new and better tools to deliver superior services. In order to deliver the highest level of support with these advanced tools we have a 4% fee increase each year to cover our increased costs for items such as software tools, staff salary increases, etc. Also, there may be rate increases throughout the year passed along to you, the client, from vendors such as Microsoft for products included with your service that may be periodically increased or decreased as the vendor changes their rates (i.e. Microsoft Office 365, etc.)

5. **DEFAULT.** If Client fails to make any payment when due or materially breaches any provision of the Agreement, then Stronghold Data may give notice to Client of its default. If Client fails to cure such default within fifteen (15) days on the notice, then Stronghold Data may do any or all of the following:

   (a) Terminate this Agreement by giving notice to Client;

   (b) Accelerate all remaining payments hereunder by giving notice to Client;

   (c) Pursue any other remedy at law or in equity.

6. **CONFIDENTIALITY.** Client and Stronghold Data, for each party and for each party's owners, agents, employees, attorneys, accountants, consultants, and contractors promise covenant and agree, except as required by law, that either party will keep absolutely confidential and shall not disclose or disseminate in any way to third parties the other party's information and intellectual property, belonging to or originating from the other party, including but not limited to, documents, components, parts, information, drawings, data, scripts, sketches, plans, programs, specifications,

techniques, processes, software, inventions, supply sources, customer lists, pricing and other materials, both written and oral, of a secret, confidential or proprietary nature, including without limitation any and all information relating to marketing, finance, business forecasts, invention, research, design or development of system information and any supportive or incidental subsystems, and any and all subject matter claimed in or disclosed by a patent application prepared or filed by or on behalf of the other party. Any disclosure by either party of information or materials included herein to the party's employees, agents, attorneys, accountants, consultants, and contractors who have a need to know such information and materials is permitted, provided that each person(s) agree to the complete and absolute confidentiality as described in this Agreement.

7. **OWNERSHIP OF MATERIALS.** Client and Stronghold Data hereby agree that any systems, subsystems, work product, other products, components, parts, information, drawings, data, scripts, sketches, plans, programs, specifications, techniques, processes, software, inventions, and other materials developed and/or created by Stronghold Data for Client's sole proprietary use shall be property belonging to Client. Upon termination of this agreement, Stronghold Data will transfer and deliver to Client any and all such property belonging to Client that is controlled and/or operated by Stronghold Data.

8. **INDEMNIFICATION.**

A. To the extent allowed by law, each party shall indemnify, defend, and hold harmless the other party, its officers, directors, board members, agents, and employees, from and against all claims, damages, losses, and expenses, including attorney's fees, arising out of this Agreement caused by its negligent or wrongful acts or omissions. In cases of concurring fault, each party shall bear its share of the loss.

B. This indemnification agreement shall not be limited in any way by any limitation on the amount or type of damages, compensation, or benefits payable by or for the indemnifying party under worker's compensation acts, disability benefit acts, or other employee benefit acts.

9. **LIMITATIONS OF LIABILITY; NO WARRANTIES.** IN NO EVENT SHALL EITHER PARTY BE LIABLE TO THE OTHER FOR ANY LOST BUSINESS, REVENUE OR PROFITS (OTHER THAN FEES AND CHARGES PAYABLE FOR PRODUCT OR SERVICES), OR FOR DAMAGES FOR LOST OR ERRONEOUS DATA, OR BUSINESS INTERRUPTION, OR FOR ANY OTHER SPECIAL, CONSEQUENTIAL OR INDIRECT DAMAGES THAT ARE IN ANY WAY RELATED TO THIS AGREEMENT, REGARDLESS OF CHARACTERIZATION, EVEN IF SUCH LOSS AND/OR DAMAGES WERE FORESEEABLE AND EVEN IF A PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH LOSS OR DAMAGES. STRONGHOLD DATA LIABILITY FOR CLAIMS OR CAUSES OF ACTION OF ANY KIND WHATSOEVER THAT ARISE IN CONNECTION WITH THIS AGREEMENT SHALL NOT EXCEED THE TOTAL MONTHLY RECURRING CHARGES FOR ONE MONTH, REGARDLESS OF WHETHER SUCH CLAIMS OR CAUSES OF ACTION ARE BASED ON CONTRACT, TORT, STRICT LIABILITY, OR OTHERWISE.

10. **PRODUCT RETURNS**

Stronghold Data adheres to the manufacturer/distributor return policies and timelines for all products. We reserve the right to make exceptions based on the client, product, and circumstance.

11. **NON-SOLICITATION**

Client acknowledges that Stronghold Data (SD) makes considerable investment in training and developing its employees, consultants and independent contractors, and that these relationships constitute valuable assets of SD. Accordingly, Client agrees that during the term of this Agreement and for a period of two (2) years thereafter, Client will not directly or indirectly recruit, engage or employ any person who has performed Services for Client under this Agreement. If at any time during the term of this Agreement, or for a period of two (2) years after its termination or expiration, Client directly or indirectly recruits or employs (as an employee, contractor, consultant, or otherwise) any person who has performed Services for Client under this Agreement, Client will pay to SD as liquidated damages an amount equal to twelve (12) months compensation for that person, calculated based on that person's most recent or last salary level plus benefits. This payment shall be due by Client to SD within thirty (30) days of the date upon which SD makes demand therefore, which demand shall be in writing. Client agrees that the actual damages caused to SD from such an action would be difficult to calculate, and that this amount represents a reasonable approximation of those damages and not a penalty.

12. GENERAL PROVISIONS.

A. The failure of either party to insist or enforce, in any instance, strict performance by the other of any of the terms of this Agreement or to exercise any rights herein conferred shall not be construed as a waiver or relinquishment of its right to assert or rely upon any such terms or right on any future occasion.

B. Stronghold Data shall perform this Agreement as an independent contractor and neither party shall be the agent, partner, or joint venturer of the other.

C. Client shall not assign this Agreement without the prior written consent of Stronghold Data, which will not be reasonably withheld. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the parties.

D. This Agreement shall be governed by the laws of the state of Missouri and the venue for any action arising out of this Agreement shall be Jasper County, Missouri. Both parties waive jury trial. Stronghold shall be entitled to recover its costs and attorney fees.

E. If any provision of this Agreement is invalid or unenforceable, then the remainder of this Agreement shall not be affected thereby.

F. Provision contained in this Agreement that by their sense and context are intended to survive the performance of this Agreement shall so survive the completion of performance and termination of this Agreement including the completion of performance and termination of this Agreement including, without limitation, provisions for indemnification and the making of any and all payments due hereunder.

G. Stronghold Data and Client agree to conduct transactions by electronic means including, without limitation, facsimile transmission and email, and that signatures shall be binding on the parties.

H. If performance of this Agreement by either party or any obligation hereunder (other than payment of money) is prevented, restricted, or interfered with by cause beyond its reasonable control including, but not limited to, acts of God, fire, explosion, vandalism, cable cut, storm or other similar occurrence, any law, order, regulation, direction, action or request of the United States government or state or local governments or of any department, agency, commission, court, bureau, corporation or other instrumentality of any one or more said governments, or of any civil or military authority, or by national emergencies, insurrections, riots, wars, strikes, lockouts or work stoppages or other labor difficulties, supplier failures, shortages, breaches or delays, then such party shall be excused from such performance on a day-to-day basis to the extent of such prevention, restriction or interference. The party claiming force majeure shall notify the other party and shall use reasonable efforts under the circumstances to avoid or remove such force majeure. If the force majeure last for more than thirty (30) days, either party may terminate this Agreement on written notice.

I. The Agreement can only be modified in writing signed by the parties. In the event any provision of this Agreement conflicts with any applicable law, regulation, or order of any regulatory body with jurisdiction, then such law, regulation, or order shall prevail. In the event of any conflict or inconsistency between this Agreement and the associated quote, the terms of the quote shall prevail.

Stronghold Data LLC

Signature:

Name: Jason Rincker

Title: Sales Director

Date: 06/21/2023

City of Carthage

Signature:

Name: Michael Keith

Date:

COUNCIL BILL NO. ___23-47___ **ORDINANCE NO. ______**

An Ordinance authorizing the Mayor to enter into a contract with ABE Paint Team in the amount of $32,030.00 for the repainting of the Memorial Hall Auditorium, in the City of Carthage, Missouri.

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF CARTHAGE, JASPER COUNTY, MISSOURI as follows:

SECTION I: The Mayor of the City of Carthage is hereby authorized to enter into a Contract with ABE Paint Team for the repainting of the Memorial Hall Auditorium in the amount of Thirty Two Thousand Thirty Dollars and 00/100 ($32.030.00), a copy of the bid proposal and contract are attached hereto and incorporated herein as if set out in full.

SECTION II: This ordinance shall take effect and be in force from and after its passage and approval.

PASSED AND APPROVED THIS _______ DAY OF ____________, 2023.

____
Dan Rife, Mayor

ATTEST:

____
Miranda Deal, City Clerk

Sponsored by: Public Services Committee

ABE Paint Team
1248 W. 10th St.
Joplin, MO 64801

Owner / Estimator: Tim Albertson
Cell: (417) 291-9882

Project Manager: John David Wagoner
Cell: (417) 291-3699

Carthage Memorial Hall
407 S Garrison Ave
Carthage, MO 64836

Painting Project:	Labor and Materials:

Memorial Hall Auditorium:

- Cover all surfaces not to be painted, including floors and furniture. Remove any old paint or miscellaneous items as needed and repair any damages or imperfections in the surfaces to be painted.
- Repair and replace broken and fallen ceiling tiles with tiles from a different area of the ceiling.
- Paint all ceiling tiles in the auditorium using a suitable paint that will not compromise the acoustic properties of the tiles.
- Paint all walls, balcony, panels, and trim including around doors, using a suitable paint that will withstand heavy use and maintain its appearance over time.
- **Lift Rental, Complete Cleanup, and trash removal is included in the stated cost.**

Quote Submitted: **June 1, 2023**

Ceilings: **$7,850**

Walls/Panels/Trim: **$24,180**

Lift Rental & Trash Haul off: ~~$1,700~~ Remove

Total: **$33,730**

− 1700

$32,030 aa

per coversation with Tim Albertson

Work Standard:

- **Your facility will be treated with respect by our uniformed and smoke-free crew.**
- **Surfaces not specified for painting will be protected from paint drips or splatter**
- All work is to be completed in a workman-like manner according to standard practices.
- Work area will be cleaned daily and upon project completion.
- All agreements are contingent upon the absence of strikes, accidents or delays beyond our control.
- Our work procedures follow the standards of the PDCA (Painting and Decorating Contractors of America, www.pdca.org). *The painting contractor will produce a "properly painted surface." A "properly painted surface" is one that is uniform in color and sheen. It is one that is free of foreign material, lumps, skins, sags, holidays, misses, strike-through or insufficient coverage. It is a surface that is free of drips, spatters, spills or over-spray caused by the contractors' workforce performance. Compliance to meeting the criteria of a "properly painted surface" shall be determined when viewed without magnification at a distance of three (3) feet or more under normal lighting conditions and from a normal viewing position.*

Unforeseen Conditions:

- Because of unforeseen conditions, additional repairs/costs may become necessary.
- The customer will be notified if any such conditions exist at time of discovery and will be required to sign an Additional Work Order *before* additional cost is incurred.

Limited Warranty:

- ABE Paint Team's workmanship warranty covers labor and material for a period of 2 years. If paint failure appears, we will supply labor and materials to correct the condition without cost. This warranty is in lieu of all other warranties, expressed or implied. Our responsibility is limited to correcting the condition as indicated above.
- This warranty excludes -- and in no event will ABE Paint Team be responsible for -- consequential or incidental damages caused by accident or abuse, normal wear and tear, temperature changes, settlement or moisture; i.e., nail pops or cracks caused by expansion and/or contraction. Cracks will be cosmetically repaired as indicated at time of job, but will not be covered under this warranty. The exclusion also includes: Painted or stained horizontal walking surfaces (i.e. decks, floors and steps), dirt and mildew accumulation; paint failure due to rotted wood, structural defects, moisture intrusion, failure of previous paint coatings and insect infestation. ABE Paint Team is not responsible for differences in paint color when performing warranty work.

License, Insurance, Bonding:

- Joplin License #22-12881
- Western Surety Company Bond #70438129 Held by City of Joplin, Missouri
- $2,000,000 Liability insurance is carried by Kraft Insurance
- $1,000,000 Workman's compensation insurance is carried by Kraft Insurance
- Please feel free to contact our insurance carrier for a copy of a Certificate of Insurance: 417-624-6565

Cost:

- **For the above price, we propose to furnish labor and materials** -- complete and in accordance with the above specifications -- for the sum of all as stated in the beginning of this document.
- **All pricing listed above will be honored for a minimum of sixty (60) days.**
- If after you agree to this work, you desire any changes or additional work, please contact us; the cost of all revisions must be agreed upon in writing. Workers are instructed not to undertake additional work without authorization.

Payment Schedule:

- **50% down payment is required to start projects over $2,000.00**
- **Full balance is due upon completion.**
- 2.5% discount for full upfront payment

ABE Painting
Tim Albertson, Owner
1248 W. 10th St.
Joplin, MO 64801
(417) 291-4122
Fax (417) 781-2051
sales@abepainting.com
abePAINTING.com
facebook.com/abePAINTteam
Albertson Brothers Enterprises, LLC
"Serving Others For Christ"

ACORD®

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 02/22/2023

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER
Kraft Insurance Services
PO BOX 2667
2701 Bird Ave
Joplin MO 64803-2667

CONTACT NAME: Randal Kraft
PHONE (A/C, No, Ext): (417) 624-6565 FAX (A/C, No):
E-MAIL ADDRESS: rkraft@kraftins.com

INSURER(S) AFFORDING COVERAGE		NAIC #
INSURER A :	Ohio Security	24082
INSURER B :	Berkshire Hathaway Guard	42390
INSURER C :	Ohio Security	24082
INSURER D :	Utah Business Insurance Co.	12520
INSURER E :	RLI	10356
INSURER F :		

INSURED
Albertson Brothers Enterprises, LLC DBA: ABE Painting
Tim Albertson
1248 W. 10th St.
Joplin MO 64801

COVERAGES CERTIFICATE NUMBER: ALBE23022210312647 REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	X COMMERCIAL GENERAL LIABILITY; CLAIMS-MADE; X OCCUR; GEN'L AGGREGATE LIMIT APPLIES PER: POLICY; PRO-JECT; X LOC; OTHER:			BKS58623907	02/24/2023	02/24/2024	EACH OCCURRENCE	$ 1,000,000
							DAMAGE TO RENTED PREMISES (Ea occurrence)	$ 1,000,000
							MED EXP (Any one person)	$ 15,000
							PERSONAL & ADV INJURY	$ 1,000,000
							GENERAL AGGREGATE	$ 3,000,000
							PRODUCTS - COMP/OP AGG	$ 3,000,000
								$
B	AUTOMOBILE LIABILITY; ANY AUTO; OWNED AUTOS ONLY; X SCHEDULED AUTOS; X HIRED AUTOS ONLY; X NON-OWNED AUTOS ONLY			ALAU378071	02/24/2023	02/24/2024	COMBINED SINGLE LIMIT (Ea accident)	$ 1,000,000
							BODILY INJURY (Per person)	$
							BODILY INJURY (Per accident)	$
							PROPERTY DAMAGE (Per accident)	$
								$
C	X UMBRELLA LIAB; OCCUR; EXCESS LIAB; CLAIMS-MADE; DED; RETENTION $			USO58623907	02/24/2023	02/24/2024	EACH OCCURRENCE	$ 1,000,000
							AGGREGATE	$ 1,000,000
								$
D	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY Y/N; ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) N; If yes, describe under DESCRIPTION OF OPERATIONS below	N/A		WC0017312023A	01/01/2023	01/01/2024	X PER STATUTE; OTH-ER	
							E.L. EACH ACCIDENT	$ 2,000,000
							E.L. DISEASE - EA EMPLOYEE	$ 2,000,000
							E.L. DISEASE - POLICY LIMIT	$ 2,000,000
E	Joplin Bond			LSM1576573	01/08/2023	01/08/2024		10,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

CERTIFICATE HOLDER

Carthage MO 64836

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE
Randal Kraft

COUNCIL BILL NO. ____23-48____ **ORDINANCE NO. _____________**

An Ordinance to enter into a Memorandum of Understanding Agreement with the Carthage R-9 School District, for the placement of a communication board at Carthage Municipal Park, in the City of Carthage, Missouri.

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF CARTHAGE, JASPER COUNTY, MISSOURI as follows:

SECTION I: The Mayor of the City of Carthage is hereby authorized to enter into a Memorandum of Understanding with the Carthage R-9 School District, for the placement of a communication board at Carthage Municipal Park, a copy of which is attached hereto and incorporated herein as if set out in full.

SECTION II: This ordinance shall take effect and be in force from and after its passage and approval.

PASSED AND APPROVED THIS _______ DAY OF ___________________, 2023.

____
Dan Rife, Mayor

ATTEST:

____
Miranda Deal, City Clerk

Sponsored by: Public Services Committee

MEMORANDUM OF UNDERSTANDING

I. Parties

This Memorandum of Understanding ("MOU") is entered into by and between the Carthage R9 School District, a Missouri corporation, operating under the registered trade name "The Carthage R9 School District" (the "School") and the City of Carthage, a municipal corporation of the State of Missouri (the "City") (together, the "Parties"). This MOU shall be effective as of the date of mutual execution of the Parties.

II. Purpose

A. **Intent**
It is the intent and purpose of this MOU to define and clarify the responsibilities of the Parties involved regarding the installation of a Communication Board in the new Municipal Park Playground.

B. **Terms**
The terms of this MOU shall be to define maintenance after installation is complete.

III. Understanding of the Parties

The School shall be responsible for purchasing and installing the Communication Board on City property at no cost to the City.

The City shall maintain the Communication Board after installation is complete in perpetuity.

IN WITNESS WHEREOF, the parties hereto have executed this memorandum of understanding.

For the City of Carthage

Signature:______________________ Date:____________

For Carthage R9 School District:

Signature:______________________ Date: 6-21-23

COUNCIL BILL NO. __23-50___ **ORDINANCE NO. _____________**

An Ordinance of the City of Carthage, Missouri authorizing the Mayor to execute an Agreement between the City of Carthage, Missouri and the Missouri Highway and Transportation Commission for Hazel Avenue and Airport Drive Roadway Improvements, in the City of Carthage Missouri .

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF CARTHAGE, JASPER COUNTY, MISSOURI as follows:

SECTION I: The agreement with Missouri Highway and Transportation Commission allocating the Governor's Transpiration Cost Share of 50% of the completion of the Hazel Avenue and Airport Drive Roadway Improvements, MoDOT job (SNS0013), attached hereto as Exhibit A and incorporated herein by reference is approved as a contractual obligation of the City of Carthage, Missouri.

SECTION II: The Mayor is hereby authorized and directed to execute said agreement, in Exhibit A, on behalf of the City of Carthage, Missouri, and to affix the municipal seal hereto and to attest the same.

SECTION III: This ordinance shall take effect and be in force from and after its passage and approval.

PASSED AND APPROVED THIS ______ DAY OF ________________, 2023

____
Dan Rife, Mayor

ATTEST:

____
Miranda Deal, City Clerk

Sponsored by:

CCO Form: FS35G
Approved: 1/20 (MWH)
Revised: 3/23 (RSV)
Modified:

Entity: City of Carthage
Project Number/Name: Hazel Ave
MoDOT Project Number: SNS0013
eAgreement #: 2023-05-79075

**MISSOURI HIGHWAYS AND TRANSPORTATION COMMISSION
GOVERNOR'S TRANSPORTATION COST SHARE AGREEMENT**

THIS AGREEMENT is entered into by the Missouri Highways and Transportation Commission (hereinafter, "Commission") and **City of Carthage** (hereinafter, "Entity").

WITNESSETH:

WHEREAS, pursuant to Section 4.445 of Truly Agreed to and Finally Passed House Bill 3004 from the 2022 legislative session (**TAFP HB 3004 2022**), the Missouri General Assembly (**GA**) has appropriated Seventy-Five million dollars ($75,000,000) in general revenue funds to the Commission to be expended for road and bridge projects under the *Governor's Transportation Cost Share Program* (**Program**); and

WHEREAS, the Entity applied to the Commission for participation in the Program; and

WHEREAS, on January 4, 2023, the Commission approved the Entity's application to the Program for a proposed road and bridge improvement project (**Project**) off the State Highway System subject to the terms and conditions of this Agreement; and

WHEREAS, the Commission will administer these Program funds to the Entity with the understanding that such funds will be used for the purpose of funding the Entity's proposed Project, as further described within TAFP HB 3004 2022 and within this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants, promises, and representations in this Agreement, the parties agree as follows:

(1) PROGRAM PURPOSE AND AMOUNT OF PROGRAM:

(A) The Program purpose is to provide financial assistance to public and private entities for public road and bridge projects satisfying a transportation need, provided that these funds shall not supplant, and shall only supplement, the current planned allocation of road and bridge expenditures under the most recently adopted State Transportation and Improvement Plan (**STIP**), including all amendments thereto, as of the date of passage of TAFP HB 3004 2022 by the GA.

(B) The total amount of this Program, as provided within Section 4.445

of TAFP HB 3004 2022, is Seventy-Five Million dollars ($75,000,000). These Program funds are subject to appropriations made by the GA and gubernatorial release of such funds appropriated to the Commission. The Commission will administer funds from the Program in an amount not to exceed Seventy-Five Million dollars ($75,000,000); however, in the event state funds appropriated within Section 4.445 of TAFP HB 3004 2022 are reduced so that the Commission is incapable of completely satisfying its obligations to the Entity, the Commission may recompute and reduce this Program and the amount of this Agreement.

(C) The designation of this Program does not create a lump sum quantity contract, but rather only represents the amount of funding available for reimbursement of eligible Program expenses. In no event will the Commission reimburse the Entity for improvements or work that are not actually performed. The release of all funding under this Agreement is subject to review and approval of all Project expenses to ensure that they are eligible Program expenses.

(D) These Program funds are for construction contract costs only. All other non-construction costs, including but not limited to preliminary engineering, environmental services, right-of-way services and acquisitions, utilities, construction inspection, etc. are ineligible for funds from Section 4.445 of TAFP HB 3004 2022. The Entity shall be solely responsible for all ineligible costs.

(2) PROGRAM TIME PERIOD: This Agreement provides Program funding for expenditures during State Fiscal Year (**SFY**) 2023 (July 1, 2022 - June 30, 2023). In the event the funds are re-appropriated by the GA into another SFY, the Program time period will automatically be adjusted to reflect the new SFY.

(3) REQUEST FOR RE-APPROPRIATION OF FUNDS AND EXTENSION OF TIME FOR COMPLETION OF PROJECT: It is anticipated the Seventy-Five Million dollars ($75,000,000) provided within Section 4.445 of TAFP HB 3004 2022 will not be fully expended by June 30, 2023, the end of SFY 2023. Therefore, the Commission will request for the re-appropriation of Program funds and extension of time for completion of the Project. If the re-appropriation is not approved by the GA, the Entity has the discretion to complete the construction of the Project at the Entity's expense and at no cost or expense whatsoever to the Commission.

(4) PURPOSE: The purpose of this Agreement is to coordinate participation by the Commission in the cost of the Entity's proposed Project in accordance with Section 4.445 of TAFP HB 3004 2022.

(5) LOCATION AND JOB NUMBER: The proposed Project that is the subject of this Agreement is identified as MoDOT job number SNS0013 and Entity job number/name Hazel Avenue and Airport Drive Roadway Improvements. The Project is contemplated at the following location:

On Hazel Avenue from the George Phelps Boulevard to Airport Drive and on

Airport Drive from Hazel Avenue to Route 571 in the City of Carthage. Length of improvement is approximately 0.7 mile.

The general location of the Project is shown on the attachment marked as "**Exhibit A**" and is incorporated herein by reference.

(6) SCOPE OF WORK: The Entity shall undertake and complete the proposed Project described in the Entity's Scope of Work Statement, which is attached and marked as "**Exhibit B**" and is incorporated herein by reference. The Project will be defined by the Entity's Scope of Work Statement. Any proposed changes to the Entity's Scope of Work, during design or construction of the Project, must be submitted in writing for Commission review and approval before the changes will be considered eligible for participation in the Program.

(7) AMENDMENTS: Any change in this Agreement, whether by modification or supplementation, must be accomplished by a formal contract amendment signed and approved by the duly authorized representatives of the Entity and the Commission.

(8) COMMISSION REPRESENTATIVE: The Commission's Southwest District Engineer is designated as the Commission's representative for the purpose of administering the provisions of this Agreement. The Commission's representative may designate by written notice other persons having the authority to act on behalf of the Commission in furtherance of the performance of this Agreement.

(9) ENTITY REPRESENTATIVE: The Entity's Public Works Director is designated as the Entity's representative for the purpose of administering the provisions of this Agreement. The Entity's representative may designate by written notice other persons having the authority to act on behalf of the Entity in furtherance of the performance of this Agreement.

(10) PROJECT RESPONSIBILITIES: With regard to Project responsibilities under this agreement, the parties agree as follows:

(A) The Entity shall be responsible for design of the Project and shall prepare detailed right-of way and construction plans and specifications. The Entity shall provide the Commission with final construction Plans, Specifications and Estimate (PS&E) prior to bidding the Project.

(B) The Entity shall be responsible for letting the road and bridge improvement Project, which includes advertising the Project for bids and awarding the construction contract. The Entity shall award the contract to the lowest, responsive, responsible bidder. The Commission will review all contractors' bids and concur with the selection of the apparent successful low bidder prior to the Entity awarding the construction contract.

(C) The Entity shall be responsible for construction of the Project which includes administration of the construction contract.

(D) The Entity shall be responsible for inspection of the Project work and is subject to the Commission's oversight, approval, and acceptance.

(11) FINANCIAL RESPONSIBILITIES: With regard to work under this Agreement, the Entity agrees as follows:

(A) The Program funds are only eligible to be used for construction contract costs on the Entity's proposed Project in accordance with Section 4.445 of TAFP HB 3004 2022. All other Project costs are ineligible for Program funds and shall be the responsibility of the Entity. The estimated construction contract cost for the Entity's proposed Project is one million three hundred thirteen thousand two hundred ninety-eight dollars ($1,313,298).

(B) The Commission will reimburse fifty percent (50%) of the construction contract costs not to exceed six hundred fifty-six thousand six hundred forty-nine dollars ($656,649).

(C) The Entity shall be one hundred percent (100%) responsible for the balance of the construction contract costs in excess of one million three hundred thirteen thousand two hundred ninety-eight dollars ($1,313,298).

(D) The Commission and Entity will share any construction contract cost savings based on pro rata share between the parties.

(E) The estimated Construction Contract Cost, Project Responsibilities and Financial Responsibilities are shown in "**Exhibit C**", which is attached hereto and incorporated herein by reference.

(12) REIMBURSEMENT FOR ELIGIBLE EXPENSES: The Commission will reimburse the Entity as discussed in section (11) for Project expenses based on eligible construction contract costs.

(A) The Entity may request reimbursement for eligible costs incurred at any time subsequent to the execution of this Agreement by both parties. Requests for reimbursement shall be submitted to the Missouri Department of Transportation (**MoDOT**) monthly and shall be supported with invoices and documentation that its providers were paid in full for the work performed.

(B) It is understood and agreed by and between the parties that the Commission shall make no reimbursement payment which could cause the aggregate of all payments under this Agreement to exceed six hundred fifty-six thousand six hundred forty-nine dollars ($656,649) as approved by the Commission.

(C) The request for reimbursement must include a construction progress summary that includes an estimated percent complete, list of major items of work completed during the pay period and status of schedule.

(D) Within ninety (90) days of final inspection of the Project funded under this Program, the Entity shall provide to the Commission a final payment request and all financial performance and other reports as required by this Agreement.

(E) If the Commission determines that the Entity was overpaid, the Entity shall remit the amount of overpayment to the Commission.

(F) The Entity must submit reimbursement requests by May 31st of the Program Time Period to ensure reimbursement by the end of the SFY.

(13) EXPENDITURE OF PROGRAM FUNDS: All funds not expended by the Entity at the end of the Program Time Period within this Agreement may be redistributed to another applicant at the discretion of the Commission.

(14) WITHDRAWAL OF PROGRAM OFFER: The Commission reserves the right to amend or withdraw this Program offer at any time prior to acceptance by the Entity.

(15) MAINTENANCE: Upon completion of construction of this Project, the Entity shall accept maintenance and control of the improved Hazel Avenue and Airport Drive at no cost or expense whatsoever to the Commission. All obligations of the Commission under this Agreement shall cease upon completion of the Project.

(16) ACQUISITION OF RIGHT OF WAY: No acquisition of additional right of way is anticipated in connection with the Project or contemplated by this Agreement.

(17) DESIGN AND CONSTRUCTION SPECIFICATIONS: The Entity agrees that all design and construction work for the proposed Project will be in accordance with policies, procedures, design criteria, design standards, and construction specifications adopted by the Entity for Entity's streets. In absence of such Entity adopted requirements, the Entity shall use Commission requirements for Local Public Agency projects. Any work on the State Highway System shall be in accordance with current Commission policies, procedures, design criteria, and the Missouri Standard Specifications for Highway Construction.

(18) PERMITS: The Entity shall secure any necessary approvals or permits from the Federal Government and the State of Missouri as required to permit the construction and maintenance of the Project.

(19) TRAFFIC CONTROL: The plans shall provide for temporary and permanent traffic control using signs, signals, and markings in accordance with the Manual of Uniform Traffic Control Devices (**MUTCD**).

(20) SOLICITATION FOR BIDS AND CONTRACT AWARD: The Entity shall solicit bids for the Project in accordance with plans developed by the Entity. The Entity shall review all contractor bids received and award the contract to the lowest, responsive, responsible bidder. Prior to awarding the contract, the Entity shall submit the bids to the Commission for review and concurrence. The Entity shall not make any award for the Project without prior written consent of the Commission.

(21) NOTICE TO PROCEED: After award of the construction contract, the Entity shall provide the Commission with copies of the executed construction contract between the Entity and the contractor, the performance and payment bonds, and any other documentation as required by this Agreement. Upon receipt of all necessary documents, the Commission will authorize the Entity to issue a notice to proceed with construction.

(22) CONSTRUCTION PROGRESS AND INSPECTION: The Entity shall provide and maintain adequate, competent, and qualified engineering supervision and construction inspection at the Project site during all stages of the work to ensure that the completed work conforms with the Project plans and specifications. The inspection staff shall utilize construction progress and inspection reports to sufficiently document the work and to document proper payments for competed work. Project oversight by other personnel does not relieve the Entity of this responsibility.

(23) PROMPT PAYMENT: The Commission and the Entity will require all contractors to pay all subcontractors and suppliers for satisfactory performance of services in compliance with section 34.057 RSMo, Missouri's prompt payment statute. Pursuant to section 34.057 RSMo, the Commission and the Entity will also require the prompt return of all retainage held on all subcontractors after the subcontractors' work is satisfactorily completed, as determined by the Entity and the Commission.

