

**COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION**

In the Matter of:

**AN EXAMINATION OF THE APPLICATION OF THE)
FUEL ADJUSTMENT CLAUSE OF LOUISVILLE GAS) CASE NO.
AND ELECTRIC COMPANY FROM NOVEMBER 1, 2013) 2014-00228
THROUGH APRIL 30, 2014)**

**RESPONSE OF
LOUISVILLE GAS AND ELECTRIC COMPANY
TO
INFORMATION REQUESTED IN
APPENDIX OF COMMISSION'S ORDER
DATED AUGUST 13, 2014**

FILED: AUGUST 27, 2014

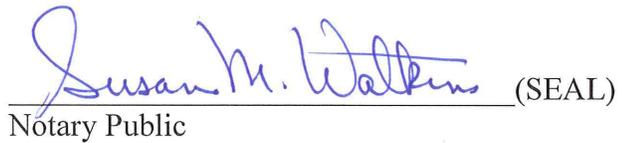
VERIFICATION

COMMONWEALTH OF KENTUCKY)
) SS:
COUNTY OF JEFFERSON)

The undersigned, **Robert M. Conroy**, being duly sworn, deposes and says that he is Director - Rates for LG&E and KU Services Company, and that he has personal knowledge of the matters set forth in the responses for which he is identified as the witness, and the answers contained therein are true and correct to the best of his information, knowledge and belief.


Robert M. Conroy

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 27th day of August 2014.

 (SEAL)
Notary Public

My Commission Expires:

SUSAN M. WATKINS
Notary Public, State at Large, KY
My Commission Expires Mar. 19, 2017
Notary ID # 485723

VERIFICATION

COMMONWEALTH OF KENTUCKY)
) SS:
COUNTY OF JEFFERSON)

The undersigned, **Eileen L. Saunders**, being duly sworn, deposes and says that she is Director, Generation Services for LG&E and KU Services Company, and that she has personal knowledge of the matters set forth in the responses for which she is identified as the witness, and the answers contained therein are true and correct to the best of her information, knowledge and belief.


Eileen L. Saunders

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 27th day of August 2014.

 (SEAL)
Notary Public

My Commission Expires:

SUSAN M. WATKINS
Notary Public, State at Large, KY
My Commission Expires Mar. 19, 2017
Notary ID # 485723

VERIFICATION

COMMONWEALTH OF KENTUCKY)
) SS:
COUNTY OF JEFFERSON)

The undersigned, **Mike Dotson**, being duly sworn, deposes and says that he is Manager – LG&E and KU Fuels for LG&E and KU Services Company, and that he has personal knowledge of the matters set forth in the responses for which he is identified as the witness, and the answers contained therein are true and correct to the best of his information, knowledge and belief.



Mike Dotson

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 27th day of August 2014.



Notary Public (SEAL)

My Commission Expires:

SUSAN M. WATKINS

Notary Public, State at Large, KY
My Commission Expires Mar. 18, 2017
Notary ID # 485723

LOUISVILLE GAS AND ELECTRIC COMPANY

**Response to Information Requested in Appendix of
Commission's Order Dated August 13, 2014**

Case No. 2014-00228

Question No. 1

Witness: Mike Dotson

Q-1. For the period from November 1, 2013, through April 30, 2014, list each vendor from whom coal was purchased and the quantities and the nature of each purchase (e.g., spot or contract). For the period under review in total, provide the percentage of purchases that were spot versus contract. For contract purchases, state whether the contract has been filed with the Commission. If no, explain why it has not been filed.

A-1. The contracts have been filed with the Commission.

<u>PURCHASE VENDOR</u>	<u>PURCHASE TONNAGE</u>	<u>TYPE</u>
Alliance – J09002	613,077	Contract
Alliance – J12007	1,509,795	Contract
Alliance – J13031	53,504	Spot
Arch – J14005	3,033	Spot
Arch – J14018	3,120	Spot
Armstrong Coal – J07032	157,824	Contract
Armstrong Coal – J10009	32,549	Contract
Armstrong Coal – J12004	262,509	Contract
Armstrong Coal – J14004	155,745	Contract
Armstrong Coal – J14010	14,918	Contract
Foresight – J12005	238,309	Contract
Oxford Mining – J12003	18,668	Contract
Patriot Coal Company – J12001	157,318	Contract
Patriot Coal Company – J13004	24,355	Contract
Patriot Coal Company – J14011	24,211	Contract
Peabody Coal Sales – J12011	312,119	Contract
The American Coal Co. – J14002	80,595	Spot
White Oak Resources – J14003	18,469	Contract
TOTAL	3,680,118	
	3,539,866	96.2% Contract
	<u>140,252</u>	3.8% Spot
	3,680,118	

LOUISVILLE GAS AND ELECTRIC COMPANY

**Response to Information Requested in Appendix of
Commission's Order Dated August 13, 2014**

Case No. 2014-00228

Question No. 2

Witness: Robert M. Conroy

- Q-2. For the period from November 1, 2013, through April 30, 2014, list each vendor from whom natural gas was purchased for generation and the quantities and the nature of each purchase (e.g., spot or contract). For contract purchases, state whether the contract has been filed with the Commission. If no, explain why it has not been filed.
- A-2. Please see the attachment for the list of vendors, associated quantities, and the nature of the natural gas purchases. Natural gas purchases (other than purchases made pursuant to the Special Contract referenced below) are purchased solely on an 'as-needed, spot market basis. LG&E/KU (jointly) has executed Master Agreements with various natural gas suppliers that provide a contractual framework for potential spot purchase transactions. These Master Agreements include no specific price, volume, delivery period or location information and therefore do not form a purchase transaction. As such, these Master Agreements have not been filed with the Commission. These Master Agreements enable spot purchases to occur as needed.

Purchases from Louisville Gas and Electric Company are primarily for LG&E-owned coal and gas fired generation and are made in accordance with a Special Contract under 807 KAR 5:011 Section 13.¹ Additionally, purchases from Columbia Gas are for KU-owned generation served by the local distribution company.

¹ The Special Contract for Firm Gas Sales and Firm Transportation Service dated September 28, 2007 and effective April 11, 2008, between Louisville Gas and Electric Company, on behalf of its Gas Distribution Business, and Louisville Gas and Electric Company and Kentucky Utilities Company, on behalf of their Electric Generation Business, was approved by the Kentucky Public Service Commission in Case No. 2007-00449.

LG&E and KU have joint ownership in the following combustion turbine units:

Station	Units	LG&E Ownership	KU Ownership
Trimble County	5 and 6	29%	71%
Trimble County	7, 8, 9 and 10	37%	63%
Brown	5	53%	47%
Paddy's Run	13	53%	47%

Fuel expenses for actual commodity used and associated pipeline transport charges, if any, are allocated to the Companies based on their respective ownership percentages.

Natural Gas Purchases 11/1/2013 - 4/30/2014

<u>Purchase Vendor</u>	<u>Type</u>	<u>MMBTU</u>
ANADARKO-TRADING	Spot	333,540
ATMOS ENERGY	Spot	893,200
BG ENERGY MERCHANTS	Spot	10,000
BP ENERGY CO	Spot	749,227
CASTLETON COMMODITIES	Spot	40,000
CENTRALCRUDE	Spot	9,000
CHEVRON NG	Spot	23,500
CIMA ENERGY	Spot	281,900
Columbia Gas of KY	Spot*	5,187
COLONIAL Energy	Spot	109,847
CONOCOPHILLIPS	Spot	81,300
DTE ENERGY	Spot	145,300
EDF TRADING	Spot	26,080
ENBRIDGE	Spot	34,300
ENERGY AMERICA	Spot	20,000
HESS CORP	Spot	145,700
HESS ENERGYMKT	Spot	212,100
JLA ENERGY	Spot	10,000
JP MORGAN VENTURES	Spot	1,046,228
LACLEDE ENERGY	Spot	176,300
MACQUARIECOOK ENERGY	Spot	722,542
MARATHON PETROLEUM	Spot	5,400
NET	Spot	15,300
NJR ENERGY SERVICES	Spot	362,877
ONEOK ENERGY	Spot	5,000
SEMPRA MIDSTREAM	Spot	21,400
SEQUENT ENERGY	Spot	2,464,312
SHELL ENERGY NA	Spot	594,434
SOUTHWESTERN ENERGY	Spot	237,058
TENASKA MKTG	Spot	1,737,298
TOTALGAS&POWER NA	Spot	35,000
TVA	Spot	172,300
TWIN EAGLE RESOURCE	Spot	120,888
VITOL INC	Spot	1,376,543
TGP	Imbalance Cashout	2,386
LGE-GAS SUPPLY	Special Contract*	971,488
	Total Voume	13,196,935

*-Local Distribution Company service, with no volume purchase commitments.

LOUISVILLE GAS AND ELECTRIC COMPANY

**Response to Information Requested in Appendix of
Commission's Order Dated August 13, 2014**

Case No. 2014-00228

Question No. 3

Witness: Robert M. Conroy / Mike Dotson

- Q-3. State whether LG&E engages in hedging activities for its coal or natural gas purchases used for generation. If yes, describe the hedging activities in detail.
- A-3. LG&E does not engage in financial hedging activities for its coal purchases. LG&E does use physical hedging in contracting for coal. LG&E uses the following guidelines in utilization of coal under contract for the minimum projected requirement:

1 year out	95 – 100%
2 years out	80 – 90%
3 years out	40 – 90%
4 years out	30 - 70%
5 years out	10 - 50%
6 years out	0 - 30%

LG&E does not engage in hedging activities for natural gas purchases.

LOUISVILLE GAS AND ELECTRIC COMPANY

**Response to Information Requested in Appendix of
Commission's Order Dated August 13, 2014**

Case No. 2014-00228

Question No. 4

Witness: Charles R. Schram / Mike Dotson

Q-4. For each generating station or unit for which a separate coal pile is maintained, state, for the period from November 1, 2013, through April 30, 2014, the actual amount of coal burned in tons, the actual amount of coal deliveries in tons, the total kWh generated, and the actual capacity factor at which the plant operated.

A-4. The information requested from November 1, 2013 to April 30, 2014 is shown in the table below:

Plant	Coal Burn (Tons)	Coal Receipts (Tons)	Net MWh	Capacity Factor (Net MWh/ (period hrs x MW rating)
Cane Run	684,159	618,827	1,405,235	57.5%
Mill Creek	2,048,705	2,105,645	4,522,974	70.3%
Trimble County HS	N/A	955,646	N/A	N/A
Trimble County PRB	N/A	176,441	N/A	N/A
Trimble County 1	822,173	N/A	1,709,720	77.1%
Trimble County 2	649,081	N/A	1,498,686	45.4%

Notes: 1 – Trimble County values reflect 100% of the unit. Trimble County 2 is owned by KU (60.75%), LG&E (14.25%), IMPA (12.88%), and IMEA (12.12%).

2 – The North American Electric Reliability Council Generation Availability Data System defines capacity factor as the value equal to the net MWh produced divided by the product of the hours in the period and the unit rating.

LOUISVILLE GAS AND ELECTRIC COMPANY

**Response to Information Requested in Appendix of
Commission's Order Dated August 13, 2014**

Case No. 2014-00228

Question No. 5

Witness: Charles R. Schram

Q-5. List all firm power commitments for LG&E from November 1, 2013, through April 30, 2014, for (a) purchases and (b) sales. This list shall identify the electric utility, the amount of commitment in MW, and the purpose of the commitment (e.g., peaking, emergency).

A-5. a. Firm Purchases

The firm purchases from Ohio Valley Electric Corporation (OVEC) for the review period are shown in the table below. LG&E purchased its participation ratio (5.63%) of the OVEC released capacity for the months in question:

Utility	Companies' LG&E Portion		Purpose
	Amt (MW)	(MW)	
OVEC (Nov 2013)	~ 145	~ 100	Baseload
OVEC (Dec 2013)	~ 152	~ 105	Baseload
OVEC (Jan 2014)	~ 161	~ 111	Baseload
OVEC (Feb 2014)	~ 161	~ 111	Baseload
OVEC (Mar 2014)	~ 161	~ 111	Baseload
OVEC (Apr 2014)	~ 160	~ 111	Baseload

b. Firm Sales

None.

LOUISVILLE GAS AND ELECTRIC COMPANY

**Response to Information Requested in Appendix of
Commission's Order Dated August 13, 2014**

Case No. 2014-00228

Question No. 6

Witness: Robert M. Conroy

Q-6. Provide a monthly billing summary of sales to all electric utilities for the period November 1, 2013, through April 30, 2014.

A-6. See attached.



Month Ended: November-30-2013

Louisville Gas and Electric Company

Power Transaction Schedule

<u>COMPANY</u>	Type of Transaction	KWH	Billing Components			Total Charges(\$)
			Demand(\$)	Fuel Charges(\$)	Other Charges(\$)	
<u>SALES</u>						
AMERICAN ELECTRIC POWER SERVICE CORP.	AEP	Economy	280,000	\$ 10,680.04	\$ 3,069.23	\$ 13,749.27
BROOKFIELD ENERGY MARKETING INC.	BROOK	Economy	280,000	\$ 8,649.05	\$ 2,485.57	\$ 11,134.62
CARGILL- ALLIANT, LLC	CARG	Economy	1,734,000	\$ 52,972.12	\$ 15,223.16	\$ 68,195.28
ETC ENDURE	ETC	Economy	1,774,000	\$ 54,744.31	\$ 15,732.44	\$ 70,476.75
ILLINOIS MUNICIPAL ELECTRIC AGENCY	IMEA	Economy	247,000	\$ 7,836.60	\$ 2,252.08	\$ 10,088.68
INDIANA MUNICIPAL POWER AGENCY	IMPA	Economy	825,000	\$ 23,735.67	\$ 6,821.17	\$ 30,556.84
ENERGY IMBALANCE	IMBL	Economy	571,000	\$ 16,994.31	\$ 4,883.84	\$ 21,878.15
MIDWEST INDEPENDENT TRANSMISSION SYSTEM OPERATOR, INC.	MISO	Economy	7,871,000	\$ 220,493.79	\$ 63,365.61	\$ 283,859.40
PJM INTERCONNECTION ASSOCIATION	PJM	Economy	11,386,000	\$ 324,926.51	\$ 93,377.54	\$ 418,304.05
THE ENERGY AUTHORITY	TEA	Economy	93,000	\$ 2,899.52	\$ 833.27	\$ 3,732.79
TENASKA POWER SERVICES CO.	TPS	Economy	327,000	\$ 10,436.72	\$ 2,999.32	\$ 13,436.04
TENNESSEE VALLEY AUTHORITY	TVA	Economy	7,144,000	\$ 221,331.92	\$ 63,606.47	\$ 284,938.39
KENTUCKY UTILITIES COMPANY	KU	Economy	235,661,000	\$ 5,992,152.01	\$ 605.56	\$ 5,992,757.57
SUBTOTAL			268,193,000	\$ -	\$ 6,947,852.57	\$ 7,223,107.83
TOTAL SALES			268,193,000	\$ -	\$ 6,947,852.57	\$ 7,223,107.83

Energy Imbalance is used to supply energy for mismatch between scheduled delivery and actual loads that have occurred over an hour.



Month Ended: December-31-2013

Louisville Gas and Electric Company

Power Transaction Schedule

<u>COMPANY</u>	Type of Transaction	KWH	Billing Components			Total Charges(\$)
			Demand(\$)	Fuel Charges(\$)	Other Charges(\$)	
<u>SALES</u>						
AMERICAN ELECTRIC POWER SERVICE CORP.	AEP	Economy	186,000	\$ 4,815.65	\$ 2,368.43	\$ 7,184.08
CARGILL- ALLIANT, LLC	CARG	Economy	2,004,000	\$ 54,914.69	\$ 27,008.03	\$ 81,922.72
ETC ENDURE	ETC	Economy	2,097,000	\$ 53,284.46	\$ 26,206.25	\$ 79,490.71
ILLINOIS MUNICIPAL ELECTRIC AGENCY	IMEA	Economy	245,000	\$ 6,910.10	\$ 3,398.50	\$ 10,308.60
INDIANA MUNICIPAL POWER AGENCY	IMPA	Economy	293,000	\$ 9,646.21	\$ 4,744.18	\$ 14,390.39
ENERGY IMBALANCE	IMBL	Economy	542,000	\$ 12,978.44	\$ 6,383.03	\$ 19,361.47
MIDWEST INDEPENDENT TRANSMISSION SYSTEM OPERATOR, INC.	MISO	Economy	16,265,000	\$ 427,974.54	\$ 210,485.57	\$ 638,460.11
PJM INTERCONNECTION ASSOCIATION	PJM	Economy	21,135,000	\$ 550,284.95	\$ 270,640.03	\$ 820,924.98
TENASKA POWER SERVICES CO.	TPS	Economy	1,188,000	\$ 29,635.93	\$ 14,575.50	\$ 44,211.43
TENNESSEE VALLEY AUTHORITY	TVA	Economy	46,769,000	\$ 1,311,370.02	\$ 644,955.33	\$ 1,956,325.35
KENTUCKY UTILITIES COMPANY	KU	Economy	236,571,000	\$ 5,754,364.26	\$ 4,295.62	\$ 5,758,659.88
SUBTOTAL			327,295,000	\$ -	\$ 8,216,179.25	\$ 1,215,060.47
TOTAL SALES			327,295,000	\$ -	\$ 8,216,179.25	\$ 1,215,060.47

Energy Imbalance is used to supply energy for mismatch between scheduled delivery and actual loads that have occurred over an hour.



Month Ended: January-31-2014

Louisville Gas and Electric Company

Power Transaction Schedule

COMPANY	Type of Transaction	KWH	Billing Components			Total Charges(\$)
			Demand(\$)	Fuel Charges(\$)	Other Charges(\$)	
SALES						
CARGILL- ALLIANT, LLC	CARG	Economy	4,981,000	\$ 165,868.23	\$ 255,135.91	\$ 421,004.14
ETC ENDURE	ETC	Economy	5,879,000	\$ 189,690.58	\$ 291,779.06	\$ 481,469.64
ILLINOIS MUNICIPAL ELECTRIC AGENCY	IMEA	Economy	349,000	\$ 8,326.80	\$ 12,808.16	\$ 21,134.96
INDIANA MUNICIPAL POWER AGENCY	IMPA	Economy	1,423,000	\$ 24,254.26	\$ 37,307.51	\$ 61,561.77
JP Morgan Ventures Energy Corporation	JPMORG	Economy	2,592,000	\$ 97,160.54	\$ 149,450.82	\$ 246,611.36
ENERGY IMBALANCE	IMBL	Economy	1,087,000	\$ 41,059.45	\$ 63,156.98	\$ 104,216.43
MIDWEST INDEPENDENT TRANSMISSION SYSTEM OPERATOR, INC.	MISO	Economy	8,109,000	\$ 269,279.46	\$ 414,201.42	\$ 683,480.88
PJM INTERCONNECTION ASSOCIATION	PJM	Economy	36,395,000	\$ 1,963,388.48	\$ 3,020,053.30	\$ 4,983,441.78
THE ENERGY AUTHORITY	TEA	Economy	1,280,000	\$ 29,310.35	\$ 45,084.72	\$ 74,395.07
TENASKA POWER SERVICES CO.	TPS	Economy	398,000	\$ 9,385.78	\$ 14,437.04	\$ 23,822.82
TENNESSEE VALLEY AUTHORITY	TVA	Economy	24,939,000	\$ 1,126,772.48	\$ 1,733,183.70	\$ 2,859,956.18
WESTAR ENERGY, INC.	WSTR	Economy	35,000	\$ 689.47	\$ 1,060.53	\$ 1,750.00
KENTUCKY UTILITIES COMPANY	KU	Economy	447,497,000	\$ 13,353,519.46	\$ -	\$ 13,353,519.46
SUBTOTAL			534,964,000	\$ -	\$ 17,278,705.34	\$ 23,316,364.49
TOTAL SALES			534,964,000	\$ -	\$ 17,278,705.34	\$ 23,316,364.49

Energy Imbalance is used to supply energy for mismatch between scheduled delivery and actual loads that have occurred over an hour.



Month Ended: February-28-2014

Louisville Gas and Electric Company

Power Transaction Schedule

COMPANY	Type of Transaction	KWH	Billing Components			Total Charges(\$)
			Demand(\$)	Fuel Charges(\$)	Other Charges(\$)	
SALES						
CARGILL- ALLIANT, LLC	CARG	Economy	3,483,000	\$ 170,837.25	\$ 121,048.75	\$ 291,886.00
ETC ENDURE	ETC	Economy	4,055,000	\$ 188,022.47	\$ 133,225.53	\$ 321,248.00
ILLINOIS MUNICIPAL ELECTRIC AGENCY	IMEA	Economy	92,000	\$ 2,061.25	\$ 1,460.52	\$ 3,521.77
INDIANA MUNICIPAL POWER AGENCY	IMPA	Economy	153,000	\$ 3,349.10	\$ 2,373.04	\$ 5,722.14
JP Morgan Ventures Energy Corporation	JPMORG	Economy	132,000	\$ 7,971.62	\$ 5,648.38	\$ 13,620.00
ENERGY IMBALANCE	IMBL	Economy	728,000	\$ 23,945.52	\$ 16,966.87	\$ 40,912.39
MIDWEST INDEPENDENT TRANSMISSION SYSTEM OPERATOR, INC.	MISO	Economy	26,106,000	\$ 1,147,504.82	\$ 813,078.06	\$ 1,960,582.88
PJM INTERCONNECTION ASSOCIATION	PJM	Economy	31,331,000	\$ 997,606.55	\$ 706,865.86	\$ 1,704,472.41
THE ENERGY AUTHORITY	TEA	Economy	427,000	\$ 12,923.15	\$ 9,156.85	\$ 22,080.00
TENASKA POWER SERVICES CO.	TPS	Economy	1,735,000	\$ 61,198.26	\$ 43,362.74	\$ 104,561.00
TENNESSEE VALLEY AUTHORITY	TVA	Economy	7,579,000	\$ 235,760.58	\$ 167,050.92	\$ 402,811.50
WESTAR ENERGY, INC.	WSTR	Economy	1,110,000	\$ 44,967.65	\$ 31,862.35	\$ 76,830.00
KENTUCKY UTILITIES COMPANY	KU	Economy	405,407,000	\$ 11,631,949.41	\$ -	\$ 11,631,949.41
SUBTOTAL			482,338,000	\$ -	\$ 2,052,099.87	\$ 16,580,197.50
TOTAL SALES			482,338,000	\$ -	\$ 2,052,099.87	\$ 16,580,197.50

Energy Imbalance is used to supply energy for mismatch between scheduled delivery and actual loads that have occurred over an hour.



Louisville Gas and Electric Company

Power Transaction Schedule

Month Ended: March-31-2014

COMPANY	Type of Transaction	KWH	Billing Components			Total Charges(\$)
			Demand(\$)	Fuel Charges(\$)	Other Charges(\$)	
SALES						
ASSOCIATED ELECT COOPERATIVE	AECI	Economy	449,000	\$ 10,311.21	\$ 9,793.79	\$ 20,105.00
CARGILL- ALLIANT, LLC	CARG	Economy	2,450,000	\$ 110,856.44	\$ 105,293.56	\$ 216,150.00
ETC ENDURE	ETC	Economy	2,608,000	\$ 128,183.69	\$ 121,751.31	\$ 249,935.00
ILLINOIS MUNICIPAL ELECTRIC AGENCY	IMEA	Economy	117,000	\$ 3,541.98	\$ 3,171.92	\$ 6,713.90
INDIANA MUNICIPAL POWER AGENCY	IMPA	Economy	878,000	\$ 32,873.46	\$ 30,999.99	\$ 63,873.45
ENERGY IMBALANCE	IMBL	Economy	618,000	\$ 16,081.24	\$ 15,274.26	\$ 31,355.50
MIDWEST INDEPENDENT TRANSMISSION SYSTEM OPERATOR, INC.	MISO	Economy	19,524,000	\$ 822,172.66	\$ 780,915.27	\$ 1,603,087.93
PJM INTERCONNECTION ASSOCIATION	PJM	Economy	22,019,000	\$ 787,392.84	\$ 747,880.73	\$ 1,535,273.57
THE ENERGY AUTHORITY	TEA	Economy	1,927,000	\$ 98,303.99	\$ 93,371.01	\$ 191,675.00
TENASKA POWER SERVICES CO.	TPS	Economy	775,000	\$ 21,655.86	\$ 20,569.14	\$ 42,225.00
TENNESSEE VALLEY AUTHORITY	TVA	Economy	2,100,000	\$ 168,195.10	\$ 159,754.90	\$ 327,950.00
KENTUCKY UTILITIES COMPANY	KU	Economy	421,652,000	\$ 11,932,839.93	\$ -	\$ 11,932,839.93
SUBTOTAL			475,117,000	\$ -	\$ 14,132,408.40	\$ 2,088,775.88
TOTAL SALES			475,117,000	\$ -	\$ 14,132,408.40	\$ 2,088,775.88

Energy Imbalance is used to supply energy for mismatch between scheduled delivery and actual loads that have occurred over an hour.



Month Ended: April-30-2014

Louisville Gas and Electric Company

Power Transaction Schedule

COMPANY	Type of Transaction	KWH	Billing Components			Total Charges(\$)
			Demand(\$)	Fuel Charges(\$)	Other Charges(\$)	
SALES						
ILLINOIS MUNICIPAL ELECTRIC AGENCY	IMEA	Economy	86,000	\$ 4,378.41	\$ 1,283.42	\$ 5,661.83
INDIANA MUNICIPAL POWER AGENCY	IMPA	Economy	328,000	\$ 16,023.64	\$ 4,696.89	\$ 20,720.53
ENERGY IMBALANCE	IMBL	Economy	194,000	\$ 8,081.17	\$ 2,368.76	\$ 10,449.93
MIDWEST INDEPENDENT TRANSMISSION SYSTEM OPERATOR, INC.	MISO	Economy	41,000	\$ 2,917.75	\$ 855.26	\$ 3,773.01
PJM INTERCONNECTION ASSOCIATION	PJM	Economy	478,000	\$ 23,597.51	\$ 6,916.95	\$ 30,514.46
KENTUCKY UTILITIES COMPANY	KU	Economy	384,270,000	\$ 11,540,081.13	\$ -	\$ 11,540,081.13
SUBTOTAL			385,397,000	\$ -	\$ 11,595,079.61	\$ 11,611,200.89
LOSSES ACROSS OTHER SYSTEMS (NOT BILLED)			-			
TOTAL SALES			385,397,000	\$ -	\$ 11,595,079.61	\$ 11,611,200.89

Energy Imbalance is used to supply energy for mismatch between scheduled delivery and actual loads that have occurred over an hour.

