


RESOLUTION 12-438

BE IT RESOLVED by the Municipal Utilities Board of Decatur, Morgan County, Alabama that this Board does hereby approve and request that the Decatur City Council authorize the Mayor to sign a new two-party power supply contract between Air Products and Chemicals, Inc. and the City of Decatur for the delivery of a total of 16,000 kW of electric power. Said contract shall be for an initial term of five years and renewable year-to-year thereafter.

CERTIFICATE

I, Richard Grace, Secretary of the Municipal Utilities Board of Decatur, hereby certify that the above and foregoing is a true and correct copy of a resolution adopted by said Board at a meeting thereof duly called and held as the same appears in the minutes of said meeting in my custody and control.

IN WITNESS WHEREOF, I have hereunto set my hand as Secretary of the Municipal Utilities Board of Decatur on this 21st day of November, 2012.

A handwritten signature in black ink, appearing to read 'Richard Grace', is written over a horizontal line.

Richard Grace
Secretary

RESOLUTION

BE IT RESOLVED by the City Council of the City of Decatur in the State of Alabama that this Council hereby approves and authorizes the Mayor to sign a new power supply contract between Air Products and Chemicals, Inc. and the City of Decatur for the supply of a total of 16,000 kW of electric power. Said contract shall be for an initial term of five years and shall be renewable on a year-to-year basis thereafter.

CERTIFICATE

I, Stacy Gilley, City Clerk of the City of Decatur, Alabama hereby certify that the above and foregoing is a true and correct copy of a resolution adopted by the City Council of the City of Decatur at a regular meeting of the same held on _____, 2012, as the same appears of record in the minutes of said meeting in my custody and control.

IN WITNESS WHEREOF, I have hereunto set my hand as City Clerk of the City of Decatur and affixed the seal of the City of Decatur to the certificate on this _____ day of _____, 2012.

Stacy Gilley
City Clerk

CONTRACT FOR ELECTRIC POWER
Seasonal Demand and Energy Rate
Manufacturing Schedule SMSC
(5,001 – 15,000 kW)

AGREEMENT made this 1st day of December, 2012, by and between the CITY OF DECATUR, AL, a Municipal Corporation acting by the Municipal Utilities Board of the City of Decatur, hereinafter called Decatur, and Air Products & Chemicals, Inc., hereinafter called the Consumer:

IN CONSIDERATION of the mutual agreements hereinafter contained, IT IS AGREED:

That during the term of four years and ten months from the beginning of service, (not later than the 1st day of December, 2012), Decatur will maintain sufficient line, transformer capacity and related equipment, herein called 'Facilities,' necessary, in the judgement of Decatur, to enable it to deliver to the Consumer at a point of delivery as hereinafter defined located in Morgan County, Alabama, 16,000 kilowatts of electric power, in the form of three-phase alternating current at approximately sixty cycles periodicity and at approximately 4,160Y/2,400 volts, for which the Consumer shall pay a charge based on the rate schedule as specified in this agreement. This contract shall terminate with the meter reading date for September 2017. Any renewals or extensions of the initial contract shall be for a term of at least 1 year; after 10 years of service, any such contract for the renewal or extension of service may provide for termination upon not less than 4 months' notice. This contract is subject to the Rules and Regulations governing service from Decatur Utilities as adopted and amended by the Municipal Utilities Board of Decatur, Morgan County, Alabama.

Access for Construction, Maintenance and Operation of Facilities: Consumer hereby grants to Decatur a license to free access at all times during the term of this contract, including any extension to, over, and/or across Consumer's premises, as Decatur deems reasonably necessary or desirable to enable Decatur to install, relocate, replace, repair, maintain, protect and operate all Facilities. In the exercise of this license to free access, Decatur agrees that it will select and utilize those areas and routes that are the least intrusive on Consumer's premises and the least disruptive of Consumer's operations, as are reasonably consistent with Decatur's undertaking to provide electric power hereunder.

Maintenance of Facilities and Payment of Charges Related Thereto: If at any time during the term of this contract or any extension hereof Decatur considers it reasonably necessary, because of any activity or condition over which Decatur has no control, to remove and relocate or to modify or repair its Facilities, herein "maintenance work," in order to maintain them in a safe, efficient operating condition, Decatur shall perform such maintenance work as may be reasonably necessary, and Consumer will reimburse Decatur for the actual cost of such maintenance work. For the purposes hereof, such actual cost shall include (1) all costs of labor and materials, (2) a reasonable hourly charge for all equipment

used, but not consumed, in any maintenance work and (3) Decatur's then current overhead rate times the actual labor charges, to cover Decatur's overhead expenses. Consumer shall be obligated to pay Decatur for all such maintenance work, except such as may become necessary due solely to the act or omission of Decatur or by reason of any inherent defect, obsolescence or malfunction of any Facilities, not caused or contributed to by Consumer or by any agent, servant, employee, contractor or invitee of Consumer. Reasons for which Consumer may be obligated to pay Decatur for maintenance work shall include, but without restricting the generality thereof, the following: (1) request by Consumer for such work; (2) erection or alteration by Consumer of any building, structure, pipe, tank or other equipment that would deny or interfere with Decatur's access to the Facilities or that would cause a violation of any provision of the latest edition of the National Electric Safety Code; or (3) any condition, without regard to the cause thereof, other than such as may have been caused by Decatur, that interferes with the safe, normal and efficient operation of the Facilities, including, without limitation, hot exhaust fumes on transformers, atmospheric contamination or fumes of suspicious strength or density which may cause damage or excessive corrosion of Decatur's Facilities. Provided, however, Consumer shall not be obligated to pay for the replacement or relocation of any Facilities by Decatur solely for its own benefit or for the purpose of facilitating service to customers other than Consumers. Payment for such maintenance work shall be made within thirty (30) days after invoicing therefor by Decatur, and any delinquency shall be subject to such penalties and remedies as are available to Decatur under its policies and procedures dealing with delinquent accounts.

Rates: Consumer shall pay Decatur monthly for power and energy available under this agreement in accordance with rates and provisions of Decatur's Rate--Schedule **SMSC** as modified or replaced by Decatur from time to time. Said rate schedule is attached hereto and hereby made a part hereof.

Increase of Power Requirements: If at any time the Consumer desires to increase the capacity required to be maintained by Decatur, written notice thereof shall be given to Decatur and Decatur shall then make the required increase in Facilities, subject to the rules, regulations, and conditions under which Decatur may then be operating. A revised power contract shall be executed to include the increased power requirements of the Consumer prior to the ordering of any equipment by Decatur for the increase of Facilities.