(24) AUDIT OF RECORDS: The Entity shall maintain all records relating to this Agreement, including but not limited to bidding documents, construction contracts, construction inspection reports, invoices, payrolls, etc. These records must be available at all reasonable times at no charge to the Commission and/or its designees or representatives during the period of this Agreement and any extension thereof, and for three (3) years from the date of final payment made under this Agreement.

(25) NONDISCRIMINATION CLAUSE: The Entity shall comply with all state and federal statutes applicable to the Entity relating to nondiscrimination, including, but not limited to, Chapter 213, RSMo; Title VI and Title VII of the Civil Rights Act of 1964, as amended (42 U.S.C. Sections 2000*d* and 2000e, *et seq*.); and with any provision of the "Americans with Disabilities Act" (42 U.S.C. Section 12101, *et seq*.).

(26) CANCELLATION: The Commission may cancel this Agreement at any time for a material breach of contractual obligations or for convenience by providing the Entity with written notice of cancellation. Should the Commission exercise its right to cancel this Agreement for such reasons, cancellation will become effective upon the date specified in the notice of cancellation sent to the Entity.

(27) PROJECT SCHEDULE: The Project schedule is shown on the attachment marked as "**Exhibit D**" and is incorporated herein by reference. Any lack of progress which significantly endangers substantial performance of the Project within the specified time shall be deemed a material breach of this Agreement. The determination of lack of progress shall be solely within the discretion of the Commission. The Commission shall notify the Entity in writing once such a determination is made.

(28) PROJECT ACCEPTANCE AND CERTIFICATION: The Entity shall certify in writing that the Project was completed in accordance with all applicable state and federal laws and applicable construction requirements were met. The certification form is shown on the attachment marked as "**Exhibit E**" and is incorporated herein by reference. This certification will be submitted during the final closeout phase of the Project. The Commission will withhold final payment until certification is received.

(29) SOLE BENEFICIARY: This Agreement is made for the sole benefit of the parties hereto and nothing in this Agreement shall be construed to give any rights or benefits to anyone other than the Commission and the Entity.

(30) AUTHORITY TO EXECUTE: The signers of this Agreement warrant that they are acting officially and properly on behalf of their respective institutions and have been duly authorized, directed and empowered to execute this Agreement.

(31) SECTION HEADINGS: All section headings contained in this Agreement are for the convenience of reference only and are not intended to define or limit the scope of any provision of this Agreement.

(32) NO ADVERSE INFERENCE: This Agreement shall not be construed more strongly against one party or the other. The parties to this Agreement had equal access to, input with respect to, and influence over the provisions of this Agreement. Accordingly, no rule of construction which requires that any allegedly ambiguous provision be interpreted more strongly against one party than the other shall be used in interpreting this Agreement.

(33) ENTIRE AGREEMENT: This Agreement represents the entire understanding between the parties regarding this subject and supersedes all prior written or oral communications between the parties regarding this subject.

(34) VOLUNTARY NATURE OF AGREEMENT: Each party to this Agreement

warrants and certifies that it enters into this transaction and executes this Agreement freely and voluntarily and without being in a state of duress or under threats or coercion.

(35) NOTICES: Any notice or other communication required or permitted to be given hereunder shall be in writing and shall be deemed given three (3) days after delivery by United States mail, regular mail postage prepaid, or immediately after delivery in person, or by facsimile or electronic mail addressed as follows:

Commission to: Missouri Department of Transportation
Attn: Stacy Reese
District Engineer
3025 E. Kearney
Springfield, MO 65803
Email: stacy.reese@modot.mo.gov

Entity to: Zeb Carney
Public Works Director, City of Carthage
26 Grant Street
Carthage, MO 64836
Email: z.carney@carthagemo.gov

or to such other place as the parties may designate in accordance with this Agreement.

(36) VENUE: It is agreed by the parties that any action at law, suit in equity, or other judicial proceeding to enforce or construe this Agreement, or regarding its alleged breach, shall be instituted only in the Circuit Court of Cole County, Missouri.

(37) LAW OF MISSOURI TO GOVERN: This Agreement shall be construed according to the laws of the State of Missouri. The Entity shall comply with all local, state and federal laws and regulations relating to the performance of this Agreement.

(38) WORK PRODUCT: All documents, reports, exhibits, etc. produced by the Entity at the direction of the Commission and information supplied by the Commission shall remain the property of the Commission.

(39) CONFIDENTIALITY: The Entity shall not disclose to third parties confidential factual matters provided by the Commission except as may be required by statute, ordinance or order of court, or as authorized by the Commission. The Entity shall notify the Commission immediately of any request for such information.

(40) NONSOLICITATION: The Entity warrants that it has not employed or retained any company or person, other than a bona fide employee working for the Entity, to solicit or secure this Agreement, and that it has not paid or agreed to pay any company or person, other than a bona fide employee, any fee, commission, percentage, brokerage fee, gift or any other consideration, contingent upon or resulting from the award or making of this Agreement. For breach or violation of this warranty, the Commission shall have the right to annul this Agreement without liability, or in its discretion, to deduct from this Agreement price or consideration, or otherwise recover, the full amount of such fee, commission, percentage, brokerage fee, gift or contingent fee.

(41) DISPUTES: Any disputes that arise under this Agreement shall be decided by the Commission or its representative.

(42) INDEMNIFICATION:

(A) To the extent allowed or imposed by law, the Entity shall defend, indemnify and hold harmless the Commission, including its members and the Missouri Department of Transportation (MoDOT or Department) employees, from any claim or liability whether based on a claim for damages to real or personal property or to a person for any matter relating to or arising out of the Entity's wrongful or negligent performance of its obligations under this Agreement.

(B) In no event shall the language of this Agreement constitute or be construed as a waiver or limitation for either party's rights or defenses with regard to each party's applicable sovereign, governmental, or official immunities and protections as provided by federal and state constitution or law.

(43) INSURANCE: The Entity or the Commission will require any contractor procured to work on or under this Agreement:

(A) To obtain a no cost permit from the Commission's District Engineer prior to working on the Commission's right-of-way, which shall be signed by an authorized contractor representative (a permit from the Commission's District Engineer will not be required for work outside of the Commission's right-of-way); and

(B) To carry commercial general liability insurance and commercial automobile liability insurance from a company authorized to issue insurance in Missouri, and to name the Commission, MoDOT and its employees, as additional named insureds in amounts sufficient to cover the sovereign immunity limits for Missouri public entities as calculated by the Missouri Department of Insurance, Financial Institutions and Professional Registration, and published annually in the Missouri Register pursuant to Section 537.610, RSMo. The Entity shall cause insurer to increase the insurance amounts in accordance with those published annually in the Missouri Register pursuant to Section 537.610, RSMo.

(44) NOTIFICATION OF CHANGE: The Entity shall immediately notify the Commission of any change in conditions or law which may significantly affect its ability to perform the Project in accordance with the provisions of this Agreement.

(45) ASSIGNMENT: The Entity shall not assign, transfer or delegate any interest in this Agreement without the prior written consent of the Commission.

(46) BANKRUPTCY: Upon filing for any bankruptcy or insolvency proceeding by or against the Entity, whether voluntarily, or upon the appointment of a receiver, trustee, or assignee, for the benefit of creditors, the Commission reserves the right and sole discretion to either cancel this Agreement or affirm this Agreement and hold the Entity responsible for damages.

(47) ENTITY RIGHT-OF-WAY: All Project improvements made within Entity-owned right-of-way shall become the Entity's property, and all future alterations, modifications, or maintenance therof, will be the responsibility of the Entity. The Entity further agrees that the right of way provided for any improvement will be held and maintained inviolate for public highway or street purposes, and will enact and enforce any ordinances or regulations necessary to prohibit the presence of billboards or other advertising signs or devices and the vending or sale of merchandise on such right of way, and will remove or cause to be removed from such right of way any sign, private installation of any nature, or any privately owned object or thing which may interfere with the free flow of traffic or impair the full use and safety of the highway or street.

(48) STATE WAGE LAWS: The Entity's contractor and its subcontractors shall pay the prevailing hourly rate of wages for each craft or type of worker required to execute this Project work as determined by the Department of Labor and Industrial Relations of Missouri, and they shall further comply in every respect with the minimum wage laws of Missouri. The Entity shall take those acts which may be required to fully inform itself of the terms of, and to comply with, any applicable state wage laws.

[The Remainder of This Page Is Intentionally Left Blank.]

IN WITNESS WHEREOF, the parties have entered into this Agreement on the date last written below.

Executed by the Entity on _________________________(DATE).

Executed by the Commission on ____________________ (DATE).

MISSOURI HIGHWAYS AND TRANSPORTATION COMMISSION	CITY OF CARTHAGE
___________________________	By____________________________
Title _______________________	Title____________________________
Attest:	Attest:
___________________________	By___________________________
Secretary to the Commission	
	Title___________________________
Approved as to Form:	Ordinance No. __________________
___________________________	
Commission Counsel	

EXHIBIT A

LOCATION

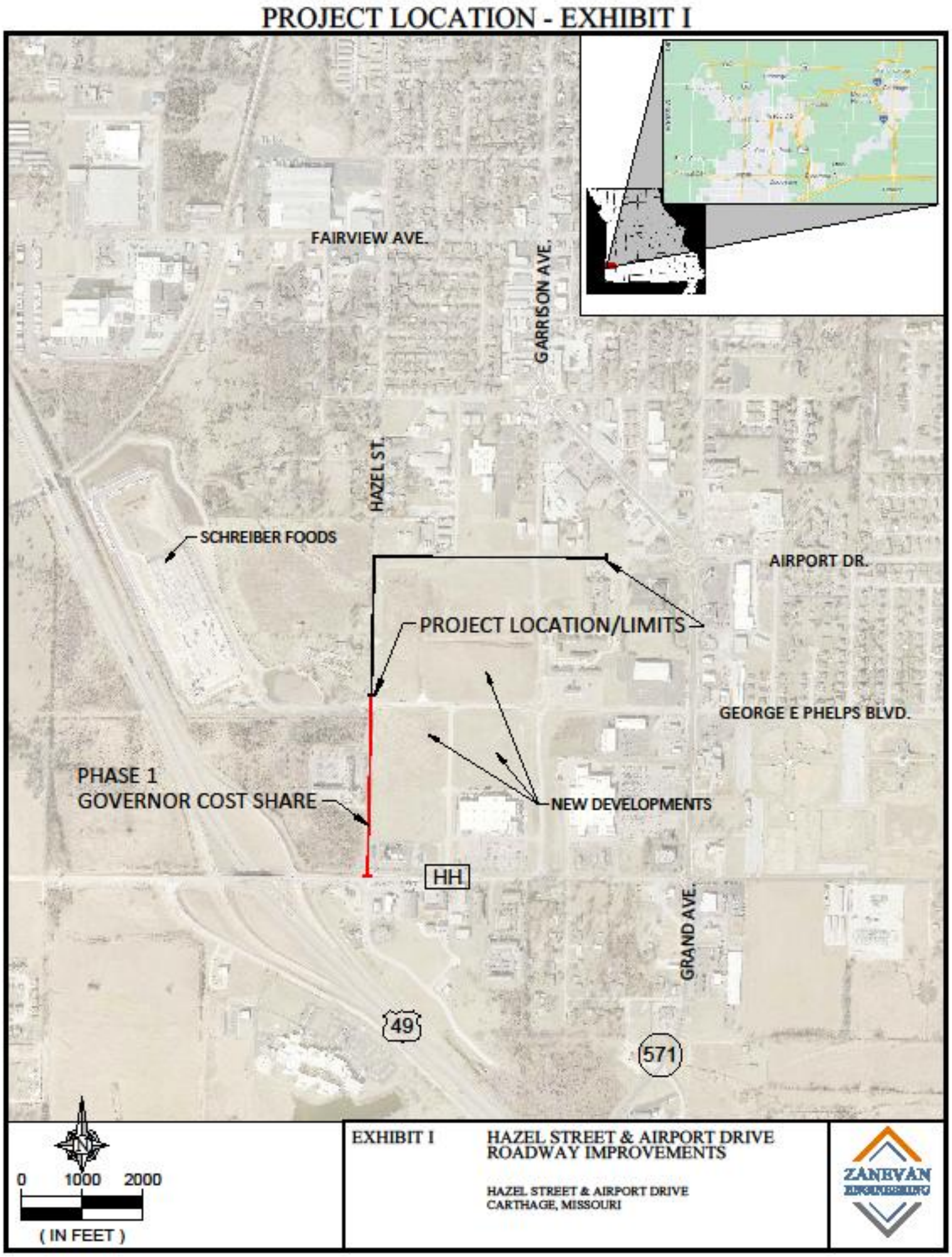


EXHIBIT B

SCOPE OF WORK

- Improve capacity and safety along Hazel Avenue and Airport Drive
- Widen Hazel Avenue from George Phelps Boulevard to Airport Drive
- Widen Airport Drive from Hazel Avenue to Route 571
- Street cross-section will include 3-12’ lanes with curb and gutter and stormwater collection improvements

EXHIBIT C

FINANCIAL SUMMARY

Project Name: Hazel Avenue and Airport Drive Roadway Improvements

Project Number: SNS0013

Description: Widening for Hazel Avenue from George Phelps Boulevard to Airport Drive, and widening of Airport Drive from Hazel Avenue to Route 571

Total Construction Contract Cost Estimate: $1,313,298

Local Entity: City of Carthage

	Current Estimate
Construction	$1,313,298

Project Responsibilities:

Preliminary Engineering/Design	City of Carthage
Right of Way Acquisition	N/A
Bid Letting and Construction	City of Carthage
Utilities	City of Carthage
Construction Engineering/Inspection	City of Carthage

Financial Responsibilities for Cost Share Eligible:

Governor's Cost Share Funds	$656,649	Total Program Share
Governor's Cost Share Economic Development Funds	$0	$656,649
Entity	$656,649	Total Entity Share
		$656,649
Total:	$1,313,298	

How are overruns and underruns handled?
Overruns will be the responsibility of the Entity. Underruns will be based on a pro rata share.

EXHIBIT D

PROJECT SCHEDULE

- Preliminary Plans Complete: April 2023
- Plans, Specifications, Estimate: August 2023
- Letting Date: October 2023
- Construction Complete: June 2024

EXHIBIT E

Missouri Department of Transportation

Certification for Acceptance

Governor's Transportation Cost Share Program

Funding Recipient:					
Address					
City		State		Zip	
Project Identification Number:					
County		Route		Completion Date	
Project Location					
Type of Improvement					

I hereby certify the Governor's Cost share project identified above has been completed in accordance with all state and federal laws and the following requirements have been met:

1. Project field tests were performed in conformity with the governing specifications and the results were in reasonably close conformity with the specifications.
2. The project was constructed substantially in conformity with the plans and specifications.
3. A copy of the Final Invoice and a Final List of Pay Quantities have been submitted to MoDOT.
4. The Funding Recipient has received certification from the Contractor that all lawful claims in connection with the project have been paid and discharged.
5. For projects exceeding $75,000, all Missouri Prevailing Wage laws were followed and enforced (for a checklist, see Form PW-5 at https://labor.mo.gov/).

Signed by an Authorized Representative of the Funding Recipient:	______________________________ Signature ____________________(Date)

COUNCIL BILL NO. ___23-51_____ **ORDINANCE NO. ________**

An Ordinance authorizing the Mayor to enter into a Power Sales Agreement with the Southwestern Power Administration, in the City of Carthage, Missouri

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF CARTHAGE, JASPER COUNTY, MISSOURI, THE MAYOR CONCURRING HEREIN, AS FOLLOWS:

SECTION I: The Mayor is hereby authorized enter into a Power Sales Agreement with the Southwestern Power Administration, a copy of which Agreement is attached hereto and incorporated herein as if set out in full.

SECTION II: This ordinance shall take effect and be in force from and after its passage and approval.

PASSED AND APPROVED THIS ________ DAY OF _____________, 2023.

____
Dan Rife, Mayor

ATTEST:

____
Miranda Deal, City Clerk

Sponsored by: CWEP Board

Contract No. DE-PM75-23SW00867

UNITED STATES
DEPARTMENT OF ENERGY
SOUTHWESTERN POWER ADMINISTRATION

POWER SALES CONTRACT

BETWEEN

UNITED STATES OF AMERICA

AND

CITY OF CARTHAGE, MISSOURI

Exhibits

Contract No. DE-PM75-23SW00867

UNITED STATES
DEPARTMENT OF ENERGY
SOUTHWESTERN POWER ADMINISTRATION

POWER SALES CONTRACT

BETWEEN

UNITED STATES OF AMERICA

AND

CITY OF CARTHAGE, MISSOURI

THIS POWER SALES CONTRACT (hereinafter “Contract”), made and entered into this ____ day of ________________, 2023, by and between the UNITED STATES OF AMERICA, represented by the Secretary of Energy, acting by and through the Administrator, Southwestern Power Administration (hereinafter “Southwestern”), an Administration within the Department of Energy, and CITY OF CARTHAGE, MISSOURI (hereinafter “Carthage”), a municipal corporation organized and existing under the laws of the State of Missouri, acting through its duly authorized officials (Southwestern and Carthage being hereinafter sometimes referred to individually as “Party” and collectively as “Parties”); WITNESSETH, That,

WHEREAS, pursuant to Section 302(a)(1) of the Department of Energy Organization Act (91 Stat. 578; 42 U.S.C. 7152), Section 5 of the Flood Control Act of 1944 (58 Stat. 887, 890; 16 U.S.C. 825s), and Public Law 95-456 (92 Stat. 1230; 16 U.S.C. 825s-3), the Secretary of Energy is authorized to transmit and dispose of electric power and energy generated at reservoir projects controlled by the Department of the Army; and

WHEREAS, the Administrator of Southwestern has been delegated the authority to market available hydroelectric power and energy; and

WHEREAS, on May 29, 1998, the parties entered into Contract Number DE-PM75-98SW00409, which has been amended throughout its term (hereinafter “Contract-409”) and which provides for, among other things, the sale of Federal Power and Federal Energy and associated services by Southwestern to Carthage and interconnection between the Parties at Southwestern’s Carthage Substation; and

WHEREAS, Articles II, IV, IX, Section 2 of Article XI, and Article XIII of Contract-409, which provide for and are related to the sale of Federal Power and Federal Energy, are scheduled to expire on June 30, 2023; and

WHEREAS, Articles I, III, X, and Sections 1, 3 and 4 of Article XI of Contract-409, which provide for and are related to, amongst other things, Southwestern transmission service, are scheduled to expire on June 30, 2030; and

WHEREAS, Carthage transitioned from Southwestern transmission service to Southwest Power Pool transmission service in 2017, and the Parties desire to provide for early termination of Articles I, III, X, and Sections 1, 3 and 4 of Article XI of Contract-409; and

WHEREAS, the Parties desire to provide for the continued purchase by Carthage of Federal Power and Federal Energy from Southwestern, pursuant to the terms and conditions of this Contract; and

WHEREAS, the Parties desire to provide for continued interconnection at Southwestern’s Carthage Substation under a separate Interconnection and Operating Agreement.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the Parties contract and agree as follows:

ARTICLE I

DEFINITIONS

Section 1. Contract Year. The term “Contract Year,” as used in this Contract, shall mean the 12-month period beginning on July 1st of each calendar year and extending through June 30th of the following year.

Section 2. Demand Period. The term “Demand Period,” as used in this Contract, shall be as defined in Southwestern’s applicable rate schedule.

Section 3. Excess Energy Rate Schedule. The term “Excess Energy Rate Schedule,” as used in this Contract, shall mean Southwestern’s “Wholesale Rates for Excess Energy” rate schedule EE-13, or its successor.

Section 4. Federal Energy. The term “Federal Energy,” as used in this Contract, shall mean energy provided from the System of Southwestern.

Section 5. Federal Power. The term “Federal Power,” as used in this Contract, shall mean power provided from the System of Southwestern.

Section 6. General Contract Provisions. The term “General Contract Provisions” shall mean provisions applicable to this Contract, which are set forth in Section 5 of Article VII of this Contract.

Section 7. Hydro Peaking Power Rate Schedule. The term “Hydro Peaking Power Rate Schedule,” as used in this Contract, shall mean Southwestern’s “Wholesale Rates for Hydro Peaking Power” rate schedule P-13A, or its successor.

Section 8. Month and Billing Period. The terms “month” and “billing period,” as used in this Contract, shall each mean the period beginning on the first day and extending through the last day of each calendar month.

Section 9. Peaking Energy Scheduling Submission Time. The term "Peaking Energy Scheduling Submission Time," as used in this Contract, shall mean the time Southwestern requires Carthage to submit its Peaking Energy Schedule in accordance with Southwestern's Hydro Peaking Power Rate Schedule.

Section 10. Scheduling Agent. The term "Scheduling Agent," as used in this Contract, shall mean the entity which Carthage has designated in writing to Southwestern as its agent pursuant to Section 2 of Article IV of this Contract.

Section 11. System of Carthage. The term "System of Carthage," as used in this Contract, shall mean the generation, transmission, and related facilities owned by Carthage and/or the generation, transmission, and related facilities owned by others, the capacity of which, by contract, is available to and utilized by Carthage to satisfy its requirements and obligations to Southwestern under this Contract.

Section 12. System of Southwestern. The term "System of Southwestern," as used in this Contract, shall mean the generation, transmission, and related facilities owned by Southwestern and/or the generation, transmission, and related facilities owned by others, the capacity of which, by contract, is available to and utilized by Southwestern to satisfy its requirements and obligations to Carthage under this Contract.

Section 13. Transmission Agent. The term "Transmission Agent," as used in this Contract, shall mean one or more entities which Carthage has designated, in writing, to Southwestern as its agent pursuant to Section 3 of Article IV of this Contract.

Section 14. Uncontrollable Force. The term "Uncontrollable Force," as used in this Contract, shall mean any force not within the control of the Party affected, including, but not limited to: failure of water supply; failure of facilities; flood; earthquake; storm; lightning; fire; epidemic; riot; civil disturbance; labor disturbance; sabotage; war; act of war; terrorist acts; or restraint by court of general jurisdiction, which, by exercise of due diligence and foresight, such Party could not reasonably have been expected to avoid.

ARTICLE II
SALE OF HYDRO PEAKING POWER AND ASSOCIATED ENERGY BY SOUTHWESTERN

Section 1. Sale of Hydro Peaking Power. (a) Subject to the provisions of Section 1(b) of this Article II, Southwestern shall sell and make available, and Carthage shall purchase, up to 7,000 kilowatts of Federal Power (hereinafter "Hydro Peaking Power") and shall purchase and receive or cause to be received associated Federal Energy as set forth in this Article II. Nothing in this Section 1 shall require Carthage to purchase and receive or cause to be received Hydro Peaking Power with associated Federal Energy in any manner or quantity except as provided for in this Contract.

(b) The Parties understand and agree that the sale of such Federal Power and Federal Energy is contingent upon the absence of Uncontrollable Forces and other contingencies set forth herein which may make any part or all these quantities unavailable for sale by Southwestern.

(c) Notwithstanding Section 1(b) of this Article II, Southwestern shall make reasonable efforts to perform its obligations in the event of an Uncontrollable Force.

Section 2. Peaking Contract Demand. The "Peaking Contract Demand" shall be the maximum rate in kilowatts at which Southwestern is obligated to deliver Federal Energy associated with Hydro Peaking Power as set forth in Section 1(a) of this Article II. The Peaking Contract Demand shall be equal to the quantity of Hydro Peaking Power specified in Section 1(a) of this Article II.

Section 3. Sale of Peaking Energy by Southwestern. During each Contract Year, Southwestern shall sell and make available, and Carthage shall purchase and receive or cause to be received, a quantity of Federal Energy to accompany Hydro Peaking Power (hereinafter "Peaking Energy") equal to 1,200 kilowatt-hours per kilowatt of Peaking Contract Demand.

Section 4. Utilization of Peaking Energy. (a) Peaking Energy purchased by Carthage pursuant to Section 3 of this Article II shall be utilized by Carthage in quantities of:

(i) Not less than 60 kilowatt-hours per kilowatt of Carthage's Peaking Contract Demand during any one month; and

(ii) Not greater than 200 kilowatt-hours per kilowatt of Carthage's Peaking Contract Demand during any one month; and

(iii) Not greater than 600 kilowatt-hours per kilowatt of Carthage's Peaking Contract Demand during any four consecutive months, irrespective of Contract Year.

(b) If, during any month, Carthage or its Scheduling Agent fails to cause the utilization of the minimum quantity of Peaking Energy specified in Section 4(a)(i) of this Article II, Southwestern's invoice for service during such month shall include a charge for such minimum quantity of Peaking Energy.

(c) If, during any Contract Year, Carthage or its Scheduling Agent fails to cause the utilization of the quantity of Peaking Energy specified in Section 3 of this Article II, Southwestern's invoice for service during the last month of such Contract Year shall include a charge for the quantity of Peaking Energy which Carthage is obligated to purchase but which was not utilized in accordance with this Section 4.

(d) Carthage understands that it forgoes entitlement to any quantity of Peaking Energy which was purchased pursuant to Sections 4(b) and 4(c) of this Article II, but which Carthage or its Scheduling Agent did not cause to be utilized.

(e) If, during any month or Contract Year, Carthage or its Scheduling Agent utilizes Peaking Energy in excess of the maximum quantities authorized pursuant to Section 3, 4(a)(ii), or 4(a)(iii) of this Article II, Carthage shall pay an overrun penalty on such Peaking Energy (hereinafter "Energy Overrun Penalty") in accordance with the Hydro Peaking Power Rate

Schedule, which is attached to this Contract as Exhibit “2” and by this reference incorporated herein.

(f) The quantity of Peaking Energy purchased by Carthage pursuant to Section 3 of this Article II shall be subject to adjustment as follows:

(i) If the sale of Hydro Peaking Power to Carthage is initiated on a date other than the first day of a Contract Year, the total number of kilowatt-hours of Peaking Energy to be furnished and delivered by Southwestern during the remainder of such Contract Year shall be computed as follows:

$$\text{Peaking Energy During Remainder of Contract Year (kilowatt-hours)} = 1{,}200 \text{ hours} \times \text{Peaking Contract Demand (kilowatts)} \times \left(\frac{\text{\# of Months Remaining}}{12} \right)$$

Provided, That, total sales of Peaking Energy made to Carthage pursuant to a separate contract during a Contract Year, when combined with the sales of Peaking Energy to Carthage pursuant to this Contract, shall not exceed 1,200 kilowatt-hours per kilowatt of Peaking Contract Demand for such Contract Year.

(ii) If the Peaking Contract Demand is increased or decreased during any Contract Year, the quantity of Peaking Energy sold by Southwestern to Carthage during the remainder of such Contract Year shall be specified in an amendment to this Contract reflecting the change in Carthage’s Peaking Contract Demand.

Section 5. Scheduling of Peaking Energy. (a) Carthage or its Scheduling Agent shall submit to Southwestern an hourly schedule each day in accordance with the Peaking Energy Schedule Submission Time with all energy quantities expressed in whole megawatt-hours for the delivery of Peaking Energy during the following day for the account of Carthage.

(b) Subject to the provisions of Section 4 of this Article II, hourly schedules for Peaking Energy may be changed by Carthage, or its Scheduling Agent, at any time, and from time to time, upon notice to Southwestern prior to the Peaking Energy Schedule Submission Time of the day preceding the day when the new schedule will be in effect. Such schedule changes shall be confirmed in writing at the request of Southwestern.

(c) Any specific terms applicable to scheduling of Peaking Energy that are set forth in the Hydro Peaking Power Rate Schedule shall have precedence over any provision contained in this Contract to the extent consistent with statutes and regulations of the United States.

(d) Carthage or its Scheduling Agent may cause Peaking Energy for the account of Carthage to be utilized at a rate less than the Peaking Contract Demand for any particular Demand Period, subject to the provisions of Sections 3 and 4 of this Article II and the limitations and penalties identified therein.

Section 6. Sale and Scheduling of Supplemental Peaking Energy. From time to time, Southwestern may have additional Federal Energy associated with Hydro Peaking Power available for purchase by Carthage in addition to the quantity of Peaking Energy purchased by Carthage pursuant to Section 3 of this Article II (hereinafter “Supplemental Peaking Energy”). When Southwestern, in its sole judgment and at its sole option, determines that Supplemental Peaking Energy will be available for utilization by Carthage pursuant to this Contract, Southwestern shall notify Carthage or its Scheduling Agent of such availability, the approximate rate at which such Supplemental Peaking Energy may be delivered, and the period(s) of time during which such Supplemental Peaking Energy will be available. If Carthage elects to exercise its option to purchase such Supplemental Peaking Energy, Southwestern will establish with Carthage or its Scheduling Agent an hourly schedule for the delivery of Supplemental Peaking Energy to be purchased by Carthage. Southwestern reserves the right to reduce or terminate the sale of Supplemental Peaking Energy at any time, without advance notice, to Carthage or its Scheduling Agent.

Section 7. Compensation by Carthage to Southwestern for Hydro Peaking Power and Associated Energy. (a) Carthage shall compensate Southwestern each month for Hydro Peaking Power, Peaking Energy, and Supplemental Peaking Energy purchased during the preceding month at the rates and pursuant to the terms and conditions set forth in the Hydro Peaking Power Rate Schedule. Carthage understands and agrees that the rates and/or terms and conditions set forth in the Hydro Peaking Power Rate Schedule may, upon confirmation and/or approval by the appropriate authority having responsibility to so confirm and/or approve rate schedules, and whether on an interim basis or as finally confirmed and/or approved, be increased, decreased, modified, or superseded, at any time, and from time to time; and that if so increased, decreased, modified, or superseded, the rates and terms and conditions shall thereupon become effective and applicable to the purchase and sale under this Contract for Federal Power and Federal Energy on the effective date specified in the order of the appropriate authority.

(b) Southwestern shall promptly notify Carthage in writing if the rates and/or terms and conditions set forth in the Hydro Peaking Power Rate Schedule have been increased, decreased, modified, or superseded.

(c) If the rates and/or terms and conditions in the Hydro Peaking Power Rate Schedule are increased, decreased, modified, or superseded, as provided in Section 7(a) of this Article II, and Carthage does not wish to continue the purchase of Hydro Peaking Power, Peaking Energy, and Supplemental Peaking Energy under this Contract, Carthage shall, within six (6) months after the date of the notice from Southwestern under Section 7(b) of this Article II, notify Southwestern in writing of its election to terminate this Contract, such termination to be effective as of 11:59 p.m. Central Prevailing Time of the last day of the Contract Year specified by Carthage, and in any case, not earlier than six (6) months nor later than 36 months after the date of receipt of such notice by Southwestern. Should Carthage elect to provide such written notification of its intent to terminate this Contract pursuant to this Section 7, compensation paid to Southwestern for any Hydro Peaking Power, Peaking Energy, and/or Supplemental Peaking Energy purchased by Carthage during the period until the effective date of such termination shall be paid at the then-effective rates and terms and conditions, regardless of whether such rates, terms, and/or conditions are in effect on an interim basis or as finally confirmed and/or approved by the appropriate authority.

