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November 30, 2011

HAND DELIVERED

Jeff Derouen
Executive Director
Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40601

Re: Case No. 2011-00375

Dear Mr. Derouen:

The Joint Applicants in the above-referenced matter, Louisville Gas and Electric Company and Kentucky Utilities Company, filed the enclosed Application for Approval Pursuant to Section 203 of the Federal Power Act with the Federal Energy Regulatory Commission on November 14, 2011. Due to the fact that the enclosed application relates to the same acquisition of assets from Bluegrass Generation Company, LLC that is at issue in Case No. 2011-00375, I enclose ten copies for the Commission's consideration.

Very truly yours,

Stoll Keenon Ogden PLLC

Lindsey W. Ingram III

Enclosure

cc: Counsel for Parties of Record

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Contains Request for Privileged Treatment – See Part IX

**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

Bluegrass Generation Company, L.L.C.)
Louisville Gas and Electric Company)
Kentucky Utilities Company)

Docket No. EC12-____-000

**APPLICATION FOR APPROVAL PURSUANT TO
SECTION 203 OF THE FEDERAL POWER ACT
AND REQUEST FOR EXPEDITED CONSIDERATION**

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**PUBLIC SERVICE
COMMISSION**

Dated: November 14, 2011
New York, NY

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**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

Bluegrass Generation Company, L.L.C.)	
Louisville Gas and Electric Company)	Docket No. EC12-___-000
Kentucky Utilities Company)	

**APPLICATION FOR APPROVAL PURSUANT TO
SECTION 203 OF THE FEDERAL POWER ACT
AND REQUEST FOR EXPEDITED CONSIDERATION**

Pursuant to Section 203(a)(1) of the Federal Power Act (“FPA”)¹ and Part 33 of the regulations of the Federal Energy Regulatory Commission (“Commission”),² Louisville Gas and Electric Company (“LG&E”), Kentucky Utilities Company (“KU” and, collectively with LG&E, “LG&E/KU” or the “Companies”),³ on behalf of themselves and, to the extent necessary, their public utility affiliates in the PPL Corporation family of companies,⁴ and Bluegrass Generation Company, L.L.C. (“Bluegrass Generation” and, collectively with LG&E/KU, “Applicants”) jointly submit this application (this “Application”) seeking all authorizations necessary to permit LG&E and KU to acquire an approximately 495 MW natural gas-fired generating facility located

¹ 16 U.S.C. § 824b(a)(1) (2006).

² 18 C.F.R. Part 33 (2011).

³ The Companies are each indirect wholly-owned subsidiaries of PPL Corporation.

⁴ The following entities are LG&E/KU’s public utility affiliates: Electric Energy, Inc., LG&E Energy Marketing, Inc., Louisville Gas and Electric Company, Midwest Electric Power, Inc., PPL Electric Utilities Corporation, Lower Mount Bethel Energy, LLC, PPL Brunner Island, LLC, PPL Great Works, LLC; PPL Holtwood, LLC, PPL Maine, LLC; PPL Martins Creek, LLC, PPL Montour, LLC, PPL Susquehanna, LLC, PPL EnergyPlus, LLC, PPL New Jersey Solar, LLC, PPL New Jersey Biogas, LLC, PPL Renewable Energy, LLC, PPL Montana, LLC, PPL Colstrip I, LLC, and PPL Colstrip II, LLC. These entities, which are described fully in Exhibit B hereto, join in this Application to the extent the Transaction is considered an indirect merger of the Bluegrass Facility with jurisdictional assets of the foregoing entities. *See* 16 U.S.C.S. § 824b(a)(1)(B) (public utilities require prior approval to “merge or consolidate” jurisdictional assets “directly or indirectly”).

in LaGrange, Kentucky (the “Bluegrass Facility”) from Bluegrass Generation (the “Transaction”).⁵

As explained fully herein, the Transaction will not have any adverse impact on competition, rates, or regulation, nor will it result in cross-subsidization of a non-utility associate company or the pledge or encumbrance of utility assets for the benefit of an associate company. To permit sufficient time for pre-closing matters, Applicants respectfully request that the Commission issue an order approving the proposed transaction by February 15, 2012.

I. INTRODUCTION AND SUMMARY OF REQUESTED RELIEF

LG&E/KU are vertically-integrated electric utilities that are part of the PPL Corporation family of companies. By virtue of state regulation in Kentucky and Virginia, they are required to replace retiring coal-fired generation, made uneconomic by existing and planned Environmental Protection Agency (“EPA”) regulations, while continuing to meet the energy needs of native load customers while maintaining grid reliability. As part of that obligation, LG&E/KU have determined that the acquisition of the Bluegrass Facility is the least cost alternative available to provide capacity and energy to serve their native load customers, and have thus entered into an agreement with Bluegrass Generation to acquire the Bluegrass Facility.

The Bluegrass Facility is a three-unit, simple-cycle, gas-fired combustion turbine peaking generating facility with a combined summer rating of 495 MW located in LaGrange, Kentucky.

⁵ Specifically, Applicants seek Commission approval pursuant to FPA Sections 203(a)(1)(A) and 203(a)(1)(B), 16 U.S.C. §§ 824b(a)(1)(A), 824b(a)(1)(B) (2006), for the change in control over Commission-jurisdictional assets that will occur as a result of the Transaction. In addition, Applicants seek approval under FPA Section 203(a)(1)(D), 16 U.S.C. § 824b(a)(2) (2006), for the Companies’ acquisition of an existing generation facilities. Approval under FPA Sections 203(a)(1)(A), 203(a)(1)(B), and 203(a)(1)(D), 16 U.S.C. §§ 824b(a)(1)(A), 824b(a)(1)(B), 824b(a)(1)(D) (2006), may also be required for the transfer of ownership over the Bluegrass Facility that will occur as the result of the termination of a lease under which Bluegrass Generation leases the Bluegrass Facility from Oldham County, Kentucky immediately before the sale of the facility to LG&E/KU. No approval under FPA Section 203(a)(2), 16 U.S.C. § 824b(a)(2) (2006), should be required, because the Transaction does not involve a holding company’s acquisition of securities of, or merger or consolidation with, a transmitting utility, an electric utility company, or a holding company.

The Bluegrass Facility is wholly owned by Bluegrass Generation, which itself is a wholly-owned subsidiary of Port River, LLC.

LG&E, KU, and Bluegrass Generation have entered into a definitive agreement for LG&E and KU to acquire the Bluegrass Facility for a purchase price of approximately \$110 million in cash, subject to certain adjustments. The assets to be acquired pursuant to the Asset Purchase Agreement, which will be directly owned by LG&E/KU after closing, include the generating facility itself, generator leads, and step-up transformers.

With this filing, Applicants seek all authorizations necessary under FPA Section 203 and Part 33 of the Commission's regulations to permit the Transaction. As explained herein, the Transaction will not have any adverse impact on competition, rates, or regulation, nor will it result in cross-subsidization of a non-utility associate company or the pledge or encumbrance of utility assets for the benefit of an associate company.

Although an application of the Commission's Competitive Analysis Screen to the proposed Transaction results in failures during the very few hours of the year when the Bluegrass Facility is economic to operate, those failures are not indicative of the economic reality of the facility. Virtually all of the Bluegrass Facility's output is sold to the Companies already and all other sales are made outside of the Companies' joint Balancing Authority Area ("BAA"). Further, even the technical screen violations themselves will disappear within five years as expected retirements reduce the Companies' capacity not required to serve native load.

In short, contrary to the implications of the Commission's Competitive Analysis Screen, competition will not be lessened as a result of the Transaction.

II. DESCRIPTION OF APPLICANTS AND RELATED ENTITIES

A. LG&E and KU

LG&E and KU are indirect, wholly-owned subsidiaries of PPL Corporation, a holding company within the meaning of the Public Utility Holding Company Act of 2005 (“PUHCA 2005”).⁶ Through various subsidiaries, PPL Corporation delivers electricity to more than 1.4 million customers in Pennsylvania, delivers electricity and natural gas to 1.3 million customers in Kentucky, Virginia and Tennessee, and sells energy in key U.S. markets.

LG&E is a public utility that owns and operates electric generation, transmission and distribution facilities, and also natural gas distribution, transmission and storage facilities in Kentucky, with limited electric transmission and natural gas storage facilities in Indiana. KU is a public utility that owns and operates electric generation, transmission and distribution facilities in Kentucky, and electric transmission and distribution facilities in Virginia and, to a very limited extent, in Tennessee. KU is a public utility that owns and operates electric generation, transmission and distribution facilities in Kentucky, with limited operations in Virginia and Tennessee. Combined, LG&E and KU directly own approximately 8,001 MW (summer rating) of generation capacity and, in addition, hold minority interests in certain entities that own generation, as detailed in the attached Asset Appendix. LG&E and KU serve approximately 941,000 electric customers, and LG&E serves approximately 322,000 natural gas customers.

LG&E and KU operate a joint electric BAA and own approximately 5,360 circuit miles of electric transmission lines.⁷ LG&E and KU also have franchised retail service territories. LG&E and KU have received Commission authority to engage in wholesale sales of capacity and

⁶ PPL Corp., Notification of Holding Company Status Form FERC-65, Docket No. HC11-1-000 (filed Dec. 1, 2010).

⁷ Ohio Valley Electric Corporation (“OVEC”), in which LG&E and KU have a minority interest, and EEInc, in which KU has a minority interest, also own some transmission facilities, as detailed *infra*.

energy at market-based rates,⁸ but their market-based rate tariffs are currently limited to sales outside of the joint LG&E/KU BAA (the “LGEE BAA”).⁹ KU also supplies power to several wholesale customers within the LGEE BAA under cost-based formula rates.¹⁰

LG&E and KU provide transmission service under a single Open Access Transmission Tariff (“OATT”). LG&E and KU contracted with Southwest Power Pool, Inc. (“SPP”) and Tennessee Valley Authority (“TVA”) to serve as the independent transmission organization (“ITO”) and the reliability coordinator, respectively, for their electric transmission facilities. In addition, TVA is responsible for coordination of the interfaces between LG&E/KU’s transmission system and those functionally controlled by the Midwest Independent Transmission System Operator, Inc. (the “MISO”) and PJM Interconnection, L.L.C. (“PJM”) under a Joint Reliability Coordination Agreement. The agreement with TVA for reliability coordination services has been automatically extended through June 2012 and the ITO Agreement with SPP, as amended, runs through August 31, 2012.¹¹

LG&E owns and operates approximately 379 miles of natural gas transmission mains and approximately 4,249 miles of natural gas distribution mains, the majority of which are located

⁸ See, e.g., *Louisville Gas & Elec. Co.*, 85 FERC ¶ 61,215 (1998) (accepting for filing joint market-based rate tariff of LG&E and KU, FERC Electric Tariff, Original Volume No. 2); *Louisville Gas & Elec. Co.*, Docket No. ER02-1077-000, Letter Order dated Apr. 16, 2002) (accepting “short form” market-based rate tariff of LG&E and KU, FERC Electric Tariff, Original Volume No. 3). LG&E and KU have two, joint market-based rate tariffs on file with the Commission: (i) the “MBRT Short Form Tariff” and (ii) the “MBRT Tariff.” Both tariffs were submitted in eTariff baseline form on June 21, 2010, in Docket No. ER10-1511-000. KU’s Certificate of Concurrence to these tariffs was filed on August 13, 2010, in Docket No. ER10-2231-000.

⁹ *LG&E Energy Mktg. Inc.*, Docket Nos. ER06-1046-000, *et al.*, Letter Order dated July 6, 2006 (accepting for filing revised tariff sheets prohibiting sales at market-based rates in the LG&E/KU and Big Rivers Electric Corp. (“BREC”) control areas); *Louisville Gas & Elec. Co.*, 135 FERC ¶ 61,281 (2011) (accepting tariff sheets removing restrictions on market-based rate sales in the BREC BAA). See also *LG&E, KU, et al.*, Triennial Market Power Update, Docket Nos. ER10-1511-002, *et al.*, June 30, 2011.

¹⁰ See *Ky. Utils. Co.*, 125 FERC ¶ 61,242 (2008).

¹¹ *E.ON U.S. LLC*, 133 FERC ¶ 61,012 (2010) (accepting the revised ITO agreement). See also *Louisville Gas and Electric Company and Kentucky Utilities Company*, Filing of TranServ Replacement ITO, Docket Nos. ER11-4396-000 and EC98-2-000 (Aug. 3, 2011).

within Kentucky.¹² In addition, LG&E owns five natural gas storage fields, four of which are located in Kentucky and one of which (Doe Run) is located in both Kentucky and Indiana. These five natural gas storage fields, combined, have a working gas capacity of approximately 15.1 bcf.

LG&E and KU jointly own and operate an approximately six mile natural gas transmission pipeline within Kentucky that links the Trimble County Generating Facility to an unaffiliated interstate gas transmission line. KU owns and operates an approximately eleven mile natural gas transmission pipeline within Kentucky that links the Brown Generating Facility to unaffiliated interstate gas transmission lines.

LG&E and KU also hold a combined 8.13 percent interest in OVEC.¹³ OVEC and its wholly owned subsidiary Indiana Kentucky Electric Corporation own, respectively, the 993 MW (summer rating) Kyger Creek Generating Facility located in Gallipolis, Ohio, and the 1,203 MW (summer rating) Clifty Creek Generating Facility located in Madison, Indiana. Both of these facilities are located in the OVEC BAA. LG&E and KU, combined, have contractual rights to 8.13 percent of the facilities' output.

Information regarding LG&E/KU's affiliates is provided in Exhibit B.

B. Bluegrass Generation

Bluegrass Generation, a Delaware limited liability company, is a wholly-owned subsidiary of Port River, LLC ("Port River"). Port River is a Delaware limited liability company owned by (a) LS Power Equity Partners II, L.P. ("LSP Equity Partners II"), and (b) through one

¹² Approximately ten miles of one gas transmission main associated with the Doe Run storage field are located in Indiana.

¹³ More specifically, KU holds a 2.5 percent interest and LG&E holds a 5.63 percent interest. Therefore, OVEC is not an affiliate of the PPL Companies because the PPL Companies do not directly or indirectly own, control, or hold power to vote "10 percent or more of the outstanding voting securities" in OVEC. See 18 C.F.R. § 35.36(a)(9)(i).

or more wholly-owned intermediaries, by (i) LS Power Equity Partners II PIE, L.P. (“LSP Equity II PIE”) and (ii) LS Power Partners II, L.P. (“LSP Partners II”). LSP Equity Partners II and LSP Equity II PIE are private equity funds owned by LSP Partners II as their general partner and various limited partners. LSP Partners II is a Delaware limited partnership owned by LS Power Development, LLC (“LSP Development”) as its general partner and various limited partners. Through various subsidiaries and affiliates, LSP Development develops, owns, and operates independent power projects throughout the United States. LSP Development and its actual and assumed affiliates currently hold in excess of 10 percent of the issued and outstanding voting securities of Calpine Corporation (“Calpine”),¹⁴ and LSP Development and its subsidiaries have been conservatively assumed to be affiliated with Calpine and its subsidiaries for purposes of past market power analyses.

Bluegrass Generation leases from Oldham County, Kentucky, and operates the Bluegrass Facility, which consists of three, gas-fired combustion turbines with a combined summer rating of 495 MW. The Bluegrass Facility is located in LaGrange, Kentucky, and is interconnected with LG&E’s transmission system. Natural gas lines supplying fuel to the Bluegrass Facility are owned by Texas Gas Transmission. Immediately prior to the consummation of the sale of the Bluegrass Facility to LG&E/KU, Bluegrass Generation will terminate the lease with Oldham County, which termination will cause ownership of the Bluegrass Facility to revert to Bluegrass Generation before the sale of that facility to LG&E/KU.

Bluegrass Generation is an exempt wholesale generator¹⁵ and has received blanket Commission authority to engage in wholesale sales of capacity and energy at market-based

¹⁴ See *Calpine Corp.*, 122 FERC ¶ 62,238 (2008); *LS Power Dev., LLC*, 125 FERC ¶ 61,267 (2008).

¹⁵ *Bluegrass Generation Co., L.L.C.*, 97 FERC ¶ 62,279 (2001).

rates.¹⁶ The energy output of the Bluegrass Facility is sold to a variety of parties, including LG&E and KU.

Bluegrass Generation has received blanket Commission authority to engage in wholesale sales of capacity and energy at market-based rates.¹⁷ The energy output of the Bluegrass Facility is sold to a variety of parties, including LG&E and KU, on a spot basis.

III. BACKGROUND

In response to new and anticipated EPA Regulations for electric generating unit emissions,¹⁸ LG&E/KU engaged in a comprehensive process to provide the least-cost method to maintain sufficient capacity and energy to serve customers in future years. The EPA Regulations require lower levels of emissions than can be achieved with LG&E/KU's fleet of coal-fired generating units as they currently exist. Indeed, costly changes to all but one of the coal units would need to be made to bring them into compliance.

LG&E/KU conducted cost studies regarding the EPA Regulations and, on December 1, 2010, issued a Request for Proposals ("RFP") for firm generating capacity and energy in order to evaluate alternatives for meeting existing and pending EPA Regulations and to meet future load growth.¹⁹ Eighteen parties responded to the RFP with offers and LG&E/KU evaluated all

¹⁶ *Bluegrass Generation Co., L.L.C.*, Docket No. ER10-2743-000, Letter Order dated Dec. 10, 2010 (accepting baseline tariff). Bluegrass Generation previously also had a rate schedule for Reactive Supply and Voltage Control from Generation Sources on file with the Commission. *See Bluegrass Generation Co., L.L.C.*, Docket No. ER06-1382-005, Letter Order dated May 19, 2008. The Commission vacated that rate schedule effective July 1, 2007. *See E.ON U.S. LLC, et al.*, 119 FERC ¶ 61,340 at P 1 & Ordering Para. (D) (2007).

¹⁷ *Bluegrass Generation Co., L.L.C.*, Docket No. ER10-2743-000, Letter Order dated Dec. 10, 2010 (accepting baseline tariff).

¹⁸ In March 2011, the EPA issued a proposed rule aimed at reducing hazardous air pollutants from new and existing coal and oil-fired electric utility steam generating units ("HAPS Rule"). In August 2011, the EPA issued its final Cross-State Air Pollution rule ("CSAPR") that provides limited allowances for NOx and SO2 emissions starting in 2012. In addition, the EPA's National Ambient Air Quality Standards ("NAAQS") will further restrict NOx and SO2 emissions beginning in 2016 and 2017. These rules are collectively referred to herein as the "EPA Regulations."

¹⁹ A copy of the RFP can be found at: <http://lge-ku.com/rfp/rfp.pdf>.

submitted proposals to determine the least cost resources proposed to meet LG&E/KU's generation needs. Responses to the RFP included power purchase agreements and asset sale offers for gas, coal, nuclear, wind, biomass and solar technologies. Bluegrass Generation was one of the entities that responded to the RFP.

At the conclusion of the RFP process, LG&E/KU determined that the least-cost alternative for complying with the EPA Regulations and meeting future capacity and energy needs is to embark on a significant transformation of their combined generating fleet to meet the needs of their customers for years to come. This transformation, as outlined in the Companies' 2011 Integrated Resource Plan, represents an investment in fuel diversity and a modernization of the Companies' generation fleet. These changes include several important components:

- i. Retiring six coal units at the Cane Run, Tyrone and Green River generating stations;
- ii. Retrofitting other existing coal-fired capacity to comply with the EPA Regulations;
- iii. Building a new natural gas-fired combined-cycle generating plant; and
- iv. Purchasing the Bluegrass Facility pursuant to the present Transaction.

The retirement of Cane Run, Tyrone, and Green River coal-fired units will reduce LG&E/KU's generating (nameplate) capacity by approximately 800 MW. With these retirements, LG&E/KU project a capacity shortfall in 2016 of 877 MW, creating a significant need for new and additional resources to meet the Companies' current load and projected load growth.

In furtherance of the transformation of their generation fleet, on September 15, 2011, LG&E/KU requested approval of the Kentucky Public Service Commission ("KPSC") to build a natural gas combined-cycle generating unit at the existing Cane Run site and purchase the Bluegrass Facility. In that application, LG&E/KU Senior Vice President Paul Thompson testified that:

[T]he Companies performed an economic analysis that concluded that the most cost-effective method of environmental compliance for much of the Companies' generation fleet is to install pollution control devices. However, the Companies have also concluded that for the generating assets at Tyrone, Green River and Cane Run, it is more cost-effective to retire them and replace that retired capacity with Cane Run NGCC and the Bluegrass Generation assets.²⁰

The present Application seeks Commission approval of the only aspect of this transformation subject to FPA Section 203 – acquisition of the Bluegrass Facility.

IV. DESCRIPTION OF THE TRANSACTION

In accordance with the terms of the Asset Purchase Agreement between Bluegrass Generation Company, L.L.C. and Kentucky Utilities Company and Louisville Gas and Electric Company, dated as of September 15, 2011 (the “Asset Purchase Agreement”), LG&E and KU will acquire from Bluegrass Generation substantially all assets relating to the Bluegrass Facility for a purchase price of approximately \$110 million, subject to customary adjustments. Immediately prior to that sale, Bluegrass Generation will exercise its option to terminate the lease with Oldham County, Kentucky, which will cause ownership of the Bluegrass Facility to revert to Bluegrass Generation before the sale of that facility to LG&E/KU.²¹ Bluegrass Generation will retain its market-based rate tariff, as well as contracts and books and records thereunder.

V. REQUEST FOR AUTHORIZATION UNDER FPA SECTION 203(A)(1)

Applicants respectfully request that the Commission grant all authorizations necessary under FPA Section 203(a)(1) to effectuate the Transaction.

²⁰ A copy of that application can be found at: http://psc.ky.gov/PSCSCF/2011%20cases/2011-00375/20110915_LG%26E_and_KU_Application_Volume_1_of_2.pdf.

²¹ For purposes of this Application, the “Transaction” includes the termination of Bluegrass Generation’s lease with Oldham County.

Under FPA Section 203(a), the Commission will approve a proposed transaction if it determines that it: (i) is consistent with the public interest; (ii) does not effect a cross subsidization of a non-utility associate company that is not in the public interest; and (iii) does not pledge or encumber utility assets for the benefit of an associate company.²²

With regard to whether a transaction is consistent with the public interest, the Commission applies a three-part test set forth in the *Merger Policy Statement*²³ and in Order No. 642.²⁴ Specifically, the Commission examines the effect of a proposed transaction on: (i) competition, (ii) rates, and (iii) regulation. Applicants need not show that a transaction positively benefits the public interest, but rather simply that it is consistent with the public interest.²⁵ As demonstrated in this Application, the Transaction will have no adverse effect in any of these areas and therefore is consistent with the public interest.

Additionally, the Transaction will not effect a cross-subsidization of a non-utility associate company or a pledge or encumbrance of utility assets for the benefit of an associate company. Accordingly, the Transaction should be approved promptly.

²² 16 U.S.C.S. § 824b(a)(4).

²³ *Inquiry Concerning the Commission's Merger Policy Under the Federal Power Act: Policy Statement*, Order No. 592, FERC Stats. & Regs. [Regs. Preambles 1996-2000] ¶ 31,044 at 30,111 (1996), *reconsideration denied*, Order No. 592-A, 79 FERC ¶ 61,321 (1997).

²⁴ *Revised Filing Requirements Under Part 33 of the Commission's Regulations*, Order No. 642, FERC Stats. & Regs. [Regs. Preambles July 1996-Dec. 2000] ¶ 31,111 at 31,874-78 (2000), *on reh'g*, Order No. 642-A, 94 FERC ¶ 61,289 (2001); 18 C.F.R. § 33.2(g). *See also, e.g., Orion Power Holdings, Inc.*, 98 FERC ¶ 61,136 (2002); *DTE Energy Co.*, 97 FERC ¶ 61,330 (2001); *The AES Corp.*, 94 FERC ¶ 61,240 (2001); *New Energy Ventures, Inc.*, 88 FERC ¶ 62,067 (1999).

²⁵ *See, e.g., Texas-New Mexico Power Co.*, 105 FERC ¶ 61,028 at P 23 & n.14 (2003) (citing *Pacific Power & Light Co. v. FPC*, 111 F.2d 1014, 1016-17 (9th Cir. 1940)).

A. The Transaction is Consistent with the Public Interest

1. The Transaction Will Have No Adverse Effect on Competition

In Order No. 642, the Commission stated that its objective in analyzing a proposed transaction's effect on competition is to determine whether such disposition "will result in higher prices or reduced output in electricity markets."²⁶ The Commission has ruled that higher prices and reduced output in electricity markets may occur if FPA Section 203 applicants are able to exercise market power, either alone or in coordination with other firms.²⁷ As demonstrated herein, the Transaction will have no adverse effect on competition.

a. The Transaction Will Have No Adverse Effect on Horizontal Competition in Generation

The Transaction will have no adverse effect on horizontal competition in generation. As explained herein and in the Affidavit of Julie Solomon, provided in Appendix 2 hereto, the proposed Transaction fails to satisfy the Commission's Competitive Analysis Screen in four periods under each of the Available Economic Capacity ("AEC") and Economic Capacity ("EC") measures. These limited failures are not indicative, however, because historical data demonstrate the Transaction will have little, if any impact on competition.

i. Summary of Competitive Analysis Screen Results

For purposes of this Application, the relevant geographic market for analysis of the impact of the Transaction on horizontal competition in generation is the LGEE BAA, as this is the only market in which the sales of LG&E/KU (and their affiliates) truly overlap with that of Bluegrass Generation.²⁸ Indeed, the Bluegrass Facility is located in the LGEE BAA,

²⁶ Order No. 642, FERC Stats. & Regs. ¶ 31,111 at 31,879.

²⁷ *Id.*

²⁸ Both LG&E/KU (along with their affiliates) and Bluegrass make sales in the PJM BAA, however, as described below, Bluegrass sales in the PJM BAA are *de minimis*.

interconnected with transmission lines owned by LG&E, and the vast majority of sales from this facility are made to LG&E/KU to serve their customers in the LGEE BAA.²⁹

At the request of LG&E/KU, Ms. Solomon, an economist with Navigant Inc., has prepared a Competitive Analysis Screen of the impact of the proposed Transaction on horizontal competition. As explained by Ms. Solomon, the proposed Transaction fails to satisfy the Competitive Analysis Screen under the AEC or EC measures in the Summer Extreme Peak (S_SP1), Summer Super Peak (S_SP2), Winter Super Peak (W_SP), and Shoulder Super Peak (SH_SP) periods.

ii. The Transaction Will Not Remove a Competitor from the Marketplace

The Commission has indicated that it considers whether a proposed transaction will remove a competitor from the marketplace.³⁰ In the present case, although the proposed Transaction will result in Bluegrass Generation and its affiliates no longer controlling generating capacity in the LGEE BAA, that change will not for all intents and purposes remove a competitor from the marketplace.

In recent years, most of the output of the Bluegrass Facility has been purchased by LG&E and KU. In 2010, for example, LG&E/KU purchased 88,494 MWh of the 90,180 MWh of the energy (including imbalance energy) reported sold by Bluegrass Generation, or 98 percent. Even more striking, in the first three quarters of 2011, LG&E/KU purchased *all* of the 34,172 MWh of

²⁹ For the period January 1, 2010 through June 30, 2011, Bluegrass Generation sold 93,613 MWh of energy, 91,927 MWh of which were in the LGEE BAA and 1,686 MWh of which were in the PJM BAA.

³⁰ Order No. 642 at p. 38 (“Recognizing that energy companies are entering new product markets and that the effect of a merger could be to eliminate one of the merged companies as a perceived potential competitor in such new product markets, we will also require applicants to identify product markets in which they may be reasonably perceived as potential competitors.”). *See also, e.g., Cascade Inv., L.L.C.*, 129 FERC ¶ 61,011 (2000); *Duke Energy Corp., et al.*, 113 FERC ¶ 61,297 at P 83 (2005).

energy (including imbalance energy) reported sold by Bluegrass Generation.³¹ In recent years, the few sales not made directly or indirectly to LG&E/KU were made not in the LGEE BAA, but, rather, in PJM. KU's wholesale customers are under requirements contracts with five-year termination provisions.³² In five years' time, the Companies will have no excess capacity.

In addition to LG&E and KU, there are only two other entities in the LGEE BAA with a possible need to purchase wholesale energy in the marketplace – Owensboro Municipal Utilities, which generally satisfies its needs from its own generation, and the Kentucky Municipal Power Agency (“KMPA”), which in the past, has been a wholesale customer of TVA. Currently, KMPA primarily purchases power from the MISO market pending completion of the Prairie State Energy generating facility, of which it is an owner. After the Prairie State Energy generating facility begins commercial operation, that facility will be sufficient to serve KMPA's load.³³

Thus, a change in ownership of the Bluegrass Facility from Bluegrass Generation to LG&E/KU will not materially remove a competitor from the marketplace because all but a small

³¹ These data are taken from the EQRs from both Bluegrass Generation and EDF Trading North America, LLC (“EDF”) for the applicable periods. (Until Q2 2011, EDF's EQRs were reported under its prior name, Eagle Energy Partners I, LP.) Those EQRs show all of the Energy from Bluegrass Generation being sold to EDF and all the Energy Imbalance being sold to LG&E/KU (f/k/a E.ON US Services Inc.). The EDF EQRs, however, show large amounts of Energy being sold to LG&E/KU, and LG&E/KU's records show that these sales by EDF to LG&E/KU took place at the Bluegrass Facility. Thus, directly and via EDF, the vast majority of energy from the Bluegrass Facility has been sold to LG&E/KU.

³² On August 16, 2011, KU filed in Kentucky state court to terminate its wholesale contract with the City of Benham, Kentucky, and the Benham Plant Board (together, “Benham”, to whom KU provides 2 MW of wholesale service), on the grounds of default, effective the later of one year from the filing date or 30 days after FERC approval. See *KU v. Benham Plant Board*, Civ. Action No. 11-CI-1238, Ky. Franklin Cir. Ct., Div. II.

³³ <http://www.paducahpower.com/aboutpps.htm>, <http://www.prairiestateenergycampus.com/default.asp> and <http://www.kmpa.us/>. KMPA owns a 7.82 percent share (approximately 125 MW) of Prairie State. The first unit (800 MW) of the 1,600 MW planned generation is expected to come on line by December 2011. In addition, Paducah, Ky., which is served by KMPA, operates two 58-MW combustion turbine units that are Designated Network Resources for the KMPA load. KMPA also may have other interim power purchase agreements in place until the Prairie State project is complete. The fact remains, however that neither of these entities (OMU or KMPA) purchased any power from the Bluegrass Facility, nor appear likely to be significant customers of the facility in the future and hence neither is losing a competitive or potentially competitive supplier.

percentage of the entire output of the Bluegrass Facility has been purchased by LG&E/KU historically.

iii. Any Increase in Market Concentration is Transitory

Any increase in market concentration resulting from the Transaction is transitory in nature and is not the type of structural market concentration problem that generally concerns the Commission in the Section 203 context.

As noted in detail above, LG&E/KU's acquisition of the Bluegrass Facility is part of a larger transformation of their generating fleet in which certain coal units are being retired while energy and capacity are being added by acquiring the Bluegrass Facility and constructing new gas-fired combined cycle capacity. The change in EPA Regulations requires the coal units to be upgraded or retired by 2016 at the latest.

Because of the time required to retrofit existing units with additional pollution controls and the time required to construct new generating capacity, LG&E/KU had to conduct studies and issue an RFP in 2010 so they would have time to implement the least cost alternative determined through that process. The acquisition of the Bluegrass Facility proved to be an element of the least cost solution even though it involves an acquisition in 2012 for capacity that is not expected to be required until 2016 with the retirement of certain coal units.³⁴ Thus, any increase in market concentration is transitory in nature and does not indicate the type of

³⁴ Further, between the acquisition date and 2016, certain factors will limit the impact of the Bluegrass Facility. Acquisition of the Bluegrass Facility will help the Companies manage risks associated with (i) reduced maintenance at the three existing facilities that are scheduled to be retired; (ii) the possibility that the EPA may not grant extensions to the Companies for compliance with certain environmental regulations applicable to coal-fired units; and (iii) the development of the new combined-cycle unit. *See Joint Application of Louisville Gas and Electric Company and Kentucky Utilities Company for a Certificate of Public Convenience and Necessity and Site Compatibility Certificate for the Construction of a Combined Cycle Combustion Turbine at the Cane Run Generating Station and the Purchase of Existing Simple Cycle Combustion Turbine Facilities from Bluegrass Generation Company, LLC in LaGrange, Kentucky*, KPSC Docket No. 2011-00375, Direct Testimony of David Sinclair at p. 19 (Sept. 15, 2011), *supra* n.15.

structural market concentration problem that generally concerns the Commission in the Section 203 context.

iv. Commission Precedent Supports Applicants' Request for Approval Under These Circumstances

The Commission has approved transactions under FPA Section 203 which, like the instant one, involved relatively small quantities of generating capacity where the Competitive Analysis Screen was failed for some periods.

In 2005, for example, the Commission approved the acquisition by Nevada Power Company of a 75 percent interest (and full operating responsibility) in a 560 MW gas-fired generating facility located in the Nevada Power BAA.³⁵ The application there showed Competitive Analysis Screen failures for one period under the AEC measure and for 11 of 14 periods under the EC measure.

Applicants there noted several facts that the Commission found important and which are relevant as well to the present Transaction. First, Nevada Power lacked market-based rate authority in its home BAA.³⁶ As noted above, LG&E/KU lack market-based rate authority in the LGEE BAA. Second, the Nevada Power BAA remained only moderately concentrated following the transaction in the Spring Peak period in which the AEC screen was not passed.³⁷ Similarly, Ms. Solomon finds that the LGEE BAA will remain only moderately concentrated during the Summer Extreme Peak and Shoulder Super Peak periods under the AEC measure following the Transaction proposed here.

³⁵ *Nevada Power Co.*, 113 FERC ¶ 61,265 (2005).

³⁶ *Id.* at P 12.

³⁷ *Id.* at P 13.