Decatur shall use reasonable diligence in modifying or replacing Facilities for the increased requirements of Consumer, and Consumer shall not use any power in excess of the then existing power contract, without the written approval of Decatur, until such time as Decatur completes its modifications or replacements necessary for the increased power requirements of Consumer. Consumer further agrees to reimburse Decatur, within thirty (30) days from receipt of invoice, for any repairs or replacements of Distributor's equipment resulting from damage or destruction of such equipment which in the opinion of Decatur is due to Consumer's taking of power in excess of the power contract then in effect.

The obligations of Decatur to increase Facilities shall be the same obligations as defined under "Interference with Availability or Use of Power" under the attached Terms and Conditions.

Point of Delivery: Power shall be delivered hereunder at the voltage specified above. The point of delivery shall be the point of interconnection of Consumer's facilities and Decatur's Facilities. Unless otherwise specified in this paragraph, the point of delivery shall be the secondary bus bars of Decatur's substation or in the case of unit substations or pad mounted transformers, it shall be the secondary terminals of the transformer(s). Decatur shall not be responsible for the operation or maintenance of any equipment beyond the point of delivery, and shall not be liable for damages on account of injuries to person or property resulting in any manner from the receipt, use, or application by the Consumer of such electrical energy.

The point of delivery shall be **the secondary bus bars in each of Air Products #1 and Air Products #2 Substations.**

Notices: Any notice or demand required by this agreement shall be deemed properly given if mailed, postage prepaid, to the Decatur Utilities, Electric Manager, P.O. Box 2232, Decatur, Alabama, 35609-2232, on the behalf of Decatur or to **Energy Manager, Corporate Energy Department, Air Products & Chemicals, Inc., 7201 Hamilton Boulevard, Allentown, Pennsylvania 18195,** on behalf of Consumer, except that oral notices between the authorized operating representatives of the parties with respect to changes in availability of power, loads, and emergency conditions, will be sufficient and will be confirmed in writing.

Incorporation of Terms and Conditions: The attached terms and conditions are hereby made a part of this agreement.

Electrical Fluctuations: The power and energy taken hereunder shall not be used in such a manner as to cause unusual fluctuations or disturbances to Decatur's system. Consumer shall provide at its expense suitable apparatus which will reasonably limit such fluctuations. In the event that unreasonable fluctuations, or disturbances, including, without limitation, harmonic currents resulting in actionable interference with communication systems or in harmonic resonance of now existing Facilities, are caused by Consumer's facilities, Decatur shall immediately notify the Consumer of the circumstances and Decatur shall then have the right to discontinue the delivery of power and energy hereunder until the condition causing such fluctuations or disturbances is corrected by Consumer. Decatur shall give Consumer written notice of these circumstances in addition to the above mentioned notice, but the written notice shall not limit or delay Decatur's right to discontinue service to Consumer. Despite such discontinuance of service, Consumer shall be obligated to pay as its minimum monthly bill, the amount specified in the attached rates.

The terms and conditions herein contained constitute the entire agreement between the parties and all previous negotiations between the parties hereto, whether verbal or written, with reference to the subject matter of this agreement, are hereby nullified. No modification hereof shall be binding unless it shall be in writing.

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

By: _____

City of Decatur

pa

Air Products and Chemicals, Inc.

By: _____

Consumer Signature

Michael J. Peters

Print Name

Manager, Energy
(Official capacity)

TERMS AND CONDITIONS

1. **Conditions of Delivery:** The power delivered under contract shall be single-phase or three phase alternating current at a frequency of approximately 60 cycles per second and at a nominal voltage specified in the contract. Except for temporary periods of abnormal operating conditions, voltage variations shall not exceed 7 percent up or down from a normal voltage to be determined from operating experience.

Consumer shall exercise all reasonable precautions and install all equipment necessary to limit its total demand as determined in accordance with the contract or rate schedule attached thereto to the amount to which it is entitled under the contract. If the total demand for any interval exceeds the amount to which the Consumer is so entitled, Consumer shall not be entitled to continue such excess takings thereafter whether or not it is obligated to pay therefor.

Maintenance by Decatur at the point of delivery of voltage within the above stated limits and the frequency contracted for will constitute availability of power for purposes of the contract.

Decatur shall not be obligated to install protective equipment, except such equipment as Decatur deems necessary for the protection of its own property and operations. Any electrical equipment installed by Consumer shall be capable of satisfactory coordination with Decatur's protective equipment.

Electric energy furnished hereunder may be used by Consumer for lighting or any other special machinery incidental and necessary to the manufacturing operations of Consumer. Decatur, however, shall be under no duty or obligation hereunder to render a regulated voltage, or voltage different from that specified in the agreement, suitable for such lighting or other special machinery. In the event the voltage or regulation of the energy furnished hereunder is found by the Consumer to be unsatisfactory for such lighting or any other special machinery, suitable voltage regulating and transforming apparatus may be installed by the Consumer at his or its expense.

2. **Use of Power:** Consumer agrees not to sell or dispose of any power furnished hereunder, or which may be generated directly or indirectly therefrom, without the written consent of Decatur, and Consumer further agrees not to use any purchased power other than that furnished hereunder.
3. **Metering:** Decatur shall install and maintain the meters and associated equipment which in Decatur's judgment are needed to determine the amounts of power and energy used by Consumer. Decatur shall, at its expense, make periodic tests and inspections of its metering equipment in order to maintain a high standard of accuracy. If any tests or inspections show Decatur's measurements to be inaccurate by more than 2 percent, an offsetting adjustment shall be made in Consumer's bills for any known or agreed period of inaccuracy; in the absence of such knowledge or agreement, the adjustment shall be limited to 30 days prior to the date of such tests.
4. **Interference With Availability or Use of Power:** The obligations of Decatur hereunder are dependent upon its securing and retaining the necessary rights, easements, privileges, franchises, permits, material and apparatus, and Decatur shall not be liable to the Consumer in the event it is delayed in the delivery of power or is prevented from furnishing the service herein provided for by its failure to secure and retain such rights, easements, privileges, franchises, permits, material and

apparatus, and the service hereunder shall also be subject to all laws, rules, and regulations under which Decatur may from time to time be operating. In the event Decatur is delayed in delivering power from any of the above causes, the time fixed for the commencement of the term of this agreement shall be extended for a period equal to such delay. If the service is interrupted from injunction, strike, riot, invasion, flood, fire, accident, breakdown, or from any cause beyond Decatur's control, Decatur shall not be liable to the Consumer for such interruptions but shall use its best efforts to restore the service promptly, and during such interruptions the Consumer shall have the right to use such other power as may be available. Consumer agrees to cooperate with Decatur in scheduling power outages for necessary routine and emergency maintenance and repairs of Decatur's equipment and for cutting in new customers.

