

**SPECIAL CONTRACT  
for  
GAS TRANSPORTATION SERVICE**

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This Special Contract for Gas Transportation Service (the "Special Contract") made and entered into this 14th day of February, 2005, by and between Louisville Gas and Electric Company, a Kentucky corporation, hereinafter referred to as "Company", and the United States of America, hereinafter referred to as "Customer".

**WITNESSETH**

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

WHEREAS, Customer owns and operates a Department of Defense Military Reservation known as Fort Knox located in and about Hardin, Meade, and Bullitt counties in Kentucky (the "Facility"); and

WHEREAS, Company is presently providing transportation service for the delivery of natural gas to Customer under the terms, conditions, and pricing contained in the Special Contract for Gas Transportation Service dated February 23, 1995; and

WHEREAS, the Parties desire to enter into a contract whereunder natural gas transportation service shall be provided by Company to Customer for the Facility.

NOW THEREFORE, the Parties agree as follows:

1. TERMINATION OF FEBRUARY 23, 1995, SPECIAL CONTRACT: Service by Company to Customer under the Special Contract for Gas Transportation Service made and entered into on February 23, 1995, shall be terminated effective the day prior to the effective date of this Special Contract as set forth in Section 3 hereof.


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

- Appendix A: "Rates, Terms, And Conditions"
- Appendix B: "Transportation Service Provisions"
- Appendix C: "Customer Facilities and Service Levels"
- Appendix D: "Nomination Procedures"
- Appendix E: "Delegation of Responsibilities Agreement"

Appendices A, B, C, D, and E are attached hereto and incorporated herein by reference.

3. EFFECTIVE DATE: The effective date of this Special Contract is April 1, 2005. Beginning with the effective date set forth in the immediately preceding sentence,

**PUBLIC SERVICE COMMISSION  
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By   
Executive Director

billing shall reflect the new 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 new rates, terms and conditions established hereunder.

4. TERM: The initial term of this Special Contract shall begin on the effective date and shall continue through October 31, 2006. After such initial term, this Special Contract automatically shall continue in full force and effect and from year to year (from November 1 through October 31, which period shall be defined as a "Contract Year"), until terminated by either Party hereto for any reason, or no reason, pursuant to written notice of termination given by one Party to the other Party 184 days, that is the April 30, prior to the effective termination date.

5. 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.

6. LIMITED AGENCY: Customer shall have the right to appoint a limited agent to perform certain stated functions and/or assume certain stated responsibilities with regard to this Special Contract by executing and delivering a "Delegation of Responsibilities Agreement" substantially in the form of Appendix E attached hereto. Appendix D and Appendix E may be modified by Company and Customer to reflect the appointment by Customer of a new Limited Agent without the approval of the Commission. Customer may not appoint more than one Limited Agent covering the same time period in which duties have been delegated.

7. 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.

8. 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.

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9. CONFIDENTIALITY: The terms of this Special Contract, including, but not limited to, the price paid for transportation service, and all other material terms of this Contract shall be kept confidential during the term hereof by the Parties hereto, except as required by law or by a duly constituted governmental authority having jurisdiction over Company or Customer.

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

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. This Special Contract is also subject to the Contract Disputes Act of 1978, as amended, and the provisions of FAR 52.233-1 Disputes are hereby incorporated into this Special Contract.

(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 it 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.

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(h) In the event of any inconsistency between the terms of this Special Contract (including the specifications) and any rate schedule, rider, or exhibit 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 applicable decisions.

(i) The Company agrees to give written notice of (1) the filing of an application for change in rates or terms and conditions of service concurrently with the filing of the application and (2) any changes pending with the Commission as of the effective date. Such notice shall fully describe the proposed change. If, during the term of this Special Contract, the Commission approves any changes, the Company shall forward to the Contracting Officer a copy of such changes within 15 days after the effective date thereof. The Company agrees to continue to furnishing service under this Special Contract in accordance with the amended tariff, and the Customer agrees to pay for such service at the higher or lower rates as of the dates when such rates are made effective. In the event that the Commission promulgates any regulation concerning matters other than rates which affects this Special Contract, the Company shall use its best efforts to immediately provide a copy to the Contracting Officer. The Customer shall not be bound to accept any new regulation inconsistent with Federal laws or regulations. Any changes to rates or terms and conditions of service shall be made a part of this Special Contract by the issuance of a contract modification unless otherwise specified in the Special Contract. The effective date of the contract modification shall be the effective date approved by the Commission. Any factors not governed by the Commission will have an effective date as agreed by the parties.

