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ATTORNEYS AT LAW

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JUN 14 2013

PUBLIC SERVICE
COMMISSION

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C. Ellsworth Mountjoy

June 13, 2013

Jeff Derouen
Executive Director
Public Service Commission
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Frankfort, Kentucky 40602-0615

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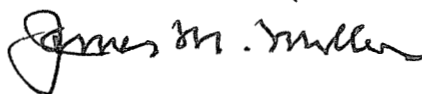
*Re: In the Matter of: Joint Application of Kenergy Corp.
and Big Rivers Electric Corporation for Approval of
Contracts and for a Declaratory Order, Case No. 2013-00221*

Dear Mr. Derouen:

We have discovered that Exhibit 13 (Alternate Service Agreement) of the filing made yesterday on behalf of Big Rivers Electric Corporation has five consecutive pages missing from it. Enclosed are eleven complete copies of Exhibit 13. We request that you replace the existing Exhibit 13 with the attached, and apologize for the inconvenience.

We have also identified a typographical error in the front part of the application, page 5, line 19. The figure "10,000,000" kilowatts should be "10,000" kilowatts. Please call if you have any questions.

Sincerely yours,



James M. Miller

JMM/ej
Enclosures

cc: DeAnna Speed

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JUN 14 2013

PUBLIC SERVICE
COMMISSION

ALTERNATE SERVICE AGREEMENT

THIS AGREEMENT for Purchase of Power ("Agreement") is made _____, 2013, between **KENERGY CORP.**, 6402 Old Corydon Road, Henderson, Kentucky 42420 (hereinafter called the "Seller"), and **CENTURY ALUMINUM OF KENTUCKY GENERAL PARTNERSHIP** with a service address and corporate address at 1627 State Route 3543, Hawesville, KY 42348, (hereinafter called the "Consumer").

Seller and Consumer are parties to a retail electric service agreement dated as of July 1, 2009 (the "2009 Agreement"), pursuant to which Seller provides Consumer electric service to Consumer's aluminum smelting facility in Hawesville, Kentucky.

Consumer notified Seller on August 20, 2012, that Consumer will terminate the 2009 Agreement on August 20, 2013 (the "Termination Date"), in accordance with the terms of the 2009 Agreement.

Seller and Consumer are negotiating an Electric Service Agreement proposed to be dated as of August 1, 2013 (the "Electric Service Agreement") and related documents, pursuant to which Seller would provide Consumer retail electric service for aluminum smelting operations at Consumer's Hawesville facility; and

Consumer desires to enter into an agreement for a power supply to the same facility for non-smelting operations that will become effective, at Consumer's election, concurrently with the termination date of the 2009

Agreement, or if the Electric Service Agreement is in effect on the Termination Date, again at the election of the Consumer, on the termination date of the Electric Service Agreement.

Accordingly, Seller and Consumer agree as follows:

The Seller shall sell and deliver to the Consumer at the Delivery Point, as defined in Section 1.D. of this Agreement, and the Consumer shall purchase all of the electric power and energy, which the Consumer may need at the aforementioned service address for non-smelting operations, up to ten megawatts (the "Maximum Demand"), except as otherwise provided herein, upon the following terms:

1. **SERVICE CHARACTERISTICS**

- A. Service hereunder shall be alternating current, 3 phase, sixty cycles, nominal 161,000 volts.
- B. The Consumer shall not use the electric power and energy furnished hereunder as an auxiliary or supplement to any other source of power and shall not sell electric power and energy purchased hereunder. All electric consuming facilities of Consumer shall be connected on the load side of the metering facilities described in Section 1.22 of Addendum 1.
- C. The Consumer acknowledges that Seller's wholesale power supplier is transmitting electric power and energy to Seller for sale hereunder across the transmission system of Big Rivers Electric Corporation (the "Wholesale Transmission System").

D. "Delivery Point" shall be defined for purposes of this Agreement, which includes the exhibits and addenda attached hereto, as the existing set of meters at the Coleman substation owned by Big Rivers Electric Corporation ("Big Rivers"), or such other point of delivery mutually agreed by the parties and Big Rivers.