The obligations of Decatur under the terms of this agreement are further dependent upon and subject to the conditions brought about by war, the necessities of war, or the demand of the United States Government, and Decatur assumes no obligation hereunder to continue the delivery of any quantity of power when or in the event it is required to supply such power to the United States Government, or to any person, firm, corporation, business or industry designated by the United States Government.

5. **Resale of Power:** The electric power supplied under the contract is for the use of Consumer or any wholly owned subsidiary of Consumer or its parent company in the operation of its facilities at the location or locations specified in the contract and shall not be resold or otherwise disposed of, directly or indirectly, for any other purpose.
6. **Phase Balancing:** (for three phase services) Consumer shall endeavor to take and use power and energy in such a manner that the current at the point of delivery will be reasonably balanced on the three phases. In the event that any check indicates that the current on the most heavily loaded phase exceeds the current on either of the other phases by more than 20 percent, Consumer agrees to make at its expense, upon request, the changes necessary to correct the unbalanced condition.
7. **Waivers:** A waiver of one or more defaults shall not be considered a waiver of any other or subsequent default.
8. **Successors and Assigns:** The contract shall not be assignable by Consumer without the written consent of Decatur, except to a wholly owned subsidiary of Consumer or Consumer's successor by any bona fide merger, reorganization or consolidation.
9. **Cogeneration:** Any arrangement for cogeneration will be in compliance with existing Federal regulations and in accordance with TVA and Decatur's requirements.

RESOLUTION

BE IT RESOLVED by the Municipal Utilities Board of Decatur, Morgan County, Alabama that this Board does hereby approve and request that the Decatur City Council authorize the Mayor to sign a new tri-party Agreement between Air Products and Chemicals, Inc. (Air Products), Tennessee Valley Authority (TVA) and the City of Decatur allowing Air Products to designate 15,500 kW of its 16,000 kW total electricity supply as 5 Minute Response (5MR) Interruptible Power.

CERTIFICATE

I, Richard Grace, Secretary of the Municipal Utilities Board of Decatur, hereby certify that the above and foregoing is a true and correct copy of a resolution adopted by said Board at a meeting thereof duly called and held as the same appears in the minutes of said meeting in my custody and control.

IN WITNESS WHEREOF, I have hereunto set my hand as Secretary of the Municipal Utilities Board of Decatur on this 21st day of November, 2012.



Richard Grace
Secretary

RESOLUTION

BE IT RESOLVED by the City Council of the City of Decatur in the State of Alabama that this Council hereby approves and authorizes the Mayor to sign a new tri-party Agreement between Air Products and Chemicals, Inc. (Air Products), Tennessee Valley Authority (TVA) and the City of Decatur in order for Air Products to designate 15,500 kW of its 16,000 kW total load for interruption by TVA within the terms of this 5 Minute Response (5MR) interruptible agreement.

CERTIFICATE

I, Stacy Gilley, City Clerk of the City of Decatur, Alabama hereby certify that the above and foregoing is a true and correct copy of a resolution adopted by the City Council of the City of Decatur at a regular meeting of the same held on _____, 2012, as the same appears of record in the minutes of said meeting in my custody and control.

IN WITNESS WHEREOF, I have hereunto set my hand as City Clerk of the City of Decatur and affixed the seal of the City of Decatur to the certificate on this _____ day of _____, 2012.

Stacy Gilley
City Clerk

5 MR AGREEMENT

Date: _____

Contract No. 6480

THIS AGREEMENT (5 MR Agreement) is made and entered into by and among the following parties:

COMPANY: AIR PRODUCTS AND CHEMICALS, INC.

Legal Status: a corporation created and existing under and by virtue of the laws of the State of Delaware

Mail Notices

to: Manager of Electric Supply, Corporate Energy Dept.
at: Air Products and Chemicals, Inc.
7201 Hamilton Boulevard
Allentown, Pennsylvania 18195

Telephone numbers for suspension notices: 256-565-2364 is the number of the dedicated line designated in accordance with subsection 3.6.3 below.

If no one is reached at the dedicated line, TVA may (without obligation) also provide suspension notices at the following number(s): 713-920-7565 and 256-318-5317.

DISTRIBUTOR: CITY OF DECATUR, ALABAMA

Legal Status: a municipal corporation created and existing under and by virtue of the laws of the State of Alabama

Mail Notices

to: General Manager
at: Decatur Utilities
Post Office Box 2232
Decatur, Alabama 35609-2232

TVA: TENNESSEE VALLEY AUTHORITY

Legal Status: a corporation created and existing under and by virtue of the Tennessee Valley Authority Act of 1933, as amended (TVA Act)

Mail Notices

to: Senior Manager, Power Contracts
at: Tennessee Valley Authority
400 West Summit Hill Drive, WT 3D-K
Knoxville, Tennessee 37902-1401

W I T N E S S E T H:

WHEREAS, Distributor purchases power from TVA for resale under Power Contract TV-48555A, dated March 24, 1978, as amended; and

WHEREAS, Distributor and Company have entered into a power supply contract of even date herewith (Company Contract), providing for a Contract Demand of 16,000 kW for a term of at least fifty-eight (58) months for the operation of Company's plant in Decatur, Alabama; and

WHEREAS, Distributor and Company wish to participate in TVA's 5 Minute Response (5 MR) Interruptible Program under which a portion of Company's Contract Demand will be designated as 5 MR interruptible power; and

WHEREAS, Company, Distributor, and TVA wish to supplement and amend the Company Contract in the respects necessary to provide for such participation during the term of this 5 MR Agreement;

NOW, THEREFORE, for and in consideration of the premises and of the mutual agreements set forth below, and subject to the provisions of the TVA Act, the parties enter into this 5 MR Agreement by agreeing as follows:

SECTION 1 - DEFINITIONS

As used in this 5 MR Agreement:

