

TROUTMAN SANDERS
ATTORNEYS AT LAW
A PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS

NATIONSBANK PLAZA
600 PEACHTREE STREET, N.E. - SUITE 5200
ATLANTA, GEORGIA 30308-2216
TELEPHONE: 404-885-3000
FACSIMILE: 404-885-3900

SCOTT A. HUDSON

DIRECT: 404-885-3348

March 22, 1995

Via Federal Express

G. Edison Holland, Esq.
Gulf Power Company
500 Bayfront Parkway
Pensacola, Florida 32501

Re: Plant Robert W. Scherer Unit Number Three Amended and Restated Purchase and Ownership Participation Agreement and Amended and Restated Operating Agreement

Enclosed are execution copies of the Plant Robert W. Scherer Unit Number Three Amended and Restated Purchase and Ownership Participation Agreement and the Amended and Restated Operating Agreement by and between Georgia Power Company and Gulf Power Company dated as of December 31, 1990. These documents have been reviewed and approved by all parties including Florida Power & Light and Jacksonville Electric Authority.

Please have the appropriate officers of Gulf Power Company execute and attest the six copies of the signature pages to each of the documents enclosed herewith, and have the signature pages witnessed, notarized and sealed. Please retain three executed signature pages of each document for Gulf Power Company and return three^{*} executed signature pages of each document to my attention.

Please do not hesitate to contact me with any questions you have concerning this matter. I look forward to working with you in the future. Congratulations on your recent promotion.

Very truly yours,

Scott A. Hudson

Scott A. Hudson

SAH:jek
Enclosures

cc: John T. W. Mercer, Esq. (w/o encl.)

* FedExed 3/27/95. JB

1 original signature page inserted in each Agreement

IN WITNESS WHEREOF, the undersigned parties hereto have duly executed this Agreement under seal as of the date first above written.

Signed, sealed and delivered in the presence of:

Scott A. Hudson

Sworn to and subscribed before me this 20th day of March, 1995

Judith D. Gosa
Notary Public

Notary Public (NOTARIAL SEAL)
My Commission Expires January 24, 1999

"Georgia"

GEORGIA POWER COMPANY

By: Fred D. Williams
Its: Senior Vice President

Attest: Cheryl C. Hudgins
Its: Assistant Corporate Secretary

(CORPORATE SEAL)

Signed, sealed and delivered in the presence of:

A. Jeanette Barkley

Sworn to and subscribed before me this 24th day of March, 1995

Jackie L. Whipple
Notary Public

(NOTARIAL SEAL)



JACKIE L. WHIPPLE
My Commission CC310237
Expires Aug. 23, 1997
Bonded by HAI
800-422-1555

"Gulf"

GULF POWER COMPANY

By: [Signature]
Its: VICE PRESIDENT

Attest: [Signature]
Its: CORPORATE SECRETARY

(CORPORATE SEAL)

< hudson > \wpdocs\gpc\scherer\unit3\amenda\Owner.FNL

IN WITNESS WHEREOF, the undersigned parties hereto have duly executed this Agreement under seal as of the date first above written.

Signed, sealed and delivered in the presence of:

Scott A. Hudson

Sworn to and subscribed before me this 20th day of March, 1995

Justin P. Gosa
Notary Public
Notary Public, Forsyth County, Georgia
My Commission Expires January 24, 1998

(NOTARIAL SEAL)

Signed, sealed and delivered in the presence of:

A. Jeannette Barkley

Sworn to and subscribed before me this 24th day of March, 1995

Jackie L. Whipple
Notary Public

(NOTARIAL SEAL)



JACKIE L WHIPPLE
My Commission CC310237
Expires Aug. 23, 1997
Bonded by HAI
800-422-1555

<hudson> \wpdocs\gpc\scherer\unit3\amends\Owner.FNL

"Georgia"

GEORGIA POWER COMPANY

By: Fred D. Williams
Its: Senior Vice President

Attest: Cherry C. Hudgens
Its: Assistant Corporate Secretary

(CORPORATE SEAL)

"Gulf"

GULF POWER COMPANY

By: [Signature]
Its: VICE PRESIDENT

Attest: [Signature]
Its: CORPORATE SECRETARY

(CORPORATE SEAL)

Execution Copy

**PLANT ROBERT W. SCHERER
UNIT NUMBER THREE
AMENDED AND RESTATED
PURCHASE AND OWNERSHIP
PARTICIPATION AGREEMENT**

between

GEORGIA POWER COMPANY

and

GULF POWER COMPANY

Dated as of December 31, 1990

Plant Robert W. Scherer

Unit Number Three

Amended and Restated

Purchase and Ownership Participation Agreement

Table of Contents

	Page
1. Definitions	3
(a) Additional Unit Common Facilities	3
(b) Additional Unit Common Facility Cost of Construction	5
(c) Additional Unit Participants	6
(d) Additional Units	7
(e) Affiliate	7
(f) Agency Functions	7
(g) Agent	8
(h) Btu	9
(i) Budget.	9
(j) Budgeting Additional Unit Participants	9
(k) Budgeting Participants	9
(l) Business Day	10
(m) Capital Account	10
(n) Capital Budget	10
(o) Common Coal Stockpile	11
(p) Common Coal Stockpile Costs	11
(q) Common Coal Stockpile Participant	12
(r) Common Facility Cost of Construction	12
(s) Common Procurement	13
(t) Common Procurement Participant.	13
(u) Cost of Construction	14
(v) Dalton	14
(w) Discrete Scherer Unit No. 3 Cost of Construction	14
(x) Existing Contracts	16
(y) FERC	16
(z) FPL	16
(aa) Governmental Authority	16
(ab) JEA	16
(ac) MEAG	17
(ad) Offer	17
(ae) OPC	17
(af) Operating Agreement	17

(ag)	Operating Costs	17
(ah)	Other Fuel Costs	18
(ai)	Participants	18
(aj)	Party	19
(ak)	Plant Scherer	19
(al)	Plant Scherer Coal Stockpile	19
(am)	Plant Scherer Common Facilities	19
(an)	Plant Scherer Common Facilities Site	21
(ao)	Plant Scherer Managing Board	21
(ap)	Plant Scherer Managing Board Agreement	21
(aq)	Plant Scherer Participation Agreements	22
(ar)	Prime Rate	22
(as)	Pro Forma Ownership Interest in Plant Scherer	23
(at)	Proprietary Information	23
(au)	Prudent Utility Practice	23
(av)	Scherer Unit No. 1 and Scherer Unit No. 2	24
(aw)	Scherer Unit No. 3	26
(ax)	Scherer Unit No. 3 Participants	28
(ay)	Scherer Unit No. 4	29
(az)	Scherer Unit No. 4 Participants	31
(ba)	SCSI	31
(bb)	SEC	31
(bc)	Separate Coal Procurement	31
(bd)	Separate Coal Stockpile	31
(be)	Separate Coal Stockpile Costs	32
(bf)	Separate Coal Stockpile Participants	33
(bg)	Separate Procurement Participant	33
(bh)	Uniform System of Accounts	34
(bi)	Unit Common Facilities	34
(bj)	Unit Four Operating Agreement	34
(bk)	Unit Four Ownership Agreement	35
(bl)	Units	35
(bm)	Units Operating Agreement	35
(bn)	Units Ownership Agreement	35
2.	Representations and Warranties	35
(a)	Gulf Representations and Warranties	35
(b)	Georgia Representations and Warranties	37
3.	Gulf's Undivided Ownership Interest in Scherer Unit No. 3	38
4.	Agency	41
(a)	Appointment	41
(b)	Authority and Responsibility	42
(c)	Standards of Conduct	48
(d)	Management and Operating Audits	63
(e)	On-Site Observation and Inspection	64

(f)	Indemnification	65
(g)	[Intentionally omitted]	65
(h)	Right to Copies	65
(i)	Confidentiality of Information	67
(j)	Plant Tours	71
5.	Ownership, Rights and Obligations	71
(a)	Tenants in Common	71
(b)	Capital Budget	72
(c)	Payment and Settlement of Cost of Construction	81
(d)	Capital Account	88
(e)	Availability of Records	93
(f)	Nonpayment	94
(g)	Alienation and Assignment	100
(h)	Damage or Destruction	106
(i)	Taxes	111
(j)	Insurance	112
(k)	Fossil Fuel	113
(l)	Pollution Control and Other Facilities	115
(m)	Common Coal Stockpile and Separate Coal Stockpiles	115
6.	Certain Additional Agreements Among the Scherer Unit No. 3 Participants	126
(a)	No Adverse Distinction	126
(b)	Cooperation	127
(c)	Environmental Matters	127
(d)	Safety	128
(e)	Buy America	128
(f)	"Kick-Backs"	129
(g)	Equal Opportunity and No Segregation	130
(h)	Priority of the Units Ownership Agreement and the Units Operating Agreement	130
7.	Survival	132
8.	Miscellaneous	132
(a)	[Intentionally omitted].	132
(b)	Further Assurances	132
(c)	Governing Law	133
(d)	Notice	133
(e)	Section Headings Not to Affect Meaning	134
(f)	No Partnership	134
(g)	Time of Essence	134
(h)	Amendments	134
(i)	Successors and Assigns	134

(j)	Counterparts	135
(k)	Computation of Percentage Undivided Ownership Interest	135
(l)	Successor Agent	136
(m)	The Units	137
(n)	Several Agreements	138
(o)	Special Provisions Relating to Plant Scherer Common Facilities	138
(p)	Certain Provisions Applicable During Buy-Back Period	140
(q)	Construction of "Including"	142
(r)	Accounting Procedures	142
(s)	Plant Scherer Managing Board	142
(t)	Rescission of Earlier Ownership Agreement	144

EXHIBITS

- A Description of land for Scherer Unit Nos. 3 and 4
- B Additional Unit Common Facilities Site
- C Non-exhaustive list of equipment and facilities comprising the Additional Unit Common Facilities
- D Description of Plant Scherer Common Facilities Site
- E Non-exhaustive list of equipment and facilities comprising the Plant Scherer Common Facilities

1 THIS PLANT ROBERT W. SCHERER UNIT NUMBER THREE AMENDED AND
2 RESTATED PURCHASE AND OWNERSHIP PARTICIPATION AGREEMENT (the
3 "Agreement"), dated as of December 31, 1990, is between GEORGIA
4 POWER COMPANY, a corporation organized and existing under the
5 laws of the State of Georgia ("Georgia"), and GULF POWER COMPANY,
6 a corporation organized and existing under the laws of the State
7 of Maine ("Gulf").

8
9 W I T N E S S E T H:

10
11 A. Georgia and Gulf have previously entered into the Plant
12 Robert W. Scherer Unit Number Three Purchase and Ownership
13 Participation Agreement, dated as of March 1, 1984, which
14 established their respective ownership rights in Scherer Unit
15 No. 3, the Additional Unit Common Facilities, the Plant Scherer
16 Common Facilities and the Plant Scherer Coal Stockpile. Georgia
17 and Gulf have also previously entered into the Plant Robert W.
18 Scherer Unit Number Three Operating Agreement, dated as of
19 March 1, 1984 which provided for the management, control,
20 operation and maintenance of Scherer Unit No. 3, the Additional
21 Unit Common Facilities, the Plant Scherer Common Facilities and
22 the Plant Scherer Coal Stockpile in all respects not covered
23 under such Purchase Agreement and for the entitlement and use of
24 capacity and energy from Scherer Unit No. 3 and the sharing of
25 the costs thereof and of the Additional Unit Common Facilities,
26 the Plant Scherer Common Facilities and the Plant Scherer Coal
27 Stockpile.

1 B. Such Purchase and Ownership Participation Agreement has
2 been amended as of July 1, 1986 and August 1, 1988.

3
4 C. Georgia and Gulf mutually desire to amend and restate
5 such Purchase and Ownership Participation Agreement.

6
7 D. Georgia has previously entered into the Units Ownership
8 Agreement and the Units Operating Agreement with the other
9 Participants which agreements impose certain obligations on the
10 Additional Unit Participants with respect to the Plant Scherer
11 Common Facilities, the Plant Scherer Coal Stockpile and other
12 matters, as set forth therein.

13
14 E. Georgia has entered into simultaneously herewith, the
15 Unit Four Ownership Agreement and the Unit Four Operating
16 Agreement with the Scherer Unit No. 4 Participants which
17 agreements impose certain obligations on the Additional Unit
18 Participants with respect to Additional Unit Common Facilities
19 and other matters as set forth therein.

20
21 NOW, THEREFORE, in consideration of the premises and the
22 mutual agreements herein set forth, Georgia and Gulf hereby agree
23 and amend and restate the Plant Robert W. Scherer Unit Number
24 Three Purchase and Ownership Participation Agreement as follows:
25

1 1. Definitions. In addition to the terms defined elsewhere in
2 this Agreement, the following terms have the meanings indicated
3 which meanings shall be equally applicable to both singular and
4 plural forms of such terms.

5
6 (a) Additional Unit Common Facilities. The "Additional
7 Unit Common Facilities" shall consist of:

8
9 (i) All the property, both real and personal,
10 intended to be used in common by, or in connection with both
11 Scherer Unit No. 3 and Scherer Unit No. 4, including,
12 without limitation, the Additional Unit Common Facilities
13 site as described in Exhibit B attached hereto and made a
14 part hereof and the equipment and other facilities listed on
15 Exhibit C attached hereto and made a part hereof, but
16 excluding the Plant Scherer Common Facilities and the Plant
17 Scherer Coal Stockpile;

18
19 (ii) Such additional land or rights therein as may be
20 acquired, and such additional facilities and other tangible
21 property as may be acquired, constructed, installed or
22 replaced, which are intended to be used in common by, or in
23 connection with, both Scherer Unit No. 3 and Scherer Unit
24 No. 4 (but excluding any such additional tangible property
25 as may constitute a portion of the Plant Scherer Coal
26 Stockpile or the Plant Scherer Common Facilities), provided

1 that (A) the cost of such additional land or rights therein
2 or of such additional facilities or other tangible property
3 shall be properly recordable in accordance with the Uniform
4 System of Accounts, (B) such additional land or rights
5 therein or such additional facilities or other tangible
6 property shall have been acquired, constructed, installed or
7 replaced for the common use of both the Scherer Unit No. 3
8 Participants and the Scherer Unit No. 4 Participants under
9 and subject to the provisions of this Agreement and the Unit
10 Four Ownership Agreement, and (C) the acquisition of such
11 additional land or rights therein or the acquisition,
12 construction, installation or replacement of such additional
13 facilities or other tangible property shall (1) be necessary
14 in order to keep both Scherer Unit No. 3 and Scherer Unit
15 No. 4 in good operating condition or to satisfy the
16 requirements of any Governmental Authority having
17 jurisdiction over both of Scherer Unit No. 3 and Scherer
18 Unit No. 4 or (2) be mutually agreed to by the Scherer Unit
19 No. 3 Participants and the Scherer Unit No. 4 Participants;
20 and

21
22 (iii) Existing intangible property rights, and such
23 additional intangible property rights as may hereafter be
24 acquired, associated with the planning, licensing, design,
25 construction, acquisition, completion, operation, renewal,
26 addition, replacement, modification and disposal of any of

1 the items described in clauses (i) through (iii) of this
2 Section 1(a).

3
4 (b) Additional Unit Common Facility Cost of Construction.

5 The "Additional Unit Common Facility Cost of Construction" shall
6 mean all costs incurred by Georgia, as Agent, for the Additional
7 Unit Participants in connection with the planning, design,
8 licensing, acquisition, construction, completion, renewal,
9 addition, modification, replacement or disposal of the Additional
10 Unit Common Facilities, or any portion of the Additional Unit
11 Common Facilities, including, without limitation, that portion of
12 administrative and general expenses incurred by Georgia, as
13 Agent, which is properly and reasonably allocable to the
14 Additional Unit Common Facilities and for which Georgia has not
15 been otherwise reimbursed by the Additional Unit Participants,
16 which costs are properly recordable in accordance with the
17 Electric Plant Instructions and in appropriate accounts as set
18 forth in the Uniform System of Accounts; provided, however, that
19 the Additional Unit Common Facility Cost of Construction shall
20 not include amounts paid to SCSJ in respect of engineering design
21 services related to Plant Scherer prior to completion of Plant
22 Scherer; and provided further that the Additional Unit Common
23 Facility Cost of Construction shall not include interest cost
24 attributable to the carrying of Georgia's or any other Additional
25 Unit Participant's respective investment in the Additional Unit
26 Common Facilities, nor costs and expenses incurred by Georgia or

1 the other Additional Unit Participants in connection with the
2 development of this Agreement, the Operating Agreement, the Unit
3 Four Ownership Agreement and the Unit Four Operating Agreement,
4 nor any costs incurred in connection with the improvement of the
5 land described in Exhibit B hereto or in connection with the
6 care, maintenance, abandonment or removal of any improvements
7 thereto (whether or not completed).

8
9 (c) Additional Unit Participants. "Additional Unit
10 Participant" and "Additional Unit Participants" shall refer
11 individually or collectively, as the case may be, to Georgia,
12 Gulf, FPL and JEA (in their capacities as owners of an Additional
13 Unit) and to any transferee or assignee of any of them of an
14 interest in either or both of the Additional Units pursuant to
15 Section 5(g), ALIENATION AND ASSIGNMENT, hereof (in the case of
16 any sale, transfer or assignment of an interest in Scherer Unit
17 No. 3) or Section 7(j), ALIENATION OF GPC OWNERSHIP IN SCHERER
18 UNIT NO. 3, of the Unit Four Ownership Agreement (in the case of
19 any sale, transfer or assignment of an interest in Scherer Unit
20 No. 3) made in conformity with those provisions of this
21 Agreement, the Operating Agreement, the Unit Four Ownership
22 Agreement, the Unit Four Operating Agreement, the Units Ownership
23 Agreement and the Units Operating Agreement pertaining to the
24 Additional Unit Common Facilities, the Plant Scherer Common
25 Facilities and the Plant Scherer Coal Stockpile, provided,
26 however, such references shall only refer to an entity for so

1 long as said entity is an owner of one or both of the Additional
2 Units.

3
4 (d) Additional Units. The "Additional Units" shall consist
5 of Scherer Unit No. 3 and Scherer Unit No. 4, each of which is an
6 Additional Unit.

7
8 (e) Affiliate. An "Affiliate" of a Scherer Unit No. 3
9 Participant shall mean any corporation, partnership (limited or
10 general) or other person or entity controlling, under common
11 control with, or controlled by such Scherer Unit No. 3
12 Participant.

13
14 (f) Agency Functions. The "Agency Functions" shall mean:
15 (i) those activities which the Agent shall undertake on behalf of
16 the Scherer Unit No. 3 Participants which relate to the planning,
17 design, licensing, acquisition, construction, completion,
18 management, control, operation, maintenance, renewal, addition,
19 replacement, modification and disposal of Scherer Unit No. 3, or
20 (ii) those activities which the Agent shall undertake on behalf
21 of the Scherer Unit No. 3 Participants, the Additional Unit
22 Participants and the Participants, as the case may be, and which
23 relate to the planning, design, licensing, acquisition,
24 construction, completion, management, control, operation,
25 maintenance, renewal, addition, replacement, modification and
26 disposal of the Additional Unit Common Facilities, the Plant

1 Scherer Common Facilities or the Plant Scherer Coal Stockpile, as
2 the case may be, under this Agreement, the Operating Agreement,
3 the Unit Four Ownership Agreement, the Unit Four Operating
4 Agreement, the Units Ownership Agreement, the Units Operating
5 Agreement and the Plant Scherer Managing Board Agreement.
6

7 (g) Agent. "Agent" shall mean Georgia or its successors
8 with respect to its rights and obligations in the performance of
9 the Agency Functions on behalf of the Scherer Unit No. 3
10 Participants with respect to Scherer Unit No. 3, on behalf of the
11 Additional Unit Participants with respect to the Additional Unit
12 Common Facilities and on behalf of the Participants and the
13 Additional Unit Participants with respect to the Plant Scherer
14 Common Facilities and the Plant Scherer Coal Stockpile. The term
15 "Agent" shall also mean and refer to Georgia (or its successor as
16 Agent): (i) (x) on its own behalf with respect to Scherer Unit
17 No. 3 for so long as Georgia (or its successor as Agent)
18 continues to own an undivided ownership interest in Scherer Unit
19 No. 3 and (y) as agent for the other Scherer Unit No. 3
20 Participants; (ii) (x) on its own behalf with respect to the
21 Additional Unit Common Facilities for so long as Georgia (or its
22 successor as Agent) continues to own an undivided ownership
23 interest in the Additional Unit Common Facilities and (y) as
24 agent for the other Additional Unit Participants; and (iii) (x) on
25 its own behalf with respect to the Plant Scherer Common
26 Facilities and the Plant Scherer Coal Stockpile for so long as

1 Georgia (or its successor as Agent) continues to own an undivided
2 ownership interest in the Plant Scherer Common Facilities and in
3 the Plant Scherer Coal Stockpile and (y) as agent for the other
4 Participants and Additional Unit Participants.

5
6 (h) Btu. A "Btu" shall mean British Thermal Unit.

7
8 (i) Budget. A "Budget" shall mean any capital, operating
9 or other budget prepared in connection with the ownership,
10 operation or maintenance of Scherer Unit No. 3, the Additional
11 Unit Common Facilities, the Plant Scherer Common Facilities or
12 the Plant Scherer Coal Stockpile.

13
14 (j) Budgeting Additional Unit Participants. The "Budgeting
15 Additional Unit Participants" shall refer to the Additional Unit
16 Participants owning in the aggregate not less than a 51%
17 undivided ownership interest in the Additional Unit Common
18 Facilities.

19
20 (k) Budgeting Participants. The "Budgeting Participants"
21 shall refer to the Participants and Additional Unit Participants
22 owning in the aggregate not less than a 76% undivided ownership
23 interest in the Plant Scherer Common Facilities, provided,
24 however, that so long as MEAG shall own at least a 15.1%
25 undivided ownership interest in the Plant Scherer Common

1 Facilities, any action taken by the Budgeting Participants shall
2 require the concurrence of MEAG.

3
4 (l) Business Day. A "Business Day" shall be any Monday,
5 Tuesday, Wednesday, Thursday or Friday other than a day which has
6 been established by law or required by executive order as a
7 holiday for any commercial banking institution in the State of
8 Florida or the State of Georgia.

9
10 (m) Capital Account. The "Capital Account" shall refer to
11 the separate account or accounts, in a bank or banks, the
12 deposits in which are insured, subject to applicable limits, by
13 the Federal Deposit Insurance Corporation and which meets or meet
14 all applicable requirements imposed upon depositories of Georgia,
15 established by Georgia as Agent, pursuant to the terms of this
16 Agreement for the payment of additional Cost of Construction,
17 Common Coal Stockpile Costs, Separate Coal Stockpile Costs and
18 Other Fuel Costs.

19
20 (n) Capital Budget. The "Capital Budget" shall refer to
21 the Budgets pertaining to Cost of Construction, Common Coal
22 Stockpile Costs, Separate Coal Stockpile Costs and Other Fuel
23 Costs to be delivered to the Scherer Unit No. 3 Participants
24 pursuant to the terms of Section 5(b), CAPITAL BUDGET, hereof.

25

1 (o) Common Coal Stockpile. The "Common Coal Stockpile"
2 shall refer to that portion of the Plant Scherer Coal Stockpile
3 attributable to the ownership interests of the Common Coal
4 Stockpile Participants from time to time pursuant to
5 Section 5(m), COMMON COAL STOCKPILE AND SEPARATE COAL STOCKPILES,
6 of this Ownership Agreement.

7
8 (p) Common Coal Stockpile Costs. The "Common Coal
9 Stockpile Costs" shall mean all costs incurred by the Agent for
10 the Common Coal Stockpile Participants (or by a Common
11 Procurement Participant in connection with any contract for fuel
12 entered into in accordance with the provisions of
13 subsection (iii) of Section 3(c), SEPARATE FUEL PROCUREMENT, of
14 the Operating Agreement) that are allocable to the acquisition,
15 processing, transportation, delivering, handling, storage,
16 accounting, analysis, measurement and disposal of coal for the
17 Common Coal Stockpile, including, without limitation, any advance
18 payments in connection therewith, less credits related to such
19 costs applied as appropriate, and including, without limitation
20 that portion of administrative and general expenses which is
21 properly and reasonably allocable to acquisition and management
22 of coal for the Common Coal Stockpile and for which the incurring
23 party has not been otherwise reimbursed by the other Common Coal
24 Stockpile Participants. Common Coal Stockpile Costs shall not
25 include Other Fuel Costs, Separate Coal Stockpile Costs and

1 amortization of the Plant Scherer initial fossil fuel supply
2 (including, without limitation, unrecoverable base coal).

3
4 (q) Common Coal Stockpile Participant. A "Common Coal
5 Stockpile Participant" shall mean such Participants and
6 Additional Unit Participants as are participating in the Common
7 Coal Stockpile from time to time pursuant to Section 5(m), COMMON
8 COAL STOCKPILE AND SEPARATE COAL STOCKPILES, hereof.

9
10 (r) Common Facility Cost of Construction. The "Common
11 Facility Cost of Construction" shall mean (i) all costs incurred
12 by Georgia, as Agent, for the Participants and the Additional
13 Unit Participants in connection with the planning, design,
14 licensing, acquisition, construction, completion, renewal,
15 addition, modification, replacement or disposal of the Plant
16 Scherer Common Facilities, or any portion of the Plant Scherer
17 Common Facilities, including, without limitation, that portion of
18 administrative and general expenses incurred by Georgia, as
19 Agent, which is properly and reasonably allocable to the Plant
20 Scherer Common Facilities and for which Georgia has not been
21 otherwise reimbursed by the other Participants and Additional
22 Unit Participants, which costs are properly recordable in
23 accordance with the Electric Plant Instructions and in
24 appropriate accounts as set forth in the Uniform System of
25 Accounts, and (ii) all amounts paid to SCSI in respect of
26 engineering design services related to Plant Scherer prior to

1 completion of Plant Scherer; provided, however, the Common
2 Facility Cost of Construction shall not include interest cost
3 attributable to the carrying of Georgia's, any other
4 Participant's or any other Additional Unit Participant's
5 respective investment in the Plant Scherer Common Facilities, nor
6 costs and expenses incurred by Georgia or the other Participants
7 or Additional Unit Participants in connection with the
8 development of this Agreement, the Operating Agreement, the Unit
9 Four Ownership Agreement, the Unit Four Operating Agreement, the
10 Units Ownership Agreement and the Units Operating Agreement, nor
11 any costs incurred in connection with the improvement of the land
12 described in Exhibit D hereto or in connection with the care,
13 maintenance, abandonment or removal of any improvements thereto
14 (whether or not completed).

15
16 (s) Common Procurement. "Common Procurement" shall have
17 the meaning assigned in subsection (i) of Section 3(d), FOSSIL
18 FUEL, of the Operating Agreement.

19
20 (t) Common Procurement Participant. A "Common Procurement
21 Participant" shall mean, initially, the Common Coal Stockpile
22 Participants and each Separate Coal Stockpile Participant (i)
23 which has not exercised its rights under subsection (iii) of
24 Section 2(c), FUEL PROCUREMENT BY PARTICIPANTS OTHER THAN THE
25 OPERATING AGENT, of the Units Operating Agreement, Section 3(c),
26 SEPARATE FUEL PROCUREMENT, of the Operating Agreement, or Section

1 3(c), SEPARATE FUEL PROCUREMENT, of the Unit Four Operating
2 Agreement, (ii) which has not otherwise been found by a vote of a
3 majority of the Pro Forma Ownership Interest in Plant Scherer of
4 the then Common Procurement Participants (excluding the Pro Forma
5 Ownership Interest in Plant Scherer of the Common Procurement
6 Participant under consideration), to have violated the policies
7 and rules for Common Procurement Participants established from
8 time to time by the Plant Scherer Managing Board or (iii) which
9 has been reestablished as a Common Procurement Participant
10 pursuant to Section 3(d), FOSSIL FUEL, of the Operating
11 Agreement.
12

13 (u) Cost of Construction. The "Cost of Construction"
14 shall mean all properly and reasonably allocable Discrete Scherer
15 Unit No. 3 Cost of Construction, Additional Unit Common Facility
16 Cost of Construction and Common Facility Cost of Construction.
17

18 (v) Dalton. "Dalton" shall refer to the City of Dalton,
19 Georgia, an incorporated municipality in the State of Georgia.
20

21 (w) Discrete Scherer Unit No. 3 Cost of Construction. The
22 "Discrete Scherer Unit No. 3 Cost of Construction" shall mean all
23 costs incurred by Georgia, as Agent, for the Scherer Unit No. 3
24 Participants, in connection with the planning, design, licensing,
25 acquisition, construction, completion, renewal, addition,
26 modification, replacement or disposal of Scherer Unit No. 3, or

1 any portion of Scherer Unit No. 3, including without limitation
2 that portion of administrative and general expenses incurred by
3 Georgia as Agent which is properly and reasonably allocable to
4 Scherer Unit No. 3 and for which Georgia has not been otherwise
5 reimbursed by the other Scherer Unit No. 3 Participants, which
6 costs are properly recordable in accordance with the Electric
7 Plant Instructions and in appropriate accounts as set forth in
8 the Uniform System of Accounts, and shall also include all costs
9 incurred by Georgia, as Agent, for the Scherer Unit No. 3
10 Participants in connection with the purchase and acquisition of
11 the initial supply of coal and other fuel (including, without
12 limitation, unrecoverable base coal) for Scherer Unit No. 3,
13 including without limitation that portion of administrative and
14 general expenses incurred by Georgia, as Agent, which is properly
15 and reasonably allocable to acquisition of fuel for Scherer Unit
16 No. 3 and for which Georgia has not been otherwise reimbursed by
17 the other Scherer Participants; provided, however that the
18 Discrete Scherer Unit No. 3 Cost of Construction shall not
19 include amounts paid to SCSI in respect of engineering design
20 services related to Plant Scherer prior to completion of Plant
21 Scherer; provided, however, the Discrete Scherer Unit No. 3 Cost
22 of Construction shall not include interest cost attributable to
23 the carrying of any Scherer Unit No. 3 Participant's respective
24 investment in Scherer Unit No. 3, nor costs and expenses incurred
25 by Georgia, Gulf or both in connection with the development of
26 this Agreement and the Operating Agreement, nor amounts paid to

1 SCSI in respect of engineering design services related to Plant
2 Scherer.

3
4 (x) Existing Contracts. The "Existing Contracts" shall
5 have the meaning assigned in subsection (iii) of Section 5(m),
6 COMMON COAL STOCKPILE AND SEPARATE COAL STOCKPILES, hereof.

7
8 (y) FERC. The "FERC" shall mean the Federal Energy
9 Regulatory Commission or any entity succeeding to the powers and
10 functions thereof.

11
12 (z) FPL. "FPL" shall mean Florida Power & Light Company, a
13 corporation organized and existing under the laws of the State of
14 Florida.

15
16 (aa) Governmental Authority. A "Governmental Authority"
17 shall mean any local, state, regional or federal administrative,
18 legal, judicial, or executive agency, court, commission,
19 department or other entity, but excluding any agency, commission,
20 department or other such entity acting in its capacity as lender,
21 guarantor, mortgagee and excluding any Participant or Additional
22 Unit Participant.

23
24 (ab) JEA. "JEA" shall mean Jacksonville Electric
25 Authority, a body politic and corporate and an independent agency

1 of the City of Jacksonville, Florida, organized and existing
2 under the laws of the State of Florida.

3
4 (ac) MEAG. "MEAG" shall refer to Municipal Electric
5 Authority of Georgia, a public corporation and an instrumentality
6 of the State of Georgia.

7
8 (ad) Offer. An "Offer" shall have the meaning given in
9 subsection (i) of Section 3(d), FOSSIL FUEL, of the Operating
10 Agreement.

11
12 (ae) OPC. "OPC" shall mean Oglethorpe Power Corporation
13 (an Electric Membership Generation & Transmission Corporation),
14 an electric membership corporation organized and existing under
15 the laws of the State of Georgia.

16
17 (af) Operating Agreement. The "Operating Agreement" shall
18 refer to the Plant Robert W. Scherer Unit Number Three Amended
19 and Restated Operating Agreement, dated as of the date hereof,
20 between Georgia and Gulf, as such agreement may be amended from
21 time to time.

22
23 (ag) Operating Costs. The "Operating Costs" shall have the
24 meaning given in Section 1(ah) of the Operating Agreement.

25

1 (ah) Other Fuel Costs. The "Other Fuel Costs" shall mean
2 all costs and expenses, other than Common Coal Stockpile Costs
3 and Separate Coal Stockpile Costs, incurred by the Agent for the
4 Participants and Additional Unit Participants that are allocable
5 to the acquisition, processing, transportation, delivering,
6 handling, storage, accounting, analysis, measurement and disposal
7 of fossil materials required for Plant Scherer, including,
8 without limitation, any advance payments in connection therewith,
9 less credits related to such costs applied as appropriate, and
10 including, without limitation, that portion of administrative and
11 general expenses which is properly and reasonably allocable to
12 acquisition and management of fossil fuel (other than coal for
13 the Common Coal Stockpile and the Separate Coal Stockpiles) for
14 Plant Scherer. Other Fuel Costs shall not include Common Coal
15 Stockpile Costs, Separate Coal Stockpile Costs and amortization
16 of the Plant Scherer initial fossil fuel supply (including,
17 without limitation, unrecoverable base coal).

18
19 (ai) Participants. "Participant" and "Participants" shall
20 refer individually or collectively, as the case may be, to
21 Georgia, OPC, MEAG and Dalton (in their capacities as owners of
22 the Units) and to any transferee or assignee of any of them of an
23 interest in the Units pursuant to the Units Ownership Agreement,
24 provided, however, such references shall only refer to an entity
25 for so long as said entity is an owner of any of the Units.

1 (aj) Party. A "Party" shall refer to any entity which is
2 now or hereafter a party to this Agreement.

3
4 (ak) Plant Scherer. "Plant Scherer" shall consist of the
5 Additional Units, the Units (including, without limitation, the
6 Unit Common Facilities), the Additional Unit Common Facilities,
7 the Plant Scherer Common Facilities and the Plant Scherer Coal
8 Stockpile.

9
10 (al) Plant Scherer Coal Stockpile. The "Plant Scherer Coal
11 Stockpile" shall mean the coal stockpile maintained for the Units
12 and the Additional Units pursuant to subsection (iv) of Section
13 5(m), COMMON COAL STOCKPILE AND SEPARATE COAL STOCKPILES, hereof.