The facts of the present matter are very similar in certain key respects to those faced by the Commission in *Nevada Power*. The Commission found the transaction in *Nevada Power* not to adversely affect competition and should do the same here.

b. The Transaction Will Have No Adverse Effect on Horizontal Competition in Transmission

The Transaction will have no adverse effect on horizontal competition in transmission. As described above, LG&E and KU own and control electric transmission assets. Bluegrass Generation, however, neither owns nor controls electric transmission assets, but for limited generation interconnection facilities and step-up transformers typical of a generating station like the Bluegrass Facility. The combination of LG&E/KU's transmission assets with these limited transmission assets associated with the Bluegrass Facility should not give rise to concerns about the impact of the Transaction on horizontal competition in transmission. Further, as explained above, service over LG&E/KU's transmission lines is subject to the LG&E/KU OATT and the oversight of the SPP and TVA which serve as the ITO and the reliability coordinator, respectively, for LG&E/KU's electric transmission facilities. Thus, the Transaction will have no adverse effect on horizontal competition in transmission.

c. The Transaction Will Have No Adverse Effect on Vertical Competition

The Transaction will have no adverse effect on vertical competition. In Order No. 642, the Commission set forth guidelines to be used in determining whether a proposed transaction will have an adverse effect on vertical competition.³⁸ The Commission's concern with regard to vertical market power generally arises in circumstances, not present here, in which the combined

³⁸ Order No. 642, FERC Stats. & Regs. ¶ 31,111 at 31,904-07.

entity may restrict potential downstream competitors' access to upstream supply markets or increase potential competitors' costs.

The consolidation of LG&E/KU's electric transmission assets with the Bluegrass Facility will not enhance vertical market power because it will not enhance any ability of LG&E/KU to restrict potential downstream competitors' access to upstream supply. Indeed, as described above, access to LG&E/KU's transmission lines is subject to an OATT and the oversight of SPP and TVA, and the facilities to be acquired from Bluegrass Generation will provide LG&E/KU no enhanced ability to restrict potential downstream competitors' access to upstream supply. In previous transactions, the Commission has found that open-access to transmission facilities provided sufficient assurance that the applicants could not use their control of transmission facilities in a manner that could harm competition.³⁹ The same conclusion should be reached here.

LG&E's ownership of natural gas distribution systems and storage facilities also does not raise any vertical market power concerns. LG&E's natural gas distribution systems and storage facilities are not connected with nor are they used to serve any non-affiliated gas-fired generating facilities. Moreover, LG&E is authorized to offer firm and interruptible natural gas storage services in interstate commerce at market-based rates.⁴⁰ Further, Kentucky state law and

³⁹ See, e.g., *TECO Wholesale Generation, Inc.*, 107 FERC ¶ 62,208 (2004).

⁴⁰ *Louisville Gas & Elec. Co.*, 99 FERC ¶ 62,040 (2002) (granting LG&E a limited-jurisdiction blank certificate of public convenience and necessity for authorization to offer natural gas storage services in interstate commerce at market-based rates); *Louisville Gas & Elec. Co.*, 120 FERC ¶ 62,031 (2007) (determining that LG&E qualifies for treatment as a local distribution company for purposes of transportation under Section 311 of the Natural Gas Policy Act of 1978 and confirming that LG&E may continue to provide natural gas storage services at market-based rates).

regulation requires LG&E to offer retail gas service on a non-discriminatory basis.⁴¹ Finally, while LG&E does reserve interstate pipeline capacity primarily to serve its retail customers, there is ample interstate gas pipeline capacity in Kentucky, which is held by numerous shippers. LG&E's share of that capacity was recently estimated to be no more than 2.2 percent.⁴² Accordingly, following consummation of the Transaction, LG&E will have neither the incentive nor the ability to restrict natural gas deliveries to generating facilities that compete with the PPL Southeast Companies.

Accordingly, the Transaction will have no adverse effect on vertical competition.

d. The Proposed Transaction Will Not Create Barriers To Market Entry

In prior proceedings under FPA Section 203, the Commission has considered whether a proposed transaction could enhance the applicants' ability to erect barriers to market entry in determining whether a proposed transaction may adversely impact competition.⁴³ The present Transaction will not provide Applicants any ability to erect barriers to market entry.

LG&E/KU's natural gas assets are very limited in nature and cannot be used to restrict market entry. While LG&E and KU own and control an extensive electric transmission system, access to this system – including generator interconnections – is subject to open access pursuant to the LG&E/KU OATT, which is administered by an ITO. In addition, neither LG&E/KU, Bluegrass Generation, nor any of their affiliates, own or control sites for new potential

⁴¹ See Ky. Rev. Stat. Ann. § 278.170(1) (2009) (“No utility shall, as to rates or service, give any unreasonable preference or advantage to any person or subject any person to any unreasonable prejudice or disadvantage, or establish or maintain any unreasonable difference between localities or between classes of service for doing a like and contemporaneous service under the same or substantially the same conditions.”).

⁴² See *PPL Corp. and E.ON U.S. LLC*, Docket No. EC10-77, Section 203 Application, Affidavit of Dr. Joseph P. Kalt and Joseph Cavicchi at P 76.

⁴³ See, e.g., *Texas-New Mexico Power Co.*, 105 FERC ¶ 61,028 at PP 13-14 (2003); *PECO Energy Co.*, 90 FERC ¶ 61,269 at 61,903 (2000); *Boston Edison Co.*, 80 FERC ¶ 61,274 at 61,994 (1997).

generation in such quantities that the siting and construction of new generation is foreclosed or harmed in any meaningful way.

Accordingly, the Transaction will not create barriers to market entry.

2. The Transaction Will Have No Adverse Effect on Rates

Under Order No. 642, the Commission must determine whether a proposed transaction will have any adverse impact on the rates charged to wholesale power and transmission customers.⁴⁴ No such adverse impact will result from the Transaction.

a. The Transaction Will Have No Adverse Effect on Wholesale Power Rates

Under Order No. 642, the Commission must determine whether a proposed transaction will have any adverse impact on the rates charged to wholesale power and transmission customers.⁴⁵ The Commission has elaborated that its “main objective in applying this factor is to protect captive customers who are served under cost-based rates that could be adversely affected by a Section 203 transaction.”⁴⁶ No such adverse impact will result from the Transaction.

First, KU sells wholesale power to twelve municipal utilities under long-term agreements containing cost-based formula rates on file with the Commission.⁴⁷ While the inputs to the formula will likely change as a result of the Transaction – by reflecting the net book value of the

⁴⁴ Order No. 642, FERC Stats. & Regs. ¶ 31,111 at 31,914-15; Order No. 592, FERC Stats. & Regs. ¶ 31,044 at 30,123.

⁴⁵ Order No. 642, FERC Stats. & Regs. ¶ 31,111, at pp. 31,914-15; Order No. 592, FERC Stats. & Regs. ¶ 31,044, at p. 30,123.

⁴⁶ *Transactions Subject to the FPA Section 203*, Order No. 669, 71 Fed. Reg. 1348, FERC Stats. & Regs. ¶ 31,200, at P 166 (2005) (“Order No. 669”), *order on reh’g*, Order No. 669-A, 71 Fed. Reg. 28,422 (May 16, 2006), FERC Stats. & Regs. ¶ 31,214 (2006) (“Order No. 669-A”), *order on reh’g*, Order No. 669-B, 71 Fed. Reg. 42,579 (July 27, 2006), FERC Stats. & Regs. ¶ 31,255 (2006) (“Order No. 669-B”).

⁴⁷ *See Ky. Utils. Co.*, 125 FERC ¶ 61,242 (2008).

Bluegrass Facility – the formula itself will not change.⁴⁸ Moreover any change to the formula inputs would likely result in only a small change on the amounts charged by KU to these wholesale customers and any increase may be offset by potential savings in energy rates. As noted, LG&E and KU will jointly own the Bluegrass Facility. KU will own 31 percent and LG&E will own 69 percent. Accordingly, only 31 percent of the net book value of the facility will be included in the inputs to KU’s formula rates which LG&E/KU estimates will increase capacity charges by only 1.16 percent.⁴⁹ As to energy rates, KU’s cost-based wholesale customers pay an average system charge that in many hours may be unaffected or even reduced by the purchase of the Bluegrass Facility.

Second, even if the formula rate produces slightly higher charge for wholesale requirements customers in a given year compared to existing rate levels following the Transaction, the Commission has held in the Section 203 context that rate increases do not amount to “adverse effects” on rates when there are countervailing benefits that derive from the transaction, including environmental benefits.⁵⁰ As described above, the purchase of the Bluegrass Facility is a direct and integral part of LG&E/KU’s efforts to address the impacts of EPA Regulations on their generating fleet and was determined through an RFP process to be part of the least-cost solution. While the inclusion of the Bluegrass Facility in LG&E/KU’s fleet may

⁴⁸ It is the formula, not the inputs to it, which is considered the rate on file with the Commission. *Potomac-Appalachian Transmission Highline, L.L.C.*, 122 FERC ¶ 61,188 at P 146 (2008). Thus, the Transaction will *per se* have no adverse impact on these agreements.

⁴⁹ This 1.16 percent estimate represents the change in the capacity charges under KU’s formula rates resulting from simply adding 31 percent of the net book value of the Bluegrass Facility into the formula, holding all other variables constant.

⁵⁰ See, e.g., *Merger Policy Statement, FERC Stats. & Regs.* P 31,044 at 30,123 (noting that an increase in rates “can still be consistent with the public interest if there are countervailing benefits that derive from the transaction”); see also *Startrans IO, LLC*, 122 FERC ¶ 61,307 at P 25-28 (2008); *ITC Holdings Corp.*, 121 FERC ¶ 61,229 at P 120-28 (2007). *ALLETE, Inc.*, 129 FERC ¶ 61,174 (2009) (finding rate increases were consistent with the public interest because “purchasing the HVDC Facilities and using them to transmit wind power is not only the most economical way for ALLETE to meet Minnesota’s RES requirements, it also offers a number of environmental advantages.”).

have some *de minimis* impact on charges under the wholesale formula rates as compared to current rates as described above, this acquisition was undertaken for the benefit of LG&E/KU's retail and wholesale customers to avoid significantly higher charges that would result from choosing a more costly solution to comply with EPA Regulations. Because these increases are driven largely by EPA Regulations, such an increase cannot reasonably be considered a material adverse effect on rates and is entirely consistent with the public interest. Indeed, if the Commission finds that the acquisition of the Bluegrass Facility is not consistent with the public interest, LG&E/KU will have to resort to a costlier option to meet their capacity and energy needs and comply with EPA Regulations.

Third, LG&E/KU sell short-term wholesale power to certain entities under agreements entered into under the terms of their cost-based rate tariff for short-term energy sales (the "CBRT").⁵¹ The prices for these sales, which are generally spot in nature, are capped at 110 percent of the LG&E/KU system incremental cost. Insofar as the rates for these sales are negotiated (subject to the cap), customers under these agreements are shielded from any adverse rate effects of the Transaction.

Fourth, LG&E/KU also sell spot wholesale power pursuant to contracts entered into under their market-based rate tariffs outside the LG&E BAA. Insofar as such sales are market-based in nature, these contracts cannot impose any costs related to the Transaction on their customers and, therefore, these wholesale power customers are shielded from any adverse rate effects of the Transaction.⁵²

⁵¹ See generally LG&E/KU, Revised Cost-Based Tariff Sheets, Docket No. ER06-1438-000 (filed Nov. 3, 2006).

⁵² The Transaction can have no effect on the rates of EEInc, since LG&E and KU have no rights to the output of its generating facilities.

b. The Transaction Will Have No Adverse Effect on Transmission Rates

The Transaction will similarly have no adverse effect on LG&E/KU's transmission service rates. All of the assets being acquired by LG&E/KU pursuant to the Transaction are generation assets and/or limited transmission assets such as generator leads or step-up transformers associated with the Bluegrass Facility. As such, these assets are not classified as transmission assets for cost-of-service ratemaking purposes. Regardless, even if the generator leads and/or step-up transformers were classified as transmission facilities for ratemaking purposes, they are so limited in nature that they would have only a *de minimis* impact on LG&E/KU's transmission rates.

3. The Transaction Will Have No Adverse Effect on Regulation

Pursuant to Order No. 642, the Commission requires applicants to evaluate the effect of a merger or other proposed transaction on regulation both at federal and state levels. The Commission has indicated that it may set an FPA Section 203 application for hearing if the affected state commission does not have authority to act on the proposed transaction and raises concerns about the effect on regulation.⁵³

In addition, while the Energy Policy Act of 2005 ("EPAct 2005") eliminated the need for the Commission to review the effect on regulation related to changes in control over a registered holding company under the Public Utility Holding Company Act of 1935 ("PUHCA 1935"), the Commission has stated that "applicants are still required to address whether the transaction will

⁵³ Order No. 642, FERC Stats. & Regs. ¶ 31,111 at 31,914-15.

have any effect on the Commission's regulation."⁵⁴ Neither of these concerns is raised by the Transaction, which will have no adverse effect on regulation.

The Transaction will not diminish federal regulatory authority over LG&E/KU insofar as, following the Transaction, LG&E/KU and the Bluegrass Facility will remain subject to the Commission's jurisdiction under the FPA. In addition, the Transaction will have no adverse effect on state regulation insofar as consummation is conditioned on approval by the KPSC and the Virginia State Corporation Commission ("VSCC").

B. The Transaction Will Not Result in a Proscribed Cross-Subsidization or the Pledge or Encumbrance of Utility Assets

Under FPA Section 203, as amended by EAct 2005, the Commission will approve a proposed transaction "if it finds that the proposed transaction will be consistent with the public interest, and will not result in cross-subsidization of a non-utility associate company or the pledge or encumbrance of utility assets for the benefit of an associate company, unless the Commission determines that the cross-subsidization, pledge, or encumbrance will be consistent with the public interest."⁵⁵ As explained in Exhibit M, the Transaction satisfies this standard.

VI. THE COMMISSION'S PART 33 FILING REQUIREMENTS

In compliance with Section 33.2 of the Commission's regulations, 18 C.F.R. Section 33.2, Applicants submit the following information.

A. Section 33.2(a) – Exact Name of Applicants and their Principal Business Addresses

Bluegrass Generation's exact name is Bluegrass Generation Company, L.L.C. and its principal place of business is Two Tower Center, 11th Floor, East Brunswick, NJ 08816.

⁵⁴ *Transactions Subject to FPA Section 203*, Order No. 669, FERC Stats. & Regs. ¶ 31,200 at P 196 n.140 (2005), *order on reh'g*, Order No. 669-A, FERC Stats. & Regs. ¶ 31,214, *order on reh'g*, Order No. 669-B, 116 FERC ¶ 61,076 (2006).

⁵⁵ 16 U.S.C.S. § 824b (a)(4) (2006).

LG&E's exact name is Louisville Gas and Electric Company and its principal place of business is 220 West Main Street, Louisville, Kentucky 40202.

KU's exact name is Kentucky Utilities Company and its principal place of business is One Quality Street, Lexington, Kentucky 40507.

The business address for PPL Electric Utilities Corporation, Lower Mount Bethel Energy, LLC, PPL Brunner Island, LLC, PPL Great Works, LLC, PPL Holtwood, LLC, PPL Maine, LLC, PPL Martins Creek, LLC, PPL Montour, LLC, PPL Susquehanna, LLC, PPL EnergyPlus, LLC, PPL New Jersey Solar, LLC, PPL New Jersey Biogas, LLC, PPL Renewable Energy, LLC is Two North Ninth Street, GENTW4, Allentown, PA 18102.

The business address for PPL Montana, LLC, PPL Colstrip I, LLC, and PPL Colstrip II, LLC is 303 North Broadway, Suite 400, Billings, MT 59101.

B. Section 33.2(b) – The Names and Addresses of Persons Authorized to Receive Notices and Communications Regarding the Application

Applicants request that all notices, correspondence, and other communications concerning this Application be directed to the following persons.

For Bluegrass Generation

Neil L. Levy*
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* Designated for service.

Applicants respectfully request waiver of the Commission's regulations so as to allow more than two persons to be placed on the official service list for this proceeding.

C. Section 33.2(c) – Description of Applicants (Exhibits A-F)

1. Business Activities (Exhibit A)

A description of Applicants and their business activities is included in Part II of this Application as well as in Exhibit B. Accordingly, Applicants respectfully request waiver of the need to submit an Exhibit A.

2. Energy Subsidiaries and Affiliates (Exhibit B)

A description of LG&E/KU's jurisdictional and other relevant affiliates is attached as Exhibit B. Applicants respectfully request waiver of the need to provide any additional information regarding additional affiliates as such additional information is not relevant to the Transaction or to this Application and would be unduly burdensome to compile. More

specifically, such other affiliates do not engage in Commission-jurisdictional activities under FPA Part II and will have no role in the Transaction, financially or otherwise.

In addition, Applicants respectfully request waiver of any need to submit additional information concerning the affiliates of Bluegrass Generation. Insofar as Bluegrass Generation is not merging with LG&E/KU but, rather, is selling LG&E/KU jurisdictional assets, information regarding Bluegrass Generation's affiliates is not relevant to the Commission's consideration of this Application and would be unduly burdensome to compile.

3. Organizational Charts (Exhibit C)

Applicants' organizational structures will not change as a result of the Transaction, which involves only the acquisition of certain assets by LG&E/KU from Bluegrass Generation. Accordingly, Applicants respectfully request waiver of the need to submit an Exhibit C.

4. Joint Ventures, Strategic Alliances, Tolling Arrangements or Other Business Arrangements (Exhibit D)

All contracts, joint ventures or strategic alliances entered into by Applicants and/or their affiliates will be honored after consummation of the Transaction, in accordance with their terms. Accordingly, Applicants respectfully request waiver of the need to submit an Exhibit D.⁵⁶

5. Common Officers or Directors (Exhibit E)

There are no common officers or directors as between LG&E/KU and their affiliates, on the one hand, and Bluegrass Generation, on the other hand, and there will continue to be no common officers or directors as between LG&E/KU and their affiliates, on the one hand, and Bluegrass Generation, on the other hand, following consummation of the Transaction. Accordingly, Applicants respectfully request waiver of the need to submit an Exhibit E.

⁵⁶ *Orion Power Holdings, Inc.* 98 FERC ¶ 61,136 (2002) (granting a waiver of the requirement to file Exhibit D based on the explanation that all contracts, joint ventures, and strategic alliances entered into before the Transaction will be honored after the merger).

6. Wholesale Power Sales Customers and Unbundled Transmission Services Customers (Exhibit F)

A list of the current Commission-jurisdictional wholesale power sales and unbundled transmission services customers of LG&E/KU is attached as Exhibit F. Applicants respectfully request waiver of any need to provide such information regarding their affiliates as such information would be unduly burdensome to compile and is not relevant to the Commission's consideration of this Application. LG&E/KU note that none of their affiliates has wholesale power sales or unbundled transmission services customers in the LGEE BAA. All relevant information regarding customers of Bluegrass Generation is provided in EQRs. Applicants further request waiver of any requirement to provide any additional information as to Bluegrass Generation as it is not relevant to the Commission's consideration of this Application.

D. Section 33.2(d) – Jurisdictional Facilities Owned, Operated, or Controlled by Applicants or their Affiliates (Exhibit G)

Enclosed as Exhibit G are tables identifying the jurisdictional generation and electric transmission facilities owned, operated, or controlled by LG&E/KU and their affiliates. Applicants respectfully request waiver of the requirement to provide such information as to Bluegrass Generation and its affiliates as it is not relevant to the Commission's analysis.

E. Section 33.2(e) – Jurisdictional Facilities and Securities Associated with or Affected by the Transaction, Consideration for the Transaction (Exhibit H)

The jurisdictional facilities and securities associated with or affected by the Transaction are described in Parts II and III, as well as in Exhibit G. As explained in Section III, the consideration for the Transaction is approximately \$110 million in cash, subject to certain adjustments. Accordingly, Applicants respectfully request waiver of the need to submit an Exhibit H.

F. Section 33.2(f) – Contracts Related to the Transaction (Exhibit I)

The September 15, 2011 Asset Purchase Agreement governing the Transaction is attached hereto at Exhibit I. Applicants respectfully request waiver of the need to submit any additional information, to the extent required, as such information is not relevant (or, at the least, not directly relevant) to the Transaction or to this Application.

G. Section 33.2(g) – Facts Relied Upon to Show that the Transaction is Consistent with the Public Interest (Exhibit J)

A discussion of the facts relied upon to show that the Transaction is consistent with the public interest is provided above in Part V. Accordingly, Applicants respectfully request waiver of the need to submit an Exhibit J.

H. Section 33.2(h) – Key Map Showing Properties of Each Party to the Transaction (Exhibit K)

A map showing in different colors the primary jurisdictional properties of LG&E, KU, and Bluegrass Generation is attached hereto as Exhibit K. Applicants respectfully request waiver of any need to provide such information regarding their affiliates as such information would be unduly burdensome to compile and is not relevant to the Commission's consideration of this Application.

I. Section 33.2(i) – Other Regulatory Approvals (Exhibit L)

In addition to approval of the Commission, consummation of the Transaction is conditioned on approval of the KPSC and the VSCC. An application seeking approval of the KPSC was filed on September 15, 2011, and an application seeking VSCC approval is expected to be filed by the end of the year. In view of the foregoing information, Applicants respectfully request waiver of the need to submit an Exhibit L.

J. Section 33.2(j) – Cross-Subsidizations, Pledges or Encumbrances of Utility Assets (Exhibit M)

A discussion of cross-subsidization and related issues is set forth in Section B above and in Exhibit M attached hereto. In addition, verifications consistent with 18 C.F.R. § 33.2(j) and the guidance provided in Order No. 669 are attached as Appendix 1 hereto.⁵⁷

VII. ADDITIONAL MATERIALS PROVIDED

A. Verifications

Verifications executed by Applicants' respective authorized representatives in accordance with 18 C.F.R. § 33.7 is provided as Appendix 1 hereto. One verification has been executed for each of LG&E/KU and Bluegrass Generation. Applicants respectfully request waiver of any need to execute individual verifications for LG&E and KU individually and/or for each of their public utility affiliates.

B. Proposed Accounting Entries

Proposed accounting entries showing the affect of the Transaction on LG&E's and KU's jurisdictional accounts are enclosed as Appendix 3. No accounting entries are provided for Bluegrass Generation, because it is not required to maintain its books and records in accordance with the Commission's Uniform System of Accounts.

VIII. REQUEST FOR 21-DAY NOTICE PERIOD AND EXPEDITED CONSIDERATION SO AS TO PERMIT ISSUANCE OF ORDER NO LATER THAN FEBRUARY 15, 2012.

To permit sufficient time for pre-closing matters, Applicants respectfully request that the Commission issue an order approving the Transaction by February 15, 2012. In order to facilitate an order by this date, Applicants request that the Commission set a 21-day period for public comment on the Application. While the Commission generally favors 60-day comment

⁵⁷ See Order No. 669, FERC Stats. & Regs. ¶ 31,200 at P 169.

periods for FPA Section 203 applications, like this Application, that include “Appendix A” analyses, it has expressly declined to “formalize this policy by rule” in order to allow it to be “flexible to deal with varying circumstances.”⁵⁸ Consistent with its decision to retain the flexibility to address varying circumstances, the Commission has established comment periods of less than 60 days for applications including “Appendix A” analyses on a number of occasions.⁵⁹ Applicants respectfully request that the Commission exercise such flexibility here by granting a 21-day comment period.

An order issued by February 15, 2012 is also consistent with the Commission’s regulations, which provide that the Commission will review applications that are uncontested, do not involve mergers, and are consistent with Commission precedent on an expedited basis.⁶⁰

IX. REQUEST FOR PRIVILEGED TREATMENT

Applicants respectfully request privileged treatment, in accordance with 18 C.F.R. Section 388.112, for portions of Ms. Solomon’s workpapers. Due to their size, these workpapers will be filed on CD-ROM under separate cover contemporaneously with this Application.

⁵⁸ Order No. 669 at P 194.

⁵⁹ See, e.g., Combined Notice of Filings #1, Docket Nos. EC10-64-000, *et al.* (May 19, 2010) (unreported) (establishing a 30-day comment period for an FPA Section 203 application filed in Docket No. EC10-70-000); Combined Notice of Filings #1, Docket Nos. EC10-64-000, *et al.* (May 11, 2010) (unreported) (establishing a 31-day comment period for an FPA Section 203 application filed in Docket No. EC10-64-000); Combined Notice of Filings #1, Docket Nos. EC10-15-000, *et al.* (Nov. 10, 2009) (unreported) (establishing a 28-day comment period for an FPA Section 203 application filed in Docket No. EC10-15-000); Combined Notice of Filings #1, Docket Nos. EC08-127-000, *et al.* (Sept. 30, 2008) (unreported) (establishing a 21-day comment period for an FPA Section 203 application filed in Docket No. EC08-127-000); Combined Notice of Filings #1, Docket Nos. EC07-30-000, *et al.* (Dec. 6 2006) (unreported) (establishing a 21-day comment period for an FPA Section 203 application filed in Docket No. EC07-31-000).

⁶⁰ 18 C.F.R. § 33.11(b). See also Order No. 669, FERC Stats. & Regs. ¶ 31,200 at PP 188, 194 (Commission will give expedited consideration to Section 203 applications that are not mergers and that are consistent with Commission precedent, and will adopt a flexible notice period policy that will allow quick processing to allow reasonable business goals to be met). In addition, this Application includes the verifications the Commission stated could streamline the approval process by avoiding a detailed examination of cross-subsidization and encumbrance issues. See *id.* at P 169.

Those workpapers contain “[t]rade secrets and commercial or financial information obtained from a person [that are] privileged or confidential.”⁶¹ More particularly, certain of the information contained in those workpapers is commercially sensitive and not publicly available, and its disclosure would cause competitive harm if released. Accordingly, good cause exists for the Commission to grant Applicants’ request for privileged treatment.

As required by 18 C.F.R. Section 33.9, Applicants have included as Appendix 4 hereto a proposed protective order, based on the Commission’s model protective order, under which these confidential materials would be designated as protected materials subject to the provisions of the protective order.

⁶¹ 18 C.F.R. § 388.107(d) & (f).

X. CONCLUSION

WHEREFORE, for the foregoing reasons, Applicants respectfully request that the Commission:

- (a) Establish a comment period of no more than 21 days; and
- (b) Approve the Transaction under FPA Section 203 no later than February 15, 2012.

Respectfully submitted,

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Dated: November 14, 2011
Washington, DC

APPENDIX 1

VERIFICATIONS

[See Attached]

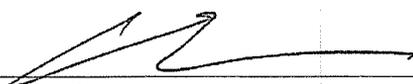
UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

VERIFICATION PURSUANT TO 18 C.F.R. § 33.7

State of NEW YORK)
)
County of NEW YORK)

NOW, BEFORE ME, the undersigned authority, personally came and appeared,
Darpan Kapadia, who first being duly sworn by me, did depose and say:

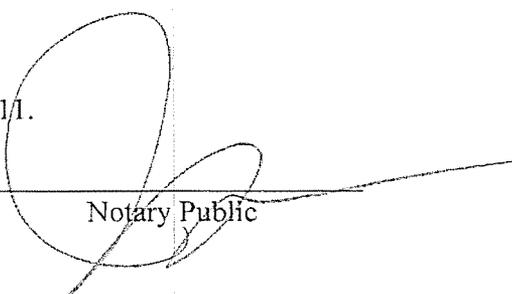
That ~~he~~ is the Managing Director of Bluegrass Generation Company, L.L.C. and that
~~he~~ has read the foregoing Application and attached Exhibits and knows the contents thereof,
and that all of the statements contained therein with respect to the foregoing entity are true and
correct to the best of ~~his~~ his knowledge, information and belief.



[name] Darpan Kapadia
[title] Managing Director
Bluegrass Generation Company, L.L.C.

Subscribed and sworn to me this 10th day of November, 2011.

JOHN STAIKOS
Notary Public, State of New York
No. 02ST6138839
Qualified in New York County
Commission Expires Dec. 27, 2013



Notary Public

APPENDIX 2

AFFIDAVIT OF JULIE SOLOMON

[See Attached]

**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

Bluegrass Generation Company, L.L.C.)	
Louisville Gas and Electric Company)	Docket No. EC12-_____
Kentucky Utilities Company)	

AFFIDAVIT OF JULIE R. SOLOMON

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INTRODUCTION

My name is Julie R. Solomon. I am a Managing Director of Navigant Consulting, Inc. My business address is 1801 K Street, N.W., Suite 500, Washington, DC 20006. A large portion of my consulting activities involves electric utility industry restructuring and the transition from regulation to competition. I have been involved extensively in consulting on market power issues concerning mergers, other asset Transaction and market-based rate applications. I have filed a number of affidavits before the Federal Energy Regulatory Commission (the “Commission”) in connection with electric utility mergers, the purchase and sale of jurisdictional assets, applications for market-based rates, and triennial updates. My resume is attached as Exhibit JRS-1.

I have been asked by counsel for Louisville Gas and Electric Company (“LG&E”) and Kentucky Utilities Company (“KU”) (“LG&E/KU”) and Bluegrass Generation Company, L.L.C. (“Bluegrass”) (collectively “Applicants”) to evaluate the potential competitive impact on electricity markets of LG&E/KU’s proposed purchase of the Bluegrass Generating Facility from Bluegrass (the “Transaction”). The Bluegrass Generating Facility is a 495 MW (summer rating) natural gas-fired simple cycle combustion turbine (“CT”) merchant facility located in La Grange, Kentucky, within the balancing authority area (“BAA”) of LG&E/KU (“LGEE”).

SUMMARY OF CONCLUSIONS

The potential market power issue arising from the Transaction relates to combining the merchant Bluegrass Generating Facility with LG&E/KU’s approximately 8,000 MW of rate-base regulated generation in the LGEE BAA. The Bluegrass Generating Facility is a natural gas-fired simple-cycle combustion turbine facility (“CT”) that is expected to operate typically only during the highest peak periods. In other, lower-load time periods, there is no impact from the Transaction on competition because CTs such as the Bluegrass Generating Facility are not economic.

On the basis of the results of the Competitive Analysis Screen, and other relevant factors that I considered, I conclude that the Transaction does not raise competitive concerns for the following reasons.

The Competitive Analysis Screen is failed only in the four super peak time periods in the Base Case, which periods represent less than 5 percent of annual hours. This result is highly

conservative because the Bluegrass Generating Facility will likely be economic to operate in fewer hours and thus the frequency of reported screen failures is likely overstated. Nevertheless, based on the assumptions in the Competitive Analysis Screen in those time periods, the changes in the Herfindahl-Hirschman Index (“HHI”) for Available Economic Capacity (“AEC”) are significant, reflective of the fact that LG&E/KU also have AEC at these times.¹ Because the super peak hours represent less than 5 percent of annual hours, failure of 4 out of 10 time periods does not constitute a 40 percent “failure rate”, but only a 5 percent “failure rate.” As required, I conducted sensitivities around market prices, but the fact remains that this Transaction adds AEC only in very high peak periods, such that sensitivities are of limited value in this context. As further explained below, despite these screen failures, other facts indicate a lack of market power concern.

Because the plant’s capacity factor is low – approximately 2 percent in recent years – the acquisition by LG&E/KU to serve its native load obligations cannot seriously be considered to create a market power problem in energy markets. Because the Bluegrass Generating Facility is comprised of CTs, it typically will operate primarily in the highest load hours of the year. This is consistent with how it has operated in the recent past. During 2008-2009, the overall capacity factor for the Bluegrass Generating Facility was 1.3 percent (the equivalent of operating less than 115 hours per year). In 2010, its overall capacity factor was 2.2 percent. During 2010, the Bluegrass Generating Facility units ran at a 90 percent capacity factor in the needle peak hour (S_SP1), a 65 percent capacity factor in the next highest 10 percent of summer peak hours (S_SP2), but only at a 6 percent capacity factor in the remaining summer peak hours (S_P) and only one percent in summer off-peak hours (S_OP). Capacity factors were small in the remaining time periods, except for the shoulder super peak hours (SH_SP), where it operated at an 18 percent capacity factor in 2010. This pattern of operation is similar to LG&E/KU’s existing fleet of CTs more generally in 2010, although some of their owned CTs operated more

¹ As I describe below, the lack of retail access in Kentucky means that AEC is the appropriate measure by which to evaluate the impact of this Transaction. The Commission recently reiterated that “the AEC measure is more appropriate for markets where there is no retail competition and no indication that retail competition will be implemented in the near future.” *Duke Energy Corporation*, 136 FERC ¶ 61,245 (2011) at P 124, citing, e.g., *Great Plains*, 121 FERC ¶ 61,069 at P 34 & n.44, *reh’g denied*, 122 FERC ¶ 61,177 (2008); *Nat’l Grid, plc.*, 117 FERC ¶ 61,080 at P 27-28, *reh’g denied*, 122 FERC ¶ 61,096; *Westar Energy, Inc.*, 115 FERC ¶ 61,228 at P 72, *reh’g denied*, 117 FERC ¶ 61,011 at P 39; *Nev. Power Co.*, 113 FERC ¶ 61,265 at P 15.

frequently in the winter 2010.² The expectation that the Bluegrass Generating Facility is economic and running primarily in the summer is consistent with (i) LG&E/KU's transmission models used for calculating Simultaneous Import Limits ("SIL"), which assume, both before and after the Transaction, that the Bluegrass Generating Facility will not be economic, and hence not dispatched; and (ii) LG&E/KU's economic dispatch models, which indicate that, subject to no transmission constraints, the Bluegrass Generating Facility will be dispatched only 2 percent annually. Further, I understand that when certain transmission constraints exist, there are limitations on dispatching the Bluegrass Generating Facility and the Trimble County CTs; in other words, transmission constraints may preclude the simultaneous operation of the two sets of CTs.

