

SPECIAL CONTRACT

This Special Contract made and entered into this 13 day of May, 2014, by and between Louisville Gas and Electric Company, a Kentucky corporation, hereinafter referred to as "Company", and Natural Gas of Kentucky, Inc., a Kentucky corporation, hereinafter referred to as "Customer".

WITNESSETH

WHEREAS, Company owns and operates a natural gas distribution system in Kentucky; and

WHEREAS, Customer plans to construct, own, and operate an intrastate natural gas pipeline (the "Facility");

WHEREAS, Customer's Facility shall interconnect with Company's Flint Hill Line located in Hardin County, Kentucky at a location provided by Customer that is agreeable to Company; and

WHEREAS, the Parties desire to enter into a contract under which natural gas service shall be provided by Company to Customer at the interconnection of Facility and Company's Flint Hill Line.

NOW THEREFORE, the Parties agree as follows:

1. **GAS SERVICE:** Company will provide gas service to Customer under all the terms and conditions of this Special Contract including the rates, terms, and conditions set forth on the following Appendices:

- Appendix A: "Contract for Natural Gas Service"
- Appendix B: "Rider TS-2 Service Agreement" and "Exhibit A" thereto
- Appendix C: "Facility Reimbursement Agreement"

Appendices A, B, and C are attached hereto and incorporated herein by reference. Appendices A, B, and C may be modified by Company and Customer without the approval of the Kentucky Public Service Commission ("Commission") to the extent such modifications do not conflict with either Commission law and regulations, this Special Contract or Company's Gas Tariff.

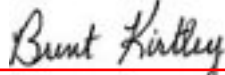
2. **EFFECTIVE DATE:** The effective date of this Special Contract is March 1, 2015. Beginning with the effective date set forth in the immediately preceding sentence, billing shall reflect the rates, terms and conditions established hereunder. Notwithstanding the foregoing, if the Kentucky Public Service Commission ("Commission") initially suspends this Special Contract for further review and subsequently approves it, or allows the Commission review period to expire without Commission rejection of this Special Contract, then the effective date of this Special Contract shall be the first day of the month covering the first full monthly billing rendered at least ten (10) days after the date of such Commission approval or such expiration of the Commission review period; and such billing shall reflect the rates, terms and conditions established hereunder.

3. **TERM:** The primary term of this Special Contract shall begin on the effective date and shall continue through October 31, 2025 ("primary term"). After such primary term, this Special Contract automatically shall continue in full force and effect for additional roll-over terms of one (1) year. However, either Party hereto for any reason, or no reason, may terminate the Special Contract effective at the end of the then-current primary or roll-over term. Such notice shall be given in writing at least one year in advance of the effective date of that termination.

KENTUCKY PUBLIC SERVICE COMMISSION

JEFF R. BERGUEEN
DIRECTOR

TARIFF BRANCH



EFFECTIVE
3/1/2015
PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

4. PERFORMANCE: If either Company or Customer breaches or fails to perform any of the covenants or obligations imposed upon it hereunder, then either Party may, at its option, terminate this Special Contract upon thirty (30) days prior written notice during which period of time the non-performing Party may cure the failure to perform. In such event, this Special Contract shall continue in effect and notice of termination shall be withdrawn. Any cancellation of this Special Contract, pursuant to the provisions of this paragraph shall be without waiver of any remedy to which the Party not in default may be entitled for violations of this Special Contract.

5. LIMITED WAIVER OF PROHIBITION OF RESALE OF GAS: In order to facilitate the securing of adequate rights of way by Customer for the construction of the Facility and for the provision of gas service by Customer to Scotty's Contracting & Stone LLC, 607 Quarry Road, Upton, Kentucky or its successor (hereinafter "Scotty's"), Company agrees to waive any prohibitions related to the resale of gas. Such prohibition is currently found in Company's Gas Tariff on Sheet No. 101.2. However, such waiver shall apply only to gas sales to (a) no more than fifteen (15) residential customers using not more than 200 Mcf/year, and (b) Scotty's. The resale of natural gas to any other parties shall constitute a material breach of this Special Contract. Company shall maintain the right to audit Customer's records to confirm compliance with the application of this limited waiver. Company shall have no contractual or other obligation or responsibility with respect to these or any other end-use customers served by Customer.

