

**COMMISSION SPECIAL MEETING AGENDA
MONDAY, NOVEMBER 25, 2019
6:15 P.M.**

A. CALL TO ORDER – Mayor Paul Bauer

B. ROLL CALL

C. NEW BUSINESS

1. First Amendment to the Amended and Restated Electric Service Agreement with CRNF
2. 2nd Amendment to Power Purchase and Sale Agreement with GRDA

D. ADJOURN



**CITY OF COFFEYVILLE
BOARD OF COMMISSIONERS AGENDA ITEM**

MEETING DATE	November 25, 2019	
RESOLUTION OR ORDINANCE NUMBER	R-19-76	
AGENDA TITLE	CRNF – First Amendment to the Amended and Restated Electric Service Agreement (ESA)	
REQUESTING DEPARTMENT	Electric Utility Legal	
PRESENTERS	Mike Shook Paul Kritz	
FISCAL INFORMATION	Cost as recommended:	
	Budget Line Item:	
	Balance Available	
	New Appropriation Required:	<input type="checkbox"/> Yes <input type="checkbox"/> No
PURPOSE		

BACKGROUND	<p>The City of Coffeyville and Coffeyville Resources Nitrogen Fertilizers (CRNF) entered into and executed an amended electric service agreement in 2010.</p> <p>This agreement provided the structure for which the City of Coffeyville would provide wholesale energy to CRNF, for a term thru June 30, 2019.</p> <p>This agreement also provided that at CRNF's sole option, upon 180 days prior written notice by CRNF, the agreement could be extended for five years, through June 30, 2024. This option also provided that the rates and charges applicable to such extension, were set forth in the agreed rate schedule.</p>
SPECIAL NOTES	NA
ANALYSIS	<p>In February of 2019, CRNF notified the City of their intent to investigate an extension of the ESA with this City of Coffeyville, but requested that the City and CRNF meet with the Grand River Dam Authority (GRDA) to discuss rates for energy and delivery.</p> <p>City staff, CRNF representatives and GRDA representatives met, discussing options to improve rates and delivery charges affecting the City and CRNF.</p> <p>City staff continued to meet and investigate options of improving and or reducing delivery charges by GRDA in an effort to reduce costs to CRNF and the City of Coffeyville.</p> <p>Through these efforts with GRDA, the City and GRDA were able to exchange capacity revenues paid to the City for reduced energy delivery charges from GRDA, ultimately allowing the City to offer CRNF a reduced rate for energy demand in exchange for a longer term agreement, ten years.</p> <p>The City and CRNF have reached a tentative agreement on the terms of an extended 10 year agreement for electric service, which staff brings before you for consideration, including the Amended Exhibit A Rate Schedule (10 Year Extension) for CRNF.</p>

PUBLIC INFORMATION PROCESS	NA
BOARD OR COMMISSION RECOMMENDATION	NA
STAFF RECOMMENDATION	Staff recommends the Mayor and Commission approve the First Amendment to the Amended and Restated Electric Service Agreement, including the Amended Exhibit A Rate Schedule.
REFERENCE DOCUMENTS ATTACHED	First Amendment to the Amended and Restated Electric Service Agreement Amended Exhibit A Rate Schedule

RESOLUTION NO. R-19-76

A RESOLUTION TO AUTHORIZE THE EXECUTION OF THE FIRST AMENDMENT TO THE AMENDED AND RESTATED ELECTRIC SERVICE AGREEMENT, INCLUDING EXHIBIT A RATE SCHEDULE WITH COFFEYVILLE RESOURCES NITROGEN FERTILIZERS AND THE CITY OF COFFEYVILLE.

BE IT RESOLVED by the Board of Commissioners of the City of Coffeyville, Kansas that the Mayor be and is hereby authorized and directed to execute the First Amendment to the Amended and Restated Electric Service Agreement, including Exhibit A Rate Schedule with Coffeyville Resources Nitrogen Fertilizers, including Exhibit A Rate Schedule, with Coffeyville Resources Nitrogen Fertilizers for the City of Coffeyville.

ADOPTED THIS 25th DAY OF November 2019.

