

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

In the Matter of:

AN EXAMINATION OF THE APPLICATION)	
OF THE FUEL ADJUSTMENT CLAUSE OF)	CASE NO.
KENTUCKY UTILITIES COMPANY FROM)	2016-00003
MAY 1, 2015 THROUGH OCTOBER 31, 2015)	

**RESPONSE OF
KENTUCKY UTILITIES COMPANY
TO
INFORMATION REQUESTED IN
APPENDIX OF COMMISSION'S ORDER
DATED FEBRUARY 5, 2016**

FILED: FEBRUARY 19, 2016

VERIFICATION


COMMONWEALTH OF KENTUCKY)
) SS:
COUNTY OF JEFFERSON)

The undersigned, **Bob Brunner**, being duly sworn, deposes and says that he is Director — Power Supply 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.



Bob Brunner

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 19th day of February 2016.

 (SEAL)

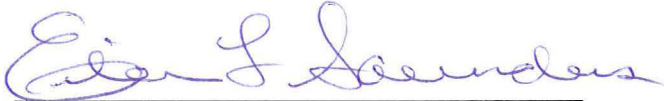
Notary Public

My Commission Expires:
JUDY SCHOOLER
Notary Public, State at Large, KY
My commission expires July 11, 2018
Notary ID # 512743

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 19th day of February 2016.


Judy Schooler (SEAL)

Notary Public

My Commission Expires:
JUDY SCHOOLER
Notary Public, State at Large, KY
My commission expires July 11, 2018
Notary ID # 512743

KENTUCKY UTILITIES COMPANY

**Response to Information Requested in Appendix of
Commission's Order Dated February 5, 2016**

Case No. 2016-00003

Question No. 1

Witness: Mike Dotson

- Q-1. For the period from May 1, 2015, through October 31, 2015, 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. See attached sheet. The contracts have been filed with the Commission.

Attachment to Question No. 1
Page 1 of 1
Dotson

<u>VENDOR</u>	<u>PURCHASE TONNAGE</u>	<u>TYPE</u>
Alliance Coal LLC - J09002	320,794	Contract
Alliance Coal LLC - J13004B	6,241	Contract
Alliance Coal LLC - J14011B	139,214	Contract
Arch Coal Sales Company Inc. - J14038	312,204	Contract
Arch Coal Sales Company Inc. - J15003	39,359	Spot
Armstrong Coal Company - J07032	393,737	Contract
Armstrong Coal Company - J12004	318,845	Contract
Armstrong Coal Company - J14004	488,338	Contract
Armstrong Coal Company - J14010	39,971	Contract
Armstrong Coal Company - J14040	49,804	Spot
Bowie Refined Coal LLC - K14037	55,357	Contract
COALSALES LLC - J12011	434,858	Contract
COALSALES LLC - J15028	80,240	Spot
Foresight Coal Sales LLC - J12005	195,461	Contract
Rhino Energy LLC - J14001	313,098	Contract
River Trading Company - J15004	22,490	Spot
Thoroughfare Mining LLC - J15022	42,711	Spot
Triad Mining LLC - J12009B	76,862	Contract
Triad Mining LLC - J15002	264,260	Contract
Western Ky. Minerals - J15027	3,205	Spot
White Oak Resources LLC - J14003	112,935	Contract
White Oak Resources LLC - J15023	110,651	Spot
	<u>3,820,636</u>	
	3,472,176	91% Contract
	<u>348,460</u>	9% Spot
	3,820,636	

KENTUCKY UTILITIES COMPANY

**Response to Information Requested in Appendix of
Commission's Order Dated February 5, 2016**

Case No. 2016-00003

Question No. 2

Witness: Bob Brunner

Q-2. For the period from May 1, 2015, through October 31, 2015, 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. During the period under review, natural gas purchases (other than purchases made pursuant to the Special Contract referenced below) were 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 April 9, 2014 and effective September 1, 2014, 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 filed with the Kentucky Public Service Commission on June 12, 2014.

KU and LG&E have joint ownership in the following simple-cycle combustion turbines and combined-cycle combustion turbine:

Station	Units	KU Ownership	LG&E Ownership
Simple Cycle Units			
Trimble County	5 and 6	71%	29%
Trimble County	7, 8, 9 and 10	63%	37%
Brown	5	47%	53%
Paddy's Run	13	47%	53%
Brown	6 and 7	62%	38%
Combined Cycle Unit			
Cane Run	7	78%	22%

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

LG&E / KU Natural Gas Purchases 5/1/2015 - 10/31/2015

ANADARKO TRADING	30,300	Spot
ATMOS ENERGY	79,200	Spot
BG ENERGY MERCHANTS	4,221,100	Spot
BP ENERGY CO	4,872,442	Spot
CARGILL INC	7,800	Spot
CIMA ENERGY	778,900	Spot
COL GAS KY	2,657	Spot*
COLONIAL ENERGY	161,345	Spot
CONOCO PHILLIPS	229,000	Spot
DIRECT ENERGY BUS MKT	94,000	Spot
DTE ENERGY	941,473	Spot
EDF TRADING NA	220,200	Spot
EXELON GEN	323,900	Spot
JARON & CO	54,100	Spot
LACLEDE ENERGY	797,364	Spot
LGE-GAS SUPPLY	157,427	Special Contract*
MACQUARIE COOK	514,700	Spot
MERCURIA GAS	234,300	Spot
NEXTERA	10,000	Spot
NJR ENERGY SVC	116,000	Spot
SEQUENT ENERGY	1,518,600	Spot
SHELL ENERGY NA	1,720,760	Spot
SPARK ENERGY	148,306	Spot
SW ENERGY	90,000	Spot
TENASKA MKTG	5,347,480	Spot
TVA	13,500	Spot
TWIN EAGLE RESOURCE	14,900	Spot
UNITED ENERGY	800	Spot
Grand Total	<u>22,700,554</u>	

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

KENTUCKY UTILITIES COMPANY

**Response to Information Requested in Appendix of
Commission's Order Dated February 5, 2016**

Case No. 2016-00003

Question No. 3

Witness: Bob Brunner / Mike Dotson

Q-3. State whether KU engages in hedging activities for its coal or natural gas purchases used for generation. If yes, describe the hedging activities in detail.

A-3. KU does not engage in financial hedging activities for its coal or natural gas purchases.

KU does use physical hedging in contracting for coal. KU uses the following guidelines for the purchase under contract of 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%

KU has not engaged in physical hedging in contracting for natural gas purchases during the period under review. However, with the commercial operation of Cane Run 7, a natural gas combined-cycle unit, KU has developed a fuel procurement strategy that may include physical hedging for natural gas. KU has established the following guidelines for the purchase of natural gas under contract for the minimum projected Cane Run 7 requirement:

1 year out	10 – 50%
2 years out	0 – 30%
3 years out	0 – 10%

KENTUCKY UTILITIES COMPANY

**Response to Information Requested in Appendix of
Commission's Order Dated February 5, 2016**

Case No. 2016-00003

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 May 1, 2015, through October 31, 2015, 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 May 1, 2015 to October 31, 2015 is shown in the table below:

Plant	Coal Burn (Tons)	Coal Receipts (Tons)	Net MWh	Capacity Factor (Net MWh)/ (period hrs x MW rating)
E. W. Brown	531,626	573,511	1,049,446	34.8%
Ghent	2,824,675	2,853,611	5,893,609	69.5%
Green River	165,529	81,311	317,039	53.6%
Trimble County HS	N/A	1,853,673	N/A	N/A
Trimble County PRB	N/A	312,204	N/A	N/A
Trimble County 2	1,239,538	N/A	2,890,778	89.4%

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.

3 – Capacity factor calculations for Green River Units 3 and 4 include operating hours from May 1, 2015 through September 30, 2015.

KENTUCKY UTILITIES COMPANY

**Response to Information Requested in Appendix of
Commission's Order Dated February 5, 2016**

Case No. 2016-00003

Question No. 5

Witness: Charles R. Schram

Q-5. List all firm power commitments for KU from May 1, 2015, through October 31, 2015, or (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. KU purchased its participation ratio (2.5%) of the OVEC released capacity for the months in question:

<u>Utility</u>	<u>Companies' Amt (MW)</u>	<u>KU Portion (MW)</u>	<u>Purpose</u>
OVEC (May 2015)	~ 98	~ 30	Baseload
OVEC (Jun 2015)	~ 154	~ 47	Baseload
OVEC (Jul 2015)	~ 152	~ 47	Baseload
OVEC (Aug 2015)	~ 152	~ 47	Baseload
OVEC (Sep 2015)	~ 153	~ 47	Baseload
OVEC (Oct 2015)	~ 123	~ 38	Baseload

b. Firm Sales

None.

KENTUCKY UTILITIES COMPANY

**Response to Information Requested in Appendix of
Commission's Order Dated February 5, 2016**

Case No. 2016-00003

Question No. 6

Witness: Derek Rahn

Q-6. Provide a monthly billing summary of sales to all electric utilities for the period May 1, 2015, through October 31, 2015.

A-6. See attached.



Month Ended: May-31-2015

Kentucky Utilities Company

Power Transaction Schedule

Company	Type of Transaction	KWH	Billing Components			Total Charges(\$)	
			Demand(\$)	Fuel Charges(\$)	Other Charges(\$)		
AMERICAN ELECTRIC POWER SERVICE CORP.	AEP	Economy	1,033,000	\$ 28,335.83	\$ 14,412.33	\$ 42,748.16	
CARGILL- ALLIANT, LLC	CARG	Economy	1,072,000	\$ 31,073.24	\$ 15,804.65	\$ 46,877.89	
ILLINOIS MUNICIPAL ELECTRIC AGENCY	IMEA	Economy	153,000	\$ 8,130.30	\$ 4,135.28	\$ 12,265.58	
INDIANA MUNICIPAL POWER AGENCY	IMPA	Economy	399,000	\$ 15,377.29	\$ 7,821.29	\$ 23,198.58	
ENERGY IMBALANCE	IMBL	Economy	185,000	\$ 5,020.20	\$ 2,553.40	\$ 7,573.60	
MIDWEST INDEPENDENT TRANSMISSION SYSTEM OPERATOR, I	MISO	Economy	948,000	\$ 26,569.44	\$ 13,513.89	\$ 40,083.33	
PJM INTERCONNECTION ASSOCIATION	PJM	Economy	4,563,000	\$ 130,827.85	\$ 66,542.44	\$ 197,370.29	
THE ENERGY AUTHORITY	TEA	Economy	58,000	\$ 1,532.04	\$ 779.24	\$ 2,311.28	
TENNESSEE VALLEY AUTHORITY	TVA	Economy	1,040,000	\$ 27,593.50	\$ 14,034.76	\$ 41,628.26	
WESTAR ENERGY, INC.	WSTR	Economy	492,000	\$ 16,463.63	\$ 8,373.82	\$ 24,837.45	
LOUISVILLE GAS & ELECTRIC	LGE	Economy	51,754,000	\$ 1,371,059.01	\$ 21,428.92	\$ 1,392,487.93	
Total Sales			61,697,000	\$ -	\$ 1,661,982.33	\$ 169,400.02	\$ 1,831,382.35

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



Month Ended: June-30-2015

Kentucky Utilities Company

Power Transaction Schedule

Company	Type of Transaction	KWH	Billing Components			Total Charges(\$)	
			Demand(\$)	Fuel Charges(\$)	Other Charges(\$)		
AMERICAN ELECTRIC POWER SERVICE CORP.	AEP	Economy	2,493,000	\$ 65,229.15	\$ 25,215.33	\$ 90,444.48	
CARGILL- ALLIANT, LLC	CARG	Economy	1,511,000	\$ 43,385.65	\$ 16,771.38	\$ 60,157.03	
ILLINOIS MUNICIPAL ELECTRIC AGENCY	IMEA	Economy	172,000	\$ 4,734.19	\$ 1,830.08	\$ 6,564.27	
INDIANA MUNICIPAL POWER AGENCY	IMPA	Economy	156,000	\$ 5,837.32	\$ 6,860.35	\$ 12,697.67	
ENERGY IMBALANCE	IMBL	Economy	693,000	\$ 18,480.28	\$ 7,143.83	\$ 25,624.11	
MIDWEST INDEPENDENT TRANSMISSION SYSTEM OPERATOR, I	MISO	Economy	538,000	\$ 12,852.54	\$ 4,968.34	\$ 17,820.88	
OWENSBORO MUNICIPAL UTILITIES	OMU	Economy	227,000	\$ 6,377.28	\$ 2,465.23	\$ 8,842.51	
PJM INTERCONNECTION ASSOCIATION	PJM	Economy	3,509,000	\$ 106,967.06	\$ 42,044.63	\$ 149,011.69	
TENASKA POWER SERVICES CO.	TPS	Economy	36,000	\$ 921.65	\$ 356.28	\$ 1,277.93	
TENNESSEE VALLEY AUTHORITY	TVA	Economy	1,974,000	\$ 50,837.50	\$ 19,652.01	\$ 70,489.51	
WESTAR ENERGY, INC.	WSTR	Economy	214,000	\$ 5,948.67	\$ 2,299.54	\$ 8,248.21	
LOUISVILLE GAS & ELECTRIC	LGE	Economy	106,847,000	\$ 2,787,899.42	\$ 6,646.44	\$ 2,794,545.86	
Total Sales			118,370,000	\$ -	\$ 3,109,470.71	\$ 136,253.44	\$ 3,245,724.15

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



Kentucky Utilities Company

Power Transaction Schedule

Month Ended: July-31-2015

Company	Type of Transaction	KWH	Billing Components				
			Demand(\$)	Fuel Charges(\$)	Other Charges(\$)	Total Charges(\$)	
ASSOCIATED ELECT COOPERATIVE	AECI	Economy		\$ 19,720.67	\$ 9,240.82	\$ 28,961.49	
AMERICAN ELECTRIC POWER SERVICE CORP.	AEP	Economy		\$ 141,501.17	\$ 66,305.44	\$ 207,806.61	
CARGILL- ALLIANT, LLC	CARG	Economy		\$ 182,886.65	\$ 85,698.08	\$ 268,584.73	
ETC ENDURE	ETC	Economy		\$ 15,208.01	\$ 7,126.26	\$ 22,334.27	
EXELON GENERATION COMPANY, LLC	EXEL	Economy		\$ 4,279.27	\$ 2,005.20	\$ 6,284.47	
ILLINOIS MUNICIPAL ELECTRIC AGENCY	IMEA	Economy		\$ 13,811.17	\$ 6,471.71	\$ 20,282.88	
INDIANA MUNICIPAL POWER AGENCY	IMPA	Economy		\$ 27,816.82	\$ 13,034.56	\$ 40,851.38	
ENERGY IMBALANCE	IMBL	Economy		\$ 18,892.71	\$ 8,852.86	\$ 27,745.57	
MIDWEST INDEPENDENT TRANSMISSION SYSTEM OPERATOR, I	MISO	Economy		\$ 152,162.30	\$ 71,301.09	\$ 223,463.39	
OWENSBORO MUNICIPAL UTILITIES	OMU	Economy		\$ 371.54	\$ 174.09	\$ 545.63	
PJM INTERCONNECTION ASSOCIATION	PJM	Economy		\$ 380,594.55	\$ 178,341.17	\$ 558,935.72	
THE ENERGY AUTHORITY	TEA	Economy		\$ 21,520.79	\$ 10,084.34	\$ 31,605.13	
TENASKA POWER SERVICES CO.	TPS	Economy		\$ 14,942.18	\$ 7,001.69	\$ 21,943.87	
TENNESSEE VALLEY AUTHORITY	TVA	Economy		\$ 139,410.27	\$ 65,325.66	\$ 204,735.93	
WESTAR ENERGY, INC.	WSTR	Economy		\$ 86,405.56	\$ 40,488.42	\$ 126,893.98	
LOUISVILLE GAS & ELECTRIC	LGE	Economy		\$ 3,573,489.28	\$ 619.07	\$ 3,574,108.35	
Total Sales			185,368,000	\$ -	\$ 4,793,012.94	\$ 572,070.46	\$ 5,365,083.40

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



Month Ended: August-31-2015

Kentucky Utilities Company

Power Transaction Schedule

Company	Type of Transaction	KWH	Billing Components			Total Charges(\$)	
			Demand(\$)	Fuel Charges(\$)	Other Charges(\$)		
AMERICAN ELECTRIC POWER SERVICE CORP.	AEP	Economy	915,000	\$ 21,552.41	\$ 10,052.42	\$ 31,604.83	
CARGILL- ALLIANT, LLC	CARG	Economy	3,346,000	\$ 98,159.39	\$ 45,783.27	\$ 143,942.66	
ETC ENDURE	ETC	Economy	205,000	\$ 7,086.62	\$ 3,305.33	\$ 10,391.95	
EXELON GENERATION COMPANY, LLC	EXEL	Economy	1,177,000	\$ 38,135.47	\$ 17,787.06	\$ 55,922.53	
ILLINOIS MUNICIPAL ELECTRIC AGENCY	IMEA	Economy	236,000	\$ 3,672.31	\$ 1,712.82	\$ 5,385.13	
INDIANA MUNICIPAL POWER AGENCY	IMPA	Economy	693,000	\$ 20,686.40	\$ 11,490.46	\$ 32,176.86	
ENERGY IMBALANCE	IMBL	Economy	556,000	\$ 13,665.40	\$ 6,373.78	\$ 20,039.18	
MIDWEST INDEPENDENT TRANSMISSION SYSTEM OPERATOR, I	MISO	Economy	3,124,000	\$ 97,916.91	\$ 45,670.17	\$ 143,587.08	
OWENSBORO MUNICIPAL UTILITIES	OMU	Economy	841,000	\$ 20,046.40	\$ 9,350.00	\$ 29,396.40	
PJM INTERCONNECTION ASSOCIATION	PJM	Economy	5,897,000	\$ 182,025.01	\$ 84,899.66	\$ 266,924.67	
THE ENERGY AUTHORITY	TEA	Economy	351,000	\$ 10,922.88	\$ 5,094.63	\$ 16,017.51	
TENASKA POWER SERVICES CO.	TPS	Economy	88,000	\$ 2,344.39	\$ 1,089.25	\$ 3,433.64	
TENNESSEE VALLEY AUTHORITY	TVA	Economy	3,502,000	\$ 95,813.04	\$ 44,688.89	\$ 140,501.93	
WESTAR ENERGY, INC.	WSTR	Economy	999,000	\$ 28,175.26	\$ 13,141.45	\$ 41,316.71	
LOUISVILLE GAS & ELECTRIC	LGE	Economy	115,116,000	\$ 2,854,468.15	\$ 1,447.25	\$ 2,855,915.40	
Total Sales			137,046,000	\$ -	\$ 3,494,670.04	\$ 301,886.44	\$ 3,796,556.48

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



Kentucky Utilities Company

Power Transaction Schedule

Company	Type of Transaction	KWH	Billing Components			Total Charges(\$)
			Demand(\$)	Fuel Charges(\$)	Other Charges(\$)	
AMERICAN ELECTRIC POWER SERVICE CORP.	AEP	Economy	1,310,000	\$ 30,582.76	\$ 18,597.88	\$ 49,180.64
CARGILL- ALLIANT, LLC	CARG	Economy	2,544,000	\$ 62,242.76	\$ 37,850.82	\$ 100,093.58
ETC ENDURE	ETC	Economy	1,120,000	\$ 28,825.15	\$ 15,025.92	\$ 43,851.07
EXELON GENERATION COMPANY, LLC	EXEL	Economy	1,108,000	\$ 31,099.33	\$ 18,912.00	\$ 50,011.33
ILLINOIS MUNICIPAL ELECTRIC AGENCY	IMEA	Economy	210,000	\$ 6,403.39	\$ 3,894.00	\$ 10,297.39
INDIANA MUNICIPAL POWER AGENCY	IMPA	Economy	434,000	\$ 10,903.60	\$ 6,630.65	\$ 17,534.25
ENERGY IMBALANCE	IMBL	Economy	184,000	\$ 3,789.52	\$ 2,304.47	\$ 6,093.99
MIDWEST INDEPENDENT TRANSMISSION SYSTEM OPERATOR, I	MISO	Economy	1,586,000	\$ 40,488.04	\$ 26,365.09	\$ 66,853.13
PJM INTERCONNECTION ASSOCIATION	PJM	Economy	10,457,000	\$ 316,921.04	\$ 192,724.86	\$ 509,645.90
THE ENERGY AUTHORITY	TEA	Economy	38,000	\$ 823.76	\$ 500.95	\$ 1,324.71
TENASKA POWER SERVICES CO.	TPS	Economy	544,000	\$ 14,366.82	\$ 8,736.69	\$ 23,103.51
TENNESSEE VALLEY AUTHORITY	TVA	Economy	1,071,000	\$ 25,906.52	\$ 15,754.17	\$ 41,660.69
WESTAR ENERGY, INC.	WSTR	Economy	2,327,000	\$ 61,885.91	\$ 37,633.83	\$ 99,519.74
LOUISVILLE GAS & ELECTRIC	LGE	Economy	102,545,000	\$ 2,460,788.17	\$ 3,804.67	\$ 2,464,592.84
Total Sales			125,478,000	\$ -	\$ 3,095,026.77	\$ 3,483,762.77

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



Month Ended: October-31-2015

Kentucky Utilities Company

Power Transaction Schedule

Company	Type of Transaction	KWH	Billing Components			Total Charges(\$)	
			Demand(\$)	Fuel Charges(\$)	Other Charges(\$)		
AMERICAN ELECTRIC POWER SERVICE CORP.	AEP	Economy		\$ 8,887.27	\$ 4,093.89	\$ 12,981.16	
CARGILL- ALLIANT, LLC	CARG	Economy		\$ 42,359.30	\$ 19,512.64	\$ 61,871.94	
ETC ENDURE	ETC	Economy		\$ 993.43	\$ 457.62	\$ 1,451.05	
ILLINOIS MUNICIPAL ELECTRIC AGENCY	IMEA	Economy		\$ 1,434.30	\$ 660.71	\$ 2,095.01	
INDIANA MUNICIPAL POWER AGENCY	IMPA	Economy		\$ 2,682.52	\$ 1,235.68	\$ 3,918.20	
ENERGY IMBALANCE	IMBL	Economy		\$ 1,546.33	\$ 712.31	\$ 2,258.64	
MIDWEST INDEPENDENT TRANSMISSION SYSTEM OPERATOR, I	MISO	Economy		\$ 13,217.66	\$ 6,113.47	\$ 19,331.13	
PJM INTERCONNECTION ASSOCIATION	PJM	Economy		\$ 65,840.08	\$ 30,328.95	\$ 96,169.03	
THE ENERGY AUTHORITY	TEA	Economy		\$ 1,065.10	\$ 490.65	\$ 1,555.75	
TENASKA POWER SERVICES CO.	TPS	Economy		\$ 2,377.50	\$ 1,095.18	\$ 3,472.68	
TENNESSEE VALLEY AUTHORITY	TVA	Economy		\$ 4,331.77	\$ 1,995.40	\$ 6,327.17	
WESTAR ENERGY, INC.	WSTR	Economy		\$ 12,911.26	\$ 5,947.52	\$ 18,858.78	
LOUISVILLE GAS & ELECTRIC	LGE	Economy		\$ 662,378.53	\$ 2,700.34	\$ 665,078.87	
Total Sales			33,968,000	\$ -	\$ 820,025.05	\$ 75,344.36	\$ 895,369.41

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

KENTUCKY UTILITIES COMPANY

**Response to Information Requested in Appendix of
Commission's Order Dated February 5, 2016**

Case No. 2016-00003

Question No. 7

Witness: Eileen Saunders

Q-7. List KU's scheduled, actual, and forced outages from May 1, 2015, through October 31, 2015.

