

**AGREEMENT FOR BACK-UP ELECTRIC SERVICE AND
RETAIL ELECTRIC TRANSMISSION SERVICE**

This Agreement for Back-Up Electric Service and Retail Transmission Service (“Agreement”) made and entered into this 9th day of September, 2014, by and between Kentucky Utilities Company, a Kentucky corporation (“Company”), and American Municipal Power, Inc., an Ohio corporation for non-profit (“Customer”).

WITNESSETH:

WHEREAS, Customer is currently constructing, and will subsequently test, commission, synchronize to the grid, and commercially operate, a hydroelectric generating facility in Foster, Kentucky (“AMP Meldahl”), which lies in Company’s certified electric retail service territory; and

WHEREAS, Company is currently providing electric service to AMP Meldahl at six delivery points under various rate schedules while Customer is constructing AMP Meldahl; and

WHEREAS, Customer has requested that Company provide permanent back-up power service at a single delivery point when AMP Meldahl transitions from its construction phase to its testing-and-commissioning phase (see Exhibit 1, Contract for Back-Up Electric Service, Contract No. 2014-001083-SCHED, attached hereto); and

WHEREAS, Customer requires, and PJM Interconnection L.L.C. (“PJM”) will provide, electric transmission service to AMP Meldahl, which interconnects to the portion of the PJM transmission system owned by Duke Energy Ohio, Inc. (“DEO”); and

WHEREAS, Company has exclusive retail service rights under Kentucky Revised Statutes 278.018 for the territory where AMP Meldahl is located but acknowledges it would be economically impracticable for Company to provide the energy to serve AMP Meldahl across the transmission facilities interconnecting AMP Meldahl to DEO’s transmission facilities (“Transmission Facilities”); and

<p>KENTUCKY PUBLIC SERVICE COMMISSION</p>
<p>JEMR. MELDAHL EXECUTIVE DIRECTOR</p>
<p><i>Brent Kirtley</i></p>
<p>EFFECTIVE 10/13/2014 PURSUANT TO 807 KAR 5:011 SECTION 9 (1)</p>

WHEREAS, Company therefore will not supply any energy AMP Meldahl consumes from the Transmission Facilities, which energy entities other than Company will supply to AMP Meldahl according to the applicable rules, policies, and practices of PJM; and

WHEREAS, to protect Company's exclusive retail service rights, Customer agrees to pay Company the non-energy and non-fuel charges of its Retail Transmission Service Standard Rate (Rate RTS) for any power that flows into AMP Meldahl from the Transmission Facilities, as fully described in Exhibit 2, Special Contract for Retail Transmission Service, Contract No. 2014-001084-SCHED, attached hereto;

NOW, THEREFORE, in consideration of the foregoing premises and the respective covenants and agreements of the Participants herein set forth, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, it is mutually agreed as follows:

This Agreement, including the two exhibits, will become effective on the earliest date authorized by law but no later than the date on which power first flows to or from AMP Meldahl across the Transmission Facilities; and,

Company will provide retail electric service to any and all Customer facilities in Company's certified service territory that are not electrically connected to AMP Meldahl at standard tariff rates, terms, and conditions.

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

AMERICAN MUNICIPAL POWER, INC.

By: [Signature]
John P. Malloy
VP Customer Services

By: [Signature]
Marc S. Gerken, President/CEO

Attest: [Signature]
By: [Signature]
NOTARY - June 12, 2018
400001.125957/1121190.1

Attest: [Signature]
By: [Signature]
John W. Bennett, Sr. Vice General Counsel

KENTUCKY PUBLIC SERVICE COMMISSION
JEFF R. DEROUEN
EXECUTIVE DIRECTOR
TARIFF BRANCH
EFFECTIVE
10/13/2014
PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

EXHIBIT 1, CONTRACT FOR BACK-UP ELECTRIC SERVICE

This Contract for Back-Up Electric Service ("Back-Up Contract") made and entered into this 7th day of September, 2014, by and between Kentucky Utilities Company ("Company") and American Municipal Power, Inc. ("Customer").

- 1. Service: Beginning on the date on which power first flows to or from Customer's hydroelectric generating facility in Foster, Kentucky ("AMP Meldahl") across the transmission facilities interconnecting AMP Meldahl with the transmission facilities of Duke Energy, Inc. ("DEO") in Ohio (which facilities are under the operating control of PJM Interconnection, L.L.C.), Company will provide to AMP Meldahl back-up power service to serve its station power in the event that the other AMP Meldahl back-up systems fail.