Paul Bauer, Mayor

ATTEST:

Allison Pryor, City Clerk

APPROVED AS TO FORM AND LEGALITY:

Paul Kritz, City Attorney

FIRST AMENDMENT
TO THE
AMENDED AND RESTATED ELECTRIC SERVICE AGREEMENT
BETWEEN
THE CITY OF COFFEYVILLE, KANSAS
AND
COFFEYVILLE RESOURCES NITROGEN FERTILIZERS, LLC

THIS FIRST AMENDMENT to the Amended and Restated Electric Service Agreement between the City of Coffeyville, Kansas and Coffeyville Resources Nitrogen Fertilizers, LLC (“**Amendment**”) effective as of the latest date of execution set forth below, is entered into by and between the City of Coffeyville, Kansas, (“**City**”) and Coffeyville Resources Nitrogen Fertilizers, LLC (“**Coffeyville Resources**”). Individually, (“**Party**”); collectively, the (“**Parties**”).

WHEREAS, City and Coffeyville Resources are parties to the Amended and Restated Electric Service Agreement dated August 1, 2010, the Letter Agreeing to Extend Renewal Notice dated December 20, 2018, and the subsequent agreed upon extensions until December 4, 2019 (the foregoing documents together constituting the “**Agreement**”); and

WHEREAS, both Parties desire to amend the Agreement to reflect an extension of the Term of the Agreement and to establish rates and charges applicable during the extension of the Term;

NOW THEREFORE, in consideration of the mutual covenants and agreements contained herein, the parties hereto agree to amend the Agreement as follows:

- 1) Section 7.4 is deleted in its entirety and replaced with the following:

“7.4 Coffeyville Resources shall pay a flat ten percent (10%) of the undisputed balance due as a late charge on any delinquent payment that remains more than 60 days following invoice date.”

- 2) Article XIV, “TERM,” is deleted in its entirety and replaced with the following:

“14.1 This Agreement shall become effective on the execution of the same, and shall continue from that date of execution through June 30, 2029.

14.2 In the event that, for any reason caused by Coffeyville Resources, Coffeyville Resources ceases to take and pay for service under this Agreement for a period of six (6) consecutive months prior to June 30, 2029, Coffeyville Resources shall pay the City a recovery fee equal to \$90,020 (ninety thousand twenty dollars) per month (the “**Recovery Fee**”) until the earlier of June 30, 2029, or the month in which Coffeyville Resources resumes service under this Agreement. Notwithstanding anything herein to the contrary, no Recovery Fee shall be due or owing by Coffeyville Resources to the extent any failure to take service is caused by the City or its agents, or any Force Majeure event.”

- 3) Exhibit A is deleted in its entirety and replaced with Amended Exhibit A, attached hereto.
- 4) In Article XIX, "MISCELLANEOUS", Paragraph 19.12, the Kansas City, Kansas address for Coffeyville Resources is deleted in its entirety and replaced with:

"Coffeyville Resources Nitrogen Fertilizers, LLC
 2277 Plaza Drive, Suite 500
 Sugar Land, Texas 77479
 Attention: General Counsel"

The Agreement, as amended by this First Amendment, is the exclusive agreement between the Parties and is not subject to further modification except by a written amendment executed by both Parties. Except as expressly provided in this First Amendment, all of the terms and provisions of the Agreement are and will remain in full force and effect and are hereby ratified and confirmed by the Parties. The Amendment shall not be construed as a waiver of any other provision of the Agreement or as a waiver of or consent to any further or future action on the part of any Party. Any terms with initial capitalization that are not defined herein or in Exhibit A shall have the meanings given such terms in the Agreement.

IN WITNESS WHEREOF, each of the Parties has caused this First Amendment to be executed by its duly authorized representative on the date set forth below.

**COFFEYVILLE RESOURCES NITROGEN
FERTILIZERS, LLC**

CITY OF COFFEYVILLE, KANSAS

By: _____
 Name: _____
 Title: _____
 Date: _____

By: _____
 Name: _____
 Title: _____
 Date: _____

AMENDED EXHIBIT A RATE SCHEDULE

This rate schedule is based on exclusive use of the City's municipal electric utility service under the First Amendment to the Amended and Restated Electric Service Agreement between the City of Coffeyville, Kansas and Coffeyville Resources Nitrogen Fertilizers, LLC (“**Amendment**”) and, no electric service from any other source may be used by Coffeyville Resources at the Facility.