LG&E/KU are obligated to have sufficient generating resources to meet native and requirements load, and adequate reserve margins. Relative to their target 16 percent reserve margin, LG&E/KU have forecast a modest shortfall beginning in 2015, which becomes a significant shortfall in 2016 given plans to retire 797 MW of generation due to impending Environmental Protection Agency regulations. Unless it builds and/or buys additional generation, LG&E/KU would be approximately 900 MW short of sufficient supply in 2016 to serve native and requirements load and satisfy its target reserve margin. Earlier this year, LG&E/KU determined that the least-cost alternative for meeting future capacity and energy needs was to build a 640 MW combined-cycle plant (in 2016) and to purchase the Bluegrass Generating Facility. Given forecasted load growth over the next ten years, LG&E/KU need to add about 100 MW per year to maintain an adequate reserve margin. Acquiring the Bluegrass Generating Facility, along with the planned retirements and building of a new combined-cycle plant, LG&E/KU will be approximately back to its target reserve margin of 16 percent in 2016-2017. Consistent with this forecast, any AEC acquired as a result of the Transaction – which, in any event, occurs only at very high peak load periods – will disappear relatively quickly. LG&E/KU's load is forecasted to grow at an average annual rate of approximately 1.1 percent over the next ten years.

Bluegrass historically has sold virtually all of its energy to LG&E/KU, further underscoring the lack of adverse competitive effect of the Transaction. Because there has not been any evidence of third-party demand for supply from these CTs within the LG&E BAA, the Transaction has little,

² Relative to the Bluegrass Generating Facility, the existing LG&E/KU CTs ran at somewhat higher capacity factors overall (about 9 percent in 2010), and particularly during peak summer and winter periods.

if any, effect on the competitive landscape. This is important, because it indicates that the Transaction will result in no material reduction in competitive alternatives within the LGEE market.

LG&E/KU do not have authority to make wholesale sales within the LGEE BAA at market-based rates, which eliminates any incentive to use any perceived increase in generation market power to raise market prices within LGEE.

Finally, there are no vertical market power concerns raised by this Transaction. The transmission assets of LG&E/KU are subject to their Open Access Transmission Tariff (“OATT”). Additionally, LG&E/KU have an Independent Transmission Organization (“ITO”), put in place in connection with their withdrawal from the Midwest Independent Transmission Operator, Inc. (“MISO”) and previous mergers. The ITO provides some NERC-related functions, and is responsible for granting transmission service on LG&E/KU’s system, and related activities. The presence of the OATT and ITO eliminates any potential transmission-related vertical market power concerns. There also are no concerns arising from LG&E’s natural gas distribution activities.

DESCRIPTION OF APPLICANTS

Louisville Gas and Electric Company and Kentucky Utilities Company

LG&E is a vertically-integrated electric utility and also operates a natural gas distribution company and storage facilities in Kentucky. KU is a vertically-integrated electric utility in Kentucky, with limited operations in Tennessee and Virginia. Both LG&E and KU are indirect, wholly- or partially-owned subsidiaries of PPL Corporation (“PPL Corp.”). As shown in Exhibit JRS-2, LG&E/KU own or control approximately 8,000 MW of generation capacity in the LGEE BAA. This amount includes, in addition to the generation wholly-owned by LG&E/KU, 75 percent shares of Trimble County 1 and 2, co-owned with Indiana Municipal Power Agency (“IMPA”) and Indiana Municipal Electric Association (“IMEA”). Trimble County 1 and 2 are operated by LG&E/KU.

LG&E and KU have a combined 8.13 percent ownership interest and power participation share of Ohio Valley Electric Corporation (“OVEC”). OVEC owns a 993 MW generating station (Kyger Creek), and its wholly-owned subsidiary, Indiana Kentucky Electric Corporation, owns a

1,203 MW generating station (Clifty Creek), both located in the OVEC BAA. These generating plants were built to supply power to the former Portsmouth, Ohio uranium enrichment facility, which has been shut down. LG&E and KU have grandfathered transmission rights to move their share of the output of the OVEC plants (approximately 179 MW) to the LGEE BAA, and I treat this generation as residing in LGEE.

KU owns 20 percent of Electric Energy, Inc. (“EEInc”), which owns and operates the 1,002 MW plant at Joppa, Illinois that was built to serve the Paducah, Kentucky uranium enrichment plant, and also owns and operates an additional 239 MW of generation at the Joppa site (MEPI GT facility). Both facilities are fully under the operation and control of Ameren, the majority owner of EEInc, and KU has no right to any of the plants’ output.

Bluegrass Generation Company, L.L.C.

Bluegrass is an indirect, wholly owned subsidiary of LS Power Development, LLC (“LSP Development”). Bluegrass leases, operates and has the right to the output from the approximately 495 MW gas-fired peaking Bluegrass Generating Facility located in Oldham County, Kentucky.

LSP Development and its affiliates develop, and invest in, independent power projects in the United States. LS Power Equity Partners, an investment vehicle focused on the power industry, has purchased and sold a number of power plants in recent years. A complete description of LSP Development and its relevant subsidiaries is included in the Application.

Through indirect subsidiaries, LSP Development currently owns approximately 4,500 MW of generating capacity in the United States. The Bluegrass Generating Facility is the only generation owned by or affiliated with LSP Development in Kentucky. However, some of LSP Development’s other subsidiaries or assumed affiliated own other generating facilities located in the Southeast in potentially relevant first-tier markets.³ (See Exhibit JRS-3.) I took this generation into consideration in my analysis.

³ LSP Development is assumed to be affiliated with Calpine Corporation (“Calpine”), which owns some generation in the Southeast and in other markets first-tier to the LGEE BAA. LSP Development owns, together with certain of its affiliates and its assumed affiliate Luminus Management, LLC, in excess of 10 percent of Calpine’s outstanding voting securities. Thus, for purposes of this analysis, I have assumed that generation owned or controlled by Calpine and its respective affiliates and subsidiaries is under common control with LSP Development, and, hence, effectively part of the generation portfolio of LSP Development. This treatment is

FRAMEWORK FOR THE ANALYSIS

Market power is the ability of a firm to profitably maintain prices above competitive levels for a significant period of time. Market power analysis of a proposed merger or other combination of assets examines whether a merger or transaction would cause a material increase in the combining firms' market power or a significant reduction in the competitiveness of relevant markets. The focus is on the effects of the transaction, which means that the analysis examines those business areas in which the combining firms are competitors. This is referred to as horizontal market power assessment. In most instances, a transaction will not affect competition in markets in which the combining firms do not compete. Of relevance to my analysis, the proposed Transaction will combine the assets owned or controlled by LG&E/KU and their affiliates with those being sold by Bluegrass. In the context of the proposed Transaction, therefore, the focus is properly on those markets in which LG&E/KU and Bluegrass are actual or potential competitors. The analysis is intended to measure the adverse impact, if any, of the elimination of a competitor as a result of the combination in relevant markets.

Potential vertical market effects of a proposed merger or other combination relate to the combining firms' ability and incentives to use their market position over a product or service to affect competition in a related business or market. For example, vertical effects could result if a transaction created an opportunity and incentive to operate electric transmission in a manner that created market power for the generation activity of the merged company that did not exist previously. The Commission has identified market power as also arising from dominant control over potential generation sites or over fuel supply and fuel transportation systems. Such dominant control could undercut the presumption that long-run generation markets are competitive and could injure competition by raising rivals' costs.

Understanding the competitive impact of a transaction requires defining the relevant market (or markets) in which the combining firms participate. Participants in a relevant market include all suppliers, and in some instances potential suppliers, who can compete to supply the products produced by the combining parties and whose ability to do so diminishes the ability of the combining parties to increase prices. Hence, determining the scope of a market is fundamentally

consistent with the approach I have taken in other analyses performed for LSP Development and its subsidiaries in connection with other filings with the Commission.

an analysis of the potential for competitors to respond to an attempted price increase. Typically, markets are defined in two dimensions: geographic and product. Thus, the relevant market is composed of companies that can supply a given product (or its close substitute) to customers in a given geographic area.

In December 1996, the Commission issued Order No. 592,⁴ the “Merger Policy Statement,” which provides a detailed analytic framework for assessing the horizontal market power arising from electric utility mergers (the Appendix A analysis). This analytic framework is organized around a market concentration analysis. The Commission adopted the U.S. Department of Justice (“DOJ”) and Federal Trade Commission (“FTC”) April 1992 *Horizontal Merger Guidelines* for measuring market concentration levels by the HHI.⁵ On November 15, 2000, the Commission issued its Revised Filing Requirements Under Part 33 of the Commission’s Regulations,⁶ which affirmed the screening approach to mergers consistent with the Appendix A analysis set forth in the Merger Policy Statement, and codified the need to file a Competitive

⁴ *Inquiry Concerning the Comm’n’s Merger Policy Statement Under the Federal Power Act*, FERC Stats. & Regs. ¶ 31,044 (1996) (“Order No. 592”), *reh’g denied*, 79 FERC ¶ 61,321 (1997) (“Merger Policy Statement”).

⁵ To determine whether a proposed merger requires further investigation because of a potential for a significant anti-competitive impact, the DOJ and FTC consider the level of the HHI after the merger (the post-merger HHI) and the change in the HHI that results from the combination of the market shares of the merging entities. Markets with a post-merger HHI of less than 1000 are considered “unconcentrated.” The DOJ and FTC generally consider mergers in such markets to have no anti-competitive impact. Markets with post-merger HHIs of 1000 to 1800 are considered “moderately concentrated.” In those markets, mergers that result in an HHI change of 100 points or less are considered unlikely to have anti-competitive effects. Finally, post-merger HHIs of more than 1800 are considered to indicate “highly concentrated” markets. The *Guidelines* suggest that in these markets, mergers that increase the HHI by 50 points or less are unlikely to have a significant anti-competitive impact, while mergers that increase the HHI by more than 100 points are considered likely to reduce market competitiveness. (See U.S. Department of Justice and Federal Trade Commission, *Horizontal Merger Guidelines* (April 2, 1992), *amended* 1997.)

On August 19, 2010, the DOJ and FTC issued updated Horizontal Merger Guidelines. See <http://www.justice.gov/atr/public/guidelines/hmg-2010.pdf>. Here, DOJ defines markets with an HHI of less than 1500 as unconcentrated, markets with an HHI between 1500 and 2500 as moderately concentrated, and markets with an HHI above 2500 as highly concentrated. General standards for HHI changes were also revised: mergers involving an increase in the HHI of less than 100 points are unlikely to have adverse competitive effects; mergers in unconcentrated markets are unlikely to have adverse competitive effects; mergers in moderately concentrated markets that involve an increase in the HHI of more than 100 points potentially raise significant competitive concerns; and mergers in highly concentrated markets that involve an increase in the HHI of between 100 points and 200 points potentially raise significant competitive concerns, but that involve an increase in the HHI of more than 200 points will be presumed to be likely to enhance market power.

Because FERC has not revised its Revised Filing Requirements to correspond with these recent updates, my analysis is based on the standards currently in place in the Revised Filing Requirements.

⁶ Order No. 642.

Analysis Screen and the exceptions therefrom. Specifically, when necessary, the Commission's regulations require a "delivered price test" ("DPT") to measure Economic Capacity ("EC"), defined as energy that can be delivered into a destination market at a delivered cost less than 105 percent of the destination market price, and AEC, defined as economic energy over and above what is required to meet native load and other long-term obligations. If a proposed transaction raises no horizontal market power concerns (*i.e.*, passes the Competitive Analysis Screen), the inquiry generally is terminated with respect to horizontal market power.

Both the Merger Policy Statement and Order No. 642 provide that a screen analysis (or filing of the data needed for the screen analysis) is not required where applicants do not sell products in the same geographic markets or the extent of their business transactions in the same geographic markets is *de minimis*.⁷

Relevant Product Markets

The Commission generally is concerned with the following relevant product markets: non-firm energy, short-term capacity (firm energy), long-term capacity, and certain ancillary services.⁸

Both EC and AEC are used as measures of energy in conducting the DPT to assess horizontal market power. As noted above, EC is the energy from generating capacity owned or controlled by potential suppliers that can be economically delivered to the destination market; AEC is economic capacity in excess of that required to meet native load and other long-term obligations. Under both measures, capacity that is attributed to a market participant is that capacity controlled

⁷ Order No. 592 at 30,113 provides: ". . . it will not be necessary for the merger applicants to perform the screen analysis or file the data needed for the screen analysis in cases where the merging firms do not have facilities or sell relevant products in common geographic markets. In these cases, the proposed merger will not have an adverse competitive impact (*i.e.*, there can be no increase in the applicants' market power unless they are selling relevant products in the same geographic markets) so there is no need for a detailed data analysis."

The Commission's regulations provide that a Competitive Analysis Screen need not be filed if the applicant "[a]ffirmatively demonstrates that the merging entities do not currently conduct business in the same geographic markets or that the extent of the business Transaction in the same geographic markets is *de minimis*." 18 C.F.R. § 33.3(a)(2)(i).

⁸ See 18 C.F.R. § 33.3(c)(1).

by it that can reach the destination market, taking transmission constraints and costs into account, at a price no higher than 105 percent of the destination market price.⁹

I conducted both EC and AEC analyses. As noted earlier, however, in the context of non-restructured markets (*i.e.*, where traditional suppliers maintain load-serving responsibility), the Commission appropriately has tended to rely on DPT results for AEC.¹⁰

Relevant Geographic Markets

Traditionally, the Commission has defined the relevant geographic markets as centered on the applicants and, for transmission-owning entities, on control areas (now BAAs) directly interconnected with the applicants (*i.e.*, first-tier control areas). Both Order No. 592 and Order No. 642 continue to define the relevant geographic market in terms of control areas/BAAs (or destination markets) in which applicants own generation and transmission, and first-tier destination markets.¹¹ While destination markets typically are defined as individual BAAs, the Commission's practice has been to aggregate customers that have the same supply alternatives into a single destination market. This approach has been accepted in a number of merger filings within Regional Transmission Organizations ("RTOs")/Independent Transmission Operators ("ISOs").¹² Further, in a merger context, the Commission considers as potential additional destination markets other entities that historically have been customers of the applicants.¹³

Thus, my analysis is focused on the LGEE BAA (where the Bluegrass Generating Facility is being acquired) and its first-tier interconnected markets (Tennessee Valley Authority ("TVA"), East Kentucky Power Company ("EKPC"), MISO, and PJM Interconnection, L.L.C. ("PJM")).¹⁴

⁹ See 18 C.F.R. § 33.3(c)(4).

¹⁰ See note 1.

¹¹ Order No. 592 at 30,119; 18 C.F.R. § 33.3(c)(2).

¹² Order No. 642, ¶ 31,311 at 31,844-5, citing *Atlantic City Electric Company and Delmarva Power & Light Company*, 80 FERC ¶ 61,126 (1997); *Consolidated Edison Co., Inc. and Northeast Utilities* 91 FERC ¶ 61,225 (2000). To the extent there are internal transmission constraints within these markets, the Commission has considered smaller markets within these single balancing authority areas as potentially relevant. See, also, *Order No. 697* at P 246, citing to a number of Commission decisions involving electric utility mergers.

¹³ 18 C.F.R. § 33.3(c)(2).

¹⁴ LGEE also is interconnected to the OVEC and EEI BAAs. I did not analyze the EEI and OVEC BAAs (although this generation is taken into account in the analysis), because they are essentially generation-only BAAs. The

Competitive Analysis Screen

This test is intended to be a conservative screen to determine whether further analysis of market power is necessary.¹⁵ If the Competitive Analysis Screen shows that the merging entities will not be able to exercise market power in narrowly defined markets in which they own or control generation (*e.g.*, balancing authority areas), it generally follows that the merging entities will not have market power in more broadly defined and more geographically remote markets.

The Competitive Analysis Screen measures the HHI changes resulting from a transaction. The acceptable HHI changes depend on whether the post-transaction market is unconcentrated, moderately concentrated, or highly concentrated.

Description of Methodology

I evaluated the competitive effects of the Transaction using the DPT outlined in Appendix A and Order No. 642, focusing on the markets noted above (LGEE, TVA, EKPC, MISO, and PJM).

I performed this analysis using a model that includes each potential supplier as a distinct “node” or area that is connected via a transportation (or “pipes”) representation of the transmission network. Each link in the network has its own non-simultaneous limit and cost and simultaneous limits can be imposed across these individual limits. Potential suppliers may use economically and physically feasible links or paths to reach the destination market. This generally is a conservative approach as it limits import supply to a smaller group of potential market participants. To the extent more generation meets the economic element of the delivered price test (*e.g.*, 105 percent of the market price)¹⁶ than can actually be delivered on the transmission network, scarce transmission capacity is allocated based on the relative amount of economic generation that each party controls at a constrained interface.

Commission previously has determined that the EEI BAA should be combined with the TVA BAA for purposes of market power analyses, and I treat it as such here. *Carolina Power & Light Co.*, 128 FERC ¶ 61,039 at P 10 (2009). With respect to OVEC, there is virtually no load since the customer, the uranium enrichment plant in Portsmouth, Ohio, shut down its operations. The OVEC generation is committed to the various owners located in PJM or MISO, and I have treated it accordingly, including counting LG&E/KU’s shares of OVEC generation as part of the LGEE BAA.

¹⁵ See Order No. 642 at 31,879 and 31,886-31,887; Order No. 592 at 30,119.

¹⁶ See 18 C.F.R. 33.3(c)(4) (2011).

The source and methodology for the data required to conduct the DPT is described in Exhibit JRS-4.

Time Periods

Consistent with the requirements of the Competitive Analysis Screen, I considered the effect of the Transaction over a range of system conditions. In the particular circumstances of this Transaction, the only relevant system conditions are those in which CTs such as the Bluegrass Generating Facility are economic.

For each relevant market, as is typical of the DPT analyses, I considered ten time periods for the EC and AEC measure, selected to reflect a broad range of system conditions. Broadly, I evaluated hourly load data to aggregate similar hours. I defined periods within three seasons (Summer, Winter and Shoulder) to reflect the differences in unit availability, load and transmission capacity. Hours were first separated into seasons to reflect differences in generating availability and then further differentiated by load levels during each season.¹⁷ For each season, hours were segmented into peak- and off-peak periods.¹⁸ The periods evaluated (and the designations used to refer to these periods in exhibits) are:

SUMMER (June-July-August)

Super Peak 1 (S_SP1):	Top load hour
Super Peak 2 (S_SP2):	Top 10% of peak load hours
Peak (S_P):	Remaining peak hours
Off-peak (S_OP):	All off-peak hours

WINTER (December-January-February)

Super Peak (W_SP):	Top 10% of peak load hours
Peak (W_P):	Remaining peak hours

¹⁷ Appendix A requires applicants to evaluate the merger's impact on competition under different system conditions. For example, aggregating summer peak and shoulder peak conditions may mask important differences in unit availability and, therefore, a merger could potentially affect competition differently in these seasons. Thus, applicants are directed to evaluate enough sufficiently different conditions to show the merger's impact across a range of system conditions. On the other hand, the DOJ/FTC *Horizontal Merger Guidelines* discuss the ability to "sustain" a price increase, and a finding that a structural test (like the HHI statistic) violates the safe harbor for some small subset of hours during the year may not be indicative of any market power problems because it will result in a greater potential overlap due to the Transaction.

¹⁸ Peak and off-peak hours were defined according to NERC's definition, except that I did not consider Saturdays to be peak days. See ftp://www.nerc.com/pub/sys/all_updl/oc/opman/apdx1f.doc.

Off-peak (W_OP):	All off-peak hours
SHOULDER (March-April-May-September-October-November)	
Super Peak (SH_SP):	Top 10% of peak load hours
Peak (SH_P):	Remaining peak hours
Off-peak (SH_OP):	All off-peak hours

Although my analysis considers all ten periods, in my Base Case analysis, the Bluegrass Generating Facility is economic only in two super peak periods in the summer (S_SP1 and S_SP2) and the winter and shoulder super peak periods (W_SP and SH_SP, respectively).

As a result, the only HHI changes occur in those periods. In all other periods, the Transaction can be regarded as having no horizontal impact at all. However, in the sensitivity analyses, I consider the effect of the Bluegrass Generating Facility being economic also in the summer peak period (S_P).

Market Price Levels and Operation of the Bluegrass Generating Facility

The Commission recently confirmed that market prices for both a Base Case and sensitivities are required, stating that “every Delivered Price Test should address three scenarios: the Base Case, in which applicants should use appropriate forecasted market prices to model post-merger competition in the study area, and sensitivity analyses of the Base Case that measure the effect of increasing or decreasing the market prices relative to the Base Case.”¹⁹ The Commission also indicated a preference to use “actual market prices rather than price proxies such as system lambda.”²⁰ Practically speaking, in non-RTO markets such as LGEE, there is limited information on “actual market prices,” typically data from the Commission’s Electric Quarterly Reports (“EQRs”) (such as the Commission relied on in *Duke Energy*), or based on third-party forecasts.²¹ With respect to the latter, relevant to this Transaction, Ventyx (a vendor of energy market data) reports a near-term (18-month) hourly forecast of prices in “Kentucky”, defined as including LGEE and EKPC.

¹⁹ *Duke Energy Corporation*, 136 FERC ¶ 61,245 (2011) at P 118 (footnote omitted).

²⁰ *Id.*, at P 121.

²¹ In some markets, there are third-party reports of day-ahead indexed prices; in the Southeast, for example into Southern, TVA and Entergy. *See, for example*, Platts Megawatt Daily. I am not aware of any such reports relevant to the LGEE market.

The reliance on EQR data, particularly in the context of the instant transaction, is not without problems, for the reasons described below.

First, short-term transactions in the LGEE BAA are reported for a very small number of hours (approximately 1,000 hours in 2010, or just 11 percent of annual hours).²² This is far fewer hours (and cover far less volume) than the Commission deemed in *Duke Energy* were “sufficiently large to be statistically reliable” and where “there are a sufficient number of EQR transactions in every season/load period to calculate an EQR price that is sufficiently robust.”²³ This is readily demonstrated in

Table 1 below, which compares EQR observations in the LGEE BAA and in the BAAs relevant in *Duke Energy*.²⁴ As shown, observations in the LGEE BAA totaled 11.5 percent, as compared to 47 percent and 56 percent for DUK and CPLE, respectively. Moreover, in every time period other than S_SP1 and S_SP2 (which, together account for only 105 hours), the hours with EQR observations in LGEE are well below the hours with EQR observations in DUK and CPLE, ranging from 40 percent to as much as 90 percent below the observations in DUK and CPLE. This alone raises concerns about reliance on EQR data in this instance.

Table 1: EQR Observations, 2010

Period	Hours	Hours with EQR Observations (2010)			Percent of Hours with EQR Observations (2010)		
		LGEE	DUK	CPLE	LGEE	DUK	CPLE
S SP1	1	1	1	1	100.0%	100.0%	100.0%
S SP2	104	78	77	53	75.0%	74.0%	51.0%
S P	951	184	632	472	19.3%	66.5%	49.6%
S OP	1,152	77	454	443	6.7%	39.4%	38.5%
W SP	100	31	88	52	31.0%	88.0%	52.0%
W P	908	118	652	623	13.0%	71.8%	68.6%
W OP	1,152	105	531	798	9.1%	46.1%	69.3%
SH SP	203	61	179	124	30.0%	88.2%	61.1%
SH P	1,829	232	916	1,071	12.7%	50.1%	58.6%

²² Adding 2009 data does not materially improve the coverage. EQR data for 2011 to-date (through the third quarter) reflects observations in only 832 hours, not materially different than the activity in 2010.

²³ *Duke Energy* at P 126.

²⁴ In *Duke Energy*, the two relevant BAAs were Duke Energy Carolinas (“DUK”) and Progress Energy Carolinas East (“CPLE”).

SH OP	2,360	120	583	1,233	5.1%	24.7%	52.2%
Total	8,760	1,007	4,113	4,870	11.5%	47.0%	55.6%

Second, the instant Transaction involves the acquisition of a single generating asset, which, as a CT, is expected to operate infrequently. The Bluegrass Generating Facility operated only 315 hours in 2010 (3.6 percent), as shown in Table 2 below, and had an average annual capacity factor of about 2.5 percent.²⁵ As expected, the Bluegrass Generating Facility operates almost exclusively in the four super peak periods. While, as noted earlier, some LG&E/KU CTs have tended to have somewhat higher capacity factors (about 8 percent in 2010), any price series that infers operation of CTs at significantly higher levels raises serious doubts about the validity of the assumption about destination market prices.

Table 2: Bluegrass Generating Facility Operating Hours, 2010

Period	Hours in Period	Bluegrass Operation Hours	Bluegrass Operation %
S SP1	1	1	100.0%
S SP2	104	83	79.8%
S P	951	102	10.7%
S OP	1,152	26	2.3%
W SP	100	10	10.0%
W P	908	4	0.4%
W OP	1,152	31	2.7%
SH SP	203	55	27.1%
SH P	1,829	3	0.2%
SH OP	2,360	0	0.0%
Total	8,760	315	3.6%

Third, and related to the second point, a review of the potential destination market prices drawn from the three available data sources (system lambdas, EQRs, and Ventyx forecast prices) provides further important insight into choosing reasonable market prices for the DPT. Table 3

²⁵ Public data on capacity factors 2011 through the summer are not yet available.

below compares four price series²⁶ and their corresponding implicit capacity factor for the Bluegrass Generating Facility:

Table 3: Prices Series and Implied Capacity Factor for Bluegrass Generating Facility

Price Basis	S SP1	S SP2	S P	S OP	W SP	W P	W OP	SH SP	SH P	SH OP	Implied Capacity Factor
a. Lambdas	\$52.44	\$46.47	\$35.17	\$30.20	\$46.95	\$30.52	\$31.40	\$42.41	\$32.71	\$25.30	0.01%
b. Ventyx	\$90.14	\$60.53	\$39.71	\$31.55	\$56.55	\$37.76	\$31.02	\$50.03	\$37.22	\$29.29	4.7%
c. EQR Avg.	\$68.04	\$74.67	\$77.17	\$76.80	\$82.55	\$47.32	\$49.30	\$87.61	\$42.81	\$38.70	28.7%
d. EQR/Lambdas	\$71.83	\$70.54	\$45.54	\$32.75	\$63.42	\$37.74	\$32.88	\$53.50	\$31.54	\$25.84	4.7%

- a. System lambdas. This price series is based on 2010 LGEE hourly data reported in its FERC Form 714, adjusted to reflect 2012 system conditions by adjusting the prices to reflect changes in fuel costs between 2010 and 2012.
- b. Ventyx. This price series is based on Ventyx near-term (18 month) price forecast for 2012, for the LGEE and EKPC BAAs.
- c. EQR Average. This price series is based on a simple average of EQR short-term energy sales for the LGEE BAA in 2010, also adjusted to reflect changes in fuel costs between 2010 and 2012.
- d. EQR/Lambda. This price series is based on a combination of EQR data and system lambdas, by “filling in” missing EQR price observations with system lambda data. The implication is that if there are no short-term sales, system lambdas become a reasonable approximation of the market price.

The data in Table 3 very clearly indicate that the choice of market prices here is critical to an accurate reflection of the impact of the Transaction: prices that are too high across the board implies that CTs such as the Bluegrass Generating Facility are economic in far too many hours (almost 30 percent of the time in the EQR average (series c)). Prices that are arguably too low infer that CTs are economic is potentially too few hours (in only one hour, or 0.01 percent of the time in the system lambda (series a)). Far more realistic is a price forecast that implies CTs operating about 5 percent of the time (Ventyx and the EQR/Lambdas (series b and d, respectively)). Even that is an overstatement based on the capacity factor for the Bluegrass Generating Facility last year. Significantly, a price sensitivity around either of these prices series will not materially affect the implied operation of CTs in general or the Bluegrass Generating Facility.

²⁶ Each of the price series based on 2010 data reflect adjustments (relating to changes in gas prices) to 2012 prices.

On this basis, I believe the appropriate Base Case prices to use for this analysis is the combination of EQRs and system lambdas (series d). I also conduct three sensitivities: the Base Case prices plus and minus 10 percent,²⁷ and then using the Ventyx price data (series b). As a result, for each destination market, I evaluated conditions assuming a wide range of Base Case market prices.

Allocation of Limited Transmission Capacity

Appendix A notes that there are various methods for allocating transmission, and instructs applicants to support the method used.²⁸ I allocated transmission based on a pro rata, “squeeze down” method based on relative ownership shares of capacity at a transmission interface, rather than on the basis of economics, which would allocate limited transmission first to the least expensive generation.²⁹ When there is economic supply (*i.e.*, supply having a delivered cost less than 105 percent of the destination market price) competing to get through a constrained transmission interface into a balancing authority area, the transmission capability is allocated to the suppliers in proportion to the amount of economic supply each supplier has outside the interface.

Ultimately, the shares at the destination market represent the prorated shares of AEC or EC that is economically and physically feasible.

²⁷ At Base Case prices plus 10 percent, the Bluegrass Generating Facility also is economic in about 5 percent of annual hours; at Base Case prices minus 10 percent, the Bluegrass Generating Facility is economic in slightly more than 2 percent of annual hours.

²⁸ See Order No. 592, ¶ 31,044 at 30,133: “In many cases, multiple suppliers could be subject to the same transmission path limitation to reach the same destination market and the sum of their economic generation capacity could exceed the transmission capability available to them. In these cases, the available transfer capability must be allocated among the potential suppliers for analytic purposes. There are various methods for accomplishing this allocation. Applicants should support the method used.”

²⁹ *Ohio Edison Company, et al.*, 80 FERC ¶ 61,039 at p. 28 (1997): “When there was more economic capacity (or available economic capacity) outside of a transmission interface than the unreserved capacity would allow to be delivered into the destination market, the transmission capability was allocated to the suppliers in proportion to the amount of economic capacity each supplier had outside the interface.” This Commission reiterated its acceptance of this method, stating:

We have accepted the pro rata allocation methodology in numerous merger cases, and believe it reasonably models suppliers’ ability to compete in a given destination market. Moreover, in Order No. 642 we stated “A variety of allocation methods are possible and the Commission has acknowledged that certain methods provide more accurate and reasonable results than others (*i.e.*, pro-rata as opposed to least cost).”

Exelon Corporation and Public Service Enterprise Corporation, Inc. 112 FERC ¶ 61,011 at P 129 (2005).

Import Limits

For my analysis of the LGEE market, I rely on a SIL study conducted by LG&E/KU personnel for a 2012 study period. For TVA, EKPC, and MISO, I relied upon SIL studies submitted in connection with the recent triennial market-based rate updates by the Southeast Region transmission owners.³⁰ For the SIL into the PJM market, I relied on a SIL that was submitted in connection with the FirstEnergy-Allegheny merger and used as part of the competitive analysis submitted in that docket.³¹ My analysis also takes into account posted ATCs and TTCs into the relevant markets.

Study Year

I analyze 2012 market conditions, consistent with the Order No. 642 requirement that the analysis be forward looking. Even though my analysis approximates 2012 market conditions, the primary source of data on generation is current and recent historical data. Where appropriate, I adjusted relevant data to approximate 2012 conditions. As described in Exhibit JRS-4, this includes load and generation dispatch (*i.e.*, fuel) costs. With respect to new generation, I only included generation expected to be on-line by summer 2012. With respect to retirements, I included units already retired or expected to retire by 2012.

Although I analyzed all ten time periods, the Bluegrass Generating Facility plant is economic only in four time periods in the Base Case, as described above. As a result, the only HHI changes occur in the following four periods, accounting for, in total 408 hours, or 4.7 of annual hours.

Super Peak 1 (S_SP1): Top load hour

Super Peak 2 (S_SP2): Top 10% of peak load hours

Winter Super Peak (W_SP): Top 10% of peak load hours

³⁰ Although these SIL studies were for a 2009 study period and have not yet been accepted by the Commission, they are a reasonable proxy for current and near-future SIL limits. As is evident from the results of my analysis of first-tier markets, even significantly different SILs would not alter the conclusions from the analysis.

³¹ *FirstEnergy Corp.*, Docket No. EC10-68-000, Testimony of William H. Hieronymus (filed May 11, 2010). Although the SIL reported was based on a 2011 snapshot, it is a reasonably proxy for imports in 2012 because it includes a transmission representation that reflects upgrades entering service in 2012. Because the SIL does not reflect the inclusion of Duke Energy in PJM, I did not include in my analysis the Duke Energy generation that is expected to be integrated into PJM in 2012.

Shoulder Super Peak (SH_SP): Top 10% of peak load hours

Historical Sales from Bluegrass Generating Facility

The output of the Bluegrass Generating Facility has overwhelmingly been committed to sales to LG&E/KU.³² This is relevant because, under such circumstances, the “removal” of Bluegrass Generating Facility does not directly affect competitive alternatives in the market.

Table 4: from Bluegrass Generating Facility

	2010 (MWh)	Jan-Sept 2011 (MWh)
Sales in LGEE (EQR) (to LG&E/KU)	88,494	34,172
Sales in PJM (EQR)	1,686	0
Total EQR Energy	90,180	34,172
Portion of EQR Sales to LG&E/KU	98%	100%

As shown in Table 4 above, other than a small quantity of sales from the Bluegrass Generating Facility into PJM in 2010, (i) all of its output was sold in LGEE, and (ii) all of its output was purchased by LG&E/KU. The implication is that there has been no demand for the output of the Bluegrass Generating Facility by any other customer in LGEE.

Wholesale Customers in LGEE

KU has several requirements customers located in LGEE for whom they supply all of their energy needs (LG&E has no such customers). The contracts are evergreen with 5-year cancellation notice provision by either party. In addition, there are two load-serving entities in the LGEE BAA other than LG&E/KU and their requirements customers: Owensboro Municipal Utilities (“OMU”) and the Kentucky Municipal Power Agency (“KMPA”), which is the load-serving entity for Paducah Power System (“Paducah”) and Princeton Electric Plant Board (“Princeton”).³³ OMU’s 2010 load was 207 MW, and it is met primarily by the output of its

³² It is a bit difficult to track sales from the EQR data, because Bluegrass sells through EDF Trading North America, LLC, which reported as Eagle Energy Partners I, LP through the first quarter of 2011. LG&E/KU provided me purchase data for 2010, which corroborates what I was able to obtain from EQR data.