6. SALE OF CUSTOMER'S FACILITY: If, at any time during the primary term, any subsequent rollover term, or following the expiration of same, Customer contemplates, desires or proposes a sale of the Facility, then Company shall have a right-of-first offer to purchase (subject to due diligence) the Facility. Such right of first offer shall be subject to Customer's and Company's mutual agreement as to price, terms, and other conditions.

7. CREDIT SUPPORT: To the extent that Customer is required to provide credit support as currently found in Company's Gas Tariff on Sheet No. 102.1, such credit support shall be made in the form of a surety bond or letter of credit that is acceptable to Company in its sole discretion.

8. COMMISSION JURISDICTION: It is mutually understood and agreed that the rates, terms and conditions applicable to service furnished to Customer under this Special Contract are at all times subject to abrogation or modification by Commission order, including orders issued pursuant to proceedings initiated by Company.

9. ENTIRE AGREEMENT: This Special Contract and all Appendices attached hereto constitute the final and entire agreement between the Parties relating to the subject matter hereof and shall supersede all prior or contemporaneous oral or written statements, promises, and understandings between the Parties relating thereto.

10. SOLE DISTRIBUTOR: During the primary term hereof and any subsequent roll-over term(s), Company shall be the sole provider to Customer of natural gas transportation services contemplated herein.

KENTUCKY PUBLIC SERVICE COMMISSION
JEFF R. DEROUEN EXECUTIVE DIRECTOR
TARIFF BRANCH <i>Brent Kirtley</i>
EFFECTIVE 3/1/2015 PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

11. MISCELLANEOUS:

(a) This Special Contract shall be governed by and interpreted in accordance with the laws of the Commonwealth of Kentucky without resort to the laws of Kentucky regarding conflicts of law and applicable federal laws and regulations.

(b) The failure of either Party at any time to exercise any right or to require performance by the other Party of any provision herein shall in no way affect the right of such Party thereafter to enforce the same, nor shall the waiver by either Party hereto of any breach of any provision herein by the other Party be a waiver of any other breach of such provision, or a waiver of the provision itself.

(c) The title headings are for identification and reference only and shall not be used in interpreting any part of this Special Contract.

(d) This Special Contract shall be considered for all purposes as prepared through the joint efforts of the Parties, and shall not be construed against one Party or the other as a result of the preparation, submittal or other event of negotiation, drafting or execution thereof.

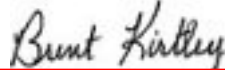
(e) There is no third party beneficiary to this Special Contract.

(f) Each Party to this Special Contract represents and warrants that it has full and complete authority to enter into and perform this Special Contract. Each person who executes this Special Contract on behalf of either Party represents and warrants that such person has full and complete authority to do so and that such Party will be bound thereby.


(g) This Special Contract shall be binding upon the Parties hereto and their respective successors and assigns. It is understood that this Special Contract may be submitted with and made a part of, one or more applications to duly constituted authorities, and copies of this Special Contract may be submitted to any person dealing with the subject matter hereof.

(h) In the event of any inconsistency between the terms of this Special Contract and any rate schedule, rider, or Appendix incorporated in this Special Contract by reference or otherwise, or any of the Company's rules and regulations, the terms of this Special Contract shall control, subject to the Commission's jurisdiction and its applicable decisions.

SIGNATURES ON NEXT PAGE

KENTUCKY PUBLIC SERVICE COMMISSION
JEFF R. DEROUEN EXECUTIVE DIRECTOR
TARIFF BRANCH 
EFFECTIVE 3/1/2015 PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

IN WITNESS WHEREOF, the Parties hereto have caused this Special Contract to be executed by their duly authorized officers and representatives.


WITNESS

NATURAL GAS OF KENTUCKY, INC.

BY: Wendy W.