1. Demand, Energy and Power Cost Adjustment Charges
 - A. The monthly Demand Charge shall be equal to the demand rate applicable during the relevant billing period as set forth in the Power and Energy Supply Contract with the Grand River Dam Authority (“GRDA”), attached hereto as Exhibit 2, or any subsequent Power and Energy Supply Contract as the same may be amended by the City and GRDA from time-to-time during the term of the Amendment (including for avoidance of doubt the demand rate of \$8.50 per kW-month, reduced from the previous published demand rate of \$10.50 per kW-month, proposed to be effective January 1, 2020, for so long as GRDA leaves such demand rate in effect) multiplied by Coffeyville Resources’ thirty-minute interval demand at the time of the City’s highest thirty-minute interval demand during the monthly billing period, adjusted for Applicable Losses as set forth in the Power and Energy Supply Contract.
 - B. The monthly Energy Charge shall be equal to the energy rate applicable during the relevant billing period as set forth in the Power and Energy Supply Contract multiplied by the total amount of energy during on-peak and off-peak times (expressed in kilowatt-hours), as applicable, delivered to Coffeyville Resources during the monthly billing period, adjusted for Applicable Losses as set forth in the Power and Energy Supply Contract.
 - C. The monthly Power Cost Adjustment Charge shall be equal to the power cost adjustment rate applicable during the relevant billing period as set forth in the Power and Energy Supply Contract multiplied by the total amount of energy (expressed in kilowatt-hours) delivered to Coffeyville Resources during the monthly billing period, adjusted for Applicable Losses as set forth in the Power and Energy Supply Contract.
 - D. Except as otherwise provided in this Amended Exhibit A Rate Schedule, all charges incurred or discounts received by the City under its Power Purchase and Sale Agreement with GRDA for service provided by the City to Coffeyville Resources shall be billed by the City to Coffeyville Resources or passed through to Coffeyville Resources, to the extent applicable, without further mark-up or adjustment; *provided, however*, that under no circumstances shall the City extend to Coffeyville Resources any consideration granted by GRDA in exchange for any City reduction in GRDA’s obligations with respect to City resources for which Coffeyville Resources does not incur charges under this Agreement.

2. SPP Charges

- A. Monthly Transmission Charge payments in the sum determined in accordance with the Formula set forth below:

Coffeyville Resources shall pay a proportionate share of all transmission and ancillary service and charges for other services incurred by the City under the SPP Open Access Tariff in connection with the delivery of purchased power to the City's electric system, determined as follows:

$$\text{MTC} = [\text{CuPTD} / \text{CiPTD}] \times \text{TTC}, \text{ where}$$

MTC = Monthly Transmission Charge, which is Coffeyville Resources' proportionate share of the transmission and ancillary charges incurred by the City in connection with the delivery of purchased power to the City's electric system during the billing period, as set forth in the SPP's support for its monthly invoices to the City, which support shall be made available by the City to Coffeyville Resources concurrently with the delivery of the City's monthly bill to Coffeyville Resources.

CuPTD= Customer's Peak Transmission Demand shall be Coffeyville Resources' highest measured demand (corrected for losses, as required), at the time of the system peak used by the SPP to allocate transmission charges for Network Integration Transmission Service for the billing period.

CiPTD= City's Peak Transmission Demand, which shall be the City's highest measured demand (corrected for losses, as required), including the demand of Coffeyville Resources served under this rate, at the time of the system peak used by the SPP to allocate transmission charges for Network Integration Transmission Service for the billing period.

TTC = Total Transmission Costs, which includes all transmission, wheeling and ancillary charges incurred by the City associated with the delivery of purchased power to the City's electric system during the billing period.

3. Transmission Wheeling Charge

The per kilowatt-hour charge listed below for each kilowatt-hour of energy transferred on the City's Transmission Facilities or through the SPP Network Integration Transmission Service Agreement for the Facility pursuant to this Agreement.