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

Loam M. Vandew  
WITNESS

UNITED STATES OF AMERICA

Steven J. Fries  
BY: STEVEN J. FRIES

TITLE: CONTRACTING OFFICER

DATE: February 28, 2005

LOUISVILLE GAS AND ELECTRIC COMPANY

Paul M. ...  
BY:

TITLE: VP President

DATE: 2/28/05

Nancy L. Kitcher  
WITNESS  
2/28/2005

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By [Signature]  
Executive Director

Notary Public, State at Large, KY  
My commission expires Nov. 5, 2005

APPENDIX A

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RATES, TERMS, AND CONDITIONS

Except as specifically provided for under this Special Contract, all natural gas transported for Customer shall be governed by the same terms and conditions of service provided for under (1) Company's effective Standard Rate Schedule FT Firm Transportation Service (non-Standby) (or its successor rate schedule), and (2) the General Rules contained in the Company's Rates, Rules and Regulations for Furnishing Natural Gas Service (P.S.C. of KY Gas No. 6), or its successor, both as approved by the Commission.

RATE: In lieu of the "Distribution Charge Per Mcf" set forth in Rate Schedule FT, the following rates are applicable to all natural gas deliveries to the Facility.

Monthly Administrative Charge:	Per Rate Schedule FT
Monthly Customer Charge Per Facility:	\$686.00
Demand Charge per Mcf of Monthly Billing Demand:	\$2.43
Distribution Charge per Mcf Delivered:	\$0.0487

Monthly Billing Demand: The Monthly Billing Demand shall be the greater of either (a) 7,500 Mcf, or (b) the highest daily volume of gas delivered by Company to Customer on any day during the month or on any day during the eleven (11) preceding monthly billing periods.

UNITED STATES OF AMERICA

By: STEVEN J. FRIES

Title: CONTRACTING OFFICER

Date: February 28, 2005

LOUISVILLE GAS AND ELECTRIC COMPANY *gm*

By: *[Signature]*

Title: Vice President Retail

Date: 2/28/05

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By: *[Signature]*  
Executive Director

**APPENDIX B**

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**TRANSPORTATION SERVICE PROVISIONS**

Company and Customer agree that the following Transportation Service Provisions are applicable to the transportation of volumes of natural gas by Company to the Facility.

1. Customer represents that it will deliver gas to Company's interconnection with Pipeline Transporter(s), which Pipeline Transporter(s) shall be set forth in Appendix C.

2. All gas delivered hereunder by Customer to Pipeline Transporter will meet all applicable standards of Pipeline Transporter for gas received into its system as specified in Pipeline Transporter's Tariff and will be free from Polychlorinated Biphenyls ("PCBs") and all other contaminants.

3. Maximum daily quantities of gas to be transported and re-delivered (or delivered) hereunder, the delivery point(s), and any other specific requirements of such transactions are set forth in Appendix C of this Special Contract. Customer shall submit in writing to Company the specific daily volumes and other information required to effectuate the transportation of natural gas by using the appropriate Nomination Schedule and by giving appropriate notice as set forth in Rate Schedule FT and the "Nomination Procedures" in Appendix D.

4. 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.

5. All gas delivered by Company will be measured and billed on a Mcf basis. Because Pipeline Transporter delivers to and bills Company on an MMBtu or Dekatherm basis, Company will, for the purpose of calculating the Cash-Out Charge, divide the number of MMBtus or Dekatherms delivered to Company by Pipeline Transporter for Customer's account during any given month by the average (per Mcf) Btu content for the month of all gas received from Pipeline Transporter for Customer in order to determine an equivalent number of Mcf delivered by Customer to Company on behalf of Customer. Measurement of gas to be transported by Pipeline Transporter hereunder will be in accordance with the measurement provisions as provided in the General Terms and Conditions of the applicable FERC Gas Tariff of Pipeline Transporter.

