

SPECIAL CONTRACT ECONOMIC DEVELOPMENT RIDER

This special contract for Economic Development Rider service ("EDR Contract") is made and entered into this 24th day of November, 2015, by and between Kentucky Utilities Company ("Company") and Toyota Motor Manufacturing, Kentucky, Inc. ("Customer").

Witnesseth:

WHEREAS, Company is in the business of providing retail electric service in the Commonwealth of Kentucky;

WHEREAS, Customer has applied for and/or is receiving retail electric service from Company pursuant to a Contract for Electric Service under Account Number 3000-3053-6332 in accordance with the provisions of rate schedule Time-of-Day Primary.

WHEREAS, Customer Requests EDR Total Demand Charge discounts on the basis that Customer's proposed billing load ("EDR Connected Load") meets the requirements outlined in Appendix A for: (check appropriate space):

- Brownfield Development load of _____ kVA
- Economic Development new load of _____ kVA
- Economic Development new load of 6,000 kVA above an Existing Base Load as defined in the aforementioned Appendix A.

The EDR Total Demand Charge discounts shall be incorporated with the bill for electric service issued pursuant to the Contract for Electric Service and will be subject to the same payment provisions as the Contract for Electric Service.

NOW, THEREFORE, in consideration of the mutual agreements made herein, the parties agree as follows:

Company's rates, terms, and conditions for the provision of electric service to Customer, and Customer's obligations, rights, and responsibilities to Company for the supply of electric service, are as specified in and determined by the standard rate schedule specified above and other applicable schedules, terms, conditions of service set forth in Company's tariffs on file with and approved by the Kentucky Public Service Commission ("PSC") and by the terms of the Contract for Electric Service. The Company's Rates, Terms and Conditions for furnishing electric service, as filed with and approved by the PSC, are in effect both now and in the future, are incorporated by reference and made a part of this EDR Contract as if fully set forth herein.

KENTUCKY
PUBLIC SERVICE COMMISSION

JEFF R. DEROUEN
EXECUTIVE DIRECTOR
TARIFF BRANCH

Brent Kirtley

EFFECTIVE
2/24/2016
PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

This EDR Contract is supplemental to, and by agreement made a part of, the Contract for Electric Service for the purpose of applying provisions of the Company's Economic Development Rider, EDR ("EDR"), to Customer.

Company agrees to furnish, and Customer agrees to take, EDR service pursuant to the terms and conditions of EDR, as currently approved by the PSC or as may be modified in the future and approved by the PSC.

The initial term of this EDR Contract shall be ten (10) years beginning, at the option of Customer, no later than twelve (12) months following approval of this special contract by the PSC. The Total Demand Charge discounts will be applied to sixty (60) consecutive billing months as specified by EDR and followed by sixty (60) consecutive billing months at the standard rate. Upon termination of the ten (10) term, service will continue in accordance with the terms of the Standard Rate Schedule.

Company may terminate this EDR Contract at any time for Customer's failure to comply with the terms and conditions of Standard Rider EDR or this EDR Contract. Such termination will only affect the application of, and Customer's service under, the Standard Rider EDR and this EDR Contract, and shall not affect the application of, or Customer's service under, the Contract for Electric Service.

Customer agrees to provide all information necessary to satisfy the PSC initial filing requirements and successive annual reports for the duration of this special contract.

This EDR Contract shall inure to the benefit of and shall bind the successors and assigns of the parties hereto. However, no assignment of any rights, duties or obligations hereunder by Customer shall have any effect whatsoever unless approved in writing by Company in advance of such assignment. Nothing herein shall be construed to confer a benefit on any person not a signatory hereto or the successor to a signatory hereto.

All disputes arising between Customer and Company hereunder shall be finally decided by the PSC in accordance with its applicable rules and procedures. This EDR Contract shall be construed and enforced in accordance with the laws of the Commonwealth of Kentucky.

IN WITNESS WHEREOF, Customer and Company have executed this EDR Contract on the day and year first above written.

Kentucky Utilities Company
By: *Joseph A. Howard*
Account Manager III
Title

Toyota Motor Manufacturing, Kentucky, Inc.
Customer
By: *Jeff R. Derouen*
Vice President
Title

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SPECIAL CONTRACT ECONOMIC DEVELOPMENT RIDER APPENDIX A

The combined Louisville Gas and Electric Company and Kentucky Utilities Company current, 2015, capacity reserve margin is 1,456 MW, which is 368 MW in excess of a reserve margin considered essential for system reliability of 1,088 MW. For each year in which Customer will receive demand charge discounts under this EDR Contract, the Companies' projected reserve margins are expected to be; Year 1 1,230 MW; Year 2 1,167 MW; Year 3 1,104 MW; Year 4 1,163 MW; Year 5 1,293 MW. The current year and years 1 – 3 include a short-term Purchase Power Agreement for 165 MW. Years 2-5 also reflect the addition of the Brown solar facility. Years 4&5 reflect the termination of 10 municipal contracts.

Company estimates investing \$ 0 in new facilities to serve the EDR Contracted Load.

Company estimates Customer's minimum monthly billing, as per this additional load, under Standard Rate Schedule TODP will be \$ 42,720.00.

Customer anticipates investing \$ 531,200,000 in facilities associated with the EDR Contracted Load.

Customer anticipates creating 750 new jobs associated with the EDR Contracted Load.

Customer estimates the EDR Contracted Load to be 6,000 kW or kVA, as is appropriate, at a 65.1 % load factor.

If the new load is in addition to an existing load, Company and Customer agree that the Existing Base Load is:

	Base Period		Intermediate Period		Peak Period	
January	<u>65,366</u>	kVA;	<u>65,366</u>	kVA;	<u>65,366</u>	kVA;
February	<u>65,035</u>	kVA;	<u>65,035</u>	kVA;	<u>64,913</u>	kVA;
March	<u>67,738</u>	kVA;	<u>65,805</u>	kVA;	<u>64,845</u>	kVA;
April	<u>67,091</u>	kVA;	<u>66,081</u>	kVA;	<u>63,580</u>	kVA;
May	<u>72,042</u>	kVA;	<u>71,710</u>	kVA;	<u>70,462</u>	kVA;
June	<u>80,314</u>	kVA;	<u>80,183</u>	kVA;	<u>79,036</u>	kVA;
July	<u>86,210</u>	kVA;	<u>86,210</u>	kVA;	<u>83,944</u>	kVA;
August	<u>83,997</u>	kVA;	<u>82,331</u>	kVA;	<u>82,255</u>	kVA;
September	<u>80,260</u>	kVA;	<u>80,074</u>	kVA;	<u>79,242</u>	kVA;
October	<u>73,163</u>	kVA;	<u>72,267</u>	kVA;	<u>66,092</u>	kVA;
November	<u>67,958</u>	kVA;	<u>64,564</u>	kVA;	<u>64,444</u>	kVA;
December	<u>65,033</u>	kVA;	<u>65,033</u>	kVA;	<u>65,033</u>	kVA;

Seen and agreed:

For Company: Joseph A. Howard

For Customer: Mr. [Signature]

**KENTUCKY
PUBLIC SERVICE COMMISSION**

**JEFF R. DEROUEN
EXECUTIVE DIRECTOR**

TARIFF BRANCH

Date: 11/17/15

EFFECTIVE 1/15

2/24/2016

PURSUANT TO 807 KAR 5:011 SECTION 9 (1)