Time Period	Per Kilowatt-hour Charge
Effective Date through June 30, 2024	\$0.0035
July 1, 2024 through June 30, 2027	\$0.00375
July 1, 2027 through June 30, 2029	\$0.0040

4. Minimum Monthly Invoice

In the event that, for any month during the Term of the Amended and Restated Electric Service Agreement as amended by the First Amendment thereto, Coffeyville Resources' monthly peak electric demand (in kW) falls below fifty (50) percent of the rolling average level of its electric demand over the preceding eleven months, Coffeyville Resources shall be subject to a Minimum Monthly Invoice calculated as follows: The Capacity Billing Demand (kW) for each Point of Delivery shall be the higher of (a) Coffeyville Resources' highest thirty (30) minute demand (in kW) measured at the associated Metering Point(s), using consecutive fifteen (15) minute metering intervals during the immediately preceding monthly billing period and adjusted for Applicable Losses or (b) fifty (50) percent of the highest Capacity Billing Demand (in kW) during the preceding eleven (11) full-load operating months.

5. Operation & Maintenance Charges

Coffeyville Resources shall reimburse the City for its actual third party costs of operating, maintaining, repairing, replacing, and insuring the Transmission Facilities (excluding City Expenses), plus a ten percent (10%) overhead markup (collectively, "**Reimbursable Expenses**") unless and to the extent that such costs are included in a revenue requirement recovered by the City under the SPP Open Access Tariff in which case there will be no such reimbursement. The City will provide lawn mowing, spraying and dedicated telecommunications facilities required for telemetry to GRDA or the SPP ("**City Expenses**") at its sole cost and expense. The City will provide Coffeyville Resources with reasonable notice, consistent with Good Utility Practice, of its intent to incur Reimbursable Expenses costing \$50,000 or more, and will meet and confer with Coffeyville Resources concerning such Reimbursable Expenses.

6. Power Factor Adjustment

A Power Factor meeting the contractual requirements of the Transmission and Power Supply Providers must be maintained at the two metering locations (Meters M1 and M2) where the City's 138 kV transmission lines connect to Substation B.

The Power Factor of Facility will be measured through the meters (Meters M3 and M4) located at the Facility Delivery Point(s). The Power Factor of the City's transmission facilities connected to Substation B will be measured through meters (Meters M5 and M6) located on the high-voltage side of the 138/69 kV step-down transformers. The combined Power Factor of the City and the Facility electric loads will be augmented through the use of two 21.6 MVAR, 138 kV capacitor banks to assist in Power Factor correction. Coffeyville Resources may elect to use the Facility's 37,000 H.P. synchronous motor to fine-tune the Power Factor requirements.

The data obtained from meters M3 through M6 will be used to determine the MVAR requirements of the Facility and the City. To the extent not otherwise recovered under SPP Charges, the costs of any necessary reactive supply and voltage control ancillary services supplied by the SPP will be billed to Coffeyville Resources and the City

accordingly. All additional costs incurred by the City to adjust the Facility's Power Factor deficiencies will be billed through part 5 of this Rate Schedule.

7. Direct Assignment Facilities

Any agreements for the recovery of costs associated with Direct Assignment Facilities shall be negotiated by the Parties in advance of the design, planning and construction of each Direct Assignment Facility proposed under the Agreement. Any such agreements shall be in writing and executed by both Parties.



**CITY OF COFFEYVILLE
BOARD OF COMMISSIONERS AGENDA ITEM**

MEETING DATE	November 25, 2019	
RESOLUTION OR ORDINANCE NUMBER	R-19-77	
AGENDA TITLE	GRDA – Second Amendment to Power Purchase Agreement, including amendment to Capacity Purchase Agreement, Exhibit F	
REQUESTING DEPARTMENT	Electric Utility Legal	
PRESENTERS	Mike Shook Paul Kritz	
FISCAL INFORMATION	Cost as recommended:	
	Budget Line Item:	
	Balance Available	
	New Appropriation Required:	<input type="checkbox"/> Yes <input type="checkbox"/> No
PURPOSE		

BACKGROUND	<p>In 2007 the City of Coffeyville entered into a Wholesale Power Purchase and Sale Agreement which includes a Capacity Purchase Agreement with the Grand River Dam Authority (GRDA).</p> <p>These agreements provide the City with the ability to purchase wholesale energy from GRDA, as well as receive payments from GRDA for the sale of the City's generation capacity. In return, GRDA has the right to dispatch generation.</p> <p>These agreements were previously amended in 2015, to recognize and support the addition of the three (3) Wärtsilä engines, providing the structure for the City to receive additional capacity payments to support the construction and operation of these units, matching the term of debt.</p> <p>In February 2019, City staff consulted GRDA to seek a reduction of the cost of wholesale energy for the City and a large industrial customer, which purchases energy from the City through a pass-through arrangement, plus a small margin denominated as a wheeling charge, in an effort to provide an inducement for a long term electric service agreement with the customer.</p>
SPECIAL NOTES	NA

