

Charles A. Freibert, Jr.

April 21, 2014

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terminate the Contract while there is still assurance of the longstanding three-year notice period, rather than be subjected to the risk of an unacceptably long notice period, coupled with other adverse elements of KU's proposed changes to our rates and contract. Those elements include the risks of the elimination of interruptible service, an excessive rate of return, rate shock due to a proposed new true-up mechanism in the formula rate, unreasonable creditworthiness requirements, and the imposition of other unjustified charges. With KU having opposed or ignored our earlier requests for relief from this deadline, its eleventh-hour proposal for a temporary extension did not change this conclusion.

The City of Paris, Kentucky appreciates the services that KU has provided under the Contract and its predecessors for many years. We look forward to a positive, continuing relationship during the notice period and to continuing to work with KU and Louisville Gas and Electric Company ("LG&E") as we implement successor arrangements, including the rollover of network transmission service rights under the KU/LG&E Open Access Transmission Tariff.

Sincerely yours,



Michael Thornton, Mayor City of Paris

cc: **Advance Copy Via Facsimile to 502-627-3367**

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