

SPECIAL CONTRACT ECONOMIC DEVELOPMENT RIDER

This special contract for Economic Development Rider service ("EDR Contract") is made and entered into this 15th day of August, 2019, by and between Louisville Gas and Electric Company ("Company") and United Parcel Service 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 300038513556 in accordance with the provisions of rate schedule 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):

- _____ kVA of Brownfield Development load
- _____ kVA of Economic Development or Re-Development new load
- 1,500 kVA of Economic Development or Re-Development new load above an Existing Base Load as defined 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 Commission's Rates, Terms and Conditions for furnishing electric service, as filed with and approved by the Commission, are incorporated by reference and made a part of this contract.~~ set forth herein.

KENTUCKY
PUBLIC SERVICE COMMISSION

Gwen R. Pinson
Executive Director

Gwen R. Pinson

EFFECTIVE
9/23/2019
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 below (each blank below can contain only the following values, each of which can appear only once: 50%, 40%, 30%, 20% and 10%):

	<u>50 %</u>	for the first twelve (12) consecutive billing months
	<u>40 %</u>	for the second twelve (12) consecutive billing months
	<u>30 %</u>	for the third twelve (12) consecutive billing months
	<u>20 %</u>	for the fourth twelve (12) consecutive billing months
	<u>10 %</u>	for the fifth twelve (12) consecutive billing months

The sixty (60) consecutive months specified above will be followed by sixty (60) consecutive billing months at the standard rate. Upon termination of the ten (10) year 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 fi accordance with its applicable rules and procedures. This EDR Contract shall accordance with the laws of the Commonwealth of Kentucky.

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KUEDR033113

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

Louisville Gas and Electric Company

By: Laurence W. Prindel

Key Account Manager
Title

UPS Parcel Service Inc

Customer

By: [Signature]

Director
Title

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**SPECIAL CONTRACT
ECONOMIC DEVELOPMENT RIDER APPENDIX A**

The combined Louisville Gas and Electric Company and Kentucky Utilities Company current, 2019, capacity reserve margin is 1,495 MW, which is 478 MW in excess of a reserve margin considered essential for system reliability of 1,017 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 1,495 MW; Year 2 1,491 MW; Year 3 1,505 MW; Year 4 1,505 MW; Year 5 1,518 MW.

Company estimates investing \$ 2,000,000 in new facilities to serve the EDR Contracted Load.

Company estimates Customer's minimum monthly billing under Standard Rate Schedule TODP will be \$ 56,607.

Customer anticipates investing \$ \$309,734,119 in facilities associated with the EDR Contracted Load.

Customer anticipates creating 92 new jobs associated with the EDR Contracted Load.

Customer estimates the EDR Contracted Load to be 1,500 kVA, as is appropriate, at a 53% load factor (load factor must be at least 50%).

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>2,112</u>	kVA;	<u>2,071</u>	kVA;	<u>1,810</u>	kVA;
February	<u>2,112</u>	kVA;	<u>2,071</u>	kVA;	<u>1,810</u>	kVA;
March	<u>2,112</u>	kVA;	<u>2,071</u>	kVA;	<u>1,810</u>	kVA;
April	<u>2,112</u>	kVA;	<u>2,071</u>	kVA;	<u>1,810</u>	kVA;
May	<u>2,112</u>	kVA;	<u>2,071</u>	kVA;	<u>1,810</u>	kVA;
June	<u>2,112</u>	kVA;	<u>2,071</u>	kVA;	<u>1,810</u>	kVA;
July	<u>2,112</u>	kVA;	<u>2,071</u>	kVA;	<u>1,810</u>	kVA;
August	<u>2,112</u>	kVA;	<u>2,071</u>	kVA;	<u>1,810</u>	kVA;
September	<u>2,112</u>	kVA;	<u>2,071</u>	kVA;	<u>1,810</u>	kVA;
October	<u>2,112</u>	kVA;	<u>2,071</u>	kVA;	<u>1,810</u>	kVA;
November	<u>2,112</u>	kVA;	<u>2,071</u>	kVA;	<u>1,810</u>	kVA; and
December	<u>2,112</u>	kVA;	<u>2,071</u>	kVA;	<u>1,810</u>	kVA;

Seen and agreed:

For Company: Lawrence W. Prince
For Customer: J. J. Deas

Date: 9/15/19
Gwen R. Pinson
Executive Director

Gwen R. Pinson

**KENTUCKY
PUBLIC SERVICE COMMISSION**

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