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6. All service furnished by the Company shall be measured by suitable metering equipment of standard manufacture, to be furnished, installed, maintained, repaired, calibrated, and read by the Company at its expense. When more than a single meter is installed at a service location, the readings thereof may be billed conjunctively, if appropriate. In the event any meter fails to register (or registers incorrectly) the service furnished, the Company shall make the determination upon the length of time of meter malfunction and the quantity of service delivered during such period of time in accordance with sound engineering principles. An appropriate adjustment shall be made to the next invoice for the purpose of correcting such error. The Company shall read all meters at periodic intervals of approximately 30 days or in accordance with the policy of the Commission or applicable regulations. The Company, at its expense, shall periodically inspect and test Company-installed meters at reasonable intervals. At the written request of the Contracting Officer, the Company shall make additional tests of any or all such meters in the presence of Customer representatives. The cost of such additional tests shall be borne by the Customer unless the meter is shown to be malfunctioning. Reasonable notice shall be given by the Contracting Officer to the Company regarding any material changes anticipated in the volume or characteristics of the utility service required at each location. The Company shall use reasonable diligence to provide a regular and uninterrupted supply of service at each service location, but shall not be liable for damages, breach of contract or otherwise, to the Customer for failure, suspension, diminution, or other variations of service occasioned by or in consequence of any cause beyond the control of the Company, including but not limited to acts of God or of the public enemy, fires, floods, earthquakes, or other catastrophe, strikes, or failure or breakdown of transmission or other facilities. If any such failure, suspension, diminution, or other variation of service shall aggregate more than 6 hour(s) during any billing period hereunder, an equitable adjustment shall be made in the monthly billing specified in this Special Contract (including any minimum monthly charge).

7. Customer agrees to maintain close liaison with Company's Gas Supply Department and to inform such Gas Supply Department of any changes in the delivery rate of gas transported hereunder or any other information with regard to scheduling of deliveries that said Gas Supply Department reasonably requests or as may be required by proper regulatory authorities. In addition, in the event that Customer is determined to be the cause of any billing disadvantages or other penalties imposed on Company by Pipeline Transporter, then Customer will pay such penalties, fees, or charges as determined by Company and in accordance with the payment provision of this Special Contract in addition to all other charges due hereunder.

8. Customer hereby agrees to reimburse Company for any and all Kentucky sales tax assessed on the charges specified in this Special Contract.

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9. Both Parties recognize that the operation of this Special Contract 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 Special Contract.


10. The Company, at its expense, unless otherwise provided for in this Special Contract, shall furnish, install, operate, and maintain all facilities required to furnish service hereunder, and measure such service at the applicable point of delivery. Title to all such facilities shall remain with the Company and the Company shall be responsible for loss or damage to such facilities, except that the Customer shall be responsible to the extent that loss or damage has been caused by the Customer's negligent acts or omissions. Notwithstanding any terms expressed in this clause, the Company shall obtain approval from the Contracting Officer prior to any equipment installation, construction, or removal. The Customer hereby grants to the Company, free of any rental or similar charge, but subject to the limitations specified in this Special Contract, a revocable permit or license to enter the service location for any proper purpose under this Special Contract. This permit or license includes use of the site or sites agreed upon by the parties hereto for the installation, operation, maintenance, and repair of the facilities of the Company required to be located upon Customer premises. All applicable taxes and other charges in connection therewith, together with all liability of the Company in construction, operation, maintenance and repair of such facilities, shall be the obligation of the Company. Authorized representatives of the Company will be allowed access to the facilities on Customer premises to perform the obligations of the Company regarding such facilities. It is expressly understood that the Customer may limit or restrict the right of access herein granted in any manner considered necessary (e.g., national security, public safety).

11. If Customer fails to manage its gas supply in strict conformance with the directives of an Operational Flow Order (as defined in Rate Schedule FT), then Company may at its sole discretion do one or more of the following immediately upon delivering oral or written notice to Customer: (1) suspend all gas service to the extent necessary to protect the operational integrity of Company's system, (2) decline to accept to the extent necessary the volume nominated by Customer, and/or (3) permanently terminate service under this Special Contract. Any suspension or termination under this section shall be without prejudice to and in addition to any other rights and remedies of the Company.

12. Nothing in this Special Contract shall prevent Customer from participating in a pool as provided for under Company's Rate Schedule Rate PS-FT (or its successor rate schedule), and Customer shall be subject to all the terms and conditions thereof.

13. All general contractual notices relating to this Special Contract shall be in writing (unless otherwise specifically permitted herein) and shall be addressed as follows:

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To Company: J. Clay Murphy  
Director – Gas Management, Planning, and Supply  
Louisville Gas and Electric Company  
P. O. Box 32020  
Louisville, Kentucky 40232  
Telephone: (502) 627-2424  
Telecopier (502) 627-3584

To Customer: Steven Fries  
Contracting Officer  
Directorate of Contracting  
Army Contracting Agency – Southern Region  
Building 1109, 2<sup>nd</sup> Floor, Room 255  
Fort Knox, Kentucky 40121-5000  
Telephone: (502) 624-8043  
Telecopier (502) 624-7165

All notices relating to the nominating and scheduling of natural gas pursuant to this Special Contract 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  
Telecopier (502) 627-3584

To Customer: Directorate of Base Operations Support  
DBOS E&SD (ATZK-OSC-C)  
US Army Armor Center and Fort Knox  
Building 1110, 3<sup>rd</sup> Floor, Room 311  
Fort Knox, Kentucky 40121-50000  
Telephone (502) 624-8358  
Telecopier: (502) 624-3679

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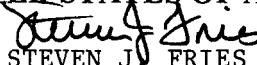
By   
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All such notices shall be deemed delivered as of the date the notice is telecopied or hand-delivered or one business day after it is placed in the U. S. mail, certified, first class, postage prepaid, or conveyed to a recognized delivery service for overnight delivery as applicable.

