The "pluses and minuses" of the Agreement: In a fair, uncomplicated agreement, NGEMC gave up corridor (and customer-choice) rights within city limits, in exchange for Calhoun's promise ***never*** to extend lines beyond a fixed Outer Boundary (also referred to as the "Box"):

NGEMC gave up the following:	**The City promised *in exchange*:**
"inside the *present* city limits" (as of 1975): • "all its corridor rights" AND • (by extension) all customer-choice rights	"the City of Calhoun shall not extend its lines *at any time* [beyond the Outer Boundary]" (including "east of I-75")
Within the Outer Boundary: "After legal annexation and the provision of services . . . , NGEMC will relinquish all its corridor rights inside the annexed area" too	(And within the Outer Boundary) "Calhoun agrees not to extend its electric facilities outside the [1975] boundaries of the City" • "until said area has been legally annexed" • "and all municipal services provided"

- This was a good deal for Calhoun: NGEMC gave up extremely valuable corridor and customer choice rights—and associated customers and revenues—that have gone to Calhoun instead.

The parties did *not* agree:

- That, by annexation, Calhoun could extend its lines *anywhere* beyond the Outer Boundary, *whenever* it chooses. Annexation rights apply only *within* the Outer Boundary.
- That the carefully negotiated metes-and-bounds description of the Outer Boundary (195 words) would be canceled out and rendered *meaningless* by the annexation provision.
- That Calhoun could *unilaterally* reassign NGEMC's exclusive territory to itself through annexation—the Agreement does not even mention reassignment and
  - *Neither* superseded the Territorial Act's specific requirements for reassignment
  - *Nor* usurped the Commission's sole authority and responsibility for reassignment.

Why NGEMC believes it is right on the facts and the law:

- The law requires courts and agencies to look at the plain meaning of a contract and uphold the parties' clearly expressed intent. Calhoun's *promise* that it "**shall not extend its lines at any time**" beyond the Outer Boundary (including "east of I-75" where the Michael's Carpet building is located) is plain and unambiguous.
- Calhoun has expressly acknowledged to this Commission/courts that:
  - Calhoun had no right to serve a non-large-load facility located in an annexed area beyond the Outer Boundary—*just like the Michael's Carpet building here*. See NGEMC's Appl. for Full Comm'n Review, at 13-14 (description of 1995 *Mohawk* case.)
  - "[t]he Territorial Agreement limited Calhoun's future expansion of exclusive territory to territory annexed *within the Box* to which other city services have been provided." Direct quote from Calhoun's Brief in 2004-CV-84340 (Fulton Cty. Super. Ct.) (emphasis added).
- Having reaped the benefits of the Agreement for decades, Calhoun now seeks to break its promises and go back on its word, all because it wants a fundamentally different deal than the one it struck 50 years ago. The City's new "interpretation" would make the Outer Boundary paragraph meaningless, violate both common sense and bedrock principles of contract law, and usurp the Commission's sole authority over reassignments.