³³ Hoosier Energy also has a small load in Indiana served via LG&E/KU transmission.

approximately 400 MW of owned capacity (the Elmer Smith units).³⁴ Paducah's and Princeton's 2010 load was 111 MW and 26, MW, respectively, and through 2009, those entities were served under contracts with TVA. Both Paducah and Princeton, through KMPA, are purchasing power from other wholesale providers until the commercial operation of the Prairie State Energy generating facility, which ultimately will be sufficient to meet all of the needs of KMPA, one of the owners of the Prairie State Energy project.³⁵ Paducah operates two 58-MW combustion turbine units that are Designated Network Resources for the KMPA load. KMPA also may have other interim power purchase agreements in place until the Prairie State project is complete. The fact remains, however that neither of these entities (OMU or KMPA) purchased any power from the Bluegrass Generating Facility, and hence they are not disadvantaged by the Transaction.

IMPACT OF THE TRANSACTION ON COMPETITION

As discussed above, my analysis focused on the effect of the Transaction in four super peak time periods in the Base Case in LGEE for AEC. However, for all other time periods, the HHI changes for the Base Case are always zero, reflecting the fact that the Bluegrass Generating Facility is not economic in those time periods. My analysis presented below as well as in the relevant exhibits provides the results for all time periods for both AEC and EC, in LGEE and other relevant markets.

In addition to the Base Case, I conducted three sensitivity analyses, as described above: (i) Base Case prices plus 10 percent; (ii) Base Case prices minus 10 percent; and (iii) Ventyx forecast market price for Kentucky. The screen results for the Base Case and the sensitivity analyses are described below.

Base Case

As shown below in Table 5, the Base Case for AEC, the Transaction reflects LG&E/KU acquiring the 495 MW Bluegrass Generating Facility. (The analysis also reflects a small amount of supply in all time periods relating to imports attributed to Bluegrass's affiliates.) For the four

³⁴ Approximately 65 percent of the output of this plant was sold into the wholesale market. OMU 2011 Annual Report, <http://omu.org/documents/AnnualReport2011.pdf>.

³⁵ <http://www.paducahpower.com/aboutpps.htm>, <http://www.prairiestateenergycampus.com/default.asp> and <http://www.kmpa.us/>. KMPA owns a 7.82 percent share (approximately 125 MW) of Prairie State. The first unit (800 MW) of the 1,600 MW planned generation is expected to come on line by December 2011.

super peak periods when HHI changes result from the Transaction, the HHI changes are very high (the minimum is about 400 points), in a moderately to highly concentrated market. For two of those periods (S_SP1 and SH_SP), under the 2010 DOJ/FTC Guidelines, the market would be deemed unconcentrated and the HHI changes would not be problematic. As I noted earlier, the four super peak periods account for less than 5 percent of annual hours, which is important to bear in mind when considering that screen failures occur in four out of the ten time periods analyzed. This is especially the case in the shoulder super peak period, in which the Bluegrass Generating Facility operated in only 10 hours (or 10 percent of the 100 shoulder super peak hours) in 2010. Outside of these four time periods (5 percent of the year), the Transaction has no effect on market concentration.

Table 5: Available Economic Capacity (Base Case)

Period	Price	LG&E/KU		Bluegrass		Market Size	HHI	LG&E/KU			HHI Chg
		MW	Mkt Share	MW	Mkt Share			MW	Mkt Share	HHI	
S_SP1	\$ 72	282	13.5%	560	26.9%	2,082	1,056	747	35.9%	1,458	402
S_SP2	\$ 71	975	34.9%	532	19.0%	2,797	1,699	1,441	51.5%	2,780	1,081
S_P	\$ 46	437	23.9%	67	3.7%	1,831	842	437	23.9%	842	-
S_OP	\$ 33	709	33.3%	37	1.7%	2,129	1,349	709	33.3%	1,349	-
W_SP	\$ 63	1,638	33.0%	590	11.9%	4,964	1,359	2,118	42.7%	1,954	595
W_P	\$ 38	520	15.3%	175	5.2%	3,397	499	520	15.3%	499	-
W_OP	\$ 33	338	10.5%	85	2.6%	3,221	422	338	10.5%	422	-
SH_SP	\$ 54	828	22.5%	500	13.6%	3,685	832	1,221	33.1%	1,250	418
SH_P	\$ 32	85	3.3%	74	2.8%	2,596	409	85	3.3%	409	-
SH_OP	\$ 26	660	20.7%	2	0.1%	3,190	824	660	20.7%	824	-

The amount of AEC that LG&E/KU are expected to have would decline significantly over the next few years in the absence of the Transaction. Between 2012 (the study period) and 2015, peak load is expected to grow by more than 300 MW, which will eliminate LG&E/KU's excess (*i.e.*, AEC) reflected in Table 5 above for S_SP1 pre-Transaction. For the other relevant super peak periods, LG&E/KU's AEC will similarly be reduced by between 250 MW and 300 MW. While AEC in time periods other than S_SP1 would remain pre-Transaction, the excess supply clearly will be reduced significantly.

As shown in Table 6 below (and in Exhibit JRS-5), in the Base Case for EC, the pattern of HHI changes are similar to the AEC analysis. Nevertheless, as discussed previously, AEC is the proper focus of the inquiry.

Table 6: Economic Capacity (Base Case)

Period	Price	Pre-Transaction						Post-Transaction			
		LG&E/KU		Bluegrass		Market Size	HHI	LG&E/KU		HHI	HHI Chg
		MW	Mkt Share	MW	Mkt Share			MW	Mkt Share		
S_SP1	\$ 72	7,495	78.0%	485	5.1%	9,604	6,169	7,961	82.9%	6,923	755
S_SP2	\$ 71	7,495	78.0%	485	5.1%	9,604	6,169	7,961	82.9%	6,923	755
S_P	\$ 46	5,663	77.5%	19	0.3%	7,306	6,097	5,663	77.5%	6,097	-
S_OP	\$ 33	4,893	74.9%	3	0.0%	6,536	5,729	4,893	74.9%	5,729	-
W_SP	\$ 63	7,371	67.2%	529	4.8%	10,968	4,697	7,851	71.6%	5,281	584
W_P	\$ 38	5,262	62.8%	45	0.5%	8,377	4,222	5,262	62.8%	4,222	-
W_OP	\$ 33	4,561	59.4%	7	0.1%	7,676	3,897	4,561	59.4%	3,897	-
SH_SP	\$ 54	6,219	66.7%	433	4.6%	9,327	4,628	6,612	70.9%	5,186	559
SH_P	\$ 32	4,014	59.7%	0	0.0%	6,728	3,910	4,014	59.7%	3,910	-
SH_OP	\$ 26	3,876	58.8%	0	0.0%	6,590	3,837	3,876	58.8%	3,837	-

For all the reasons detailed earlier and summarized below, despite these screen failures, there should not be market power concerns as a result of this Transaction.

First, the screen failures occur only in the four super peak periods, which represent less than 5 percent of the annual hours. In all other periods, the Transaction can be regarded as having no horizontal impact at all.

Second, the Bluegrass Generating Facility’s capacity factor is very low – 1.3 percent in 2008-2009 and 2.2 percent in 2010. The expectation is that the Bluegrass Generating Facility will be economic and running primarily in summer peak hours, as evidenced by LG&E/KU’s economic dispatch models, which indicate that, subject to no transmission constraints, the Bluegrass Generating Facility will be dispatched only 2 percent annually. Further, I understand that when certain transmission constraints exist, there are limitations on dispatching the Bluegrass Generating Facility and the Trimble County CTs; in other words, transmission constraints may preclude the simultaneous operation of the two sets of CTs.

Third, the Transaction fills a need for native and requirements load, and reserve margins, which LG&E/KU are obligated to meet. The purchase of the Bluegrass Generating Facility, in combination with the construction of a new combined-cycle plant in 2016, has been determined by LG&E/KU to be the most economic option.³⁶ The consummation of this Transaction in 2012

³⁶ See Testimony of David S. Sinclair, Vice President, Energy Marketing LG&E And KU Services Company, before the Kentucky Public Service Commission. Joint Application Of Louisville Gas And Electric Company And

merely represents a temporal shift in terms of when LG&E/KU would have acquired or built additional capacity in any event. It bears noting that in the absence of this Transaction, LG&E/KU eventually would have had to acquire control over generation resources by other means, such as building additional generation or entering into long-term purchase agreements, in order to secure sufficient capacity to meet load and system reliability (reserve margin) targets. Had LG&E/KU instead contracted for or built additional resources, no Section 203 filing would have been required.

Fourth, Bluegrass historically has sold virtually all of its energy to LG&E/KU, further emphasizing the lack of competitive effect of the Transaction. There are no other customers in the LGEE BAA that have sought to rely on the Bluegrass Generating Facility's output. Further, there is a limited amount of wholesale load in LGEE that is not already being served as requirements customers of KU. The other three customers (OMU, Paducah and Princeton) are meeting their needs through a combination of their own generation and purchases.

Finally, LG&E/KU do not have authority to make wholesale sales within the LEE BAA at market-based rates. Even with any existing "excess" supply or increased "excess" supply (AEC) resulting from the Transaction, LG&E/KU can only sell into LGEE at cost-based rates. As described below, in any of the first-tier markets where LG&E/KU may sell at market-based rates, the effect of the Transaction on EC and AEC is minimal.

The Commission appropriately has found that AEC is the more valid measure of competition in markets, such as LGEE, where there is no retail access and no prospect of retail access in the foreseeable future.³⁷ While my analysis focuses on AEC in the LGEE destination market, I also analyze EC in LGEE and both AEC and EC in markets first-tier to LGEE.

Sensitivity Results

The sensitivity results reflect a similar pattern of HHI changes, generally for the same time periods. Consistent with the earlier discussion, in the sensitivity where market prices are assumed

Kentucky Utilities Company For Certificate Of Public Convenience And Necessity And Site Compatibility Certificate For The Construction Of A Combined Cycle Combustion Turbine At The Cane Run Generating Station And The Purchase Of Existing Simple Cycle Combustion Turbine Facilities From Bluegrass Generation Company, LLC In LaGrange, Kentucky, September 15, 2011.

³⁷ See note 1.

to be increased by 10 percent, there is an additional screen failures in the summer peak period, and hence failures in five time periods, as shown in Table 7 below. This is a further overstatement of the frequency with which the Bluegrass Generating Facility is likely to be economic, because it treats the facility as economic in more than 15 percent of the hours. Further, because this sensitivity increases market prices by 10 percent relative to the base case, any generation that is economic within 115 percent of the base case market price becomes economic in this scenario. (Under the DPT, generation is presumed economic if it is within 105 percent of market price, and here market prices are presumed to be 10 percent greater than in the base case, thus yielding a 115 percent price level at which generation is assumed to be economic.)

Table 7: Available Economic Capacity (+10% Sensitivity)

Period	Price	Pre-Transaction						Post-Transaction			
		LG&E/KU		Bluegrass		Market Size	HHI	LG&E/KU			HHI Chg
		MW	Mkt Share	MW	Mkt Share			MW	Mkt Share	HHI	
S_SP1	\$ 79	314	14.9%	560	26.5%	2,114	1,066	780	36.9%	1,524	458
S_SP2	\$ 78	1,008	35.6%	532	18.8%	2,830	1,740	1,473	52.1%	2,835	1,095
S_P	\$ 50	1,765	48.7%	529	14.6%	3,625	2,652	2,231	61.5%	3,857	1,205
S_OP	\$ 36	1,164	45.0%	57	2.2%	2,585	2,197	1,164	45.0%	2,197	-
W_SP	\$ 70	1,645	33.1%	598	12.0%	4,964	1,406	2,125	42.8%	2,001	595
W_P	\$ 42	519	15.3%	163	4.8%	3,397	482	519	15.3%	482	-
W_OP	\$ 36	766	21.0%	178	4.9%	3,655	684	766	21.0%	684	-
SH_SP	\$ 59	923	24.5%	483	12.8%	3,772	910	1,317	34.9%	1,371	461
SH_P	\$ 35	459	15.4%	80	2.7%	2,973	550	459	15.4%	550	-
SH_OP	\$ 28	667	20.9%	6	0.2%	3,190	745	667	20.9%	745	-

The sensitivity for market prices less 10 percent show a parallel result, namely a reduction in screen failures to three time periods, as shown in Table 8 below. This is slightly conservative relative to Bluegrass Generating Facility's capacity factor, in that it treats the facility as economic in about 2 percent of the hours relative to its 3.6 percent operating hours last year.

Table 8: Available Economic Capacity (-10% Sensitivity)

Period	Price	Pre-Transaction						Post-Transaction			
		LG&E/KU		Bluegrass		Market Size	HHI	LG&E/KU			HHI Chg
		MW	Mkt Share	MW	Mkt Share			MW	Mkt Share	HHI	
S_SP1	\$ 65	282	13.5%	561	26.9%	2,082	1,060	747	35.9%	1,460	400
S_SP2	\$ 63	975	34.9%	536	19.2%	2,797	1,691	1,441	51.5%	2,768	1,077
S_P	\$ 41	372	21.1%	70	3.9%	1,767	743	372	21.1%	743	-
S_OP	\$ 29	546	27.8%	33	1.7%	1,965	1,059	546	27.8%	1,059	-
W_SP	\$ 57	1,642	33.1%	603	12.2%	4,964	1,348	2,122	42.8%	1,940	592
W_P	\$ 34	23	0.8%	86	3.0%	2,895	373	23	0.8%	373	-
W_OP	\$ 30	162	5.3%	6	0.2%	3,058	517	162	5.3%	517	-
SH_SP	\$ 48	475	16.2%	112	3.8%	2,935	526	475	16.2%	526	-
SH_P	\$ 28	12	0.5%	63	2.5%	2,526	493	12	0.5%	493	-
SH_OP	\$ 23	616	19.5%	3	0.1%	3,164	821	616	19.5%	821	-

Finally, I conducted a sensitivity for market prices based on Ventyx forecasted prices for Kentucky, as shown in Table 9 below. The results of analysis are quite similar to the Base Case.

Table 9: Available Economic Capacity (Ventyx Price Forecast Sensitivity)

Period	Price	Pre-Transaction						Post-Transaction			
		LG&E/KU		Bluegrass		Market Size	HHI	LG&E/KU			HHI Chg
		MW	Mkt Share	MW	Mkt Share			MW	Mkt Share	HHI	
S_SP1	\$ 90	314	14.9%	560	26.5%	2,114	1,066	780	36.9%	1,524	458
S_SP2	\$ 61	975	34.9%	538	19.2%	2,797	1,689	1,441	51.5%	2,763	1,074
S_P	\$ 40	372	21.1%	73	4.1%	1,767	741	372	21.1%	741	-
S_OP	\$ 32	709	33.3%	31	1.5%	2,129	1,357	709	33.3%	1,357	-
W_SP	\$ 57	1,640	33.0%	606	12.2%	4,964	1,348	2,120	42.7%	1,938	590
W_P	\$ 38	521	15.3%	175	5.1%	3,397	500	521	15.3%	500	-
W_OP	\$ 31	340	10.6%	60	1.9%	3,221	433	340	10.6%	433	-
SH_SP	\$ 50	473	14.2%	505	15.2%	3,328	625	867	26.0%	881	256
SH_P	\$ 37	671	21.1%	149	4.7%	3,184	671	671	21.1%	671	-
SH_OP	\$ 29	672	21.1%	41	1.3%	3,190	709	672	21.1%	709	-

First-Tier Markets

I analyzed first-tier BAAs to LGEE, including TVA, EKPC, PJM and MISO. As shown in Exhibit JRS-6, there are no screen failures in any of these markets, for either EC or AEC.

Thus, the Competitive Analysis Screen is passed readily in relevant first-tier markets.

TRANSMISSION AND VERTICAL MARKET POWER OR BARRIERS TO ENTRY

The Transaction does not raise any competitive concerns with regard to vertical market power. First, there are no transmission market power concerns raised by this transaction because

the purchase of the Bluegrass Generating Facility includes no relevant transmission; that is, its transmission assets are restricted to those necessary to interconnect to the grid. The Transaction thus does not provide LG&E/KU with additional control over electric transmission assets. The transmission assets of LG&E/KU are subject to their OATT, and LG&E/KU have an ITO, put in place in connection with their withdrawal from MISO and previous mergers. The ITO provides some NERC-related functions, and is responsible for granting transmission service on LG&E/KU's system, and related activities. The presence of the OATT and ITO eliminates any potential vertical market power concerns. Hence, LG&E/KU cannot use its transmission facilities to frustrate entry.

The Commission also considers whether applicants have the ability to erect barriers to entry by other suppliers in terms of such things as 1) control of sites for new capacity development other than those that may exist at the sites being acquired; 2) control of fuel inputs to generation; and 3) control of any equipment suppliers or facilities used to transport fuels or other inputs to generation.

As noted earlier, LG&E operates a natural gas distribution company and storage facilities in Kentucky. In connection with the LG&E/KU merger, the Commission concluded that "LG&E does not provide gas or gas transportation service to any gas-fired electric generators. LG&E does not own or control any natural gas facilities in the relevant geographic market that would allow it to profit from denying gas to any of its electric competitors."³⁸ It remains the case that LG&E does not provide gas transportation to any third-party gas-fired generation in its service territory. Given that the Bluegrass Generating Facility is not a gas customer of LG&E, and other relevant factors described below support a determination of the lack of competitive vertical effect, I have not conducted a Competitive Analysis Screen.³⁹

³⁸ *Louisville Gas and Electric Company*, 82 FERC ¶ 61,308 (1998).

³⁹ A vertical Competitive Analysis need not be filed if the applicant can affirmatively demonstrate that (i) the merging entities currently do not provide inputs to electricity products (i.e., upstream relevant products) and electricity products (i.e., downstream relevant products) in the same geographic markets or that the extent of the business transactions in the same geographic market is *de minimis*; or that (ii) the extent of the upstream relevant products currently provided by the merging entities is used to produce a *de minimis* amount of the relevant downstream products in the relevant destination markets. 18 C.F.R. 18 C.F.R. § 33.4(a)(2)(2011).

There are numerous other pipelines into Kentucky which new gas-fired generators could connect. There is approximately 13 bcf/day of interstate pipeline deliverability into Kentucky,⁴⁰ and LG&E/KU's reservations⁴¹ account for a small share of such deliverability.

Neither LG&E/KU nor their affiliates control critical sites for new capacity development in relevant markets. The Southeast in general has been a robust market for the development of merchant plants, and the substantial new entry of additional generation in the Southeast demonstrates the absence of entry barriers.

CONCLUSION

The market power analyses discussed herein demonstrate that the Transaction as proposed, irrespective of the screen failures, will not have anti-competitive effects in any of the relevant markets. No other relevant concerns exist with respect to competition issues.

⁴⁰ Energy Information Administration, *State-to-State Natural Gas Pipeline Capacity Levels*, http://www.eia.gov/pub/oil_gas/natural_gas/analysis_publications/ngpipeline/StatetoState.xls.

⁴¹ *Pipeline Index of Customers* as reported by Ventyx. Data are provided in workpapers.



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Professional History

- Managing Director, Navigant Consulting - Present
- Vice President, Charles River Associates - 2001-2010
- Senior Vice President, Putnam, Hayes and Bartlett, Inc. and PHB Hagler Bailly, Inc., Washington, DC - 1986-2000
- Economist, Economic Consulting Services, Inc., Washington, DC - 1979-1986
- Economist, U.S. Department of Labor, Washington, DC - 1976-1979

Education

- M.B.A. Finance, The Wharton School University of Pennsylvania
- B.A. Economics, Connecticut College

Testimony

- Written testimony provided in more than 150 regulatory proceedings

Julie Solomon is a Managing Director at Navigant Consulting, Inc. in the Energy Practice's Power Systems, Markets & Pricing group. She has more than 20 years of consulting experience, specializing in the areas of regulatory and utility economics, financial analysis and business valuation. Ms. Solomon has participated in analysis of proposed regulatory reforms, supply options and utility industry restructuring in the gas and electric industries. She also has advised utility clients in corporate strategy and corporate restructuring, and consulted to legal counsel on a variety of litigation and regulatory matters, including antitrust litigation and contract disputes. She has filed testimony in numerous proceedings before the Federal Energy Regulatory Commission. Much of her current practice focuses on regulatory and market power issues concerning mergers and acquisitions and compliance filings in the electricity market.

- » Advised clients in the electric and gas utility industry on competition issues, including the impact of mergers on competition. Directed a large number of analytic studies relating to obtaining merger approval from regulatory authorities.
- » Advised clients in the electric utility industry on restructuring strategies, including potential mergers and acquisitions, functional unbundling and cost savings.
- » Consulted in the electric and gas utility industries in a variety of regulatory and competition matters, including rate proceedings, prudence reviews, proposed regulatory reforms, analysis of supply options, privatization and restructuring.
- » Advised utility and non-utility clients on many aspects of the competitive independent power industry, including strategic and financial consulting assignments.
- » Consulted legal counsel on a variety of litigation matters, including the development of expert testimony on liability issues and the calculation of damages in a variety of industries.
- » Provided strategic and economic analyses for clients in

trade regulatory proceedings such as dumping and subsidies.

- » Provided financial and business valuation analyses in a number of transactions, including fair market value for taxation purposes and valuation of family-owned businesses.

Professional Experience

Electric and Gas Utilities

Mergers and Acquisitions (Market Power and Competition Issues)

- » Advised clients and conducted analytic studies in connection with a large number of major electric and electric-gas mergers and asset transactions of regulated companies. Provided testimony to FERC for a number of these types of transactions.
- » Advised clients and provided confidential pre-screening analyses for potential mergers and acquisitions.
- » Conducted numerous analytic studies in connection with FERC market-based rate applications and compliance filings for electricity sellers. Provided testimony to FERC for a number of these types of transactions.
- » Conducted numerous analytic studies in connection with FERC market-based rate applications and compliance filings for gas storage facilities. Provided testimony to FERC for a number of these types of transactions.

Utility Restructuring and Stranded Cost

- » Conducted analytic studies and provided litigation support in connection with state stranded cost proceedings in Ohio (Cincinnati Gas & Electric and Dayton Power & Light); West Virginia (Monongahela Power and Potomac Edison); Maryland (Potomac Edison) and Pennsylvania (West Penn Power).
- » Provided analytic support evaluating the benefits of Public Service of Colorado's proposed DC transmission line between Colorado and Kansas in support of a regulatory proceeding.
- » Assisted in studies relating to privatization of the electricity industry in the United Kingdom, including development of a computer model to simulate electricity dispatch and project future prices, capacity needs and utility revenues under various scenarios. During temporary assignment to London office.
- » Participated in antitrust litigation involving a utility and a cogenerator, including preparation of an expert report on liability and damage issues, preparation of expert witnesses for deposition, and assistance in preparation for depositions of opposing expert and in-house witnesses.
- » Assisted in the valuation of the interests of several firms in various cogeneration projects for the purpose of combining these interests into a new entity or selling interests to third parties.

- » Analyzed the financial feasibility and viability of a large number of cogeneration projects, assisted in the preparation of presentations and filings and presented testimony to the relevant public utility commission. Ms. Solomon also assisted in the development of a PC-based financial model to analyze various cogeneration projects.
- » Participated in a study to analyze the financial effects of a variety of restructuring options for a utility, including transfer and/or sale of assets and subsequent sale-leasebacks, and debt restructuring alternatives. In addition, she developed a PC-based financial model with applications to utility restructuring plans.
- » Provided litigation support in major utility rate proceedings, including assisting in the preparation of responses to interrogatories and data requests, preparation of company and outside expert witnesses for deposition and hearings, and assistance in the deposition and cross-examination of intervenor witnesses.
- » Participated in proceedings involving regulation of an oil pipeline, which included evaluating the business risks faced by the company.

Business Valuation

- » Participated in a valuation study involving the fair market value of a privately held company for purposes of an IRS proceeding.
- » Participated in a valuation study in a divorce proceeding, where the assets being valued included a privately held business.
- » Participated in two strategic engagements that developed business plans and identified potential acquisition candidates for the client.
- » Provided advice to a client concerning the benefits and potential risks of developing a partnership with a competitor.

Testimony or Expert Report Experience

- » Affidavit on behalf of Minco Wind II, LLC, Docket No. ER11-4428, market-based rate application, September 2, 2011.
- » Affidavit on behalf of Osage Wind, LLC, Docket No. ER11-4363, market-based rate application, August 24, 2011.
- » Affidavit on behalf of Baltimore Gas and Electric Company, *et al.*, Docket No. ER10-2172, *et al.* and Calvert Cliffs Nuclear Power Plant, LLC, *et al.* Docket No. ER10-2179, *et al.* Notice of Change in Status, August 19, 2011.
- » Affidavit on behalf of Michigan Wind II, LLC, Docket No. ER11-3989, market-based rate application, August 17, 2011.
- » Affidavit on behalf of Morgan Stanley Capital Group, Docket No. EC11-97, application for authorization of disposition of jurisdictional facilities, July 22, 2011.
- » Affidavit on behalf of Calpine Energy Services, L.P., *et al.*, Docket No. ER10-2042, *et al.*, Supplemental market-based rate filing, July 22, 2011.
- » Affidavit on behalf of South Carolina Electric & Gas Co, Docket No. ER10-2498, market-based rate triennial filing, July 14, 2011.
- » Affidavit on behalf of Duke Energy Carolinas, LLC, Docket No. ER10-2566, market-based rate triennial filing, June 30, 2011.
- » Affidavit on behalf of North Allegheny Wind, LLC, Docket No. ER10-1330, *et al.*, market-based rate triennial filing, June 30, 2011.
- » Affidavit on behalf of NextEra Energy Companies, Docket No. ER10-1838, market-based rate triennial filing, June 30, 2011.
- » Affidavit on behalf of NextEra Energy Companies, Docket No. ER10-1852, market-based rate triennial filing, June 30, 2011.
- » Affidavit on behalf of AES MBR Affiliates, Docket No. ER10-3142 *et al.*, market-based rate triennial filing, June 30, 2011.
- » Affidavit on behalf of MATEP Limited Partnership, Docket No. ER10-3194, market-based rate triennial filing, June 30, 2011.
- » Affidavit on behalf of Morgan Stanley Capital Group Inc., Docket No. ER94-1384 *et al.*, market-based rate triennial filing, June 30, 2011.

- » Affidavit on behalf of Louisville Gas and Electric Company *et al.*, Docket No. ER10-1511 *et al.*, market-based rate triennial filing, June 30, 2011.
- » Affidavit on behalf of Progress Companies, Docket No. ER10-1760 *et al.*, market-based rate triennial filing, June 30, 2011.
- » Affidavit on behalf of Mojave Solar, LLC, Docket No. ER11-3917, market-based rate application, June 29, 2011.
- » Affidavit on behalf of GDF SUEZ Northeast MBR Sellers, Docket No. ER10-2670 *et al.*, market-based rate triennial filing, June 24, 2011.
- » Affidavit on behalf of Alcoa Companies, Docket No. ER10-3069 *et al.*, market-based rate triennial filing, June 23, 2011.
- » Affidavit on behalf of Northwestern Corporation, Docket No. EC11-88, application for authorization of disposition of jurisdictional facilities, June 6, 2011.
- » Testimony, with Joe D. Pace, on behalf of Exelon Corporation and Constellation Energy Group, Inc., Docket No. EC11-83, merger application, May 20, 2011.
- » Affidavit on behalf of The AES Corporation and DPL Inc., Docket No. EC11-81, application for authorization of disposition of jurisdictional facilities, May 18, 2011.
- » Affidavit on behalf of Wildcat Power Holdings, LLC, Docket No. ER11-3336, market-based rate application, April 15, 2011.
- » Affidavit on behalf of TPF Generation Holdings, LLC, University Park Energy, LLC, and LSP Park Generating, LLC, Docket No. EC11-61, application for authorization of disposition of jurisdictional facilities, April 4, 2011.
- » Affidavit on behalf of Entegra Power Group LLC, Gila River Power, L.P., and Wildcat Power Holdings, LLC, Docket No. EC11-54, application for authorization of disposition of jurisdictional facilities, May 22, 2011.
- » Affidavit on behalf of Safe Harbor Water Power Corporation, Docket No. ER11-2780, market-based rate triennial filing, January 28, 2011.
- » Supplemental Affidavit on behalf of NorthWestern Corp *et al.*, Docket No. ER03-329-010 *et al.*, triennial market-based rate update, January 21, 2011.
- » Affidavit on behalf of Mountain View Power Partners IV, LLC, Docket No. ER11-2701, market-based rate application, January 19, 2011.
- » Affidavit on behalf of Calpine Energy Services, L.P., *et al.*, Docket No. ER10-2042, *et al.*, market-based rate triennial filing, January 3, 2011.

- » Affidavit on behalf of J.P. Morgan Ventures Energy Corporation, Docket No. ER05-1232, market-based rate triennial filing, December 31, 2010.
- » Affidavit on behalf of the Exelon MBR Companies, Docket No. ER10-1048, *et al.*, market-based rate triennial filing, December 30, 2010.
- » Affidavit on behalf of First Wind Energy Marketing, LLC, *et al.*, Docket No. ER09-1549, *et al.*, market-based rate application, December 30, 2010.
- » Affidavit on behalf of the IRI MBR Companies, Docket No. ER11-2462, *et al.*, market-based rate triennial filing, December 29, 2010.
- » Affidavit on behalf of Green Mountain Power Corporation, Docket No. ER01-989, market-based rate triennial filing, December 29, 2010.
- » Affidavit on behalf of Baltimore Gas and Electric Company *et al.*, Docket Nos. ER10-2172 *et al.*, market-based rate triennial filing, December 29, 2010.
- » Affidavit on behalf of Dominion Resources Services, Inc., on behalf of Virginia Electric and Power Company and affiliates, Docket No. ER01-468, *et al.*, market-based rate triennial filing, December 27, 2010.
- » Affidavit on behalf of NextEra Companies, Docket No. ER98-2494, *et al.*, market-based rate triennial filing, December 27, 2010.
- » Affidavit on behalf of Atlantic City Electric Company *et al.*, Docket No. ER96-1351 *et al.*, market-based rate triennial filing, December 27, 2010.
- » Affidavit on behalf of Allegheny Companies, Docket No. ER11-2481 *et al.*, market-based rate triennial filing, December 27, 2010.
- » Affidavit on behalf of Red Mesa Wind, LLC, Docket No. ER11-2192, market-based rate application, November 25, 2010.
- » Affidavit on behalf of Duke Energy Vermillion II, LLC; Duke Energy Hanging Rock II, LLC; Duke Energy Lee II, LLC; Duke Energy Washington II, LLC; Duke Energy Fayette II, LLC; Docket Nos. ER11- 2063-6 and 2069, market-based rate application, November 10, 2010.
- » Affidavit on behalf of Elk City II Wind, LLC, Docket No. ER11-2037, market-based rate application, November 5, 2010.
- » Affidavit on behalf of AES Laurel Mountain, LLC, Docket No. ER11-2036, market-based rate application, November 5, 2010.
- » Supplemental Affidavit on behalf of GDF SUEZ S.A. and International Power Plc, Docket No. EC10-98, application for authorization of disposition of jurisdictional facilities, October 29, 2010.

- » Supplemental Affidavit on behalf of NorthWestern Corp *et al.*, Docket No. ER03-329-010 *et al.*, triennial market-based rate update, October 18, 2010.
- » Supplemental Affidavit on behalf of Fore River Development, LLC, *et al.*, Docket No. EC10-85, application for authorization of disposition of jurisdictional facilities, October 8, 2010.
- » Affidavit on behalf of Harbor Gen Holdings, LLC, *et al.*, Docket No. EC11-3, application for authorization of disposition of jurisdictional facilities, October 6, 2010.
- » Affidavit on behalf of Ashtabula Wind III, LLC, Docket No. ER11-26, market-based rate application, October 5, 2010.
- » Affidavit on behalf of LSP Safe Harbor Holdings, LLC, Docket No. ER11-27, market-based rate application, October 5, 2010.
- » Affidavit on behalf of Exelon Corporation, *et al.*, Docket No. EC10-105, application for authorization of disposition of jurisdictional facilities, September 30, 2010.
- » Supplemental Affidavit on behalf of Constellation Mystic Power, LLC, Docket No. ER10-2281, September 23, 2010.
- » Affidavit on behalf of GDF SUEZ S.A. and International Power Plc, Docket No. EC10-98, application for authorization of disposition of jurisdictional facilities, September 23, 2010.
- » Affidavit on behalf of Minco Wind, LLC, Docket No. ER10-2720, market-based rate application, September 17, 2010.
- » Affidavit on behalf of Baldwin Wind, LLC, Docket No. ER10-2551, market-based rate application, September 7, 2010.
- » Affidavit on behalf of Fore River Development, LLC, *et al.*, Docket No. EC10-85, application for authorization of disposition of jurisdictional facilities, August 18, 2010.
- » Affidavit on behalf of Constellation Mystic Power, LLC, Docket No. ER10-2281, market-based rate application, August 18, 2010.
- » Affidavit on behalf of Calpine Mid-Atlantic Marketing, LLC, Docket No. ER10-2029, market-based rate application, July 29, 2010.
- » Affidavit on behalf of Sundevil Power Holdings, LLC, Docket No. ER10-1777, market-based rate application, July 14, 2010.
- » Supplemental affidavit on behalf of Shell Energy North America (US), Docket No. ER08-656, triennial market-based rate update, July 9, 2010.
- » Affidavit on behalf of NextEra Companies, Docket No. ER02-2018 *et al.*, triennial market-based rate update, June 30, 2010.

