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DOCKETING DIVISION
PUBLIC UTILITIES COMMISSION OF OHIO

Before
THE PUBLIC UTILITIES COMMISSION OF OHIO

Application of OHIO VALLEY ELECTRIC CORPORATION for an order authorizing, to the extent such authorization is required by law, Ohio Valley Electric Corporation to continue rendering electric utility services from October 14, 1977 through March 31, 1979 to the United States of America (acting by and through the Administrator of the Energy Research and Development Administration) at its Portsmouth (Ohio) uranium enrichment project.

97-924-EL-ATR

APPLICATION

To the Honorable, The Public Utilities Commission of Ohio:

Your applicant, Ohio Valley Electric Corporation, hereinafter referred to as OVEC, is a corporation organized under the laws of the State of Ohio which renders electric utility services to the United States of America, acting by and through the Administrator of the Energy Research and Development Administration, hereinafter referred to as ERDA, at the Portsmouth (Ohio) uranium enrichment project pursuant to a power agreement dated October 15, 1952 between OVEC and the United States of America, acting by and through the United States Atomic Energy Commission prior to January 19, 1975, and subsequent to January 18, 1975, by and through ERDA, such power agreement, as modified, being hereinafter referred to as the AEC Power Agreement.

The AEC Power Agreement was approved by, and filed with, this Commission pursuant to an order dated January 29, 1953 in proceeding No. 23,719. Modifications Nos. 1, 2, 3, 4, 5, 6 and 7 to the AEC Power Agreement were approved by, and filed with, this Commission pursuant to orders dated July 21, 1953, April 27, 1964, July 27, 1966, January 30, 1967, August 22, 1967, August 4, 1970, and June 16, 1976, respectively, in proceedings Nos. 24,150, 32,418, 34,029, 34,346, 34,690, 36,636, and 76-427-ATR, respectively. The AEC Power Agreement and Modifications Nos. 1, 2, 3, 4, 5, 6 and 7 thereto are incorporated herein by reference collectively as Exhibit "A".

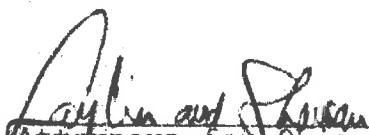
OVEC and ERDA have agreed that OVEC is to continue rendering electric utility services to ERDA from October 14, 1977, when the term of the AEC Power Agreement would otherwise expire, through March 31, 1979 on the terms provided in the AEC Power Agreement including, where applicable, standard contract clauses currently required in government contracts of this type. A copy of Modification No. 8 to the AEC Power Agreement, dated as of June 23, 1977, expressing such agreement is annexed hereto as Exhibit "B" and made a part hereof.

The application made hereby is not for an increase in any rate, joint rate, toll, classification, charge or rental.


WHEREFORE, your applicant OVEC respectfully prays for an order authorizing, to the extent such authorization is required by law, your applicant OVEC to continue rendering electric utility services to ERDA from October 14, 1977 through March 31, 1979 on the foregoing terms.

Your applicant OVEC respectfully prays for all other and proper relief and orders which the Commission, in the exercise of its jurisdiction, may determine proper and find that the circumstances require in the premises and in order to authorize the performance of said agreement.

LAYLIN AND SHAWAN


Attorneys for Ohio Valley
Electric Corporation

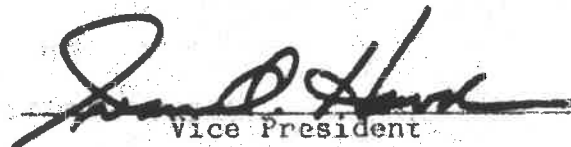
OHIO VALLEY ELECTRIC CORPORATION

By 
Vice President

By 
Secretary


STATE OF OHIO)
 : ss.:
COUNTY OF PIKE)

Before me, a Notary Public, in and for Pike County in the State of Ohio, personally appeared Ivan O. Hawk and Thomas N. Ward, Vice President and Secretary, respectively, of OHIO VALLEY ELECTRIC CORPORATION, the applicant in the foregoing application, and each being duly sworn says that the facts and allegations therein contained are true to the best of his knowledge and belief.


Vice President


Secretary

Sworn to and subscribed
before me this 1st day
of July, 1977.