- 1.1** **"5 MR Demand"** for any clock half-hour shall mean the amount (up to and including the 5 MR available in that half-hour), if any, by which the Total Demand for that half-hour exceeds the Protected Demand.
- 1.2** **"Billing Period"** shall mean the period of time from the Meter-Reading Time in one calendar month to the Meter-Reading Time in the next calendar month used to determine the power and energy amounts for which Company is to be billed.
- 1.3** **"Contract Demand"** shall mean the total kW amount of power made available under the Company Contract.
- 1.4** **"Demand Ratchet"** shall mean the exception language set out in the section headed "Determination of Demand" of the Rate Schedule which establishes the level below which billing demand cannot fall.
- 1.5** **"Effective Interruptible Demand"** shall mean the kW amount of 5 MR Demand that TVA, in its reasonable judgment, deems to be available for suspension at the time of the 200 highest hourly average kW amounts of TVA's system load each year.
- 1.6** **"Excess Demand"** for any clock half-hour shall mean the amount, if any, by which the Total Demand for that half-hour exceeds the aggregate amount of (a) the Protected Demand and (b) the 5 MR Demand for that clock half-hour.
- 1.7** **"Guidelines"** shall mean the Suspension Noncompliance Guidelines attached to and made a part of this 5 MR Agreement. The Guidelines may be changed or adjusted by TVA from time-to-time upon 60 days' notice; provided, however, that (a) any Credit Reduction Charge amount provided for by the Guidelines may only be changed or adjusted as provided for in 3.5 below and (b) with respect to Guideline 6 - Termination, no change or adjustment to the Guidelines shall reduce (i) the noncompliance threshold giving rise to TVA's termination right to an amount less than 10 percent or (ii) the notice period for any such termination to less than 60 days.

1.8 “**Load Factor**” for any Billing Period shall mean a percentage calculated by dividing the total metered energy for that Billing Period by the product of the Metered Demand for that Billing Period and the number of clock hours in that Billing Period.

1.9 “**Metered Demand**” for any Billing Period shall mean the highest average amount during any clock half-hour of that Billing Period of Company’s load measured in kW.

1.10 “**Meter-Reading Time**” for any calendar month shall mean 0000 hours Central Prevailing Time, on the first day of the following calendar month, except that Distributor, after first obtaining TVA’s concurrence, may change the time and date of the meter reading upon notice to Company and TVA.

1.11 “**Proprietary Information**” shall mean any and all information related to projected forecasts of TVA’s power system operations and other forecasts relative to potential suspensions of 5 MR disclosed by TVA to Company whether via the System or otherwise.

1.12 “**Protected Demand**” shall mean the portion of the Contract Demand specified in 3.1 below that is not subject to suspension of availability under 3.6 below.

1.13 “**Rate Schedule**” shall mean Distributor’s rate schedule applicable for billing Company under the Company Contract, as it may be modified, changed, replaced, or adjusted from time to time as provided under contractual arrangements between Distributor and TVA (together with the currently effective Adjustment Addendum).

1.14 “**System**” shall mean the computer-based information system or other information system designated by TVA under 3.7 below.

1.15 “**Total Demand**” for each clock half-hour shall be the average amount during that half-hour of Company’s load measured in kW.

1.16 “**Wholesale Rate Schedule**” shall mean the wholesale rate schedule contained in the Schedule of Rates and Charges to the Wholesale Power Contract between TVA and Distributor.

SECTION 2 - TERM AND TERMINATION

2.1 **Effective Date and Term.** This 5 MR Agreement shall become effective as of 0000 hours Central Prevailing Time on _____ (Effective Date). Except as otherwise provided, it shall continue in effect through the Meter-Reading Time for September 2017.

2.2 **Termination of 5 MR Agreement.** This 5 MR Agreement may be terminated:

- (a) by any party effective on or after the 3rd anniversary of the Effective Date by such party giving at least 2 years’ notice;
- (b) by Company in the event that any annual decrease in the 5 MR Credit Amount is more than 12 percent, upon at least 15 days’ notice to TVA prior to the effective date of such decrease;

- (c) by Company in the event that any annual increase in the 5 MR Credit Reduction Charge is more than 12 percent, upon at least 15 days' notice to TVA prior to the effective date of such increase;
- (d) by TVA or Distributor in accordance with the Guidelines; or
- (e) by TVA or Distributor upon at least 60 days' notice if: (i) Company does not maintain a current Load Reduction Plan, (ii) Company's Effective Interruptible Demand drops below 500 kW, (iii) Company's average of the most recent 12 monthly Load Factors (Average Yearly Load Factor) drops below 40 percent, or (iv) Company fails to respond properly to a test of any system that would be utilized by TVA to suspend 5 MR in accordance with 3.6 below.

2.3 Termination of Company Contract. Notwithstanding anything in the Company Contract that may be construed to the contrary, except as otherwise provided below, the parties agree that during the term of this 5 MR Agreement, no notice by Company or Distributor to terminate the Company Contract shall be effective sooner than the date on which termination of this 5 MR Agreement can be achieved under 2.2 (a) above. It is expressly recognized that this 5 MR Agreement and the Company Contract may be terminated by Distributor, or power supply from Distributor under the Company Contract may be suspended, in accordance with the Rules and Regulations of Distributor.

SECTION 3 - 5 MR

3.1 Protected Demand and 5 MR Availability. Subject to the other provisions of this 5 MR Agreement and the Company Contract, during the term of this 5 MR Agreement the provisions of the Company Contract providing for Company's Contract Demand shall be deemed amended in the respects necessary to provide:

- (a) that 500 kW of Company's Contract Demand is designated to be Protected Demand,
- (b) that 15,500 kW shall be the portion of Company's Contract Demand designated as 5 MR and subject to suspension of availability under 3.6 below, and
- (c) that Distributor shall make the 5 MR portion of Company's Contract Demand available, in such amounts as TVA, in its judgment, is able to supply, up to and including the kW amount of 5 MR specified in (b) above.

Further, it is expressly recognized and agreed that the Protected Demand and the kW amount of 5 MR made available under this 5 MR Agreement may be adjusted by TVA in accordance with the Guidelines.