A-7. See attached.

Attachment to Response to Question No. 7
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Kentucky Utilities Company
 May 2015 through October 2015

Unit and Outage Type (F=Forced; S=Scheduled)		Scheduled		Actual*		HOURS OF DURATION		REASON FOR DEVIATION FROM SCHEDULED MAINTENANCE OR REASON FOR FORCED OUTAGE AS APPROPRIATE
		FROM	TO	FROM	TO	Scheduled	Actual*	
E. W. Brown Unit 1 - Coal - 106 MW In-service May 1957	S	2/28/2015 0:00	4/26/2015 15:00	2/28/2015 9:38	5/7/2015 17:08	1383:00	1639:30	Major Turbine Overhaul
	S	5/8/2015 18:01	5/9/2015 16:29	5/8/2015 18:01	5/9/2015 16:29	22:28	22:28	Turbine Vibration
	F			5/11/2015 11:03	5/11/2015 18:15		7:12	Turbine Vibration
	S	5/12/2015 22:43	5/14/2015 4:46	5/12/2015 22:43	5/14/2015 4:46	30:03	30:03	Generator Cooling System - Seal Repair
	F			5/14/2015 23:12	5/16/2015 2:25		27:13	Boiler Superheater Tube Leak
	S	5/21/2015 20:05	5/24/2015 13:55	5/21/2015 20:05	5/24/2015 13:55	65:50	65:50	Duct Expansion Joint Repair
	S	7/10/2015 9:09	7/17/2015 23:07	7/10/2015 9:09	7/17/2015 23:07	181:58	181:58	Generator Cooling System - Seal Replacement
	S	8/18/2015 22:03	9/1/2015 9:00	8/18/2015 22:03	9/1/2015 9:00	322:57	322:57	Generator Cooling System - Seal Repair
	S	10/1/2015 6:00	10/2/2015 15:24	10/1/2015 6:00	10/2/2015 15:24	33:24	33:24	Install Mercury Monitor (Common with BR2)
E. W. Brown Unit 2 - Coal - 166 MW In-service June 1963	S	5/21/2015 18:32	5/24/2015 13:55	5/21/2015 18:32	5/24/2015 13:55	67:23	67:23	Duct Expansion Joint Repair
	S	8/21/2015 21:28	8/23/2015 20:00	8/21/2015 21:28	8/23/2015 20:00	46:32	46:32	Duct Expansion Joint Repair
	S	10/1/2015 6:00	10/2/2015 15:24	10/1/2015 6:00	10/2/2015 15:24	33:24	33:24	Install Mercury Monitor (Common with BR1)
	S	10/17/2015 0:00	10/25/2015 15:00	10/16/2015 10:33	10/25/2015 9:33	207:00	215:00	Minor Boiler Overhaul
E. W. Brown Unit 3 - Coal - 410 MW In-service July 1971	S	6/2/2015 7:14	6/2/2015 14:30	6/2/2015 7:14	6/2/2015 14:30	7:16	7:16	Boiler Waterwall Tube Leak
	S	7/2/2015 22:00	7/4/2015 18:05	7/2/2015 22:00	7/4/2015 18:05	44:05	44:05	High Pressure Heater Tube Leak
	S	7/8/2015 7:16	7/9/2015 16:19	7/8/2015 7:16	7/9/2015 16:19	33:03	33:03	Boiler Circulating Water Pump Replacement
	S	9/14/2015 6:00	9/14/2015 22:08	9/14/2015 6:00	9/14/2015 22:08	16:08	16:08	Ash Handling System - Pre-Outage Inspection
	S	10/3/2015 0:00	11/22/2015 15:00	10/2/2015 13:12	11/22/2015 18:01	1215:00	1228:49	Major Boiler Overhaul and Pulse Jet Fabric Filter Tie-in
Ghent Unit 1 - Coal - 479 MW In-service February 1974	S	2/21/2015 0:00	5/10/2015 15:00	2/28/2015 15:25	5/6/2015 9:33	1887:00	1602:08	Major Turbine Overhaul and Pulse Jet Fabric Filter Tie-in
	F			5/18/2015 15:28	5/18/2015 22:07		6:39	Hydraulic System Repairs
	S	5/20/2015 19:34	5/23/2015 2:24	5/20/2015 19:34	5/23/2015 2:24	54:50	54:50	Post-Turbine Outage Screen Removal
	S	6/6/2015 20:54	6/7/2015 20:00	6/6/2015 20:54	6/7/2015 20:00	23:06	23:06	Turbine Vibration
	F			8/4/2015 6:24	8/5/2015 5:12		22:48	Boiler Primary Superheater Tube Leak
	F			8/12/2015 21:49	8/16/2015 0:39		74:50	Boiler Steam Line Drain Leak
	F			8/26/2015 22:15	9/1/2015 21:46		143:31	Boiler Primary Superheater Tube Leak
	F			9/8/2015 9:56	9/10/2015 15:29		53:33	Boiler Economizer Tube Leak
	S	10/27/2015 12:50	10/29/2015 23:16	10/27/2015 12:50	10/29/2015 23:16	58:26	58:26	Boiler Waterwall Tube Leak
Ghent Unit 2 - Coal - 495 MW In-service April 1977	S	5/30/2015 20:50	5/31/2015 9:36	5/30/2015 20:50	5/31/2015 9:36	12:46	12:46	Boiler Circulating Water Pump Replacement
	F			8/23/2015 20:03	8/24/2015 20:02		23:59	Boiler Waterwall Tube Leak
	F			9/16/2015 7:13	9/17/2015 7:33		24:20	Boiler Waterwall Tube Leak
	S	9/26/2015 0:00	12/13/2015 15:00	9/25/2015 9:50	11/27/2015 0:39	1887:00	1502:49	Pulse Jet Fabric Filter Repair
Ghent Unit 3 - Coal - 489 MW In-service May 1981	S	5/11/2015 8:42	5/19/2015 1:21	5/11/2015 8:42	5/19/2015 1:21	184:39	184:39	Air Heater Seal Repair
	F			6/10/2015 22:27	6/12/2015 7:13		32:46	Boiler Economizer Tube Leak
	F			6/13/2015 20:24	6/14/2015 23:41		27:17	Boiler Waterwall Tube Leak
	S	6/19/2015 17:46	6/21/2015 14:24	6/19/2015 17:46	6/21/2015 14:24	44:38	44:38	Boiler Waterwall Tube Leak

*Actual outage dates and hours of duration include scheduled and forced outages.

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Kentucky Utilities Company
 May 2015 through October 2015

Unit and Outage Type (F=Forced; S=Scheduled)	Scheduled		Actual*		HOURS OF DURATION		REASON FOR DEVIATION FROM SCHEDULED MAINTENANCE OR REASON FOR FORCED OUTAGE AS APPROPRIATE	
	FROM	TO	FROM	TO	Scheduled	Actual*		
F			8/14/2015 2:20	8/15/2015 21:10		42:50	Boiler Primary Superheater Tube Leak	
F			8/30/2015 10:52	9/2/2015 14:15		75:23	Boiler Economizer Tube Leak	
F			9/2/2015 16:17	9/3/2015 2:35		10:18	Boiler Steam Line Drain Leak	
S	10/17/2015 0:00	11/15/2015 15:00	10/16/2015 12:44	11/16/2015 1:15	711:00	732:31	Minor Turbine Overhaul	
Ghent Unit 4 - Coal - 469 MW	S	4/24/2015 23:00	5/1/2015 3:28	4/24/2015 23:00	5/1/2015 3:28	148:28	148:28	Air Heater Seal Repair
In-service August 1984	S	8/5/2015 23:19	8/8/2015 0:15	8/5/2015 23:19	8/8/2015 0:15	48:56	48:56	Air Heater Seal Repair
Green River Unit 3 - Coal - 68 MW	F		5/26/2015 17:54	5/28/2015 9:38		39:44	Boiler Waterwall Tube Leak	
In-service April 1954	F		5/28/2015 10:15	5/28/2015 16:41		6:26	Control System - Condenser Vacuum	
	S	7/8/2015 8:30	7/9/2015 21:00	7/8/2015 8:30	7/9/2015 21:00	36:30	36:30	Main Transformer Radiator Repair
	F		7/14/2015 19:41	7/15/2015 11:21		15:40	Induced Draft Fan Vibration	
	F		8/2/2015 0:41	8/2/2015 12:03		11:22	Forced Draft Fan Repair	
	F		8/3/2015 7:59	8/6/2015 16:39		80:40	Forced Draft Fan Vibration	
	F		9/6/2015 19:59	9/7/2015 8:39		12:40	Induced Draft Fan Repair	
	S	9/18/2015 21:30	9/30/2015 23:59	9/18/2015 21:30	9/30/2015 23:59	290:29	290:29	Shutdown - Preparation for Retirement
Green River Unit 4 - Coal - 93 MW	S	4/18/2015 0:00	5/3/2015 15:00	4/24/2015 18:24	5/10/2015 2:55	375:00	368:31	Minor Boiler Overhaul
In-service July 1959	F		5/16/2015 1:23	5/16/2015 22:02		20:39	Motor Control Center Repair	
	F		6/14/2015 18:24	6/15/2015 20:32		26:08	Boiler Second Superheater Tube Leak	
	F		7/25/2015 8:20	7/27/2015 4:43		44:23	Boiler Second Superheater Tube Leak	
	F		8/4/2015 3:40	8/5/2015 14:08		34:28	Boiler Second Superheater Tube Leak	
	F		8/26/2015 5:47	8/26/2015 14:37		8:50	Control System Power Supply Repair	
	S	9/20/2015 3:22	9/30/2015 23:59	9/20/2015 3:22	9/30/2015 23:59	260:37	260:37	Shutdown - Preparation for Retirement
Trimble County Unit 2 - Coal - 549 MW	F		5/3/2015 2:40	5/4/2015 12:25		33:45	Cold Reheat Valve Gasket Repair	
In-service January 2011	F		5/14/2015 9:48	5/15/2015 6:45		20:57	Hydraulic System Repairs	
75% ownership share of 732 MW jointly owned with LG&E	S	5/15/2015 6:45	5/16/2015 18:20	5/15/2015 6:45	5/16/2015 18:20	35:35	35:35	Duct Expansion Joint Repair
	F		5/17/2015 5:04	5/17/2015 15:33		10:29	Feedwater Heater Bypass Valve Repair	
	F		5/17/2015 15:33	5/18/2015 0:57		9:24	Ignition System - Loss of Igniter	
	S	7/25/2015 2:23	7/26/2015 6:55	7/25/2015 2:23	7/26/2015 6:55	28:32	28:32	Cold Reheat Valve Packing Repair
	F		7/26/2015 8:55	7/28/2015 14:37		53:42	Boiler Economizer Bypass Valve Repair	
	F		9/21/2015 9:05	9/23/2015 7:58		46:53	Boiler Steam Line Leak	
	F		9/23/2015 10:47	9/23/2015 17:19		6:32	Control System - Loss of mill	
Cane Run Unit 7 - Gas CC - 642 MW	F		7/21/2015 19:17	7/22/2015 6:06		10:49	Circuit Breaker - Fuse	
In-service June 2015	S	7/22/2015 23:12	7/23/2015 23:30	7/22/2015 23:12	7/23/2015 23:30	24:18	24:18	Control System - Component Repair
Jointly owned with LG&E	S	8/6/2015 22:26	8/8/2015 14:38	8/6/2015 22:26	8/8/2015 14:38	40:12	40:12	Blending Valve Repair
	S	9/11/2015 19:31	9/14/2015 1:10	9/11/2015 19:31	9/14/2015 1:10	53:39	53:39	Cooling Air Line Gasket Repair
E. W. Brown Unit 5 - Gas CT - 112 MW	S	5/31/2015 4:53	5/31/2015 15:42	5/31/2015 4:53	5/31/2015 15:42	10:49	10:49	Boroscope Inspection

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Kentucky Utilities Company
 May 2015 through October 2015

Unit and Outage Type (F=Forced; S=Scheduled)		Scheduled		Actual*		HOURS OF DURATION		REASON FOR DEVIATION FROM SCHEDULED MAINTENANCE OR REASON FOR FORCED OUTAGE AS APPROPRIATE
		FROM	TO	FROM	TO	Scheduled	Actual*	
In-service June 2001	S	8/11/2015 11:12	8/12/2015 14:59	8/11/2015 11:12	8/12/2015 14:59	27:47	27:47	Ignition System - Instrumentation Inspection
Jointly owned with LG&E	F			8/13/2015 7:59	8/13/2015 14:03		6:04	Ignition System - Igniter Repair
E. W. Brown Unit 6 - Gas CT - 146 MW	S	10/10/2015 0:00	10/18/2015 15:00	10/9/2015 17:10	10/16/2015 9:02	207:00	159:52	Boroscope Inspection
In-service August 1999								
Jointly owned with LG&E								
E. W. Brown Unit 7 - Gas CT - 146 MW	S	10/3/2015 0:00	10/11/2015 15:00	10/5/2015 5:55	10/9/2015 17:10	207:00	107:15	Boroscope Inspection
In-service August 1999	S	10/13/2015 6:20	10/13/2015 17:48	10/13/2015 6:20	10/13/2015 17:48	11:28	11:28	Boroscope Inspection
Jointly owned with LG&E								
E. W. Brown Unit 8 - Gas CT - 102 MW	S	5/27/2015 0:00	5/28/2015 17:41	5/27/2015 0:00	5/28/2015 17:41	41:41	41:41	Boroscope Inspection
In-service February 1995	S	7/2/2015 6:43	7/2/2015 15:04	7/2/2015 6:43	7/2/2015 15:04	8:21	8:21	Instrumentation - Bearing Thermocouple Repair
	S	7/7/2015 6:00	7/7/2015 14:24	7/7/2015 6:00	7/7/2015 14:24	8:24	8:24	Instrumentation - Bearing Thermocouple Replacement
	F			7/17/2015 21:36	7/23/2015 16:00		138:24	Instrumentation - Thermocouple Cable Repair
E. W. Brown Unit 9 - Gas CT - 102 MW	S	5/28/2015 20:24	5/29/2015 16:13	5/28/2015 20:24	5/29/2015 16:13	19:49	19:49	Boroscope Inspection
In-service January 1995	S	6/29/2015 7:00	6/29/2015 13:30	6/29/2015 7:00	6/29/2015 13:30	6:30	6:30	Lube Oil Pump Inspection
E. W. Brown Unit 10 - Gas CT - 102 MW	S	3/21/2015 0:00	5/17/2015 15:00	3/20/2015 11:25	5/4/2015 16:35	1383:00	1085:10	Major Overhaul
In-service December 1995	S	5/4/2015 17:08	5/5/2015 14:35	5/4/2015 17:08	5/5/2015 14:35	21:27	21:27	Turbine Balance Shot
	S	5/5/2015 18:32	5/6/2015 9:49	5/5/2015 18:32	5/6/2015 9:49	15:17	15:17	Turbine Balance Shot
	S	5/6/2015 12:13	5/7/2015 14:02	5/6/2015 12:13	5/7/2015 14:02	25:49	25:49	Boroscope Inspection
	S	5/11/2015 7:30	5/11/2015 14:36	5/11/2015 7:30	5/11/2015 14:36	7:06	7:06	Equipment Maintenance - Bearing adjustment following outage
	F			5/12/2015 12:14	5/13/2015 10:28		22:14	Equipment Maintenance - Bearing adjustment following outage
	F			5/13/2015 11:24	5/14/2015 9:07		21:43	Equipment Maintenance - Bearing adjustment following outage
	F			5/14/2015 10:05	5/15/2015 8:09		22:04	Equipment Maintenance - Bearing adjustment following outage
	F			5/15/2015 12:41	5/16/2015 8:40		19:59	Equipment Maintenance - Bearing adjustment following outage
	F			5/16/2015 10:44	5/17/2015 8:49		22:05	Equipment Maintenance - Bearing adjustment following outage
	S	5/26/2015 18:19	5/27/2015 6:51	5/26/2015 18:19	5/27/2015 6:51	12:32	12:32	Equipment Maintenance - Bearing adjustment following outage
	S	9/23/2015 8:34	9/23/2015 20:24	9/23/2015 8:34	9/23/2015 20:24	11:50	11:50	Fuel System - Calibration
	S	9/25/2015 5:53	9/25/2015 14:02	9/25/2015 5:53	9/25/2015 14:02	8:09	8:09	Instrumentation - Probe Repair
	S	9/29/2015 5:47	9/29/2015 13:06	9/29/2015 5:47	9/29/2015 13:06	7:19	7:19	Fuel System - Repair
E. W. Brown Unit 11 - Gas CT - 102 MW	S	5/21/2015 6:10	5/21/2015 12:54	5/21/2015 6:10	5/21/2015 12:54	6:44	6:44	Instrumentation - IO Card Replacement
In-service May 1996	S	5/30/2015 4:58	5/30/2015 13:40	5/30/2015 4:58	5/30/2015 13:40	8:42	8:42	Boroscope Inspection
	S	8/12/2015 8:26	8/13/2015 14:03	8/12/2015 8:26	8/13/2015 14:03	29:37	29:37	Circuit Breaker - Repair
Haefling Unit 1 - Gas CT - 12 MW		No outages > or = 6 hours						
In-service October 1970								
Haefling Unit 2 - Gas CT - 12 MW		No outages > or = 6 hours						
In-service October 1970								

*Actual outage dates and hours of duration include scheduled and forced outages.

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Kentucky Utilities Company
 May 2015 through October 2015

Unit and Outage Type (F=Forced; S=Scheduled)	Scheduled		Actual*		HOURS OF DURATION		REASON FOR DEVIATION FROM SCHEDULED MAINTENANCE OR REASON FOR FORCED OUTAGE AS APPROPRIATE	
	FROM	TO	FROM	TO	Scheduled	Actual*		
Paddys Run Unit 13 - Gas CT - 147 MW In-service June 2001 Jointly owned with LG&E	F		10/28/2015 19:19	10/29/2015 7:45		12:26	Starting System - SES Breaker	
Trimble County Unit 5 - Gas CT - 157 MW In-service May 2002 Jointly owned with LG&E	S	5/13/2015 0:04	5/15/2015 23:59	5/13/2015 0:04	5/15/2015 23:59	71:55	71:55	Fire Protection System Maintenance
	S	6/18/2015 22:30	6/19/2015 6:48	6/18/2015 22:30	6/19/2015 6:48	8:18	8:18	Circuit Breaker - Repair
	F			6/25/2015 8:00	6/25/2015 14:47		6:47	Duct Expansion Joint Repair
	F			6/25/2015 15:42	6/26/2015 11:13		19:31	Exhaust Expansion Joint Repair
	F			7/25/2015 15:26	7/28/2015 0:08		56:42	Circuit Breaker - Low Air Pressure
	S	9/9/2015 5:30	9/14/2015 19:20	9/9/2015 5:30	9/14/2015 19:20	133:50	133:50	Generator Protection Upgrade
Trimble County Unit 6 - Gas CT - 157 MW In-service May 2002 Jointly owned with LG&E	S	5/14/2015 0:44	5/16/2015 22:05	5/14/2015 0:44	5/16/2015 22:05	69:21	69:21	Fire Protection System Maintenance
	F			6/13/2015 10:41	6/13/2015 17:07		6:26	Circuit Breaker - lockout
	S	6/18/2015 22:30	6/19/2015 6:48	6/18/2015 22:30	6/19/2015 6:48	8:18	8:18	Circuit Breaker - Repair
Trimble County Unit 7 - Gas CT - 157 MW In-service June 2004 Jointly owned with LG&E	F			5/5/2015 5:20	5/5/2015 12:12		6:52	Instrumentation - Fan Pressure Switch Repair
	F			5/7/2015 20:52	5/8/2015 18:28		21:36	Circuit Breaker - Repair
	S	6/5/2015 2:03	6/8/2015 7:29	6/5/2015 2:03	6/8/2015 7:29	77:26	77:26	Fire Protection System Maintenance
	F			6/13/2015 10:41	6/19/2015 14:57		148:16	Circuit Breaker - Repair
	F			7/18/2015 3:40	7/18/2015 10:37		6:57	Instrumentation - Solenoid Repair
	F			10/18/2015 16:29	10/19/2015 13:20		20:51	Fuel System - Transmitter
Trimble County Unit 8 - Gas CT - 157 MW In-service June 2004 Jointly owned with LG&E	S	6/4/2015 1:00	6/7/2015 17:49	6/4/2015 1:00	6/7/2015 17:49	88:49	88:49	Fire Protection System Maintenance
	F			6/9/2015 8:03	6/9/2015 14:03		6:00	Fuel System - Pressure Relief Valve
	S	6/15/2015 22:30	6/16/2015 11:54	6/15/2015 22:30	6/16/2015 11:54	13:24	13:24	Circuit Breaker - Repair
	S	9/14/2015 20:25	9/18/2015 18:31	9/14/2015 20:25	9/18/2015 18:31	94:06	94:06	Generator Protection Upgrade
	S	9/21/2015 7:05	9/21/2015 23:38	9/21/2015 7:05	9/21/2015 23:38	16:33	16:33	Circuit Breaker - Repair
Trimble County Unit 9 - Gas CT - 157 MW In-service July 2004 Jointly owned with LG&E	S	5/25/2015 1:30	5/27/2015 20:53	5/25/2015 1:30	5/27/2015 20:53	67:23	67:23	Fire Protection System Maintenance
	F			5/30/2015 10:31	5/31/2015 2:33		16:02	Starting System - Excitation
	S	6/6/2015 7:23	6/6/2015 13:42	6/6/2015 7:23	6/6/2015 13:42	6:19	6:19	Starting System - Tie Switch
	F			6/15/2015 6:35	6/16/2015 10:05		27:30	Circuit Breaker - Disconnect repair
	F			7/24/2015 15:18	7/24/2015 22:58		7:40	Starting System - Static Start Switch
	F			8/3/2015 15:00	8/3/2015 22:05		7:05	Starting System - Static Start Switch
	S	8/13/2015 3:05	8/15/2015 11:17	8/13/2015 3:05	8/15/2015 11:17	56:12	56:12	Lube Oil Pump Replacement
	F			8/26/2015 12:37	8/28/2015 23:10		58:33	Cooling and Seal Air System
	S	9/30/2015 1:00	10/2/2015 20:14	9/30/2015 1:00	10/2/2015 20:14	67:14	67:14	Generator Vibration
Trimble County Unit 10 - Gas CT - 157 MW In-service July 2004 Jointly owned with LG&E	S	5/26/2015 0:00	5/28/2015 20:31	5/26/2015 0:00	5/28/2015 20:31	68:31	68:31	Fire Protection System Maintenance
	S	6/6/2015 7:23	6/6/2015 13:42	6/6/2015 7:23	6/6/2015 13:42	6:19	6:19	Starting System - Tie Switch
	F			6/13/2015 14:00	6/13/2015 21:27		7:27	Starting System - Load Commutated Inverter

*Actual outage dates and hours of duration include scheduled and forced outages.