2. **PAYMENT**

A. The Consumer shall pay the Seller for service hereunder on and after the "Service Commencement Date" (as defined in Section 6 of this Agreement) at the rates and upon the terms and conditions set forth in Seller's Schedule 35, as it may be amended from time to time. A copy of Seller's current Schedule 35 is attached to and made a part of this Agreement as Exhibit "A." If any terms in this Agreement conflict with any terms in Seller's tariff, the terms in this Agreement shall govern to the extent of the conflict. Notwithstanding any provision of Schedule 35 and irrespective of Consumer's requirements for or use of electric power and energy, the Billing Demand (as used in Schedule 35) shall be the higher of actual demand (defined as the customer's maximum integrated thirty-minute demand at such delivery point during each billing month, determined by meters which record at the end of each thirty-minute period the integrated kilowatt demand during the preceding thirty minutes) and 60% of the Maximum Demand per billing period (per month)("Contract Demand") until modified.

- B. **[RESERVED]**
- C. **[RESERVED]**
- D. Bills for service hereunder shall be paid by wire transfer at the office of the Seller at Kenergy Corp, 6402 Old Corydon Rd., Henderson, KY 42420.
- E. Such payments shall be due on the 25th day of each month for service furnished during the preceding monthly billing period.
- F. If the Consumer shall fail to make any such payment when due, the Seller may discontinue service to the Consumer upon giving fifteen (15) days' written notice to the Consumer of its intention so to do, provided, however, that such discontinuance of service shall not relieve the Consumer of any of its obligations under this Agreement.
- G. The Consumer agrees that if, at any time, the rate under which the Seller purchases electric service at wholesale is modified, the Seller may make, subject to Commission approval, an equivalent modification in the rate for service hereunder.
- H. Consumer's payment obligations under this Section 2 shall survive termination of this Agreement.

3. **MEMBERSHIP**

The Consumer shall remain a member of the Seller and be bound by such generally applicable rules and regulations as may from time to time be adopted by the Seller.

4. **CONTINUITY OF SERVICE**

The Seller shall use reasonable diligence to provide a constant and uninterrupted supply of electric power and energy hereunder. If the supply of electric power and energy shall fail or be interrupted, or become defective through act of God, governmental authority, action of the elements, public enemy, accident, strikes, labor trouble, required maintenance work, inability to secure right-of-way, or any other cause beyond the reasonable control of Seller, then Seller shall not be liable therefor or for damages caused thereby.

5. **RIGHT OF ACCESS**

Duly authorized representatives of the Seller shall be permitted to enter the Consumer's premises at all reasonable times in order to carry out the provisions hereof.

6. **TERM AND SERVICE COMMENCEMENT DATE**

This Agreement, except for the electric service obligations hereunder, shall become effective as provided in the Recitals and section 6A below,,, subject to receipt of the last of the approvals referred to below in Section 8, and shall remain in effect during the Term, as defined in this Agreement. The electric service obligations hereunder shall become effective, and the delivery of electric service under this Agreement shall commence (the "Service Commencement Date"), upon the occurrence or completion of the last of the following conditions:

- A. Receipt by Seller of written notice from Consumer to Seller of the Service Commencement Date requested by it, which date (i) shall be the later to occur of the Termination Date and the date on which the

Electric Service Agreement, if it becomes effective, terminates and smelting operations at Consumer's Hawesville facility cease, and (ii) shall be received by Seller no less than 15 calendar days before the specified Service Commencement Date;

- B. Consumer has notified Seller, in writing concurrently with the Service Commencement Date notice, which one of the five existing 161 kV transmission lines currently serving the Hawesville smelter shall be used to provide service under this Agreement at 161 kV to Consumer's facility on and after the Service Commencement date, with the understanding that all remaining transmission lines will be de-energized by Seller's transmission provider;
- C. Provision by Consumer of the deposit or other guaranty required by Section 7 of this Agreement; and
- C. Performance by Consumer of any other obligations under this Agreement that are required as a condition of commencement of service.

The term of this Agreement shall be ten (10) years following the Service Commencement Date, and thereafter until and unless terminated by either party giving to the other three (3) months notice in writing (the "Term").

7. **CONSUMER DEPOSIT**

- A. As security for payment of its monthly billing obligations, Consumer shall further be required to provide Seller a cash deposit or provide an irrevocable bank letter of credit representing two (2) months' estimated billing, which amount will be estimated by Seller and provided to

Consumer in writing no more than 10 days after receipt by Seller of Consumer's Service Commencement Date notice. The amount of this security for payment shall increase if the Maximum Demand increases, or if Seller's rates for service increase.

- B. Any cash deposit will earn interest in accordance with law, and interest earned will be paid annually to Consumer. Letters of credit must be approved in advance by Seller as to form and issuer. Annually the Parties shall adjust the deposit or bank letter of credit required by Paragraph 7A reasonably to reflect changes in the amounts of the obligations of Consumer secured by the deposit or bank letter(s) of credit.
- C. Consumer's obligations under this Section 7 shall survive termination of this Agreement to the extent necessary to provide security for payment of any outstanding monthly billing obligations that exist as of the date of termination.