LOUISVILLE GAS AND ELECTRIC COMPANY

**Response to Information Requested in Appendix of
Commission's Order Dated August 13, 2014**

Case No. 2014-00228

Question No. 7

Witness: Eileen Saunders

Q-7. List LG&E's scheduled, actual, and forced outages from November 1, 2013, through April 30, 2014.

A-7. Please see the attached sheets.

Kentucky Utilities Company
 E. W. Brown 5 - Gas CT - 112 MW (jointly owned with LG&E)
 In-service June 2001
 November 2013 through April 2014

Schedule vs. Actual

MONTH	MAINTENANCE				HOURS OF DURATION			REASON FOR DEVIATION FROM SCHEDULED MAINTENANCE OR REASON FOR FORCED OUTAGE AS APPROPRIATE
	Scheduled		Actual		Scheduled	Forced	Actual	
	FROM	TO	FROM	TO				
November	No Outages > or = 6 Hours							
December	S	12/20/2013 6:28	12/21/2013 15:35	12/20/2013 6:28	12/21/2013 15:35	33:07	33:07	Gas Turbine - Cooling Water System
	F			12/26/2013 12:56	12/30/2013 11:18	94:22		Gas Turbine - Cooling Water System
January	No Outages > or = 6 Hours							
February	S	2/27/2014 6:55	2/27/2014 14:53	2/27/2014 6:55	2/27/2014 14:53	7:58	7:58	Gas Turbine - Boroscope Inspection
March	No Outages > or = 6 Hours							
April	No Outages > or = 6 Hours							

Report dates of forced outage in columns headed Actual

Kentucky Utilities Company
 E. W. Brown 6 - Gas CT - 146 MW (jointly owned with LG&E)
 In-service August 1999
 November 2013 through April 2014

Schedule vs. Actual

MONTH	MAINTENANCE				HOURS OF DURATION			REASON FOR DEVIATION FROM SCHEDULED MAINTENANCE OR REASON FOR FORCED OUTAGE AS APPROPRIATE
	Scheduled		Actual		Scheduled	Forced	Actual	
	FROM	TO	FROM	TO				
November	No Outages > or = 6 Hours							
December	S	12/4/2013 6:48	12/4/2013 14:41	12/4/2013 6:48	12/4/2013 14:41	7:53	7:53	Gas Turbine - Ignition System
January	No Outages > or = 6 Hours							
February	No Outages > or = 6 Hours							
March	F			3/13/2014 8:59	3/14/2014 17:25	32:26		Gas Turbine - Cooling And Seal Air System
	S	3/22/2014 0:00	3/30/2014 15:00	3/21/2014 22:06	3/29/2014 12:50	207:00	182:44	Gas Turbine - Boroscope Inspection
April	No Outages > or = 6 Hours							

Report dates of forced outage in columns headed Actual

Kentucky Utilities Company
 E. W. Brown 7 - Gas CT - 146 MW (jointly owned with LG&E)
 In-service August 1999
 November 2013 through April 2014

Schedule vs. Actual

MONTH	MAINTENANCE				HOURS OF DURATION			REASON FOR DEVIATION FROM SCHEDULED MAINTENANCE OR REASON FOR FORCED OUTAGE AS APPROPRIATE
	Scheduled		Actual		Scheduled	Forced	Actual	
	FROM	TO	FROM	TO				
November	F		11/4/2013 15:41	11/6/2013 6:26	38:45			Controls
	F		11/6/2013 21:47	11/7/2013 12:17	14:30			Gas Turbine - Turning Gear And Motor
	S	11/18/2013 7:19	11/20/2013 17:10	11/18/2013 7:19	11/20/2013 17:10	57:51	57:51	Pilot Fuel Piping And Valves
December	No Outages > or = 6 Hours							
January	F		1/13/2014 8:05	1/14/2014 13:30	29:25			Gas Turbine - Turning Gear And Motor
February	No Outages > or = 6 Hours							
March	S	3/21/2014 22:06	3/22/2014 16:00	3/21/2014 22:06	3/22/2014 16:00	17:54	17:54	Gas Turbine - Fuel Piping And Valves
	S	3/29/2014 0:00	----->	3/29/2014 13:48	----->	72:00	58:12	Gas Turbine - Boroscope Inspection
April	S	----->	4/6/2014 15:00	----->	4/5/2014 15:03	135:00	111:03	Gas Turbine- Boroscope Inspection

Report dates of forced outage in columns headed Actual

Louisville Gas & Electric Company
 Cane Run Unit #4 - Coal - 155 MW
 In-service May 1962
 November 2013 through April 2014

Schedule vs Actual

MONTH	MAINTENANCE					HOURS OF DURATION			REASON FOR DEVIATION FROM SCHEDULED MAINTENANCE OR REASON FOR FORCED OUTAGE AS APPROPRIATE
	Scheduled		Actual		Scheduled	Forced	Actual		
	FROM	TO	FROM	TO					
November	S	11/8/2013 22:49	11/10/2013 0:00	11/8/2013 22:49	11/10/2013 0:00	25:11	25:11	Turbine Control Valves	
	F			11/10/2013 2:28	11/10/2013 15:11		12:43	Heater Drain Piping	
	S	11/10/2013 15:11	11/10/2013 23:32	11/10/2013 15:11	11/10/2013 23:32	8:21	8:21	Light-off (Igniter) Systems (Including Fuel Supply)	
	F			11/19/2013 9:52	11/19/2013 16:48		6:56	Traveling Screen	
	F			11/26/2013 18:17	11/27/2013 19:19		25:02	Induced Draft Fans	
December	S	12/27/2013 11:09	12/28/2013 12:53	12/27/2013 11:09	12/28/2013 12:53	25:44	25:44	Condenser Tube Leaks	
January	No outages > or = 6 hours								
February	S	2/16/2014 11:30	2/18/2014 4:28	2/16/2014 11:30	2/18/2014 4:28	40:58	40:58	Wet Scrubber Mist Eliminators/demisters & Washdown	
	S	2/18/2014 22:14	2/20/2014 0:32	2/18/2014 22:14	2/20/2014 0:32	26:18	26:18	Turbine Control Valves	
March	S	3/24/2014 20:40	3/25/2014 18:55	3/24/2014 20:40	3/25/2014 18:55	22:15	22:15	Condenser Tube Leaks	
April	F			4/1/2014 5:39	4/5/2014 11:30		101:51	First Reheater Slagging or Fouling	
	S	4/19/2014 0:00	----->	4/5/2014 11:30	4/20/2014 3:15	288:00	351:45	Flue Gas Recirculating Fan	

Report dates of forced outage in columns headed Actual

Louisville Gas & Electric Company
 Cane Run Unit #5 - Coal - 168 MW
 In-service May 1966
 November 2013 through April 2014

Schedule vs Actual

MONTH	MAINTENANCE				HOURS OF DURATION			REASON FOR DEVIATION FROM SCHEDULED MAINTENANCE OR REASON FOR FORCED OUTAGE AS APPROPRIATE
	Scheduled		Actual		Scheduled	Forced	Actual	
	FROM	TO	FROM	TO				
November	F			11/10/2013 0:38	11/10/2013 22:08	21:30		Generator Controls And Metering
	S	11/15/2013 20:27	11/16/2013 18:56	11/15/2013 20:27	11/16/2013 18:56	22:29	22:29	Traveling Screens
	F			11/29/2013 1:12	----->	46:48		Convection Pass Wall Leaks (Water Tubes Only)
December	F			----->	12/2/2013 1:49	25:49		Convection Pass Wall Leaks (Water Tubes Only)
	S	12/2/2013 11:23	12/5/2013 5:04	12/2/2013 11:23	12/5/2013 5:04	65:41	65:41	Other Generator Controls And Metering Problems
January		No outages > or = 6 hours						
February	F			2/7/2014 10:51	2/9/2014 0:00	37:09		First Reheater Leaks
	S	2/9/2014 0:00	2/10/2014 0:12	2/9/2014 0:00	2/10/2014 0:12	24:12	24:12	Electrostatic Precipitator
	F			2/21/2014 4:01	2/21/2014 14:53	10:52		Induced Draft Fan Controls
March	S	3/8/2014 0:00	3/16/2014 15:00	3/7/2014 12:53	3/15/2014 23:00	207:00	202:07	First Reheater Leaks
	S	3/18/2014 10:07	3/19/2014 16:52	3/18/2014 10:07	3/19/2014 16:52	30:45	30:45	First Reheater Leaks
April	F			4/11/2014 16:49	4/13/2014 6:40	37:51		Switchyard System Protection Devices

Report dates of forced outage in columns headed Actual

Louisville Gas & Electric Company
 Cane Run Unit #6 - Coal - 240 MW
 In-service May 1969
 November 2013 through April 2014

Schedule vs Actual

MONTH	MAINTENANCE				HOURS OF DURATION			REASON FOR DEVIATION FROM SCHEDULED MAINTENANCE OR REASON FOR FORCED OUTAGE AS APPROPRIATE	
	Scheduled		Actual		Scheduled	Forced	Actual		
	FROM	TO	FROM	TO					
November	S	11/1/2013 20:24	11/2/2013 7:57	11/1/2013 20:24	11/2/2013 7:57	11:33		11:33	Turbine Control Valves
	S	11/21/2013 9:48	11/24/2013 17:41	11/21/2013 9:48	11/24/2013 17:41	79:53		79:53	Condenser Tube and Water Box Cleaning
December	F			12/17/2013 23:09	12/19/2013 7:48			32:39	Second Reheater Leaks
January	F			1/3/2014 11:03	1/4/2014 17:05			30:02	Second Reheater Leaks
	S	1/9/2014 20:23	1/17/2014 4:37	1/9/2014 20:23	1/17/2014 4:37	176:14		176:14	Second Reheater Leaks
February	S	2/17/2014 15:01	2/23/2014 22:51	2/17/2014 15:01	2/23/2014 22:51	151:50		151:50	Lp Turbine Bearings
March	F			3/11/2014 11:19	3/12/2014 19:03			31:44	Wet Scrubber
	S	3/22/2014 0:00	----->	3/14/2014 23:44	3/30/2014 19:27	240:00		379:43	Wet Scrubber
	S	----->	4/13/2014 15:00			303:00		0:00	Wet Scrubber
April	F			4/11/2014 16:50	4/13/2014 21:18			52:28	Switchyard System Protection Devices
	F			4/17/2014 8:20	4/22/2014 6:45			118:25	Steam Generating Tubes
	F			4/22/2014 6:45	----->			209:15	Wet Scrubber - Demister

Report dates of forced outage in columns headed Actual

Louisville Gas & Electric Company
 Mill Creek Unit #1 - Coal - 303 MW
 In-service August 1972
 November 2013 through April 2014

Schedule vs Actual

MONTH	MAINTENANCE				HOURS OF DURATION			REASON FOR DEVIATION FROM SCHEDULED MAINTENANCE OR REASON FOR FORCED OUTAGE AS APPROPRIATE
	Scheduled		Actual		Scheduled	Forced	Actual	
	FROM	TO	FROM	TO				
November	S	11/18/2013 10:21	11/20/2013 4:39	11/18/2013 10:21	11/20/2013 4:39	42:18	42:18	Condenser Tube Leaks
December	S	12/14/2013 0:09	12/15/2013 8:47	12/14/2013 0:09	12/15/2013 8:47	32:38	32:38	Condenser Tube and Water Box Cleaning
	S	12/27/2013 21:28	12/28/2013 4:04	12/27/2013 21:28	12/28/2013 4:04	6:36	6:36	Condenser Tube and Water Box Cleaning
	S	12/28/2013 4:04	12/28/2013 12:18	12/28/2013 4:04	12/28/2013 12:18	8:14	8:14	UPS Cabinet
January	No outages > or = 6 hours							
February	S	2/18/2014 22:26	2/21/2014 22:16	2/18/2014 22:26	2/21/2014 22:16	71:50	71:50	Air Heater (Regenerative)
	S	2/21/2014 22:16	2/22/2014 17:58	2/21/2014 22:16	2/22/2014 17:58	19:42	19:42	Turbine Control Valves
March	No outages > or = 6 hours							
April	S	4/12/2014 0:00	4/20/2014 15:00	4/12/2014 11:55	4/19/2014 10:38	207:00	166:43	Minor Boiler Overhaul

Report dates of forced outage in columns headed Actual

Louisville Gas & Electric Company
 Mill Creek Unit #2 - Coal - 301 MW
 In-service July 1974
 November 2013 through April 2014

Schedule vs Actual

MONTH	MAINTENANCE				HOURS OF DURATION			REASON FOR DEVIATION FROM SCHEDULED MAINTENANCE OR REASON FOR FORCED OUTAGE AS APPROPRIATE	
	Scheduled		Actual		Scheduled	Forced	Actual		
	FROM	TO	FROM	TO					
November	S	11/22/2013 11:10	11/24/2013 11:55	11/22/2013 11:10	11/24/2013 11:55	48:45		48:45	Deaerator
	F			11/24/2013 14:41	11/28/2013 0:08		81:27		Burner Wind Box
December	S	12/23/2013 22:22	12/26/2013 2:10	12/23/2013 22:22	12/26/2013 2:10	51:48		51:48	Boiler Water Condition
	F			12/28/2013 4:04	12/28/2013 13:43		9:39		UPS Cabinet
January	S	1/2/2014 10:39	1/4/2014 11:51	1/2/2014 10:39	1/4/2014 11:51	49:12		49:12	Furnace Wall Leaks
	F			1/25/2014 22:11	1/26/2014 12:32		14:21		Turbine Control Valve
February	F			2/1/2014 23:37	2/2/2014 6:35		6:58		Condenser
	S	2/15/2014 0:32	2/17/2014 22:00	2/15/2014 0:32	2/17/2014 22:00	69:28		69:28	Second Superheater Leaks
	S	2/17/2014 22:00	2/18/2014 13:40	2/17/2014 22:00	2/18/2014 13:40	15:40		15:40	Light-off (Igniter) Systems
	S	2/24/2014 9:31	2/25/2014 19:47	2/24/2014 9:31	2/25/2014 19:47	34:16		34:16	Furnace Wall Leaks
March		No outages > or = 6 hours							
April	S	4/5/2014 0:00	----->	4/5/2014 1:51	----->	624:00		622:09	Major Boiler Overhaul

Report dates of forced outage in columns headed Actual

Louisville Gas & Electric Company
 Mill Creek Unit #3 - Coal - 391 MW
 In-service August 1978
 November 2013 through April 2014

Schedule vs Actual

MONTH	MAINTENANCE				HOURS OF DURATION			REASON FOR DEVIATION FROM SCHEDULED MAINTENANCE OR REASON FOR FORCED OUTAGE AS APPROPRIATE
	Scheduled		Actual		Scheduled	Forced	Actual	
	FROM	TO	FROM	TO				
November	S	----->	11/17/2013 15:00	----->	11/13/2013 23:47	399:00	311:47	Major Boiler Overhaul
	S	11/28/2013 13:07	12/1/2013 7:10	11/28/2013 13:07	12/1/2013 7:10	66:03	66:03	First Reheater Leaks
December	S	12/26/2013 10:54	12/29/2013 10:41	12/26/2013 10:54	12/29/2013 10:41	71:47	71:47	Condenser Tube Leaks
January		No outages > or = 6 hours						
February		No outages > or = 6 hours						
March		No outages > or = 6 hours						
April	S		4/1/2014 0:39	4/4/2014 18:43	0:00		90:04	Minor Boiler Overhaul
	S	4/22/2014 9:36	4/24/2014 3:07	4/22/2014 9:36	4/24/2014 3:07	41:31	41:31	Induced Draft Fans

Report dates of forced outage in columns headed Actual

Louisville Gas & Electric Company
 Mill Creek Unit #4 - Coal - 477 MW
 In-service September 1982
 November 2013 through April 2014

Schedule vs Actual

MONTH	MAINTENANCE				HOURS OF DURATION			REASON FOR DEVIATION FROM SCHEDULED MAINTENANCE OR REASON FOR FORCED OUTAGE AS APPROPRIATE
	Scheduled		Actual		Scheduled	Forced	Actual	
	FROM	TO	FROM	TO				
November	F			11/4/2013 15:59	11/9/2013 3:52	107:53		First Reheater Leaks
December	S	12/19/2013 22:42	12/23/2013 8:21	12/19/2013 22:42	12/23/2013 8:21	81:39	81:39	Low Pressure Heater Tube Leaks
	F			12/28/2013 1:03	12/30/2013 20:50	67:47		Generator Current And Potential Transformers
January		No outages > or = 6 hours						
February		No outages > or = 6 hours						
March	S	3/15/2014 0:00	3/30/2014 15:00	3/14/2014 23:47	3/30/2014 19:15	375:00	379:28	Minor Boiler Overhaul
April		No outages > or = 6 hours						

Report dates of forced outage in columns headed Actual

Louisville Gas & Electric Company
 Trimble County Unit #1 - Coal - 383 MW (75% ownership share of 511 MW)
 In-service December 1990
 November 2013 through April 2014

Schedule vs Actual

MONTH	MAINTENANCE				HOURS OF DURATION			REASON FOR DEVIATION FROM SCHEDULED MAINTENANCE OR REASON FOR FORCED OUTAGE AS APPROPRIATE
	Scheduled		Actual		Scheduled	Forced	Actual	
	FROM	TO	FROM	TO				
November	S	----->	11/3/2013 15:00	----->	11/5/2013 7:02	63:00	103:02	Minor Boiler Overhaul
	F			11/5/2013 11:25	11/6/2013 16:24	28:59		Furnace Wall Leaks
	F			11/7/2013 17:51	11/8/2013 14:09	20:18		Burner Wind Box Fires
	F			11/19/2013 12:20	11/20/2013 13:14	24:54		Condenser Tube Leaks
	S	11/20/2013 13:14	11/21/2013 5:30	11/20/2013 13:14	11/21/2013 5:30	16:16	16:16	Induced Draft Fans
December	S	12/13/2013 13:03	12/16/2013 1:05	12/13/2013 13:03	12/16/2013 1:05	60:02	60:02	Furnace Wall Leaks
January	F			1/11/2014 21:03	1/12/2014 7:57	10:54		Turbine Driven Boiler Feedpump
	F			1/14/2014 10:39	1/16/2014 22:16	59:37		Deaerator (including Level Control)
February		No outages > or = 6 hours						
March	F			3/6/2014 1:06	3/6/2014 12:48	11:42		Induced Draft Fan Motors - Variable Speed
April	S	4/5/2014 0:00	4/6/2014 16:49	4/5/2014 0:00	4/6/2014 16:49	40:49	40:49	Furnace Wall Leaks

Report dates of forced outage in columns headed Actual

Louisville Gas & Electric Company
 Trimble County Unit #2 - Coal - 549 MW (75% ownership share of 732 MW jointly owned with KU)
 In-service January 2011
 November 2013 through April 2014

Schedule vs Actual

MONTH	MAINTENANCE				HOURS OF DURATION			REASON FOR DEVIATION FROM SCHEDULED MAINTENANCE OR REASON FOR FORCED OUTAGE AS APPROPRIATE
	Scheduled		Actual		Scheduled	Forced	Actual	
	FROM	TO	FROM	TO				
November	S	11/16/2013 2:01	11/18/2013 17:40	11/16/2013 2:01	11/18/2013 17:40	63:39	63:39	Main Steam Relief/Safety Valves
	F			11/19/2013 3:04	11/21/2013 1:41		46:37	Feedwater Valves
December	S	12/4/2013 15:09	12/7/2013 19:11	12/4/2013 15:09	12/7/2013 19:11	76:02	76:02	Air Heater
	F			12/16/2013 3:12	12/19/2013 10:17		79:05	Bottom Ash Rotary Conveyor & Motor
January		No outages > or = 6 hours						
February	S	2/1/2014 0:00	----->	2/8/2014 3:21	----->	672:00	500:39	Burners
March	S	----->	----->	----->	----->	744:00	744:00	Burners
April	S	----->	----->	----->	----->	720:00	720:00	Burners

Report dates of forced outage in columns headed Actual

Louisville Gas & Electric Company
 Cane Run Unit #11 - Gas CT - 14 MW
 In-service June 1968
 November 2013 through April 2014

Schedule vs Actual

MONTH	MAINTENANCE				HOURS OF DURATION			REASON FOR DEVIATION FROM SCHEDULED MAINTENANCE OR REASON FOR FORCED OUTAGE AS APPROPRIATE
	Scheduled		Actual		Scheduled	Forced	Actual	
	FROM	TO	FROM	TO				
November	No outages > or = 6 hours							
December	No outages > or = 6 hours							
January	F		1/6/2014 20:13	1/7/2014 9:05	12:52			Gas Turbine - Starting System (including Motor)
February	F		2/3/2014 0:42	2/3/2014 9:37	8:55			Service Air Compressors
March	S	3/20/2014 6:30	3/20/2014 13:03	3/20/2014 6:30	3/20/2014 13:03	6:33	6:33	Gas Turbine - Starting System (including Motor)
April	No outages > or = 6 hours							

Report dates of forced outage in columns headed Actual

Louisville Gas & Electric Company
 Paddys Run Unit #11 - Gas CT - 12 MW
 In-service June 1968
 November 2013 through April 2014

Schedule vs Actual

MONTH	MAINTENANCE				HOURS OF DURATION			REASON FOR DEVIATION FROM SCHEDULED MAINTENANCE OR REASON FOR FORCED OUTAGE AS APPROPRIATE	
	Scheduled		Actual		Scheduled	Forced	Actual		
	FROM	TO	FROM	TO					
November	S	11/14/2013 6:34	11/14/2013 14:52	11/14/2013 6:34	11/14/2013 14:52	8:18		8:18	Gas Turbine Auxiliary System
December	No outages > or = 6 hours								
January	F			1/30/2014 7:00	1/31/2014 9:20			26:20	Lack Of Fuel due to pipeline shutdown. Gas department required outage for off-plant site gas line maintenance.
February	No outages > or = 6 hours								
March	No outages > or = 6 hours								
April	No outages > or = 6 hours								

Report dates of forced outage in columns headed Actual

Louisville Gas & Electric Company
Paddys Run Unit #12 - Gas CT - 23 MW
In-service July 1968
November 2013 through April 2014

Schedule vs Actual

MONTH	MAINTENANCE				HOURS OF DURATION			REASON FOR DEVIATION FROM SCHEDULED MAINTENANCE OR REASON FOR FORCED OUTAGE AS APPROPRIATE	
	Scheduled		Actual		Scheduled	Forced	Actual		
	FROM	TO	FROM	TO					
November	S	11/14/2013 6:34	11/14/2013 14:52	11/14/2013 6:34	11/14/2013 14:52	8:18		8:18	Gas Turbine Auxiliary System
December	S	12/19/2013 7:30	12/19/2013 14:45	12/19/2013 7:30	12/19/2013 14:45	7:15		7:15	Fire Protection System Pumps Lack Of Fuel due to pipeline shutdown. Gas department required outage for off-plant site gas line maintenance.
January	F			1/30/2014 7:00	1/31/2014 9:20		26:20		
February	F			2/19/2014 10:25	3/6/2014 13:33		363:08		Gas Turbine - Cooling Water System
March	F			3/11/2014 11:34	3/12/2014 10:22		22:48		Controls And Instruments
April		No outages > or = 6 hours							

Report dates of forced outage in columns headed Actual

Louisville Gas & Electric Company
Paddys Run Unit # 13 - Gas CT - 147 MW (jointly owned with KU)
In-service June 2001
November 2013 through April 2014

Schedule vs Actual

MONTH	MAINTENANCE					HOURS OF DURATION			REASON FOR DEVIATION FROM SCHEDULED MAINTENANCE OR REASON FOR FORCED OUTAGE AS APPROPRIATE
	Scheduled		Actual		Scheduled	Forced	Actual		
	FROM	TO	FROM	TO					
November	S	----->	11/24/2013 15:00	----->	11/24/2013 14:26	567:00		566:26	Exciter
	S			11/24/2013 16:53	11/25/2013 13:13	0:00		20:20	Exciter
December		No outages > or = 6 hours							
January	F			1/30/2014 7:00	1/31/2014 9:20			26:20	Lack Of Fuel due to pipeline shutdown. Gas department required outage for off-plant site gas line maintenance.
February	S	2/15/2014 0:00	2/23/2014 15:00	2/15/2014 6:08	----->	207:00		329:52	Generator Synchronization Equipment
March	S			----->	3/3/2014 8:25	0:00		56:25	Generator Synchronization Equipment
	F			3/3/2014 8:25	3/6/2014 13:33			77:08	Fire Protection System Pumps
	S	3/6/2014 13:33	3/7/2014 11:04	3/6/2014 13:33	3/7/2014 11:04	21:31		21:31	Generator Synchronization Equipment
	S	3/21/2014 6:00	3/21/2014 14:25	3/21/2014 6:00	3/21/2014 14:25	8:25		8:25	Switchyard or High Voltage System
April		No outages > or = 6 hours							

Report dates of forced outage in columns headed Actual

Louisville Gas & Electric Company
 Trimble County Unit #5 - Gas CT - 157 MW (jointly owned with KU)
 In-service May 2002
 November 2013 through April 2014