14
15 (am) Plant Scherer Common Facilities. The "Plant Scherer
16 Common Facilities" shall consist of:

17
18 (i) All the property, both real and personal,
19 intended to be used in common by, or in connection with, one
20 or both of Scherer Unit No. 1 and Scherer Unit No. 2 and one
21 or both of Scherer Unit No. 3 and Scherer Unit No. 4,
22 including, without limitation, the Plant Scherer Common
23 Facilities Site and the equipment and other facilities
24 listed on Exhibit E attached hereto and made a part hereof,
25 but excluding the Plant Scherer Coal Stockpile;

26

1 (ii) Such additional land or rights therein as may be
2 acquired, and such additional facilities and other tangible
3 property as may be acquired, constructed, installed or
4 replaced, which are intended to be used in common by, or in
5 connection with, one or both of Scherer Unit No. 1 and
6 Scherer Unit No. 2 and one or both of Scherer Unit No. 3 and
7 Scherer Unit No. 4 (but excluding any such additional
8 tangible property as may constitute a portion of the Plant
9 Scherer Coal Stockpile), provided that (A) the cost of such
10 additional land or rights therein or of such additional
11 facilities or other tangible property shall be properly
12 recordable in accordance with the Uniform System of
13 Accounts, (B) such additional land or rights therein or such
14 additional facilities or other tangible property shall have
15 been acquired, constructed, installed or replaced for the
16 common use of the Participants and the Scherer Unit No. 3
17 Participants or the Scherer Unit No. 4 Participants, or
18 both, under and subject to the provisions of this Agreement,
19 the Unit Four Ownership Agreement and the Units Ownership
20 Agreement, and (C) the acquisition of such additional land
21 or rights therein or the acquisition, construction,
22 installation or replacement of such additional facilities or
23 other tangible property shall (1) be necessary in order to
24 keep one or both of Scherer Unit No. 1 and Scherer Unit
25 No. 2 and one or both of Scherer Unit No. 3 and Scherer Unit
26 No. 4 in good operating condition or to satisfy the

1 requirements of any Governmental Authority having
2 jurisdiction over one or both of Scherer Unit No. 1 and
3 Scherer Unit No. 2 and one or both of Scherer Unit No. 3 and
4 Scherer Unit No. 4 or (2) be mutually agreed to by the
5 owners of individual undivided ownership interests in
6 Scherer Unit No. 1, Scherer Unit No. 2, Scherer Unit No. 3
7 and Scherer Unit No. 4; and
8

9 (iii) Existing intangible property rights, and such
10 additional intangible property rights as may hereafter be
11 acquired, associated with the planning, licensing, design,
12 construction, acquisition, completion, operation, renewal,
13 addition, replacement, modification and disposal of any of
14 the items described in subsections (i) through (iii) of this
15 Section 1(am).
16

17 (an) Plant Scherer Common Facilities Site. The "Plant
18 Scherer Common Facilities Site" shall consist of the land
19 described in Exhibit D attached hereto and made a part hereof.
20

21 (ao) Plant Scherer Managing Board. The "Plant Scherer
22 Managing Board" shall mean the board established pursuant to the
23 Plant Scherer Managing Board Agreement.
24

25 (ap) Plant Scherer Managing Board Agreement. The "Plant
26 Scherer Managing Board Agreement" shall mean the Plant Scherer

1 Managing Board Agreement, dated as of the date hereof, by and
2 among the Participants and the Additional Unit Participants, as
3 such agreement may be amended from time to time.

4
5 (aq) Plant Scherer Participation Agreements. The "Plant
6 Scherer Participation Agreements" shall mean this Agreement, the
7 Operating Agreement, the Unit Four Ownership Agreement, the Unit
8 Four Operating Agreement, the Units Ownership Agreement, the
9 Units Operating Agreement, the Consents, Amendments and
10 Assumptions dated December 30, 1985 among Georgia, OPC, MEAG,
11 Dalton, Gulf and Wilmington Trust Company and NationsBank of
12 Georgia, N.A. (as successor to William J. Wade) as Owner
13 Trustees, as amended, and the Plant Scherer Managing Board
14 Agreement.

15
16 (ar) Prime Rate. The "Prime Rate" shall mean the per annum
17 rate of interest announced from time to time by Manufacturers
18 Hanover Trust Company, New York, New York, as its prime rate, and
19 with respect to any payment or reimbursement to be made hereunder
20 to which interest is to be added, shall be determined as of the
21 date such payment or reimbursement is due. The Prime Rate shall
22 be calculated on the basis of a 365-day year for the actual
23 number of days that the payment, reimbursement or purchase price
24 adjustment, as the case may be, has not been made.

25

1 (as) Pro Forma Ownership Interest in Plant Scherer. A "Pro
2 Forma Ownership Interest in Plant Scherer" shall mean for each
3 Participant and Additional Unit Participant the percentage
4 obtained by dividing by four the sum of (A) such Participant's or
5 Additional Unit Participant's percentage undivided ownership
6 interest, if any, in Scherer Unit No. 1, plus (B) its percentage
7 undivided ownership interest, if any, in Scherer Unit No. 2, plus
8 (C) its percentage undivided ownership interest, if any, in
9 Scherer Unit No. 3, plus (D) its percentage undivided ownership
10 interest, if any, in Scherer Unit No. 4.

11
12 (at) Proprietary Information. "Proprietary Information"
13 shall have the meaning assigned in Section 4(i), CONFIDENTIALITY
14 OF INFORMATION, hereof.

15
16 (au) Prudent Utility Practice. "Prudent Utility Practice"
17 at a particular time shall mean any of the practices, methods and
18 acts engaged in or approved by a significant portion of the
19 electric utility industry prior to such time, or any of the
20 practices, methods and acts, which in the exercise of reasonable
21 judgment in light of the facts known at the time the decision was
22 made, could have been expected to accomplish the desired result
23 at the lowest reasonable cost consistent with good business
24 practices, reliability, safety and expedition. "Prudent Utility
25 Practice" is not intended to be limited to the optimum practice,
26 method or act to the exclusion of all others, but rather to be a

1 spectrum of possible practices, methods or acts having due regard
2 for, among other things, manufacturers' warranties and the
3 requirements of Governmental Authorities of competent
4 jurisdiction and the requirements of this Agreement and the other
5 Plant Scherer Participation Agreements. Compliance by Georgia
6 with the provisions of any Budget estimate which has been altered
7 by the Participants, the Additional Unit Participants or any of
8 them (other than Georgia) pursuant to this Agreement or the other
9 Plant Scherer Participation Agreements, as the case may be, from
10 any such estimate submitted by Georgia shall not, in and of
11 itself, constitute a breach by Georgia of its obligation to
12 discharge its responsibilities as Agent for the Scherer Unit No.
13 3 Participants hereunder in accordance with Prudent Utility
14 Practice.

15
16 (av) Scherer Unit No. 1 and Scherer Unit No. 2. The terms
17 "Scherer Unit No. 1" and "Scherer Unit No. 2" shall consist of:

18
19 (i) The land described in Exhibit A attached to the
20 Units Ownership Agreement, together with all such additional
21 land or rights therein as may hereafter be acquired for the
22 purposes specified in subsection (iv) of this Section 1(av);

23
24 (ii) Scherer Unit No. 1 and Scherer Unit No. 2,
25 including, without limitation, the turbine-generators, the
26 boilers, the buildings housing the same, the stacks, the

1 cooling facilities, the associated auxiliaries and equipment
2 and the step-up substation, which are to be used solely in
3 connection with either or both of Scherer Unit No. 1 or
4 Scherer Unit No. 2;

5
6 (iii) Inventories of materials, supplies, fuel (other
7 than coal in the Plant Scherer Coal Stockpile), tools and
8 equipment for use solely in connection with either or both
9 of Scherer Unit No. 1 or Scherer Unit No. 2;

10
11 (iv) Such additional land or rights therein as may be
12 acquired, and such additional facilities and other tangible
13 property (including, without limitation, unrecoverable base
14 coal) as may be acquired, constructed, installed or replaced
15 solely in connection with either or both of Scherer Unit No.
16 1 or Scherer Unit No. 2; provided that (A) the cost of such
17 additional land or rights therein or of such additional
18 facilities or other tangible property shall be properly
19 recordable in accordance with the Uniform System of
20 Accounts, (B) such additional land or rights therein or such
21 additional facilities or other tangible property shall have
22 been acquired, constructed, installed or replaced for the
23 common use of the Participants under and subject to the
24 provisions of the Units Ownership Agreement, and (C) the
25 acquisition of such additional land or rights therein or the
26 acquisition, construction, installation or replacement of

1 such additional facilities or other tangible property shall
2 (1) be necessary in order to keep either or both of Scherer
3 Unit No. 1 or Scherer Unit No. 2 in good operating condition
4 or to satisfy the requirements of any Governmental Authority
5 having jurisdiction over either or both of Scherer Unit No.
6 1 or Scherer Unit No. 2, or (2) be mutually agreed to by the
7 Participants; and

8
9 (v) Existing intangible property rights, and such
10 additional intangible property rights as may be hereafter
11 acquired, associated with the planning, licensing, design,
12 construction, acquisition, completion, operation, renewal,
13 addition, replacement, modification and disposal of either
14 or both of Scherer Unit No. 1 or Scherer Unit No. 2.

15
16 (aw) Scherer Unit No. 3. Scherer Unit No. 3 shall consist
17 of:

18
19 (i) So much of the land described in Exhibit A
20 attached hereto and made a part hereof as Scherer Unit No. 3
21 (excluding any land or other property comprising a portion
22 of the Additional Unit Common Facilities) is situated on,
23 together with all such additional land or rights therein as
24 may hereafter be acquired for the purposes specified in
25 subsection (iv) of this Section 1(aw);

26

1 (ii) Scherer Unit No. 3, including, without
2 limitation, the turbine-generator, the boiler, the buildings
3 housing the same, the cooling facilities, the associated
4 auxiliaries and equipment and the step-up transformer, which
5 are to be used solely in connection with Scherer Unit No. 3;
6

7 (iii) Inventories of materials, supplies, fuel (other
8 than coal in the Plant Scherer Coal Stockpile), tools and
9 equipment for use solely in connection with Scherer Unit
10 No. 3;
11

12 (iv) Such additional land or rights therein as may be
13 acquired, and such additional facilities and other tangible
14 property (including, without limitation, unrecoverable base
15 coal) as may be acquired, constructed, installed or replaced
16 solely in connection with Scherer Unit No. 3; provided that
17 (A) the cost of such additional land or rights therein or of
18 such additional facilities or other tangible property shall
19 be properly recordable in accordance with the Uniform System
20 of Accounts, (B) such additional land or rights therein or
21 such additional facilities or other tangible property shall
22 have been acquired, constructed, installed or replaced for
23 the common use of the Scherer Unit No. 3 Participants under
24 and subject to the provisions of this Agreement, and (C) the
25 acquisition of such additional land or rights therein or the
26 acquisition, construction, installation or replacement of

1 such additional facilities or other tangible property shall
2 (1) be necessary in order to keep Scherer Unit No. 3 in good
3 operating condition or to satisfy the requirements of any
4 Governmental Authority having jurisdiction over Scherer Unit
5 No. 3, or (2) be mutually agreed to by the Scherer Unit
6 No. 3 Participants; and

7
8 (v) Existing intangible property rights, and such
9 additional intangible property rights as may be hereafter
10 acquired, associated with the planning, licensing, design,
11 construction, acquisition, completion, operation, renewal,
12 addition, replacement, modification and disposal of any of
13 the items in this Section 1(aw).

14
15 (ax) Scherer Unit No. 3 Participants. "Scherer Unit No. 3
16 Participant" and "Scherer Unit No. 3 Participants" shall refer
17 individually or collectively, as the case may be, to Georgia and
18 Gulf (in their capacities as owners of Scherer Unit No. 3) and to
19 any transferee or assignee of either of them of an interest in
20 Scherer Unit No. 3 pursuant to Section 5(g), ALIENATION AND
21 ASSIGNMENT, hereof or Section 7(j), ALIENATION OF GPC OWNERSHIP
22 IN SCHERER UNIT NO. 3, of the Unit Four Ownership Agreement;
23 provided, however, such references shall only refer to an entity
24 for so long as said entity is an owner of Scherer Unit No. 3.

25

1 (ay) Scherer Unit No. 4. Scherer Unit No. 4 shall consist
2 of:

3
4 (i) So much of the land described in Exhibit A
5 attached to the Unit Four Ownership Agreement as
6 supplemented at each FPL Closing (as defined in the Unit
7 Four Ownership Agreement) and each JEA Closing (as defined
8 in the Unit Four Ownership Agreement), as Scherer Unit No. 4
9 (excluding any land or other property comprising a portion
10 of the Additional Unit Common Facilities) is situated on,
11 together with all such additional land or rights therein as
12 may hereafter be acquired for the purposes specified in
13 subsection (iv) of this Section 1(ay);

14
15 (ii) All personal property, including, fixtures,
16 equipment and inventories of materials, supplies, fuel other
17 than coal in the Plant Scherer Coal Stockpile, tools and
18 equipment for use solely in connection with Scherer Unit No.
19 4, as more fully described in Exhibit H attached to the
20 Scherer Four Ownership Agreement;

21
22 (iii) Such additional land or rights therein as may
23 be acquired, and such additional facilities and other
24 tangible property (including, without limitation,
25 unrecoverable base coal) as may be acquired, constructed,
26 installed or replaced solely in connection with Scherer Unit

1 No. 4; provided that (A) the cost of such additional land or
2 rights therein or of such additional facilities or other
3 tangible property shall be properly recordable in accordance
4 with the Uniform System of Accounts, (B) such additional
5 land or rights therein or such additional facilities or
6 other tangible property shall have been acquired,
7 constructed, installed or replaced for the common use of the
8 Scherer Unit No. 4 Participants under and subject to the
9 provisions of the Unit Four Ownership Agreement, and (C) the
10 acquisition of such additional land or rights therein or the
11 acquisition, construction, installation or replacement of
12 such additional facilities or other tangible property shall
13 (1) be necessary in order to keep Scherer Unit No. 4 in good
14 operating condition or to satisfy the requirements of any
15 Governmental Authority having jurisdiction over Scherer Unit
16 No. 4, or (2) be mutually agreed to by the Scherer Unit No.
17 4 Participants; and

18
19 (iv) Existing intangible property rights, and such
20 additional intangible property rights as may be hereafter
21 acquired, associated with the planning, licensing, design,
22 construction, acquisition, completion, operation, renewal,
23 addition, replacement, modification and disposal of any of
24 the items in this Section 1(ay).

25

1 (az) Scherer Unit No. 4 Participants. "Scherer Unit No. 4
2 Participant" and "Scherer Unit No. 4 Participants" shall refer
3 individually or collectively, as the case may be, to Georgia, FPL
4 and JEA (in their capacities as the owners of Scherer Unit No. 4)
5 and to any transferee or assignee of any of them of an interest
6 in Scherer Unit No. 4 pursuant to Section 6(c), ALIENATION AND
7 ASSIGNMENT, of the Unit Four Ownership Agreement, provided,
8 however, such reference shall only refer to an entity for so long
9 as said entity is an owner of Scherer Unit No. 4.

10
11 (ba) SCSI. "SCSI" shall mean Southern Company Services,
12 Inc., a corporation organized and existing under the laws of the
13 State of Alabama, and any successor corporation.

14
15 (bb) SEC. The "SEC" shall refer to the Securities and
16 Exchange Commission or any governmental agency succeeding to the
17 powers and functions thereof.

18
19 (bc) Separate Coal Procurement. A "Separate Coal
20 Procurement" shall mean the procurement of coal pursuant to the
21 standards and procedures set forth in subsection (ii) of Section
22 3(c), SEPARATE FUEL PROCUREMENT, of the Operating Agreement.

23
24 (bd) Separate Coal Stockpile. "Separate Coal Stockpile"
25 shall have the meaning given in Section 5(m), COMMON COAL
26 STOCKPILE AND SEPARATE COAL STOCKPILES, hereof.

1 (b) Separate Coal Stockpile Costs. "Separate Coal
2 Stockpile Costs" shall mean with respect to each Separate Coal
3 Stockpile Participant all costs incurred by the Agent for such
4 Separate Coal Stockpile Participant (or by a Common Procurement
5 Participant in connection with any contract for fuel entered into
6 in accordance with the provisions of subsection (iii) of
7 Section 3(c), SEPARATE FUEL PROCUREMENT, of the Operating
8 Agreement) that are allocable to the acquisition, processing,
9 transportation, delivering, handling, storage, accounting,
10 analysis, measurement and disposal of coal for such Separate Coal
11 Stockpile Participant, including, without limitation, all costs
12 incurred by GPC, as Agent, in administering fuel and
13 transportation contracts entered into by such Separate Coal
14 Stockpile Participant pursuant to any one or more of
15 Section 5(m), COMMON COAL STOCKPILE AND SEPARATE COAL STOCKPILES,
16 hereof or subsection (ii) of Section 3(c), SEPARATE FUEL
17 PROCUREMENT, subsection (i) of Section 3(d), FOSSIL FUEL or
18 Section 3(e), COMMON COAL STOCKPILE AND SEPARATE COAL STOCKPILES,
19 of the Operating Agreement, and including any advance payments in
20 connection therewith, less credits related to such costs applied
21 as appropriate, and including that portion of administrative and
22 general expenses which is properly and reasonably allocable to
23 acquisition and management of coal for such Separate Coal
24 Stockpile Participant's Separate Coal Stockpile and for which the
25 incurring party has not otherwise been reimbursed. Separate Coal
26 Stockpile costs shall not include Common Coal Stockpile Costs,

1 Other Fuel Costs and amortization of the Plant Scherer initial
2 fossil fuel supply, including, without limitation, unrecoverable
3 base coal.

4
5 (bf) Separate Coal Stockpile Participants. "Separate Coal
6 Stockpile Participants" shall mean the Participants and
7 Additional Unit Participants making an election to discontinue
8 participation in the Common Coal Stockpile pursuant to
9 Section 5(m), COMMON COAL STOCKPILE AND SEPARATE COAL STOCKPILES,
10 hereof or pursuant to the applicable provisions of the other
11 Plant Scherer Participation Agreements, or which has otherwise
12 entered into an agreement with Georgia to become a Separate Coal
13 Stockpile Participant pursuant to subsection (vii) of such
14 Section 5(m). Such Participants and Additional Unit Participants
15 are referred to individually as a "Separate Coal Stockpile
16 Participant" and collectively as the "Separate Coal Stockpile
17 Participants"

18
19 (bg) Separate Procurement Participant. "Separate
20 Procurement Participant" shall mean each Separate Coal Stockpile
21 Participant (i) which has exercised its rights under the
22 applicable subsections of Sections 3(c), SEPARATE FUEL
23 PROCUREMENT, and 3(e), COMMON COAL STOCKPILE AND SEPARATE COAL
24 STOCKPILES, of the Operating Agreement or pursuant to the
25 applicable provisions of the other Plant Scherer Participation
26 Agreements or (ii) which has been found by a vote of the majority

1 of the Pro Forma Ownership Interest in Plant Scherer of the
2 Common Procurement Participants (excluding the Pro Forma
3 Ownership Interest in Plant Scherer of the Common Procurement
4 Participants under consideration) to have violated the policies
5 and rules for Common Procurement Participants established from
6 time to time by the Plant Scherer Managing Board; and which has
7 not been reestablished as a Common Procurement Participant
8 pursuant to subsection (i) of Section 3(d), FOSSIL FUEL, of the
9 Operating Agreement.

10
11 (bh) Uniform System of Accounts. The "Uniform System of
12 Accounts" shall mean the FERC Uniform System of Accounts
13 prescribed for Public Utilities and Licensees subject to the
14 provisions of the Federal Power Act, as the same now exist or may
15 be hereafter amended by the FERC.

16
17 (bi) Unit Common Facilities. The "Unit Common Facilities"
18 shall have the meaning defined in Section 1(b) of the Units
19 Ownership Agreement.

20
21 (bj) Unit Four Operating Agreement. The "Unit Four
22 Operating Agreement" shall refer to the Plant Robert W. Scherer
23 Unit Number Four Amended and Restated Operating Agreement among
24 Georgia, FPL and JEA, dated as of December 31, 1990, as amended
25 as of June 15, 1994.

26

1 **(bk) Unit Four Ownership Agreement.** The "Unit Four
2 Ownership Agreement" shall refer to the Plant Robert W. Scherer
3 Unit Number Four Amended and Restated Purchase and Ownership
4 Participation Agreement among Georgia, FPL and JEA, dated as of
5 December 31, 1990, as amended as of June 15, 1994.

6
7 **(bl) Units.** "Units" shall refer to Scherer Unit No. 1 and
8 Scherer Unit No. 2.

9
10 **(bm) Units Operating Agreement.** "Units Operating
11 Agreement" shall refer to the Plant Robert W. Scherer Units
12 Numbers One and Two Operating Agreement, dated as of May 15,
13 1980, among Georgia, OPC, MEAG and Dalton, as amended as of
14 December 31, 1985 and as of December 31, 1990.

15
16 **(bn) Units Ownership Agreement.** The "Units Ownership
17 Agreement" shall refer to the Plant Robert W. Scherer Units
18 Numbers One and Two Purchase and Ownership Participation
19 Agreement, dated as of May 15, 1980, among Georgia, OPC, MEAG and
20 Dalton, as amended as of December 30, 1985, July 1, 1986, August
21 1, 1988 and as of December 31, 1990.

22
23 **2. Representations and Warranties.**

24
25 **(a) Gulf Representations and Warranties.** Gulf hereby
26 represents and warrants to Georgia as follows:

1 (i) Gulf is a corporation duly organized, validly
2 existing and in good standing under the laws of the State of
3 Maine and has corporate power and authority (A) to own: (1)
4 a 25% undivided ownership interest, as a tenant in common
5 with the other Scherer Unit No. 3 Participants, in Scherer
6 Unit No. 3; (2) a 12.5% undivided ownership interest, as a
7 tenant in common with the other Additional Unit
8 Participants, in the Additional Unit Common Facilities; (3)
9 a 6.25% undivided ownership interest, as a tenant in common
10 with the other Additional Unit Participants and the
11 Participants, in the Plant Scherer Common Facilities and (4)
12 if no Separate Coal Stockpile has been created at Plant
13 Scherer, a 6.25% undivided ownership interest, as a tenant
14 in common with the Participants and the other Additional
15 Unit Participants in the Plant Scherer Coal Stockpile or, if
16 there is a Separate Coal Stockpile at Plant Scherer, then a
17 percentage undivided ownership interest as a tenant in
18 common with the Common Coal Stockpile Participants, in the
19 Common Coal Stockpile, which percentage undivided ownership
20 interest in the Common Coal Stockpile shall be equal to a
21 fraction the numerator of which is 6.25% and the denominator
22 of which is the aggregate of the Pro Forma Ownership
23 Interests in Plant Scherer of the then Common Coal Stockpile
24 Participants, (B) to execute and deliver this Agreement and
25 the Operating Agreement and to perform its obligations
26 hereunder and thereunder and (C) to carry on its business as

1 it is now being conducted and as it is contemplated
2 hereunder and thereunder to be conducted in the future.
3

4 (ii) The execution, delivery and performance of this
5 Agreement and the Operating Agreement by Gulf have been duly
6 and effectively authorized by all requisite corporate
7 action.
8

9 (b) Georgia Representations and Warranties. Georgia hereby
10 represents and warrants to Gulf as follows:
11

12 (i) Georgia is a corporation duly organized, validly
13 existing and in good standing under the laws of the State of
14 Georgia and has corporate power and authority (A) to own:
15 (1) a 75% undivided ownership interest, as a tenant in
16 common with the other Scherer Unit No. 3 Participants, in
17 Scherer Unit No. 3; (2) a 37.5% undivided ownership
18 interest, as a tenant in common with the other Additional
19 Unit Participants, in the Additional Unit Common Facilities,
20 (3) a 18.75% undivided ownership interest, as a tenant in
21 common with the Participants and the other Additional Unit
22 Participants, in the Plant Scherer Common Facilities and (4)
23 if no Separate Coal Stockpile has been created at Plant
24 Scherer, an 18.75% undivided ownership interest, as a tenant
25 in common with the Participants and the other Additional
26 Unit Participants in the Plant Scherer Coal Stockpile or, if

1 there is a Separate Coal Stockpile at Plant Scherer, then a
2 percentage undivided ownership interest as a tenant in
3 common with the Common Coal Stockpile Participants, in the
4 Common Coal Stockpile, which percentage undivided ownership
5 interest in the Common Coal Stockpile shall be equal to a
6 fraction the numerator of which is 18.75% and the
7 denominator of which is the aggregate of the Pro Forma
8 Ownership Interests in Plant Scherer of the then Common Coal
9 Stockpile Participants, (B) to execute and deliver this
10 Agreement and the Operating Agreement and to perform its
11 obligations hereunder and thereunder and (C) to carry on its
12 business as it is now being conducted and as it is
13 contemplated hereunder and thereunder to be conducted in the
14 future.

15
16 (ii) The execution, delivery and performance of this
17 Agreement and the Operating Agreement by Georgia have been
18 duly and effectively authorized by all requisite corporate
19 action.

20
21 3. Gulf's Undivided Ownership Interest in Scherer Unit No. 3.
22

23 (a) As a result of: (i) the closing of the sale by Georgia
24 to Gulf of a 25% undivided ownership interest, as a tenant in
25 common with Georgia, in that portion of Scherer Unit No. 3
26 acquired, constructed or completed prior to such closing and (ii)

1 the payment by Gulf of 25% of Discrete Scherer Unit No. 3 Cost of
2 Construction, Gulf has a 25% undivided ownership interest in
3 Scherer Unit No. 3 and Georgia has a 75% undivided ownership
4 interest in Scherer Unit No. 3.

5
6 (b) As a result of: (i) the closing of the sale by Georgia
7 to Gulf of a 25% undivided ownership interest, as a tenant in
8 common with Georgia, in that portion of Scherer Unit No. 3
9 acquired, constructed or completed prior to such closing and (ii)
10 the payment by Gulf to Georgia of 25% of Discrete Scherer Unit
11 No. 3 Cost of Construction, Gulf has a 12.5% undivided ownership
12 interest in the Additional Unit Common Facilities and Georgia has
13 a 37.5% undivided ownership interest in the Additional Unit
14 Common Facilities.

15
16 (c) As a result of: (i) the sale by OPC to Gulf of a 5.55%
17 undivided ownership interest, as a tenant in common with the
18 Participants and other Additional Unit Participants, in the Plant
19 Scherer Common Facilities and (ii) the sale by Dalton to Gulf of
20 a 0.7% undivided ownership interest, as a tenant in common with
21 the Participants and other Additional Unit Participants, in the
22 Plant Scherer Common Facilities, Gulf has a 6.25% undivided
23 ownership interest in the Plant Scherer Common Facilities.

24
25 (d) As a result of the sale by OPC to Georgia of a 14.45%
26 undivided ownership interest, as a tenant in common with the

1 Participants and other Additional Unit Participants, in the Plant
2 Scherer Common Facilities, Georgia has an 18.75% undivided
3 ownership interest in the Plant Scherer Common Facilities.
4

5 (e) As a result of: (i) the closing of the sale by Georgia
6 to Gulf of a 25% undivided ownership interest, as a tenant in
7 common with the other Additional Unit Participants, in that
8 portion of Scherer Unit No. 3 acquired, constructed or completed
9 prior to such closing and (ii) the payment by Gulf to Georgia of
10 25% of Discrete Scherer Unit No. 3 Cost of Construction, Gulf has
11 a 6.25% undivided ownership interest in the Plant Scherer Coal
12 Stockpile and Georgia has an 18.75% undivided ownership interest
13 in the Plant Scherer Coal Stockpile.
14

15 (f) From time to time Georgia and Gulf shall execute and
16 deliver such other instruments of conveyance and transfer as may
17 be necessary or appropriate or as either party may reasonably
18 request to vest in Gulf undivided ownership interests in and to
19 Scherer Unit No. 3, the Additional Unit Common Facilities, the
20 Plant Scherer Common Facilities and the Plant Scherer Coal
21 Stockpile.
22

1 **4. Agency.**

2
3 **(a) Appointment.**

4
5 **(i) Subject to the terms of this Agreement and of the**
6 **Operating Agreement, the Scherer Unit No. 3 Participants**
7 **hereby irrevocably appoint Georgia as their Agent in**
8 **connection with Scherer Unit No. 3 to act on behalf of the**
9 **Scherer Unit No. 3 Participants in performing the Agency**
10 **Functions for Scherer Unit No. 3. Georgia hereby accepts**
11 **such appointment and agrees that it shall discharge its**
12 **responsibilities as Agent in accordance with the terms of**
13 **this Agreement and the Operating Agreement and in accordance**
14 **with Prudent Utility Practice.**

15
16 **(ii) The Scherer Unit No. 3 Participants hereby**
17 **irrevocably appoint Georgia as their Agent in connection**
18 **with the Plant Scherer Common Facilities, the Additional**
19 **Unit Common Facilities and the Plant Scherer Coal Stockpile**
20 **subject to the terms of this Agreement, the Operating**
21 **Agreement, the Unit Four Ownership Agreement, the Unit Four**
22 **Operating Agreement, the Units Ownership Agreement and the**
23 **Units Operating Agreement, in connection with the Plant**
24 **Scherer Common Facilities and the Plant Scherer Coal**
25 **Stockpile, and subject to the terms of this Agreement, the**
26 **Operating Agreement, the Unit Four Ownership Agreement and**

1 the Unit Four Operating Agreement, in connection with the
2 Additional Unit Common Facilities, to act on behalf of
3 Scherer Unit No. 3 Participants in the performance of the
4 Agency Functions for the Plant Scherer Common Facilities,
5 the Plant Scherer Coal Stockpile and the Additional Unit
6 Common Facilities. Georgia hereby accepts such appointment
7 and agrees that it shall discharge such responsibilities as
8 Agent in accordance with Prudent Utility Practice.

9
10 (b) Authority and Responsibility. Subject to the
11 provisions of this Agreement, the Operating Agreement and the
12 Plant Scherer Managing Board Agreement, as Agent for the
13 Participants and the Additional Unit Participants, Georgia shall
14 have sole authority and responsibility with respect to the Agency
15 Functions for Scherer Unit No. 3, the Additional Unit Common
16 Facilities, the Plant Scherer Common Facilities and the Plant
17 Scherer Coal Stockpile, and in respect thereof, Georgia, as
18 Agent, is authorized to take and shall take, in the name and on
19 behalf of the Scherer Unit No. 3 Participants (and, with respect
20 to the Plant Scherer Common Facilities and the Plant Scherer Coal
21 Stockpile, in the name and on behalf of the Additional Unit
22 Participants and the Participants and, with respect to the
23 Additional Unit Common Facilities, in the name and on behalf of
24 the Additional Unit Participants) all reasonable actions which,
25 in the discretion and judgment of Georgia, are deemed necessary
26 or advisable to effect the Agency Functions for Scherer Unit

1 No. 3, the Additional Unit Common Facilities, the Plant Scherer
2 Common Facilities, the Plant Scherer Coal Stockpile or any
3 combination thereof, including, without limitation, the
4 following:

5
6 (i) The making of such agreements and modifications of
7 existing agreements, other than the Plant Scherer
8 Participation Agreements, and the taking of such other
9 action as Georgia, as Agent, deems necessary or appropriate,
10 in its sole discretion, or as may be required under the
11 regulations or directives of any Governmental Authority
12 having jurisdiction, with respect to the Agency Functions
13 for Scherer Unit No. 3, the Additional Unit Common
14 Facilities, the Plant Scherer Common Facilities, the Plant
15 Scherer Coal Stockpile or any combination thereof, which
16 such agreements and modifications shall, together with all
17 such existing agreements, be held by Georgia: (A) as Agent
18 for the Scherer Unit No. 3 Participants; (B) in the case of
19 such agreements relating to the Plant Scherer Common
20 Facilities or the Plant Scherer Coal Stockpile, as Agent for
21 the Participants and Additional Unit Participants; and (C)
22 in the case of such agreements relating to the Additional
23 Unit Common Facilities, as Agent for the Additional Unit
24 Participants;

25

1 (ii) With respect to the disposal (including, without
2 limitation, retirement and salvaging) of all or any part of
3 Scherer Unit No. 3, the making of such agreements and
4 modifications of existing agreements (other than this
5 Agreement, the Operating Agreement and the Plant Scherer
6 Managing Board Agreement) and the taking of such other
7 action as may be required under the regulation or directives
8 of any Governmental Authority having jurisdiction or as
9 Georgia, as Agent, deems necessary or appropriate, with the
10 consent in each case of Scherer Unit No. 3 Participants
11 owning at least an aggregate 51% undivided ownership
12 interest in Scherer Unit No. 3, which such agreements and
13 modifications, together with such existing agreements, shall
14 be held by Georgia, as Agent, for the Scherer Unit No. 3
15 Participants;

16
17 (iii) With respect to the disposal (including, without
18 limitation, retirement and salvaging) of all or any part of
19 the Additional Unit Common Facilities, the making of such
20 agreements and modifications of existing agreements (other
21 than this Agreement, the Operating Agreement, the Unit Four
22 Ownership Agreement, the Unit Four Operating Agreement and
23 the Plant Scherer Managing Board Agreement) and the taking
24 of such other action as may be required under the regulation
25 or directives of any Governmental Authority having
26 jurisdiction or as Georgia deems necessary or appropriate,

1 with the consent in each case of Additional Unit
2 Participants owning at least an aggregate 51% undivided
3 ownership interest in the Additional Unit Common Facilities,
4 which such agreements and modifications, together with such
5 existing agreements, shall be held by Georgia, as Agent, for
6 the Additional Unit Participants;

7
8 (iv) With respect to the disposal (including, without
9 limitation, retirement and salvaging) of all or any part of
10 the Plant Scherer Common Facilities, the Plant Scherer Coal
11 Stockpile or any combination thereof, the making of such
12 agreements and modifications of existing agreements (other
13 than the Plant Scherer Participation Agreements) and the
14 taking of such other action as may be required under the
15 regulations or directives of any Governmental Authority
16 having jurisdiction or as Georgia, as Agent, deems necessary
17 or appropriate, with the consent in each case of
18 Participants and Additional Unit Participants owning at
19 least an aggregate 76% undivided ownership interest in the
20 Plant Scherer Common Facilities (which shall include MEAG so
21 long as MEAG owns at least a 15.1% undivided ownership
22 interest in the Plant Scherer Common Facilities) with
23 respect to action involving all or any part of the Plant
24 Scherer Common Facilities, which such agreements and
25 modifications, together with such existing agreements, shall

1 be held by Georgia as Agent for the Additional Unit
2 Participants and the Participants;
3

4 (v) The execution and filing, with any Governmental
5 Authority having jurisdiction, of applications, amendments,
6 reports and other documents and filings in or in connection
7 with the licensing and other regulatory matters with respect
8 to Scherer Unit No. 3, the Additional Unit Common
9 Facilities, the Plant Scherer Common Facilities, the Plant
10 Scherer Coal Stockpile or any combination thereof;
11

12 (vi) The receipt on behalf of the Scherer Unit No. 3
13 Participants of any notice or other communication from any
14 Governmental Authority having jurisdiction, as to any
15 licensing or other similar matter with respect to Scherer
16 Unit No. 3, the Additional Unit Common Facilities, the Plant
17 Scherer Common Facilities, the Plant Scherer Coal Stockpile,
18 or any combination thereof;
19

20 (vii) The right, on behalf of the Scherer Unit No. 3
21 Participants, to provide, or contract with any third party
22 to purchase or provide, any equipment or facilities or
23 perform services in connection with Scherer Unit No. 3, the
24 Plant Scherer Common Facilities, the Additional Unit Common
25 Facilities, the Plant Scherer Coal Stockpile, or any

1 combination thereof in accordance with the provisions of the
2 Operating Agreement; and
3

4 (viii) The right, on behalf of the Scherer Unit No. 3
5 Participants, to provide, or contract with any of its
6 affiliates to purchase or provide, at cost, any equipment or
7 facilities or to perform, or contract with any of its
8 affiliates to perform, at cost, services in connection with
9 Scherer Unit No. 3, the Additional Unit Common Facilities,
10 the Plant Scherer Common Facilities, the Plant Scherer Coal
11 Stockpile, or any combination thereof in accordance with the
12 provisions of the Operating Agreement.
13

14 Georgia and Gulf agree that all such agreements which relate
15 to the Plant Scherer Common Facilities or the Plant Scherer Coal
16 Stockpile, described in this Section 4(b) (other than agreements
17 with affiliates of Georgia) which are entered into after the
18 effective date hereof, shall, by their terms, be made assignable
19 by Georgia, as Agent, to any replacement or successor Agent for
20 the Agency Functions for the Participants and Additional Unit
21 Participants with respect to the Plant Scherer Common Facilities
22 or the Plant Scherer Coal Stockpile, pursuant to the Plant
23 Scherer Participation Agreements.
24

25 Georgia and Gulf further agree that all such agreements
26 which relate to the Additional Unit Common Facilities only,

1 described in this Section 4(b), (other than agreements with
2 affiliates of Georgia) which are entered into after the effective
3 date hereof shall, by their terms, be made assignable by Georgia,
4 as Agent, to any replacement or successor Agent for the Agency
5 Functions for the Additional Unit Participants with respect to
6 the Additional Unit Common Facilities, pursuant to this
7 Agreement, the Operating Agreement, the Unit Four Ownership
8 Agreement and the Unit Four Operating Agreement.

9
10 Georgia and Gulf further agree that all such agreements
11 which relate to Scherer Unit No. 3 described in this Section
12 4(b), (other than agreements with affiliates of Georgia) which
13 are entered into after the effective date hereof shall, by their
14 terms, be made assignable by Georgia, as Agent, to any successor
15 or replacement Agent for the Agency Functions for the Scherer
16 Unit No. 3 Participants with respect to Scherer Unit No. 3,
17 pursuant to this Agreement and the Operating Agreement.

