

AMENDMENT NO. 1 TO AMENDED AND RESTATED
UNIT POWER SALES AGREEMENT BETWEEN
JACKSONVILLE ELECTRIC AUTHORITY AND
ALABAMA POWER COMPANY, GEORGIA POWER
COMPANY, GULF POWER COMPANY, MISSISSIPPI
POWER COMPANY AND SOUTHERN COMPANY SERVICES, INC.

This amendment made and entered into effective August 30, 1984, by and between Jacksonville Electric Authority ("JEA") and Alabama Power Company, Georgia Power Company, Gulf Power Company and Mississippi Power Company ("Southern Companies") and Southern Company Services, Inc. ("SCS"), being Amendment No. 1 to the Amended and Restated Unit Power Sales Agreement (the "Agreement") between JEA, Southern Companies and SCS dated May 19, 1982.

W I T N E S S E T H:

WHEREAS, JEA, Southern Companies and SCS entered into the Agreement on May 19, 1982; and

WHEREAS, the parties desire to amend the Agreement to reflect an optional payment provision requested by JEA; and

WHEREAS, the optional payment provision requested by JEA will enure to its benefit and the benefit of Southern Companies or SCS.

NOW, THEREFORE, in consideration of the premises and the terms and conditions set forth herein, the parties hereto agree to amend the Agreement as follows:

1. Article VII of the Agreement sets forth, among other things, the method for the presentation and payment of bills for capacity charges. Southern Companies and JEA agree to amend the Agreement so as to provide for an additional payment provision for such capacity charges, which provision may be exercised at the option of JEA. The parties agree that this optional provision for the payment of capacity charges under the Agreement will be additive and it is not intended that this amendment will change the character of the sale set forth in the Agreement or any of the rights and obligations of the parties as contained in the Agreement except to the extent specifically stated herein.

2. The Agreement is hereby amended by adding to Article VII thereof the following Section 7.5:

7.5 Optional Provision for the Presentation and Payment of Bills for Capacity Charges: Capacity charges in the amounts determined in accordance with Article VI for each month shall be stated in an invoice presented by Southern Companies to JEA on or before December 1 of each year, stating the amount due each month during the ensuing year. JEA may elect, at its sole option, to prepay the invoice presented by Southern Companies to JEA in accordance with the terms of the optional procedure set forth herein. If JEA elects to prepay the amount for capacity charges under this provision (in lieu of Section 7.1), it shall notify SCS on or before December 20 of the year preceding the "applicable year." After JEA has notified SCS, the prepayment amount shall be payable in full in immediately available funds through wiring of funds or other mutually agreeable methods of payment on the next banking day following January 1 of the "applicable year." For purposes of calculating the prepayment amount for capacity charges, the following definitions will be utilized:

Definitions:

(1) The term "estimated capacity charges" shall mean the monthly capacity charges for the "applicable year" as determined in accordance with Article VI of the Agreement as specified in the invoice presented by Southern Companies to JEA.

(2) The term "reinvestment rate" shall mean the "bond equivalent yield" (expressed as a percent and rounded to two decimal places) for the first weekly average (including any business day in December) for the six-month T-Bill rate (secondary market) in December prior to the beginning of the "applicable year," as reported on a "bank-discount basis" in the Federal Reserve Board's weekly publication, "Federal Reserve Statistical Release H.15 (519) - Selected Interest Rates." In the event the Federal Reserve Board shall no longer publish the "Federal Reserve Statistical Release H.15 (519) - Selected Interest Rates," the "reinvestment rate" shall be the "bond equivalent yield" (expressed as a percent and rounded to two decimal places) for the first weekly average (including any business day in December) for the six-month T-Bill rate (secondary market) in December prior to the beginning of the "applicable year," as reported (on a bank-discount basis) by any Federal Reserve Bank or by any U. S. Government department or agency selected by mutual agreement of the parties. In the event that no such rate shall be available from any Federal Reserve Bank or any U. S. Government department or agency, the "reinvestment rate" shall be the "bond equivalent yield" (expressed as a percent and rounded to two decimal places) for the first weekly average (including any business day in December) for the six-month T-Bill rate (secondary market) in December prior to the beginning of the "applicable year," as reported (on a bank-discount basis) by at least three recognized U. S. Government securities dealers selected by mutual agreement of the parties. The term "bond equivalent yield" as used in this definition shall mean the yield on a discount security which would be comparable to a yield to maturity rate. A discount basis rate is converted to a bond equivalent yield using the following formula:

$$\text{Bond Equivalent Yield} = \frac{365 \text{ d}}{360 - dt} \text{ sm} \text{ or for a leap-year}$$

$$\text{Bond Equivalent Yield} = \frac{366 d}{360 - dt_{sm}}$$

Where,

d = discount basis rate

t_{sm} = days from settlement to maturity (182 days for a six-month T-Bill).

