

shall be accepted by both parties, and each party shall pay one-half of the cost.

C) Payments by the Power Company to the Mills shall be adjusted for any change in said basic factors. Thus, if the plant efficiency is increased, without increase in capacity, so that only 0.38 c.f.s. is required per K.W. instead of 0.422 c.f.s., the energy per drawdown would be increased from 5,660 K.W.H. to 6,290 K.W.H. If the available head at the station is increased by raising the height of the dam or the flashboards, say one foot above the present spill-over level at El. 694.72 (U.S.G.S. datum), the K.W.H. per drawdown would be increased from 5,660 K.W.H. to 5,800 K.W.H., due to the one foot higher head, and would be further increased due to the additional storage. Similarly, if the present flashboards are washed out and are not replaced or replaced with lower flashboards, a corresponding reduction is to be made in the K.W.H. per drawdown. Nothing herein shall prevent Pelzer Mills from raising or lowering their dams or flashboards.

D) Payments will be made to the Mills by the Power Company at the end of each year and shall be arrived at on the basis of

- a) Number of drawdowns chargeable,
- b) K.W.H. per drawdown, and
- c) Average net price per K.W.H. paid by the Mills to the Power Company during the year for which the payment is calculated for power supplied to the Mills for its Pelzer Plant.

E) The Mills will submit to the Power Company yearly statements showing the extent of weekly operation of its mills and other data required for computing payments due to the Mills. Payment will be made within thirty days after receipt of such statement and necessary data from the Mills. The Power Company shall have the right to audit such statement at any time, and the Mills shall cooperate fully in making such audit.

6. The upper hydroelectric plant of the Mills is now operated and for a number of years has been operated continuously to supply light and power for the mill village. As long as this upper hydroelectric plant con-