Section 8. Nominal Point of Delivery. (a) The "Nominal Point of Delivery" shall mean one or more points of delivery for Federal Power and Federal Energy purchased by Carthage from Southwestern under this Contract, and such Nominal Point of Delivery shall be at the 69-kV side of the 161/69-kV transformers in Southwestern's Carthage Substation.

(b) The point of delivery for any non-Federal power and energy purchased by Carthage and delivered at Southwestern's Carthage Substation shall be established in separate transmission service agreements between the Parties and Southwest Power Pool and shall identify the obligations for transmission of non-Federal power and energy.

(c) Federal Power and Federal Energy purchased pursuant to this Contract will be delivered from the System of Southwestern at the Nominal Point of Delivery into the System of Carthage. Carthage expressly understands and agrees that ownership and responsibility for Federal Power and Federal Energy purchased pursuant to this Contract passes to and is vested in Carthage when such Federal Power and Federal Energy are delivered from the System of Southwestern at the Nominal Point of Delivery. Carthage further expressly agrees that Southwestern neither has, nor assumes, any responsibility or obligation under this Contract for the transmission or displacement of such Federal Power and Federal Energy from or beyond the Nominal Point of Delivery.

ARTICLE III
SALE OF EXCESS ENERGY BY SOUTHWESTERN

Section 1. Sale of Excess Energy. From time to time, Southwestern may have Federal Energy associated with Hydro Peaking Power available for purchase by Carthage in addition to the quantity of Peaking Energy purchased by Carthage under Section 3 of Article II of this Contract and in addition to the quantity of Supplemental Peaking Energy purchased by Carthage under Section 6 of Article II of this Contract (hereinafter "Excess Energy"). Southwestern shall sell, and Carthage may purchase, quantities of Excess Energy as

Southwestern, in its sole judgment and at its sole option, determines are available for sale, and which Carthage determines it can utilize in lieu of other sources of non-Federal energy available to Carthage.

Section 2. Notice of Availability. If Excess Energy is available, Southwestern shall notify Carthage or its Scheduling Agent of the availability of Excess Energy, setting forth in such notice the period during which such Excess Energy is estimated to be available and the rate in kilowatts at which such Excess Energy may be scheduled. Southwestern shall, if possible, give notice as to the date and time of the termination of the availability of such Excess Energy. Southwestern reserves the right to reduce or terminate the sale of Excess Energy at any time, without advance notice, to Carthage or its Scheduling Agent.

Section 3. Notice of Purchase by Carthage. Upon notice of availability from Southwestern pursuant to Section 2 of this Article III, Carthage or its Scheduling Agent shall notify Southwestern of the quantity, if any, of Excess Energy Carthage shall purchase and receive.

Section 4. Point of Delivery and Scheduling. Excess Energy purchased by Carthage shall be delivered by Southwestern at the Nominal Point of Delivery, in accordance with schedules developed and agreed upon by authorized representatives of Southwestern and Carthage, and subject to all conditions set forth in the Excess Energy Rate Schedule.

Section 5. Compensation by Carthage to Southwestern for Excess Energy. Carthage shall compensate Southwestern each month for Excess Energy received during the preceding month at the rates and pursuant to the terms and conditions set forth in the Excess Energy Rate Schedule, which is attached to this Contract as Exhibit “3” and by this reference incorporated herein. Carthage understands and agrees that the rates and/or terms and conditions set forth in the Excess Energy Rate Schedule may, upon confirmation and/or approval by the appropriate authority having responsibility to so confirm and/or approve rate schedules, and whether on an interim basis or as finally confirmed and/or approved, be increased, decreased, modified, or superseded at any time, and from time to time; and that if so increased, decreased, modified, or superseded, the rates and terms and conditions shall thereupon become effective and applicable to the purchase and sale of Excess Energy under this Article III, in accordance with the effective date specified in the order of the appropriate authority.

ARTICLE IV
DESIGNATION AND AUTHORITY OF SCHEDULING AGENT AND TRANSMISSION AGENT BY CARTHAGE

Section 1. Statement of Intent and Purpose. Federal Power and Federal Energy purchased by Carthage from Southwestern pursuant to this Contract will be transmitted from the Nominal Point of Delivery through one or more third party transmission systems, whether scheduled for delivery by Carthage or its designated Scheduling Agent, and whether received by Carthage's Scheduling Agent or third parties for the account of Carthage.

Section 2. Designation and Authority of Scheduling Agent. (a) Should Carthage elect to secure third-party Scheduling Agent services; Carthage shall designate such third party in writing to Southwestern.

(b) The Scheduling Agent shall be authorized to:

(i) Accept and receive from Southwestern for the account of Carthage, the Federal Power and Federal Energy purchased by Carthage pursuant to this Contract; and

(ii) Prepare and submit, and receive and accept, all necessary notices and accounting statements; and

(iii) Exclusive of matters pertaining to billing and payment, act for and on behalf of Carthage about all matters arising pursuant to this Contract, with the same force and effect as if it were Carthage acting through its duly authorized officials.

Section 3. Designation of Transmission Agent. Carthage shall designate, in writing to Southwestern, one or more third party Transmission Agent(s) responsible for transmitting Federal Power and Federal Energy from the System of Southwestern to Carthage.

Section 4. Acceptance and Receipt by Transmission Agent. An agent or third party designated by Carthage shall be responsible for accepting and receiving the Federal Power and Federal Energy purchased by Carthage pursuant to this Contract at the Nominal Point of Delivery for the account of Carthage and for delivery to Carthage.

Section 5. Change of Scheduling and/or Transmission Agent or Authority of Such Agent(s). Subject to the provisions of Section 2(b) of this Article IV, Carthage may change its Scheduling Agent or Transmission Agent or the responsibilities of such agent(s) at any time during the term of this Contract by giving written notice to Southwestern. Such change shall be effective not sooner than 60 days after the date of said notice.

ARTICLE V
CHARACTER OF DELIVERIES, POWER FACTOR, INADVERTENT FLOW, AND METERING

Section 1. Character of Deliveries. Federal Power and Federal Energy furnished by Southwestern pursuant to this Contract shall be delivered as three-phase, alternating current and at a frequency of approximately 60 hertz.

Section 2. Power Factor and Reactive Power Loading. (a) The Parties recognize that because the System of Southwestern and the System of Carthage are interconnected with other electrical systems, neither Southwestern nor Carthage will at all times have complete control of the power factor relating to the Federal Power and Federal Energy delivered to or received at the Nominal Point of Delivery. Carthage shall provide all Volt Amperes Reactive (hereinafter “VARs”) required for the System of Carthage and Southwestern shall provide all VARs required for the System of Southwestern to maintain a power factor within the range of 0.95 leading to 0.95 lagging, as measured at the Nominal Point of Delivery.

(b) Neither Party shall impose, nor permit to be imposed a reactive power loading on the System of the other Party which will result in an overload or impairment of such system, of which will interfere with the delivery of power and energy by the Parties to their respective customers.

(c) If the reactive power loading imposed at the Nominal Point of Delivery should overload either Party's facilities or impair service by the Parties to their respective customers, either Party shall have the right to open without notice, or cause the other Party to open, such interconnecting equipment as may be necessary to eliminate such overloading or impairment of service; Provided, However, that the Party exercising this right shall use reasonable efforts to provide prior notice to the other Party and, if prior notice is not given, shall notify the other Party as soon as practicable.

Section 3. Inadvertent Flow and Balancing Off. (a) The flow of Federal Power and Federal Energy at the Nominal Point of Delivery will not be completely within the control of Southwestern but will be, in part, controlled by the electrical characteristics of the systems interconnected with Southwestern at such Nominal Point of Delivery and by the manner in which such systems are operated. By reason of such characteristics and operation, the delivery of Federal Power and Federal Energy may vary from scheduled deliveries, and such Federal Power and Federal Energy may flow inadvertently.

(b) Southwestern agrees to follow the scheduled delivery and receipt of Federal Power and Federal Energy as closely as practicable in accordance with applicable requirements of the North American Electric Reliability Corporation (hereinafter "NERC") or its successor, and any inadvertent flow of Federal Power and Federal Energy in excess of, or less than, the amount scheduled shall not constitute a breach of this Contract and no charges shall be assessed for such inadvertent flow.

(c) Any scheduled flow deviations relating to inadvertent flow shall be balanced off between Southwestern and the Balancing Authority interconnected with Southwestern at the Nominal Point of Delivery as soon as practicable in the subsequent delivery and receipt of Federal Power and Federal Energy, and at a time of day as nearly as comparable to the time of day said inadvertent deviations occurred. No charge shall be made for inadvertent flows of power and energy or for power and energy delivered to balance off the same.

(d) If any such inadvertent flow of power and energy causes an impairment to the System of Southwestern or to the system(s) interconnected with Southwestern at the Nominal Point of Delivery, or if such inadvertent flow interferes with service rendered by either Party to its customers, the Party adversely affected shall have the right to open, or cause the other to open, such interconnecting equipment as may be necessary to eliminate such impairment or interference.

Section 4. Metering. Federal Power and Federal Energy delivered pursuant to this Contract shall be metered and accounted for and each Party shall have the right to install a suitable meter at the Nominal Point of Delivery; Provided, That the Party installing such meter agrees to coordinate its installation with the other Party. Primary metering to establish a Balancing Authority Area (hereinafter “BAA”) boundary between Southwestern and Southwest Power Pool, Inc. (hereinafter “SPP”) at the Nominal Point of Delivery shall be owned by Southwestern. Interchange metering equipment and interchanges shall meet the BAA requirements of NERC or its successor and applicable SPP requirements.

Section 5. Meter Reading. Each meter installed or used pursuant to this Contract shall be read by the owner or its authorized representative on or about the first day of each month and may be simultaneously read by a representative of the other Party if the other Party so elects.

Section 6. Meter Testing and Defective or Inaccurate Meters. Metering equipment shall be inspected and tested, or caused to be inspected and tested, at least once each Contract Year by the Party owning the meter or by that Party’s authorized representative, and at any reasonable time upon request by the other Party. If the non-owning Party so requests, any such meter test shall be conducted jointly with a representative of the Party owning the meter. Metering equipment found to be defective or inaccurate shall be repaired and readjusted or replaced by its owner. A meter shall be considered inaccurate if it is found to deviate from an accurate standard meter in excess of 0.2 percent when tested at both 100 percent of load or in excess of 0.2 percent at 10 percent of load.

Section 7. Adjustments for Meter Errors. If any inspection or test discloses an error exceeding 2.0 percent, corrective adjustment of charges shall be made and based upon the inaccuracy found. Such adjustment shall be made on the records of electric service furnished since the beginning of the monthly billing period immediately preceding the billing period during which the test was made. When made, such corrective adjustment shall constitute a full and complete settlement of any claim between the Parties arising out of such defect or inaccuracy of metering equipment.

ARTICLE VI
REIMBURSABLE WORK

Section 1. Purpose. Upon mutual agreement by Southwestern and Carthage, and in accordance with applicable laws and regulations and the provisions of this Contract:

(i) Carthage may provide funds to the U.S. Army Corps of Engineers (hereinafter “Corps”) for work or services which benefit Southwestern’s customers pursuant to Section 2(a) of this Article VI; and

(ii) Carthage may provide funds to Southwestern for work or services which benefit Southwestern’s customers pursuant to Section 2(b) of this Article VI.

Section 2. Reimbursable Work. (a) An addendum to this Contract shall be entered into for each instance in which Carthage agrees to provide funds to the Corps for work or services which benefit Southwestern’s customers. The funds provided to the Corps pursuant to this Section 2(a) for work or services which benefit Southwestern’s customers and/or which will result in repairs, replacements, or modifications to facilities of the Corps, whose cost of operation, modifications, maintenance, and replacements is recovered through any of Southwestern's rates, shall be credited to Carthage's account in Southwestern's invoice(s) for the sale of power pursuant to this Contract during the same month such funds were invoiced.

(b) An addendum to this Contract shall be entered into and/or invoices shall be made under this Contract for each instance in which Carthage agrees to provide funds to Southwestern for work or services which benefit Southwestern's customers. The funds provided to Southwestern pursuant to this Section 2(b) for work or services which benefit Southwestern's customers and/or which will result in repairs, replacements, or modifications to facilities of Southwestern whose cost of operation, modifications, maintenance, and replacements is recovered through any of Southwestern's rates, shall be credited to Carthage's account in Southwestern's invoice(s) for the sale of power pursuant to this Contract during the same month such funds were invoiced.

ARTICLE VII
EFFECTIVE DATE, TERM, CONTINGENCIES, NOTICES, REPORTS, INFORMATION, AND OTHER GENERAL PROVISIONS

Section 1. Effective Date and Term of Contract. This Contract shall become effective at 12:00 a.m. on August 1, 2023, or the first day of the month following execution by the Administrator of Southwestern, or the Administrator's authorized representative, whichever date is later; and shall remain in force and effect through 11:59 p.m., June 30, 2038, unless terminated pursuant to provisions set forth herein. Both Parties hereto agree that no further notice of termination need be given. All times identified in this Section 1 shall be Central Prevailing Time (CPT).

Section 2. Contingencies Related to Other Contracts. (a) The Parties recognize that the quantity of Federal Power and Federal Energy available to Southwestern for marketing is limited by the generating capability and operating characteristics of the reservoir projects from which Southwestern markets Federal Power and Federal Energy, and that Southwestern shall not be obligated to make available to Carthage quantities of Federal Power and Federal Energy in excess of the quantities set forth in this Contract.

(b) The Parties recognize that operations conducted pursuant to this Contract may be conditioned and contingent upon contractual arrangements Carthage has with a Scheduling Agent and/or Transmission Agent. If Carthage has not made suitable arrangements for receipt of the Federal Power and Federal Energy purchased pursuant to this Contract, whether via a Scheduling Agent or Transmission Agent, Southwestern, in its sole judgment and at its sole option, shall have the right to terminate this Contract.

(c) If, for any reason, Carthage terminates, suspends, or renders inoperative its contract(s) with its Scheduling Agent and/or Transmission Agent, this Contract shall immediately terminate and be without further force or effect as of the effective date of such termination, suspension, or having been rendered inoperative.

(d) Termination of this Contract pursuant to the provisions of this Section 2 shall be without penalty to either of the Parties, and any rights of the Parties accrued prior to the date of such termination, if any, shall be and hereby are preserved.

(e) Notwithstanding the provisions of this Section 2, this Contract shall not terminate for the reasons set forth herein if Carthage has made other contractual arrangements satisfactory to Southwestern for the receipt of Federal Power and Federal Energy purchased hereunder and has coordinated the establishment of such arrangements with Southwestern.

Section 3. Notices. Any written notice, demand, or request required or authorized pursuant to this Contract shall be deemed properly given to or served on Southwestern if emailed to OfficialCorresondence@swpa.gov or mailed by certified mail, courier service, or some other trackable means to:

Administrator
Southwestern Power Administration
1 W. 3rd Street, Suite 1500
Tulsa, OK 74103

Any such notice, demand, or request, shall be deemed properly given to or served on Carthage if mailed by certified mail, courier service, or some other trackable means to:

General Manager
Carthage Water & Electric Plant
627 W. Centennial
Carthage, MO 64836

The designation of the person to be notified, or the address of such person, may be changed at any time by either Party by written notice to the other Party.

Section 4. Reports and Information. To the extent consistent with statutes and regulations of the United States, each Party shall furnish to the other such reports and information concerning its operations as the other Party may reasonably request from time to time.

Section 5. General Contract Provisions. (a) Provisions applicable to this Contract are set forth in Southwestern's General Contract Provisions, which are attached to this Contract as Exhibit "1" and by this reference incorporated herein. Definitions set forth in the Articles of this Contract shall also apply to their respective terms used in Exhibit "1." The term "Customer," used in Exhibit "1," shall mean Carthage.

(b) Any specific terms and conditions set forth in the Articles of this Contract shall have precedence over any provision contained in Exhibit "1," to the extent consistent with statutes and regulations of the United States.

Section 6. Choice of Law. Federal law shall control the obligations and procedures established by this Contract and the performance and enforcement thereof. The forum for any litigation arising from this Contract shall exclusively be a Federal court of the United States.

Section 7. Federal Statutes. The interpretation, enforcement, and performance of this Contract shall be subject to Southwestern fulfilling its responsibilities and obligations pursuant to Federal statutes and regulations applicable to Southwestern, including, but not limited to, Section 302(a)(1) of the Department of Energy Organization Act (91 Stat. 578; 42 U.S.C. 7152), Section 5 of the Flood Control Act of 1944 (58 Stat. 887, 890; 16 U.S.C. 825s), and Public Law 95-456 (92 Stat. 1230; 16 U.S.C. 825s-3).

IN WITNESS WHEREOF, the Parties have executed this Contract using either a handwritten signature or a dually authenticated digital signature using Adobe Sign or Adobe E-Signature. A dually authenticated digital signature affixed to this Contract via Adobe Sign or Adobe E-Signature is considered to be the same as a handwritten signature and shall be considered valid and appropriate as of the date shown on the dually authenticated digital signature.

UNITED STATES OF AMERICA

By ______________________________

Fritha Ohlson
Senior Vice President/COO
Office of Corporate Operations
Southwestern Power Administration

CITY OF CARTHAGE, MISSOURI

By ______________________________

Title ______________________________

ATTEST:

I, __________________________, certify that I am the ______________________ of CITY OF CARTHAGE, MISSOURI and that ________________________________, who signed this Contract on behalf of the said City, was then the ________________________ of said City, and that the said Contract was duly signed for and on behalf of the said City by authority of its governing body, which has within the scope of its corporate powers the authority to legally bind such City pursuant to the foregoing Contract.

(SEAL)

By ___________________________________

Southwestern Power Administration
<u>GENERAL CONTRACT PROVISIONS</u>

A. ACCOUNTING, BILLING, PAYMENT, AND LATE PAYMENT CHARGES

1. Billing by Southwestern. (a) Southwestern shall maintain an accurate record of power, energy, and any other services purchased by the Customer under this Contract.

(b) For each billing period in which the Customer makes one or more purchases under this Contract, Southwestern shall prepare an invoice in which such purchases are set forth in necessary detail, including the specific quantities of power, energy, and other services provided to the Customer during such billing period, and in which the compensation due Southwestern for such purchases is specified.

(c) Invoiced quantities may be based on estimates if actual quantities are not available. Adjustments, if any, due to a difference between estimated and actual quantities will be made on an invoice prepared during the billing cycle following the invoice which was based on estimated quantities.

2. Payment Terms. (a) Invoices shall be due and payable by the Customer on or before the close of business 20 calendar days after the invoice date, or shall be due and payable on the next business day thereafter if the said due date should fall on a Saturday, Sunday, or official Federal holiday.

(b) Payment of amounts due to Southwestern may be made through electronic funds transfer (EFT) or may be submitted as checks and mailed to:

Southwestern Power Administration
One West Third Street
Tulsa, Oklahoma 74103-3502

(c) EFT payments shall conform to Southwestern protocols for electronic transfer of funds in effect at the time of the transaction.

(d) The designation of the address where payment is to be submitted may be changed by Southwestern upon 30 days' written notice to the Customer.

(e) Invoices shall be considered paid when payment is received into Southwestern's designated depository account or credited to Southwestern's depository account in the U.S. Treasury by the end of the business day; Provided, That payments received by mail are accepted as timely and will not be assessed late charges if a U.S. Postal Service postmark for first class mail shows that the payment was received by the Postal Service at least 2 calendar days before the due date; Provided Further, That payments received through EFT are accepted as timely and will not be assessed late charges if they are credited to Southwestern's depository account in the U.S. Treasury on or before the third day after the due date or on the next business day thereafter if said third day is a Saturday, Sunday, or official Federal holiday.

3. Net Billing. (a) Whenever the parties agree, payments due Southwestern by the Customer may be offset against payments due the Customer by Southwestern for the sale or exchange of electric power, energy, and other services.

(b) For services included in net billing procedures, payments due one party in any month shall be offset against payments due the other party in such month, and the resulting net balance shall be paid to the party in whose favor such balance exists.

(c) The parties shall exchange such reports and information as either party requires for billing purposes.

(d) Net billing procedures shall not be used for any amounts which Southwestern determines, in its sole judgment, to be in dispute.

4. Payments By Southwestern. Any payment due the Customer not satisfied by the Net Billing provision of Section 3 of this Provision A, shall be made by Southwestern to the banking account of the Customer by Electronic Funds Transfer.

5. Propriety of Rates. (a) Southwestern shall bill the Customer for the Customer's purchases of power, energy, and other services in accordance with the rates placed in effect pursuant to statute.

(b) The Customer hereby agrees to promptly pay Southwestern under such rate schedules, whether or not the Customer agrees with the propriety or the levels of the rates placed into effect pursuant to law, regulation, or the order of an appropriate authority.

(c) In the event that the U.S. Congress amends the manner in which Southwestern calculates or charges for its power sales, the Customer hereby agrees to promptly pay in such an amended manner, subject to the Customer's right to terminate.

6. Late Payment Charge. (a) Southwestern shall assess the Customer a Late Payment Charge for each instance in which the Customer is delinquent in making payment to Southwestern.

(b) Such Late Payment Charge shall be computed by dividing by 12 the then-effective annual interest rate published in the Federal Register by the Department of Treasury, and multiplying the resultant monthly rate times the principal amount past due.

(c) Such Late Payment Charge shall be assessed only once for a particular invoiced amount which is past due, irrespective of the number of days between the due date and the final payment of such particular invoiced amount.

7. Late Payment Interest Charge. (a) In addition to the Late Payment Charge provided in Section 6 of this Provision A, a daily interest charge shall be assessed on the principal amount past due for each day after the due date until the said amount is paid in full.

(b) Such daily interest rate shall be computed by recalculating the annual interest rate cited in Section 6(b) of this Provision A for a daily rate.

8. Penalty Charge for Late Payment. (a) In the event that the Customer should fail to pay Southwestern any portion of an invoiced amount for a period of more than 90 days past its due date, Southwestern shall assess a penalty charge of 6 percent per year on such outstanding amount.

(b) This penalty charge shall accrue for the period from the date that the debt became past due until the date when such invoiced amount is paid, and shall be assessed in addition to other charges for late payment which are specified in this Provision A.

9. Late Payment Administrative Charge. (a) Southwestern shall assess charges to cover administrative costs incurred as a result of a collection action against the Customer to cover the additional costs incurred in processing and handling such debt collection.

(b) Calculation of administrative costs shall be based upon actual costs incurred by Southwestern in processing and handling claims against other debtors in similar stages of delinquency.

10. Partial Payment. In the event that an invoice is not paid in full, amounts received by Southwestern shall be applied first to outstanding Late Payment penalty and administrative charges; second to outstanding daily interest charges for late payments assessed on the principal; and finally, to payment of the principal amount past due, unless a different rule is prescribed by Federal statute or regulation.

11. Discontinuance of Service. (a) If the Customer fails to pay any amount due under this Contract, Southwestern may, at its option, cause the delivery of power, energy, and other services under this Contract to be discontinued upon 90 days' prior written notice to the Customer, unless payment of the amounts due is made by the Customer within such 90-day period.

(b) Such discontinuance of the delivery of power, energy, and other services, as herein provided, shall not relieve the Customer of liability for any minimum Southwestern charges under rate schedules applicable to this Contract during the period of such discontinuance.

(c) The rights granted Southwestern herein shall be in addition to all other remedies available to Southwestern, either by law or in equity, for the breach of any of the provisions of this Contract.

B. STANDARD PROVISIONS

1. Convict Labor. In connection with the performance of work under this Contract, the Customer agrees not to employ any person undergoing sentence of imprisonment except as provided by Public Law 89-176, September 10, 1965 (18 U.S.C. § 3622(c)), and Executive Order 11755, December 29, 1973, as amended.

2. Equal Employment Opportunity. During the performance of this Contract, the Customer agrees to abide by and to fulfill the nondiscrimination requirements of the "equal opportunity clause" contained in Section 202 of Executive Order 11246 dated September 28, 1965 (30 F.R. 12319), any Executive Order amending such order, and any other Executive Order superseding such order.

3. Resale Rates. The parties hereto understand and agree that the purpose of making federally generated power available is to encourage the most widespread use thereof, and the Customer therefore agrees that the benefits of any federally generated power received pursuant to this Contract shall be made available at fair and reasonable terms to all of its consumers at the lowest possible rates consistent with sound business principles.

4. Availability of Funds to Southwestern. (a) This Contract and all rights and obligations hereunder, and the expenditure of funds by Southwestern under the provisions hereof, are expressly conditioned and contingent upon the Congress making available (through direct appropriation, authorization of a revolving fund, the authority to borrow funds, or through such other means as it may provide) the necessary funds or the authority to accept funds from others to enable Southwestern to carry out the provisions of this Contract, and if such funds or authorities are not available, this Contract shall terminate and have no further force or effect as of the last day for which funds or authorities were available, and the Customer hereby releases Southwestern from any and all liability for failure to perform and fulfill its obligations under this Contract for that reason.

(b) No obligation contained herein for the future payment of money by Southwestern, or liability on the part of Southwestern for breach of any of the provisions contained herein, shall be binding upon or enforceable against Southwestern unless and until funds, as provided in Section 4(a) of this Provision B, are available out of which such obligations or liability can be legally paid.

(c) Nothing in this Contract may be considered as implying that Congress will, at a later date, appropriate funds sufficient to meet any deficiencies or obligations incurred under this Contract.

5. **Termination for Breach**. (a) If either party hereto breaches a material provision of this Contract, the other party, at its option, may terminate this Contract upon 30 days' prior written notice of its intention to do so, and this Contract ipso facto shall terminate at the end of such 30-day period unless such violation is corrected within that period.

(b) Neither party hereto shall be considered to be in default or breach with respect to any obligation under this Contract if prevented from fulfilling such obligation by reason of an Uncontrollable Force as herein defined.

6. **Waivers**. Waiver at any time of rights with respect to a default or any other matter arising in connection with this Contract shall not be deemed to be a waiver with respect to any subsequent default or matter.

7. **Reliability and Adequacy of Service**. (a) Electric service rendered by Southwestern under this Contract shall meet accepted standards of reliability and adequacy.

(b) If questions are raised concerning the quality of service, factual data shall be obtained with respect to the character of such service, and appropriate corrective or remedial action shall be promptly taken by the party at fault.

8. **Continuity of Service**. (a) Services provided by Southwestern to the Customer under this Contract shall be delivered by Southwestern as scheduled, except for interruptions or curtailments in delivery caused by an Uncontrollable Force as herein defined, by the operation of devices or dispatcher action for system protection, or by the necessary installation, maintenance, repair, and replacement of equipment.

(b) Such interruptions or reductions in service, as hereinbefore set forth, shall not constitute a breach of this Contract, and neither party shall be liable to the other for damages resulting therefrom.

(c) Except in case of an emergency, Southwestern shall give the Customer reasonable advance notice of temporary interruptions or curtailments in service necessary for such installation, maintenance, repair, and replacement of equipment, and shall, insofar as is practicable, schedule such interruptions or curtailments so as to cause the least inconvenience to the Customer.

9. **Transfer of Interest by Customer**. (a) No voluntary transfer of this Contract or of the rights of the Customer hereunder shall be made without the written approval of the Administrator, Southwestern; Provided, That any successor to or assignee of the rights of the Customer, whether by voluntary transfer, judicial sale, foreclosure sale, or otherwise, shall be subject to all the provisions and conditions of this Contract to the same extent as though such successor or assignee were the original contractor hereunder; Provided Further, That the execution of a mortgage or trust deed, or judicial or foreclosure sale made thereunder, shall not be deemed voluntary transfers within the meaning of this Section 9.

(b) If receiving Federal power pursuant to this contract, the Customer will not sell, lease, or otherwise dispose of its electrical distribution system without giving Southwestern at least 120 days' prior written notice.

(c) The Customer's rights to Federal power and concomitant services, as may be set forth in this Contract and in Southwestern's Final Power Allocations (1980-1988), 45 F.R. 19032 (1980), come by virtue of the Customer's status as an entity entitled to preference in Southwestern's marketing of Federal power pursuant to Section 5 of the Flood Control Act of 1944 (58 Stat. 887,890; 16 U.S.C. 825s). If the Administrator, Southwestern, determines, in his or her sole judgment, that actions taken by the Customer have abrogated the Customer's status as a "preference" entity, then the Administrator may, at his or her sole option, terminate this Contract, such termination to become effective on the date specified by Southwestern, in an official written notice to the Customer.

10. Uncontrollable Force. The term "Uncontrollable Force," as used herein, shall mean any force which is not within the control of the party affected, including, but not limited to, failure of water supply, failure of facilities, flood, earthquake, storm, lightning, fire, epidemic, riot, civil disturbance, labor disturbance, sabotage, war, act of war, terrorist acts, or restraint by court of general jurisdiction, which by exercise of due diligence and foresight such party could not reasonably have been expected to avoid.

11. Liability. The Customer hereby agrees to indemnify and hold harmless the United States, its employees, agents, or contractors from any loss or damage and from any liability on account of personal injury, death, or property damage, or claims for personal injury, death, or property damage of any nature whatsoever and by whomsoever made arising out of the Customer’s, its employees’, agents’, or subcontractors’ construction, operation, maintenance, or replacement activities under the contract. The United States shall be liable only for negligence on the part of its officers and employees in accordance with the Federal Tort Claims Act, 28 U.S.C. §§ 1346(b), 1346(c), 2401(b), 2402, 2671, 2672, 2674-2680, as amended or supplemented.

C. FACILITIES AND CONDITIONS OF SERVICE

1. Facilities to be Furnished by Southwestern and the Customer. Southwestern and the Customer shall furnish, install, maintain, and operate, or cause to be furnished, installed, maintained, and operated, such facilities and equipment, including metering equipment, as may be necessary to fulfill their respective obligations under this Contract and to assure reasonable protection to the facilities of others.

2. Reliability, Safety, Health, and Environmental Requirements in Regard to Construction, Operation, and Maintenance of Non-Federal Facilities on U.S. Government Property. (a) The provisions of this Section 2 shall apply only if the Customer, its agents or contractors, or its member entities perform maintenance, operations, or construction on the property of the U.S. Government (Government), or on easements shared by the Government and the Customer.

(b) Such construction, maintenance, and operation shall be performed in accordance with standards at least equal to those provided by the National Electrical Safety Code and shall conform to safety, environmental, and security procedures identified by Southwestern as appropriate to each facility in which such work is performed. Southwestern provides such written procedures in each of the facilities it maintains and to affected customers.