18
19 (c) Standards of Conduct.

20
21 (i) Notwithstanding any provision of law or any
22 provision of this Agreement, other than Section 6(a), NO
23 ADVERSE DISTINCTION, hereof, in the event Georgia fails at
24 any time to perform its duties, responsibilities,
25 obligations or functions hereunder as Agent for Scherer Unit
26 No. 3 in accordance with Prudent Utility Practice, then the

1 Scherer Unit No. 3 Participants, as their sole and exclusive
2 remedy, legal or equitable, shall have the right to remove
3 Georgia, as Agent, hereunder and under the Operating
4 Agreement in accordance with all of the provisions of
5 subsection (v) of this Section 4(c).
6

7 (ii) In the event that Georgia, as Agent, for the
8 Scherer Unit No. 3 Participants fails to comply at any time
9 with the provisions of Section 6(a), NO ADVERSE DISTINCTION,
10 hereof, (A) the Scherer Unit No. 3 Participants shall have
11 the right to remove Georgia, as Agent, for Scherer Unit No.
12 3 hereunder and under the Operating Agreement in accordance
13 with all of the provisions of subsection (v) of this
14 Section 4(c), or (B) any Scherer Unit No. 3 Participant
15 shall have the right to pursue remedies, if any, available
16 to it at law or equity or (C) both (A) and (B).
17

18 (iii) Notwithstanding any provision of law or any
19 provision of this Agreement, other than Section 6(a), NO
20 ADVERSE DISTINCTION, hereof, in the event that Georgia fails
21 at any time to perform its duties, responsibilities,
22 obligations or functions hereunder as Agent for the
23 Additional Unit Common Facilities or the Plant Scherer
24 Common Facilities, then, as their sole and exclusive remedy,
25 legal or equitable, (A) if such failure is with respect to
26 the Additional Unit Common Facilities, the Additional Unit

1 Participants shall have the right to remove Georgia, as
2 Agent, for the Additional Unit Common Facilities hereunder,
3 under the Operating Agreement, under the Unit Four Ownership
4 Agreement and under the Unit Four Operating Agreement in
5 accordance with all the provisions of subsection (v) of this
6 Section 4(c) and the corresponding provisions of the
7 Operating Agreement, the Unit Four Ownership Agreement and
8 the Unit Four Operating Agreement or (B) if such failure is
9 with respect to the Plant Scherer Common Facilities, the
10 Participants and the Additional Unit Participants shall have
11 the right to remove Georgia, as Agent, for the Plant Scherer
12 Common Facilities hereunder and under the other Plant
13 Scherer Participation Agreements in accordance with all of
14 the provisions of subsection (v) of this Section 4(c) and
15 the corresponding provisions of the other Plant Scherer
16 Participation Agreements.

17
18 (iv) Notwithstanding any other provisions of this
19 Agreement, and without regard to whether Georgia's conduct
20 as Agent hereunder falls within the standards of permissible
21 conduct specified in subsection (i) of this Section 4(c), in
22 the event that (A) Georgia, in disregard of the provisions
23 of any then current Capital Budget approved, adopted,
24 amended or utilized pursuant to Section 5(b), CAPITAL
25 BUDGET, hereof, incurs an obligation for any capital
26 expenditure in excess of \$1,000,000 (measured in 1979

1 dollars) in connection with the Additional Unit Common
2 Facilities and the Plant Scherer Common Facilities that is
3 not authorized by such Capital Budget (other than any such
4 expenditures which are reasonably required to respond
5 appropriately to emergencies or which are incurred pursuant
6 to regulatory requirements), or makes any capital
7 expenditure in excess of \$1,000,000 (measured in 1979
8 dollars) in connection with the Additional Unit Common
9 Facilities and the Plant Scherer Common Facilities which was
10 not authorized by a Capital Budget approved, adopted,
11 amended or utilized pursuant to Section 5(b), CAPITAL
12 BUDGET, hereof, at the time the obligation for such
13 expenditure was incurred (other than any such expenditures
14 which are reasonably required to respond appropriately to
15 emergencies or which are made pursuant to regulatory
16 requirements), and (B) the provisions of such Capital Budget
17 with respect to such expenditure (or the failure to make
18 provisions for such expenditure, as the case may be) at the
19 time it is paid or incurred conform to Prudent Utility
20 Practice, then:

21
22 (X) If the obligation or expenditure is in
23 connection with the Capital Budget for the Additional
24 Unit Common Facilities, as the Additional Unit
25 Participants' sole and exclusive remedy, all of the
26 Additional Unit Participants (other than Georgia) may,

1 at their option, remove and replace Georgia as Agent
2 for the Agency Functions with respect to the Additional
3 Unit Common Facilities hereunder and under the
4 Operating Agreement, the Unit Four Operating Agreement
5 and the Unit Four Ownership Agreement in accordance
6 with all of the provisions of subsection (v) of this
7 Section 4(c); provided, however, that nothing
8 contained in this Section 4(c) or elsewhere in this
9 Agreement shall preclude Additional Unit Participants
10 owning not less than an aggregate 51% undivided
11 ownership interest in the Additional Unit Common
12 Facilities from suing for and obtaining injunctive
13 relief to prevent Georgia, as Agent, from paying or
14 incurring any capital expenditures with respect to the
15 Additional Unit Common Facilities which, if paid or
16 incurred, would entitle such Additional Unit
17 Participants to remove and replace Georgia, as Agent,
18 pursuant to this subsection (iv) of Section 4(c) or
19 which are prohibited by the provisions of subsection
20 (v) of this Section 4(c) after a notice of removal, it
21 being acknowledged by the Parties hereto that the legal
22 remedy available hereunder to such Additional Unit
23 Participants following the incurrence of any such
24 obligation or the payment of any such expenditure is
25 inadequate, and the Parties agree that such Additional
26 Unit Participants shall be entitled to a temporary and

1 permanent injunction or other equitable relief
2 specifically to prevent such incurrence or payment
3 without the necessity of proving the inadequacy of
4 their legal remedies. In the event such Additional
5 Unit Participants fail to give Georgia, as Agent,
6 written notice of removal and replacement as Agent
7 within one year of the incurrence or payment on which
8 such removal would be based, the Additional Unit
9 Participants shall not thereafter be entitled to use
10 such incurrence or payment as a cause for removal under
11 the provisions of this subsection (iv) of Section 4(c);
12 and
13

14 (Y) If the obligation or expenditure is in
15 connection with the Capital Budget for the Plant
16 Scherer Common Facilities, as the Participants' and
17 Additional Unit Participants' sole and exclusive
18 remedy, Participants and Additional Unit Participants
19 owning not less than an aggregate 76% undivided
20 ownership interest in the Plant Scherer Common
21 Facilities, provided, however, that so long as MEAG
22 shall own at least a 15.1% undivided ownership interest
23 in the Plant Scherer Common Facilities, the concurrence
24 of MEAG shall be required, may remove and replace
25 Georgia, as Agent, for the Agency Functions with
26 respect to the Plant Scherer Common Facilities

1 hereunder and under the Operating Agreement, under the
2 Unit Four Ownership Agreement, the Unit Four Operating
3 Agreement, the Units Ownership Agreement, the Units
4 Ownership Agreement and the Units Operating Agreement,
5 in accordance with all of the provisions of subsection
6 (v) of this Section 4(c); provided, however, that
7 nothing contained in this Section 4(c) or elsewhere in
8 this Agreement shall preclude Participants and
9 Additional Unit Participants owning not less than an
10 aggregate 76% undivided ownership interest in the Plant
11 Scherer Common Facilities (upon the concurrence of MEAG
12 so long as it owns at least a 15.1% undivided ownership
13 interest in the Units) from suing for and obtaining
14 injunctive relief to prevent Georgia, as Agent, from
15 paying or incurring any capital expenditures with
16 respect to the Plant Scherer Common Facilities which,
17 if paid or incurred, would entitle such Participants
18 and Additional Unit Participants to remove and replace
19 Georgia, as Agent, pursuant to this subsection (iv) of
20 Section 4(c) or which are prohibited by the provisions
21 of subsection (v) of this Section 4(c) after a notice
22 of removal, it being acknowledged by the Parties hereto
23 that the legal remedy available hereunder to such
24 Participants and Additional Unit Participants following
25 the incurrence of any such obligation or the payment of
26 any such expenditure is inadequate, and the Parties

1 agree that such Participants and Additional Unit
2 Participants shall be entitled to a temporary and
3 permanent injunction or other equitable relief
4 specifically to prevent such incurrence or payment
5 without the necessity of proving the inadequacy of
6 their legal remedies. In the event such Participants
7 and Additional Unit Participants fail to give Georgia,
8 as Agent, written notice of removal and replacement as
9 Agent within one year of the incurrence or payment on
10 which such removal would be based, the Participants and
11 Additional Unit Participants shall not thereafter be
12 entitled to use such incurrence or payment as a cause
13 for removal under the provisions of this
14 subsection (iv) of Section 4(c).

15
16 (v) The removal and replacement of Georgia, as Agent,
17 for the Scherer Unit No. 3 Participants with respect to
18 Scherer Unit No. 3, the Additional Unit Common Facilities,
19 the Plant Scherer Common Facilities or the Plant Scherer
20 Coal Stockpile under this Agreement and under the Operating
21 Agreement pursuant to any provisions of this Agreement or
22 the Operating Agreement authorizing such removal and
23 replacement, shall be conducted in accordance with all of
24 the following provisions of this subsection (v) of
25 Section 4(c):
26

1 A. The removal of Georgia, as Agent, under this
2 Agreement and the Operating Agreement for Scherer Unit
3 No. 3 and the appointment of a successor Agent shall be
4 effected, subject to approval of any Governmental
5 Authority having jurisdiction, upon written notice to
6 Georgia executed by Scherer Unit No. 3 Participants
7 owning not less than an aggregate 80% undivided
8 ownership interest in Scherer Unit No. 3. Any such
9 notice must identify the date upon which such removal
10 and appointment shall be effective, the cause for such
11 removal and the provisions hereof or of the Operating
12 Agreement or both upon which such removal is based, and
13 either the name of the successor Agent appointed to
14 replace Georgia, as Agent, or the names of two
15 potential successor Agents, one of whom shall be
16 appointed to replace Georgia, as Agent. In the event
17 such notice of removal identifies two potential
18 successor Agents, Scherer Unit No. 3 Participants
19 owning not less than an aggregate 80% undivided
20 ownership interest in Scherer Unit No. 3 shall notify
21 Georgia in writing of the identity of the one appointed
22 to replace Georgia, as Agent, forthwith upon its
23 appointment, which shall occur no later than the date
24 upon which the removal of Georgia, as Agent, is to be
25 effective as set forth in such notice of removal.

1 B. The removal of Georgia, as Agent, under this
2 Agreement and the Operating Agreement for the
3 Additional Unit Common Facilities shall require the
4 execution of the notice described in subsection (v)(A)
5 of this Section 4(c) by all of the Additional Unit
6 Participants other than Georgia, and the appointment of
7 a successor Agent for the Additional Units shall
8 require the approval of Additional Unit Participants
9 owning at least an aggregate 51% undivided ownership
10 interest in the Additional Unit Common Facilities.
11

12 C. The removal or replacement under this
13 Agreement and the Operating Agreement of Georgia, as
14 Agent, for the Plant Scherer Common Facilities, the
15 Plant Scherer Coal Stockpile or both shall require the
16 execution of the notice described in subsection (v)(A)
17 of this Section 4(c) and the concurrence in the
18 appointment of a successor Agent by Participants and
19 Additional Unit Participants owning at least an
20 aggregate 76% undivided ownership interest in the Plant
21 Scherer Common Facilities; provided, however, that the
22 execution of such notice and the concurrence in such
23 action by MEAG shall be required so long as MEAG owns
24 at least a 15.1% undivided ownership interest in the
25 Plant Scherer Common Facilities.
26

1 D. Except as provided in the preceding paragraphs
2 (B) and (C), Georgia shall have no obligation to
3 continue as Agent under this Agreement or under the
4 Operating Agreement from and after the date upon which
5 its removal as Agent is to be effective as set forth in
6 said notice of removal. In addition, from and after
7 the date upon which such removal of Georgia, as Agent,
8 for Scherer Unit No. 3 is to be effective as set forth
9 in the notice of removal, the Scherer Unit No. 3
10 Participants shall indemnify and hold Georgia harmless
11 from and against any loss, cost and expense resulting
12 from the failure of the successor Agent to assume such
13 position on such effective date. From and after the
14 date upon which such removal of Georgia, as Agent, for
15 the Additional Unit Common Facilities is to be
16 effective as set forth in the notice of removal, the
17 other Additional Unit Participants shall indemnify and
18 hold Georgia harmless from and against any loss, cost
19 and expense resulting from the failure of the successor
20 Agent to assume such position on such effective date.
21 From and after the date upon which such removal of
22 Georgia, as Agent, for the Plant Scherer Common
23 Facilities, the Plant Scherer Coal Stockpile, or both,
24 is to be effective as set forth in the notice of
25 removal, the other Participants and the other
26 Additional Unit Participants shall indemnify and hold

1 Georgia harmless from and against any loss, cost and
2 expense resulting from the failure of successor Agent
3 to assume such position on such effective date.
4

5 E. Georgia agrees that it will cooperate with
6 the successor Agent in facilitating the assumption of
7 such position by the successor Agent and in generally
8 familiarizing the successor Agent and its employees and
9 agents with Scherer Unit No. 3, the Additional Unit
10 Common Facilities, the Plant Scherer Common Facilities
11 or the Plant Scherer Coal Stockpile, as the case may
12 be, and with their physical orientation and operation.
13

14 After the date of the written notice of removal of
15 Georgia, as Agent with respect to the Additional Unit
16 Common Facilities, Georgia, as Agent, shall have no
17 authority (1) to incur any obligation for any capital
18 expenditure for the Additional Unit Common Facilities
19 in excess of \$1,000,000 (measured in 1979 dollars)
20 (other than any such expenditures which are reasonably
21 required to respond appropriately to emergencies or
22 which are incurred pursuant to regulatory requirements)
23 which is not authorized by the then current Capital
24 Budget approved, adopted, amended or utilized pursuant
25 to Section 5(b), CAPITAL BUDGET, hereof, or (2) to make
26 any capital expenditure in excess of \$1,000,000 with

1 respect to the Additional Unit Common Facilities
2 (measured in 1979 dollars) (other than any such
3 expenditures which are reasonably required to respond
4 appropriately to emergencies or which are made to
5 respond to regulatory requirements) which was not
6 authorized by a Capital Budget approved, adopted,
7 amended or utilized pursuant to Section 5(b), CAPITAL
8 BUDGET, hereof, at the time the obligation for such
9 expenditure was incurred.

10
11 After the date of the written notice of removal of
12 Georgia, as Agent with respect to the Plant Scherer
13 Common Facilities, Georgia, as Agent, shall have no
14 authority (1) to incur any obligation for any capital
15 expenditure for the Plant Scherer Common Facilities in
16 excess of \$1,000,000 (measured in 1979 dollars) (other
17 than any such expenditures which are reasonably
18 required to respond appropriately to emergencies or
19 which are incurred pursuant to regulatory requirements)
20 which is not authorized by the then current Capital
21 Budget approved, adopted, amended or utilized pursuant
22 to Section 5(b), CAPITAL BUDGET hereof, or (2) to make
23 any capital expenditure in excess of \$1,000,000 with
24 respect to the Plant Scherer Common Facilities
25 (measured in 1979 dollars) (other than any such
26 expenditures which are reasonably required to respond

1 appropriately to emergencies or which are made pursuant
2 to regulatory requirements) which was not authorized by
3 a Capital Budget approved, adopted, amended or utilized
4 pursuant to Section 5(b), CAPITAL BUDGET, hereof at the
5 time the obligation for such expenditure was incurred.
6

7 F. In the event Georgia shall by the effective
8 date of its removal as Agent for the Plant Scherer
9 Common Facilities, be unable, upon the exercise of its
10 best efforts, but without additional cost to it, to
11 relocate its employees and SCSI employees who, during
12 the 60 days immediately preceding the date of the
13 notice of removal of Georgia, as Agent, shall have been
14 assigned for more than 20% of their time as employees
15 of Georgia or SCSI to the Agency Functions for the
16 Plant Scherer Common Facilities, the Scherer Unit No. 3
17 Participants voting to remove Georgia as Agent shall
18 thereafter reimburse Georgia as provided below in the
19 amount of the compensation of any such employees who
20 shall not have been so relocated by the effective date
21 of removal until the earlier of the first anniversary
22 of such date or such time as such employees have been
23 relocated or have resigned, retired or been terminated
24 by Georgia or SCSI; provided, however, that in respect
25 of any such employee who shall not have been assigned
26 exclusively to the Agency Functions for the Plant

1 Scherer Common Facilities for at least 60 days
2 immediately preceding the date of the notice of removal
3 of Georgia as Agent, the Scherer Unit No. 3
4 Participants voting to remove Georgia, as Agent, shall
5 reimburse Georgia only for that percentage of such
6 employee's compensation as the amount of time that such
7 employee was so assigned during such time period bears
8 to the aggregate amount of time spent by such employee
9 during such time period in the employment of Georgia or
10 SCSI; and provided further, however, that no Scherer
11 Unit No. 3 Participant may offer employment to any
12 management or supervisory employee of Georgia or SCSI
13 who during the 180 days immediately preceding the date
14 of the notice of removal of Georgia, as Agent, has been
15 assigned for more than 20% of his time as an employee
16 of Georgia or SCSI to the Agency Functions for the
17 Plant Scherer Common Facilities without Georgia's prior
18 written approval, except that to the extent the
19 successor Agent or any Scherer Unit No. 3 Participant
20 states in writing its willingness to offer employment
21 to any such employee at not less than the same
22 compensation level as then received by such employee
23 from Georgia or SCSI and Georgia refuses to approve the
24 making of such offer, Georgia shall not receive
25 reimbursement for such employee's compensation
26 hereunder. Each Scherer Unit No. 3 Participant voting

1 to remove Georgia, as Agent, for the Agency Functions
2 with respect to the Plant Scherer Common Facilities
3 shall be responsible for the payment of a fraction of
4 such reimbursement the numerator of which is the Pro
5 Forma Ownership Interest in Plant Scherer of such
6 Scherer Unit No. 3 Participant and the denominator of
7 which is the aggregate Pro Forma Ownership Interest in
8 Plant Scherer of all Participants and Additional Unit
9 Participants voting to remove Georgia as Agent. In the
10 event that the removal of Georgia, as Agent, for the
11 Agency Functions with respect to the Plant Scherer
12 Common Facilities is based on Georgia's failure to
13 discharge its responsibilities as Agent in accordance
14 with Prudent Utility Practice, then Georgia's Pro Forma
15 Ownership Interest in Plant Scherer shall be included
16 in the denominator of the fraction expressed in the
17 preceding sentence of this subsection (v)(F) of
18 Section 4(c).

19
20 (d) Management and Operating Audits. Each Scherer Unit
21 No. 3 Participant shall have the right from time to time to
22 conduct management and operating audits, at its own cost, of
23 Georgia's performance as Agent hereunder and under the Operating
24 Agreement, either by its own officers and employees or through
25 its duly authorized agents or representatives. Georgia shall
26 cooperate with each other Scherer Unit No. 3 Participant in the

1 conducting of any such audit and, subject to the applicable
2 regulations of any Governmental Authority having jurisdiction and
3 the provisions of Section 4(h), RIGHT TO COPIES, and 4(i),
4 CONFIDENTIALITY OF INFORMATION, hereof, give each Scherer Unit
5 No. 3 Participant reasonable access to all contracts, records,
6 and other documents relating to Scherer Unit No. 3, the
7 Additional Unit Common Facilities, the Plant Scherer Common
8 Facilities, the Plant Scherer Coal Stockpile or any combination
9 thereof.

10
11 (e) On-Site Observation and Inspection. Each Scherer Unit
12 No. 3 Participant shall be entitled to have its employees and
13 other authorized representatives, including outside consultants,
14 visit the Plant Scherer site at reasonable times to observe and
15 inspect Scherer Unit No. 3, the Additional Unit Common
16 Facilities, the Plant Scherer Common Facilities and the Plant
17 Scherer Coal Stockpile and the activities by Georgia; provided
18 that such employees and representatives shall be subject to, and
19 required to conduct themselves in accordance with, the directives
20 of Georgia's senior site official to the end that their
21 activities shall not interfere with Georgia's performance of its
22 obligations as Agent hereunder, under the Operating Agreement,
23 under the Unit Four Ownership Agreement, under the Unit Four
24 Operating Agreement, under the Units Ownership Agreement and
25 under the Units Operating Agreement.

26

1 (f) Indemnification. In the event Georgia, in its
2 performance as Agent hereunder, incurs any liability to any third
3 party (other than liability resulting from Georgia's failure to
4 comply with the provisions of Section 6(a), NO ADVERSE
5 DISTINCTION, hereof) any reasonable amount paid by Georgia on
6 account of such liability shall, to the extent such liability
7 would be classified as Operating Costs under the Uniform System
8 of Accounts, be considered an Operating Cost and apportioned
9 among the Scherer Unit No. 3 Participants pursuant to Section
10 4(j), PAYMENT AND SETTLEMENT OF OPERATING COSTS, and 4(h),
11 SHARING OF COSTS - GENERAL of the Operating Agreement, and to the
12 extent such liability would be classified as a Cost of
13 Construction under the Uniform System of Accounts, be considered
14 a Cost of Construction and apportioned among the Scherer Unit
15 No. 3 Participants pursuant to Section 5(a), TENANTS IN COMMON,
16 and 5(c), PAYMENT AND SETTLEMENT OF COST OF CONSTRUCTION, hereof.

17
18 (g) [Intentionally omitted]

19
20 (h) Right to Copies. Subject to the provisions of
21 Section 4(i), CONFIDENTIALITY OF INFORMATION, hereof, any Scherer
22 Unit No. 3 Participant and any successor Agent with respect to
23 Scherer Unit No. 3 hereunder or under the Operating Agreement
24 shall each be entitled to copy any and all (i) contracts, books,
25 records, reports and other documents and papers to which such
26 Scherer Unit No. 3 Participants, their respective officers,

1 employees, duly authorized agents or representatives and
2 consultants or any successor Agent is permitted access, or which
3 Georgia has agreed shall be available for audit, under the terms
4 of this Agreement or the Operating Agreement, and (ii) any and
5 all architectural, engineering and design drawings and
6 specifications that have been or shall hereafter be prepared in
7 connection with Scherer Unit No. 3, the Additional Unit Common
8 Facilities, the Plant Scherer Common Facilities, the Plant
9 Scherer Coal Stockpile or any combination thereof. The Scherer
10 Unit No. 3 Participants (other than Georgia) and any successor
11 Agent shall use any such copy, the information contained therein,
12 or both, only in the exercise of their respective rights and
13 obligations hereunder or under the Operating Agreement; neither
14 any Scherer Unit No. 3 Participant (other than Georgia) nor any
15 successor Agent may sell or otherwise transfer any such copy or
16 the information contained therein to any person or entity except
17 that, subject to the provisions of Section 4(i), CONFIDENTIALITY
18 OF INFORMATION hereof, a Scherer Unit No. 3 Participant may
19 provide such copies or disclose their contents to its respective
20 mortgagees and security deed holders and such Scherer Unit No. 3
21 Participant's agents and authorized representatives; and neither
22 any Scherer Unit No. 3 Participant (other than Georgia), any
23 successor Agent, their respective officers, employees, agents,
24 representatives, consultants, mortgagees nor security deed
25 holders may use any such copy or the information contained

1 therein in connection with any other generating plant or for the
2 benefit of any other person or entity.

3
4 (i) Confidentiality of Information. Notwithstanding any
5 other provision of this Agreement and the Operating Agreement,
6 the Scherer Unit No. 3 Participants recognize that there are, or
7 may be in the future, certain contracts, records, drawings, data
8 or other documents or information relating to the Agency
9 Functions for Scherer Unit No. 3, the Additional Unit Common
10 Facilities, the Plant Scherer Common Facilities, the Plant
11 Scherer Coal Stockpile or any combination thereof, which the
12 party or parties supplying any such material to Georgia have
13 designated as proprietary, confidential or privileged, and as to
14 which Georgia is obligated not to disclose to any other person or
15 entity without the express approval of such supplier. The
16 Scherer Unit No. 3 Participants agree that Georgia shall have no
17 obligation under this Agreement or the Operating Agreement to
18 disclose, provide access to or permit copying of any such
19 material which has been designated as proprietary, confidential
20 or privileged without the express approval of the person or
21 entity designating any such material as proprietary, privileged
22 and confidential (it being understood that Georgia shall
23 cooperate in obtaining such consent or approval) and that any
24 such disclosure to the Scherer Unit No. 3 Participants shall be
25 in accordance with all of the terms of any such approval;
26 provided, however, that any such material that has been developed

1 or produced by SCSI as agent for Georgia for use at or in
2 connection with Scherer Unit No. 3, the Additional Unit Common
3 Facilities, the Plant Scherer Common Facilities, the Plant
4 Scherer Coal Stockpile or any combination thereof, shall be
5 deemed, for the purpose of this Section 4(i), to have been
6 developed or produced by Georgia and not to have been supplied to
7 Georgia by SCSI.

8
9 Gulf further agrees, notwithstanding any other provisions of
10 this Agreement and the Operating Agreement, that any contracts,
11 records, drawings, data or other documents or information
12 relating to the Agency Functions for the Scherer Unit No. 3, the
13 Additional Unit Common Facilities, the Plant Scherer Common
14 Facilities, the Plant Scherer Coal Stockpile or any combination
15 thereof which is disclosed to it and which is designated by
16 Georgia or SCSI (in the case of material deemed pursuant to the
17 preceding paragraph to have been developed by Georgia) as
18 proprietary, privileged or confidential (the "Proprietary
19 Information") shall not be disclosed except as otherwise required
20 by law to any other entity or to any person who is not an
21 officer, employee, director or authorized representative
22 respectively, of Gulf; provided, however, that the respective
23 mortgagees and security deed holders of the Scherer Unit No. 3
24 Participants shall be entitled to examine (but not to copy) at
25 the offices of their respective debtors (or if such material is
26 not at the offices of their respective debtors, then at the

1 offices of Georgia), any Proprietary Information. To the extent
2 permitted by law, the Scherer Unit No. 3 Participants (other than
3 Georgia) agree to take all reasonable steps to protect the
4 proprietary, privileged or confidential nature of all Proprietary
5 Information furnished to any of them, including without
6 limitation: (i) limiting access to and disclosure of such
7 Proprietary Information only (A) to those officers, employees,
8 directors and authorized representatives respectively, of such
9 Scherer Unit No. 3 Participants who have a need for access to
10 such Proprietary Information reasonably related to the exercise
11 of any rights of such Scherer Unit No. 3 Participants hereunder
12 or under the Operating Agreement and (B) to the respective
13 mortgagees and security deed holders of such Scherer Unit No. 3
14 Participants as permitted by the provisions of the preceding
15 sentence; and (ii) ensuring that those receiving any such
16 Proprietary Information understand the proprietary, confidential
17 or privileged nature of such Proprietary Information. In the
18 event that any such Scherer Unit No. 3 Participant (other than
19 Georgia) shall consider it necessary or desirable to disclose or
20 provide copies or summaries of or access to any Proprietary
21 Information to any person or entity not an employee, officer or
22 director, respectively, of such Scherer Unit No. 3 Participant,
23 and such disclosure is not otherwise permitted by the preceding
24 provisions of this paragraph, then such Scherer Unit No. 3
25 Participant shall request in writing that Georgia give or obtain
26 the consent necessary for such disclosure. Such written request

1 shall specify the Proprietary Information the respective Scherer
2 Unit No. 3 Participant wishes to disclose, to whom the
3 Proprietary Information is to be disclosed and the purpose for
4 which the Proprietary Information is to be used. The Scherer
5 Unit No. 3 Participant requesting such disclosure shall be
6 responsible for obtaining an agreement from the party to whom
7 such disclosure is to be made, reasonably satisfactory in form
8 and content to Georgia to the effect that the party to whom
9 disclosure is to be made will protect the proprietary, privileged
10 or confidential nature of the Proprietary Information, will not
11 use such Proprietary Information for any purpose other than the
12 purpose for which approval is expressly given and such other
13 matters as Georgia may specify. Each Scherer Unit No. 3
14 Participant agrees to promptly notify Georgia of any other legal
15 or administrative proceeding, in which it is participating or of
16 which it is aware, in which an issue to be determined includes
17 the potential disclosure of any or all of the contents of any
18 Proprietary Information.

19
20 Furthermore, the Scherer Unit No. 3 Participants shall be
21 permitted to produce and disclose Proprietary Information if
22 required by subpoena or other binding process of an
23 administrative agency or other Governmental Authority; provided,
24 however, that prior to such production such Scherer Unit No. 3
25 Participant shall use its best reasonable and good faith efforts
26 to resist such subpoena or other process or shall request the

1 party propounding such subpoena or demand to allow Georgia a
2 reasonable delay to seek a protective order. In the event that
3 production of such Proprietary Information is nevertheless
4 required, the Scherer Unit No. 3 Participant so producing such
5 Proprietary Information, shall request that such Proprietary
6 Information be accorded confidential treatment to the extent such
7 treatment is available from the forum having propounded the
8 subpoena or other process.

9
10 (j) Plant Tours. Upon prior approval of Georgia, the other
11 Scherer Unit No. 3 Participants may schedule plant tours and
12 visits at Scherer Unit No. 3, the Additional Unit Common
13 Facilities, the Plant Scherer Common Facilities and the Plant
14 Scherer Coal Stockpile, subject to the rules and regulations of
15 regulatory authorities.

16
17 5. Ownership, Rights and Obligations.

18
19 (a) Tenants in Common. The Scherer Unit No. 3 Participants
20 shall have title to: (1) Scherer Unit No. 3 as tenants in common;
21 (2) the Additional Unit Common Facilities as tenants in common
22 with each other and the other Additional Unit Participants; (3)
23 the Plant Scherer Common Facilities as tenants in common with
24 each other, with the other Additional Unit Participants, and with
25 the Participants and (4) the Plant Scherer Coal Stockpile, as
26 tenants in common with each other, the other Additional Unit

1 Participants and the Participants, and shall, as co-tenants with
2 undivided ownership interests therein, and with respect to
3 Scherer Unit No. 3, subject to the terms of this Agreement and
4 the Operating Agreement, and with respect to the Additional Unit
5 Common Facilities, subject to the terms of this Agreement, the
6 Operating Agreement, the Unit Four Ownership Agreement and the
7 Unit Four Operating Agreement and with respect to the Plant
8 Scherer Common Facilities and the Plant Scherer Coal Stockpile,
9 subject to the applicable terms of this Agreement, the Operating
10 Agreement, the Unit Four Ownership Agreement, the Unit Four
11 Operating Agreement, the Units Ownership Agreement and the Units
12 Operating Agreement, own the foregoing property and possess
13 rights and obligations related thereto, including, without
14 limitation, payment therefor, in the proportions equal to the
15 respective percentage undivided ownership interests therein as
16 they may own from time to time. The Scherer Unit No. 3
17 Participants shall be entitled to the capacity and the associated
18 energy of Scherer Unit No. 3 in proportion to the respective
19 percentage undivided ownership interests in Scherer Unit No. 3 as
20 they may own from time to time.

21
22 (b) Capital Budget.

23
24 (i) Prior to August 15 of each year, each Scherer Unit
25 No. 3 Participant may provide to Georgia, as Agent, input to
26 be used in the formulation of the subsequent year's Capital

1 Budget for Scherer Unit No. 3. By August 15 of such
2 calendar year, Georgia shall attempt to prepare and submit
3 to each Scherer Unit No. 3 Participant a written Capital
4 Budget estimate of Discrete Scherer Unit No. 3 Cost of
5 Construction anticipated to be incurred for the following
6 year and in summary form for the ensuing four calendar
7 years. Such Capital Budget shall be based on information
8 reasonably available. Each such budget shall be supported
9 by detail reasonably adequate for the purpose of each
10 Scherer Unit No. 3 Participant's reasonable review thereof
11 and shall be formatted such that for the next calendar year
12 each month's estimated costs are listed by applicable FERC
13 account numbers. By October 1 of each year, the Capital
14 Budget for Scherer Unit No. 3 shall be approved or
15 disapproved, in its entirety, by Scherer Unit No. 3
16 Participants owning at least an aggregate 80% undivided
17 ownership interest in Scherer Unit No. 3. If the Capital
18 Budget is disapproved, Scherer Unit No. 3 Participants
19 owning at least an aggregate 80% undivided ownership
20 interest in Scherer Unit No. 3 shall then have until
21 November 1 to submit an alternative revised Capital Budget,
22 which shall comply with Prudent Utility Practice and Legal
23 Requirements. In the event that Scherer Unit No. 3
24 Participants owning at least an aggregate 80% undivided
25 ownership interest in Scherer Unit No. 3 are unable to
26 approve any budget which complies with Prudent Utility

1 Practice and Legal Requirements by November 1, then the
2 Capital Budget to be utilized shall be the one submitted by
3 Georgia, as Agent, and such budget shall be deemed approved
4 by Scherer Unit No. 3 Participants owning at least an
5 aggregate 80% undivided ownership interest in Scherer Unit
6 No. 3 and binding on the Scherer Unit No. 3 Participants.
7 The Capital Budget with respect to Scherer Unit No. 3 for
8 each calendar year shall be revised as deemed necessary by
9 Georgia, as Agent, to reflect changed conditions in such
10 calendar year, and promptly upon any such revision, Georgia,
11 as Agent, shall provide to each of the Scherer Unit no. 3
12 Participants a revised Capital Budget. Each revised Capital
13 Budget shall include Discrete Scherer Unit No. 3 Cost of
14 Construction incurred by Georgia, as Agent, in the
15 replacement, modification, addition, renewal, completion or
16 disposal of Scherer Unit No. 3 prior to the time such
17 revised Capital Budget becomes effective but not included in
18 prior Capital Budgets and shall be supported by detail
19 reasonably adequate for the purpose of each Scherer Unit No.
20 3 Participant's reasonable review thereof. Any such revised
21 Capital Budget shall be approved or disapproved, and if
22 disapproved, an alternative revised Capital Budget adopted
23 or otherwise chosen for utilization, all in accordance with
24 the procedure set forth in this paragraph of Section 5(b),
25 except that such approval or disapproval and submission of
26 alternative revisions must be completed by Scherer Unit No.

1 3 Participants owning at least an aggregate 80% undivided
2 ownership interest in Scherer Unit No. 3 within 15 days of
3 the Scherer Unit No. 3 Participants' receipt of the proposed
4 revisions from Georgia, as Agent. Georgia, as Agent, shall
5 attempt to make all replacements, modifications, additions,
6 renewals, completions and disposals in connection with
7 Scherer Unit No. 3 in accordance with the then current
8 Capital Budget so that payments to be made by Scherer Unit
9 No. 3 Participants for the costs contained therein shall be,
10 as nearly as practicable, within the then current Capital
11 Budget and the schedules of expenditures contained therein.
12 Notwithstanding the foregoing, Georgia makes no
13 representation, warranty or promise of any kind as to the
14 accuracy of any estimate contained in a Capital Budget or in
15 a revised Capital Budget or that any such attempt referred
16 to in the preceding sentence will be successful, and in no
17 event shall Georgia, as Agent, have any liability to any of
18 the Scherer Unit No. 3 Participants in these regards.