All back-up electric capacity and energy taken under this Back-Up Contract will be delivered as 3 phase, 60 cycle, alternating current, at a nominal voltage at the point of 12,470 volts, metered and billed as primary service.

This point of delivery requires an estimated system capacity of 800 kW, or kVA as is appropriate, of Back-Up Contract capacity.

It is mutually agreed that Company's general terms and conditions and applicable rate schedules, but not the special terms and conditions, as from time to time approved by and on file with the Kentucky Public Service Commission, are made a part of this Back-Up Contract as fully as if written here unless such term or condition is in express conflict with a term or condition of this Back-Up Contract or Agreement, in which case the term or condition of this Back-Up Contract or Agreement shall prevail. Nothing in this Back-Up Contract prohibits or precludes AMP from challenging any changes proposed by Company or otherwise to Company's tariff that impact AMP or AMP Meldahl.

- 2. Term: This Back-Up Contract shall be in full force and effect for a period of two years from the commercial operation date, unless otherwise stated in the applicable tariff, and shall continue in force thereafter for successive periods of one year each until either party shall give the other not less than sixty days written notice of its intention to terminate this contract at the expiration of and of said yearly periods. Notwithstanding anything in this Back-Up Contract or Agreement to the contrary, this Back-Up Contract shall automatically terminate upon the proper cancellation by the Kentucky Public Service Commission of any rate or tariff whose administration of the same is necessary for this Back-Up Contract to continue; however, the renaming, restructuring, or changing of rates of any tariff provision this Back-Up Contract shall not constitute cancellation of the same, and shall not automatically terminate this Back-Up Contract.

- 3. Notice: Customer must give Company at least 30 calendar days' notice on which power first flows to or from AMP Meldahl across the transmission facilities interconnecting AMP Meldahl with DEO's transmission facilities in Ohio.

KENTUCKY PUBLIC SERVICE COMMISSION
JEFFREY D. BRYAN
 EXECUTIVE DIRECTOR

TARIFF BRANCH


Brent Kirtley

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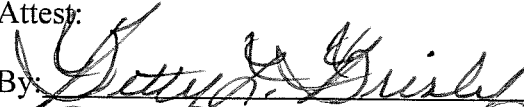
4. Rate: Each month Customer will pay to Company for all facilities provided, and capacity and energy delivered, to Customer in the preceding billing period an amount determined in accordance with:
- a. Company's Time-of-Day Primary Service Standard Rate (Rate TODP) and
 - b. Company's Supplemental or Standby Service Standard Rate Rider (Rider SS)

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

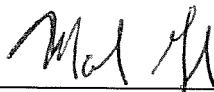
KENTUCKY UTILITIES COMPANY

By: 
John P. Malloy
VP Customer Services
 Official Capacity

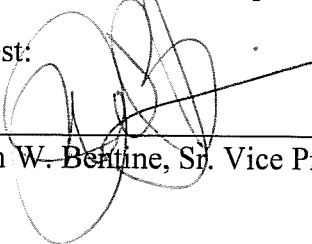
Attest:

By: 
NOTARY - June 11, 2018

AMERICAN MUNICIPAL POWER, INC.

By: 
Marc S. Gerken, President/CEO
 Official Capacity

Attest:

By: 
John W. Bertine, Sr. Vice President/General Counsel

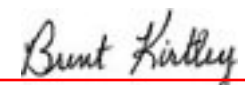
KENTUCKY PUBLIC SERVICE COMMISSION
JEFF R. DEROUEN EXECUTIVE DIRECTOR
TARIFF BRANCH

EFFECTIVE 10/13/2014
PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

EXHIBIT 2, SPECIAL CONTRACT FOR RETAIL ELECTRIC TRANSMISSION SERVICE

This Special Contract for Retail Transmission Service ("Special Contract") made and entered into this 9th day of September, 2014, by and between Kentucky Utilities Company ("Company") and American Municipal Power, Inc. ("Customer").

Company and Customer acknowledge that it would be uneconomical for Company to provide the energy supplied to AMP Meldahl across the transmission facility interconnecting AMP Meldahl with the transmission facilities of Duke Energy Ohio, Inc. ("DEO") (which facilities are under the operating control of PJM Interconnection, L.L.C.). Accordingly, energy will be supplied to Customer by entities other than Company according to the applicable rules, policies, and practices of PJM Interconnection, LLC. Nonetheless, Company and Customer acknowledge Company's exclusive right under Kentucky Revised Statutes 278.018 to provide retail electric service to AMP Meldahl. Therefore, Company and Customer are entering into this arrangement to accommodate the economic reality while protecting Company's exclusive retail service rights under Kentucky Revised Statutes 278.018. Company and Customer acknowledge this is a unique situation, not a template for future projects.