- » Affidavit on behalf of NorthWestern Corp *et al.*, Docket No. ER03-329 *et al.*, triennial market-based rate update, June 30, 2010.
- » Affidavit on behalf of Mirant, Docket No. ER01-1270 *et al.*, triennial market-based rate update, June 30, 2010.
- » Affidavit on behalf of CalPeak Entities and Tyr Energy, LLC, Docket No. ER06-1331, *et al.*, triennial market-based rate update, June 30, 2010.
- » Affidavit on behalf of Starwood Power-Midway, Docket No. LLC under ER08-110, triennial market-based rate update, June 30, 2010.
- » Affidavit on behalf of J.P. Morgan Ventures Energy Corporation and BE CA LLC in ER05-1232, *et al.*, triennial market-based rate update, June 30, 2010.
- » Affidavit on behalf of AES 2, L.L.C., *et al.* Docket No. ER99-2284, *et al.*, triennial market-based rate update, June 29, 2010.
- » Affidavit on behalf of Sierra Pacific Power Company and Nevada Power Company, Docket No. ER01-1527 *et al.*, triennial market-based rate update, June 28, 2010.
- » Affidavit on behalf of Dynegy Marketing and Trade, LLC, *et al.*, Docket No. ER09-629, *et al.*, triennial market power update, June 23, 2010.
- » Affidavit on behalf of Mirant Corporation and RRI Energy, Inc., application for authorization to transfer jurisdictional facilities, Docket No. EC10-70, May 14, 2010.
- » Affidavit on behalf of New Development Holdings, LLC *et al.*, application for authorization to transfer jurisdictional facilities, Docket No. EC10-64, May 6, 2010.
- » Supplemental affidavit on behalf of JPMorgan Chase, Docket No. ER07-1358 *et al.*, notice of change in status regarding market-based rate authorization, April 16, 2010.
- » Supplemental affidavit on behalf of Shell Energy North America (US), Docket No. ER08-656, triennial market-based rate update, April 12, 2010.
- » Supplemental affidavit on behalf of Dogwood Energy LLC, Docket No. ER07-312, triennial market-based rate update, April 9, 2010.
- » Affidavit on behalf of Big Horn Wind Project LLC and Juniper Canyon Wind Power LLC, Docket Nos. ER10-974 and 975, market-based rate application, March 31, 2010.
- » Affidavit on behalf of CER Generation, LLC Docket No. ER10-662, market-based rate application, March 19, 2010.
- » Affidavit on behalf of Calpine Corporation, Docket No. ER00-3562 *et al.*, triennial market-based rate update, March 16, 2010.

- » Affidavit on behalf of NV Energy, Docket No. ER01-1529 *et al.*, triennial market-based rate update, March 8, 2010.
- » Affidavit on behalf of Day County Wind, LLC, Docket No. ER10-825, market-based rate application, March 4, 2010.
- » Affidavit on behalf of Dogwood Energy LLC, Docket No. ER07-312, triennial market-based rate update, March 1, 2010.
- » Affidavit on behalf of NextEra Companies, Docket No. ER10-149 *et al.*, triennial market-based rate update, March 1, 2010.
- » Supplemental affidavit on behalf of The Empire District Company, Docket No. ER99-1757, triennial market-based rate update, February 22, 2010.
- » Supplemental affidavit on behalf of Oklahoma Gas and Electric Company & OGE Energy Resources, Inc., Docket No. ER98-511 and ER97-4345, triennial market-based rate update, February 19, 2010.
- » Supplemental affidavit on behalf of Westar Energy, Inc., ER98-2157 *et al.*, triennial market-based rate update, February 18, 2010.
- » Affidavit on behalf of AES ES Westover, LLC, Docket No. ER10-712, market-based rate application, February 5, 2010.
- » Affidavit on behalf of RRI Florida MBR Companies, Docket No ER09-1110 *et al.* notice of change in status regarding market-based rate authorization, February 1, 2010.
- » Affidavit on behalf of Wolverine Power Supply Cooperative, Inc. and FirstEnergy Generation Corp., Docket No. EC10-41, January 21, 2010.
- » Affidavit on behalf of FPL Energy Illinois Wind, LLC, Docket No. ER10-402, market-based rate application, December 10, 2009.
- » Affidavit on behalf of NextEra Companies, Docket No. ER09-832, *et al.*, notice of change in status regarding market-based rate authorization, December 7, 2009.
- » Affidavit on behalf of Garden Wind, LLC, Docket No. ER10-296 and Crystal Lake Wind III, LLC, Docket No. ER10-297, market-based rate application, November 23, 2009.
- » Affidavit on behalf of Stateline II, LLC, Docket No. ER10-256, market-based rate application, November 16, 2009.
- » Affidavit on behalf of Elk City Wind, LLC, Docket No. ER10-149, market-based rate application, November 2, 2009.

- » Affidavit on behalf of Alcoa Power Generating, Inc. *et al.*, Docket No. ER07-496 *et al.*, triennial market-based rate update, October 30, 2009.
- » Affidavit on behalf of CPV Keenan II Renewable Energy Co, LLC, Docket No. ER10-64, market-based rate application, October 16, 2009.
- » Supplemental Affidavit on behalf of Florida Power & Light Co *et al.*, Docket No. ER97-3359 *et al.*, triennial market-based rate update, October 7, 2009.
- » Affidavit on behalf of High Majestic Wind Energy Center, LLC, Butler Ridge Wind Energy Center, LLC, and Wessington Wind Energy Center, LLC, Docket Nos. ER10-1-3, market-based rate applications, October 6, 2009.
- » Affidavit on behalf of Powerex Corp. in State of California, ex rel. Lockyer v. British Columbia Power Exchange Corp., *et al.*, Docket No. EL02-71, September 17, 2009.
- » Affidavit on behalf of Alcoa Power Generating, Inc. *et al.*, Docket No. ER07-496 *et al.*, triennial market-based rate update, September 14, 2009.
- » Affidavit on behalf of Powerex Corp. in State of California, ex rel. Edmund G. Brown, Attorney General for the State of California v. Powerex Corp. (f/k/a British Columbia Power Exchange Corp.), *et al.*, Docket No. EL09-56, September 3, 2009.
- » Affidavit on behalf of Ashtabula Wind II, LLC, Docket No. ER09-1656, market-based rate application, September 1, 2009.
- » Affidavit on behalf of Oklahoma Gas and Electric Company *et al.*, Docket No. ER98-511 *et al.*, triennial market power update, July 30, 2009.
- » Affidavit on behalf of Westar Energy, Inc & Kansas Gas and Electric Company, Docket No. ER98-2157 *et al.*, triennial market power update, July 30, 2009.
- » Affidavit on behalf of The Empire District Electric Company, Docket No. ER99-1757, triennial market power update, July 30, 2009.
- » Affidavit on behalf of NextEra Companies, Docket No. ER08-1297, *et al.*, triennial market power update, June 30, 2009.
- » Affidavit on behalf of Calpine Energy Services, L.P., *et al.*, Docket No. ER00-3562, *et al.* triennial market power update, June 30, 2009.
- » Affidavit on behalf of Dominion Energy Kewaunee, Inc., Docket No. ER04-318, triennial market power update, June 30, 2009.
- » Affidavit on behalf of CinCap IV, LLC, Docket No. ER05-1372 *et al.*, triennial market power update, June 30, 2009.

- » Affidavit on behalf of Wisconsin Electric Power Company, Docket No. ER98-855, triennial market power update, June 30, 2009.
- » Affidavit on behalf of J.P. Morgan Ventures Energy Corporation, *et al.*, Docket No. ER05-1232, *et al.*, triennial market power update, June 30, 2009.
- » Affidavit on behalf of Iberdrola Renewables, Inc *et al.*, Docket No. ER08-912 *et al.*, triennial market power update, June 30, 2009.
- » Affidavit on behalf of Exelon Generation Co, LLC *et al.*, Docket No. ER00-3251 *et al.*, triennial market power update, June 30, 2009.
- » Affidavit on behalf of Dynegy Marketing and Trade, LLC, *et al.*, Docket No. ER09-629, *et al.*, triennial market power update, June 26, 2009.
- » Affidavit on behalf of GenConn Middletown, LLC and GenConn Devon, LLC, Docket Nos. ER09-1300-1301, market-based rate application, June 15, 2009.
- » Affidavit on behalf of Northern Colorado Wind Energy, Docket No. ER09-1297, market-based rate application, June 12, 2009.
- » Affidavit on behalf of Fox Energy Company LLC, Docket No. ER03-983, triennial market power update, June 3, 2009.
- » Affidavit on behalf of the KGen Companies, Docket No .ER04-1181 *et al.*, market-based rate change in status filing, April 2, 2009.
- » Affidavit on behalf of Victory Garden Phase IV, LLC, Sky River LLC, FPL Energy Cabazon Wind LLC, Docket Nos. ER09-900-902, market-based rate application, April 1, 2009.
- » Affidavit on behalf of the KGen Companies, Docket No. EC07-30 *et al.*, March 31, 2009.
- » Affidavit on behalf of TransAlta Energy Marketing Corporation, Docket No. ER09-884, market-based rate application, March 25, 2009.
- » Affidavit on behalf of NorthWestern Energy, Docket No. ER03-329, triennial market-based rate update, December 30, 2008.
- » Affidavit on behalf of Calpine Corporation re Broad River Energy LLC *et al.*, Docket No. ER00-38 *et al.*, triennial market-based rate update, December 30, 2008.
- » Affidavit on behalf of Constellation MBR Entities, Docket No. ER99-2948 *et al.*, triennial market-based rate update, December 30, 2008.
- » Affidavit on behalf of LS Power Marketing, LLC, Docket No. ER96-1947 *et al.*, triennial market-based rate update, December 29, 2008.

- » Affidavit on behalf of Tenaska Alabama Partners, L.P., *et al.*, Docket No. ER00-840 *et al.*, triennial market-based rate update, December 24, 2008.
- » Affidavit on behalf of Bluegrass Generation Company, LLC, *et al.*, Docket No. ER02-506 *et al.*, triennial market-based rate update, December 24, 2008
- » Affidavit on behalf of KGen Hinds, LLC, *et al.*, Docket No. ER04-1181 *et al.*, triennial market-based rate update, December 23, 2008
- » Affidavit on behalf of Reliant SE MBR Entities, FERC Docket No. ER05-143 *et al.*, triennial market-based rate update, December 23, 2008.
- » Affidavit on behalf of Exelon Generation Company, LLC, Docket No. ER00-3251 triennial market-based rate update, December 18, 2008.
- » Affidavit on behalf of Northern Indiana Public Service Co. *et al.*, Docket No. ER00-2173 *et al.*, triennial market-based rate update, December 18, 2008.
- » Affidavit on behalf of Duke Energy Indiana, Inc., *et al.*, Docket No. ER07-189 *et al.*, triennial market-based rate update, December 17, 2008.
- » Affidavit on behalf of Shady Hills Power Company, LLC, Docket No. ER02-527, triennial market-based rate update, December 4, 2008.
- » Affidavit on behalf of Farmers City Wind, LLC, Docket No. ER09-31, market-based rate application, October 6, 2008.
- » Affidavit on behalf of Elm Creek Wind, LLC, Docket No. ER09-30, market-based rate application, October 6, 2008.
- » Affidavit on behalf of Dynegy Marketing and Trade, Docket No. ER09-20, market-based rate application, October 6, 2008.
- » Affidavit on behalf of LS Power Development, LLC and Luminus Management, LLC, Docket No. EC08-126, September 24, 2008.
- » Affidavit on behalf of Public Utility District 2 of Grant County, WA, in NorthWestern Corporation, in connection with market-based rates for ancillary services, Docket No. ER08-1529, September 12, 2008.
- » Affidavit on behalf of LG&E Energy Marketing Inc. *et al.*, Docket No. ER94-1188 *et al.*, triennial market-based rate update, September 2, 2008.
- » Affidavit on behalf of Alcoa Power Generating, Inc. *et al.*, Docket No. ER07-496 *et al.*, triennial market-based rate update, September 2, 2008.

- » Affidavit on behalf of Calpine Corporation re Bethpage Energy Center 3, LLC *et al.*, Docket No. ER04-1099 *et al.*, September 2, 2008.
- » Supplemental Affidavit on behalf of Virginia Electric and Power Co. *et al.*, Docket No. ER01-468 *et al.*, triennial market-based rate update, September 2, 2008.
- » Affidavit on behalf of South Carolina Electric & Gas Company, Docket No. ER96-1085, triennial market-based rate update, September 2, 2008.
- » Affidavit on behalf of Florida Power & Light Co *et al.*, Docket No. ER97-3359 *et al.*, triennial market-based rate update, September 2, 2008.
- » Affidavit on behalf of Progress Energy Inc. *et al.*, Docket No. ER99-2311 *et al.*, triennial market-based rate update, September 2, 2008.
- » Affidavit on behalf of the EME Companies, Docket No. ER96-2652 *et al.*, triennial market-based rate update, August 29, 2008.
- » Affidavit on behalf of Bridgeport Energy, LLC *et al.*, Docket No. ER98-2783. triennial market-based rate update, August 29, 2008.
- » Affidavit on behalf of Duke Energy Carolinas, LLC, Docket No. ER07-188, triennial market-based rate update, August 29, 2008.
- » Supplemental Affidavit on behalf of PHI Entities, Docket No. ER96-1361 *et al.*, triennial market-based rate update, August 21, 2008.
- » Supplemental Affidavit on behalf of Constellation MBR Entities, Docket No. ER99-2948 *et al.*, triennial market-based rate update, August 18, 2008.
- » Supplemental Affidavit on behalf of Exelon MBR Companies, Docket No. ER00-3251 *et al.*, triennial market-based rate update, August 15, 2008.
- » Affidavit on behalf of Fowler Ridge Wind Farm, LLC, Docket No. ER08-1323, application for market-based rates, August 1, 2008.
- » Affidavit on behalf of FPL Energy, LLC, Docket No. ER08-1300 *et al.*, application for market-based rates, July 24, 2008.
- » Affidavit on behalf of Naturener Montana Wind Energy, LLC, Docket No. ER08-1261, application for market-based rates, July 15, 2008.
- » Affidavit on behalf of FPLE Companies, FERC Docket No. ER02-2559 *et al.*, triennial market-based rate update, June 30, 2008.
- » Affidavit on behalf of Duke Energy MBR Companies, FERC Docket No. ER07-189 *et al.*, triennial market-based rate update, June 30, 2008.

- » Affidavit on behalf of Bear Energy LP *et al.*, FERC Docket No. ER06-864 *et al.*, triennial market-based rate update, June 30, 2008.
- » Affidavit on behalf of Reliant NE MBR Entities, FERC Docket No. ER00-2129 *et al.*, triennial market-based rate update, June 30, 2008.
- » Affidavit on behalf of Noble Altona Windpark, LLC *et al.*, FERC Docket No. ER06-1409 *et al.*, triennial market-based rate update, June 30, 2008.
- » Affidavit on behalf of NRG Companies, FERC Docket No. ER97-4281 *et al.*, triennial market-based rate update, June 30, 2008.
- » Affidavit on behalf of BG Dighton Power, LLC *et al.*, FERC Docket No. ER06-1367 *et al.*, triennial market-based rate update, June 30, 2008.
- » Affidavit on behalf of Mirant Canal, LLC *et al.*, FERC Docket No. ER01-1268 *et al.*, triennial market-based rate update, June 30, 2008.
- » Affidavit on behalf of CPV Liberty, LLC, FERC Docket No. ER07-1193, triennial market-based rate update, June 30, 2008.
- » Affidavit on behalf of Tenaska Energy, Inc. *et al.*, FERC Docket No. ER02-24 *et al.*, triennial market-based rate update, June 30, 2008.
- » Affidavit on behalf of Birchwood Power Partners LP *et al.*, FERC Docket No. ER07-501 *et al.*, triennial market-based rate update, June 27, 2008.
- » Affidavit on behalf of Wisconsin Electric Power Company, FERC Docket No. ER08-1176, application for market-based rates, June 27, 2008.
- » Affidavit on behalf of New Athens Generating Co., LLC and Millennium Power Partners, LP, triennial market-based rate update, FERC Docket No. ER98-830 *et al.*, June 27, 2008.
- » Affidavit on behalf of Granite Ridge Energy, LLC, FERC Docket No. ER05-287, triennial market-based rate update, June 27, 2008.
- » Affidavit on behalf of Astoria Generating Co. LP *et al.*, FERC Docket No. ER99-3168 *et al.*, triennial market-based rate update, June 24, 2008.
- » Affidavit on behalf of Duke Energy Carolinas, LLC, FERC Docket No. EC08-94, application for sale of jurisdictional assets, May 30, 2008.
- » Supplemental Affidavit on behalf of Allegheny Energy Supply Company, LLC *et al.*, triennial market-based rate update, FERC Docket No. ER98-1466, April 21, 2008.
- » Supplemental Affidavit on behalf of Baltimore Gas and Electric Company *et al.*, triennial market-based rate update, FERC Docket No. ER99-2948, April 21, 2008.

- » Affidavit on behalf of JPMorgan Chase & Co. and The Bear Stearns Companies Inc., application for sale of jurisdictional assets, FERC Docket No. EC08-66, March 31, 2008.
- » Affidavit on behalf of Oklahoma Gas & Electric Company, *et al.*, application for sale of jurisdictional assets, FERC Docket No. EC08-58, March 20, 2008.
- » Affidavit on behalf of NRG Southaven, LLC *et al.*, FERC Docket No. EC08-57, March 20, 2008.
- » Affidavit on behalf of Shell Energy North America (US), LP, application for market-based rates, FERC Docket No. ER08-656, March 11, 2008.
- » Affidavit on behalf of EFS Parlin Holdings, LLC, application for market-based rates, FERC Docket No. ER08-649, March 10, 2008.
- » Affidavit on behalf of Safe Harbor Power Corporation, application for market-based rates, FERC Docket No. ER08-537, February 5, 2008.
- » Affidavit on behalf of Auburndale Peaker Energy Center, LLC *et al.*, FERC Docket No. ER02-1633, change in status, January 31, 2008.
- » Affidavit on behalf of Calpine Corp. and LS Power Development, LLC *et al.*, FERC Docket No. EC08-39-000, January 22, 2008.
- » Supplemental Affidavit on behalf of Langdon Wind, LLC, application for market-based rate authority, FERC Docket No. ER08-250-000, January 15, 2008.
- » Affidavit on behalf of AES Western Wind MV Acquisition, Docket No. EC08-37, January 15, 2008.
- » Affidavit on behalf of Dominion Energy Marketing, Inc. *et al.*, application for market-based rate authority, FERC Docket No. ER01-468, January 14, 2008.
- » Affidavit on behalf of Baltimore Gas and Electric Company *et al.*, updated market-based rate filing, FERC Docket No. ER99-2948, January 14, 2008.
- » Affidavit on behalf of Allegheny Energy Supply Company, LLC *et al.*, updated market-based rate filing, FERC Docket No. ER98-1466, January 14, 2008.
- » Affidavit on behalf of Exelon Generation Company, LLC *et al.*, updated market-based rate filing, FERC Docket No. ER00-3251, January 14, 2008.
- » Affidavit on behalf of Pepco Holdings, Inc., *et al.*, updated market-based rate filing, FERC Docket No. ER96-1361, January 14, 2008.
- » Affidavit on behalf of Green Mountain Power Corporation, updated market-based rate filing, FERC Docket No. ER01-0989, January 14, 2008.

- » Affidavit on behalf of Duquesne Light Company et al., updated market-based rate filing, FERC Docket No. ER98-4159 et al., January 11, 2008.
- » Affidavit on behalf of Central Hudson Gas and Electric Corporation, updated market-based rate filing, FERC Docket No. Docket No. ER97-2872 et al., January 11, 2008.
- » Affidavit on behalf of Bicent (California) Malburg, LLC, application for market-based rate authority, FERC Docket No. ER08-314-000, December 7, 2007.
- » Affidavit on behalf of Northern Indiana Public Service Co. and Broadway Gen Funding, LLC, application and related exhibits requesting authorization for a transaction to transfer a generating facility, FERC Docket No. EC08-21-000, December 6, 2007.
- » Affidavit on behalf of Langdon Wind, LLC, application for market-based rate authority, FERC Docket No. ER08-250-000, November 21, 2007.
- » Affidavit on behalf of Calpine Corp. and Harbinger Capital Partners Master Fund I, Ltd. et al., joint application for approval of the proposed distribution of common stock of a reorganized Calpine to Acquirors, FERC Docket No. EC08-15-000, November 16, 2007.
- » Affidavit on behalf of Waterbury Generation, LLC, application for market-based rate authority, FERC Docket No. ER08-200-000, November 9, 2007.
- » Affidavit on behalf of FPL Energy Oliver Wind II, LLC, application for market-based rate authority, FERC Docket No. ER08-197-000, November 8, 2007.
- » Affidavit on behalf of Central Power & Lime, Inc., application for market-based rate authority, FERC Docket No. ER08-148-000, November 1, 2007.
- » Affidavit on behalf of Gilberton Power Company, application for market-based rate authority, FERC Docket No. ER08-83-000, October 23, 2007.
- » Affidavit on behalf of Black Bayou Storage, LLC, application for market-based rate authority for a natural gas storage facility, FERC Docket No. CP07-451, September 25, 2007.
- » Affidavit on behalf of NedPower Mount Storm, LLC, application for market-based rate authority, FERC Docket No. ER07-1306-000, August 23, 2007.
- » Affidavit on behalf of Sempra Energy Trading Corp. in connection with market-based rate authority, FERC Docket No. ER03-1413-005, July 25, 2007.
- » Affidavit on behalf of KGen Acquisition I, LLC et al., application for disposition of jurisdictional facilities, FERC Docket No. EC07-116-000, July 13, 2007.
- » Supplemental Affidavit on behalf of Williams Power Company, Inc., application for market-based rate authority, FERC Docket No. EC07-106-000, June 28, 2007.

- » Affidavit on behalf of Williams Power Co, Inc and Bear Energy LP, joint application for authorization of the disposition of jurisdictional facilities, FERC Docket No. EC07-106-000, June 14, 2007.
- » Affidavit on behalf of Bluegrass Generation Company, LLC et al., notice of non-material change in status, FERC Docket No. ER02-506-008 et al., May 31, 2007.
- » Affidavit on behalf of BG Dighton Power, LLC et al., notice of non-material change in status, FERC Docket Nos. ER06-1367-003 et al., May 30, 2007.
- » Affidavit on behalf of FPL Energy Point Beach, LLC, application for market-based rate authority, FERC Docket No. ER07-904-000, May 16, 2007.
- » Affidavit on behalf of Copiah Storage, LLC, application for market-based rate authority for a natural gas storage facility, FERC Docket No, CP02-24, March 29, 2007.
- » Affidavit on behalf of NRG Power Marketing, Inc. and thirty-one affiliates most of which own generating facilities, triennial market power update and notice of change in status, FERC Docket Nos. ER97-4281-016 et al., March 26, 2007.
- » Affidavit on behalf of Egan Hub Storage, application for market-based rate authority for a natural gas storage facility, FERC Docket No. CP07-88, February 20, 2007.
- » Affidavit on behalf of Wisconsin Electric Power Co. and FPL Energy Point Beach, LLC, joint application for authorization to dispose of jurisdictional facilities, FERC Docket No. EC07-57-000, February 1, 2007.
- » Affidavit on behalf of Lake Road Generating Company, LP et al., joint application for authorization of the disposition of jurisdictional facilities pursuant to Section 203 of the Federal Power Act, FERC Docket No. EC07-50-000, January 22, 2007.
- » Affidavit on behalf of Exelon Generation Company, LLC et al., notice of non-material change in status, FERC Docket Nos. ER00-3251-013 et al., December 15, 2006.
- » Revised Affidavit on behalf of Calpine Energy Services, LP, triennial market analysis, FERC Docket No. ER00-3562-004, December 13, 2006.
- » Affidavit on behalf of Dynegey Entities and LSP Entities, notice of non-material change in status, FERC Docket Nos. ER02-506-007 et al., November 2, 2006.
- » Affidavit on behalf of Wisconsin Energy Corp.'s, Wisconsin Electric Power Co. et al. for authorization to dispose of jurisdictional facilities, FERC Docket No. ER07-14-000, November 2, 2006.
- » Affidavit on behalf of Calpine Energy Services, LP, updated triennial market power analysis, FERC Docket No. ER00-3562-004, October 30, 2006.

- » Affidavit on behalf of Dynegy, application for authorization of transactions pursuant to Section 203 of the Federal Power Act, FERC Docket No. EC07-9-000, October 26, 2006.
- » Affidavit on behalf of Coral Power, LLC et al., triennial updated market analysis, FERC Docket Nos. ER96-25-028 et al., October 23, 2006.
- » Affidavit on behalf of Westar Energy, Inc. and Kansas Gas and Electric, request for rehearing, FERC Docket Nos. ER03-9-007 et al., October 6, 2006.
- » Affidavit on behalf of The Empire District Electric, request for rehearing, FERC Docket Nos. ER99-1757-011 et al., September 14, 2006.
- » Joint Affidavit (with William H. Hieronymus) on behalf of Powerex Corp., errata to its 7/31/06 triennial market power update, FERC Docket No. ER01-48-007, September 11, 2006.
- » Affidavit on behalf of FPLE Companies, joint triennial market power update, FERC Docket Nos. ER02-2559-007 et al., August 28, 2006.
- » Affidavit on behalf of FPL Energy Oliver Wind, LLC application for market-based rates, FERC Docket No. ER06-1392-000, August 23, 2006.
- » Affidavit on behalf of The Constellation MBR Entities, errata to their joint triennial market power update submitted on 8/14/06, FERC Docket Nos. ER99-2948-009 et al., August 16, 2006.
- » Affidavit on behalf of Constellation MBR Entities, joint triennial market power update, FERC Docket Nos. ER99-2948-009 et al., August 14, 2006.
- » Affidavit on behalf of Sempra Energy Trading Corp., updated market analysis, FERC Docket No. ER03-1413-005, August 1, 2006.
- » Joint Affidavit (with William H. Hieronymus) on behalf of Powerex Corp, triennial market power analysis in support of its continued authority to sell power at market-based rates, FERC Docket No. ER01-48-007, July 31, 2006.
- » Affidavit on behalf of Reliant Energy Power Supply, LLC, application for market-based rates, FERC Docket No. ER06-1272-000, July 20-21, 2006.
- » Affidavit on behalf of Lincoln Generating Facility, LLC, fka Allegheny Energy Supply, updated generation market power study, FERC Docket No. ER05-524-001, June 19, 2006.
- » Affidavit on behalf of Alcoa Power Generating, Inc & Alcoa Power Marketing, Inc., amendment to triennial, updated market analysis under ER02-2074 et al., FERC Docket Nos. ER02-2074-002 et al., May 17, 2006.

- » Affidavit on behalf of Alcoa Power Generating, Inc. and Alcoa Power Marketing, Inc., updated market analysis of the triennial review of market-based rate authority, FERC Docket Nos. ER02-2074-002 et al., April 13, 2006.
- » Affidavit on behalf of Morgan Energy Center, LLC et al., Calpine Gilroy Cogen, LP, Los Medanos Energy Center, LLC, and KIAC Partners et al., market-based rate filings, FERC Docket Nos. ER06-741-000 et al., March 16, 2006.
- » Affidavit on behalf of Midland Cogeneration Venture Limited Partnership, market-based rate application, FERC Docket No. ER06-733-000, March 15, 2006.
- » Affidavit on behalf of Duke Power Co, LLC et al., notice of change in status filing, FERC Docket Nos. ER96-110-020 et al., March 1, 2006.
- » Affidavit on behalf of Westar Energy Inc & ONEOK Energy Services Co, LP, answer to protests filed by Oklahoma Municipal Power Authority et al., FERC Docket No. ER06-48-000, February 21, 2006.
- » Affidavit on behalf of Edgecombe Genco, LLC and Spruance Genco, LLC, market-based rate application, FERC Docket No. ER06-635-000 and ER06-634-000, February 13, 2006.
- » Affidavit on behalf of NRG Energy, Inc. et al., joint application for authorization under Section 203 of the Federal Power Act to transfer jurisdictional facilities, FERC Docket No. EC06-66-000, January 20, 2006.
- » Affidavit on behalf of Westar Energy, Inc. et al. joint application for authorization under Section 203 of the Federal Power Act for the disposition of jurisdictional facilities, FERC Docket No. EC06-48-000, December 21, 2005.
- » Affidavit on behalf of Calpine Energy Center, LLC, joint updated market power analysis, FERC Docket Nos. ER02-2227-003 et al., August 30, 2005.
- » Affidavit on behalf of Allegheny Power, Allegheny Energy Supply Co., LLC, Allegheny Energy Supply Gleason Generating Facility, Inc et al., combined triennial market power report, FERC Docket Nos. ER98-1466-003 et al., August 11, 2005.
- » Affidavit on behalf of Hermiston Power Partnership et al., joint updated market power analysis, filed on 5/3/05, FERC Docket Nos. ER02-1257-003 et al., August 5, 2005.
- » Affidavit on behalf of MidAmerican Energy Co., in connection with market-based rate update, FERC Docket No. ER96-719-006, August 1, 2005.
- » Affidavit on behalf of Occidental Power Services Inc., updated market power analysis, FERC Docket No. ER02-1947-006, August 1, 2005.

- » Affidavit on behalf of FPL Energy Duane Arnold LLC, joint application for approval of disposition of jurisdictional facilities, FERC Docket Nos. EC05-114-000 et al., July 29, 2005.
- » Affidavit on behalf of FPL Energy Duane Arnold, LLC, authorization to sell at market-based rates, FERC Docket No. ER05-1281-000, July 29, 2005.
- » Affidavit on behalf of MidAmerican Energy Holdings Co. et al., application for approval of disposition of jurisdictional facilities under Section 203 of the Federal Power Act, FERC Docket No. EC05-110-000, July 22, 2005.
- » Affidavit on behalf of Calpine Entities, joint updated market power analysis, FERC Docket Nos. EC02-1367-003 et al., July 18, 2005.
- » Affidavit on behalf of Bayonne Plant Holding, LLC, as successor in interest of Cogen Technologies NJ Venture et al., as successor in interest to Camden Cogen et al., triennial updated market analysis, FERC Docket Nos. EC02-1486-003 et al., July 15, 2005.
- » Affidavit on behalf of Cabazon Wind Partners, LLC & Whitewater Hill Wind Partners, consolidated triennial updated market analysis, FERC Docket Nos. ER02-1695-003 et al., June 24, 2005.
- » Affidavit on behalf of TransAlta Energy Marketing (U.S.) Inc. et al., in connection with market-based rate authority, FERC Docket Nos. ER05-1014-000 et al., May 24, 2005.
- » Affidavit on behalf of Minergy Neenah, LLC, updated triennial market power analysis, FERC Docket No. ER99-3125-001, May 16, 2005.
- » Affidavit on behalf of Hermiston Power Partnership et al., joint updated market power analysis, FERC Docket Nos. ER02-1257-002 et al., May 3, 2005.
- » Affidavit on behalf of CES Marketing VI, LLC et al., market-based rate application, FERC Docket Nos. ER05-816-000 et al., April 13, 2005.
- » Affidavit on behalf of Onondaga Cogeneration Limited Partnership, triennial updated market analysis, FERC Docket No. ER00-895-006, March 24, 2005.
- » Affidavit on behalf of The Williams Entities' (Williams Power Co. Inc. et al.), joint triennial market power update, FERC Docket Nos. ER03-1331-004 et al., March 24, 2005.
- » Affidavit on behalf of J Aron & Co and Power Receivable Finance LLC, errata to triennial updated market analysis submitted on 12/30/04, FERC Docket Nos. ER02-237-003 et al., February 25, 2005.
- » Affidavit on behalf of Delta Energy Center, LLC, updated power analysis, FERC Docket No. ER02-600-003, February 14, 2005.

- » Affidavit on behalf of Wisconsin Electric Power Company, market-based rate filing, FERC Docket No. ER05-540-000, February 4, 2005.
- » Affidavit on behalf of J Aron & Co. and Power Receivable Finance, LLC, consolidated triennial updated market analysis, December 30, 2004.
- » Affidavit on behalf MidAmerican Energy Co., supplement to 10/29/04 market-power update filing, FERC Docket No. ER96-719-004, November 23, 2004.
- » Affidavit in connection with *Comments of Cinergy Services, Inc. re Reporting Requirement for Changes in Status for Public Utilities with Market-Based Rate Authority under RM04-14*, FERC Docket No. RM04-14-000, November 15, 2004.
- » Affidavit on behalf of Metcalf Energy Center, LLC and Pastoria Energy Center, LLC, market-based rate application, FERC Docket No. ER05-68-000 and ER05-67-000, October 25, 2004.
- » Affidavit on behalf Calpine Bethpage 3, LLC and TBG Cogen Partners, market-based rate filing, FERC Docket No. ER05-48-000 and ER04-1100-000, August 4, 2004.
- » Affidavit on behalf of The Empire District Electric Co., updated market power analysis, FERC Docket No. ER99-1757-005, September 27, 2004.
- » Affidavit on behalf of Wisconsin Electric Power Co, revised generation market power portion of its pending three-year market power update, FERC Docket No. ER98-855-004, September 27, 2004.
- » Affidavit on behalf of Duke Power, a Division of Duke Energy Corp., market power analysis, FERC Docket No. ER96-110-010, August 11, 2004.
- » Affidavit on behalf of Virginia Electric & Power Co et al., application for the proposed transfer of substantially all of the assets of Multitrade to Dominion Power, FERC Docket No. EC04-139-000, July 30, 2004.
- » Affidavit on behalf of Goldendale Energy Center, market-based rate application, FERC Docket No. ER04-1038-000, July 23, 2004.
- » Affidavit on behalf of Calumet Energy Team, LLC, updated triennial market power analysis, FERC Docket No. ER01-389-001, July 20, 2004.
- » Affidavit on behalf of Calpine Parlin, LLC, market-based rate filing, FERC Docket No. ER04-832-000, May 11, 2004.
- » Affidavit on behalf of Calpine Newark, LLC, market-based rate filing, FERC Docket No. ER04-831-000, May 11, 2004.