ANALYSIS	<p>As a result of these efforts, the City and GRDA reached an agreement to reduce delivery charges paid by the City and the industrial customer.</p> <p>In exchange for, and as part of GRDA providing this discount, the City would forego 50% of the capacity payment to which the City is entitled on the 40 MW General Electric steam unit, which is called Unit 7. The reduction of this capacity payment equates to a loss of approximately \$880,200 annually, for the next 8 years, at which point GRDA would have the right to extend or terminate the capacity arrangement for Unit 7, altogether. However, the loss is anticipated to be recouped via the discounted delivery charges and allows the City to offer a more competitive price to the large industrial company, which is expected to result in a long term agreement with the customer, thereby strengthening the utility's long-term viability and financial strength.</p> <p>Additional changes to the agreement, regarding electric car charging stations, the late payment fee, and voluntary rates, rider and programs, are housekeeping items.</p> <p>The amendments have already been approved by GRDA.</p>
PUBLIC INFORMATION PROCESS	NA
BOARD OR COMMISSION RECOMMENDATION	NA
STAFF RECOMMENDATION	Staff recommends the Mayor and Commission approve these amendments to the Power Purchase and Sale and Capacity Purchase Agreements with GRDA
REFERENCE DOCUMENTS ATTACHED	Second Amendment to the Power Purchase and Sale Agreement and Capacity Purchase Agreement

RESOLUTION NO. R-19-77

A RESOLUTION TO AUTHORIZE THE EXECUTION OF THE SECOND AMENDMENT TO THE WHOLESALE POWER PURCHASE SALE AND CAPACITY PURCHASE AGREEMENTS WITH THE GRAND RIVER DAM AUTHORITY FOR THE CITY OF COFFEYVILLE.

BE IT RESOLVED by the Board of Commissioners of the City of Coffeyville, Kansas that the Mayor be and is hereby authorized and directed to execute an agreement with the Grand River Dam Authority for the Second Amendment to the Wholesale Power Purchase Sale and Capacity Purchase Agreement for the City of Coffeyville.

ADOPTED THIS 25th DAY OF November 2019.

Paul Bauer, Mayor

ATTEST:

Allison Pryor, City Clerk

APPROVED AS TO FORM AND LEGALITY:

Paul Kritz, City Attorney

**SECOND AMENDMENT TO THE
POWER PURCHASE AND SALE AGREEMENT AND
CAPACITY PURCHASE AGREEMENT**

This Second Amendment to the Power Purchase and Sale Agreement and Capacity Purchase Agreement (“Amendment”) is made between the GRAND RIVER DAM AUTHORITY, an agency of the State of Oklahoma created and existing pursuant to 82 O.S. § 861, *et seq.* (“GRDA”), and the City of Coffeyville, Kansas, a municipal wholesale customer (“Customer”) on the 12th day of November, 2019.

Background and Definition of Electric Charging Stations as Retail Customers:

1. On August 1, 2007, GRDA and Customer entered into that certain Power Purchase and Sale Agreement (“PPSA”) pursuant to which GRDA agreed to supply, and Customer agreed to purchase, Wholesale Full Requirements Service; and
2. On March 1, 2015, GRDA and Customer entered into the First Amendment to Power Purchase and Sale Agreement (“First Amendment”), pursuant to which GRDA and Customer agreed to certain terms related to Customer’s generation facilities under Article 13 of the PPSA; and
3. Paragraph 3.02 of the PPSA requires Customers to sell electric power and energy only to Retail Customers; and
4. Paragraphs 1.16 and 3.14 of the PPSA define the term “Retail Customer”, but do not specifically address electric vehicle charging stations; and
5. Customer and GRDA seek to clarify that electric vehicle charging stations are considered to be Retail Customers under the PPSA; and