3.2 Determination of Billing Amounts. For purposes of determining the charges under the Rate Schedule, the following shall apply:

3.2.1 Billing Demand. The highest Total Demand in a Billing Period shall be the billing demand; provided, however, that the billing demand shall in no case be less than the amount calculated under the Demand Ratchet. Further, any time the billing demand is calculated under the Company Contract using the Demand Ratchet, then Company's bill shall be reduced by the amount by which

- (a) the amount calculated under Adjustment 3 of the Wholesale Rate Schedule following application of the Demand Ratchet as provided for in the "Determination of Demand" section of the Rate Schedule

exceeds

- (b) the amount that would be calculated under Adjustment 3 of the Wholesale Rate Schedule based on using Protected Demand instead of Contract Demand in the application of the Demand Ratchet;

where, for the sole purpose of calculating the amount described in (b) above, the words "the higher of the currently effective contract demand or the highest billing demand established in the preceding 12 months" used in the "Determination of Demand" section of the Rate Schedule shall be replaced by "the sum of the Protected Demand and any amount by which the highest billing demand established in the preceding 12 months exceeds the Contract Demand."

3.2.2 Excess Demand. For purposes of applying the charges set out in the section headed "Base Charges" of the Rate Schedule, if this section provides for an additional amount to be applied as a part of the demand charge to each kW "by which the customer's billing demand exceeds its contract demand," for purposes of this 5 MR Agreement, this additional amount shall be applied to each kW of Company's highest Excess Demand established during a Billing Period.

3.3 Conflicts. In the event of any conflict between the Rate Schedule and this 5 MR Agreement, this 5 MR Agreement shall control. In the event of any conflicts between the Company Contract and this 5 MR Agreement, this 5 MR Agreement shall control.

3.4 Administrative Costs Charge. To help recover administrative and other costs of making the 5 MR program available (Administrative Costs), Distributor's monthly power invoice to Company shall include, and Company shall pay, a monthly Administrative Costs Charge (currently \$350). This charge shall be due and payable each month on the due date for the monthly power invoice. Not more frequently than annually, by at least 60 days' notice to Company, TVA may increase or decrease the Administrative Costs Charge to reflect changes in TVA's or Distributor's Administrative Costs.

3.5 5 MR Credit.

3.5.1 Credit Amount. In each month that Company's Load Factor exceeds 50 percent, a credit of \$4.00 per kW (Credit Amount) of the highest 5 MR Demand established in that month shall be applied to Company's bill.

3.5.2 Credit Reduction Charge. In each Billing Period during which Company fails to suspend its 5 MR takings as required under 3.6 below, a charge (Credit Reduction Charge) shall be applied to Company's bill as set out in the Guidelines.

It is expressly recognized that application of the Credit Reduction Charge shall be without prejudice to any other rights of Distributor or TVA that may arise due to any failure by Company to comply with a 5 MR suspension.

3.5.3 Adjustments. Not more frequently than once in any 12-month period, by at least 60 days' notice to Company, TVA may change or adjust:

(a) the Credit Amount provided for in 3.5.1 above, and/or

(b) any Credit Reduction Charge amount provided for in the Guidelines,

to assure TVA of such cost recovery as the TVA Board determines to be necessary to meet the then-existing circumstances; provided, however, that any such changed or adjusted amounts shall be applied to all customers to which 5 MR is made available.

3.6 Reliability Suspensions of Availability

3.6.1 5 MR Subject to Suspension by Notice. TVA may suspend the availability of 5 MR upon 5 minutes' notice to Company. Such availability of 5 MR may be suspended at any time that TVA determines, in its sole judgment, that such a suspension is necessary or appropriate to address the reliability of the TVA system or the reliability of any portion of the TVA system.

Any such suspension shall become effective, and Company shall cease taking 5 MR, at the expiration of the 5-minute notice period. Notwithstanding anything that may be construed to the contrary, the availability of 5 MR remains at all times subject to the provisions of subsection 4.3 below covering interference with availability or use of power.

3.6.2 Suspension Periods. For billing purposes, each period of suspension shall begin when the suspension becomes effective and shall end at the time notice is given of the restoration of the availability of 5 MR; provided, however, that if such notice is not given before the end of the Billing Period in which a period of suspension begins, that period of suspension shall be deemed to end at the end of the Billing Period and a new period of suspension shall be deemed to begin at the start of the next Billing Period and continue until the time notice is given of the restoration of the availability of 5 MR.

3.6.3 Telephone Line for Suspension Notices. Company shall at all times maintain, in accordance with guidelines furnished or approved by TVA, a telephone line (or an alternative system approved by TVA) dedicated to the receipt of notices under this paragraph.

3.6.4 Load Reduction Plan. It is recognized that prior to the Effective Date of this agreement Company provided Distributor a plan certified by its authorized representative (Load Reduction Plan) describing the actions that will be taken by Company to suspend its 5 MR takings as required under this subsection 3.6. Company shall update the Load Reduction Plan annually and provide Distributor with the updated plan by March 1 of each year. Annual updates of the Load Reduction Plan, acceptable to Distributor and TVA, shall

be certified by an authorized representative of Company. It is expressly recognized that (a) Company has previously completed a Load Demonstration in accordance with the Guidelines and (b) Guideline 3 shall not apply.

3.7 Power System Information.

- (a) For Company's convenience, TVA may from time to time provide Company with information related to projected forecasts of TVA's power system operations and other forecasts relative to potential suspensions of 5 MR availability via a System designated by TVA for obtaining access to such information or via other means. All such forecast information shall be deemed to be Proprietary Information and it is expressly recognized and agreed that Company's obligations with respect to such Proprietary Information provided during the term of this agreement shall survive its termination or expiration. The System will be owned, operated, and maintained by TVA.

As a condition of access to the System and in consideration of TVA's making Proprietary Information available to Company, (i) Company agrees not to divulge Proprietary Information to third parties without the written consent of TVA, and (ii) Company further agrees not to use the Proprietary Information disclosed to it by TVA to compete with TVA or for any purpose other than those set forth in this section 3. Nothing in this paragraph shall prevent Company from making disclosures to other parties that are required by law; provided, however, Company shall endeavor to secure the agreement of such other party to maintain the information in confidence. In the event that Company is unable to secure such agreement, Company shall notify TVA with reasonable promptness so that TVA may join Company in the pursuit of such an agreement of confidence, or take any other action it deems appropriate.

