

ATTACHMENT 2

Special Contract for Economic Development

KENTUCKY
PUBLIC SERVICE COMMISSION

JEFF R. DEROUEN
EXECUTIVE DIRECTOR

TARIFF BRANCH

Brent Kirtley

EFFECTIVE

4/30/2015

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

SPECIAL CONTRACT ECONOMIC DEVELOPMENT RIDER

This special contract for Economic Development Rider service ("EDR Contract") is made and entered into this 26th day of March, 2015, by and between Kentucky Utilities Company ("Company") and Custom Food Products ("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 300019621972 in accordance with the provisions of rate schedule Time-of-Day Primary ("TODP").

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 1500 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 approved by the PSC, are in effect both now and in the future, are incorporated by reference as a part of this EDR Contract as if fully set forth herein.

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

Brent Kirtley
 I approved

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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: William D. Jefferson

Account Manager
Title

Custom Food Products

| | |
|-----------------------------|--|
| Customer | KENTUCKY PUBLIC SERVICE COMMISSION |
| By: <u>Jeff R. Deroquen</u> | JEFF R. DEROUEN EXECUTIVE DIRECTOR |
| | TARIFF BRANCH |
| VP, <u>Brent Kirtley</u> | Title <u>Brent Kirtley</u> |
| | EFFECTIVE 4/30/2015 PURSUANT TO 807 KAR 5:011 SECTION 9 (1) |

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 1167 MW; Year 3 1104 MW; Year 4 1,163 MW; Year 5 1,293 MW.

The current year and years 1-3 include a 165 MW short-term Power Purchase Agreement. Years 2-5 also reflect the addition of the Brown solar facility. Beginning in Year 4, reserve margins reflect the termination of 10 municipal contracts. This EDR for new load will not accelerate Company's plans for additional generating capacity over the life of the EDR contract consistent with Economic Development Rider, Original Sheet No. 71.1.

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

Company estimates Customer's minimum monthly billing under Standard Rate Schedule TODP will be \$ 1,923.75.

Customer anticipates investing \$ 44,433,231 in facilities associated with the EDR Contracted Load.

Customer anticipates creating 200 new jobs associated with the EDR Contracted Load.

Customer estimates the EDR Contracted Load to be 1500 kW or kVA, as is appropriate, at a 60 % 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>1,482</u> kVA; | <u>1,482</u> kVA; | <u>1,442</u> kVA; |
| February | <u>1,497</u> kVA; | <u>1,497</u> kVA; | <u>1,456</u> kVA; |
| March | <u>1,518</u> kVA; | <u>1,518</u> kVA; | <u>1,472</u> kVA; |
| April | <u>1,528</u> kVA; | <u>1,528</u> kVA; | <u>1,483</u> kVA; |
| May | <u>1,525</u> kVA; | <u>1,525</u> kVA; | <u>1,481</u> kVA; |
| June | <u>1,531</u> kVA; | <u>1,531</u> kVA; | <u>1,486</u> kVA; |
| July | <u>1,544</u> kVA; | <u>1,544</u> kVA; | <u>1,500</u> kVA; |
| August | <u>1,550</u> kVA; | <u>1,550</u> kVA; | <u>1,506</u> kVA; |
| September | <u>1,443</u> kVA; | <u>1,443</u> kVA; | <u>1,404</u> kVA; |
| October | <u>1,451</u> kVA; | <u>1,451</u> kVA; | <u>1,412</u> kVA; |
| November | <u>1,459</u> kVA; | <u>1,459</u> kVA; | <u>1,425</u> kVA; |
| December | <u>1,471</u> kVA; | <u>1,471</u> kVA; | <u>1,435</u> kVA; |

Seen and agreed:

For Company: [Signature]

For Customer: [Signature]

[Signature]

Date: EFFECTIVE 4/30/2015

KENTUCKY PUBLIC SERVICE COMMISSION
JEFF R. DEBOEN
EXECUTIVE DIRECTOR
 BRANCH

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