

the time and period of any proposed shutdown or any unusual plant or operation condition involving the lower hydroelectric plant of the Mills so that the Power Company may take the necessary steps to operate its Lee Plant in accordance with such shutdown or unusual condition. The Power Company will build and maintain a telephone line to connect the lower hydroelectric plant with its Lee Plant.

5. A) In consideration of the operation of its power plants by the Mills as herein provided, the Power Company will pay to the Mills for loss of kilowatt hours of energy sustained by the Mills by reason of such operation, compensation which shall be computed and paid as hereinafter set out. Said compensation shall be calculated upon the following basic factors which are considered by the parties to exist in the lower hydroelectric plant of the Mills as of the date of this indenture:

- a) Effective storage in drawdown - 8,600,000 cu. ft.
- b) Available generating capacity - 3,300 KW in 5 units.
- c) Plant efficiency requiring 0.422 c.f.s. per KW at mean head of 39 ft.
- d) Energy in drawdown - - - - - 5,660 K.W.H.
- e) Average weekly loss in drawdowns - based on stream-flow data at the Pelzer Gaging Station for the 10-year period ending Sept. 30, 1948.

Basis of Mill Operation during Week	No of drawdowns chargeable to D. P. Co.
3 shifts	1.0
2 shifts - 5 days per week	4.3

Adjust ~~Reduce~~ 0.8 drawdown for each day of 2-shift operation more or less than 5 days per week.

*JKH
HCC*

The above drawdowns include allowance of 6 full drawdowns each year to compensate for the occasional partial drawdowns.

B) Each party shall have the right to check said basic factors at any time and the other party shall cooperate fully in making such check. In case of disagreement as to the methods or as to the interpretation of results the two parties shall employ an independent engineer whose decision