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Kentucky Utilities Company
 May 2015 through October 2015

Unit and Outage Type (F=Forced; S=Scheduled)	Scheduled		Actual*		HOURS OF DURATION		REASON FOR DEVIATION FROM SCHEDULED MAINTENANCE OR REASON FOR FORCED OUTAGE AS APPROPRIATE
	FROM	TO	FROM	TO	Scheduled	Actual*	
S	6/15/2015 22:30	6/16/2015 9:36	6/15/2015 22:30	6/16/2015 9:36	11:06	11:06	Circuit Breaker - Repair
S	9/22/2015 3:11	9/24/2015 18:32	9/22/2015 3:11	9/24/2015 18:32	63:21	63:21	Generator Protection Upgrade

*Actual outage dates and hours of duration include scheduled and forced outages.

KENTUCKY UTILITIES COMPANY

**Response to Information Requested in Appendix of
Commission's Order Dated February 5, 2016**

Case No. 2016-00003

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 sheets.

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	1,192,318 tons	769,694 tons
2015	1,125,227 tons	612,402 tons
	(through 10/31/15)	

H. PERCENT OF ANNUAL REQUIREMENTS:

2010	100%
2011	97%
2012	101%
2013	101%
2014	98%
2015	87% (through 10/31/15)

I. BASE PRICE (FOB Barge):	\$41.00 per ton
J. ESCALATIONS TO DATE:	\$15.89 per ton
K. CURRENT CONTRACT PRICE:	\$56.89 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.
Determined Base price for 2013 and 2014.
Amendment No. 2, effective January 1, 2014.
Determined Base price for 2014 and 2015.
Amendment No. 3, effective January 1, 2015
Determined Base price for 2015 and 2016
Amendment No. 4, effective January 1, 2016
Determined Base price for 2016

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	2,942,649 tons	60,536 tons
2015	2,456,223 tons (through 10/31/15)	0 tons

H. PERCENT OF ANNUAL REQUIREMENTS:

2012	96%
2013	102%
2014	100%
2015	82% (through 10/31/15)

- 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 - \$47.13 per ton FOB Railcar/Warrior
 - 2015 - \$46.88 per ton FOB Railcar/Dotiki
 - 2016 - \$45.75 per ton FOB Railcar/Warrior
 - 2015 - \$45.00 per ton FOB Railcar/Dotiki
- J. ESCALATIONS TO DATE: None
- K. CURRENT CONTRACT PRICE:
- \$47.13 per ton FOB Railcar/Warrior
 - \$46.88 per ton FOB Railcar/Dotiki

- A. NAME/ADDRESS: Alliance Coal, LLC / J13004B
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: December 29, 2014
- D. CONTRACT DURATION: January 1, 2015 – December 31, 2015
- E. CONTRACT AMENDMENTS: Contract J13004 Assignment from Patriot Coal Sales to Alliance Coal, LLC
- F. ANNUAL TONNAGE REQUIREMENTS: 2015 315,209 tons
- G. ACTUAL TONNAGE RECEIVED:

	<u>LG&E</u>	<u>KU</u>
2015	252,355 tons	53,810 tons
	(through 10/31/15)	
- H. PERCENT OF ANNUAL REQUIREMENTS: 2015 97% (through 10/31/15)
- I. BASE PRICE (FOB Railcar/Barge): 2015 - \$49.75 per ton FOB Barge
- J. ESCALATIONS TO DATE: None
- K. CURRENT CONTRACT PRICE: \$49.75 per ton

- A. NAME/ADDRESS: Alliance Coal, LLC / J14011B
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: December 29, 2014
- D. CONTRACT DURATION: January 1, 2015 – December 31, 2015
- E. CONTRACT AMENDMENTS: Contract J14011 Assignment from Patriot Coal Sales to Alliance Coal, LLC
- F. ANNUAL TONNAGE REQUIREMENTS: 2015 598,099 tons
- G. ACTUAL TONNAGE RECEIVED:
- | | <u>LG&E</u> | <u>KU</u> |
|------|------------------------------------|--------------|
| 2015 | 187,123 tons
(through 10/31/15) | 318,171 tons |
- H. PERCENT OF ANNUAL REQUIREMENTS: 2015 84% (through 10/31/15)
- I. BASE PRICE (FOB Railcar/Barge): 2015 - \$43.75 per ton FOB Barge
- J. ESCALATIONS TO DATE: None
- K. CURRENT CONTRACT PRICE: \$43.75 per ton

A. NAME/ADDRESS: Arch Coal Sales Company, Inc. / J14038
1 CityPlace Drive, Suite 300
St. Louis, Missouri 63141

B. PRODUCTION FACILITY:
OPERATOR Thunder Basin Coal Company, LLC
MINES Black Thunder Complex
LOCATION Campbell County, Wyoming

C. CONTRACT EXECUTED DATE: May 7, 2014

D. CONTRACT DURATION: May 1, 2014 - December 31, 2015

E. CONTRACT AMENDMENTS: None

F. ANNUAL TONNAGE REQUIREMENTS: 2014 450,000 tons
2015 600,000 tons

G. ACTUAL TONNAGE RECEIVED: KU
2014 438,702 tons
2015 491,671 (through 10/31/15)

H. PERCENT OF ANNUAL REQUIREMENTS: 2014 97%
2015 82% (through 10/31/15)

I. BASE PRICE (FOB Railcar) 2014 \$12.60 per ton
2015 \$13.40 per ton

J. ESCALATIONS TO DATE: \$0.00 per ton

I. CURRENT CONTRACT PRICE: \$13.40 per ton

- A. NAME/ADDRESS: Armstrong Coal Sales, LLC / 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, 2019
- 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.
Assignment and Assumption Agreement dated August 6, 2015 assigning Agreement from Armstrong Coal Company, Inc. to Armstrong Coal Sales, LLC.
- 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	346,954 tons	634,044 tons
	2015	236,579 tons	514,037 tons
		(through 10/31/15)	

H. PERCENT OF ANNUAL REQUIREMENTS:

2008	99%
2009	98%
2010	102%
2011	89%
2012	101%
2013	108%
2014	98%
2015	75% (through 10/31/15)

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 - \$29.62 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:

None

I. CURRENT CONTRACT PRICE:

Quality 1 - \$28.50 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	488,729 tons	477,639 tons
2015	477,392 tons	432,665 tons
	(through 10/31/15)	

H. PERCENT OF ANNUAL REQUIREMENTS:

2012	99%
2013	106%
2014	97%
2015	91% (through 10/31/15)

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: -\$2.55 per ton

I. CURRENT CONTRACT PRICE: \$46.45 per ton

A. NAME/ADDRESS: Armstrong Coal Sales, LLC / J14004
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, 2013 - December 31, 2017

E. CONTRACT AMENDMENTS: Amendment No. 1, effective October 29, 2013
amending base quantity and price.
Assignment and Assumption Agreement dated
August 6, 2015 assigning Agreement from
Armstrong Coal Company, Inc. to Armstrong Coal
Sales, LLC.

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	647,205 tons	579,440 tons
2015	250,513 tons	688,191 tons
	(through 10/31/15)	

H. PERCENT OF ANNUAL REQUIREMENTS:

2014	94%
2015	70% (through 10/31/15)

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>
-\$3.98 per ton	-\$3.98 per ton

I. CURRENT CONTRACT PRICE:

<u>Railcar</u>	<u>Barge</u>
\$42.03 per ton	\$43.03 per ton

A. NAME/ADDRESS: Armstrong Coal Sales, LLC / 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: Assignment and Assumption Agreement dated August 6, 2015 assigning Agreement from Armstrong Coal Company, Inc. to Armstrong Coal Sales, LLC.

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	38,628 tons	59,303 tons
2015	27,212 tons	56,037 tons
	(through 10/31/15)	

H. PERCENT OF ANNUAL REQUIREMENTS:

2014	98%
2015	83% (through 10/31/15)

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

I. CURRENT CONTRACT PRICE: \$41.00 per ton

A. NAME/ADDRESS:	Bowie Refined Coal LLC / K14037 6100 Dutchmans Lane, 11 th Floor Louisville, Kentucky 40205	
B. PRODUCTION FACILITY:		
OPERATOR	Bowie Refined Coal LLC	
MINES	BRC Estill County Facility	
LOCATION	Estill County, Kentucky	
C. CONTRACT EXECUTED DATE:	October 6, 2014	
D. CONTRACT DURATION:	October 1, 2014 - December 31, 2016	
E. CONTRACT AMENDMENTS:	None	
F. ANNUAL TONNAGE REQUIREMENTS:	2014	30,000 tons
	2015	120,000 tons
	2016	120,000 tons
G. ACTUAL TONNAGE RECEIVED:		<u>KU</u>
	2014	12,672 tons
	2015	78,018 tons (through 10/31/15)
H. PERCENT OF ANNUAL REQUIREMENTS:	2014	42%
	2015	65% (through 10/31/15)
I. BASE PRICE (FOB E.W. Brown)		<u>120,000 lbs. GVW</u> <u>80,000 lbs. GVW</u>
	2014	\$58.50 per ton \$69.50 per ton
	2015	\$59.67 per ton \$70.67 per ton
	2016	\$60.84 per ton \$71.84 per ton
J. ESCALATIONS TO DATE:	None	
I. CURRENT CONTRACT PRICE:		<u>120,000 lbs. GVW</u> <u>80,000 lbs. GVW</u>
		\$59.67 per ton \$70.67 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	501,975 tons	462,614 tons
2013	446,791 tons	389,734 tons
2014	439,606 tons	567,280 tons
2015	374,772 tons	457,677 tons
	(through 10/31/15)	

H. PERCENT OF ANNUAL REQUIREMENTS:

2012	100%
2013	96%
2014	101%
2015	83% (through 10/31/15)

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: \$43.50 per ton

A. NAME/ADDRESS:	Peabody COALSALES, LLC / J12011 701 Market Street St. Louis, Missouri 63101		
B. PRODUCTION FACILITY:			
OPERATOR	Peabody Midwest Mining, LLC		
MINE	Peabody Wild Boar Mining, LLC		
LOCATION	Somerville Mine Complex Wild Boar Warrick & Gibson Counties, Indiana		
C. CONTRACT EXECUTED DATE:	December 29, 2011		
D. CONTRACT DURATION:	January 1, 2012 – December 31, 2015		
E. CONTRACT AMENDMENTS:	Amendment No. 1 effective July 1, 2014 Extend term to December 31, 2015 and add 1.0M tons to 2015		
F. ANNUAL TONNAGE REQUIREMENTS:	2012	1,500,000 tons	
	2013	1,500,000 tons	
	2014	1,500,000 tons	
	2015	1,000,000 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	1,088,584 tons	453,789 tons
	2015	806,399 tons	58,113 tons
		(through 10/31/15)	
H. PERCENT OF ANNUAL REQUIREMENTS:	2012	100%	
	2013	99%	
	2014	103%	
	2015	86% (through 10/31/15)	
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	

A. NAME/ADDRESS:	Rhino Energy LLC and Pennyrile Energy LLC / J14001 424 Lewis Hargett Circle, Suite 250 Lexington, Kentucky 40503	
B. PRODUCTION FACILITY:		
OPERATOR	Pennyrile Energy LLC	
MINE	Riveredge Mine	
LOCATION	McLean County, Kentucky	
C. CONTRACT EXECUTED DATE:	December 11, 2012	
D. CONTRACT DURATION:	December 10, 2014 - December 31, 2020	
E. CONTRACT AMENDMENTS:	None	
F. ANNUAL TONNAGE REQUIREMENTS:	2014 150,000 tons 2015 800,000 tons 2016 800,000 tons 2017 800,000 tons 2018 – 2020 Reopener	
G. ACTUAL TONNAGE RECEIVED:	<u>LG&E</u>	<u>KU</u>
	2014 43,582 tons	70,647 tons
	2015 71,332 tons	501,544 tons (through 10/31/15)
H. PERCENT OF ANNUAL REQUIREMENTS:	2014 76% 2015 72% (through 10/31/15)	
I. BASE PRICE (FOB Barge):	2014 \$45.25 per ton 2015 \$46.50 per ton 2016 \$48.25 per ton 2017 \$50.00 per ton 2018 -2020 Reopener	
J. ESCALATIONS TO DATE:	None	
K. CURRENT CONTRACT PRICE:	\$46.50 per ton	

A. NAME/ADDRESS: Triad Mining, LLC / J12009
3228 Summit Square Place, Suite 180
Lexington, Kentucky 40509

B. PRODUCTION FACILITY:
OPERATOR: Triad Mining, LLC
MINES: Log Creek
LOCATION: Pike County, Indiana

C. CONTRACT EXECUTED DATE: December 19, 2011

D. CONTRACT DURATION: January 1, 2012 - June 30, 2015

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. Contract Assignment Letter dated September 3, 2014, assigning contract from Triad Mining, Inc. to Triad Mining, LLC. Amendment No. 3 effective January 1, 2015 - Contract term extended through June 30, 2015.

F. ANNUAL TONNAGE REQUIREMENTS: 2012 700,000 tons
2013 700,000 tons
2014 700,000 tons

G. ACTUAL TONNAGE RECEIVED: KU
2012 689,960 tons
2013 667,644 tons
2014 524,668 tons
2015 218,231 tons
(through 10/31/15)

H. PERCENT OF ANNUAL REQUIREMENTS: 2012 99%
2013 95%
2014 75%
2015 carryover tonnage

I. BASE PRICE: (FOB Railcar) 2012 \$45.50 per ton
2013 \$47.50 per ton

2014 \$49.00 per ton

J. ESCALATIONS TO DATE: -\$0.45 per ton

K. CURRENT CONTRACT PRICE: \$48.55 per ton

A. NAME/ADDRESS: Triad Mining, LLC / J15002
3228 Summit Square Place, Suite 180
Lexington, Kentucky 40509

B. PRODUCTION FACILITY:
OPERATOR: Triad Mining, LLC
MINES: Log Creek
LOCATION: Pike County, Indiana

C. CONTRACT EXECUTED DATE: January 23, 2015

D. CONTRACT DURATION: January 1, 2015 - December 30, 2017

E. CONTRACT AMENDMENTS: None

F. ANNUAL TONNAGE REQUIREMENTS:

2015	360,000 tons
2016	500,000 tons
2017	500,000 tons

G. ACTUAL TONNAGE RECEIVED:

	<u>KU</u>
2015	264,260 tons (through 10/31/15)

H. PERCENT OF ANNUAL REQUIREMENTS:

2015	73% (through 10/31/15)
------	------------------------

I. BASE PRICE: (FOB Railcar)

2015	\$44.00 per ton
2013	\$46.00 per ton
2014	\$47.50 per ton

J. ESCALATIONS TO DATE: -\$2.46 per ton

K. CURRENT CONTRACT PRICE: \$41.54 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:

	<u>KU</u>	<u>LGE</u>
2014	204,732 tons	115,435 tons
2015	223,119 tons (through 10/31/15)	176,890 tons

H. PERCENT OF ANNUAL REQUIREMENTS:

2014	89%
2015	111% (through 10/31/15)

I. BASE PRICE: (FOB Barge)

2014	\$47.60 per ton
2015	\$49.10 per ton

J. ESCALATIONS TO DATE: None

K. CURRENT CONTRACT PRICE: \$49.10 per ton

KENTUCKY UTILITIES COMPANY

**Response to Information Requested in Appendix of
Commission's Order Dated February 5, 2016**

Case No. 2016-00003

Question No. 9

Witness: Mike Dotson

Q-9. a. State whether KU regularly compares the price of its coal purchases to those paid by other electric utilities.

b. If yes, state:

(1) How KU's prices compare with those of other utilities. If the comparison includes months outside of the review period, a comparison limited to the review period should be provided separately. Provide a copy of the source documents and calculations used to support the amounts used in the comparison and 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. KU compares pricing of its coal purchases with neighboring utilities from data that is compiled by ABB Inc. Ventyx Velocity database from the EIA-923 Power Plant Operations Report. 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 consistent with coal burned in KU's units at the Ghent Station, Trimble County Unit 2 and E. W. Brown Station. The chart found on page 5 of the Attachment shows the comparison for coal less than 5.0 lbs. SO₂, which is consistent with the coal burned in KU's units at the Green River Station for mid-sulfur coal.

LG&E is included on the price comparison chart on page 5 of the Attachment because LG&E accepts deliveries of lower sulfur coal to satisfy bids with a sulfur content specification 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.

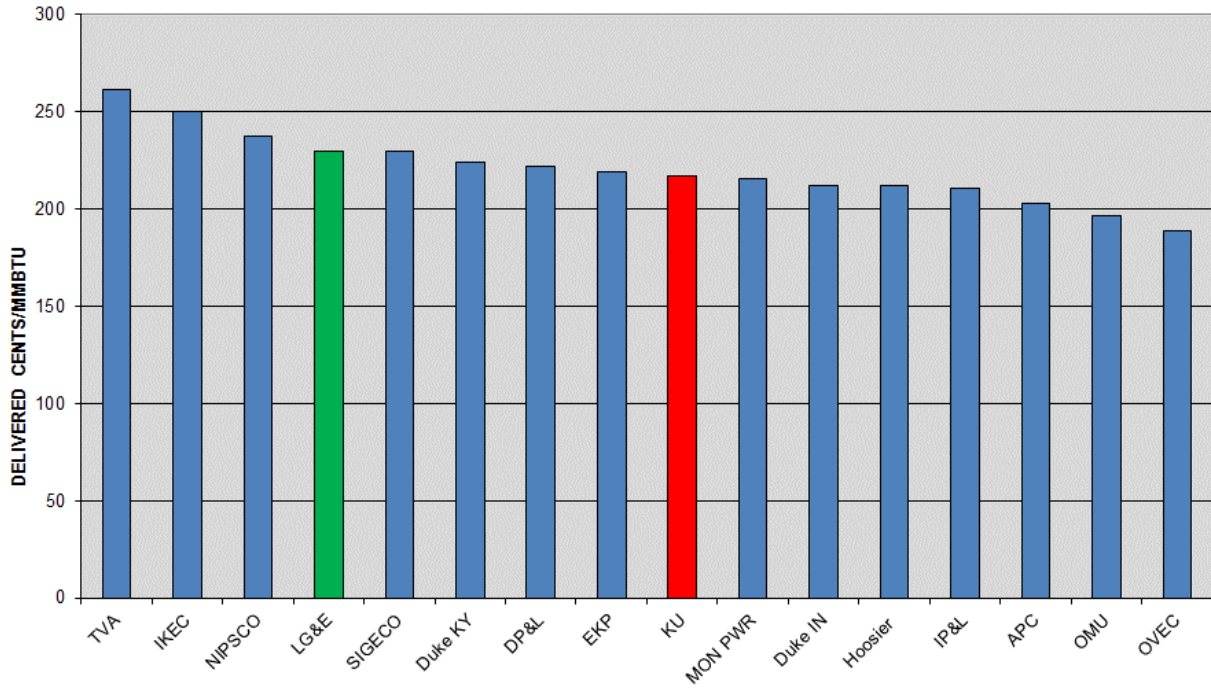
Attachment to Response to Question No. 9

Page 1 of 8

Dotson

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
Duke Energy Kentucky	Duke KY	Ohio
East Kentucky Power Coop	EKP	Kentucky
Electric Energy Inc	EEL	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 ≥ 5.0 Lbs SO₂ Content
(May 15 - Oct 15)



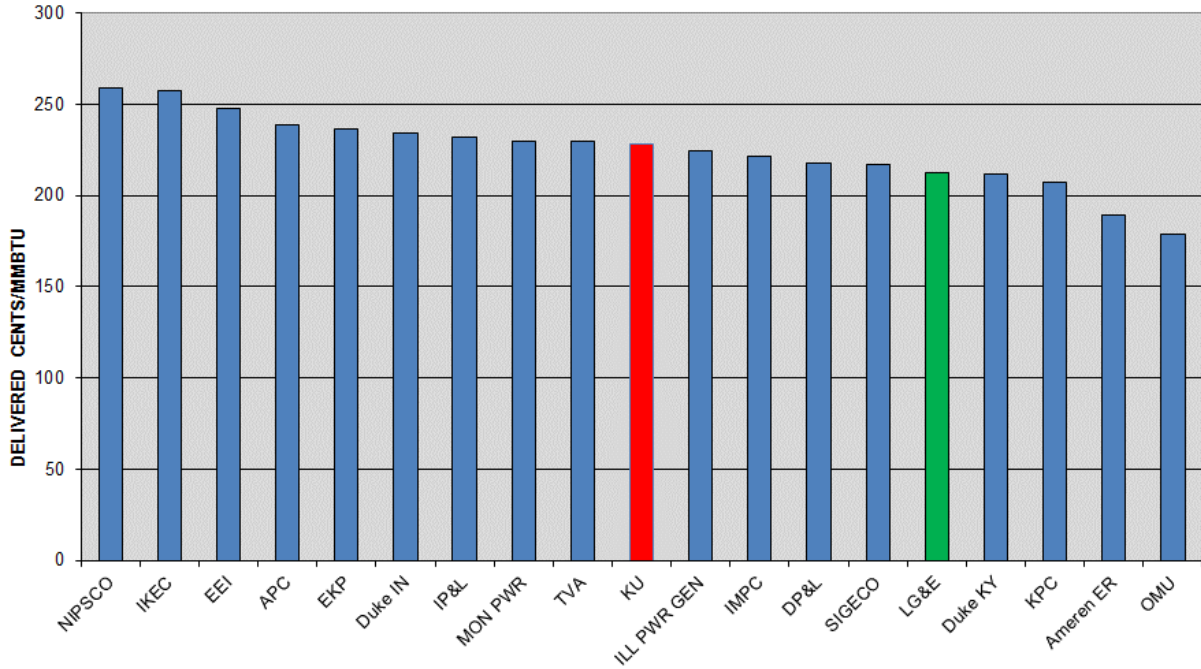
DELIVERED PRICE COMPARISON \geq 5.0 LBS SO₂ (MAY 15 - OCT 15)