Schedule vs Actual

MONTH	MAINTENANCE				HOURS OF DURATION			REASON FOR DEVIATION FROM SCHEDULED MAINTENANCE OR REASON FOR FORCED OUTAGE AS APPROPRIATE
	Scheduled		Actual		Scheduled	Forced	Actual	
	FROM	TO	FROM	TO				
November	S	11/2/2013 3:00	11/4/2013 16:52	11/2/2013 3:00	11/4/2013 16:52	61:52	61:52	Switchyard Equipment
December		No outages > or = 6 hours						
January		No outages > or = 6 hours						
February		No outages > or = 6 hours						
March		No outages > or = 6 hours						
April		No outages > or = 6 hours						

Report dates of forced outage in columns headed Actual

Louisville Gas & Electric Company
 Trimble County Unit #6 - Gas CT - 157 MW (jointly owned with KU)
 In-service May 2002
 November 2013 through April 2014

Schedule vs Actual

MONTH	MAINTENANCE				HOURS OF DURATION			REASON FOR DEVIATION FROM SCHEDULED MAINTENANCE OR REASON FOR FORCED OUTAGE AS APPROPRIATE
	Scheduled		Actual		Scheduled	Forced	Actual	
	FROM	TO	FROM	TO				
November	S	11/2/2013 3:00	11/4/2013 23:50	11/2/2013 3:00	11/4/2013 23:50	68:50	68:50	Switchyard Equipment
	F			11/24/2013 12:24	11/25/2013 6:45		18:21	Generator
December		No outages > or = 6 hours						
January		No outages > or = 6 hours						
February		No outages > or = 6 hours						
March		No outages > or = 6 hours						
April		No outages > or = 6 hours						

Report dates of forced outage in columns headed Actual

Louisville Gas & Electric Company
 Trimble County Unit #7 - Gas CT - 157 MW (jointly owned with KU)
 In-service June 2004
 November 2013 through April 2014

Schedule vs Actual

MONTH	MAINTENANCE					HOURS OF DURATION			REASON FOR DEVIATION FROM SCHEDULED MAINTENANCE OR REASON FOR FORCED OUTAGE AS APPROPRIATE
	Scheduled		Actual		Scheduled	Forced	Actual		
	FROM	TO	FROM	TO					
November	S	11/2/2013 3:00	11/4/2013 16:52	11/2/2013 3:00	11/4/2013 16:52	61:52		61:52	Switchyard Equipment
December	S	12/23/2013 7:03	12/23/2013 14:24	12/23/2013 7:03	12/23/2013 14:24	7:21		7:21	Gas Turbine - Starting System (including Motor)
January		No outages > or = 6 hours							
February		No outages > or = 6 hours							
March		No outages > or = 6 hours							
April	S	4/25/2014 6:12	4/25/2014 16:24	4/25/2014 6:12	4/25/2014 16:24	10:12		10:12	Gas Turbine Control System - Upgrades
	F			4/28/2014 19:26	4/29/2014 3:25			7:59	Gas Turbine Vibration

Report dates of forced outage in columns headed Actual

Louisville Gas & Electric Company
 Trimble County Unit #8 - Gas CT - 157 MW (jointly owned with KU)
 In-service June 2004
 November 2013 through April 2014

Schedule vs Actual

MONTH	MAINTENANCE				HOURS OF DURATION			REASON FOR DEVIATION FROM SCHEDULED MAINTENANCE OR REASON FOR FORCED OUTAGE AS APPROPRIATE
	Scheduled		Actual		Scheduled	Forced	Actual	
	FROM	TO	FROM	TO				
November	S	11/6/2013 7:02	11/26/2013 17:35	11/6/2013 7:02	11/26/2013 17:35	490:33	490:33	Gas Turbine - High Pressure Blades/buckets
December	S	12/23/2013 7:03	12/23/2013 14:24	12/23/2013 7:03	12/23/2013 14:24	7:21	7:21	Gas Turbine - Starting System (including Motor)
January	F			1/3/2014 5:21	1/4/2014 0:26		19:05	Gas Turbine - Starting System (including Motor)
	S	1/5/2014 19:28	1/6/2014 15:58	1/5/2014 19:28	1/6/2014 15:58	20:30	20:30	Gas Turbine - Starting System (including Motor)
	F			1/10/2014 14:00	1/14/2014 13:28		95:28	Fire Protection System
February	No outages > or = 6 hours							
March	No outages > or = 6 hours							
April	S	4/25/2014 6:12	4/25/2014 12:30	4/25/2014 6:12	4/25/2014 12:30	6:18	6:18	Gas Turbine Control System - Upgrades

Report dates of forced outage in columns headed Actual

Louisville Gas & Electric Company
 Trimble County Unit #9 - Gas CT - 157 MW (jointly owned with KU)
 In-service July 2004
 November 2013 through April 2014

Schedule vs Actual

MONTH	MAINTENANCE					HOURS OF DURATION			REASON FOR DEVIATION FROM SCHEDULED MAINTENANCE OR REASON FOR FORCED OUTAGE AS APPROPRIATE
	Scheduled		Actual		Scheduled	Forced	Actual		
	FROM	TO	FROM	TO					
November	No outages > or = 6 hours								
December	S	12/18/2013 9:05	12/18/2013 17:40	12/18/2013 9:05	12/18/2013 17:40	8:35		8:35	Gas Turbine - Starting System (including Motor)
January	S	1/3/2014 0:00	1/3/2014 20:51	1/3/2014 0:00	1/3/2014 20:51	20:51		20:51	Gas Turbine - Starting System (including Motor)
February	No outages > or = 6 hours								
March	No outages > or = 6 hours								
April	S	4/10/2014 8:28	4/10/2014 16:05	4/10/2014 8:28	4/10/2014 16:05	7:37		7:37	Gas Turbine - Starting System (including Motor)
	S	4/11/2014 17:01	4/12/2014 4:01	4/11/2014 17:01	4/12/2014 4:01	11:00		11:00	Gas Turbine - Starting System (including Motor)
	S	4/28/2014 6:12	4/28/2014 12:59	4/28/2014 6:12	4/28/2014 12:59	6:47		6:47	Gas Turbine - Starting System (including Motor)

Report dates of forced outage in columns headed Actual

Louisville Gas & Electric Company
 Trimble County Unit #10 - Gas CT - 157 MW (jointly owned with KU)
 In-service July 2004
 November 2013 through April 2014

Schedule vs Actual

MONTH	MAINTENANCE				HOURS OF DURATION			REASON FOR DEVIATION FROM SCHEDULED MAINTENANCE OR REASON FOR FORCED OUTAGE AS APPROPRIATE
	Scheduled		Actual		Scheduled	Forced	Actual	
	FROM	TO	FROM	TO				
November	No outages > or = 6 hours							
December	S	12/18/2013 8:37	12/18/2013 20:45	12/18/2013 8:37	12/18/2013 20:45	12:08	12:08	Gas Turbine - Starting System (including Motor)
	F			12/19/2013 1:23	12/19/2013 16:07		14:44	Gas Turbine - Starting System (including Motor)
January	No outages > or = 6 hours							
February	No outages > or = 6 hours							
March	No outages > or = 6 hours							
April	S	4/10/2014 8:28	4/10/2014 16:05	4/10/2014 8:28	4/10/2014 16:05	7:37	7:37	Gas Turbine - Starting System (including Motor)
	S	4/28/2014 6:18	4/28/2014 12:59	4/28/2014 6:18	4/28/2014 12:59	6:41	6:41	Gas Turbine - Starting System (including Motor)

Report dates of forced outage in columns headed Actual

Louisville Gas & Electric Company
 Zorn Unit #1 - Gas CT - 14 MW
 In-service May 1969
 November 2013 through April 2014

Schedule vs Actual

MONTH	MAINTENANCE				HOURS OF DURATION			REASON FOR DEVIATION FROM SCHEDULED MAINTENANCE OR REASON FOR FORCED OUTAGE AS APPROPRIATE
	Scheduled		Actual		Scheduled	Forced	Actual	
	FROM	TO	FROM	TO				
November	No outages > or = 6 hours							
December	No outages > or = 6 hours							
January	F		1/30/2014 7:00	1/31/2014 9:20	26:20			Lack Of Fuel due to pipeline shutdown. Gas department required outage for off-plant site gas line maintenance.
February	No outages > or = 6 hours							
March	No outages > or = 6 hours							
April	No outages > or = 6 hours							

Report dates of forced outage in columns headed Actual

LOUISVILLE GAS AND ELECTRIC COMPANY

**Response to Information Requested in Appendix of
Commission's Order Dated August 13, 2014**

Case No. 2014-00228

Question No. 8

Witness: Mike Dotson

- Q-8. List all existing fuel contracts categorized as long-term (i.e., one year or more in length). Provide the following information for each contract:
- a. Supplier's name and address;
 - b. Name and location of production facility;
 - c. Date when contract was executed;
 - d. Duration of contract;
 - e. Date(s) of each contract revision, modification, or amendment;
 - f. Annual tonnage requirements;
 - g. Actual annual tonnage received since the contract's inception;
 - h. Percent of annual requirements received during the contract's term;
 - i. Base price in dollars per ton;
 - j. Total amount of price escalations to date in dollars per ton; and
 - k. Current price paid for coal under the contract in dollars per ton (i + j)
- A-8. See attached.

A. NAME/ADDRESS: Alliance Coal, LLC / J09002
1717 South Boulder Av., Suite 400
Tulsa, Oklahoma 74119-4886

B. PRODUCTION FACILITY:
OPERATOR River View Coal, LLC
MINE River View Mine
LOCATION Union County, Kentucky

C. CONTRACT EXECUTED DATE: November 10, 2008

D. CONTRACT DURATION: November 3, 2008 – December 31, 2015

E. CONTRACT AMENDMENTS: Amendment No. 1 dated May 1, 2010. Added barge fleeting demurrage charge to Section 5.2 Barge Delivery. Added Barge Shifting Fee to Base Price Section 8.1.

F. ANNUAL TONNAGE REQUIREMENTS:

2010	969,072 tons	
	(includes FM of 30,928 tons)	
2011	2,000,000 tons	
2012	2,000,000 tons	
2013	2,000,000 tons	
2014	2,000,000 tons	
2015	2,000,000 tons	

G. ACTUAL TONNAGE RECEIVED:

	<u>LG&E</u>	<u>KU</u>
2010	525,414 tons	443,658 tons
2011	1,177,540 tons	771,648 tons
2012	1,806,495 tons	204,987 tons
2013	1,612,443 tons	408,370 tons
2014	273,222 tons	332,417 tons
	(through 4/30/14)	

H. PERCENT OF ANNUAL REQUIREMENTS:

2010	100%
2011	97%
2012	101%
2013	101%
2014	30% (through 4/30/14)

I. BASE PRICE (FOB Barge): \$41.00 per ton

J. ESCALATIONS TO DATE: \$12.31 per ton

K. CURRENT CONTRACT PRICE: \$53.31 per ton

- A. NAME/ADDRESS: Alliance Coal, LLC / J12007
1717 South Boulder Av., Suite 400
Tulsa, Oklahoma 74119-4886
- B. PRODUCTION FACILITY:
OPERATOR Hopkins County Coal, Warrior Coal and Webster
County Coal
MINE Seller's Mines
LOCATION Western Kentucky
- C. CONTRACT EXECUTED DATE: December 9, 2011
- D. CONTRACT DURATION: January 1, 2012 – December 31, 2016
- E. CONTRACT AMENDMENTS: Amendment No. 1, effective January 1, 2013.
Determine Base price for 2013 and 2014.
Amendment No. 2, effective January 1, 2014.
Determine Base price for 2014 and 2015.
- F. ANNUAL TONNAGE REQUIREMENTS:
- | | |
|------|----------------|
| 2012 | 3,000,000 tons |
| 2013 | 3,000,000 tons |
| 2014 | 3,000,000 tons |
| 2015 | 3,000,000 tons |
| 2016 | 3,000,000 tons |
- G. ACTUAL TONNAGE RECEIVED:
- | | <u>LG&E</u> | <u>KU</u> |
|------|-------------------------------------|-------------|
| 2012 | 2,877,460 tons | 14,326 tons |
| 2013 | 3,065,353 tons | 0 tons |
| 2014 | 1,004,814 tons
(through 4/30/14) | 25,658 tons |
- H. PERCENT OF ANNUAL REQUIREMENTS:
- | | |
|------|-----------------------|
| 2012 | 96% |
| 2013 | 102% |
| 2014 | 34% (through 4/30/14) |
- I. BASE PRICE (FOB Railcar/Barge):
- | | |
|------|---|
| 2012 | - \$47.00 per ton FOB Railcar |
| 2013 | - \$48.00 per ton FOB Railcar |
| 2014 | - \$47.38 per ton FOB Railcar/Barge |
| 2015 | - Pricing for 1.5 Million tons
\$47.75 per ton FOB Railcar
Pricing for remaining 1.5 Million tons
to be negotiated |
- J. ESCALATIONS TO DATE: None

K. CURRENT CONTRACT PRICE: \$47.38 per ton

A. NAME/ADDRESS: Armstrong Coal Company, Inc. / J07032
407 Brown Road
Madisonville, Kentucky 42431

B. PRODUCTION FACILITY:
OPERATOR Armstrong Coal Company, Inc.
MINES Various
LOCATION Muhlenberg County and Ohio County,
Kentucky

C. CONTRACT EXECUTED DATE: December 20, 2007

D. CONTRACT DURATION: January 1, 2008 - December 31, 2016

E. CONTRACT AMENDMENTS: Amendment No. 1, effective July 1, 2008
amending base quantity and modifying
diesel fuel adjustment to include explosives.
Amendment No. 2, effective December 22, 2009
amending term, base quantity, price and
environmental force majeure.
Amendment No. 3, effective October 29, 2013
amending term, base quantity, price and payment.

F. ANNUAL TONNAGE REQUIREMENTS:

2008	600,000 tons
2009	2,200,000 tons
2010	1,800,000 tons
2011 through 2013	- 2,100,000 tons per year
2014 through 2016	- 1,000,000 tons per year
2017 through 2019	- 700,000 tons per year

G. ACTUAL TONNAGE RECEIVED:

	<u>LG&E</u>	<u>KU</u>
2008	511,414 tons	82,623 tons
2009	1,530,482 tons	632,077 tons
2010	1,180,206 tons	657,930 tons
2011	993,296 tons	877,219 tons
2012	904,254 tons	1,211,495 tons
2013	838,589 tons	1,431,403 tons
2014	82,893 tons	276,564 tons
	(through 4/30/14)	

H. PERCENT OF ANNUAL
REQUIREMENTS:

2008	99%
2009	98%
2010	102%
2011	89%
2012	101%
2013	108%
2014	36% (through 4/30/14)

I. BASE PRICE (FOB Barge)

2008	Quality 1 - \$27.31 per ton Quality 2 - \$28.30 per ton
2009	Quality 1 - \$27.60 per ton Quality 2 - \$28.76 per ton
2010	Quality 1 - \$28.18 per ton Quality 2 - N/A
2011	Quality 1 - \$28.19 per ton Quality 2 - \$29.61 per ton
2012	Quality 1 - \$28.35 per ton Quality 2 - \$29.77 per ton
2013	Quality 1 - \$28.35 per ton Quality 2 - \$29.77 per ton
2014	Quality 1 - \$28.50 per ton Quality 2 - \$29.92 per ton
2015	Quality 1 - \$28.50 per ton Quality 2 - \$29.92 per ton
2016	Quality 1 - \$28.50 per ton Quality 2 - \$29.92 per ton
2017	Quality 1 - \$28.50 per ton Quality 2 - \$29.92 per ton
2018	Quality 1 - \$29.00 per ton Quality 2 - \$30.42 per ton
2019	Quality 1 - \$30.25 per ton Quality 2 - \$31.67 per ton

J. ESCALATIONS TO DATE:

\$1.09 per ton

K. CURRENT CONTRACT PRICE:

Quality 1 - \$29.59 per ton

A. NAME/ADDRESS: Armstrong Coal Company, Inc. / J10009
407 Brown Road
Madisonville, Kentucky 42431

B. PRODUCTION FACILITY:
OPERATOR Armstrong Coal Company, Inc.
MINES Various
LOCATION Muhlenberg County and Ohio County,
Kentucky

C. CONTRACT EXECUTED DATE: December 22, 2009

D. CONTRACT DURATION: January 1, 2011 - December 31, 2016
Price reopener for 2014 – 2016.
Contract ended December 31, 2013.

E. CONTRACT AMENDMENTS: None

F. ANNUAL TONNAGE REQUIREMENTS:

2011	1,250,000 tons
2012	1,250,000 tons
2013	1,250,000 tons
2014	750,000 tons
2015	750,000 tons
2016	750,000 tons

G. ACTUAL TONNAGE RECEIVED:

	<u>LG&E</u>	<u>KU</u>
2011	565,386 tons	585,065 tons
2012	590,977 tons	650,230 tons
2013	183,570 tons	1,149,625 tons
2014	-	22,426 tons

H. PERCENT OF ANNUAL REQUIREMENTS:

2011	92%
2012	99%
2013	107%
2014	carry-over tonnage

I. BASE PRICE (FOB Barge)

2011	\$42.00 per ton
2012	\$43.50 per ton
2013	\$45.00 per ton

J. ESCALATIONS TO DATE: \$3.10 per ton

K. CURRENT CONTRACT PRICE: \$48.10 per ton

A. NAME/ADDRESS:	Armstrong Coal Company, Inc. / J12004 407 Brown Road Madisonville, Kentucky 42431	
B. PRODUCTION FACILITY:		
OPERATOR	Armstrong Coal Company, Inc.	
MINES	Various	
LOCATION	Muhlenberg County and Ohio County, Kentucky	
C. CONTRACT EXECUTED DATE:	September 19, 2011	
D. CONTRACT DURATION:	January 1, 2012 - December 31, 2015	
E. CONTRACT AMENDMENTS:	Amendment No. 1, effective January 1, 2012 amending base quantity. Amendment No. 2, effective January 1, 2012 amending base quantity.	
F. ANNUAL TONNAGE REQUIREMENTS:	2012	355,873 tons
	2013	500,000 tons
	2014	1,000,000 tons
	2015	1,000,000 tons
G. ACTUAL TONNAGE: RECEIVED:		
		<u>LG&E</u>
		<u>KU</u>
	2012	351,344 tons
	2013	530,577 tons
	2014	161,344 tons
		(through 4/30/14)
		160,763 tons
H. PERCENT OF ANNUAL REQUIREMENTS:	2012	99%
	2013	106%
	2014	32% (through 4/30/14)
I. BASE PRICE (FOB Railcar/Barge)	2012	\$45.00 per ton
	2013	\$46.00 per ton
	2014	\$48.00 per ton
	2015	\$49.00 per ton
J. ESCALATIONS TO DATE:	\$2.66 per ton	
K. CURRENT CONTRACT PRICE:	\$50.66 per ton	

A. NAME/ADDRESS:	Armstrong Coal Company, Inc. / J14004 407 Brown Road Madisonville, Kentucky 42431	
B. PRODUCTION FACILITY: OPERATOR MINES LOCATION	Armstrong Coal Company, Inc. Various Muhlenberg County and Ohio County, Kentucky	
C. CONTRACT EXECUTED DATE:	December 12, 2012	
D. CONTRACT DURATION:	January 1, 2013 - December 31, 2017	
E. CONTRACT AMENDMENTS:	Amendment No. 1, effective October 29, 2013 amending base quantity and price.	
F. ANNUAL TONNAGE REQUIREMENTS:	2014 1,300,000 tons 2015 1,350,000 tons 2016 500,000 tons 2017 500,000 tons	
G. ACTUAL TONNAGE: RECEIVED:	<u>LG&E</u>	<u>KU</u>
	2014 155,745 tons (through 4/30/14)	254,894 tons
H. PERCENT OF ANNUAL REQUIREMENTS:	2014 32% (through 4/30/14)	
I. BASE PRICE(FOB Railcar/Barge)	<u>Railcar</u>	<u>Barge</u>
	2014 \$44.60 per ton	\$45.60 per ton
	2015 \$46.01 per ton	\$47.01 per ton
	2016 \$46.75 per ton	\$47.75 per ton
	2017 \$47.90 per ton	\$48.90 per ton
J. ESCALATIONS TO DATE:	<u>Railcar</u>	<u>Barge</u>
	\$0.34 per ton	\$0.34 per ton
K. CURRENT CONTRACT PRICE:	<u>Railcar</u>	<u>Barge</u>
	\$44.94 per ton	\$45.94 per ton

A. NAME/ADDRESS: Armstrong Coal Company, Inc. / J14010
407 Brown Road
Madisonville, Kentucky 42431

B. PRODUCTION FACILITY:
OPERATOR Armstrong Coal Company, Inc.
MINES Various
LOCATION Muhlenberg County and Ohio County,
Kentucky

C. CONTRACT EXECUTED DATE: December 12, 2012

D. CONTRACT DURATION: January 1, 2014 - December 31, 2019

E. CONTRACT AMENDMENTS: None

F. ANNUAL TONNAGE REQUIREMENTS:

2014	100,000 tons
2015	100,000 tons
2016	100,000 tons
2017	100,000 tons
2018	100,000 tons
2019	100,000 tons

G. ACTUAL TONNAGE RECEIVED:

	<u>LG&E</u>	<u>KU</u>
2014	14,918 tons (through 4/30/14)	24,137 tons

H. PERCENT OF ANNUAL REQUIREMENTS:

2014	39% (through 4/30/14)
------	-----------------------

I. BASE PRICE (FOB Barge/Railcar)

2014	\$40.00 per ton
2015	\$41.00 per ton
2016	\$42.00 per ton
2017	\$43.00 per ton
2018	\$44.00 per ton
2019	\$45.00 per ton

J. ESCALATIONS TO DATE: None

K. CURRENT CONTRACT PRICE: \$40.00 per ton

A. NAME/ADDRESS: Foresight Coal Sales, LLC / J12005
211 North Broadway, Suite 2600
St. Louis, Missouri 63102

B. PRODUCTION FACILITY:
OPERATOR: Macoupin Energy, LLC
Sugar Camp Energy, LLC
MINES: Shay Mine No. 1
Deer Run Mine
Sugarcamp Mine
LOCATION: Macoupin, Montgomery and Franklin Counties,
Illinois

C. CONTRACT EXECUTED DATE: March 14, 2012

D. CONTRACT DURATION: April 1, 2012 - December 31, 2017

E. CONTRACT AMENDMENTS: Amendment No. 1, effective September 10, 2013
amending, term, quantity and price.

F. ANNUAL TONNAGE REQUIREMENTS

2012	500,000 tons
2013	1,000,000 tons
2014	1,000,000 tons
2015	1,000,000 tons
2016	Reopener
2017	Reopener

G. ACTUAL TONNAGE RECEIVED:

	<u>KU</u>	<u>LGE</u>
2012	265,101 tons	234,758 tons
2013	501,975 tons	462,614 tons
2014	167,459 tons	165,428 tons
	(through 4/30/14)	

H. PERCENT OF ANNUAL REQUIREMENTS:

2012	100%
2013	96%
2014	33% (through 4/30/14)

I. BASE PRICE: (FOB Barge)

2012	\$46.00 per ton
2013	\$48.50 per ton
2014	\$39.75 per ton
2015	\$43.50 per ton
2016	Reopener
2015	Reopener

J. ESCALATIONS TO DATE: None

K. CURRENT CONTRACT PRICE: \$39.75 per ton

A. NAME/ADDRESS:	Oxford Mining Company – Kentucky, LLC / J12003 544 Chestnut Street Coshocton, Ohio 43812		
B. PRODUCTION FACILITY: OPERATOR MINE LOCATION	Oxford Mining Company – Kentucky, LLC Briar Hill, Rose France and KO Mines Muhlenberg County, Kentucky		
C. CONTRACT EXECUTED DATE:	September 12, 2011		
D. CONTRACT DURATION:	January 1, 2012 – December 31, 2013		
E. CONTRACT AMENDMENTS:	None		
F. ANNUAL TONNAGE REQUIREMENTS:	2012	400,000 tons	
	2013	600,000 tons	
G. ACTUAL TONNAGE RECEIVED:		<u>KU</u>	<u>LGE</u>
	2012	247,987 tons	145,064 tons
	2013	399,125 tons	206,826 tons
H. PERCENT OF ANNUAL REQUIREMENTS:	2012	98%	
	2013	101%	
I. BASE PRICE (FOB Barge):	2012	\$46.50 per ton	
	2013	\$47.50 per ton	
J. ESCALATIONS TO DATE:	\$2.04 per ton		
K. CURRENT CONTRACT PRICE:	\$49.54 per ton		

A. NAME/ADDRESS: Patriot Coal Sales, LLC / J12001
12312 Olive Boulevard, Suite 400
St. Louis, Missouri 63141

B. PRODUCTION FACILITY:
OPERATOR Patriot Coal, Ohio County Coal and Highland
Mining Company, LLC
MINE Patriot, Freedom and Highland Mines
LOCATION Henderson and Union Counties, Kentucky

C. CONTRACT EXECUTED DATE: April 29, 2011

D. CONTRACT DURATION: January 1, 2012 - December 31, 2013

E. CONTRACT AMENDMENTS: Amendment No. 1, effective May 1, 2012. Add
alternate loading point and pricing for Quality 1.
Amendment No. 2, effective November 26, 2013.
Extend term to March 31, 2014.