ELEANOR JEANNE GARY
NOTARY PUBLIC, PIKE COUNTY, OHIO
MY COMMISSION EXPIRES JAN. 14, 1981

Modification No. 8
to
POWER AGREEMENT
Dated October 15, 1952
between
OHIO VALLEY ELECTRIC CORPORATION
and
UNITED STATES OF AMERICA
Acting By and Through the
UNITED STATES ATOMIC ENERGY COMMISSION
and, subsequent to January 18, 1975,
the Administrator
of the
ENERGY RESEARCH AND DEVELOPMENT ADMINISTRATION

Dated as of June 23, 1977

**Contract No. E-(40-1)-1530
(Modification No. 8)**

THIS MODIFICATION NO. 8, dated as of the 23rd day of June, 1977, by and between OHIO VALLEY ELECTRIC CORPORATION, a corporation organized under the laws of the State of Ohio (hereinafter called the "Corporation"), and the UNITED STATES OF AMERICA (hereinafter called the "Government"), acting by and through the Administrator of the ENERGY RESEARCH AND DEVELOPMENT ADMINISTRATION (hereinafter called "ERDA");

WITNESSETH THAT:

WHEREAS, the Corporation and the Government have heretofore entered into Contract No. AT-(40-1)-1530 (later redesignated Contract No. E-(40-1)-1530), dated October 15, 1952 (hereinafter called the "AEC Power Agreement"), providing for the supply by the Corporation of power to the United States Atomic Energy Commission (hereinafter called "AEC") at AEC's project near Portsmouth, Ohio (hereinafter called the "Project"); and

WHEREAS, the AEC Power Agreement has heretofore been amended by Modification No. 1, dated July 23, 1953, Modification No. 2, dated as of March 15, 1964, Modification No. 3, dated as of May 12, 1966, Modification No. 4, dated as of January 7, 1967, Modification No. 5, dated as of August 15, 1967, Modification No. 6, dated as of November 15, 1967, and Modification No. 7, dated as of November 5, 1975; and

WHEREAS, pursuant to the Energy Reorganization Act of 1974, the AEC was abolished on January 19, 1975 and certain of its functions, including the procurement of electric power for the Project, were transferred to and invested in the Administrator of ERDA (the term "AEC" as used in this Modification No. 8 and in the AEC Power Agreement being deemed to include the term "ERDA", and any successor to ERDA, within its meaning); and

WHEREAS, the Corporation and ERDA desire to amend the AEC Power Agreement further for the purpose of extending its term;

Now, THEREFORE, the parties hereto hereby agree as follows;

1. The first sentence of Section 6.01 of the AEC Power Agreement, as heretofore modified, is amended to strike the date "October 14, 1977" set forth in the initial clause of such sentence and to insert in its place the date "March 31, 1979".

2. Section 7.04 of the AEC Power Agreement, as heretofore modified, is amended to read in its entirety as follows:

"SECTION 7.04. *Accounts.*

1. Corporation shall keep books of account in accordance with the Uniform System of Accounts and such other systems of accounts prescribed by other governmental regulatory authorities having jurisdiction as may be applicable. In addition, Corporation shall keep such records and memorandum accounts as may be required for the computation of amounts payable by AEC hereunder. The Uniform System of Accounts shall be used for the determination of any question relative to costs and expenses arising under this Agreement except that where specific methods of computations of amounts are set forth in this Agreement such methods shall be employed in lieu of any other method which might be required by the Uniform System of Accounts.

2. AEC shall have the right, at such reasonable times as it deems appropriate until five years after termination or expiration of this Agreement, to inspect all books, records and accounts pertaining to Corporation's operations hereunder and to make such audits thereof as AEC may deem necessary to protect the interests of AEC. Such books, records, accounts and all related documents will be retained by Corporation in accordance with Federal Power Commission Regulations to Govern the Preservation of Records of Public Utilities and Licensees as in effect at the effective date of Modification No. 8 to this Agreement.

3. Corporation agrees that the Comptroller General of the United States or any of his duly authorized representatives shall, until the expiration of three years after final payment under this Agreement (unless AEC authorizes their prior disposition), have access to and the right to examine any directly pertinent books, documents, papers and records of Corporation involving transactions related to this Agreement; provided that AEC shall reimburse Corporation for any expense it may reasonably incur in such three year period in storing and making the same available for such inspection.

4. Corporation further agrees to include in all its subcontracts hereunder a provision to the effect that the subcontractor agrees that the Comptroller General of the United States or any of his duly authorized representatives shall, until the expiration of three years after final payment under the subcontract (unless AEC authorizes their prior disposition), have access to and the right to examine any directly pertinent books, documents, papers and records of such subcontractor, involving transactions related to the subcontract. The term "subcontract" as used in this clause excludes (i) purchase orders not exceeding \$10,000 and (ii) subcontracts or purchase orders for public utility services at rates established for uniform applicability to the general public.

5. The periods of access and examination described in paragraphs 3 and 4 above, for records which relate to (a) disputes under Section 3.04(8) of this Agreement, (b) litigation or the settlement of claims arising out of the performance of this Agreement, or (c) costs and expenses of this Agreement as to which exception has been taken by the Comptroller General or any of his duly authorized representatives, shall continue until such appeals, litigation, claims, or exceptions have been disposed of.

6. Nothing in this Agreement shall be deemed to preclude an audit by the General Accounting Office of any transaction under this Agreement."