Plant Operator Name	Reported Source Name	Quantity (000s tons)	Btu/lb	lbsSO ₂ /mmBtu	Delivered Fuel Price Cents/mmBtu
Appalachian Power Co	RESOURCE FUELS	29	11968	6.03	208.10
Appalachian Power Co	CONSOLIDATION COAL CO	784	12681	6.17	227.50
Appalachian Power Co	AMERICAN ENERGY	1,729	12518	6.58	191.58
		2,542	12562	6.44	202.84
Dayton Power & Light Co (The)	WILLIAMSON ENERGY	903	11502	5.12	222.96
Dayton Power & Light Co (The)	FORESIGHT COAL SALES	501	11504	5.15	215.80
Dayton Power & Light Co (The)	ALLIANCE COAL	364	11541	5.34	226.97
		1,768	11511	5.17	221.76
Duke Energy Indiana	PEABODY COAL SALES	657	11117	5.73	183.25
Duke Energy Indiana	FORESIGHT COAL SALES	80	10816	6.46	235.98
Duke Energy Indiana	DUKE ENERGY TRANSFER TERM	310	11060	5.69	190.44
Duke Energy Indiana	BLACK BEAUTY	1,655	11500	6.15	225.61
		2,701	11336	6.01	211.59
Duke Energy Kentucky	TRAFIGURA	109	11471	5.28	217.48
Duke Energy Kentucky	RIVER VIEW COAL	251	11521	5.25	226.67
		360	11506	5.26	223.89
East Kentucky Power Coop	WHITE COUNTY COAL	187	11519	5.29	263.94
East Kentucky Power Coop	RIVER VIEW COAL	101	11484	5.28	233.13
East Kentucky Power Coop	PEABODY COAL SALES	177	11102	5.73	236.73
East Kentucky Power Coop	OXFORD MINING CO	395	11276	6.88	204.13
East Kentucky Power Coop	FORESIGHT COAL SALES	385	11037	5.79	223.34
East Kentucky Power Coop	B & N COAL	258	10922	8.57	185.48
Hoosier Energy Rural Electric Coop Inc	SUNRISE COAL SALES	297	11502	5.47	222.14
Hoosier Energy Rural Electric Coop Inc	PEABODY COAL SALES	944	11110	5.63	208.33
		1,240	11204	5.59	211.63
Indiana Kentucky Electric Corp	WESTERN KENTUCKY MINERALS	48	11172	5.15	222.56
Indiana Kentucky Electric Corp	TRAFIGURA	162	11500	5.28	226.10
Indiana Kentucky Electric Corp	RESOURCE FUELS	448	11490	5.28	250.74
Indiana Kentucky Electric Corp	NOBLE AMERICAS GAS & POWER	71	11547	5.26	210.33
Indiana Kentucky Electric Corp	KNIGHTHAWK	437	11179	5.12	267.57
		1,166	11365	5.21	250.02
Indianapolis Power & Light	TRIAD	515	11522	5.72	205.71
Indianapolis Power & Light	SUNRISE COAL SALES	741	11492	5.45	221.93
Indianapolis Power & Light	COALSALES LLC	154	11416	5.76	211.19
Indianapolis Power & Light	COAL SALES	908	11486	5.84	204.45
		2,318	11491	5.68	210.76
Kentucky Utilities Co	TRIAD	341	11458	6.33	262.48
Kentucky Utilities Co	FORESIGHT COAL SALES	161	11402	5.13	211.16
Kentucky Utilities Co	COALSALES LLC	515	11193	5.82	202.43
Kentucky Utilities Co	ARMSTRONG COAL	1,252	11178	5.52	208.50
Kentucky Utilities Co	ALLIANCE COAL	252	11488	5.28	230.93
		2,521	11264	5.64	216.97
Louisville Gas & Electric Co	FORESIGHT COAL SALES	197	11408	5.11	209.06
Louisville Gas & Electric Co	COALSALES LLC	33	11089	5.75	196.93
Louisville Gas & Electric Co	ARMSTRONG COAL	525	11176	5.66	204.82
Louisville Gas & Electric Co	ALLIANCE COAL	2,452	11873	5.64	236.59
		3,206	11722	5.61	229.29

DELIVERED PRICE COMPARISON \geq 5.0 LBS SO₂ (MAY 15 - OCT 15)

Plant Operator Name	Reported Source Name	Quantity (000s tons)	Btu/lb	lbsSO ₂ /mmBtu	Delivered Fuel Price Cents/mmBtu
Monongahela Power Co	FIRSTENERGY	206	12566	6.94	179.11
Monongahela Power Co	CONSOL	1,606	12843	5.74	230.38
Monongahela Power Co	AMERICAN ENERGY	1,087	12505	7.27	200.85
		2,900	12697	6.40	215.66
Northern Indiana Public Service Co	SUNRISE COAL SALES	40	11478	5.02	221.65
Northern Indiana Public Service Co	OAKTOWN FUELS MINELLC	355	11381	5.76	234.75
Northern Indiana Public Service Co	FORESIGHT COAL SALES	137	10870	6.32	185.36
Northern Indiana Public Service Co	COALSALES LLC	747	11036	5.38	248.46
		1,280	11128	5.57	237.05
Ohio Valley Electric Corp	AMERICAN ENERGY	898	12446	7.46	188.50
Ohio Valley Electric Corp		186	12519	7.30	191.20
		1,083	12459	7.44	188.96
Owensboro Municipal Utilities	WEST KY MINERALS	202	10936	6.80	197.66
Owensboro Municipal Utilities	PEABODY COAL SALES	145	10994	6.77	197.03
Owensboro Municipal Utilities	KENAMERICA RESOURCES	38	11666	5.07	194.75
Owensboro Municipal Utilities	ARMSTRONG COAL	252	11099	5.75	196.07
		636	11057	6.28	196.71
Southern Indiana Gas & Electric Co	SUNRISE COAL SALES	982	11503	5.56	229.30
Tennessee Valley Authority	FORESIGHT COAL SALES	73	11605	5.59	208.99
Tennessee Valley Authority	ALLIANCE COAL	743	11815	5.14	260.02
Tennessee Valley Authority	ALLIANCE COAL	392	12402	5.06	272.54
		1,208	11993	5.14	261.00

Delivered Price Comparison < 5.0 Lbs SO₂ Content
(May 15 - Oct 15)



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DELIVERED PRICE COMPARISON < 5.0 LBS SO2 (MAY 15 - OCT 15)

Plant Operator Name	Reported Source Name	Quantity (000s tons)	Btu/lb	lbsSO2/mmBtu	Delivered Fuel Price Cents/mmBtu
AmerenEnergy Resources Generating Co	PEABODY COAL SALES	818	8800	0.44	192.27
AmerenEnergy Resources Generating Co	ARCH	848	8808	0.54	186.93
		1,666	8804	0.49	189.55
Appalachian Power Co	RESOURCE FUELS	113	12627	4.48	211.51
Appalachian Power Co	PEABODY COAL TRADE	202	12298	1.13	229.63
Appalachian Power Co	PATRIOT COAL SALES	522	11985	1.39	249.70
Appalachian Power Co	MERCURIA ENERGY TRADING INC	65	12198	1.26	198.72
Appalachian Power Co	MAPLE COAL CO	117	12177	1.37	274.16
Appalachian Power Co	KOCH	39	12022	1.59	286.08
Appalachian Power Co	EDF TRADING	37	12045	1.56	274.37
Appalachian Power Co	CONSOLIDATION COAL CO	84	12623	4.78	230.21
Appalachian Power Co	AMERICAN ENERGY	63	12440	4.80	188.60
Appalachian Power Co	ALPHA COAL	891	12317	1.96	237.64
		2,134	12245	2.00	239.05
Dayton Power & Light Co (The)	WHITE OAK RESOURCES LLC	14	11757	4.12	203.68
Dayton Power & Light Co (The)	VITOL	315	11705	4.11	201.97
Dayton Power & Light Co (The)	KOCH	23	11518	1.77	175.90
Dayton Power & Light Co (The)	FORESIGHT COAL SALES	28	11775	4.70	176.47
Dayton Power & Light Co (The)	AMERICAN COAL	540	11883	4.08	223.45
Dayton Power & Light Co (The)	ALPHA COAL	299	12965	4.22	228.89
		1,220	12092	4.09	217.04
Duke Energy Indiana	SUNRISE COAL SALES	24	11525	4.96	260.50
Duke Energy Indiana	SOLAR SOURCES	533	11282	4.58	196.66
Duke Energy Indiana	PEABODY COAL TRADE	16	11468	1.34	183.70
Duke Energy Indiana	PEABODY COAL SALES	1,441	11051	4.22	208.52
Duke Energy Indiana	PATRIOT COAL SALES	36	12013	1.23	217.76
Duke Energy Indiana	MODELED - SOLAR SOURCES	495	11281	4.58	196.65
Duke Energy Indiana	FOSSIL COALLLC	22	11325	1.51	188.60
Duke Energy Indiana	DUKE ENERGY TRANSFER TERMII	12	11123	4.68	173.60
Duke Energy Indiana	ALLIANCE COAL	682	11134	2.84	349.24
		3,260	11159	3.98	234.32
Duke Energy Kentucky	WHITE OAK RESOURCES LLC	3	11739	4.00	162.58
Duke Energy Kentucky	RIVER VIEW COAL	279	12157	4.68	224.45
Duke Energy Kentucky	PEABODY COAL TRADE	14	12069	3.27	179.08
Duke Energy Kentucky	NOBLE AMERICAS GAS & POWER	97	11909	1.57	185.56
Duke Energy Kentucky	ARMSTRONG COAL	127	11550	4.82	219.31
Duke Energy Kentucky	AMERICAN COAL	2	12027	4.19	169.99
Duke Energy Kentucky	ALPHA COAL	63	12972	4.46	193.54
		586	12068	4.13	211.96
East Kentucky Power Coop	WHITE OAK RESOURCES LLC	81	11688	4.19	247.41
East Kentucky Power Coop	RIVER TRADING	84	11331	3.65	194.40
East Kentucky Power Coop	MR COAL MARKETING	3	12317	1.27	227.60
East Kentucky Power Coop	JAMIESON CONSTRUCTION CO	6	13645	3.25	270.80
East Kentucky Power Coop	BOWIE	144	11763	2.75	225.82
East Kentucky Power Coop	BLACKHAWK MINING LLC	12	12655	3.49	248.40
East Kentucky Power Coop	B & W RESOURCES	83	12454	2.36	298.40
East Kentucky Power Coop	B & N COAL	6	11900	3.48	202.50
East Kentucky Power Coop	ALLIANCE COAL	154	12620	4.51	226.61
		573	12063	3.52	235.70
Electric Energy Inc	NORTH ANTELOPE	192	8705	0.45	236.75
Electric Energy Inc	BLACK THUNDER WEST	62	8716	0.73	225.00
Electric Energy Inc	BLACK THUNDER ARCH	112	8716	0.52	225.00
Electric Energy Inc	BELLAYRE	286	8670	0.57	228.06
Electric Energy Inc	ANTELOPE	1,097	8707	0.53	258.15
		1,749	8702	0.54	247.59

DELIVERED PRICE COMPARISON < 5.0 LBS SO2 (MAY 15 - OCT 15)

Plant Operator Name	Reported Source Name	Quantity (000s tons)	Btu/lb	lbsSO2/mmBtu	Delivered Fuel Price Cents/mmBtu
Illinois Power Generating Co	PEABODY COAL SALES	1,089	8800	0.44	215.50
Illinois Power Generating Co	BLACK THUNDER WEST	276	8897	0.56	239.17
Illinois Power Generating Co	BLACK THUNDER ARCH	526	8905	0.52	239.17
Illinois Power Generating Co	BELLAYRE	318	8800	0.56	215.50
Illinois Power Generating Co	ANTELOPE	751	8898	0.54	226.00
		2,959	8853	0.50	224.58
Indiana Kentucky Electric Corp	WESTERN KENTUCKY MINERALS	21	10970	4.79	223.64
Indiana Kentucky Electric Corp	KNIGHTHAWK	69	11174	4.96	268.10
		90	11126	4.92	257.55
Indiana Michigan Power Co	RIVER TRADING	5	12251	1.14	286.40
Indiana Michigan Power Co	PEERLESS MINERALS LLC	46	12422	1.21	267.50
Indiana Michigan Power Co	PEABODY COAL SALES	1,951	8716	0.48	201.71
Indiana Michigan Power Co	PATRIOT COAL SALES	492	8755	0.46	224.63
Indiana Michigan Power Co	NOBLE ENERGY MARKETING	7	11984	1.65	222.60
Indiana Michigan Power Co	NOBLE AMERICAS GAS & POWER	54	11962	1.55	225.87
Indiana Michigan Power Co	ARCH	748	8944	0.59	218.68
Indiana Michigan Power Co	ALPHA COAL	380	12090	1.37	289.01
		3,684	9220	0.62	218.56
Indianapolis Power & Light	SUNRISE COAL SALES	358	11667	4.62	225.66
Indianapolis Power & Light	COALSALES LLC	13	11155	4.91	230.90
Indianapolis Power & Light	COAL SALES	21	11026	3.33	250.87
Indianapolis Power & Light	ALLIANCE COAL	132	11546	2.78	243.06
Indianapolis Power & Light	ALLIANCE	18	11471	2.25	245.88
Indianapolis Power & Light		13	11475	2.20	245.50
		554	11592	4.01	231.97
Kentucky Power Co	SABBATICAL INC	10	11764	1.63	191.58
Kentucky Power Co	PRODUCERS COAL INC	10	12155	1.43	262.50
Kentucky Power Co	NOBLE ENERGY MARKETING	72	11915	1.57	212.08
Kentucky Power Co	NOBLE AMERICAS GAS & POWER	54	11908	1.57	196.25
Kentucky Power Co	MR COAL MARKETING	21	12263	1.58	213.10
Kentucky Power Co	KOCH	61	12164	1.67	208.80
Kentucky Power Co	EMBER ENERGY	5	11933	1.51	197.80
Kentucky Power Co	BLACKHAWK MINING LLC	21	12702	1.43	207.80
Kentucky Power Co	BEECH FORK PROCESSING	82	12115	1.75	203.20
		336	12081	1.62	207.30
Kentucky Utilities Co	WHITE OAK RESOURCES LLC	224	11660	4.15	196.14
Kentucky Utilities Co	WESTERN KENTUCKY MINERALS	3	8724	2.68	137.10
Kentucky Utilities Co	THOROUGHFARE MINING LLC	43	11856	3.90	229.17
Kentucky Utilities Co	RIVER TRADING	22	10454	3.33	202.15
Kentucky Utilities Co	RHINO ENERGY	313	11269	4.60	223.94
Kentucky Utilities Co	FORESIGHT COAL SALES	34	11506	4.95	210.06
Kentucky Utilities Co	BOWIE	55	11989	3.53	275.30
Kentucky Utilities Co	ARMSTRONG COAL CO	39	11455	3.60	229.11
Kentucky Utilities Co	ARCH COAL SALES	14	9436	1.58	211.49
Kentucky Utilities Co	ARCH	25	9265	1.62	212.60
Kentucky Utilities Co	ALLIANCE COAL	215	11525	2.90	262.74
		987	11390	3.86	227.67

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DELIVERED PRICE COMPARISON < 5.0 LBS SO2 (MAY 15 - OCT 15)

Plant Operator Name	Reported Source Name	Quantity (000s tons)	Btu/lb	lbsSO2/mmBtu	Delivered Fuel Price Cents/mmBtu
Louisville Gas & Electric Co	WHITE OAK RESOURCES LLC	234	11660	4.20	190.01
Louisville Gas & Electric Co	RIVER TRADING	2	10039	2.45	211.00
Louisville Gas & Electric Co	RHINO ENERGY	62	11289	4.67	221.84
Louisville Gas & Electric Co	PEABODY COAL TRADE	13	10210	2.27	147.06
Louisville Gas & Electric Co	FORESIGHT COAL SALES	107	11495	4.93	208.08
Louisville Gas & Electric Co	ARMSTRONG COAL	13	11058	4.90	240.90
Louisville Gas & Electric Co	ARCH COAL SALES	32	8927	0.62	230.25
Louisville Gas & Electric Co	ARCH	288	8915	0.65	230.25
Louisville Gas & Electric Co	ALLIANCE COAL	26	11509	2.82	265.60
		775	10433	2.80	214.35
Monongahela Power Co	TUNNEL RIDGE LLC	143	12630	4.54	368.56
Monongahela Power Co	MEPCO OPERATIONS	735	12047	3.44	219.45
Monongahela Power Co	CONSOL	976	12549	4.91	226.59
Monongahela Power Co	ALLIANCE COAL	587	12873	4.52	214.87
		2,441	12481	4.35	229.93
Northern Indiana Public Service Co	PEABODY COAL SALES	436	8792	0.45	240.60
Northern Indiana Public Service Co	CONSOL	125	12987	3.87	414.48
Northern Indiana Public Service Co	ARCH	793	8829	0.74	232.99
		1,354	9200	0.94	252.14
Owensboro Municipal Utilities	YAGER MATERIALS	2	11214	4.65	124.00
Owensboro Municipal Utilities	ROCKPORT RIVER TERMINAL	4	10452	3.09	124.00
Owensboro Municipal Utilities	KEN AMERICAN	17	11737	4.87	195.00
		22	11482	4.56	177.83
Southern Indiana Gas & Electric Co	ALLIANCE COAL	134	11756	4.78	216.68
Tennessee Valley Authority	TRAFIGURA	21	12125	1.55	210.81
Tennessee Valley Authority	SOUTHERN COAL SALES CORP	11	12256	1.47	251.00
Tennessee Valley Authority	RHINO ENERGY	12	12454	1.46	286.40
Tennessee Valley Authority	PEVLER	30	12273	1.57	273.84
Tennessee Valley Authority	PEABODY COAL SALES	2,673	10803	3.11	228.59
Tennessee Valley Authority	PATRIOT COAL SALES	177	12202	1.55	249.71
Tennessee Valley Authority	NOBLE ENERGY MARKETING	140	11903	1.64	232.85
Tennessee Valley Authority	MR COAL MARKETING & TRADING	23	12494	1.92	242.20
Tennessee Valley Authority	MR COAL MARKETING	139	12312	1.92	251.59
Tennessee Valley Authority	KOPPER GLO	12	13043	2.02	258.50
Tennessee Valley Authority	KENAMERICA RESOURCES	682	11820	4.89	216.93
Tennessee Valley Authority	FORESIGHT COAL SALES	245	11483	4.93	196.75
Tennessee Valley Authority	BLUE DIAMOND MINING LLC	70	13113	1.58	263.85
Tennessee Valley Authority	B & W RESOURCES	23	12498	1.74	257.80
Tennessee Valley Authority	ARMSTRONG COAL	1,080	11697	4.77	238.11
Tennessee Valley Authority	ARCH COAL SALES	1,112	8875	0.67	192.63
Tennessee Valley Authority	ARCH	3,388	8976	0.69	202.37
Tennessee Valley Authority	ALPHA COAL	59	12432	1.52	256.19
Tennessee Valley Authority	ALLIANCE COAL	1,647	11815	3.94	269.23
Tennessee Valley Authority	ALLIANCE COAL	658	12250	4.95	271.03
		12,201	10573	2.63	226.57

KENTUCKY UTILITIES COMPANY

**Response to Information Requested in Appendix of
Commission's Order Dated February 5, 2016**

Case No. 2016-00003

Question No. 10

Witness: Mike Dotson

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

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

- A-10. a. Rail - 13%
- b. Truck - 4%
 - c. Barge - 83%

KENTUCKY UTILITIES COMPANY

**Response to Information Requested in Appendix of
Commission's Order Dated February 5, 2016**

Case No. 2016-00003

Question No. 11

Witness: Mike Dotson

- Q-11. a. State KU's coal inventory level in tons and in number of days' supply as of October 31, 2015. Provide this information by generating station and in the aggregate.
- b. Describe the criteria used to determine number of days' supply.
- c. Compare KU's coal inventory as of October 31, 2015, 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 KU 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 October 31, 2015:

EW Brown	245,007 Tons; 38 Days	Target 30-55 Days
Ghent	907,178 Tons; 43 Days	Target 20-39 Days
Trimble County*	323,360 Tons; 49 Days	Target 21-44 Days
Total	1,475,545 Tons; 42 Days	Target 23-46 Days

* Trimble County coal inventory includes both PRB and High Sulfur coals used for Trimble County 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 plants "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) KU 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.

KENTUCKY UTILITIES COMPANY

**Response to Information Requested in Appendix of
Commission's Order Dated February 5, 2016**

Case No. 2016-00003

Question No. 12

Witness: Mike Dotson

- Q-12. a. State whether KU has audited any of its coal contracts during the period from May 1, 2015, through October 31, 2015.
- 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 KU took as a result of the audit.

- A-12. a. No. KU has not conducted any financial audits of its coal contracts. KU'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 KU's Manager Fuels Technical Services or KU's Mining Engineer conducts scheduled on-site reviews and inspections of the mining operations, scales and sampling systems of each vendor up to twice a year, and likewise may conduct unscheduled visits. Additionally, KU employees may visit a vendor as needed to address problems and issues at any time.

As noted in previous filings, governmental impositions may be imposed on the mining industry. As claims for governmental impositions are received, KU reviews and may use a consultants to review the claims.

Alliance Coal, LLC in accordance with the provisions of Section 8.3 New Impositions of Agreement J09002, requested a price increase for calendar year 2014. The Parties agreed to a settlement. A copy of the Settlement Agreement effective February 1, 2016

is being filed with the Commission under seal pursuant to a Petition for Confidential Protection.

The American Coal Company in accordance with the provisions of Section 8.5 New Impositions of Agreement J14002, requested a price increase for calendar year 2014. The Parties agreed to a settlement. A copy of the Settlement Agreement and Release effective January 8, 2016 is being filed with the Commission under seal pursuant to a Petition for Confidential Protection.

- b. Not applicable.

KENTUCKY UTILITIES COMPANY

**Response to Information Requested in Appendix of
Commission's Order Dated February 5, 2016**

Case No. 2016-00003

Question No. 13

Witness: Derek Rahn

- Q-13. a. State whether KU has received any customer complaints regarding its FAC during the period from May 1, 2015, through October 31, 2015.
- b. If yes, for each complaint, state:
- (1) The nature of the complaint; and
 - (2) KU's response.
- A-13. a. No.
- b. Not applicable.

KENTUCKY UTILITIES COMPANY

**Response to Information Requested in Appendix of
Commission's Order Dated February 5, 2016**

Case No. 2016-00003

Question No. 14

Witness: Mike Dotson

- Q-14. a. State whether KU 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 KU;
 - (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. KU is not involved in any litigation with its coal suppliers.
- b. Not applicable.
- c. Not applicable.