- (b) For Company's access to the System, Company shall provide, at its expense, such software, hardware, or other equipment as may be necessary. In addition, Company shall be responsible for any telephone or other communications charges incurred in connecting to the System in the manner designated by TVA. Company shall access the System only in accordance with guidelines furnished or approved by TVA and shall use the System only in connection with obtaining information about 5 MR under this 5 MR Agreement.
- (c) Nothing in this subsection 3.7 shall restrict or limit TVA's right to suspend 5 MR provided for in subsection 3.6 above and TVA may suspend 5 MR under said subsection 3.6 without regard to whether or not a potential suspension has been projected. Further, the failure or inability for any reason of Company to access information about a potential suspension, through the System or otherwise, shall not alter Company's obligation to comply with any suspension of 5 MR.
- (d) TVA makes no statement, representation, claim, guarantee, assurance, or warranty of any kind whatsoever, including, but not limited to, representations or warranties, express or implied, of merchantability, fitness for a particular use or purpose, accuracy, or completeness, of any estimates, information, service, or equipment furnished or made available to Company under this subsection 3.7. Company hereby waives, and releases the United States of America, TVA, and their directors, officers, agents, and employees from any and all claims, demands, or causes of action, including, without limitation, consequential damages, arising out of or in any way connected with any

estimates, information, service, or equipment furnished or made available under this section.

SECTION 4 - MISCELLANEOUS PROVISIONS

4.1 Notices.

4.1.1 Notice. Any notice required by this 5 MR Agreement shall be deemed properly given if posted by TVA electronically on the System as defined under 3.7 above or delivered in writing to the address specified by this 5 MR Agreement: (a) personally, (b) by recognized overnight courier service, or (c) by United States Mail, postage prepaid.

4.1.2 Certain Notices May Be Oral. Notices between the authorized operating representatives of the parties may be oral, except for notice of termination under section 2 of this 5 MR Agreement, which must be in writing. Notices that may be oral shall be confirmed as provided by one of the methods in 4.1.1 above. Notwithstanding anything else in this subsection 4.1, notices of suspension under subsection 3.6 may be oral and shall not require confirmation by TVA consistent with subsection 4.1.1 above.

4.1.3 Changes in Persons to Receive Notice. The designation of the person to be so notified, or the address of such person, may be changed at any time and from time to time by either party by similar notice.

4.2 Relationship of Distributor, Company, and TVA.

4.2.1 Company to Remain a Customer of Distributor. It is expressly recognized that Company remains a customer of Distributor and is not a directly served customer of TVA. TVA is a party to this 5 MR Agreement only because of the unique nature of 5 MR. Distributor retains responsibility for all power service and customer relations matters except as provided otherwise with respect to 5 MR. TVA and Company may at any time communicate directly concerning matters relating to 5 MR; further TVA shall have sole responsibility for

(a) requiring reductions in availability of 5 MR, and

(b) maintenance of records of the status of the availability of 5 MR.

4.2.2 Additional Contract Amendments. No assignment of Company Contract or amendments of Company Contract relating to Contract Demand or term, shall be effective unless they are approved by TVA.

4.3 Interference With Availability of Power. The term "force majeure" shall be deemed to be a cause reasonably beyond the control of Distributor or TVA, such as, but without limitation to, injunction, administrative order, strike of employees, war, invasion, fire, accident, floods, backwater caused by floods, acts of God, or inability to obtain or ship essential services, materials, or equipment because of the effect of similar causes on suppliers or carriers. Acts of God shall include without limitation the effects of drought if the drought is of such severity as to have a probability of occurrence not more often than an average of once in 40 years.

It is recognized by the parties that the availability of power to Company may be interrupted or curtailed from time to time during the term of this contract because of force majeure or

otherwise. Company shall be solely responsible for providing and maintaining such equipment in its plant and such emergency operating procedures as may be required to safeguard persons on its property, its property, and its operations from the effects of such interruptions or curtailments. Company assumes all risk of loss, injury, or damage to Company resulting from such interruptions or curtailments.

IN WITNESS WHEREOF, the parties have caused this 5 MR Agreement to be executed by their duly authorized representatives, as of the day and year first above written.

99

AIR PRODUCTS AND CHEMICALS, INC.

By [Signature]
Title: Manager, Energy

CITY OF DECATUR, ALABAMA

By _____
Title: _____

TENNESSEE VALLEY AUTHORITY

By _____
Senior Manager, Power Contracts

Suspension Noncompliance Guidelines

Guideline 1 - Definition of terms:

5-Minute Period: For any clock hour, the first 5-consecutive-minute clock interval measured from the beginning of that hour and each 5-consecutive-minute clock interval thereafter in that hour.

Average Noncompliant Load: During any suspension of the availability of 5 MR, the average kW amount by which Company's average load during each 5-Minute Period of the suspension period exceeds its Protected Demand, up to and including the amount of 5 MR available under subsection 3.1 of the Overlay.

Credit Reduction Charge: The charge that shall apply to Company in the event of a Noncompliance situation.

Company: Shall have the same definition as in the Overlay.

Guidelines: Shall have the same definition as in the Overlay.

Load Demonstration: A live test of Company's ability to achieve its Protected Demand level within 5 minutes' notice. If such live test is not an actual TVA suspension, Company shall provide Distributor and TVA at least 48 hours' notice of such Load Demonstration. If TVA calls for a suspension of the availability of 5 MR, and if Company is successful in achieving its Protected Demand level within 5 minutes' notice, such successful suspension shall count as Company's Load Demonstration. A Load Demonstration shall be completed within 24 months of the beginning of the Overlay.

Maximum Noncompliant Load: During any suspension of the availability of 5 MR, the maximum kW amount by which Company's average load in any 5-Minute Period of the suspension period exceeds the Protected Demand, up to and including the amount of 5 MR available under subsection 3.1 of the Overlay.

Noncompliance: The situation when TVA suspends the availability of 5 MR and Company does not suspend its entire 5 MR takings during any 5-Minute Period of a suspension in accordance with subsection 3.6 of the Overlay.

Noncompliance Percentage: The percentage calculated by dividing the Maximum Noncompliant Load by the kW amount of 5 MR made available under subsection 3.1 of the Overlay.

Overlay: The 5 MR Agreement (as it may be amended) to which these Guidelines are attached.