3. Section 7.07 of the AEC Power Agreement, as heretofore modified, is amended to read in its entirety as follows:

"SECTION 7.07. *Restriction on Employment.* In connection with the performance of its obligations hereunder, Corporation agrees not to employ any person undergoing sentence of imprisonment, except as provided by Public Law 89-176, September 10, 1965 (18 U.S.C. 4082(c)(2)) and Executive Order 11755, December 29, 1973."

4. Section 7.13 of the AEC Power Agreement, as heretofore modified, is amended to read in its entirety as follows:

"SECTION 7.13. *Nondiscrimination in Employment.* During the performance of this contract, Corporation agrees as follows:

1. Corporation will not discriminate against any employee or applicant for employment because of race, color, religion, sex or national origin. Corporation will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex or national origin. Such action shall include, but not be limited to, the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. Corporation agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of this nondiscrimination clause.

2. Corporation will, in all solicitations or advertisements for employees placed by or on behalf of Corporation, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex or national origin.

3. Corporation will send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding a notice, to be provided by the

agency contracting officer, advising the said labor union or workers' representative of Corporation's commitments under Section 202 of Executive Order No. 11,246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

4. Corporation will comply with all provisions of Executive Order No. 11,246 of September 24, 1965, and of the rules, regulations and relevant orders of the Secretary of Labor.

5. Corporation will furnish all information and reports required by Executive Order No. 11,246 of September 24, 1965, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to its books, records, and accounts by the contracting agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

6. In the event of Corporation's noncompliance with the nondiscrimination clauses of this contract or with any of such rules, regulations or orders, this Agreement may be cancelled, terminated or suspended in whole or in part and Corporation may be declared ineligible for further Government contracts in accordance with procedures authorized in Executive Order No. 11,246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in the Executive Order No. 11,246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

7. Corporation will include the provisions of paragraphs 1 through 7 of this Section 7.13 in every sub-contract or purchase order entered into after the date of Modification No. 3 to this Agreement unless exempted by rules, regulations, or order of the Secretary of Labor issued pursuant to Section 204 of Executive Order No. 11,246 of September 24, 1965, as amended, so that such provisions will be binding upon each subcontractor or vendor. Corporation will take such action with respect to any such sub-contract or purchase order as the contracting agency may direct as a means of enforcing such provisions, including sanctions for noncompliance; provided, however, that in the event Corporation

becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the contracting agency, Corporation may request the United States to enter into such litigation to protect the interests of the United States.

8. Notwithstanding the provisions of paragraph 6 hereof, in the event of Corporation's noncompliance with the nondiscrimination paragraphs of this Article or with any of the said rules, regulations, or orders, this contract will not be cancelled, terminated, or suspended in whole or in part so long as such cancellation, termination or suspension would impair the security of the bonds, or be prejudicial to the interests of the holders of the debt securities issued by the Corporation. The contracting parties agree that compliance with this Section 7.13 is of the essence and in the event of a violation all other remedies, including injunctive relief and specific performance, shall remain available to the United States."

5. Section 7.14 of the AEC Power Agreement, as heretofore modified, is amended to read in its entirety as follows:

"SECTION 7.14. Security.

1. *Corporation's Duty to Safeguard Restricted Data, Formerly Restricted Data, and Other Classified Information.* Corporation shall, in accordance with AEC's security regulations and requirements, be responsible for safeguarding Restricted Data, Formerly Restricted Data, and other classified information and protecting against sabotage, espionage, loss and theft the classified documents and material in the Corporation's possession in connection with work under this Agreement. Except as otherwise expressly provided in this Agreement, Corporation shall, upon completion or termination of this Agreement, transmit to AEC any classified matter in the possession of Corporation or any person under Corporation's control in connection with the performance of the Agreement. If retention by Corporation of any classified matter is required after the completion or termination of the Agreement and

such retention is approved by the Contracting Officer, Corporation will complete a certificate of possession to be furnished to AEC specifying the classified matter to be retained. The certification shall identify the items and types or categories of matter retained, the conditions governing the retention of the matter and the period of retention, if known. If the retention is approved by the Contracting Officer, the security provisions of the Agreement will continue to be applicable to the matter retained.

2. *Regulations.* Corporation agrees to conform to all security regulations and requirements of AEC.

3. *Definition of Restricted Data.* The term "Restricted Data", as used in this paragraph, means all data concerning (a) design, manufacture, or utilization of atomic weapons; (b) the production of special nuclear material; or (c) the use of special nuclear material in the production of energy, but shall not include data declassified or removed from the Restricted Data category pursuant to Section 142 of the Atomic Energy Act of 1954.

4. *Definition of Formerly Restricted Data.* The term "Formerly Restricted Data", as used in this paragraph, means all data removed from the Restricted Data category under Section 142(d) of the Atomic Energy Act of 1954, as amended.