- » Affidavit on behalf of Virginia Electric & Power Co, application for market-based rates, FERC Docket No. ER04-834-000, May 11, 2004.
- » Affidavit on behalf of Virginia Electric and Power Co., UAE Mecklenburg Cogeneration, LP et al., authorization for the proposed transfer of 100% of the ownership interests of Cogenco etc., FERC Docket No. EC04-104-000, May 6, 2004.
- » Affidavit on behalf of Occidental Power Marketing, LP, triennial market power analysis, FERC Docket No. ER99-3665-004, April 14-15, 2004.
- » Affidavit on behalf of The Williams Entities, joint triennial market power update, FERC Docket Nos. ER03-1331-003 et al., March 12, 2004.
- » Affidavit on behalf of Wisconsin Electric Power Co., updated triennial market-power analysis, FERC Docket No. ER98-855-003, January 29, 2004.
- » Affidavit on behalf of GEN-SYS Energy, triennial update market power analysis, FERC Docket No. ER97-4335-006, October 17, 2003.
- » Affidavit on behalf of Calpine Energy Services LP, updated market power analysis, FERC Docket No. ER00-3562-001, September 22, 2003.
- » Affidavit on behalf of Rocky Mountain Energy Center, LLC, application for market-based rates, FERC Docket No. ER03-1288-000, September 3, 2003.
- » Affidavit on behalf of Fox Energy Co, LLC, application for market-based rates, FERC Docket No. ER03-983-000, June 24, 2003.
- » Affidavit on behalf of Chehalis Power Generating Limited Partnership, application for market-based rates etc., FERC Docket No. ER03-717-000, April 7, 2003.
- » Affidavit on behalf of Calpine Northbrook Energy Marketing, LLC, triennial updated market power analysis, FERC Docket No. ER03-717-000, October 23, 2002.
- » Affidavit on behalf of Choctaw Generation Limited Partnership, updated triennial market power analysis, FERC Docket No. ER98-3774-001, October 17, 2002.
- » Affidavit on behalf of Riverside Energy Center, LLC, market-based rate filing, FERC Docket No. ER03-49-000, October 16, 2002.
- » Affidavit on behalf of Blue Spruce Energy Center, LLC, market-based rate filing, FERC Docket No. ER03-25-000, October 8, 2002.
- » Prepared Responsive Testimony on behalf of Calpine Energy Services, LP et al. re: San Diego Gas & Electric Co. v. Sellers of Energy & Ancillary Services etc. under EL00-95 et al., FERC Docket Nos. EL00-95-045 et al., September 27, 2002.

- » Affidavit on behalf of Duke Power Co., a division of Duke Energy Corp., market-based rate filing, FERC Docket No. ER96-110-007, December 17, 2001.

LG&E/KU Affiliated Generation (and Purchases) in the Southeast Region and Relevant First-Tier Markets

Balancing Authority Area	Unit Name	Summer (MW)	Winter (MW)	Ownership Share	Net Summer MW	Net Winter MW
LGEE	Ghent 1-4	1,918	1,897	100%	1,918	1,897
LGEE	Brown 1-3	697	704	100%	697	704
LGEE	Brown 5 ^{1/}	117	143	100%	117	143
LGEE	Brown 6 -11 ^{1/}	732	896	100%	732	896
LGEE	Green River 3-4	163	173	100%	163	173
LGEE	Tyrone	71	73	100%	71	73
LGEE	Haefling 1-3	36	42	100%	36	42
LGEE	Dix Dam 1-3	24	24	100%	24	24
LGEE	Cane Run	577	577	100%	577	577
LGEE	Mill Creek	1,472	1,491	100%	1,472	1,491
LGEE	Ohio Falls	52	34	100%	52	34
LGEE	Trimble Co. 1 ^{2/}	511	515	75%	511	515
LGEE	Trimble Co. 5 - 10	960	1,080	100%	960	1,080
LGEE	Trimble Co. 2 ^{2/}	785	785	75%	589	589
LGEE	Paddy's Run 11-12	35	36	100%	35	36
LGEE	Paddy's Run 13	158	175	100%	158	175
LGEE	Zorn	14	16	100%	14	16
	Subtotal	8,322	8,661		8,126	8,465
EEI	Joppa Steam 1-6 ^{3/}	1,002	1,002	20%	-	-
EEI	MEPI GT Facility ^{4/}	239	254	20%	-	-
OVEC	Kyger Creek 1-5 ^{5/}	993	1,021	8.13%	81	83
OVEC	Clifty Creek ^{5/}	1,203	1,228	8.13%	98	100

Balancing Authority Area	Unit Name	Summer (MW)	Winter (MW)	Ownership Share	Net Summer MW	Net Winter MW
PJM ^{6/}						
	Susquehanna 1-2				2,250	2,250
	Mountour 1-2				1,490	1,490
	Brunner Island 1-3				1,418	1,439
	Conemaugh 1-2				276	276
	Keystone 1-2				210	210
	Lower Mount Bethel				551	551
	Martins Creek 3-4				1,630	1,630
	Misc. Combustion Turbines				353	453
	Misc. Internal Combustion				11	11
	Holtwood 1-11, 13				109	110
	Wallenpaupack 1-2				44	44
	Keystone (Landfill) 1-7 IC				5	5
	AES Ironwood 1				670	670
	Subtotal				9,017	9,139

Notes:

Generation Ratings are based on EIA-860, unless otherwise indicated.

- ^{1/} Brown Unit 5 has an additional 18 MW and Unit 11 an additional 80 MW available during the summer from inlet air cooling.
- ^{2/} Trimble County 1 and 2 are jointly-owned by LG&E (75%), IMPA (12.88%), and IMEA (12.12%). Trimble County 2 rating from Asset Appendix.
- ^{3/} Joppa Steam is owned by Electric Energy, Inc. Neither KU nor any PPL affiliate has any rights to the power.
- ^{4/} Midwest Electric Power Inc. (MEPI) is a wholly-owned subsidiary of Electric Energy, Inc. KU has the 20% ownership share. Neither KU nor any PPL affiliate has any rights to the power.
- ^{5/} Kyger Creek is owned by Ohio Valley Electric Corp. and Clifty Creek is owned by Indiana-Kentucky Electric Corp.
- ^{6/} PJM generating units and ratings are from Exhibit No. 1 of PPL Triennial for Northeast Region ("PPL PJM Summer and Winter Electric Generating Capacities (2010)"), updated to reflect (i) updated ratings for Susquehanna 1-2; and (ii) the sale of University Park North and Safe Harbor.

Bluegrass Affiliated Generation in LGEE and First-Tier Markets

Balancing Authority Area	Unit Name	Summer (MW)	Winter (MW)	Ownership Share	Net Summer MW	Net Winter MW
LGEE	Bluegrass Generation	495	540	100%	495	540
	Subtotal	495	540		495	540
First-Tier Markets						
MISO	Tilton	176	188	100%	176	188
MISO	Renaissance	660	720	100%	660	720
PJM	Rocky Road	330	330	100%	330	330
PJM	Riverside	836	836	100%	836	836
PJM	Safe Harbor	417	417	33%	139	139
PJM	University Park	504	504	100%	504	504
PJM	University Park Energy	300	300	100%	300	300
	Subtotal	3,223	3,295		2,945	3,017
Generation Assumed to be Affiliated with LS Power (owned by Calpine) in First-Tier Markets						
MISO	Riverside Energy Center	598	654	100%	598	654
MISO	RockGen Energy Center	471	471	100%	471	471
MISO	Mankato	300	360	100%	300	360
PJM	Bayview	12	12	100%	12	12
PJM	Bethlehem 1-7	909	909	100%	909	909
PJM	Bethlehem 8	183	183	100%	183	183
PJM	Carll's Corner	73	86	100%	73	86
PJM	Cedar	68	78	100%	68	78
PJM	Christiana	45	50	100%	45	50
PJM	Crisfield	10	10	100%	10	10
PJM	Cumberland	84	96	100%	84	96
PJM	Cumberland 2	103	103	100%	103	103
PJM	CVS Plant	4	4	100%	4	4
PJM	Deepwater Units	166	166	100%	166	166
PJM	Delaware City	16	18	100%	16	18
PJM	York Energy Center ^{1/}	565	565	100%	-	-
PJM	Edge Moor	723	720	100%	723	720
PJM	Hay Road	1,097	1,097	100%	1,097	1,097
PJM	Mickleton	59	79	100%	59	79
PJM	Middle Avenue	77	90	100%	77	90
PJM	Missouri Avenue	60	72	100%	60	72
PJM	Sherman Avenue	81	96	100%	81	96
PJM	Newark Power Plant	57	60	100%	57	60

Exhibit JRS-3

Balancing Authority		Summer	Winter	Ownership	Net	Net
Area	Unit Name	(MW)	(MW)	Share	Summer	Winter
					MW	MW
PJM	Philadelphia Water Project	22	22	100%	22	22
PJM	Tasley	26	33	100%	26	33
PJM	West Sub	15	19	100%	15	19
PJM	Zion	456	543	100%	456	543
DUK	Broad River Energy Center ^{2/}	854	847	100%	854	847
TVA	Decatur Energy Center	624	701	100%	624	701
TVA	Morgan Energy Center	749	809	100%	749	809
		8,507	8,952		7,942	8,387

^{1/} The York Energy Center is subject to a long-term tolling agreement with Constellation Energy.

^{2/} The output of the Broad River plant is committed under a long-term agreement with Progress Energy Carolinas.

DETAILS ON MODELING AND DATA INPUTS

Below are additional details with respect to modeling and data inputs in support of the quantitative analyses discussed in the affidavit. All of the information used in the analyses is provided in workpapers.¹

DPT

The DPT requires estimating the generating resources for each of the potential suppliers in the model, assigning load obligations, if any, to the potential suppliers, specifying the transmission network that these suppliers can use to reach the relevant destination market and determining the destination market price. In order to conduct the DPT, I relied on an Excel-based spreadsheet model, using the existing market structure and publicly available data on generation and transmission capacity. The data inputs reflect 2012 conditions as a representative year (based on historical data but adjusted, *e.g.*, to reflect updated fuel prices, and generation). The model includes all significant generation currently operational and expected to be online and operating in 2012. Each supplier's resources are tracked to determine its participation in the market in order to calculate the relevant market metrics.

Regions Modeled

I included as potential suppliers all entities within one or two wheels of the destination market.² The model includes all significant generation and load sources, including traditional utilities, non-utility and merchant generators, municipal utilities and cooperatives. Each entity is generally modeled as an individual "node."³ For most of the regions included in the model,

¹ Specifically, my workpapers contain both a public and a confidential/proprietary set of workpapers. The public workpapers contain the basic input data, outputs of the analyses and additional information on the markets, including summaries of Applicants' sales. The confidential workpapers contain the model and associated databases (to allow an entity to replicate the delivered price test analyses), and proprietary information that otherwise requires confidential treatment.

² The Commission's guidance allows potential suppliers up to three wheels away to be included in the analysis. (*Ohio Edison Co.*, 80 FERC ¶ 61,039, *reh'g denied*, 81 FERC ¶ 61,109 (1997), *reh'g denied*, 85 FERC ¶ 61,203 (1998); Inquiry Concerning the Commission's Policy on the Use of Computer Models in Merger Analysis, Notice of Request for Written Comments and Intent to Convene a Technical Conference, Docket No. PL98-6-000, April 16, 1998.) Given the location of Applicants' generation resources outside of the regions that are included in the analysis, excluding these more distant potential supply regions is conservative.

³ The term "nodes" is used to denote a region or bubble where load, generation, or transmission assets are aggregated.

Balancing Authority Areas (“BAAs”) were used to aggregate generation and transmission assets. The BAAs modeled, as described in the affidavit include the LGEE BAA , its first tiers BAAs ((MISO, EKPC, PJM, and TVA) and most of the second-tier BAAs.

Generating Resources

The main sources for data on generating plant capability are the EIA-860 and EIA-411 reports. I also have reviewed data from Ventyx, The Velocity Suite’s databases (“Ventyx”),⁴ which are also largely based on these same public reports. These data sources provide information on capacity (nameplate and seasonal (summer and winter) net dependable capacity (“NDC”) ratings), planned retirements and additions, operating status, primary and secondary fuel, and ownership, including jointly-owned units. Seasonal NDC ratings were used for the analyses, with the summer ratings used for the shoulder time periods. All units with operating status listed as “Operating” during the study period were included in the analysis. For jointly-owned plants, shares were assigned to each of the respective owners. The capacity representing shares of jointly-owned units was “moved” in most regions of the model from its actual physical location to the geographic location of the owner because I assume that there is firm transmission to the owner’s balancing authority area. This should be consistent with the treatment of base flows in the relevant SIL studies and the non-simultaneous limits. I included a limited amount of new entry based on information from *Ventyx* and public sources, such as PJM’s interconnection requests for on-line dates by 2012. Retirements were also taken from *Ventyx* other public sources, again for retirements occurring by 2012.

Each supplier’s generating resources were adjusted to reflect long-term (one year or more) capacity purchases and sales where they could be identified from publicly available data.⁵ The capacity representing firm purchases and sales, analogous to the treatment of jointly-owned units, was “moved” in the model from its actual physical location to the geographic location of the buyer. Generation ownership was adjusted to reflect the transfer of control by assuming that the sale resulted in a decrease in capacity for the seller and a corresponding increase in capacity for the

⁴ Ventyx, The Velocity Suite is a set of databases, analytical tools and forecasts that is widely used in the industry.

⁵ Sources for such information include FERC Form 1 and EIA Forms 411 and 412, utility resource plans and NERC’s Electricity Supply and Demand database (as compiled by *Ventyx*). Requirements contracts are treated as the equivalent of native load and potential suppliers’ Economic Capacity was not adjusted to reflect them.

buyer.⁶ Consistent with guidance provided in Appendix A, it was assumed that system power sales were comprised of the lowest-cost supply for the seller unless a more representative price could be identified.⁷ Public data on purchases and sales, however, are not entirely complete or consistent across sources. In any event, adjustments to generating capacity for long-term sales and purchases are primarily relevant for the Applicants.

Because the delivered price test is intended to evaluate energy products, seasonal capacity was de-rated to approximate the actual availability of the units in each period. That is, it was assumed that generation capacity would be unavailable during some hours of the year for either (planned) maintenance or forced (unplanned) outages. Data reported in the NERC “Generating Availability Data System” (“GADS”) was used to calculate the “average equivalent availability factor” to estimate total outages, and the “average equivalent forced outage rate” to estimate forced outages for fossil and nuclear plants.⁸ Based on a review of historical planned outages (as reported in the FERC Form 714), scheduled maintenance was assumed to occur mostly in the shoulder season (85 percent), with remainder scheduled during the winter season. Forced outages were assumed to occur uniformly throughout the year.

Supply curves were developed for each potential supplier in the model, based on estimates of each unit’s incremental costs. The incremental cost is calculated by multiplying the fuel cost for the unit by the unit’s efficiency (heat rate) and adding any additional variable costs that may apply,

⁶ Consistent with this assumption, non-utility generation (“NUGs”) were assumed to be under the control of the purchasing utility. The Revised Filing Requirements direct applicants to consider whether operational control of a unit is transferred to the buyer. Such information generally is not readily available for non-applicants. Therefore, I treated long-term sales as being under the control of the purchaser.

⁷ “[T]he lowest running cost units are used to serve native load and other firm contractual obligations” (Order No. 592 at 30,132). The lowest-cost supply that was available year-round (*i.e.*, excluding hydro) was used. To the extent that long-term sales could be identified specifically as unit sales, the capacity of the specific generating unit was adjusted to reflect the sale, and the variable element of the purchase price attributed to the sale was the variable cost of the unit.

⁸ In addition to thermal unit availability, hydro unit availability and generation are specified for each time period. For each of the time periods analyzed, hydro capacity factors have been assigned to each unit based on its historical operation. Capacity factors for hydro units were based on five years of Form 923 monthly generation data, reported maximum capacities and, where necessary, assumptions regarding minimum capacity (assumed to be 15 percent of maximum if no data is available).

such as costs for variable operations and maintenance (“VO&M”) and costs for environmental controls.⁹

Data used to derive incremental cost estimates for each unit were taken from the following sources:

- Heat Rates – I used information from *Ventyx’s* database, which reports unit specific heat rates based on EIA Form 860, other public documents, analysis of unit operation, *Ventyx’s* own modeling, and generic assumptions.¹⁰
- Fuel Costs - Fuel prices were derived from historical data and forecasts for 2012. For gas-fired units, future Henry Hub natural gas prices were obtained and applied in the model based on historical basis differentials. The NYMEX Henry Hub price, plus each region's basis differential equals the estimated regional price. For oil-fired units, I relied on the NYMEX contract for light sweet crude oil and EIA daily fuel prices. Plant specific coal prices were used where available (from *Ventyx*, which, in turn, is based on FERC Form 423 data). Historical coal prices were escalated to 2012 using information from EIA. In instances where no information was available for a given unit, I used a regional average price estimate as a default.
- Variable O&M – \$1/MWh for gas and oil steam units, \$2/MWh for coal-fired units (this is a generic estimates based on trade and industry sources). Additional VO&M adders for other unit types are shown in workpapers. As noted, these VO&M costs are generic estimates by plant type and do not necessarily match actual individual unit’s VO&M costs. Notably, VO&M accounts for a minor portion of the dispatch costs used in the analysis, and, importantly, the specific VO&M assumption tends not to alter the merit order of the generic types of generation.
- Environmental Costs - All units covered by Phase II of the Clean Air Act Amendments of 1990 (CAAA) are assessed a variable dispatch adder to cover costs associated with SO₂ emissions. This unit-specific cost is calculated using the unit specific SO₂ annual emission rate as reported in the EPA Continuous Emission Monitoring System (“CEMS”) as reported in the *Ventyx’s* database

⁹ For NUGs, the incremental costs were estimated on the basis of the energy price reported in relevant regulatory filings, if available. Otherwise, NUGs were assumed to be must-run and the variable costs set to zero. New merchant and utility capacity included in the analysis was priced assuming an average full-load heat rate of 10,000 Btu/kWh for combustion turbines and 7,000 Btu/kWh for combined cycle plants. These values were derived from an evaluation of existing technology. Variable O&M costs for new units were assumed to be the same as for existing units.

¹⁰ *Ventyx’s* default heat rates for new capacity assumes average full-load heat rates of 10,000 Btu/kWh for combustion turbines and 7,000 Btu/kWh for combined cycle plants and I have used these in the analysis. Also, for combined-cycle units, *Ventyx* provides information on the combined-cycle and peaking (*e.g.*, duct-firing) modes of operation and I have incorporated this information where available.

and an SO₂ allowance cost of \$39/ton for the study period.¹¹ In addition to SO₂, the unit dispatch costs also include NO_x costs. Unit-specific annual NO_x emission rates (lbs/mmBtu) were taken from the EPA's CEMS also reported in the *Ventyx's* database." The NO_x allowance price was assumed to be \$500/ton.¹²

Load

For the Available Economic Capacity analyses I used hourly load as reported in the relevant FERC Form 714 and escalated it to represent a 2012 snapshot based on the forecasts contained within the same forms. For PJM, I relied on load obligation assumptions developed in connection with the section 203 application for the Exelon-Constellation merger (which modeled a 2012 snapshot).¹³ In MISO, I allocated to suppliers their traditional load obligations (*i.e.*, I assumed that generation owned by load-serving entities were used to serve their own load).

Transmission

The Commission's Appendix A analysis specifies that the transmission system be modeled on the basis of inter-control area (now BAA) transmission capability using transmission prices based on transmission providers' maximum non-firm OATT rates, except where lower rates can be clearly documented.

¹¹ Consistent with the methodology for estimating coal prices, plant specific estimates of SO₂ emissions were used as the basis for coal unit dispatch cost. When there was no estimate for a given unit, a default regional average SO₂ estimate was used. SO₂ costs are from Evolution Markets LLC's *Monthly Market Update - SO₂ Markets*.

¹² When there was no estimate for a given unit, a default regional average NO_x estimate was used. NO_x allowance price is from Evolution Markets LLC's *Monthly Market Update - NO_x Markets*.

¹³ *See Prepared Joint Testimony and Exhibits of Joe D. Pace and Julie R. Solomon*, Docket No. EC11-83, May 20, 2011. There, a conservative assumption was made to not overstate applicants' AEC. I have not incorporated that particular assumption in my analysis here. Specifically, in developing the AEC analysis in PJM, it was assumed that certain default load obligations that could not be assigned to a particular supplier were met using the lowest cost generation in PJM. In my current analysis, I have treated generation owned or controlled by Exelon or Constellation in a manner consistent with other rival supply. For PPL, I used information from its most recent market-based rate triennial filing with respect to its load obligations in 2009 (*See Affidavit of A. Joseph Cavicchi*, Docket Nos. ER10-2010, December 22, 2010), adjusted to reflect a 2012 snapshot.

As described in detail in the above-referenced testimony in EC11-83, developing an AEC analysis in PJM is quite difficult because a significant portion of retail load is met by competitive procurement of supply from third-party generators. In the context of the instant filing, the specific load obligations for potential suppliers in PJM, including for PPL, has a small impact on the results for the LGEE market, because PJM suppliers are just one source that competes for limited import capability into the LGEE market.

The sources for Simultaneous Import Limits (“SILs”) are described in the affidavit. The shoulder period is based on the average of summer and fall values. Balancing area-to-balancing area transmission capability values were based primarily on current postings from OASIS (non-firm Monthly) or provided by Applicant, although I would note that the assumption on non-simultaneous transmission capability has an insignificant impact on the results of my analysis, given that I apply a SIL into each destination market.

The specific SILs for each destination market are shown in the table below:

	LGEE	EKPC	MISO	TVA	PJM
Summer	1,189	1,160	0	3,208	9,574
Winter	2,685	1,815	7,236	7,203	10,701
Shoulder	2,339	1,667	6,359	6,671	8,960

Transmission rates were taken from OASIS¹⁴ or assumed to be \$2/MWh on-peak and \$1/MWh off-peak, although these have a very minor affect on the analysis. I have not included losses, which would have a *de minimis* impact on the analysis.

First-Tier Markets

In PJM and MISO, destination market prices were based on Day Ahead prices from 2010, adjusted to reflect changes in gas prices between 2010 and the 2012 study period.¹⁵ For EKPC and TVA, I have relied on *Ventyx*’s forecast for 2012. I also reviewed EQR prices in these two BAAs, but found that they are not suitable for constructing a price series for use in the DPT analysis. For the EKPC BAA, there are a limited number of short-term transactions in reported for sales with a Point of Delivery Balancing Authority area of EKPC (less than 250 observations in 2010). For the TVA BAA, there are a sufficient number of reported transactions, however, the resulting price series derived from the EQR transactions imply that CTs such as Bluegrass would never be economic (the 10 time period prices based on EQRs in TVA in 2010 ranged from about \$33/MWh

¹⁴ The transmission rate assessed to supply resources in LGEE to reach the first-tier destination markets, is about \$3.90/MWh based on LG&E/KU’s Open Access Transmission Tariff (“OATT”).

¹⁵ PJM’s prices were further adjusted to reflect the expected operation of generating facilities in each time period.

to \$16/MWh). For these reasons, the Ventyx forecast data was deemed a sounder basis for destination market prices.

Sensitivity Analysis

As discussed in the affidavit, I conducted sensitivity analyses evaluating prices 10 percent higher and 10 percent lower (or a 20 percent band around my base case prices). In addition, I have also analyzed the MISO market during the summer period using a SIL value equal to the First Contingency Incremental Transfer Capability (“FCITC”), 8,400 MW, in order to provide an analysis of MISO that reflects positive import capability into MISO. (With a zero SIL value, no imports from LG&E/KU or Bluegrass are reflected in the market.) The results are not materially different than those shown in the exhibits and a summary is provided in workpapers.

Vertical Analysis

I relied on EIA data that reports interstate pipeline capacity into states to identify the pipelines into Kentucky that theoretically are available to transport gas.¹⁶ These data are provided in workfares. Additionally, I relied on the Index of Customers to identify LG&E/KU’s reservations on these pipelines to identify their contractual share of deliverability.¹⁷

¹⁶ Energy Information Administration, *State-to-State Natural Gas Pipeline Capacity Levels*, http://www.eia.gov/pub/oil_gas/natural_gas/analysis_publications/ngpipeline/StatetoState.xls.

¹⁷ *Pipeline Index of Customers* as reported by Ventyx. Data are provided in workpapers.

DPT Results-LGEE

AEC	Base Case															
	Pre-Transaction							Post-Transaction								
	LG&E/KU	Bluegrass	Market					LG&E/KU	Bluegrass	Market						
Market	Period	Price	MW	Mkt Share	MW	Mkt Share	MW	Mkt Share	Size	HHI	MW	Mkt Share	MW	Mkt Share	HHI	HHI Chg
LGEE	S_SP1	\$ 72	282	13.5%	560	26.9%	2,082	1,056	2,082	1,056	747	35.9%	1,458	35.9%	1,458	402
LGEE	S_SP2	\$ 71	975	34.9%	532	19.0%	2,797	1,699	2,797	1,699	1,441	51.5%	2,780	51.5%	2,780	1,081
LGEE	S_P	\$ 46	437	23.9%	67	3.7%	1,831	842	1,831	842	437	23.9%	842	23.9%	842	-
LGEE	S_OP	\$ 33	709	33.3%	37	1.7%	2,129	1,349	2,129	1,349	709	33.3%	1,349	33.3%	1,349	-
LGEE	W_SP	\$ 63	1,638	33.0%	590	11.9%	4,964	1,359	4,964	1,359	2,118	42.7%	1,954	42.7%	1,954	595
LGEE	W_P	\$ 38	520	15.3%	175	5.2%	3,397	499	3,397	499	520	15.3%	499	15.3%	499	-
LGEE	W_OP	\$ 33	338	10.5%	85	2.6%	3,221	422	3,221	422	338	10.5%	422	10.5%	422	-
LGEE	SH_SP	\$ 54	828	22.5%	500	13.6%	3,685	832	3,685	832	1,221	33.1%	1,250	33.1%	1,250	418
LGEE	SH_P	\$ 32	85	3.3%	74	2.8%	2,596	409	2,596	409	85	3.3%	409	3.3%	409	-
LGEE	SH_OP	\$ 26	660	20.7%	2	0.1%	3,190	824	3,190	824	660	20.7%	824	20.7%	824	-

EC	Base Case															
	Pre-Transaction							Post-Transaction								
	LG&E/KU	Bluegrass	Market					LG&E/KU	Bluegrass	Market						
Market	Period	Price	MW	Mkt Share	MW	Mkt Share	Size	HHI	MW	Mkt Share	MW	Mkt Share	MW	Mkt Share	HHI	HHI Chg
LGEE	S_SP1	\$ 72	7,495	78.0%	485	5.1%	9,604	6,169	9,604	6,169	7,961	82.9%	6,923	82.9%	6,923	755
LGEE	S_SP2	\$ 71	7,495	78.0%	485	5.1%	9,604	6,169	9,604	6,169	7,961	82.9%	6,923	82.9%	6,923	755
LGEE	S_P	\$ 46	5,663	77.5%	19	0.3%	7,306	6,097	7,306	6,097	5,663	77.5%	6,097	77.5%	6,097	-
LGEE	S_OP	\$ 33	4,893	74.9%	3	0.0%	6,536	5,729	6,536	5,729	4,893	74.9%	5,729	74.9%	5,729	-
LGEE	W_SP	\$ 63	7,371	67.2%	529	4.8%	10,968	4,697	10,968	4,697	7,851	71.6%	5,281	71.6%	5,281	584
LGEE	W_P	\$ 38	5,262	62.8%	45	0.5%	8,377	4,222	8,377	4,222	5,262	62.8%	4,222	62.8%	4,222	-
LGEE	W_OP	\$ 33	4,561	59.4%	7	0.1%	7,676	3,897	7,676	3,897	4,561	59.4%	3,897	59.4%	3,897	-
LGEE	SH_SP	\$ 54	6,219	66.7%	433	4.6%	9,327	4,628	9,327	4,628	6,612	70.9%	5,186	70.9%	5,186	559
LGEE	SH_P	\$ 32	4,014	59.7%	0	0.0%	6,728	3,910	6,728	3,910	4,014	59.7%	3,910	59.7%	3,910	-
LGEE	SH_OP	\$ 26	3,876	58.8%	0	0.0%	6,590	3,837	6,590	3,837	3,876	58.8%	3,837	58.8%	3,837	-

Base Case +10%

AEC	Pre-Transaction										Post-Transaction				
	Bluegrass					Market					LG&E/KU				
	Market	Period	Price	MW	Mkt Share	MW	Mkt Share	MW	Mkt Share	Size	HHI	MW	Mkt Share	HHI	HHI Chg
LGEE	S_SP1	\$ 79	314	14.9%	560	26.5%	2,114	1,066	780	36.9%	1,524	458			
LGEE	S_SP2	\$ 78	1,008	35.6%	532	18.8%	2,830	1,740	1,473	52.1%	2,835	1,095			
LGEE	S_P	\$ 50	1,765	48.7%	529	14.6%	3,625	2,652	2,231	61.5%	3,857	1,205			
LGEE	S_OP	\$ 36	1,164	45.0%	57	2.2%	2,585	2,197	1,164	45.0%	2,197	-			
LGEE	W_SP	\$ 70	1,645	33.1%	598	12.0%	4,964	1,406	2,125	42.8%	2,001	595			
LGEE	W_P	\$ 42	519	15.3%	163	4.8%	3,397	482	519	15.3%	482	-			
LGEE	W_OP	\$ 36	766	21.0%	178	4.9%	3,655	684	766	21.0%	684	-			
LGEE	SH_SP	\$ 59	923	24.5%	483	12.8%	3,772	910	1,317	34.9%	1,371	461			
LGEE	SH_P	\$ 35	459	15.4%	80	2.7%	2,973	550	459	15.4%	550	-			
LGEE	SH_OP	\$ 28	667	20.9%	6	0.2%	3,190	745	667	20.9%	745	-			

EC	Pre-Transaction										Post-Transaction				
	Bluegrass					Market					LG&E/KU				
	Market	Period	Price	MW	Mkt Share	MW	Mkt Share	MW	Mkt Share	Size	HHI	MW	Mkt Share	HHI	HHI Chg
LGEE	S_SP1	\$ 79	7,528	78.1%	485	5.0%	9,636	6,180	7,993	82.9%	6,933	753			
LGEE	S_SP2	\$ 78	7,528	78.1%	485	5.0%	9,636	6,180	7,993	82.9%	6,933	753			
LGEE	S_P	\$ 50	6,992	76.8%	485	5.3%	9,100	5,989	7,457	81.9%	6,773	784			
LGEE	S_OP	\$ 36	5,349	76.5%	21	0.3%	6,991	5,953	5,349	76.5%	5,953	-			
LGEE	W_SP	\$ 70	7,371	67.2%	526	4.8%	10,968	4,698	7,851	71.6%	5,283	585			
LGEE	W_P	\$ 42	5,262	62.8%	46	0.6%	8,377	4,208	5,262	62.8%	4,208	-			
LGEE	W_OP	\$ 36	4,996	61.6%	48	0.6%	8,111	4,082	4,996	61.6%	4,082	-			
LGEE	SH_SP	\$ 59	6,305	67.0%	432	4.6%	9,414	4,664	6,699	71.2%	5,220	556			
LGEE	SH_P	\$ 35	4,391	61.8%	2	0.0%	7,105	4,121	4,391	61.8%	4,121	-			
LGEE	SH_OP	\$ 28	3,877	58.8%	0	0.0%	6,590	3,838	3,877	58.8%	3,838	-			

Base Case -10%

AEC	Pre-Transaction										Post-Transaction				
	Bluegrass					Market					LG&E/KU				
	Market	Period	Price	MW	Mkt Share	MW	Mkt Share	MW	Mkt Share	Size	HHI	MW	Mkt Share	HHI	HHI Chg
LGEE	S_SP1	\$ 65	282	13.5%	561	26.9%	2,082	1,060	747	35.9%	1,460	400			
LGEE	S_SP2	\$ 63	975	34.9%	536	19.2%	2,797	1,691	1,441	51.5%	2,768	1,077			
LGEE	S_P	\$ 41	372	21.1%	70	3.9%	1,767	743	372	21.1%	743	-			
LGEE	S_OP	\$ 29	546	27.8%	33	1.7%	1,965	1,059	546	27.8%	1,059	-			
LGEE	W_SP	\$ 57	1,642	33.1%	603	12.2%	4,964	1,348	2,122	42.8%	1,940	592			
LGEE	W_P	\$ 34	23	0.8%	86	3.0%	2,895	373	23	0.8%	373	-			
LGEE	W_OP	\$ 30	162	5.3%	6	0.2%	3,058	517	162	5.3%	517	-			
LGEE	SH_SP	\$ 48	475	16.2%	112	3.8%	2,935	526	475	16.2%	526	-			
LGEE	SH_P	\$ 28	12	0.5%	63	2.5%	2,526	493	12	0.5%	493	-			
LGEE	SH_OP	\$ 23	616	19.5%	3	0.1%	3,164	821	616	19.5%	821	-			

EC	Pre-Transaction										Post-Transaction				
	Bluegrass					Market					LG&E/KU				
	Market	Period	Price	MW	Mkt Share	MW	Mkt Share	MW	Mkt Share	Size	HHI	MW	Mkt Share	HHI	HHI Chg
LGEE	S_SP1	\$ 65	7,495	78.0%	486	5.1%	9,604	6,169	7,961	82.9%	6,923	754			
LGEE	S_SP2	\$ 63	7,495	78.0%	486	5.1%	9,604	6,169	7,961	82.9%	6,923	754			
LGEE	S_P	\$ 41	5,599	77.3%	19	0.3%	7,241	6,068	5,599	77.3%	6,068	-			
LGEE	S_OP	\$ 29	4,729	74.2%	0	0.0%	6,371	5,643	4,729	74.2%	5,643	-			
LGEE	W_SP	\$ 57	7,372	67.2%	528	4.8%	10,968	4,697	7,852	71.6%	5,282	584			
LGEE	W_P	\$ 34	4,651	59.9%	0	0.0%	7,766	3,948	4,651	59.9%	3,948	-			
LGEE	W_OP	\$ 30	4,399	58.6%	0	0.0%	7,513	3,823	4,399	58.6%	3,823	-			
LGEE	SH_SP	\$ 48	5,862	68.3%	35	0.4%	8,577	4,860	5,862	68.3%	4,860	-			
LGEE	SH_P	\$ 28	3,876	58.8%	0	0.0%	6,590	3,836	3,876	58.8%	3,836	-			
LGEE	SH_OP	\$ 23	3,850	58.6%	0	0.0%	6,565	3,820	3,850	58.6%	3,820	-			