F. ANNUAL TONNAGE REQUIREMENTS:

2012	1,250,000 tons
2013	1,250,000 tons

G. ACTUAL TONNAGE RECEIVED:

	<u>LG&E</u>	<u>KU</u>
2012	165,672 tons	1,046,959 tons
2013	388,266 tons	766,631 tons
2014	23,031 tons	109,689 tons

H. PERCENT OF ANNUAL REQUIREMENTS:

2012	97%
2013	92%
2014	carry-over tons

I. BASE PRICE (FOB Barge):

2012	\$46.25 per ton – Quality 1/Patriot Dock
2012	\$46.12 per ton – Quality 1/Uniontown Dock
2012	\$49.50 per ton – Quality 2
2013	\$46.25 per ton – Quality 1/Patriot Dock
2013	\$46.12 per ton – Quality 1/Uniontown Dock
2013	\$49.50 per ton – Quality 2

J. ESCALATIONS TO DATE: None

K. CURRENT CONTRACT PRICE: \$46.12 per ton – Quality 1
\$49.50 per ton – Quality 2

A. NAME/ADDRESS:	Patriot Coal Sales, LLC / J13004 12312 Olive Boulevard, Suite 400 St. Louis, Missouri 63141		
B. PRODUCTION FACILITY:	Highland Mining Company, LLC		
OPERATOR	Highland Mine		
MINE	Union County, Kentucky		
LOCATION			
C. CONTRACT EXECUTED DATE:	February 1, 2013		
D. CONTRACT DURATION:	February 1, 2013 - December 31, 2015		
E. CONTRACT AMENDMENTS:	None		
F. ANNUAL TONNAGE REQUIREMENTS:	2013	300,000 tons	
	2014	600,000 tons	
	2015	300,000 tons	
G. ACTUAL TONNAGE RECEIVED:		<u>LG&E</u>	<u>KU</u>
	2013	14,051 tons	227,606 tons
	2014	24,355 tons	174,186 tons
		(through 4/30/14)	
H. PERCENT OF ANNUAL REQUIREMENTS:	2013	81%	
	2014	33% (through 4/30/14)	
I. BASE PRICE (FOB Barge):	2013	\$41.90 per ton	
	2014	\$47.00 per ton	
	2015	\$49.75 per ton	
J. ESCALATIONS TO DATE:	None		
K. CURRENT CONTRACT PRICE:	\$47.00 per ton		

A. NAME/ADDRESS:	Patriot Coal Sales, LLC / J14011 12312 Olive Boulevard, Suite 400 St. Louis, Missouri 63141	
B. PRODUCTION FACILITY:	Highland Mining Company, LLC	
OPERATOR	Highland Mine	
MINE	Union County, Kentucky	
LOCATION		
C. CONTRACT EXECUTED DATE:	November 14, 2013	
D. CONTRACT DURATION:	January 1, 2014 - December 31, 2015	
E. CONTRACT AMENDMENTS:	None	
F. ANNUAL TONNAGE	2014	500,000 tons
REQUIREMENTS:	2015	500,000 tons
G. ACTUAL TONNAGE		
RECEIVED:	2014	<u>LG&E</u> <u>KU</u> 24,212 tons 9,522 tons (through 4/30/14)
H. PERCENT OF ANNUAL	2014	7% (through 4/30/14)
REQUIREMENTS:		
I. BASE PRICE (FOB Barge):	2014	\$43.75 per ton
	2015	\$43.75 per ton
J. ESCALATIONS TO DATE:	None	
K. CURRENT CONTRACT PRICE:	\$43.75 per ton	

A. NAME/ADDRESS: Peabody COALSALES, LLC / J12011
701 Market Street
St. Louis, Missouri 63101

B. PRODUCTION FACILITY:
OPERATOR Peabody Midwest Mining, LLC
Peabody Wild Boar Mining, LLC
MINE Somerville Mine Complex
Wild Boar
LOCATION Warrick & Gibson Counties, Indiana

C. CONTRACT EXECUTED DATE: December 29, 2011

D. CONTRACT DURATION: January 1, 2012 – December 31, 2014

E. CONTRACT AMENDMENTS: None

F. ANNUAL TONNAGE REQUIREMENTS:

2012	1,500,000 tons
2013	1,500,000 tons
2014	1,500,000 tons

G. ACTUAL TONNAGE RECEIVED:

	<u>KU</u>	<u>LGE</u>
2012	995,669 tons	510,080 tons
2013	1,031,172 tons	448,290 tons
2014	305,500 tons (through 4/30/14)	220,306 tons

H. PERCENT OF ANNUAL REQUIREMENTS:

2012	100%
2013	99%
2014	35% (through 4/30/14)

I. BASE PRICE: (FOB Barge/Railcar)

2012	\$49.90 per ton – FOB Barge Evansville \$49.11 per ton – FOB Barge Warrick Co. \$44.50 per ton – FOB Railcar
2013	\$52.15 per ton – FOB Barge Evansville \$51.36 per ton – FOB Barge Warrick Co. \$46.75 per ton – FOB Railcar
2014	\$54.15 per ton – FOB Barge Evansville \$53.36 per ton – FOB Barge Warrick Co. \$48.75 per ton – FOB Railcar

J. ESCALATIONS TO DATE: -\$0.18 per ton – FOB Barge Evansville

\$0.21 per ton – FOB Warrick Co.

-\$0.26 per ton – FOB Railcar

K. CURRENT CONTRACT PRICE:

\$53.97 per ton – FOB Barge Evansville

\$53.57 per ton – FOB Barge Warrick Co.

\$48.49 per ton – FOB Railcar

A. NAME/ADDRESS:	Solar Sources, Inc. / J12010 6755 South Gray Road Indianapolis, Indiana 46237
B. PRODUCTION FACILITY:	
OPERATOR	Solar Sources, Inc.
MINE	Shamrock, Cannelburg, Charger & Antioch
LOCATION	Dubois, Pike and Daviess Counties, Indiana
C. CONTRACT EXECUTED DATE:	December 19, 2011
D. CONTRACT DURATION:	January 1, 2012 – December 31, 2013
E. CONTRACT AMENDMENTS:	Amendment No. 1, effective May 1, 2013. Add for 2013 – 20,000 tons of low sulfur coal. Add \$2.00 per ton to contract price for lower sulfur coal. Amendment No. 2, effective Nov. 1, 2013. Add for 2013 – 10,000 tons of low sulfur coal.
F. ANNUAL TONNAGE REQUIREMENTS:	2012 300,000 tons 2013 430,000 tons
G. ACTUAL TONNAGE RECEIVED:	<u>KU</u> 2012 304,664 tons 2013 429,288 tons
H. PERCENT OF ANNUAL REQUIREMENTS:	2012 102% 2013 100%
I. BASE PRICE (FOB Barge):	2012 \$49.00 per ton 2013 \$50.11 per ton
J. ESCALATIONS TO DATE:	\$1.40 per ton
K. CURRENT CONTRACT PRICE:	\$51.51 per ton

A. NAME/ADDRESS:	Triad Mining, Inc. / J12009 1524 Frederica Street Owensboro, Kentucky 42301
B. PRODUCTION FACILITY:	
OPERATOR:	Triad Mining, Inc.
MINES:	Log Creek
LOCATION:	Pike County, Indiana
C. CONTRACT EXECUTED DATE:	December 19, 2011
D. CONTRACT DURATION:	January 1, 2012 - December 31, 2014
E. CONTRACT AMENDMENTS:	Letter Agreement dated February 1, 2012. Add barge delivery during January-February 2012. Letter Amendment, effective April 21, 2014. Add truck FOB Delivered Price.
F. ANNUAL TONNAGE REQUIREMENTS:	2012 700,000 tons 2013 700,000 tons 2014 700,000 tons
G. ACTUAL TONNAGE RECEIVED:	<u>KU</u> 2012 689,960 tons 2013 667,644 tons 2014 186,025 tons (through 4/30/14)
H. PERCENT OF ANNUAL REQUIREMENTS:	2012 99% 2013 95% 2014 27% (through 4/30/14)
I. BASE PRICE: (FOB Railcar)	2012 \$45.50 per ton 2013 \$47.50 per ton 2014 \$49.00 per ton
J. ESCALATIONS TO DATE:	-\$0.30 per ton
K. CURRENT CONTRACT PRICE:	\$48.70 per ton

A. NAME/ADDRESS: White Oak Resources LLC / J14003
121 South Jackson Street
McLeansboro, Illinois 62859

B. PRODUCTION FACILITY:
OPERATOR: White Oak Resources LLC
MINES: White Oak #1 Mine
LOCATION: Hamilton County, Illinois

C. CONTRACT EXECUTED DATE: March 14, 2013

D. CONTRACT DURATION: March 1, 2013 - December 31, 2015

E. CONTRACT AMENDMENTS: Letter Agreement dated March 5, 2014; add substitute coal source per Section 4.5.
Letter Agreement dated April 25, 2014; add substitute coal source per Section 4.5.

F. ANNUAL TONNAGE REQUIREMENTS: 2014 360,000 tons
2015 360,000 tons

G. ACTUAL TONNAGE RECEIVED: KU LGE
2014 43,704 tons 18,469 tons
(through 4/30/14)

H. PERCENT OF ANNUAL REQUIREMENTS: 2014 17% (through 4/30/14)

I. BASE PRICE: (FOB Barge) 2014 \$47.60 per ton
2015 \$49.10 per ton

J. ESCALATIONS TO DATE: None

K. CURRENT CONTRACT PRICE: \$47.60 per ton

LOUISVILLE GAS AND ELECTRIC COMPANY

**Response to Information Requested in Appendix of
Commission's Order Dated August 13, 2014**

Case No. 2014-00228

Question No. 9

Witness: Mike Dotson

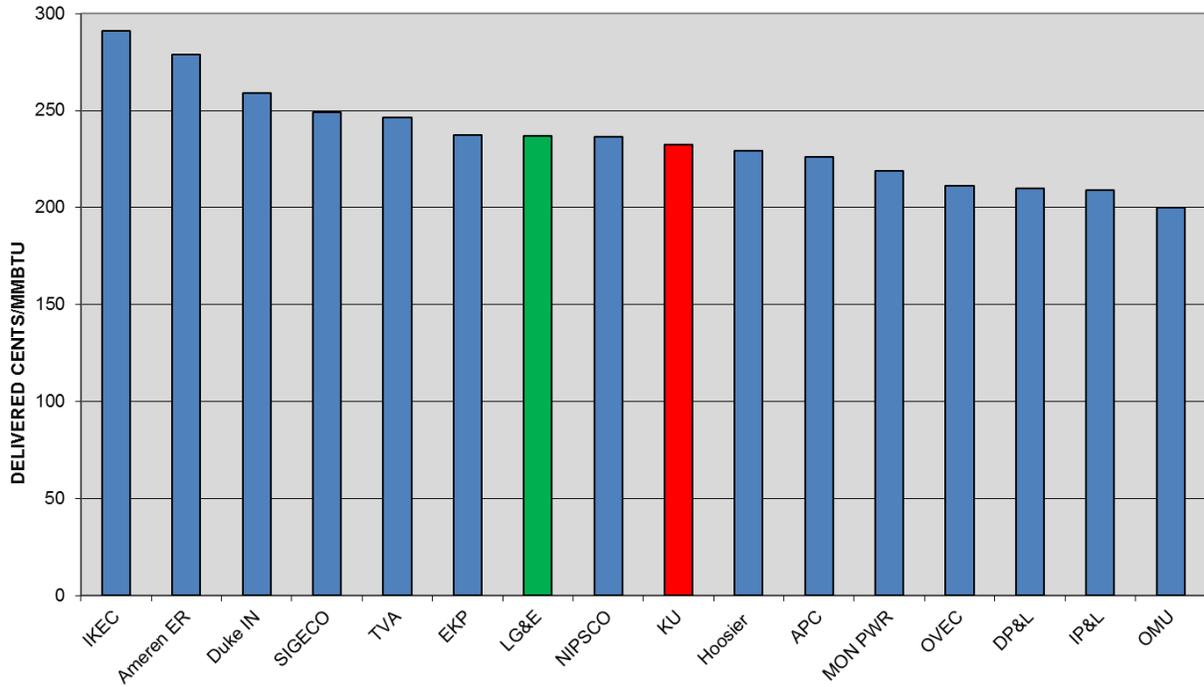
- Q-9. a. State whether LG&E regularly compares the price of its coal purchases to those paid by other electric utilities.
- b. If yes, state:
- (1) How LG&E's prices compare with those of other utilities for the review period. Include all prices used in the comparison in cents per MMBtu.
 - (2) The utilities that are included in this comparison and their locations.

- A-9. a. Yes
- b. LG&E compares pricing of its coal purchases with neighboring utilities from data that is compiled by Energy Velocity database. The utilities included in the comparison are shown on the list found on page 1 of the Attachment to this response. The chart found on page 2 of the Attachment shows the price comparison for coal containing greater than 5.0 lbs. SO₂ content, which is in line with the coal used in all LG&E's units.

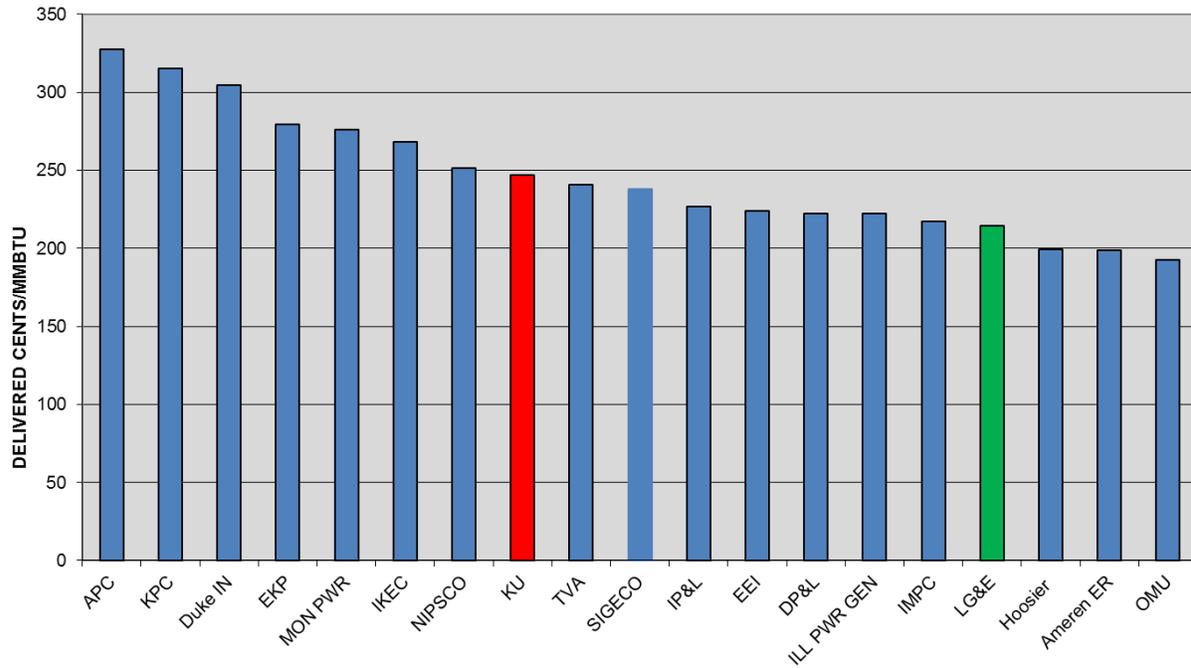
The chart on page 3 of the Attachment shows the price comparison of coal containing less than 5.0 lbs. SO₂ content. LG&E accepts deliveries of lower sulfur coal to satisfy bids with sulfur content specifications of 6 lbs. The lower sulfur coal is being supplied under a contract specifying high sulfur content coal and appropriate pricing; therefore, the price of the lower sulfur content coal is similar to what LG&E is paying for high sulfur coal.

Utilities in Comparison List		
UTILITY	ABBREVIATED	PLANT LOCATIONS
AmerenEnergy Generating Co	Ameren ER	Illinois
Illinois Power Generating Co	ILL PWR GEN	Illinois
Appalachian Power Co	APC	Virginia, West Virginia
Dayton Power & Light Co (The)	DP&L	Ohio
Duke Energy Indiana	Duke IN	Indiana
East Kentucky Power Coop	EKP	Kentucky
Electric Energy Inc	EEI	Illinois
Hoosier Energy Rural Electric Coop Inc	Hoosier	Indiana
Indiana Kentucky Electric Corp	IKEC	Indiana
Indiana Michigan Power Co	IMPC	Indiana
Indianapolis Power & Light	IP&L	Indiana
Kentucky Power Co	KPC	Kentucky
Kentucky Utilities Co	KU	Kentucky
Louisville Gas & Electric Co	LG&E	Kentucky
Monongahela Power Co	MON PWR	West Virginia
Northern Indiana Public Service Co	NIPSCO	Indiana
Ohio Valley Electric Corp	OVEC	Ohio
Owensboro Municipal Utilities	OMU	Kentucky
Southern Indiana Gas & Electric Co	SIGECO	Indiana
Tennessee Valley Authority	TVA	Alabama, Kentucky, Tennessee

Delivered Price Comparison \geq 5.0 Lbs SO₂ Content
(Jun 13 - May 14)



Delivered Price Comparison < 5.0 Lbs SO₂ Content
(Jun 13 - May 14)



LOUISVILLE GAS AND ELECTRIC COMPANY

**Response to Information Requested in Appendix of
Commission's Order Dated August 13, 2014**

Case No. 2014-00228

Question No. 10

Witness: Mike Dotson

Q-10. State the percentage of LG&E's coal, as of the date of this Order, that is delivered by:

- a. Rail;
- b. Truck; or
- c. Barge.

A-10. a. Rail – 56%

b. Truck – 0%

c. Barge – 44%

LOUISVILLE GAS AND ELECTRIC COMPANY

**Response to Information Requested in Appendix of
Commission's Order Dated August 13, 2014**

Case No. 2014-00228

Question No. 11

Witness: Mike Dotson

- Q-11. a. State LG&E's coal inventory level in tons and in number of days' supply as of April 30, 2014. Provide this information by generating station and in the aggregate.
- b. Describe the criteria used to determine number of days' supply.
- c. Compare LG&E's coal inventory as of April 30, 2014 to its inventory target for that date for each plant and for total inventory.
- d. If actual coal inventory exceeds inventory target by 10 days' supply, state the reasons for excessive inventory.
- e. (1) State whether LG&E expects any significant changes in its current coal inventory target within the next 12 months.
- (2) If yes, state the expected change and the reasons for this change.

A-11. a. As of April 30, 2014:

Cane Run	146,790 Tons; 25 Days	Target 18-38 Days
Mill Creek	665,165 Tons; 45 Days	Target 20-43 Days
Trimble County*	84,471 Tons; 19 Days	Target 21-44 Days
Total	896,426 Tons; 33 Days	Target 20-41 Days

* Trimble County coal inventory includes both high sulfur coal, which is used in Units 1 and 2, and PRB coal, which is used only in Unit 2.

- b. The method of calculating days in inventory is based on each plant's coal burn capability (coal tons in inventory divided by 90% of each generating unit's heat input description from its air permit to operate).

Upper and lower tons/day targeted inventory days were established for each plant taking into consideration each plant's operating parameters. Each plant's "least cost" inventory range is established annually during the planning process based on historical coal burn/receipt variances, procurement reaction time for long-term fuel supply agreements, current coal and electricity prices offset by carrying and outage costs.

- c. See (a) above.
- d. Not applicable.
- e. (1) LG&E does not expect significant changes in its current coal inventory target levels; however, during the Companies' planning cycle minor adjustments may be made to the inventory targets if warranted.

(2) Not applicable.

LOUISVILLE GAS AND ELECTRIC COMPANY

**Response to Information Requested in Appendix of
Commission's Order Dated August 13, 2014**

Case No. 2014-00228

Question No. 12

Witness: Mike Dotson

- Q-12. a. State whether LG&E has audited any of its coal contracts during the period from November 1, 2013, through April 30, 2014.
- b. If yes, for each audited contract:
- (1) Identify the contract;
 - (2) Identify the auditor;
 - (3) State the results of the audit; and
 - (4) Describe the actions that LG&E took as a result of the audit.
- A-12. a. No. LG&E has not conducted any financial audits of coal companies. LG&E's current coal contracts either contain a fixed price or a portion of the base contract price is adjusted using government published indices to reflect the changes in the cost. These agreements thus do not require audits. Either LG&E's Manager Fuels Technical Services or LG&E's Mining Engineer conducts scheduled on-site reviews and inspections of the mining operations and sampling systems of each vendor up to twice a year, and likewise may conduct unscheduled visits. Additionally, LG&E employees may visit a vendor as needed to address problems and issues at any time.

Coal mine safety regulations were imposed by the Federal Mine Safety and Health Administration. The U. S. Congress passed the Mine Improvement and New Emergency Response Act of 2006 (MINER Act), which became law on June 15, 2006. For claims received, LG&E reviews and may use a consultant to review the claims.

Alliance Coal, LLC in accordance with the provisions of Section 8.3 New Impositions of Agreement J12007, requested a price increase for calendar year 2012. The Parties agreed to a settlement. A copy of the Settlement Agreement effective February 17, 2014 is being filed with the Commission under seal pursuant to a Petition for Confidential Treatment.

b. Not applicable

LOUISVILLE GAS AND ELECTRIC COMPANY

**Response to Information Requested in Appendix of
Commission's Order Dated August 13, 2014**

Case No. 2014-00228

Question No. 13

Witness: Robert M. Conroy

- Q-13. a. State whether LG&E has received any customer complaints regarding its FAC during the period from November 1, 2013, through April 30, 2014.
- b. If yes, for each complaint, state:
- (1) The nature of the complaint; and
 - (2) LG&E's response.
- A-13. a. No.
- b. Not applicable.

LOUISVILLE GAS AND ELECTRIC COMPANY

**Response to Information Requested in Appendix of
Commission's Order Dated August 13, 2014**

Case No. 2014-00228

Question No. 14

Witness: Mike Dotson

- Q-14. a. State whether LG&E is currently involved in any litigation with its current or former coal suppliers.
- b. If yes, for each litigation:
- (1) Identify the coal supplier;
 - (2) Identify the coal contract involved;
 - (3) State the potential liability or recovery to LG&E;
 - (4) List the issues presented; and
 - (5) Provide a copy of the complaint or other legal pleading that initiated the litigation and any answers or counterclaims. If a copy has previously been filed with the Commission, provide the date on which it was filed and the case in which it was filed.
- c. State the current status of all litigation with coal suppliers.
- A-14. a. LG&E is not involved in any litigation with its coal suppliers.
- b. Not applicable.
- c. Not applicable.

LOUISVILLE GAS AND ELECTRIC COMPANY

**Response to Information Requested in Appendix of
Commission's Order Dated August 13, 2014**

Case No. 2014-00228

Question No. 15

Witness: Mike Dotson

- Q-15. a. During the period from November 1, 2013, through April 30, 2014, have there been any changes to LG&E's written policies and procedures regarding its fuel procurement?
- b. If yes:
- (1) Describe the changes;
 - (2) Provide the written policies and procedures as changed;
 - (3) State the date(s) the changes were made; and
 - (4) Explain why the changes were made.
- c. If no, provide the date LG&E's current fuel procurement policies and procedures were last changed, when they were last provided to the Commission, and identify the proceeding in which they were provided.
- A-15. a. No changes made during the period referenced above.
- b. Not applicable.
- c. The Fuel Procurement Policies and Procedures were last changed effective March 1, 2013 and were provided to the Commission in response to Question No. 31 in Case No. 2012-00553.

LOUISVILLE GAS AND ELECTRIC COMPANY

**Response to Information Requested in Appendix of
Commission's Order Dated August 13, 2014**

Case No. 2014-00228

Question No. 16

Witness: Mike Dotson

- Q-16. a. State whether LG&E is aware of any violations of its policies and procedures regarding fuel procurement that occurred prior to or during the period from November 1, 2013, through April 30, 2014.
- b. If yes, for each violation:
- (1) Describe the violation;
 - (2) Describe the action(s) that LG&E took upon discovering the violation; and
 - (3) Identify the person(s) who committed the violation.
- A-16. a. No.
- b. Not applicable.

LOUISVILLE GAS AND ELECTRIC COMPANY

**Response to Information Requested in Appendix of
Commission's Order Dated August 13, 2014**

Case No. 2014-00228

Question No. 17

Witness: Mike Dotson

- Q-17. Identify and explain the reasons for all changes in the organizational structure and personnel of the departments or divisions that are responsible for LG&E's fuel procurement activities that occurred during the period from November 1, 2013, through April 30, 2014.
- A-17. There have been no changes in the organizational structure during the period from November 1, 2013 through April 30, 2014.

LOUISVILLE GAS AND ELECTRIC COMPANY

**Response to Information Requested in Appendix of
Commission's Order Dated August 13, 2014**

Case No. 2014-00228

Question No. 18

Witness: Eileen Saunders

- Q-18. a. Identify all changes that LG&E has made during the period under review to its maintenance and operation practices that also affect fuel usage at LG&E's generation facilities.
- b. Describe the impact of these changes on LG&E's fuel usage.
- A-18. a. None.
- b. Not applicable.

LOUISVILLE GAS AND ELECTRIC COMPANY

**Response to Information Requested in Appendix of
Commission's Order Dated August 13, 2014**

Case No. 2014-00228

Question No. 19

Witness: Mike Dotson

Q-19. List each written coal supply solicitation issued during the period from November 1, 2013, through April 30, 2014.

- a. For each solicitation, provide the date of the solicitation, the type of solicitation (contract or spot), the quantities solicited, a general description of the quality of coal solicited, the time period over which deliveries were requested, and the generating unit(s) for which the coal was intended.
- b. For each solicitation, state the number of vendors to whom the solicitation was sent, the number of vendors who responded, and the selected vendor. Provide the bid tabulation sheet or corresponding document that ranked the proposals. (This document should identify all vendors who made offers.) State the reasons for each selection. For each lowest-cost bid not selected, explain why the bid was not selected.

A-19. a. Date: March 3, 2014

Contract/Spot: Contract or Spot
Quantities: No minimum or maximum specified
Quality: Suitable for LG&E and KU power plants
Period: Up to 5 years
Generating Units: All LG&E and KU power plants

- b. Number of vendors receiving bids: 128
Number of vendors responded: 24 companies / 44 offers
Selected vendor(s): The vendor(s) selected were based upon the lowest evaluated delivered cost for the following.

PRB Coal (Trimble County Unit 2)
Arch Coal Sales Co., Inc. – J14038

Green River Station

Armstrong Coal Company – K14013 Amendment No. 2
Armstrong Coal Company – K14040
Patriot Coal Sales – K14012 Amendment No. 1
Western Kentucky Minerals – K14041

High Sulfur Spot for 2014

Alliance Coal, LLC – J14042
Peabody Coalsales, LLC – J14044
The American Coal Company – J14043
Western Kentucky Minerals – J14036

The final selection of the vendor(s) for high sulfur coal for the period of 2015 -2017 from the bids are in negotiations and are still in progress. The name of the selected vendors and supporting bid tabulation will be provided to the Commission after the negotiations are completed and the agreements signed.