5. *Security Clearance of Personnel.* Corporation shall not permit any individual to have access to Restricted Data, Formerly Restricted Data, or other classified information, except in accordance with the Atomic Energy Act of 1954, as amended, and AEC's regulations or requirements applicable to the particular type or category of classified information to which access is required.

6. *Criminal Liability.* It is understood that disclosure of Restricted Data, Formerly Restricted Data, or other classified information relating to the work or services ordered hereunder to any person not entitled to receive it, or failure to safeguard any Restricted Data, Formerly Restricted Data, or any other classified matter that may come to Corporation or any person under Corporation's control in connection with work under this Agreement, may subject Corporation, its agents, employees or subcon-

tractors to criminal liability under the laws of the United States. (See the Atomic Energy Act of 1954, as amended, 42 U.S.C. 2011 *et seq.*; 18 U.S.C. 793 and 794; and Executive Order 11652.)

7. *Subcontracts and Purchase Orders.* Except as otherwise authorized in writing by the Contracting Officer, Corporation shall insert provisions similar to the foregoing provisions of this Section 7.14 in all subcontracts and purchase orders under this Agreement."

6. Section 7.15 of the AEC Power Agreement, as heretofore modified, is amended to read in its entirety as follows:

"SECTION 7.15. *Contract Work Hours and Safety Standards Act—Overtime Compensation.*

Prior to any assignment or transfer by AEC under Section 7.12, this Agreement, to the extent that it is of a character specified in the Contract Work Hours and Safety Standards Act (40 U.S.C. 327-333), is subject to the following provisions and to all other applicable provisions and exceptions of such Act and the regulations of the Secretary of Labor thereunder.

1. *Overtime requirements.* No contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers, mechanics, apprentices, trainees, watchmen, and guards shall require or permit any laborer, mechanic, apprentice, trainee, watchman, or guard in any workweek in which he is employed on such work to work in excess of 8 hours in any calendar day or in excess of 40 hours in such workweek on work subject to the provisions of the Contract Work Hours and Safety Standards Act unless such laborer, mechanic, apprentice, trainee, watchman, or guard receives compensation at a rate not less than one and one-half times his basic rate of pay for all such hours worked in excess of 8 hours in any calendar day or in excess of 40 hours in such workweek, whichever is the greater number of overtime hours.

2. *Violation; liability for unpaid wages; liquidated damages.* In the event of any violation of the provisions of paragraph 1 of this Section 7.15, Corporation and any subcontractor responsible therefor shall be

liable to any affected employee for his unpaid wages. In addition, such Corporation and subcontractor shall be liable to the United States for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer, mechanic, apprentice, trainee, watchman, or guard, employed in violation of the provisions of paragraph 1 of this Section 7.15 in the sum of \$10 for each calendar day on which such employee was required or permitted to be employed on such work in excess of 8 hours or in excess of his standard workweek of 40 hours without payment of the overtime wages required by paragraph 1 of this Section 7.15.

3. *Withholding of unpaid wages and liquidated damages.* Except as otherwise provided in Section 7.12 of this Agreement, the Contracting Officer may withhold from Corporation, from any moneys payable on account of work performed by Corporation or subcontractor, such sums as may administratively be determined to be necessary to satisfy any liabilities of Corporation or subcontractor for unpaid wages and liquidated damages as provided in the provisions of paragraph 2 of this Section 7.15.

4. *Subcontracts.* Corporation shall insert paragraphs 1 through 4 of this Section 7.15 in all subcontracts, and shall require their inclusion in all subcontracts of any tier.

5. *Records.* Corporation shall maintain payroll records containing the information specified in 29 CFR 516.2(a). Such records shall be preserved for three years from the completion of this Agreement."

7. The AEC Power Agreement, as heretofore modified, is amended to add as Section 7.18 the following new paragraph:

"SECTION 7.18. *Utilization of Small Business Concerns.* It is the policy of the Government as declared by the Congress that a fair proportion of the purchases and contracts for supplies and services for the Government be placed with small business concerns. Corporation agrees to accomplish the maximum amount of subcontracting to small business concerns that Corporation finds to be consistent with the efficient performance of this Agreement."

8. The AEC Power Agreement, as heretofore modified, is amended to add as Section 7.19 the following new paragraphs:

"SECTION 7.19. Utilization of Labor Surplus Area Concerns. It is the policy of the Government to award contracts to labor surplus area concerns that (a) have been certified by the Secretary of Labor (hereafter referred to as certified-eligible concerns with first or second preferences) regarding the employment of a proportionate number of disadvantaged individuals and have agreed to perform substantially (i) in or near sections of concentrated unemployment or underemployment or in persistent or substantial labor surplus areas or (ii) in other areas of the United States, respectively, or (b) are noncertified concerns which have agreed to perform substantially in persistent or substantial labor surplus areas, where this can be done consistent with the efficient performance of the contract and at prices no higher than are obtainable elsewhere. Corporation agrees to use its best efforts to place its subcontracts in accordance with this policy.