(c) The Customer and/or its member entities shall take all reasonable precautions in the performance of such work to protect the public and the environment. The Customer and/or its member entities shall comply with all applicable local, state, and Federal regulations and requirements in the performance of such work, including, but not limited to, the National Environmental Policy Act; the Clean Air Act; the Clean Water Act; the Comprehensive Environmental Responsibility, Compensation, and Liability Act; the Toxic Substances Control Act; the Oil Pollution Act; the Resource Conservation and Recovery Act; the Superfund Amendments and Reauthorization Act (SARA); SARA Title III (Emergency Planning and Community Right-to-Know Act of 1986); and the Occupational Safety and Health Act.

(d) In the event that Southwestern, at its sole option and in its sole judgment, determines that construction, maintenance, or operation of facilities which are performed under this Contract by the Customer, and/or one of its member entities, do not meet the standards and/or regulations and requirements specified in this Section 2, or if Southwestern determines, in its sole judgment, that a condition exists which provides a potentially adverse impact (1) on the reliability of services provided by Southwestern to its customers, (2) on the safety and/or health of the public or employees and agents of the parties hereto, and/or (3) on the environment, then Southwestern may provide written notice to the Customer and/or its member entity of the deficient condition; Provided, That if such condition, in Southwestern's sole judgment and at Southwestern's sole option, requires immediate attention and does not allow time for such notice, Southwestern will remedy the condition and, where appropriate, bill the Customer in accordance with Section 8(b) of this Provision C.

(e) Where, in Southwestern's sole judgment, remedy of the said deficient condition is not time critical, the Customer and/or its member entity shall provide a written plan and schedule to Southwestern within 30 days of receipt of the said written notice. Such plan and schedule shall provide for correction of the said deficiency at the earliest possible time available to the Customer and/or its member entity; Provided, That the maximum time allowed for the Customer and/or its member entity to correct any such deficiency shall not exceed 18 months from receipt of the said written notice. The Customer shall coordinate or, if applicable, cause its member entity to coordinate, any work and outages which may involve Southwestern's facilities with Southwestern's Dispatch Center (Dispatch Center) in Springfield, Missouri.

(f) Unless otherwise agreed in writing, correction of deficiencies pursuant to this Section 2 shall be at the expense of the Customer.

(g) If the Customer and/or its member entity fails to correct the deficiency within the time provided pursuant to this Section 2, Southwestern shall have the right, at its sole option and in its sole discretion, to terminate service through the affected facilities until such deficiencies are corrected to the satisfaction of Southwestern.

(h) If, within the time period provided pursuant to this Section 2, an emergency condition occurs which, in the sole judgment of Southwestern, may cause an adverse impact on the reliability of the System of Southwestern and/or on the environment, or which poses a hazard to the safety and/or health of the public or employees and agents of the parties hereto, then Southwestern may, at its sole option, remedy or repair such condition or equipment and bill the Customer in accordance with Section 8(b) of this Provision C, and the Customer agrees to render Southwestern reimbursement as provided in the said Section 8(b).

3. Right of Installation and Access. (a) Each party hereto grants to the other permission, or will obtain such permission for the other party, to install, maintain, and operate, or cause to be installed, maintained, and operated, on the System of Southwestern and on the System of the Customer, at the points of delivery between the System of Southwestern and the System of the Customer described in this Contract, any and all terminal equipment and associated electrical apparatus and devices necessary in the performance of this Contract.

(b) Each party hereto shall permit, or shall obtain permission for, duly authorized representatives and employees of the other party to enter upon the System of Southwestern and the System of the Customer at the said points of delivery for the purpose of reading or checking meters; for inspecting, testing, repairing, renewing, or exchanging any or all of the equipment owned by the other party located on such premises; or for the purpose of performing any other work necessary in the performance of this Contract.

(c) Access for any work performed by one party under this Section 3 which may affect the other party's equipment shall normally be preceded by at least one day's notice to the affected party, except in the event of an emergency, in which case such notice shall be made as soon as possible after such emergency occurrence. Notice to Southwestern pursuant to this Section 3 shall be made to the Dispatch Center.

(d) Any access to property controlled by Southwestern shall include notification to Southwestern at the time of entry. Any employee or agent of the Customer, or of its member entities, who enters a Southwestern facility is expected to call the Dispatch Center from a telephone located in the control building in that facility and to identify himself or herself. Security devices located in the control buildings at Southwestern facilities sound an alarm in the Dispatch Center when the building is entered. Local law enforcement officers may be asked to investigate any unidentified entry.

(e) Any equipment, apparatus, or devices installed on the System of Southwestern by the Customer, as provided under this Section 3, shall be clearly and permanently marked to indicate ownership, and, in addition, a detailed description of each item so installed (including, if applicable, manufacturer's name, serial number, model number, etc.) shall be transmitted to Southwestern to aid in maintenance of plant accounts.

(f) In the event the equipment, apparatus, or devices are not marked in accordance with Section 3(e) of this Provision C, ownership of said equipment, apparatus, or devices shall be presumed to be vested in Southwestern.

(g) The Customer agrees that, if requested by Southwestern, the description required under Section 3(e) of this Provision C shall include a detailed analysis of all dielectrical oil, including, but not limited to, tests for polychlorinated biphenyls (PCBs). If such analysis indicates the presence of a known hazardous substance, which, in Southwestern's sole judgment, presents a significant hazard to the environment or to the health and safety of employees of the parties hereto, Southwestern may require, at its sole option, by written request, removal of any equipment containing such substance, and the Customer agrees to comply with such request for removal at no cost to Southwestern.

4. **Rights for Land Use Acquired by the Customer**. (a) The System of Southwestern is constructed, operated, and maintained by Southwestern subject to and in accordance with the terms and conditions of certain transmission line right-of-way easements. Rights and privileges granted thereunder to the Government may not be available to the Customer for operations connected with performance of this Contract.

   (b) The Customer is therefore responsible for acquiring, or causing to be acquired, from the appropriate landowners, any and all rights and privileges for land use, by good and sufficient legal instruments, to authorize and permit entry by the Customer upon and across tracts affected by such land use as may be necessary and appropriate for performance of this Contract.

5. **Right of Removal**. Any and all equipment, apparatus, or devices placed or installed or caused to be placed or installed by the parties hereto on or in the System of Southwestern or the System of the Customer shall be and shall remain the property of the party owning and installing such equipment, apparatus, devices, or facilities, regardless of the mode or manner of annexation or attachment to real property, and, upon the termination of this Contract, the owner thereof shall have the right to enter upon the premises or system of the other and shall, within a reasonable time, remove such equipment, apparatus, devices, or facilities, subject to the provisions of Section 3 of this Provision C.

6. **Right to Upgrade Facilities**. (a) Southwestern reserves the right to modify or upgrade its transmission system and any of the elements which support the Southwestern transmission system, including, but not limited to, changes in: (1) Southwestern's transmission voltages, (2) Southwestern's transmission system components, (3) Southwestern's communications system, (4) Southwestern's Supervisory Control and Data Acquisition (SCADA) System, and (5) other modifications necessary to comply with the standards and/or regulations and requirements mentioned in Section 2 of this Provision C.

   (b) If, during the term of this Contract, Southwestern determines, in its sole judgment and at its sole option, that modifications or upgrades to its transmission system and associated facilities are required, then, in that event, the Customer shall be responsible for any and all costs and expenses incurred by the Customer in order to continue to receive services provided under this Contract.

   (c) If the Customer elects not to make changes in its facilities which, in Southwestern's judgment, are required for the Customer to continue to receive reliable service from Southwestern's modified or upgraded facilities, then the Customer will discontinue receipt of the services provided under this Contract which are dependent on such modified or upgraded facilities, and the provisions of this Contract which describe such services shall be terminated or, at Southwestern's sole option, suspended, until the Customer completes the changes in its facilities which Southwestern, in its sole judgment, deems necessary for reliable service to the Customer under the aforesaid provisions.

   (d) Southwestern shall notify the Customer of the specific sections or articles of the Contract which are to be terminated or suspended pursuant to Section 6(c) of this Provision C.

   (e) The provisions of this Contract which are not specifically terminated or suspended pursuant to Section 6(d) of this Provision C shall not in any way be affected and shall remain in full force and effect except insofar as the services provided pursuant to the terminated or suspended provisions which are reflected in other provisions of this Contract will also be terminated or suspended.

(f) Termination or suspension of specific provisions of this Contract pursuant to Section 6(c) of this Provision C shall be without penalty to either of the parties hereto, except that the rights of the parties hereto, if any, which accrued prior to the date of such termination or suspension shall be and hereby are preserved.

7. **Limitation on Rights of Entry**. Southwestern reserves the right, upon notice to the Customer, to revoke or cancel the rights of entry granted under this Contract with regard to any particular representative of the Customer, if, in the sole judgment of Southwestern, such revocation or cancellation is required in the interest of national security.

8. **Assistance by Contracting Parties**. If assistance in maintenance and utilization of their respective systems is rendered by Southwestern and/or the Customer, the following terms and conditions shall apply:

(a) If, in the maintenance or utilization of their respective transmission systems and related facilities for the purpose of this Contract, it becomes necessary by reason of any emergency or extraordinary condition for Southwestern or the Customer to request the other to furnish personnel, materials, tools, and equipment for the maintenance or modification of, or other work on, such transmission systems and related facilities to insure continuity of power and energy deliveries, the party requested shall cooperate with the other and render such assistance as the party requested may determine to be available.

(b) The party making such request, upon receipt of properly itemized bills, shall reimburse the party rendering such assistance, including overhead and administrative and general expenses. The Customer and Southwestern agree to account for any incurred costs under a Work Order accounting procedure and in accordance with the Uniform System of Accounts prescribed for public utilities by the Federal Energy Regulatory Commission. Billing statements rendered by the Customer and Southwestern for such reimbursement shall be due 20 days from the date thereof.

(c) No laborer or mechanic in the employ of the Customer, or its agents and contractors, for any of the work contemplated by this Section 8 shall be required or permitted to work in excess of 40 hours in any workweek except upon the condition that compensation is paid to such laborer or mechanic in accordance with the provisions of this Section 8.

(d) The wages of each laborer or mechanic employed by the Customer, or its agents and contractors, in the performance of any of the work contemplated by this Section 8 shall be computed on the basis of a standard workweek of 40 hours, and work performed in excess of such standard workweek may be permitted only upon the condition that each laborer or mechanic receives compensation at a rate not less than 1.5 times that worker's basic rate of pay for all hours worked in excess of 40 hours in any such workweek.

(e) For each violation of this Section 8, the Customer, or its agents and contractors, will be liable to the employee for his unpaid wages and, in addition, a penalty shall be imposed upon the Customer in the amount of ten dollars ($10) for each laborer or mechanic for each calendar day in which such laborer or mechanic is required or permitted to work in excess of the standard workweek of 40 hours upon said work without receiving compensation computed in accordance with this Section 8, and all penalties thus imposed shall be withheld for the use and benefit of the Government; Provided, That this Section 8 is subject to the provisions of the Contract Work Hours and Safety Standards Act of 1962 (Public Law 87-581, 76 Stat. 357-360), as amended; Provided Further, That if, from time to time, there is a conflict or inconsistency between the terms and conditions hereinbefore set forth and the provisions of any contract between the Customer and a labor union, the provisions of the labor union contract shall prevail if determined to be in compliance with then-applicable statutes and regulations issued thereunder.

UNITED STATES DEPARTMENT OF ENERGY

SOUTHWESTERN POWER ADMINISTRATION

RATE SCHEDULE P-13A[1]**

WHOLESALE RATES FOR HYDRO PEAKING POWER

[1] Supersedes Rate Schedule P-13.
** Extended through September 30, 2023, by approval of Rate Order No. SWPA-77 by the Administrator, Southwestern Power Administration.

Effective:

During the period October 1, 2013, through September 30, 2023,** in accordance with the Federal Energy Regulatory Commission (FERC) order issued in Docket No. EF14-1-000 (Jan. 9, 2014), extension approved by the Deputy Secretary in Docket No. EF14-1-002 (Sept. 13, 2017), modification approved by FERC in Docket No. EF14-1-003 (Aug. 29, 2019), extension approved by Assistant Secretary for Electricity in Rate Order No. 74 (Sept. 22, 2019), and extension approved by the Administrator in Rate Order No. 77 (August 30, 2021).

Available:

In the marketing area of Southwestern Power Administration (Southwestern), described generally as the States of Arkansas, Kansas, Louisiana, Missouri, Oklahoma, and Texas.

Applicable:

To wholesale Customers which have contractual rights from Southwestern to purchase Hydro Peaking Power and associated energy (Peaking Energy and Supplemental Peaking Energy).

Character and Conditions of Service:

Three-phase, alternating current, delivered at approximately 60 Hertz, at the nominal voltage(s), at the point(s) of delivery, and in such quantities as are specified by contract.

1. Definitions of Terms

1.1. Ancillary Services

The services necessary to support the transmission of capacity and energy from resources to loads while maintaining reliable operation of the System of Southwestern in accordance with good utility practice, which include the following:

1.1.1. Scheduling, System Control, and Dispatch Service

is provided by Southwestern as Balancing Authority Area operator and is in regard to interchange and load-match scheduling and related system control and dispatch functions.

1.1.2. Reactive Supply and Voltage Control from Generation Sources Service

is provided at transmission facilities in the System of Southwestern to produce or absorb reactive power and to maintain transmission voltages within specific limits.

1.1.3. Regulation and Frequency Response Service

is the continuous balancing of generation and interchange resources accomplished by raising or lowering the output of on-line generation as necessary to follow the moment-by-moment changes in load and to maintain frequency within a Balancing Authority Area.

1.1.4. Spinning Operating Reserve Service

maintains generating units on-line, but loaded at less than maximum output, which may be used to service load immediately when disturbance conditions are experienced due to a sudden loss of generation or load.

1.1.5. Supplemental Operating Reserve Service

provides an additional amount of operating reserve sufficient to reduce Area Control Error to zero within 10 minutes following loss of generating capacity which would result from the most severe single contingency.

1.1.6. Energy Imbalance Service

corrects for differences over a period of time between schedules and actual hourly deliveries of energy to a load. Energy delivered or received within the authorized bandwidth for this service is accounted for as an inadvertent flow and is returned to the providing party by the receiving party in accordance with standard utility practice or a contractual arrangement between the parties.

1.2. Customer

The entity which is utilizing and/or purchasing Federal Power and Federal Energy and services from Southwestern pursuant to this Rate Schedule.

1.3. Demand Period

The period of time used to determine maximum integrated rates of delivery for the purpose of power accounting which is the 60-minute period that begins with the change of hour.

1.4. Federal Power and Energy

The power and energy provided from the System of Southwestern.

1.5. Hydro Peaking Power

The Federal Power that Southwestern sells and makes available to the Customers through their respective Power Sales Contracts in accordance with this Rate Schedule.

1.6. Peaking Billing Demand

The quantity equal to the Peaking Contract Demand for any month unless otherwise provided by the Customer's Power Sales Contract.

1.7. Peaking Contract Demand

The maximum rate in kilowatts at which Southwestern is obligated to deliver Federal Energy associated with Hydro Peaking Power as set forth in the Customer's Power Sales Contract.

1.8. Peaking Energy

The Federal Energy associated with Hydro Peaking Power that Southwestern sells and makes available to the Customer in accordance with the terms and conditions of the Customer's Power Sales Contract.

1.9. Peaking Energy Schedule Submission Time

The time by which Southwestern requires the Customer to submit Peaking Energy schedules to Southwestern as provided for in this Rate Schedule and in accordance with the terms and conditions of the Customer's Power Sales Contract.

1.10. Power Sales Contract

The Customer's contract with Southwestern for the sale of Federal Power and Federal Energy.

1.11. Supplemental Peaking Energy

The Federal Energy associated with Hydro Peaking Power that Southwestern sells and makes available to the Customer if determined by Southwestern to be available and that is in addition to the quantity of Peaking Energy purchased by the Customer in accordance with the terms and conditions of the Customer's Power Sales Contract.

1.12. System of Southwestern

The transmission and related facilities owned by Southwestern, and/or the generation, transmission, and related facilities owned by others, the capacity of which, by contract, is available to and utilized by Southwestern to satisfy its contractual obligations to the Customer.

1.13. Uncontrollable Force

Any force which is not within the control of the party affected, including, but not limited to failure of water supply, failure of facilities, flood, earthquake, storm, lightning, fire, epidemic, riot, civil disturbance, labor disturbance, sabotage, war, act of war, terrorist acts, or restraint by court of general jurisdiction, which by exercise of due diligence and foresight such party could not reasonably have been expected to avoid.

2. Wholesale Rates, Terms, and Conditions for Hydro Peaking Power, Peaking Energy, Supplemental Peaking Energy, and Associated Services

Unless otherwise specified, this Section 2 is applicable to all sales under the Customer's Power Sales Contract.

2.1. **Hydro Peaking Power Rates, Terms, and Conditions**

2.1.1. Monthly Capacity Charge for Hydro Peaking Power

$4.50 per kilowatt of Peaking Billing Demand.

2.1.2. Services Associated with Capacity Charge for Hydro Peaking Power

The capacity charge for Hydro Peaking Power includes such transmission services as are necessary to integrate Southwestern's resources in order to reliably deliver Hydro Peaking Power and associated energy to the Customer. This capacity charge also includes two Ancillary Services charges: Scheduling, System Control, and Dispatch Service; and Reactive Supply and Voltage Control from Generation Sources Service.

2.1.3. Secondary Transmission Service under Capacity Associated with Hydro Peaking Power

Customers may utilize the transmission capacity associated with Peaking Contract Demand for the transmission of non-Federal energy, on a non-firm, as-available basis, at no additional charge for such transmission service or associated Ancillary Services, under the following terms and conditions:

2.1.3.1. The sum of the capacity, for any hour, which is used for Peaking Energy, Supplemental Peaking Energy, and Secondary Transmission Service, may not exceed the Peaking Contract Demand;

2.1.3.2. The non-Federal energy transmitted under such secondary service is delivered to the Customer's point of delivery for Hydro Peaking Power;

2.1.3.3. The Customer commits to provide Real Power Losses associated with such deliveries of non-Federal energy; and

2.1.3.4. Sufficient transfer capability exists between the point of receipt into the System of Southwestern of such non-Federal energy and the Customer's point of delivery for Hydro Peaking Power for the time period that such secondary transmission service is requested

2.1.4. Adjustment for Reduction in Service

If, during any month, the Peaking Contract Demand associated with a Power Sales Contract in which Southwestern has the obligation to provide 1,200 kilowatthours of Peaking Energy per kilowatt of Peaking Contract Demand is reduced by Southwestern for a period or periods of not less than two consecutive hours by reason of an outage caused by either an Uncontrollable Force or by the installation, maintenance, replacement or malfunction of generation, transmission and/or related facilities on the System of Southwestern, or insufficient pool levels, the Customer's capacity charges for such month will be reduced for each such reduction in service by an amount computed under the formula:

$$R = (C \times K \times H) \div S$$

with the factors defined as follows:

R = The dollar amount of reduction in the monthly total capacity charges for a particular reduction of not less than two consecutive hours during any month, except that the total amount of any such reduction shall not exceed the product of the Customer's capacity charges associated with Hydro Peaking Power times the Peaking Billing Demand.

C = The Customer's capacity charges associated with Hydro Peaking Power for the Peaking Billing Demand for such month.

K = The reduction in kilowatts in Peaking Billing Demand for a particular event.

H = The number of hours duration of such particular reduction.

S = The number of hours that Peaking Energy is scheduled during such month, but not less than 60 hours times the Peaking Contract Demand.

Such reduction in charges shall fulfill Southwestern’s obligation to deliver Hydro Peaking Power and Peaking Energy.

2.2. Peaking Energy and Supplemental Peaking Energy Rates, Terms, and Conditions

2.2.1. Peaking Energy Charge

$0.0094 per kilowatthour of Peaking Energy delivered plus the Purchased Power Adder as defined in Section 2.2.3 of this Rate Schedule.

2.2.2. Supplemental Energy Charge

$0.0094 per kilowatthour of Supplemental Peaking Energy delivered.

2.2.3. Purchased Power Adder

A purchased power adder of $0.0059 per kilowatthour of Peaking Energy delivered, as adjusted by the Administrator, Southwestern, in accordance with the procedure within this Rate Schedule.

2.2.3.1. Applicability of Purchased Power Adder

The Purchased Power Adder shall apply to sales of Peaking Energy. The Purchased Power Adder shall not apply to sales of Supplemental Peaking Energy or sales to any Customer which, by contract, has assumed the obligation to supply energy to fulfill the minimum of 1,200 kilowatthours of Peaking Energy per kilowatt of Peaking Contract Demand during a contract year (hereinafter "Contract Support Arrangements").

2.2.3.2. Procedure for Determining Net Purchased Power Adder Adjustment

Not more than twice annually, the Purchased Power Adder of $0.0059 (5.9 mills) per kilowatthour of Peaking Energy, as noted in this Rate Schedule, may be adjusted by the Administrator, Southwestern, by an amount up to a total of □$0.0059 (5.9 mills) per kilowatthour per year, as calculated by the following formula:

$$ADJ = (PURCH - EST + DIF) \div SALES$$

with the factors defined as follows:

ADJ = The dollar per kilowatthour amount of the total adjustment, plus or minus, to be applied to the net Purchased Power Adder, rounded to the nearest $0.0001 per kilowatt¬hour, provided that the total ADJ to be applied in any year shall not vary from the then-effective ADJ by more than $0.0059 per kilowatthour;

PURCH= The actual total dollar cost of Southwestern's System Direct Purchases as accounted for in the financial records of the Southwestern Federal Power System for the period;

EST = The estimated total dollar cost ($13,273,800 per year) of Southwestern's System Direct Purchases used as the basis for the Purchased Power Adder of $0.0059 per kilowatt¬hour of Peaking Energy;

DIF = The accumulated remainder of the difference in the actual and estimated total dollar cost of Southwestern's System Direct Purchases since the effective date of the currently approved Purchased Power Adder set forth in this Rate Schedule, which remainder is not projected for recovery through the ADJ in any previous periods;

SALES = The annual Total Peaking Energy sales projected to be delivered (2,241,300,000 KWh per year) from the System of Southwestern, which total was used as the basis for the $0.0059 per kilowatthour Purchased Power Adder.

2.3 **Transformation Service Rates, Terms, and Conditions**

2.3.1 Monthly Capacity Charge for Transformation Service

$0.46 per kilowatt will be assessed for capacity used to deliver energy at any point of delivery at which Southwestern provides transformation service for deliveries at voltages of 69 kilovolts or less from higher voltage facilities.

2.3.2 Applicability of Capacity Charge for Transformation Service

Unless otherwise specified by contract, for any particular month, a charge for transformation service will be assessed on the greater of (1) that month's highest metered demand, or (2) the highest metered demand recorded during the previous 11 months, at any point of delivery. For the purpose of this Rate Schedule, the highest metered demand will be based on all deliveries, of both Federal and non-Federal energy, from the System of Southwestern, at such point during such month.

2.4. **Ancillary Services Rates, Terms, and Conditions**

2.4.1. Capacity Charges for Ancillary Services

2.4.1.1. Regulation and Frequency Response Service

Monthly rate of $0.07 per kilowatt of Peaking Billing Demand plus the Regulation Purchased Adder as defined in Section 2.4.5 of this Rate Schedule.

2.4.1.2. Spinning Operating Reserve Service

Monthly rate of $0.0146 per kilowatt of Peaking Billing Demand.

Daily rate of $0.00066 per kilowatt for non-Federal generation inside Southwestern's Balancing Authority Area.

2.4.1.3. Supplemental Operating Reserve Service

Monthly rate of $0.0146 per kilowatt of Peaking Billing Demand.

Daily rate of $0.00066 per kilowatt for non-Federal generation inside Southwestern's Balancing Authority Area.

2.4.1.4. Energy Imbalance Service

$0.0 per kilowatt for all reservation periods.

2.4.2. Availability of Ancillary Services

Regulation and Frequency Response Service and Energy Imbalance Service are available only for deliveries of power and energy to load within Southwestern's Balancing Authority Area. Spinning Operating Reserve Service and Supplemental Operating Reserve Service are available only for deliveries of non-Federal power and energy generated by resources located within Southwestern's Balancing Authority Area and for deliveries of all Hydro Peaking Power and associated energy from and within Southwestern's Balancing Authority Area. Where available, such Ancillary Services must be taken from Southwestern; unless, arrangements are made in accordance with Section 2.4.4 of this Rate Schedule.

2.4.3. Applicability of Charges for Ancillary Services

For any month, the charges for Ancillary Services for deliveries of Hydro Peaking Power shall be based on the Peaking Billing Demand.
The daily charge for Spinning Operating Reserve Service and Supplemental Operating Reserve Service for non-Federal generation inside Southwestern's Balancing Authority Area shall be applied to the greater of Southwestern's previous day's estimate of the peak, or the actual peak, in kilowatts, of the internal non-Federal generation.

2.4.4. Provision of Ancillary Services by Others

Customers for which Ancillary Services are made available as specified above, must inform Southwestern by written notice of the Ancillary Services which they do not intend to take and purchase from Southwestern, and of their election to provide all or part of such Ancillary Services from their own resources or from a third party.

Subject to Southwestern's approval of the ability of such resources or third parties to meet Southwestern's technical and operational requirements for provision of such Ancillary Services, the Customer may change the Ancillary Services which it takes from Southwestern and/or from other sources at the beginning of any month upon the greater of 60 days notice or upon completion of any necessary equipment modifications necessary to accommodate such change; Provided, That, if the Customer chooses not to take Regulation and Frequency Response Service, which includes the associated Regulation Purchased Adder, the Customer must pursue these services from a different host Balancing Authority; thereby moving all metered loads and resources from Southwestern's Balancing Authority Area to the Balancing Authority Area of the new host Balancing Authority. Until such time as that meter reconfiguration is accomplished, the Customer will be charged for the Regulation and Frequency Response Service and applicable Adder then in effect. The Customer must notify Southwestern by July 1 of this choice, to be effective the subsequent calendar year.

2.4.5. Regulation Purchased Adder

Southwestern has determined the amount of energy used from storage to provide Regulation and Frequency Response Service in order to meet Southwestern's Balancing Authority Area requirements. The replacement value of such energy used shall be recovered through the Regulation Purchased Adder. The Regulation Purchased Adder during the time period of January 1 through December 31 of the current calendar year is based on the average annual use of energy from storage[1] for Regulation and Frequency Response Service and Southwestern's estimated purchased power price for the corresponding year from the most currently approved Power Repayment Studies.

The Regulation Purchased Adder will be phased in over a period of four (4) years as follows:

Year	Regulation Purchased Adder for the Incremental Replacement Value of Energy Used from Storage
2014	¼ of the average annual use of energy from storage × 2014 Purchased Power price
2015	½ of the average annual use of energy from storage × 2015 Purchased Power price
2016	¾ of the average annual use of energy from storage × 2016 Purchased Power price
2017 and thereafter	The total average annual use of energy from storage × the applicable Purchased Power price

[1] The average annual use of energy from storage for Regulation and Frequency Response Service is based on Southwestern studies.

2.4.5.1. Applicability of Regulation Purchased Adder

The replacement value of the estimated annual use of energy from storage for Regulation and Frequency Response Service shall be recovered by Customers located within Southwestern's Balancing Authority Area on a non-coincident peak ratio share basis, divided into twelve equal monthly payments, in accordance with the formula in Section 2.4.5.2.

If the Regulation Purchased Adder is determined and applied under Southwestern's Rate Schedule NFTS-13A, then it shall not be applied here.

2.4.5.2. Procedure for Determining Regulation Purchased Adder

Unless otherwise specified by contract, the Regulation Purchased Adder for an individual Customer shall be based on the following formula rate, calculated to include the replacement value of the estimated annual use of energy from storage by Southwestern for Regulation and Frequency Response Service.

RPA = The Regulation Purchased Adder for an individual Customer per month, which is as follows:

$$[(L_{Customer} \div L_{Total}) \times RP_{Total}] \div 12$$

with the factors defined as follows:

$L_{Customer}$ = The sum in MW of the following three factors:

(1) The Customer's highest metered load plus generation used to serve the Customer's load that is accounted for through a reduction in the Customer's metered load (referred to as 'generation behind the meter') during the previous calendar year, and
(2) The Customer's highest rate of Scheduled Exports[2] during the previous calendar year, and
(3) The Customer's highest rate of Scheduled Imports[2] during the previous calendar year.

L_{Total} = The sum of all L Customer factors for all Customers that were inside Southwestern's Balancing Authority Area at the beginning of the previous calendar year in MW.

RP_{Total} = The "net" cost in dollars and cents based on Southwestern's estimated purchased power price for the corresponding year from the most currently approved Power Repayment Studies multiplied by the average annual use of energy from storage, as provided for in the table in Section 2.4.5, to support Southwestern's ability to regulate within its Balancing Authority Area. The "net" cost in dollars and cents shall be adjusted by subtracting the product of the quantity of such average annual use of energy from storage in MWh and Southwestern's highest rate in dollars per MWh for Supplemental Peaking Energy during the previous calendar year.

[2] Scheduled Exports and Scheduled Imports are transactions, such as sales and purchases respectively, which are in addition to a Customer's metered load that contribute to Southwestern's Balancing Authority Area need for regulation.

For Customers that have aggregated their load, resources, and scheduling into a single node by contract within Southwestern's Balancing Authority Area, the individual Customer's respective Regulation Purchased Adder shall be that Customer's ratio share of the Regulation Purchased Adder established for the node. Such ratio share shall be determined for the Customer on a non-coincident basis and shall be calculated for the Customer from their highest metered load plus generation behind the meter.

2.4.6. Energy Imbalance Service Limitations

Energy Imbalance Service primarily applies to deliveries of power and energy which are required to satisfy a Customer's load. As Hydro Peaking Power and associated energy are limited by contract, the Energy Imbalance Service bandwidth specified for Non-Federal Transmission Service does not apply to deliveries of Hydro Peaking Power, and therefore Energy Imbalance Service is not charged on such deliveries. Customers who consume a capacity of Hydro Peaking Power greater than their Peaking Contract Demand may be subject to a Capacity Overrun Penalty.

3. Hydro Peaking Power Penalties, Terms, and Conditions

3.1. Capacity Overrun Penalty

3.1.1. Penalty Charge for Capacity Overrun

For each hour during which Hydro Peaking Power was provided at a rate greater than that to which the Customer is entitled, the Customer will be charged a Capacity Overrun Penalty at the following rates:

Months Associated With Charge	Rate per Kilowatt
March, April, May, October, November, December	$0.15
January, February, June, July, August, September	$0.30

3.1.2. Applicability of Capacity Overrun Penalty

Customers which have loads within Southwestern's Balancing Authority Area are obligated by contract to provide resources, over and above the Hydro Peaking Power and associated energy purchased from Southwestern, sufficient to meet their loads. A Capacity Overrun Penalty shall be applied only when the formulas provided in Customers' respective Power Sales Contracts indicate an overrun on Hydro Peaking Power, and investigation determines that all resources, both firm and non-firm, which were available at the time of the apparent overrun were insufficient to meet the Customer's load.