19
20 (ii) Prior to August 15 of each year, each Additional
21 Unit Participant may provide to Georgia, as Agent, input to
22 be used in the formulation of the subsequent year's Capital
23 Budget for the Additional Unit Common Facilities. By August
24 15 of such calendar year, Georgia shall attempt to prepare
25 and submit to each Additional Unit Participant a written
26 Capital Budget estimate of Additional Unit Common Facility

1 Cost of Construction anticipated to be incurred for the
2 following year and in summary form for the ensuing four
3 calendar years. Such Capital Budget shall be based on
4 information reasonably available. Each such budget shall be
5 supported by detail reasonably adequate for the purpose of
6 each Additional Unit Participant's reasonable review thereof
7 and shall be formatted such that for the next calendar year
8 each month's estimated costs are listed by applicable FERC
9 account numbers. By October 1 of each year, the Capital
10 Budget for the Additional Unit Common Facilities shall be
11 approved or disapproved, in its entirety, by the Budgeting
12 Additional Unit Participants. If the Capital Budget is
13 disapproved, the Budgeting Additional Unit Participants
14 shall then have until November 1 to submit an alternative
15 revised Capital Budget, which shall comply with Prudent
16 Utility Practice and Legal Requirements. In the event that
17 the Budgeting Additional Unit Participants are unable to
18 approve any budget which complies with Prudent Utility
19 Practice and Legal Requirements by November 1, then the
20 Capital Budget to be utilized shall be the one submitted by
21 Georgia, as Agent, and such budget shall be deemed approved
22 by the Budgeting Additional Unit Participants and binding on
23 the Additional Unit Participants. The Capital Budget with
24 respect to Additional Unit Common Facilities for each
25 calendar year shall be revised as deemed necessary by
26 Georgia, as Agent, to reflect changed conditions in such

1 calendar year, and promptly upon any such revision, Georgia,
2 as Agent, shall provide to each of the Additional Unit
3 Participants a revised Capital Budget. Each revised Capital
4 Budget shall include Additional Unit Common Facility Cost of
5 Construction incurred by Georgia, as Agent, in the
6 replacement, modification, addition, renewal, completion or
7 disposal of the Additional Unit Common Facilities prior to
8 the time such revised Capital Budget becomes effective but
9 not included in prior Capital Budgets and shall be supported
10 by detail reasonably adequate for the purpose of each
11 Additional Unit Participant's reasonable review thereof. Any
12 such revised Capital Budget shall be approved or
13 disapproved, and if disapproved, an alternative revised
14 Capital Budget adopted or otherwise chosen for utilization,
15 all in accordance with the procedure set forth in this
16 paragraph of Section 5(b), except that such approval or
17 disapproval and submission of alternative revisions must be
18 completed by Budgeting Additional Unit Participants within
19 15 days of the Additional Unit Participants' receipt of the
20 proposed revisions from Georgia, as Agent. Georgia, as
21 Agent, shall attempt to make all replacements,
22 modifications, additions, renewals, completions and
23 disposals in connection with the Additional Unit Common
24 Facilities in accordance with the then current Capital
25 Budget so that payments to be made by Scherer Unit No. 4
26 Participants for the costs contained therein shall be, as

1 nearly as practicable, within the then current Capital
2 Budget and the schedules of expenditures contained therein.
3 Notwithstanding the foregoing, Georgia makes no
4 representation, warranty or promise of any kind as to the
5 accuracy of any estimate contained in a Capital Budget or in
6 a revised Capital Budget or that any such attempt referred
7 to in the preceding sentence will be successful, and in no
8 event shall Georgia, as Agent, have any liability to any of
9 the Scherer Unit No. 3 Participants in these regards.

10
11 (iii) Prior to August 15 of each year, each
12 Participant and Additional Unit Participant may provide to
13 Georgia, as Agent, input to be used in the formulation of
14 the subsequent year's Capital Budget for the Plant Scherer
15 Common Facilities. By August 15 of such calendar year,
16 Georgia shall attempt to prepare and submit to each
17 Participant and Additional Unit Participant a written
18 Capital Budget estimate of Common Facility Cost of
19 Construction anticipated to be incurred for the following
20 year and in summary form for the ensuing four calendar
21 years. Such Capital Budget shall be based on information
22 reasonably available. Each such budget shall be supported
23 by detail reasonably adequate for the purpose of each
24 Participant's and Additional Unit Participant's reasonable
25 review thereof and shall be formatted such that for the next
26 calendar year each month's estimated costs are listed by

1 applicable FERC account numbers. By October 1 of each year,
2 the Capital Budget shall be approved or disapproved, each in
3 its entirety, by the Budgeting Participants. If the Capital
4 Budget is disapproved, the Budgeting Participants shall then
5 have until November 1 to submit an alternative revised
6 Capital Budget, which shall comply with Prudent Utility
7 Practice and Legal Requirements. In the event that the
8 Budgeting Participants are unable to approve any budget
9 which complies with Prudent Utility Practice and Legal
10 Requirements by November 1, then the budget to be utilized
11 shall be the one submitted by Georgia, as Agent, and such
12 budget shall be deemed approved by the Budgeting
13 Participants and shall be binding on the Participants and
14 Additional Unit Participants. The Capital Budget for each
15 calendar year shall be revised as deemed necessary by
16 Georgia, as Agent, to reflect changed conditions in such
17 calendar year, and promptly upon any such revision, Georgia,
18 as Agent, shall provide to each of the Participants and
19 Additional Unit Participants a revised Capital Budget. Each
20 revised Capital Budget shall include Common Facility Cost of
21 Construction incurred by Georgia, as Agent, in the
22 replacement, modification, addition, renewal, completion or
23 disposal of the Plant Scherer Common Facilities prior to the
24 time such revised Capital Budget becomes effective but not
25 included in prior Capital Budgets and shall be supported by
26 detail reasonably adequate for the purpose of each

1 Participant's and Additional Unit Participant's reasonable
2 review thereof. Any such revised Capital Budget shall be
3 approved or disapproved, and if disapproved, an alternative
4 revised Capital Budget adopted or otherwise chosen for
5 utilization, all in accordance with the procedure set forth
6 in this paragraph of Section 5(b), except that such approval
7 or disapproval and submission of alternative revisions must
8 be completed by the Budgeting Participants within 15 days of
9 the Participants' and Additional Unit Participants' receipt
10 of the proposed revisions from Georgia, as Agent. Georgia,
11 as Agent, shall attempt to make all replacements,
12 modifications, additions, renewals, completions and
13 disposals in connection with the Plant Scherer Common
14 Facilities in accordance with the then current Capital
15 Budget so that payments to be made by Scherer Unit No. 3
16 Participants for the costs contained therein shall be, as
17 nearly as practicable, within the then current Capital
18 Budget and the schedules of expenditures contained therein.
19 Notwithstanding the foregoing, Georgia makes no
20 representation, warranty or promise of any kind as to the
21 accuracy of any estimate contained in a Capital Budget or in
22 a revised Capital Budget or that any such attempt referred
23 to in the preceding sentence will be successful, and in no
24 event shall Georgia, as Agent, have any liability to any of
25 the Scherer Unit No. 3 Participants in these regards.

26

1 Notwithstanding the foregoing provisions of this
2 Section 5(b) with respect to the information to be provided
3 by GPC and applicable times and dates, Section 5.1 of the
4 Plant Scherer Managing Board Agreement and Appendix A
5 thereto shall govern and control any conflicting provision
6 of this Agreement with regard to capital budgets for the
7 Additional Unit Common Facilities and the Plant Scherer
8 Common Facilities.

9
10 (c) Payment and Settlement of Cost of Construction.

11
12 (i) Georgia, as Agent, shall be responsible for
13 making, and shall make, payment to third parties of all Cost
14 of Construction only to the extent that funds are available
15 therefor in the Capital Account.

16
17 (ii) As Agent for the Scherer Unit No. 3 Participants,
18 Georgia will, on or before the first day of each month,
19 notify the Scherer Unit No. 3 Participants of the nature and
20 amount of all additional Cost of Construction anticipated to
21 be incurred during the succeeding calendar month, including
22 without limitation that portion of Scherer Unit No. 3, the
23 Additional Unit Common Facilities and the Plant Scherer
24 Common Facilities to which reference is made in subsection
25 (iii) of Section 1(a), SCHERER UNIT NO. 3, hereof,
26 subsection (ii) of Section 1(a), ADDITIONAL UNIT COMMON

1 FACILITIES, hereof and subsection (ii) of Section 1(am),
2 PLANT SCHERER COMMON FACILITIES, hereof, respectively, in
3 respect of completions, renewals, additions, replacements,
4 modifications or disposals of Scherer Unit No. 3, the
5 Additional Unit Common Facilities, the Plant Scherer Common
6 Facilities or any of them and the amount of Common Coal
7 Stockpile Costs, Separate Coal Stockpile Costs and Other
8 Fuel Costs anticipated to be incurred during such succeeding
9 calendar month, plus or minus any adjustments for costs
10 incurred in prior months but not previously charged or
11 credited to the Scherer Unit No. 3 Participants under the
12 provisions of this Section 5(c) with separate computations
13 as to Scherer Unit No. 3, the Additional Unit Common
14 Facilities and the Plant Scherer Common Facilities.
15 Georgia, as Agent, will give each Scherer Unit No. 3
16 Participant as much notice as is reasonably practicable of
17 any major anticipated cost. Each Scherer Unit No. 3
18 Participant shall make payment into the Capital Account in
19 immediately available funds of its respective percentage
20 shares of such additional Discrete Scherer Unit No. 3 Cost
21 of Construction, Additional Unit Common Facility Cost of
22 Construction and Common Facility Cost of Construction (which
23 percentage shares shall be equivalent to such Scherer Unit
24 No. 3 Participant's respective undivided ownership interests
25 in Scherer Unit No. 3, in the Additional Unit Common
26 Facilities and in the Plant Scherer Common Facilities at

1 such times) and its respective share of such Common Coal
2 Stockpile Costs, Separate Coal Stockpile Costs and Other
3 Fuel Costs in accordance with the provisions of this
4 Section 5(c) during the succeeding month in accordance with
5 the schedule determined and delivered to it by Georgia, as
6 Agent. Each such notification made by Georgia, as Agent, of
7 anticipated costs and adjustments shall be accompanied and
8 adjusted by an accounting of costs incurred and credits, if
9 any, received for preceding months.

10
11 Each Scherer Unit No. 3 Participant shall have until
12 the 180th day after the furnishing of such accounting by
13 Georgia, as Agent, for any charge or credit made to it
14 pursuant to this Section 5(c) to question or contest the
15 correctness of such charge or credit after which time the
16 correctness of such charge or credit shall be conclusively
17 presumed. In the event that any Scherer Unit No. 3
18 Participant by timely notice questions or contests the
19 correctness of any such charge or credit, Georgia, as Agent,
20 shall promptly review the questioned charge or credit and
21 shall within 55 days following notice from a Scherer Unit
22 No. 3 Participant questioning or contesting such charge or
23 credit notify each Scherer Unit No. 3 Participant of the
24 amount of any error and the amount of reimbursement, if any,
25 that each Scherer Unit No. 3 Participant is required to make
26 or is entitled to receive in respect of such error. Not

1 later than the fifth Business Day after receipt of such
2 notice from Georgia, as Agent, each Scherer Unit No. 3
3 Participant (other than Georgia) required to make
4 reimbursement shall deposit the amount specified in such
5 notice into the Capital Account in immediately available
6 funds. Any such reimbursement required to be made by
7 Georgia, as Agent, shall be so deposited by Georgia, as
8 Agent, not later than the fifth Business Day after Georgia,
9 as Agent, notifies the other Scherer Unit No. 3 Participants
10 of the amount of such reimbursement that it is required to
11 make. From the amount so deposited, Georgia, as Agent,
12 shall immediately thereafter distribute the amount that each
13 Scherer Unit No. 3 Participant is entitled to receive (or if
14 the amount so deposited is insufficient to reimburse in full
15 all Scherer Unit No. 3 Participants entitled to receive
16 reimbursement, then Georgia, as Agent, shall distribute the
17 amount so deposited among the Scherer Unit No. 3
18 Participants entitled to receive such reimbursement pro rata
19 in accordance with each Scherer Unit No. 3 Participant's
20 entitlement to reimbursement in respect of such error),
21 except that if any such Scherer Unit No. 3 Participant is
22 then in default in respect of any payments required to be
23 made under this Agreement or the Operating Agreement, an
24 amount equal to such defaulting Scherer Unit No. 3
25 Participant's share of the amount so deposited with respect
26 to such reimbursement shall be retained in the Capital

1 Account and distributed in accordance with the provisions of
2 Section 5(d), CAPITAL ACCOUNT, hereof.
3

4 In the event that such error is in respect of
5 Additional Unit Common Facility Cost of Construction,
6 Georgia, as Agent, shall promptly review the questioned
7 charge or credit and shall within 55 days following notice
8 from a Participant or Additional Unit Participant
9 questioning or contesting such charge or credit notify each
10 Participant and Additional Unit Participant of the amount of
11 any error and the amount of reimbursement, if any, that each
12 Participant and Additional Unit Participant is required to
13 make or is entitled to receive in respect of such error.
14 Not later than the fifth Business Day after receipt of such
15 notice from Georgia, as Agent, as to the amount of
16 reimbursement each Participant and Additional Unit
17 Participant is required to make or is entitled to receive,
18 each Scherer Unit No. 3 Participant (other than Georgia)
19 required to make reimbursement shall deposit the amount
20 specified in such notice into the Capital Account in
21 immediately available funds. If the amount deposited is
22 insufficient to reimburse in full all Participant and
23 Additional Unit Participants entitled to receive such
24 reimbursement, then Georgia, as Agent, shall distribute the
25 amount so deposited among the Participant and Additional
26 Unit Participants entitled to receive such reimbursement pro

1 rata in accordance with each Participant and Additional Unit
2 Participant's entitlement to reimbursement in respect of
3 such error, except that if any such Scherer Unit No. 3
4 Participant is then in default in respect of any payments
5 required to be made under this Agreement or the Operating
6 Agreement, an amount equal to such defaulting Scherer Unit
7 No. 3 Participant's share of the amount so deposited with
8 respect to such reimbursement shall be retained in the
9 Capital Account and distributed in accordance with the
10 provisions of Section 5(d), CAPITAL ACCOUNT, hereof.
11

12 In the event that such error is in respect of Common
13 Facility Cost of Construction, Georgia, as Agent, shall
14 promptly review the questioned charge or credit and shall
15 within 55 days following notice from a Participant or
16 Additional Unit Participant questioning or contesting such
17 charge or credit notify each Participant and Additional Unit
18 Participant of the amount of any error and the amount of
19 reimbursement, if any, that each Participant and Additional
20 Unit Participant is required to make or is entitled to
21 receive in respect of such error. Not later than the fifth
22 Business Day after receipt of such notice from Georgia, as
23 Agent, as to the amount of reimbursement each Participant
24 and Additional Unit Participant is required to make or is
25 entitled to receive, each Scherer Unit No. 3 Participant
26 (other than Georgia) required to make reimbursement shall

1 deposit the amount specified in such notice into the Capital
2 Account in immediately available funds. If the amount
3 deposited is insufficient to reimburse in full all
4 Participants and Additional Unit Participants entitled to
5 receive such reimbursement, then Georgia, as Agent, shall
6 distribute the amount so deposited among the Participants
7 and Additional Unit Participants entitled to receive such
8 reimbursement pro rata in accordance with each Participant's
9 and Additional Unit Participant's entitlement to
10 reimbursement in respect of such error, except that if any
11 such Scherer Unit No. 3 Participant is then in default in
12 respect of any payments required to be made under this
13 Agreement or the Operating Agreement, an amount equal to
14 such defaulting Scherer Unit No. 3 Participant's share of
15 the amount so deposited with respect to such reimbursement
16 shall be retained in the Capital Account and distributed in
17 accordance with the provisions of Section 5(d), CAPITAL
18 ACCOUNT, hereof.

19
20 Georgia shall have no responsibility or liability for
21 the failure of any Additional Unit Participant or
22 Participant (other than itself) to deposit funds as provided
23 in this Section 5(c), or Section 5(f), PAYMENTS TO BE MADE
24 FOLLOWING COMMERCIAL OPERATION, of the Units Ownership
25 Agreement.

26

1 Georgia, as Agent, will provide each Scherer Unit No. 3
2 Participant with such information as is reasonably required
3 by such Scherer Unit No. 3 Participant in order to account
4 for payments made pursuant to this Section 5(c) on such
5 Scherer Unit No. 3 Participant's books.
6

7 (d) Capital Account. Georgia, as Agent, shall establish
8 the Capital Account. All payments (for which provision is made
9 in Section 5(c), PAYMENT AND SETTLEMENT OF COST OF CONSTRUCTION,
10 hereof) of additional Cost of Construction, Common Coal Stockpile
11 Costs, Separate Coal Stockpile Costs and Other Fuel Costs
12 incurred by the Scherer Unit No. 3 Participants shall be
13 deposited by the Scherer Unit No. 3 Participants in the Capital
14 Account and unless the Scherer Unit No. 3 Participants shall
15 otherwise agree with respect to Discrete Scherer Unit No. 3 Cost
16 of Construction, or unless the Additional Unit Participants shall
17 otherwise agree with respect to Additional Unit Common Facility
18 Cost of Construction or unless the Participants and the
19 Additional Unit Participants shall otherwise agree with respect
20 to Common Facility Cost of Construction, Georgia, as Agent, shall
21 withdraw and apply funds from the Capital Account only as
22 necessary to pay additional Discrete Scherer Unit No. 3 Cost of
23 Construction, additional Additional Unit Common Facility Cost of
24 Construction or additional Common Facility Cost of Construction,
25 as the case may be, and Common Coal Stockpile Costs, Separate
26 Coal Stockpile Costs and Other Fuel Costs in accordance with the

1 provisions of Section 5(c), PAYMENT AND SETTLEMENT OF COST OF
2 CONSTRUCTION, hereof. In the event that during any month the
3 balance in the Capital Account is insufficient to pay such
4 additional Cost of Construction, Common Coal Stockpile Costs,
5 Separate Coal Stockpile Costs and Other Fuel Costs required to be
6 paid that month (other than as a result of the nonpayment by a
7 Scherer Unit No. 3 Participant of an amount due from it pursuant
8 to Section 5(c), PAYMENT AND SETTLEMENT OF COST OF CONSTRUCTION,
9 hereof), Georgia, as Agent, shall promptly so notify the other
10 Scherer Unit No. 3 Participants by telephone and telecopy of the
11 amount required to be paid by each Scherer Unit No. 3 Participant
12 and thereafter promptly confirm the same in writing, together
13 with a description of the cause of such deficit. Each of the
14 Scherer Unit No. 3 Participants shall pay its respective share of
15 such deficit into the Capital Account in immediately available
16 funds not later than on the fifth Business Day after receipt of
17 such notice from Georgia, as Agent. In the event the deficit is
18 with respect to Additional Unit Common Facility Cost of
19 Construction, Georgia, as Agent, shall, in addition, follow the
20 procedure specified in the first paragraph of Section 5(n),
21 CAPITAL ACCOUNT, of the Unit Four Operating Agreement. In the
22 event such deficit is with respect to Common Facility Cost of
23 Construction, Georgia shall, in addition, follow the procedure
24 specified in the third and fourth sentences of the first
25 paragraph of Section 5(g), CAPITAL ACCOUNT, of the Units
26 Ownership Agreement and in the first paragraph of Section 5(n),

1 CAPITAL ACCOUNT, of the Unit Four Operating Agreement. Georgia
2 shall have no responsibility or liability to make up any such
3 deficit out of its own funds in excess of its proportionate share
4 of such deficit which it may owe as a Participant or Additional
5 Unit Participant.

6
7 Until retirement of Scherer Unit No. 3 and settlement of all
8 obligations relating to Cost of Construction, Common Coal
9 Stockpile Costs, Separate Coal Stockpile Costs and Other Fuel
10 Costs, each Scherer Unit No. 3 Participant shall continue to own
11 and maintain its undivided ownership interest in the Capital
12 Account (other than amounts, if any, deposited in the Capital
13 Account pursuant to the second paragraph of subsection (ii) of
14 Section 5(c), PAYMENT AND SETTLEMENT OF COST OF CONSTRUCTION,
15 above, which amounts shall be owned solely by the Scherer Unit
16 No. 3 Participants, the Scherer Unit No. 4 Participants and the
17 Participants to whom such amounts are to be distributed as
18 provided in such paragraph); provided, however, that Georgia, as
19 Agent, shall have the sole right and authority to make
20 withdrawals from the Capital Account; and provided further, that
21 a Scherer Unit No. 3 Participant shall not own any undivided
22 ownership interest in any amount in the Capital Account in
23 respect of interest paid into such Capital Account by or on
24 behalf of such Scherer Unit No. 3 Participant pursuant to the
25 provisions of Section 5(f), NONPAYMENT, hereof, which amount
26 shall, if there is only one other Scherer Unit No. 3 Participant,

1 be owned entirely by such other Scherer Unit No. 3 Participant
2 and credited against payments required to be made into such
3 Capital Account by such other Scherer Unit No. 3 Participant in
4 the performance of its obligations under this Agreement, and
5 which amount shall, if there are three or more Scherer Unit No. 3
6 Participants, be owned in common by, and credited against
7 payments required to be made into such Capital Account by, the
8 other Scherer Unit No. 3 Participants not then in default in the
9 performance of their obligations under this Agreement (i) in the
10 proportion which their respective undivided ownership interests
11 in Scherer Unit No. 3 bear to the aggregate of their undivided
12 ownership interests in Scherer Unit No. 3 (as to amounts
13 deposited in the Capital Account with respect to Discrete Scherer
14 Unit No. 3 Cost of Construction), (ii) in the proportion which
15 their respective undivided ownership interest in the Additional
16 Unit Common Facilities bear to the aggregate of their undivided
17 ownership interests in the Additional Unit Common Facilities (as
18 to amounts deposited in the Capital Account with respect to
19 Additional Unit Common Facility Cost of Construction) and (iii)
20 in the proportion which their respective undivided ownership
21 interests in the Plant Scherer Common Facilities bear to the
22 aggregate of their undivided ownership interests in the Plant
23 Scherer Common Facilities (as to amounts deposited in the Capital
24 Account with respect to Common Facility Cost of Construction).
25 Georgia, as Agent, shall not commingle any funds deposited in any
26 Capital Account with any other funds owned or maintained by

1 Georgia unless, (i) as to amounts deposited in the Capital
2 Account with respect to Discrete Scherer Unit No. 3 Cost of
3 Construction, the Scherer Unit No. 3 Participants shall otherwise
4 agree, (ii) as to amounts deposited in the Capital Account with
5 respect to Additional Unit Common Facility Cost of Construction,
6 the Additional Unit Participants shall otherwise agree and
7 (iii) as to amounts deposited in the Capital Account with respect
8 to Common Facility Cost of Construction, the Participants and the
9 Additional Unit Participants shall otherwise agree.

10
11 Upon retirement of Scherer Unit No. 3 and settlement of all
12 obligations relating to Cost of Construction, Common Coal
13 Stockpile Costs, Separate Coal Stockpile Costs and Other Fuel
14 Costs, including, without limitation, all costs incurred in the
15 disposal of Scherer Unit No. 3, the Additional Unit Common
16 Facilities and the Plant Scherer Common Facilities, Georgia, as
17 Agent, shall close the Capital Account and distribute to each
18 Scherer Unit No. 3 Participant its undivided ownership interest
19 of any balance remaining in the Capital Account (exclusive of
20 amounts therein, if any, in which such Scherer Unit No. 3
21 Participant shall not own any undivided ownership interest),
22 except that if a Scherer Unit No. 3 Participant shall then be in
23 default with respect to any payment required to be made under
24 this Agreement or under the Operating Agreement, an amount equal
25 to the liability of such defaulting Scherer Unit No. 3
26 Participant on account of such default (or if such amount exceeds

1 such Scherer Unit No. 3 Participant's share of the balance in the
2 Capital Account, its entire share of such balance) shall first be
3 distributed to the nondefaulting Scherer Unit No. 3 Participant
4 or, if there is more than one nondefaulting Scherer Unit No. 3
5 Participant, to the nondefaulting Scherer Unit No. 3 Participants
6 in the proportion (i) which their respective undivided ownership
7 interests in Scherer Unit No. 3 bear to the aggregate of their
8 undivided ownership interests in Scherer Unit No. 3 (as to
9 amounts deposited in the Capital Account with respect to Discrete
10 Scherer Unit No. 3 Cost of Construction), (ii) which their
11 respective undivided ownership interests in the Additional Unit
12 Common Facilities bear to the aggregate of their undivided
13 ownership interests in the Additional Unit Common Facilities (as
14 to amounts deposited in the Capital Account with respect to
15 Additional Unit Common Facility Cost of Construction) and
16 (iii) which their respective undivided ownership interests in the
17 Plant Scherer Common Facilities bear to the aggregate of their
18 undivided ownership interests in the Plant Scherer Common
19 Facilities (as to amounts deposited in the Capital Account with
20 respect to Common Facility Cost of Construction).

21
22 (e) Availability of Records. Subject to the provisions of
23 Sections 4(h), RIGHT TO COPIES, and 4(i), CONFIDENTIALITY OF
24 INFORMATION, hereof, Georgia, as Agent, will at all times make
25 available to each Scherer Unit No. 3 Participant and its duly
26 authorized agents and representatives, and each Scherer Unit

1 No. 3 Participant and its duly authorized agents and
2 representatives may audit, all books and records regarding Cost
3 of Construction, Common Coal Stockpile Costs (which shall be made
4 available only to Common Coal Stockpile Participants), Separate
5 Coal Stockpile Costs (which shall be available only to each
6 Separate Coal Stockpile Participant with respect to its Separate
7 Coal Stockpile Costs) and Other Fuel Costs sufficient to allow it
8 to determine that such costs and expenditures attributed to
9 Scherer Unit No. 3, the Additional Unit Common Facilities, the
10 Plant Scherer Common Facilities, the Plant Scherer Coal
11 Stockpile, or any combination thereof by Georgia pursuant to
12 Section 5, OWNERSHIP, RIGHTS AND OBLIGATIONS, hereof or Section
13 3, AUTHORITY AND RESPONSIBILITY FOR OPERATION, of the Operating
14 Agreement as appropriate or as needed to satisfy requests from
15 Governmental Authorities. No payment made pursuant to the
16 foregoing provisions of this Section 5 or Section 3 of the
17 Operating Agreement shall constitute a waiver of any right of a
18 Scherer Unit No. 3 Participant to question or contest the
19 correctness of any charge or credit by Georgia, as Agent.

20
21 (f) Nonpayment.

22
23 (i) Payments due from a Scherer Unit No. 3
24 Participant hereunder not made when due shall bear interest
25 compounded monthly until paid, at a rate per annum equal to
26 the lesser of (A) the highest interest rate allowed by law

1 or (B) the higher of (1) a rate five percentage points above
2 the average yield on the issue of six-month United States
3 Treasury Bills, as reported by the Federal Reserve Bank of
4 New York, at the sale of such Treasury Bills by the United
5 States Treasury next preceding the due date of such payment,
6 or (2) a rate five percentage points above the highest of
7 the net interest costs on the most recent issue of bonds or
8 other long-term obligations by any Scherer Unit No. 3
9 Participant or the Agent. Such interest shall accrue and is
10 and shall be expressed in simple interest terms per annum in
11 accordance with §7-4-2(a) of the Official Code of Georgia
12 Annotated (1989).

13
14 (ii) A nonpaying Scherer Unit No. 3 Participant shall
15 have no right to any output of capacity and energy of
16 Scherer Unit No. 3 or to exercise any other right of a
17 Scherer Unit No. 3 Participant until all amounts overdue
18 from that Scherer Unit No. 3 Participant have been paid,
19 together with interest at the rate provided in subsection
20 (i) of this Section 5(f), into the Capital Account or to
21 another Scherer Unit No. 3 Participant if it has paid such
22 overdue amount on behalf of such nonpaying Scherer Unit
23 No. 3 Participant, as appropriate. Such overdue amounts,
24 together with such interest, shall be paid into the Capital
25 Account only to the extent that such amounts have not been
26 paid by another Scherer Unit No. 3 Participant pursuant to

1 the further provisions of this Section 5(f).
2 Notwithstanding any of the provisions of this Section 5(f),
3 if Georgia is the nonpaying Scherer Unit No. 3 Participant,
4 Georgia, as Agent for the other Scherer Unit No. 3
5 Participants, shall continue to renew, add, replace, modify,
6 manage, control, operate, maintain and dispose of Scherer
7 Unit No. 3, the Additional Unit Common Facilities, the Plant
8 Scherer Common Facilities and the Plant Scherer Coal
9 Stockpile in accordance with the provisions of this
10 Agreement and the Operating Agreement.

11
12 (iii) Any output of capacity and energy of Scherer
13 Unit No. 3 of any nonpaying Scherer Unit No. 3 Participant
14 may be sold or utilized by any nondefaulting Scherer Unit
15 No. 3 Participant and Georgia, as Agent, in the manner and
16 upon the terms and conditions set forth in Section 4(1),
17 NONPAYMENT, of the Operating Agreement.

18
19 (iv) In addition to the rights granted in this Section
20 5(f), Georgia, as Agent, a Scherer Unit No. 3 Participant or
21 Scherer Unit No. 3 Participants, as the case may be, may
22 take any action, in law or equity, to enforce this Agreement
23 and to recover for any loss or damage (including, without
24 limitation, consequential damages only with respect to
25 amounts owed relating to Plant Scherer Common Facilities,
26 Separate Coal Stockpile Costs, Common Coal Stockpile Costs

1 and Other Fuel Costs), including, without limitation,
2 attorneys' fees and collection costs, incurred by reason of
3 any default under this Agreement.
4

5 (v) In addition to all other rights of the Scherer
6 Unit No. 3 Participants pursuant to the foregoing provisions
7 of this Section 5(f), the other Scherer Unit No. 3
8 Participant or Scherer Unit No. 3 Participants shall have
9 the right, subject to the receipt of all requisite
10 regulatory approvals, but not the obligation, to make any
11 payment of interest or principal due and owing (A) to
12 Chemical Bank, as Trustee under Georgia's First Mortgage
13 Bonds, or other lender or trustee, as the case may be, if
14 any, from Georgia in respect of such First Mortgage Bonds,
15 or other bonds or notes for financing Georgia's obligations
16 hereunder, which Georgia fails to make when due, or (B) to
17 The Chase Manhattan Bank (National Association), as Trustee
18 under Gulf's First Mortgage Bonds, or other lender or
19 trustee, as the case may be, if any, from Gulf in respect of
20 such First Mortgage Bonds, or other bonds or notes for
21 financing Gulf's obligations hereunder, which Gulf fails to
22 make when due, or (C) to the corresponding lenders or
23 trustees from any other Scherer Unit No. 3 Participant
24 hereunder in respect of a financing of such Scherer Unit
25 No. 3 Participant's obligations hereunder, which such
26 Scherer Unit No. 3 Participant fails to make when due, and

1 in each such case to be promptly reimbursed in full therefor
2 by Georgia, Gulf or such other Scherer Unit No. 3
3 Participant, as the case may be, together with interest at
4 the rate provided in subsection (i) of this Section 5(f).
5

6 (vi) No remedy referred to in this Section 5(f) is
7 intended to be exclusive of any other remedy set forth in
8 this section, but every such remedy herein provided shall be
9 cumulative and may be exercised from time to time and as
10 often as may be deemed expedient except where the exercise
11 of any one of such remedies precludes its further exercise
12 or the exercise of any other remedy. No delay or failure to
13 exercise any remedy herein provided shall impair the right
14 to exercise any such remedy or be construed to be a waiver
15 of such right or of any default by a Scherer Unit No. 3
16 Participant or by the Agent. Notwithstanding the foregoing,
17 the remedies which are set forth in this Section 5(f) shall
18 constitute the sole and exclusive remedies of the Scherer
19 Unit No. 3 Participants, legal or equitable, for the failure
20 of any Scherer Unit No. 3 Participant to make any payment
21 when due under this Agreement; provided, however, that the
22 Scherer Unit No. 3 Participants agree and acknowledge that
23 the violation of any of their obligations to take action and
24 execute legal documents which may be reasonably requested by
25 a non-defaulting Scherer Unit No. 3 Participant or the Agent
26 as set forth in this Section 5(f) would cause irreparable

1 injury to the other Scherer Unit No. 3 Participant or
2 Scherer Unit No. 3 Participants or the Agent and that the
3 remedy at law for any violation or threatened violation
4 thereof would be inadequate, and agree that any
5 non-defaulting Scherer Unit No. 3 Participant or the Agent
6 shall be entitled to a temporary and permanent injunction or
7 other equitable relief specifically to enforce such
8 obligation without the necessity of proving the inadequacy
9 of its legal remedies.

10
11 (vii) Notwithstanding the other provisions of this
12 Section 5(f), any Scherer Unit No. 3 Participant who
13 disagrees with or disputes the amount of any payment claimed
14 by the Agent to be due pursuant to this Agreement shall make
15 such payment under protest and be reimbursed, together with
16 all accrued interest at the Prime Rate from the due date to
17 the date of payment, for any amount charged in error after
18 the settlement of such disagreement or dispute as provided
19 in Section 4(j), PAYMENT AND SETTLEMENT OF OPERATING COSTS,
20 of the Operating Agreement and Section 5(c), PAYMENT AND
21 SETTLEMENT OF COST OF CONSTRUCTION, hereof, as appropriate.

1 (g) Alienation and Assignment.
2

3 (i) Until the earlier of (A) 15 years after the
4 expiration of the term of the Operating Agreement with
5 respect to Scherer Unit No. 3 or (B) 20 years and 11 months
6 after the death of the last survivor of the now living
7 lineal descendants of Mrs. Rose F. Kennedy, mother of the
8 thirty-fifth President of the United States of America, no
9 Scherer Unit No. 3 Participant shall have the right to sell,
10 lease, convey, transfer, assign, encumber or alienate in any
11 manner whatsoever its ownership interest, or any portion or
12 portions thereof, in Scherer Unit No. 3, the Additional Unit
13 Common Facilities, the Plant Scherer Common Facilities or
14 any rights under this Agreement without first offering,
15 subject to all requisite regulatory approval, including,
16 without limitation, the SEC pursuant to the Public Utility
17 Holding Company Act of 1935, such sale, lease or conveyance
18 to the other Scherer Unit No. 3 Participants pro rata in
19 accordance with their respective undivided ownership
20 interests in Scherer Unit No. 3, upon the same terms and
21 conditions as the proposed sale, lease or conveyance to
22 another party (including another Scherer Unit No. 3
23 Participant, if any), which offer shall be made in the form
24 of a proposed contract and shall be open for acceptance by
25 the other Scherer Unit No. 3 Participants for a period of 60
26 days, and in the event such offer is accepted by all of the

1 other Scherer Unit No. 3 Participants, the offering Scherer
2 Unit No. 3 Participant and all of the other Scherer Unit
3 No. 3 Participants shall proceed to a closing pursuant to
4 the terms of the aforesaid contract in an expeditious
5 manner. In the event that there are three or more Scherer
6 Unit No. 3 Participants and such offer is accepted by one or
7 more but is not accepted by all of the other Scherer Unit
8 No. 3 Participants within the aforesaid 60-day period, the
9 offering Scherer Unit No. 3 Participant shall offer such
10 unaccepted portion to such of the other Scherer Unit No. 3
11 Participants who have accepted such original offer, and such
12 other Scherer Unit No. 3 Participants shall have 10 Business
13 Days to accept such offer with respect to such unaccepted
14 portion. In the event that any of such offers is not timely
15 accepted, the offering Scherer Unit No. 3 Participant shall
16 be entitled to consummate the proposed sale, lease or other
17 conveyance to such other party.