In complying with the foregoing provisions of this Section 7.19 and Section 7.18 of this Agreement, Corporation in placing its subcontracts shall observe the following order of preference: (a) certified-eligible concerns with a first preference which are also small business concerns; (b) other certified-eligible concerns with a first preference; (c) certified-eligible concerns with a second preference which are also small business concerns; (d) other certified-eligible concerns with a second preference; (e) persistent or substantial labor surplus area concerns which are also small business concerns; (f) other persistent or substantial labor surplus area concerns; and (g) small business concerns which are not labor surplus area concerns."

9. The AEC Power Agreement, as heretofore modified, is amended to add as Section 7.20 the following new paragraph:

"SECTION 7.20. Utilization of Minority Business Enterprises. It is the policy of the Government that minority business enterprises shall have the maximum practicable opportunity to participate in the performance of Government contracts. Corporation agrees to use its best efforts to carry out this policy in the award of its subcontracts to the

fullest extent consistent with the efficient performance of this Agreement. As used in this Agreement, the term "minority business enterprise" means a business, at least 50 percent of which is owned by minority group members or, in the case of publicly owned businesses, at least 51 percent of the stock of which is owned by minority group members. For the purposes of this definition, minority group members are Negroes, Spanish-speaking American persons, American-Orientals, American-Indians, American-Eskimos, and American-Aleuts. Corporation may rely on written representations by subcontractors regarding their status as minority business enterprises in lieu of an independent investigation."

10. The AEC Power Agreement, as heretofore modified, is amended to add as Section 7.21 the following new paragraph:

"SECTION 7.21. *Payment of Interest on Claims.* If an appeal is filed by Corporation from a final decision of the Contracting Officer under this Agreement, denying a claim arising under this Agreement, simple interest on the amount of the claim finally determined to be owed by the Government shall be payable to Corporation. Such interest shall be at the rate determined by the Secretary of the Treasury pursuant to Public Law 92-41, 85 Stat 97, from the date Corporation furnishes to the Contracting Officer its written appeal under Section 3.04 of this Agreement to the date of (i) a final judgment by a court of competent jurisdiction, or (ii) mailing to Corporation of a supplemental agreement for execution either confirming completed negotiations between the parties or carrying out a decision of a Review Board. Notwithstanding the foregoing provisions of this Section 7.21, (i) interest shall be applied only from the date payment was due, if such date is later than the filing of appeal, and (ii) interest shall not be paid for any period of time that the Contracting Officer determines Corporation has unduly delayed in pursuing its remedies before a board of contract appeals or a court of competent jurisdiction."

11. The AEC Power Agreement, as heretofore modified, is amended to add as Section 7.22 the following new paragraphs:

"SECTION 7.22. *Affirmative Action for Handicapped Workers.* (a) Corporation will not discriminate against any employee or applicant for employment because of physical or mental handicap in regard to any

position for which the employee or applicant for employment is qualified. Corporation agrees to take affirmative action to employ, advance in employment and otherwise treat qualified handicapped individuals without discrimination based upon their physical or mental handicap in all employment practices such as the following: employment, upgrading, demotion or transfer, recruitment, advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship.

(b) Corporation agrees to comply with the rules, regulations, and relevant orders of the Secretary of Labor issued pursuant to the Rehabilitation Act of 1973, as amended (the 'Rehabilitation Act').

(c) In the event of Corporation's noncompliance with the requirements of this clause, actions for noncompliance may be taken in accordance with the rules, regulations and relevant orders of the Secretary of Labor issued pursuant to the Rehabilitation Act.

(d) Corporation agrees to post in conspicuous places, available to employees and applicants for employment, notices in a form to be prescribed by the Director of the Office of Federal Contract Compliance Programs of the United States Department of Labor, provided by or through the contracting officer. Such notices shall state Corporation's obligation under the law to take affirmative action to employ and advance in employment qualified handicapped employees and applicants for employment, and the rights of applicants and employees.

(e) Corporation will notify each labor union or representative of workers with which it has a collective bargaining agreement or other contract understanding, that Corporation is bound by the terms of Section 503 of the Rehabilitation Act, and is committed to take affirmative action to employ and advance in employment physically and mentally handicapped individuals.

(f) Corporation will include the provisions of this clause in every subcontract or purchase order of \$2,500 or more unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 503 of the Rehabilitation Act, so that such provisions will be binding upon each subcontractor or vendor. Corporation will take such

action with respect to any subcontract or purchase order as the Director of the Office of Federal Contract Compliance Programs may direct to enforce such provisions, including action for noncompliance.