3.2. Energy Overrun Penalty

3.2.1. Penalty Charge for Energy Overrun

$0.1034 per kilowatthour for each kilowatthour of overrun.

3.2.2. Applicability of Energy Overrun Penalty

By contract, the Customer is subject to limitations on the maximum amounts of Peaking Energy which may be scheduled under the Customer's Power Sales Contract. When the Customer schedules an amount in excess of such maximum amounts, such Customer is subject to the Energy Overrun Penalty.

3.3. Power Factor Penalty

3.3.1. Requirements Related to Power Factor

Any Customer served from facilities owned by or available by contract to Southwestern will be required to maintain a power factor of not less than 95 percent and will be subject to the following provisions.

3.3.2. Determination of Power Factor

The power factor will be determined for all Demand Periods and shall be calculated under the formula:

$$PF = (kWh) \div \sqrt{(kWh^2 + rkVAh^2)}$$

with the factors defined as follows:

PF = The power factor for any Demand Period of the month.

kWh = The total quantity of energy which is delivered during such Demand Period to the point of delivery or interconnection in accordance with Section 3.3.4.

rkVAh = The total quantity of reactive kilovolt-ampere-hours (kVARs) delivered during such Demand Period to the point of delivery or interconnection in accordance with Section 3.3.4.

3.3.3. Penalty Charge for Power Factor

The Customer shall be assessed a penalty for all Demand Periods of a month where the power factor is less than 95 percent lagging. For any Demand Period during a particular month such penalty shall be in accordance with the following formula:

$$C = D \times (0.95 - LPF) \times \$0.10$$

with the factors defined as follows:

C = The charge in dollars to be assessed for any particular Demand Period of such month that the determination of power factor "PF" is calculated to be less than 95 percent lagging.

D = The Customer's demand in kilowatts at the point of delivery for such Demand Period in which a low power factor was calculated.

LPF = The lagging power factor, if any, determined by the formula "PF" for such Demand Period.

If C is negative, then C = zero (0).

3.3.4. Applicability of Power Factor Penalty

The Power Factor Penalty is applicable to radial interconnections with the System of Southwestern. The total Power Factor Penalty for any month shall be the sum of all charges "C" for all Demand Periods of such month. No penalty is assessed for leading power factor. Southwestern, in its sole judgment and at its sole option, may determine whether power factor calculations should be applied to (i) a single physical point of delivery, (ii) a combination of physical points of delivery where a Customer has a single, electrically integrated load, (iii) or interconnections. The general criteria for such decision shall be that, given the configuration of the Customer's and Southwestern's systems, Southwestern will determine, in its sole judgment and at its sole option, whether the power factor calculation more accurately assesses the detrimental impact on Southwestern's system when the above formula is calculated for a single physical point of delivery, a combination of physical points of delivery, or for an interconnection as specified by an Interconnection Agreement.

Southwestern, at its sole option, may reduce or waive Power Factor Penalties when, in Southwestern's sole judgment, low power factor conditions were not detrimental to the System of Southwestern due to particular loading and voltage conditions at the time the power factor dropped below 95 percent lagging.

4. Hydro Peaking Power Miscellaneous Rates, Terms, and Conditions

4.1. Real Power Losses

Customers are required to self-provide all Real Power Losses for non-Federal energy transmitted by Southwestern on behalf of such Customers under the provisions detailed below.

Real Power Losses are computed as four (4) percent of the total amount of non-Federal energy transmitted by Southwestern. The Customer's monthly Real Power Losses are computed each month on a megawatthour basis as follows:

$$ML = 0.04 \times NFE$$

with the factors defined as follows:

ML = The total monthly loss energy, rounded to the nearest megawatthour, to be scheduled by a Customer for receipt by Southwestern for Real Power Losses associated with non-Federal energy transmitted on behalf of such Customer; and

NFE = The amount of non-Federal energy that was transmitted by Southwestern on behalf of a Customer during a particular month.

The Customer must schedule or cause to be scheduled to Southwestern, Real Power Losses for which it is responsible subject to the following conditions:

4.1.1. The Customer shall schedule and deliver Real Power Losses back to Southwestern during the second month after they were incurred by Southwestern in the transmission of the Customer's non-Federal power and energy over the System of Southwestern unless such Customer has accounted for Real Power Losses as part of a metering arrangement with Southwestern.

4.1.2. On or before the twentieth day of each month, Southwestern shall determine the amount of non-Federal loss energy it provided on behalf of the Customer during the previous month and provide a written schedule to the Customer setting forth hour-by-hour the quantities of non-Federal energy to be delivered to Southwestern as losses during the next month.

4.1.3. Real Power Losses not delivered to Southwestern by the Customer, according to the schedule provided, during the month in which such losses are due shall be billed by Southwestern to the Customer to adjust the end-of-month loss energy balance to zero (0) megawatthours and the Customer shall be obliged to purchase such energy at the following rates:

Months Associated With Charge	Rate per Kilowatthour
March, April, May, October, November, December	$0.15
January, February, June, July, August, September	$0.30

4.1.4. Real Power Losses delivered to Southwestern by the Customer in excess of the losses due during the month shall be purchased by Southwestern from the Customer at a rate per megawatthour equal to Southwestern's rate per megawatthour for Supplemental Peaking Energy, as set forth in Southwestern's then-effective Rate Schedule for Hydro Peaking Power to adjust such hourly end-of-month loss energy balance to zero (0) megawatthours.

4.2. Peaking Energy Schedule Submission Time

Southwestern's Peaking Energy Schedule Submission Time is on or before 2:30 p.m. Central Prevailing Time (CPT), as adjusted by the Administrator, Southwestern, in accordance with Section 4.2.2 in this Rate Schedule, of the day preceding the day for the delivery of Peaking Energy. The Peaking Energy Schedule Submission Time supersedes the Peaking Energy schedule submission time provided in the Customer's Power Sales Contract, pursuant to Section 4.2.1 of this Rate Schedule.

4.2.1. Applicability of Peaking Energy Schedule Submission Time

The Peaking Energy Schedule Submission Time shall apply to the scheduling of Peaking Energy. The Peaking Energy Schedule Submission Time shall not apply to the scheduling of Supplemental Peaking Energy or to Contract Support Arrangements.

4.2.2. Procedure for Adjusting the Peaking Energy Schedule Submission Time

Not more than once annually, the Peaking Energy Schedule Submission Time of 2:30 p.m. CPT, as noted in Section 4.2 of this Rate Schedule, may be adjusted by the Administrator, Southwestern, to a time no earlier than 2:00 p.m. CPT and no later than 3:00 p.m. CPT.

4.2.2.1. Determination of Need to Adjust the Peaking Energy Schedule Submission Time

The Administrator, Southwestern, will make a determination on the need to adjust the Peaking Energy Schedule Submission Time based on Southwestern's studies involving financial analysis, regional energy market conditions, and/or operational considerations.

4.2.2.2. Notification of Peaking Energy Schedule Submission Time Adjustment

The Administrator, Southwestern, will notify customers of the determination to adjust the Peaking Energy Schedule Submission Time in writing no later than 30 calendar days prior to the effective date of the Peaking Energy Schedule Submission Time adjustment.

UNITED STATES DEPARTMENT OF ENERGY

SOUTHWESTERN POWER ADMINISTRATION

RATE SCHEDULE EE-13[1]**

WHOLESALE RATES FOR EXCESS ENERGY

[1] Supersedes Rate Schedule EE-11.
** Extended through September 30, 2023, by approval of Rate Order No. SWPA-77 by the Administrator, Southwestern Power Administration.

Effective:

During the period October 1, 2013, through September 30, 2023,** in accordance with the Federal Energy Regulatory Commission (FERC) order issued in Docket No. EF14-1-000 (Jan. 9, 2014), extension approved by the Deputy Secretary in Docket No. EF14-1-002 (Sept. 13, 2017), extension approved by Assistant Secretary for Electricity in Rate Order No. 74 (Sept. 22, 2019), and extension approved by the Administrator in Rate Order No. 77 (August 30, 2021).

Available:

In the marketing area of Southwestern Power Administration (Southwestern), described generally as the States of Arkansas, Kansas, Louisiana, Missouri, Oklahoma, and Texas.

Applicable:

To electric utilities which, by contract, may purchase Excess Energy from Southwestern.

Character and Conditions of Service:

Three-phase, alternating current, delivered at approximately 60 Hertz, at the nominal voltage(s) and at the point(s) of delivery specified by contract.

1. Wholesale Rates, Terms, and Conditions for Excess Energy

Excess Energy will be furnished at such times and in such amounts as Southwestern determines to be available.

1.2. **Transmission and Related Ancillary Services**

Transmission service for the delivery of Excess Energy shall be the sole responsibility of such customer purchasing Excess Energy.

1.3 Excess Energy Charge

$0.0094 per kilowatthour of Excess Energy delivered.

COUNCIL BILL NO. ___23-52____ **ORDINANCE NO. ________**

An Ordinance authorizing the Mayor to enter into an Interconnection and Operating Agreement with the Southwestern Power Administration, and Southwest Power Pool, Inc., in the City of Carthage, Missouri.

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF CARTHAGE, JASPER COUNTY, MISSOURI, THE MAYOR CONCURRING HEREIN, AS FOLLOWS:

SECTION I: The Mayor is hereby authorized to enter into an Interconnection and Operating Agreement with the Southwestern Power Administration and Southwest Power Pool, Inc a copy of which Agreement is attached hereto and incorporated herein as if set out in full.

SECTION II: This ordinance shall take effect and be in force from and after its passage and approval.

PASSED AND APPROVED THIS _____________ DAY OF ___________, 2023.

____
Dan Rife, Mayor

ATTEST:

____
Miranda Deal, City Clerk

Sponsored by: CWEP Board

Contract No. DE-PM75-23SW00868

UNITED STATES
DEPARTMENT OF ENERGY
SOUTHWESTERN POWER ADMINISTRATION

INTERCONNECTION AND OPERATING AGREEMENT

AMONG

UNITED STATES OF AMERICA

AND

CITY OF CARTHAGE, MISSOURI

AND

SOUTHWEST POWER POOL, INC

Contract No. DE-PM75-23SW00868

UNITED STATES
DEPARTMENT OF ENERGY
SOUTHWESTERN POWER ADMINISTRATION

INTERCONNECTION AND OPERATING AGREEMENT

AMONG

UNITED STATES OF AMERICA

AND

CITY OF CARTHAGE, MISSOURI

AND

SOUTHWEST POWER POOL, INC

THIS INTERCONNECTION AND OPERATING AGREEMENT (hereinafter "Agreement"), made and entered into this _________ day of _________________, 20___, by and between the UNITED STATES OF AMERICA, represented by the Secretary of Energy, acting by and through the Administrator, Southwestern Power Administration (hereinafter "Southwestern"), an Administration within the Department of Energy, and the CITY OF CARTHAGE, MISSOURI (hereinafter "Carthage"), a municipal corporation organized and existing under the laws of the State of Missouri, acting through its duly authorized officials (Southwestern and Carthage being hereinafter sometimes referred to individually as "Party" and collectively as "Parties"), and SOUTHWEST POWER POOL, INC. (hereinafter "SPP"), a not-for-profit corporation organized and existing under the laws of the State of Arkansas, acting in its capacity as a Regional Transmission Organization (hereinafter "RTO"); WITNESSETH, That,

WHEREAS, Southwestern has constructed and operates a transmission system to fulfill its responsibilities pursuant to Section 302(a)(1) of the Department of Energy Organization

Act (91 Stat. 578; 42 U.S.C. 7152), Section 5 of the Flood Control Act of 1944 (58 Stat. 887, 890; 16 U.S.C. 825s), and Public Law 95-456 (92 Stat. 1230; 16 U.S.C. 825s-3); and

WHEREAS, on May 29, 1998, the parties entered into Contract Number DE-PM75-98SW00409, which has been amended throughout its term (hereinafter "Contract-409") and which provides for, among other things, the sale of Federal Power and Federal Energy and associated services by Southwestern to Carthage and interconnection between the Parties at Southwestern's Carthage Substation; and

WHEREAS, Articles II, IV, IX, Section 2 of Article XI, and Article XIII of Contract-409, which provide for and are related to the sale of Federal Power and Federal Energy, are scheduled to expire on June 30, 2023; and

WHEREAS, Articles I, III, X, and Sections 1, 3 and 4 of Article XI of Contract-409, which provide for and are related, amongst other things, to Southwestern transmission service, are scheduled to expire on June 30, 2030; and

WHEREAS, Carthage transitioned from Southwestern transmission service to Southwest Power Pool transmission service in 2017, and the Parties desire to provide for early termination of Articles I, III, X, and Sections 1, 3 and 4 of Article XI of Contract-409; and

WHEREAS, the Parties desire to provide for the continued purchase by Carthage of Federal Power and Federal Energy from Southwestern pursuant to the terms and conditions of a separate Power Sales Contract; and

WHEREAS, the Parties desire to provide for continued interconnection and use of facilities at Southwestern's Carthage Substation pursuant to the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the Parties contract and agree as follows:

ARTICLE I

DEFINITIONS

Section 1. Balancing Authority or BA. The term “Balancing Authority” or its abbreviation “BA,” as used herein, shall mean the responsible entity that integrates resource plans ahead of time, maintains load-interchange-generation balancing within its Balancing Authority Area, and supports interconnection frequency in real time.

Section 2. Balancing Authority Area or BAA. The term “Balancing Authority Area” or its abbreviation “BAA,” as used herein, shall mean the collection of generation, transmission, and loads within the metered boundaries of the Balancing Authority.

Section 3. Communications System. The term “Communications System,” as used herein, shall mean the network of communications equipment owned by the identified Party, including, but not limited to: fiber optic equipment; analog and digital microwave equipment; very high frequency (VHF) equipment; radios and associated hardware such as cabling; multiplexers; Remote Terminal Units (hereinafter “RTU(s)”); Local Terminal Units (hereinafter “LTU(s)”); Supervisory Control and Data Acquisition (hereinafter “SCADA”) equipment; and/or the communications equipment owned by others, the use of which, by contract, is available to and utilized by the identified Party to satisfy its obligations to the other Party under this Agreement.

Section 4. Consolidated Balancing Authority or CBA. The term “Consolidated Balancing Authority” or its abbreviation “CBA,” as used herein, shall mean the responsible entity which balances the region’s supply and demand, maintains frequency, and maintains electricity flows between adjacent Balancing Authorities.

Section 5. Consolidated Balancing Authority Area or CBAA. The term “Consolidated Balancing Authority Area” or its abbreviation “CBAA,” as used herein, shall mean the collection of generation, transmission, and loads within the metered boundaries of the Consolidated Balancing Authority.

Section 6. Forced Outage. The term "Forced Outage," as used herein, shall mean the shutdown of a generating unit, transmission line, or other facility, for emergency reasons or a condition in which equipment is unavailable due to unanticipated breakdown.

Section 7. Good Utility Practice. The term "Good Utility Practice," as used herein, shall mean any of the practices, methods, and acts engaged in or approved by a significant portion of the electric utility industry during the relevant time period, or any of the practices, methods, and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety, and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region in which the Parties operate.

Section 8. Non-Federal Transmission Service Rate Schedule. The term "Non-Federal Transmission Service Rate Schedule" or its abbreviation "NFTS Rate Schedule," as used herein, shall mean Southwestern's "Wholesale Rates for Non-Federal Transmission/Interconnection Facilities Service" Rate Schedule, or its successor. As of the effective date of this Agreement, the NFTS Rate Schedule is NFTS-13A.

Section 9. North American Electric Reliability Corporation. The term "North American Electric Reliability Corporation" or its abbreviation "NERC," as used herein, shall mean the North American Electric Reliability Corporation.

Section 10. Regional Entity. The term "Regional Entity," as used herein, shall mean the regional entity with which Southwestern participates, currently Midwest Reliability Organization or its successor organization, whose primary responsibilities are to ensure compliance with mandatory reliability standards by entities who use, own, or operate the North American bulk power system; to conduct assessments of the grid's ability to meet electric power demand in the region; and to analyze regional system events.

Section 11. Reliability Coordinator. The term "Reliability Coordinator," as used herein, shall mean the reliability coordinator with which Southwestern participates, currently SPP or its successor organization, which maintains the real-time operating reliability of its Reliability Coordinator area in coordination with its neighboring Reliability Coordinators. The scope includes both transmission and balancing operations, and the authority to direct other functional entities to take certain actions to ensure that the Reliability Coordinator area operates reliably.

Section 12. Scheduled Outage. The term "Scheduled Outage," as used herein, shall mean the shutdown of a generating unit, transmission line, or other facility for inspection or maintenance, in accordance with an advance schedule.

Section 13. System of Carthage. The term "System of Carthage," as used herein, shall mean the generation, transmission, and related facilities owned by Carthage and/or the generation, transmission, and related facilities owned by others, the capacity of which, by contract, is available to and utilized by Carthage to satisfy its requirements and obligations to Southwestern under this Agreement.

Section 14. System of Southwestern. The term "System of Southwestern," as used herein, shall mean the generation, transmission, and related facilities owned by Southwestern and/or the generation, transmission, and related facilities owned by others, the capacity of which, by contract, is available to and utilized by Southwestern to satisfy its requirements and obligations to Carthage under this Agreement.

Section 15. System of SPP. The term "System of SPP," as used herein, shall mean the generation, transmission, and related facilities controlled or operated by SPP that are used to provide transmission service under Part II and Part III of the SPP Tariff and Attachment AD to the SPP Tariff, including those facilities for which functional control has been transferred to SPP subject to approval of the Federal Energy Regulatory Commission (hereinafter "FERC") pursuant to the Federal Power Act.

Section 16. Uncontrollable Force. The term "Uncontrollable Force," as used herein, shall be as defined in Southwestern's General Contract Provisions referenced in Section 6 of Article III of this Agreement.

ARTICLE II
ESTABLISHMENT AND OPERATION OF POINTS OF INTERCONNECTION

Section 1. Establishment of Interconnection. (a) Southwestern and Carthage have established the following Points of Interconnection between the System of Southwestern and the System of Carthage:

(i) The nominal point of delivery for Federal power and energy purchased by Carthage from Southwestern at the 69-kV side of the 161/69-kV transformers in Southwestern's Carthage Substation.

(ii) The nominal point of delivery for non-Federal power and energy purchased by Carthage at the 161-kV side of the 161/69-kV transformers in Southwestern's Carthage Substation.

(b) Each Party's facilities shall be operated as three-phase alternating current and at a frequency of approximately 60 hertz in synchronism, such that the frequency of the System of Carthage is the same as and is synchronized with the frequency of the System of Southwestern, with deviations permitted in accordance with Good Utility Practice, NERC requirements, Regional Entity requirements, Reliability Coordinator requirements, and applicable industry standards, criteria, and equipment specifications.

(c) The participation obligations of the Parties in establishing the Points of Interconnection, including, but not limited to, programming, operating, controlling, owning, maintaining, and replacing equipment associated with the Points of Interconnection, are as described in this Agreement, and shown in the Facilities Schedules, attached as Exhibit "2" and by this reference incorporated into this Agreement.

(d) The Parties recognize that, to maintain the Points of Interconnection, the Parties may exchange communications services and/or energy accounting and power system data. The Parties agree that the exchange of communications services and/or energy accounting and power system data as provided in this Agreement and Exhibit "2" to this Agreement is conditioned and contingent upon the availability of the respective Communications Systems provided hereunder and the absence of an Uncontrollable Force.

Section 2. Balancing Authority Area Boundary and Inadvertent Flow. (a) Southwestern and Carthage recognize that:

(i) the Points of Interconnection at the 69-kV side of the 161/69-kV transformers in Southwestern's Carthage Substation are directly interconnected to the System of Southwestern but are pseudo-tied to SPP such that they reside within the CBAA of SPP;

(ii) the Points of Interconnection at the 161-kV side of the 161/69-kV transformers in Southwestern's Carthage Substation are directly interconnected to the System of Southwestern and reside within the BAA of Southwestern; and

(iii) the municipal load of Carthage resides within the CBAA of SPP.

(b) The Parties agree that the BAA boundary recognized in Sections 2(a)(i) and 2(a)(iii) of this Article II exists between the BAA of Southwestern and the CBAA of SPP, and that such boundary shall continue between the Parties at the Points of Interconnection, with any load served from the System of Carthage residing within SPP's CBAA. The interchange metering equipment utilized by the Parties in implementing this BAA boundary shall be operated in accordance with Section 5 of this Article II and shall meet the requirements of NERC. No modifications to the BAA boundary recognized in Sections 2(a)(i) and 2(a)(iii) of this Article II shall be made unless or until each Party and SPP agrees in writing to the technical details, scope of work, schedule of work, and the ownership and operation requirements of each Party's facilities.

(c) Carthage shall not connect, telemeter, or pseudo-tie the System of Southwestern or the BAA of Southwestern to the BAA or CBAA of another entity other than SPP without a written agreement, not to be unreasonably withheld, between Southwestern and Carthage recognizing Southwestern's operating requirements for such connection, telemetering, or pseudo-tie. There is no obligation in this Agreement implied for Southwestern to agree to connect, telemeter, or pseudo-tie the System of Southwestern and/or Southwestern's BAA to another entity.

(d) The flow of power and energy at the Points of Interconnection will not be completely within the control of the Parties but will be, in part, controlled by the electrical characteristics of the other transmission systems interconnected with the Parties and by the manner in which such systems are operated. By reason of such characteristics and operation, the delivery of power and energy may vary from scheduled deliveries, and such power and energy may flow inadvertently. The Parties agree to follow, and to cause the following of, as closely as practicable, the scheduled delivery and receipt of power and energy in accordance with applicable NERC requirements, but the inadvertent flow of power and energy in excess of, or less than, the amount scheduled shall not constitute a breach of this Agreement. Furthermore, pursuant to Section 3(e) of Article III of this Agreement, Carthage agrees that no charges will be assessed to Southwestern for inadvertent flows under this Section 2(d).

Section 3. <u>System Operating and Maintenance Principles</u>. (a) The Parties shall design, construct, operate, and maintain their respective system facilities safely and efficiently to reliably receive and deliver capacity and energy within operating physical parameter ranges, including, but not limited to, voltage schedule, established in accordance with Good Utility Practice, NERC requirements, Regional Entity requirements, Reliability Coordinator requirements, and applicable industry standards, criteria, and equipment specifications. Southwestern may curtail service to transmission customer(s), including transmission customer(s) who are served from Carthage's distribution and/or transmission facilities that are interconnected at the Points of Interconnection, to limit or prevent damage to generation resources or transmission facilities caused by Carthage's failure to maintain its facilities; Provided, That, such curtailment shall continue only for so long as reasonably necessary under Good Utility Practice.

(b) Each Party, to the extent it is able, shall exercise due diligence and reasonable care in maintaining and operating its facilities so as to maintain continuity of service. If the function of any Party's facilities is impaired or the capacity of any Party's facilities is reduced, or synchronous operation becomes interrupted either manually or automatically as a result of, among other things, an Uncontrollable Force or Forced Outage, the Parties shall cooperate to remove the cause of such impairment, reduction, or interruption so as to restore normal operating conditions expeditiously.

(c) Each Party reserves the sole right to take any action necessary, in accordance with Good Utility Practice, during an actual, imminent, or perceived emergency at the sole judgment and sole option of such Party applied in accordance with Good Utility Practice to preserve the reliability and integrity of their respective systems to limit or prevent damage, expedite restoration of service, ensure safe and reliable operation, avoid adverse effects on the quality of service, and/or preserve public safety, including, but not limited to, disconnecting its system from the other Party's system without notice to such other Party. The Party intending to perform an emergency operation shall attempt to provide notice to the other Party and an opportunity to alleviate the condition to the extent practicable. The Party which performed such emergency operation shall inform the other Party as soon as practicable of the actions taken and the circumstances that led to such actions, including, but not limited to, the observed conditions of the System of Southwestern and/or the System of Carthage. Once the emergency is over, such Party shall notify the other Party so that the Points of Interconnection can be re-energized and/or re-interconnected as soon as practicable.

(d) Carthage covenants and agrees to follow current Southwestern clearance procedures for any work impacting Southwestern's facilities. Carthage shall obtain concurrence from Southwestern, in accordance with Reliability Coordinator requirements, before beginning any scheduled maintenance of facilities which could impact the operation of the System of Southwestern. Each Party shall attempt to notify the other Party as soon as practicable at the time when any Forced Outage occurs that could impact the operation of the other Party's system and again when such Forced Outage ends.

(e) Carthage agrees that Southwestern shall be able to schedule and implement a Scheduled Outage to the System of Southwestern at the Points of Interconnection for such purposes including, but not limited to, maintenance, monitoring, replacement, and modification of Southwestern's facilities and equipment. In accordance with Reliability Coordinator requirements, Southwestern shall give Carthage no less than fourteen (14) calendar days' advance notice of any Scheduled Outage pursuant to this Section 3(e) that may impact the service provided to transmission customer(s) using the facilities of Southwestern and/or Carthage. The Parties agree to work in accordance with Good Utility Practice to coordinate any Scheduled Outage under this Section 3(e) so as to minimize the impact on the System of Southwestern and the System of Carthage.

Section 4. <u>Reactive Power Loading and the Right to Suspend Interconnection.</u> (a) The Parties recognize that, because the System of Southwestern and the System of Carthage are interconnected with other electrical systems, neither Southwestern nor Carthage will at all times have complete control of the power factor relating to the Points of Interconnection. Carthage shall provide all Volt Amperes Reactive (hereinafter "VARs") required for the System of Carthage and Southwestern shall provide all VARs required for the System of Southwestern to maintain a power factor within the range of 0.95 leading to 0.95 lagging, as measured at the Points of Interconnection.

(b) Neither Party shall impose, nor permit to be imposed, a reactive power loading on the system of the other Party which will result in an overload or impairment of such system, or which will interfere with the delivery of power and energy of the Parties to their respective customers. If the reactive power loading imposed at the Points of Interconnection should overload either Party's facilities, or impair service by the Parties to their respective customers, either Party shall have the right to open without notice, or cause another party to open, such interconnecting equipment as may be necessary to eliminate such overloading or impairment of service; Provided, However, That the Party exercising this right shall use reasonable efforts to provide prior notice and, if prior notice is not given, shall notify the other Party as soon as practicable.

Section 5. Metering. (a) The BAA boundary recognized in Sections 2(a)(i) and 2(a)(iii) of this Article II shall be established utilizing interchange metering in accordance with this Section 5. All interconnection metering shall have a primary and backup communications path to ensure interchange data reliability.

(b) Southwestern shall have the right to program, own, operate, maintain, and as needed replace all interchange metering equipment used for the Points of Interconnection under this Agreement.

(c) Carthage shall not program, own, operate, maintain, or replace any interchange metering equipment used for the Points of Interconnection under this Agreement.

(d) Each meter and check meter installed or used under this Agreement shall be read by an authorized representative of the owner of such meter on or about the first day of each month and may be simultaneously read by a representative of the other Party if the other Party so elects.

(e) Metering equipment shall be inspected and tested, or caused to be inspected and tested, at least once each year by the owner of the equipment, or its authorized representatives, and at any reasonable time upon request by the other Party. If the other Party so requests, any such meter test shall be conducted jointly between the Parties. Metering equipment found to be defective or inaccurate shall be repaired and readjusted or replaced by the owner of the equipment. A meter shall be considered inaccurate if it is found to deviate from an accurate standard meter in excess of 0.2 percent when tested at 100 percent of load or in excess of 0.2 percent when tested at 10 percent of load.

(f) If any inspection or test discloses an error exceeding 2.0 percent, correction based upon the inaccuracy found shall be made on the energy accounting and power system data records of electric service furnished since the beginning of the monthly billing period immediately preceding the billing period during which the test was made, and such correction when made shall constitute full adjustment of any claim between the Parties hereto arising out of such inaccuracy of metering equipment.

Section 6. Communications System(s) and Data Exchange. (a) The Parties recognize that Southwestern and SPP have established a BAA boundary at Southwestern’s Carthage Substation utilizing Southwestern’s Communications System and metering owned by Southwestern in Southwestern’s Carthage Substation.

(b) Carthage, at its own expense, and at no cost or expense to Southwestern, shall furnish the following data for the interchange and facilities at the BAA boundary between

Southwestern and SPP at Southwestern's Carthage Substation using Inter-Control Center Protocol (hereinafter "ICCP") to Southwestern and SPP via Carthage's Communication System connections independent of Southwestern's Communications System infrastructure with SPP:

(i) analog megawatts (MW) from the primary and backup metering identified in Article II of this Agreement;

(ii) analog mega Vars (MVAR) from the primary and backup metering identified in Article II of this Agreement.

(iii) end-of-hour accumulator values of in-and-out megawatt-hours and MVAR hours; and

(iv) analog 69-kV bus voltage.

It is acknowledged and agreed to by Southwestern and Carthage that, in the event Carthage discontinues the provision of data to SPP or fails to maintain the requisite Communications System infrastructure to facilitate the data exchange via ICCP pursuant to this Section 6, Southwestern (1) shall implement such data exchange by installing the requisite Communications System infrastructure and (2) shall invoice Carthage for Southwestern's entire and ongoing cost and expense to implement the data exchange via ICCP, and Carthage agrees to pay such invoice(s) in accordance with the terms and conditions of this Agreement.

Section 7. Charges for Transmission, Interconnection Facilities Service, and Other Services. (a) Southwestern's transmission and related facilities will be utilized for the displacement of non-Federal power and energy at the Points of Interconnection to support the loads of the System of Carthage connected at the Points of Interconnection.

(b) The Parties agree that transmission charges for the services described in Section 7(a) of this Article II are currently being assessed through a separate Network Integration Transmission Service Agreement (NITSA) between Carthage and SPP, and through a separate Network Operating Agreement (NOA) among Carthage, SPP, and Southwestern.

(c) In addition to the transmission charges being assessed through said NITSA and NOA, the following charges may be assessed under the NFTS Rate Schedule, attached as Exhibit “3” and by this reference incorporated into this Agreement, if applicable, for providing the support identified in Section 7(a) of this Article II:

(i) transformation service and transformer losses; and/or

(ii) power factor penalty.

(d) In the event Southwestern determines that one or more of the services identified in Section 7(c)(i)-(ii) of this Article II applies, and if compensation is not already being otherwise provided, Southwestern shall invoice Carthage for such service(s) and each month Carthage shall pay Southwestern for the service(s) based on the coincidental actual power flows metered at the Points of Interconnection at the rates and under the terms and conditions set forth in the NFTS Rate Schedule.

(e) In the event the NITSA and NOA described in Section 7(b) of this Article II are terminated, suspended, or rendered inoperable prior to the termination date of this Agreement, Southwestern reserves the right to assess interconnection facilities service charges under the NFTS Rate Schedule for the following services if, in Southwestern’s sole judgement and at its sole option, Southwestern does not identify nor receive commensurate benefits or compensation for the use of its facilities at the Points of Interconnection:

(i) Interconnection Facilities Service; and/or

(ii) Real Power Losses.

