

ATTACHMENT F
SERVICE AGREEMENT FOR NETWORK INTEGRATION TRANSMISSION
SERVICE

This Service Agreement, made and entered into this ____ day of _____, 20____, is by and between Louisville Gas & Electric Company / Kentucky Utilities Company ("LG&E/KU" or "Transmission Owner") and Kentucky Municipal Energy Agency ("Network Customer") (LG&E/KU and the Network Customer are hereinafter referred to jointly as "Parties") to provide Network Integration Transmission Service ("NITS"), as approved by the Independent Transmission Organization ("ITO") under the Transmission Owner's Open Access Transmission Tariff (hereinafter referred to as the "Tariff").

The Network Customer agrees to all terms and conditions set forth in the Tariff as may be in effect from time to time. The Network Customer must fulfill requirements outlined in Section 29.1 of the Tariff, Conditions Precedent for Receiving Service.

Any notice or request made to or by the Transmission Owner or Network Customer regarding this Service Agreement shall be made in writing and shall be telecommunicated or delivered either in person or by prepaid mail to the representative of the other party as indicated below. Such representative and address for notices or requests may be changed from time to time by notice by one party to the other.

Service under this Service Agreement shall commence on the later of (1) May 1, 2017, (2) the date on which construction of all of the Direct Assignment Facilities and/or Network Upgrades are completed that are required to provide reliable service, or (3) such other date as it is permitted to become effective by the Commission. Service under this Service Agreement shall terminate on May 1, 2027 unless extended as provided for in the Tariff.

The terms and conditions of the Network Operating Agreement between the Transmission Owner and the Network Customer are incorporated by reference herein.

TRANSMISSION OWNER:

LG&E/KU Transmission
220 W. Main Street
Louisville, KY 40202

NETWORK CUSTOMER:

Kentucky Municipal Energy Agency
450 South Third Street
Louisville, KY 40202

IN WITNESS WHEREOF, the Parties have caused this Service Agreement to be executed by their respective authorized officials.

Transmission Customer:

By: _____
Name Title Date

Transmission Owner:

By: _____
Name Title Date

SPECIFICATIONS FOR NETWORK INTEGRATION TRANSMISSION SERVICE

1.0 Term of Network Service: 10 years with rollover rights

Start Date: May 1, 2017

Termination Date: May 1, 2027 unless extended as provided for in the Tariff.

2.0 Description of capacity and/or energy to be transmitted across the Transmission Owner's Transmission System (including electric Balancing Area in which the transaction originates).

Network Customer has Confirmed the following Transmission Service Requests on the LG&E/KU OASIS for delivery of capacity and energy to its Network Load:

82603272 11MW from the LGEE BA 5/1/2017 to 5/1/2022

82603375 20MW from the MISO BA 5/1/2017 to 5/1/2019

82603514 125MW from the MISO BA 5/1/2019 to 5/1/2027

82603608 100MW from the EEI BA 5/1/2019 to 5/1/2022

82605013 33MW from the TVA BA 5/1/2019 to 5/1/2027

82859641 90MW from the LGEE BA 5/1/2019 to 5/1/2027

3.0 Network Resources

(1) Transmission Customer Generation Owned:

Resource Capacity Designated as Network Resource

See Exhibit A

(2) Transmission Customer Generation Purchased:

Source Capacity

See Exhibit A

Total Network Resources: (1) + (2) = 31MW 5/1/2017 to 5/1/2019, 359MW

5/1/2019 to 5/1/2022, 248MW 5/1/2022 to 5/1/2027 per Exhibit A

4.0 Network Load

Transmission Customer Loads:

Transmission Voltage

<u>Location</u>	<u>Level</u>	<u>Total MWs (Sum/Win)*</u>	<u>Interruptible MWs</u>	<u>Start Date</u>
Barbourville City	69kV	22.2/21.4	0	5/1/2019
Bardwell City	69kV	2.4/1.7	0	5/1/2019
Berea 2	69kV	15.3/18.5	0	5/1/2019
Berea North	69kV	12.4/15.0	0	5/1/2019
Benham City	69kV	1.0/2.7	0	5/1/2017
Corbin 1 North	69kV	7.1/5.8	0	5/1/2019
Corbin 2 South	69kV	13.2/11.5	0	5/1/2019
Falmouth 4kV	69kV	4.9/3.5	0	5/1/2019
East Frankfort 1	69kV	81.8/69.0	0	5/1/2019
East Frankfort 2	69kV	73.9/62.2	0	5/1/2019
Madisonville GE	69kV	8.8/6.1	0	5/1/2019
Madisonville West	69kV	18.4/13.1	0	5/1/2019
Madisonville East	69kV	9.0/6.1	0	5/1/2019
Madisonville Hospital	69kV	11.5/7.8	0	5/1/2019
Madisonville North	69kV	13.0/8.5	0	5/1/2019
McCoy Road	69kV	10.4/7.4	0	5/1/2019
Paris City 3 (Vine St)	69kV	4.5/4.7	0	5/1/2017
Paris City 1 (Scott Street)	69kV	5.1/4.9	0	5/1/2017
Paris City 2 (Claysville)	69kV	4.7/4.6	0	5/1/2017
Paris City 4 (Weaver Rd)	69kV	1/1	0	5/1/2017
Providence 4kV	69kV	5.0/3.5	0	5/1/2019
Providence East	69kV	3.3/2.2	0	5/1/2019

*Based on KYMEA OASIS request 82603171, forecast will be updated annually

Total MWs: 328MW Sum/281MW Win

Total Interruptible MWs: 0

5.0 Designation of party subject to reciprocal service obligation:

N/A

6.0 Service under this Agreement may be subject to some combination of the charges

detailed below. (The appropriate charges for individual transactions will be determined in accordance with the terms and conditions of the Tariff.)