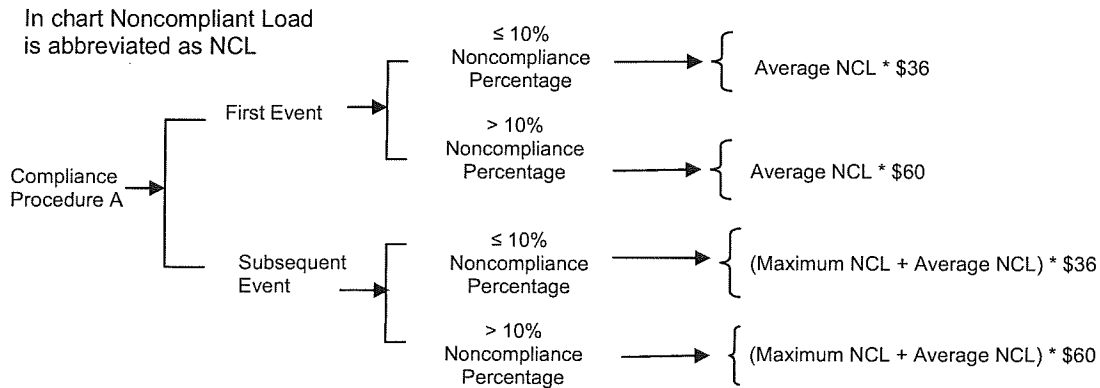
Protected Demand: Shall have the same definition as in the Overlay.

Guideline 2 - Company has completed Load Demonstration: In the event of a Noncompliance, if Company has completed its Load Demonstration or if it is in the first 24 months of the Overlay, a Credit Reduction Charge of:

- a) \$36 per kW if Company has a less than or equal to 10% Noncompliance Percentage during a suspension, or
- b) \$60 per kW if Company has a greater than 10% Noncompliance Percentage during a suspension

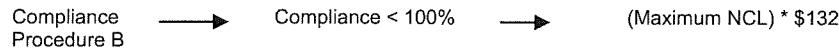
shall be applied (i) to the Average Noncompliant Load following the first Noncompliance and (ii) to the sum of the Maximum Noncompliant Load and the Average Noncompliant Load for any subsequent Noncompliance.

GUIDELINE 2 CREDIT REDUCTION CHARGE CHART



Guideline 3 - Company has not completed Load Demonstration: In the event of a Noncompliance, if Company has not completed its Load Demonstration within 24 months of the effective date of the Overlay, a Credit Reduction Charge of \$132 per kW shall be applied to Company's Maximum Noncompliant Load.

GUIDELINE 3 CREDIT REDUCTION CHARGE CHART



Guideline 4 - Credit Reduction Charge cap: Each Credit Reduction Charge shall be capped so that the maximum charge will not exceed the aggregate amount of 5 MR credits that Distributor has paid Company, during the most recent 12 months, by more than 20 percent. If Company has not been in the 5 MR program for 12 months, the Credit Reduction Charge would be capped at the amount of credits TVA calculates Company would receive over a year based on the average of monthly 5 MR Demands established by Company while participating in the 5 MR program (and the average monthly Load Factors where applicable) plus 20 percent.

Guideline 5 - Adjustment of Protected Demand: TVA may increase the Protected Demand of Company by an amount equal to the Maximum Noncompliant Load upon at least 60 days' notice following any Noncompliance.

Guideline 6 - Termination: It is recognized that suspension compliance is the essence of the Overlay. Accordingly, it is expressly agreed that after the first Noncompliance under Guideline 2, on any subsequent Noncompliance, if such Noncompliance is over 10 percent, TVA or Distributor may terminate the Overlay upon not less than 60 days' notice. In the event of a Noncompliance under Guideline 3, TVA shall terminate the Overlay upon not less than 60 days' notice.

RESOLUTION

BE IT RESOLVED by the Municipal Utilities Board of Decatur, Morgan County, Alabama that this Board does hereby approve and request that the Decatur City Council authorize the Mayor to sign a two-party Agreement between the Tennessee Valley Authority (TVA) and the City of Decatur for the delivery of 15,500 kW of 5 Minute Response (5MR) Interruptible Power to Air Products and Chemicals, Inc. (Air Products). Said Agreement implements certain wholesale billing arrangements between TVA and Decatur Utilities that will pass the appropriate portion of 5MR revenues collected from Air Products to TVA.

CERTIFICATE

I, Richard Grace, Secretary of the Municipal Utilities Board of Decatur, hereby certify that the above and foregoing is a true and correct copy of a resolution adopted by said Board at a meeting thereof duly called and held as the same appears in the minutes of said meeting in my custody and control.

IN WITNESS WHEREOF, I have hereunto set my hand as Secretary of the Municipal Utilities Board of Decatur on this 21st day of November, 2012.



Richard Grace
Secretary

RESOLUTION

BE IT RESOLVED by the City Council of the City of Decatur in the State of Alabama that this Council hereby approves and authorizes the Mayor to sign an Agreement between the Tennessee Valley Authority (TVA) and the City of Decatur for the supply of up to 15,500 kW of 5 Minute Response (5MR) Interruptible Power to Air Products and Chemicals, Inc. (Air Products). Said Agreement implements certain wholesale billing arrangements between TVA and Decatur Utilities that will pass the appropriate portion of 5MR revenues collected from Air Products to TVA.

CERTIFICATE

I, Stacy Gilley, City Clerk of the City of Decatur, Alabama hereby certify that the above and foregoing is a true and correct copy of a resolution adopted by the City Council of the City of Decatur at a regular meeting of the same held on _____, 2012, as the same appears of record in the minutes of said meeting in my custody and control.

IN WITNESS WHEREOF, I have hereunto set my hand as City Clerk of the City of Decatur and affixed the seal of the City of Decatur to the certificate on this _____ day of _____, 2012.

Stacy Gilley
City Clerk

AGREEMENT
Between
CITY OF DECATUR, ALABAMA
And
TENNESSEE VALLEY AUTHORITY

Date: _____

TV-48555A, Supp. No. 112

THIS AGREEMENT, made and entered into between CITY OF DECATUR, ALABAMA (Distributor), a municipal corporation created and existing under and by virtue of the laws of the State of Alabama, and TENNESSEE VALLEY AUTHORITY (TVA), a corporation created and existing under and by virtue of the Tennessee Valley Authority Act of 1933, as amended (TVA Act);

W I T N E S S E T H:

WHEREAS, TVA and Distributor have entered into a contract dated March 24 ,1978, as amended (Power Contract), under which Distributor purchases its entire requirements for electric power and energy from TVA for resale; and

WHEREAS, Distributor, and Air Products and Chemicals, Inc. (Company) have entered into a power supply contract of even date herewith (Company Contract), under which Company purchases power from Distributor for a term of at least fifty-eight (58) months for the operation of Company's plant in Decatur, Alabama; and

WHEREAS, TVA, Distributor, and Company have entered into an agreement of even date herewith (5 MR Agreement) covering arrangements for Distributor and Company to participate in TVA's 5 Minute Response (5 MR) Interruptible Program under which a portion of Company's contract demand will be designated as 5 MR interruptible power; and

WHEREAS, the parties wish to supplement and amend the Power Contract and to enter into such other arrangements as are necessary between TVA and Distributor with respect to Distributor providing service to Company under the 5 MR Agreement;

NOW, THEREFORE, for and in consideration of the premises and of the mutual agreements set forth below, and subject to the provisions of the TVA Act, the parties mutually agree as follows:

SECTION 1 - TERM OF AGREEMENT

This agreement shall become effective as of the effective date of the 5 MR Agreement, and shall continue in effect until expiration or termination of the 5 MR Agreement, or of the Power Contract, whichever first occurs.