TITLE: president

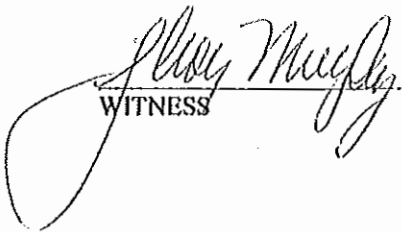
DATE: 5-13-14

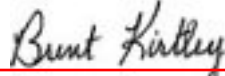
LOUISVILLE GAS AND ELECTRIC
COMPANY

BY: Adam E. Bell

TITLE: Vice President Gas Distribution

DATE: 5/27/14


WITNESS

KENTUCKY PUBLIC SERVICE COMMISSION
JEFF R. DEROUEN EXECUTIVE DIRECTOR
TARIFF BRANCH 
EFFECTIVE 3/1/2015
PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

APPENDIX A TO SPECIAL CONTRACT

Contract Account TBD

CONTRACT FOR NATURAL GAS SERVICE

This contract made and entered into this 13 day of MAY, 2014 by and between Louisville Gas and Electric Company ("Company") and Natural Gas of Kentucky, Inc. ("Customer").

WITNESSETH:

As provided for in the Special Contract, Company will deliver natural gas to Customer at the point where Customer's Facility interconnects with Company's Flint Hill Line in Hardin County, Kentucky for the operation of a natural gas pipeline.

All natural gas service taken under this contract will be delivered pursuant to the following:

Rate Schedule: IGS (meter # TBD)
Rider (if applicable): TS-2
Delivery Pressure: 95 psig
Load Data: 150 Mcf/hour (Maximum hourly load)

For Service Under Rate DGGs only:
Maximum Hourly Rate (connected load): Not Applicable
Maximum Daily Quantity (MHR x 24): _____

This Contract is not applicable for Service under Rate Schedules FT, PS-FT and PS-TS-2.

Other: Customer will execute a Rider TS-2 Service Agreement as required by Rider TS-2.

TARIFF PROVISIONS:

It is mutually agreed that Company's general terms and conditions and applicable rate schedule, as from time to time approved by and on file with the Public Service Commission of Kentucky, are made a part of this contract as fully as if written here, except as waived in Sections 3, 5, 7 and 10 of the Special Contract.

IN WITNESS WHEREOF, the parties hereto have caused this contract to be executed by their duly authorized representatives this day and year shown above.

Louisville Gas and Electric Company
By [Signature]
Vice President Gas Distribution
Official Capacity
[Signature]
Attest

Natural Gas of Kentucky, Inc.
By [Signature]
President
Official Capacity
[Signature]

KENTUCKY PUBLIC SERVICE COMMISSION
Attest
JEFF R. DEROUEN
EXECUTIVE DIRECTOR
TARIFF BRANCH
[Signature]
EFFECTIVE
3/1/2015
PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

APPENDIX B TO SPECIAL CONTRACT

RIDER TS-2 SERVICE AGREEMENT

This Agreement (the "Agreement") dated this 13 day of MAY 2014, between Natural Gas of Kentucky, Inc. ("Customer") and Louisville Gas and Electric Company ("Company") with respect to the transportation of volumes of natural gas by Company for Customer.

WHEREAS, Customer has elected to receive gas service from Company under Company's Gas Transportation Service/Firm Balancing Service Standard Rate Rider TS-2 ("Rider TS-2") as filed with the Public Service Commission ("PSC") of the Commonwealth of Kentucky and amended from time to time;

WHEREAS, Rider TS-2 requires a written contract between Customer and Company;

NOW, THEREFORE, It is agreed as follows:

1. Subject to all the terms and conditions of this Agreement, Company will provide and Customer will receive gas transportation service under Rider TS-2, as amended from time to time, the terms of which (including Company's "Rates, Terms and Conditions for Furnishing Natural Gas Service") are incorporated by reference into and made a part of this Agreement.

2. Customer represents that it has express authority, under applicable state and local law, to enter into this Agreement with Company. Customer shall indemnify and relieve Company of any liability incurred because of Company's reliance upon Customer's representation that it has express authority to contract with Company.

3. Customer represents that it will arrange for the delivery of gas to Company's interconnection(s) with pipeline transporter(s) as set forth in Rider TS-2.

KENTUCKY PUBLIC SERVICE COMMISSION
JEFF R. DEROUEN EXECUTIVE DIRECTOR
TARIFF BRANCH <i>Brent Kirtley</i>
EFFECTIVE 3/1/2015 PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

4. The Maximum Daily Quantity ("MDQ") of gas to be transported hereunder, the delivery point(s), and any other specific requirements of such transactions are set forth in the attached Exhibit A.

