



a PPL company

Mr. Jeff DeRouen
Executive Director
Public Service Commission of Kentucky
211 Sower Boulevard
Frankfort, Kentucky 40602

February 20, 2012

RECEIVED

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PUBLIC SERVICE
COMMISSION

Kentucky Utilities Company
State Regulation and Rates
220 West Main Street
PO Box 32010
Louisville, Kentucky 40232
www.lge-ku.com

F. Howard Bush
Manager - Tariffs/Special
Contracts
T 859-367-5636 (Lexington)
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howard.bush@lge-ku.com

Dear Mr. DeRouen:

Pursuant to 807 KAR 5:011, Section 13, Kentucky Utilities Company ("KU") is filing a revised special contract with the University of Kentucky ("UK") under which KU will provide electric service to the UK campus in Lexington, Kentucky. KU and UK are in agreement for the need for this contract and the contract itself. Attached are four copies of the contract.

KU has provided service to UK for several decades under a single contract with billing under what is the current Time-of-Day Primary ("TODP") tariff. Over the years the service has undergone several modifications with the addition and removal of various delivery points. The existing service is made by KU at four delivery points which are tied together by UK's own private distribution system.

In the course of managing the individual loads on this private distribution system, UK often finds it necessary to shift loads from one of KU's delivery points to another. It is because of this load shifting that KU and UK have agreed to totalize the loads from the deliveries with a single billing. If this were not done, a load could be billed twice in the month in which it was shifted.

Because of growth and its changing load, UK has now requested the elimination of a minor delivery point and the addition of another delivery point. KU and UK are agreed that by totalizing all the deliveries and billing the individual contribution each delivery makes to the totalized peak on its own contract, the double billing of any shifted loads will be avoided.

807 KAR 5:041, Section 9 (2) provides in relevant part:

The utility shall regard each point of delivery as an independent customer and meter the power delivered at each point. Combined meter readings shall not be taken at separate points, nor shall energy used by more than one (1) residence or place of business on one (1) meter be measured to obtain a lower rate.

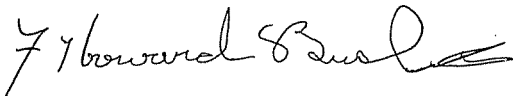
KU believes the intent of this regulation is to prevent special consideration being given to one customer resulting in that customer having an advantage over another customer and that this regulation arises from a time when the use of blocked rates was much more prevalent. In this case, however, KU believes that the metering arrangement is necessary to prevent an unfair double billing of shifted load and would not violate this regulation because:

- 1) the design of the applicable tariff does not utilize block rates which would result in a lower billing, and
- 2) the nature of UK's business does not place it in direct competition with KU's other customers.

However, to the extent the Commission believes that a deviation from 807 KAR 5:041, Section 9(2) is required to comply with the regulation, KU requests the Commission grant such a deviation pursuant to 807 KAR 5:041, Section 22. The Commission granted a similar deviation when the previous contract between KU and UK was filed in 2003.

Therefore, pursuant to 807 KAR 5:011, Section 13, KU hereby requests the Commission to approve the special contract and, if necessary, grant a deviation to 807 KAR 5:041, Section 9 (2).

Sincerely,



F. Howard Bush Jr.
Manager, Special Contracts/Tariffs

Attachments

AGREEMENT FOR ELECTRIC SERVICE

This Agreement made and entered into this 1st day of March, 2012, by and between Kentucky Utilities Company, a Kentucky corporation, ("Company"), and University of Kentucky, a Kentucky corporation, ("Customer").

WITNESSETH:

WHEREAS, Customer operates a facility in Lexington, Kentucky, for the purpose of providing higher education.

WHEREAS, Customer requires and Company agrees to supply service at five delivery points:

- 1) Medical Center 1 Substation – contract attached,
- 2) Medical Center 2 Substation – contract attached,
- 3) Scott Street Substation – contract attached,
- 4) UK West 1 Substation – contract attached, and
- 5) UK West 2 Substation- contract attached.

WHEREAS, Customer frequently requires load to be transferred from one delivery point to another by a distribution system connecting the delivery points and owned by Customer.

WHEREAS, Company agrees to totalize deliveries at the points identified above and bill each delivery under its own contract, subject to the rates approved from time-to-time by the Kentucky Public Service Commission, where:

- 1) the billing demand is each delivery point's contributing demand to the totalized peak demand in kVA and
- 2) the billing energy is each delivery point's metered energy in KWH.

NOW, THEREFORE, it is mutually agreed that this agreement will become effective upon commencement of service by Company to Customer at the UK West Substation as anticipated in approximately April 2012.

IN WITNESS WHEREOF, the names of the parties have been hereunto subscribed by their officers duly authorized thereto as of the day and year first above written.