Ventyx Price Forecast

AEC	Pre-Transaction										Post-Transaction					
	Bluegrass					Market					LG&E/KU					
	Market	Period	Price	MW	Mkt Share	MW	Mkt Share	Size	HHI	MW	Mkt Share	HHI	MW	Mkt Share	HHI	HHI Chg
LGEE	S_SP1	\$ 90	314	14.9%	560	26.5%	2,114	1,066	780	36.9%	1,524	458				
LGEE	S_SP2	\$ 61	975	34.9%	538	19.2%	2,797	1,689	1,441	51.5%	2,763	1,074				
LGEE	S_P	\$ 40	372	21.1%	73	4.1%	1,767	741	372	21.1%	741	-				
LGEE	S_OP	\$ 32	709	33.3%	31	1.5%	2,129	1,357	709	33.3%	1,357	-				
LGEE	W_SP	\$ 57	1,640	33.0%	606	12.2%	4,964	1,348	2,120	42.7%	1,938	590				
LGEE	W_P	\$ 38	521	15.3%	175	5.1%	3,397	500	521	15.3%	500	-				
LGEE	W_OP	\$ 31	340	10.6%	60	1.9%	3,221	433	340	10.6%	433	-				
LGEE	SH_SP	\$ 50	473	14.2%	505	15.2%	3,328	625	867	26.0%	881	256				
LGEE	SH_P	\$ 37	671	21.1%	149	4.7%	3,184	671	671	21.1%	671	-				
LGEE	SH_OP	\$ 29	672	21.1%	41	1.3%	3,190	709	672	21.1%	709	-				

EC	Pre-Transaction										Post-Transaction					
	Bluegrass					Market					LG&E/KU					
	Market	Period	Price	MW	Mkt Share	MW	Mkt Share	Size	HHI	MW	Mkt Share	HHI	MW	Mkt Share	HHI	HHI Chg
LGEE	S_SP1	\$ 90	7,528	78.1%	485	5.0%	9,636	6,180	7,993	82.9%	6,933	753				
LGEE	S_SP2	\$ 61	7,495	78.0%	486	5.1%	9,604	6,169	7,961	82.9%	6,923	754				
LGEE	S_P	\$ 40	5,599	77.3%	19	0.3%	7,241	6,068	5,599	77.3%	6,068	-				
LGEE	S_OP	\$ 32	4,893	74.9%	1	0.0%	6,536	5,729	4,893	74.9%	5,729	-				
LGEE	W_SP	\$ 57	7,372	67.2%	528	4.8%	10,968	4,697	7,852	71.6%	5,282	584				
LGEE	W_P	\$ 38	5,262	62.8%	45	0.5%	8,377	4,222	5,262	62.8%	4,222	-				
LGEE	W_OP	\$ 31	4,562	59.4%	0	0.0%	7,676	3,910	4,562	59.4%	3,910	-				
LGEE	SH_SP	\$ 50	5,862	65.4%	432	4.8%	8,970	4,465	6,256	69.7%	5,035	569				
LGEE	SH_P	\$ 37	4,601	62.9%	40	0.5%	7,316	4,222	4,601	62.9%	4,222	-				
LGEE	SH_OP	\$ 29	3,877	58.8%	0	0.0%	6,590	3,839	3,877	58.8%	3,839	-				

DPT Results-First-Tier Markets

EKPC

Market	Period	Price	Pre-Transaction				Post-Transaction				HHI Chg	
			MW	Mkt Share	MW	Mkt Share	MW	Mkt Share	MW	Mkt Share		
			Bluegrass		Market		Bluegrass		Market			
			LG&E/KU	Mkt Share	MW	Mkt Share	Size	HHI	MW	Mkt Share	HHI	HHI Chg
EKPC	S_SP1	\$ 90	7	0.5%	106	7.2%	1,473	778	15	1.0%	771	(7)
EKPC	S_SP2	\$ 61	15	1.0%	86	5.3%	1,621	1,082	22	1.4%	1,079	(3)
EKPC	S_P	\$ 40	8	0.5%	77	5.0%	1,521	855	8	0.5%	855	-
EKPC	S_OP	\$ 32	29	2.0%	51	3.5%	1,442	765	29	2.0%	765	-
EKPC	W_SP	\$ 57	125	6.9%	95	5.2%	1,814	564	165	9.1%	581	17
EKPC	W_P	\$ 38	21	1.2%	122	6.7%	1,814	497	21	1.2%	497	-
EKPC	W_OP	\$ 31	37	2.0%	137	7.6%	1,814	578	37	2.0%	578	-
EKPC	SH_SP	\$ 50	22	1.3%	72	4.3%	1,666	647	22	1.3%	647	-
EKPC	SH_P	\$ 37	18	0.9%	116	6.0%	1,926	576	18	0.9%	576	-
EKPC	SH_OP	\$ 29	99	5.2%	28	1.5%	1,904	807	99	5.2%	807	-

EC

Market	Period	Price	Pre-Transaction				Post-Transaction				HHI Chg	
			MW	Mkt Share	MW	Mkt Share	MW	Mkt Share	MW	Mkt Share		
			Bluegrass		Market		Bluegrass		Market			
			LG&E/KU	Mkt Share	MW	Mkt Share	Size	HHI	MW	Mkt Share	HHI	HHI Chg
EKPC	S_SP1	\$ 90	78	2.1%	33	0.9%	3,723	4,801	80	2.2%	4,801	0
EKPC	S_SP2	\$ 61	78	2.1%	33	0.9%	3,723	4,802	81	2.2%	4,802	0
EKPC	S_P	\$ 40	80	2.5%	23	0.7%	3,161	4,100	80	2.5%	4,100	-
EKPC	S_OP	\$ 32	81	2.9%	6	0.2%	2,850	3,646	81	2.9%	3,646	-
EKPC	W_SP	\$ 57	290	7.1%	55	1.3%	4,108	3,296	307	7.5%	3,302	5
EKPC	W_P	\$ 38	275	7.8%	29	0.8%	3,552	2,632	275	7.8%	2,632	-
EKPC	W_OP	\$ 31	273	8.1%	13	0.4%	3,381	2,425	273	8.1%	2,425	-
EKPC	SH_SP	\$ 50	379	11.3%	26	0.8%	3,340	2,785	379	11.3%	2,785	-
EKPC	SH_P	\$ 37	355	11.1%	25	0.8%	3,206	2,587	355	11.1%	2,587	-
EKPC	SH_OP	\$ 29	354	11.6%	1	0.0%	3,050	2,396	354	11.6%	2,396	-

MISO

AEC	Pre-Transaction										Post-Transaction			
	LG&E/KU					Bluegrass					LG&E/KU			
	Market	Period	Price	MW	Mkt Share	MW	Mkt Share	Market Size	HHI	HHI	MW	Mkt Share	HHI	HHI Chg
MISO	S_SP1	\$ 78	-	0.0%	2,289	8.7%	26,394	807	807	-	0.0%	807	-	
MISO	S_SP2	\$ 70	-	0.0%	2,289	6.7%	34,229	728	728	-	0.0%	728	-	
MISO	S_P	\$ 42	-	0.0%	934	3.5%	26,537	669	669	-	0.0%	669	-	
MISO	S_OP	\$ 27	-	0.0%	-	0.0%	19,487	803	803	-	0.0%	803	-	
MISO	W_SP	\$ 49	43	0.1%	1,847	4.8%	38,438	526	526	43	0.1%	526	-	
MISO	W_P	\$ 36	138	0.4%	1,256	3.7%	33,840	488	488	138	0.4%	488	-	
MISO	W_OP	\$ 29	254	0.9%	215	0.8%	28,497	602	602	254	0.9%	602	-	
MISO	SH_SP	\$ 43	132	0.5%	1,051	3.9%	27,209	466	466	132	0.5%	466	-	
MISO	SH_P	\$ 31	55	0.2%	884	3.6%	24,583	513	513	55	0.2%	513	-	
MISO	SH_OP	\$ 20	81	0.5%	9	0.0%	17,338	649	649	81	0.5%	649	-	

EC

EC	Pre-Transaction										Post-Transaction			
	LG&E/KU					Bluegrass					LG&E/KU			
	Market	Period	Price	MW	Mkt Share	MW	Mkt Share	Market Size	HHI	HHI	MW	Mkt Share	HHI	HHI Chg
MISO	S_SP1	\$ 78	-	0.0%	2,297	1.9%	118,503	483	483	-	0.0%	483	-	
MISO	S_SP2	\$ 70	-	0.0%	2,297	1.9%	118,314	483	483	-	0.0%	483	-	
MISO	S_P	\$ 42	-	0.0%	941	1.0%	95,750	453	453	-	0.0%	453	-	
MISO	S_OP	\$ 27	-	0.0%	-	0.0%	75,588	487	487	-	0.0%	487	-	
MISO	W_SP	\$ 49	397	0.4%	1,858	1.7%	107,859	412	412	397	0.4%	412	-	
MISO	W_P	\$ 36	411	0.4%	1,102	1.1%	95,956	404	404	411	0.4%	404	-	
MISO	W_OP	\$ 29	431	0.5%	5	0.0%	82,818	425	425	431	0.5%	425	-	
MISO	SH_SP	\$ 43	428	0.5%	1,068	1.2%	90,280	399	399	428	0.5%	399	-	
MISO	SH_P	\$ 31	446	0.6%	609	0.8%	78,145	394	394	446	0.6%	394	-	
MISO	SH_OP	\$ 20	279	0.6%	3	0.0%	45,056	458	458	279	0.6%	458	-	

Exhibit JRS-6

PJM	Pre-Transaction										Post-Transaction				
	Market	Period	Price	MW	Mkt Share	MW	Mkt Share	Size	HHI	LG&E/KU	Bluegrass	MW	Mkt Share	HHI	HHI Chg
PJM	S_SP1	\$ 250	1,983	2.2%	6,641	7.4%	89,635	676	1,994	2.2%	675	(0)			
PJM	S_SP2	\$ 100	1,986	2.2%	6,394	7.1%	90,488	678	1,991	2.2%	678	(0)			
PJM	S_P	\$ 55	617	0.7%	5,593	6.4%	87,386	678	620	0.7%	678	(0)			
PJM	S_OP	\$ 32	1,986	2.1%	4,625	4.9%	94,712	674	1,986	2.1%	674	-			
PJM	W_SP	\$ 95	1,960	2.9%	922	1.4%	67,227	850	1,981	2.9%	850	0			
PJM	W_P	\$ 50	1,887	1.9%	5,605	5.6%	99,415	642	1,887	1.9%	642	-			
PJM	W_OP	\$ 32	2,442	2.7%	3,377	3.7%	91,624	681	2,442	2.7%	681	-			
PJM	SH_SP	\$ 60	1,195	2.0%	855	1.4%	59,464	943	1,210	2.0%	943	0			
PJM	SH_P	\$ 40	1,039	1.3%	4,553	5.6%	81,030	664	1,039	1.3%	664	-			
PJM	SH_OP	\$ 32	1,705	2.5%	2,727	3.9%	69,506	743	1,705	2.5%	743	-			

EC	Pre-Transaction										Post-Transaction				
	Market	Period	Price	MW	Mkt Share	MW	Mkt Share	Size	HHI	LG&E/KU	Bluegrass	MW	Mkt Share	HHI	HHI Chg
PJM	S_SP1	\$ 250	9,608	5.3%	5,913	3.2%	182,880	767	9,609	5.3%	767	0			
PJM	S_SP2	\$ 100	7,736	4.5%	5,193	3.0%	172,076	778	7,737	4.5%	778	0			
PJM	S_P	\$ 55	7,672	4.7%	4,645	2.8%	163,252	785	7,672	4.7%	785	0			
PJM	S_OP	\$ 32	6,594	5.4%	327	0.3%	121,147	981	6,594	5.4%	981	-			
PJM	W_SP	\$ 95	7,764	4.5%	5,251	3.1%	171,798	749	7,769	4.5%	749	0			
PJM	W_P	\$ 50	7,683	4.9%	3,296	2.1%	155,560	797	7,683	4.9%	797	-			
PJM	W_OP	\$ 32	5,922	5.1%	318	0.3%	115,193	968	5,922	5.1%	968	-			
PJM	SH_SP	\$ 60	6,582	4.5%	4,404	3.0%	147,772	767	6,585	4.5%	767	0			
PJM	SH_P	\$ 40	6,124	5.0%	2,649	2.2%	121,705	842	6,124	5.0%	842	-			
PJM	SH_OP	\$ 32	5,094	5.0%	275	0.3%	102,078	958	5,094	5.0%	958	-			

TVA	Pre-Transaction										Post-Transaction				
	Market	Period	Price	MW	Mkt Share	MW	Mkt Share	Size	HHI	MW	Mkt Share	HHI	HHI Chg	LG&E/KU	
														Bluegrass	Market
	TVA	S_SP1	\$ 84	22	0.3%	665	10.1%	6,578	818	53	0.8%	809	(9)		
	TVA	S_SP2	\$ 56	33	0.3%	633	6.5%	9,707	1,406	51	0.5%	1,404	(2)		
	TVA	S_P	\$ 39	53	0.7%	707	9.3%	7,571	961	53	0.7%	961	-		
	TVA	S_OP	\$ 32	69	0.8%	564	6.4%	8,785	1,894	69	0.8%	1,894	-		
	TVA	W_SP	\$ 49	31	0.3%	734	6.8%	10,772	507	31	0.3%	507	-		
	TVA	W_P	\$ 34	29	0.3%	799	7.5%	10,688	640	29	0.3%	640	-		
	TVA	W_OP	\$ 31	163	2.5%	532	8.2%	6,460	658	163	2.5%	658	-		
	TVA	SH_SP	\$ 45	27	0.3%	774	8.4%	9,220	581	27	0.3%	581	-		
	TVA	SH_P	\$ 36	82	0.8%	632	6.4%	9,870	558	82	0.8%	558	-		
	TVA	SH_OP	\$ 30	690	9.1%	436	5.8%	7,582	590	690	9.1%	590	-		

EC	Pre-Transaction										Post-Transaction				
	Market	Period	Price	MW	Mkt Share	MW	Mkt Share	Size	HHI	MW	Mkt Share	HHI	HHI Chg	LG&E/KU	
														Bluegrass	Market
	TVA	S_SP1	\$ 84	48	0.1%	730	1.8%	40,205	6,831	51	0.1%	6,831	(0)		
	TVA	S_SP2	\$ 56	48	0.1%	729	1.9%	38,576	6,711	51	0.1%	6,711	(0)		
	TVA	S_P	\$ 39	51	0.2%	676	2.2%	31,189	6,279	51	0.2%	6,279	-		
	TVA	S_OP	\$ 32	52	0.2%	661	2.3%	28,224	6,422	52	0.2%	6,422	-		
	TVA	W_SP	\$ 49	606	1.6%	785	2.0%	38,762	5,238	606	1.6%	5,238	-		
	TVA	W_P	\$ 34	605	1.8%	701	2.1%	33,838	4,772	605	1.8%	4,772	-		
	TVA	W_OP	\$ 31	610	2.0%	675	2.2%	30,030	4,624	610	2.0%	4,624	-		
	TVA	SH_SP	\$ 45	770	2.4%	673	2.1%	32,532	4,980	770	2.4%	4,980	-		
	TVA	SH_P	\$ 36	775	2.7%	590	2.0%	28,774	4,569	775	2.7%	4,569	-		
	TVA	SH_OP	\$ 30	782	3.0%	567	2.2%	25,770	4,434	782	3.0%	4,434	-		

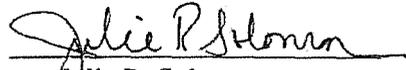
**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

Bluegrass Generation Company, L.L.C.)
Louisville Gas and Electric Company)
Kentucky Utilities Company) **Docket No. EC12-_____**

AFFIDAVIT

District of Columbia §
 §
 §

JULIE R. SOLOMON being duly sworn, deposes and states: that she prepared the Affidavit and Exhibits of Julie R. Solomon and that the statements contained therein and the Exhibits attached hereto are true and correct to the best of her knowledge and belief.


Julie R. Solomon

SUBSCRIBED AND SWORN TO BEFORE ME, this the 10th day of November 2011.


Notary Public, District of Columbia

Printed Name: Janet P. Cashion

My Commission Expires: July 14, 2012

APPENDIX 3

PROPOSED ACCOUNTING ENTRIES

[See Attached]

**Purchase of the Bluegrass Generation Company LLC assets by
Kentucky Utilities Company and Louisville Gas and Electric Company**

Amounts Estimated as of June 30, 2011

Louisville Gas and Electric Company (LG&E) and Kentucky Utilities (KU) seek to acquire three natural gas-fired turbines (and related property, plant and equipment) currently owned by Bluegrass Generation Company, LLC (Bluegrass), a subsidiary of LS Power Group (LS Power). LG&E intends to own 69% and KU is intends to own 31% of the Bluegrass assets. The following proposed entries record the purchase of the assets:

Record Purchase of Assets:

<i>in thousands of \$</i>		<u>LG&E (69% ownership)</u>		<u>KU (31% ownership)</u>	
<u>Account</u>	<u>Account Title</u>	<u>Debit</u>	<u>Credit</u>	<u>Debit</u>	<u>Credit</u>
102	Plant Purchased or Sold	\$ 76,226		\$ 34,246	
131	Cash		\$ 76,226		\$ 34,246

To record the plant in-service purchase price of \$109,500,000 and materials and supplies inventory price of \$972,000 and charge Electric Plant Purchased or Sold.

The purchase price for the property, plant and equipment is \$109.5 million. Additionally, LG&E and KU will be purchasing the material and supplies inventory for an estimated \$1.0 million (estimated based on value as of June 30, 2011). The total purchase price of \$110.5 million will be split between LG&E and KU based on the intended ownership of 69% for LG&E and 31% for KU. LG&E and KU will each record the applicable purchase amounts to Account 102-Plant Purchased or Sold in accordance with guidance found in the FERC Uniform System of Accounts (USofA), Electric Plant Instruction 5.A., Electric Plant Purchased or Sold.

The following table illustrates the allocation of the purchase price between LG&E and KU:

<i>in thousands of \$</i>	
Property, Plant and Equipment Purchase Price	\$ 109,500
Materials and Supplies Inventory (estimated based on 6/30/11 value)	972
Total Purchase Price	<u>\$ 110,472</u>
LG&E Ownership – 69%	\$ 76,226
KU Ownership – 31%	34,246
Total Purchase Price	<u>\$ 110,472</u>

Clear Account 102-Plant Purchased or Sold:

The purchase price of \$110.5 million will be cleared from Account 102-Plant Purchased or Sold and recorded in various accounts as described below.

<i>in thousands of \$</i>		LG&E (69% ownership)		KU (31% ownership)	
Account	Account Title	Debit	Credit	Debit	Credit
101	Plant In-Service	\$ 135,565		\$ 60,906	
154	Plant Materials and Operating Supplies	\$ 671		\$ 301	
108	Accumulated Provision for Depr of Plant in Service		\$ 49,221		\$ 21,588
102	Plant Purchased or Sold		\$ 76,226		\$ 34,246
114	Plant Acquisition Adjustment		\$ 10,789		\$ 5,373

To clear Plant Purchased or Sold and record the Original Cost, Plant Materials and Operating Supplies, Accumulated Provision for Depreciation and Plant Acquisition Adjustments.

In accordance with FERC USofA Electric Plant Instruction 5.B., Electric Plant Purchased or Sold, the original cost of the property, plant and equipment purchased must be debited to Account 101 Plant In-Service. Original cost is defined as the cost of such property to the person first devoting it to public service. The majority of the assets being acquired by LG&E and KU were originally constructed by Dynegy, Inc (Dynegy). Dynegy’s original cost to construct these assets was \$196.3 million based upon a Dynegy property, plant and equipment listing dated as of November 30, 2009. The Dynegy listing was obtained by LS Power during LS Power’s due diligence in 2009, and provided to LG&E and KU by LS Power. Dynegy subsequently sold the assets to Bluegrass. LG&E and KU are also recording the original cost of additional assets constructed by Bluegrass for \$0.1 million.

The following table details allocation of the original cost of assets being acquired between LG&E and KU:

<i>in thousands of \$</i>	
Dynegy Property, Plant and Equipment Original Cost	\$ 196,326
Bluegrass Property, Plant and Equipment Original Cost	145
Total Original Cost	\$ 196,471
LG&E Ownership – 69%	\$ 135,565
KU Ownership – 31%	60,906
Total Original Cost	\$ 196,471

FERC USofA Electric Plant Instruction 5.B., Electric Plant Purchased or Sold, also specifies that the depreciation applicable to the original cost of the properties purchased shall be credited to the appropriate account for accumulated provision for depreciation. LG&E and KU were unable to ascertain the amount of the accumulated provision for depreciation originally recorded by Dynegy due to Dynegy recording impairment losses to the accumulated provision for

depreciation. Bluegrass could not produce the breakdown between the amount Dynegy recorded for accumulated provision for depreciation and the amount Dynegy recorded for impairment. Therefore, for the assets originally constructed by Dynegy, the accumulated provision for depreciation amounts were estimated based on the asset in-service dates provided by Dynegy and on the current approved composite depreciation rates for similar assets currently owned by LG&E and KU. For the assets subsequently constructed by Bluegrass, there is no need to estimate the accumulated provision for depreciation as the original amounts recorded by Bluegrass are available to LG&E and KU. All accumulated depreciation was calculated through June 30, 2012, the estimated date of purchase.

The following table illustrates the allocation of the accumulated provision for depreciation between LG&E and KU:

<i>in thousands of \$</i>	<u>LG&E</u>	<u>KU</u>
Dynegy Provision for Depreciation, as estimated by LG&E and KU	\$ 49,179	\$ 21,569
Bluegrass Provision for Depreciation original amounts	61	61
Applicable Ownership %	69%	31%
Bluegrass Provision for Depreciation split between LG&E and KU	<u>\$ 42</u>	<u>\$ 19</u>
Total	<u>\$ 49,221</u>	<u>\$ 21,588</u>

LG&E and KU will calculate depreciation expense on a going forward basis using the current approved depreciation rates for similar assets currently owned by LG&E and KU. New depreciation rates will ultimately be established for the newly acquired Bluegrass assets in the next approved depreciation study.

LG&E and KU will purchase material and supplies inventory from Bluegrass. The purchase price is an estimated \$1.0 million based on value as of June 30, 2011, which is Bluegrass's original cost. The inventory purchase price of \$1.0 million will be cleared from Account 102-Electric Plant Purchased or Sold and debited to Account 154-Plant Materials and Operating Supplies.

The following table illustrates the allocation of the materials and supplies inventory between LG&E and KU:

<i>in thousands of \$</i>	
Materials and Supplies Inventory	<u>\$ 972</u>
LG&E Ownership – 69%	\$ 671
KU Ownership – 31%	<u>301</u>
Total Materials and Supplies Inventory	<u>\$ 972</u>

FERC USofA Electric Plant Instruction 5.B., Electric Plant Purchased or Sold, specifies that the amount remaining in account 102, Electric Plant Purchased or Sold, shall then be closed to account 114, Electric Plant Acquisition Adjustments.

The following table illustrates the calculation and allocation of plant acquisition adjustment between LG&E and KU:

<i>in thousands of \$</i>	<u>LG&E</u>	<u>KU</u>
Property, Plant and Equipment at Original Cost	\$ 135,565	\$ 60,906
Provision for Depreciation, as estimated	49,221	21,588
Net Book Value	\$ 86,344	\$ 39,318
Purchase Price—Property, Plant and Equipment only (\$109.5 million)	75,555	33,945
Plant Acquisition Adjustment	<u>\$ 10,789</u>	<u>\$ 5,373</u>

Clear Acquisition Costs to Plant Acquisition Adjustment:

Various legal, environmental, and engineering consultants have been engaged to complete due diligence and contract-related duties on behalf of LG&E and KU in advance of the completion of the acquisition.

<i>in thousands of \$</i>		<u>LG&E (69% ownership)</u>		<u>KU (31% ownership)</u>	
<u>Account</u>	<u>Account Title</u>	<u>Debit</u>	<u>Credit</u>	<u>Debit</u>	<u>Credit</u>
102	Plant Purchased or Sold	\$ 345		\$ 155	
186	Miscellaneous Deferred Debits		\$ 345		\$ 155

To re-class acquisition costs from Miscellaneous Deferred Debits to Account 102-Plant Purchased or Sold.

As costs for these services have been incurred they have been accumulated in Account 186-Miscellaneous Deferred Debits. At the acquisition date, these costs will be transferred to Account 102-Plant Purchased or Sold and will ultimately become part of the plant acquisition adjustment. Acquisition costs are estimated to amount to \$0.5 million.

The following table illustrates the calculation and allocation of acquisition costs between LG&E and KU:

<i>in thousands of \$</i>	
Acquisition Costs	<u>\$ 500</u>
LG&E Ownership – 69%	\$ 345
KU Ownership – 31%	155
Total Acquisition Costs	<u>\$ 500</u>

The following entry clears the acquisition costs from Account 102-Plant Purchased or Sold to Account 114-Plant Acquisition Adjustment.

<i>in thousands of \$</i>		<u>LG&E (69% ownership)</u>		<u>KU (31% ownership)</u>	
<u>Account</u>	<u>Account Title</u>	<u>Debit</u>	<u>Credit</u>	<u>Debit</u>	<u>Credit</u>
114	Plant Acquisition Adjustment	\$ 345		\$ 155	
102	Plant Purchased or Sold		\$ 345		\$ 155

To clear acquisition costs from Account 102-Plant Purchased or Sold and record the related Plant Acquisition Adjustment.

Clear Plant Acquisition Adjustments to Accumulated Provision for Depreciation:

The final plant acquisition adjustments recorded in Account 114-Plant Acquisition Adjustment will be re-classed to Account 108-Accumulated Provision for Depreciation of Plant in Service.

FERC USofA description of Account 114, Electric Plant Acquisition Adjustments, specifies that credit amounts remaining in this account shall be accounted for as directed by the Commission. Per review of prior orders from the FERC (Duke Energy Carolinas Docket No. AC07-209 and American Electric Power Company Docket No. AC06-161), LG&E and KU propose that the amounts in Account 114-Plant Acquisition Adjustment be re-classified to Account 108-Accumulated Provision for Depreciation of Plant in Service.

<i>in thousands of \$</i>		<u>LG&E (69% ownership)</u>		<u>KU (31% ownership)</u>	
<u>Account</u>	<u>Account Title</u>	<u>Debit</u>	<u>Credit</u>	<u>Debit</u>	<u>Credit</u>
114	Plant Acquisition Adjustment	\$ 10,444		\$ 5,218	
108	Accumulated Provision for Depr of Plant in Service		\$ 10,444		\$ 5,218

To clear the Plant Acquisition Adjustment to Accumulated Provision for Depreciation of Plant in Service.

The following table illustrates the calculation of the final plant acquisition adjustment and allocation between LG&E and KU:

<i>in thousands of \$</i>	<u>LG&E</u>	<u>KU</u>
Plant Acquisition Adjustment—Net Plant Acquisition costs (legal, etc.)	\$ 10,789	\$ 5,373
	(345)	(155)
Net Plant Acquisition Adjustment	<u>\$ 10,444</u>	<u>\$ 5,218</u>

APPENDIX 4

FORM OF PROTECTIVE ORDER

[See Attached]

**UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION**

Bluegrass Generation Company, L.L.C.)	
Louisville Gas and Electric Company)	Docket No. EC12-____-000
Kentucky Utilities Company)	

PROTECTIVE ORDER

(Issued _____)

1. This Protective Order shall govern the use of all Protected Materials produced by, or on behalf of, any Participant. Notwithstanding any order terminating this proceeding, this Protective Order shall remain in effect until specifically modified or terminated by the Federal Energy Regulatory Commission or one of its Administrative Law Judges (all, collectively, the “Decisional Authority”).

2. This Protective Order applies to the following two categories of materials: (A) A Participant may designate as protected those materials which customarily are treated by that Participant as sensitive or proprietary, which are not available to the public, and which, if disclosed freely, would subject that Participant or its customers to risk of competitive disadvantage or other business injury; and (B) A Participant shall designate as protected those materials which contain critical energy infrastructure information, as defined in 18 CFR § 388.113(c)(1) (“Critical Energy Infrastructure Information”).

3. Definitions – For purposes of this Order:

(a) The term “Participant” shall mean a Participant as defined in 18 CFR § 385.102(b).

(b) (1) The term “Protected Materials” means (A) materials (including depositions) provided by a Participant in response to discovery requests and designated by such Participant as protected; (B) any information contained in or obtained from such designated materials; (C) any other materials which are made subject to this Protective Order by the Decisional Authority, by any court or other body having appropriate authority, or by agreement of the Participants; (D) notes of Protected Materials; and (E) copies of Protected Materials. The Participant producing the Protected Materials shall physically mark them on each page as “PROTECTED MATERIALS” or with words of similar import as long as the term “Protected Materials” is included in that designation to indicate that they are Protected Materials. If the Protected Materials contain Critical Energy Infrastructure Information, the Participant producing such information shall additionally mark on each page containing such information the words “Contains Critical Energy Infrastructure Information – Do Not Release”.

(2) The term “Notes of Protected Materials” means memoranda, handwritten notes, or any other form of information (including electronic form) which copies or discloses materials described in Paragraph 5. Notes of Protected Materials are subject to the same restrictions provided in this order for Protected Materials except as specifically provided in this order.

(3) Protected Materials shall not include (A) any information or document contained in the files of the Commission, or any other federal or state agency, or any federal or state court, unless the information or document has been determined to be protected by such agency or court, or (B) information that is public knowledge, or which becomes public knowledge, other than through disclosure in violation of this Protective Order, or (C) any information or document labeled as “Non-Internet Public” by a Participant, in accordance with Paragraph 30 of FERC Order No. 630, FERC Stat. & Reg. ¶ 31,140. Protected Materials do include any information or document contained in the files of the Commission that has been designated as Critical Energy Infrastructure Information.

(c) The term “Non-Disclosure Certificate” shall mean the certificate annexed hereto by which Participants who have been granted access to Protected Materials shall certify their understanding that such access to Protected Materials is provided pursuant to the terms and restrictions of this Protective Order, and that such Participants have read the Protective Order and agree to be bound by it. All Non-Disclosure Certificates shall be served on all parties on the official service list maintained by the Secretary in this proceeding.

(d) The term “Reviewing Representative” shall mean a person who has signed a Non-Disclosure Certificate and who is:

(1) Commission Litigation Staff;

(2) an attorney who has made an appearance in this proceeding for a Participant;

(3) attorneys, paralegals, and other employees associated for purposes of this case with an attorney described in Paragraph (2);

(4) an expert or an employee of an expert retained by a Participant for the purpose of advising, preparing for or testifying in this proceeding;

(5) a person designated as a Reviewing Representative by order of the Decisional Authority; or

(6) employees or other representatives of Participants appearing in this proceeding with significant responsibility for this docket.

4. Protected Materials shall be made available under the terms of this Protective Order only to Participants and only through their Reviewing Representatives as provided in Paragraphs 7-9.

5. Protected Materials shall remain available to Participants until the later of the date that an order terminating this proceeding becomes no longer subject to judicial review, or the date that any other Commission proceeding relating to the Protected Material is concluded and no longer subject to judicial review. If requested to do so in writing after that date, the Participants shall, within fifteen days of such request, return the Protected Materials (excluding Notes of Protected Materials) to the Participant that produced them, or shall destroy the materials, except that copies of filings, official transcripts and exhibits in this proceeding that contain Protected Materials, and Notes of Protected Material may be retained, if they are maintained in accordance with Paragraph 6, below. Within such time period each Participant, if requested to do so, shall also

submit to the producing Participant an affidavit stating that, to the best of its knowledge, all Protected Materials and all Notes of Protected Materials have been returned or have been destroyed or will be maintained in accordance with Paragraph 6. To the extent Protected Materials are not returned or destroyed, they shall remain subject to the Protective Order.

6. All Protected Materials shall be maintained by the Participant in a secure place. Access to those materials shall be limited to those Reviewing Representatives specifically authorized pursuant to Paragraphs 8-9. The Secretary shall place any Protected Materials filed with the Commission in a non-public file. By placing such documents in a nonpublic file, the Commission is not making a determination of any claim of privilege. The Commission retains the right to make determinations regarding any claim of privilege and the discretion to release information necessary to carry out its jurisdictional responsibilities. For documents submitted to Commission Litigation Staff ("Staff"), Staff shall follow the notification procedures of 18 CFR § 388.112 before making public any Protected Materials.

7. Protected Materials shall be treated as confidential by each Participant and by the Reviewing Representative in accordance with the certificate executed pursuant to Paragraph 9. Protected Materials shall not be used except as necessary for the conduct of this proceeding, nor shall they be disclosed in any manner to any person except a Reviewing Representative who is engaged in the conduct of this proceeding and who needs to know the information in order to carry out that person's responsibilities in this proceeding. Reviewing Representatives may make copies of Protected Materials, but such copies become Protected Materials. Reviewing Representatives may make notes of Protected Materials, which shall be treated as Notes of Protected Materials if they disclose the contents of Protected Materials.

8. (a) If a Reviewing Representative's scope of employment includes the marketing of energy, the direct supervision of any employee or employees whose duties include the marketing of energy, the provision of consulting services to any person whose duties include the marketing of energy, or the direct supervision of any employee or employees whose duties include the marketing of energy, such Reviewing Representative may not use information contained in any Protected Materials obtained through this proceeding to give any Participant or any competitor of any Participant a commercial advantage.