The bid analysis information is confidential and proprietary information and is being filed with the Commission under seal pursuant to a Petition for Confidential Protection.

LOUISVILLE GAS AND ELECTRIC COMPANY

**Response to Information Requested in Appendix of
Commission's Order Dated August 13, 2014**

Case No. 2014-00228

Question No. 20

Witness: Mike Dotson

- Q-20. List each oral coal supply solicitation issued during the period from November 1, 2013, through April 30, 2014.
- a. For each solicitation, state why the solicitation was not written, the date(s) of the solicitation, the quantities solicited, a general description of the quality of coal solicited, the time period over which deliveries were requested, and the generating unit(s) for which the coal was intended.
 - b. For each solicitation, identify all vendors solicited and the vendor selected. Provide the tabulation sheet or other document that ranks the proposals. (This document should identify all vendors who made offers.) State the reasons for each selection. For each lowest-cost bid not selected, explain why the bid was not selected.
- A-20. LG&E did not issue any oral coal solicitation.
- a. Not applicable.
 - b. Not applicable.

LOUISVILLE GAS AND ELECTRIC COMPANY

**Response to Information Requested in Appendix of
Commission's Order Dated August 13, 2014**

Case No. 2014-00228

Question No. 21

Witness: Robert M. Conroy

- Q-21. a. List all intersystem sales during the period under review in which LG&E used a third party's transmission system.
- b. For each sale listed above:
- (1) Describe how LG&E addressed, for FAC reporting purposes, the cost of fuel expended to cover any line losses incurred to transmit its power across the third party's transmission system; and
 - (2) State the line loss factor used for each transaction and describe how that line loss factor was determined.
- A-21. a. There were no inter-system sales from November 1, 2013 through April 30, 2014, which required a third party's transmission system.
- b. Not applicable.

LOUISVILLE GAS AND ELECTRIC COMPANY

**Response to Information Requested in Appendix of
Commission's Order Dated August 13, 2014**

Case No. 2014-00228

Question No. 22

Witness: Robert M. Conroy

- Q-22. Describe each change that LG&E made to its methodology for calculating intersystem sales line losses during the period under review.
- A-22. There have been no changes regarding the calculation of losses associated with intersystem sales. LG&E continues to use a line loss factor of 0.5% to determine the cost of fuel associated with line losses incurred to make an intersystem sale and recovered from such sale consistent with the Commission's June 7, 2013, Amended Order in Case No. 2012-00553.

LOUISVILLE GAS AND ELECTRIC COMPANY

**Response to Information Requested in Appendix of
Commission's Order Dated August 13, 2014**

Case No. 2014-00228

Question No. 23

Witness: Mike Dotson

Q-23. State whether, during the period under review, LG&E has solicited bids for coal with the restriction that it was not mined through strip mining or mountain top removal. If yes, explain the reasons for the restriction on the solicitation, the quantity in tons and price per ton of the coal purchased as a result of this solicitation, and the difference between the price of this coal and the price it could have obtained for the coal if the solicitation had not been restricted.

A-23. LG&E has not solicited bids with this restriction.

LOUISVILLE GAS AND ELECTRIC COMPANY

**Response to Information Requested in Appendix of
Commission's Order Dated August 13, 2014**

Case No. 2014-00228

Question No. 24

Witness: Eileen Saunders

Q-24. Provide a detailed discussion of any specific generation efficiency improvements LG&E has undertaken during the period under review.

A-24. LG&E strives to maintain unit efficiency through routine cyclic planned outage maintenance. This maintenance work continues to focus on reestablishing turbine efficiency degraded since the previous outage. Additionally, LG&E maintains unit efficiency through continuous monitoring of all plant systems during operation. LG&E contracts Black and Veatch to provide this monitoring on larger units to identify trends which indicate a potential efficiency loss of any system component. Black and Veatch sends notification to the generating stations which track the potential issue through resolution.

In evaluating potential major component projects or replacements that may impact efficiency, LG&E must balance any potential efficiency benefit associated with the project against both costs and potential implications under the Clean Air Act. LG&E has not realized any efficiency improvements through major component projects during this period.

LOUISVILLE GAS AND ELECTRIC COMPANY

**Response to Information Requested in Appendix of
Commission's Order Dated August 13, 2014**

Case No. 2014-00228

Question No. 25

Witness: Robert M. Conroy

- Q-25. Explain how purchase power costs are accounted for in the calculation of the FAC when LG&E experiences a planned generation outage and purchases power to meet load (i.e., is the entire amount of the purchase power recorded in the calculation, or is there a limit as to the amount recorded?). If there is a limit, explain the basis for the limitation and how it is calculated. If there is no limit, explain the basis for including 100 percent of the purchase power costs.
- A-25. LG&E includes in its FAC all energy costs for purchased power when the purchase is economic. As discussed below, for "non-economy purchases," LG&E includes a portion of the energy cost for the purchase up to the fuel cost of the highest cost generating unit available to be dispatched to serve native load during the reporting expense month. LG&E does not distinguish the reason for the purchase except for the exclusion for forced outages, as required by 807 KAR 5:056, Section 1(4). The Companies use the After the Fact Billing ("AFB") model to determine the joint dispatch savings between LG&E and KU and to allocate the highest cost energy to off-system sales. AFB stacks each source of energy, both generation and purchases, by cost from highest to lowest for each hour in the month. The stacked energy is then matched with hourly loads, and highest cost energy is assigned to off-system sales. This process ensures that LG&E's native load customers receive the lowest cost energy available in every hour.

On December 21, 2001, LG&E and KU entered into a settlement agreement² with parties to several Fuel Adjustment Clause review proceedings. The settlement agreement

² *In the Matter of: An Examination by the Public Service Commission of the Application of the Fuel Adjustment Clause of Kentucky Utilities Company from November 1, 1994 to April 30, 1995, Case No. 1994-00461-A; In the Matter of: An Examination by the Public Service Commission of the Application of the Fuel Adjustment Clause of Kentucky Utilities Company from May 1, 1995 to October 31, 1995, Case No. 1994-00461-B; In the Matter of: An Examination by the Public Service Commission of the Application of the Fuel Adjustment Clause of Kentucky Utilities Company from November 1, 1995 to April 30, 1996, Case No. 1994-00461-C; In the Matter of: An Examination by the Public Service Commission of the Application of the Fuel Adjustment Clause of Kentucky Utilities Company from November 1, 1994 to October 31, 1996, Case No. 1996-00523; In the Matter of: An Examination by the Public Service Commission of the Application of the Fuel Adjustment Clause of Kentucky Utilities Company from November 1, 1996 to April 30, 1997, Case No. 1996-00523-A; In the Matter of: An Examination by the Public Service Commission of the Application of the Fuel Adjustment Clause of Kentucky*

resolved all pending issues in the proceedings, including a clause addressing prospective interpretation of Administrative Regulation 807 KAR 5:056, Section 1(3) (Article 2 of the Agreement). Article 2 states that LG&E and KU shall be permitted to recover through their fuel adjustment clause the purchase power price of all economy power purchases. The agreement goes on to define economy power purchases as “purchases that are made for the purpose of serving native load, displace the utility’s higher cost generation and have an energy cost that is less than the utility’s total avoided variable cost of generation.”

In its May 17, 2002 Order accepting the Settlement Agreement, the Commission “carefully reviewed the signatories’ proposed interpretation of Administrative Regulation 807 KAR 5:056 regarding the recovery of purchased power costs. We find this interpretation is consistent with the literal language of the administrative regulation and with our recent interpretations of that administrative regulation. It should greatly enhance and expedite future reviews of all jurisdictional electric utilities’ FACs by providing a consistent framework for the treatment of purchased power costs.” Order at 7.

Utilities Company from May 1, 1997 to October 31, 1997, Case No. 1996-00523-B; In the Matter of: An Examination by the Public Service Commission of the Application of the Fuel Adjustment Clause of Kentucky Utilities Company from November 1, 1997 to April 30, 1998, Case No. 1996-00523-C; In the Matter of: An Examination by the Public Service Commission of the Application of the Fuel Adjustment Clause of Louisville Gas and Electric Company from November 1, 1994 to October 31, 1996, Case No. 1996-00524; In the Matter of: An Examination by the Public Service Commission of the Application of the Fuel Adjustment Clause of Kentucky Utilities Company from November 1, 1996 to October 31, 1998, Case No. 1998-00564; In the Matter of: An Examination by the Public Service Commission of the Application of the Fuel Adjustment Clause of Kentucky Utilities Company from November 1, 1998 to April 30, 1999, Case No. 1998-00564-A; In the Matter of: An Examination by the Public Service Commission of the Application of the Fuel Adjustment Clause of Kentucky Utilities Company from May 1, 1999 to October 31, 1999, Case No. 1998-00564-B; In the Matter of: An Examination by the Public Service Commission of the Application of the Fuel Adjustment Clause of Kentucky Utilities Company from November 1, 1999 to April 30, 2000, Case No. 1998-00564-C; In the Matter of: An Examination by the Public Service Commission of the Application of the Fuel Adjustment Clause of Kentucky Utilities Company from November 1, 1998 to October 31, 2000, Case No. 2000-00497; In the Matter of: An Examination by the Public Service Commission of the Application of the Fuel Adjustment Clause of Kentucky Utilities Company from November 1, 2000 to April 30, 2001, Case No. 2000-00497-A; In the Matter of: An Examination by the Public Service Commission of the Application of the Fuel Adjustment Clause of Louisville Gas and Electric Company from November 1, 1998 to October 31, 2000, Case No. 2000-00498; and In the Matter of: An Examination by the Public Service Commission of the Application of the Fuel Adjustment Clause of Louisville Gas and Electric Company from November 1, 2000 to April 30, 2001, Case No. 2000-00498-A.

LOUISVILLE GAS AND ELECTRIC COMPANY

**Response to Information Requested in Appendix of
Commission's Order Dated August 13, 2014**

Case No. 2014-00228

Question No. 26

Witness: Robert M. Conroy

Q-26. Explain how purchase power costs are accounted for in the calculation of the FAC when LG&E is not experiencing a generation outage but must purchase power in order to meet demand (i.e., is the entire amount of the purchase power recorded in the calculation, or is there a limit as to the amount recorded?). If there is a limit, explain the basis for the limitation and how it is calculated. If there is no limit, explain the basis for including 100 percent of the purchase power costs.

A-26. Please see the response to Question No. 25.

LOUISVILLE GAS AND ELECTRIC COMPANY

**Response to Information Requested in Appendix of
Commission's Order Dated August 13, 2014**

Case No. 2014-00228

Question No. 27

Witness: Robert M. Conroy

Q-27. If LG&E is familiar with the term "no load costs," provide a definition of the term and responses to the following:

- a. If all or a portion of these costs are recovered through the FAC, explain how these costs are calculated and allocated between native-load sales and off-system sales each hour.
- b. By month and generating unit, provide the amount of "no load costs" that have been allocated each to native-load customers and off-system sales from November 1, 2012, through April 30, 2014.

A-27. LG&E does not utilize the term "No load costs" in the dispatch and operation of its system. The term appears in the PJM Manual 15: Cost Development Guidelines and is used by the PJM Regional Transmission Organization. In accordance with section 1.7.3 of the manual, "no load costs" is defined as follows:

1.7.3 No Load Cost

No-Load Fuel (MBTU/hour) is the total fuel to sustain zero net output MW at synchronous generator speed.

No-load cost is the cost needed to create the starting point of a monotonically increasing incremental cost curve. The calculated no-load cost may have to be adjusted to ensure that the slope of the Generator Offer Curve is monotonically increasing.

LG&E is not a member of PJM and does not develop a monotonically increasing cost curve for bidding generation into the wholesale power market. All LG&E generating units are available to service and utilized for native load customers. When the Commission approved the merger of Louisville Gas and Electric Company ("LG&E") and KU, the Commission expressly recognized that 'integrated system planning may be

the single most important benefit of the merger.”³ Since the merger of LG&E and KU, generation pricing has been based upon a “split-the-difference” approach where the purchasing company pays one half the difference between the cost it would have incurred to generate energy and the actual cost of the other company to generate, plus the other company’s cost to generate. The economic dispatch procedure has ensured that the other company’s units are only dispatched when its costs are less than any available unit owned by the company requiring the generation.⁴ As discussed in response to Question No. 25, the Companies use the After the Fact Billing (“AFB”) model to determine the joint dispatch savings between LG&E and KU and to allocate the highest cost energy to off-system sales. All fuel costs associated with generation not allocated to off-system sales or otherwise excluded from the FAC are recovered from native load sales.

- a. Not applicable.
- b. Not applicable.

³ *In the Matter of: Joint Application of Louisville Gas and Electric Company and Kentucky Utilities Company for Approval of Merger*, Case No. 1997-00300, Order of September 12, 1997, pp. 18-21.

⁴ Order, p. 19.

LOUISVILLE GAS AND ELECTRIC COMPANY

**Response to Information Requested in Appendix of
Commission's Order Dated August 13, 2014**

Case No. 2014-00228

Question No. 28

Witness: Mike Dotson

Q-28. State whether LG&E outsources coal handling or whether coal handling is performed by LG&E employees and explain how coal-handling costs are accounted for in the calculation of the FAC.

A-28. LG&E does not outsource coal handling. Coal handling is performed by LG&E employees and supplemented with contractor employees as needed.

The costs are recorded as fuel handling expenses and are not included in the costs to be recovered through the FAC mechanism.

LOUISVILLE GAS AND ELECTRIC COMPANY

**Response to Information Requested in Appendix of
Commission's Order Dated August 13, 2014**

Case No. 2014-00228

Question No. 29

Witness: Robert M. Conroy / Mike Dotson

- Q-29. State whether all long-term fuel transportation contracts have been filed with the Commission. If any contracts have not been filed, provide a copy.
- A-29. All long-term coal transportation contracts have been filed with the Commission. LG&E and KU receive firm transportation service for natural gas to Paddy's Run pursuant to a special contract on file with the Commission (see the response to Question No. 2).

The Companies have had various agreements⁵ with Texas Gas Pipeline for long term natural gas transportation for the gas-fired generating units at Trimble County (see Attachments 1 and 2 noted below). With the construction of Cane Run Unit 7, other agreements have been entered into specifically for deliveries to Cane Run generating station (see Attachments 3, 4, and 5 noted below). In addition, the agreements for deliveries to Trimble County have been amended to include designated delivery points to Cane Run as well as Trimble County. Transportation service for the summer season is contracted separately from transportation service for the winter season.

The following gas transport contracts are attached:

- Attachment 1 Agreement #18667, Rate Schedule SNS dated October 18, 2011, summer delivery to Trimble County from April 2012 through October 2017; Amendment executed July 1, 2014 to add Cane Run as a delivery point;
- Attachment 2 Agreement #31869, Rate Schedule WNS dated December 12, 2011, winter delivery to Trimble County from November 2012 through March 2017; Amendment executed July 1, 2014 to add Cane Run as a delivery point; Revised agreement dated August 11, 2014 modifying contract demands and replacing original agreement;

⁵ The agreements are executed in the name of Kentucky Utilities Company due to the existing agreement between Texas Gas Pipeline and the local distribution company Louisville Gas and Electric Company. Both LG&E electric and KU are allocated the cost of firm transportation service in proportion to their ownership share in the various generating units.

- Attachment 3 Agreement #32809, Rate Schedule SNS dated December 10, 2012, summer delivery to Cane Run (secondary delivery to Trimble County) from April 2015 through October 2024;
- Attachment 4 Agreement #32790, Rate Schedule WNS dated December 10, 2012, winter delivery to Cane Run (secondary delivery to Trimble County) from November 2014 through March 2024; and
- Attachment 5 Agreement #32805, Rate Schedule STF dated December 10, 2012, short term summer delivery to Cane Run from April 2015 to October 2019.

Attachment 1 to Response to Question No. 29

Agreement #18667

Summer Natural Gas Deliveries to Trimble County Generating Station

Agreement Dated October 18, 2011 (pages 1-10)

Amendment Executed July 1, 2014 (pages 11-12)

Request No. 4799

Rate Schedule SNS
Agreement No.: 18667
Dated: October 18, 2011

This Agreement is entered into by and between Texas Gas Transmission, LLC, ("Texas Gas") and Kentucky Utilities Company, ("Customer"). This Agreement supersedes and replaces in its entirety that certain SNS Agreement by and between Texas Gas and Customer, dated January 24, 2008 (Agreement No. 18667).

Services under this Agreement are provided pursuant to Subpart B or Subpart G, Title 18, of the Code of Federal Regulations. Service is subject to and governed by the applicable Rate Schedule and the General Terms and Conditions of the Texas Gas PERC Gas Tariff ("Tariff") as they exist or may be modified from time to time and such are incorporated by reference. In the event the language of this Agreement conflicts with Texas Gas' then-current Tariff, the language of the Tariff will control.

Receipt and Delivery Points: Primary Receipt and Primary Delivery Points shall be listed on Exhibit "A".

Contract Demand(s):

Daily Contract Demand(s)	151,000 MMBtu/D
Nominated Daily Quantity(ies)	151,000 MMBtu/D
Unnominated Daily Quantity(ies)	151,000 MMBtu/D
Maximum Unnominated Quantity(ies)	453,000 MMBtu
Summer Quantity Entitlement(s)	27,633,000 MMBtu

Term: This Agreement shall be effective beginning April 1, 2012 and shall continue in full force and effect through October 31, 2017.

At the end of this Agreement, Customer shall be granted a contractual right of first refusal to be exercised in accordance with Texas Gas' Tariff.

At the end of such primary term, or any subsequent rollover term, this Agreement shall automatically be extended for an additional term of one year, unless either party terminates this Agreement at the end of such primary or rollover term by giving the other party at least one year advance written notice prior to the expiration of such primary or rollover term.

Rate: The rate for this Agreement shall be the maximum applicable rate (including all other applicable charges Texas Gas is authorized to charge pursuant to its Tariff) unless the parties have entered into an associated discounted or negotiated rate letter agreement.

Exhibit(s): The following Exhibit(s) are attached and made a part of this Agreement:

- Exhibit A, Primary Points
- Exhibit B, Supply Lateral Capacity
- Exhibit C, Contract Notice Address

IF YOU ARE IN AGREEMENT WITH THE FOREGOING, PLEASE INDICATE IN THE SPACE PROVIDED BELOW.

Texas Gas Transmission, LLC	Signature: <u><i>Jeffrey L. Bittel</i></u>	Date: <u>10/24/11</u>
	Name: <u>Jeffrey L. Bittel</u>	Title: <u>VP, Power Generation</u>
Kentucky Utilities Company	Signature: <u><i>David S. Sinclair</i></u>	Date: <u>10-24-11</u>
	Name: <u>David S. Sinclair</u>	Title: <u>VP, Energy Marketing</u>

YB
10/27/11

EXHIBIT A

PRIMARY POINT(S)
DELIVERY

AGREEMENT NO.: 18667

EFFECTIVE DATE: April 1, 2012

Delivery Point Meter No.	Delivery Point Meter Name	Zone	Minimum Delivery Pressure
1522	Bedford #2 Ky., Trimble, KY	4	530 PSIG

Transportation Path:

Mainline Pipeline 1 through Mainline Pipeline 40706

EXHIBIT A

PRIMARY POINT(S)
RECEIPT

AGREEMENT NO.: 18667

EFFECTIVE DATE: April 1, 2012

Line	Receipt Point Meter No.	Receipt Point Meter Name	Zone	Daily Firm Capacity MMBtu/day
North Louisiana	2102	EasTrans-Champlin	1	7,774
Mainline Pipeline	8107	Evangeline Allocation	SL	25,000
	9185	Centerpoint-Bosco	1	100,000
	9490	Regency-Riverton	1	16,000
	9535	DCP A.H.-Perryville	1	100,000
	9880	ANR - Eunice	SL	26,733

EXHIBIT B
SUPPLY LATERAL CAPACITY
AGREEMENT NO.: 18667
EFFECTIVE DATE: April 1, 2012

Supply Lateral	Capacity Rights (MmBtu/Day)	
	Winter	Summer
<u>Zone 1 Supply Lateral(s)</u>		
North Louisiana:	0	7,774
Total Zone 1:	0	7,774
<u>Zone SL Supply Lateral(s)</u>		
East:	0	0
Southeast:	0	0
South:	0	0
Southwest:	0	0
West:	0	0
Total Zone SL:	0	0
Grand Total:	0	7,774

EXHIBIT C

AGREEMENT NO.: 18667

EFFECTIVE DATE: April 1, 2012

Contract Notices:

Customer Correspondence:

Kentucky Utilities Company
220 W Main St Fl 7
Louisville, KY 40202

Texas Gas Correspondence:

Texas Gas Transmission, LLC
3800 Frederica Street
Owensboro, KY 42301

Attention: Contract Administration (Contractual matters)
 Commercial Accounting (Invoice matters)
 Customer Services (Scheduling and Allocation matters)

(270)926-8686



3800 Frederica Street
P.O. Box 20008
Owensboro, KY 42304-0008
270/926-8686

October 18, 2011

Mr. Glenn Flood
Kentucky Utilities Company
220 W Main St Fl 7
Louisville, KY 40202-1395

Re: Discounted Rates Letter Agreement to
SNS Service Agreement No. 18667 between
TEXAS GAS TRANSMISSION, LLC and
KENTUCKY UTILITIES COMPANY
dated October 18, 2011

Dear Glenn:

This Discounted Rates Letter Agreement ("Agreement") specifies additional terms and conditions applicable to the referenced Firm Service Agreement ("Contract") between Texas Gas Transmission, LLC ("Texas Gas") and Kentucky Utilities Company ("Customer"). This Agreement is subject to all applicable Federal Energy Regulatory Commission ("FERC") regulations. In the event the language of this Agreement conflicts with the Contract, the language of this Agreement will control. In the event the language of this Agreement conflicts with Texas Gas' FERC Gas Tariff currently in effect or any superseding tariff ("Tariff"), the language of the Tariff will control.

1. Texas Gas shall provide primary firm service under the Agreement from Primary Receipt Point(s) to the Primary Delivery Point(s) listed in the attached Exhibit A. The rates charged for this service also shall be set forth in Exhibit A.

(a) The Contract Demand(s) for this Agreement shall be: 151,000 MMBtu per day.

(b) In addition to the rate(s) set forth in Exhibit A, Texas Gas shall charge and Customer shall pay all other applicable charges Texas Gas is authorized to charge pursuant to its Tariff.

2. The rates in Exhibit A are applicable only for transportation service utilizing the Primary Point(s) specifically listed on Exhibit A, up to Customer's Contract Demand. The rates in Exhibit B are applicable only for transportation service utilizing the eligible secondary point(s) specifically listed on Exhibit B. If Customer utilizes any other receipt or delivery point, then the applicable maximum rate(s), including all other applicable charges Texas Gas is authorized to charge pursuant to its Tariff, shall apply unless the parties amend Exhibits A and/or B in writing, pursuant to the requirements of the Tariff and prior to nomination, to include such transportation service. If Customer or its Replacement Shipper(s) deliver gas to a point not listed on Exhibit A or B, Customer shall pay the maximum applicable rate for the quantity delivered to such point(s), up to Customer's Contract Demand.

3. This Agreement shall be effective beginning April 1, 2012 and shall continue in full force and effect through October 31, 2017.

4. All rates and services described in this Agreement are subject to the terms and conditions of Texas Gas' Tariff. Texas Gas shall have no obligation to make refunds to Customer unless the maximum rate ultimately established by the FERC for any service described herein is less than the rate paid by Customer under this Agreement. Texas Gas shall have the unilateral right to file with the appropriate regulatory authority and make

changes effective in the filed rates, charges, and services in Texas Gas' Tariff, including both the level and design of such rates, charges and services and the general terms and conditions therein.

5. Except as otherwise provided in the FERC's regulations, this Agreement may not be assigned without the express written consent of the other party. Any assignment shall be in accordance with the Tariff and FERC regulations. Such consent shall not be unreasonably withheld. Any assignment made in contravention of this paragraph shall be void at the option of the other party. If such consent is given, this Agreement shall be binding upon and inure to the benefit of the parties and their successors and assigns.

6. In the event any provision of this Agreement is held to be invalid, illegal or unenforceable by any court, regulatory agency, or tribunal of competent jurisdiction, the validity, legality, and enforceability of the remaining provisions, terms or conditions shall not in any way be affected or impaired thereby, and the term, condition, or provision which is held illegal or invalid shall be deemed modified to conform to such rule of law, but only for the period of time such order, rule, regulation, or law is in effect.

7. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED UNDER THE LAWS OF THE COMMONWEALTH OF KENTUCKY, EXCLUDING ANY PROVISION WHICH WOULD DIRECT THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION.

8. This Agreement supersedes and replaces in its entirety that certain Discounted Rates Letter Agreement by and between Texas Gas and Kentucky Utilities Company, dated January 24, 2008 (Agreement No. 18667).

If Customer agrees with the terms and conditions, please so indicate by signing the duplicate originals in the appropriate spaces provided below and returning the originals to Texas Gas.

Very Truly Yours,

TEXAS GAS TRANSMISSION, LLC

By: *Jeffrey L. Bittel*

Name: Jeffrey L. Bittel

Title: VP, Power Generation

Date: 10/24/11

YB
10/27/11

ACCEPTED AND AGREED TO this 24 day of October, 2011.

KENTUCKY UTILITIES COMPANY

David J. Sinclair

Name: David J. Sinclair

Title: VP, Energy Marketing

Signature page to Discounted Rates Letter Agreement, Agreement No. 18667, dated October 18, 2011.

Rate Schedule SNS
 Agreement No.: 18667
 Discounted Rates Letter Agreement dated October 18, 2011

EXHIBIT A

Primary Receipt Point(s)

All effective primary receipt point(s) listed under the Contract.