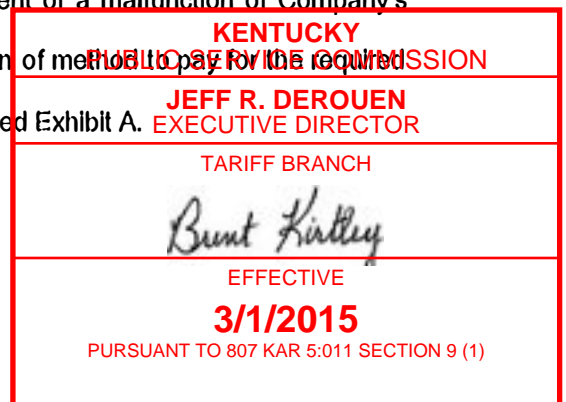
5. Customer agrees to execute a revised Exhibit A as requested by Company in the event that Customer's MDQ is modified by Company pursuant to Rider TS-2.

6. Customer shall appoint a Pool Manager as agent to perform certain stated functions and/or assume certain stated responsibilities with regard to this Agreement. The Pool Manager shall be set forth in the attached Exhibit A. If Customer chooses to change its Pool Manager, Customer must notify Company of such change and execute a revised Exhibit A at least thirty (30) days prior to the start of the billing period for which the Customer requests the change to become effective.

7. Customer shall be responsible for making sure that its Pool Manager submits in writing to Company the specific daily volumes and other information required to effectuate the transportation of natural gas by using the required Nomination Schedule and by giving appropriate notice to Company as set forth in Rider PS-TS-2 Pooling Service.

8. The transportation service provided hereunder by Company is subject to the provisions of all valid laws, orders, rules, and regulations of duly constituted authorities having jurisdiction. Customer agrees to cooperate with Company in promptly filing all necessary notices and information with any agency or authority having jurisdiction.

9. All gas delivered by Company to Customer pursuant to this Agreement, shall be measured by such gas meters as the Company deems appropriate. Company shall own such metering equipment and facilities. No metering of any type owned or installed by Customer shall be used to determine such deliveries; except that in the event of a malfunction of Company's meters, Customer's meters may be used. Customer's election of metering equipment and its installation is set forth in the attached Exhibit A.



10. Customer agrees to maintain close liaison with Company's Gas Management, Planning, and Supply Department ("Gas Supply Department") and to Inform such Gas Supply Department of any changes in Company's status affecting the transportation of gas hereunder.

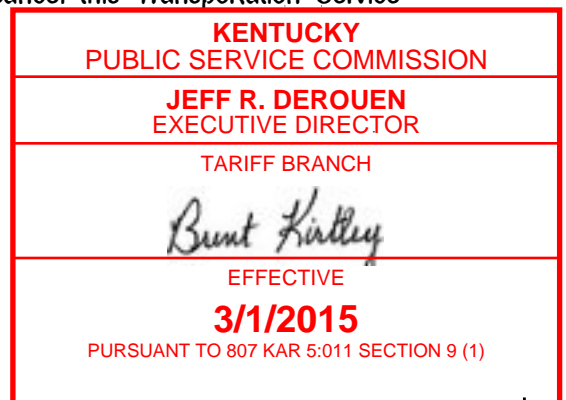
11. Both parties recognize that the operation of this Agreement will require extensive coordination and cooperation of the parties. The parties therefore agree to cooperate in the development and pursuit of such detailed procedures as may be necessary in order to carry out the purpose and intent of this Agreement.

12. Customer hereby agrees to reimburse Company for any and all Kentucky sales tax assessed on the charges specified in this Agreement. Customer's Kentucky Sales Tax Permit Account Number is set forth in the attached Exhibit A.

13. This Agreement shall be binding upon the parties hereto and their respective successors and assigns. It is understood that this Agreement may be submitted with, and made a part of, one or more applications to duly constituted authorities, and copies of this Agreement may be submitted to any person dealing with the subject matter hereof.