8. **SUCCESSION AND APPROVAL**

This Agreement shall be binding upon and inure to the benefit of the successors, legal representatives and assigns of the respective parties hereto and may be assigned by Consumer with the consent of Seller, which consent shall not be unreasonably withheld. Any assignment of this Agreement by Consumer shall not relieve Consumer of its obligations to Kenergy hereunder unless Consumer has been expressly relieved of those obligations by Kenergy, in writing. This Agreement shall not be effective unless (i) it is approved or accepted in writing by the Kentucky Public Service Commission ("KPSC"), and (ii) Seller's wholesale

agreement with Big Rivers regarding service to Consumer has received all approvals required by Seller's and Big Rivers' credit agreements, and is approved or accepted in writing by the KPSC.

9. **ADDENDA**

The addenda to this Agreement are attached hereto and incorporated herein as a part of this agreement for electric service.

10. **INDEMNIFICATION**

Consumer agrees to indemnify and hold Seller harmless from and against any and all claims, demands, damages, judgments, losses or expenses asserted against Seller by or on behalf of Big Rivers arising out of, related to or concerning damage to the Wholesale Transmission System, or any system or electric consuming facilities connected to the Wholesale Transmission System, resulting from Consumer's operations, activities or usage of electric power and energy hereunder.

11. **NOTICE TO BIG RIVERS**

Any notice from Consumer to Seller required by the terms of this Agreement shall be given concurrently to Big Rivers Electric Corporation, 201 Third Street, Henderson, KY 42420, Attn: President and CEO, using the same methodology required by this Agreement for notice to Kenergy.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement all as of the day and year first above written.

KENERGY CORP.
Seller

By _____

Printed Name Gregory J. Starheim

Title President and CEO

CENTURY ALUMINUM OF KENTUCKY
GENERAL PARTNERSHIP
Consumer

By _____

Printed Name _____

Title _____

ADDENDA TO ALTERNATE SERVICE AGREEMENT

ADDENDUM 1

1.10 Facilities to be Provided by Consumer.

1.11 Consumer has provided or shall provide, without cost to Seller or Big Rivers all easements for rights-of-way upon Consumer's property at the Hawesville smelter (at such locations and of such dimensions as may be mutually agreed upon) for Big Rivers' transmission lines, and for any Kenergy distribution lines for service to Consumer.

Consumer has furnished and installed, shall furnish and install, or cause to be furnished or installed, such facilities and equipment as may be necessary to enable it to receive and use electric power and energy purchased under the Agreement at and from Consumer's substation located adjacent to the Hawesville smelter.

1.12 Except as provided in Section 1.20 of this Addendum, Consumer shall furnish and install, or cause to be furnished or installed, such facilities and equipment as may be necessary to enable it to receive and use electric power and energy purchased hereunder at and from Consumer's Substation, including but not limited to (i) such protective devices as may be reasonably necessary in the opinion of the Seller to protect the system of the Seller or the Wholesale Transmission System from disturbances caused by Consumer, (ii) voltage regulation capability in the Consumer-provided electrical facilities sufficient to meet the operating requirements of all Consumer's equipment over the full range of acceptable

transmission delivery voltage, and (iii) protection devices as needed to prevent damage to that equipment during voltage excursions outside of the full range of acceptable transmission delivery voltage. Plans for equipment to be installed for such protection shall be submitted to Seller for prior approval, which shall not be unreasonably withheld.

1.20 **Facilities to be Provided by Seller.**

1.21 Seller has caused to be furnished and installed, or shall cause to be furnished and installed, all of the facilities required for the delivery of electric power and energy to the Delivery Point, as well as the 161 kilovolt transmission lines required between the Delivery Point and Consumer's electrical substation that is designated by Consumer under Section 6.B. of the Agreement. Seller shall install and maintain, or shall cause to be installed and maintained, any and all interconnection equipment, metering, or substation equipment, and other equipment, including switching and protective equipment, necessary to deliver electric power and energy to Consumer's Substation . Seller will keep or cause to be kept, all such equipment in good working order, condition and repair (ordinary wear and tear excepted) such that all such equipment is capable of operating, consistent with Prudent Utility Practice, to the extent necessary to assure sufficient capability to take and use the electric power and

energy delivered by Seller to Consumer as provided for in the Agreement.