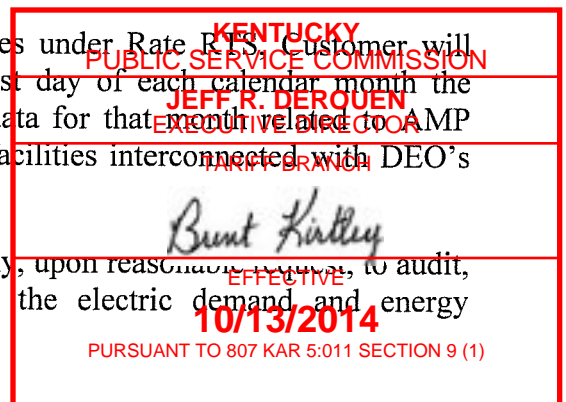
1. Service and Rates:

a. Back feed for testing and commissioning. Beginning on the date on which power first flows to or from Customer's hydroelectric generating facility in Foster, Kentucky ("AMP Meldahl") across the transmission facilities interconnecting AMP Meldahl with the transmission facilities of DEO in Ohio, Customer will pay Company for retail electric transmission service under the terms of Company's Retail Transmission Service Standard Rate (Rate RTS), with the following exceptions:

- i. Company will not bill Customer, and Customer will not pay Company, for the Energy Charge or Fuel Adjustment Clause charges provided under Rate RTS;
- ii. Company will not bill Customer, and Customer will not pay Company for the Demand-Side Management Cost Recovery Mechanism (Sheet No. 86), which would not apply to Customer in any event because Customer is an industrial customer for the purposes of Company's Demand-Side Management Cost Recovery Mechanism.
- iii. All other provisions of Rate RTS will apply.

2. Consumption Data: To calculate the applicable charges under Rate RTS, Customer will supply to Company within 15 calendar days of the last day of each calendar month the appropriate electric demand and energy consumption data for that month related to AMP Meldahl's gross electric energy consumption from its facilities interconnecting with DEO's transmission facilities.

3. Audit and Metering: Customer agrees to permit Company, upon reasonable notice, to audit, and will fully cooperate in any Company audit of, the electric demand and energy



consumption data Customer has provided to Company. After such audit, Company may reasonably request that additional metering equipment be installed if necessary to ensure accurate measurement of Customer's electric demand and gross electric energy consumption from its transmission facilities interconnected with DEO's transmission facilities. Customer agrees to cooperate with Company and facilitate the installation of such metering equipment as Company in its sole discretion determines to be necessary. Company will bear the cost of any such meter and any related metering equipment. Company will install such metering equipment in consultation with Customer and in such a manner as to minimize any impacts to Customer's operations.

- Term:** This Special Contract shall be in full force and effect for a period of two years from first date on which power first flows to or from AMP Meldahl and shall continue in force thereafter for successive periods of one year each until either party shall give the other not less than sixty days written notice of its intention to terminate this Special Contract at the expiration of and of said yearly periods. Notwithstanding anything in this Special Contract to the contrary, this Special Contract shall automatically terminate upon the proper cancellation by the Kentucky Public Service Commission of any rate or tariff whose administration of the same is necessary for this Special Contract to continue; however, the renaming, restructuring, or changing of rates of any tariff provision this Special Contract addresses shall not constitute cancellation of the same, and shall not automatically terminate this Special Contract.
- Tariff Provisions:** It is mutually agreed that Company's general terms and conditions and applicable rate schedules as from time to time approved by and on file with the Kentucky Public Service Commission, are made a part of this Special Contract as fully as if written here unless such term or condition is in express conflict with a term or condition of this Special Contract, in which case the term or condition of this Special Contract shall prevail. Nothing in this Special Contract prohibits or precludes AMP from challenging any changes proposed by Company or otherwise to Company's tariff that impact AMP or AMP Meldahl.

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: *John P. Malloy*
VP Customer Services
Official Capacity

Attest:
By: *Golly A. Frisley*
NOTARY - June 21, 2018

AMERICAN MUNICIPAL POWER, INC.

By: *M S Gerken*
Marc S. Gerken, President/CEO
Official Capacity

Attest:
By: *John W. Bentire, Sr.* *Brent Kirtley* General Counsel

Official Capacity
KENTUCKY PUBLIC SERVICE COMMISSION
JEFF R. DEROUEN EXECUTIVE DIRECTOR
TARIFF BRANCH
EFFECTIVE 10/13/2014 PURSUANT TO 807 KAR 5:011 SECTION 9 (1)