

BUY-THROUGH AGREEMENT FOR PHILIP MORRIS, INC.

THIS AGREEMENT, dated as of the 31st day of August, 1992, is between LOUISVILLE GAS AND ELECTRIC COMPANY ("Company") and PHILIP MORRIS, INC. ("Customer"), collectively the "Parties."

WITNESSETH

WHEREAS, Company owns and operates an electric generating, transmission and distribution system in and about the city of Louisville and Jefferson County, Kentucky; and,

WHEREAS, Customer is a consumer of electricity sold to it by Company at its facility located at 1720 W. Broadway, Louisville, Jefferson County, Kentucky;

NOW, THEREFORE, in consideration of the premises and of the mutual covenants herein set forth, the Parties agree as follows:

1. Commencing August 28, 1992, Company will sell and deliver and Customer will take and purchase the electric power requirements for the operation of its facilities referenced above at the rates and under the conditions of Company's standard rate schedule LP-TOD and standard rider for Interruptible Service, however, such schedule and rider shall be amended by the terms and conditions hereinafter set forth. Customer shall be served at 13.8 KV under the primary distribution rate of rate schedule LP-TOD. Customer has designated a firm demand of 100 Kilowatts.

2. Whenever it becomes necessary to curtail or interrupt Customer's load, Company shall use its best efforts to obtain replacement power and to offer Customer replacement power for the interruptible load that would have otherwise been interrupted. The Customer's minimum interruptible load at its Millers Lane, Maple Street and W. Broadway locations, combined, must total 5,000 kilowatts or more in order to utilize this buy-through provision. The price of replacement power shall be based on Company's out-of-pocket costs of either generating the replacement power on its system or purchasing it from another utility, plus transmission, administration and other costs at the time the customer purchases replacement power.

3. Company's electric load dispatcher will, at the time of the notice to interrupt, notify Customer's designated Representative as to the availability of replacement power and if replacement power is available, will quote a firm price for replacement power in mills per kwh. Notice to interrupt for the location covered by this and all such buy-through contracts may be accomplished by notice to Customer at one such facility. An assessment of the availability of replacement power will be made each hour thereafter, and a new price quotation will be made any hours that replacement power is available. Customer shall have the option of either being interrupted at all locations where he has received notice to interrupt or purchasing power for all such locations at the price quoted for that hour. The price quoted for replacement power will apply to all energy consumed for that hour above the level of interruption.

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SECTION 9 (1)

BY: Shirley J. Miller
COMMISSION MANAGER

4. If Customer is offered the option and elects to purchase replacement power rather than be interrupted, the hours that replacement power is purchased will be considered a period of interruption for determining the maximum hours of interruption permitted.

5. This agreement shall become effective on August 28, 1992. Customer may terminate this agreement upon three years' written notice, provided, however, that service shall not terminate under this paragraph 5 prior to August 28, 1997.

6. Customer may terminate this agreement with less than three years' written notice provided two conditions are met. First, Company must have sufficient capacity, in the Company's sole judgement, to serve the Customer's load which would have otherwise been interruptible. Second, Customer must repay all interruptible demand credits which Customer has received from Company under the standard rider for Interruptible Service since the effective date of this agreement or three years prior to the date of termination under this paragraph 6, whichever is later.

7. Service under this agreement shall in all relevant aspects be governed by the terms of Company's tariffs and regulations as approved by the Commission. It is mutually understood that the rates, terms and conditions contained in this agreement are at all times subject to the regulatory jurisdiction of the Commission, and may be increased, amended or otherwise changed by action of the Commission.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be executed by their duly authorized representative as of the date first above written.

LOUISVILLE GAS AND ELECTRIC COMPANY

By: [Signature] 9/31/92 DMB

Title: VP

PHILIP MORRIS, INC.

By: [Signature]

Title: Director Materials Purchasing

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

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By: [Signature]

PUBLIC SERVICE COMMISSION MANAGER