KENTUCKY UTILITIES COMPANY

**Response to Information Requested in Appendix of
Commission's Order Dated February 5, 2016**

Case No. 2016-00003

Question No. 15

Witness: Mike Dotson / Bob Brunner

- Q-15. a. During the period from May 1, 2015, through October 31, 2015, have there been any changes to KU'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 KU'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. The Corporate Fuels and By-Products Procurement Procedures were updated during the review period. In addition, a Power Supply Commodity Policy – Natural Gas Fuel for Generation was executed.
- b. Yes.
- (1) The Fuel Procurement Policies and Procedures were updated to reflect changes in the document title to (Corporate Fuels and By-Products Procurement Procedures), changes and additions to definitions, and updated for current operations. One overarching change consisted of removing previously described gas procurement for generation from the document and expanding natural gas purchases for generation in a "Power Supply Commodity Policy – Natural Gas Fuel for Generation".
 - (2) Attached is an executed copy of the updated Corporate Fuels and By-Products Procurement Procedures effective August 1, 2015 (attachment 1) and a redline copy noting the changes (attachment 2). Also attached is an executed copy of the Power Supply

Commodity Policy – Natural Gas Fuel for Generation effective February 1, 2016 (attachment 3).

(3) Changes to the Fuel Procurement Policies and Procedures were made effective August 1, 2015. Effectiveness of the Power Supply Commodity Policy – Natural Gas Fuel for Generation was February 1, 2016.

(4) See b (1) above.

c. Not applicable.

CORPORATE FUELS AND BY- PRODUCTS PROCUREMENT PROCEDURES
Louisville Gas and Electric Company
Kentucky Utilities Company

A. Definitions:

1. "Agreement" means a legally binding document, in which one party agrees to sell and the other agrees to buy Fuel, fully executed by both Buyer and Seller.
2. "Authority Limit Matrix" – The Authority Limit Matrix (ALM) is a Company policy to be used in combination with these more detailed procedures, indicating the minimum authority required for specific transactions. Its purpose is to provide an easy accessible source of information with respect to the approval process of the Company (as defined below).
3. "Award Recommendation" means the Company's internal approval process for the review and approval by Management of a recommended Fuel purchase Agreement.
4. "Bulk Commodities/Services" means Bulk Commodities (including, but not limited to scrubber reagent, ammonia, hydrated lime, Trona and activated carbon) to be used by the Company's generating stations and Services (including, but not limited to laboratory services, weighing and sampling services, stockpile surveys, governmental imposition claims assessment and coal pricing information services).
5. "Chief Operating Officer" means the Company's principal officer responsible for business operations.
6. "Company" LG&E and KU Energy LLC (LKE), including, its operating and service subsidiaries Louisville Gas and Electric Company (LG&E), Kentucky Utilities Company (KU) or LG&E and KU Services Company.
7. "Contract" is an Agreement for Fuel with a fixed term typically in excess of one year.
8. "Contract Purchase" means any purchase of Fuel by the Company where the terms and conditions are incorporated in the Contract, typically more than one year's duration.
9. "Director" means the Company's Director of Corporate Fuels and By-Products.
10. "Department" means the Company's Corporate Fuels and By-Products Department.
11. "Distressed Coal" means a limited amount of coal which may be purchased at a price below the current market price of similar quality coal.
12. "Emergency" means extraordinary conditions affecting Fuel production, transportation, or usage; including, but not limited to strikes, lockouts or other labor problems, embargoes, mining impediments, extreme market conditions and other problems affecting the production or transportation of Fuel, existing and/or forecasted extreme weather conditions, or any other conditions or circumstances that can be reasonably foreseen as impairing the continued supply of Fuel to the Company.
13. "Environmental Standards" mean the legal requirements for compliance with emission levels or other environmental protection requirements applicable to one or more of the Company's generating Units.

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14. "Formal Solicitation" means the process of soliciting sealed bids for the supply of Fuel.
15. "Fuel" means coal, fuel oil, Transportation Services and Bulk Commodities/Services (the latter two as contemplated by Sections J and K) purchased in each case by the Corporate Fuels and By-Products Department for use by the Company at one of its generating stations.
16. "Informal Bid" means the process of considering unsolicited or solicited oral or written bids for Fuel purchases.
17. "Joint Agreement" is any agreement that is written to supply Fuel to both LG&E and KU. The allocation of fuel under a Joint Agreement should be made pursuant to Section D.8. below.
18. "Long-Term Purchase" means any purchase of Fuel by the Company where the terms and conditions are incorporated into a Contract with a fixed term typically in excess of one year.
19. "Purchase Order" is an Agreement for the supply of Fuel with a term of typically one year or less.
20. "Sarbanes-Oxley" means the Sarbanes-Oxley Act of 2002 (also known as the Public Company Accounting Reform and Investor Protection Act).
21. "Spot Purchase" means any purchase of Fuel by the Company where the terms and conditions are incorporated into a Purchase Order or Contract with a term typically of one year or less.
22. "Station" means one of the Company's generating stations.
23. "Supplier" means the seller who is a party to an Agreement and is obligated to comply with the Agreement's terms.
24. "Transportation Services" means the mode(s) of moving Fuel from the point of purchase to the receiving station, including all related costs and activities (owned/leased equipment, maintenance and repair, barge fleeting services, blending, transloading, etc.).
25. "Unit" means a generating unit at a Station.
26. "Vice President – Energy Supply and Analysis" means the Company's principal officer to whom the Director of Corporate Fuels and By-Products reports and who in turn reports to the Chief Operating Officer.

B. Fuel Procurement Procedures:

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The Company's Corporate Fuels and By-Products Procurement Procedures define the process to obtain an adequate and reliable supply of Fuel of sufficient quality that yields the lowest possible cost of electrical energy delivered to the Unit bus bar, consistent with the Company's obligation to provide adequate and reliable service to its customers, to meet operational and Environmental Standards, and to meet any other applicable legal requirements. The Company will use its best efforts to secure its Fuel supply at competitive prices through the use of the Formal Solicitation, Informal Bid, and negotiation process as described in this document. The awarding of Contracts and Purchase Orders will comply with internal business controls including the Authority Limit Matrix, Sarbanes Oxley compliance and Internal Audit Services' recommendations. The Company has detailed internal control procedures covering Contract Management, Receipt of Goods and Payments (including weighing, sampling, and invoice payment), and Coal Inventory (includes Stockpile Surveys).

Implementation and oversight of the fuel procurement process is of highest priority to the Company. The Director of Corporate Fuels and By-Products will review the Company's Corporate Fuels and By-Products Procurement Procedures annually and update them as appropriate. The Corporate Fuels and By-Products Department shall be organized and staffed, and Corporate Fuels and By-Products procurement procedures and administration shall be conducted, in an efficient and practical manner consistent with the Company's policies. Fuel shall be purchased at competitive prices considering all material factors, including, but not limited to, quantity needed to maintain an adequate inventory, quality required to meet operating characteristics and Environmental Standards, resulting bus bar energy costs, reliability of the Supplier, diversity of Suppliers, diversity of fuel transportation modes, and meeting Emergency or other unusual circumstances affecting market conditions.

C. Organization:

1. Department Structure. The Department shall be organized and staffed to effectively administer the Company's Fuel procurement function.
2. Organizational Responsibility. The Director is responsible for the operations of the Corporate Fuels and By-Products Department and reports to the Vice President – Energy Supply and Analysis who is responsible for the Energy Marketing and Fuel Procurement functions. The Vice President - Energy Supply and Analysis reports to the Chief Operating Officer who has the final responsibility for Fuel procurement. Other Departments may be utilized by the Corporate Fuels and By-Products Department to the extent the Director, Vice President – Energy Supply and Analysis, and/or Chief Operating Officer consider advisable in the execution of the functions of the Department.
3. Approval Authority (Award Recommendation). An Award Recommendation will be prepared for all Agreements for the purchase of Fuel. The Award Recommendation will be signed (as a minimum) by the Department's Fuel Contract Administrator, Manager LG&E and KU Fuels, Manager Fuels Risk Management, Director of Corporate Fuels and By-Products, Plant Manager(s) of the Plant(s) that is (are) to receive the Fuel, and the

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Vice President – Power Production. Additional signatures or approvals may be required in accordance with the following Authority Limit Matrix:

Position	Maximum Term	Maximum Tenor	Maximum Notional \$ Amount
Manager LG&E and KU Fuels	1 year	2 years	\$10,000,000
Director, Corporate Fuels and By - Products	1 year	2 years	\$10,000,000
Vice President, Energy Supply and Analysis	3 years	4 years	\$20,000,000
Chief Operating Officer	5 years	6 years	\$25,000,000
LG&E and KU Energy LLC, Chief Financial Officer and Chief Executive Officer			\$180,000,000
LG&E and KU Energy LLC Investment Committee; LG&E and KU Energy LLC Board			Over \$180,000,000

4. Reports. The Director will instruct the Department to prepare, maintain and distribute various reports to management and others as deemed necessary for business operations and regulatory requirements.
5. Records. The Department shall maintain the following records:
 - a. Open Files. The Department shall maintain within the Department's office area, the following files for at least one year or longer as the Agreement term or other conditions warrant:
 - (1) For each current Fuel Supplier, the files will contain:
 - (a) Contract documents, amendments, Purchase Orders, and escalation documentation;
 - (b) General correspondence;
 - (c) Invoices and invoice verification data;
 - (d) Delivery records and quality analyses data;
 - (e) Field inspection reports and other data.
 - (2) A record of transportation units (railroad cars, barges, etc.) owned or leased by the Company.
 - (3) A list containing current Suppliers and known potential Suppliers of Fuel.

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- b. Closed Files. The Department shall maintain its closed files in accordance with the Company's record management and retention policy.

6. General Administrative Duties.

The Department shall subscribe to trade and industry publications and reports of governmental agencies concerning Fuel, Transportation Services, Bulk Commodities/Services, market information and prices. The Department shall use its best efforts to keep current on Fuel market conditions, prices and availability, and other developments relating to Fuel procurement.

D. Fuel Supply Procedures:

1. Projections. In conjunction with other departments of the Company, the Department shall prepare an annual projection of Fuel usage and delivered cost for each Station for the number of years required in the Company's planning process.
2. Long-Term/Spot Mix. Subject to the approvals as set forth herein, the Department shall recommend whether a Long-Term (Contract) or Spot Purchase (Purchase Order) is advisable, considering the following factors: (a) the availability of adequate Fuel from qualified Suppliers, (b) the need to have an adequate inventory committed for an existing Unit, changes to an existing Unit, or a planned new Unit, (c) the desire to maintain flexibility to market conditions and other factors affecting price and availability, (d) existing and anticipated Environmental Standards, and (e) such other factors as may reasonably affect the implementation of the Company's Corporate Fuels and By-Products Procurement Procedures.
3. Current Requirements. The Department shall continually review and analyze the data available to the Department in order to purchase Fuel in a timely manner to meet the requirements of the Company.
4. Supplier Qualifications. The Company shall select potential suppliers on the basis of the current supplier list, performance on past and current Fuel Agreements, financial information, market intelligence from industry research, and general knowledge of the industry. No potential qualified supplier shall be preferred or discriminated against because of race, religion, color, sex, age or marital status of the supplier or any of its representatives.

The supplier list is periodically reviewed by the Department to eliminate any suppliers that are known to have gone out of business and to also add any new or existing suppliers that were previously not on the supplier list. The Department not only reviews the membership lists of several coal associations (for example the Kentucky Coal Association, the Lexington Coal Exchange, the Coal Institute, the American Coal Council, the National Mining Association, etc.) for new suppliers to add to the supplier

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list, but also adds new suppliers based upon field inspection visits. If a supplier is identified that is not on the current supplier list, the Department will add the supplier to the list for the next RFQ. Suppliers can be added to the supplier list either by request of the supplier or by the Department.

A notice of a Request for Quotation (RFQ) is published in several Coal Industry Newsletters. The RFQ is initially sent to the suppliers on the current supplier list and posted on the Company website. If a supplier that has not received the RFQ calls and asks to be put on the Department's supplier list they are automatically added to that list and a copy of the RFQ is sent to that supplier. During the evaluation of the bids, if a new supplier has submitted a bid that is competitive, a new supplier evaluation will be performed to determine the capability of the supplier.

The supplier evaluation is done to determine if a supplier has the ability to deliver the quantity and quality of coal bid at the offered price. An actual site visit may be conducted. The information requested is based upon:

- The volume and term offered by the supplier in response to the RFQ
- Past experience the Company has with the supplier
- The size and financial stability of the supplier
- Past experience the Company has with the type coal being offered
- Previous knowledge the Company has concerning the source operation (possibly under a different source name)

The data requested may include coal reserve data such as property maps and drill logs, mining plans, listing of all production equipment, coal preparation facilities such as coal preparation plants, weighing, sampling and analysis capabilities on site, mine staffing and organization, past production records, and status of permits. In addition, financial data will be requested and a supplier credit assessment will be performed in accordance with company policy. If all operational information, financial data, and other results from the site visit evaluation are acceptable, the supplier is approved.

5. Solicitations.

- a. Formal Solicitations. The Company shall purchase its Fuel through sealed-bid solicitations. However, the Company reserves the right to request or accept Informal Bids for Fuel purchases as described in Section 5.b., when in its judgment, market conditions or plant conditions provide an opportunity to obtain Fuel more advantageously or more quickly than through the formal sealed-bid procedures. When the Company foregoes the Formal Solicitation process in favor of the Informal Bid procedure (Section 5.b. below), documentation shall be included in the resulting Contract or Purchase Order file describing the conditions.

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A Request for Quotation ("RFQ") number will be assigned to each quotation package. The quotation must be returned to the company address as indicated on or before the due date and time, noting on the mailing label the RFQ number. The RFQ number will identify the quotation and ensure the quotation is opened according to the Corporate Fuels and By-Products Procurement Procedures.

The RFQ package shall contain the following minimum requirements:

- Instructions to Suppliers on the submission of an RFQ, including time and date the bids are due, correct labeling of bid envelope, signatures required, etc.
- Scope of supply Agreement
- Listing of typical information required from Supplier

Quantity and quality of coal being offered

Bid Price

Length of purchase

Transportation capabilities

Mining capabilities

- Company terms and conditions

RFQ's shall be opened on or after the established due date and time within the presence of one or more witnesses from another Department. A numbered log shall be kept for logging in the receipt of each sealed envelope. This numbered log shall be signed by the witnesses noting the bids were all sealed prior to opening and were received prior to the due date and time. Those bids received after the designated time will be returned unopened to the bidder, unless the Director waives this provision.

Upon opening the sealed envelopes, each bid shall be given the log number assigned to it and initialed by the witnesses attending the bid opening.

All candidates shall be given the same opportunity and time frame to respond to the RFQ. Information clarifications shall be shared with all candidates. A copy of the RFQ and the original of the Suppliers' bid documents with evidence of the witness signatures shall be maintained within the Department.

The Department's Fuel Administrator is responsible for entering the bid data into the bid evaluation spreadsheet. The spreadsheet contains data fields such as:

Supplier's name (from bid)

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Mine name and location (from bid)

Fuel loading point; river milepost or rail loadout (from bid)

Annual price in dollars per ton and cents/MMBtu (from bid)

Transportation cost (assigned by the Fuel Administrator)

Calculated total delivered cost (calculated by the Fuel Administrator)

Fuel technical specifications (from bid), such as:

BTU per pound

Sulfur content

Moisture content

Ash content

Chlorine content

Size

Arsenic content

Hardgrove Index

Other technical specifications as appropriate

The bids are secured in the Department area.

The Department's Manager LG&E and KU Fuels will independently verify that all bid data is correctly entered into the bid evaluation spreadsheet.

- b. Informal Bids. When, in the Company's judgment, Fuel can be obtained more advantageously or quickly for a particular plant through the Informal Bid procedures, the Department may solicit offers or accept unsolicited offers from Suppliers by telephone, electronic mail, facsimile or otherwise. Although these bids are typically used for Spot Purchases, circumstances may arise that would justify the recommendation of a long-term Contract from an Informal Bid process. The award recommendation for all such Informal Bid purchases shall include the Department's Fuel Sole Source Award Recommendation form with appropriate signatures.
6. Long-Term Purchases. The Department shall review and analyze each Contract offer. The evaluation will include, but not necessarily be limited to, the items required by the Company to satisfy operational, Environmental Standards and economic criteria. Based

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upon the bid evaluation spreadsheet, the Department will evaluate and rank all quotations received by total delivered cost and lowest evaluated cost of electrical energy delivered to the Unit bus bar. Other factors may be considered, including but not limited to, ranking reports generated by a software model that evaluates the impact of different coal qualities on Unit bus bar costs, supplier credit assessment, supplier past performance, diversity of region of supply, diversity of transportation mode, and diversity of suppliers. From this ranking, a short list of bidders may be selected from which the Department intends to conduct further discussions and/or negotiations. The short list may include unsolicited offers. The size of the short list will be determined solely at the Department's discretion. The Department may engage in preliminary negotiations with Suppliers on the short list to determine which offers warrant further consideration. The objective of the negotiations shall be to reach Agreements with Suppliers that provide the Company with favorable terms and conditions, the lowest possible cost of electrical energy delivered to the Unit bus bar and reliable supply consistent with other qualifiers related to supplier reliability, existing and future Environmental Standards, transportation options, etc. A team may be formed to conduct negotiations with bidders on the short list. Generally, this team will consist of two or more representatives from the Department. The terms and conditions outlined in the quotation submitted to the Department by the bidder shall be the basis for beginning negotiations with each potential Supplier. A representative from the Legal Department shall review documents regarding terms and conditions.

The Department may in some instances perform investigations of the bidders to determine their ability to supply Fuel under the terms and conditions outlined in their proposals. These investigations may include site visits, mine operation audits, audits of financial information, test shipments, or other similar actions intended to determine the bidder's qualification as a Supplier. The Department shall verify the adequacy of the proposed source of supply for coal quantity and quality.

The recommended Supplier(s) shall be selected by the negotiating team based upon the evaluation criteria and the results of the negotiations. The Department's Fuel Contract Administrator will prepare the contract Award Recommendation for approval as detailed in Section C.3. This recommendation will document the selection criteria and pertinent factors, and in circumstances where more than one company is selected, the recommendation shall describe the tonnage requirements and other responsibilities of each of the other recommended Suppliers.

7. Spot Purchases. Spot purchases, and resulting Purchase Orders or Contracts, may be made by the Company subject to the limit of authority stated in section C.3. In instances where there exists an opportunity to purchase Distressed Coal or other coal from an Informal Bid, the Manager LG&E and KU Fuels may recommend the purchase of such coal to the Director without soliciting proposals through the Formal Solicitation process. The Award Recommendation for all such Fuel purchases shall include the Department's Fuel Sole Source Award Recommendation form with appropriate signatures.
8. Joint Agreements. Joint Agreements shall be made at the discretion of the Department in order to capture economic benefit from the combined purchasing power of LG&E and KU. Such discretion will be based upon the Company's operating requirements, Environmental Standards, inventory levels, and the ability of the Company's power plants to burn similar fuels.

Attachment 1 to Response to Question No. 15

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9. Documentation. Contracts and Purchase Orders shall be signed by the Supplier and the Company.

The following documents must be maintained:

- o The final list of bidders
- o A copy of the bid package
- o The bidders' responses with witnesses' signatures
- o The bid evaluation summary

E. Agreement Administration:

1. Compliance. The Department shall review and analyze daily business and operational reports to properly administer all Agreements. Coal weighing and sampling is conducted at each individual power plant site. Coal weights are measured in accordance with industry-accepted methods. Coal sampling and analysis is performed in accordance with Generation Services' System Laboratory procedures. These procedures have been developed in accordance with ASTM standards and cover coal sampling, coal sample preparation, coal sample identification, handling and shipping, and coal analysis on a parameter-by-parameter basis. Coal quantity and quality are reported to the Department through the Fuels Management System.
2. Amendments. A Contract/Purchase Order shall not be materially amended except after analysis by the Department, recommendation of the Director, review by the Legal Department and in accordance with the Authority Matrix in C.3.
3. Agreement Administration. The Department shall maintain the necessary data to administer the Agreements. Every Supplier's request for a change outside the existing terms, conditions, or prices must be written and supported by adequate data in conformity with the Agreement. Each request shall be analyzed by the Department against the Agreement provisions, and reported with recommendations to the Director. If the parties do not come to agreement on the new terms, negotiations between the Supplier and the Company, as dictated by the Agreement's terms, shall be the primary method of resolving the issue.
4. Supplier's Relief. Any Supplier's request or claim for relief from compliance with any provision of the Agreement's terms such as Force Majeure conditions, quality specifications, approval of alternate sources, etc., must be in writing with an adequate description of conditions warranting nonperformance. Each request or claim shall be reviewed by the Director and the Company's Legal Department.
5. Inspections. The Director shall cause inspections of mining and other facilities of a Supplier as part of Agreement Administration.

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F. Agreement Enforcement:

1. General Enforcement Policy. Supplier obligations under Agreements shall be enforced by the Company to ensure Supplier compliance with the Company's overall procurement policy and to provide for the continuing supply of Fuel.
2. Department Responsibility. Whenever it is determined that a shipment does not meet the Agreement terms or a Fuel Supplier is not complying with the Agreement terms, the Department shall inform the Supplier and direct that subsequent shipments be in compliance.

G. Legal Assistance:

The Department shall have access to, and may receive advice from, the Legal Department on all matters relating to Fuel procurement, administration and enforcement.

H. Inventory Levels:

The Company has an obligation to ensure the availability of continuous reliable service to its customers. Decisions affecting Fuel inventory shall be responsive to this obligation.

The Company strives to maintain an adequate inventory to ensure service reliability while allowing for enough flexibility so inventory levels can be responsive to known and anticipated changes in conditions and minimize the risks of unforeseen conditions. Inventory ranges are established based upon forecasted plant utilization, deliverability risks related to availability of truck, rail and barge capacity and associated transportation infrastructure, fuel quality requirements of the plants, the position of the plant in the dispatch order, risk of market supply-demand imbalance, and the ability to conduct quick spot market transactions. The general level of inventory is adjusted to meet anticipated conditions (i.e. summer/winter peak load, river lock outages, Unit outages, fuel unloading system outages, etc.).

Coal inventories are reported monthly in the Department's Monthly Fuels Management Report. Regular inventory reports are made available quarterly to senior management and the Enterprise Risk Management Committee. An annual physical inventory survey is taken, in a timely manner, to ensure that the results of the physical inventory survey are booked by the end of the year in the Fuels Management System.

I. Emergency Procurement:

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Any one or more of the procedures described herein may be waived by the Vice President - Energy Supply and Analysis, whenever, Fuel must be purchased due to extraordinary conditions such as strikes, lockouts or other labor problems affecting Fuel production or transportation, embargoes, mining or other problems affecting production or transportation, existing and/or forecast extreme weather conditions, or any other conditions or circumstances that can be reasonably foreseen as impairing the continued supply of Fuel to the Company. When such a purchase is made, documentation of circumstances will be included in the Contract or Purchase Order file.

J. Transportation Services:

Transportation Services bids shall be requested and Agreements negotiated whenever appropriate. A tariff may be used in lieu of an Agreement if conditions warrant. Consideration shall generally be given to the following factors when considering the need or desirability to make a Transportation Services Agreement:

- plant requirements;
- the locations of potential Fuel Suppliers;
- the most desirable transportation modes available;
- coal unloading and handling system constraints;
- existing transportation routes and transfer points between Suppliers and Company generating Stations;
- desirability of maintaining flexibility with different modes of transportation;
- economics;
- other factors which may affect the delivery of Fuel to the Company's generating Stations.