(g) Notwithstanding the provisions of subparagraph (c) hereof, in the event of Corporation's noncompliance with the requirements of this clause or with any or the said rules, regulations or orders, this contract will not be cancelled, terminated or suspended in whole or in part so long as such cancellation, termination or suspension would impair the security of the bonds, or be prejudicial to the interests of the holders of the debt securities issued by Corporation. The contracting parties agree that compliance with this Section 7.22 is of the essence and in the event of a violation all other remedies, including injunctive relief and specific performance, shall remain available to the United States."

12. The AEC Power Agreement, as heretofore modified, is amended to add as Section 7.23 the following new paragraphs:

"SECTION 7.23. *Clean Air and Water Clause.* (a) Corporation agrees as follows:

(i) to comply with all applicable requirements of Section 114 of the Clean Air Act, as amended (42 U.S.C. 1857, *et seq.*, as amended by Public Law 91-604) and Section 308 of the Federal Water Pollution Control Act (33 U.S.C. 1251, *et seq.*, as amended by Public Law 92-500,), respectively, relating to inspection, monitoring, entry, reports, and information, as well as other applicable requirements specified in Section 114 and Section 308 of the Air Act and the Water Act, respectively, and all applicable regulations and guidelines issued thereunder before the execution of Modification No. 8 to this Agreement;

(ii) that no portion of the work required by this Agreement will be performed in a facility listed on the Environmental Protection Agency list of violating facilities on the date when Modification No. 8 to this Agreement was executed unless and until the Environmental Protection Agency eliminates the name of such facility or facilities from such listing;

(iii) to use its best efforts to comply with clean air standards and clean water standards at the facilities in which this Agreement is being performed;

(iv) to insert the substance of the provisions of this Section 7.23 in any nonexempt subcontract, including this paragraph (iv).

(b) The terms used in this Section 7.23 have the following meanings:

(i) the term 'Air Act' means the Clean Air Act, as amended (42 U.S.C. 1857 *et seq.*, as amended by Public Law 91-604);

(ii) the term 'Water Act' means Federal Water Pollution Control Act, as amended (33 U.S.C. 1251 *et seq.*, as amended by Public Law 92-500);

(iii) the term 'Clean Air Standards' means any applicable and enforceable rules, regulations, guidelines, standards, limitations, orders, controls, prohibitions, or other requirements which are contained in, issued under, or otherwise adopted pursuant to the Air Act or Executive Order 11,738, an applicable implementation plan as described in Section 110(c) of the Air Act (42 U.S.C. 1857c-5(d)), an approved implementation procedure or plan under Section 111(c) or Section 111(d), respectively, of the Air Act (42 U.S.C. 1857c-6(c) or (d)), or an approved implementation procedure under Section 112(d) of the Air Act (42 U.S.C. 1857c-7(d));

(iv) the term 'Clean Water Standards' means any applicable and enforceable limitation, control, condition, prohibition, standard, or other requirement which is promulgated pursuant to the Water Act or contained in a permit issued to a discharger by the Environmental Protection Agency or by a state under an approved program, as authorized by Section 402 of the Water Act (33 U.S.C. 1342), or by a local government to ensure compliance with pretreatment regulations as required by Section 307 of the Water Act (33 U.S.C. 1317);

(v) the term 'compliance' means compliance with applicable clean air or water standards. Compliance shall also mean compliance with a schedule or plan ordered or approved by a court of

competent jurisdiction, the Environmental Protection Agency or an air or water pollution control agency in accordance with the requirements of the Air Act or Water Act and regulations issued pursuant thereto;

(vi) the term 'facility' means any building, plant, installation, structure, mine, vessel or other floating craft, location, or site of operations, owned, leased, or supervised by a contractor or subcontractor, to be utilized in the performance of a contract or subcontract. Where a location or site of operations contains or includes more than one building, plant, installation, or structure, the entire location shall be deemed to be a facility except where the Director, Office of Federal Activities, Environmental Protection Agency, determines that independent facilities are located in one geographical area."

13. The AEC Power Agreement, as heretofore modified, is amended to add as Section 7.24 the following new paragraphs:

"SECTION 7.24. Affirmative Action for Disabled Veterans and Veterans of the Vietnam Era.

(a) Corporation will not discriminate against any employee or applicant for employment because he or she is a disabled veteran or veteran of the Vietnam era in regard to any position for which the employee or applicant for employment is qualified. Corporation agrees to take affirmative action to employ, advance in employment and otherwise treat qualified disabled veterans and veterans of the Vietnam era without discrimination based upon their disability or veterans status in all employment practices such as the following: employment upgrading, demotion or transfer, recruitment, advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship.

(b) Corporation agrees that all suitable employment openings of Corporation which exist at the time of the execution of Modification No. 8 to this Agreement and those which occur during the performance of this Agreement, including those not generated by this Agreement and including those occurring at an establishment of Corporation other than

the one wherein this Agreement is being performed but excluding those of independently operated corporate affiliates, shall be listed at an appropriate local office of the State employment service system wherein the opening occurs. Corporation further agrees to provide such reports to such local office regarding employment openings and hires as may be required.