14. If either Company or Customer breaches or fails to perform any of the covenants or obligations imposed upon it under Rider TS-2 or this Agreement, then the other party may, at its option, terminate this Agreement and service under Rider TS-2 upon thirty (30) days prior written notice during which period of time the breaching party may cure the failure to perform (if curable); and in such event this Agreement and service under Rider TS-2 shall continue in effect and the notice of termination shall be of no force and effect. Any termination under this section shall be without prejudice to and in addition to any rights and remedies of the terminating party.

15. If Customer fails to comply with Company's Minimum Annual Threshold Requirement under Rider TS-2, then Company will have the right to cancel this Transportation Service Agreement subject to the provisions of Rider TS-2.



16. Notwithstanding Sections 14 and 15 herein, this Agreement shall be effective as provided for in the Special Contract.

17. All notices relating to this Agreement shall be in writing (unless otherwise specifically permitted herein) and shall be addressed as follows:

To Company: Gas Supply Specialist
Gas Supply Department
Louisville Gas and Electric Company
P. O. Box 32020
Louisville, Kentucky 40232
Telephone: (502) 627-3573
Fax: (502) 627-3584

Customer Contact for Contract Administration Notices:

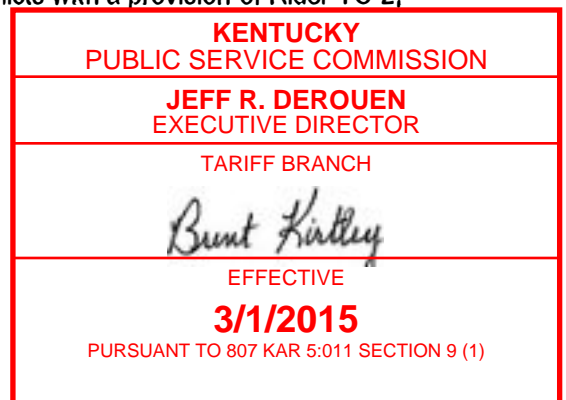
Name:	Mark H. O'Brien
Mailing Address:	11405 Park Rd, Suite 180 Anchorage Ky. 40223
Office Phone:	502-228-9698
Fax:	502-228-7016
E-Mail:	markhobrien@mac.com

Customer Contact for Daily Operational Issues/Emergencies:

Name:	Julle Parsons
Mailing Address:	3620 Rockland Mills Rd. Center, KY 42214
Office Phone:	270-565-4747
Fax:	n/a
E-Mail:	jparsons@scrtc.com
24-Hour Emergency Number(s):	270-528-6503

All such notices shall be deemed delivered as of the date the Company receives the notice by hand, courier, facsimile, email, or other mutually agreed upon electronic transmission.

18. The provisions of this Agreement are not intended to conflict with the provisions of Rider TS-2. In the event any provision of this Agreement conflicts with a provision of Rider TS-2, then Rider TS-2 shall prevail.



19. This Agreement shall be governed by and Interpreted In accordance with the laws of the Commonwealth of Kentucky without resort to the laws of Kentucky regarding conflicts of law.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be executed by their proper representatives duly authorized in that behalf, as of the day and year first above written.

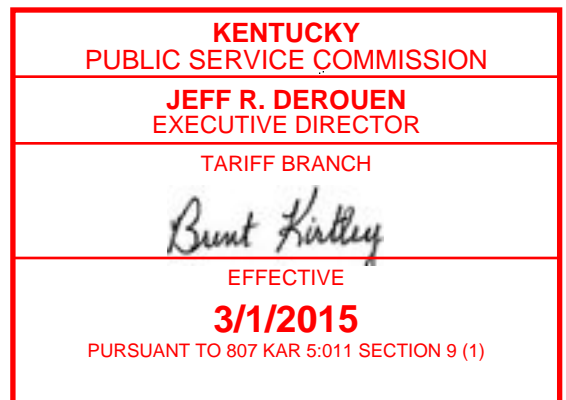
NATURAL GAS OF KENTUCKY, INC.

By: *Mark H. O'Brien*
Mark H. O'Brien

Title: President

LOUISVILLE GAS AND ELECTRIC COMPANY

By: *Tom E. Beller*
Title: *Vice President for Distribution*



RIDER TS-2 SERVICE AGREEMENT
EXHIBIT A

Effective Date: March 1, 2015

Customer: Natural Gas of Kentucky, Inc.