18
19 (ii) If the offering Scherer Unit No. 3 Participant
20 does not consummate the proposed sale, lease or other
21 conveyance of such interest to the other Scherer Unit No. 3
22 Participant or the other Scherer Unit No. 3 Participants, as
23 the case may be, within a period of one year after the date
24 of its offer pursuant to subsection (i) or if the offering
25 Scherer Unit No. 3 Participant does not consummate the
26 proposed sale, lease or other conveyance of such interest

1 within one year after the date of its offer to the other
2 Scherer Unit No. 3 Participants or Scherer Unit No. 3
3 Participants, no such sale, lease or other conveyance may be
4 consummated without re-offering the sale, lease or
5 conveyance pursuant to subsection (i). In no event shall
6 the offering Scherer Unit No. 3 Participant sell, lease or
7 convey such interest to any party (including, without
8 limitation, Georgia or another Scherer Unit No. 3
9 Participant) which is not financially responsible or do so
10 on any terms materially different from those set forth in
11 the aforesaid offer.
12

13 Each Scherer Unit No. 3 Participant shall notify the
14 other Scherer Unit No. 3 Participants in writing as soon as
15 possible after it learns that any lien or security interest
16 in respect of an obligation or liability in excess of
17 \$100,000 (other than a lien or security interest created by
18 such Scherer Unit No. 3 Participant as security for bonds or
19 other obligations issued or to be issued) has been or will
20 be imposed upon its undivided ownership interest in Scherer
21 Unit No. 3, the Additional Unit Common Facilities, the Plant
22 Scherer Common Facilities, the Plant Scherer Coal Stockpile
23 or any combination thereof or has reason to believe that
24 such a lien or security interest will be imposed. In the
25 event of any sale, conveyance, transfer, assignment or
26 alienation (other than solely as security for an

1 indebtedness) by one of the Scherer Unit No. 3 Participants
2 of its undivided ownership interest in Scherer Unit No. 3,
3 or any portion or portions thereof such Scherer Unit No. 3
4 Participant shall also sell to the transferee thereof and
5 such transferee shall purchase an equivalent portion of such
6 Scherer Unit No. 3 Participant's corresponding portion of
7 the Additional Unit Common Facilities and an equivalent
8 portion of such Scherer Unit No. 3 Participants
9 corresponding portion of the Plant Scherer Common Facilities
10 and, if the selling Scherer Unit No. 3 Participant is a
11 Common Coal Stockpile Participant, a corresponding portion
12 of the Common Coal Stockpile and as a condition precedent to
13 the consummation of such transactions such Scherer Unit
14 No. 3 Participant shall cause the transferee of such
15 interests in Scherer Unit No. 3, the Additional Unit Common
16 Facilities, the Plant Scherer Common Facilities, the Plant
17 Scherer Coal Stockpile or any combination thereof, to become
18 a party to this Agreement and assume the obligations of the
19 transferor hereunder in proportion to the interests so sold,
20 conveyed, transferred, assigned, or alienated, whereupon
21 such transferee shall be a Scherer Unit No. 3 Participant
22 and an Additional Unit Participant hereunder. Each of the
23 Scherer Unit No. 3 Participants hereby expressly waives and
24 renounces for the term of the Operating Agreement for
25 itself, its successors, transferees and assigns, all rights
26 as a tenant in common in Scherer Unit No. 3, in the

1 Additional Unit Common Facilities, in the Plant Scherer
2 Common Facilities and the Plant Scherer Coal Stockpile to
3 partition and to an accounting associated therewith.
4

5 (iii) Notwithstanding subsection (i) of this Section
6 5(g) each Scherer Unit No. 3 Participant shall have the
7 right to mortgage or to convey a security interest in its
8 undivided ownership interests in Scherer Unit No. 3, the
9 Additional Unit Common Facilities, the Plant Scherer Common
10 Facilities, the Plant Scherer Coal Stockpile or any
11 combination thereof as security for bonds or other
12 obligations issued or to be issued.
13

14 (iv) Notwithstanding any other provisions of this
15 Agreement to the contrary, each Scherer Unit No. 3
16 Participant shall have the right to sell, convey, transfer
17 or assign its undivided ownership interest, or any portion
18 or portions thereof, in Scherer Unit No. 3, the Additional
19 Unit Common Facilities, the Plant Scherer Common Facilities,
20 the Plant Scherer Coal Stockpile or any combination thereof,
21 to any governmental or political subdivision or authority in
22 connection with the financing of pollution control or solid
23 waste disposal facilities, or to enter into any financial
24 arrangements (including, without limitation, security
25 transactions) for the discharge of fossil fuel payment
26 obligations as contemplated in and subject to the provisions

1 of Section 3(d), FOSSIL FUEL, of the Operating Agreement,
2 without the consent of Georgia or the other Scherer Unit
3 No. 3 Participants and without complying with the provisions
4 of this Section 5(g). Any provision of this Agreement to
5 the contrary notwithstanding, no sale, lease, conveyance,
6 transfer, assignment or alienation whatsoever by Georgia of
7 any or all of its undivided ownership interest in the
8 Scherer Unit No. 3, the Additional Unit Common Facilities,
9 the Plant Scherer Common Facilities, the Plant Scherer Coal
10 Stockpile or any combination thereof, whether as security
11 for an indebtedness, in connection with the financing of
12 pollution control or solid waste disposal facilities or
13 otherwise, shall relieve Georgia of its obligations to act
14 as Agent hereunder and under the Operating Agreement for the
15 Scherer Unit No. 3 Participants in connection with Scherer
16 Unit No. 3, the Additional Unit Common Facilities, the Plant
17 Scherer Common Facilities and the Plant Scherer Coal
18 Stockpile.

19
20 (v) In the event any Scherer Unit No. 3 Participant
21 sells to any party (including, without limitation, Georgia
22 or another Scherer Unit No. 3 Participant) any undivided
23 ownership interests in Scherer Unit No. 3, the Additional
24 Unit Common Facilities, the Plant Scherer Common Facilities
25 and the Plant Scherer Coal Stockpile in accordance with the
26 provisions of subsection (i) of this Section 5(g) or

1 pursuant to any other provisions of this Agreement
2 authorizing such sale, such selling Scherer Unit No. 3
3 Participant's rights and obligations hereunder as a Scherer
4 Unit No. 3 Participant and co-owner of Scherer Unit No. 3,
5 the Additional Unit Common Facilities, the Plant Scherer
6 Common Facilities and the Plant Scherer Coal Stockpile,
7 including, without limitation, the obligation to make
8 payments of the Cost of Construction, Operating Costs,
9 Common Coal Stockpile Costs, Separate Coal Stockpile Costs
10 and Other Fuel Costs, shall be reduced to the extent of the
11 interests so sold, and the other Scherer Unit No. 3
12 Participants shall look solely to such purchaser for
13 performance of the corresponding obligations relating to the
14 interests sold.

15
16 (h) Damage or Destruction. Subject to the receipt of all
17 requisite approvals of any Governmental Authority having
18 jurisdiction:

19
20 (i) Decision to Repair or Reconstruct Scherer Unit
21 No. 3. In the event Scherer Unit No. 3 or any portion
22 thereof is damaged or destroyed, and the cost of repairs or
23 reconstruction is estimated to be fully covered by the
24 aggregate amount of insurance coverage procured and
25 maintained by the Agent on behalf of the Scherer Unit No. 3
26 Participants (less applicable deductibles) covering such

1 repairs or reconstruction, then, unless Scherer Unit No. 3
2 Participants owning in the aggregate more than 51% undivided
3 ownership interest in Scherer Unit No. 3 determine not to
4 repair or reconstruct Scherer Unit No. 3, Scherer Unit No. 3
5 shall be repaired or reconstructed.
6

7 (ii) Decision Not to Repair or Reconstruct Scherer
8 Unit No. 3. In the event Scherer Unit No. 3 or any portion
9 thereof is damaged or destroyed, and the cost of repairs or
10 reconstruction is estimated to be more than the aggregate
11 amount of insurance coverage procured and maintained by the
12 Agent on behalf of the Scherer Unit No. 3 Participants (less
13 applicable deductibles) covering such repairs or
14 reconstruction, then, unless Scherer Unit No. 3 Participants
15 owning in the aggregate more than 51% undivided ownership
16 interest in Scherer Unit No. 3 determine to repair or
17 reconstruct Scherer Unit No. 3, Scherer Unit No. 3 shall not
18 be repaired or reconstructed.
19

20 (iii) Decision to Repair or Reconstruct the Additional
21 Unit Common Facilities. In the event the Additional Unit
22 Common Facilities or any portion thereof are damaged or
23 destroyed, and the cost of repairs or reconstruction is
24 estimated to be fully covered by the aggregate amount of
25 insurance coverage procured and maintained by the Agent on
26 behalf of the Additional Unit Participants (less applicable

1 deductibles) covering such repairs or reconstruction, then,
2 unless Additional Unit Participants owning in the aggregate
3 more than 51% undivided ownership interest in the Additional
4 Unit Common Facilities determine not to repair or
5 reconstruct the Additional Unit Common Facilities, the
6 Additional Unit Common Facilities shall be repaired or
7 reconstructed.

8
9 (iv) Decision Not to Repair or Reconstruct the
10 Additional Unit Common Facilities. In the event the
11 Additional Unit Common Facilities or any portion thereof are
12 damaged or destroyed, and the cost of repairs or
13 reconstruction is estimated to be more than the aggregate
14 amount of insurance coverage procured and maintained by the
15 Agent on behalf of the Additional Unit Participants (less
16 applicable deductibles) covering such repairs or
17 reconstruction, then, unless Additional Unit Participants
18 owning in the aggregate more than 51% undivided ownership
19 interest in the Additional Unit Common Facilities determine
20 to repair or reconstruct the Additional Unit Common
21 Facilities, the Additional Unit Common Facilities shall not
22 be repaired or reconstructed.

23
24 (v) Decision to Repair or Reconstruct the Plant
25 Scherer Common Facilities. In the event the Plant Scherer
26 Common Facilities or any portion thereof are damaged or

1 destroyed, and the cost of repairs or reconstruction is
2 estimated to be fully covered by the aggregate amount of
3 insurance coverage procured and maintained by the Agent on
4 behalf of the Participants and Additional Unit Participants
5 (less applicable deductibles) covering such repairs or
6 reconstruction, then, unless Participants and Additional
7 Unit Participants owning at least an aggregate 76% undivided
8 ownership interest in the Plant Scherer Common Facilities
9 (which shall include MEAG, so long as MEAG owns at least a
10 15.1% undivided ownership interest in the Plant Scherer
11 Common Facilities) determine not to repair or reconstruct
12 the Plant Scherer Common Facilities, the Plant Scherer
13 Common Facilities shall be repaired or reconstructed.

14
15 (vi) Decision Not to Repair or Reconstruct the Plant
16 Scherer Common Facilities. In the event the Plant Scherer
17 Common Facilities or any portion thereof are damaged or
18 destroyed, and the cost of repairs or reconstruction is
19 estimated to be more than the aggregate amount of insurance
20 coverage procured and maintained by the Agent on behalf of
21 the Participants and Additional Unit Participants (less
22 applicable deductibles) covering such repairs or
23 reconstruction, then, unless Participants and Additional
24 Unit Participants owning at least an aggregate 76% undivided
25 ownership interest in the Plant Scherer Common Facilities
26 (which shall include MEAG, so long as MEAG owns at least a

1 15.18 undivided ownership interest in the Plant Scherer
2 Common Facilities) determine to repair or reconstruct the
3 Plant Scherer Common Facilities, the Plant Scherer Common
4 Facilities shall not be repaired or reconstructed.
5

6 (vii) Reimbursement of the Repairing or Reconstructing
7 Participants and Additional Unit Participants. If as a
8 result of the preceding subsections (i) through (vi),
9 Scherer Unit No. 3, the Additional Unit Common Facilities,
10 the Plant Scherer Common Facilities or any combination of
11 them are not to be repaired or reconstructed but one or more
12 Scherer Unit No. 3 Participants, Additional Unit
13 Participants or Participants desire the repair or
14 reconstruction thereof, Scherer Unit No. 3, the Additional
15 Unit Common Facilities, the Plant Scherer Common Facilities
16 or any combination thereof, as the case may be, shall be
17 repaired or reconstructed; provided, however, that the
18 Scherer Unit No. 3 Participants, Additional Unit
19 Participants or Participants desiring to repair or
20 reconstruct Scherer Unit No. 3, the Additional Unit Common
21 Facilities or the Plant Scherer Common Facilities, as the
22 case may be, shall bear the full cost of such repair or
23 reconstruction (after taking into account available
24 insurance proceeds of such Scherer Unit No. 3 Participants,
25 Additional Unit Participants and Participants); and provided
26 further, that if any other Scherer Unit No. 3 Participant,

1 Additional Unit Participant or Participant should thereafter
2 desire to obtain its entitlement of energy from its Unit or
3 Additional Unit but would not have been able to obtain such
4 entitlement but for the repairs or reconstruction effected
5 pursuant to this paragraph (vii), such other Scherer Unit
6 No. 3 Participant, Additional Unit Participant or
7 Participant shall reimburse the repairing or reconstructing
8 Scherer Unit No. 3 Participants, Additional Unit
9 Participants or Participants their pro rata share of the net
10 book value of the costs of such repairs or reconstruction,
11 which shall include the cost of capital actually incurred,
12 of such repairing or reconstructing Scherer Unit No. 3
13 Participant, Additional Unit Participant or Participant.

14
15 (i) Taxes. To the extent possible, each Scherer Unit No. 3
16 Participant shall separately report, file returns with respect
17 to, be responsible for and pay all real property, franchise,
18 business, or other taxes or fees (except payroll taxes for
19 Georgia employees and sales or use taxes for items purchased by
20 Georgia, as Agent, and except to the extent that Georgia and
21 Gulf, as subsidiaries of The Southern Company, file or have filed
22 on their behalf consolidated income tax returns), arising out of
23 its undivided ownership interest in Scherer Unit No. 3, the
24 Additional Unit Common Facilities, the Plant Scherer Common
25 Facilities and the Plant Scherer Coal Stockpile; provided,
26 however, that to the extent that such taxes or fees may be levied

1 on or assessed against Scherer Unit No. 3, the Additional Unit
2 Common Facilities, the Plant Scherer Common Facilities, the Plant
3 Scherer Coal Stockpile, their operation, or the Scherer Unit
4 No. 3 Participants in such a manner so as to make impossible the
5 carrying out of the foregoing provisions of this Section 5(i), or
6 upon mutual agreement of the Scherer Unit No. 3 Participants,
7 such taxes or fees shall be considered a Cost of Construction and
8 paid from the Capital Account in accordance with the provisions
9 of Section 5(c), PAYMENT AND SETTLEMENT OF COST OF CONSTRUCTION
10 hereof, but in no event shall any taxes or fees from the payment
11 of which any Scherer Unit No. 3 Participant is exempt by law be
12 considered a Cost of Construction.

13
14 (j) Insurance. Except as may otherwise be provided in the
15 Plant Scherer Managing Board Agreement or the Operating
16 Agreement, during the period of its operation of Scherer Unit No.
17 3, the Additional Unit Common Facilities and the Plant Scherer
18 Common Facilities, Georgia shall carry in the name of the
19 Participants and Additional Unit Participants, as their interests
20 appear, insurance covering workers' compensation which shall
21 include employers' liability, general public liability and
22 property, in such amounts and with such deductible or self-
23 insurance features as is consistent with Georgia's customary
24 practices. The aggregate cost of all such insurance shall be
25 considered Operating Costs and shall be paid as such pursuant to
26 Section 4(h), SHARING OF COSTS - GENERAL, of the Operating Agreement.

1 Georgia shall promptly provide copies of all insurance
2 policies, and make available all notices with respect thereto to
3 the other Scherer Unit No. 3 Participants for insurance carried
4 by Georgia pursuant to this Section 5(j). Each other Participant
5 and Additional Unit Participant may also maintain additional or
6 other insurance, at its own cost and expense, which it deems
7 necessary or advisable to protect its respective interest in any
8 one or more of the Units, the Additional Units, the Additional
9 Unit Common Facilities, the Plant Scherer Common Facilities or
10 any combination thereof provided that such additional insurance
11 does not reduce or diminish in any way the coverage of the
12 insurance procured and maintained by Georgia pursuant to this
13 Section 5(j).

14
15 (k) Fossil Fuel. Subject to amendment of the other Plant
16 Scherer Participation Agreements to be consistent with the
17 following provisions, Georgia and Gulf agree as follows:

18
19 (i) Except as otherwise agreed by the Common Coal
20 Stockpile Participants or as otherwise provided in Sections
21 3(e), COMMON COAL STOCKPILE AND SEPARATE COAL
22 STOCKPILES, 4(b), SCHEDULING AND DISPATCHING, and 4(d),
23 COMMON COAL STOCKPILE COSTS, SEPARATE COAL STOCKPILE COSTS
24 AND OTHER FUEL COSTS, of the Operating Agreement, the Common
25 Coal Stockpile Participants shall pay Common Coal Stockpile
26 Costs and shall own coal in the Common Coal Stockpile in

1 proportion to their respective undivided ownership interests
2 in the Common Coal Stockpile.

3
4 (ii) Except as otherwise agreed to by the Participants
5 and Additional Unit Participants or as otherwise provided in
6 Sections 3(e) COMMON COAL STOCKPILE AND SEPARATE COAL
7 STOCKPILES, 4(b), SCHEDULING AND DISPATCHING, and 4(d),
8 COMMON COAL STOCKPILE COSTS, SEPARATE COAL STOCKPILE COSTS
9 AND OTHER FUEL COSTS, of the Operating Agreement, each
10 Separate Coal Stockpile Participant shall pay all Separate
11 Coal Stockpile Costs which are properly and reasonably
12 allocable to such Separate Coal Stockpile Participant's
13 Separate Coal Stockpile, determined in accordance with
14 Georgia's standard accounting practices which shall comply
15 with the Uniform System of Accounts in effect from time to
16 time except as provided pursuant to subsection (viii) of
17 Section 5(m), COMMON COAL STOCKPILE AND SEPARATE COAL
18 STOCKPILES, hereof.

19
20 (iii) Except as otherwise agreed to by the
21 Participants and Additional Unit Participants or as
22 otherwise provided in Sections 3(e) COMMON COAL STOCKPILE
23 AND SEPARATE COAL STOCKPILES, 4(b), SCHEDULING AND
24 DISPATCHING, and 4(d), COMMON COAL STOCKPILE COSTS, SEPARATE
25 COAL STOCKPILE COSTS AND OTHER FUEL COSTS, of the Operating
26 Agreement, the Participants and Additional Unit Participants

1 shall pay Other Fuel Costs and shall own fossil fuel (other
2 than coal allocated to the Common Coal Stockpile and to the
3 Separate Coal Stockpiles) in proportion to their respective
4 Pro Forma Ownership Interest in Plant Scherer.

5
6 (l) Pollution Control and Other Facilities. The Scherer
7 Unit No. 3 Participants and the Agent shall cooperate with each
8 other in any financing undertaken by a Scherer Unit No. 3
9 Participant on its own behalf of its respective interest in
10 certain facilities and equipment located at the Plant Scherer
11 site for the control of environmental pollution and for such
12 other purposes or facilities as tax-exempt bonds may be issued
13 from time to time through the issuance by the Development
14 Authority of Monroe County, or its successors or assigns or any
15 other political subdivision or authority, of its industrial
16 revenue notes or bonds, or both, the interest on which will be
17 excluded from gross income for Federal income tax purposes.

18
19 (m) Common Coal Stockpile and Separate Coal Stockpiles.
20 Subject to amendment of the other Plant Scherer Participation
21 Agreements to be consistent with the following provisions,
22 Georgia and Gulf agree as follows:

23
24 (i) In order to provide for the ownership by the
25 Participants and the Additional Unit Participants of
26 interests in a Common Coal Stockpile and to provide for the

1 sharing among the Participants and Additional Unit
2 Participants of Common Coal Stockpile Costs, the Scherer
3 Unit No. 3 Participants agree that initially, all
4 Participants and all Additional Unit Participants shall
5 participate in the Common Coal Stockpile.
6

7 Georgia, as Agent, shall cause an adjustment to be made
8 to the account of each Common Coal Stockpile Participant (A)
9 so that the quantity of coal in the Common Coal Stockpile
10 shall thereafter be allocated to the Common Coal Stockpile
11 Participants according to such Common Coal Stockpile
12 Participant's percentage undivided ownership interest in the
13 Common Coal Stockpile as set forth in the following
14 sentence, and (B) so that the average cost per ton or,
15 following a division of the Plant Scherer Coal Stockpile
16 into the Common Coal Stockpile and one or more Separate Coal
17 Stockpiles pursuant to subsection (iii) of this Section
18 5(m), the average cost per Btu of the coal in the Common
19 Coal Stockpile is the same for each Common Coal Stockpile
20 Participant, with appropriate charges and credits to be made
21 to the accounts of such Common Coal Stockpile Participants,
22 all in accordance with Georgia's standard accounting
23 practices which shall comply with the Uniform System of
24 Accounts in effect from time to time except as provided in
25 subsection (viii) of this Section 5(m). Following each such
26 allocation, each Common Coal Stockpile Participant shall own

1 a percentage undivided ownership interest in the Common Coal
2 Stockpile in the proportion that such Common Coal Stockpile
3 Participant's Pro Forma Ownership Interest in Plant Scherer
4 bears to the aggregate of all Common Coal Stockpile
5 Participants' Pro Forma Ownership Interest in Plant Scherer.
6

7 (ii) All Common Coal Stockpile Costs incurred in
8 connection with the Common Coal Stockpile shall be allocated
9 among the Common Coal Stockpile Participants at the time
10 such Common Coal Stockpile Costs are incurred in the same
11 respective percentages of each Common Coal Stockpile
12 Participant's undivided ownership interest from time to time
13 in the Common Coal Stockpile at that particular time and,
14 subject to the provisions of Sections 3(e), COMMON COAL
15 STOCKPILE AND SEPARATE COAL STOCKPILES, 4(b), SCHEDULING AND
16 DISPATCHING, and 4(d), COMMON COAL STOCKPILE COSTS, SEPARATE
17 COAL STOCKPILE COSTS AND OTHER FUEL COSTS, of the Operating
18 Agreement, the Common Coal Stockpile Costs shall be paid as
19 provided in Sections 5(c), PAYMENT AND SETTLEMENT OF COST OF
20 CONSTRUCTION, hereof and Section 3(d), FOSSIL FUEL, of the
21 Operating Agreement; provided, however, that at the end of
22 each calendar month, Georgia, as Agent, shall cause an
23 adjustment to be made among the Common Coal Stockpile
24 Participants in accordance with the amount of coal (or,
25 following a division of the Plant Scherer Coal Stockpile
26 into the Common Coal Stockpile and one or more Separate Coal

1 Stockpiles pursuant to subsection (iii) of this Section
2 5(m), the amount of Btus) actually consumed by each of the
3 Common Coal Stockpile Participant's undivided ownership
4 interest in each of the Units and each of the Additional
5 Units, all in accordance with Georgia's standard accounting
6 practices which shall comply with the Uniform System of
7 Accounts in effect from time to time except as provided in
8 subsection (viii) of this Section 5(m).

9
10 All Other Fuel Costs incurred in connection with the
11 Units and the Additional Units shall be allocated among the
12 Participants and Additional Unit Participants at the time
13 such Other Fuel Costs are incurred in the same respective
14 percentages of each Participant's and Additional Unit
15 Participant's Pro Forma Ownership Interest in Plant Scherer
16 at that particular time and, the Other Fuel Costs shall be
17 paid as provided in Sections 3(d), FOSSIL FUEL, and 4(d),
18 COMMON COAL STOCKPILE COSTS, SEPARATE COAL STOCKPILE COSTS
19 AND OTHER FUEL COSTS, of the Operating Agreement; provided,
20 however, that at the end of each calendar month, Georgia
21 shall cause an adjustment to be made among the Participants
22 and Additional Unit Participants in accordance with the
23 amount of fuel (other than coal) actually consumed by each
24 of the Participants and Additional Unit Participants all in
25 accordance with Georgia's standard accounting practices

1 which shall comply with the Uniform System of Accounts in
2 effect from time to time.

3
4 (iii) Each Participant (other than Georgia) and each
5 Additional Unit Participant (other than Georgia) may elect
6 to discontinue participation in the Common Coal Stockpile by
7 delivery of written notice to Georgia of such election not
8 later than 30 days following OPC's receipt of approval of
9 Amendment Number Four to the Units Ownership Agreement from
10 the Administrator of the Rural Electrification
11 Administration. No later than six months following the date
12 of the first election by a Separate Coal Stockpile
13 Participant, Georgia, as Agent for the Participants and
14 Additional Unit Participants, shall cause an adjustment to
15 be made to the Common Coal Stockpile and to the account of
16 each Separate Coal Stockpile Participant so that (X) the
17 quantity of coal remaining in the Common Coal Stockpile will
18 equal the undivided ownership interests of the remaining
19 Common Coal Stockpile Participants and so that the quantity
20 of coal in each Separate Coal Stockpile Participant's
21 account will equal its undivided ownership interest in the
22 Common Coal Stockpile at the time such adjustment is made,
23 and (Y) the average cost per ton and average cost per Btu
24 for the Common Coal Stockpile and for each Separate Coal
25 Stockpile are the same. Georgia shall notify each of the
26 Participants and Additional Unit Participants immediately

1 after such an adjustment has been made of (1) the quantity
2 of coal in the Common Coal Stockpile and in each Separate
3 Coal Stockpile and (2) the average cost per ton and average
4 cost per Btu for the Common Coal Stockpile and for each
5 Separate Coal Stockpile. Thereafter, each Separate Coal
6 Stockpile Participant shall be entitled only to use coal
7 available in its Separate Coal Stockpile account for the
8 operation of its undivided ownership interests in the Units
9 and the Additional Units, and the remaining Common Coal
10 Stockpile Participants shall be entitled to use only coal
11 available in the account of the Common Coal Stockpile for
12 the operation of their undivided ownership interests in the
13 Units and the Additional Units. Except as otherwise
14 provided in subsection (ii) of this Section 5(m), no
15 Participant or Additional Unit Participant shall be required
16 to sell or otherwise supply coal to any other Participant or
17 Additional Unit Participant; provided, however, Georgia, as
18 Agent for the Common Coal Stockpile Participants, and each
19 Separate Coal Stockpile Participant may buy, sell, trade or
20 otherwise supply coal in the Plant Scherer Coal Stockpile
21 from their respective accounts to one another upon such
22 terms as they may agree and upon prior written notice to
23 Georgia; provided, however, that all offers to sell coal by
24 a Common Procurement Participant must be offered to all of
25 the Common Procurement Participants on the same basis as an
26 Offer under a Common Procurement. There shall be allocated

1 to each Separate Coal Stockpile Participant's account a
2 portion of subsequent deliveries and associated costs
3 (including, without limitation, "buy-out" costs, if any)
4 from coal contracts identified in Exhibit A to the Operating
5 Agreement (the "Existing Contracts") existing on September
6 1, 1990 equal to such Separate Coal Stockpile Participant's
7 Pro Forma Ownership Interest in Plant Scherer, and there
8 shall be allocated to each Separate Coal Stockpile
9 Participant's account all coal procured on behalf of such
10 Separate Coal Stockpile Participant by Georgia pursuant to
11 Section 3(d), FOSSIL FUEL, of the Operating Agreement or
12 procured by such Separate Coal Stockpile Participant
13 pursuant to the applicable subsections of Section 3(c),
14 SEPARATE FUEL PROCUREMENT, of the Operating Agreement;
15 provided, however, that there shall not be added to any
16 Separate Coal Stockpile Participant's account any additional
17 quantities of coal from Existing Contracts, over and above
18 the deliveries called for from the Existing Contracts, as a
19 result of amendments or modifications to the Existing
20 Contracts after September 1, 1990 without the approval of
21 the Plant Scherer Managing Board by vote of Participants and
22 Additional Unit Participants owning an aggregate of at least
23 85% Pro Forma Ownership Interests in Plant Scherer.
24 Georgia, as Agent, shall account for all coal allocated to
25 the account of each Separate Coal Stockpile Participant and
26 for coal consumed by such Separate Coal Stockpile

1 Participant's undivided ownership interests in the Units and
2 the Additional Units, all in accordance with Georgia's
3 standard accounting practices which shall comply with the
4 Uniform System of Accounts in effect from time to time
5 except as provided in subsection (viii) of this Section
6 5(m). No Separate Coal Stockpile Participant nor any
7 purchaser of an undivided ownership interest in the Units or
8 the Additional Units from a Separate Coal Stockpile
9 Participant may elect to become a Common Coal Stockpile
10 Participant without the written consent of a majority of the
11 Pro Forma Ownership Interest in Plant Scherer of then
12 remaining Common Coal Stockpile Participants, including,
13 without limitation, Georgia as long as Georgia is a
14 Participant or an Additional Unit Participant.
15

16 (iv) Except as otherwise provided in subsection (vi)
17 of this Section 5(m), unless otherwise agreed to by
18 Participants and Additional Unit Participants owning in the
19 aggregate at least an 85% Pro Forma Ownership Interest in
20 Plant Scherer, the Scherer Unit No. 3 Participants recognize
21 and agree, as among themselves and for the benefit of the
22 Participants and the other Additional Unit Participants,
23 that the division of the Common Coal Stockpile and each
24 Separate Coal Stockpile is for the purposes only of
25 accounting, payment and settlement of costs and entitlement
26 to use; that there will be no physical separation of coal at

1 Plant Scherer among the Common Coal Stockpile and the
2 Separate Coal Stockpiles and that the Common Coal Stockpile
3 and the Separate Coal Stockpiles will be physically combined
4 and commingled into one common coal stockpile at Plant
5 Scherer; and that existing coal and future deliveries of
6 coal at Plant Scherer allocated among the Common Coal
7 Stockpile and the Separate Coal Stockpiles will all be
8 physically commingled and may be used for the operation of
9 the undivided ownership interests of any Participant or
10 Additional Unit Participant so long as the account of such
11 Participant or Additional Unit Participant demonstrates that
12 there is sufficient coal credited to its account for such
13 operation. Nothing in this subsection (iv) of Section 5(m)
14 shall preclude Participants and Additional Unit Participants
15 owning in the aggregate at least an 85% Pro Forma Ownership
16 Interest in Plant Scherer from agreeing, upon such terms and
17 conditions as they may agree to, to physically separate the
18 Plant Scherer Coal Stockpile in the future.

19
20 (v) All discrepancies between the book inventory and
21 the physical inventory of the Plant Scherer Coal Stockpile
22 shall be charged or credited, as appropriate, among the
23 Common Coal Stockpile and the Separate Coal Stockpiles and
24 to the respective accounts of each Participant and each
25 Additional Unit Participant in accordance with the amount of
26 coal actually consumed by the undivided ownership interests

1 of each Participant and each Additional Unit Participant
2 during the physical inventory period to which such
3 discrepancy relates, all as determined in accordance with
4 Georgia's standard accounting practices which shall comply
5 with the Uniform System of Accounts in effect from time to
6 time except as provided in subsection (viii) of this Section
7 5(m).

8
9 (vi) In the event Georgia should be removed as Agent
10 for the Participants with respect to any Unit, the Plant
11 Scherer Common Facilities or both, the Additional Unit
12 Participants shall have the right at any time thereafter, by
13 vote of whatever percentage such Additional Unit
14 Participants may agree to, not to utilize the Plant Scherer
15 Coal Stockpile, the Common Coal Stockpile, or both, and, in
16 such event, none of the other provisions contained in this
17 Section 5(m) shall thereafter apply to the Additional Units
18 or the Additional Unit Participants; provided, however, that
19 the Additional Unit Participants shall not be released from
20 paying Common Coal Stockpile Costs and Separate Coal
21 Stockpile Costs for which such Additional Unit Participants
22 are otherwise obligated under this Section 5(m).

23
24 (vii) Georgia and each of the other Common Coal
25 Stockpile Participants or any purchaser of an undivided
26 ownership interest in the Units or the Additional Units may

1 enter into whatever other arrangements Georgia and such
2 other Common Coal Stockpile Participant (or purchaser) may
3 agree to with respect to such Common Coal Stockpile
4 Participant's (or purchaser's) ownership interest in the
5 Common Coal Stockpile, including, without limitation, the
6 creation of further Separate Coal Stockpiles without
7 requiring the consent of any other Participant or Additional
8 Unit Participant, so long as such arrangement provides for
9 Common Coal Stockpile Costs to be paid as contemplated by
10 this Agreement and the Operating Agreement.

11
12 (viii) If on or prior to 30 days following OPC's
13 receipt of approval of Amendment Number Four to the Units
14 Ownership Agreement from the Administrator of the Rural
15 Electrification Administration, any Participant or
16 Additional Unit Participant exercises its election to become
17 a Separate Coal Stockpile Participant, then within six
18 months following the date of the first election by a
19 Separate Coal Stockpile Participant, Georgia, as Agent,
20 shall develop written procedures for Separate Coal Stockpile
21 accounting and Common Coal Stockpile accounting and shall
22 submit such procedures to the Plant Scherer Managing Board
23 which shall adopt such procedures by vote of Participants
24 and Additional Unit Participants owning at least an
25 aggregate 85% Pro Forma Ownership Interest in Plant Scherer
26 within two months of submission or which shall revise such

1 procedures, such revisions to be approved by Participants
2 and Additional Unit Participants owning at least an
3 aggregate 85% Pro Forma Ownership Interest in Plant Scherer.
4 In the absence of such adoption or approval of revisions
5 within two months of submission, the procedures submitted by
6 Georgia, as Agent, shall go into effect as the procedures
7 adopted by the Plant Scherer Managing Board and may be
8 revised thereafter only by approval of such revisions by
9 Participants and Additional Unit Participants owning at
10 least an aggregate 76% Pro Forma Ownership Interest in Plant
11 Scherer.

12
13 6. Certain Additional Agreements Among the Scherer Unit
14 No. 3 Participants. Georgia, as Agent, and the Scherer Unit
15 No. 3 Participants hereby mutually covenant and agree as follows:

16
17 (a) No Adverse Distinction. Notwithstanding any other
18 provision of this Agreement, in discharging their respective
19 responsibilities pursuant to this Agreement, neither Georgia, as
20 Agent (which shall include Georgia, as Agent, for the Additional
21 Unit Common Facilities and for the Plant Scherer Common
22 Facilities whether or not it is also then Agent for Scherer Unit
23 No. 3) or as a Scherer Unit No. 3 Participant, nor any other
24 Scherer Unit No. 3 Participant, shall make any adverse
25 distinction between Scherer Unit No. 3, the Additional Unit
26 Common Facilities, the Plant Scherer Common Facilities or any of

1 them, on the one hand, and any other generating unit or common
2 facilities in which it has an interest, on the other hand,
3 because of its co-ownership of Scherer Unit No. 3, the Additional
4 Unit Common Facilities or the Plant Scherer Common Facilities
5 with the other Additional Unit Participants and the Participants.
6

7 (b) Cooperation. The Scherer Unit No. 3 Participants and
8 Georgia, as Agent, will cooperate with each other in all
9 activities relating to Scherer Unit No. 3, the Additional Unit
10 Common Facilities, the Plant Scherer Common Facilities and the
11 Plant Scherer Coal Stockpile, or any combination thereof,
12 including, without limitation, the execution and filing of
13 applications for authorizations, permits and licenses, fuel
14 procurement and the execution of such other documents as may be
15 reasonably necessary to carry out the provisions of this
16 Agreement. Without Georgia's written consent, no other Scherer
17 Unit No. 3 Participant shall incur any obligation in connection
18 with Scherer Unit No. 3, the Additional Unit Common Facilities,
19 the Plant Scherer Common Facilities, the Plant Scherer Coal
20 Stockpile or any combination thereof which would or could
21 obligate Georgia to any third party.
22

23 (c) Environmental Matters. The Scherer Unit No. 3
24 Participants acknowledge and agree that Georgia, as Agent, shall
25 acquire, construct and complete the Units and the Plant Scherer
26 Common Facilities, pursuant to the Units Ownership Agreement, in

1 such a manner as to maximize preservation of beauty, conservation
2 of natural resources and minimize marring and scarring of the
3 landscape and silting of streams. Georgia, as Agent, in the
4 performance of such work shall use its reasonable best efforts
5 not to deposit trash in streams or waterways, and not to deposit
6 herbicides or other chemicals or their containers in or near
7 streams or waterways or pastures. Similarly, in performing its
8 duties and obligations as agent under the Units Ownership
9 Agreement, Georgia, as Agent, shall use its reasonable best
10 efforts to comply with the representations set forth in the Final
11 Environmental Impact Statement prepared by the Rural
12 Electrification Administration with respect to Plant Scherer.

13
14 (d) Safety. The Scherer Unit No. 3 Participants
15 acknowledge and agree that in the acquisition, construction and
16 completion of the Units and the Plant Scherer Common Facilities
17 pursuant to the Units Ownership Agreement, Georgia shall at all
18 times take all reasonable precautions for the safety of employees
19 on the work and of the public, and shall comply with all
20 applicable provisions of Federal, State, and Municipal safety
21 laws and building and construction codes, including, without
22 limitation, all regulations of the Occupational Safety and Health
23 Administration.