Primary Delivery Point(s)

<u>Meter Name</u>	<u>Meter No.</u>	<u>Zone</u>
Bedford #2 Ky.	1522	4

Rate(s)

The following rates shall be applicable to any transaction utilizing (i) a Primary Receipt Point(s) or Eligible Secondary Receipt Point(s); and (ii) a Primary Delivery Point(s) or Eligible Secondary Delivery Point(s).

Effective April 1, 2012 through October 31, 2012:

Demand: \$0.385 per MMBtu/day

The Discounted Daily Demand Rate is applicable on gas deliveries up to the daily contract demand on any day to the Primary and Eligible Secondary Delivery Points. On any day that Customer's deliveries exceed the Daily Contract Demand and are not Daily Overrun Quantities, then Customer shall pay Texas Gas' maximum tariff demand rate for the entire contract demand for that day and Texas Gas' maximum commodity rate on all gas quantities delivered on that day. Customer will pay the Overrun Rate on all Daily Overrun Quantities delivered to the Primary and Eligible Secondary Delivery Points.

Commodity: Texas Gas' effective minimum SNS Commodity rate per MMBtu plus applicable surcharges and fuel retention

Daily Overrun: Texas Gas' effective maximum SNS Daily Overrun rate

Hourly Overrun: The Hourly Overrun Rate applicable to all hourly deliveries at a flow rate greater than 1/16th of the daily Contract Demand shall be \$0.00 if 100% of deliveries are transported using the SNS Agreement No. 18667 or any other KU firm agreement(s) excluding capacity release.

Effective April 1, 2013 through October 31, 2017 (Summers only):

Demand: \$0.33 per MMBtu/day

The Discounted Daily Demand Rate is applicable on gas deliveries up to the daily contract demand on any day to the Primary and Eligible Secondary Delivery Points. On any day that Customer's deliveries exceed the Daily Contract

Demand and are not Daily Overrun Quantities, then Customer shall pay Texas Gas' maximum tariff demand rate for the entire contract demand for that day and Texas Gas' maximum commodity rate on all gas quantities delivered on that day. Customer will pay the Discounted Overrun Rate on all Daily Overrun Quantities delivered to the Primary and Eligible Secondary Delivery Points.

Commodity: Texas Gas' effective minimum SNS Commodity Rate per MMBtu plus applicable surcharges and fuel retention

Daily Overrun: \$0.37 per MMBtu

Hourly Overrun: The Hourly Overrun Rate applicable to all hourly deliveries at a flow rate greater than 1/16th of the daily Contract Demand shall be \$0.00 if 100% of deliveries are transported using the SNS Agreement No. 18667 or any other KU firm agreement(s) excluding capacity release.

Rate Schedule SNS
Agreement No.: 18667
Discounted Rates Letter Agreement dated October 18, 2011

EXHIBIT B

Eligible Secondary Receipt Point(s)

All secondary receipt points located in Texas Gas Rate Zone(s) SL, 1, 2, 3 and 4

Eligible Secondary Delivery Point(s)

<u>Meter Name</u>	<u>Meter No.</u>	<u>Zone</u>
Lebanon-Texas Eastern	1859	4
Lebanon-Dominion	1247	4
Lebanon-Columbia Gas	1715	4
Louisville Shipper Ded	1529	4
Midwestern-Whitesville	8073	3
ANR-Slaughters	8082	3
Dyersburg	8124	2
Tennessee-Egan	9003	SL
Texas Eastern-Evangeline	8107	SL
Iowa	8170	SL
Bluegrass Generation	9585	4

Rate(s)

The rates identified on Exhibit A shall be applicable to any transaction utilizing (i) a Primary Receipt Point(s) or Eligible Secondary Receipt Point(s); and (ii) a Primary Delivery Point(s) or Eligible Secondary Delivery Point(s).



610 West 2nd Street
P.O. Box 20008
Owensboro, KY 42304-0008
270/926-8686

June 26, 2014

Mr. Glenn Flood
Kentucky Utilities Company
220 W Main St Fl 7
Louisville, KY 40202-1395

Re: Amendment to Discounted Rates Letter Agreement to
SNS Service Agreement No. 18667
between TEXAS GAS TRANSMISSION, LLC (Texas Gas) and
KENTUCKY UTILITIES COMPANY (Customer)
dated October 18, 2011

Dear Glenn:

Texas Gas and Customer hereby agree to amend the Discounted Rates Letter Agreement dated October 18, 2011 as follows:

- 1. Effective August 1, 2014 through October 31, 2017:
 - A. Exhibit B shall be deleted in its entirety and replaced with the attached Exhibit B, which adds Cane Run Power Generation, Location No. 9590 (Group B), as an Eligible Secondary Delivery Point and defines the rate specifications associated with adding this location.

Except as amended herein, all other terms and conditions of the Agreement shall remain in full force and effect.

If Customer agrees with these terms and conditions, please so indicate by signing in the appropriate space provided below and returning to Texas Gas, attention Contract Administration.

Very truly yours,

KENTUCKY UTILITIES COMPANY
 By: David A. Austin
 Title: VP, Energy Supply & Analysis
 Date of Execution by Customer: 7-1-14

TEXAS GAS TRANSMISSION, LLC
 By: John T. Bittel ^{CB}
 Title: VP Power Generation _{7/1/14}
 Date of Execution by Texas Gas: 7/3/14

Rate Schedule SNS
Agreement No.: 18667
Discounted Rates Letter Agreement dated October 18, 2011

Amended Effective August 1, 2014

EXHIBIT B

Eligible Secondary Receipt Point(s)

All secondary receipt points located in Texas Gas Rate Zone(s) SL, 1, 2, 3 and 4

Eligible Secondary Delivery Point(s)

<u>Meter Name</u>	<u>Meter No.</u>	<u>Zone</u>
GROUP A:		
Lebanon-Texas Eastern	1859	4
Lebanon-Dominion	1247	4
Lebanon-Columbia Gas	1715	4
Louisville Shipper Ded	1529	4
Midwestern-Whitesville	8073	3
ANR-Slaughters	8082	3
Dyersburg	8124	2
Tennessee-Egan	9003	SL
Texas Eastern-Evangeline	8107	SL
Iowa	8170	SL
Bluegrass Generation	9585	4
GROUP B:		
Cane Run Power Generation	9590	4

Rate(s)

GROUP A:

The rates identified on Exhibit A shall be applicable to any transaction utilizing (i) a Primary Receipt Point(s) or Eligible Secondary Receipt Point(s); and (ii) a Primary Delivery Point(s) or Eligible Secondary Delivery Point(s) listed in Group A.

GROUP B:

The Discounted Daily Demand, Commodity, and Overrun Rates identified on Exhibit A are available to the Eligible Secondary Delivery Point listed in Group B for gas deliveries up to a maximum of 3,000,000 MMBtu per summer season (April through October).

Attachment 2 to Response to Question No. 29

Agreement #31869

Winter Natural Gas Deliveries to Trimble County Generating Station

Agreement Dated December 12, 2011 (pages 1-9)

Amendment Executed July 1, 2014 (pages 10-12)

Revised Amendment Dated August 11, 2014 (pages 13-20)

Request No. 4898

Rate Schedule WNS
Agreement No.: 31869
Dated: December 12, 2011

This Agreement is entered into by and between Texas Gas Transmission, LLC, ("Texas Gas") and Kentucky Utilities Company, ("Customer").

Services under this Agreement are provided pursuant to Subpart B or Subpart G, Title 18, of the Code of Federal Regulations. Service is subject to and governed by the applicable Rate Schedule and the General Terms and Conditions of the Texas Gas FERC Gas Tariff ("Tariff") as they exist or may be modified from time to time and such are incorporated by reference. In the event the language of this Agreement conflicts with Texas Gas' then-current Tariff, the language of the Tariff will control.

Receipt and Delivery Points: Primary Receipt and Primary Delivery Points shall be listed on Exhibit "A".

Contract Demand(s):

	November and March	December through February
Daily Contract Demand(s)	62,500 MMBtu/D	125,000 MMBtu/D
Nominated Daily Quantity(ies)	62,500 MMBtu/D	125,000 MMBtu/D
Unnominated Daily Quantity(ies)	31,250 MMBtu/D	62,500 MMBtu/D
Maximum Unnominated Quantity(ies)	187,500 MMBtu	375,000 MMBtu
Winter Quantity Entitlement(s)	15,062,500 MMBtu	

Term: This Agreement shall be effective beginning November 1, 2012 and shall continue in full force and effect through March 31, 2017. Notwithstanding anything in this agreement to the contrary, if, at the end of the two-year experimental period, the WNS Rate Schedule is not approved by the Federal Energy Regulatory Commission (Commission) as a permanent rate schedule, or if the Commission approves a WNS Rate Schedule with modifications beyond the elimination of the additional nomination cycles (Section 5.9 [11.2] of the Tariff), compared to the WNS Rate Schedule in effect prior to April 1, 2012 that are not acceptable to Kentucky Utilities, then Kentucky Utilities may, by delivering written notice to Texas Gas within ten (10) business days after issuance of the unacceptable Commission order referenced above, either (1) terminate this Agreement, immediately effective upon Texas Gas' receipt of such letter, or (2) deliver written notice of its desire to negotiate a comparable firm service or combination of services at the same revenue level for the remaining term of the Agreement; provided, however, if the parties cannot reach an agreement acceptable to KU within sixty (60) days following the date of such unacceptable Commission order, this Agreement will terminate on such sixtieth (60th) day.

At the end of this Agreement, Customer shall be granted a contractual right of first refusal to be exercised in accordance with Texas Gas' Tariff.

At the end of such primary term, or any subsequent rollover term, this Agreement shall automatically be extended for an additional term of one year, unless either party terminates this Agreement at the end of such primary or rollover term by giving the other party at least one year advance written notice prior to the expiration of such primary or rollover term.

Rate: The rate for this Agreement shall be the maximum applicable rate (including all other applicable charges Texas Gas is authorized to charge pursuant to its Tariff) unless the parties have entered into an associated discounted or negotiated rate letter agreement.

Exhibit(s): The following Exhibit(s) are attached and made a part of this Agreement:

- Exhibit A, Primary Points
- Exhibit B, Contract Notice Address

IF YOU ARE IN AGREEMENT WITH THE FOREGOING, PLEASE INDICATE IN THE SPACE PROVIDED BELOW.

JB
12/21/11

Texas Gas Transmission, LLC Signature: Jeffrey E. Rittel Date: 12/16/11
Name: Jeffrey E. Rittel Title: VP Power Generation

Kentucky Utilities Company Signature: David S. Sinclair Date: 12-15-11
Name: David S. Sinclair Title: VP, Energy Marketing

Signature Page to WNS Agreement No. 31869, dated December 12, 2011.

EXHIBIT A

PRIMARY POINT(S)
DELIVERY

AGREEMENT NO.: 31869

EFFECTIVE DATE: November 1, 2012

<u>Delivery Point Meter No.</u>	<u>Delivery Point Meter Name</u>	<u>Zone</u>	<u>MDP</u>
1522	Bedford #2 Ky., Trimble, KY	4	530 psig

Transportation Path:

Mainline Pipeline 200 through Mainline Pipeline 40705

62,500 MMBtu/d Nov & Mar
125,000 MMBtu/d Dec - Feb

EXHIBIT A

PRIMARY POINT(S)
RECEIPT

AGREEMENT NO.: 31869

EFFECTIVE DATE: November 1, 2012

Line	Receipt Point Meter No.	Receipt Point Meter Name	Zone	Daily Firm Capacity MMBtu/day
Mainline Pipeline	9880	ANR - Eunice	SL	Winter 62,500 Nov & Mar 125,000 Dec - Feb

EXHIBIT B

AGREEMENT NO.: 31889

EFFECTIVE DATE: November 1, 2012

Contract Notices:

Customer Correspondence:

Kentucky Utilities Company
220 W Main St F17
Louisville, KY 40202

Texas Gas Correspondence:

Texas Gas Transmission, LLC
3800 Frederica Street
Owensboro, KY 42301

Attention: Contract Administration (Contractual matters)
 Commercial Accounting (Invoice matters)
 Customer Services (Scheduling and Allocation matters)

(270)926-8886



3800 Frederica Street
P.O. Box 20008
Owensboro, KY 42304-0008
270/926-8686

December 12, 2011

Mr. Glenn Flood
Kentucky Utilities Company
220 West Main St
Louisville, KY 40232

Re: Discounted Rates Letter Agreement to
WNS Service Agreement No. 31869 between
TEXAS GAS TRANSMISSION, LLC and
KENTUCKY UTILITIES COMPANY
dated December 12, 2011

Dear Glenn:

This Discounted Rates Letter Agreement ("Agreement") specifies additional terms and conditions applicable to the referenced Firm Service Agreement ("Contract") between Texas Gas Transmission, LLC ("Texas Gas") and Kentucky Utilities Company ("Customer"). This Agreement is subject to all applicable Federal Energy Regulatory Commission ("FERC") regulations. In the event the language of this Agreement conflicts with the Contract, the language of this Agreement will control. In the event the language of this Agreement conflicts with Texas Gas' FERC Gas Tariff currently in effect or any superseding tariff ("Tariff"), the language of the Tariff will control.

1. Texas Gas shall provide primary firm service under the Agreement from Primary Receipt Point(s) to the Primary Delivery Point(s) listed in the attached Exhibit A. The rates charged for this service also shall be set forth in Exhibit A.

- (a) The Contract Demand(s) for this Agreement shall be: 62,500 MMBtu per day November and March
125,000 MMBtu per day December through February
- (b) In addition to the rate(s) set forth in Exhibit A, Texas Gas shall charge and Customer shall pay all other applicable charges Texas Gas is authorized to charge pursuant to its Tariff.

2. The rates in Exhibit A are applicable only for transportation service utilizing the Primary Point(s) specifically listed on Exhibit A, up to Customer's Contract Demand. The rates in Exhibit B are applicable only for transportation service utilizing the eligible secondary point(s) specifically listed on Exhibit B. If Customer utilizes any other receipt or delivery point, then the applicable maximum rate(s), including all other applicable charges Texas Gas is authorized to charge pursuant to its Tariff, shall apply unless the parties amend Exhibits A and/or B in writing, pursuant to the requirements of the Tariff and prior to nomination, to include such transportation service. If Customer or its Replacement Shipper(s) deliver gas to a point not listed on Exhibit A or B, Customer shall pay the maximum applicable rate for the quantity delivered to such point(s), up to Customer's Contract Demand.

3. This Agreement shall be effective beginning November 1, 2012 and shall continue in full force and effect through March 31, 2017. Notwithstanding anything in this agreement to the contrary, if, at the end of the two-year experimental period, the WNS Rate Schedule is not approved by the Federal Energy Regulatory Commission (Commission) as a permanent rate schedule, or if the Commission approves a WNS Rate Schedule with modifications beyond the elimination of the additional nomination cycles (Section 5.9 [11.2] of the Tariff), compared to the WNS Rate Schedule in effect prior to April 1, 2012 that are not acceptable to Kentucky Utilities,

then Kentucky Utilities may, by delivering written notice to Texas Gas within ten (10) business days after issuance of the unacceptable Commission order referenced above, either (1) terminate this Agreement, immediately effective upon Texas Gas' receipt of such letter, or (2) deliver written notice of its desire to negotiate a comparable firm service or combination of services at the same revenue level for the remaining term of the Agreement; provided, however, if the parties cannot reach an agreement acceptable to KU within sixty (60) days following the date of such unacceptable Commission order, this Agreement will terminate on such sixtieth (60th) day.

4. All rates and services described in this Agreement are subject to the terms and conditions of Texas Gas' Tariff. Texas Gas shall have no obligation to make refunds to Customer unless the maximum rate ultimately established by the FERC for any service described herein is less than the rate paid by Customer under this Agreement. Texas Gas shall have the unilateral right to file with the appropriate regulatory authority and make changes effective in the filed rates, charges, and services in Texas Gas' Tariff, including both the level and design of such rates, charges and services and the general terms and conditions therein.

5. Except as otherwise provided in the FERC's regulations, this Agreement may not be assigned without the express written consent of the other party. Any assignment shall be in accordance with the Tariff and FERC regulations. Such consent shall not be unreasonably withheld. Any assignment made in contravention of this paragraph shall be void at the option of the other party. If such consent is given, this Agreement shall be binding upon and inure to the benefit of the parties and their successors and assigns.

6. In the event any provision of this Agreement is held to be invalid, illegal or unenforceable by any court, regulatory agency, or tribunal of competent jurisdiction, the validity, legality, and enforceability of the remaining provisions, terms or conditions shall not in any way be affected or impaired thereby, and the term, condition, or provision which is held illegal or invalid shall be deemed modified to conform to such rule of law, but only for the period of time such order, rule, regulation, or law is in effect.

7. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED UNDER THE LAWS OF THE COMMONWEALTH OF KENTUCKY, EXCLUDING ANY PROVISION WHICH WOULD DIRECT THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION.

If Customer agrees with the terms and conditions, please so indicate by signing the duplicate originals in the appropriate spaces provided below and returning the originals to Texas Gas.

Very Truly Yours,

TEXAS GAS TRANSMISSION, LLC

By: Jeffrey L. Rittel JB
12/21/11

Name: Jeffrey L. Rittel

Title: VP Power Generation

Date: 12/16/11

ACCEPTED AND AGREED TO this 15th day of December, 20 11.

KENTUCKY UTILITIES COMPANY

By: David S. Sinclair

Name: David S. Sinclair

Title: VP, Energy Marketing

Signature page to Discounted Rates Letter Agreement, Agreement No. 31869, dated December 12, 2011.

Rate Schedule WNS
Agreement No.: 31869
Discounted Rates Letter Agreement dated December 12, 2011

EXHIBIT A

Primary Receipt Point(s)

All effective primary receipt point(s) listed under the Contract.

Primary Delivery Point(s)

<u>Meter Name</u>	<u>Meter No.</u>	<u>Zone</u>
Bedford #2, Ky.	1522	4

Note: At any time during the term of this Agreement, Customer may amend the primary delivery point to be either Bluegrass Generation (Meter No. 9585) or Bedford #2 (Meter No. 1522) at the WNS discounted rates stated herein.

Rate(s)

The following rates shall be applicable to any transaction utilizing (i) a Primary Receipt Point(s) or Eligible Secondary Receipt Point(s); and (ii) a Primary Delivery Point(s) or Eligible Secondary Delivery Point(s).

Demand:	\$0.175 per MMBtu/day November and March \$0.50 per MMBtu/day December through February
Commodity:	Texas Gas' Zone 4 minimum WNS commodity rate per MMBtu plus applicable surcharges and fuel retention
Daily Overrun:	\$0.30 per MMBtu November and March \$0.54 per MMBtu December through February
Hourly Overrun Rate:	\$0.00 per MMBtu on any day 100% of volumes are delivered under Customers WNS or any other of Customers firm agreements, excluding capacity release

Rate Schedule WNS
Agreement No.: 31869
Discounted Rates Letter Agreement dated December 12, 2011

EXHIBIT B

Eligible Secondary Receipt Point(s)

All secondary receipt points located in Texas Gas Rate Zone(s) SL, 1, 2, 3 and 4

Eligible Secondary Delivery Point(s)

<u>Meter Name</u>	<u>Meter No.</u>	<u>Zone</u>
Bluegrass Generation	9585	4
Louisville Shipper Deduct	1529	4

Rate(s)

The rates identified on Exhibit A shall be applicable to any transaction utilizing (i) a Primary Receipt Point(s) or Eligible Secondary Receipt Point(s); and (ii) a Primary Delivery Point(s) or Eligible Secondary Delivery Point(s).



610 West 2nd Street
P.O. Box 20008
Owensboro, KY 42304-0008
270/926-8686

June 26, 2014

Mr. Glenn Flood
Kentucky Utilities Company
220 W Main St Fl 7
Louisville, KY 40202-1395

Re: Amendment to Discounted Rates Letter Agreement to
WNS Service Agreement No. 31869
between TEXAS GAS TRANSMISSION, LLC (Texas Gas) and
KENTUCKY UTILITIES COMPANY (Customer)
dated December 12, 2011

Dear Glenn:

Texas Gas and Customer hereby agree to amend the Discounted Rates Letter Agreement dated December 12, 2011 as follows:

- I. Effective August 1, 2014 through March 31, 2017:
 - A. Exhibit A shall be deleted in its entirety and replaced with the attached Exhibit A, which adds demand rate specifications.
 - B. Exhibit B shall be deleted in its entirety and replaced with the attached Exhibit B, which adds Cane Run Power Generation, Location No. 9590 (Group B), as an Eligible Secondary Delivery Point and defines the rate specifications associated with adding this location.

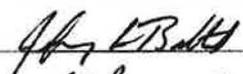
Except as amended herein, all other terms and conditions of the Agreement shall remain in full force and effect.

If Customer agrees with these terms and conditions, please so indicate by signing in the appropriate space provided below and returning to Texas Gas, attention Contract Administration.

Very truly yours,

KENTUCKY UTILITIES COMPANY

 Title: VP Energy Supply & Analysis
 Date of Execution by Customer: 7-1-14

TEXAS GAS TRANSMISSION, LLC
 By:  JB
7/7/14
 Title: VP Power Generation
 Date of Execution by Texas Gas: 7/3/14

Rate Schedule WNS
Agreement No.: 31869
Discounted Rates Letter Agreement dated December 12, 2011

Amended Effective August 1, 2014

EXHIBIT A

Primary Receipt Point(s)

All effective primary receipt point(s) listed under the Contract.

Primary Delivery Point(s)

<u>Meter Name</u>	<u>Meter No.</u>	<u>Zone</u>
Bedford #2 Ky.	1522	4

Note: At any time during the term of this Agreement, Customer may amend the primary delivery point to be either Bluegrass Generation (Meter No. 9585) or Bedford #2 (Meter No. 1522) at the WNS discounted rates stated herein.

Rate(s)

The following rates shall be applicable to any transaction utilizing (i) a Primary Receipt Point(s) or Eligible Secondary Receipt Point(s); and (ii) a Primary Delivery Point(s) or Eligible Secondary Delivery Point(s).

Demand: \$0.175 per MMBtu/day November and March
\$0.50 per MMBtu/day December through February

The Discounted Daily Demand Rate is applicable on gas deliveries up to the daily contract demand on any day to the Primary and Eligible Secondary Delivery Points. On any day that Customer's deliveries exceed the Daily Contract Demand and are not Daily Overrun quantities, then Customer shall pay Texas Gas' maximum tariff demand rate for the entire contract demand for that day and Texas Gas' maximum commodity rate on all gas quantities delivered on that day. Customer will pay the discounted Overrun Rate on all Daily Overrun quantities delivered to the Primary and Eligible Secondary Delivery Points.

Commodity: Texas Gas' Zone 4 minimum WNS commodity rate per MMBtu plus applicable surcharges and fuel retention

Daily Overrun: \$0.30 per MMBtu November and March
\$0.54 per MMBtu December through February

Hourly Overrun Rate: \$0.00 per MMBtu on any day 100% of volumes are delivered under Customer's WNS or any other of Customer's firm agreements, excluding capacity release

Rate Schedule WNS
Agreement No.: 31869
Discounted Rates Letter Agreement dated December 12, 2011

Amended Effective August 1, 2014

EXHIBIT B

Eligible Secondary Receipt Point(s)

All secondary receipt points located in Texas Gas Rate Zone(s) SL, 1, 2, 3 and 4

Eligible Secondary Delivery Point(s)

<u>Meter Name</u>	<u>Meter No.</u>	<u>Zone</u>
<u>GROUP A:</u>		
Bluegrass Generation	9585	4
Louisville Shipper Ded	1529	4
<u>GROUP B:</u>		
Cane Run Power Generation	9590	4

Rate(s)

GROUP A:

The rates identified on Exhibit A shall be applicable to any transaction utilizing (i) a Primary Receipt Point(s) or Eligible Secondary Receipt Point(s); and (ii) a Primary Delivery Point(s) or Eligible Secondary Delivery Point(s) listed in Group A.

GROUP B:

The Discounted Demand, Commodity, and Overrun Rates identified on Exhibit A are available to the Eligible Secondary Delivery Point listed in Group B for gas deliveries up to a maximum of 1,500,000 MMBtu per winter season (November through March).

Request No. 6900

Rate Schedule WNS
 Agreement No.: 31869
 Dated: August 11, 2014

This Agreement is entered into by and between Texas Gas Transmission, LLC, ("Texas Gas") and Kentucky Utilities Company, ("Customer"). This Agreement supersedes and replaces in its entirety that certain WNS Agreement by and between Texas Gas and Customer, dated December 12, 2011 (Agreement No. 31869).

Services under this Agreement are provided pursuant to Subpart B or Subpart G, Title 18, of the Code of Federal Regulations. Service is subject to and governed by the applicable Rate Schedule and the General Terms and Conditions of the Texas Gas FERC Gas Tariff ("Tariff") as they exist or may be modified from time to time and such are incorporated by reference. In the event the language of this Agreement conflicts with Texas Gas' then-current Tariff, the language of the Tariff will control.

Receipt and Delivery Points: Primary Receipt and Primary Delivery Points shall be listed on Exhibit "A".

Contract Demand(s):

	November and March	December through February
Daily Contract Demand(s)	114,500 MMBtu/D	229,000 MMBtu/D
Nominated Daily Quantity(ies)	114,500 MMBtu/D	229,000 MMBtu/D
Unnominated Daily Quantity(ies)	57,250 MMBtu/D	114,500 MMBtu/D
Maximum Unnominated Quantity(ies)	343,500 MMBtu	687,000 MMBtu
Winter Quantity Entitlement(s)	27,594,500 MMBtu	

Term: This Agreement shall be effective beginning November 1, 2014 and shall continue in full force and effect through March 31, 2017.

At the end of this Agreement, Customer shall be granted a contractual right of first refusal to be exercised in accordance with Texas Gas' Tariff.

At the end of such primary term, or any subsequent rollover term, this Agreement shall automatically be extended for an additional term of one year, unless either party terminates this Agreement at the end of such primary or rollover term by giving the other party at least one year advance written notice prior to the expiration of such primary or rollover term.

Rate: The rate for this Agreement shall be the maximum applicable rate (including all other applicable charges Texas Gas is authorized to charge pursuant to its Tariff) unless the parties have entered into an associated discounted or negotiated rate letter agreement.