KENTUCKY UTILITIES COMPANY

UNIVERSITY OF KENTUCKY

BY Edward B. Bueche

BY John W. Ziegen

ATTEST:

ATTEST:

BY Will J. Datto

BY Ronald L. Mear

CONTRACT FOR ELECTRIC SERVICE

This contract made and entered into this 1st day of March, 20 12 by
and between Kentucky Utilities Company ("Company")
and University Of Kentucky ("Customer")

WITNESSETH:

Beginning See Comments., or as soon thereafter as connection is made,
Company will sell and deliver to Customer at U.K. Medical Center #1 Substation
for the operation of customer owned distribution system

All electric capacity and energy taken under this contract will be delivered as
Three phase, 60 cycle, alternating current, at a nominal voltage at the point of
12,470 volts, metered and billed as Primary service.
Secondary/Primary/Transmission

This point of delivery requires an estimated system capacity of
17,000 kW, or kVA as is appropriate, of Contract Capacity.

Each month Customer will pay to Company for all capacity and energy delivered to Customer in the
preceding billing period an amount determined in accordance with
TOD-PRIMARY Rate Schedule and, as is appropriate, the
_____ Rider, contract attached if required, the
_____ Rider, contract attached if required, and the
_____ Rider, contract attached if required.

Comments:

This contract replaces one dated June 27, 2003. Billing under this contract will commence with date
U.K. West #2 Substation is energized as anticipated to be approximately April 1, 2012.
Customer's billing is based on the contributors to the totalized peak from the Medical Center #1,
Medical Center #2, Scott Street, U.K. West #1, and U.K. West #2 substations.

TARIFF PROVISIONS:

It is mutually agreed that Company's general terms and conditions and applicable rate schedule, as from
time to time approved by and on file with the Public Service Commission of Kentucky, are made a part of
this contract as fully as if written here.

IN WITNESS WHEREOF, the parties hereto have caused this contract to be executed by their duly
authorized representatives this day and year shown above.

KENTUCKY UTILITIES COMPANY

By F. Howard Bussell
MANAGER, TARIFFS / SPEC. CONT.

W.A. Davis
Official Capacity
Attest

UNIVERSITY OF KENTUCKY

By John W. Zarber
MANAGER of UTILITIES

Ronald L. Werten
Official Capacity
Attest

Contract Account 3000 0621 8824

CONTRACT FOR ELECTRIC SERVICE

This contract made and entered into this 1st day of March, 2012 by
and between Kentucky Utilities Company ("Company")
and University Of Kentucky ("Customer")

WITNESSETH:

Beginning See Comments., or as soon thereafter as connection is made,
Company will sell and deliver to Customer at U.K. Medical Center #2 Substation
for the operation of customer owned distribution system

All electric capacity and energy taken under this contract will be delivered as
Three phase, 60 cycle, alternating current, at a nominal voltage at the point of
12,470 volts, metered and billed as Primary Secondary/Primary/Transmission service.

This point of delivery requires an estimated system capacity of
26,400 kW, or kVA as is appropriate, of Contract Capacity.

Each month Customer will pay to Company for all capacity and energy delivered to Customer in the
preceding billing period an amount determined in accordance with
TOD-PRIMARY Rate Schedule and, as is appropriate, the
_____ Rider, contract attached if required, the
_____ Rider, contract attached if required, and the
_____ Rider, contract attached if required.

Comments:

This contract replaces one dated June 27, 2003. Billing under this contract will commence with date
U.K. West #2 Substation is energized as anticipated to be approximately April 1, 2012.

Customer's billing is based on the contributors to the totalized peak from the Medical Center #1,
Medical Center #2, Scott Street, U.K. West #1, and U.K. West #2 substations.

TARIFF PROVISIONS:

It is mutually agreed that Company's general terms and conditions and applicable rate schedule, as from
time to time approved by and on file with the Public Service Commission of Kentucky, are made a part of
this contract as fully as if written here.

IN WITNESS WHEREOF, the parties hereto have caused this contract to be executed by their duly
authorized representatives this day and year shown above.

KENTUCKY UTILITIES COMPANY

By *Howard B...*
MANAGER, TARIFFS / SPEC. CONT.

W. J. P. D...
Official Capacity
Attest

UNIVERSITY OF KENTUCKY

By *John W. Zahen*
MANAGER of UTILITIES

Ronald L. Mercer
Official Capacity
Attest

Contract Account 3000 0621 8824

CONTRACT FOR ELECTRIC SERVICE

This contract made and entered into this 1st day of March, 20 12 by
and between Kentucky Utilities Company ("Company")
and University Of Kentucky ("Customer")

WITNESSETH:

Beginning See Comments., or as soon thereafter as connection is made,
Company will sell and deliver to Customer at U.K. Scott Street Substation
for the operation of customer owned distribution system

All electric capacity and energy taken under this contract will be delivered as
Three phase, 60 cycle, alternating current, at a nominal voltage at the point of
12,470 volts, metered and billed as Primary service.
Secondary/Primary/Transmission

This point of delivery requires an estimated system capacity of
23,100 kW, or kVA as is appropriate, of Contract Capacity.

Each month Customer will pay to Company for all capacity and energy delivered to Customer in the
preceding billing period an amount determined in accordance with
TOD-PRIMARY Rate Schedule and, as is appropriate, the
_____ Rider, contract attached if required, the
_____ Rider, contract attached if required, and the
_____ Rider, contract attached if required.

