

Request No. 5719

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

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

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

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

Contract Demand(s):

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

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

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

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

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

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

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

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

| | | | |
|-----------------------------|-------------------------------|--|-----------------|
| Texas Gas Transmission, LLC | Signature: <u>[Signature]</u> | Date: <u>12/17/2012</u> | 433 12/27/12 |
| | Name: <u>John Haynes</u> | Title: <u>Sr. V. P</u> | |
| Kentucky Utilities Company | Signature: <u>[Signature]</u> | Date: <u>12/17/12</u> | |
| | Name: <u>David Sinclair</u> | Title: <u>V.E. Energy Supply Analyst</u> | |

EXHIBIT A

PRIMARY POINT(S)
RECEIPT

AGREEMENT NO.: 32809

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

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

EXHIBIT A

PRIMARY POINT(S)
DELIVERY

AGREEMENT NO.: 32809

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

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

Transportation Path:

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

*Minimum Delivery Pressure

EXHIBIT B

AGREEMENT NO.: 32809

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

Contract Notices:

Customer Correspondence:

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

Texas Gas Correspondence:

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

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

(270)926-8686



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

December 10, 2012

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

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

Dear Glenn:

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

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

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

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

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

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

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

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

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

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

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

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

Very Truly Yours,

TEXAS GAS TRANSMISSION, LLC

4/25 By: [Signature]
Name: John Haynes
Title: Sr. V.P.
Date: 12/17/2012

83
12/27/12

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

KENTUCKY UTILITIES COMPANY

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

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

EXHIBIT A

Primary Receipt Point(s)

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

Primary Delivery Point(s)

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

Rate(s)

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

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

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

EXHIBIT B

Eligible Secondary Receipt Point(s)

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

Eligible Secondary Delivery Point(s)

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

Rate(s)

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



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

December 10, 2012

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


Re: SNS Service Agreement No. 32809 ("Agreement")
Dated December 10, 2012
Between Texas Gas Transmission, LLC ("Texas Gas") and Kentucky Utilities Company ("KU")

Dear Mr. Flood:

Pursuant to the above-reference Agreement between Texas Gas and KU, Texas Gas hereby provides notice that it is not terminating the Agreement at the end of the primary term.

Should you have any questions regarding the notice, please contact the undersigned at (270) 688 6911.

Sincerely,


Jeff Bittel
Vice President, Power Generation



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

December 17, 2012

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

Re: SNS Service Agreement No. 32809

Dear Mr. Flood:

The primary term of Rate Schedule SNS, Agreement No. 32809, dated December 10, 2012, is through October 31, 2024 and the SNS Discounted Rates Letter Agreement has a through date of October 31, 2029 to reflect the SNS Agreement's primary term plus 5 years if KU elects to extend or roll over the Agreement. The difference in end dates reflects Texas Gas' offer to extend the Discounted Rates for a 5 year term should KU elect to extend or roll over the Rate Schedule SNS Agreement. The SNS Discounted Rates Letter Agreement creates no obligations for KU beyond the primary term unless the Rate Schedule SNS Agreement is extended or rolled over by KU.

Should you have any questions please contact the undersigned at (270) 688-6911.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeffrey L. Bittel", is written over the typed name.

Jeffrey L. Bittel
Vice President, Power Generation