

SERVICE AREA AGREEMENT

THIS AGREEMENT, made and entered into this 12th day of October A.D., 1967, by and between SHELBY ELECTRIC COOPERATIVE hereinafter referred to as "Cooperative", and CENTRAL ILLINOIS PUBLIC SERVICE COMPANY, hereinafter referred to as "Utility";

WITNESSETH:

WHEREAS, Cooperative and Utility are each an electric supplier as defined by the Electric Supplier Act of the State of Illinois, approved July 2, 1965; and

WHEREAS, pursuant to Section 6 of said Electric Supplier Act the parties hereto are authorized to contract together defining and delineating, one or more service areas in which each shall be entitled to furnish electric service, which contract shall be subject to the approval of the Illinois Commerce Commission; and

WHEREAS, the parties hereto, in order to avoid duplication of facilities and to minimize disputes between themselves which may result in inconvenience and diminished efficiency to the public, and in the public interest desire so to contract.

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants and agreements hereinafter set forth, Cooperative and Utility agree as follows:

1. The parties hereto covenant and agree that each shall continue to be entitled to (a) furnish service to customers at locations which each was serving on July 2, 1965, (b) furnish service to customers or premises which it had agreed to serve under contracts in existence on July 2, 1965, and (c) resume service to any premises to which it had discontinued service in the

twelve months preceding July 2, 1965, and on which are still located the supplier's service facilities whether or not either such locations or premises are located within territory hereinafter delineated as its service area and each shall also continue to serve either such locations or premises as to which each has lawfully commenced service since July 2, 1965, and prior to the effective date of this agreement.

2. The parties hereto covenant and agree that Cooperative shall be entitled exclusively to serve all consumers with their electric service requirements in the area or areas designated as SEC on the maps hereto attached as Appendices 1 to 5 , inclusive, and Utility shall be entitled exclusively to serve all consumers with their service requirements in the area or areas designated as CIPS on said Appendices 1 to 5 , inclusive, provided, however, that each party may continue to serve any locations or premises which it is entitled to serve under Paragraph 1 above even though such locations or premises be located in the areas designated on Appendices 1 to 5 , inclusive, as the area of the other party; provided, however, wherever a 34.5 KV or 69 KV or higher voltage transmission line, which was in existence on July 2, 1965, is located in the service area or areas as shown on said Appendices 1 to 5 , outside incorporated areas, an area of one-eighth of a mile on either side of the center of such line as the same is now located shall constitute a corridor area and the owner of such line shall be entitled exclusively to serve consumers within such corridor service area, except (i) where corridors of each of the parties intersect then the right to serve any consumer whose normal service connection point would lie in the area common to both service area corridors would belong to the party whose line

was constructed first, and (ii) wherever the other party has lines also within one-eighth of a mile of a new consumer in said corridor desiring service, such consumer shall be served by the party whose line was first constructed; in the event of the relocation of a line within the one-fourth mile corridor such reconstruction shall not enlarge or change the boundaries of the corridor; and provided further, however, whenever the electrical load of a prospective consumer in any area outside of incorporated areas is such that its anticipated load during the first year of normal operation will require, as determined in accordance with accepted engineering practices, that the load be supplied through a connection to and/or extension of an existing as of July 2, 1965 line having a voltage of 34.5 KV or higher, the supplier shall be determined under the Electric Supplier Act as approved July 2, 1965.

3. The parties hereto undertake to, and are obligated to furnish reasonable and adequate service to the consumers each is or may be entitled to serve under this Agreement, provided, however, this undertaking is solely for the benefit of the respective present and future consumers of each and may be enforced only by a present or prospective consumer of each, and only in accordance with the provisions of Section 9 of the Electric Supplier Act, approved July 2, 1965, insofar as Cooperative is concerned and only in accordance with the provisions of the Public Utilities Act insofar as Utility is concerned.

4. In the event one of the parties hereto should request the other to furnish service to a consumer which such requesting party is entitled to, and obligated to serve, and the other party is willing and able to serve such consumer and does so, or in the event a consumer of Cooperative is released to Utility under the provisions of Section 9 (a) of the said Electric

Supplier Act, this Agreement shall not thereby be voided, but shall to that extent be modified and shall otherwise remain in full force and effect.

5. Nothing herein contained shall prohibit either Co-operative or Utility from hereafter constructing new lines and thereafter maintaining the same, when necessary, through the service area or areas of the other, provided no service be extended from such lines, or any of them, to any consumers except those consumers the constructing party is otherwise entitled to serve.

6. The future annexation into a municipality of any part or all of the service area or areas of one or both the parties hereto shall not affect this Agreement provided that such party whose service area or areas, or a part thereof, is, or are, annexed in whole or in part, can or does qualify to serve in such municipal area under the provisions of Section 14 of the Electric Supplier Act, as approved July 2, 1965. If such party does not or cannot so qualify then the right to serve in such area shall be determined under the Electric Supplier Act as approved July 2, 1965.

7. The rights and obligations of this Agreement shall inure to and be obligatory upon the respective successors and assigns of the parties hereto.

8. Upon the execution of this Agreement the parties hereto will forthwith file a joint application for its approval with the Illinois Commerce Commission and this Agreement shall be subject to Commission approval.

9. It is understood and agreed that this Agreement in any event is binding only upon the parties hereto, and in the event areas defined and delineated as Cooperative or Utility areas should include a line or lines of another supplier the rights of such other supplier shall not be hereby affected but the entire area so defined as between the parties hereto shall nevertheless

be the service area of the party designated hereunder notwithstanding the presence of a line or lines of another supplier therein, but only as between the parties to this Agreement.

10. When approved by the Commission this Agreement shall become effective forthwith and shall continue in full force and effect until or unless it is amended and such amendment is approved by the Commission or rescinded by the further written agreement of both parties hereto.

IN WITNESS WHEREOF, SHELBY ELECTRIC COOPERATIVE has hereunto caused its corporate name to be affixed by its President and its seal attached and attested by its Secretary pursuant to a Resolution of its Board of Directors, adopted on the 27th day of June, A.D., 1967, and CENTRAL ILLINOIS PUBLIC SERVICE COMPANY has hereunto caused its corporate name to be hereunto affixed by its President or Vice President and its corporate seal to be hereunto attached and attested by its Secretary or Assistant Secretary, all as of the day and year first above written.

SHELBY ELECTRIC COOPERATIVE

By *L. R. T. ...*
President

(SEAL)

ATTEST:

Neil E. Pistorius
Secretary

CENTRAL ILLINOIS PUBLIC SERVICE COMPANY

By *J. ...*
Vice President

(SEAL)

ATTEST:

R. ...
Assistant Secretary