Comments:

This contract replaces one dated June 27, 2003. Billing under this contract will commence with date
U.K. West #2 Substation is energized as anticipated to be approximately April 1, 2012.
Customer's billing is based on the contributors to the totalized peak from the Medical Center #1,
Medical Center #2, Scott Street, U.K. West #1, and U.K. West #2 substations.

TARIFF PROVISIONS:

It is mutually agreed that Company's general terms and conditions and applicable rate schedule, as from
time to time approved by and on file with the Public Service Commission of Kentucky, are made a part of
this contract as fully as if written here.

IN WITNESS WHEREOF, the parties hereto have caused this contract to be executed by their duly
authorized representatives this day and year shown above.

KENTUCKY UTILITIES COMPANY

UNIVERSITY OF KENTUCKY

By Edward S. ...

By John W. Jackson

MANAGER, SPEC. CONT. / TARIFFS

MANAGER OF UTILITIES

W. J. ...
Official Capacity
Attest

Ronald L. Mercer
Official Capacity
Attest

Contract Account 3000 0621 8824

CONTRACT FOR ELECTRIC SERVICE

This contract made and entered into this 1st day of March, 2012 by
and between Kentucky Utilities Company ("Company")
and University Of Kentucky ("Customer")

WITNESSETH:

Beginning See Comments., or as soon thereafter as connection is made,
Company will sell and deliver to Customer at U.K. West #1 Substation
for the operation of customer owned distribution system

All electric capacity and energy taken under this contract will be delivered as
Three phase, 60 cycle, alternating current, at a nominal voltage at the point of
12,470 volts, metered and billed as Primary service.
Secondary/Primary/Transmission

This point of delivery requires an estimated system capacity of
12,000 kW, or kVA as is appropriate, of Contract Capacity.

Each month Customer will pay to Company for all capacity and energy delivered to Customer in the
preceding billing period an amount determined in accordance with
TOD-PRIMARY Rate Schedule and, as is appropriate, the
 Rider, contract attached if required, the
 Rider, contract attached if required, and the
 Rider, contract attached if required.

Comments:

This contract replaces one dated June 27, 2003. Billing under this contract will commence with date
U.K. West #2 Substation is energized as anticipated to be approximately April 1, 2012.
Customer's billing is based on the contributors to the totalized peak from the Medical Center #1,
Medical Center #2, Scott Street, U.K. West #1, and U.K. West #2 substations.

TARIFF PROVISIONS:

It is mutually agreed that Company's general terms and conditions and applicable rate schedule, as from
time to time approved by and on file with the Public Service Commission of Kentucky, are made a part of
this contract as fully as if written here.

IN WITNESS WHEREOF, the parties hereto have caused this contract to be executed by their duly
authorized representatives this day and year shown above.

KENTUCKY UTILITIES COMPANY

UNIVERSITY OF KENTUCKY

By *F. Howard Sauer*

By *John W. Zuchen*

MANAGER, TARIFFS / SPEC. CONT.

MANAGER OF UTILITIES

[Signature]
Official Capacity
Attest

Ronald L. Mercer
Official Capacity
Attest

CONTRACT FOR ELECTRIC SERVICE

This contract made and entered into this 1st day of Merch, 2012 by and between Kentucky Utilities Company ("Company") and University Of Kentucky ("Customer")

WITNESSETH:

Beginning See Comments, or as soon thereafter as connection is made, Company will sell and deliver to Customer at U.K. West #2 Substation for the operation of customer owned distribution system

All electric capacity and energy taken under this contract will be delivered as Three phase, 60 cycle, alternating current, at a nominal voltage at the point of 12,470 volts, metered and billed as Primary service. Secondary/Primary/Transmission

This point of delivery requires an estimated system capacity of 10,000 kW, or kVA as is appropriate, of Contract Capacity.

Each month Customer will pay to Company for all capacity and energy delivered to Customer in the preceding billing period an amount determined in accordance with TOD-PRIMARY Rate Schedule and, as is appropriate, the Rider, contract attached if required, the Rider, contract attached if required, and the Rider, contract attached if required.

Comments:

This contract replaces one dated June 27, 2003. Billing under this contract will commence with date U.K. West #2 Substation is energized as anticipated to be approximately April 1, 2012. Customer's billing is based on the contributors to the totalized peak from the Medical Center #1, Medical Center #2, Scott Street, U.K. West #1, and U.K. West #2 substations.

TARIFF PROVISIONS:

It is mutually agreed that Company's general terms and conditions and applicable rate schedule, as from time to time approved by and on file with the Public Service Commission of Kentucky, are made a part of this contract as fully as if written here.

IN WITNESS WHEREOF, the parties hereto have caused this contract to be executed by their duly authorized representatives this day and year shown above.

KENTUCKY UTILITIES COMPANY

By Edward Bausch

MANAGER, TARIFFS / SPEC. CONT. Official Capacity Attest

UNIVERSITY OF KENTUCKY

By John W. Zashan MANAGER OF UTILITIES Official Capacity

Ronald L. Merce Attest