**UNITED STATES OF AMERICA**

By:   
STEVEN J. FRIES

Title: CONTRACTING OFFICER

Date: February 28, 2005

**LOUISVILLE GAS AND ELECTRIC COMPANY**

By:  *JM*

Title: Vice President - Retail

Date: 2/28/05

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By:   
Executive Director

APPENDIX C

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CUSTOMER FACILITIES AND SERVICE LEVELS

Customer: United States of America

Account Number 8000786746001

Delivery Point:

Fort Knox Capehart  
Fort Knox Airport

Meter Nos. 501031, 196747  
Three (3) Meters (No Assigned Meter Numbers)

Maximum Daily Quantity ("MDQ"):

10,000 Mcf

Company is not obligated to deliver (or re-deliver) natural gas to Customer in excess of the MDQ. However, Company and Customer mutually may agree to effectuate deliveries of natural gas in excess of the MDQ stated above.

Pipeline Transporter:

Texas Gas Transmission, LLC

UNITED STATES OF AMERICA

By: *Steven J. Fries*  
STEVEN J. FRIES

Title: CONTRACTING OFFICER

Date: February 28, 2005

LOUISVILLE GAS AND ELECTRIC COMPANY *Jem*

By: *Ed [Signature]*

Title: *Vice President - Retail*

Date: *2/28/05*

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By: *[Signature]*  
Executive Director

**APPENDIX D**

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**NOMINATION PROCEDURES**

In order to facilitate the transportation of customer-owned natural gas pursuant to this Special Contract, Company and Customer agree to adhere to the following procedures, which may change from time to time, related to scheduling natural gas nominations.

**INITIAL FIRST-OF-THE MONTH NOMINATION:** As provided for in Rate Schedule FT, at least ten (10) days prior to the beginning of each month, Customer shall provide Company with a schedule setting forth daily volumes of gas to be delivered into Company's system for Customer for the following month. At least two (2) business days prior to the Pipeline Transporter's nomination deadline for the following month, Customer shall provide a completed, written Nomination Schedule setting forth the daily volumes of natural gas to be delivered into Company's system for Customer's account for the following month, the applicable transportation contract number(s) for such natural gas, and such other information as Company may reasonably request to facilitate the transportation of natural gas. Unless Company is subsequently notified by Customer of any change in the above nominated daily quantities, such daily quantities will be Customer's effective nomination for each day of the month.

In order to conform to Pipeline Transporter's confirmation deadlines, any change in nominated quantities by Customer for the first day of the month must be made in writing at least two (2) business days prior to the first day of the month.

**DAILY NOMINATIONS:** For daily nomination change(s) subsequent to the "Initial First-of-the-Month Nomination", Customer will give Company at least twenty-four (24) hours prior written notice of any change(s) to scheduled deliveries or transportation contract number(s). Company will (on a "best efforts" basis) waive this 24-hour prior notice requirement and implement nomination change(s) requested by Customer to commence in some lesser time frame subject, among other factors, to Company being able to confirm and verify such nomination change(s) with the applicable Pipeline Transporter.

**WEEKEND AND HOLIDAY NOMINATIONS:** In addition to the procedures described above for "Daily Nominations", should Customer be required to change the daily gas nomination on a non-business day (i.e., a weekend day or holiday as observed by Company), then, in addition to providing a written nomination of any change(s), Customer shall notify Company at its Emergency Telephone Number that a nomination change has been requested. Customer may also make a nomination change for a non-business day on the immediately preceding business day.

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INTRA-DAY NOMINATIONS: In accordance with procedures for "Daily Nominations" and "Weekend and Holiday Nominations" Company will (on a "best efforts" basis) waive its 24-hour prior written notice requirement and implement nomination change(s) requested in writing by Customer to commence in some lesser time frame subject to, among other factors, Company being able to confirm and verify such nomination change(s) with the applicable Pipeline Transporter.