(3) The term "applicable year" shall mean the 12-month (365 or 366 day) period from January 1 through December 31 of the year for which the prepayment is to be applied.

(4) The term "actual capacity charges" shall mean the actual monthly capacity charges computed under the provisions of the Agreement.

The prepayment amount shall then be calculated by discounting the estimated cumulative value (as determined below) back to the beginning (January 1) of the "applicable year" using the following formula:

$$\text{Prepayment Amount} = (\text{Estimated Cumulative Value}) \times (1 / (1+K)^n)$$

Where,

K = "reinvestment rate" divided by twelve;

n = number of months or portions thereof from time of prepayment to December 31 of the "applicable year," plus .5 of one month (if prepayment is made on first banking day in January of the "applicable year" as contemplated by this optional payment provision, then n = 12.5); and

Estimated
Cumulative

Value = the "reinvestment rate" times the cumulative "estimated capacity charges" (including reinvestment proceeds compounded monthly) for each monthly period of the "applicable year." The monthly accrual will be based upon actual days assuming payment on the

first of each month (365 or 366 day year as applicable).

If JEA elects to prepay under this optional prepayment provision, any adjustment due to be made as a result of the procedures set forth in Section 2.2.17 or Article IX of the Unit Power Sale Manual (the monthly true-up provision) shall be calculated as soon as practicable after the end of each monthly period of the "applicable year" with the true-up payment to be made by the first day of the monthly period three months subsequent to the monthly period for which the true-up provision is being computed. The monthly true-up payment shall be equal to the estimated monthly capacity charge less the actual monthly capacity charge (calculated for each month of the "applicable year"), plus the interest that shall accrue on this amount on a daily basis (365 or 366 day year) at the "reinvestment rate" from the first day of the month for which the true-up is being calculated to but not including the date of payment. A negative monthly true-up would require a payment to Southern Companies by JEA. A positive monthly true-up would require a payment to JEA by Southern Companies.

(3) In order to interpret and make clear the complicated optional payment provision set forth in Section 7.5 above, JEA and Southern Companies have performed a sample calculation showing the intended operation of Section 7.5 utilizing data for the calendar year 1983. This sample calculation is attached hereto as Annex A and is incorporated herein by reference. Any disputes regarding the appropriate calculation procedures to be utilized under the methodology described in Section 7.5 above shall be resolved in accordance with the sample calculations attached hereto as Annex A.

(4) In the event the optional payment provision specified in Section 7.5 above is elected by JEA for any year and the parties are unable to agree on the appropriate interpretation of such section or have a dispute which cannot be reconciled by mutual agreement, the Agreement shall remain in full force and effect and billing and payment for capacity charges shall be governed by the provisions of Article VII (other than Section 7.5) in future years.

(5) In the event that JEA elects the optional payment provision specified in Section 7.5 for any year and Southern Companies default on their obligations under the Agreement, JEA shall have the right to credit or offset any remaining prepayed amounts against any outstanding billings from Southern Companies to JEA for energy delivered under this or other agreements.

[The next page of this Amendment No. 1
to the Agreement is the signature page, p. 7]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment No. 1 to the Amended and Restated Unit Power Sales Agreement to be executed by their duly authorized officers effective as of the date first set forth above.

ATTEST:

Indy Baker

JACKSONVILLE ELECTRIC AUTHORITY

By [Signature]

Date: August 30, 1984

ATTEST:

[Signature]

SOUTHERN COMPANY SERVICES, INC.

By R. O. Usry

R. O. Usry
Vice President

Date: August 30, 1984

ATTEST:

[Signature]

ALABAMA POWER COMPANY

By R. E. Huffman

R. E. Huffman
Vice President

Date: August 30, 1984

ATTEST:

[Signature]

GEORGIA POWER COMPANY

By [Signature]

A. W. Dahlberg
Vice President

Date: August 30, 1984

ATTEST:

[Signature]

GULF POWER COMPANY

By Earl B. Parsons, Jr.