(c) Listing of employment openings with the employment service system pursuant to this clause shall be made at least concurrently with the use of any other recruitment source or effort and shall involve the normal obligations which attach to the placing of a bona fide job order, including the acceptance of referrals of veterans and nonveterans. The listing of employment openings does not require the hiring of any particular job applicant or from any particular group of job applicants, and nothing herein is intended to relieve Corporation from any requirements in Executive Orders or regulations regarding nondiscrimination in employment.

(d) The reports required by paragraph (b) of this clause shall include, but not be limited to, periodic reports which shall be filed at least quarterly with the appropriate local office or, where Corporation has more than one hiring location in a State, with the central office of that State employment service. Such reports shall indicate for each hiring location (1) the number of individuals hired during the reporting period, (2) the number of nondisabled veterans of the Vietnam era hired, (3) the number of disabled veterans of the Vietnam era hired, and (4) the total number of disabled veterans hired. The reports should include covered veterans hired for on-the-job training under 38 U.S.C. 1787. Corporation shall submit a report within 30 days after the end of each reporting period wherein any performance is made on this Agreement identifying data for each hiring location. Corporation shall maintain at each hiring location copies of the reports submitted until the expiration of one year after final payment under this Agreement, during which time these reports and related documentation shall be made available, upon request, for examination by any authorized representatives of the contracting officer or of the Secretary of Labor. Documentation would include personnel records respecting job openings, recruitment and placement.

(e) Whenever Corporation becomes contractually bound to the listing provisions of this clause, it shall advise the employment service system in each State where it has establishments of the name and location of each hiring location in the State. As long as Corporation is contractually bound to these provisions and has so advised the State system, there is no need to advise the State system of subsequent contracts. Corporation may advise the State system when it is no longer bound by this contract clause.

(f) This clause does not apply to the listing of employment openings which occur and are filled outside of the 50 States, the District of Columbia, Puerto Rico, Guam, and the Virgin Islands.

(g) The provisions of paragraphs (b), (c), (d) and (e) of this clause do not apply to openings which Corporation proposes to fill from within its own organization or to fill pursuant to a customary and traditional employer-union hiring arrangement. This exclusion does not apply to a particular opening once an employer decides to consider applicants outside of its own organization or employer-union arrangement for that opening.

(h) As used in this clause: (1) 'all suitable employment openings' includes, but is not limited to, openings which occur in the following job categories: production and nonproduction; plant and office; laborers and mechanics; supervisory and nonsupervisory; technical; and executive, administrative, and professional openings as are compensated on a salary basis of less than \$25,000 per year. This term includes full-time employment, temporary employment of more than 3 days' duration, and part-time employment. It does not include openings which Corporation proposes to fill from within its own organization or to fill pursuant to a customary and traditional employer-union hiring arrangement nor openings in an educational institution which are restricted to students of that institution. Under the most compelling circumstances an employment opening may not be suitable for listing, including such situations where the needs of the Government cannot reasonably be otherwise supplied, where listing would be contrary to national security, or where the requirement of listing would otherwise not be for the best interest of the Government.

(2) 'Appropriate office of the State employment service system' means the local office of the Federal-State national system of public employment offices with assigned responsibility for serving the area where the employment opening is to be filled, including the District of Columbia, Guam, Puerto Rico, and the Virgin Islands.

(3) 'Openings which Corporation proposes to fill from within its own organization' means employment openings for which no consideration will be given to persons outside Corporation's organization (including any affiliates, subsidiaries, and the parent companies) and includes any openings which Corporation proposes to fill from regularly established 'recall' lists.

(4) 'Openings which Corporation proposes to fill pursuant to a customary and traditional employer-union hiring arrangement' means employment openings which Corporation proposes to fill from union halls, which is part of the customary and traditional hiring relationship which exists between Corporation and representatives of its employees.

(i) Corporation agrees to comply with the rules, regulations, and relevant orders of the Secretary of Labor issued pursuant to the Vietnam Era Veterans Readjustment Assistance Act of 1974 (the 'Act').

(j) In the event of Corporation's noncompliance with the requirements of this clause, actions for noncompliance may be taken in accordance with the rules, regulations and relevant orders of the Secretary of Labor issued pursuant to the Act.

(k) Corporation agrees to post in conspicuous places, available to employees and applicants for employment, notices in a form to be prescribed by the Director of the Office of Federal Contract Compliance Programs of the United States Department of Labor, provided by or through the contracting officer. Such notice shall state Corporation's obligation under the law to take affirmative action to employ and advance in employment qualified disabled veterans and veterans of the Vietnam era for employment, and the rights of applicants and employees.

(l) Corporation will notify each labor union or representative of workers with which it has a collective bargaining agreement or other contract understanding, that Corporation is bound by the terms of the Vietnam Era Veterans Readjustment Assistance Act, and is committed to take affirmative action to employ and advance in employment qualified disabled veterans and veterans of the Vietnam era.