Any such compensation shall be in addition to any compensation received pursuant to Section 7(d) of this Article II under the NFTS Rate Schedule for the services described in Section 7(a) of this Article II.

(f) The Parties agree that whole megawatt values shall be used for determination of charges under this Section 7.

(g) Carthage understands and agrees that the rates and/or terms and conditions set forth in the NFTS Rate Schedule may, upon confirmation and/or approval by the appropriate authority having responsibility to so confirm and/or approve rate schedules, and whether on an interim basis or as finally confirmed and/or approved, be increased, decreased, modified, or superseded at any time and from time to time, and that if so increased, decreased, modified, or superseded, the rates and terms and conditions shall thereupon become effective and applicable to the service furnished by Southwestern under this Article II, in accordance with and on the effective date specified in the order of the appropriate authority.

(h) Southwestern shall notify Carthage in writing of any modifications made to the NFTS Rate Schedule.

Section 8. NERC Compliance. (a) Performance under this Agreement shall be in accordance with Good Utility Practice and in satisfaction of any NERC requirements of Southwestern as administered or monitored by the Regional Entity.

(b) For the purpose of defining the responsible entity for any NERC requirements that may apply to the Points of Interconnection, Southwestern and Carthage recognize and agree that the Transmission Operator is as shown in the "Operates" column of Exhibit "2," and the Transmission Owner is as shown in the "Owns" column of Exhibit "2." In coordination with the Reliability Coordinator, Southwestern shall be the Transmission Planner for equipment shown to be owned by Southwestern in Exhibit "2."

(c) The responsible entities described in Section 8(b) of this Article II shall be responsible for all aspects of compliance with NERC reliability standards applicable to the equipment for which they are responsible. Southwestern does not assume any liability expressed or implied for Carthage's compliance with a reliability standard or a successor program.

(d) Southwestern and Carthage agree to share or to cause to be shared such information as permitted by law which is requested by the other Party so that compliance with NERC reliability standards pursuant to this Section 8 can be documented by the requesting Party.

Section 9. Load Shedding. (a) The Parties shall implement a load shedding program and procedures as necessary to maintain the reliability and integrity of the System of Southwestern and/or the System of Carthage in accordance with applicable requirements of NERC, the Regional Entity, the Reliability Coordinator, Good Utility Practice, and the specific requirements of Section 9(b) of this Article II. Load shedding may include:

(i) automatic load shedding;
(ii) manual load shedding; and
(iii) rotating interruption of load.

(b) When manual load shedding or rotating interruptions are necessary in accordance with plans developed between the Parties or as instructed by the Regional Entity or Reliability Coordinator, Southwestern shall notify Carthage of any action that is required of Carthage and Carthage shall comply immediately.

(c) Southwestern and Carthage have not been designated as entities with responsibilities for an Under Frequency Load Shedding (hereinafter "UFLS") program for purposes of compliance with NERC reliability standard PRC-006, or a successor standard, or for an Undervoltage Load Shedding (hereinafter "UVLS") program for purposes of compliance with NERC reliability standard PRC-010, or a successor standard, and consequently, the Parties do not own, operate, or control UFLS or UVLS equipment. The Parties recognize the importance of UFLS and UVLS programs implemented by the Reliability Coordinator. Should either Party be designated as an entity with responsibilities for UFLS and/or UVLS programs and equipment, the Parties agree to share information regarding any automated load shedding programs and any related activities which may occur during underfrequency or undervoltage events within or connected to the System of Southwestern and/or the System of Carthage. Southwestern does not assume any liability expressed or implied for Carthage's compliance with a reliability standard or a successor program pertaining to load shedding.

(d) In the event that NERC, the Regional Entity, or the Reliability Coordinator implements a reliability standard or successor program pertaining to load shedding that designates load shedding compliance responsibilities to either or both of the Parties with requirements that are different than the provisions of this Section 9, the Parties agree they shall coordinate regarding compliance with the new requirements applicable to load shedding in accordance with said reliability standard or successor program.

Section 10. Southwestern Right-of-Way and Property of the U.S. Government. (a) The Points of Interconnection that are operated and maintained by Southwestern are subject to and in accordance with the terms and conditions of certain transmission line right-of-way easements. Rights and privileges are granted thereunder to the United States and may not be available to Carthage. Carthage shall, therefore, acquire from Southwestern and appropriate landowners any and all rights and privileges for land use by good and sufficient legal instruments to authorize and permit entry by Carthage upon and across tracts affected by such land use as may be necessary and appropriate for Carthage to be able to maintain the Points of Interconnection and operate and maintain facilities owned by Carthage.

(b) Southwestern shall grant Carthage permission to own, maintain, and replace equipment at the Points of Interconnection that are operated and maintained by Southwestern in accordance with Southwestern's standard real estate license, the form of which is attached as Exhibit "4" and by this reference incorporated into this Agreement.

(c) Carthage shall submit a request to Southwestern for any additional joint-use of Southwestern-owned land and/or easements by Carthage and shall submit information and drawings as required by Southwestern in preparation of the appropriate documentation. Furthermore, Carthage shall give Southwestern sixty (60) calendar days' advance notice of any of Carthage's activities which involves construction at the Points of Interconnection which may involve Southwestern's right-of-way, so that Southwestern may review such activities for consideration and provision of required consent, not to be unreasonably withheld, and so that arrangements can be made for Southwestern's inspection personnel to be on site to oversee such activities.

Section 11. Liability. (a) Carthage covenants and agrees that it and its agents shall indemnify, save, and hold Southwestern harmless from any and all claims for litigation costs and damages to property or injury to persons, including employees or agents of Carthage, incurred in the operation and maintenance of equipment and facilities pursuant to this Agreement. Carthage further agrees to hold Southwestern harmless from damages, including, but not limited to, Carthage's loss of revenue or profits, caused by actions taken pursuant to Sections 3 and 4 of this Article II. Southwestern's tort liability is limited to negligence on the part of its officers and employees in accordance with the Federal Tort Claims Act (28 U.S.C. 1346(b), et seq.), as amended or supplemented, or any other laws applicable to Southwestern.

(b) Notwithstanding any provision of this Agreement, each Party has not, and will not be deemed to have:

(i) waived or conceded any defense the Party may have, including sovereign immunity, intergovernmental immunity, or lack of subject matter jurisdiction;

(ii) accepted any liability, responsibility, or obligation to pay any penalty, fine, or charge to which it would not have been subject in the absence of this Agreement; or

(iii) accepted or assumed any obligation to act, or refrain from acting, in a manner that would violate, or exceed the authority conferred on it by, any applicable statute, regulation, or lawfully promulgated court or regulatory order.

Section 12. Upgrades, Additions, and Modifications. (a) The Parties hereto recognize and agree that Southwestern may modify and/or upgrade its transmission system and any of the elements which support the System of Southwestern, including, but not limited to, changes in: (1) voltages; (2) system components; (3) Communications System; (4) SCADA system; (5) metering; and (6) protective relaying.

(b) If, during the term of this Agreement, Southwestern determines, in its sole judgment and at its sole option, that modifications and/or upgrades to its transmission system or any of the elements which support the System of Southwestern are required pursuant to Section 12(a) of this Article II, Southwestern shall use its best efforts to provide no less than 180 calendar days' advance notice to Carthage. Carthage shall be responsible for any and all costs and expenses incurred by Carthage in order to continue to remain interconnected with the System of Southwestern at one or more applicable Points of Interconnection, or the applicable Points of Interconnection shall be discontinued by disconnecting the System of Southwestern and the System of Carthage at the applicable Points of Interconnection, and this Agreement shall be amended to reflect such discontinuance of one or more Points of Interconnection.

(c) In the event Carthage desires to make a modification to one or more Points of Interconnection, such modification must be:

(i) pre-approved in writing by Southwestern prior to commencing work, with such consent not to be unreasonably withheld;

(ii) consistent with the requirements of Southwestern's General Requirements for Interconnection; and

(iii) compliant with the requirements of NERC reliability standards and Section 12(d) of this Article II.

(d) Carthage agrees that no additions and/or modifications, such as voltage changes, transmission line additions, additional delivery points, or connections to other transmission owners or BAAs, may be made to the Points of Interconnection, the facilities of Carthage connected to the Points of Interconnection, or any associated switching stations or substations without Southwestern's approval, not to be unreasonably withheld. Such approval shall be evidenced by an amendment to this Agreement or by separate agreement to establish the responsibilities of the Parties for such modification. Carthage agrees that any additional facilities or equipment required by Southwestern to facilitate changes to Carthage's transmission facilities to which Southwestern approves shall, to the extent permitted by law, be furnished at Carthage's sole expense and at no expense to Southwestern.

(e) The Parties recognize that Southwestern may perform work on the Carthage-owned facilities shown in Exhibit "2" of this Agreement in the event of emergencies or unscheduled outages, and that the responsibilities of the Parties for such work shall be evidenced by separate agreement; Provided, that, such work shall be at the expense of Carthage and at no expense to Southwestern.

ARTICLE III
EFFECTIVE DATE, TERM, BENEFITS, CONTINGENCIES, NOTICES, REPORTS, INFORMATION, AND OTHER GENERAL PROVISIONS

Section 1. Effective Date and Term of Agreement. This Agreement shall become effective at 12:00 a.m. on August 1, 2023, and shall remain in force and effect through 11:59 p.m., June 30, 2038, unless sooner terminated, in whole or in part, pursuant to provisions set forth herein. All times identified in this Section 1 shall be Central Prevailing Time (CPT).

Section 2. SPP Participation. (a) As of the effective date of this Agreement, Carthage is an SPP Market Participant under the SPP Tariff, and Southwestern, through its execution of a contract with SPP which is filed as Attachment AD to the SPP Tariff, has provided SPP functional control of Southwestern's transmission facilities. As referenced in this Agreement, functional control shall be SPP's exercise of authority over the power and energy flowing through the transmission facilities made available under the SPP Tariff for transmission service in the region.

(b) SPP shall not be liable for the failure of any Party to perform that Party's obligations hereunder. By executing this Agreement, SPP is not agreeing to the provisions that do not affect or involve SPP transmission service or SPP's role as a FERC-approved RTO. SPP's only purpose and involvement in executing this Agreement is regarding any provisions which may affect or involve SPP transmission service or SPP's role as a FERC-approved RTO.

(c) The Parties acknowledge and understand that the signature of the authorized officer of SPP on this Agreement is for the limited purpose of acknowledging that an officer of SPP has read the terms of this Agreement. The signature of the SPP officer shall not in any way be deemed to imply that SPP is taking responsibility for the actions of any Party, that SPP has any affirmative duties under this Agreement, or that SPP is liable in any way under this Agreement except as specifically provided in the SPP Tariff.

Section 3. <u>Recognition of Benefits and Contingencies Related to Other Contracts</u>. (a) The Parties recognize that the Points of Interconnection were constructed for the sole purpose of connecting the System of Carthage to the System of Southwestern. The Points of Interconnection are also used to serve the radial load(s) and generation connected to the System of Carthage through the System of Southwestern. The Parties agree that the use of the System of Southwestern is made pursuant to this Agreement; the referenced agreements in Section 7(b) of Article II of this Agreement; and Attachment AD of the SPP Tariff as agreed to between Southwestern and SPP. Absent these agreements, Southwestern would not make the System of Southwestern available for use.

(b) If, for any reason, the referenced agreements in Section 7(b) of Article II of this Agreement expire, are terminated, or suspended, or are rendered inoperative, Southwestern reserves the right to commensurate compensation as described in Section 7(e) of Article II of this Agreement. Absent such compensation, Southwestern, in its sole judgment and at its sole option, shall have the right to terminate this Agreement. In such event, the Parties agree to remove the Points of Interconnection from the System of Southwestern by disconnecting the System of Southwestern from the System of Carthage at the Points of Interconnection. Provided, However, That Carthage does not waive any rights it has under the Federal Power Act.

(c) Termination of this Agreement pursuant to the provisions of this Section 3 shall be without penalty to either of the Parties, except that the rights of the Parties which accrued prior to the date of such termination, if any, shall be and hereby are preserved.

(d) Notwithstanding the provisions of Section 3(b) of this Article III, this Agreement shall not terminate for the reasons set forth herein if other contractual arrangements satisfactory to Southwestern for the use of the System of Southwestern have been established and the applicable transmission customer(s) have coordinated the establishment of such arrangements with Southwestern.

(e) Since the Points of Interconnection are used to serve the radial load(s) and generation connected to the System of Carthage through the System of Southwestern, the Parties recognize that any concomitant power flows between the System of Southwestern and the System of Carthage and/or any other transmission owner's facilities with which Carthage's distribution and/or transmission facilities are interconnected are inadvertent. Furthermore, the Parties covenant and agree that Carthage, or the transmission provider who may be delegated functional control of the System of Carthage, shall not assess charges to Southwestern for the use of the System of Carthage for such concomitant power flows, if any.

Section 4. Notices. Any written notice, demand, or request required or authorized under this Agreement shall be deemed properly given to or served on Southwestern if emailed to OfficialCorrespondence@swpa.gov or mailed by certified mail, courier service, or some other trackable means to:

Administrator
Southwestern Power Administration
1 W. 3rd Street, Suite 1500
Tulsa, OK 74103

Any such notice, demand, or request shall be deemed properly given to or served on Carthage if mailed by certified mail, courier service, or some other trackable means to:

General Manager
Carthage Water & Electric Plant
627 W. Centennial
Carthage, MO 64836

Any such notice, demand, or request shall be deemed properly given to or served on SPP if mailed by certified mail, courier service, or some other trackable means to:

Tessie Kentner
Managing Attorney
Southwest Power Pool, Inc.
201 Worthen Drive
Little Rock, AR 72223-4936

The designation of the person to be notified, or the address of such person, may be changed at any time by either Party or SPP upon written notice of such change to the other Party and SPP.

Section 5. Reports and Information. To the extent consistent with statutes and regulations of the United States, each Party to this Agreement shall furnish to the other such reports and information concerning its operations as the other Party may reasonably request from time to time; Provided, That, where specified herein, information shall be furnished to the requesting Party as identified in other provisions of this Agreement.

Section 6. General Contract Provisions. (a) Provisions applicable to this Agreement are set forth in Southwestern's General Contract Provisions, attached as Exhibit "1" and by this reference incorporated into this Agreement. Definitions set forth in the Articles of this Agreement shall also apply to their respective terms used in Exhibit "1," and the term "Customer," used in Exhibit "1," shall mean Carthage.

(b) Any specific terms and conditions set forth in the Articles of this Agreement shall have precedence over any provision contained in Exhibit "1," to the extent consistent with statutes and regulations of the United States.

(c) The Parties understand and agree that Southwestern's performance under this Agreement is contingent upon Availability of Funds as set forth in Exhibit "1."

Section 7. Choice of Law. Federal law shall control the obligations and procedures established by this Agreement and the performance and enforcement thereof. The forum for litigation arising from this Agreement shall exclusively be a Federal court of the United States.

Section 8. Severability. If any provision of this Agreement is determined to be invalid, void, or unenforceable by any court or other governmental authority having jurisdiction, such determination shall not invalidate, void, or make unenforceable any other provision or covenant of this Agreement.

Section 9. Federal Statutes. The interpretation, enforcement, and performance of this Agreement shall be subject to Southwestern fulfilling its responsibilities and obligations under Federal statutes and regulations applicable to Southwestern, including, but not limited to, Section 302(a)(1) of the Department of Energy Organization Act (91 Stat. 578; 42 U.S.C. 7152), Section 5 of the Flood Control Act of 1944 (58 Stat. 887, 890; 16 U.S.C. 825s), and Public Law 95-456 (92 Stat. 1230; 16 U.S.C. 825s-3).

Section 10. Termination of Previous Contract. Any provisions of Contract-409 not terminated as of the effective date of this Agreement shall be rescinded, revoked, cancelled, and terminated as of the effective date of this Agreement and shall be without further force or effect, except that any rights of the Parties which accrued prior to such date of termination, if any, shall be and are hereby preserved.

IN WITNESS WHEREOF, the Parties and SPP have executed this Agreement using either a handwritten signature or a dually authenticated digital signature using Adobe Sign or Adobe E-Signature. A dually authenticated digital signature affixed to this Agreement via Adobe Sign or Adobe E-Signature is considered to be the same as a handwritten signature and shall be considered valid and appropriate as of the date shown on the dually authenticated digital signature.

UNITED STATES OF AMERICA

By ________________________________
Fritha Ohlson
Senior Vice President/COO
Office of Corporate Operations
Southwestern Power Administration

CITY OF CARTHAGE, MISSOURI

By ________________________________

Name ______________________________

Title _______________________________

ATTEST:
I, ______________________, certify that I am the _________________________ of the CITY OF CARTHAGE, MISSOURI, and that _________________________, who signed this Agreement on behalf of the said City, was then the ________________________ of said City, and that the said Agreement was duly signed for and on behalf of the said City by authority of its governing body, which has within the scope of its corporate powers the authority to legally bind the City under the foregoing Agreement.

(SEAL) By ________________________________

SOUTHWEST POWER POOL, INC.

By ______________________________________

Title ____________________________________

ATTEST:

I, ____________________________, certify that I am the _________________________ of SOUTHWEST POWER POOL, INC., and that _______________________________, who signed this Agreement on behalf of the said corporation, was then the _____________________ of said corporation, and that the said Agreement was duly signed for and on behalf of the said corporation by authority of its governing body, which has within the scope of its corporate powers the authority to legally bind the corporation under the foregoing Agreement.

By ______________________________________

Southwestern Power Administration

GENERAL CONTRACT PROVISIONS

A. ACCOUNTING, BILLING, PAYMENT, AND LATE PAYMENT CHARGES

1. **Billing by Southwestern**. (a) Southwestern shall maintain an accurate record of power, energy, and any other services purchased by the Customer under this Contract.

   (b) For each billing period in which the Customer makes one or more purchases under this Contract, Southwestern shall prepare an invoice in which such purchases are set forth in necessary detail, including the specific quantities of power, energy, and other services provided to the Customer during such billing period, and in which the compensation due Southwestern for such purchases is specified.

   (c) Invoiced quantities may be based on estimates if actual quantities are not available. Adjustments, if any, due to a difference between estimated and actual quantities will be made on an invoice prepared during the billing cycle following the invoice which was based on estimated quantities.

2. **Payment Terms**. (a) Invoices shall be due and payable by the Customer on or before the close of business 20 calendar days after the invoice date, or shall be due and payable on the next business day thereafter if the said due date should fall on a Saturday, Sunday, or official Federal holiday.

   (b) Payment of amounts due to Southwestern may be made through electronic funds transfer (EFT) or may be submitted as checks and mailed to:

   Southwestern Power Administration
   One West Third Street
   Tulsa, Oklahoma 74103-3502

   (c) EFT payments shall conform to Southwestern protocols for electronic transfer of funds in effect at the time of the transaction.

   (d) The designation of the address where payment is to be submitted may be changed by Southwestern upon 30 days' written notice to the Customer.

   (e) Invoices shall be considered paid when payment is received into Southwestern's designated depository account or credited to Southwestern's depository account in the U.S. Treasury by the end of the business day; Provided, That payments received by mail are accepted as timely and will not be assessed late charges if a U.S. Postal Service postmark for first class mail shows that the payment was received by the Postal Service at least 2 calendar days before the due date; Provided Further, That payments received through EFT are accepted as timely and will not be assessed late charges if they are credited to Southwestern's depository account in the U.S. Treasury on or before the third day after the due date or on the next business day thereafter if said third day is a Saturday, Sunday, or official Federal holiday.

3. **Net Billing**. (a) Whenever the parties agree, payments due Southwestern by the Customer may be offset against payments due the Customer by Southwestern for the sale or exchange of electric power, energy, and other services.

   (b) For services included in net billing procedures, payments due one party in any month shall be offset against payments due the other party in such month, and the resulting net balance shall be paid to the party in whose favor such balance exists.

(c) The parties shall exchange such reports and information as either party requires for billing purposes.

(d) Net billing procedures shall not be used for any amounts which Southwestern determines, in its sole judgment, to be in dispute.

4. **Payments By Southwestern**. Any payment due the Customer not satisfied by the Net Billing provision of Section 3 of this Provision A, shall be made by Southwestern to the banking account of the Customer by Electronic Funds Transfer.

5. **Propriety of Rates**. (a) Southwestern shall bill the Customer for the Customer's purchases of power, energy, and other services in accordance with the rates placed in effect pursuant to statute.

(b) The Customer hereby agrees to promptly pay Southwestern under such rate schedules, whether or not the Customer agrees with the propriety or the levels of the rates placed into effect pursuant to law, regulation, or the order of an appropriate authority.

(c) In the event that the U.S. Congress amends the manner in which Southwestern calculates or charges for its power sales, the Customer hereby agrees to promptly pay in such an amended manner, subject to the Customer's right to terminate.

6. **Late Payment Charge**. (a) Southwestern shall assess the Customer a Late Payment Charge for each instance in which the Customer is delinquent in making payment to Southwestern.

(b) Such Late Payment Charge shall be computed by dividing by 12 the then-effective annual interest rate published in the Federal Register by the Department of Treasury, and multiplying the resultant monthly rate times the principal amount past due.

(c) Such Late Payment Charge shall be assessed only once for a particular invoiced amount which is past due, irrespective of the number of days between the due date and the final payment of such particular invoiced amount.

7. **Late Payment Interest Charge**. (a) In addition to the Late Payment Charge provided in Section 6 of this Provision A, a daily interest charge shall be assessed on the principal amount past due for each day after the due date until the said amount is paid in full.

(b) Such daily interest rate shall be computed by recalculating the annual interest rate cited in Section 6(b) of this Provision A for a daily rate.

8. **Penalty Charge for Late Payment**. (a) In the event that the Customer should fail to pay Southwestern any portion of an invoiced amount for a period of more than 90 days past its due date, Southwestern shall assess a penalty charge of 6 percent per year on such outstanding amount.

(b) This penalty charge shall accrue for the period from the date that the debt became past due until the date when such invoiced amount is paid, and shall be assessed in addition to other charges for late payment which are specified in this Provision A.

9. **Late Payment Administrative Charge**. (a) Southwestern shall assess charges to cover administrative costs incurred as a result of a collection action against the Customer to cover the additional costs incurred in processing and handling such debt collection.

(b) Calculation of administrative costs shall be based upon actual costs incurred by Southwestern in processing and handling claims against other debtors in similar stages of delinquency.

10. **Partial Payment**. In the event that an invoice is not paid in full, amounts received by Southwestern shall be applied first to outstanding Late Payment penalty and administrative charges; second to outstanding daily interest charges for late payments assessed on the principal; and finally, to payment of the principal amount past due, unless a different rule is prescribed by Federal statute or regulation.

11. **Discontinuance of Service**. (a) If the Customer fails to pay any amount due under this Contract, Southwestern may, at its option, cause the delivery of power, energy, and other services under this Contract to be discontinued upon 90 days' prior written notice to the Customer, unless payment of the amounts due is made by the Customer within such 90-day period.

    (b) Such discontinuance of the delivery of power, energy, and other services, as herein provided, shall not relieve the Customer of liability for any minimum Southwestern charges under rate schedules applicable to this Contract during the period of such discontinuance.

    (c) The rights granted Southwestern herein shall be in addition to all other remedies available to Southwestern, either by law or in equity, for the breach of any of the provisions of this Contract.

B. STANDARD PROVISIONS

1. **Convict Labor**. In connection with the performance of work under this Contract, the Customer agrees not to employ any person undergoing sentence of imprisonment except as provided by Public Law 89-176, September 10, 1965 (18 U.S.C. § 3622(c)), and Executive Order 11755, December 29, 1973, as amended.

2. **Equal Employment Opportunity**. During the performance of this Contract, the Customer agrees to abide by and to fulfill the nondiscrimination requirements of the "equal opportunity clause" contained in Section 202 of Executive Order 11246 dated September 28, 1965 (30 F.R. 12319), any Executive Order amending such order, and any other Executive Order superseding such order.

3. **Resale Rates**. The parties hereto understand and agree that the purpose of making federally generated power available is to encourage the most widespread use thereof, and the Customer therefore agrees that the benefits of any federally generated power received pursuant to this Contract shall be made available at fair and reasonable terms to all of its consumers at the lowest possible rates consistent with sound business principles.

4. **Availability of Funds to Southwestern**. (a) This Contract and all rights and obligations hereunder, and the expenditure of funds by Southwestern under the provisions hereof, are expressly conditioned and contingent upon the Congress making available (through direct appropriation, authorization of a revolving fund, the authority to borrow funds, or through such other means as it may provide) the necessary funds or the authority to accept funds from others to enable Southwestern to carry out the provisions of this Contract, and if such funds or authorities are not available, this Contract shall terminate and have no further force or effect as of the last day for which

funds or authorities were available, and the Customer hereby releases Southwestern from any and all liability for failure to perform and fulfill its obligations under this Contract for that reason.

(b) No obligation contained herein for the future payment of money by Southwestern, or liability on the part of Southwestern for breach of any of the provisions contained herein, shall be binding upon or enforceable against Southwestern unless and until funds, as provided in Section 4(a) of this Provision B, are available out of which such obligations or liability can be legally paid.

(c) Nothing in this Contract may be considered as implying that Congress will, at a later date, appropriate funds sufficient to meet any deficiencies or obligations incurred under this Contract.

5. **Termination for Breach**. (a) If either party hereto breaches a material provision of this Contract, the other party, at its option, may terminate this Contract upon 30 days' prior written notice of its intention to do so, and this Contract ipso facto shall terminate at the end of such 30-day period unless such violation is corrected within that period.

(b) Neither party hereto shall be considered to be in default or breach with respect to any obligation under this Contract if prevented from fulfilling such obligation by reason of an Uncontrollable Force as herein defined.

6. **Waivers**. Waiver at any time of rights with respect to a default or any other matter arising in connection with this Contract shall not be deemed to be a waiver with respect to any subsequent default or matter.

7. **Reliability and Adequacy of Service**. (a) Electric service rendered by Southwestern under this Contract shall meet accepted standards of reliability and adequacy.

(b) If questions are raised concerning the quality of service, factual data shall be obtained with respect to the character of such service, and appropriate corrective or remedial action shall be promptly taken by the party at fault.

8. **Continuity of Service**. (a) Services provided by Southwestern to the Customer under this Contract shall be delivered by Southwestern as scheduled, except for interruptions or curtailments in delivery caused by an Uncontrollable Force as herein defined, by the operation of devices or dispatcher action for system protection, or by the necessary installation, maintenance, repair, and replacement of equipment.

(b) Such interruptions or reductions in service, as hereinbefore set forth, shall not constitute a breach of this Contract, and neither party shall be liable to the other for damages resulting therefrom.

(c) Except in case of an emergency, Southwestern shall give the Customer reasonable advance notice of temporary interruptions or curtailments in service necessary for such installation, maintenance, repair, and replacement of equipment, and shall, insofar as is practicable, schedule such interruptions or curtailments so as to cause the least inconvenience to the Customer.

9. **Transfer of Interest by Customer**. (a) No voluntary transfer of this Contract or of the rights of the Customer hereunder shall be made without the written approval of the Administrator, Southwestern; Provided, That any successor to or assignee of the rights of the Customer, whether by voluntary transfer, judicial sale, foreclosure sale, or otherwise, shall be subject to all the provisions and conditions of this Contract to the same extent as though such successor or assignee were the original contractor hereunder; Provided Further, That the execution of a mortgage or trust deed, or judicial or foreclosure sale made thereunder, shall not be deemed voluntary transfers within the meaning of this Section 9.

(b) If receiving Federal power pursuant to this contract, the Customer will not sell, lease, or otherwise dispose of its electrical distribution system without giving Southwestern at least 120 days' prior written notice.

(c) The Customer's rights to Federal power and concomitant services, as may be set forth in this Contract and in Southwestern's Final Power Allocations (1980-1988), 45 F.R. 19032 (1980), come by virtue of the Customer's status as an entity entitled to preference in Southwestern's marketing of Federal power pursuant to Section 5 of the Flood Control Act of 1944 (58 Stat. 887,890; 16 U.S.C. 825s). If the Administrator, Southwestern, determines, in his or her sole judgment, that actions taken by the Customer have abrogated the Customer's status as a "preference" entity, then the Administrator may, at his or her sole option, terminate this Contract, such termination to become effective on the date specified by Southwestern, in an official written notice to the Customer.

10. Uncontrollable Force. The term "Uncontrollable Force," as used herein, shall mean any force which is not within the control of the party affected, including, but not limited to, failure of water supply, failure of facilities, flood, earthquake, storm, lightning, fire, epidemic, riot, civil disturbance, labor disturbance, sabotage, war, act of war, terrorist acts, or restraint by court of general jurisdiction, which by exercise of due diligence and foresight such party could not reasonably have been expected to avoid.

11. Liability. The Customer hereby agrees to indemnify and hold harmless the United States, its employees, agents, or contractors from any loss or damage and from any liability on account of personal injury, death, or property damage, or claims for personal injury, death, or property damage of any nature whatsoever and by whomsoever made arising out of the Customer’s, its employees’, agents’, or subcontractors’ construction, operation, maintenance, or replacement activities under the contract. The United States shall be liable only for negligence on the part of its officers and employees in accordance with the Federal Tort Claims Act, 28 U.S.C. §§ 1346(b), 1346(c), 2401(b), 2402, 2671, 2672, 2674-2680, as amended or supplemented.

C. FACILITIES AND CONDITIONS OF SERVICE

1. Facilities to be Furnished by Southwestern and the Customer. Southwestern and the Customer shall furnish, install, maintain, and operate, or cause to be furnished, installed, maintained, and operated, such facilities and equipment, including metering equipment, as may be necessary to fulfill their respective obligations under this Contract and to assure reasonable protection to the facilities of others.

2. Reliability, Safety, Health, and Environmental Requirements in Regard to Construction, Operation, and Maintenance of Non-Federal Facilities on U.S. Government Property. (a) The provisions of this Section 2 shall apply only if the Customer, its agents or contractors, or its member entities perform maintenance, operations, or construction on the property of the U.S. Government (Government), or on easements shared by the Government and the Customer.

(b) Such construction, maintenance, and operation shall be performed in accordance with standards at least equal to those provided by the National Electrical Safety Code and shall conform to safety, environmental, and security procedures identified by Southwestern as appropriate to each facility in which such work is performed. Southwestern provides such written procedures in each of the facilities it maintains and to affected customers.

(c) The Customer and/or its member entities shall take all reasonable precautions in the performance of such work to protect the public and the environment. The Customer and/or its member entities shall comply with all applicable local, state, and Federal regulations and requirements in the performance of such work, including, but not limited to, the National Environmental Policy Act; the Clean Air Act; the Clean Water Act; the Comprehensive Environmental Responsibility, Compensation, and Liability Act; the Toxic Substances Control Act; the Oil Pollution Act; the Resource Conservation and Recovery Act; the Superfund Amendments and Reauthorization Act (SARA); SARA Title III (Emergency Planning and Community Right-to-Know Act of 1986); and the Occupational Safety and Health Act.

