



an e-on company

USAARMC and Fort Knox  
Attn: Gary Meredith, Energy Program Manager  
Building 1110, 3<sup>rd</sup> Floor, Room 306  
125 Sixth Avenue  
Fort Knox, Kentucky 40121-5000

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

Lonnie E. Bellar  
Vice President  
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AUG 06 2010

PUBLIC SERVICE COMMISSION

August 6, 2010

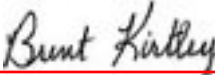
**RE: *Louisville Gas and Electric Company's Application  
For Adjustments in its Electric and Gas Rates -  
Case No. 2009-00549***

Dear Mr. Meredith:

On January 29, 2010, Louisville Gas and Electric Company ("LG&E") filed an Application with the Kentucky Public Service Commission ("Commission") requesting adjustments to its gas and electric rates, terms, and conditions, including the rates contained in the special contract between LG&E and Fort Knox for electric service under power contract designated Contract W2215-ENG-1291.

On June 8, 2009, LG&E filed a Stipulation and Recommendation with the Commission proposing rates lower than those originally proposed on January 29. On July 30, 2010, after evidentiary hearings, the Commission issued its Order in Case No. 2009-00459 approving the rates submitted by LG&E in the Stipulation and Recommendation, including the rates contained in the aforementioned special contract.

The rates approved by the Commission applicable to electric service under the power contract designated Contract W2215-ENG-1291, are set forth on the attached "Fort Knox Electric Rate" to become effective with service rendered on and after August 1, 2010.

<b>KENTUCKY PUBLIC SERVICE COMMISSION</b>
<b>JEFF R. DEROUEN EXECUTIVE DIRECTOR</b>
TARIFF BRANCH

EFFECTIVE <b>8/1/2010</b>
PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

USAARMC and Fort Knox  
Attn: Gary Meredith, Energy Program Manager  
August 6, 2010

All other provisions of your contract, not specifically mentioned herein, remain the same as those in effect prior to the date of the Commission's Order of July 30, 2010, and all other Tariffs and Riders applicable to this contract will continue to apply.

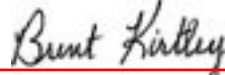
If you have any further questions regarding this matter, please contact me.

Sincerely,



Lonnie E. Bellar

Attachment

<b>KENTUCKY PUBLIC SERVICE COMMISSION</b>
<b>JEFF R. DEROUEN EXECUTIVE DIRECTOR</b>
TARIFF BRANCH 
EFFECTIVE <b>8/1/2010</b> PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

LOUISVILLE GAS AND ELECTRIC COMPANY

FORT KNOX ELECTRIC RATE

Effective With Service Rendered On and After August 1, 2010

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 . . . . . \$11.63 per Kw per month

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

All kilowatts of billing demand . . . . . \$13.82 per Kw per month

Energy Charge: All kilowatt-hours per month . . . . \$0.028827 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. 7, Original Sheet No. 85, 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.

KENTUCKY  
PUBLIC SERVICE COMMISSION  
JEFF R. DEROUEN  
EXECUTIVE DIRECTOR  
TARIFF BRANCH  
*Burt Kirtley*  
EFFECTIVE  
8/1/2010  
PURSUANT TO 807 KAR 5:011 SECTION 9 (1)