6.1 Load Ratio Share of Annual Transmission Revenue Requirement:

As defined by the Tariff. See Schedule 10

6.2 Facilities Study Charge:

Network Customer will pay any ~~Facility~~ Facilities Study charges directly to the ITO

6.3 Direct Assignment Facilities Charge:

(1) The monthly fixed charges shown in the table below reflect the Municipals' monthly fixed charges for direct assignment facilities in their current Wholesale Requirements Agreements (with the exception of Benham and Paris, whose charges have already been updated). These charges are based on costs of direct assignment facilities previously installed. No later than February 1, 2019, the charges below will be updated to reflect current costs, and this NITSA will be revised ~~to~~ accordingly. However, until updated, Network Customer will pay the monthly fixed charge shown below, as applicable.

<u>Municipal</u>	<u>Start Date</u>	<u>Monthly Fixed Charge</u>
Benham	5/1/2017	\$276.25
Paris	5/1/2017	\$0.00
Barbourville City	5/1/2019	\$551.62
Bardwell City	5/1/2019	\$341.15
Berea	5/1/2019	\$717.82
Corbin	5/1/2019	\$890.02
Falmouth 4kV	5/1/2019	\$480.00
Frankfort	5/1/2019	\$2530.58
Madisonville	5/1/2019	\$12,015.80
Providence 4kV	5/1/2019	\$905.08

Further, the Transmission Owner expressly reserves the right to seek to make subsequent modifications of the monthly fixed charge and to seek recovery of the balance of the plant costs included in the Direct Assignment Charges in the event the Network Customer defaults or terminates its Transmission Service.

(2) Network Customer shall pay all actual costs incurred to connect

Customer Load to the Transmission Owner's Transmission System as a new Network Customer, including costs incurred to integrate Network Customer's new metering equipment, estimated to be approximately \$24,000 for the four Paris delivery points, including the proposed Weaver Road delivery point described below. The estimate is based on installation of SCADA radio at each of the 4 delivery Points. The radios will be owned and maintained by LG&E/KU.

(3) Paris City #4 (Weaver Road) – All ~~cost-costs~~ incurred to add the tap structure for the ~~for the~~ Paris City #4 delivery point on the existing KU 69kV line. These ~~cost-costs~~ are estimated to be approximately \$250,000 per ITO System Impact Study LGE-2016-014. Upon authorization to proceed (confirmation of TSR 83840933 on OASIS), this project will take approximately 3-5 months to complete. Service to the Paris City #4 new delivery point shall not commence until all necessary construction of facilities has been completed, or May 1, 2017, whichever is later.

(4) For any other new direct assignment facilities that may be required (as non-exclusive examples, for a new delivery point, or for new Network Load) the Transmission Owner shall have the right to charge the Network Customer a lump sum amount representing the incremental costs associated with such new direct assignment facilities.

6.4 Ancillary Services Charge:

Network Customer will be charged pursuant to Ancillary Service Schedules 1, 2, 3, 4, 5, 6 and 9 per the Tariff and will comply with Schedule 11 of the Tariff.

6.5 Redispatch Charges:

None identified currently, however, Network Customer is obligated to pay redispatch charges allowed under the Tariff.

Exhibit A

KYMA Designated Network Resources												
December 19, 2016												
Confirmed TSR #	Network Customer	Resource	Unit(s)	Tagging BA Source	Tagging BA Sink	Total Installed Capacity or Transmission for Purchases (MW)	Capacity Designated as a Network Resource (MW) or Temporary UnDesignation (negative MW)	Start Date of DNR	End Date of DNR	Rollover Rights ?	Location of DNR	Electrical Location
82859641	KYMA	Paducah	1,2	KMPA	LGEE	90	90	May 1, 2019	May 1, 2027	Yes	Paducah, KY	Paducah Primary on the South Paducah to Grahamville 161 kv line
82605013	KYMA	SLICE OF SEPA	NA	TVA	LGEE	33	33	May 1, 2019	May 1, 2027	Yes	KENTUCKY/TENNESSEE	TVA TRANSMISSION SYSTEM
82603608	KYMA	PURCHASE	NA	EEI	LGEE	100	100	May 1, 2019	May 1, 2022	No	Joppa, Illinois	EEI TRANSMISSION SYSTEM
82603272	KYMA	Paris		LGEE	LGEE	11	11	May 1, 2017	May 1, 2022	Yes	Paris, Kentucky	KU Transmission System @ Paris KY
82603275	KYMA	PURCHASE IND HUB		LGEE	LGEE	20	20	May 1, 2017	May 1, 2019	No	MISO Indiana HUB	MISO TRANSMISSION SYSTEM
82603514	KYMA	PURCHASE MISO BREC		LGEE	LGEE	100	100	May 1, 2019	May 1, 2027	Yes	MISO BREC Area	MISO TRANSMISSION SYSTEM
82603514	KYMA	PURCHASE IND HUB		LGEE	LGEE	25	25	May 1, 2019	May 1, 2027	Yes	MISO Indiana HUB	MISO TRANSMISSION SYSTEM