DECREASES IN NOMINATIONS EFFECTUATED BY PIPELINE TRANSPORTER: Company shall notify Customer if the Pipeline Transporter has reduced the quantity being received by Company for Customer's account. Upon such notice, Customer shall conform its usage to the amount being received for Customer's account in accordance with the terms and conditions of Rate Schedule FT. Customer shall also submit a completed Nomination Schedule reflecting such change(s).

CONTACT INFORMATION: Such contacts and applicable telephone numbers are set forth below. Customer shall be responsible for notifying Company of any change(s) in contact personnel or associated phone numbers.

COMPANY

Facsimile Number (502) 627-3584

Office Number (502) 627-3573

Outside of regular business hours, please call the digital pager number listed below to contact the Gas Supply Department. Upon hearing the tone, use a touch-tone phone to enter the telephone number where you want to be contacted.

Digital Pager (502) 346-3694

or

Digital Pager (502) 336-7803

If you are unable to reach the Gas Supply Department at any of the above numbers, please call the Gas Control Department at the number listed below. The individual there should, in turn, be able to contact the Gas Supply Department.

Gas Control (502) 627-3135

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**CUSTOMER**

Contact: Gary Meredith  
Facsimile Number: (502) 624-3679  
Office Number: (502) 624-8358  
Emergency Number: (270) 268-1146 (cell phone)  
Other: Gary.Meredith@knox.army.mil

Special Instructions: None

These Nomination Procedures are not meant to conflict with either the Company's tariff for service under Rate Schedule FT or with this Special Contract between Company and Customer.

**UNITED STATES OF AMERICA**

By: *Steven J. Fries*  
STEVEN J. FRIES

Title: CONTRACTING OFFICER

Date: February 28, 2005

**LOUISVILLE GAS AND ELECTRIC COMPANY** *gm*

By: *David M. ...*

Title: *Vice President - Retail*

Date: *2/28/05*

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By: *[Signature]*  
Executive Director

**APPENDIX E**

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**DELEGATION OF RESPONSIBILITIES AGREEMENT**

Company has received notice that Customer has appointed ProLiance Energy LLC ("Limited Agent") as its limited agent effective with the effective date of this Special Contract to perform certain stated functions and/or assume certain stated responsibilities with regard to this Special Contract. The applicable functions and responsibilities are limited to requesting and receiving information related to natural gas flows, nominating and scheduling gas supplies, and related duties.

Company will honor such limited agency arrangement subject to the Customer's agreement to the following conditions:

- 1) Company will recognize Limited Agent as having the continuing authority described in the limited agency agreement as indicated above until notified otherwise by the Customer in writing, upon at least thirty (30) days prior written notice.
- 2) The Customer, as the signatory Party to this Special Contract, will be responsible for any and all costs, fees, gas imbalances, or other liabilities that occur under the above-referenced Special Contract as a result of the activities of the Limited Agent.
- 3) Company reserves the right to immediately discontinue, on a non-discriminatory basis, its recognition of such limited agency arrangement upon written notice if Limited Agent engages in a pattern of conduct which involves continuous violation of the terms of the subject Special Contract or Company's Natural Gas Tariff.
- 4) Upon termination of the "Delegation of Responsibilities Agreement", the Customer will assume the responsibilities previously delegated to Limited Agent or will immediately appoint a new limited agent and execute a new "Delegation of Responsibilities Agreement".

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- 5) The Customer understands that all information provided to Limited Agent is of a proprietary and confidential nature and shall be held strictly confidential. Therefore, the Customer warrants that any information received from Company by Limited Agent shall be used exclusively for carrying out the functions and obligations described herein and shall not be provided by Limited Agent to other parties whether or not they are represented by Limited Agent as agent. Any violation of this provision shall subject the Customer to immediate termination of this "Delegation of Responsibilities Agreement".
- 6) The Customer represents that it has express authority, under applicable federal, state and local law, to enter into this "Delegation of Responsibilities Agreement".
- 7) The Customer shall be responsible for all appropriate costs incurred (a) as a result of Company's performance pursuant to this "Delegation of Responsibilities Agreement", (b) as a result of Company's reliance upon Customer's representation that it has express authority to enter into such "Delegation of Responsibilities Agreement" with Company, and (c) due to the Customer's or Limited Agent's failure to strictly comply with the terms of this "Delegation of Responsibilities Agreement".

**UNITED STATES OF AMERICA**

By: *Steven J. Fries*  
STEVEN J. FRIES

Title: CONTRACTING OFFICER

Date: February 28, 2005

**LOUISVILLE GAS AND ELECTRIC COMPANY** *Jem*

By: *Dan Walsh*

Title: *Vice President - Retail*

Date: *2/28/05*

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By: *[Signature]*  
Executive Director