Clarification that the lower of two conflicting late payment charges applies:

6. Paragraph 8.05 of the PPSA establishes a “late payment charge of two (2) percent per month”; and
7. The applicable GRDA rate schedule establishes a late payment charge of 1.5% per month; and
8. Customer and GRDA seek to clarify that the applicable late payment charge is the lower amount of 1.5% per month; and

Clarification that voluntary programs offered by GRDA are permissible:

9. Paragraph 6.02 of the PPSA requires GRDA to apply any “change, including rate increases or decreases, in a Rate Schedule . . . in a reasonable and not unduly discriminatory manner;” and
10. GRDA and Customer wish to clarify that GRDA may make available various voluntary programs, such as renewable/clean energy programs, economic development riders, and other programs or riders for Customer and other customers in the same rate class, without violating paragraph 6.02;

Amendments to Customer Capacity Availability and Payments:

11. Exhibit F-1 of the First Amendment requires Coffeyville to make available certain generation resources to GRDA, and for GRDA to compensate Coffeyville for that generation, subject to the terms and conditions of Exhibit F-1; and
12. According to Article 13.01 of the First Amendment, Customer no longer receives payment from GRDA for certain pre-2014 generation facilities (i.e. Coffeyville Units 1, 2, and 6) (collectively, “Pre-2014 Generation”), but the Pre-2014 Generation is still included in Exhibit F-1 to the First Amendment; and
13. The Parties seek to amend Exhibit F-1 of the First Amendment to remove the applicable Pre-2014 Generation for which Customer no longer receives payment; and
14. GRDA and Customer seek to reduce the price that GRDA pays to Customer for Coffeyville Unit #7; and
15. GRDA and Customer seek to reduce GRDA’s ability to dispatch Coffeyville Unit #7; and
16. Neither GRDA nor Customer seek to alter the rights and obligations of the parties with respect to Coffeyville’s Wäertsilä generating units;

Therefore, the Parties agree as follows:

1. **Electric Charging Stations are Permissible.** Paragraph 1.16 of the PPSA, the definition of “Retail Customer” is hereby amended as follows (additions underlined):

“Retail Customer” shall have the meaning set forth in Section 3.14. For the avoidance of doubt, electric vehicle charging stations that are provided electrical service by CUSTOMER shall be considered by GRDA to be Retail Customers.”
2. **Late Payment Amount Correction.** Paragraph 8.05 of the PPSA is hereby amended as follows (deletions marked with strikethrough font; additions underlined):

“If GRDA does not receive payment by the date specified in Section 8.03, GRDA may assess a late payment charge of ~~two (2)~~ one and one half (1.5) percent per month.”
3. **Voluntary Rates, Riders, and Programs Permissible.** Paragraph 6.02, sentence 4 of the PPSA is hereby amended as follows (additions underlined):

“Any change, including rate increases or decreases, in a Rate Schedule will be applied to all GRDA customers served under the same Rate Schedule, and served at the same service level, as set forth in Exhibit A, in a reasonable and not unduly discriminatory manner. For the avoidance of doubt, GRDA may develop and offer voluntary riders and programs related to: (a) renewable/clean energy, including a renewable/clean energy-based Schedule PCA; (b) locally-sited, renewable distributed generation; (c) economic development; and (d) other voluntary offerings that GRDA determines may benefit its customers, so long as GRDA takes reasonable efforts to develop and offer those programs under terms and rates that are substantially fair to all customers served under the same Rate Schedule, and served at the same service level.”

4. **Amendments to Customer Generation Availability and Compensation.**

- a. In Article IV, Exhibit F-1 of First Amendment, the following new paragraph is added as Article 4.4 (additions underlined):

“Notwithstanding any other provisions to the contrary, effective on January 1, 2020, and continuing throughout January 1, 2025, GRDA will use commercially reasonable efforts to limit the dispatch of Coffeyville Unit #7. Provided, GRDA will retain the right to call upon Coffeyville Unit #7 if GRDA: (i) determines that Coffeyville Unit #7 is needed for commercial, operational, or reliability purposes; or (ii) is directed to dispatch Coffeyville Unit #7 by the Southwest Power Pool. If GRDA determines that Coffeyville Unit #7 will be dispatched, GRDA will provide Coffeyville with as much notice as possible under the circumstances.”