The process of selecting and contracting for Transportation Services will vary with the mode of transportation being sought. For barge and truck deliveries, the Department will generally use the Company's accepted competitive bidding procedures. In instances where only one rail carrier may serve a plant, direct negotiations with the rail carriers serving a particular coal source may be initiated.

The selections of a transportation Supplier will generally be based upon, but not necessarily limited to, cost, reliability, coal unloading and handling system constraints, and other factors. Transportation Service Agreements must be in writing and signed by all parties, unless provided under an approved tariff. The approval procedures set forth in Section C.3 shall be used for the approval of all Transportation Agreements.

K. Bulk Commodities/Services/Other Fuels:

Bulk Commodities/Services shall be requested and Agreements negotiated by the Department, whenever appropriate. Associated transportation services related to Section J. such as railcar leases, railcar maintenance and repair, barge maintenance and repair, barge fleetling services, coal blending, and coal transloading services shall also be requested and Agreements negotiated by the Department, whenever appropriate. All of these Bulk Commodities/Services Agreements will abide by the Approval Authority Limits as set forth in Section C.3. above.

Natural Gas The Power Supply Department is responsible for the purchase of natural gas and associated pipeline transportation for the Company's generating stations.

Fuel Oil. Fuel oil is procured on an "as-needed" basis due to the infrequency of use of this Fuel and the nature of the oil market. The responsibility for fuel oil procurement varies. When the need for fuel oil arises, the Department and/or the Power Plants will solicit vendors for offers. Orders are assigned on the basis of lowest delivered cost and the ability to fill the order. Solicitation results are documented in the Department for purchases made by the Department.

L. Affiliate Transactions:

Transactions and relationships between the Company and its unregulated affiliates are governed by three governmental agencies: the Kentucky Public Service Commission, the Federal Energy Regulatory Commission, and as regards Kentucky Utilities Company, the Virginia State Corporation Commission.

The Company may purchase Fuel from an affiliate only at a price permissible under applicable affiliated restriction rules of the above regulators, if such a transfer is reasonably required by the Company to meet an Emergency and the Company believes in good faith that, under the circumstances, the transaction will be to the advantage of the Company. At the time of the affiliate transaction, the Company will document through the award recommendation process, the pricing basis and the justification for the affiliate transaction. The Company shall report any such purchase in its next recurrent report due to the Commission (Form A or Form B filing, or their successor(s)). All such affiliate transactions must as a minimum, meet the requirements of the Affiliate Transaction Overview, dated May 26, 2003, including the requirements of Kentucky Revised Statutes Chapter 278, Kentucky Public Service Commission Sections 2201 through 2219; the Federal Energy Regulatory Commission, 18 CFR 35.44; and Virginia State Corporation Commission, Code of Virginia Title 56 - Chapter 4 and any other applicable affiliate transaction rules.

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M. Ethics and Conduct:

The Company recognizes the importance of following the Company's Standards of Integrity to guide the conduct of the Corporate Fuels and By-Products Department in the performance of its duties and responsibilities:

The Department shall endeavor to serve the best interests of the Company and its customers in the performance of the Department's duties and responsibilities.

Fuels staff shall adhere to the ethical standards and policies of the Company.

Each employee involved with the procurement of Fuel will be required to promptly disclose, in writing, any actual or potential conflicts of interest to their supervisor and the LG&E/KU Compliance Department.

N. Penalties For Noncompliance:

All Fuels employees are required to familiarize themselves with the Fuels Procurement Procedures and acknowledge through a process established by management, that they have received, read, understand, accept, and will act in accordance with this document. Failure to comply with any term of the procedures may result in disciplinary action, up to and including discharge.

Key Contact: Manager - Fuels Accounting and Administration

References: Authority Limit Matrix, Records Management and Retention Policy, Standards of Integrity, Reliability Standards, and Affiliate Restriction Regulations

Administrative Responsibility: Director, Corporate Fuels and By- Products

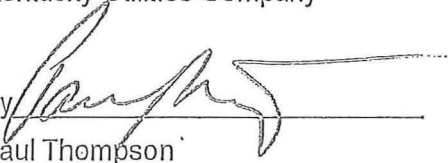
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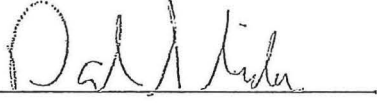
Originally issued at Louisville, Kentucky, the 10th day of February, 2003.

Revised effective August 1, 2015.

Louisville Gas and Electric Company

Kentucky Utilities Company

By 
Paul Thompson
Chief Operating Officer

By 
David Sinclair
Vice President – Energy Supply and Analysis

CORPORATE FUELS AND BY-PRODUCTS PROCUREMENT POLICIES AND PROCEDURES
Louisville Gas and Electric Company
Kentucky Utilities Company

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A. Definitions:

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1. "Agreement" means a legally binding document, in which one party agrees to sell and the other agrees to buy Fuel, ~~or Transportation Services for Fuel~~, fully executed by both Buyer and Seller.
2. "Authority Limit Matrix" – The Authority Limit Matrix (ALM) is a Company policy to be used in combination with these more detailed ~~policies and~~ procedures, indicating the minimum authority required for specific transactions. Its purpose is to provide an easy accessible source of information with respect to the approval process of ~~the Company (as defined below), LG&E and KU Energy LLC (LKE or the Company).~~
3. "Award Recommendation" – means the Company's internal approval process for the review and approval by Management of a recommended Fuel purchase ~~and/or Transportation Services a~~ Agreement.
- 3.4. "~~Bulk Commodities/Services~~" means Bulk Commodities (including, but not limited to scrubber reagent, ammonia, hydrated lime, Trona and activated carbon) to be used by the Company's generating stations and Services (including, but not limited to laboratory services, weighing and sampling services, stockpile surveys, governmental imposition claims assessment and coal pricing information services.)
- 4.5. "Chief Operating Officer" means the Company's principal officer responsible for business operations.
- 5.6. "Company" LG&E and KU Energy LLC (LKE), including, its operating and service subsidiaries ~~means~~ Louisville Gas and Electric Company (LG&E), ~~or~~ Kentucky Utilities Company (KU) or ~~both~~ LG&E and KU Services Company.
- 6.7. "Contract" is an Agreement for Fuel ~~supply or Transportation Services~~ with a fixed term typically in excess of one year.
- 7.8. "Contract Purchase" means any purchase of Fuel ~~or Transportation Services~~ by the Company where the terms and conditions are incorporated in the Contract, typically more than one year's duration.
- 8.9. "Director" means the Company's Director of Corporate Fuels and By-Products.
- 9.10. "Department" means the Company's Corporate Fuels and By-Products Department.
- 10.11. "Distressed Coal" means a limited amount of coal which may be purchased at a price below the current market price of similar quality coal.
- 11.12. "Emergency" means extraordinary conditions affecting Fuel production, transportation, or usage; including, but not limited to strikes, lockouts or other labor problems, embargoes, mining impediments, extreme market conditions and other problems affecting the production or transportation of Fuel, existing and/or forecasted extreme weather conditions, or any other conditions or circumstances that can be reasonably foreseen as impairing the continued supply of Fuel to the Company.

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CORPORATE FUELS AND BY-PRODUCTS PROCUREMENT POLICIES AND PROCEDURES

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123. "Environmental Standards" mean the legal requirements for compliance with emission levels or other environmental protection requirements applicable to one or more of the Company's generating Units.
134. "Formal Solicitation" means the process of soliciting sealed bids for the supply of ~~Fuel, and/or Transportation Services.~~
145. "Fuel" means coal, fuel oil, Transportation Services and Bulk Commodities/Services (the latter two as contemplated by Sections J and K) or natural gas purchased in each case by the Corporate Fuels and By-Products Department for use by the Company ~~at~~ for one of its generating stations.
156. "Informal Bid" means the process of considering unsolicited or solicited oral or written bids for Fuel purchases, ~~and/or Transportation Services.~~
17. "Joint Agreement" is any agreement that is written to supply Fuel to both LG&E and KU. The allocation of fuel under a Joint Agreement should be made pursuant to Section D.8. below.
18. "Long-Term Purchase" means any purchase of Fuel by the company where the terms and conditions are incorporated into a Contract with a fixed term typically in excess of one year.
19. ~~"Joint Contract" is any contract that is written to supply Fuel and/or Transportation Services to both LG&E and KU. The allocation of fuel under a Joint Contract should be made pursuant to Section 0.8. below.~~
- 20.19. "Purchase Order" is an Agreement for the supply of Fuel ~~and/or Transportation Services~~ with a term of typically one year or less.
- 24.20. "Sarbanes-Oxley" means the Sarbanes-Oxley Act of 2002 (also known as the Public Company Accounting Reform and Investor Protection Act).
- 22.21. "Spot Purchase" means any purchase of Fuel ~~and/or Transportation Services~~ by the Company where the terms and conditions are incorporated into a Purchase Order or Contract with a term typically of one year or less.
- 23.22. "Station" means one of the Company's generating stations.
- 24.23. "Supplier" means the seller who is a party to an Agreement and is obligated to comply with the Agreement's terms.
- 25.24. "Transportation Services" means the mode(s) of moving ~~F~~fuel from the point of purchase to the receiving station, including all related costs and activities (owned/leased equipment, maintenance and repair, barge fleet services, blending, transloading, etc).
- 26.25. "Unit" means a generating unit at a Station.
- 27.26. "Vice President – Energy Supply and Analysis" means the Company's principal

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CORPORATE FUELS AND BY-PRODUCTS PROCUREMENT POLICIES AND PROCEDURES

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officer to whom the Director of Corporate Fuels and By-Products reports and who in turn reports to the Chief Operating Officer.

B. Fuel Procurement Policies Procedures:

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The Company's Corporate Fuels and By-Products Procurement Policies and Procedures define the process to obtain an adequate and reliable supply of Fuel of sufficient quality that yields the lowest possible cost of electrical energy delivered to the Unit bus bar, consistent with the Company's obligation to provide adequate and reliable service to its customers, to meet operational and Environmental Standards, and to meet any other applicable legal requirements. The Company will use its best efforts to secure its Fuel supply at competitive prices through the use of the Formal Solicitation, Informal Bid, and negotiation process as described in this document. The awarding of Contracts and Purchase Orders will comply with internal business controls including the Authority Limit Matrixes, Sarbanes Oxley compliance and Internal Audit Services' recommendations. The Company has detailed internal control procedures covering Contract Management, Receipt of Goods and Payments (including weighing, sampling, and invoice payment), and Coal Inventory (includes Stockpile Surveys).

Implementation and oversight of the fuel procurement process is policy of highest priority to the Company. The Director of Corporate Fuels and By-Products will review the Company's Corporate Fuels and By-Products Procurement Policies and Procedures annually and update them as appropriate. The Corporate Fuels and By-Products Department shall be organized and staffed, and Corporate Fuels and By-Products procurement procedures and administration shall be conducted, in an efficient and practical manner consistent with the Company's this policies. Fuel shall be purchased at competitive prices considering all material factors, including, but not limited to, quantity needed to maintain an adequate inventory, quality required to meet operating characteristics and Environmental Standards, resulting bus bar energy costs, reliability of the Supplier, diversity of Suppliers, diversity of fuel transportation modes, and meeting Emergency or other unusual circumstances affecting market conditions.

C. Organization:

1. Department Structure. The Department shall be organized and staffed to effectively administer the Company's Fuel procurement function.
2. Organizational Responsibility. The Director is responsible for the operations of the Corporate Fuels and By-Products Department and reports to the Vice President – Energy Supply and Analysis who is responsible for the Energy Marketing and Fuel Procurement functions. The Vice President - Energy Supply and Analysis reports to the Chief Operating Officer who has the final responsibility for Fuel procurement. Other Departments may be utilized by the Corporate Fuels and By-Products Department to the extent the Director, Vice President – Energy Supply and Analysis, and/or Chief Operating Officer consider advisable in the execution of the functions of the Department.
3. Approval Authority (Award Recommendation). An Award Recommendation will be prepared for all Agreements for the purchase of Fuel, and Transportation Services. The Award Recommendation will be signed (as a minimum) by the Department's Fuel Contract Administrator, Manager LG&E and KU Fuels, Manager Fuels Risk

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Management, Director of Corporate Fuels and By-Products, Plant Manager(s) of the Plant(s) that is (are) to receive the Fuel, ~~and/or Transportation Services~~, and the Vice President – Power Production. ~~Additional signatures may be required in accordance with the following Authority Limit Matrices:~~

Position	Maximum Term	Maximum Tenor	Maximum Notional \$ Amount
Manager LG&E and KU Fuels	1 year	2 years	\$10,000,000
Director, Corporate Fuels and By - Products	1 year	2 years	\$10,000,000
Vice President, Energy Supply and Analysis	3 years	4 years	\$20,000,000
Chief Operating Officer	5 years	6 years	\$25,000,000
LG&E and KU Energy LLC, Chief Financial Officer and Chief Executive Officer			\$180,000,000
LG&E and KU Energy LLC Investment Committee; LG&E and KU Energy LLC Board			Over \$180,000,000

4. Reports. The Director will instruct the Department to prepare, maintain and distribute various reports to management and others as deemed necessary for business operations and regulatory requirements.

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5. Records. The Department shall maintain the following records:

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a. Open Files. The Department shall maintain within the Department's office area, the following files for at least one year or longer as the Contract term or other conditions warrant:

- (1) For each current ~~Fuel Supplier, Contract~~ ~~Supplier, Spot Purchase Supplier, or Transportation Services Provider~~, the files will contain:
 - (a) Contract documents, amendments, Purchase Orders and escalation documentation;
 - (b) General correspondence;
 - (c) Invoices and invoice verification data;
 - (d) Delivery records and quality analyses data;
 - (e) Field inspection reports and other data.
- (2) A record of transportation units (railroad cars, barges, etc.) owned or leased by the Company.
- (3) A list containing current Suppliers and known potential Suppliers of Fuel.

b. Closed Files. The Department shall maintain its closed files in accordance

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with the Company's record management and retention policy plan.

6. General Administrative Duties.

The Department shall subscribe to trade and industry publications and reports of governmental agencies concerning Fuel, Transportation Services, Bulk Commodities/Services, market information and prices. The Department shall use its best efforts to keep current on Fuel market conditions, prices and availability, and other developments relating to Fuel procurement.

D. Fuel Supply Procedures:

1. Projections. In conjunction with other departments of the Company, the Department shall prepare an annual projection of Fuel usage and delivered cost for each Station for the number of years required in the Company's planning process.

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2. Long-Term Contract/Spot Mix. Subject to the approvals as set forth herein, the Department shall recommend whether a Long-Term (Contract) or Spot Purchase (Purchase Order) is advisable, considering the following factors:

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(a) the availability of adequate Fuel supplies from qualified Suppliers, (b) the need to have an adequate inventory committed for an existing Unit, changes to an existing Unit, or a planned new Unit, (c) the desire to maintain flexibility to market conditions and other factors affecting price and availability, (d) existing and anticipated Environmental Standards, and (e) such other factors as may reasonably affect the implementation of the Company's Corporate Fuels and By-Products Procurement Policy.

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3. Current Requirements. The Department shall continually review and analyze the data available to the Department in order to purchase Fuel in a timely manner to meet the requirements of the Company.

4. Supplier Qualifications. The Company shall select potential suppliers on the basis of the current supplier list, performance on past and current Fuel Agreements/Contracts, financial information, market intelligence from industry research, and general knowledge of the industry. No potential qualified supplier shall be preferred or discriminated against because of race, religion, color, sex, age or marital status of the supplier or any of its representatives.

The supplier list is periodically reviewed by the Department to eliminate any suppliers that are known to have gone out of business and to also add any new or existing suppliers that were previously not on the supplier list. The Department not only reviews the membership lists of several coal associations (for example the Kentucky Coal Association, the Lexington Coal Exchange, the North Carolina Coal Institute, the American Coal Council, the National Mining Association, etc.) for new suppliers to add to the supplier list, but also adds new suppliers based upon field inspection visits. If a supplier is identified that is not on the current supplier list, the Department will add the supplier to the list for the next RFQ. Suppliers can be added to the supplier list either by request of the supplier or by the Department.

A notice of a Request for Quotation (RFQ) is published in several Coal Industry Newsletters. The RFQ is initially sent to the suppliers on the current supplier list and

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posted on the Company website. If a supplier that has not received the RFQ calls and asks to be put on the Department's supplier list they are automatically added to that list and a copy of the RFQ is sent to that supplier. During the evaluation of the bids, if a new supplier has submitted a bid that is competitive, a new supplier evaluation will be performed to determine the capability of the supplier.

The supplier evaluation is done to determine if a supplier has the ability to deliver the quantity and quality of coal bid at the offered price. An actual site visit may be conducted. The information requested is based upon:

- The volume and term offered by the supplier in response to the requested in the RFQ
- Past experience the Company has with the supplier
- The size and financial stability of the supplier
- Past experience the Company has with the type coal being offered
- Previous knowledge the Company has concerning the source operation (possibly under a different source name)

The data requested may include coal reserve data such as property maps and drill logs, mining plans, listing of all production equipment, coal preparation facilities such as coal preparation plants, weighing, sampling and analysis capabilities on site, mine staffing and organization, past production records, and status of permits. In addition, financial data will be requested and a supplier credit assessment will be performed in accordance with company policy. If all operational information, financial data, and other results from the site visit evaluation are acceptable, the supplier is approved.

5. Solicitations.

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a. Formal Solicitations. The Company shall purchase its Fuel through sealed-bid solicitations. However, the Company reserves the right to request or accept Informal Bids for Fuel purchases as described in Section 5.b., when in its judgment, market conditions or plant conditions provide an opportunity to obtain Fuel more advantageously or more quickly than through the formal sealed-bid procedures. When the Company foregoes the Formal Solicitation process in favor of the Informal Bid procedure (Section 5.b. below), documentation shall be included in the resulting Contract or Purchase Order file describing the conditions.

A Request for Quotation ("RFQ") number will be assigned to each quotation package. The quotation must be returned to the company address as indicated on or before the due date and time, noting on the mailing label the RFQ number. The RFQ number will identify the quotation and ensure the quotation is opened according to the Company's Corporate Fuels and By-Products Procurement Policies and Procedures.

The RFQ package shall contain the following minimum requirements:

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- Instructions to Suppliers on the submission of an RFQ, including time and date the bids are due, correct labeling of bid envelope, signatures required, etc.
- Scope of supply Agreement
- Listing of typical information required from Supplier
 - Quantity and quality of coal being offered Bid
 - Price
 - Length of purchase
 - Transportation capabilities
 - Mining capabilities
- Company terms and conditions

RFQ's shall be opened on or after the established due date and time within the presence of one or more witnesses from another Department. A numbered log shall be kept for logging in the receipt of each sealed envelope. This numbered log shall be signed by the witnesses noting the bids were all sealed prior to opening and were received prior to the due date and time. Those bids received after the designated time will be returned unopened to the bidder, unless the Director waives this provision.

Upon opening the sealed envelopes, each bid shall be given the log number assigned to it and initialed by the witnesses attending the bid opening.

All candidates shall be given the same opportunity and time frame to respond to the RFQ. Information clarifications shall be shared with all candidates. A copy of the RFQ and the original of the Suppliers' bid documents with evidence of the witness signatures shall be maintained within the Department.

The Department's Fuel Administrator is responsible for entering the bid data into the bid evaluation spreadsheet. The spreadsheet contains data fields such as:

- Supplier's name (from bid)
- Mine name and location (from bid)
- Fuel loading point, river milepost or rail badout (from bid)
- Annual price in dollars per ton and cents/MMBtu (from bid)
- Transportation cost (assigned by the Fuel Administrator)

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Calculated total delivered cost (calculated by the Fuel Administrator)

Fuel technical specifications (from bid), such as:

BTU per pound

Sulfur content

Moisture content

Ash content

Chlorine content

Size

Arsenic content

Hardgrove Index

Other technical specifications as appropriate

The bids are secured in the [Department Fuels Procurement](#) area.

The Department's Manager LG&E and KU Fuels will independently verify that all bid data is correctly entered into the bid evaluation spreadsheet.

- b. Informal Bids. When, in the Company's judgment, Fuel can be obtained more advantageously or quickly for a particular plant through the Informal Bid procedures, the Department may solicit offers or accept unsolicited offers from Suppliers by telephone, electronic mail, facsimile or otherwise. Although these bids are typically used for Spot Purchases, circumstances may arise that would justify the recommendation of a long-term Contract from an Informal Bid process. The award recommendation for all such Informal Bid purchases shall include the Department's Fuel Sole Source Award Recommendation form with appropriate signatures.

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6. Long-Term Purchases Contract Awards. The Department shall review and analyze each Contract offer. The evaluation will include, but not necessarily be limited to, the items required by the Company to satisfy operational, Environmental Standards and economic criteria. Based upon the bid evaluation spreadsheet, the Department will evaluate and rank all quotations received by total delivered cost and lowest evaluated cost of electrical energy delivered to the Unit bus bar. Other factors may be considered, including but not limited to, ranking reports generated by a software model that evaluates the impact of different coal qualities on Unit bus bar costs, supplier credit assessment, supplier past performance, diversity of region of supply, diversity of transportation mode, and diversity of suppliers. From this ranking, a short list of bidders may be selected from which the Department intends to conduct further discussions and/or negotiations. The short list may include unsolicited offers. The size of the short list will be determined solely at the Department's discretion. The Department may

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engage in preliminary negotiations with Suppliers on the short list to determine which offers warrant further consideration. The objective of the negotiations shall be to reach Agreements with Suppliers that provide the Company with favorable terms and conditions, the lowest possible cost of electrical energy delivered to the Unit bus bar and reliable supply consistent with other qualifiers related to supplier reliability, existing and future Environmental Standards, transportation options, etc. A team may be formed to conduct negotiations with bidders on the short list. Generally, this team will consist of two or more representatives from the Department. The terms and conditions outlined in the quotation submitted to the Department by the bidder shall be the basis for beginning negotiations with each potential Supplier. A representative from the Legal Department shall review documents regarding terms and conditions.

The Department may in some instances perform investigations of the bidders to determine their ability to supply Fuel under the terms and conditions outlined in their proposals. These investigations may include site visits, mine operation audits, audits of financial information, test shipments, or other similar actions intended to determine the bidder's qualification as a Supplier. The Department shall verify the adequacy of the proposed source of supply for coal quantity and quality.

The recommended Supplier(s) shall be selected by the negotiating team based upon the evaluation criteria and the results of the negotiations. The Department's Fuel Administrator will prepare the contract Award Recommendation for approval as detailed in Section C.3. This recommendation will document the selection criteria and pertinent factors, and in circumstances where more than one company is selected, the recommendation shall describe the tonnage requirements and other responsibilities of each of the other recommended Suppliers.

