

RATE CHANGE AMENDMENT

TV-70310A, Supp. No. 75

This amendment is between the CITY OF FLORENCE, ALABAMA ("**Distributor**") and TENNESSEE VALLEY AUTHORITY ("**TVA**").

Distributor purchases all of its power requirements from TVA for resale under contract number TV-70310A, effective July 6, 1986, as amended ("**Power Contract**").

Since the fall of 2016, Distributor and TVA have endeavored, and are continuing to endeavor, to reach agreement on certain changes to wholesale and resale rates.

Distributor and TVA want to amend the Power Contract to memorialize the parties' agreement on the changed wholesale and resale rate schedules, to extend the availability of general manufacturing credits, and to reflect correctly the implementation of TVA's electric sales statistics ("**ESS**") reporting requirements.

In consideration of the premises and the agreements below, the parties therefore agree:

SECTION 1 - WHOLESALE RATE SCHEDULE SUBSTITUTION

1.1 - Changed Wholesale Rate Schedule The Schedule of Rates and Charges attached to and made a part of the Power Contract contains a wholesale power rate schedule ("**Existing Wholesale Schedule**"). A substitute wholesale power rate schedule, designated Schedule WS, dated October 2018 ("**Changed Wholesale Schedule**") is attached to this Amendment. Additionally, an optional wholesale power rate schedule, designated Schedule WSD, dated October 2018 ("**Optional Wholesale Schedule**") is attached to this Amendment.

1.2 - Wholesale Effective Date The Existing Wholesale Schedule remains in full force and effect for all bills rendered from wholesale meter readings scheduled to be taken before October 2, 2018. The Optional Wholesale Schedule is effective for all bills rendered from wholesale meter readings scheduled to be taken on and after October 2, 2018, and will remain in effect for all bills rendered from wholesale meter readings scheduled to be taken before October 2, 2019. During that time, all references in the Power Contract to the Existing Wholesale Schedule refer to Schedule WSD. The Changed Wholesale Schedule is effective for all bills rendered from wholesale meter readings scheduled to be taken on and after October 2, 2019. Starting with the first application of the Schedule WS, all references in the Power Contract to the Existing Wholesale Schedule refer to the Changed Wholesale Schedule.

SECTION 2 - REALE RATE SCHEDULE SUBSTITUTION

2.1 - Changed Resale Schedules The Schedule of Rates and Charges attached to and made a part of the Power Contract contains various resale rate schedules ("**Existing Resale Schedules**"). Substitute resale schedules, designated Schedules RS, GSA, GSB, GSC, GSD, MSB, MSC, MSD, LS, TRS, TGSA, TDGSA, and TDMSA, all dated October 2018 ("**Changed Resale Schedules**"), are attached to this Amendment. Schedules GSB, GSC, and GSD are compiled into one "Large General Power Rate Schedules" document and Schedules MSB, MSC, and MSD are compiled into one "Large Manufacturing Service Rate Schedules" document.

2.2 - Resale Effective Date The Existing Resale Schedules remain in full force and effect for all bills rendered from resale meter readings taken for Distributor's revenue months prior to October 2018. The Changed Resale Schedules are effective for all bills rendered from resale meter readings taken for Distributor's revenue months beginning with October 2018. Starting with Distributor's October 2018 revenue month, Distributor must provide electric service to all its customers in accordance with the rates, charges, and provisions of the appropriate Changed Resale Schedules, and with the provisions of Power Contract, as supplemented and amended by this Amendment.

2.3 - October 2019 Successor Rate Schedules Distributor and TVA will endeavor to reach agreement, through February 2019, on changed resale rates applicable to customers of Distributor that are not Large Customers as defined in the wholesale rate schedule ("**Successor Rate Schedules**"). If Distributor and TVA do not reach agreement on Successor Rate Schedules by October 1, 2019, the rates that were posted to Distributor's TVA Online Connection account on July 2, 2018, adjusted by TVA to account for any local rate action occurring after that date, will be the Successor Rate Schedules. Starting with Distributor's October 2019 revenue month, Distributor must provide electric service to all its customers that are not Large Customers in accordance with the rates, charges, and provisions of the appropriate Successor Rate Schedules, and with the provisions of Power Contract, as supplemented and amended by this Amendment.

SECTION 3 - GENERAL MANUFACTURING CREDITS

The large manufacturing bill credit agreement numbered TV-70310A, Supp. No. 16, and dated June 1, 1994, as amended, providing for credits commonly known as "General Manufacturing Credits" or "Small Manufacturing Credits" will continue in effect until the effective date of the first rate change occurring after October 2019, as provided for in the "Adjustment and Change of Wholesale Rate and Resale Rates" section of the Power Contract's Schedule of Terms and Conditions.

SECTION 4 - ESS REPORTING

The parties recognize that monthly statistical and billing data is furnished to TVA by Distributor in a monthly ESS Report. This data currently includes, as applicable, certain categories of data described and specified by XML schemas designated as: Class Summaries, Large Consumers, Small Consumer Frequencies, Enhanced Growth Credits, Small Manufacturing Credit, Generation Partners, Green Power Switch, and Dispersed Power Production. In lieu of the provisions of section 5 of the rate change amendment, numbered TV-70310A, Supp. No. 58, and dated April 1, 2011, Distributor will provide to TVA all ESS data reasonably required by TVA to effectively implement any rate, product, or program in which Distributor participates, in accordance with all applicable manuals, guidelines, standards, guidance, and requirements set forth by TVA, as they may be issued and updated from time to time.

SECTION 5 - EFFECTIVE DATE AND TERM


This Amendment becomes effective on October 1, 2018, and will remain in effect for the term of the Power Contract.

SECTION 6 - POWER CONTRACT AFFIRMED

Except as set out above, nothing in this Amendment affects the other terms of the Power Contract.

The parties are signing this Amendment to be effective on the date stated in Section 5.

CITY OF FLORENCE, ALABAMA

By 
Title: **MAYOR**

TENNESSEE VALLEY AUTHORITY

By _____
Director
Power Customer Contracts