1.22 Seller acknowledges Consumer's need, from time to time, to perform scheduled maintenance on its substation equipment, and agrees that upon minimum 30 days written notice it will arrange, or cause to be arranged, service during the period of the scheduled maintenance activities using one of the 161 kV transmission lines that was de-energized on the Service Commencement Date

.1.30 **Construction Standards.** Consumer shall construct and maintain any facilities it builds under an obligation created by this Agreement in accordance with applicable provisions of the National Electrical Safety Code of the American National Standards Institute (ANSI C2), and other applicable laws, codes and regulations, provided however Seller shall have no duty to inspect those facilities for conformance with such standards or have any responsibility for the means, methods or techniques employed by Consumer or its contractor in the construction of these facilities. Each party shall own, maintain and operate the facilities it purchases and installs.

1.40 **Electric Disturbances and Phase Balancing.**

- (a) Consumer shall not use the power and energy delivered under this Agreement in such manner as to cause a "System Disturbance." A System Disturbance is a use of electric power and energy which directly or indirectly results in a risk of harm to human beings or material damage to or interference with the transmission system of Seller's wholesale power supplier (the "Wholesale Transmission System"), a system connected with the Wholesale Transmission System or facilities or other property in

proximity to the Wholesale Transmission System, or the plant, facility, equipment or operations of any other customer served directly or indirectly from the Wholesale Transmission System. A System Disturbance includes, but is not limited to: (a) Harmonic Distortion: a level of current harmonic total demand distortion (TDD) measured at the Delivery Point that exceeds the limits on TDD described in IEEE Standard 519, Section 10; and, (b) Phase Imbalance: a use of capacity and energy in such a manner that causes a current imbalance between phases greater than 5% at the Delivery Point.

- (b) Seller may require Consumer, at Consumer's expense, to make such changes in its system as may be reasonably necessary to eliminate System Disturbances. If Consumer's use of power and energy creates an imbalance between phases that causes a System Disturbance, and fails to make changes in its system requested by Seller to correct such condition, in addition to any other remedies it has Seller make, in its determination of billing demand, assume that the load on each phase is equal to the greatest load on any phase.
- (c) Consumer shall maintain a power factor at the Delivery Point as nearly as practicable to unity. Power factor during normal operation may range from unity to ninety percent (90%). If Consumer's power factor is less than 90% at time of maximum load, Seller reserves the right to require Consumer to choose either (a) installation at Consumer's expense of equipment which will maintain a power factor of 90% or higher; or (b)

adjustment of the maximum monthly metered demand for billing purposes in accordance with the following formula:

$$\frac{\text{Maximum Actual Measured Kilowatts} \times 90\%}{\text{Power Factor (\%)}}$$

- (d) Consumer acknowledges and agrees that Seller shall have no responsibility for damage to any property, or to any equipment or devices connected to Consumer's electrical system on Consumer's side of the Delivery Point that results solely from acts or omissions of Consumer, its employees, agents, contractors or invitees, or malfunction of any equipment or devices connected to Consumer's electrical system on Consumer's side of the Delivery Point.

ADDENDUM 2

[Reserved]

ADDENDUM 3

Force Majeure. In the event performance of this Agreement is limited or prevented in whole or in part by Acts of God, strikes, acts of the public enemy, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, storms, floods, washouts, arrests and restraints of the Government (whether federal, state, or local, civil or military), civil disturbances, explosions, breakage of or accident to machinery, equipment or transmission lines, or inability of either party hereto to obtain necessary materials, supplies, or permits due to existing or future rules, regulations, orders, laws or proclamations of governmental authorities (whether federal, state, or local, civil or military), upon such party's giving notice and reasonably full particulars of such force

majeure or uncontrollable force, in writing or by telegraph to the other party within a reasonable time after the occurrence of the cause relied on, the party whose performance is so limited or prevented shall be excused, discharged and released from the performance to the extent such performance is limited or prevented, but only for the period when the performance is limited or prevented and thereafter all of the terms of this Agreement shall remain in effect except that the term of the agreement shall be extended for a period equal to the duration of the aforesaid force majeure. A minimum bill due during a billing period when a force majeure event occurs shall be prorated based upon the duration of the period of force majeure, but nothing contained herein shall excuse Consumer from the obligations of paying at the time provided herein, for any power consumed by it. In no event shall this Agreement subject either party to liability for consequential or incidental damages, or damages for loss of anticipated profits.