Account Number: TBD

Meter Number(s): TBD 96/ PSIG

Delivery Point and Service Address: TBD

Sales Rate Schedule: IGS

Maximum Daily Quantity (MDQ): 1,000 Mcf/day

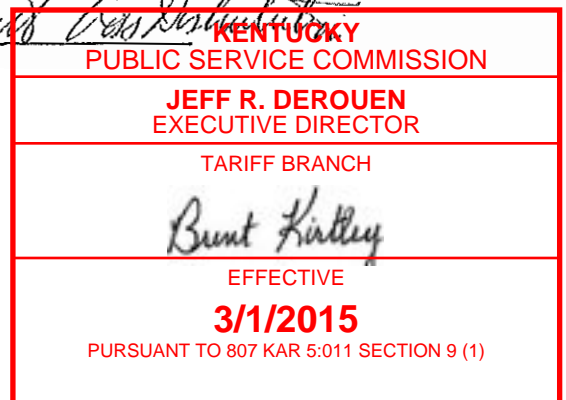
Rider PS-TS-2 Pool Manager: TBD

Remote Metering Payment: Up Front Lump Sum
 Optional Monthly Telemetry Charge
 Not applicable/Telemetry already installed

Kentucky Sales Tax Permit Account Number: 159758

Date: 5.13.14 NATURAL GAS OF KENTUCKY, INC.
By: *Mark H*
Title: President

Date: 5/27/14 LOUISVILLE GAS AND ELECTRIC COMPANY
By: *James Bell*
Title: Vice President Gas Distribution



APPENDIX C TO THE SPECIAL CONTRACT

FACILITY REIMBURSEMENT AGREEMENT

This Facility Reimbursement Agreement is made and entered into this 13th day of May, 2014, by and between Louisville Gas and Electric Company, a Kentucky corporation, hereinafter referred to as "Company", and Natural Gas of Kentucky, Inc., a Kentucky corporation, hereinafter referred to as "Customer".

In accordance with Company's Gas Tariff (as currently found on Sheet 98.2) which provides that when a customer requests service from a high pressure main, gas transmission main, or storage gathering line, and upon approval by Company of such a request, Company may charge Customer in addition to the charges under the applicable rate schedule, the estimated installed cost of the tap, any regulation equipment, piping, and any other equipment or facilities determined by Company, in its sole discretion, to be necessary to provide such service consistent with good operating practice.

In order to facilitate service to Customer at the point of interconnection between Customer's facility and Company's Flint Hill Line located in Hardin County, Kentucky, Company will construct and make the required modifications to Company's facilities in order to provide service as described in Appendix A and Appendix B of the Special Contract. In accordance with Company's Gas Tariff, Customer shall provide a location for the point of interconnection that is acceptable to Company.

Customer will advance to Company the amount of \$339,000.00 representing the estimated costs to modify Company's facilities to provide service to Customer. Such advance from Customer to Company will be due within ten (10) days of the approval of the Special Contract by the Public Service Commission ("PSC"). Customer's failure to advance such funds as prescribed herein will render the Special Contract dated May 13, 2014, null and void.

It is understood that all mains and appurtenances installed or constructed pursuant to this Reimbursement Agreement shall be and remain the property of Company. Any expenses in excess of the estimated amount above will be paid by Customer to Company upon presentation of invoice. Any amounts not incurred by Company in making the required facility modifications shall be refunded to Customer within ninety (90) days of completion of the required modifications to Company's facilities.

Natural gas facilities installed under this Reimbursement Agreement are subject to the rules and regulations of the Company and the PSC or other body having jurisdiction.

Donna S. Burdett
WITNESS

Jeffery M. ...
WITNESS

NATURAL GAS OF KENTUCKY, INC.

BY: [Signature]
TITLE: President
DATE: 5/20/14

LOUISVILLE GAS AND ELECTRIC COMPANY

BY: [Signature]
TITLE: V.P. Operations & Distribution
DATE: 5-27-14

KENTUCKY PUBLIC SERVICE COMMISSION
JEFF R. DEROUEN EXECUTIVE DIRECTOR
TARIFF BRANCH <u>Brent Kirtley</u>
EFFECTIVE 3/1/2015 PURSUANT TO 807 KAR 5:011 SECTION 9 (1)