SECTION 2 - BILLING DATA

2.1 Metering Data. Data obtained from the metering facilities referred to in section 5 of this agreement will be used (a) by Distributor for the purposes of determining the power and energy taken by Company and (b) by TVA for determining applicable adjustments for Distributor's wholesale bill.

2.2 Billing Data Supplied by Distributor. As a condition for TVA making 5 MR available to Distributor, Distributor shall provide TVA the following information related to Company's power and energy takings under the 5 MR program.

2.2.1 Bills to Company. To facilitate TVA's preparation of the bill to Distributor for power and energy made available under the Power Contract, each month Distributor shall furnish to TVA a copy of Distributor's bill to Company for power and energy made available under the Company Contract.

2.2.2 5 MR Data. Distributor shall also provide such other information related to Company's power and energy takings as TVA may require, including but not limited to, any charges associated with 5 MR, 5 MR credits, and Credit Reduction Charges.

SECTION 3 - ADJUSTMENTS TO DISTRIBUTOR'S WHOLESALE BILLING

In calculating the wholesale bill each month for Distributor, the following steps will be taken with respect to Company:

3.1 Demand and Energy Charges. Distributor will be billed demand and energy charges as provided in the wholesale rate schedule (Wholesale Schedule), which is contained in the Schedule of Rates and Charges attached to and made a part of the Power Contract, for the demand and the energy deemed to have been taken by Company under the Company Contract and the 5 MR Agreement.

3.2 5 MR Credits. TVA will apply a credit to the wholesale power bill equal to any 5 MR credit applied to Company's bill in accordance with the 5 MR Agreement.

3.3 Credit Reduction Charges. In the event that any Credit Reduction Charges are applied to Company's bill in accordance with the 5 MR Agreement, the amount of the Credit Reduction Charges will be included in a subsequent wholesale bill as provided for in section 4 below.

3.4 Administrative Costs Charge. An amount equal to the portion of the Administrative Costs Charge billed to Company (in accordance with the 5 MR Agreement) which is for coverage of TVA's costs will be included as part of the wholesale bill. It is recognized that the current total charge to Company each month includes \$350 allocated for TVA costs, which allocation shall not be increased without a corresponding increase of the total Administrative Costs Charge applicable under the 5 MR Agreement. TVA and Distributor also agree to coordinate, and to cooperate with each other to implement, any increase of said total Administrative Costs Charge that the other party deems necessary to address any increase in its costs.

3.5 Adjustment 3 of Wholesale Schedule. It is expressly recognized that Adjustment 3 to the Wholesale Schedule shall apply; provided, however, that the amount owed by Distributor under Adjustment 3 shall be reduced by the amount calculated to reduce Company's bill under subsection 3.2.1 of the 5 MR Agreement.

SECTION 4 - CREDIT REDUCTION CHARGES

(a) In the event that any Credit Reduction Charges are applied to Company's bill in accordance with the 5 MR Agreement, except as otherwise provided in (b) below, the amount of the Credit Reduction Charges will be included in the wholesale bill for the first wholesale billing month occurring at least 60 days after the date that such Credit Reduction Charge is to be paid by Company.

(b) In the event that Company fails to pay any Credit Reduction Charges when due:

(i) Distributor shall promptly notify TVA in writing. Within 90 days after the date on which Company becomes past due in the payment of any Credit Reduction Charges, Distributor, after consultation with TVA, shall institute litigation to enforce payment. To the extent determined by TVA to be appropriate, TVA will assist Distributor in such efforts. Upon failure of Distributor to do so, TVA may institute such litigation in the name of Distributor, or in the name of TVA, or in the name of both, and any actions taken by TVA in connection with such litigation shall be binding on Distributor.

(ii) The amounts applicable under (a) above shall accrue but shall not become payable by Distributor until collection is made from Company. If all legal remedies are pursued, Distributor's payment obligations to TVA shall be limited to the amount recovered from Company reduced by the costs (not recovered from the Company) reasonably incurred by Distributor in the prosecution of such litigation.

SECTION 5 - METERING FACILITIES

5.1 Revenue Meter. It is recognized and agreed that Distributor is responsible for providing, installing, and maintaining the meter and associated equipment which in TVA's judgment are needed for determining the amounts of power and energy associated with 5 MR. Such metering facilities shall include a solid-state type revenue meter (Revenue Meter) capable of remote telephone access. Distributor will, at its expense, provide the equipment and materials and perform the work necessary to install the Revenue Meter. Thereafter, Distributor shall test, calibrate, operate, maintain, repair, and replace all facilities in the metering installation.

5.2 Remote Access. In accordance with guidelines or specifications furnished or approved by TVA, Distributor shall provide or otherwise arrange for a telephone circuit (or an alternative system approved by TVA) and all other equipment necessary to allow remote access by TVA to the metering data recorded by the Revenue Meter under the 5 MR Agreement.

5.3 Access by TVA. Distributor agrees for TVA to have access to the data stored in the Revenue Meter through the telephone circuit (or alternative system approved under 5.2 above) and will provide to TVA any information necessary for the exercise

of such access. Distributor further grants to TVA access to the metering facilities for the purpose of confirmation of the metering data being received by telephone. The use of the telephone circuit and access to the metering data will be coordinated by TVA's and Distributor's operating representatives to ensure unrestricted access by TVA for data retrieval purposes during such periods as specified by TVA.

IN WITNESS WHEREOF, the parties have caused this agreement to be executed by their duly authorized representatives, as of the day and year first above written.

CITY OF DECATUR, ALABAMA

By _____
Title:

TENNESSEE VALLEY AUTHORITY

By _____
Senior Manager
Power Contracts