ADDENDUM 4

Successors in Interest. Consumer may with written approval of the Seller assign or transfer this Agreement and such approval shall not be unreasonably withheld. In such event such assignee or transferee shall assume all obligations or responsibilities of Consumer under this Agreement.

ADDENDUM 5

5.10 **Remedies of the Parties.** Waiver at any time by either party of rights with respect to a default or any other matter arising in connection with this Agreement shall not be deemed to be a waiver with respect to any subsequent default or matter. Except as specifically provided herein, this Agreement shall not be construed to abridge, limit,

or deprive either party of any remedy for breach of the provisions herein which would otherwise be available at law or equity.

5.20 **Reports and Information.** Consumer shall furnish to the Seller such reports and information concerning its operations as the Seller may reasonably request from time to time to allow Seller to perform its obligations or exercise its rights under the Agreement.

5.30 **Notices.** Any written notice, demand or request required or authorized under this Agreement shall be deemed properly given to or served on Seller if mailed to:

Kenergy Corp.,
Attention: President & CEO
Post Office Box 18
Henderson, Kentucky 42419-0018

And concurrently to:

Big Rivers Electric Corporation
Attention: President & CEO
201 Third Street
Henderson, KY 42420

Any such notice, demand or request shall be deemed properly given to or served on Consumer if mailed to:

Century Aluminum of Kentucky General Partnership
c/o Plant Manager
1627 State Route 3543
Hawesville, KY 42348

5.40 **Jurisdiction and Venue.** The terms, covenants and conditions herein contained constitute the entire agreement between the parties and shall supersede all previous communications, representations, or agreements, either oral or written,

between the parties hereto with respect to the subject matter hereof, provided, however, that service to the Consumer is subject to the provisions of the Articles of Consolidation and Bylaws of Seller and is subject to the lawful orders of the Kentucky Public Service Commission. All respective rights and obligations of the parties shall be governed by the laws of the State of Kentucky. Venue of any action, legal or equitable, having as its basis the enforcement or interpretation of this contract, shall be Henderson County, Kentucky.

5.50 **Severability.** Should any provision or provisions of this Agreement be declared void or illegal by any court of competent jurisdiction, then such void or illegal provision or provisions shall be severed from this Agreement, and all other provisions hereof shall remain in full force and effect.



Henderson, Kentucky

FOR ALL TERRITORY SERVED

Community, Town or City

PSC NO. 2

Third Revised SHEET NO. 35

CANCELLING PSC NO. 2

Second Revised SHEET NO. 35

CLASSIFICATION OF SERVICE
Schedule 35 – Large Industrial Customers Served Under Special Contract (Dedicated Delivery Points) - (Class C)

APPLICABLE

In all territory served.

AVAILABILITY OF SERVICE

This rate shall apply to existing large customers where service is provided through a dedicated delivery point connected to the transmission system of Big Rivers or other accessible system classified as Class C customers, or new customers executing special contracts approved by the Kentucky Public Service Commission.

TYPE OF SERVICE

The electric service furnished under this schedule will be three-phase sixty cycle, alternating current at available nominal voltage.

RATE

Customer Charge per Delivery Point \$100.00 per Month

Plus:

Demand Charge per KW of Billing Demand in Month \$ 10.50

Plus:

Energy Charges:

I Per KWH \$0.027508

Facilities Charge

1.38%

(times assigned dollars of Kenergy investment for facilities per month-see Sheet No.35B)

DETERMINATION OF BILLING DEMAND

The Billing Demand in kilowatts shall be the higher of: a) The customer's maximum integrated thirty-minute demand at such delivery point during each billing month, determined by meters which record at the end of each thirty-minute period the integrated kilowatt demand during the preceding thirty minutes; or b) the Contract Demand.

POWER FACTOR ADJUSTMENT

The customer agrees to maintain a power factor as nearly as practical to unity. Kenergy will permit the use of apparatus that shall result, during normal operation, in a power factor not lower than 90%. At Kenergy's option, in lieu of the customers providing the above corrective equipment when power factor is less than 90%, Kenergy may adjust the maximum measured demand for billing purposes in accordance with the following formula:

DATE OF ISSUE February 1, 2013

Month / Date / Year

DATE EFFECTIVE September 1, 2011

Month / Date / Year

ISSUED BY [Signature]

(Signature of Officer)

TITLE President and CEO

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. 2011-00035 DATED January 29, 2013

KENTUCKY PUBLIC SERVICE COMMISSION
JEFF R. DEROUEN EXECUTIVE DIRECTOR
TARIFF BRANCH <u>[Signature]</u>
EFFECTIVE 9/1/2011 PURSUANT TO 807 KAR 5:011 SECTION 9 (1)



Henderson, Kentucky

FOR ALL TERRITORY SERVED

Community, Town or City

PSC NO. 2

First Revised SHEET NO. 35A

CANCELLING PSC NO. 2

Original SHEET NO. 35A

CLASSIFICATION OF SERVICE

Schedule 35 - Large Industrial Customers Served Under Special Contract (Dedicated Delivery Points) - (Class C)

Max. Measured KW x 90%

Power Factor (%)

The power factor shall be measured at time of maximum load.