(d) In the event that Southwestern, at its sole option and in its sole judgment, determines that construction, maintenance, or operation of facilities which are performed under this Contract by the Customer, and/or one of its member entities, do not meet the standards and/or regulations and requirements specified in this Section 2, or if Southwestern determines, in its sole judgment, that a condition exists which provides a potentially adverse impact (1) on the reliability of services provided by Southwestern to its customers, (2) on the safety and/or health of the public or employees and agents of the parties hereto, and/or (3) on the environment, then Southwestern may provide written notice to the Customer and/or its member entity of the deficient condition; Provided, That if such condition, in Southwestern's sole judgment and at Southwestern's sole option, requires immediate attention and does not allow time for such notice, Southwestern will remedy the condition and, where appropriate, bill the Customer in accordance with Section 8(b) of this Provision C.

(e) Where, in Southwestern's sole judgment, remedy of the said deficient condition is not time critical, the Customer and/or its member entity shall provide a written plan and schedule to Southwestern within 30 days of receipt of the said written notice. Such plan and schedule shall provide for correction of the said deficiency at the earliest possible time available to the Customer and/or its member entity; Provided, That the maximum time allowed for the Customer and/or its member entity to correct any such deficiency shall not exceed 18 months from receipt of the said written notice. The Customer shall coordinate or, if applicable, cause its member entity to coordinate, any work and outages which may involve Southwestern's facilities with Southwestern's Dispatch Center (Dispatch Center) in Springfield, Missouri.

(f) Unless otherwise agreed in writing, correction of deficiencies pursuant to this Section 2 shall be at the expense of the Customer.

(g) If the Customer and/or its member entity fails to correct the deficiency within the time provided pursuant to this Section 2, Southwestern shall have the right, at its sole option and in its sole discretion, to terminate service through the affected facilities until such deficiencies are corrected to the satisfaction of Southwestern.

(h) If, within the time period provided pursuant to this Section 2, an emergency condition occurs which, in the sole judgment of Southwestern, may cause an adverse impact on the reliability of the System of Southwestern and/or on the environment, or which poses a hazard to the safety and/or health of the public or employees and agents of the parties hereto, then Southwestern may, at its sole option, remedy or repair such condition or equipment and bill the Customer in accordance with Section 8(b) of this Provision C, and the Customer agrees to render Southwestern reimbursement as provided in the said Section 8(b).

3. **Right of Installation and Access**. (a) Each party hereto grants to the other permission, or will obtain such permission for the other party, to install, maintain, and operate, or cause to be installed, maintained, and operated, on the System of Southwestern and on the System of the Customer, at the points of delivery between the System of Southwestern and the System of the Customer described in this Contract, any and all terminal equipment and associated electrical apparatus and devices necessary in the performance of this Contract.

(b) Each party hereto shall permit, or shall obtain permission for, duly authorized representatives and employees of the other party to enter upon the System of Southwestern and the System of the Customer at the said points of delivery for the purpose of reading or checking meters; for inspecting, testing, repairing, renewing, or exchanging any or all of the equipment owned by the other party located on such premises; or for the purpose of performing any other work necessary in the performance of this Contract.

(c) Access for any work performed by one party under this Section 3 which may affect the other party's equipment shall normally be preceded by at least one day's notice to the affected party, except in the event of an emergency, in which case such notice shall be made as soon as possible after such emergency occurrence. Notice to Southwestern pursuant to this Section 3 shall be made to the Dispatch Center.

(d) Any access to property controlled by Southwestern shall include notification to Southwestern at the time of entry. Any employee or agent of the Customer, or of its member entities, who enters a Southwestern facility is expected to call the Dispatch Center from a telephone located in the control building in that facility and to identify himself or herself. Security devices located in the control buildings at Southwestern facilities sound an alarm in the Dispatch Center when the building is entered. Local law enforcement officers may be asked to investigate any unidentified entry.

(e) Any equipment, apparatus, or devices installed on the System of Southwestern by the Customer, as provided under this Section 3, shall be clearly and permanently marked to indicate ownership, and, in addition, a detailed description of each item so installed (including, if applicable, manufacturer's name, serial number, model number, etc.) shall be transmitted to Southwestern to aid in maintenance of plant accounts.

(f) In the event the equipment, apparatus, or devices are not marked in accordance with Section 3(e) of this Provision C, ownership of said equipment, apparatus, or devices shall be presumed to be vested in Southwestern.

(g) The Customer agrees that, if requested by Southwestern, the description required under Section 3(e) of this Provision C shall include a detailed analysis of all dielectrical oil, including, but not limited to, tests for polychlorinated biphenyls (PCBs). If such analysis indicates the presence of a known hazardous substance, which, in Southwestern's sole judgment, presents a significant hazard to the environment or to the health and safety of employees of the parties hereto, Southwestern may require, at its sole option, by written request, removal of any equipment containing such substance, and the Customer agrees to comply with such request for removal at no cost to Southwestern.

4. **Rights for Land Use Acquired by the Customer**. (a) The System of Southwestern is constructed, operated, and maintained by Southwestern subject to and in accordance with the terms and conditions of certain transmission line right-of-way easements. Rights and privileges granted thereunder to the Government may not be available to the Customer for operations connected with performance of this Contract.

   (b) The Customer is therefore responsible for acquiring, or causing to be acquired, from the appropriate landowners, any and all rights and privileges for land use, by good and sufficient legal instruments, to authorize and permit entry by the Customer upon and across tracts affected by such land use as may be necessary and appropriate for performance of this Contract.

5. **Right of Removal**. Any and all equipment, apparatus, or devices placed or installed or caused to be placed or installed by the parties hereto on or in the System of Southwestern or the System of the Customer shall be and shall remain the property of the party owning and installing such equipment, apparatus, devices, or facilities, regardless of the mode or manner of annexation or attachment to real property, and, upon the termination of this Contract, the owner thereof shall have the right to enter upon the premises or system of the other and shall, within a reasonable time, remove such equipment, apparatus, devices, or facilities, subject to the provisions of Section 3 of this Provision C.

6. **Right to Upgrade Facilities**. (a) Southwestern reserves the right to modify or upgrade its transmission system and any of the elements which support the Southwestern transmission system, including, but not limited to, changes in: (1) Southwestern's transmission voltages, (2) Southwestern's transmission system components, (3) Southwestern's communications system, (4) Southwestern's Supervisory Control and Data Acquisition (SCADA) System, and (5) other modifications necessary to comply with the standards and/or regulations and requirements mentioned in Section 2 of this Provision C.

   (b) If, during the term of this Contract, Southwestern determines, in its sole judgment and at its sole option, that modifications or upgrades to its transmission system and associated facilities are required, then, in that event, the Customer shall be responsible for any and all costs and expenses incurred by the Customer in order to continue to receive services provided under this Contract.

   (c) If the Customer elects not to make changes in its facilities which, in Southwestern's judgment, are required for the Customer to continue to receive reliable service from Southwestern's modified or upgraded facilities, then the Customer will discontinue receipt of the services provided under this Contract which are dependent on such modified or upgraded facilities, and the provisions of this Contract which describe such services shall be terminated or, at Southwestern's sole option, suspended, until the Customer completes the changes in its facilities which Southwestern, in its sole judgment, deems necessary for reliable service to the Customer under the aforesaid provisions.

   (d) Southwestern shall notify the Customer of the specific sections or articles of the Contract which are to be terminated or suspended pursuant to Section 6(c) of this Provision C.

   (e) The provisions of this Contract which are not specifically terminated or suspended pursuant to Section 6(d) of this Provision C shall not in any way be affected and shall remain in full force and effect except insofar as the services provided pursuant to the terminated or suspended provisions which are reflected in other provisions of this Contract will also be terminated or suspended.

(f) Termination or suspension of specific provisions of this Contract pursuant to Section 6(c) of this Provision C shall be without penalty to either of the parties hereto, except that the rights of the parties hereto, if any, which accrued prior to the date of such termination or suspension shall be and hereby are preserved.

7. **Limitation on Rights of Entry**. Southwestern reserves the right, upon notice to the Customer, to revoke or cancel the rights of entry granted under this Contract with regard to any particular representative of the Customer, if, in the sole judgment of Southwestern, such revocation or cancellation is required in the interest of national security.

8. **Assistance by Contracting Parties**. If assistance in maintenance and utilization of their respective systems is rendered by Southwestern and/or the Customer, the following terms and conditions shall apply:

(a) If, in the maintenance or utilization of their respective transmission systems and related facilities for the purpose of this Contract, it becomes necessary by reason of any emergency or extraordinary condition for Southwestern or the Customer to request the other to furnish personnel, materials, tools, and equipment for the maintenance or modification of, or other work on, such transmission systems and related facilities to insure continuity of power and energy deliveries, the party requested shall cooperate with the other and render such assistance as the party requested may determine to be available.

(b) The party making such request, upon receipt of properly itemized bills, shall reimburse the party rendering such assistance, including overhead and administrative and general expenses. The Customer and Southwestern agree to account for any incurred costs under a Work Order accounting procedure and in accordance with the Uniform System of Accounts prescribed for public utilities by the Federal Energy Regulatory Commission. Billing statements rendered by the Customer and Southwestern for such reimbursement shall be due 20 days from the date thereof.

(c) No laborer or mechanic in the employ of the Customer, or its agents and contractors, for any of the work contemplated by this Section 8 shall be required or permitted to work in excess of 40 hours in any workweek except upon the condition that compensation is paid to such laborer or mechanic in accordance with the provisions of this Section 8.

(d) The wages of each laborer or mechanic employed by the Customer, or its agents and contractors, in the performance of any of the work contemplated by this Section 8 shall be computed on the basis of a standard workweek of 40 hours, and work performed in excess of such standard workweek may be permitted only upon the condition that each laborer or mechanic receives compensation at a rate not less than 1.5 times that worker's basic rate of pay for all hours worked in excess of 40 hours in any such workweek.

(e) For each violation of this Section 8, the Customer, or its agents and contractors, will be liable to the employee for his unpaid wages and, in addition, a penalty shall be imposed upon the Customer in the amount of ten dollars ($10) for each laborer or mechanic for each calendar day in which such laborer or mechanic is required or permitted to work in excess of the standard workweek of 40 hours upon said work without receiving compensation computed in accordance with this Section 8, and all penalties thus imposed shall be withheld for the use and benefit of the Government; Provided, That this Section 8 is subject to the provisions of the Contract Work Hours and Safety Standards Act of 1962 (Public Law 87-581, 76 Stat. 357-360), as amended; Provided Further, That if, from time to time, there is a conflict or inconsistency between the terms and conditions hereinbefore set forth and the provisions of any contract between the Customer and a labor union, the provisions of the labor union contract shall prevail if determined to be in compliance with then-applicable statutes and regulations issued thereunder.

Responsibility Table for the Carthage Substation

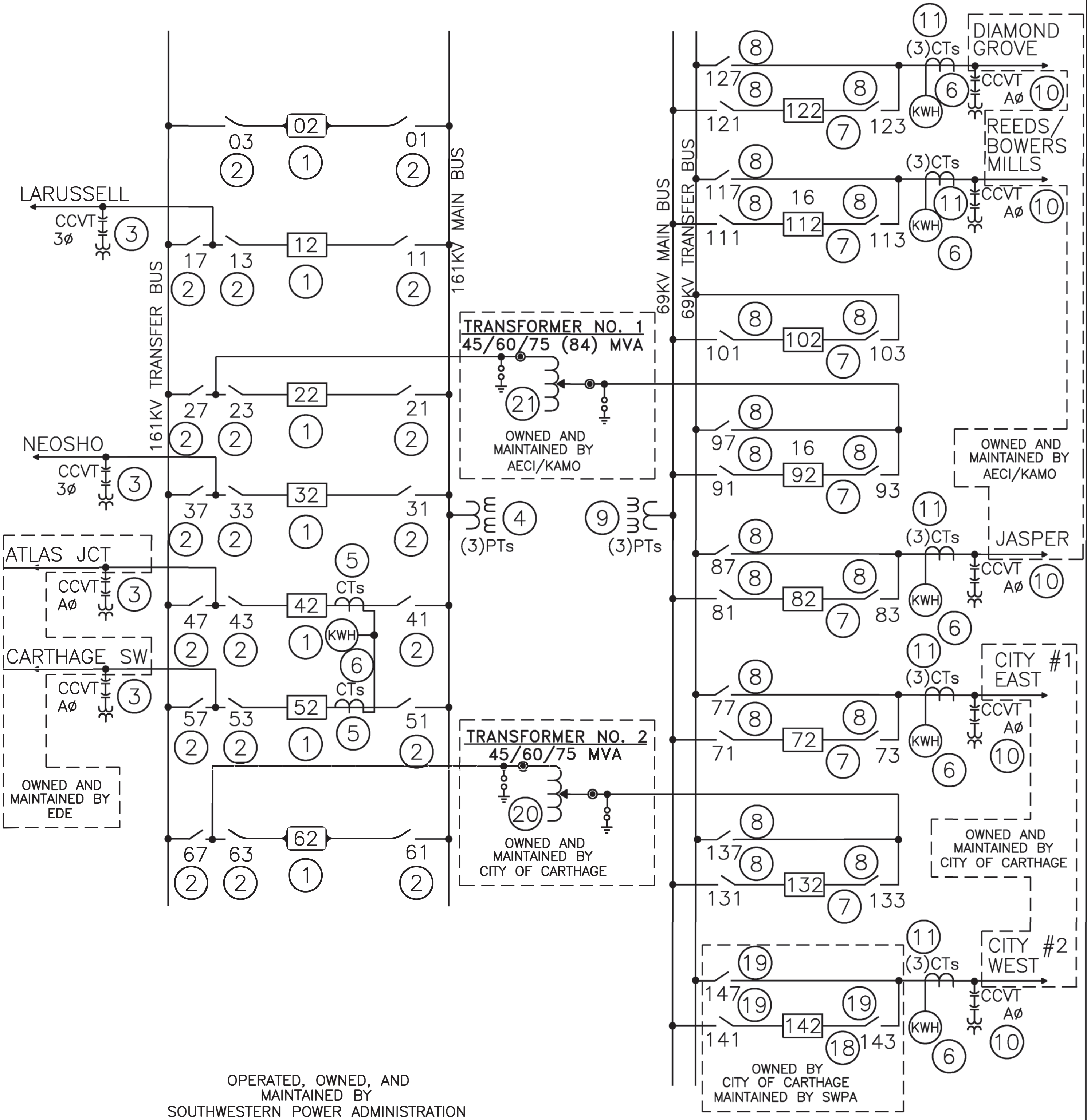
	Equipment[1]	Programs[2]	Operates[3]	Jurisdictional Authority[4]	Owns	Maintains	Replaces
1.	161-kV power circuit breaker (hereinafter “PCB”) nos. 02, 12, 22, 32, 42, 52, and 62.	Southwestern	Southwestern	Southwestern	Southwestern	Southwestern	Southwestern
2.	161-kV disconnect switches nos. 01, 03, 11, 13, 17, 21, 23, 27, 31, 33, 37, 41, 43, 47, 51, 53, 57, 61, 63, and 67.	Southwestern	Southwestern	Southwestern	Southwestern	Southwestern	Southwestern
3.	161-kV single-phase capacitively coupled voltage transformers (hereinafter “CCVT”) located on the a-phase, b-phase, and c-phase of the Carthage-La Russell and Carthage-Neosho transmission lines.	N/A	N/A	N/A	Southwestern	Southwestern	Southwestern
4.	161-kV single-phase potential transformers (hereinafter “PT”) located on the a-phase, b-phase, and c-phase of the main bus in bay 32.	N/A	N/A	N/A	Southwestern	Southwestern	Southwestern
5.	161-kV single-phase bushing current transformers (hereinafter “CT”) located on the a-phase, b-phase, and c-phase of PCBs 42 and 52.	N/A	N/A	N/A	Southwestern	Southwestern	Southwestern
6.	Interchange metering and associated equipment for operating, billing, and accounting for power and energy of the Carthage-Atlas Junction, Carthage-Carthage Southwest, Carthage-Jasper, Carthage-Reeds/Bowers Mills, Carthage-Diamond Grove, Carthage-Carthage City #1 East, and Carthage-Carthage City #2 West transmission lines transmission lines.	Southwestern	Southwestern	Southwestern	Southwestern	Southwestern	Southwestern
7.	69-kV PCBs 72, 82, 92, 102, 112, 12, and 132.	Southwestern	Southwestern	Southwestern	Southwestern	Southwestern	Southwestern
8.	69-kV disconnect switches nos. 81, 83, 87, 91, 93, 97, 101, 103, 111, 113, 117, 121, 123, 127, 131, 133, and 137.	Southwestern	Southwestern	Southwestern	Southwestern	Southwestern	Southwestern
9.	69-kV single-phase PTs located on the a-phase, b-phase, and c-phase of the main bus in bay 82.	N/A	N/A	N/A	Southwestern	Southwestern	Southwestern
10.	69-kV single-phase CCVTs located on the a-phase of the Carthage-Jasper, Carthage-Reeds/Bowers Mills, Carthage-Diamond Grove, Carthage-Carthage City #1 East, and Carthage-Carthage City #2 West transmission lines.	N/A	N/A	N/A	Southwestern	Southwestern	Southwestern
11.	69-kV single-phase CTs located on the a-phase, b-phase, and c-phase of the Carthage-Jasper, Carthage-Reeds/Bowers Mills, Carthage-Diamond Grove, Carthage-Carthage City #1 East, and Carthage-Carthage City #2 West transmission lines.	N/A	N/A	N/A	Southwestern	Southwestern	Southwestern
12.	Remote Terminal Unit (hereinafter “RTU”)	Southwestern	Southwestern	Southwestern	Southwestern	Southwestern	Southwestern
13.	Fiber optic multiplexer and associated fiber optic equipment located within a 19-inch communications rack and innerduct fiber optic cable and innerduct conduit.	Southwestern	Southwestern	Southwestern	Southwestern	Southwestern	Southwestern
14.	Communications battery system at 48 VDC, including battery charger and associated equipment	N/A	N/A	N/A	Southwestern	Southwestern	Southwestern
15.	Station battery system at 125 VDC, including battery charger and associated equipment	N/A	N/A	N/A	Southwestern	Southwestern	Southwestern
16.	Control building, fencing, and grounds (including any applicable vegetation)	N/A	N/A	N/A	Southwestern	Southwestern	Southwestern
17.	Protective relaying and controls for 161-kV transmission lines Carthage-La Russell, Carthage-Neosho, Carthage-Atlas Junction, and Carthage-Carthage Southwest, 69-kV transmission lines Carthage-Diamond Grove, Carthage-Reeds/Bowers Mills, Carthage-Jasper, Carthage-City #1 East, and Carthage-City #2 West, & 161/69-kV power transformers TX1 and TX2.	Southwestern	Southwestern	Southwestern	Southwestern	Southwestern	Southwestern
18.	69-kV PCB no. 142.	Southwestern	Southwestern	Southwestern	City of Carthage	City of Carthage	City of Carthage
19.	69-kV disconnect switches nos. 141, 143, and 147.	Southwestern	Southwestern	Southwestern	City of Carthage	City of Carthage	City of Carthage
20.	161/69-kV power transformer, TX2, including 161-kV and 69-kV lightning surge arresters.	City of Carthage	City of Carthage	City of Carthage	City of Carthage	City of Carthage	City of Carthage
21.	161/69-kV power transformer, TX1, including 161-kV and 69-kV lightning surge arresters.	AECI/KAMO	AECI/KAMO	AECI/KAMO	AECI/KAMO	AECI/KAMO	AECI/KAMO

1 The ownership responsibilities of equipment installed to establish the Carthage Interconnection are cited in this Exhibit “2” Responsibility Table. Unless otherwise stated in this Responsibility Table, ownership of equipment shall be vested in Southwestern. Unless otherwise stated in this Responsibility Table, ownership of equipment shall include ownership of foundations and other structures necessary to support such equipment.

2 The term “Programs” indicates the Party who is responsible for performing any applicable programming for correct operation of the identified equipment.

3 The term “Operates” indicates the Party who is responsible for operating the identified equipment or causing the identified equipment to be operated.

4 The term “Jurisdictional Authority” indicates the Party who is responsible for coordinating and approving all operation of the identified equipment prior to such operation during normal planned operations. Emergency operation of such equipment during other than normal planned operations shall be pursuant to Article II of the Agreement.



Numbered items correspond to the numbered rows in the Responsibility Table, with the following notes:

12, 13, 14, 15, & 17 – Remote terminal unit (RTU), fiber optic multiplexer and associated fiber optic equipment, 48 VDC communications battery system, 125 VDC station battery system, and Protective relaying and controls are owned SWPA and not shown on the one–line.

16 – All real property (land, fence, equipment stands, etc.) at Carthage is owned and maintained by SWPA.

CARTHAGE SUBSTATION

UNITED STATES DEPARTMENT OF ENERGY

SOUTHWESTERN POWER ADMINISTRATION

RATE SCHEDULE NFTS-13A[1]**

WHOLESALE RATES FOR NON-FEDERAL

TRANSMISSION/INTERCONNECTION FACILITIES SERVICE

[1] Supersedes Rate Schedule NFTS-13.
** Extended through September 30, 2021 by approval of Rate Order No. SWPA-74 by the Assistant Secretary for Electricity.

Effective:

During the period January 1, 2017, through September 30, 2021**, in accordance with Federal Energy Regulatory Commission order issued in Docket Nos. EF14-1-000 (January 9, 2014), EF14-1-001, modification approved by FERC Docket No. EF14-1-001 (March 9, 2017), extension approved by Deputy Secretary in Docket No. EF14-1-002 (September 13, 2017), and extension approved by Assistant Secretary in Rate Order No. SWPA-74 (September 22, 2019).

Available:

In the region of the System of Southwestern.

Applicable:

To Customers which have executed Service Agreements with Southwestern for the transmission of non-Federal power and energy over the System of Southwestern or for its use for interconnections. Southwestern will provide services over those portions of the System of Southwestern in which the Administrator, Southwestern, in his or her sole judgment, has determined that uncommitted transmission and transformation capacities in the System of Southwestern are and will be available in excess of the capacities required to market Federal power and energy pursuant to Section 5 of the Flood Control Act of 1944 (58 Stat. 887,890; 16 U.S.C. 825s).

Character and Conditions of Service:

Three-phase, alternating current, delivered at approximately 60 Hertz, at the nominal voltage(s), at the point(s) specified by Service Agreement or Transmission Service Transaction.

1. Definitions of Terms

1.1. Ancillary Services

The services necessary to support the transmission of capacity and energy from resources to loads while maintaining reliable operation of the System of Southwestern in accordance with good utility practice, which include the following:

1.1.1. Scheduling, System Control, and Dispatch Service

is provided by Southwestern as Balancing Authority Area operator and is in regard to interchange and load-match scheduling and related system control and dispatch functions.

1.1.2. Reactive Supply and Voltage Control from Generation Sources Service

is provided at transmission facilities in the System of Southwestern to produce or absorb reactive power and to maintain transmission voltages within specific limits.

1.1.3. Regulation and Frequency Response Service

is the continuous balancing of generation and interchange resources accomplished by raising or lowering the output of on-line generation as necessary to follow the moment-by-moment changes in load and to maintain frequency within a Balancing Authority Area.

1.1.4. Spinning Operating Reserve Service

maintains generating units on-line, but loaded at less than maximum output, which may be used to service load immediately when disturbance conditions are experienced due to a sudden loss of generation or load.

1.1.5. Supplemental Operating Reserve Service

provides an additional amount of operating reserve sufficient to reduce Area Control Error to zero within 10 minutes following loss of generating capacity which would result from the most severe single contingency.

1.1.6. Energy Imbalance Service

corrects for differences over a period of time between schedules and actual hourly deliveries of energy to a load. Energy delivered or received within the authorized bandwidth for this service is accounted for as an inadvertent flow and is returned to the providing party by the receiving party in accordance with standard utility practice or a contractual arrangement between the parties.

1.2. **Customer**

The entity which is utilizing and/or purchasing services from Southwestern pursuant to this Rate Schedule.

1.3. **Demand Period**

The period of time used to determine maximum integrated rates of delivery for the purpose of power accounting which is the 60-minute period that begins with the change of hour.

1.4. **Firm Point-to-Point Transmission Service**

Transmission service reserved on a firm basis between specific points of receipt and delivery pursuant to either a Firm Transmission Service Agreement or to a Transmission Service Transaction.

1.5. **Interconnection Facilities Service**

A service that provides for the use of the System of Southwestern to deliver energy and/or provide system support at an interconnection.

1.6. **Network Integration Transmission Service**

Transmission service provided under Part III of Southwestern's Open Access Transmission Service Tariff which provides the Customer with firm transmission service for the delivery of capacity and energy from the Customer's resources to the Customer's load.

1.7. **Non-Firm Point-to-Point Transmission Service**

Transmission service reserved on a non-firm basis between specific points of receipt and delivery pursuant to a Transmission Service Transaction.

1.8. **Point of Delivery**

Either a single physical point to which electric power and energy are delivered from the System of Southwestern, or a specified set of delivery points which together form a single, electrically integrated load.

1.9. **Secondary Transmission Service**

Service that is associated with Firm Point-to-Point Transmission Service and Network Integration Transmission Service. For Firm Point-to-Point Transmission Service, it consists of transmission service provided on an as-available, non-firm basis, scheduled within the limits of a particular capacity reservation for transmission service, and scheduled from points of receipt, or to points of delivery, other than those designated in a

Long-Term Firm Transmission Service Agreement or a Transmission Service Transaction for Firm Point-to-Point Transmission Service. For Network Integration Transmission Service, Secondary Transmission Service consists of transmission service provided on an as-available, non-firm basis, from resources other than the network resources designated in a Network Transmission Service Agreement, to meet the Customer's network load. The charges for Secondary Transmission Service, other than Ancillary Services, are included in the applicable capacity charges for Firm Point-to-Point Transmission Service and Network Integration Transmission Service.

1.10. **Service Agreement**

A contract executed between a Customer and Southwestern for the transmission of non-Federal power and energy over the System of Southwestern or for interconnections which include the following:

1.10.1. Firm Transmission Service Agreement

provides for reserved transmission capacity on a firm basis, for a particular point-to-point delivery path.

1.10.2. Interconnection Agreement

provides for the use of the System of Southwestern and recognizes the exchange of mutual benefits for such use or provides for application of a charge for Interconnection Facilities Service.

1.10.3. Network Transmission Service Agreement

provides for the Customer to request firm transmission service for the delivery of capacity and energy from the Customer's network resources to the Customer's network load, for a period of one year or more.

1.10.4. Non-Firm Transmission Service Agreement

provides for the Customer to request transmission service on a non-firm basis.

1.11. **Service Request**

The request made under a Transmission Service Agreement through the Southwest Power Pool, Inc. (hereinafter "SPP") Open Access Same-Time Information System (hereinafter "OASIS") for reservation of transmission capacity over a particular point-to-point delivery path for a particular period. The Customer must submit hourly schedules for actual service in addition to the Service Request.

1.12. **System of Southwestern**

The transmission and related facilities owned by Southwestern, and/or the generation, transmission, and related facilities owned by others, the capacity of which, by contract, is available to and utilized by Southwestern to satisfy its contractual obligations to the Customer.

1.13. **Transmission Service Transaction**

A Service Request that has been approved by SPP.

1.14. **Uncontrollable Force**

Any force which is not within the control of the party affected, including, but not limited to failure of water supply, failure of facilities, flood, earthquake, storm, lightning, fire, epidemic, riot, civil disturbance, labor disturbance, sabotage, war, act of war, terrorist acts, or restraint by court of general jurisdiction, which by exercise of due diligence and foresight such party could not reasonably have been expected to avoid.

2. Wholesale Rates, Terms, and Conditions for Firm Point-to-Point Transmission Service, Non-Firm Point-to-Point Transmission Service, Network Integration Transmission Service, and Interconnection Facilities Service

2.1. Firm Point-to-Point Transmission Service Rates, Terms, and Conditions

2.1.1. Monthly Capacity Charge for Firm Point-to-Point Transmission Service

$1.48 per kilowatt of transmission capacity reserved in increments of one month of service or invoiced in accordance with a longer term agreement.

2.1.2. Weekly Capacity Charge for Firm Point-to-Point Transmission Service

$0.370 per kilowatt of transmission capacity reserved in increments of one week of service.

2.1.3. Daily Capacity Charge for Firm Point-to-Point Transmission Service

$0.0673 per kilowatt of transmission capacity reserved in increments of one day of service.

2.1.4. Services Associated with Capacity Charge for Firm Point-to-Point Transmission Service

The capacity charge for Firm Point-to-Point Transmission Service includes Secondary Transmission Service, but does not include charges for Ancillary Services associated with actual schedules.

2.1.5. Applicability of Capacity Charge for Firm Point-to-Point Transmission Service

Capacity charges for Firm Point-to-Point Transmission Service are applied to quantities reserved by contract under a Firm Transmission Service Agreement or in accordance with a Transmission Service Transaction.

A Customer, unless otherwise specified by contract, will be assessed capacity charges on the greatest of (1) the highest metered demand at any particular Point of Delivery during a particular month, rounded up to the nearest whole megawatt, or (2) the highest metered demand recorded at such Point of Delivery during any of the previous 11 months, rounded up to the nearest whole megawatt, or (3) the capacity reserved by contract; which amount shall be considered such Customer's reserved capacity. Secondary Transmission Service for such Customer shall be limited during any month to the most recent metered demand on which that Customer is billed or to the capacity reserved by contract, whichever is greater.

2.2. Non-Firm Point-to-Point Transmission Service Rates, Terms, and Conditions

2.2.1. Monthly Capacity Charge for Non-Firm Point-to-Point Transmission Service

80 percent of the monthly capacity charge for Firm Point-to-Point Transmission Service reserved in increments of one month.

2.2.2. Weekly Capacity Charge for Non-Firm Point-to-Point Transmission Service

80 percent of the monthly capacity charge divided by 4 for Firm Point-to-Point Transmission Service reserved in increments of one week.

2.2.3. Daily Capacity Charge for Non-Firm Point-to-Point Transmission Service

80 percent of the monthly capacity charge divided by 22 for Firm Point-to-Point Transmission Service reserved in increments of one day.

2.2.4. Hourly Capacity Charge for Non-Firm Point-to-Point Transmission Service

80 percent of the monthly capacity charge divided by 352 for Firm Point-to-Point Transmission Service reserved in increments of one hour.

2.2.5. Applicability of Charges for Non-Firm Point-to-Point Transmission Service

Capacity charges for Non-Firm Point-to-Point Transmission Service are applied to quantities reserved under a Transmission Service Transaction, and do not include charges for Ancillary Services.