Exhibit(s): The following Exhibit(s) are attached and made a part of this Agreement:

- Exhibit A, Primary Points
- Exhibit B, Contract Notice Address

IF YOU ARE IN AGREEMENT WITH THE FOREGOING, PLEASE INDICATE IN THE SPACE PROVIDED BELOW.

Texas Gas Transmission, LLC Signature: Jeffrey C. Bittel Date: 8/19/14 yB
8/20/14
 Name: Jeffrey C. Bittel Title: VP Power Generation

Kentucky Utilities Company Signature: David S. Sinclair Date: 8-19-14
 Name: David S. Sinclair Title: VP, Energy Supply & Analysis

EXHIBIT A

PRIMARY POINT(S)
RECEIPT

AGREEMENT NO.: 31869

EFFECTIVE DATE: November 1, 2014

<u>Line</u>	<u>Receipt Point Meter No.</u>	<u>Receipt Point Meter Name</u>	<u>Zone</u>	<u>Daily Firm Capacity MMBtu/day</u>
Mainline Pipeline	9880	ANR - Eunice	SL	Winter 114,500 Nov and March 229,000 Dec - Feb

EXHIBIT A

PRIMARY POINT(S)
DELIVERY

AGREEMENT NO.: 31869

EFFECTIVE DATE: November 1, 2014

<u>Delivery Point Meter No.</u>	<u>Delivery Point Meter Name</u>	<u>Zone</u>	<u>MDP*</u>
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1522	Bedford #2 Ky., Trimble, KY	4	530 psig
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Transportation Path:

Mainline Pipeline 200 through Mainline Pipeline 40705	114,500 MMBtu/d November and March 229,000 MMBtu/d December through February
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*Minimum delivery pressure

EXHIBIT B

AGREEMENT NO.: 31869

EFFECTIVE DATE: November 1, 2014

Contract Notices:

Customer Correspondence:

Kentucky Utilities Company
220 W Main St Fl 7
Louisville, KY 40202

Texas Gas Correspondence:

Texas Gas Transmission, LLC
610 W. Second Street
Owensboro, KY 42301

Attention: Contract Administration (Contractual matters)
Commercial Accounting (Invoice matters)
Customer Services (Scheduling and Allocation matters)

(270)926-8686

6. In the event any provision of this Agreement is held to be invalid, illegal or unenforceable by any court, regulatory agency, or tribunal of competent jurisdiction, the validity, legality, and enforceability of the remaining provisions, terms or conditions shall not in any way be affected or impaired thereby, and the term, condition, or provision which is held illegal or invalid shall be deemed modified to conform to such rule of law, but only for the period of time such order, rule, regulation, or law is in effect.

7. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED UNDER THE LAWS OF THE COMMONWEALTH OF KENTUCKY, EXCLUDING ANY PROVISION WHICH WOULD DIRECT THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION.

8. This Agreement supersedes and replaces in its entirety that certain Discounted Rates Letter Agreement by and between Texas Gas and Customer, dated December 12, 2011 as amended (Agreement No. 31869).

If Customer agrees with the terms and conditions, please so indicate by signing the duplicate originals in the appropriate spaces provided below and returning the originals to Texas Gas.

Very Truly Yours,

TEXAS GAS TRANSMISSION, LLC

By: [Signature] ybs
8/26/14

Name: Terry L Bittel

Title: VP Power Generation

Date: 8/19/14

ACCEPTED AND AGREED TO this 19th day of August, 2014.

KENTUCKY UTILITIES COMPANY

By: [Signature]

Name: David S. Sinclair

Title: VP Energy Supply & Analysis

Signature page to Discounted Rates Letter Agreement, Agreement No. 31869, dated August 11, 2014.

Rate Schedule WNS
Agreement No.: 31869
Discounted Rates Letter Agreement dated August 11, 2014

EXHIBIT A

Primary Receipt Point(s)

All effective primary receipt point(s) listed under the Contract.

Primary Delivery Point(s)

<u>Meter Name</u>	<u>Meter No.</u>	<u>Zone</u>
Bedford #2 Ky.	1522	4

Note: At any time during the term of this Agreement, Customer may amend the primary delivery point to be either Bluegrass Generation (Meter No. 9585) or Bedford #2 (Meter No. 1522) at the WNS discounted rates stated herein.

Rate(s)

The following rates shall be applicable to any transaction utilizing (i) a Primary Receipt Point(s) or Eligible Secondary Receipt Point(s); and (ii) a Primary Delivery Point(s) or Eligible Secondary Delivery Point(s).

Demand: \$0.175 per MMBtu/day – November and March
 \$0.50 per MMBtu/day – December through February

The Discounted Daily Demand Rate is applicable on gas deliveries up to the daily contract demand on any day to the Primary and Eligible Secondary Delivery Points. On any day that Customer's deliveries exceed the Daily Contract Demand and are not Daily Overrun quantities, then Customer shall pay Texas Gas' maximum tariff demand rate for the entire contract demand for that day and Texas Gas' maximum commodity rate on all gas quantities delivered on that day. Customer will pay the discounted Overrun Rate on all Daily Overrun quantities delivered to the Primary and Eligible Secondary Delivery Points.

Commodity: Texas Gas' Zone 4 minimum WNS commodity rate per MMBtu plus applicable surcharges and fuel retention

Daily Overrun: \$0.30 per MMBtu – November and March
 \$0.54 per MMBtu – December through February

Hourly Overrun Rate: \$0.00 per MMBtu on any day 100% of volumes delivered under Customer's WNS or any other of Customer's firm agreements, excluding capacity release.

Rate Schedule WNS
Agreement No.: 31869
Discounted Rates Letter Agreement dated August 11, 2014

EXHIBIT B

Eligible Secondary Receipt Point(s)

All secondary receipt points located in Texas Gas Rate Zone(s) SI, 1, 2, 3 and 4

Eligible Secondary Delivery Point(s)

<u>Meter Name</u>	<u>Meter No.</u>	<u>Zone</u>
Bluegrass Generation	9585	4
Louisville Shipper Ded	1529	4
Cane Run Power Generation	9590	4

Rate(s)

The rates identified on Exhibit A shall be applicable to any transaction utilizing (i) a Primary Receipt Point(s) or Eligible Secondary Receipt Point(s); and (ii) a Primary Delivery Point(s) or Eligible Secondary Delivery Point(s).

Attachment 3 to Response to Question No. 29

Agreement #32809

Summer Natural Gas Deliveries to Cane Run Generating Station

Request No. 5719

Rate Schedule SNS
Agreement No.: 32809
Dated: December 10, 2012

This Agreement is entered into by and between Texas Gas Transmission, LLC, ("Texas Gas") and Kentucky Utilities Company, ("Customer").

Services under this Agreement are provided pursuant to Subpart B or Subpart G, Title 18, of the Code of Federal Regulations. Service is subject to and governed by the applicable Rate Schedule and the General Terms and Conditions of the Texas Gas FERC Gas Tariff ("Tariff") as they exist or may be modified from time to time and such are incorporated by reference. In the event the language of this Agreement conflicts with Texas Gas' then-current Tariff, the language of the Tariff will control.

Receipt and Delivery Points: Primary Receipt and Primary Delivery Points shall be listed on Exhibit "A".

Contract Demand(s):

Daily Contract Demand(s)	72,000 MMBtu/D
Nominated Daily Quantity(ies)	72,000 MMBtu/D
Unnominated Daily Quantity(ies)	72,000 MMBtu/D
Maximum Unnominated Quantity(ies)	216,000 MMBtu
Summer Quantity Entitlement(s)	13,176,000 MMBtu

Term: This Agreement shall be effective beginning the later of April 1, 2015, or the date Texas Gas' meter station connecting to Cane Run is complete and shall continue in full force and effect through October 31, 2024.

At the end of this Agreement, Customer shall be granted a contractual right of first refusal to be exercised in accordance with Texas Gas' Tariff.

At the end of such primary term, or any subsequent rollover term, this Agreement shall automatically be extended for an additional term of five years, unless either party terminates this Agreement at the end of such primary or rollover term by giving the other party at least one year advance written notice prior to the expiration of such primary or rollover term.

Rate: The rate for this Agreement shall be the maximum applicable rate (including all other applicable charges Texas Gas is authorized to charge pursuant to its Tariff) unless the parties have entered into an associated discounted or negotiated rate letter agreement.

Exhibit(s): The following Exhibit(s) are attached and made a part of this Agreement:

- Exhibit A, Primary Points
- Exhibit B, Contract Notice Address

IF YOU ARE IN AGREEMENT WITH THE FOREGOING, PLEASE INDICATE IN THE SPACE PROVIDED BELOW.

Texas Gas Transmission, LLC Signature: [Signature] Date: 12/17/2012 433
12/27/12

Name: John Haynes Title: Sr. V. P.

Kentucky Utilities Company Signature: [Signature] Date: 12/17/12

Name: David Sinclair Title: V.P. Energy Supply ? Analysis

EXHIBIT A

PRIMARY POINT(S)
RECEIPT

AGREEMENT NO.: 32809

EFFECTIVE DATE: The later of April 1, 2015, or the date Texas Gas' meter station
connecting to Cane Run is complete

Line	Receipt Point Meter No.	Receipt Point Meter Name	Zone	Daily Firm Capacity MMBtu/day	
				Winter	Summer
Mainline Pipeline	9880	ANR - Eunice	SL	0	72,000

EXHIBIT A

PRIMARY POINT(S)
DELIVERY

AGREEMENT NO.: 32809

EFFECTIVE DATE: The later of April 1, 2015, or the date Texas Gas' meter station
connecting to Cane Run is complete

Delivery Point Meter No.	Delivery Point Meter Name	Zone	*MDP (psig)
TBD	Cane Run (official Meter Name TBD)	4	550

Transportation Path:

Mainline Pipeline 1 through Mainline Pipeline at Cane Run (Sequence No. TBD)

*Minimum Delivery Pressure

EXHIBIT B

AGREEMENT NO.: 32809

EFFECTIVE DATE: The later of April 1, 2015, or the date Texas Gas' meter station
connecting to Cane Run is complete

Contract Notices:

Customer Correspondence:

Kentucky Utilities Company
220 W Main St Fl 7
Louisville, KY 40202

Texas Gas Correspondence:

Texas Gas Transmission, LLC
3800 Frederica Street
Owensboro, KY 42301

Attention: Contract Administration (Contractual matters)
 Commercial Accounting (Invoice matters)
 Customer Services (Scheduling and Allocation matters)

(270)926-8686



3800 Frederica Street
P.O. Box 20008
Owensboro, KY 42304-0008
270/926-8686

December 10, 2012

Mr. Glenn Flood
Kentucky Utilities Company
220 W Main St Fl 7
Louisville, KY 40202-1395

Re: Discounted Rates Letter Agreement to
SNS Service Agreement No. 32809 between
TEXAS GAS TRANSMISSION, LLC and
KENTUCKY UTILITIES COMPANY
dated December 10, 2012

Dear Glenn:

This Discounted Rates Letter Agreement ("Agreement") specifies additional terms and conditions applicable to the referenced Firm Service Agreement ("Contract") between Texas Gas Transmission, LLC ("Texas Gas") and Kentucky Utilities Company ("Customer"). This Agreement is subject to all applicable Federal Energy Regulatory Commission ("FERC") regulations. In the event the language of this Agreement conflicts with the Contract, the language of this Agreement will control. In the event the language of this Agreement conflicts with Texas Gas' FERC Gas Tariff currently in effect or any superseding tariff ("Tariff"), the language of the Tariff will control.

1. Texas Gas shall provide primary firm service under the Agreement from Primary Receipt Point(s) to the Primary Delivery Point(s) listed in the attached Exhibit A. The rates charged for this service also shall be set forth in Exhibit A.

(a) The Contract Demand(s) for this Agreement shall be: 72,000 MMBtu per day.

(b) In addition to the rate(s) set forth in Exhibit A, Texas Gas shall charge and Customer shall pay all other applicable charges Texas Gas is authorized to charge pursuant to its Tariff.

2. The rates in Exhibit A are applicable only for transportation service utilizing the Primary Point(s) specifically listed on Exhibit A, up to Customer's Contract Demand. The rates in Exhibit B are applicable only for transportation service utilizing the eligible secondary point(s) specifically listed on Exhibit B. If Customer utilizes any other receipt or delivery point, then the applicable maximum rate(s), including all other applicable charges Texas Gas is authorized to charge pursuant to its Tariff, shall apply unless the parties amend Exhibits A and/or B in writing, pursuant to the requirements of the Tariff and prior to nomination, to include such transportation service. If Customer or its Replacement Shipper(s) deliver gas to a point not listed on Exhibit A or B, Customer shall pay the maximum applicable rate for the quantity delivered to such point(s), up to Customer's Contract Demand.

3. This Agreement shall be effective beginning the later of April 1, 2015, or the date Texas Gas' meter station connecting to Cane Run is complete and shall continue in full force and effect through October 31, 2029.

4. All rates and services described in this Agreement are subject to the terms and conditions of Texas Gas' Tariff. Texas Gas shall have no obligation to make refunds to Customer unless the maximum rate ultimately established by the FERC for any service described herein is less than the rate paid by Customer under this Agreement. Texas Gas shall have the unilateral right to file with the appropriate regulatory authority and make

changes effective in the filed rates, charges, and services in Texas Gas' Tariff, including both the level and design of such rates, charges and services and the general terms and conditions therein.

5. Except as otherwise provided in the FERC's regulations, this Agreement may not be assigned without the express written consent of the other party. Any assignment shall be in accordance with the Tariff and FERC regulations. Such consent shall not be unreasonably withheld. Any assignment made in contravention of this paragraph shall be void at the option of the other party. If such consent is given, this Agreement shall be binding upon and inure to the benefit of the parties and their successors and assigns.

6. In the event any provision of this Agreement is held to be invalid, illegal or unenforceable by any court, regulatory agency, or tribunal of competent jurisdiction, the validity, legality, and enforceability of the remaining provisions, terms or conditions shall not in any way be affected or impaired thereby, and the term, condition, or provision which is held illegal or invalid shall be deemed modified to conform to such rule of law, but only for the period of time such order, rule, regulation, or law is in effect.

7. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED UNDER THE LAWS OF THE COMMONWEALTH OF KENTUCKY, EXCLUDING ANY PROVISION WHICH WOULD DIRECT THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION.

If Customer agrees with the terms and conditions, please so indicate by signing the duplicate originals in the appropriate spaces provided below and returning the originals to Texas Gas.

Very Truly Yours,

TEXAS GAS TRANSMISSION, LLC

405 By: [Signature] yB
12/27/12
Name: John Haynes
Title: Sr. V.P.
Date: 12/17/2012

ACCEPTED AND AGREED TO this 17th day of December, 2012

KENTUCKY UTILITIES COMPANY

[Signature] RW Bunn for David Sinclair
Name: David Sinclair
Title: VP, Energy Supply & Analysis

Signature page to Discounted Rates Letter Agreement, Agreement No. 32809, dated December 10, 2012.

Rate Schedule SNS
Agreement No.: 32809
Discounted Rates Letter Agreement dated December 10, 2012

EXHIBIT A

Primary Receipt Point(s)

All effective primary receipt point(s) listed under the Contract.

Primary Delivery Point(s)

<u>Meter Name</u>	<u>Meter No.</u>	<u>Zone</u>
Care Run (official name TBD)	TBD	4

Rate(s)

The following rates shall be applicable to any transaction utilizing (i) a Primary Receipt Point(s) or Eligible Secondary Receipt Point(s); and (ii) a Primary Delivery Point(s) or Eligible Secondary Delivery Point(s).

- Demand:** The lesser of \$0.3425 per MMBtu/day or Texas Gas' Zone 4 maximum tariff rate
- Commodity:** Texas Gas' minimum tariff rate per MMBtu plus applicable surcharges and fuel retention
- Hourly Overrun:** \$0.20 when 100% of volumes are delivered under the SNS Agreement No. 32809 or any of Customer's other firm agreements (excluding capacity release)
- Daily Overrun:** \$0.385 per MMBtu
- Qualifications:** The discounted Demand rate is applicable on gas deliveries up to the daily contract demand on any day gas is delivered to the Primary and Eligible Secondary Delivery Points. On any day that Customer's deliveries exceed the Daily Contract Demand and are not Daily Overrun Quantities, then Customer shall pay Texas Gas' maximum tariff demand rate for the entire contract demand for that day and Texas Gas' maximum commodity rate on all gas quantities delivered on that day. Customer will pay the Overrun Rate on all Daily Overrun Quantities delivered to the Primary and Eligible Secondary Delivery Points.

Rate Schedule SNS
Agreement No.: 32809
Discounted Rates Letter Agreement dated December 10, 2012

EXHIBIT B

Eligible Secondary Receipt Point(s)

All secondary receipt points located in Texas Gas Rate Zone(s) SL, 1, 2, 3 and 4

Eligible Secondary Delivery Point(s)

<u>Meter Name</u>	<u>Meter No.</u>	<u>Zone</u>
Lebanon-Texas Eastern	1859	4
Lebanon-Columbia Gas	1715	4
Lebanon-Dominion	1247	4
Louisville Shipper Ded	1529	4
Bedford #2 Ky.	1522	4

Rate(s)

The rates identified on Exhibit A shall be applicable to any transaction utilizing (i) a Primary Receipt Point(s) or Eligible Secondary Receipt Point(s); and (ii) a Primary Delivery Point(s) or Eligible Secondary Delivery Point(s).

Attachment 4 to Response to Question No. 29

Agreement #32790

Winter Natural Gas Deliveries to Cane Run Generating Station

Request No. 5708

Rate Schedule WNS
Agreement No.: 32790
Dated: December 10, 2012

This Agreement is entered into by and between Texas Gas Transmission, L.L.C. ("Texas Gas") and Kentucky Utilities Company, ("Customer").

Services under this Agreement are provided pursuant to Subpart B or Subpart G, Title 18, of the Code of Federal Regulations. Service is subject to and governed by the applicable Rate Schedule and the General Terms and Conditions of the Texas Gas FERC Gas Tariff ("Tariff") as they exist or may be modified from time to time and such are incorporated by reference. In the event the language of this Agreement conflicts with Texas Gas' then-current Tariff, the language of the Tariff will control.

Receipt and Delivery Points: Primary Receipt and Primary Delivery Points shall be listed on Exhibit "A".

Contract Demand(s):

Daily Contract Demand(s)	107,000 MMBtu/D
Nominated Daily Quantity(ies)	107,000 MMBtu/D
Unnominated Daily Quantity(ies)	53,500 MMBtu/D
Maximum Unnominated Quantity(ies)	321,000 MMBtu
Winter Quantity Entitlement(s)	16,157,000 MMBtu

Term: This Agreement shall be effective beginning the later of November 1, 2014, or the date Texas Gas' meter station connecting to Cane Run is complete and shall continue in full force and effect through March 31, 2024.

At the end of this Agreement, Customer shall be granted a contractual right of first refusal to be exercised in accordance with Texas Gas' Tariff.

At the end of such primary term, or any subsequent rollover term, this Agreement shall automatically be extended for an additional term of five years, unless either party terminates this Agreement at the end of such primary or rollover term by giving the other party at least one year advance written notice prior to the expiration of such primary or rollover term.

Rate: The rate for this Agreement shall be the maximum applicable rate (including all other applicable charges Texas Gas is authorized to charge pursuant to its Tariff) unless the parties have entered into an associated discounted or negotiated rate letter agreement.

Exhibit(s): The following Exhibit(s) are attached and made a part of this Agreement:

- Exhibit A, Primary Points
- Exhibit B, Contract Notice Address

IF YOU ARE IN AGREEMENT WITH THE FOREGOING, PLEASE INDICATE IN THE SPACE PROVIDED BELOW.

Texas Gas Transmission, LLC Signature: [Signature] Date: 12/17/2012 YB 12/27/12

Name: John Daynes Title: Sr. V.P.

Kentucky Utilities Company Signature: [Signature] Date: 12/17/12

Name: David Sinclair Title: V.P. Energy Supply Analysts

EXHIBIT A

PRIMARY POINT(S)
RECEIPT

AGREEMENT NO.: 32790

EFFECTIVE DATE: The later of November 1, 2014, or the date Texas Gas' meter station connecting to Cane Run is complete

Line	Receipt Point Meter No.	Receipt Point Meter Name	Zone	Daily Firm Capacity MMBtu/day	
				Winter	Summer
Mainline Pipeline	9880	ANR - Eunice	SL	107,000	0

EXHIBIT A

PRIMARY POINT(S)
DELIVERY

AGREEMENT NO.: 32790

EFFECTIVE DATE: The later of November 1, 2014, or the date Texas Gas' meter station connecting to Cane Run is complete

Delivery Point Meter No.	Delivery Point Meter Name	Zone	*MDP (psig)
TBD	Cane Run (official Meter Name TBD)	4	550

Transportation Path:

Mainline Pipeline 1 through Mainline Pipeline at Cane Run (Sequence No. TBD)

*Minimum Delivery Pressure

EXHIBIT B

AGREEMENT NO.: 32790

EFFECTIVE DATE: The later of November 1, 2014, or the date Texas Gas' meter station connecting to Cane Run is complete

Contract Notices:

Customer Correspondence:

Kentucky Utilities Company
220 W Main St Fl 7
Louisville, KY 40202

Texas Gas Correspondence:

Texas Gas Transmission, LLC
3800 Frederica Street
Owensboro, KY 42301

Attention: Contract Administration (Contractual matters)
Commercial Accounting (Invoice matters)
Customer Services (Scheduling and Allocation matters)

(270)928-8686

Rate Schedule ENS

Addendum to WNS Service Agreement No.: 32790

Dated: December 10, 2012

This Addendum is entered into by and between Texas Gas Transmission, LLC, ("Texas Gas") and Kentucky Utilities Company ("Customer") and amends WNS Contract No. 32790 ("Base Contract").

Services under this Addendum are provided pursuant to Subpart B or Subpart G, Title 18, of the Code of Federal Regulations. Service is subject to and governed by the applicable Rate Schedule and the General Terms and Conditions of the Texas Gas FERC Gas Tariff ("Tariff") as they exist or may be modified from time to time and such are incorporated by reference. In the event the language of this Addendum conflicts with Texas Gas' then-current Tariff, the language of the Tariff will control.

Receipt Point(s): Customer may utilize physical receipt point(s) as described in Section 5.10[1.2] of Rate Schedule ENS and as provided for in Customer's Base Contract.

Delivery Point(s): Customer may utilize Primary Delivery Point(s) as provided for in Customer's Base Contract.

Contract Demand(s): The Contract Demand(s) for this Addendum shall be as provided for in Customer's Base Contract.

Term: This Agreement shall be effective beginning the later of November 1, 2014, or the date Texas Gas' meter station connecting to Cane Run is complete and shall remain in effect until the Base Contract terminates.

Rate: In addition to any rates charged for service under Customer's Base Contract, the rate for ENS Service shall be the maximum applicable rate (including all other applicable charges Texas Gas is authorized to charge pursuant to its Tariff) unless the parties have entered into an associated discounted letter agreement.

IF YOU ARE IN AGREEMENT WITH THE FOREGOING, PLEASE INDICATE IN THE SPACE PROVIDED BELOW.

Texas Gas Transmission, LLC

Signature: [Signature]

Date: 12/17/2012

Name: John Kluyves

473
12/27/12

Kentucky Utilities Company

Signature: [Signature]

Date: 12/17/12

Name: David Sinclair



3800 Frederica Street
P.O. Box 20008
Owensboro, KY 42304-0008
270/926-8686

December 10, 2012

Mr. Glenn Flood
Kentucky Utilities Company
220 W Main St F17
Louisville, KY 40202-1395

Re: Discounted Rates Letter Agreement to
WNS Service Agreement No. 32790 between
TEXAS GAS TRANSMISSION, LLC and
KENTUCKY UTILITIES COMPANY
dated December 10, 2012

Dear Glenn:

This Discounted Rates Letter Agreement ("Agreement") specifies additional terms and conditions applicable to the referenced Firm Service Agreement ("Contract") between Texas Gas Transmission, LLC ("Texas Gas") and Kentucky Utilities Company ("Customer"). This Agreement is subject to all applicable Federal Energy Regulatory Commission ("FERC") regulations. In the event the language of this Agreement conflicts with the Contract, the language of this Agreement will control. In the event the language of this Agreement conflicts with Texas Gas' FERC Gas Tariff currently in effect or any superseding tariff ("Tariff"), the language of the Tariff will control.

1. Texas Gas shall provide primary firm service under the Agreement from Primary Receipt Point(s) to the Primary Delivery Point(s) listed in the attached Exhibit A. The rates charged for this service also shall be set forth in Exhibit A.

(a) The Contract Demand(s) for this Agreement shall be: 107,000 MMBtu per day

(b) In addition to the rate(s) set forth in Exhibit A, Texas Gas shall charge and Customer shall pay all other applicable charges Texas Gas is authorized to charge pursuant to its Tariff.

2. The rates in Exhibit A are applicable only for transportation service utilizing the Primary Point(s) specifically listed on Exhibit A, up to Customer's Contract Demand. The rates in Exhibit B are applicable only for transportation service utilizing the eligible secondary point(s) specifically listed on Exhibit B. If Customer utilizes any other receipt or delivery point, then the applicable maximum rate(s), including all other applicable charges Texas Gas is authorized to charge pursuant to its Tariff, shall apply unless the parties amend Exhibits A and/or B in writing, pursuant to the requirements of the Tariff and prior to nomination, to include such transportation service. If Customer or its Replacement Shipper(s) deliver gas to a point not listed on Exhibit A or B, Customer shall pay the maximum applicable rate for the quantity delivered to such point(s), up to Customer's Contract Demand.

3. This Agreement shall be effective beginning the later of November 1, 2014, or the date Texas Gas' meter station connecting to Cane Run is complete and shall continue in full force and effect through March 31, 2029.