24
25 (e) Buy America. The Scherer Unit No. 3 Participants
26 acknowledge and agree that Georgia is required, upon request of

1 OPC or the Administrator of the Rural Electrification
2 Administration, to provide OPC and the Administrator with such
3 information, documents and certificates as may be requested with
4 respect to any articles, material and supplies acquired or to be
5 acquired in connection with construction of the Units and the
6 Plant Scherer Common Facilities. The Scherer Unit No. 3
7 Participants agree that in the acquisition, construction and
8 completion of the Units and the Plant Scherer Common Facilities,
9 Georgia shall take all actions which OPC or the Administrator
10 shall require with respect to the use of only such unmanufactured
11 articles, materials and supplies as have been mined or produced
12 in the United States, and only such manufactured articles,
13 materials and supplies as have been manufactured in the United
14 States substantially all from articles, materials or supplies
15 mined, produced or manufactured, as the case may be, in the
16 United States.

17
18 Georgia agrees to provide the other Scherer Unit No. 3
19 Participants with so much of the benefit of the indemnity
20 agreement made by OPC pursuant to Section 6(g), BUY AMERICA, of
21 the Units Ownership Agreement as OPC may owe to such other
22 Scherer Unit No. 3 Participants pursuant to such section in
23 respect of the Plant Scherer Common Facilities.

24
25 (f) "Kick-Backs". The Scherer Unit No. 3 Participants
26 acknowledge and agree that in the acquisition, construction and

1 completion of the Units and the Plant Scherer Common Facilities,
2 pursuant to the Units Ownership Agreement, Georgia is required to
3 comply with all applicable statutes, ordinances, rules and
4 regulations pertaining to the work, and that Georgia has
5 acknowledged that it is familiar with the Rural Electrification
6 Act of 1936, as amended, the so-called "Kick-Back" Statute
7 (48 Stat. 948), and regulations issued pursuant thereto, and
8 18 U.S.C. 287, 1001, as amended.

9
10 (g) Equal Opportunity and No Segregation. The Scherer Unit
11 No. 3 Participants acknowledge and agree that Georgia, in the
12 performance of its obligations under the Units Ownership
13 Agreement, is obligated pursuant to certain equal opportunity and
14 "no segregation" provisions contained in Section 6(i), EQUAL
15 OPPORTUNITY CLAUSE, and 6(j), NO SEGREGATION, thereof and in
16 accordance with the terms thereof.

17
18 (h) Priority of the Units Ownership Agreement and the Units
19 Operating Agreement. In the event of any conflict between the
20 provisions of this Agreement and the Operating Agreement, on the
21 one hand, and the provisions of the Units Ownership Agreement and
22 the Units Operating Agreement, on the other hand, with respect to
23 the respective rights and obligations of the Scherer Unit No. 3
24 Participants and of the other Additional Unit Participants, on
25 the one hand, and the respective rights and obligations of the
26 Participants, on the other hand, pertaining to the Plant Scherer

1 Common Facilities, the Plant Scherer Coal Stockpile, the
2 procurement and payment for fuel, or all of the foregoing, the
3 applicable provisions of the Units Ownership Agreement, the Units
4 Operating Agreement, or both, shall control. Gulf hereby
5 acknowledges the receipt of a copy of the Units Ownership
6 Agreement and the Units Operating Agreement.

7
8 Each of Georgia and Gulf, in its respective capacity as an
9 Additional Unit Participant, hereby makes OPC, MEAG, Dalton,
10 Georgia, FPL and JEA third-party beneficiaries of Georgia's and
11 Gulf's respective obligations under this Agreement and the
12 Operating Agreement with respect to the Plant Scherer Common
13 Facilities and the Plant Scherer Coal Stockpile to the extent,
14 and only to the extent, that each of Georgia and Gulf, as an
15 Additional Unit Participant, is a third-party beneficiary of
16 OPC's, MEAG's, Dalton's, Georgia's, FPL's and JEA's respective
17 obligations under the Units Ownership Agreement, the Units
18 Operating Agreement, the Unit Four Ownership Agreement and the
19 Unit Four Operating Agreement with respect to the Plant Scherer
20 Common Facilities and the Plant Scherer Coal Stockpile, except
21 that neither Georgia or Gulf, in its respective capacity as an
22 Additional Unit Participant, shall be deemed a Participant within
23 the meaning of the Units Ownership Agreement and the Units
24 Operating Agreement.

25

1 Each of Georgia and Gulf in its capacity as a Scherer Unit
2 No. 3 Participant, hereby makes Georgia, FPL and JEA third-party
3 beneficiaries of Georgia's and Gulf's respective obligations
4 under this Agreement and the Operating Agreement with respect to
5 the Additional Unit Common Facilities to the extent, and only to
6 the extent, that each of Georgia and Gulf, in its capacity as a
7 Scherer Unit No. 3 Participant, is a third-party beneficiary of
8 Georgia's, FPL's and JEA's obligations under the Unit Four
9 Ownership Agreement and the Unit Four Operating Agreement with
10 respect to the Additional Unit Common Facilities, and except that
11 neither Georgia or Gulf, in its respective capacity as a Scherer
12 Unit No. 3 Participant, shall be deemed a Scherer Unit No. 4
13 Participant within the meaning of the Unit Four Ownership
14 Agreement and the Unit Four Operating Agreement.

15
16
17 7. Survival. The agreements, covenants, representations
18 and warranties contained in the Agreement shall survive until the
19 termination of the Operating Agreement.

20
21 8. Miscellaneous.

22
23 (a) [Intentionally omitted].

24
25 (b) Further Assurances. From time to time after the date
26 hereof, the Parties will execute and deliver such instruments of

1 conveyance and other documents, upon the request of another
2 Party, as may be necessary or appropriate to carry out the intent
3 of this Agreement.

4
5 (c) Governing Law. The validity, interpretation, and
6 performance of this Agreement and each of its provisions shall be
7 governed by the laws of the State of Georgia.

8
9 (d) Notice.

10
11 (i) Any notice, request, consent or other communication
12 permitted or required by this Agreement (including, without
13 limitation, any offer or acceptance pursuant to Section 5(g),
14 ALIENATION AND ASSIGNMENT, hereof) shall be in writing. All
15 notices pertaining to or affecting the provisions of this
16 Agreement shall be deemed given when deposited in the United
17 States Mail, and sent by registered or certified mail to the
18 Parties at the following addresses:

19
20 Georgia Power Company
21 333 Piedmont Avenue
22 Atlanta, Georgia 30308
23 Attention: President
24 Telephone Number: (404) 526-6000
25 Telecopy Number: (404) 526-7407

26
27 Gulf:

28
29 Gulf Power Company
30 Box 1151
31 Pensacola, Florida 32520
32 Attention: President
33 Telephone Number: (904) 444-6111
34 Telecopy Number: (904) 444-6744

1
2 (ii) Any Party shall be entitled to specify a different
3 officer or address upon notice in writing to the other Parties.
4

5 (e) Section Headings Not to Affect Meaning. The
6 descriptive headings of the various sections of this Agreement
7 have been inserted for convenience of reference only and shall in
8 no way modify or restrict any of the terms and provisions hereof.
9

10 (f) No Partnership. Notwithstanding any provision of this
11 Agreement, none of the Parties intend to create hereby any joint
12 venture, partnership, association taxable as a corporation, or
13 other entity for the conduct of any business for profit either
14 among themselves or with any one or more of the Participants or
15 Additional Unit Participants.
16

17 (g) Time of Essence. Time is of the essence of this
18 Agreement.
19

20 (h) Amendments. This Agreement may be amended by and only
21 by a written instrument duly executed by each of the Parties.
22

23 (i) Successors and Assigns. This Agreement shall inure to
24 the benefit of and be binding upon each of the Parties and their
25 respective successors and upon their assigns pursuant to the
26 provisions of Section 5(g), ALIENATION AND ASSIGNMENT, hereof.
27 Nothing in this Agreement, express or implied, is intended to

1 confer upon any other person any rights or remedies hereunder,
2 except that any transferee of an undivided ownership interest in
3 Scherer Unit No. 3, the Additional Unit Common Facilities, the
4 Plant Scherer Common Facilities, the Plant Scherer Coal Stockpile
5 or any portion or portions of any undivided ownership interest
6 therein, from any Scherer Unit No. 3 Participant in accordance
7 with this Agreement and pursuant to an agreement under which the
8 other Scherer Unit No. 3 Participants have been made third-party
9 beneficiaries of such transferee's obligations thereunder shall
10 be a third-party beneficiary of such other Scherer Unit No. 3
11 Participants' respective obligations hereunder and shall be
12 deemed an Additional Unit Participant and a Scherer Unit No. 3
13 Participant for all purposes of this Agreement.

14
15 (j) Counterparts. This Agreement may be executed
16 simultaneously in two or more counterparts, each of which shall
17 be deemed an original but all of which together shall constitute
18 one and the same instrument.

19
20 (k) Computation of Percentage Undivided Ownership Interest.
21 Notwithstanding any other provision of this Agreement, whenever,
22 pursuant to any provision of this Agreement, any action is
23 required to be agreed to or taken by any one or more of the
24 Scherer Unit No. 3 Participants, the Additional Unit Participants
25 or the Participants hereunder (other than any action to be taken
26 by Georgia, in its capacity as Agent hereunder, under the Unit

1 Four Ownership Agreement or under the Units Ownership Agreement),
2 (i) only those Scherer Unit No. 3 Participants not in default in
3 the payment of any amounts (together with interest, if
4 appropriate) required under any provisions of this Agreement or
5 the Operating Agreement at the time such action is to be agreed
6 to or taken shall have the right to participate in such agreement
7 or the taking of such action and (ii) the computation of the
8 aggregate percentage undivided ownership interests in Scherer
9 Unit No. 3, the Plant Scherer Common Facilities or the Additional
10 Unit Common Facilities owned by Scherer Unit No. 3 Participants
11 agreeing to or taking any such action shall be based solely upon
12 the undivided ownership interests in Scherer Unit No. 3, the
13 Plant Scherer Common Facilities or the Additional Unit Common
14 Facilities, as the case may be, owned by Scherer Unit No. 3
15 Participants not so in default.

16
17 (1) Successor Agent. In the event that Georgia (or any
18 successor Agent) is removed as Agent for the Scherer Unit No. 3
19 Participants hereunder or under the Operating Agreement or in the
20 event Georgia (with prior written approval from the Scherer Unit
21 No. 3 Participants which shall not be unreasonably withheld)
22 assigns its responsibilities as Agent, any successor Agent for
23 the Scherer Unit No. 3 Participants as contemplated hereby shall
24 exercise all of the rights and powers and shall be subject to all
25 of the duties and obligations of Georgia as Agent hereunder or
26 under the Operating Agreement and shall be liable to and subject

1 to removal by the Scherer Unit No. 3 Participants in the same
2 manner as Georgia, and Georgia shall take all action and execute
3 (and file where appropriate) all documents and instruments which
4 shall be requested by the successor Agent to effect the transfer
5 to such successor Agent of such rights, powers, duties and
6 obligations.

7
8 (m) The Units. In the event that at any time the same
9 party shall not serve as Agent with respect to Scherer Unit
10 No. 1, Scherer Unit No. 2, Scherer Unit No. 3 and Scherer Unit
11 No. 4, the Scherer Unit No. 3 Participants mutually agree, if any
12 or more than one of them is an Agent with respect to Scherer Unit
13 No. 1, Scherer Unit No. 2, Scherer Unit No. 3 or Scherer Unit
14 No. 4 (and to exercise their reasonable best efforts to cause any
15 other Agent), to exercise the rights, powers and obligations of
16 an Agent hereunder and under the Operating Agreement with respect
17 to Scherer Unit No. 3 and, to exercise the rights, powers, and
18 obligations of an Agent under the Unit Four Ownership Agreement
19 and the Unit Four Operating Agreement with respect to Scherer
20 Unit No. 4 and to exercise the rights, powers, duties and
21 obligations of an Agent under the Units Ownership Agreement and
22 the Units Operating Agreement with respect to Scherer Unit No. 1
23 and Scherer Unit No. 2, in such a manner as will not unreasonably
24 interfere with the rights of any Scherer Unit No. 3 Participant
25 under this Agreement or the Operating Agreement or the rights of
26 any Scherer Unit No. 4 Participant under the Unit Four Ownership

1 Agreement or the Unit Four Operating Agreement or the rights of
2 any Participant under the Units Ownership Agreement and the Units
3 Operating Agreement, and to exercise the rights, powers, duties
4 and obligations of such an Agent with respect to the Additional
5 Unit Common Facilities to the mutual benefit of the Additional
6 Unit Participants and in such manner as will not unreasonably
7 interfere with the rights of any Additional Unit Participant and
8 to exercise the rights, powers, duties and obligations of such an
9 Agent with respect to the Plant Scherer Common Facilities to the
10 mutual benefit of the Participants and the Additional Unit
11 Participants and in such manner as will not unreasonably
12 interfere with the rights of any Participant or Additional Unit
13 Participant.

14
15 (n) Several Agreements. The agreements and obligations of
16 the Scherer Unit No. 3 Participants set forth in this Agreement
17 shall be the several, and not joint, agreements and obligations
18 of the Scherer Unit No. 3 Participants.

19
20 (o) Special Provisions Relating to Plant Scherer Common
21 Facilities.

22
23 (i) The Plant Scherer Common Facilities shall be used
24 for the mutual benefit and enjoyment of the Participants and
25 the Additional Unit Participants and in such a manner as
26 will not unreasonably interfere with the use, benefit and

1 enjoyment of any Participant or Additional Unit Participant.
2 No area of the Plant Scherer Common Facilities may be used
3 exclusively by less than all the Participants and all the
4 Additional Unit Participants without the approval of
5 Participants and Additional Unit Participants owning at
6 least an aggregate 76% undivided ownership interest in the
7 Plant Scherer Common Facilities provided, however, that
8 approval of MEAG shall be required so long as MEAG owns at
9 least a 15.1% undivided ownership interest in the Plant
10 Scherer Common Facilities; and provided further, that if
11 such use is essential to the operation of Scherer Unit No.
12 1, Scherer Unit No. 2, Scherer Unit No. 3 or Scherer Unit
13 No. 4, such approval will not be unreasonably withheld.

14
15 (ii) For purposes of the various provisions of this
16 Agreement and of the Operating Agreement permitting or
17 requiring the vote, consent, concurrence or approval of the
18 Participants and Additional Unit Participants owning a
19 designated percentage undivided ownership interest in the
20 Plant Scherer Common Facilities, a Participant's or
21 Additional Unit Participant's percentage undivided ownership
22 interest in the Plant Scherer Common Facilities at any
23 particular time shall be deemed to be equivalent to that
24 Participant's or Additional Unit Participant's percentage
25 undivided ownership interest at such time in the land
26 described on Exhibit D hereto.

1 (iii) Notwithstanding any other provision of this
2 Agreement, including Section 4(c), STANDARDS OF CONDUCT,
3 hereof, the Parties agree that the Scherer Unit No. 3
4 Participants shall be entitled (A) to sue for and obtain
5 injunctive relief to prevent conduct which violates the
6 intent of the foregoing provisions, (B) to obtain specific
7 performance to enforce the foregoing and other provisions of
8 this Agreement requiring cooperation with respect to the
9 Plant Scherer Common Facilities and the Additional Units, or
10 (C) both (A) and (B).
11

12 (p) Certain Provisions Applicable During Buy-Back Period.

13 Notwithstanding any provision of Section 5(b), CAPITAL BUDGET
14 hereof, Sections 5(1), CAPITAL BUDGET FOR COMMON FACILITIES, of
15 the Unit Four Operating Agreement or of Sections 5(b),
16 CONSTRUCTION BUDGET, or 5(e), CAPITAL BUDGET, of the Units
17 Ownership Agreement, the Budgeting Participants shall not be
18 entitled to make any change to a Capital Budget estimate or
19 revised Capital Budget estimate proposed by Georgia pursuant to
20 any of such sections which reduces the amount budgeted for any
21 budget item with respect to Scherer Unit No. 2 or the Plant
22 Scherer Common Facilities hereafter through the end of any period
23 when Georgia's entitlement to capacity from Scherer Unit No. 2
24 (taking into account its entitlement to capacity from such unit
25 pursuant to Section 5(a), TENANTS IN COMMON, of the Units
26 Ownership Agreement and Sections 3(g), GPC ENTITLEMENT TO OPC

1 CAPACITY AND ENERGY, and 3(h), GPC ENTITLEMENT TO MEAG CAPACITY
2 AND ENERGY, of the Units Operating Agreement) exceeds 25% of the
3 capacity of such unit. If during the period described in the
4 preceding sentence the Budgeting Participants make any change to
5 any such budget estimate which increases the amount budgeted for
6 any budget item with respect to Scherer Unit No. 2 or the Plant
7 Scherer Common Facilities, then the Budgeting Participants shall
8 indemnify Georgia from any additional Costs of Construction,
9 additional Common Coal Stockpile Costs, additional Separate Coal
10 Stockpile Costs or additional Other Fuel Costs and additional
11 Operating Costs (as defined in the Operating Agreement and in the
12 Units Operating Agreement) resulting from such increase and from
13 any increase in any amount to be paid by Georgia in respect of
14 its entitlement to the capacity and energy of OPC, MEAG or both
15 pursuant to Sections 3(g), GPC ENTITLEMENT TO OPC CAPACITY AND
16 ENERGY, and 3(h), GPC ENTITLEMENT TO MEAG CAPACITY AND ENERGY, of
17 the Units Operating Agreement; provided, however, that nothing
18 contained in this Section 8(p) shall relieve Georgia from any
19 obligations imposed elsewhere in this Agreement or in the
20 Operating Agreement relating to the standards of conduct
21 applicable to Georgia as Agent for the Scherer Unit No. 3
22 Participants and as a Scherer Unit No. 3 Participant itself,
23 including without limitation the obligations set forth in
24 Sections 4(c), STANDARDS OF CONDUCT, and 6(a), NO ADVERSE
25 DISTINCTION, hereof.

26

1 (g) Construction of "Including". Wherever the term
2 "including" is used in this Agreement, such term shall not be
3 construed as limiting the generality of any statement, clause,
4 phrase or term and shall not be deemed to exclude any person or
5 thing otherwise within the meaning of the statement, clause,
6 phrase or term which it modifies.

7
8 (r) Accounting Procedures. Except as otherwise expressly
9 provided in this Agreement, in the Operating Agreement, or both,
10 the accounting methods and practices to be utilized in the
11 administration of this Agreement and the Operating Agreement
12 shall be those methods and practices generally utilized by
13 Georgia from time to time with respect to its other jointly owned
14 generating facilities.

15
16 (s) Plant Scherer Managing Board. The rights and
17 obligations of the Participants and the Additional Unit
18 Participants relating to the Plant Scherer Common Facilities, the
19 Additional Unit Common Facilities, the Unit Common Facilities and
20 the Plant Scherer Coal Stockpile hereunder and under the
21 Operating Agreement, the Unit Four Operating Agreement, the Unit
22 Four Ownership Agreement, the Units Operating Agreement, and the
23 Units Ownership Agreement, respectively, shall be administered
24 and implemented through the Plant Scherer Managing Board;
25 provided however, that the Scherer Unit No. 3 Participants may
26 deal directly with the Agent. Any determination provided in this

1 Agreement or in the Operating Agreement, the Unit Four Operating
2 Agreement, the Unit Four Ownership Agreement, the Units Operating
3 Agreement, or the Units Ownership Agreement or any combination
4 thereof to be made by the Participants and the Additional Unit
5 Participants or any agreement to be reached by them, shall be
6 made or reached through the Plant Scherer Managing Board. The
7 actions and authority of the Plant Scherer Managing Board shall
8 be subject to the rights of the Participants and the Additional
9 Unit Participants pursuant to this Agreement, the Operating
10 Agreement, the Unit Four Operating Agreement, the Unit Four
11 Ownership Agreement, the Units Operating Agreement and the Units
12 Ownership Agreement.

13
14 Notwithstanding the foregoing provisions of this Section
15 8(s), this Agreement, the Operating Agreement, the Unit Four
16 Operating Agreement, the Unit Four Ownership Agreement, the Units
17 Operating Agreement and the Units Ownership Agreement shall
18 survive any functional demise or failure to function of and by
19 the Plant Scherer Managing Board and, in such event, the
20 responsibilities, duties, and obligations designated to be
21 performed by the Plant Scherer Managing Board pursuant to this
22 Agreement, the Operating Agreement, the Unit Four Operating
23 Agreement, the Unit Four Ownership Agreement, the Units Operating
24 Agreement and the Units Ownership Agreement shall be performed by
25 the Participants and the Additional Unit Participants.

26

1 (t) Rescission of Earlier Ownership Agreement. Upon the
2 execution and delivery of this Agreement by Georgia and Gulf
3 that certain Plant Robert W. Scherer Unit Number Three Purchase
4 and Ownership Participation Agreement, dated as of March 1, 1984,
5 as amended, between Georgia and Gulf is hereby rescinded and
6 shall have no further force or effect whatsoever.

7

IN WITNESS WHEREOF, the undersigned parties hereto have duly executed this Agreement under seal as of the date first above written.

Signed, sealed and delivered in the presence of:

Scott A. Hudson

Sworn to and subscribed before me this 20th day of March, 1995

Smith D. Goss
Notary Public

Notary Public, Florida, County of Georgia
My Commission Expires January 24, 1998
(NOTARIAL SEAL)

Signed, sealed and delivered in the presence of:

A. Jeanette Barkley

Sworn to and subscribed before me this 24th day of March, 1995

Jackie L. Whipple
Notary Public

(NOTARIAL SEAL)



JACKIE L WHIPPLE
My Commission CC310237
Expires Aug. 23, 1997
Bonded by HAI
800-422-1855

< hudson > \wpdocs\gpc\scherer\unit3\amends\Owner.FNL

"Georgia"

GEORGIA POWER COMPANY

By: Fred D. Williams
Its: Senior Vice President

Attest: Cherily C. Hudgins
Its: Assistant Corporate Secretary

(CORPORATE SEAL)

"Gulf"

GULF POWER COMPANY

By: [Signature]
Its: VICE PRESIDENT

Attest: [Signature]
Its: CORPORATE SECRETARY

(CORPORATE SEAL)

IN WITNESS WHEREOF, the undersigned parties hereto have duly executed this Agreement under seal as of the date first above written.

Signed, sealed and delivered in the presence of:

Sworn to and subscribed before me this ____ day of _____, 19__

Notary Public

(NOTARIAL SEAL)

"Georgia"

GEORGIA POWER COMPANY

By: _____

Its: _____

Attest: _____

Its: _____

(CORPORATE SEAL)

Signed, sealed and delivered in the presence of:

Sworn to and subscribed before me this ____ day of _____, 19__

Notary Public

(NOTARIAL SEAL)

"Gulf"

GULF POWER COMPANY

By: _____

Its: _____

Attest: _____

Its: _____

(CORPORATE SEAL)

<hudson> \wpdocs\gpc\cherer\ask3\amends\Owner.FNL

EXHIBIT "A"

Units 3 & 4, Plant Scherer

ALL THAT TRACT or parcel of land situated, lying and being in the Fifth Land District of Monroe County, Georgia, and being more particularly described as follows:

BEGINNING AT A POINT coincident with Coordinates N=39,289.00, E=20,822.00 and running thence in a westerly direction to a point, which point is coincident with Coordinates N=39,289.00, E=19,468.00; running thence in a northerly direction to a point, which point is coincident with Coordinates N=39,425.00, E=19,468.00; running thence in a westerly direction to a point, which point is coincident with Coordinates N=39,425.00, E=19,128.00; running thence in a northerly direction to a point, which point is coincident with Coordinates N=40,119.00, E=19,128.00; running thence in a westerly direction to a point, which point is coincident with Coordinates N=40,119.00, E=18,668.00; running thence in a northerly direction to a point, which point is coincident with Coordinates N=40,309.00, E=18,668.00; running thence in a northeasterly direction to a point, which point is coincident with Coordinates N=40,786.00, E=18,836.00; running thence in a northerly direction to a point, which point is coincident with Coordinates N=40,986.00, E=18,840.00; running thence in a northeasterly direction to a point, which point is coincident with Coordinates N=41,053.00, E=20,573.00; running thence in a southerly direction to a point, which point is coincident with Coordinates N=39,895.00, E=20,567.00; running thence in a southeasterly direction to a point, which point is coincident with Coordinates N=39,805.00, E=20,822.00; running thence in an easterly direction to a point, which point is coincident with Coordinates N=39,805.00, E=21,207.00; running thence in a southerly direction to a point, which point is coincident with Coordinates N=39,695.00, E=21,207.00; running thence in a westerly direction to a point, which point is coincident with Coordinates N=39,695.00, E=20,822.00; running thence in a southerly direction to the Point of Beginning.

The property hereinabove described is more particularly described on that certain Blueprint of Survey, captioned "Plant Scherer, General Arrangement, Plant Site," dated February 12, 1976, last revised January 2, 1979, prepared for the Georgia Power Company, by Southern Services, Inc., bearing Drawing No. IPS 4035-75, to which Blueprint of Survey reference is hereby made for all purposes.

Coordinates set forth in the foregoing description are based upon the Georgia Power Company Grid Coordinate System for Robert V. Scherer Plant, Georgia Power Company Coordinate, N=400+00, is coincident with Georgia State Plane Coordinate: West Zone Grid Meridian, N=1,114,000; Georgia Power Company Coordinate, E=200+00 is coincident with Georgia State Plane Coordinate: West Zone Grid Meridian, E=610,000.

EXHIBIT "A"

LESS AND EXCEPT from the foregoing parcel the following:

TRACT I: Fire Protection Building and Storage Tanks,
Units 3 & 4 Plant Scherer: Exhibit A-1

TRACT II: Lighter Oil Storage Facility, Units 3 & 4,
Plant Scherer: Exhibit A-2

TRACT III: Start Up Boilers, Exhibit A-3, but only to
the extent the same lies within the bound-
aries of Units 3 & 4 as described in the
foregoing Exhibit A.

The aforesaid Exhibits A-1 through A-3, inclusive, are
hereby incorporated herein by reference.

EXHIBIT "A" continued

EXHIBIT "A-1"

Fire Protection Building and Storage Tanks, Units 3 & 4
Plant Scherer

ALL THAT TRACT or parcel of land situated, lying and being in the Fifth Land District of Monroe County, Georgia, and being more particularly described as follows:

BEGINNING AT A POINT coincident with Coordinates N=40,075.00, E=20,303.00; and running thence in a southerly direction to a point, which point is coincident with Coordinates N=39,951.10, E=20,303.00; running thence in a westerly direction to a point, which point is coincident with Coordinates N=39,951.10, E=19,860.00; running thence in a northerly direction to a point, which point is coincident with Coordinates N=40,075.00, E=19,860.00; running thence in an easterly direction to the Point of Beginning.

The property hereinabove described is more particularly described on that certain Blueprint of Survey, captioned "Plant Scherer, General Arrangement, Plant Site," dated February 12, 1976, last revised January 2, 1979, prepared for the Georgia Power Company by Southern Services, Inc., bearing Drawing No. E LM 1008, to which Blueprint of Survey reference is hereby made for all purposes.

Coordinates set forth in the foregoing description are based upon the Georgia Power Company Grid Coordinate System for the Robert W. Scherer Plant. Georgia Power Company Coordinate N=400+00, is coincident with Georgia State Plane Coordinate: West Zone Grid Meridian, N=1,114,000; Georgia Power Company Coordinate E=200+00 is coincident with Georgia State Plane Coordinate: West Zone Grid Meridian, E=610,000.

EXHIBIT "A-1"

EXHIBIT "A-2"

Lighter Oil Storage Facility, Units 3 & 4 Plant Scherer

ALL THAT TRACT or parcel of land situated, lying and being in the Fifth Land District of Monroe County, Georgia, and being more particularly described as follows:

BEGINNING AT A POINT coincident with Coordinates N=40,604.78, E=20,500.00; and running thence in a southerly direction to a point, which point is coincident with Coordinates N=40,490.43, E=20,500.00; running thence in a westerly direction to a point, which point is coincident with Coordinates N=40,490.43, E=20,385.00; running thence in a northerly direction to a point, which point is coincident with Coordinates N=40,604.78, E=20,385.00; running thence in an easterly direction to the Point of Beginning.

The property hereinabove described is more particularly described on that certain Blueprint of Survey, captioned "Plant Scherer, General Arrangement, Plant Site," dated February 12, 1976, last revised January 2, 1979, prepared for the Georgia Power Company by Southern Services, Inc., bearing Drawing No. E IM 1008, to which Blueprint of Survey reference is hereby made for all purposes.

Coordinates set forth in the foregoing description are based upon the Georgia Power Company Grid Coordinate System for the Robert W. Scherer Plant. Georgia Power Company Coordinate, N=400+00, is coincident with Georgia State Plane Coordinate: West Zone Grid Meridian, N=1,114,000; Georgia Power Company Coordinate E=200+00 is coincident with Georgia State Plane Coordinate: West Zone Grid Meridian, E=610,000.

EXHIBIT "A-2"

EXHIBIT "A-3"

Start Up Boilers Plant Scherer

ALL THAT TRACT or parcel of land situated, lying and being in the Fifth Land District of Monroe County, Georgia, and being more particularly described as follows:

BEGINNING AT A POINT coincident with Coordinates N=39,336.00, E=19,803.00; and running thence in a southerly direction to a point, which point is coincident with Coordinates N=39,254.00, E=19,803.00; running thence in a westerly direction to a point, which point is coincident with Coordinates N=39,254.00, E=19,715.00; running thence in a northerly direction to a point, which point is coincident with Coordinates N=39,336.00, E=19,715.00; running thence in an easterly direction to the Point of Beginning.

The property hereinabove described is more particularly described on that certain Blueprint of Survey, captioned "Plant Scherer, General Arrangement, Plant Site," dated February 12, 1976, last revised January 2, 1979, prepared for the Georgia Power Company by Southern Services, Inc., bearing Drawing No. E IM 1008, to which Blueprint of Survey reference is hereby made for all purposes.

Coordinates set forth in the foregoing description are based upon the Georgia Power Company Grid Coordinate System for the Robert W. Scherer Plant. Georgia Power Company Coordinate, N=400+00, is coincident with Georgia State Plane Coordinate: West Zone Grid Meridian, N=1,114,000; Georgia Power Company Coordinate E=200+00 is coincident with Georgia State Plane Coordinate: West Zone Grid Meridian, E=610,000.

EXHIBIT "A-3"

EXHIBIT "B"

Exhibit B consists of this page and the following two (2) pages entitled: "Common Area Units 3, 4, Plant Scherer" and "Stack Units 3 and 4, Plant Scherer", together with the page designating Exhibit F-1 and the six (6) pages following the same entitled "Cooling Tower Unit 3, Plant Scherer," "Cooling Tower Unit 4, Plant Scherer," "Fire Protection Building Units 1, 2, 3, 4, Plant Scherer," "Lighter Oil Tank Units 1, 2, 3, 4, Plant Scherer," "Unit 3, Plant Scherer," and "Unit 4, Plant Scherer."

EXHIBIT "B"

UNIT 3, 4, PLANT SCHERER

ALL THAT TRACT or parcel of land situated, lying and being in the Fifth Land District of Monroe County, Georgia, and being more particularly described as follows:

BEGINNING AT A POINT coincident with Coordinates N-39,289.00, E-20,822.00 and running thence in a westerly direction to a point, which point is coincident with Coordinates N-39,289.00, E-19,803.00; running thence in a northerly direction to a point, which point is coincident with Coordinates N-39,336.00, E-19,803.00; running thence in a westerly direction to a point, which point is coincident with Coordinates N-39,336.00, E-19,715.00; running thence in a southerly direction to a point, which point is coincident with Coordinates N-39,289.00, E-19,715.00; running thence in a westerly direction to a point, which point is coincident with Coordinates N-39,289.00, E-19,468.00; running thence in a northerly direction to a point, which point is coincident with Coordinates N-39,425.00, E-19,468.00; running thence in a westerly direction to a point, which point is coincident with Coordinates N-39,425.00, E-19,128.00; running thence in a northerly direction to a point, which point is coincident with Coordinates N-40,119.00, E-19,128.00; running thence in a westerly direction to a point, which point is coincident with Coordinates N-40,119.00, E-18,668.00; running thence in a northerly direction to a point, which point is coincident with Coordinates N-40,509.00, E-18,668.00; running thence in a northeasterly direction to a point, which point is coincident with Coordinates N-40,786.00, E-18,836.00; running thence in a northerly direction to a point, which point is coincident with Coordinates N-40,986.00, E-18,840.00; running thence in a northeasterly direction to a point, which point is coincident with Coordinates N-41,063.00, E-20,573.00; running thence in a southerly direction to a point, which point is coincident with Coordinates N-39,895.00, E-20,567.00; running thence in a southeasterly direction to a point, which point is coincident with Coordinates N-39,805.00, E-20,822.00; running thence in an easterly direction to a point, which point is coincident with Coordinates N-39,805.00, E-21,207.00; running thence in a southerly direction to a point, which point is coincident with Coordinates N-39,695.00, E-21,207.00; running thence in a westerly direction to a point, which point is coincident with Coordinates N-39,695.00, E-20,822.00; running thence in a southerly direction to the Point of Beginning.

The property hereinabove described is more particularly described on that certain Blueprint of Survey, captioned "Plant Scherer, General Arrangement: Plant Site," dated February 12, 1976, last revised September 23, 1987, prepared for the Georgia Power Company by Southern Services, Inc., bearing Drawing No. EIM 1008, to which Blueprint of Survey reference is hereby made for all purposes.

Coordinates set forth in the foregoing description are based upon the Georgia Power Company Grid Coordinate System for Robert M. Scherer Plant; Georgia Power Company Coordinate, N-400+00, is coincident with Georgia State Plane Coordinate: Next Zone Grid Meridian, N-1,114,000; Georgia Power Company Coordinate, E-200+00 is coincident with Georgia State Plane Coordinate: Next Zone Grid Meridian, E-610,000.

EXHIBIT "B" continued

**STACK
UNITS 3 AND 4, PLANT SCHERER**

ALL THAT TRACT or parcel of land situated, lying and being in the Fifth Land District of Monroe County, Georgia, and being more particularly described as follows:

BEGINNING at a point coincident with Coordinates N-39,675.00, E-20,372.00 and running thence in a southerly direction to a point which is coincident with Coordinates N-39,630.00, E-20,372.00; running thence in a southerly direction to a point which is coincident with Coordinates N-39,590.00, E-20,372.00; running thence in a westerly direction to a point which is coincident with Coordinates N-39,590.00, E-20,282.00; running thence in a northerly direction to a point which is coincident with Coordinates N-39,630.00, E-20,282.00; running thence in a northerly direction to a point which is coincident with Coordinates N-39,675.00, E-20,282.00; running thence in a easterly direction to the Point of Beginning.

The property hereinabove described is more particularly described on that certain Blueprint of Survey, captioned "Plant Scherer, General Arrangement, Plant Site," dated February 12, 1976, last revised September 23, 1981, prepared for the Georgia Power Company by Southern Services, Inc., bearing Drawing No. 21M 1008, to which Blueprint of Survey reference is hereby made for all purposes.

Coordinates set forth in the foregoing description are based upon the Georgia Power Company Grid Coordinate System for Robert H. Scherer Plant; Georgia Power Company Coordinate, N-000+00, is coincident with Georgia State Plane Coordinate: West Lane Grid Meridian, N-1,114,000; Georgia Power Company Coordinate, E-200+00 is coincident with Georgia State Plane Coordinate: West Lane Grid Meridian, E-610,000.

LESS AND EXCEPT from this Exhibit B all those tracts of land described on Exhibit B-1 attached hereto and by reference made a part hereof.

EXHIBIT "B" continued

EXHIBIT "B-1"

Exhibit B-1 consists of this page and the following six (6) pages which are entitled: "Cooling Tower Unit 3, Plant Scherer." "Cooling Tower Unit 4, Plant Scherer." "Fire Protection Building Units 1.2.3.4, Plant Scherer" and Lighter Oil Tank Units 1.2.3.4, Plant Scherer." , "Unit 3, Plant Scherer", "Unit 4, Plant Scherer".

