

Columbia Gas Transmission, LLC
FERC NGA Gas Tariff
Original Volume No. 1.1

Section 4.29
Non-Conf Neg Rate Svc Agmts
Version 0.0.0

Non-Conforming Service Agreement No.
173522

Kentucky Power Company

Agreement Effective Date: May 31, 2016

Issued: May 31, 2016

Effective: June 1, 2016

Service Agreement No. 173522
Revision No. 0

FTS SERVICE AGREEMENT

THIS AGREEMENT is made and entered into this 31st day of May, 2016, by and between COLUMBIA GAS TRANSMISSION, LLC ("Transporter") and KENTUCKY POWER COMPANY ("Shipper").

WITNESSETH: That in consideration of the mutual covenants herein contained, the parties hereto agree as follows:

Section 1. Service to be Rendered. Transporter shall perform and Shipper shall receive service in accordance with the provisions of the effective FTS Rate Schedule and applicable General Terms and Conditions of Transporter's FERC Gas Tariff, Fourth Revised Volume No. 1 ("Tariff"), on file with the Federal Energy Regulatory Commission ("Commission"), as the same may be amended or superseded in accordance with the rules and regulations of the Commission. The maximum obligation of Transporter to deliver gas hereunder to or for Shipper, the designation of the points of delivery at which Transporter shall deliver or cause gas to be delivered to or for Shipper, and the points of receipt at which Shipper shall deliver or cause gas to be delivered, are specified in Appendix A, as the same may be amended from time to time by agreement between Shipper and Transporter, or in accordance with the rules and regulations of the Commission.

Section 2. Term. Service under this Agreement shall commence June 1, 2016, and shall continue in full force and effect for a term of fifteen (15) years. Pre-granted abandonment shall apply upon termination of this Agreement, subject to any right of first refusal Shipper may have under the Commission's regulations and Transporter's Tariff.

At the end of the Initial Term, Shipper shall have a one-time right to extend the term of its Service Agreement for an additional term of five years ("Extended Term Service"). For such Extended Term Service, Shipper shall, at its option, pay either the Negotiated Demand Rate or the then effective maximum recourse rate applicable to Rate Schedule FTS. In addition to the rates applicable to Shipper's Extended Term Service, Shipper shall pay all charges and surcharges applicable to Shipper's Rate Schedule FTS hereunder that are set forth in the Tariff, without exception, as those charges and surcharges may be amended, added or modified from time to time.

Section 3. Rates. Shipper, having been apprised of the availability of a maximum recourse reservation rate for service under this Agreement, has elected to pay a negotiated reservation rate, as set forth in Appendix B appended hereto.

Section 4. Notices. Notices to Transporter under this Agreement shall be addressed to it at 5151 San Felipe, Suite 2500, Houston, Texas 77056, Attention: Kristine Gagliardi and notices to Shipper shall be addressed to it at Kentucky Power Company, 1 Riverside Plaza, 14th Floor, Columbus, OH 43215, Attention: Amy Jeffries, until changed by either party by written notice.

Section 5. Superseded Agreements. This Service Agreement supersedes and cancels, as of the effective date hereof, the following Service Agreement(s): N/A.

Section 6. Credit Annex. The credit requirements appended hereto as Attachment A are incorporated herein by reference with full force and effect and are made a part of this Service Agreement as though restated herein verbatim: N/A.

KENTUCKY POWER COMPANY

By Marguerite C. Muel

Title Vice-President

Date May 31, 2016

JK
AK

COLUMBIA GAS TRANSMISSION, LLC

By James R. Eckert

Title Sr Vice President Commercial Operations

Date 5-31-16

Appendix A to Service Agreement No. 173522
 Under Rate Schedule FTS
 between Columbia Gas Transmission, LLC ("Transporter")
 and Kentucky Power Company ("Shipper")

Transportation Demand

<u>Begin Date</u>	<u>End Date</u>	<u>Transportation Demand Dth/day</u>	<u>Recurrence Interval</u>
June 1, 2016	May 31, 2031	72,000	1/1-12/31

Primary Receipt Points

<u>Begin Date</u>	<u>End Date</u>	<u>Scheduling Point No.</u>	<u>Scheduling Point Name</u>	<u>Measuring Point No.</u>	<u>Measuring Point Name</u>	<u>Maximum Daily Quantity (Dth/day)</u>	<u>Minimum Receipt Pressure Obligation (psig) 1/</u>	<u>Recurrence Interval</u>
June 1, 2016	May 31, 2031	801	TCO-Leach	801	TCO-Leach	72,000		1/1-12/31