METERING

Electrical usage will be metered at the transmission voltage supplied or at the customer's secondary voltage with a 1.0% adder to the metered KWH to account for transformer losses, as determined by Kenergy.

ADJUSTMENT CLAUSES

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

Table with 2 columns: Rider Name and Sheet No. Includes Renewable Resource Energy Service Rider, Fuel Adjustment Rider, Environmental Surcharge Rider, Unwind Surcredit Adjustment Rider, Rebate Adjustment Rider, Member Rate Stability Mechanism Rider, Price Curtailable Service Rider, and Non-FAC Purchased Power Adjustment Rider.

AGREEMENT

An "agreement for purchase of power" shall be signed by any new customer prior to service under the rate. Should the provisions of the expansion rate contained on Sheets No. 41-41G apply, additional language incorporating those provisions will be added to the agreement.

TAXES AND FEES

School Taxes added if applicable. Kentucky Sales Taxes added if applicable.

FRANCHISE CHARGE

The rate herein provided shall include, where applicable, an additional charge for local government franchise payment determined in accordance with the Franchise Billing Plan as set forth on Sheet No. 105

TERMS OF PAYMENT

The above rates are net, the gross rate being five percent (5%) greater. In the event the current monthly bill is not paid within twenty (20) days from the date the bill was rendered, the gross rate will apply.

DATE OF ISSUE December 2, 2011
DATE EFFECTIVE September 1, 2011
ISSUED BY [Signature]
TITLE President and CEO
BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. 2011-00035 DATED November 17, 2011

KENTUCKY PUBLIC SERVICE COMMISSION
JEFF R. DEROUEN EXECUTIVE DIRECTOR
TARIFF BRANCH
[Signature]
EFFECTIVE 9/1/2011
PURSUANT TO 807 KAR 5:011 SECTION 9 (1)



Henderson, Kentucky

FOR ALL TERRITORY SERVED

Community, Town or City

PSC NO. 2

Second Revised SHEET NO. 35B

CANCELLING PSC NO. 2

First Revised SHEET NO. 35B

CLASSIFICATION OF SERVICE

Schedule 35 - Large Industrial Customers Served Under Special Contract (Dedicated Delivery Points) - (Class C)

DETERMINATION OF FACILITIES CHARGE RATE

Table with columns: Line No., Item, Total. Rows include Distribution O&M Expense, Distribution Plant @ Year End, Dist. Exp. Cost Factor, Test Year A&G Acct. Expense, Test Year O&M Expense Excluding A&G, Line 5/Line 6, Dist. Expense Carrying Cost Factor (Line 3), A&G Cost Factor (Line 7 x Line 8), Distribution Plant Depreciation Rate, Cost of Capital, Amortization Factor, Replacement Cost Factor, Capital Recovery Factor, General Plant Factor, General Plant @ Year End, General Plant Depreciation Rate, Not Used, Amortization Factor, General Plant Fixed Charge Rate, General Plant Fixed Charges, Total Utility Plant, Percent of TUP - General Plant Factor (Line 24 ÷ 25), SUMMARY: O&M Factor, A&G Factor, Capital Recovery Factor, General Plant Factor, Total Annual Carrying Cost, PSC Assessment, Adjustment Annual Carrying Cost, Monthly Fixed Charge Rate Charge.

DATE OF ISSUE December 2, 2011 Month / Date / Year

DATE EFFECTIVE September 1, 2011 Month / Date / Year

ISSUED BY [Signature] (Signature of Officer)

TITLE President and CEO

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. 2011-00035 DATED November 17, 2011

KENTUCKY PUBLIC SERVICE COMMISSION JEFF R. DEROUEN EXECUTIVE DIRECTOR TARIFF BRANCH [Signature] EFFECTIVE 9/1/2011 PURSUANT TO 807 KAR 5:011 SECTION 9 (1)