(m) Corporation will include the provisions of this clause in every subcontract or purchase order of \$10,000 or more unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to the Act, so that such provisions will be binding upon each subcontractor or vendor. Corporation will take such action with respect to any subcontract or purchase order as the Director of the Office of Federal Contract Compliance Programs may direct to enforce such provisions, including action for noncompliance.

(n) Notwithstanding the provisions of subparagraph (j) hereof, in the event of Corporation's noncompliance with the requirements of this clause or with any of the rules, regulations or orders referred to in subparagraph (i) hereof, this Agreement will not be cancelled, terminated or suspended in whole or in part so long as such cancellation, termination or suspension would impair the security of the bonds, or be prejudicial to the interests of the holders of the debt securities issued by Corporation. The contracting parties agree that compliance with this Section 7.24 is of the essence and in the event of a violation all other remedies, including injunctive relief and specific performance, shall remain available to the United States."

14. The AEC Power Agreement, as heretofore modified, is amended to add as Section 7.25 the following new paragraph:

"SECTION 7.25. Covenant Against Contingent Fees.

The Corporation warrants that no person or selling agency has been employed or retained to solicit or secure this contract upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by the Corporation for the purpose of securing business. For breach or violation of this warranty the Government shall

have the right to annul this contract without liability or in its discretion to deduct from the contract price or consideration, or otherwise recover, the full amount of such commission, percentage, brokerage, or contingent fee; provided, however, that the right of annulment shall not be exercised so long as such annulment would impair the security of the bonds, or be prejudicial to the interests of the holders of the debt securities issued by the Corporation. The contracting parties agree that compliance with this Section is of the essence and in the event of a violation all other remedies provided for in this clause shall remain available to the United States."

15. The AEC Power Agreement, as heretofore modified, is amended to add as Section 7.26 the following new paragraph:

"SECTION 7.26. Miscellaneous.

As used in this Agreement, the terms 'bonds' and 'debt securities issued by Corporation' shall be deemed to refer to bonds and debt securities issued by Corporation and bonds and debt securities issued by persons, including municipalities and governmental bodies, other than Corporation but in respect of which Corporation is obligated to make payments under installment sale or other agreements relating to the purchase, lease and/or installation of facilities and/or equipment by, or for the benefit of, Corporation executed in connection with the issuance of such bonds or debt securities. The foregoing definition is intended for purposes of this Agreement and for purposes of this Agreement only and shall not be deemed to affect in any way the construction or characterization of such installment sale or other agreements for any other purpose whatsoever. A cancellation, termination, annulment or suspension of this contract or Agreement shall be deemed to impair the security of any such bonds and to be prejudicial to the interests of the holders of any such debt securities issued by Corporation if such action would result in the termination or diminution of payments by AEC under this Agreement whether or not the Sponsoring Companies would thereafter continue to be obligated to make payments to Corporation pursuant to the arrangements contemplated by Section 3.08 of this Agreement. In the event that AEC shall elect to cancel, terminate, annul or suspend this contract or Agreement for any reason which permits AEC lawfully so to cancel, terminate, annul or suspend this contract or Agreement under Article VII of this Agreement, AEC shall notify Corporation in writing of such election by AEC and such cancellation, termination, annulment or suspension shall not become

effective unless and until such notification shall have been delivered by AEC to Corporation."

16. Section 7.18 of the AEC Power Agreement, as modified prior to this Modification No. 8, is renumbered Section 7.27.

17. Section 7.19 of the AEC Power Agreement, as modified prior to this Modification No. 8, is renumbered Section 7.28.

18. Section 7.20 of the AEC Power Agreement, as modified prior to this Modification No. 8, is renumbered Section 7.29.

19. This Modification No. 8 to the AEC Power Agreement shall become effective at 12:00 o'clock Midnight on the date, after compliance with Section 164 of the Atomic Energy Act of 1954, as amended, shall have been effected, on which Corporation shall deliver to ERDA a written notice to the effect that all conditions which it is necessary for Corporation to meet prior to such effectiveness have been satisfied; provided, however, that if Corporation shall fail to deliver such notice to ERDA by August 30, 1977, the term of the AEC Power Agreement, as modified prior to this Modification No. 8, shall, without further action by Corporation or ERDA, be extended to and including February 1, 1978.

IN WITNESS WHEREOF, the parties hereto have executed this Modification No. 8 as of the day and year first above written.

OHIO VALLEY ELECTRIC CORPORATION

By

Thomas W. Ward
Vice President

UNITED STATES OF AMERICA

By THE ADMINISTRATOR OF THE
ENERGY RESEARCH AND DEVELOPMENT
ADMINISTRATION

By

R. J. Hart /s/
Contracting Officer

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Summary: Application electronically filed by Docketing Staff on behalf of Docketing