Primary Delivery Points

<u>Begin Date</u>	<u>End Date</u>	<u>Scheduling Point No.</u>	<u>Scheduling Point Name</u>	<u>Measuring Point No.</u>	<u>Measuring Point Name</u>	<u>Maximum Daily Delivery Obligation (Dth/day) 1/</u>	<u>Design Daily Quantity (Dth/day) 1/</u>	<u>Minimum Delivery Pressure Obligation (psig) 1/</u>	<u>Recurrence Interval</u>
June 1, 2016	May 31, 2031	842872	Big Sandy Unit 1	842872	Big Sandy Unit 1	72,000		100	1/1-12/31

1/ Application of MDDOs, DDQs and ADQs. minimum pressure and/or hourly flowrate shall be as follows:

The Master List of Interconnects ("MLI") as defined in Section 1 of the General Terms and Conditions of Transporter's Tariff is incorporated herein by reference for purposes of listing valid secondary interruptible receipt points and delivery points.

___ Yes X No (Check applicable blank) Transporter and Shipper have mutually agreed to a Regulatory Restructuring Reduction Option pursuant to Section 42 of the General Terms and Conditions of Transporter's FERC Gas Tariff.

___ Yes X No (Check applicable blank) Shipper has a contractual right of first refusal equivalent to the right of first refusal set forth from time to time in Section 4 of the General Terms and Conditions of Transporter's FERC Gas Tariff.

___ Yes X No (Check applicable blank) All gas shall be delivered at existing points of interconnection within the MDDOs, ADQs and/or DDQs, as applicable, set forth in Transporter's currently effective Rate Schedule ___ Service Agreement No. ___ Appendix A with Shipper, which are incorporated herein by reference.

___ Yes X No (Check applicable blank) This Service Agreement covers interim capacity sold pursuant to the provisions of General Terms and Conditions Section 4. Right of first refusal rights, if any, applicable to this interim capacity are limited as provided for in General Terms and Conditions Section 4.

___ Yes X No (Check applicable blank) This Service Agreement covers offsystem capacity sold pursuant to Section 47 of the General Terms and Conditions. Right of first refusal rights, if any, applicable to this offsystem capacity are limited as provided for in General Terms and Conditions Section 47.

KENTUCKY POWER COMPANY

By Marguerite C. Meel

Title Vice-President

Date May 31, 2016

OR

COLUMBIA GAS TRANSMISSION, LLC

By James R. Eckert

Title Sr Vice President Commercial Operations

Date 5-31-16

APPENDIX B

May 27, 2016

Kentucky Power Company
1 Riverside Plaza, 14th Floor
Columbus, OH 43215

RE: FTS Service Agreement No. 173522
Negotiated Rate Letter Agreement

Dear Amy:

This Negotiated Rate Letter Agreement between Columbia Gas Transmission, LLC ("Transporter" or "Columbia") and Kentucky Power Company ("Shipper"), shall set forth the applicable rates, calculations thereof, and rate conditions for the transportation service provided by Columbia to Shipper pursuant to the above-referenced Service Agreement. Transporter and Shipper may be referred to individually as a "Party" or collectively as the "Parties".

Shipper and Transporter hereby agree:

1. The negotiated rate for the transportation service provided shall be those rates agreed upon as set forth in Exhibit A hereto, and Shipper shall pay the retainage applicable to Rate Schedule FTS, as such may change from time to time, and any and all demand surcharges applicable to Shipper's Rate Schedule FTS of Columbia's FERC Gas Tariff, as such may change from time to time, including the Capital Cost Recovery Mechanism (CCRM).
2. For the full term of the contract and full volume, for no incremental charge, Shipper shall have full secondary receipt and delivery point access at the negotiated rate set forth in Exhibit A herein, pursuant to the terms and conditions of Columbia's FERC Gas Tariff. Shipper's primary receipt and delivery points are those found in Appendix A to the above-referenced Service Agreement. Shipper shall have full secondary receipt and delivery point access, pursuant to the terms and conditions of Transporter's FERC Gas Tariff. Shipper shall pay all applicable daily commodity rates for such secondary receipt and delivery point access, except for receipts at the Columbia Gas Transmission Interruptible Paper Pool, also known as the "TCO Pool."
3. Shipper's Daily Demand Rate as set forth in Exhibit A, shall be adjusted as follows:

To the extent Actual Project Costs, as defined below, exceed Estimated Project Costs as defined below, Shipper's Daily Demand Rate shall be multiplied by the

Capital Cost Overrun Factor ("CCO Factor"). The CCO Factor shall be equal to $1 + [(CCO/EPC) \times 50\%]$. In no event shall the CCO Factor exceed 1.11.

