



a PPL company

USAARMC and Fort Knox
Attn: Robert Dyrdek, Energy Program Manager
Building 1110, 3rd Floor, Room 306
125 Sixth Avenue
Fort Knox, Kentucky 40121-5000

February 17, 2012

Dear Mr. Meredith:

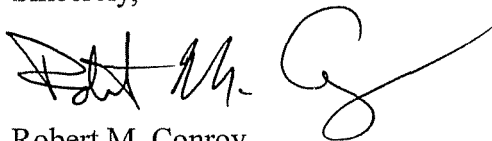
As a result of an Order issued in LG&E's Environmental Cost Recovery (ECR) Review in Case No. 2011-00232 dated January 31, 2012, the Kentucky Public Service Commission authorized a roll-in of a portion of the current ECR factor into existing base rates, including the rates contained in the power contract designated Contract W2215-ENG-1291, as heretofore amended and modified. The roll-in results in an increase in demand charges beginning with bills rendered on and after the first billing cycle for March 2012, which will begin February 29, 2012.

The rates prescribed by the Commission for electric service rendered under the aforesaid contract, and effective with bills rendered on and after February 29, 2012, are set forth on the attached "**Fort Knox Electric Rate.**"

All other provisions of your contract, not specifically mentioned herein, remain the same as those in effect prior to the Commission's Order of January 31, 2012, and all other Tariffs and Riders applicable to this contract will continue to apply.

If you have any further questions regarding this matter, please contact me.

Sincerely,


Robert M. Conroy

Attachment

Louisville Gas and Electric Company
State Regulation and Rates
220 West Main Street
PO Box 32010
Louisville, Kentucky 40232
www.lge-ku.com

Robert M. Conroy
Director - Rates
T 502-627-3324
F 502-627-3213
robert.conroy@lge-ku.com

KENTUCKY PUBLIC SERVICE COMMISSION
JEFF R. DEROUEN EXECUTIVE DIRECTOR
TARIFF BRANCH 
EFFECTIVE 2/29/2012 PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

LOUISVILLE GAS AND ELECTRIC COMPANY

FORT KNOX ELECTRIC RATE

Effective With Bills Rendered On and After February 29, 2012

Availability:

Available for electric service as hereinafter described to the Fort Knox Military Reservation. This rate schedule does not apply to the separately-served Muldraugh Pumping Plant.

Rate:

Demand Charge:

Winter Rate: (Applicable during 8 monthly billing periods of October through May)

All kilowatts of billing demand \$11.65 per Kw per month

Summer Rate: (Applicable during 4 monthly billing periods of June through September)

All kilowatts of billing demand \$13.84 per Kw per month

Energy Charge: All kilowatt-hours per month \$0.03040 per Kwh

Determination of Billing Demand:

The billing demand for the month shall be the highest average load in kilowatts occurring during any 15-minute interval in the month as shown by maximum demand instrument, but not less than 50% of the maximum demand similarly delivered during the eleven preceding months, nor less than a minimum billing demand of 5,000 kilowatts.

Power Factor Provision: The monthly demand charge shall be decreased .4% for each whole one percent by which the monthly average power factor exceeds 80% lagging and shall be increased .6% for each whole one percent by which the monthly average power factor is less than 80% lagging.

Fuel Clause: This special contract is subject to the provisions of the Fuel Adjustment Clause found in LG&E's Tariff PSC of Ky. Electric No. 8, Original Sheet No. 85 and First Revision of Original Sheet No. 85.1.

Minimum Monthly Charge: The monthly bill shall in no event be less than the demand charge computed upon the billing demand for the month.

Billing Period:

The billing period for electric service hereunder shall be the calendar month.

Delivery and Metering:

Service hereunder shall be metered at 34,500 volts at Company's 138/34.5 KV Tip Top Substation, then transmitted and delivered at 34.5 KV by Company over two circuits to Customer's several substations. Meter readings on Company's two circuits will be combined for billing and the maximum demand will be determined as the coincident maximum demand on such two circuits.

Applicability of Rules:

Service under this rate schedule is subject to Company's Terms and Conditions governing the supply of electric service as incorporated in its Tariff as filed with the Public Service Commission of Kentucky.

Regulatory Jurisdiction:

Rates, terms and conditions herein provided are subject to the regulatory jurisdiction of the Public Service Commission of Kentucky.

<p>KENTUCKY PUBLIC SERVICE COMMISSION</p>
<p>JEFF R. DEROUEN <small>Conditions governing the supply of electric service as incorporated in its Tariff as filed with the Public Service Commission of Kentucky.</small></p>
<p><i>Brent Kirtley</i></p>
<p>2/29/2012 <small>PURSUANT TO 807 KAR 5:011 SECTION 9 (1)</small></p>