

RIDER FOR NATURAL GAS RESEARCH & DEVELOPMENT

Applicable

Applicable to Rate Schedules GS, IS, SS, IUS, SVGTS, MLDS, and DS except customers served under the Flex Provision.

Purpose

The purpose of this rider is to replace funding of natural gas research and development that previously was included in purchased gas cost pursuant to the authority of the Federal Energy Regulatory Commission. The rider will be calculated annually to produce \$300,000 annually to fund natural gas research and development.

Unit Charge

The Unit Charge shall be \$0.0139 per Mcf. This amount will be recalculated annually and will include a true-up for the prior year.

Remittance of Funds

Funds collected up to the amount of \$300,000 per annum under this rider will be remitted to the Gas Technology Institute on an annual basis. The amounts so remitted shall be reported to the Commission along with a statement setting forth the manner in which the remitted funds have been invested in research and development.

Termination of Rider

Participation in the Natural Gas Research and Development funding program is voluntary on the part of the Company. This rider may be terminated at any time by the Company on filing a notice of rescission with the Commission.

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DATE OF ISSUE	January 29, 2016	<p style="text-align: center;">KENTUCKY PUBLIC SERVICE COMMISSION</p> <p style="text-align: center;">James W. Gardner ACTING EXECUTIVE DIRECTOR</p> <p style="text-align: center;">TARIFF BRANCH</p> <p style="text-align: center;"><i>Brent Kirtley</i></p> <p style="text-align: center;">EFFECTIVE 3/1/2016</p> <p style="text-align: center;">PURSUANT TO 807 KAR 5:011 SECTION 9 (1)</p>
DATE EFFECTIVE	March 1, 2016	
ISSUED BY	/s/ Herbert A. Miller, Jr.	
TITLE	President	