

**LOUISVILLE GAS & ELECTRIC COMPANY ("LG&E") / KENTUCKY UTILITIES
COMPANY ("KU")**

MAIL INVOICES TO
IN TRIPLICATE
SHOW PURCHASE ORDER NO.

LG&E and KU Services Company
Ms. Esther Thompson-Long
Manager, Fuels Accounting & Admin.
220 West Main Street
P.O. Box 32010
Louisville, KY 40232-2010
Ph: 502-627-3240
Fax: 502-627-2194

PURCHASE ORDER NUMBER

J18029



Exhibit II

DATE: May 21, 2018

Valor, LLC
407 Raven Avenue
Bowling Green, KY 42101

NO KENTUCKY SALES TAX PER
DIRECT PAY #037710 ISSUED TO
LOUISVILLE GAS & ELECTRIC CO.
PAY #045084 ISSUED TO KENTUCKY
UTILITIES COMPANY

SHIP TO: POWER PLANT TANK
BY DELIVERY TRUCKS

ITEM NO.	QUANTITY	UNIT	DESCRIPTION
	"As Needed" Per Buyer Request	Gallons	<p>This purchase order, including the terms and conditions attached which are incorporated herein, is being written for #2 fuel oil deliveries, when requested during calendar year 2018</p> <p><u>Price:</u> As bid for volume requested.</p> <p>The Louisville Gas & Electric Co./Kentucky Utilities Co. power plant covered under this order is as follows:</p> <ol style="list-style-type: none"> 1. Trimble County Generating Station located off, Highways 754 & 1838, 489 Corn Creek Road, Bedford, KY, Mike Buckner, General Manager. <p>The Kentucky Utilities' power plants covered under this order are as follows:</p> <ol style="list-style-type: none"> 1. E.W. Brown Generating Station and E.W. Brown Combustion Turbines located off State Highway 33 near Burgin, KY, in Mercer County; Jeff Fraley, General Manager. 2. Ghent Generating Station located off US Highway 42 near Ghent, KY in Carroll County; Steve Turner, General Manager. 3. Haefling Peaking Station (near Mercer Road) in Lexington, KY, Jeff Fraley, General Manager. <p align="center"> <u>BUYER</u> <u>KENTUCKY UTILITIES COMPANY</u> <u>LOUISVILLE GAS AND ELECTRIC COMPANY</u>  <hr/> Manager LG&E and KU Fuels </p> <p align="center"> <u>SELLER</u> <u>Valor, LLC</u>  <hr/> </p>

TERMS AND CONDITIONS

DELIVERY: Deliveries are to be made via transport trucks of 6,000 gallons or more when ordered by any of the plants.

E.W. BROWN CT'S - FUEL OIL HIGH HEATING VALUE ("HHV"): Seller is required to provide HHV for each "fuel lot" (delivery of a single fuel by group of trucks) on any purchase made for the E.W. Brown Combustion Turbines.

PRICES/INVOICES: Prices quoted on successful bids will be held firm for delivery of entire quantity of fuel oil being requisitioned.

All invoices for shipments under this purchase order should indicate the above purchase order number and the generating station receiving shipment and are governed by the terms and conditions hereof.

ORDERING: By copy of this purchase order to Buyer, Buyer may, when fuel oil is required, call, email, or fax Mike Reece (Phone: 502-398-6883; Mobile: 502-262-1693; Email: mreece@valoroil.com; Fax: 502-398-6891) for a price quotation.

PAYMENTS: Payments will be due 15 days from receipt of invoice and receipt of oil at the Generating Station, whichever is later.

SALES TAX: This purchase order is not subject to Kentucky Sales Tax. We certify that we hold Kentucky Retail Sales and Use Tax Permit #045084 for Kentucky Utilities and #037710 for LG&E; that the material covered by this order will not be resold, or if it is resold, we shall report and pay the appropriate sales and use tax.

TITLE AND QUALITY: Seller warrants that it has good title to the fuel oil delivered hereunder, free of all liens and that the fuel oil delivered hereunder shall meet the applicable ASTM specifications.