EXHIBIT "B-1"

**COOLING TOWER
UNIT 3, PLANT SCHERER**

ALL THAT TRACT or parcel of land situated, lying and being in the Fifth and District of Monroe County, Georgia, and being that tract of land lying within a perfect circle and having a radius of 200 feet, the center point of said perfect circle being coincident with Coordinates N=40,455.00, E=15,400.00.

The property hereinabove described is more particularly described on that certain Blueprint of Survey, captioned "Plant Scherer, General Arrangement, Plant Site," dated February 12, 1976, last revised September 23, 1982, prepared for the Georgia Power Company by Southern Services, Inc., bearing Taxing No. EIM 1008, to which Blueprint of Survey reference is hereby made for all purposes.

Coordinates set forth in the foregoing description are based upon the Georgia Power Company Grid Coordinate System for Robert W. Scherer Plant; Georgia Power Company Coordinate, N=400+00, is coincident with Georgia State Plane Coordinate: West Zone Grid Meridian, N=1,114,000; Georgia Power Company Coordinate, E=200+00 is coincident with Georgia State Plane Coordinate: West Zone Grid Meridian, E=610,000.

EXHIBIT "B-1" continued

**COOLING TOWER
UNIT 4, PLANT SCHERER**

ALL THAT TRACT or parcel of land situated, lying and being in the Fifth and District of Monroe County, Georgia, and being that tract of land lying within a perfect circle and having a radius of 200 feet, the center point of said perfect circle being coincident with Coordinates N=40,670.00, E=19,850.00.

The property hereinabove described is more particularly described on that certain Blueprint of Survey, captioned "Plant Scherer, General Arrangement, Plant Site," dated February 12, 1976, last revised September 23, 1982, prepared for the Georgia Power Company by Southern Services, Inc., bearing Drawing No. EIM 1008, to which Blueprint of Survey reference is hereby made for all purposes.

Coordinates set forth in the foregoing description are based upon the Georgia Power Company Grid Coordinate System for Robert N. Scherer Plant; Georgia Power Company Coordinate, N=400+00, is coincident with Georgia State Plane Coordinate: West Zone Grid Meridian, N=1,114,000; Georgia Power Company Coordinate, E=200+00 is coincident with Georgia State Plane Coordinate: West Zone Grid Meridian, E=610,000.

EXHIBIT "B-1" continued

**FIRE PROTECTION BUILDING
UNITS 1, 2, 3, 4, PLANT SCHERER**

ALL THAT TRACT or parcel of land situated, lying and being in the Fifth Land District of Monroe County, Georgia, and being more particularly described as follows:

BEGINNING at a point coincident with Coordinates N=40,075.00, E=20,200.00 and running thence in a southerly direction to a point which is coincident with Coordinates N=39,951.10, E=20,200.00; running thence in a westerly direction to a point which is coincident with Coordinates N=39,951.10, E=19,860.00; running thence in a northerly direction to a point which is coincident with Coordinates N=40,075.00, E=19,860.00; running thence in a easterly direction to the Point of Beginning.

The property hereinabove described is more particularly described on that certain Blueprint of Survey, captioned "Plant Scherer, General Arrangement, Plant Site," dated February 12, 1976, last revised September 23, 1982, prepared for the Georgia Power Company by Southern Services, Inc., bearing Drawing No. EIM 1008, to which Blueprint of Survey reference is hereby mad for all purposes.

Coordinates set forth in the foregoing description are based upon the Georgia Power Company Grid Coordinate System for Robert W. Scherer Plant; Georgia Power Company Coordinate, N=400+00, is coincident with Georgia State Plane Coordinate: West Zone Grid Meridian, N=1,114,000; Georgia Power Company Coordinate, E=200+00 is coincident with Georgia State Plane Coordinate: West Zone Grid Meridian, E=610,000.

EXHIBIT "B-1" continued

**LIGHTER OIL TANK
UNITS 1, 2, 3, 4, PLANT SCHERER**

ALL THAT TRACT or parcel of land situated, lying and being in the Fifth Land District of Monroe County, Georgia, and being more particularly described as follows:

BEGINNING at a point coincident with Coordinates N=40,629.70, E=20,524.70 and running thence in a southerly direction to a point which is coincident with Coordinates N=40,490.00, E=20,524.70; running thence in a westerly direction to a point which is coincident with Coordinates N=40,490.00, E=20,385.00; running thence in a northerly direction to a point which is coincident with Coordinates N=40,629.70, E=20,385.00; running thence in a easterly direction to the Point of Beginning.

The property hereinabove described is more particularly described on that certain Blueprint of Survey, captioned "Plant Scherer, General Arrangement Plant Site," dated February 12, 1976, last revised September 23, 1982, prepared for the Georgia Power Company by Southern Services, Inc., bearing Drawing No. EIN 1006, to which Blueprint of Survey reference is hereby made for all purposes.

Coordinates set forth in the foregoing description are based upon the Georgia Power Company Grid Coordinate System for Robert W. Scherer Plant; Georgia Power Company Coordinate, N=400+00, is coincident with Georgia State Plane Coordinate: West Zone Grid Meridian, N=1,114,000; Georgia Power Company Coordinate, E=200+00 is coincident with Georgia State Plane Coordinate: West Zone Grid Meridian, E=610,000.

EXHIBIT "B-1" continued

UNIT 3, PLANT SCHERER

ALL THAT TRACT or parcel of land situated, lying and being in the Fifth Land District of Monroe County, Georgia, and being more particularly described as follows:

BEGINNING at a point coincident with Coordinates N-39,655.00, E-19,128.00 and running thence in a easterly direction to a point which is coincident with Coordinates N-39,655.00, E-19,830.00; running thence in a southerly direction to a point which is coincident with Coordinates N-39,630.00, E-19,830.00; running thence in a easterly direction to a point which is coincident with Coordinates N-39,630.00, E-20,282.00; running thence in a southerly direction to a point which is coincident with Coordinates N-39,590.00, E-20,282.00; running thence in a easterly direction to a point which is coincident with Coordinates N-39,590.00, E-20,372.00; running thence in a northerly direction to a point which is coincident with Coordinates N-39,630.00, E-20,372.00; running thence in a easterly direction to a point which is coincident with Coordinates N-39,630.00, E-20,567.00; running thence in a southerly direction to a point which is coincident with Coordinates N-39,289.00, E-20,567.00; running thence in a westerly direction to a point which is coincident with Coordinates N-39,289.00, E-19,803.00; running thence in a northerly direction to a point which is coincident with Coordinates N-39,336.00, E-19,803.00; running thence in a westerly direction to a point which is coincident with Coordinates N-39,336.00, E-19,715.00; running thence in a southerly direction to a point which is coincident with Coordinates N-39,289.00, E-19,715.00; running thence in a westerly direction to a point which is coincident with Coordinates N-39,289.00, E-19,468.00; running thence in a northerly direction to a point which is coincident with Coordinates N-39,425.00, E-19,468.00; running thence in a westerly direction to a point which is coincident with Coordinates N-39,425.00, E-19,128.00; running thence in a northerly direction to the Point of Beginning.

The property hereinabove described is more particularly described on that certain Blueprint of Survey, captioned "Plant Scherer, General Arrangement, Plant Site," dated February 12, 1976, last revised September 23, 1982, prepared for the Georgia Power Company by Southern Services, Inc., bearing Drawing No. EIN 1808, to which Blueprint of Survey reference is hereby made for all purposes.

Coordinates set forth in the foregoing description are based upon the Georgia Power Company Grid Coordinate System for Robert W. Scherer Plant; Georgia Power Company Coordinate, N-400+00, is coincident with Georgia State Plane Coordinate: West Zone Grid Meridian, N-1,114,000; Georgia Power Company Coordinate, E-200+00 is coincident with Georgia State Plane Coordinate: West Zone Grid Meridian, E-610,000.

EXHIBIT "B-1" continued

UNIT 4, PLANT SCHERER

ALL THAT TRACT or parcel of land situated, lying and being in the Fifth Land District of Monroe County, Georgia, and being more particularly described as follows:

BEGINNING at a point coincident with Coordinates N-39,980.00, E-19,128.00 and running thence in a easterly direction to a point which is coincident with Coordinates N-39,980.00, E-19,600.00; running thence in a southerly direction to a point which is coincident with Coordinates N-39,942.00, E-19,600.00; running thence in an easterly direction to a point which is coincident with Coordinates N-39,942.00, E-19,640.00; running thence in a southerly direction to a point which is coincident with Coordinates N-39,890.00, E-19,640.00; running thence in a easterly direction to a point which is coincident with Coordinates N-39,890.00, E-19,803.00; running thence in a southeasterly direction to a point which is coincident with Coordinates N-39,870.00, E-20,375.00; running thence in a southeasterly direction to a point which is coincident with Coordinates N-39,805.00, E-20,567.00; running thence in a southerly direction to a point which is coincident with Coordinates N-39,630.00, E-20,567.00; running thence in a westerly direction to a point which is coincident with Coordinates N-39,630.00, E-20,372.00; running thence in a northerly direction to a point which is coincident with Coordinates N-39,675.00, E-20,372.00; running thence in a westerly direction to a point which is coincident with Coordinates N-39,675.00, E-20,282.00; running thence in a southerly direction to a point which is coincident with Coordinates N-39,630.00, E-20,282.00; running thence in a westerly direction to a point which is coincident with Coordinates N-39,630.00, E-19,830.00; running thence in a northerly direction to a point which is coincident with Coordinates N-39,655.00, E-19,830.00; running thence in a westerly direction to a point which is coincident with Coordinates N-39,655.00, E-19,128.00; running thence in a northerly direction to the Point of Beginning.

The property hereinabove described is more particularly described on that certain Blueprint of Survey, captioned "Plant Scherer, General Arrangement, Plant Site," dated February 12, 1976, last revised September 23, 1982, prepared for the Georgia Power Company by Southern Services, Inc., bearing Drawing No. E1N 1008, to which Blueprint of Survey reference is hereby made for all purposes.

Coordinates set forth in the foregoing description are based upon the Georgia Power Company Grid Coordinate System for Robert W. Scherer Plant; Georgia Power Company Coordinate, N-400+00, is coincident with Georgia State Plane Coordinate: West Zone Grid Meridian, N-1,114,000; Georgia Power Company Coordinate, E-200+00 is coincident with Georgia State Plane Coordinate: West Zone Grid Meridian, E-610,000.

EXHIBIT "B-1" continued

EXHIBIT "C"

(Non-Exhaustive)
GENERAL SUMMARY OF ADDITIONAL UNIT COMMON FACILITIES

<u>Line</u>	<u>Description</u>
1.	Waste Water Treatment Facilities
2.	Treated Water System
3.	Filtered Water System
4.	Chemical Wash System Chemical Cleaning Header
5.	Site Improvements
6.	Emergency Generating Building
7.	Raceway System Site
8.	Collection System
9.	Ground System
10.	Fee Simple Land
11.	Unit 3 & 4 Railroad System
12.	Unit 3 & 4 Fire Protection System
13.	Unit 3 & 4 Ash Handling Facility
14.	Unit 3 & 4 Service Water System
15.	Cooling Water Chlorination House and System
16.	Fuel Oil Facilities
17.	Fuel Storage Facilities
18.	Stack
19.	Unit 3 & 4 Coal Handling - Building Equipment & System
20.	Turbine Overhead Crane, Lifting System
21.	Oil Storage & Transfer Facilities, Lube Oil System

As supplemented by GPC continuing property records maintained in accordance with the Uniforms System of Accounts

EXHIBIT "C"

EXHIBIT "D"

Plant Scherer Cannon Facilities,

a/k/aGLOBAL COMMON FACILITIES SITE

ALL that tract or parcel of land situated, lying and being in the Fifth Land District, Monroe County, Georgia and being more particularly described as follows:

BEGINNING AT A POINT located on the southwesterly right-of-way line of U.S. Highway No. 23 (as located on April 27, 1978), which point is coincident with Coordinates X-615,648.47, Y-1,121,930.40; running thence along the southwesterly right-of-way line of U.S. Highway No. 23 and following the curvature thereof the following courses and distances: South 44°46'30" East a distance of 151.68 feet to a point; South 32°59' East a distance of 360.37 feet to a point; South 33°19' East a distance of 296.67 feet to a point; South 30°18'30" East a distance of 168.81 feet to a point; South 28°22' East a distance of 300.02 feet to a point; South 27°02' East a distance of 299.11 feet to a point; South 26°34'30" East a distance of 1,011.79 feet to a point; South 26°22' East a distance of 204.18 feet to a point; South 26°43'30" East a distance of 662.78 feet to a point; South 26°32'30" East a distance of 44.91 feet to a point; South 26°32'30" East a distance of 302.28 feet to a point on the southwesterly right-of-way line of U.S. Highway No. 23, which point is coincident with Coordinates X-617,474.67, Y-1,118,605.98; thence leaving said right-of-way line and running South 70°30' West a distance of 234.68 feet to a point; running thence South 67°19' West a distance of 623.80 feet to a point; running thence South 60°24' West a distance of 48.48 feet to a point; running thence South 26°02' West a distance of 55.66 feet to a point; running thence South 22°05' West a distance of 1,230.27 feet to a point; running thence South 22°39' West a distance of 549.06 feet to a point, which point is coincident with Coordinates X-615,934.48, Y-1,116,567.60; running thence South 80°50'30" East a distance of 220.15 feet to a point; running thence South 22°07'30" East a distance of 639.44 feet to a point; running thence South 87°44'30" West a distance of 111.39 feet to a point, which point is coincident with Coordinates X-616,281.38, Y-1,115,935.82; running thence due South a distance of 2,643.04 feet to a point; running thence South 02°42' East a distance of 349.58 feet to a point, which point is coincident with Coordinates X-616,297.87, Y-1,112,943.59; running thence South 88°26' East a distance of 277.16 feet to a point; running thence North 85°04' East a distance of 104.70 feet to a point; running thence North 89°55'30" East a distance of 1,999.04 feet to a point, which point is coincident with Coordinates X-618,678.27, Y-1,112,947.75; running thence South 01°24' East a

1 of 11

EXHIBIT "D"

distance of 736.66 feet to a point; running thence North 36°13'30" East a distance of 700.00 feet to a point; running thence South 01°40'30" East a distance of 700.00 feet to a point, which point is coincident with Coordinates X=619,415.22, Y=1,111,557.68; running thence South 89°09'30" East a distance of 411.28 feet to a point; running thence North 89°36'30" East a distance of 378.91 feet to a point; running thence South 86°19' East a distance of 873.62 feet to a point; running thence North 87°59'30" East a distance of 879.46 feet to a point, which point is coincident with Coordinates X=621,956.10, Y=1,111,528.84; running thence South 44°40' East a distance of 707.32 feet to a point; running thence North 55°42' East a distance of 245.33 feet to a point; running thence North 55°42' East a distance of 85.36 feet to a point located on the southwesterly right-of-way line of U.S. Highway No. 23, which point is coincident with Coordinates X=622,726.52, Y=1,111,212.14; running thence along the southwesterly right-of-way line of U.S. Highway No. 23 and following the curvature thereof the following courses and distances: South 33°18'30" East a distance of 2,764.45 feet to a point; South 33°17' East a distance of 1,236.96 feet to a point; South 32°38' East a distance of 267.14 feet to a point; South 30°58'30" East a distance of 302.73 feet to a point; South 29°53'30" East a distance of 200.00 feet to a point; South 28°36' East a distance of 197.37 feet to a point; South 27°06' East a distance of 1,139.54 feet to a point; South 30°35' East a distance of 145.38 feet to a point; South 33°48'30" East a distance of 147.63 feet to a point; South 36°24' East a distance of 148.34 feet to a point; South 39°08' East a distance of 153.72 feet to a point; South 41°43' East a distance of 740.27 feet to a point located on the southwesterly right-of-way line of U.S. Highway No. 23, which point is coincident with Coordinates X=626,770.28, Y=1,104,983.07; running thence North 43°00' East a distance of 1,280.88 feet to a point; running thence North 53°00' East a distance of 1,713.88 feet to a point; running thence North 43°00' East a distance of 401.64 feet to a point; running thence North 58°00' East a distance of 615.24 feet to a point; running thence North 23°00' East a distance of 676.11 feet to a point; running thence North 86°13'30" West a distance of 1,200.30 feet to a point, which point is coincident with Coordinates X=628,874.72, Y=1,108,272.41; running thence North 03°46'30" East a distance of 1,000.00 feet to a point, which point is coincident with Coordinates X=628,940.54, Y=1,109,270.25; running thence South 86°13'30" East a distance of 1,168.23 feet to a point; running thence South 86°13'30" East a distance of 192.75 feet to a point; running thence South 86°13'30" East a distance of 777.22 feet to a point; running thence South 86°13'30" East 375.79 feet, more or less, to the East bank of the Ocmulgee River; running thence along the East bank of the Ocmulgee River in a generally southerly direction 1,033.36 feet, more or less, to a point on said East bank of the Ocmulgee River where a line bearing North

2 of 11

EXHIBIT "D" continued

36°13'30" West from a point (hereinafter called "Point A") which is coincident with Coordinates X=631,412.72, Y=1,108,105.00 intersects said East bank; running thence to a point which is located North 86°13'30" West a distance of 421.96 feet from Point A; running thence North 86°13'30" West a distance of 471.00 feet to a point; running thence North 86°13'30" West a distance of 150.56 feet to a point; running thence North 86°13'30" West a distance of 77.30 feet to a point; running thence South 23°00' West a distance of 815.56 feet to a point; running thence South 52°00' West a distance of 653.80 feet to a point; running thence South 43°00' West a distance of 392.36 feet to a point; running thence South 53°00' West a distance of 1,713.88 feet to a point; running thence South 43°00' West a distance of 1,281.90 feet to a point, which point is coincident with Coordinates X=626,910.62, Y=1,104,825.66; running thence South 41°43' East a distance of 1,940.88 feet to a point; running thence South 38°37'30" East a distance of 238.72 feet to a point; running thence South 32°01'30" East a distance of 200.90 feet to a point; running thence South 25°24' East a distance of 194.48 feet to a point; running thence South 18°58' East a distance of 233.04 feet to a point; running thence South 12°48' East a distance of 194.87 feet to a point; running thence South 10°15' East a distance of 1,171.32 feet to a point; running thence South 09°44' East a distance of 199.47 feet to a point, which point is coincident with Coordinates X=628,902.19, Y=1,101,084.78; running thence North 89°22'30" West a distance of 776.58 feet to a point; running thence South 02°07' West a distance of 1,166.65 feet to a point; running thence South 62°16' East a distance of 88.63 feet to a point; running thence North 72°33'30" East a distance of 114.08 feet to a point; running thence South 44°08' East a distance of 106.18 feet to a point, which point is coincident with Coordinates X=628,343.76, Y=1,099,844.12; running thence South 68°09'30" West a distance of 578.25 feet to a point; running thence South 64°30'30" West a distance of 159.57 feet to a point; running thence South 54°01' West a distance of 171.76 feet to a point; running thence South 44°50'30" West a distance of 200.09 feet to a point; running thence South 42°59' West a distance of 200.00 feet to a point; running thence South 42°33' West a distance of 200.01 feet to a point; running thence South 42°36' West a distance of 217.90 feet to a point; running thence South 45°52' West a distance of 166.85 feet to a point; running thence South 56°26' West a distance of 166.72 feet to a point; running thence South 73°46' West a distance of 129.39 feet to a point; running thence South 88°02' West a distance of 166.93 feet to a point; running thence North 77°02' West a distance of 202.74 feet to a point; running thence North 66°44'30" West a distance of 1,288.34 feet to a point; running thence North 64°33' West a distance of 253.46 feet to a point; running thence North 61°32'30" West a distance of 257.80 feet to a point; running thence North 59°42' West a distance of 248.94 feet to a point;

3 of 11

EXHIBIT "D" continued

running thence North 56°42'30" West a distance of 247.23 feet to a point; running thence North 53°10'30" West a distance of 198.47 feet to a point; running thence North 49°00' West a distance of 207.90 feet to a point, which point is coincident with Coordinates X=623,782.34, Y=1,099,899.16; running thence North 04°29'30" West a distance of 947.21 feet to a point, which point is coincident with Coordinates X=623,708.19, Y=1,100,843.46; running thence North 89°34'30" West a distance of 764.88 feet to a point; running thence South 07°56' West a distance of 464.40 feet to a point; running thence South 55°12'30" West a distance of 76.84 feet to a point; running thence North 89°37'30" East a distance of 132.09 feet to a point; running thence North 89°37'30" East a distance of 81.51 feet to a point; running thence South 57°26'30" East a distance of 139.70 feet to a point, which point is coincident with Coordinates X=623,147.49, Y=1,100,271.52; running thence North 88°37' West a distance of 207.87 feet to a point; running thence South 79°39' West a distance of 148.67 feet to a point; running thence South 73°35'30" West a distance of 207.45 feet to a point; running thence South 79°24'30" West a distance of 237.20 feet to a point; running thence South 85°22'30" West a distance of 194.55 feet to a point; running thence South 89°33' West a distance of 206.13 feet to a point; running thence North 86°33' West a distance of 200.00 feet to a point; running thence North 85°58'30" West a distance of 800.04 feet to a point; running thence North 84°27' West a distance of 189.52 feet to a point; running thence North 70°45'30" West a distance of 191.82 feet to a point; running thence North 57°14'30" West a distance of 192.64 feet to a point; running thence North 53°32' West a distance of 63.12 feet to a point; running thence North 46°56' West a distance of 200.11 feet to a point; running thence North 47°52' West a distance of 205.51 feet to a point; running thence North 55°10'30" West a distance of 104.52 feet to a point; running thence North 63°54' West a distance of 200.42 feet to a point; running thence North 64°04'30" West a distance of 220.63 feet to a point; running thence North 51°47' West a distance of 190.94 feet to a point; running thence North 42°38'30" West a distance of 422.11 feet to a point; running thence North 54°17' West a distance of 197.12 feet to a point; running thence North 75°57'30" West a distance of 209.78 feet to a point; running thence North 87°18' West a distance of 286.70 feet to a point; running thence South 88°22' West a distance of 278.86 feet to a point; running thence South 82°51' West a distance of 215.01 feet to a point; running thence South 75°06'30" West a distance of 203.48 feet to a point; running thence South 72°48'30" West a distance of 191.52 feet to a point; running thence South 86°25' West a distance of 92.36 feet to a point; running thence North 81°48' West a distance of 118.09 feet to a point; running thence North 67°43'30" West a distance of 89.83 feet to a point; running thence North 61°25'30" West a distance of 100.18 feet to a point; running thence North

4 of 11

EXHIBIT "D" continued

65°07'30" West a distance of 231.37 feet to a point; running thence North 69°24'30" West a distance of 203.38 feet to a point; running thence North 71°58'30" West a distance of 400.00 feet to a point; running thence North 73°02' West a distance of 334.13 feet to a point, which point is coincident with Coordinates X=616,180.24 and Y=1,101,888.39; running thence North 72°39'30" West a distance of 300.76 feet to a point; running thence North 73°08' West a distance of 200.00 feet to a point; running thence North 74°30' West a distance of 273.23 feet to a point; running thence North 77°46'30" West a distance of 156.30 feet to a point; running thence North 85°47' West a distance of 161.47 feet to a point; running thence South 85°34' West a distance of 187.94 feet to a point; running thence South 78°05'30" West a distance of 137.65 feet to a point; running thence South 69°18'30" West a distance of 107.00 feet to a point; running thence South 66°48' West a distance of 700.00 feet to a point; running thence South 66°42'30" West a distance of 966.82 feet to a point; running thence South 72°54' West a distance of 197.43 feet to a point; running thence South 78°18'30" West a distance of 100.50 feet to a point; running thence South 82°45'30" West a distance of 129.82 feet to a point; running thence North 89°50' West a distance of 169.44 feet to a point; running thence North 82°35' West a distance of 200.14 feet to a point; running thence North 79°26' West a distance of 200.03 feet to a point; running thence North 79°31' West a distance of 268.56 feet to a point; running thence North 79°47' West a distance of 181.20 feet to a point; running thence North 78°36'30" West a distance of 200.05 feet to a point; running thence North 80°02'30" West a distance of 223.16 feet to a point; running thence North 81°56'30" West a distance of 203.36 feet to a point, which point is coincident with Coordinates X=611,082.03, Y=1,101,560.81; running thence North 02°02'30" East a distance of 409.54 feet to a point; running thence North 87°59'30" West a distance of 200.20 feet to a point; running thence North 02°00'30" East, a distance of 160.00 feet to a point; running thence North 87°59'30" West a distance of 230.00 feet to a point; running thence North 18°28'30" East a distance of 230.00 feet to a point; running thence North 09°32'30" West a distance of 170.00 feet to a point; running thence North 04°06' West a distance of 11.55 feet to a point; running thence North 88°26' West a distance of 750.61 feet to a point, which point is coincident with Coordinates X=609,965.88, Y=1,102,562.96; running thence South 01°15'30" West a distance of 1,002.69 feet to a point; running thence South 89°28' West a distance of 340.75 feet to a point; running thence North 81°59'30" West a distance of 212.42 feet to a point; running thence North 75°17' West a distance of 207.55 feet to a point; running thence North 67°30'30" West a distance of 307.59 feet to a point; running thence North 64°45' West a distance of 310.10 feet to a point; running thence North 71°35'30" West a distance of 348.37 feet to a point; running thence North 77°21' West a distance of 304.91

5 of 11

EXHIBIT "D" continued

feet to a point; running thence North 23°05'30" West a distance of 198.76 feet to a point; running thence North 83°48'30" West a distance of 334.79 feet to a point, which point is coincident with Coordinates X=607,469.13, Y=1,102,126.43; running thence North 00°13' East a distance of 662.73 feet to a point; running thence North 82°02' West a distance of 449.85 feet to a point, which point is coincident with Coordinates X=607,022.06, Y=1,102,804.60; running thence South 01°20'30" West a distance of 631.41 feet to a point; running thence North 84°13' West a distance of 306.38 feet to a point; running thence North 35°20'30" West a distance of 200.40 feet to a point; running thence North 84°58' West a distance of 247.36 feet to a point, which point is coincident with Coordinates X=606,256.33, Y=1,102,242.22; running thence North 15°31'30" East a distance of 289.93 feet to a point; running thence North 80°51'30" West a distance of 479.51 feet to a point; running thence North 00°52' East a distance of 1,859.88 feet to a point, which point is coincident with Coordinates X=605,885.53, Y=1,104,257.43; running thence North 86°40' West a distance of 1,456.79 feet to a point; running thence South 00°04' East a distance of 1,405.92 feet to a point; running thence South 01°37' West a distance of 191.35 feet to a point, which point is coincident with Coordinates X=604,427.42, Y=1,102,744.85; running thence North 89°47' West a distance of 180.23 feet to a point; running thence North 89°47' West a distance of 2,625.72 feet to a point, which point is coincident with Coordinates X=601,621.49, Y=1,102,755.41; running thence North 03°11'30" East a distance of 1,609.62 feet to a point; running thence North 86°48'30" West a distance of 1,499.98 feet to a point, which point is coincident with Coordinates X=600,213.47, Y=1,104,446.13; running thence North 03°12' East a distance of 1,499.87 feet to a point; running thence North 86°48' West a distance of 2,118.21 feet to a point, which point is coincident with Coordinates X=598,182.31, Y=1,106,061.79; running thence North 00°32'30" East a distance of 2,667.47 feet to a point; running thence North 00°32'30" East a distance of 46.00 feet to a point; running thence North 00°32'30" East a distance of 606.16 feet to a point, which point is coincident with Coordinates X=598,213.90, Y=1,109,381.27; running thence North 89°27'30" West a distance of 208.10 feet to a point; running thence North 89°27'30" West a distance of 636.98 feet to a point; running thence North 05°18'30" West a distance of 159.18 feet to a point, which point is coincident with Coordinates X=597,354.12, Y=1,109,547.80; running thence North 86°38' West a distance of 445.55 feet to a point; running thence South 02°29' East a distance of 561.46 feet to a point; running thence South 02°29' East a distance of 417.56 feet to a point, which point is coincident with Coordinates X=596,951.83, Y=1,108,595.85; running thence South 59°44'30" West a distance of 484.65 feet to a point; running thence South 70°47'30" West a distance of 542.98 feet to a point; running thence South 78°34'30" West a distance of 816.34

6 of 11.

EXHIBIT "D" continued

feet to a point; running thence South 72°48' West a distance of 346.60 feet to a point; running thence South 52°26' West a distance of 433.46 feet to a point; running thence South 40°21'30" West a distance of 593.41 feet to a point, which point is coincident with Coordinates X=594,161.39, Y=1,107,192.29; running thence North 00°41'30" West a distance of 1,016.97 feet to a point; running thence North 00°06' East a distance of 549.53 feet to a point; running thence North 00°21'30" East a distance of 295.44 feet to a point, which point is coincident with Coordinates X=594,151.87, Y=1,109,054.15; running thence North 57°24' West a distance of 57.01 feet to a point; running thence North 89°09' West a distance of 335.74 feet to a point; running thence South 89°40'30" West a distance of 112.28 feet to a point; running thence South 00°19'30" East a distance of 30.00 feet to a point, which point is coincident with Coordinates X=593,656.04, Y=1,109,059.18; running thence South 89°40'30" West a distance of 2,332.14 feet to a point; running thence North 89°47'30" West a distance of 1,600.00 feet to a point, which point is coincident with Coordinates X=589,723.98, Y=1,109,051.57; running thence North 01°43' East a distance of 1,300.00 feet to a point; running thence North 01°43' East a distance of 1,834.18 feet to a point; running thence North 01°43' East a distance of 98.71 feet to a point, which point is coincident with Coordinates X=589,822.04, Y=1,112,332.99; running thence South 79°29' West a distance of 143.72 feet to a point; running thence South 82°28' West a distance of 919.83 feet to a point; running thence South 79°40' West a distance of 26.33 feet to a point, which point is coincident with Coordinates X=588,742.93, and Y=1,112,181.46; running thence due North a distance of 3,932.11 feet to a point, which point is coincident with Coordinates X=588,742.93, Y=1,116,113.57; running thence due East a distance of 4,033.18 feet to a point; running thence due East a distance of 109.25 feet to a point; running thence North 89°58'30" East a distance of 1,329.08 feet to a point; running thence South 89°23' East a distance of 1,565.28 feet to a point; running thence South 89°23' East a distance of 1,237.46 feet to a point, which point is coincident with Coordinates X=597,017.02, Y=1,116,084.25; running thence North 00°37' East a distance of 2,964.31 feet to a point, which point is coincident with Coordinates X=597,049.12, Y=1,119,048.39; running thence South 89°46'30" East a distance of 1,531.36 feet to a point; running North 00°13'30" East a distance of 200.00 feet to a point; running thence South 89°43'30" East a distance of 299.91 feet to a point; running thence South 89°44'30" East a distance of 278.13 feet to a point; running thence South 89°47' East a distance of 1,146.31 feet to a point, which point is coincident with Coordinates X=600,305.59, Y=1,119,235.25; running thence North 00°29'30" East a distance of 2,595.06 feet to a point, which point is coincident with Coordinates X=600,327.69, Y=1,121,830.21; running thence South 89°38'30" East a distance of 161.46 feet to a point; running

7 of 11

EXHIBIT "D" continued

thence South 40°59' East a distance of 120.30 feet to a point; running thence South 46°14'30" East a distance of 131.03 feet to a point; running thence South 48°48'30" East a distance of 372.68 feet to a point; running thence South 89°38'30" East a distance of 60.87 feet to a point; running thence South 89°38'30" East a distance of 580.10 feet to a point; running thence North 00°21'30" East a distance of 424.03 feet to a point, which point is coincident with Coordinates X=601,586.73, Y=1,121,822.33; running thence South 89°38'30" East a distance of 1,667.22 feet to a point; running thence South 01°17' West a distance of 986.51 feet to a point; running thence North 59°22' East a distance of 1,264.62 feet to a point, which point is coincident with Coordinates X=604,320.00, Y=1,121,470.00; running thence North 36°38' East a distance of 1,828.69 feet to a point, which point is coincident with Coordinates X=605,411.18, Y=1,122,937.46; running thence in a northeasterly direction along the arc of a curve to the right (said curve having a radius of 888.50 feet) a distance of 889.81 feet to a point; running thence in a northeasterly direction along the arc of a curve to the right (said curve having a radius of 888.50 feet) a distance of 167.47 feet to a point; running thence South 75°11' East a distance of 64.31 feet to a point; running thence in a southeasterly direction along the arc of a curve to the right (said curve having a radius of 636.61 feet) a distance of 402.08 feet to a point, which point is coincident with Coordinates X=606,745.50, Y=1,123,034.98; running thence South 39°00' East a distance of 116.18 feet to a point; running thence North 61°14'30" East a distance of 155.02 feet to a point; running thence South 04°15' East a distance of 135.04 feet to a point; running thence South 04°44' East a distance of 206.55 feet to a point; running thence South 35°51' East a distance of 131.32 feet to a point; running thence South 41°53'30" East a distance of 200.04 feet to a point; running thence South 41°36'30" East a distance of 200.02 feet to a point; running thence South 41°16'30" East a distance of 235.96 feet to a point; running thence South 46°45'30" East a distance of 420.57 feet to a point; running thence South 83°20' East a distance of 13.17 feet to a point; running thence South 88°53' East a distance of 209.98 feet to a point; running thence South 89°26' East a distance of 450.52 feet to a point; running thence North 89°22' East a distance of 180.04 feet to a point; running thence South 89°36'30" East a distance of 96.00 feet to a point; running thence South 84°07' East a distance of 79.48 feet to a point; running thence South 80°00'30" East a distance of 133.04 feet to a point; running thence South 70°57'30" East a distance of 76.79 feet to a point; running thence South 65°13'30" East a distance of 647.42 feet to a point; running thence South 68°36' East a distance of 176.61 feet to a point, which point is coincident with Coordinates X=609,771.38, Y=1,121,407.62; running thence South 72°10' East a distance of 165.47 feet to a point; running thence South 56°55'30" East a distance of 163.74 feet to

8 of 11

EXHIBIT "D" continued

a point; running thence South 64°03'30" East a distance of 129.85 feet to a point; running thence South 77°12' East a distance of 103.65 feet to a point; running thence South 83°48'30" East a distance of 167.26 feet to a point; running thence South 33°02'30" East a distance of 202.86 feet to a point; running thence North 86°19'30" East a distance of 302.40 feet to a point; running thence North 83°54' East a distance of 212.06 feet to a point; running thence North 69°45' East a distance of 97.18 feet to a point; running thence North 47°07' East a distance of 102.27 feet to a point; running thence North 28°27' East a distance of 105.84 feet to a point; running thence North 31°17' East a distance of 313.36 feet to a point; running thence North 63°23'30" East a distance of 113.48 feet to a point; running thence North 67°09' East a distance of 135.00 feet to a point; running thence North 88°10'30" East a distance of 150.88 feet to a point; running thence South 00°24'30" West a distance of 525.12 feet to a point, which point is coincident with Coordinates X=611,942.15, Y=1,121,251.87; running thence South 88°23'30" East a distance of 420.06 feet to a point; running thence North 00°45' East a distance of 104.58 feet to a point; running thence South 88°35'30" East a distance of 209.60 feet to a point; running thence North 88°41' East a distance of 210.00 feet to a point; running thence North 00°43'30" East a distance of 420.00 feet to a point, which point is coincident with Coordinates X=612,782.21, Y=1,121,764.30; running thence North 89°52' East a distance of 626.85 feet to a point; running thence North 79°48'30" East a distance of 74.81 feet to a point; running thence North 83°16' East a distance of 319.34 feet to a point; running thence South 77°55'30" East a distance of 143.82 feet to a point; running thence North 88°38' East a distance of 860.33 feet to a point; running thence South 86°53'30" East a distance of 439.97 feet to a point; running thence South 68°23'30" East a distance of 169.19 feet to a point; running thence South 53°02' East a distance of 374.11 feet to a point, which point is coincident with Coordinates X=615,702.08, Y=1,121,495.65; running thence North 13°05'30" East a distance of 106.59 feet to a point; running thence North 31°30'30" West a distance of 268.21 feet to a point; running thence North 31°24' East a distance of 119.80 feet to the Point of Beginning.

