

Account Number _____

CONTRACT FOR ELECTRIC SERVICE

This contract made and entered into this 8th day of April, 2019 by and between Kentucky Utilities Company ("Company") and Phoenix Paper Wickliffe, LLC ("Customer").

WITNESSETH:

Beginning _____ with Kentucky PSC approval _____, or as soon thereafter as connection is made, Company will sell and deliver to Customer at the 13,800 volt bushings of Company's transformers all Customer's electric capacity and energy requirements defined as 3 phase, 60 cycle, alternating current, nominal voltage at the point of delivery of 13,800 volts, metered and billed as Primary service.
Secondary, Primary, Transmission

Customer requires an estimated Contract Capacity of 33,800 kVA or kW, as is appropriate.

Each month Customer will pay to Company for all capacity provided and energy delivered to Customer in the preceding billing period an amount determined in accordance with the

Time of Day – Primary (TODP) Rate Schedule and, as may be appropriate, the
Economic Development Rider (EDR) Rider, contract attached if required, and the

Rider, contract attached if required.

COMMENTS:

Original Contract. This contract will be automatically renewed for successive periods of one (1) year each, subject to termination at the end of any year upon either party giving written notice of termination to the other party at least 90 days prior to termination date.

Economic Development Rider is attached to and made part of this contract.

A \$1,690,000 security deposit is required for this account in the form of cash, an Irrevocable Bank Letter of Credit, or Surety Bond.

In the event Customer fails to maintain a satisfactory payment or credit record, Customer otherwise become a new or greater credit risk, or Customer's load increases beyond 33,800 kVA, as determined by Company in its sole discretion, Company reserves the right to require a new or additional deposit from Customer. Customer shall immediately give Company written notice of any contemplated material increase in load beyond 33,800 kVA. If Customer fails to immediately give Company written notice of any material increase in load beyond 33,800 kVA or refuses to provide any new or additional security deposit required by Company, Company reserves the right to (1) hold Customer liable for any damage done to meters, transformers, or other equipment of Company caused by such material increase in load, and (2) discontinue service to Customer.

KENTUCKY
PUBLIC SERVICE COMMISSION

Gwen R. Pinson
Executive Director

EFFECTIVE
8/23/2019
PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

Gwen R. Pinson

TARIFF PROVISIONS: It is mutually agreed that Company's 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.

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

KENTUCKY UTILITIES COMPANY

By Charles D Lane

Charles D Lane, Key Account Manager

Official Capacity

Dana Gray
Attest

Phoenix Paper Wickliffe, LLC

By RS: [Signature]

GENERAL MANAGER

Official Capacity

David M. Johnson
Attest

KENTUCKY PUBLIC SERVICE COMMISSION
Gwen R. Pinson Executive Director
<u>Gwen R. Pinson</u>
EFFECTIVE 8/23/2019 PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

SPECIAL CONTRACT ECONOMIC DEVELOPMENT RIDER

This special contract for Economic Development Rider service ("EDR Contract") is made and entered into this 26 day of June, 2019, by and between Kentucky Utilities Company ("Company") and Phoenix Paper Wickliffe, LLC ("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 350004759980 in accordance with the provisions of rate schedule Time of Day Primary (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
- 33,800 kVA of Economic Development or Re-Development new load
- _____ 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 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 Terms and Conditions for furnishing electric service, as filed with and a both now and in the future, are incorporated by reference and made a part of this EDR Contract as if fully set forth herein.

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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%):

- | 50% for the first twelve (12) consecutive billing months
- | 40% for the second twelve (12) consecutive billing months
- | 30% for the third twelve (12) consecutive billing months
- | 20% for the fourth twelve (12) consecutive billing months
- | 10% 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 resolved in accordance with its applicable rules and procedures. This EDR Contract shall be governed by and construed in accordance with the laws of the Commonwealth of Kentucky.

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

Kentucky Utilities Company

Phoenix Paper Wickliffe, LLC

Customer

By: Will McDowell

By: RS-70t

Project Manager
Title

GENERAL MANAGER
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 \$ 374,000 in new facilities to serve the EDR Contracted Load.

Company estimates Customer's minimum monthly billing under Standard Rate Schedule TODP will be \$ 33,962.

Customer anticipates investing \$ 150,000,000 in facilities associated with the EDR Contracted Load.

Customer anticipates creating \$ 250 new jobs associated with the EDR Contracted Load.

Customer estimates the EDR Contracted Load to be 33,800kVA, as is appropriate, at a 85% 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	_____ kVA;	_____ kVA;	_____ kVA;
February	_____ kVA;	_____ kVA;	_____ kVA;
March	_____ kVA;	_____ kVA;	_____ kVA;
April	_____ kVA;	_____ kVA;	_____ kVA;
May	_____ kVA;	_____ kVA;	_____ kVA;
June	_____ kVA;	_____ kVA;	_____ kVA;
July	_____ kVA;	_____ kVA;	_____ kVA;
August	_____ kVA;	_____ kVA;	_____ kVA;
September	_____ kVA;	_____ kVA;	_____ kVA;
October	_____ kVA;	_____ kVA;	_____ kVA;
November	_____ kVA;	_____ kVA;	_____ kVA; and
December	_____ kVA;	_____ kVA;	_____ kVA;

Seen and agreed:

For Company: RS: 708

For Customer: W.D.M. Paul

KENTUCKY
PUBLIC SERVICE COMMISSION

Gwen R. Pinson
Executive Director

Gwen R. Pinson

Date: EFFECTIVE

8/23/2019

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