E. B. Parsons, Jr.
Vice President

Date: August 30, 1984

ATTEST:

[Signature]

MISSISSIPPI POWER COMPANY

By [Signature]

H. H. Bell, Jr.
Vice President

Date: August 30, 1984

SAMPLE CALCULATIONS

Assumptions:

- (a) Prepayment made on first banking day of January, 1983 in immediately available funds.
- (b) The average six-month T-Bill rate for the week ending December 3, 1982 (as reported in the H.15 dated December 6, 1982) was 8.47%.
- Bond Equivalent Yield = $\frac{365 \times (.0847)}{360 - (182 \times .0847)} = 8.97\%$

(c) Payments:

<u>Period</u>	<u>Estimated Monthly Capacity Charges (1)</u>	<u>Actual Monthly Capacity Charges (2)</u>
JAN	\$4,789,502	\$4,738,565
FEB	4,852,205	4,725,139
MAR	4,831,011	4,762,686
APR	4,800,945	4,728,193
MAY	4,742,201	4,796,554
JUN	4,793,662	4,792,711
JUL	4,788,555	4,736,211
AUG	4,778,588	4,701,921
SEP	4,759,873	4,640,659
OCT	4,789,018	4,660,085
NOV	4,753,502	4,636,070
DEC	4,718,640	4,415,584

NOTES:

- (1) Reflects estimated 1983 UPS capacity charges as specified in invoice to JEA.
- (2) Reflects actual 1983 UPS capacity charges to JEA.

Calculation of Prepayment Amount:

Period	Estimated Cumulative Value (Beginning of Period) (A)	Estimated Monthly Capacity Charges (B)	Total Investment (Beginning of Period) (C)	Days Per Period (D)	Reinvestment Rate (E)	Estimated Cumulative Value (End of Period) (F)
JAN	\$ 0	\$ 4,789,502	\$ 4,789,502	31	8.97%	\$ 4,825,990
FEB	4,825,990	4,852,205	9,678,195	28	8.97	9,744,792
MAR	9,744,792	4,831,011	14,575,803	31	8.97	14,686,846
APR	14,686,846	4,800,945	19,487,791	30	8.97	19,631,467
MAY	19,631,467	4,742,201	24,373,668	31	8.97	24,559,355
JUN	24,559,355	4,793,662	29,353,017	30	8.97	29,569,426
JUL	29,569,426	4,788,555	34,357,981	31	8.97	34,619,732
AUG	34,619,732	4,778,588	39,398,320	31	8.97	39,698,470
SEP	39,698,470	4,759,873	44,458,343	30	8.97	44,786,117
OCT	44,786,117	4,789,018	49,575,135	31	8.97	49,952,816
NOV	49,952,816	4,753,502	54,706,318	30	8.97	55,109,646
DEC	55,109,646	4,718,640	59,828,286	31	8.97	60,284,079
		\$57,397,702		365		

Prepayment Amount = Estimated Cumulative Value X $(1/(1+K)^n)$

Prepayment Amount = \$60,284,079 X $[1/(1 + \frac{.0897}{12})^{12.5}]$

Prepayment Amount = \$54,925,517

NOTES:

(C) = (A) + (B)

(F) = (C) + ((C) * ((D)/365) * (E))

Application of Monthly True-Up Provision:

Period	Estimated Monthly Capacity Charge (Beginning of Period) (A)	Actual Monthly Capacity Charge (Beginning of Period) (B)	Estimated Less Actual Charge (Beginning of Period) (C)	Days Per Period (D)	Reinvestment Rate (E)	Monthly True-Up Payment (Due Beginning of Period) (F)
JAN 1983	\$ 4,789,502	\$ 4,738,565	\$ 50,937	31	8.97%	\$ 0
FEB	4,852,205	4,725,139	127,066	28	8.97	0
MAR	4,831,011	4,762,686	68,325	31	8.97	0
APR	4,800,945	4,728,193	72,752	30	8.97	52,064
MAY	4,742,201	4,796,554	(54,353)	31	8.97	129,845
JUN	4,793,662	4,792,711	951	30	8.97	69,870
JUL	4,788,555	4,736,211	52,344	31	8.97	74,379
AUG	4,778,588	4,701,921	76,667	31	8.97	(55,582)
SEP	4,759,873	4,640,659	119,214	30	8.97	973
OCT	4,789,018	4,660,085	128,933	31	8.97	53,527
NOV	4,753,502	4,636,070	117,432	30	8.97	78,400
DEC	4,718,640	4,415,584	303,056	31	8.97	121,880
JAN 1984	-	-	-	31	-	131,848
FEB	-	-	-	29	-	120,087
MAR	-	-	-	-	-	309,833
	<u>\$57,397,702</u>	<u>\$56,334,378</u>				

NOTES:

(C) = (A) - (B)

(F) = (C -- Three month lag) + ((C -- Three month lag) * (Number of days to payment/365) * (E))

If (F) is positive, true-up payment is due to the customer.

If (F) is negative, true-up payment is due to Southern Companies.