2.3. Network Integration Transmission Service Rates, Terms, and Conditions

2.3.1. Annual Revenue Requirement for Network Integration Transmission Service

$15,533,800.

2.3.2. Monthly Revenue Requirement for Network Integration Transmission Service

$1,294,483.

2.3.3. Net Capacity Available for Network Integration Transmission Service

872,000 kilowatts.

2.3.4. Monthly Capacity Charge for Network Integration Transmission Service

$1.48 per kilowatt of Network Load (charge derived from $1,294,483 ÷ 872,000 kilowatts).

2.3.5. Applicability of Charges for Network Integration Transmission Service

Network Integration Transmission Service is available only for deliveries of non-Federal power and energy, and is applied to the Customer utilizing such service exclusive of any deliveries of Federal power and energy. The capacity on which charges for any particular Customer utilizing this service is determined on the greatest of (1) the highest metered demand at any particular point of delivery during a particular month, rounded up to the nearest whole megawatt, or (2) the highest metered demand recorded at such point of delivery during any of the previous 11 months, rounded up to the nearest whole megawatt.

For a Customer taking Network Integration Transmission Service who is also taking delivery of Federal Power and Energy, the highest metered demand shall be determined by subtracting the energy scheduled for delivery of Federal Power and Energy for any hour from the metered demand for such hour.

Secondary transmission Service for a Customer shall be limited during any month to the most recent highest metered demand on which such Customer is billed. Charges for Ancillary Services shall also be assessed.

2.3.6. Procedure for Determining SPP Open Access Transmission Tariff Network Integration Transmission Service Annual Revenue Requirement

The SPP Open Access Transmission Tariff Network Integration Transmission Service Annual Revenue Requirement shall be based on the following formula which shall be calculated when a Customer transitions from a Service Agreement to an agreement for Network Integration Transmission Service under the SPP Open Access Transmission Tariff.

SPP NITS ARR	=	Southwestern's SPP Network Integration Transmission Service Annual Revenue Requirement, which is as follows:
		(SPP NITS Capacity/Southwestern NITS Capacity) x Southwestern NITS ARR

with the factors defined as follows:

SPP NITS Capacity	=	The capacity on the System of Southwestern utilized for SPP Network Integration Transmission Service which shall be based on the currently approved Power Repayment Studies.

Southwestern NITS Capacity	=	Net Capacity Available for Network Integration Transmission Service on the System of Southwestern as specified in Section 2.3.3.
Southwestern NITS ARR	=	Southwestern’s Annual Revenue Requirement for Network Integration Transmission Service as specified in Section 2.3.1.

2.4. **Interconnection Facilities Service Rates, Terms, and Conditions**

2.4.1. Monthly Capacity Charge for Interconnection Facilities Service

$1.48 per kilowatt.

2.4.2. Applicability of Capacity Charge for Interconnection Facilities Service

Any Customer that requests an interconnection from Southwestern which, in Southwestern's sole judgment and at its sole option, does not provide commensurate benefits or compensation to Southwestern for the use of its facilities shall be assessed a capacity charge for Interconnection Facilities Service. For any month, charges for Interconnection Facilities Service shall be assessed on the greater of (1) that month's actual highest metered demand, or (2) the highest metered demand recorded during the previous eleven months, as metered at the interconnection. The use of Interconnection Facilities Service will be subject to power factor provisions as specified in this Rate Schedule. The interconnection customer shall also schedule and deliver Real Power Losses pursuant to the provisions of this Rate Schedule based on metered flow through the interconnection where Interconnection Facilities Services is assessed.

2.5. **Transformation Service Rates, Terms, and Conditions**

2.5.1. Monthly Capacity Charge for Transformation Service

$0.46 per kilowatt will be assessed for capacity used to deliver energy at any point of delivery at which Southwestern provides transformation service for deliveries at voltages of 69 kilovolts or less from higher voltage facilities.

2.5.2. Applicability of Capacity Charge for Transformation Service

Unless otherwise specified by contract, for any particular month, a charge for transformation service will be assessed on the greater of (1) that month's highest metered demand, or (2) the highest metered demand recorded during the previous 11 months, at any point of delivery. For the purpose of this Rate Schedule, the highest metered demand will be based on all deliveries, of both Federal and non-Federal energy, from the System of Southwestern, at such point during such month.

2.6. Ancillary Services Rates, Terms, and Conditions

2.6.1. Capacity Charges for Ancillary Services

2.6.1.1. Scheduling, System Control, and Dispatch Service

Monthly rate of $0.09 per kilowatt of transmission capacity reserved in increments of one month of service or invoiced in accordance with a Long-Term Firm Transmission Service Agreement or Network Transmission Service Agreement.

Weekly rate of $0.023 per kilowatt of transmission capacity reserved in increments of one week of service.

Daily rate of $0.0041 per kilowatt of transmission capacity reserved in increments of one day of service.

Hourly rate of $0.00026 per kilowatt of transmission energy delivered as non-firm transmission service.

2.6.1.2. Reactive Supply and Voltage Control from Generation Sources Service

Monthly rate of $0.04 per kilowatt of transmission capacity reserved in increments of one month of service or invoiced in accordance with a Long-Term Firm Transmission Service Agreement or Network Transmission Service Agreement.

Weekly rate of $0.010 per kilowatt of transmission capacity reserved in increments of one week of service.

Daily rate of $0.0018 per kilowatt of transmission capacity reserved in increments of one day of service.

Hourly rate of $0.00011 per kilowatt of transmission energy delivered as non-firm transmission service.

2.6.1.3. Regulation and Frequency Response Service

Monthly rate of $0.07 per kilowatt of transmission capacity reserved in increments of one month of service or invoiced in accordance with a Long-Term Firm Transmission Service Agreement or Network Transmission Service Agreement plus the Regulation Purchased Adder as defined in Section 2.6.5 of this Rate Schedule.

Weekly rate of $0.018 per kilowatt of transmission capacity reserved in increments of one week of service plus the Regulation Purchased Adder as defined in Section 2.6.5 of this Rate Schedule.

Daily rate of $0.0032 per kilowatt of transmission capacity reserved in increments of one day of service plus the Regulation Purchased Adder as defined in Section 2.6.5 of this Rate Schedule.

Hourly rate of $0.00020 per kilowatt of transmission energy delivered as non-firm transmission service plus the Regulation Purchased Adder as defined in Section 2.6.5 of this Rate Schedule.

2.6.1.4. Spinning Operating Reserve Service

Monthly rate of $0.0146 per kilowatt of transmission capacity reserved in increments of one month of service or invoiced in accordance with a Long-Term Firm Transmission Service Agreement or Network Transmission Service Agreement.

Weekly rate of $0.00365 per kilowatt of transmission capacity reserved in increments of one week of service.

Daily rate of $0.00066 per kilowatt of transmission capacity reserved in increments of one day of service.

Hourly rate of $0.00004 per kilowatt of transmission energy delivered as non-firm transmission service.

2.6.1.5. Supplemental Operating Reserve Service

Monthly rate of $0.0146 per kilowatt of transmission capacity reserved in increments of one month of service or invoiced in accordance with a Long-Term Firm Transmission Service Agreement or Network Transmission Service Agreement.

Weekly rate of $0.00365 per kilowatt of transmission capacity reserved in increments of one week of service.

Daily rate of $0.00066 per kilowatt of transmission capacity reserved in increments of one day of service.

Hourly rate of $0.00004 per kilowatt of transmission energy delivered as non-firm transmission service.

2.6.1.6. Energy Imbalance Service

$0.0 per kilowatt for all reservation periods.

2.6.2. Availability of Ancillary Services

Scheduling, System Control, and Dispatch Service and Reactive Supply and Voltage Control from Generation Sources Service are available for all transmission services in and from the System of Southwestern and shall be provided by Southwestern. Regulation and Frequency Response Service and Energy Imbalance Service are available only for deliveries of power and energy to load within Southwestern's Balancing Authority Area, and shall be provided by Southwestern, unless, subject to Southwestern's approval, they are provided by others. Spinning Operating Reserve Service and Supplemental Operating Reserve Service are available only for deliveries of power and energy generated by resources located within Southwestern's Balancing Authority Area and shall be provided by Southwestern, unless, subject to Southwestern's approval, they are provided by others.

2.6.3. Applicability of Charges for Ancillary Services

Charges for all Ancillary Services are applied to the transmission capacity reserved or network transmission service taken by the Customer in accordance with the rates listed above when such services are provided by Southwestern.

The charges for Ancillary Services are considered to include Ancillary Services for any Secondary Transmission Service, except in cases where Ancillary Services identified in Sections 2.6.1.3 through 2.6.1.6 of this Rate Schedule are applicable to a Transmission Service Transaction of Secondary Transmission Service, but are not applicable to the transmission capacity reserved under which Secondary Transmission Service is provided. When charges for Ancillary Services are applicable to Secondary Transmission Service, the charge for the Ancillary Service shall be the hourly rate applied to all energy transmitted utilizing the Secondary Transmission Service.

2.6.4. Provision of Ancillary Services by Others

Customers for which Ancillary Services identified in Sections 2.6.1.3 through 2.6.1.6 of this Rate Schedule are made available as specified above must inform Southwestern by written notice of the Ancillary Services which they do not intend to take and purchase from Southwestern, and of their election to provide all or part of such Ancillary Services from their own resources or from a third party. Such notice requirements also apply to requests for Southwestern to provide Ancillary Services when such services are available as specified above.

Subject to Southwestern's approval of the ability of such resources or third parties to meet Southwestern's technical and operational requirements for provision of such Ancillary Services, the Customer may change the Ancillary Services which it takes from Southwestern and/or from other sources at the beginning of any month upon the greater of 60 days written notice or upon the completion of any necessary equipment modifications necessary to accommodate such change; Provided, That, if the Customer chooses not to take Regulation and Frequency Response Service, which includes the associated Regulation Purchased Adder, the Customer must pursue these services from a different host Balancing Authority; thereby moving all metered loads and resources from Southwestern's Balancing Authority Area to the Balancing

Authority Area of the new host Balancing Authority. Until such time as that meter reconfiguration is accomplished, the Customer will be charged for the Regulation and Frequency Response Service and applicable Adder then in effect. The Customer must notify Southwestern by July 1 of this choice, to be effective the subsequent calendar year.

2.6.5. Regulation Purchased Adder

Southwestern has determined the amount of energy used from storage to provide Regulation and Frequency Response Service in order to meet Southwestern's Balancing Authority Area requirements. The replacement value of such energy used shall be recovered through the Regulation Purchased Adder. The Regulation Purchased Adder during the time period of January 1 through December 31 of the current calendar year is based on the average annual use of energy from storage[1] for Regulation and Frequency Response Service and Southwestern's estimated purchased power price for the corresponding year from the most currently approved Power Repayment Studies.

The Regulation Purchased Adder will be phased in over a period of four (4) years as follows:

Year	Regulation Purchased Adder for the Incremental Replacement Value of Energy Used from Storage
2014	¼ of the average annual use of energy from storage × 2014 Purchased Power price
2015	½ of the average annual use of energy from storage × 2015 Purchased Power price
2016	¾ of the average annual use of energy from storage × 2016 Purchased Power price
2017 and thereafter	The total average annual use of energy from storage × the applicable Purchased Power price

[1] The average annual use of energy from storage for Regulation and Frequency Response Service is based on Southwestern studies.

2.6.5.1. Applicability of Regulation Purchased Adder

The replacement value of the estimated annual use of energy from storage for Regulation and Frequency Response Service shall be recovered by Customers located within Southwestern's Balancing Authority Area on a non-coincident peak ratio share basis, divided into twelve equal monthly payments, in accordance with the formula in Section 2.6.5.2.

If the Regulation Purchased Adder is determined and applied under Southwestern's Rate Schedule P-13, then it shall not be applied here.

2.6.5.2. Procedure for Determining Regulation Purchased Adder

Unless otherwise specified by contract, the Regulation Purchased Adder for an individual Customer shall be based on the following formula rate, calculated to include the replacement value of the estimated annual use of energy from storage by Southwestern for Regulation and Frequency Response Service.

RPA = The Regulation Purchased Adder for an individual Customer per month, which is as follows:

$$[(L_{Customer} \div L_{Total}) \times RP_{Total}] \div 12$$

with the factors defined as follows:

$L_{Customer}$ = The sum in MW of the following three factors:

(1) The Customer’s highest metered load plus generation used to serve the Customer’s load that is accounted for through a reduction in the Customer’s metered load (referred to as ‘generation behind the meter’) during the previous calendar year, and
(2) The Customer’s highest rate of Scheduled Exports[2] during the previous calendar year, and
(3) The Customer’s highest rate of Scheduled Imports[2] during the previous calendar year.

L_{Total} = The sum of all $L_{Customer}$ factors for all Customers that were inside Southwestern’s Balancing Authority Area at the beginning of the previous calendar year in MW.

RP_{Total} = The “net” cost in dollars and cents based on Southwestern’s estimated purchased power price for the corresponding year from the most currently approved Power Repayment Studies multiplied by the average annual use of energy from storage, as provided for in the table in Section 2.6.5, to support Southwestern’s ability to regulate within its Balancing Authority Area. The “net” cost in dollars and cents shall be adjusted by subtracting the product of the quantity of such average annual use of energy from storage in MWh and Southwestern’s highest rate in dollars per MWh for Supplemental Peaking Energy during the previous calendar year.

[2] Scheduled Exports and Scheduled Imports are transactions, such as sales and purchases respectively, which are in addition to a Customer’s metered load that contribute to Southwestern’s Balancing Authority Area need for regulation.

For Customers that have aggregated their load, resources, and scheduling into a single node by contract within Southwestern's Balancing Authority Area, the individual Customer's respective Regulation Purchased Adder shall be that Customer's ratio share of the Regulation Purchased Adder established for the node. Such ratio share shall be determined for the Customer on a non-coincident basis and shall be calculated for the Customer from their highest metered load plus generation behind the meter.

2.6.6. Energy Imbalance Service Limitations

Energy Imbalance Service is authorized for use only within a bandwidth of ± 1.5 percent of the actual requirements of the load at a particular point of delivery, for any hour, compared to the resources scheduled to meet such load during such hour. Deviations which are greater than ± 1.5 percent, but which are less than ± 2,000 kilowatts, are considered to be within the authorized bandwidth. Deviations outside the authorized bandwidth are subject to a Capacity Overrun Penalty.

Energy delivered or received within the authorized bandwidth for this service is accounted for as an inadvertent flow and will be netted against flows in the future. The inadvertent flow in any given hour will only be offset with the flows in the corresponding hour of a day in the same category. Unless otherwise specified by contract, the two categories of days are weekdays and weekend days/North American Electric Reliability Corporation holidays, and this process will result in a separate inadvertent accumulation for each hour of the two categories of days. The hourly accumulations in the current month will be added to the hourly inadvertent balances from the previous month, resulting in a month-end balance for each hour.

The Customer is required to adjust the scheduling of resources in such a way as to reduce the accumulation towards zero. It is recognized that the inadvertent hourly flows can be both negative and positive, and that offsetting flows should deter a significant accumulation of inadvertent. Unless otherwise specified by contract, in the event any hourly month-end balance exceeds 12 MWhs, the excess will be subject to Section 3.1 or Section 3.2 of this Rate Schedule, depending on the direction of the accumulation.

3. Non-Federal Transmission/Interconnection Facilities Service Penalties, Terms, and Conditions

3.1. Capacity Overrun Penalty

3.1.1. Penalty Charge for Capacity Overrun

For each hour during which energy flows outside the authorized bandwidth, the Customer will be obliged to purchase such energy at the following rates:

Months Associated With Charge	Rate per Kilowatt
March, April, May, October, November, December	$0.15
January, February, June, July, August, September	$0.30

3.1.2. Applicability of Capacity Overrun Penalty

Customers who receive deliveries within Southwestern's Balancing Authority Area are obligated to provide resources sufficient to meet their loads. Such obligation is not related to the amount of transmission capacity that such Customers may have reserved for transmission service to a particular load. In the event that a Customer underschedules its resources to serve its load, resulting in a difference between resources and actual metered load (adjusted for transformer losses as applicable) outside the authorized bandwidth for Energy Imbalance Service for any hour, then such Customer is subject to the Capacity Overrun Penalty.

3.2. Unauthorized Use of Energy Imbalance Service by Overscheduling of Resources

In the event that a Customer schedules greater resources than are needed to serve its load, such that energy flows at rates beyond the authorized bandwidth for the use of Energy Imbalance Service, Southwestern retains such energy at no cost to Southwestern and with no obligation to return such energy.

3.3. Power Factor Penalty

3.3.1. Requirements Related to Power Factor

Any Customer served from facilities owned by or available by contract to Southwestern will be required to maintain a power factor of not less than 95 percent and will be subject to the following provisions.

3.3.2. Determination of Power Factor

The power factor will be determined for all Demand Periods and shall be calculated under the formula:

$$PF = (kWh) \div \sqrt{(kWh^2 + rkVAh^2)}$$

with the factors defined as follows:

PF = The power factor for any Demand Period of the month.

kWh = The total quantity of energy which is delivered during such Demand Period to the point of delivery or interconnection in accordance with Section 3.3.4.

rkVAh = The total quantity of reactive kilovolt-ampere-hours (kVARs) delivered during such Demand Period to the point of delivery or interconnection in accordance with Section 3.3.4.

3.3.3. Penalty Charge for Power Factor

The Customer shall be assessed a penalty for all Demand Periods of a month where the power factor is less than 95 percent lagging. For any Demand Period during a particular month such penalty shall be in accordance with the following formula:

$$C = D \times (0.95 - LPF) \times \$0.10$$

with the factors defined as follows:

C = The charge in dollars to be assessed for any particular Demand Period of such month that the determination of power factor “PF” is calculated to be less than 95 percent lagging.

D = The Customer’s demand in kilowatts at the point of delivery for such Demand Period in which a low power factor was calculated.

LPF = The lagging power factor, if any, determined by the formula “PF” for such Demand Period.

If C is negative, then C = zero (0).

3.3.4. Applicability of Power Factor Penalty

The Power Factor Penalty is applicable to radial interconnections with the System of Southwestern. The total Power Factor Penalty for any month shall be the sum of all charges “C” for all Demand Periods of such month. No penalty is assessed for leading power factor. Southwestern, in its sole judgment and at its sole option, may determine whether power factor calculations should be applied to (i) a single physical point of delivery, (ii) a combination of physical points of delivery where a Customer has a single, electrically integrated load, (iii) or interconnections. The general criteria for such decision shall be that, given the configuration of the Customer's and Southwestern's systems, Southwestern will determine, in its sole judgment and at its sole option, whether the power factor calculation more accurately assesses the detrimental impact on Southwestern's system when the above formula is calculated for a single physical point of delivery, a combination of physical points of delivery, or for an interconnection as specified by an Interconnection Agreement.

Southwestern, at its sole option, may reduce or waive Power Factor Penalties when, in Southwestern's sole judgment, low power factor conditions were not detrimental to the System of Southwestern due to particular loading and voltage conditions at the time the power factor dropped below 95 percent lagging.

4. Non-Federal Transmission/Interconnection Facilities Service Miscellaneous Rates, Terms, and Conditions

4.1. Real Power Losses

Customers are required to self-provide all Real Power Losses for non-Federal energy transmitted by Southwestern on behalf of such Customers under the provisions detailed below.

Real Power Losses are computed as four (4) percent of the total amount of non-Federal energy transmitted by Southwestern. The Customer's monthly Real Power Losses are computed each month on a megawatthour basis as follows:

$$ML = 0.04 \times NFE$$

with the factors defined as follows:

ML = The total monthly loss energy, rounded to the nearest megawatthour, to be scheduled by a Customer for receipt by Southwestern for Real Power Losses associated with non-Federal energy transmitted on behalf of such Customer; and

NFE = The amount of non-Federal energy that was transmitted by Southwestern on behalf of a Customer during a particular month.

The Customer must schedule or cause to be scheduled to Southwestern, Real Power Losses for which it is responsible subject to the following conditions:

4.1.1. The Customer shall schedule and deliver Real Power Losses back to Southwestern during the second month after they were incurred by Southwestern in the transmission of the Customer's non-Federal power and energy over the System of Southwestern unless such Customer has accounted for Real Power Losses as part of a metering arrangement with Southwestern.

4.1.2. On or before the twentieth day of each month, Southwestern shall determine the amount of non-Federal loss energy it provided on behalf of the Customer during the previous month and provide a written schedule to the Customer setting forth hour-by-hour the quantities of non-Federal energy to be delivered to Southwestern as losses during the next month.

4.1.3. Real Power Losses not delivered to Southwestern by the Customer, according to the schedule provided, during the month in which such losses are due shall be billed by Southwestern to the Customer to adjust the end-of-month loss energy balance to zero (0) megawatthours and the Customer shall be obliged to purchase such energy at the following rates:

Months Associated With Charge	Rate per Kilowatthour
March, April, May, October, November, December	$0.15
January, February, June, July, August, September	$0.30

4.1.4. Real Power Losses delivered to Southwestern by the Customer in excess of the losses due during the month shall be purchased by Southwestern from the Customer at a rate per megawatthour equal to Southwestern’s rate per megawatthour for Supplemental Peaking Energy, as set forth in Southwestern’s then-effective Rate Schedule for Hydro Peaking Power to adjust such hourly end-of-month loss energy balance to zero (0) megawatthours.

LICENSE NO. SWPA-SS1001-3-23-0010
CARTHAGE SUBSTATION

UNITED STATES DEPARTMENT OF ENERGY
Southwestern Power Administration
One West Third Street
Tulsa, Oklahoma 74103-3519

LICENSE OUTGRANT

This **LICENSE OUTGRANT (LICENSE)**, between **Carthage Water and Electric Plant Board of the City of Carthage, Missouri,** herein referred to as **LICENSEE**, whether one or more, and the **United States of America, Department of Energy, Southwestern Power Administration**, herein referred to as **UNITED STATES or LICENSOR**, represented by the officer executing this document, pursuant to **Section 5, of the Flood Control Act of December 22, 1944 (58 Stat. 887, 890; 16 U. S. C. 825s)**; grants a license for the **placement, program, operate, maintain, own and replace Carthage-owned power circuit breakers; disconnect switches; and 161/69kV power transformers, including lightning arresters and protective relaying and related facilities (FACILITIES)**, over, across, in and upon property of the United States, as identified in **Exhibit A**, attached hereto and made a part hereof, hereinafter referred to as the **LICENSE AREA**.

WITNESSETH:

This **LICENSE** is hereby granted for the term of Contract No. **DE-PM75-23SW00868** and any Contract modifications, but revocable at will by the **UNITED STATES**.

The consideration for this **LICENSE** shall be the **placement, program, operate, maintain, own, and replace Carthage-owned power circuit breakers; disconnect switches; and 161/69kV power transformers, including lightning arresters and protective relaying placement**, for the benefit of the United States and the general public in accordance with the terms hereinafter set forth.

The granting of this **LICENSE** has been found by the **UNITED STATES** to be compatible with the public interest and is subject to the following terms and conditions:

1. **LICENSOR** hereby licenses to the **LICENSEE** space in the **LICENSOR'S Carthage Substation** for the **placement, program, operate, maintain, own, and replace Carthage-owned power circuit breakers; disconnect switches; and 161/69kV power transformers, including lightning arresters and protective relaying** and support **facilities** necessary for delivery of power and energy within Southwestern's **Carthage Substation** subject to the following:

a. The **FACILITIES** will be owned, maintained, and/or replaced in accordance with the terms and conditions contained in Contract No. **DE-PM75-23SW00868** and any modifications to the Contract.

b. **LICENSEE** shall be responsible for periodically inspecting the **LICENSE AREA** for integrity of **facilities** installed by **LICENSEE**.

c. Prior to any work being performed in the **LICENSE AREA**, any contractors or agents working on the lines on behalf of the **LICENSEE** must notify the Springfield Regional Maintenance Manager at **(417) 891-8772** and/or Southwestern Power Administration Area Dispatch at **(417) 374-6210** (Monday through Friday from 7:00 am - 3:30 pm) and/or **(417) 374-6206** (24-Hour Dispatch Center) and must be accompanied by a **LICENSEE** representative and a **LICENSOR** representative at all times.

d. In the event that the **LICENSEE'S EQUIPMENT** interferes with the operation of **LICENSOR'S** communication equipment or transmission lines, **LICENSEE** shall cease operation of its **FACILITIES** until the cause of the interference is remedied.

e. **LICENSEE'S** use of any of the licensed site shall be specifically restricted to include the **ownership, maintenance, and/or replacement of the FACILITIES.** All activities and operations undertaken by the **LICENSEE** or its contractors in, on, or about the site shall be lawful and in compliance with all Federal Communications Commission (FCC) requirements.

2. It is understood that the issuance of this **LICENSE** by the **UNITED STATES** for the purposes stated herein does not create an additional burden on the **UNITED STATES** land and this **LICENSE** does not grant any right, privilege, or interest in the land.

3. The **LICENSEE** shall at all times exercise due care and diligence to avoid damage or loss to the real property and personal property of the **UNITED STATES** and shall indemnify and hold harmless the **UNITED STATES**, its employees, or agents, from any loss or damage and from any liability on account of personal injury, death, or property damage, or claims for personal injury, death, or property damage of any nature whatsoever and whomsoever made arising out of any of the **LICENSEE'S**, its agents', contractors', or subcontractors' activities in or on the **LICENSE AREA**. **LICENSEE** agrees to reimburse the **UNITED STATES** for all damage to property or works of the **UNITED STATES**.

4. The **LICENSE** granted shall be held and exercised subject to the rights of the **UNITED STATES** and the **UNITED STATES** reserves the right to use the **LICENSE AREA** for any purpose which does not materially interfere with the rights and privileges granted herein. **LICENSEE** agrees to relocate or alter the **FACILITIES** at no cost to the **UNITED STATES** in the event the **UNITED STATES** determines that the **FACILITIES** interfere with the rights of the **UNITED STATES**.

5. This **LICENSE** shall terminate as provided herein:

a. Upon noncompliance with the terms of the **LICENSE**. The **UNITED STATES** will provide written notice of its intent to terminate the **LICENSE** for noncompliance with any of the terms hereof. **LICENSEE** shall have 30 days, or after receipt of the notice of noncompliance to come into compliance with the terms hereof, to the satisfaction of the **UNITED STATES**. If **LICENSEE** fails to do so, this **LICENSE** shall terminate at the expiration of the period provided for in this paragraph; or

b. At any time by mutual consent in writing; or

c. Upon termination of Contract No. **DE-PM75-23SW00868** or expiration of 2 consecutive years of non-use of the **LICENSE AREA** for the purpose or purposes granted.

No notice, order, determination, requirement, consent, agreement, or approval under this **LICENSE** shall be of any effect unless in writing. The notices provided by this Article shall be serviced by Certified mail using the appropriate address given in Article 10 of this **LICENSE**.

6. Upon termination of the **LICENSE**, all rights of the **LICENSEE** hereunder shall cease. **LICENSEE** shall, at a reasonable time not to exceed 90 days, or such other time as provided by the **UNITED STATES** after the date of termination, remove any of its structures or improvements located on the **LICENSE AREA** and shall restore the **LICENSE AREA** to the extent practicable, or accomplish needed repair or maintenance to the **LICENSE AREA** surface to the satisfaction of the **UNITED STATES**. If the **LICENSEE** fails to do so within the allotted time, the **UNITED STATES** may do so at the **LICENSEE's** expense.

7. All work incident to the construction, use, maintenance, and operation associated with the **LICENSEE'S** use of the **LICENSE AREA** shall be performed by the **LICENSEE** without cost or expense to the **UNITED STATES** and to the satisfaction of the **UNITED STATES**. All work connected with the use and maintenance by the **LICENSEE** as contemplated by this **LICENSE** shall be performed in accordance with all applicable provisions of the Federal, State, and municipal laws and regulations in effect at the time of such activities.

8. **LICENSEE** hereby acknowledges and is aware of the hazards inherent in high voltage electric lines, switching stations, and substations, and hereby assumes full responsibility at all times for adoption and use of necessary safety measures required to prevent accidental harm to its personnel engaged in activities pursuant to this **LICENSE**, including adherence to the most recent standards of the National Electric Safety Code.

9. **LICENSEE** shall abide by all Federal, State, and local laws and regulations pertaining to pollution control and environmental protection.

10. Addresses for Notices and communications are as follows:

UNITED STATES:
Southwestern Power Administration
One West 3rd Street
Tulsa, OK 74103-3519

LICENSEE:
Carthage Water & Electric Plant Board of the City of Carthage, Missouri
P.O. Box 611
Carthage, MO 64836

11. This **LICENSE** shall be binding on the successors or assigns of the **LICENSEE** and the UNITED STATES; however, it shall not be assigned by **LICENSEE** without prior written consent of the **UNITED STATES**.

12. Permission granted through this **LICENSE** does not obligate the **UNITED STATES** to any further responsibilities associated with **the ownership, maintenance, and/or replacement of the FACILITIES** outside of those explicitly stated herein.

IN WITNESS WHEREOF, I have hereunto set my hand by authority of the Secretary of the Department of Energy, this _______ day of ________________, 20__.

UNITED STATES OF AMERICA
Department of Energy
Southwestern Power Administration

____
Signature

Michael S. Love, Sr., Real Estate Contracting Officer
Print Name/Title

This **License** is also executed by Licensee this ____ day of ____________, 20__.

CARTHAGE WATER & ELECTRIC PLANT
BOARD OF THE CITY OF CARTHAGE, MISSOURI

____
Signature

____
Print Name/Title

____
Phone Number

CERTIFICATE OF AUTHORITY

I, _______________________, certify that I am the _________________________
(Name) **(Secretary or Attesting Officer)**

of the ______________________________**,** named as grantee/lessee/licensee herein.
(Agency Name)

that ______________________________, who signed this Agreement on behalf
(Officer Name)

of said ____________________________, was then ___________________________
(Agency Name) **(Officer Title)**

of the Agency; and that said Agreement was duly signed for and on behalf of

the __________________________ by authority of its governing body and is
Agency Name)

within the scope of its statutory powers.

Signed, ______________________________
Secretary or Attesting Officer

(The person that signed the attached instrument cannot sign Certificate)

This form certifies that the person signing the attached instrument has the authority to do so. The signature of the Secretary/Attesting Officer and the Individual signing the attached instrument cannot be the same.

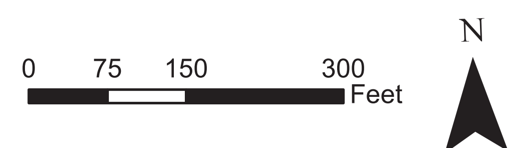
Southwestern Power Administration

EXHIBIT A

Carthage Water and Electric Plant
Board of the City of Carthage, Missouri
SWPA-SS1001-3-23-0010
Tract No. 1 (1001-1), Carthage Substation
NW4 NE4 NW4 of Section 22, T28N, R31W
Jasper County, Missiouri

Legend

Township Lines
Section Lines
License Area



Date: 3/9/2023