



September 9, 2014

City of Griffin, Georgia
Attn: Mr. Bill Bosch, Electric Director
100 South Hill Street
Griffin, GA 30223

City of Buford, Georgia
Attn: Mr. Bryan Kerlin, City Manager
2300 Buford Highway
Buford, GA 30518

**Re: MEAG Power Sale of Excess Reserve Capacity to the City of Buford
on Behalf of the City of Griffin**

Dear Mr. Bosch and Mr. Kerlin:

This Letter Agreement sets forth the agreement between the Municipal Electric Authority of Georgia ("MEAG Power"), City of Griffin, Georgia ("Griffin"), and the City of Buford, Georgia ("Buford") for MEAG Power's sale on behalf of Griffin of certain excess reserve capacity to Buford pursuant to Section 312 of the Power Sales Contract between MEAG Power and Griffin. MEAG Power is willing to facilitate and execute this transaction pursuant to Section 312, subject to this Letter Agreement.

The capitalized words or terms that are used in this Letter Agreement, but are not defined herein, shall have the same meanings as assigned to them in the Power Sales Contract.

In consideration of the mutual agreements set forth herein, the sufficiency and adequacy of which are acknowledged by MEAG Power, Griffin and Buford, it is understood and agreed that:

(1) Sale of Excess Reserve Capacity by MEAG Power on Behalf of Griffin.

(a) Pursuant to Section 312 of the Power Sales Contract between MEAG Power and Griffin, Griffin has declared capacity in the amount of 3,101 kW, as measured at B1, of the total kW of its Project One Entitlement Share (the "Sales Amount") to be excess to its needs. Griffin has requested MEAG Power to sell, and MEAG Power shall, in accordance with this Letter Agreement, sell this capacity, but no energy associated therewith, to Buford.

(b) This Sale Amount shall not reduce Griffin's Entitlement Share of output and services under the Power Sales Contract and Griffin shall remain liable to MEAG Power for its entire Entitlement Share. All payments received by MEAG Power from Buford for the Sale Amount pursuant to this Letter Agreement shall be credited to Griffin's obligation to MEAG Power to pay for its Entitlement Share.

Municipal Electric Authority of Georgia
1470 Riveredge Parkway NW
Atlanta, Georgia 30328-4640

1-800-333-MEAG 770-563-0300
Fax 770-953-3141



(2) **Purchase of Excess Reserve Capacity by Buford.** Buford agrees to purchase the Sale Amount for a price of \$2.00 per kW-year (the "Contract Price"). MEAG Power shall bill Buford for such amount and Buford shall pay all amounts due in the same manner as other payments under the Power Sales Contract between MEAG Power and Buford.

(3) **Costs.** Griffin shall be obligated for all costs incurred by MEAG Power as a direct result of the transaction identified in this Letter Agreement. MEAG Power agrees to provide sufficient documentation to Griffin to enable it to verify any such costs.

(4) **Indemnification.** Griffin hereby indemnifies and holds MEAG Power and the remaining MEAG Power Participants harmless from and against any and all losses, costs, liabilities, damages, expenses (including without limitation attorneys' fees and expenses) of any kind and incurred or suffered by MEAG Power or its Participants as a result of, or in connection with, Griffin's sale of excess reserve capacity pursuant to this Letter Agreement.

(5) **Term.** The initial term of the sale of Griffin's excess reserve capacity to Buford pursuant to this Letter Agreement shall begin at 0000 hours on January 1, 2015 and end at 2400 hours on December 31, 2015, and until all obligations under this Letter Agreement are satisfied, including, but not limited to, Griffin's obligation to indemnify MEAG Power and the Participants. All times referenced herein are Central Prevailing Time.

(6) **Termination and Unwind.** If MEAG Power changes its policy concerning the computation of necessary reserve capacity from a "budgeted coincident peaks" standard to an "actual peaks" standard and such policy change goes into effect during the Term of this Letter Agreement, Griffin and Buford shall be returned to their respective positions as if this Letter Agreement had not been entered into (e.g., Buford shall receive a credit for amounts it paid pursuant to this Letter Agreement and Griffin shall be billed for all such amounts). Subsequently, this Letter Agreement shall terminate, except that Sections (3) and (4) shall remain effective.

If you are in agreement with the foregoing and after this Letter Agreement has been duly authorized by the respective governing bodies of Griffin and Buford, please execute this Letter Agreement in the space provided below.

**MUNICIPAL ELECTRIC AUTHORITY OF
GEORGIA**

ATTEST:

By: _____
Robert P. Johnston
President and Chief Executive Officer

[SIGNATURES CONTINUED ON NEXT PAGE]



Agreed to and accepted, this ____ day
of _____, 2014.

CITY OF GRIFFIN

By: _____

ATTEST:

City Clerk

[SEAL]

Agreed to and accepted, this ____ day
of _____, 2014.

CITY OF BUFORD

By: _____

ATTEST:

City Clerk

[SEAL]

APPROVED AS TO FORM

THIS 7th DAY OF Oct, 2014

BY: *Candice J. Williams*
CITY ATTORNEY