7. Spot Purchases. Spot purchases and resulting Purchase Orders or Contracts, may be made by the Company subject to the limit of authority stated in section C.3. In instances where there exists an opportunity to purchase Distressed Coal or other coal from an Informal Bid, the Manager LG&E and KU Fuels may recommend the purchase of such coal to the Director without soliciting proposals through the Formal Solicitation process. The Award Recommendation for all such Fuel purchases shall include the Department's Fuel Sole Source Award Recommendation form with appropriate signatures.

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8. Joint Agreements~~Contracts~~. Joint Agreements ~~Contracts~~ shall be made at the discretion of the Department in order to capture economic benefit from the combined purchasing power of LG&E and KU. Such discretion will be based upon the Company's operating requirements, Environmental Standards, inventory levels, and the ability of the Company's power plants to burn similar fuels.

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9. Documentation. Contracts and Purchase Orders shall be signed by the Supplier and the Company.

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The following documents must be maintained:

- The final list of bidders
- A copy of the bid package

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- The bidders' responses with witnesses' signatures
- The bid evaluation summary

E. Fuel Supply Agreement Administration:

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1. Compliance. The Department shall review and analyze daily business and operational reports to properly administer all ~~Fuel and Transportation Services~~ Agreements. Coal weighing and sampling is conducted at each individual power plant site. Coal weights are measured in accordance with industry-accepted methods. Coal sampling and analysis is performed in accordance with Generation Services' System Laboratory procedures. These procedures have been developed in accordance with ASTM standards and cover coal sampling, coal sample preparation, coal sample identification, handling and shipping, and coal analysis on a parameter-by-parameter basis. Coal quantity and quality are reported to the Department through ~~Aligne~~ (The ~~F~~uels ~~M~~anagement ~~S~~ystem).

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2. Amendments. A Contract/Purchase Order shall not be materially amended except after analysis by the Department, recommendation of the Director, review by the Legal Department and in accordance with the Authority ~~Matrixes~~ in C.3.

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3. Contract Administration. The Department shall maintain the necessary data to administer the ~~Agreements~~ Contracts. Every Supplier's request for a change outside the existing terms, conditions, or prices must be written and supported by adequate data in conformity with the ~~Agreement~~ Contract. Each request shall be analyzed by the Department against the ~~Agreement~~ Contract provisions, and reported with recommendations to the Director. If the parties do not come to agreement on the new terms, negotiations between the Supplier and Company, as dictated by the ~~Agreement's~~ Contract's terms, shall be the primary method of resolving the issue.

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4. Supplier's Relief. Any Supplier's request or claim for relief from compliance with any provision of the ~~Agreement's~~ Contract's terms such as Force Majeure conditions, quality specifications, approval of alternate sources, etc, must be in writing with an adequate description of conditions warranting nonperformance. Each request or claim shall be reviewed by the Director and the Company's Legal Department.

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5. Inspections. The Director shall cause inspections of mining and other facilities of a ~~Contract~~ coal Supplier or other ~~Fuel~~ supply facilities as part of ~~Agreement~~ Contract Administration.

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~~6. Emission Allowance Management. All allowances offered in connection with supplying fuel for either LG&E or KU generating Units will be managed in accordance with the Company's environmental, utility accounting, and rates and regulatory policies and procedures. The appropriate way to accommodate any additional allowances (offered in conjunction with supplying fuel) will be dependent on the quantity and vintage of the allowances offered.~~

F. Fuel Supply Agreement Enforcement:

1. General Enforcement Policy. Supplier obligations under ~~Fuel~~ supply Agreements shall be enforced by the Company to ensure Supplier compliance with the Company's

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overall procurement policy and to provide for the continuing supply of Fuel.

2. Department Responsibility. Whenever it is determined that a shipment does not meet the Fuel Supply Agreement terms or a Fuel Supplier is not complying with the Fuel Supply Agreement terms, the Department shall inform the Supplier and direct that subsequent shipments be in compliance.

G. Legal Assistance:

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The Department shall have access to, and may receive advice from, the Legal Department on all matters relating to Fuel procurement, administration and enforcement.

H. Inventory Levels:

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The Company has an obligation to ensure the availability of continuous reliable service to its customers. Decisions affecting Fuel inventory shall be responsive to this obligation.

The Company strives to maintain an adequate inventory to ensure service reliability while allowing for enough flexibility so inventory levels can be responsive to known and anticipated changes in conditions and minimize the risks of unforeseen conditions. Inventory ranges are established based upon forecasted plant utilization, deliverability risks related to availability of truck, rail and barge capacity and associated transportation infrastructure, fuel quality requirements of the plants, the position of the plant in the dispatch order, risk of market supply-demand imbalance, and the ability to conduct quick spot market transactions. The general level of inventory is adjusted to meet anticipated conditions (i.e. summer/winter peak load, river lock outages, Unit outages, fuel unloading system outages, etc).

Coal inventories are reported monthly in the Department's Monthly Fuels Management Report. Regular inventory reports are made available quarterly to senior management and inventory is reviewed by the Enterprise Risk Management Committee to ensure compliance with internal policies. An annual physical inventory survey is taken, in a timely manner, to ensure that the results of they physical inventory survey are booked by the end of the year in the Fuels Management System.

I. Emergency Procurement:

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Any one or more of the procedures described herein may be waived by the Vice President - Energy Supply and Analysis, whenever, Fuel must be purchased due to extraordinary conditions such as strikes, lockouts or other labor problems affecting Fuel production or transportation, embargoes, mining or other problems affecting production or transportation, existing and/or forecast extreme weather conditions, or any other conditions or circumstances that can be reasonably foreseen as impairing the continued supply of Fuel to the Company. When such a purchase is made, documentation of circumstances will be included in the Contract or Purchase Order file.

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J. Transportation Services: ~~Contracts:~~

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Transportation Services bids shall be requested and Agreements ~~Contracts~~ negotiated whenever appropriate. A tariff may be used in lieu of an ~~Contract~~ Agreement if conditions warrant. Consideration shall generally be given to the following factors when considering the need or desirability to make a Transportation Services Agreement:

- plant requirements;
- the locations of potential Fuel Suppliers;
- the most desirable transportation modes available;
- coal unloading and handling system constraints;
- existing transportation routes and transfer points between Suppliers and Company generating Stations;
- desirability of maintaining flexibility with different modes of transportation;
- economics;
- other factors which may affect the delivery of Fuel to the Company's generating Stations.

The process of selecting and contracting for Transportation Services will vary with the mode of transportation being sought. For barge and truck deliveries, the Department will generally use the Company's accepted competitive bidding procedures. In instances where only one rail carrier may serve a plant, direct negotiations with the rail carriers serving a particular coal source may be initiated.

The selections of a transportation Supplier will generally be based upon, but not necessarily limited to, cost, reliability, coal unloading and handling system constraints, and other factors. Transportation Service Agreements must be in writing and signed by all parties, unless provided under an approved tariff. The approval procedures set forth in Section C.3 shall be used for the approval of all Transportation Agreements ~~Contracts~~.

K. ~~Other Fuels/Bulk Commodities/Services/Other Fuels~~ Contracts:

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~~Bulk Commodities/Services shall be requested and Agreements negotiated by the Department, whenever appropriate. Supplies (including, but not limited to scrubber reagent, ammonia, hydrated lime, Trena and activated carbon) to be used by the Company's generating Stations and laboratory services, weighing and sampling services, stockpile surveys, governmental imposition claims assessment and coal pricing information services shall be requested and Contracts negotiated by Fuels,~~

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~~whenever appropriate.~~ Associated transportation services related to Section J, such as railcar leases, railcar maintenance and repair, barge maintenance and repair, barge fleeting services, coal blending, and coal transloading services shall also be requested and ~~Agreements Contracts~~ negotiated by ~~the Department, Fuels~~ whenever appropriate. All of these Bulk Commodity/Services ~~Agreements - Contracts~~ will abide by the Approval Authority Limits as set forth in Section C.3. above.

~~Natural Gas. Natural gas is procured on an "as-needed" basis due to the unpredictability of use. The need for natural gas fired generation is determined by many real-time variables; including, but not limited to, weather, customer demand, generation availability, transmission availability, and market prices. Purchases of natural gas are typically conducted in the day-ahead or intra-day spot market. The Power Supply Department is responsible for the purchase of natural gas and associated pipeline transportation for the Company's generating stations.~~

Fuel Oil. Fuel oil is procured on an "as-needed" basis due to the infrequency of use of this Fuel and the nature of the oil market. The responsibility for fuel oil procurement varies. When the need for fuel oil arises, the Department and/or the Power Plants will solicit vendors for offers. Orders are assigned on the basis of lowest delivered cost and the ability to fill the order. Solicitation results are documented in the Department for purchases made by the Department.

L. **Affiliate Transactions:**

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Transactions and relationships between the Company and its unregulated affiliates are governed by ~~three~~ four governmental agencies: the Kentucky Public Service Commission, the Federal Energy Regulatory Commission, ~~the Securities and Exchange Commission,~~ and as regards Kentucky Utilities Company, the Virginia State Corporation Commission.

The Company may purchase ~~Fuel~~ coal from an affiliate at a price permissible under applicable affiliated restriction rules of the above regulators, the lesser of cost or market, if such a transfer is reasonably required by the Company to meet an Emergency and the Company believes in good faith that, under the circumstances, the transaction will be to the advantage of the Company. At the time of the affiliate transaction, the Company will document through the award recommendation ~~process,~~ the pricing basis and the justification for the affiliate transaction. The Company shall report any such purchase in its next recurrent report due to the Commission (Form A or Form B filing, or their successor(s)). All such affiliate transactions must as a minimum, meet the requirements of the Affiliate Transaction Overview, dated May 26, 2003, including the requirements of Kentucky Revised Statutes Chapter 278, Kentucky Public Service Commission Sections 2201 through 2219; the Federal Energy Regulatory Commission, 18CFR 35.44; and the Securities and Exchange Commission, Title 17 - Commodity and Security Rules, Part 250 - General Rules and Regulations; and Virginia State Corporation Commission, Code of Virginia Title 56 - Chapter 4 and any other applicable affiliate transaction rules.

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M. Ethics and Conduct:

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The Company recognizes the importance of following the Company's Standards of Integrity to guide the conduct of the Corporate Fuels and By-Products Department in the performance of its duties and responsibilities:

The Department shall endeavor to serve the best interests of the Company and its customers in the performance of the Department's duties and responsibilities.

Fuels staff shall adhere to the ethical standards and policies of the Company.

Each employee involved with the procurement of Fuel will be required to promptly disclose, in writing, any actual or potential conflicts of interest to their supervisor and the LG&E/KU Compliance Department.

N. Penalties For Noncompliance:

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All Fuels employees are required to familiarize themselves with the Fuels Policies and Procurement –Procedures and acknowledge through a process established by management, that they have received, read, understand, accept, and will act in accordance with this document. Failure to comply with any term of the procedures policy may result in disciplinary action, up to and including discharge.

Key Contact: Manager - Fuels Accounting and Administration

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References: Authority Limit Matrix, Records Management and Retention Policy, Standards of Integrity, Reliability Standards, and Affiliate Restriction Regulations

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Administrative Responsibility: Director, Corporate Fuels and By- Products

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Louisville Gas and Electric Company
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Originally issued at Louisville, Kentucky, the 10th day of February, 2003.

Revised effective August 1, 2015~~March 1, 2013~~.

Louisville Gas and Electric Company

Kentucky Utilities Company

By _____

Paul Thompson

Chief Operating Officer

By David Sinclair

David Sinclair

Vice President - Energy Supply and Analysis



Power Supply Commodity Policy – Natural Gas Fuel for Generation

Operating Policy for the Power Supply Group

Effective Date – February 1, 2016

Signatures

Power Supply Commodity Policy – Natural Gas Fuel for Generation

Procedure Title

February 1, 2016

Effective Date

Preparer(s) Signatures

1/19/2016

X



Linn Oelker
Manager - Market Compliance
Signed by: Linn Oelker

1/19/2016

X

Duane A. Schrader

Duane Schrader
Manager - Hourly Trading
Signed by: Duane Schrader

Required Approval Signatures

1/20/2016

X

Bob Brunner

Bob Brunner
Director - Power Supply
Signed by: Bob Brunner

1/21/2016

X

David Sinclair

David Sinclair
VP - Energy Supply
Signed by: David Sinclair

1/21/2016

X

Paul Thompson

Paul Thompson
Chief Operating Officer
Signed by: Paul Thompson

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Revision History

Version No. 1.0	Effective – February 1, 2016
Summary of Changes	
1. Initial version.	

Purpose

The purpose of this document is to outline a uniform standard operational policy related to commercial activity for all natural gas and natural gas related commodity transactions consummated for use as a power generation fuel by Louisville Gas and Electric Company (LG&E) or Kentucky Utilities Company (KU).

Scope

This policy applies to all employees in the Power Supply Group (PSG) which transacts on behalf of Louisville Gas and Electric Company (LG&E) or Kentucky Utilities Company (KU) (Company).

Definitions

The following terms and acronyms are used frequently in this document:

Agreement - A legally binding document fully executed by both buyer and seller in which

- 1) one party agrees to sell a Commodity and
- 2) the other agrees to
 - a) buy a Commodity or
 - b) the conditions under which a Commodity would be purchased.

Authority Limit Matrix - The Authority Limit Matrix (ALM) is a company policy that is to be used as a guide in combination with the more detailed policies and procedures covering specific topics. Its purpose is to provide an easily accessible source of information with respect to the approval process of LG&E and/or KU.

Award Recommendation - The Company's internal process for the review and approval by management of a recommended Long Term Commodity Transaction.

Commodity(ies) – In this document, commodities include physical natural gas and pipeline transportation, services, and/or storage.

Commodity Transaction – A unique Agreement or a confirmation under a master Agreement between a buyer and a seller involving Commodities.

Company - Louisville Gas and Electric Company (LG&E) or Kentucky Utilities Company (KU) or both.

Firm – A Commodity sale or purchase which is not Non-Firm.

Gas Day – As defined by the North American Energy Standards Board (NAESB), which currently begins at 09:00 Central Clock Time (CCT) and runs for 24 hours.

Individual Contributor – The positions within the PSG of Scheduler and Trader job familie.

Long Term Commodity Transactions – Any Commodity Transaction that exceeds the term, tenor, or notional amount of the authority granted to the Manager –Trading by the ALM.

Non-Firm– A Commodity sale or purchase for which receipt or delivery may be interrupted for any reason or no reason, without financial liability on the part of either the buyer or the seller.

PSG Real Time Personnel – Associate Dispatcher, Dispatcher, Senior Dispatcher, Associate Scheduler, Scheduler, Senior Scheduler, Associate Trader, Trader, Senior Trader, Manager – Trading, Manager - Generation Dispatch, Director – Power Supply.

Records Management and Retention Policy - The policy maintained by the Company's Corporate Compliance Group that outlines managing the life cycle of all company documents (which include all official records, data and information whether paper or electronic) while effectively balancing its legal and business obligations.

Request for Proposal (RFP) - A process for soliciting sealed bids from suppliers of a Commodity and is typically sent in the form of a written request to industry suppliers and may be published for distribution through media outlets.

Short Term Commodity Transaction – Any Commodity Transaction that is within the term, tenor, or notional amount of the Manager –Trading by the ALM.

Training - training of PSG employees that is (i) comparable to generally accepted practices in the energy trading industry, and (ii) commensurate and proportional in sophistication, scope and frequency to the volume of transactions and the nature and extent of the risk taken by the Company.

Section 1 Organization

1.1 Departmental Structure

The Power Supply Group shall be organized and staffed to effectively administer the PSG's commercial activities.

1.2 Organizational Responsibilities

The Director - Power Supply is responsible for the operations of the PSG and reports directly to the Vice President, Energy Supply and Analysis who is responsible for the Energy Supply and Analysis line of business including the PSG functions. The Vice President - Energy Supply and Analysis reports directly to the Chief Operating Officer who has the final responsibility for commercial activities of the PSG. Other Departments may be utilized by the PSG to the extent the Director - Power Supply, Vice President-Energy Supply and Analysis, and/or Chief Operating Officer consider advisable in the execution of the functions of the group.

1.3 Commodity Approval Authority

Short Term Commodity Transactions are executed by Power Supply personnel through the authority granted by the ALM.

Long Term Commodity Transaction are executed by Power Supply personnel through the authority granted by the approval of an Award Recommendation.

The execution of Commodity Transactions will comply with internal business controls including the Authority Limit Matrix, Sarbanes Oxley compliance and Internal Audit Services' recommendations. The Company has detailed internal control procedures covering Commodity Transactions, Contract Administration and Confirmations, and Credit.

Section 2 Reports

The Director - Power Supply will instruct the PSG to prepare, maintain, and distribute various reports to management and others as deemed necessary for business operations and regulatory requirements.

Section 3 Records

3.1 Commodity Accounting

All personnel must document Short Term Commodity Transactions in the Company's commodity accounting system no later than the end of their first work period after the end of the respective Gas Day. Long Term Commodity Transactions must be accurately reflected in the commodity accounting system in time to ensure appropriate financial accounting.

3.2 Recording of Telephone Calls

All Short Term Commodity Transactions must be executed on a recorded telephone line or on an electronic platform where the transaction is logged by the platform operator.

If the transaction is completed on the ICE electronic platform, a record of the transaction is electronically available to the Contract Administration department for confirmation against the Company's transaction records.

The phone recording will be maintained in accordance with the Records Management and Retention Policy. In the event the telephone recording system is out of service, personnel will promptly report the incident through the IT Service Desk.

3.3 Award Recommendations

An Award Recommendation will be prepared for all Long Term Commodity Transactions. All approved Award Recommendations will be retained by the PSG in accordance with the Records Management and Retention Policy.

3.4 Agreements

All executed Agreements will be sent to the Company's Contract Administration group who will be responsible for distribution within the Company and maintenance of the documents in accordance with the Records Management and Retention Policy.

Contract Administration will maintain active Agreements on site and the Agreements will be available in accordance with their departmental policies.

Section 4 Optimization Responsibilities

The Power Supply Group is responsible for purchasing natural gas and natural gas transport (the Commodities governed by this policy) to fuel the Company's generation assets consistent with the Company's fuel procurement strategy that is developed in concert with coal needs. In

executing these responsibilities, the Power Supply Group shall use best efforts to keep current on market conditions, prices, availability and other developments relating to Commodities.

Section 5 Reserved for Future Use.

Section 6 Short Term Commodity Transactions

The Power Supply Traders are responsible for surveying the market by phone, instant messaging, electronic platforms, and any other standard industry process with the objective of obtaining the best value for the Commodities when executing Short Term Commodity Transactions. Traders will take into account prices, availability of transport, Operational Flow Orders, transport alerts and/or restrictions, as well as other market developments for a particular Commodity when determining the best value.

Power Supply Traders may only execute Short Term Commodity Transactions in real time within their authority limits as provided in the ALM.

6.1 Natural Gas

Personnel may buy and sell Non-Firm natural gas. Individual Contributors may only buy or sell Firm natural gas after written approval provided by the Manager –Trading, Manager – Generation Dispatch, or the Director – Power Supply.

6.2 Natural Gas Transport

Personnel may buy Firm and Non-Firm natural gas transport to serve Company's generation assets. Firm transport may only be purchased after written approval of the Manager –Trading, Manager – Generation Dispatch, or the Director – Power Supply.

Section 7 Long Term Commodity Transactions

Power Supply personnel are responsible for surveying the market and obtaining the best value for the Commodities when recommending Long Term Commodity Transactions. Power Supply personnel will use the Award Recommendation process when recommending a Long Term Commodity Transaction to management.

7.1 Award Recommendation Process

An Award Recommendation will be prepared for all Long Term Commodity Transactions. The Award Recommendation will take into account prices, availability of transport and/or storage, operational flow orders, transport alerts and/or restrictions, as well as other market developments for a particular Commodity when determining the best value. Power Supply may rely on other groups within the Company, as well as external consultants, to develop market analysis for consideration during a Request for Proposal.

A proposed Award Recommendation must be signed (at a minimum) by the Legal Department, Credit Department, Financial Accounting and Analysis Department, Director – Power Supply, and the VP-Energy Supply and Analysis. Additional approvals may be necessary in accordance with the ALM.

7.2 Request for Proposal (RFP)

- 7.2.1 The Generation Planning department provides projections to the PSG of the Commodities needed for the company's long term planning horizons.
- 7.2.2 The Company may select potential suppliers on the basis of past performance of past and current Agreements, market intelligence from industry research, credit analysis, and general knowledge of the industry. Potential suppliers are periodically reviewed by the PSG to eliminate any suppliers that are known to have gone out of business and to also add any new or existing suppliers that may previously have not been considered.
- 7.2.3 A notice of the RFP is sent via a written request to industry suppliers and may be published for distribution through media outlets.
- 7.2.4 The RFP shall include at a minimum the following:
 - a. Instructions to Supplier on the submission of the response.
 - b. Response due date and time.
 - c. Scope of the commodity agreement request.
 - d. Company terms and conditions.
- 7.2.5 The RFP will be approved by the VP-Energy Supply and Analysis prior to issuance.
- 7.2.6 RFP will request that responses be returned in a sealed envelope.
- 7.2.7 Responses to the RFP shall be opened on or after the published due date and time and in the presence of one or more employees from outside the Power Supply group.

- 7.2.8 Those bids received after the designated time will be returned unopened to the bidder, unless the Director - Power Supply waives this provision.
- 7.2.9 No potential qualified supplier shall be preferred or discriminated against because of race, religion, color, sex, age or marital status of the supplier or any of its representatives.

7.3 Sole sourcing

- 7.3.1 A RFP process may not be appropriate for all Long Term Commodity Transactions. Sole-sourced transactions may be appropriate under any the following circumstances:
- a. The goods or services being procured are a monopoly service.
 - b. An urgent situation does not allow adequate time for a Request For Proposal.
 - c. The lack of two or more qualified bidders is documented.
 - d. Management determines and clearly documents that there is only one acceptable supplier.
- 7.3.2 A Sole Source Authorization section must be included in a proposed Award Recommendation detailing the sole-source circumstances.

Section 8 Transaction Agreement Enforcement

Power Supply Group is responsible for protectiong the interests of the Company under the agreements with the counterparties. The Power Supply Group will work with other Company departments, such as the Legal Department, to enforce the Company's rights.

Section 9 Reliability Transactions

Consistent with NERC Reliability Standards (EOP-002-3.1 and PER-001-0.1 R1), PSG Real Time Personnel are authorized to take any actions necessary to enter into Short Term Commodity Transactions for natural gas that exceed their limits stated in the ALM if, and only if, such actions are necessary to maintain system reliability. Maintaining system reliability may be due to request from the Transmission Operator, Balancing Authority, or Reliability Coordinator, or required to meet NERC standards or that absent such actions, one could reasonably expect the Company would declare an Energy Emergency Alert (EEA). Any such Short Term Commodity Transaction entered into on this basis must be reported in writing to the Director – Power Supply and the Vice President – Energy Supply and Analysis within twelve (12) hours of the transaction with a detailed explanation as to the nature of the reliability issue and why it was not possible to enter into transactions in compliance with the ALM.