The property hereinabove described is more particularly described on that certain Blueprint of Survey, captioned "Plant Scherer, a Plat of Project Boundary and Road & Gas Line Relocation, Fifth Land District, Monroe County, Georgia", dated April 27, 1978, prepared for Georgia Power Company, Land Department by Hugh W. Mercer, Jr., Georgia Registered Land Surveyor No. 1890, bearing Drawing No. M-154-3, to which Blueprint of Survey reference is hereby made for all purposes.

Coordinates set forth in the foregoing description are based upon the Georgia State Plane Coordinate Systems: West Zone Grid Meridian.

9 of 11

EXHIBIT "D" continued

LESS AND EXCEPT from the foregoing parcel, the following tracts:

TRACT I:

Units 1 and 2 Site, as described in Exhibit D-1 attached hereto and made a part hereof, there being excluded from said Units 1 and 2 Site, but included within the foregoing parcel the following parcels which are described in the respective exhibits designated following the names of such parcels, the same being incorporated herein by reference:

Parcel A: Fire Protection Building and Storage Tanks, Units 1 and 2, Plant Scherer, as described on Exhibit D-2 attached hereto and made a part hereof;

Parcel B: Water Treatment Building and Associated Storage Tanks, Units 1 and 2, Plant Scherer, as described on Exhibit D-3 attached hereto and made a part hereof;

Parcel C: Lighter Oil Storage Facility, Units 1 and 2, Plant Scherer, as described on Exhibit D-4 attached hereto and made a part hereof;

Parcel D: Turbine Lubricating Oil Storage Facility, Units 1 and 2, Plant Scherer, as described on Exhibit D-5 attached hereto and made a part hereof;

Parcel E: Hydrogen and Nitrogen Bulk Storage Facility, Units 1 and 2, Plant Scherer, as described on Exhibit D-6 attached hereto and made a part hereof.

Parcel F: Start Up Boilers, Plant Scherer, as described on Exhibit D-7 attached hereto and made a part hereof, but only to the extent that the same lie within the boundaries of the Units 1 and 2 Site, Plant Scherer.

TRACT II:

Units 3 and 4 Site, as described in Exhibit D-8 attached hereto and made a part hereof, there being excluded from said Units 3 and 4 Site, but included within the foregoing parcel the following parcels which are described in the respective exhibits designated following the names of such parcels, the same being incorporated herein by reference:

Parcel A: Fire Protection Building and Storage Tanks, Units 3 and 4, Plant Scherer, as described on Exhibit D-9 attached hereto and made part hereof;

Parcel B: Lighter Oil Storage Facility, Units 3 and 4, Plant Scherer, as described on Exhibit D-10 attached hereto and made a part hereof;

Parcel C: Start Up Boilers, Plant Scherer, as described on Exhibit D-11 attached hereto and made a part hereof, but only to the extent that the same lie within the boundaries of the Units 3 and 4 Site, Plant Scherer.

TRACT III:

Combustion Turbine, Plant Scherer, as described in Exhibit D-12 attached hereto and hereby made a part hereof.

TRACT IV:

Training Building, Plant Scherer, as described in Exhibit D-13 attached hereto and hereby made a part hereof.

TRACT V:

Skills Development Center Tract, Plant Scherer, as described in Exhibit D-14 attached hereto and hereby made a part hereof.

TRACT VI:

Microwave Tower, Plant Scherer, as described in Exhibit D-15 attached hereto and hereby made a part hereof.

TRACT VII:

A .44 acre tract described in Option from Georgia Timberlands, Inc. to Georgia Power Company recorded in Deed Book 98, page 93, aforesaid records. No deed is found of record in favor of Georgia Power Company and the property is now titled in the name of Buckeye Cellulose Corporation by virtue of a deed recorded in Deed Book 168, page 53, aforesaid records.

TRACT VIII:

A .038 acre tract deeded to Joseph C. Starr and Virginia G. Starr recorded in Deed Book 105, page 771, aforesaid records.

EXHIBIT "D" continued

EXHIBIT D-1

UNITS 1 AND 2 SITE

ALL THAT TRACT or parcel of land situated, lying and being in the Fifth Land District of Monroe County, Georgia, and being more particularly described as follows:

BEGINNING AT A POINT coincident with Coordinates N=38,221.00, E=18,520.00 and running thence in a northeasterly direction to a point, which point is coincident with Coordinates N=38,625.00, E=19,145.00; running thence in a northerly direction to a point, which point is coincident with Coordinates N=39,230.00, E=19,140.00; running thence in an easterly direction to a point, which point is coincident with Coordinates N=39,230.00, E=19,480.00; running thence in a northerly direction to a point, which point is coincident with Coordinates N=39,289.00, E=19,468.00; running thence in an easterly direction to a point, which point is coincident with Coordinates N=39,289.00, E=20,822.00; running thence in a southerly direction to a point, which point is coincident with Coordinates N=38,889.00, E=20,822.00; running thence in an easterly direction to a point, which point is coincident with Coordinates N=38,889.00, E=21,211.00; running thence in a southerly direction to a point, which point is coincident with Coordinates N=38,819.00, E=21,211.00; running thence in a westerly direction to a point, which point is coincident with Coordinates N=38,819.00, E=20,862.00; running thence in a southwesterly direction to a point, which point is coincident with Coordinates N=38,732.00, E=20,562.00; running thence in a southerly direction to a point, which point is coincident with Coordinates N=37,555.00, E=20,562.00; running thence in a southwesterly direction to a point, which point is coincident with Coordinates N=37,250.00, E=19,675.00; running thence in a northwesterly direction to the Point of Beginning.

The property hereinabove described is more particularly described on that certain Blueprint of Survey, captioned "Plant Scherer General Arrangement As Built Facilities" dated December 18, 1985, prepared by Oglethorpe Power Corporation, bearing Drawing No. FDC 1066, to which Blueprint of Survey reference is hereby made for all purposes.

Coordinates set forth in the foregoing description are based upon the Georgia Power Company Grid Coordinate System for Robert W. Scherer Plant. Georgia Power Company Coordinate, N=400+00, is coincident with Georgia State Plane Coordinate: West Zone Grid Meridian, N=1,114,000; Georgia Power Company Coordinate, E=200+00, is coincident with Georgia State Plane Coordinate: West Zone Grid Meridian, E=610,000.

EXHIBIT D-1

EXHIBIT D-2

FIRE PROTECTION BUILDING AND STORAGE TANKS, UNITS 1 AND 2, PLANT SCHERER

ALL THAT TRACT or parcel of land situated, lying and being in the Fifth Land District of Monroe County, Georgia, and being more particularly described as follows:

BEGINNING AT A POINT coincident with Coordinates N=38,640.00, E=20,303.00 and running thence in a southerly direction to a point, which point is coincident with Coordinates N=38,530.00, E=20,303.00; running thence in a westerly direction to a point, which point is coincident with Coordinates N=38,530.00, E=19,860.00; running thence in a northerly direction to a point, which point is coincident with Coordinates N=38,640.00, E=19,860.00; running thence in an easterly direction to the Point of Beginning.

The property hereinabove described is more particularly described on that certain Blueprint of Survey, captioned "Plant Scherer: General Arrangement As Built Facilities" dated December 18, 1925, prepared by Oglethorpe Power Corporation, bearing Drawing No. FDC 1066, to which Blueprint of Survey reference is hereby made for all purposes.

Coordinates set forth in the foregoing description are based upon the Georgia Power Company Grid Coordinate System for the Robert W. Scherer Plant. Georgia Power Company Coordinate, N=400-00, is coincident with Georgia State Plane Coordinate: West Zone Grid Meridian, N=1,114,000; Georgia Power Company Coordinate E=200-00 is coincident with Georgia State Plane Coordinate: West Zone Grid Meridian, E=610,000.

EXHIBIT D-2

EXHIBIT D-3

WATER TREATMENT BUILDING AND ASSOCIATED STORAGE TANKS UNITS 1 AND 2, PLANT SCHERER

ALL THAT TRACT or parcel of land situated, lying and being in the Fifth Land District of Monroe County, Georgia, and being more particularly described as follows:

BEGINNING AT A POINT coincident with Coordinates N=38,450.00, E=20,250.00 and running thence in a southerly direction to a point, which point is coincident with Coordinates N=38,195.00, E=20,250.00; running thence in a westerly direction to a point, which point is coincident with Coordinates N=38,195.00, E=19,830.00; running thence in a northerly direction to a point, which point is coincident with Coordinates N=38,450.00, E=19,830.00; running thence in an easterly direction to the Point of Beginning.

The property hereinabove described is more particularly described on that certain Blueprint of Survey, captioned "Plant Scherer General Arrangement As Built Facilities" dated December 18, 1985, prepared by Oglethorpe Power Corporation, bearing Drawing No. FDC 1066, to which Blueprint of Survey reference is hereby made for all purposes.

Coordinates set forth in the foregoing description are based upon the Georgia Power Company Grid Coordinate System for the Robert W. Scherer Plant. Georgia Power Company Coordinate, N=400+00, is coincident with Georgia State Plane Coordinate: West Zone Grid Meridian, N=1,114,000; Georgia Power Company Coordinate E=200+00 is coincident with Georgia State Plane Coordinate: West Zone Grid Meridian, E=610,000.

EXHIBIT D-3

EXHIBIT D-4

LIGHTER OIL STORAGE FACILITY UNITS 1 AND 2, PLANT SCHERER

ALL THAT TRACT or parcel of land situated, lying and being in the Fifth Land District of Monroe County, Georgia, and being more particularly described as follows:

BEGINNING AT A POINT coincident with Coordinates N=38,120.00, E=20,479.39 and running thence in a southerly direction to a point, which point is coincident with Coordinates N=37,990.00, E=20,479.39; running thence in a westerly direction to a point, which point is coincident with Coordinates N=37,990.00, E=20,360.00; running thence in a northerly direction to a point, which point is coincident with Coordinates N=38,120.00, E=20,360.00; running thence in an easterly direction to the Point of Beginning.

The property hereinabove described is more particularly described on that certain Blueprint of Survey, captioned "Plant Scherer General Arrangement As Built Facilities" dated December 18, 1985, prepared by Oglethorpe Power Corporation, bearing Drawing No. FDC 1066, to which Blueprint of Survey reference is hereby made for all purposes.

Coordinates set forth in the foregoing description are based upon the Georgia Power Company Grid Coordinate System for the Robert W. Scherer Plant. Georgia Power Company Coordinate, N=400+00, is coincident with Georgia State Plane Coordinate: West Zone Grid Meridian, N=1,114,000; Georgia Power Company Coordinate E=200-00, is coincident with Georgia State Plane Coordinate: West Zone Grid Meridian, E=610,000.

EXHIBIT D-4

EXHIBIT D-5

TURBINE LUBRICATING OIL STORAGE FACILITY, UNITS 1 AND 2, PLANT SCHERER

ALL THAT TRACT or parcel of land situated, lying and being in the Fifth Land District of Monroe County, Georgia, and being more particularly described as follows:

BEGINNING AT A POINT coincident with Coordinates N=38,516.00, E=19,410.00; and running thence in a southerly direction to a point, which point is coincident with Coordinates N=38,442.50, E=19,410.00; running thence in a westerly direction to a point, which point is coincident with Coordinates N=38,442.50, E=19,338.67; running thence in a northerly direction to a point, which point is coincident with Coordinates N=38,516.00, E=19,338.67; running thence in an easterly direction to the Point of Beginning.

The property hereinabove described is more particularly described on that certain Blueprint of Survey, captioned "Plant Scherer General Arrangement As Built Facilities" dated December 18, 1985, prepared by Oglethorpe Power Corporation, bearing Drawing No. FDC 1066, to which Blueprint of Survey reference is hereby made for all purposes.

Coordinates set forth in the foregoing description are based upon the Georgia Power Company Grid Coordinate System for the Robert W. Scherer Plant. Georgia Power Company Coordinate, N=400+00, is coincident with Georgia State Plane Coordinate: West Zone Grid Meridian N=1,114,000; Georgia Power Company Coordinate E=200+00, is coincident with Georgia State Plane Coordinate: West Zone Grid Meridian, E=610,000

EXHIBIT D-5

EXHIBIT D-6

**HYDROGEN AND NITROGEN BULK STORAGE FACILITY,
UNITS 1 AND 2, PLANT SCHERER**

ALL THAT TRACT or parcel of land situated, lying and being in the Fifth Land District of Monroe County, Georgia, and being more particularly described as follows:

BEGINNING AT A POINT coincident with Coordinates N=38,310.50, E=19,412.00; and running thence in a southerly direction to a point, which point is coincident with Coordinates N=38,195.50, E=19,412.00; running thence in a westerly direction to a point, which point is coincident with Coordinates N=38,195.50, E=19,368.00; running thence in a northerly direction to a point, which point is coincident with Coordinates N=38,310.50, E=19,368.00; running thence in an easterly direction to the Point of Beginning.

The property hereinabove described is more particularly described on that certain Blueprint of Survey, captioned "Plant Scherer General Arrangement As Built Facilities" dated December 18, 1985, prepared by Oglethorpe Power Corporation, bearing Drawing No. FDC 1066, to which Blueprint of Survey reference is hereby made for all purposes.

Coordinates set forth in the foregoing description are based upon the Georgia Power Company Grid Coordinate System for the Robert W. Scherer Plant. Georgia Power Company Coordinate, N=400-00, is coincident with Georgia State Plane Coordinate: West Zone Grid Meridian, N=1,114,000; Georgia Power Company Coordinate E=200-00 is coincident with Georgia State Plane Coordinate: West Zone Grid Meridian, E=610,000.

EXHIBIT D-6

EXHIBIT D-7

START UP BOILERS PLANT SCHERER

ALL THAT TRACT or parcel of land situated, lying and being in the Fifth Land District of Monroe County, Georgia, and being more particularly described as follows:

BEGINNING AT A POINT coincident with Coordinates N=39,336.00, E=19,803.00; and running thence in a southerly direction to a point, which point is coincident with Coordinates N=39,254.00, E=19,803.00; running thence in a westerly direction to a point, which point is coincident with Coordinates N=39,254.00, E=19,715.00; running thence in a northerly direction to a point, which point is coincident with Coordinates N=39,336.00, E=19,715.00; running thence in an easterly direction to the Point of Beginning.

The property hereinabove described is more particularly described on that certain Blueprint of Survey, captioned "Plant Scherer: General Arrangement As Built Facilities" dated December 18, 1985, prepared by Oglethorpe Power Corporation, bearing Drawing No. FDC 1066, to which Blueprint of Survey reference is hereby made for all purposes.

Coordinates set forth in the foregoing description are based upon the Georgia Power Company Grid Coordinate System for the Robert W. Scherer Plant. Georgia Power Company Coordinate, N=400+00, is coincident with Georgia State Plane Coordinate: West Zone Grid Meridian, N=1,114,000; Georgia Power Company Coordinate E=200+00 is coincident with Georgia State Plane Coordinate: West Zone Grid Meridian, E=610,000.

EXHIBIT D-7

EXHIBIT D-8

UNITS 3 AND 4 SITE

ALL THAT TRACT or parcel of land situated, lying and being in the Fifth Land District of Monroe County, Georgia, and being more particularly described as follows:

BEGINNING AT A POINT coincident with Coordinates N=39,289.00, E=20,822.00 and running thence in a westerly direction to a point, which point is coincident with Coordinates N=39,289.00, E=19,468.00; running thence in a northerly direction to a point, which point is coincident with Coordinates N=39,425.00, E=19,468.00; running thence in a westerly direction to a point, which point is coincident with Coordinates N=39,425.00, E=19,128.00; running thence in a northerly direction to a point, which point is coincident with Coordinates N=40,119.00, E=19,128.00; running thence in a westerly direction to a point, which point is coincident with Coordinates N=40,119.00, E=18,668.00; running thence in a northerly direction to a point, which point is coincident with Coordinates N=40,509.00, E=18,668.00; running thence in a northeasterly direction to a point, which point is coincident with Coordinates N=40,786.00, E=18,836.00; running thence in a northerly direction to a point, which point is coincident with Coordinates N=40,986.00, E=18,840.00; running thence in a northeasterly direction to a point, which point is coincident with Coordinates N=41,063.00, E=20,573.00; running thence in a southerly direction to a point, which point is coincident with Coordinates N=39,895.00, E=20,567.00; running thence in a southeasterly direction to a point, which point is coincident with Coordinates N=39,805.00, E=20,822.00; running thence in an easterly direction to a point, which point is coincident with Coordinates N=39,805.00, E=21,207.00; running thence in a southerly direction to a point, which point is coincident with Coordinates N=39,695.00, E=21,207.00; running thence in a westerly direction to a point, which point is coincident with Coordinates N=39,695.00, E=20,822.00; running thence in a southerly direction to the Point of Beginning.

The property hereinabove described is more particularly described on that certain Blueprint of Survey, captioned "Plant Scherer General Arrangement As Built Facilities" dated December 18, 1985, prepared by Oglethorpe Power Corporation, bearing Drawing No. FDC 1066, to which Blueprint of Survey reference is hereby made for all purposes.

Coordinates set forth in the foregoing description are based upon the Georgia Power Company Grid Coordinate System for Robert W. Scherer Plant. Georgia Power Company Coordinate, N=400+00, is

EXHIBIT D-8

EXHIBIT D-8

coincident with Georgia State Plane Coordinate: West Zone Grid Meridian, N=1,114,000; Georgia Power Company Coordinate, E=200+00, is coincident with Georgia State Plane Coordinate: West Zone Grid Meridian, E=610,000.

EXHIBIT D-8 continued

EXHIBIT D-9

FIRE PROTECTION BUILDING AND STORAGE TANKS, UNITS 3 AND 4, PLANT SCHERER

ALL THAT TRACT or parcel of land situated, lying and being in the Fifth Land District of Monroe County, Georgia, and being more particularly described as follows:

BEGINNING AT A POINT coincident with Coordinates N=40,075.00, E=20,303.00; and running thence in a southerly direction to a point, which point is coincident with Coordinates N=39,951.10, E=20,303.00; running thence in a westerly direction to a point, which point is coincident with Coordinates N=39,951.10, E=19,860.00; running thence in a northerly direction to a point, which point is coincident with Coordinates N=40,075.00, E=19,860.00; running thence in an easterly direction to the Point of Beginning.

The property hereinabove described is more particularly described on that certain Blueprint of Survey, captioned "Plant Scherer General Arrangement As Built Facilities" dated December 18, 1983, prepared by Oglethorpe Power Corporation, bearing Drawing No. FDC 1066, to which Blueprint of Survey reference is hereby made for all purposes.

Coordinates set forth in the foregoing description are based upon the Georgia Power Company Grid Coordinate System for the Robert W. Scherer Plant. Georgia Power Company Coordinate, N=400-00, is coincident with Georgia State Plane Coordinate: West Zone Grid Meridian, N=1,114,000; Georgia Power Company Coordinate E=200-00 is coincident with Georgia State Plane Coordinate: West Zone Grid Meridian, E=610,000.

EXHIBIT D-9

EXHIBIT D-10

LIGHTER OIL STORAGE FACILITY, UNITS 3 AND 4, PLANT SCHERER

ALL THAT TRACT or parcel of land situated, lying and being in the Fifth Land District of Monroe County, Georgia, and being more particularly described as follows:

BEGINNING AT A POINT coincident with Coordinates N=40,604.78, E=20,500.00; and running thence in a southerly direction to a point, which point is coincident with Coordinates N=40,490.43, E=20,500.00; running thence in a westerly direction to a point, which point is coincident with Coordinates N=40,490.43, E=20,385.00; running thence in a northerly direction to a point, which point is coincident with Coordinates N=40,604.78, E=20,385.00; running thence in an easterly direction to the Point of Beginning.

The property hereinabove described is more particularly described on that certain Blueprint of Survey, captioned "Plant Scherer General Arrangement As Built Facilities" dated December 18, 1985, prepared by Oglethorpe Power Corporation, bearing Drawing No. FDC 1066, to which Blueprint of Survey reference is hereby made for all purposes.

Coordinates set forth in the foregoing description are based upon the Georgia Power Company Grid Coordinate System for the Robert W. Scherer Plant. Georgia Power Company Coordinate, N=400+00, is coincident with Georgia State Plane Coordinate: West Zone Grid Meridian, N=1,114,000; Georgia Power Company Coordinate E=200+00 is coincident with Georgia State Plane Coordinate: West Zone Grid Meridian, E=610,000.

EXHIBIT D-10

EXHIBIT D-11

START UP BOILERS PLANT SCHERER

ALL THAT TRACT or parcel of land situated, lying and being in the Fifth Land District of Monroe County, Georgia, and being more particularly described as follows:

BEGINNING AT A POINT coincident with Coordinates N=39,336.00, E=19,803.00; and running thence in a southerly direction to a point, which point is coincident with Coordinates N=39,254.00, E=19,803.00; running thence in a westerly direction to a point, which point is coincident with Coordinates N=39,254.00, E=19,715.00; running thence in a northerly direction to a point, which point is coincident with Coordinates N=39,336.00, E=19,715.00; running thence in an easterly direction to the Point of Beginning.

The property hereinabove described is more particularly described on that certain Blueprint of Survey, captioned "Plant Scherer General Arrangement As Built Facilities" dated December 18, 1985, prepared by Oglethorpe Power Corporation, bearing Drawing No. FDC 1066, to which Blueprint of Survey reference is hereby made for all purposes.

Coordinates set forth in the foregoing description are based upon the Georgia Power Company Grid Coordinate System for the Robert W. Scherer Plant. Georgia Power Company Coordinate, N=400+00, is coincident with Georgia State Plane Coordinate: West Zone Grid Meridian, N=1,114,000; Georgia Power Company Coordinate E=200+00 is coincident with Georgia State Plane Coordinate: West Zone Grid Meridian, E=610,000.

EXHIBIT D-11

EXHIBIT D-12

COMBUSTION TURBINE. PLANT SCHERER

ALL THAT TRACT or parcel of land situated, lying and being in the Fifth Land District of Monroe County, Georgia, and being more particularly described as follows:

BEGINNING AT A POINT coincident with Coordinates N=39,819.00 E=18,285.00 and running thence in a northerly direction to a point, which point is coincident with Coordinates N=40,119.00, E=18,285.00; running thence in an easterly direction to a point, which point is coincident with Coordinates N=40,119.00, E=18,608.00; running thence in a northerly direction to a point, which point is coincident with Coordinates N=40,521.00, E=18,608.00; running thence in a northeasterly direction to a point, which point is coincident with Coordinates N=40,809.00, E=18,776.00; running thence in a northerly direction to a point, which point is coincident with Coordinates N=41,181.00, E=18,776.00; running thence in a westerly direction to a point, which point is coincident with Coordinates N=41,181.00, E=18,606.00; running thence in a northerly direction to a point, which point is coincident with Coordinates N=41,581.00, E=18,606.00; running thence in an easterly direction to a point, which point is coincident with Coordinates N=41,581.00, E=19,005.00; running thence in a southerly direction to a point, which point is coincident with Coordinates N=41,181.00, E=19,005.00; running thence in a westerly direction to a point, which point is coincident with Coordinates N=41,181.00, E=18,835.00; running thence in a southerly direction to a point, which point is coincident with Coordinates N=40,986.00, E=18,840.00; running thence in a southerly direction to a point, which point is coincident with Coordinates N=40,786.00, E=18,836.00; running thence in a southwesterly direction to a point, which point is coincident with Coordinates N=40,509.00, E=18,668.00; running thence in a southerly direction to a point, which point is coincident with Coordinates N=40,119.00, E=18,668.00; running thence in an easterly direction to a point, which point is coincident with Coordinates N=40,119.00, E=18,808.00; running thence in a southerly direction to a point, which point is coincident with Coordinates N=39,819.00, E=18,808.00; running thence in a westerly direction to the Point of Beginning.

The property hereinabove described is more particularly described on that certain Blueprint of Survey, captioned "Plant Scherer: General Arrangement As Built Facilities" dated December 18, 1985, prepared by Oglethorpe Power Corporation, bearing Drawing No. FDC 1066, to which Blueprint of Survey reference is hereby made for all purposes.

EXHIBIT D-12

EXHIBIT D-12

Coordinates set forth in the foregoing description are based upon the Georgia Power Company Grid Coordinate System for Robert W. Scherer Plant. Georgia Power Company Coordinate N=400+00; is coincident with Georgia State Plane Coordinate: West Zone Grid Meridian, N=1,114,000; Georgia Power Company Coordinate, E=200-00 is coincident with Georgia State Plane Coordinate: West Zone Grid Meridian, E=610,000.

EXHIBIT D-12 continued

EXHIBIT D-13

TRAINING BUILDING, PLANT SCHERER

ALL THAT TRACT or parcel of land situated, lying and being in the Fifth Land District of Monroe County, Georgia, and being more particularly described as follows:

BEGINNING AT A POINT coincident with Coordinates N=39,984.52, E=24,306.53 and running thence in a southeasterly direction to a point, which point is coincident with Coordinates N=39,954.00, E=24,480.00; running thence in a southeasterly direction to a point, which point is coincident with Coordinates N=39,943.17, E=24,506.03; running thence in a southeasterly direction to a point, which point is coincident with Coordinates N=39,939.19, E=24,525.53; running thence in a southeasterly direction to a point, which point is coincident with Coordinates N=39,892.38, E=24,609.26; running thence in a southeasterly direction to a point, which point is coincident with Coordinates N=39,756.11, E=24,718.20; running thence in a southeasterly direction to a point, which point is coincident with Coordinates N=39,657.02, E=24,789.53; running thence in a southwesterly direction to a point, which point is coincident with Coordinates N=39,574.45, E=24,724.00; running thence in a southwesterly direction to a point, which point is coincident with Coordinates N=39,469.21, E=24,688.82; running thence in a southwesterly direction to a point, which point is coincident with Coordinates N=39,323.36, E=24,619.62; running thence in a northwesterly direction to a point, which point is coincident with Coordinates N=39,350.53, E=24,463.36; running thence in a northwesterly direction to a point, which point is coincident with Coordinates N=39,461.96, E=24,273.51; running thence in a northwesterly direction to a point, which point is coincident with Coordinates N=39,587.20, E=24,241.16; running thence in a northerly direction to a point, which point is coincident with Coordinates N=39,756.65, E=24,265.00; running thence in a northerly direction to the Point of Beginning.

The property hereinabove described is more particularly described on that certain Blueprint of Survey, captioned "Plant Scherer General Arrangement As Built Facilities" dated December 18, 1985, prepared by Oglethorpe Power Corporation, bearing Drawing No. FDC 1066, to which Blueprint of Survey reference is hereby made for all purposes.

EXHIBIT D-13

EXHIBIT D-13

Coordinates set forth in the foregoing description are based upon the Georgia Power Company Grid Coordinate System for Robert W. Scherer Plant. Georgia Power Company Coordinate, N=400+00 is coincident with Georgia State Plane Coordinate: West Zone Grid Meridian, N=1,114,000; Georgia Power Company Coordinate, E=200+00 is coincident with Georgia State Plane Coordinate: West Zone Grid Meridian, E=610,000.

EXHIBIT D-13 continued

EXHIBIT D-14

SKILLS DEVELOPMENT CENTER TRACT, PLANT SCBERER

ALL THAT TRACT or parcel of land situated, lying and being in Land Lots 149, 150, 151, 170, 171, 172 and 173, G.M.D. 466 of the Fifth Land District of Monroe County, Georgia, and being more particularly described as follows:

BEGINNING at an iron pin set at the point formed by the intersection of the southwesterly right-of-way line of Georgia Highway No. 87 (200-foot right-of-way, as located on October 25, 1979) and the westerly right-of-way line of Holly Grove Road (100-foot right-of-way, as located on October 25, 1979); running thence southwesterly along the westerly right-of-way line of Holly Grove Road and following the curvature thereof the following courses and distances: South 63 degrees 24 minutes West a distance of 524.11 feet to a point; South 60 degrees 39 minutes West a distance of 66.70 feet to a point; South 51 degrees 56 minutes 30 seconds West a distance of 108.57 feet to a point; South 46 degrees 54 minutes 30 seconds West a distance of 28.90 feet to a point; South 41 degrees 34 minutes 30 seconds West a distance of 28.90 feet to a point; South 36 degrees 31 minutes 30 seconds West a distance of 108.91 feet to a point; South 26 degrees 04 minutes West a distance of 61.60 feet to a point; South 22 degrees 58 minutes 30 seconds West a distance of 2,661.20 feet to a point; South 26 degrees 34 minutes West a distance of 98.08 feet to a point; South 39 degrees 35 minutes 30 seconds West a distance of 89.74 feet to a point; South 50 degrees 12 minutes West a distance of 89.28 feet to a point; South 52 degrees 32 minutes West a distance of 135.79 feet to an iron pin set at a point on the westerly right-of-way line of Holly Grove Road which point is coincident with Coordinates X=614,951.00, Y=1,115,824.56; thence leaving said right-of-way line and running North 65 degrees 03 minutes West a distance of 1,543.10 feet to an iron pin set at a point, which point is coincident with Coordinates X=613,551.95, Y=1,116,475.56; running thence North 28 degrees 08 minutes 30 seconds East a distance of 956.09 feet to an iron pin set at a point, which point is coincident with Coordinates X=614,002.92, Y=1,117,318.61; running thence North 69 degrees 15 minutes West a distance of 346.64 feet to an iron pin set at a point, which point is coincident with Coordinates X=613,678.77, Y=1,117,441.43, which point is hereinafter referred to as Point A; running thence North 69 degrees 15 minutes West a distance of 20 feet, more or less, to the centerline of the thread of Berry Creek; thence running in a northeasterly direction following the meanderings of the centerline of the thread of Berry Creek (the same being the boundary of the property herein described) to the point formed by the intersection of the centerline of the thread of Berry Creek

EXHIBIT D-14

EXHIBIT D-14

and the southwesterly right-of-way line of Georgia Highway No. 87 (a 200-foot right-of-way); thence running South 44 degrees 46 minutes 30 seconds East a distance of 16 feet, more or less, to an iron pin recovered on said right-of-way line, said point being coincident with Coordinates X=615,648.47, Y=1,121,930.40; which point is hereinafter referred to as Point B, said Point B being located on a traverse line extending along the thread of Berry Creek from Point A to Point B the following courses and distances: North 27 degrees 54 minutes East a distance of 210.72 feet to a point; North 87 degrees 46 minutes 30 seconds East a distance of 217.50 feet to a point; North 43 degrees 56 minutes East a distance of 620.60 feet to a point; North 28 degrees 09 minutes East a distance of 476.64 feet to a point; North 14 degrees 09 minutes East a distance of 245.39 feet to a point; North 21 degrees 59 minutes East a distance of 207.43 feet to a point; North 04 degrees 00 minutes 30 seconds East a distance of 342.76 feet to a point; North 86 degrees 35 minutes 30 seconds East a distance of 136.32 feet to a point; North 27 degrees 23 minutes East a distance of 475.03 feet to a point; North 29 degrees 42 minutes 30 seconds East a distance of 361.79 feet to a point; North 52 degrees 05 minutes West a distance of 284.83 feet to a point; North 03 degrees 06 minutes 30 seconds West a distance of 353.92 feet to a point; North 52 degrees 40 minutes East a distance of 312.83 feet to a point; North 00 degrees 24 minutes 30 seconds West a distance of 504.79 feet to a point; South 68 degrees 54 minutes East a distance of 159.80 feet to a point; North 33 degrees 35 minutes East a distance of 372.77 feet to an iron pin recovered at a point, which point is coincident with Coordinates X=615,702.08, Y=1,121,495.65; North 43 degrees 46 minutes East a distance of 140.23 feet to a point; North 11 degrees 05 minutes West a distance of 152.27 feet to a point; North 33 degrees 23 minutes 30 seconds West a distance of 226.46 feet to Point B; from Point B, running thence southerly and easterly along the southwesterly right-of-way line of Georgia Highway No. 87 and following the curvature thereof the following courses and distances: South 44 degrees 46 minutes 30 seconds East a distance of 151.68 feet to a point; South 32 degrees 53 minutes East a distance of 360.37 feet to a point; South 33 degrees 19 minutes East a distance of 296.67 feet to a point; South 30 degrees 18 minutes 30 seconds East a distance of 168.81 feet to a point; South 28 degrees 22 minutes East a distance of 300.02 feet to a point; South 27 degrees 02 minutes East a distance of 299.11 feet to a point; South 26 degrees 34 minutes 30 seconds East a distance of 1,011.79 feet to a point; South 26 degrees 22 minutes East a distance of 204.18 feet to an iron pin recovered at a point on the southwesterly right-of-way line of Georgia Highway No. 87, which point is coincident with Coordinates X=617,021.51, Y=1,119,508.58; running thence South 25

EXHIBIT D-14 continued

EXHIBIT D-14

degrees 38 minutes East a distance of 332.49 feet along the southwesterly right-of-way line of Georgia Highway No. 87 to an iron pin set at the Point of Beginning.

The property hereinabove described is more particularly described on that certain Blueprint of Survey, captioned "Plant Scheme, Skills Development Center Tract - Land Lots 149, 150, 151, 170, 171, 172 and 173, G.M.D. 466 of the Fifth Land District, Monroe County, Georgia" dated October 25, 1979, prepared for the Georgia Power Company, Land Department, Atlanta, Georgia, by Hugh W. Mercer, Jr., Georgia Registered Land Surveyor No. 1890, bearing Drawing No. N-85-30 to which Blueprint of Survey reference is hereby made for all purposes.

Coordinates set forth in the foregoing description are based upon the Georgia State Plane Coordinate System: West Zone Grid Meridian.

EXHIBIT D-14 continued

EXHIBIT D-15

MICROWAVE TOWER, UNITS 3 AND 4, PLANT SCHERER

ALL THAT TRACT or parcel of land situated, lying and being in the Fifth Land District of Monroe County, Georgia and which is situated within the circumferential boundary of a circle having a radius of 200 feet, and a centerpoint which is coincident with Coordinates N=41,000.00, E=18,250.00.

The property hereinabove described is more particularly described on that certain Blueprint of Survey, captioned "Plant Scherer General Arrangement As Built Facilities" dated December 18, 1985, prepared by Oglethorpe Power Corporation, bearing Drawing No. FDC 1066, to which Blueprint of Survey reference is hereby made for all purposes.

Coordinates set forth in the foregoing description are based upon the Georgia Power Company Grid Coordinate System for the Robert W. Scherer Plant. Georgia Power Company Coordinate, N=400+00, is coincident with Georgia State Plane Coordinate: West Zone Grid Meridian, N=1,114,000; Georgia Power Company Coordinate, E=200+00 is coincident with Georgia State Plane Coordinate: West Zone Grid Meridian, E=610,000.

EXHIBIT D-15

EXHIBIT "E"

(Non-Exhaustive)
GENERAL SUMMARY OF FACILITIES COMMON TO PLANT SCHERER

<u>Line</u>	<u>Description</u>
1.	Raceway Systems - Equipment and Buildings
2.	Site Grounding System
3.	Plant Welding System
4.	Hydrogen House
5.	River Pumping System
6.	Well Pump House
7.	Lifting System - Turbine Room Cranes
8.	Lube Oil Building Storage and Transfer Facilities
9.	Potable Water System
10.	Fire Protection System and Tanks
11.	Distribution System - To Header
12.	Auxiliary Boiler System Startup
13.	Site Improvements
14.	Service Bay
15.	Maintenance Building
16.	Warehouse
17.	Service Water System
18.	Visitors Center
19.	Security Building
20.	Sewage Treatment Facility
21.	Environmental Monitoring Facility
22.	Utility Trench
23.	Nitrogen Storage Building
24.	Nitrogen System
25.	Lake Juliette
26.	Retention and Ash Disposal Pond
27.	Recreation Facilities
28.	Intrasite Communication
29.	Settling and Storage Pond
30.	Plant Service Facilities
31.	Service Building
32.	Fee Simple Land
33.	Permanent Railroad System
34.	Chemical Waste Treatment Control House
35.	Coal Handling Equipment Buildings and System
36.	Treated Water System
37.	Ash Handling System

As supplemented by GPC continuing property records maintained in accordance with the Uniforms System of Accounts

EXHIBIT "E"