4. All rates and services described in this Agreement are subject to the terms and conditions of Texas Gas' Tariff. Texas Gas shall have no obligation to make refunds to Customer unless the maximum rate ultimately established by the FERC for any service described herein is less than the rate paid by Customer under this Agreement. Texas Gas shall have the unilateral right to file with the appropriate regulatory authority and make

changes effective in the filed rates, charges, and services in Texas Gas' Tariff, including both the level and design of such rates, charges and services and the general terms and conditions therein.

5. Except as otherwise provided in the FERC's regulations, this Agreement may not be assigned without the express written consent of the other party. Any assignment shall be in accordance with the Tariff and FERC regulations. Such consent shall not be unreasonably withheld. Any assignment made in contravention of this paragraph shall be void at the option of the other party. If such consent is given, this Agreement shall be binding upon and inure to the benefit of the parties and their successors and assigns.

6. In the event any provision of this Agreement is held to be invalid, illegal or unenforceable by any court, regulatory agency, or tribunal of competent jurisdiction, the validity, legality, and enforceability of the remaining provisions, terms or conditions shall not in any way be affected or impaired thereby, and the term, condition, or provision which is held illegal or invalid shall be deemed modified to conform to such rule of law, but only for the period of time such order, rule, regulation, or law is in effect.

7. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED UNDER THE LAWS OF THE COMMONWEALTH OF KENTUCKY, EXCLUDING ANY PROVISION WHICH WOULD DIRECT THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION.

If Customer agrees with the terms and conditions, please so indicate by signing the duplicate originals in the appropriate spaces provided below and returning the originals to Texas Gas.

Very Truly Yours,

TEXAS GAS TRANSMISSION, LLC

By: [Signature] 433
12/27/12

Name: John Laynes

Title: Sr. V.P.

Date: 12/17/2012

ACCEPTED AND AGREED TO this 17th day of December, 2012.

KENTUCKY UTILITIES COMPANY

[Signature] for David Sinclair

Name: David Sinclair

Title: V.P. Energy Supply & Analysis

Signature page to Discounted Rates Letter Agreement, Agreement No. 32790, dated December 10, 2012.

Rate Schedule WNS
Agreement No.: 32790
Discounted Rates Letter Agreement dated December 10, 2012

EXHIBIT A

Primary Receipt Point(s)

All effective primary receipt point(s) listed under the Contract.

Primary Delivery Point(s)

<u>Meter Name</u>	<u>Meter No.</u>	<u>Zone</u>
Cane Run (official name TBD)	TBD	4

Rate(s)

The following rates shall be applicable to any transaction utilizing (i) a Primary Receipt Point(s) or Eligible Secondary Receipt Point(s); and (ii) a Primary Delivery Point(s) or Eligible Secondary Delivery Point(s).

Demand:	The lesser of \$0.375 per MMBtu/day or Texas Gas' Zone 4 maximum tariff rate
Commodity:	Texas Gas' Zone 4 minimum tariff rate per MMBtu plus applicable surcharges and fuel retention
Hourly Overrun:	\$0.00 when 100% of volumes for a gas day are delivered under the WNS Agreement No. 32790 or any of Customer's other firm agreements (excluding capacity release)
Daily Overrun:	\$0.405 per MMBtu
Qualifications:	The discounted Demand rate is applicable on gas deliveries up to the daily contract demand on any day gas is delivered to the Primary and Eligible Secondary Delivery points. On any day that Customer's deliveries exceed the Daily Contract Demand and are not Daily Overrun Quantities, then Customer shall pay Texas Gas' Zone 4 maximum tariff demand rate for the entire contract demand for that day and Texas Gas' maximum tariff commodity rate on all gas quantities delivered on that day. Customer will pay the Overrun Rate on all Daily Overrun Quantities delivered to the Primary and Eligible Secondary Delivery Points.

Rate Schedule WNS
 Agreement No.: 32790
 Discounted Rates Letter Agreement dated December 10, 2012

EXHIBIT B

Eligible Secondary Receipt Point(s)

All secondary receipt points located in Texas Gas Rate Zone(s) SL, 1, 2, 3 and 4

Eligible Secondary Delivery Point(s)

<u>Meter Name</u>	<u>Meter No.</u>	<u>Zone</u>
Lebanon-Texas Eastern	1859	4
Lebanon-Columbia Gas	1715	4
Lebanon-Dominion	1247	4
Louisville Shipper Ded	1529	4
Bedford #2 Ky.	1522	4

Rate(s)

The rates identified on Exhibit A shall be applicable to any transaction utilizing (i) a Primary Receipt Point(s) or Eligible Secondary Receipt Point(s); and (ii) a Primary Delivery Point(s) or Eligible Secondary Delivery Point(s).



3800 Frederica Street
 P.O. Box 20008
 Owensboro, KY 42304-0008
 270/926-8686

December 10, 2012

Mr. Glenn Flood
 Kentucky Utilities Company
 220 W Main St F17
 Louisville, KY 40202-1395

Re: Discounted Rates Letter Agreement to ENS
 Addendum to WNS Service Agreement No. 32790
 ("Base Contract") between TEXAS GAS TRANSMISSION, LLC
 and KENTUCKY UTILITIES COMPANY dated December 10, 2012

Dear Glenn:

This Discounted Rates Letter Agreement ("Agreement") specifies additional terms and conditions applicable to the referenced ENS Addendum ("Addendum") between Texas Gas Transmission, LLC ("Texas Gas") and Kentucky Utilities Company ("Customer"). This Agreement is subject to all applicable Federal Energy Regulatory Commission ("FERC") regulations. In the event the language of this Agreement conflicts with the Addendum, the language of the Agreement will control. In the event the language of this Agreement conflicts with Texas Gas' FERC Gas Tariff currently in effect or any superseding tariff ("Tariff"), the language of the Tariff will control.

1. Texas Gas shall provide firm service under the Agreement to the Primary Delivery Point(s) listed in the attached Exhibit A. The rates charged for this service also shall be set forth in Exhibit A. In addition to the rate(s) set forth in Exhibit A, Texas Gas shall charge and Customer shall pay all other applicable charges Texas Gas is authorized to charge pursuant to its Tariff.

2. The rates in Exhibit A are applicable only for transportation service utilizing the Primary Delivery Point(s) specifically listed on Exhibit A, up to Customer's Nominated Daily Quantity as provided for in Customer's Base Contract.

3. This Agreement shall be effective beginning the later of November 1, 2014, or the date Texas Gas' meter station connecting to Cane Run is complete and shall continue in full force and effect through March 31, 2029.

4. All rates and services described in this Agreement are subject to the terms and conditions of Texas Gas' Tariff. Texas Gas shall have no obligation to make refunds to Customer unless the maximum rate ultimately established by the FERC for any service described herein is less than the rate paid by Customer under this Agreement. Texas Gas shall have the unilateral right to file with the appropriate regulatory authority and make changes effective in the filed rates, charges, and services in Texas Gas' Tariff, including both the level and design of such rates, charges and services and the general terms and conditions therein.

5. Except as otherwise provided in the FERC's regulations, this Agreement may not be assigned without the express written consent of the other party. Any assignment shall be in accordance with the Tariff and FERC regulations. Such consent shall not be unreasonably withheld. Any assignment made in contravention of this paragraph shall be void at the option of the other party. If such consent is given, this Agreement shall be binding upon and inure to the benefit of the parties and their successors and assigns.

6. In the event any provision of this Agreement is held to be invalid, illegal or unenforceable by any court, regulatory agency, or tribunal of competent jurisdiction, the validity, legality, and enforceability of the remaining provisions, terms or conditions shall not in any way be affected or impaired thereby, and the term, condition, or provision

which is held illegal or invalid shall be deemed modified to conform to such rule of law, but only for the period of time such order, rule, regulation, or law is in effect.

7. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED UNDER THE LAWS OF THE COMMONWEALTH OF KENTUCKY, EXCLUDING ANY PROVISION WHICH WOULD DIRECT THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION.

If Customer agrees with the terms and conditions, please so indicate by signing the duplicate originals in the appropriate spaces provided below and returning the originals to Texas Gas.

Very Truly Yours,

TEXAS GAS TRANSMISSION, LLC

By: [Signature] 20
12/27/12
Name: John Haynes
Title: Sr. V.P.
Date: 12-17-12

Accepted and agreed to this 17th day of December, 2012.

KENTUCKY UTILITIES COMPANY

[Signature] RW Bunn for David Sinclair
Name: David Sinclair
Title: V.P. Energy Supply & Analysis

EXHIBIT A

Primary Delivery Point(s)
To Discounted Rates Letter Agreement to ENS Addendum dated December 10, 2012
Agreement No. 32790

<u>Meter Number</u>	<u>Delivery Point Name</u>	<u>Zone</u>	<u>Demand Rate</u>	<u>Commodity Rate</u>
TBD	Cane Run (official Meter name TBD)	4	\$0.00 per MMBtu/d	\$0.00 per MMBtu

Attachment 5 to Response to Question No. 29

Agreement #32805

Summer Short Term Firm Natural Gas Deliveries to Cane Run Generating Station

Request No. 5718

Rate Schedule STF
Agreement No.: 32805
Dated: December 10, 2012

This Agreement is entered into by and between Texas Gas Transmission, LLC, ("Texas Gas") and Kentucky Utilities Company, ("Customer").

Services under this Agreement are provided pursuant to Subpart B or Subpart O, Title 18, of the Code of Federal Regulations. Service is subject to and governed by the applicable Rate Schedule and the General Terms and Conditions of the Texas Gas FERC Gas Tariff ("Tariff") as they exist or may be modified from time to time and such are incorporated by reference. In the event the language of this Agreement conflicts with Texas Gas' then-current Tariff, the language of the Tariff will control.

Receipt and Delivery Points: Primary Receipt and Primary Delivery Points shall be listed on Exhibit "A".

Contract Demand(s): 34,000 MMBtu/day – each Summer Season (April 1 through October 31)

Term: This Agreement shall be effective beginning the later of April 1, 2015, or the date Texas Gas' meter station connecting to Cane Run is complete and shall continue in full force and effect through October 31, 2019.

At the end of this Agreement, Customer shall be granted a contractual right of first refusal to be exercised in accordance with Texas Gas' Tariff.

At the end of such primary term, or any subsequent rollover term, this Agreement shall automatically be extended for an additional term of five years, unless either party terminates this Agreement at the end of such primary or rollover term by giving the other party at least one year advance written notice prior to the expiration of such primary or rollover term.

Rate: The rate for this Agreement shall be the maximum applicable rate (including all other applicable charges Texas Gas is authorized to charge pursuant to its Tariff) unless the parties have entered into an associated discounted or negotiated rate letter agreement.

Exhibit(s): The following Exhibit(s) are attached and made a part of this Agreement:

- Exhibit A, Primary Points
- Exhibit B, Contract Notice Address

IF YOU ARE IN AGREEMENT WITH THE FOREGOING, PLEASE INDICATE IN THE SPACE PROVIDED BELOW.

Texas Gas Transmission, LLC Signature: [Signature] Date: 12/17/2012 ^{HB} 12/27/12

Name: John Haynes Title: Sr. V.P.

Kentucky Utilities Company Signature: [Signature] for David Sinclair Date: 12/17/12

Name: David Sinclair Title: V.P. Energy Supply Analysis

EXHIBIT A

PRIMARY POINT(S)
RECEIPT

AGREEMENT NO.: 32805

EFFECTIVE DATE: The later of April 1, 2015, or the date Texas Gas' meter station
connecting to Cane Run is complete

Line	Receipt Point Meter No.	Receipt Point Meter Name	Zone	Daily Firm Capacity MMBtu/day	
				Winter	Summer
Mainline Pipeline	9880	ANR - Eurice	SL	0	34,000

EXHIBIT A

PRIMARY POINT(S)
DELIVERY

AGREEMENT NO.: 32805

EFFECTIVE DATE: The later of April 1, 2015, of the date Texas Gas' meter station
connecting to Cane Run is complete

Delivery Point Meter No.	Delivery Point Meter Name	Zone	*MDP (psig)
TBD	Cane Run (official Meter Name TBD)	4	550

Transportation Path:

Mainline Pipeline 1 through Mainline Pipeline at Cane Run (Sequence No. TBD)

*Minimum Delivery Pressure

EXHIBIT B

AGREEMENT NO.: 32805

EFFECTIVE DATE: The later of April 1, 2015, or the date Texas Gas' meter station connecting to Cane Run is complete

Contract Notices:

Customer Correspondence:

Kentucky Utilities Company
220 W Main St Fl 7
Louisville, KY 40202

Texas Gas Correspondence:

Texas Gas Transmission, LLC
3800 Frederica Street
Owensboro, KY 42301

Attention: Contract Administration (Contractual matters)
 Commercial Accounting (Invoice matters)
 Customer Services (Scheduling and Allocation matters)

(70)926-8686



3800 Frederica Street
 P.O. Box 20008
 Owensboro, KY 42304-0008
 270/926-8686

December 10, 2012

Mr. Glenn Flood
 Kentucky Utilities Company
 220 W Main St Fl 7
 Louisville, KY 40202-1395

Re: Discounted Rates Letter Agreement to
 STF Service Agreement No. 32805 between
 TEXAS GAS TRANSMISSION, LLC and
 KENTUCKY UTILITIES COMPANY
 dated December 10, 2012

Dear Glenn:

This Discounted Rates Letter Agreement ("Agreement") specifies additional terms and conditions applicable to the referenced Firm Service Agreement ("Contract") between Texas Gas Transmission, LLC ("Texas Gas") and Kentucky Utilities Company ("Customer"). This Agreement is subject to all applicable Federal Energy Regulatory Commission ("FERC") regulations. In the event the language of this Agreement conflicts with the Contract, the language of this Agreement will control. In the event the language of this Agreement conflicts with Texas Gas' FERC Gas Tariff currently in effect or any superseding tariff ("Tariff"), the language of the Tariff will control.

1. Texas Gas shall provide primary firm service under the Agreement from Primary Receipt Point(s) to the Primary Delivery Point(s) listed in the attached Exhibit A. The rates charged for this service also shall be set forth in Exhibit A.

- (a) The Contract Demand(s) for this Agreement shall be:
 34,000 MMBtu per day – each Summer Season (April 1 through October 31)
- (b) In addition to the rate(s) set forth in Exhibit A, Texas Gas shall charge and Customer shall pay all other applicable charges Texas Gas is authorized to charge pursuant to its Tariff.

2. The rates in Exhibit A are applicable only for transportation service utilizing the Primary Point(s) specifically listed on Exhibit A, up to Customer's Contract Demand. The rates in Exhibit B are applicable only for transportation service utilizing the eligible secondary point(s) specifically listed on Exhibit B. If Customer utilizes any other receipt or delivery point, then the applicable maximum rate(s), including all other applicable charges Texas Gas is authorized to charge pursuant to its Tariff, shall apply unless the parties amend Exhibits A and/or B in writing, pursuant to the requirements of the Tariff and prior to nomination, to include such transportation service. If Customer or its Replacement Shipper(s) deliver gas to a point not listed on Exhibit A or B, Customer shall pay the maximum applicable rate for the quantity delivered to such point(s), up to Customer's Contract Demand.

3. This Agreement shall be effective beginning the later of April 1, 2015, or the date Texas Gas' meter station connecting to Cane Run is complete and shall continue in full force and effect through October 31, 2024.

4. All rates and services described in this Agreement are subject to the terms and conditions of Texas Gas' Tariff. Texas Gas shall have no obligation to make refunds to Customer unless the maximum rate ultimately

established by the FERC for any service described herein is less than the rate paid by Customer under this Agreement. Texas Gas shall have the unilateral right to file with the appropriate regulatory authority and make changes effective in the filed rates, charges, and services in Texas Gas' Tariff, including both the level and design of such rates, charges and services and the general terms and conditions therein.

5. Except as otherwise provided in the FERC's regulations, this Agreement may not be assigned without the express written consent of the other party. Any assignment shall be in accordance with the Tariff and FERC regulations. Such consent shall not be unreasonably withheld. Any assignment made in contravention of this paragraph shall be void at the option of the other party. If such consent is given, this Agreement shall be binding upon and inure to the benefit of the parties and their successors and assigns.

6. In the event any provision of this Agreement is held to be invalid, illegal or unenforceable by any court, regulatory agency, or tribunal of competent jurisdiction, the validity, legality, and enforceability of the remaining provisions, terms or conditions shall not in any way be affected or impaired thereby, and the term, condition, or provision which is held illegal or invalid shall be deemed modified to conform to such rule of law, but only for the period of time such order, rule, regulation, or law is in effect.

7. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED UNDER THE LAWS OF THE COMMONWEALTH OF KENTUCKY, EXCLUDING ANY PROVISION WHICH WOULD DIRECT THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION.

If Customer agrees with the terms and conditions, please so indicate by signing the duplicate originals in the appropriate spaces provided below and returning the originals to Texas Gas.

Very Truly Yours,

TEXAS GAS TRANSMISSION, LLC

By: [Signature]
Name: John Haynes
Title: Sr. V.P.
Date: 12/17/12

YB
12/27/12

ACCEPTED AND AGREED TO this 17th day of December, 2012.

KENTUCKY UTILITIES COMPANY

By: [Signature] Sr. David Sinclair
Name: David Sinclair
Title: V.P. Energy Supply & Analysis

Rate Schedule STF
 Agreement No.: 32805
 Discounted Rates Letter Agreement dated December 10, 2012

EXHIBIT A

Primary Receipt Point(s)

All effective primary receipt point(s) listed under the Contract.

Primary Delivery Point(s)

<u>Meter Name</u>	<u>Meter No.</u>	<u>Zone</u>
Cane Run (official name TBD)	TBD	4

Rate(s)

The following rates shall be applicable to any transaction utilizing (i) a Primary Receipt Point(s) or Eligible Secondary Receipt Point(s); and (ii) a Primary Delivery Point(s) or Eligible Secondary Delivery Point(s).

- Demand:** The lesser of \$0.19 per MMBtu/day or Texas Gas' SL-4 maximum tariff rate
- Commodity:** Texas Gas' minimum FT tariff rate per MMBtu when delivering to Cane Run plus applicable surcharges and fuel retention, otherwise Texas Gas' maximum tariff rate.
- Daily Overrun:** \$0.245 per MMBtu
- Qualifications:** The discounted Demand rate is applicable on gas deliveries up to the daily contract demand on any day gas is delivered to the Primary delivery point. On any day that Customer's deliveries exceed the Daily Contract Demand and are not Daily Overrun Quantities, then Customer shall pay Texas Gas' maximum tariff demand rate for the entire contract demand for that day and Texas Gas' maximum commodity rate on all gas quantities delivered on that day. Customer will pay the Overrun Rate on all Daily Overrun Quantities delivered to the Primary Delivery point.

Rate Schedule STF
Agreement No.: 32805
Discounted Rates Letter Agreement dated December 10, 2012

EXHIBIT B

Eligible Secondary Receipt Point(s)

All secondary receipt points located in Texas Gas Rate Zone(s) SL, 1, 2, 3 and 4

Eligible Secondary Delivery Point(s)

<u>Meter Name</u>	<u>Meter No.</u>	<u>Zone</u>
None	N/A	N/A

Rate(s)

The rates identified on Exhibit A shall be applicable to any transaction utilizing (i) a Primary Receipt Point(s) or Eligible Secondary Receipt Point(s); and (ii) a Primary Delivery Point(s) or Eligible Secondary Delivery Point(s).

LOUISVILLE GAS AND ELECTRIC COMPANY

**Response to Information Requested in Appendix of
Commission's Order Dated August 13, 2014**

Case No. 2014-00228

Question No. 30

Witness: Mike Dotson

Q-30. For each generating station:

- a. State how often coal-pile surveys are undertaken;
- b. Explain how any resulting adjustment affects fuel costs in the calculation of the FAC;
- c. Provide the costs of performing a coal-pile survey at each of the generating stations and explain how the costs are accounted for; and
- d. Provide a copy of all internal accounting policies related to coal-pile survey adjustments and the date the policies were last revised.

A-30. a. The annual coal stockpile survey is normally done during the 1st week of August.

b. Any inventory adjustment is made to current inventory volume and is adjusted to account 151 inventory. The adjusted volume becomes part of a new current weighted cost and the impact of the physical inventory adjustment to the FAC is prospective as the new weighted cost of inventory on hand is applied to inventory as is it is used.

c. The cost of performing the 2013 coal pile survey is as follows:

Cane Run	\$9,656.00
Mill Creek	\$10,702.00
Trimble County	\$13,350.00

These costs are recorded as fuel handling expense and are not included in the costs recovered through the FAC.

d. A copy of LG&E and KU Energy LLC Accounting Policy and Procedures 954 – Coal Inventory Valuation, dated 10/4/11, is attached.

LG&E and KU Energy LLC Accounting Policy and Procedures

Date: 10/4/11

Page 1 of 4

954 - Coal Inventory Valuation**Policy:**

To ensure the correct valuation of the MMBTU content and dollars of coal burned.

Procedure:

Louisville Gas and Electric Company ("LG&E") and Kentucky Utilities Company ("KU") calculate a daily weighted average inventory cost per MMBTU and use this cost to calculate daily burn expense.

Scope:

This policy applies to coal burned by LG&E and KU.

Objective of Procedure:

To accurately account for the value of fuel stock inventories, as well as the calculation of monthly coal burn expense.

General Requirements:***Detailed Procedures Performed:***

Fuelworx ("FWX") is the fuel supply management system that tracks receipts, consumption and inventory values for LG&E and KU.

Monthly coal inventory valuation

1. Beginning inventory plus daily purchases equals a new daily subtotal (i.e. tons, dollars, weighted average cost/ton, MMBTUs, and weighted average \$/MMBTU).
2. The plants determine the number of tons burned on a daily basis. The MMBTUs associated with these tons are multiplied by the subtotal weighted average \$/MMBTU to determine the daily burn dollars. All of the daily amounts are then added together to determine total burn expense for the month.
3. The burn tons, dollars, and MMBTUs are then subtracted from the subtotal established in step 1 to determine a new ending inventory value, which becomes either the next day's or next month's beginning inventory (i.e. storage pile).

LG&E and KU Energy LLC Accounting Policy and Procedures

Date: 10/4/11

Page 2 of 4

954 - Coal Inventory ValuationAnnual coal inventory valuation

1. Physical inventory is formally requested of the VP, Power Production, by the Director, Accounting and Regulatory Reporting, to take place during August so adjustments can be recorded no later than September.
2. Normally during 1st week of August, the annual coal stockpile survey is performed by an independent surveyor to determine an accurate physical measurement of coal in the LG&E and KU power plant stockpiles and the data is provided to the Corporate Fuels department. This process requires the drilling of the stockpiles, coal density determination, aerial photography, stockpile mapping and skilled interpretation and compilation of this data to determine the tons of coal in-place.
3. Corporate Fuels takes the information from the physical inventory count, then takes into account the following to get an actual inventory as of the end of July:
 - a. Coal burn from end of July to when the physical inventory was taken at each site.
 - b. Deliveries of Coal/Limestone.
 - c. Amounts within the bunkers & bins on site.
4. The project manager (Senior Mining Engineer) performs a reconciliation of the physical survey to the accounting book inventory. The physical survey is adjusted backward to the end of the previous month or forward to the end of the current month, whichever is closer. Burn and delivery adjustments are made based on plant readings on the day of the flight and daily deliveries and burn before or after the flight. Bin and bunker tonnages taken at the time of the flight are added to the physical inventory. A comparison of the accounting book inventory and the adjusted physical inventory is made to determine the inventory book adjustment. This reconciliation is reviewed and verified by the Manager, Fuels Accounting.
5. Compare the tonnage variances by Coal/Limestone type and location to the total annual Coal/Limestone burn and complete overall analysis.
6. Adjustments to the inventory volume balance are recorded based on the results of the physical inventory. As the FERC Uniform System of Accounts guidance for account 151 Fuel Stock specifies that the account shall include the book cost of fuel on hand and of limestone, respectively, the physical inventory observation adjustment is made to current inventory volumes on hand. The adjusted volume becomes part of a new, current weighted cost. The KPSC Fuel Adjustment Clause (FAC) rules in 807 KAR 5:056, Section 1, specify that all fuel costs shall be based on weighted average inventory costing and that they be based on the most recent actual monthly cost. No specific guidance is provided for physical inventory adjustments. Since the adjustment to volumes results in a new weighted cost, the impact of the physical inventory adjustment to the FAC is prospective as the new weighted cost of inventory on hand is applied to inventory as it is used. The impact of the physical inventory adjustment is generally recorded through fuel expense within the next three months, due to normal inventory turn.

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954 - Coal Inventory Valuation***Reports Generated and Recipients:***

Corporate Fuels produces the following FWX reports for LG&E and KU on the third day of closing, and distributes them to individuals in Corporate Fuels, Regulatory Accounting and Reporting and the plants:

1. Fuel Receipts Summary
2. Fuel Consumption
3. Fuel Inventory Rollforward Summary

Corporate Fuels produces the following FWX report for LG&E and KU and distributes to individuals from State Regulation and Rates:

1. Analysis of Coal Purchased for Fuel Clause Backup

Regulatory Accounting and Reporting generates the following reports to be provided to State Regulation and Rates:

- Form A Filing Data (includes monthly fuel expenses and generation, purchase and sale statistics)
- Form B Filing Data (includes unit statistics)
- Fuel Inventory Schedules
- Analysis of Other Fuel Purchases

Additional Controls or Responsibility Provided by Other Procedures:

None

Regulatory Requirements:

- Kentucky Public Service Commission Fuel Adjustment Clause mechanism
- Virginia State Corporation Commission Levelized Fuel Factor mechanism

Reference:

- FASB Accounting Standards Codification ("ASC") 330 – *Inventory*
- Title 18, Part 101 of the Code of Federal Regulation, *Uniform System of Accounts Prescribed for Public Utilities and Licensees Subject to the Provisions of the Federal Power Act*

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Corresponding PPL Policy No. and Name:

N/A

Key Contact:

Manager, Regulatory Accounting and Reporting

Administrative Responsibility:

Director, Accounting and Regulatory Reporting

Date Created: 6/21/05

Date Revised: 12/31/07, 7/8/10, 10/4/11