To the extent Actual Project Costs, as defined below, are less than Estimated Project Costs as defined below, Shipper's Daily Demand Rate shall be multiplied by the Capital Cost Underrun Factor ("CCU Factor"). The CCU Factor shall be equal to $1 - [(CCU/EPC) \times 50\%]$. In no event shall the CCU Factor be less than .889

Any such adjustment to Shipper's Daily Demand Rate shall be effective prospectively beginning as soon as administratively feasible, but no later than the second anniversary date of June 1, 2016 and shall remain in effect for the balance of the Initial Term and any Extended Term Service.

"Actual Project Costs" or APC shall mean, subject to any limits on costs as set forth below, all costs and expenses reasonably incurred by Transporter, including trailing costs up to twelve months subsequent to June 1, 2016, to complete the Project in the manner contemplated by the Precedent Agreement, including but not limited to (a) all costs and expenses reasonably incurred for the engineering, design, permitting, construction, pipeline and equipment procurement, installation and start-up of the Project, (b) all costs and expenses reasonably incurred for environmental, right-of-way, legal, consultant, construction management, and regulatory activities, and (c) all other direct costs. Columbia shall maintain books and records reasonably necessary for Shipper to verify the APC. The Parties acknowledge that Columbia's formal books and records that conform with the FERC and accounting policies and guidelines may not match the APC used to determine Shipper's adjusted Daily Demand Rate.

"Capital Cost Overrun" or "CCO" shall be an amount in U.S. dollars equal to the difference between the Actual Project Costs and the Estimated Project Costs, if Actual Project Costs exceed Estimated Project Costs.

"Capital Cost Underrun" or "CCU" shall be an amount in U.S. dollars equal to the difference between the Actual Project Costs and the Estimated Project Costs, if Actual Project Costs are less than Estimated Project Costs.

"Capital Cost Recovery Mechanism" or CCRM shall have the same meaning as defined and described in Section 52 of Columbia's General Terms & Conditions of its FERC Gas Tariff.

"Estimated Project Costs" or "EPC" shall mean all costs and expenses that are projected to be incurred by Columbia to complete the Project in the manner contemplated by the Precedent Agreement, including but not limited to (a) all costs and expenses projected to be incurred for the engineering, design, permitting, construction, pipeline and equipment procurement, installation and start-up of the Project, (b) all costs and expenses projected to be incurred for environmental, right-of-way, legal, consultant, construction management and

regulatory activities, (c) all other direct costs, and (d) a contingency amount equal to at least 10% of the total EPC. For purposes of determining the adjustment to Shipper's Daily Demand Rate pursuant to this provision, the Parties agree that the Estimated Project Costs shall be equal, to the amount presented to NiSource Inc.'s board of directors ("Board") for authorization of the Project.

Shipper shall have the right, exercised no later than twenty five (25) months after June 1, 2016, to review Columbia's books and records as reasonably necessary to verify Project costs for purposes of this provision.

Accepted and agreed to this 31st day of May, 2016

Kentucky Power Company

By: Marguerite C. Miles

AR

Title: Vice - President

Date: May 31, 2016

Columbia Gas Transmission, LLC

By: [Signature]

JRM

Title: James R. Eckert
Sr Vice President Commercial Operations

Date: 5-31-16

APPENDIX B

Exhibit A

NEGOTIATED RESERVATION RATES

Primary Receipt Point(s)	Primary Delivery Point(s)	Transportation Demand (Dth/day)	Term	Daily Demand Rate**	Daily Commodity Rate***	Rate Schedule
TCO-LEACH (meter no. 801)	Big Sandy Unit 1 (meter no. 842872)	72,000 Dth/day	15 years from June 1, 2016	\$0.20	\$0.00	FTS

****Adjusted per the CCO Factor in Section 3 of the Negotiated Rate Letter Agreement. In addition to the Initial Term Negotiated Daily Demand Rate, Shipper shall pay all applicable demand surcharges specified under the applicable Rate Schedule FTS, as such may change from time to time, including the Capital Cost Recovery Mechanism (CCRM).**

*****Shipper shall have full secondary receipt and delivery point access, pursuant to the terms and conditions of Columbia's FERC Gas Tariff. Shipper shall pay all applicable daily commodity rates for such secondary receipt and delivery point access, except for receipts at the Columbia Gas Transmission Interruptible Paper Pool, also known as the "TCO Pool."**