

**SPECIAL CONTRACT FOR ECONOMIC DEVELOPMENT RIDER SERVICE**

This special contract for Economic Development Rider service ("EDR Contract") is made and entered into this 24th day of October, 2011, by and between Millennium Forge, Inc. ("Customer") and Louisville Gas and Electric Company ("Company").

**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 dated October 24, 2011 ("Electric Service Contract") under Standard Rate Schedule ITOD-P; and

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

Brownfield Development load of \_\_\_\_\_ kVA (or kW as is appropriate)

Economic Development new load of \_\_\_\_\_ kVA (or kW as is appropriate)

Economic Development new load of 2,000 kVA (or kW as is appropriate) 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 Electric Service Contract beginning no later than first billing period following Commission approval and will be subject to the same payment provisions as the Electric Service Contract.

**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 the Company for the supply of electric service, are specified in and determined by the Standard Rate Schedule specified above and other applicable schedules,

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<b>JEFF R. DEROUEN EXECUTIVE DIRECTOR</b>
<i>Brent Kirtley</i>
<b>EFFECTIVE 11/27/2011</b>
<b>PURSUANT TO 807 KAR 5:011 SECTION 9 (1)</b>

terms, and conditions of service set forth in the Company's tariffs on file with, and approved by, the Kentucky Public Service Commission ("PSC"), and by the terms of the Electric Service Contract. The Company's Rates, Terms and Conditions for Furnishing Electric Service, as filed with and approved by the PSC, both in effect now and in the future, are incorporated by reference and made a part of this EDR Contract as if fully set forth herein.

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

Company agrees to furnish, and Customer agrees to take, EDR service pursuant to the terms and conditions of Standard Rate Rider 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 Electric Service Contract.

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 to a signatory hereto.

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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.

Millennium Forge, Inc  
Customer  
By: David Jamer  
Title: CFO

Louisville Gas and Electric Company  
By: Don Cummins  
Title: Account Manager

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EFFECTIVE <b>11/27/2011</b> PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

**SPECIAL CONTRACT FOR ECONOMIC DEVELOPMENT**

**APPENDIX A**

- The combined Louisville Gas and Electric Company and Kentucky Utilities Company current, 2011, capacity reserve margin is 1,400 MW, which is 319 MW in excess of a reserve margin considered essential for system reliability of 1,081 MW. For each year in which Customer will receive demand charge discounts under the EDR Contract, the Company's projected reserve margins are expected to be: Year 1 1,335 MW; Year 2 1,738 MW; Year 3 1,672 MW; Year 4 1,584 MW; and Year 5 1,389 MW. These values reflect changes in generation assets filed for Commission approval in Case No. 2011-00375.
- Company estimates investing \$ 8,000 in new facilities to serve the EDR Contracted Load.
- Company estimates Customer's minimum monthly billing under Standard Rate Schedule ITODP will be \$ 12,403.
- Customer anticipates investing \$ 3,000,000 in facilities associated with the EDR Contracted Load.
- Customer anticipates creating 30 new jobs associated with the EDR Contracted Load.
- Customer estimates the EDR Contracted Load to be 2,000 kW or kVA, as is appropriate, at a 45 % load factor.
- If the new load is in addition to an existing load, Company and Customer agree that the Existing Base Load is:

January	<u>4,344</u> Peak kW, <u>4,344</u> Basic kW;
February	<u>4,504</u> Peak kW, <u>4,504</u> Basic kW;
March	<u>4,932</u> Peak kW, <u>4,932</u> Basic kW;
April	<u>4,514</u> Peak kW, <u>4,514</u> Basic kW;
May	<u>4,113</u> Peak kW, <u>4,113</u> Basic kW;
June	<u>4,306</u> Peak kW, <u>4,306</u> Basic kW;
July	<u>4,698</u> Peak kW, <u>4,698</u> Basic kW;
August	<u>5,058</u> Peak kW, <u>5,058</u> Basic kW;
September	<u>4,915</u> Peak kW, <u>4,915</u> Basic kW;
October	<u>4,959</u> Peak kW, <u>4,959</u> Basic kW;
November	<u>4,750</u> Peak kW, <u>4,750</u> Basic kW; and
December	<u>4,556</u> Peak kW, <u>4,556</u> Basic kW

Seen and agreed:

For Company: Don Cummins  
Date: 10/24/2011

For Customer: James  
Date: 10/24/11 11/27/2011 CFO  
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