- b. In Article VI, Exhibit F-1 of First Amendment, the following new paragraph is added as Article 6.10 (additions underlined):

“(a) Notwithstanding any other provision to the contrary, effective on January 1, 2020, and continuing throughout January 1, 2028, the amount of payment otherwise due and payable by GRDA to CUSTOMER arising from or related to Coffeyville Unit #7 will be reduced by 50%.

(b) Beginning on January 1, 2020, and continuing through January 1, 2025, Coffeyville Unit #7 will not be staffed 24/7, and GRDA will use reasonable efforts to limit the dispatch of Coffeyville Unit #7 as more particularly described in Article 4.4. Limited dispatch will include GRDA modifying the Coffeyville Unit #7 price offer curves and startup times in the SPP Integrated Marketplace to truthfully reflect the additional call-out and start-up costs and times that would be incurred with each dispatch of Coffeyville Unit #7. Provided, limited dispatch will not include physically withholding Coffeyville Unit #7 from the SPP Integrated Marketplace, or any other conduct that is prohibited under federal law.

If GRDA is unable or unwilling to comply with the limited dispatch provisions during this time, GRDA and CUSTOMER will negotiate an equitable amendment and dispatch schedule to provide CUSTOMER reasonable and adequate compensation.

(c) On and after January 1, 2025, GRDA will be restored to the same dispatch rights regarding Coffeyville Unit 7 as those to which GRDA was entitled prior to the adoption of this Article 6.10. During this period, GRDA will continue to pay the amount described in paragraph (a) (i.e. a 50% reduced payment).

(d) Beginning on January 1, 2028, GRDA will have the ability to terminate GRDA’s right to call upon Coffeyville Unit #7, together with any GRDA obligation to pay CUSTOMER for Coffeyville Unit #7. For any GRDA notice of cancellation issued on or after January 1, 2028, CUSTOMER agrees to waive the requirement under Article 1.3 of the First Amendment that GRDA must provide a five-year prior written notice of that cancellation.”

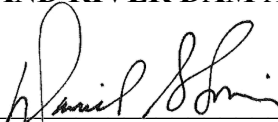
- c. In Attachment 1-B to Exhibit F-1 of the First Amendment, the phrase “Capacity Payment \$ 4.14 is deleted and replaced by the phrase “Capacity Payment \$ (in accordance with Article VI)” (additions underlined).
 - d. In the Additional Comments section of Attachment 1-B to Exhibit F-1 of the First Amendment, the following phrase is added:

“Effective January 1, 2020, and continuing throughout January 1, 2025, Coffeyville Unit #7’s operating availability will be modified in accordance with Article 4.4 of Exhibit F-1.”
 - e. Attachment 1 to Exhibit F-1 of the First Amendment is deleted in its entirety. Customer will have no obligation to provide, and GRDA will have no obligation to compensate Customer for, any generation resource listed in Attachment 1.
 - f. Attachment 1-C to Exhibit F-1 of the First Amendment is deleted in its entirety. Customer will have no obligation to provide, and GRDA will have no obligation to compensate Customer for, any generation resource listed in Attachment 1-C.
 - g. Attachment 1-D to Exhibit F-1 of the First Amendment is deleted in its entirety. Customer will have no obligation to provide, and GRDA will have no obligation to compensate Customer for, any generation resource listed in Attachment 1-D.
- 5. **Conflicting Terms.** The terms of this Second Amendment will supersede any conflicting terms in the First Amendment or PPSA.
 - 6. **Representation of Authority.** The signatory for Customer below represents that he/she possesses sufficient authority to bind Customer to the terms of this Amendment.
 - 7. **Remainder of Agreements Unchanged.** Each of the remaining terms in the PPSA and First Amendment shall remain unchanged.

(signature page to follow)

IN WITNESS WHEREOF, GRDA and Customer agree to the terms of this Amendment.

GRAND RIVER DAM AUTHORITY

By 
Daniel S. Sullivan, CEO



ATTEST:

(Seal)


Sheila Allen, Corporate Secretary



Customer

**CITY OF COFFEYVILLE
COFFEYVILLE, KS**

By _____
Paul Bauer, Mayor

ATTEST:

(Seal)

Allison Pryor, City Clerk