INDEMNIFICATION: Seller agrees to defend, indemnify and hold harmless the Buyer, its directors, officers, employees and agents, from and against any and all damage, loss, claim, demand, suit, liability, penalty or forfeiture of every kind and nature ("Claims"), including, without limitation, costs and expenses of defending against the same and payment of any settlement or judgment therefore, by reason of (a) injuries or deaths to persons, (b) damages to property, (c) pollution, contamination of or other adverse effects on the environment, or (d) violations of governmental laws, regulations or orders, whether suffered directly by Buyer or indirectly by reason of third party Claims, arising out of or related to (or alleged to have arisen out of or related to) acts or omissions of Seller, its employees, agents, subcontractors or other representatives, or from their presence on the premises of Buyer, or otherwise from Seller's performance or failure to perform under this Purchase Order. This indemnity shall survive the termination, cancellation or expiration of this Purchase Order.

MODIFICATION: The parties agree that the terms and conditions of this Purchase Order shall not be amended or modified without the express written agreement of the parties. Any such amendment or modification must be in writing, be signed by both parties, expressly reference this Purchase Order and specifically and unambiguously express the intent of both parties to amend or modify this Purchase Order. Any additional terms and conditions that may be contained on any of Seller's forms (whether or not on pre-printed forms) which require a signature of Buyer, including, without limitation, any additional terms and conditions on any bill of sale, bill of lading, receipt, invoice or other document or instrument confirming or documenting price and quantity terms of the sale, the receipt of the order, the shipment or the delivery of the subject matter of this Purchase Order, shall not be accepted by the Buyer and shall not constitute terms or conditions of this Purchase Order.

SEVERAL LIABILITY: LG&E and KU shall be severally but not jointly liable for obligations of Buyer hereunder, and shall be liable only for such obligations that relate to the particular party receiving a specific fuel shipment or transaction as Buyer.

AGENT: At Buyer's discretion, certain obligations or benefits may be performed by or delegated to LG&E and KU Services Company, its agent.

FOB E.W. Brown Station Delivered Price

A Truck Component shall be added to the adjusted FOB Railcar Base Price for any coal delivered by truck. The June 2018 Truck Component will be \$23.80 per ton.

The June 2018 FOB E.W. Brown Station Delivered Price will be \$65.47 per ton.

Shipment

Each day's deliveries by truck that are received and unloaded at Truck Delivery Point is herein called a "Shipment". Shipments are from Seller's stockpile(s) located at the Wild Boar Mine located in Lynnville, Indiana or the Somerville Mine located in Somerville, Indiana ("Shipping Point(s)"), all trucks are expected to conform to the Indiana and Kentucky Department of Transportation rules and regulations, and Seller is responsible for all costs incurred. Failure to adhere to either Indiana or Kentucky DOT rules and regulations may result in termination of truck deliveries under this letter agreement relating to CSA No. J16007 at the sole discretion of Buyer, without limitation as to any other rights or remedies.

Weights, Sampling and Analysis

For Truck Deliveries: Section 7. Weights, Sampling and Analysis shall be amended to provide for Seller's certified truck scales at each shipping point to be applied to coal delivered to the Truck Delivery Point hereunder.

Quality Price Adjustments

For Truck Deliveries: Section 8.2 (a) BTU True Up will exclude the Truck Component of (\$23.80 per ton) from the calculation; the BTU adjustment for the month of June 2018 will use a Base Price of \$41.67 for all coal delivered by truck.

In all other respects, the terms, pricing and other conditions of the Agreement shall remain the same. To the extent applicable, this letter agreement shall act as an amendment to the Agreement with respect to the matters herein.

Please indicate your agreement to these terms by signing where indicated on both of the originals and returning both originals to me. I will have them signed on behalf of LG&E/KU and return a fully executed original to you.

Sincerely,



Stephen Dufour
Sr. Contract Administrator
LG&E and KU Fuels

ACKNOWLEDGED AND AGREED:

PEABODY COALSALES, LLC

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By: Michael Siebers

Name: Michael Siebers

Title: S.V.P. Sales & Marketing - Americas

Date: 5-30-2018

LOUISVILLE GAS AND ELECTRIC COMPANY
KENTUCKY UTILITIES COMPANY

By: Daniel S. Sicular

Est JPP

Name: Daniel S. Sicular

Title: VP Energy Supply & Analysis

Date: 6-4-18