Section 10 Ethics and Conduct

The Company recognizes the importance of following the Company's Standards of Integrity to guide the conduct of the PSG in the performance of its duties and responsibilities.

The group shall endeavor to serve the best interests of the Company and its customers in the performance of the group's duties and responsibilities. PSG personnel shall adhere to the ethical standards and policies of the Company.

Section 11 Affiliate Transactions

Transactions and relationships between the Company and its unregulated affiliates are governed by four governmental agencies: the Kentucky Public Service Commission, the Federal Energy Regulatory Commission, the Securities and Exchange Commission, and as regards Kentucky Utilities Company, the Virginia State Corporation Commission.

Power Supply personnel may only execute transactions with affiliates in accordance with the applicable affiliate restriction regulations.

Section 12 Training

Each PSG employee is expected to be familiar with all Company policies and procedures that are relevant to the PSG employee's activities, as well as the practices and protocols implemented by providers of natural gas and the pipeline entities transporting natural gas. Training for Individual Contributors includes initial supervised Training prior to independently conducting trading activities, as well as initial and refresher Training on certain regulatory and corporate policy issues. Training will be conducted by PSG employees and by the Company's Corporate Compliance Group.

Individual Responsibilities; Penalties For Noncompliance

All Power Supply employees are required to familiarize themselves with this Power Supply Commodity Policy – Natural Gas Fuel for Generation and acknowledge through a process established by management, that they have received, read, understood, accepted, and will act in accordance with this document. Failure to comply with any term of this policy may result in disciplinary action, up to and including discharge.

Key Contacts: Manager -Market Compliance

References: Authority Limit Matrix, Records Management and Retention Policy, Standards of Integrity-PPL, NERC Reliability Standards.

Administrative Responsibility: Director – Power Supply

KENTUCKY UTILITIES COMPANY

**Response to Information Requested in Appendix of
Commission's Order Dated February 5, 2016**

Case No. 2016-00003

Question No. 16

Witness: Mike Dotson

- Q-16. a. State whether KU is aware of any violations of its policies and procedures regarding fuel procurement that occurred prior to or during the period from May 1, 2015, through October 31, 2015.
- b. If yes, for each violation:
- (1) Describe the violation;
 - (2) Describe the action(s) that KU took upon discovering the violation; and
 - (3) Identify the person(s) who committed the violation.
- A-16. a. No.
- b. Not applicable.

KENTUCKY UTILITIES COMPANY

**Response to Information Requested in Appendix of
Commission's Order Dated February 5, 2016**

Case No. 2016-00003

Question No. 17

Witness: Mike Dotson / Bob Brunner

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 KU's fuel procurement activities that occurred during the period from May 1, 2015, through October 31, 2015.

A-17. Changes that occurred in the Corporate Fuels and By-Products Department.

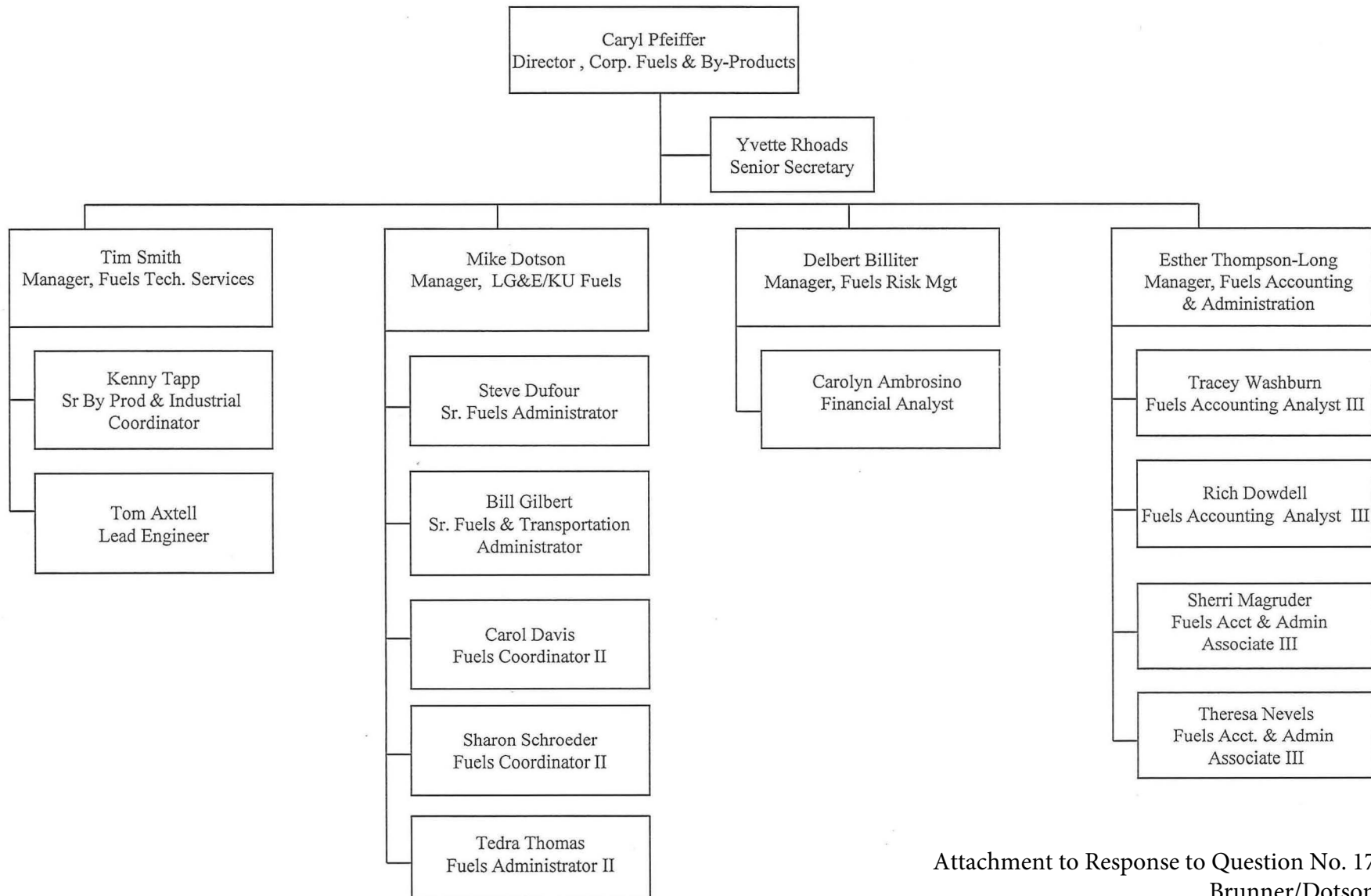
With the retirement of Bill Gilbert, Sr. Fuels and Transportation Administrator scheduled for December 31, 2015, Tedra Thomas joined the department on October 21, 2015 as Fuels Administrator II.

There were no changes during the review period in the Power Supply Department.

See attached organization charts as of October 31, 2015 for the Corporate Fuels and By-Products Department and the Power Supply Department.

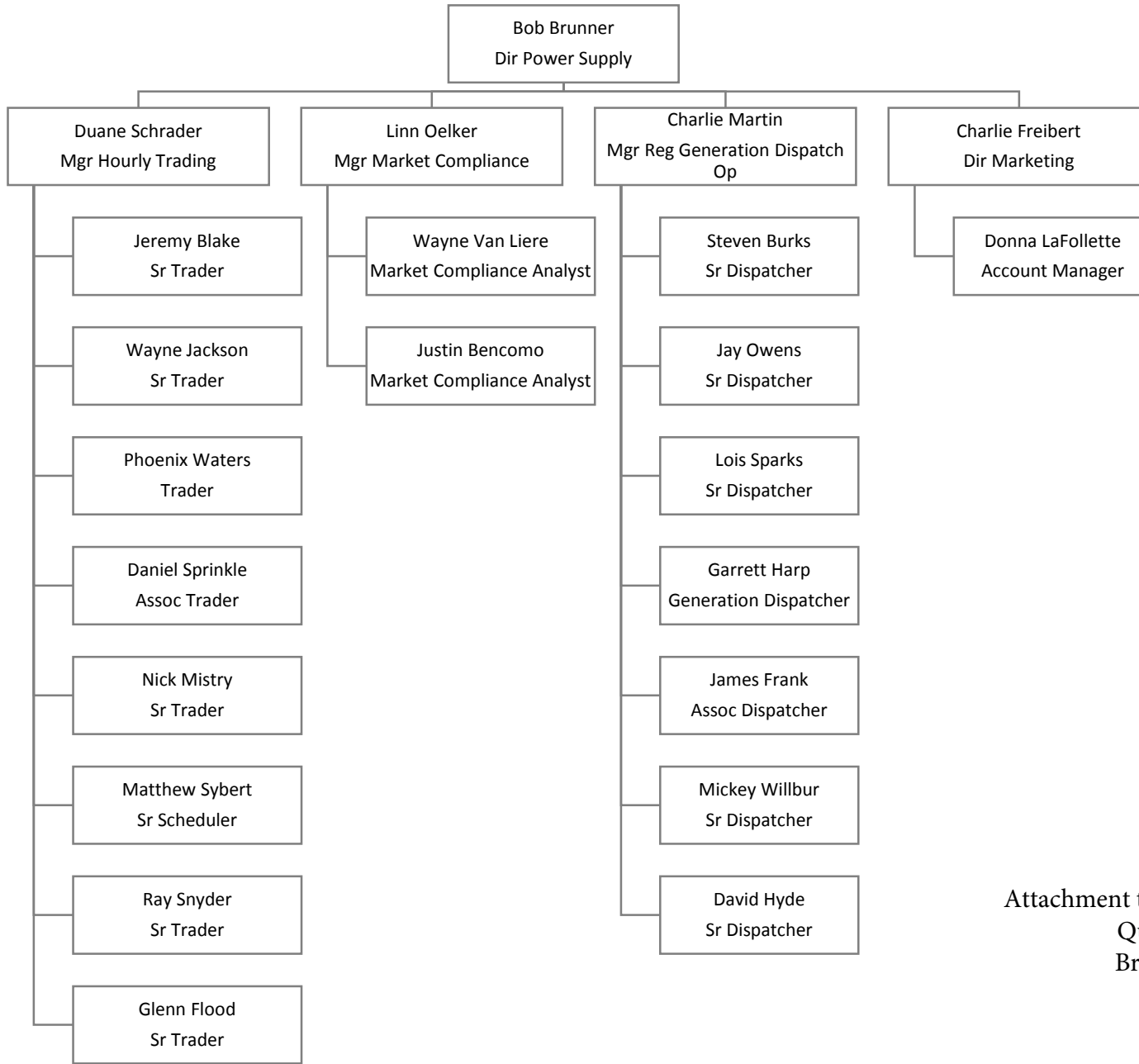
Corporate Fuels and By-Products

October, 2015



Power Supply

October, 2015



KENTUCKY UTILITIES COMPANY

**Response to Information Requested in Appendix of
Commission's Order Dated February 5, 2016**

Case No. 2016-00003

Question No. 18

Witness: Eileen Saunders

Q-18. a. Identify all changes that KU has made during the period under review to its maintenance and operation practices that also affect fuel usage at KU's generation facilities.

b. Describe the impact of these changes on KU's fuel usage.

A-18. a. During the period under review, Green River Unit 3 and Green River Unit 4 ceased operation at the end of September, 2015.

During the period under review Cane Run 7 became commercially operational.

b. All coal generation at Green River has now ceased. The addition of Cane Run 7 and its position as first in dispatch, resulting from high efficiency and the current price of natural gas, has lessened the operations of coal units within the fleet.

KENTUCKY UTILITIES COMPANY

**Response to Information Requested in Appendix of
Commission's Order Dated February 5, 2016**

Case No. 2016-00003

Question No. 19

Witness: Mike Dotson

- Q-19. List each written coal supply solicitation issued during the period from May 1, 2015, through October 31, 2015.
- 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. SOLICITATION 1

The final selection of the vendors who responded to the solicitation dated March 2, 2015 was completed for PRB Coal (Trimble Unit 2) for 2016 – 2017, High Sulfur Spot for 2015 and a middlings test purchase for 2015 and was filed in Case No. 2015-00234. The responses for 2016 and beyond were not completed at the time the data responses were filed. The requested information for the selected vendors is provided below for the high sulfur purchases for 2016 -2022/

- a. Date: March 2, 2015
- Contract/Spot: Contract or Spot
- Quantities: No minimum or maximum specified
- Quality: Suitable for KU's Ghent and Green River Stations and LG&E's Trimble County and Mill Creek Stations

- Period: April through December 2015 – Spot

2016 and beyond - Contract

Generating Units: KU's Ghent and Green River Stations and LG&E's Trimble County and Mill Creek Stations

- b. Number of vendors receiving bids: 119
Number of vendors responded: 22 companies / 41 offers
Selected vendor(s): The vendor(s) selected were based upon the lowest evaluated delivered cost.

High Sulfur Term

Armstrong Coal Sales – J16017

Foresight Energy – J16018

Hartshorne Mining Group – J18001

Peabody Coalsales, LLC – J16007 Amendment No.1

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.

- a. SOLICITATION 2

Date: May 13, 2015

Contract/Spot: Spot

Quantities: 20K tons per month

Quality: Suitable for KU's E.W. Brown Station

Period: June through August 2015 – Spot

Generating Units: KU's E.W. Brown

- b. Number of vendors receiving bids: 20
Number of vendors responded: 9 companies / 11 offers
Selected vendor(s): None, with improvement in Norfolk Southern Railroad performance no purchases were made from the solicitation.

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.

a. SOLICITATION 3

Date: September 22, 2015
Contract/Spot: Term or Spot
Quantities: No minimum or maximum specified
Quality: Suitable for KU's Ghent Station and LG&E's Trimble County and Mill Creek Stations
Period: 2016 – Spot;
2017 and beyond - Term
Generating Units: KU's Ghent Station and LG&E's Trimble County and Mill Creek Stations

- b. Number of vendors receiving bids: 121
Number of vendors responded: 15 companies / 20 offers
Selected vendor(s): The vendor(s) selected were based upon the lowest evaluated delivered cost.

Coal Middlings – Spot
Kolmar Americas – J16019

The final selection of the vendor(s) for high sulfur coal for the period of 2017 -2019 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.

KENTUCKY UTILITIES COMPANY

**Response to Information Requested in Appendix of
Commission's Order Dated February 5, 2016**

Case No. 2016-00003

Question No. 20

Witness: Mike Dotson

- Q-20. List each oral coal supply solicitation issued during the period from May 1, 2015, through October 31, 2015.
- 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. With Trimble County requesting to be added to the delivery of middlings, an oral solicitation was issued.
- a. Date: July 20, 2015
Contract/Spot: Spot
Quantities: 30K tons (Aug-Dec 2015); 120K tons for 2016
Quality: Coal Middlings suitable for KU's Ghent Station and LG&E's Trimble County Station
Period: August 2015 through December 2016 – Spot
Generating Units: KU's Ghent and LG&E's Trimble County Stations
 - b. Number of vendors receiving bids: 15
Number of vendors responded: 8 companies / 8 offers
Selected vendor(s): The vendor(s) selected were based upon the lowest evaluated delivered cost.

Coal Middlings

Peabody Coaltrade – J15029

Peabody Coaltrade – J16016

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.

KENTUCKY UTILITIES COMPANY

**Response to Information Requested in Appendix of
Commission's Order Dated February 5, 2016**

Case No. 2016-00003

Question No. 21

Witness: Derek Rahn

- Q-21. a. List all intersystem sales during the period under review in which KU used a third party's transmission system.
- b. For each sale listed above:
- (1) Describe the effect on the FAC calculation of line losses related to intersystem sales when using a 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 May 1, 2015 through October 31, 2015, which required a third party's transmission system.
- b. Line losses related to inter-system sales are calculated using a loss factor of 0.5% whether the inter-system sale requires a third party transmission system or not. KU continues to use a line loss factor of 0.5% to determine the cost of fuel associated with line losses incurred to make an inter-system sale and recovered from such sale consistent with the Commission's June 7, 2013, Amended Order in Case No. 2012-00552.

KENTUCKY UTILITIES COMPANY

**Response to Information Requested in Appendix of
Commission's Order Dated February 5, 2016**

Case No. 2016-00003

Question No. 22

Witness: Derek Rahn

- Q-22. a. Describe the effect on the FAC calculation of the line losses related to intersystem sales when not using a third party's transmission system.
- b. Describe each change that KU made to its methodology for calculating intersystem sales line losses during the period under review.
- A-22. a. Line losses related to inter-system sales are calculated using a loss factor of 0.5% whether the inter-system sale requires a third party transmission system or not.
- b. There have been no changes regarding the calculation of losses associated with inter-system sales. KU continues to use a line loss factor of 0.5% to determine the cost of fuel associated with line losses incurred to make an inter-system sale and recovered from such sale consistent with the Commission's June 7, 2013, Amended Order in Case No. 2012-00552.

KENTUCKY UTILITIES COMPANY

**Response to Information Requested in Appendix of
Commission's Order Dated February 5, 2016**

Case No. 2016-00003

Question No. 23

Witness: Mike Dotson

Q-23. State whether, during the period under review, KU 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. KU has not solicited bids with this restriction.

KENTUCKY UTILITIES COMPANY

**Response to Information Requested in Appendix of
Commission's Order Dated February 5, 2016**

Case No. 2016-00003

Question No. 24

Witness: Eileen Saunders

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

A-24. KU strives to maintain unit efficiency through routine cyclic planned outage maintenance. This maintenance work continues to focus on reestablishing expected turbine efficiency degraded since the previous outage. Additionally, KU maintains unit efficiency through continuous monitoring of all plant systems during operation. KU 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, KU must balance any potential efficiency benefit associated with the project against both costs and potential implications under the Clean Air Act. KU has not realized any efficiency improvements through major component projects during this period.

KENTUCKY UTILITIES COMPANY

**Response to Information Requested in Appendix of
Commission's Order Dated February 5, 2016**

Case No. 2016-00003

Question No. 25

Witness: Bob Brunner / Mike Dotson

Q-25. State whether all long term fuel contracts related to commodity and/or transportation have been filed with the Commission. If any contracts have not been filed, explain why they have not been filed and provide a copy.

A-25. All long-term coal and coal transportation contracts have been filed with the Commission.

With respect to natural gas contracts, see the response to Question No. 2. Gas transportation contracts were filed with the Commission in Case No. 2014-00227, response to Commission's first data request, Question No. 29.

In addition, a new long-term natural gas contract for transportation service for the Bluegrass generating unit is attached (contract was inadvertently not filed in 2015):

Attachment - Agreement #34713, Rate Schedule SNS dated April 10, 2015, summer delivery to Bluegrass from May 1, 2015 through October 31, 2018

Request No. 7590

Rate Schedule SNS
Agreement No.: 34713
Dated: April 10, 2015

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)	28,800 MMBtu/D
Nominated Daily Quantity(ies)	28,800 MMBtu/D
Unnominated Daily Quantity(ies)	28,800 MMBtu/D
Maximum Unnominated Quantity(ies)	86,400 MMBtu
Summer Quantity Entitlement(s)	4,838,400 MMBtu – Effective May through October, 2015
	5,270,400 MMBtu – Effective April through October 2016-2018

Term: This Agreement shall be effective beginning May 1, 2015 and shall continue in full force and effect through October 31, 2018.

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: <u>Jeff F. Bittel</u>	Date: <u>4/10/15</u>	<i>yfb</i> <i>4/20/15</i>
	Name: <u>Jeffrey G. Bittel</u>	Title: <u>VP Power Generation</u>	
Kentucky Utilities Company	Signature: <u>David S. Sinclair</u>	Date: <u>4-13-15</u>	
	Name: <u>David S. Sinclair</u>	Title: <u>VP Energy Supply & Analysis</u>	

EXHIBIT A

PRIMARY POINT(S)
RECEIPT

AGREEMENT NO.: 34713

EFFECTIVE DATE: May 1, 2015

Line	Receipt Point Meter No.	Receipt Point Meter Name	Zone	Daily Firm Capacity MMBtu/day	
				Winter	Summer
Mainline Pipeline	9009	Midcontinent-Perryville	1	0	14,400
	9303	Enable-Helena	1	0	14,400

EXHIBIT A

PRIMARY POINT(S)
DELIVERY

AGREEMENT NO.: 34713

EFFECTIVE DATE: May 1, 2015

Delivery Point Meter No.	Delivery Point Meter Name	Zone
9805	KU - Bluegrass, Oldham, KY	4

Transportation Path:

Mainline Pipeline 1 through Mainline Pipeline 40650

EXHIBIT B

AGREEMENT NO.: 34713

EFFECTIVE DATE: May 1, 2015

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



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

April 10, 2015

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. 34713
between TEXAS GAS TRANSMISSION, LLC and
KENTUCKY UTILITIES COMPANY
dated April 10, 2015

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: 28,800 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 May 1, 2015 and shall continue in full force and effect through October 31, 2018.

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. Bittel 4/13
4/20/15

Name: Jeffrey L. Bittel

Title: VP Power Gascenter

Date: 4/10/15

ACCEPTED AND AGREED TO this 13 day of April, 2015.

KENTUCKY UTILITIES COMPANY

By: David S. Sinclair

Name: David S. Sinclair

Title: VP Energy Supply & Analysis

Signature page to Discounted Rates Letter Agreement, Agreement No. 34713, dated April 10, 2015.

Rate Schedule SNS
Agreement No.: 34713
Discounted Rates Letter Agreement dated April 10, 2015

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>
KU - Bluegrass	9605	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:	\$0.345 per MMBtu/day
Commodity:	\$0.05 per MMBtu plus applicable surcharges and fuel retention to primary delivery point (Meter No. 9605), otherwise maximum commodity rate
Hourly Overrun Rate:	\$0.00 for volumes less than or equal to 200 MMBtu \$0.05 for volumes greater than 200 MMBtu The above discounted hourly overrun rates are applicable only if Kentucky Utilities maintains KU – Bluegrass (Meter No. 9605) as the primary delivery point at a volume equal to the original Daily Contract Demand of 28,800 MMBtu/day.
Rate Qualification:	On any day that Kentucky Utilities deliveries exceed the Daily Contract Demand and are not Daily Overrun Quantities, then Kentucky Utilities shall pay Texas Gas' maximum tariff demand rate for the entire contract demand for that gas day, plus Texas Gas' maximum applicable commodity rate, plus fuel and applicable surcharges, on all such deliveries. Kentucky Utilities will pay the Overrun Rate on all Daily Overrun Quantities delivered to the Primary and Secondary Delivery Points. Deliveries to points other than the Primary Delivery Point where total deliveries do not exceed the Daily Contract Demand will pay an incremental daily demand rate equal to the difference between the discounted demand rate and Texas Gas' maximum daily demand rate plus the maximum applicable commodity rate plus applicable surcharges and fuel retention on all such deliveries.

Rate Schedule SNS
Agreement No.: 34713
Discounted Rates Letter Agreement dated April 10, 2015

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)

None

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).