(b) In the event that a Participant wishes to designate as a Reviewing Representative a person not described in Paragraph 3 (d) above, the Participant shall seek agreement from the Participant providing the Protected Materials. If an agreement is reached that person shall be a Reviewing Representative pursuant to Paragraphs 3(d) above with respect to those materials. If no agreement is reached, the Participant shall submit the disputed designation to the Decisional Authority for resolution.

9. (a) A Reviewing Representative shall not be permitted to inspect, participate in discussions regarding, or otherwise be permitted access to Protected Materials pursuant to this Protective Order unless that Reviewing Representative has first executed a Non-Disclosure Certificate provided that if an attorney qualified as a Reviewing Representative has executed such a certificate, the paralegals, secretarial and clerical personnel under the attorney's instruction, supervision or control need not do so. A copy of each Non-Disclosure Certificate shall be

provided to counsel for the Participant asserting confidentiality prior to disclosure of any Protected Material to that Reviewing Representative.

(b) Attorneys qualified as Reviewing Representatives are responsible for ensuring that persons under their supervision or control comply with this order.

10. Any Reviewing Representative may disclose Protected Materials to any other Reviewing Representative as long as the disclosing Reviewing Representative and the receiving Reviewing Representative both have executed a Non-Disclosure Certificate. In the event that any Reviewing Representative to whom the Protected Materials are disclosed ceases to be engaged in these proceedings, or is employed or retained for a position whose occupant is not qualified to be a Reviewing Representative under Paragraph 3(d), access to Protected Materials by that person shall be terminated. Even if no longer engaged in this proceeding, every person who has executed a Non-Disclosure Certificate shall continue to be bound by the provisions of this Protective Order and the certification.

11. Subject to Paragraph 17, the Presiding Administrative Law Judge shall resolve any disputes arising under this Protective Order. Prior to presenting any dispute under this Protective Order to the Presiding Administrative Law Judge, the parties to the dispute shall use their best efforts to resolve it. Any participant that contests the designation of materials as protected shall notify the party that provided the protected materials by specifying in writing the materials whose designation is contested. This Protective Order shall automatically cease to apply to such materials five (5) business days after the notification is made unless the designator, within said 5-day period, files a motion with the Presiding Administrative Law Judge, with supporting affidavits, demonstrating that the materials should continue to be protected. In any challenge to the designation of materials as protected, the burden of proof shall be on the participant seeking protection. If the Presiding Administrative Law Judge finds that the materials at issue are not entitled to protection, the procedures of Paragraph 17 shall apply. The procedures described above shall not apply to protected materials designated by a Participant as Critical Energy Infrastructure Information. Materials so designated shall remain protected and subject to the provisions of this Protective Order, unless a Participant requests and obtains a determination from the Commission's Critical Energy Infrastructure Information Coordinator that such materials need not remain protected.

12. All copies of all documents reflecting Protected Materials, including the portion of the hearing testimony, exhibits, transcripts, briefs and other documents which refer to Protected Materials, shall be filed and served in sealed envelopes or other appropriate containers endorsed to the effect that they are sealed pursuant to this Protective Order. Such documents shall be marked "PROTECTED MATERIALS" and shall be filed under seal and served under seal upon the Decisional Authority and all Reviewing Representatives who are on the service list. Such documents containing Critical Energy Infrastructure Information shall be additionally marked "Contains Critical Energy Infrastructure Information – Do Not Release". For anything filed under seal, redacted versions or, where an entire document is protected, a letter indicating such, will also be filed with the Commission and served on all parties on the service list and the Decisional Authority. Counsel for the producing Participant shall provide to all Participants who request the same, a list of Reviewing Representatives who are entitled to receive such material.

Counsel shall take all reasonable precautions necessary to assure that Protected Materials are not distributed to unauthorized persons.

If any Participant desires to include, utilize or refer to any Protected Materials or information derived therefrom in testimony or exhibits during the hearing in these proceedings in such a manner that might require disclosure of such material to persons other than reviewing representatives, such participant shall first notify both counsel for the disclosing participant and the Decisional Authority of such desire, identifying with particularity each of the Protected Materials. Thereafter, use of such Protected Material will be governed by procedures determined by the Decisional Authority.

13. Nothing in this Protective Order shall be construed as precluding any Participant from objecting to the use of Protected Materials on any legal grounds.

14. Nothing in this Protective Order shall preclude any Participant from requesting the Decisional Authority or any other body having appropriate authority, to find that this Protective Order should not apply to all or any materials previously designated as Protected Materials pursuant to this Protective Order. The Decisional Authority may alter or amend this Protective Order as circumstances warrant at any time during the course of this proceeding.

15. Each party governed by this Protective Order has the right to seek changes in it as appropriate from the Decisional Authority.

16. All Protected Materials filed with the Decisional Authority, or any other judicial or administrative body, in support of, or as a part of, a motion, other pleading, brief, or other document, shall be filed and served in sealed envelopes or other appropriate containers bearing prominent markings indicating that the contents include Protected Materials subject to this Protective Order. Such documents containing Critical Energy Infrastructure Information shall be additionally marked "Contains Critical Energy Infrastructure Information – Do Not Release."

17. If the Decisional Authority finds at any time in the course of this proceeding that all or part of the Protected Materials need not be protected, those materials shall, nevertheless, be subject to the protection afforded by this Protective Order for three (3) business days from the date of issuance of the Decisional Authority's decision, and if the Participant seeking protection files an interlocutory appeal or requests that the issue be certified to the Commission, for an additional seven (7) business days. None of the Participants waives its rights to seek additional administrative or judicial remedies after the Decisional Authority's decision respecting Protected Materials or Reviewing Representatives, or the Commission's denial of any appeal thereof. The provisions of 18 CFR §§ 388.112 and 388.113 shall apply to any requests for Protected Materials in the files of the Commission under the Freedom of Information Act. (5 U.S.C. § 552).

18. Nothing in this Protective Order shall be deemed to preclude any Participant from independently seeking through discovery in any other administrative or judicial proceeding information or materials produced in this proceeding under this Protective Order.

19. None of the Participants waives the right to pursue any other legal or equitable remedies that may be available in the event of actual or anticipated disclosure of Protected Materials.

20. The contents of Protected Materials or any other form of information that copies or discloses Protected Materials shall not be disclosed to anyone other than in accordance with this Protective Order and shall be used only in connection with this (these) proceeding(s). Any violation of this Protective Order and of any Non-Disclosure Certificate executed hereunder shall constitute a violation of an order of the Commission.

EXHIBIT B

LG&E/KU's SUBSIDIARIES AND RELEVANT AFFILIATES

LG&E, KU, and their public utility affiliates are described below. In addition, this Exhibit B describes certain non-jurisdictional affiliates as well. Applicants respectfully request waiver of any requirement to list all of their respective affiliates insofar as such is not relevant to the Commission's consideration of this Application and would be unduly burdensome to compile.

Except where otherwise noted, all of the entities described herein are indirect, wholly-owned subsidiaries of PPL Corporation, a holding company within the meaning of the Public Utility Holding Company Act of 2005 ("PUHCA 2005").¹

1. Louisville Gas and Electric Company

See Application, Section II.A.

2. Kentucky Utilities Company

See Application, Section II.A.

3. LG&E Energy Marketing, Inc.

LG&E Energy Marketing, Inc. ("LEM") is a power marketer which does not own any generating facilities. LEM has on file with the Commission a tariff for the sale of wholesale capacity and energy at market-based rates, but this authority is currently limited to sales outside of the LGEE BAA.² LEM, however, does not currently engage in any Commission-jurisdictional power sales.

4. PPL EnergyPlus, LLC

PPL EnergyPlus, LLC ("PPL EnergyPlus") buys and sells electricity, natural gas, and energy services in the northeastern and western regions of the United States. PPL EnergyPlus does not own or operate facilities for the generation, transmission, or distribution of electric energy, although it sells wholesale power under contracts subject to the Commission's

¹ *PPL Corp.*, Notification of Holding Company Status Form FERC-65, Docket No. HC11-1-000 (filed Dec. 1, 2010).

² *LG&E Energy Marketing Inc.*, Docket Nos. ER06-1046-000, *et al.*, Letter Order, July 6, 2006 (accepting for filing revised tariff sheets prohibiting sales in the LGEE and BREC BAAs); *Louisville Gas & Elec. Co.*, 135 FERC ¶ 61,281 (2011) (lifting restrictions on sales in BREC BAA). *See also LG&E, KU, et al.*, Triennial Market Power Update, Docket Nos. ER10-1511-002, *et al.*, filed June 30, 2011.

jurisdiction. PPL EnergyPlus has received blanket market-based rate authority from the Commission,³ but this authority is currently limited to sales outside of the LGEE BAA.⁴

As described above, PPL EnergyPlus is one of several suppliers to its affiliate, PPL Electric Utilities Corporation (“PPL Electric”), a retail distribution company in east-central Pennsylvania, of the electricity required by PPL Electric to fulfill its default provider obligations. PPL EnergyPlus participates in the competitive supply programs of several other default service providers in PJM and other regions. PPL EnergyPlus also markets or brokers the output of the electric generating facilities owned by its affiliates. Further, PPL EnergyPlus is authorized to, and engages in, the sale of electricity at retail in several states.

5. PPL Electric Utilities Corporation

PPL Electric Utilities Corporation (“PPL Electric”), a wholly-owned subsidiary of PPL Corp., owns transmission facilities located within the PJM BAA. PPL Electric currently serves approximately 1.4 million customers in 29 counties in eastern and central Pennsylvania. PPL Electric’s transmission system consists of approximately 5,000 miles of transmission lines and covers a service territory of approximately 10,000 square miles. PJM directs the operation of PPL Electric’s transmission facilities, and transmission service over these facilities is provided under the PJM OATT.

PPL Electric has no captive wholesale or retail customers.⁵ It is the default supplier for retail customers within its service territory under Pennsylvania’s Electricity Generation Customer Choice and Competition Act, 66 Pa.C.S. §§ 2801, *et seq.* PPL Electric purchases the energy and capacity required to satisfy its default supplier obligations from various non-affiliated suppliers and its marketing affiliate, PPL EnergyPlus, pursuant to a competitive supply auction program approved by the Pennsylvania Public Utility Commission (“Pa. PUC”).⁶ Pursuant to its obligations under the Public Utility Regulatory Policies Act of 1978, PPL Electric is obligated to purchase power from certain Qualifying Facilities (“QFs”).⁷

³ *PP&L EnergyPlus Co.*, 85 FERC ¶ 61,377 (1998), *reh’g denied*, *PP&L EnergyPlus Co., LLC*, 95 FERC ¶ 61,154 (2001); *PP&L EnergyPlus, Co., LLC*, Docket No. ER99-3779- 000 (Letter Order issued Aug. 30, 1999) (sale of ancillary services); *PPL Elec. Utils. Corp.*, Docket Nos. ER10-2010-001, *et al.*, Letter Order dated June 30, 2011 (accepting triennial market power update for northeast region). *See also LG&E, KU, et al.*, Triennial Market Power Update, Docket Nos. ER10-1511-002, *et al.*, filed June 30, 2011.

⁴ *See Louisville Gas & Elec. Co.*, Docket Nos. ER10-1511-001, *et al.*, Letter Order dated Mar. 21, 2011 (accepting revised market-based rate tariffs restricting sales in the LGEE and BREC BAAs); *Louisville Gas & Elec. Co.*, 135 FERC ¶ 61,281 (2011) (lifting restrictions on sales in BREC BAA).

⁵ *See PPL Elec. Utils. Corp., et al.*, Docket Nos. ER00-1712-010, *et al.* (Letter Order issued Mar. 25, 2009) (finding that PPL Electric has no captive customers and granting waiver of affiliate restrictions).

⁶ Petition of PPL Electric Utilities Corporation for Approval of a Default Service Program and Procurement Plan for the Period January 1, 2011 Through May 31, 2013, Docket No. P-2008-2060309 (Order entered June 30, 2009).

⁷ PPL Electric sells this QF power to PPL EnergyPlus pursuant to a long-term contract accepted for filing by the Commission. *PPL Elec. Utils. Corp.*, Docket No. ER00-2537- 000 (Letter Order issued July 5, 2000) (accepting for filing PPL Electric Utilities Corporation Service Agreement No. 166 under FERC Electric Tariff, First Revised Volume No. 5).

PPL Electric has received blanket market-based rate authority from the Commission,⁸ but this authority is currently limited to sales outside of the LGEE BAA.⁹

6. Electric Energy, Inc. and Midwest Electric Power, Inc.

KU holds a 20 percent interest in Electric Energy, Inc. (“EEInc”), the owner and operator of a six-unit coal-fired generating facility, with a capacity of approximately 1,002 MW (summer rating), located in Joppa, Illinois. EEInc’s wholly-owned subsidiary, Midwest Electric Power, Inc. (“MEPI”), owns and operates two gas turbines with a total capacity of approximately 74 MW (summer rating) also located in Joppa, Illinois (all, collectively, the “Joppa Facilities”).¹⁰

Output from the Joppa Facilities is under the operation and control of subsidiaries of Ameren Corporation, a public utility holding company and the majority (80 percent) owner of EEInc.¹¹ Neither KU nor any affiliate currently has contractual rights to the output of the Joppa Facilities.¹²

In addition, EEInc owns and operates approximately 55 miles of electric transmission lines that interconnect its generating facilities to the transmission lines of LG&E, KU, and TVA.¹³ Transmission service over these lines is provided pursuant to a Commission-approved OATT.¹⁴ Further, EEInc is the sole owner of the Joppa and Eastern Railroad Company, which owns a 3.9-mile rail line and associated railcars that transport coal shipments to the Joppa Facilities.

⁸ *Pa. Power & Light Co.*, 80 FERC ¶ 61,053 (1997) (market-based rate authority); *PP&L, Inc.*, Docket No. ER98-3453-000, Letter Order dated July 28, 1998 (resale of transmission rights and associated ancillary services); *PP&L, Inc.*, Docket No. ER98- 4533-000, Letter Order dated Oct. 16, 1998 (sales to affiliates); *PP&L, Inc.*, Docket No. ER99-3294-000, Letter Order dated July 22, 1999) (sale of specified ancillary services); *PPL Elec. Utils. Corp.*, Docket Nos. ER10-2010-001, *et al.*, Letter Order dated June 30, 2011 (accepting triennial market power update for northeast region).

⁹ *See Louisville Gas & Elec. Co.*, Docket Nos. ER10-1511-001, *et al.*, Letter Order dated Mar. 21, 2011 (accepting revised market-based rate tariffs restricting sales in the LGEE and BREC BAAs); *Louisville Gas & Elec. Co.*, 135 FERC ¶ 61,281 (2011) (lifting restrictions on sales in BREC BAA).

¹⁰ MEPI also operates three additional gas turbines owned by Ameren Energy Generating Company with a combined capacity of 165 MW (summer rating).

¹¹ LG&E, KU and LEM submitted a Letter of Concurrence from Ameren Energy Marketing supporting this statement in their September 2, 2008 triennial market power update in Docket Nos. ER94-1188, *et al.*

¹² *See, e.g.*, Ameren Energy Generating Co., FERC Form 1 for 2010 at Page 123.56 (filed April 18, 2011) (“In December 2005, EEI[nc] entered into a PSA with [Ameren Energy Marketing], whereby EEI[nc] agreed to sell and [Ameren Energy Marketing] agreed to purchase all of the capacity and energy available from EEI[nc]’s generation fleet.”).

¹³ More specifically, these lines are comprised of six parallel lines of approximately 10 miles each in length that, for all intents and purposes, are simply generator leads that interconnect EEInc’s generating facilities in Joppa, Illinois, and a transmission bus in Paducah, Kentucky.

¹⁴ *See generally* Electric Energy, Inc., Open Access Transmission Tariff, Docket No. ER10-3305-000 (filed Nov. 3, 2010).

EEInc has received market-based rate authority from the Commission,¹⁵ but this authority is currently limited to sales outside of the LGEE BAA.¹⁶ MEPI sells its power to EEInc at cost-based rates.¹⁷

7. Additional Affiliates

Additional wholly-owned public utility subsidiaries of PPL Corp. are all primarily engaged in the ownership and operation of generating facilities in PJM, ISO New England, Inc. (“ISO-NE”), or the state of Montana, as set forth below. Each of these entities is an exempt wholesale generator and has been granted market-based rate authority by the Commission.¹⁸ Such authority, however, does not extend to sales in the LGEE BAA.¹⁹ The entities listed below which operate in PJM and ISO-NE submitted a triennial update filing on December 22, 2011.

PJM

Lower Mount Bethel Energy, LLC	PPL Susquehanna, LLC
PPL Brunner Island, LLC	PPL New Jersey Solar, LLC
PPL Holtwood, LLC	PPL New Jersey Biogas, LLC
PPL Martins Creek, LLC	PPL Renewable Energy, LLC ²⁰
PPL Montour, LLC	

ISO-NE

PPL Great Works, LLC	PPL Maine, LLC
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Montana

PPL Montana, LLC	PPL Colstrip II, LLC ²¹
PPL Colstrip I, LLC	

¹⁵ The docket number in which EEInc was granted market-based rate authority, as well as a list of generating facilities owned by it and MEPI, are included in Exhibit F.

¹⁶ See *Elec. Energy Inc.*, Docket No. ER10-3247-000, Filing of Baseline Market-Based Rates Tariff, Sep. 30, 2010; *Elec. Energy Inc.*, Docket Nos. ER10-3247-000, *et al.*, Letter Order dated Dec. 16, 2010 (accepting filing).

¹⁷ *Midwest Elec. Power, Inc.*, Docket No. ER06-442-000 (Letter Order issued Feb. 28, 2006)

¹⁸ The docket numbers in which each entity was granted market-based rate authority, as well as a list of any generating facilities owned by these entities, are included in Exhibit 1.

¹⁹ See *Louisville Gas & Elec. Co.*, Docket Nos. ER10-1511-001, *et al.*, Letter Order dated Mar. 21, 2011 (accepting revised market-based rate tariffs restricting sales in the LGEE and BREC BAAs); *Louisville Gas & Elec. Co.*, 135 FERC ¶ 61,281 (2011) (lifting restrictions on sales in BREC BAA).

²⁰ PPL Renewable Energy, LLC also owns a fuel cell located in Connecticut on customer property behind the interconnection meter.

²¹ PPL Colstrip I, LLC and PPL Colstrip II, LLC currently own no generating facilities. PPL Montana, LLC’s generating facilities are located in the NorthWestern Energy Montana BAA. On June 21, 2011, the Commission approved the January 2011 triennial market power update filed by the affiliates of the PPL Southeast Companies located in the NorthWestern Energy Montana BAA. *PPL EnergyPlus, LLC, et al.*, Docket Nos. ER10-2011-002, *et al.*, Letter Order dated Jun. 21, 2011

EXHIBIT F

WHOLESALE POWER SALES AND TRANSMISSION SERVICE CUSTOMERS

This Exhibit F provides a description and location of Applicants' active, long-term wholesale power sales customers and unbundled transmission services customers.

For purposes of this Exhibit F, Applicants use the term "active" to refer to entities that have taken service at some time since January 1, 2011, and use the term "long-term" in accordance with the Commission's guidelines for EQRs. Shorter term transactions are reported in Applicants' respective EQRs. Applicants respectfully request waiver of any requirement to provide such information on short-term transactions and, to the extent necessary, incorporate herein their EQRs by reference.

To provide the Commission as complete picture as possible of their jurisdictional activities, Applicants provide transmission service information in this Exhibit F. To simplify the Exhibit, however, Applicants do not include ancillary services or interconnection services. To the extent necessary, Applicants respectfully request waiver of any requirement to provide such information (which is reported in full in EQRs).

Customer Name	Location	FERC Electric Tariff/Rate Schedule	Products
KU Wholesale Power Sales Customers			
Barbourville Utility Commission	Barbourville, KY	2d Rev RS No. 184	Cost-Based Capacity and Energy
Bardstown Municipal Light & Water	Bardstown, KY	2d Rev RS No. 185	Cost-Based Capacity and Energy
Bardwell City Utilities	Bardwell, KY	2d Rev RS No. 186	Cost-Based Capacity and Energy
Benham Electric System	Benham, KY	2d Rev RS No. 187	Cost-Based Capacity and Energy
City of Berea Municipal Utilities	Berea, KY	1st Rev RS No. 197	Cost-Based Capacity and Energy
Corbin City Utilities Commission	Corbin, KY	2d Rev RS No. 188	Cost-Based Capacity and Energy
Falmouth City Utilities	Falmouth, KY	2d Rev RS No. 189	Cost-Based Capacity and Energy
Frankfort Electric and Water Plant Board	Frankfort, KY	2d Rev RS No. 190	Cost-Based Capacity and Energy
Madisonville Municipal Utilities	Madisonville, KY	2d Rev RS No. 161	Cost-Based Capacity and Energy
Nicholasville City Utilities	Nicholasville, KY	2d Rev RS No. 157	Cost-Based Capacity and Energy
City of Paris	Paris, KY	2d Rev RS No. 83	Cost-Based Capacity and Energy
Providence Municipal Utilities	Providence, KY	3d Rev RS No. 195	Cost-Based Capacity and Energy
LG&E/KU Unbundled Transmission Service Customers			
Big Rivers Electric Corporation	Henderson, KY	SA No. 9 under Joint OATT	Network Service
East Kentucky Power Cooperative	Winchester, KY	SA No. 4 under Joint OATT	Network Service
Hoosier Energy REC, Inc.	Bloomington, IN	Unfiled SA T127 under Joint OATT	Network Service
Illinois Municipal Electric Agency	Springfield, IL	SA Nos. 1 & 2 under Joint OATT	Long Term Firm PTP Service
Indiana Municipal Power Agency	Carmel, IN	Unfiled SA T0008 under Joint OATT	Long Term Firm PTP Service
Kentucky Municipal Power Agency	Paducah, KY	SA No. 13 under Joint OATT	Network Service
Owensboro Municipal Utilities	Owensboro, KY	SA No. 15 under Joint OATT	Network Service
Owensboro Municipal Utilities	Owensboro, KY	Unfiled SAs T118 & T119 under Joint OATT	Long Term Firm PTP Service

EXHIBIT G

JURISDICTIONAL FACILITIES

[See Attached]

Jurisdictional Generation Assets of LG&E/KU and Affiliates

Filing Entity and its Energy Affiliates	MBR Docket #	Generation Name	Owned By	Controlled By	Date Control Transferred	Location		In-service Date	Seasonal rating (MW)
						Balancing Authority Area	Geographic Region (per Appendix D)		
Electric Energy, Inc. ("EEInc")	ER05-1482	Joppa Steam 1-6 ¹	EEInc	EEInc.	N/A	EEInc	Central	1953	1,002 MW (summer and winter)
Kentucky Utilities Company ("KU")	ER99-1623	Brown 1-3	KU	KU	N/A	LGEE	Central	1957	697 MW (summer); 704 (winter)
KU	ER99-1623	Dix Dam 1-3	KU	KU	N/A	LGEE	Central	1925	24 MW (summer and winter)
KU	ER99-1623	Ghent 1-4	KU	KU	N/A	LGEE	Central	1974	1918 MW (summer); 1897 (winter)
KU	ER99-1623	Green River 3-4	KU	KU	N/A	LGEE	Central	1954	163 MW (summer); 173 (winter)
KU	ER99-1623	Haefling 1-3	KU	KU	N/A	LGEE	Central	1970	36 MW (summer); 42 (winter)
KU	ER99-1623	Tyrone 3	KU	KU	N/A	LGEE	Central	1953	71 MW (summer); 73 (winter)
Louisville Gas and Electric Company ("LG&E")	ER98-4540	Cane Run 4-6, 11	LG&E	LG&E	N/A	LGEE	Central	1962	577 MW (summer and winter)
LG&E	ER98-4540	Mill Creek 1-4	LG&E	LG&E	N/A	LGEE	Central	1972	1,472 MW (summer); 1,491 (winter)
LG&E	ER98-4540	Ohio Falls 1-8	LG&E	LG&E	N/A	LGEE	Central	1928	52 MW (summer); 34 (winter)
LG&E	ER98-4540	Paddy's Run 11-12	LG&E	LG&E	N/A	LGEE	Central	1968	35 MW (summer); 36 (winter)

¹ KU holds a 20 percent ownership interest in EEInc but has no rights to any electric output of the Joppa Facilities. The seasonal rating reflects the entire capability of the unit.

Filing Entity and its Energy Affiliates	MBR Docket #	Generation Name	Owned By	Controlled By	Date Control Transferred	Location		In-service Date	Seasonal rating (MW)
						Balancing Authority Area	Geographic Region (per Appendix D)		
LG&E	ER98-4540	Trimble County 1 ²	LG&E (75%)	LG&E	N/A	LGEE	Central	1990	511 MW (summer); 515 MW (winter)
LG&E	ER98-4540	Zorn 1	LG&E	LG&E	N/A	LGEE	Central	1969	14 MW (summer); 16 MW (winter)
LG&E/KU	ER98-4540, ER99-1623	Brown 5	LG&E/KU	LG&E/KU	N/A	LGEE	Central	1995	135 MW (summer); 143 MW (winter)
LG&E/KU	ER98-4540, ER99-1623	Brown 6-11	LG&E/KU	LG&E/KU	N/A	LGEE	Central	1995	812 MW (summer); 896 MW (winter)
LG&E/KU	ER98-4540, ER99-1623	Clifty Creek ³	Indiana-Kentucky Electric Corp. ("IKEC")	IKEC	N/A	OVEC	Central	1955	1,203 MW (summer); 1,228 MW (winter)
LG&E/KU	ER98-4540, ER99-1623	Kyger Creek ⁴	Ohio Valley Electric Corp. ("OVEC")	OVEC	N/A	OVEC	Central	1955	993 MW (summer); 1,021 MW (winter)
LG&E/KU	ER98-4540, ER99-1623	Paddy's Run 13	LG&E/KU	LG&E/KU	N/A	LGEE	Central	2001	158 MW (summer); 175 MW (winter)
LG&E/KU	ER98-4540, ER99-1623	Trimble County 2	LG&E/KU (75%)	LG&E/KU	N/A	LGEE	Central	2010	785 MW (summer and winter)

² LG&E holds a 75 percent interest in Trimble County 1. The balance of the interest in the unit is held by Indiana Municipal Power Agency ("IMPA") and Illinois Municipal Electric Agency ("IMEA"). LG&E controls the entire facility. The seasonal rating reflects the entire capability of the unit.

³ LG&E and KU hold a combined 8.13 percent indirect interest in IKEC and have rights to 8.13 percent of the Clifty Creek Facility's output. The seasonal rating reflects the entire capability of the unit.

⁴ LG&E and KU hold a combined 8.13 percent interest in OVEC and have rights to 8.13 percent of the Kyger Creek Facility's output. The seasonal rating reflects the entire capability of the unit.

Filing Entity and its Energy Affiliates	MBR Docket #	Generation Name	Owned By	Controlled By	Date Control Transferred	Location		In-service Date	Seasonal rating (MW)
						Balancing Authority Area	Geographic Region (per Appendix D)		
LG&E/KU	ER98-4540, ER99-1623	Trimble County 5-10	LG&E/KU	LG&E/KU	N/A	LGEE	Central	2002	960 MW (summer); 1,080 MW (winter)
LG&E Energy Marketing Inc.	ER94-1188	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Midwest Electric Power, Inc. ("MEPI") ⁵	N/A	Joppa GT 1-5	MEPI	MEPI	N/A	EEInc	Central	1974/ 2000	239 MW (summer); 254 MW (winter)
Lower Mount Bethel Energy, LLC ("LMBE")	ER02-2408	Lower Mount Bethel Energy Plant	LMBE	LMBE	N/A	PJM	Northeast	2004	551 MW (summer and winter)
PPL Brunner Island, LLC ("Brunner Island")	ER00-744	Brunner Island SES	Brunner Island	Brunner Island	N/A	PJM	Northeast	1961 (Unit 1);1965 (Unit 2); 1969 (Unit 3)	1,418 MW (summer); 1,439 MW (winter)
PPL Colstrip I, LLC	ER99-3491	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
PPL Colstrip II, LLC	ER99-3491	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
PPL Energy Plus, LLC ("PPL EnergyPlus")	ER00-1703	AES Ironwood	AES Ironwood, L.L.C.	PPL Energy Plus	June 30, 2008	PJM	Northeast	2001	670 MW (summer and winter)
PPL Great Works, LLC	ER99-4503	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
PPL Holtwood, LLC ("PPL Holtwood")	ER00-744	Holtwood	PPL Holtwood	PPL Holtwood	N/A	PJM	Northeast	1910	109 MW (summer); 110 MW (winter)
PPL Holtwood	ER00-744	Wallenpaupack	PPL Holtwood	PPL Holtwood	N/A	PJM	Northeast	1926	44 MW (summer and winter)
PPL Maine, LLC	ER00-2186	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
PPL Martins Creek, LLC ("PPL Martins Creek")	ER00-744	Martins Creek	PPL Martins Creek	PPL Martins Creek	N/A	PJM	Northeast	1974 (Unit 3); 1976 (Unit 4)	1,630 MW (summer and winter)

⁵ Midwest Electric Power Inc. (MEPI) is a wholly-owned subsidiary of Electric Energy, Inc. KU has the 20% ownership share. Neither KU nor any PPL affiliate has any rights to the power.

Filing Entity and its Energy Affiliates	MBR Docket #	Generation Name	Owned By	Controlled By	Date Control Transferred	Location		In-service Date	Seasonal rating (MW)
						Balancing Authority Area	Geographic Region (per Appendix D)		
PPL Martins Creek	ER00-744	Combustion Turbine Generators	PPL Martins Creek	PPL Martins Creek	N/A	PJM	Northeast	1971	72 MW (summer); 96 MW (winter)
PPL Martins Creek	ER00-744	Allentown	PPL Martins Creek	PPL Martins Creek	N/A	PJM	Northeast	1967	56 MW (summer); 72 MW (winter)
PPL Martins Creek	ER00-744	Fishbach	PPL Martins Creek	PPL Martins Creek	N/A	PJM	Northeast	1969	28 MW (summer); 36 MW (winter)
PPL Martins Creek	ER00-744	Harrisburg	PPL Martins Creek	PPL Martins Creek	N/A	PJM	Northeast	1967	56 MW (summer); 72 MW (winter)
PPL Martins Creek	ER00-744	Harwood	PPL Martins Creek	PPL Martins Creek	N/A	PJM	Northeast	1967	28 MW (summer); 36 MW (winter)
PPL Martins Creek	ER00-744	Jenkins	PPL Martins Creek	PPL Martins Creek	N/A	PJM	Northeast	1967	28 MW (summer); 36 MW (winter)
PPL Martins Creek	ER00-744	Lock Haven	PPL Martins Creek	PPL Martins Creek	N/A	PJM	Northeast	1969	14 MW (summer); 18 MW (winter)
PPL Martins Creek	ER00-744	West Shore	PPL Martins Creek	PPL Martins Creek	N/A	PJM	Northeast	1969	28 MW (summer); 36 MW (winter)
PPL Martins Creek	ER00-744	Williamsport	PPL Martins Creek	PPL Martins Creek	N/A	PJM	Northeast	1967	28 MW (summer); 36 MW (winter)
PPL Montana, LLC ("PPL Montana")	ER99-3491	Colstrip Units 1 and 2	PPL Montana (50%); Puget Sound Energy Inc. (50%)	PPL Montana (50%); Puget Sound Energy Inc. (50%)	N/A	WECC-NWPP	Northwest	1975-76	307 MW (summer and winter)
PPL Montana	ER99-3491	Colstrip Unit 3	PPL Montana (30%); Puget Sound Energy (25%); Portland General Electric (20%); Avista Corp. (15%); PacifiCorp (10%)	PPL Montana (30%); Puget Sound Energy (25%); Portland General Electric (20%); Avista Corp. (15%); PacifiCorp (10%)	Dec. 17, 1999	WECC-NWPP	Northwest	1984	740 MW (summer and winter)
PPL Montana	ER99-3491	J.E. Corette	PPL Montana	PPL Montana	Dec. 17, 1999	WECC-NWPP	Northwest	1968	154 MW (summer and winter)
PPL Montana	ER99-3491	Thompson Falls Dam	PPL Montana	PPL Montana	Dec. 17, 1999	WECC-NWPP	Northwest	1915	94 MW (summer and winter)

Filing Entity and its Energy Affiliates	MBR Docket #	Generation Name	Owned By	Controlled By	Date Control Transferred	Location		In-service Date	Seasonal rating (MW) 194 (summer); 190 MW (winter)
						Balancing Authority Area	Geographic Region (per Appendix D)		
PPL Montana	ER99-3491	Kerr Dam	PPL Montana	PPL Montana	Dec. 17, 1999	WECC-NWPP	Northwest	1938	190 MW (summer); 190 MW (winter)
PPL Montana	ER99-3491	Madison Dam	PPL Montana	PPL Montana	Dec. 17, 1999	WECC-NWPP	Northwest	1906	8 MW (summer and winter)
PPL Montana	ER99-3491	Hauser Dam	PPL Montana	PPL Montana	Dec. 17, 1999	WECC-NWPP	Northwest	1911	19 MW (summer and winter)
PPL Montana	ER99-3491	Holler Dam	PPL Montana	PPL Montana	Dec. 17, 1999	WECC-NWPP	Northwest	1918	48 MW (summer and winter)
PPL Montana	ER99-3491	Black Eagle Dam	PPL Montana	PPL Montana	Dec. 17, 1999	WECC-NWPP	Northwest	1926	21 MW (summer and winter)
PPL Montana	ER99-3491	Rainbow Dam	PPL Montana	PPL Montana	Dec. 17, 1999	WECC-NWPP	Northwest	1910	36 MW (summer and winter)
PPL Montana	ER99-3491	Cochrane Dam	PPL Montana	PPL Montana	Dec. 17, 1999	WECC-NWPP	Northwest	1958	64 MW (summer and winter)
PPL Montana	ER99-3491	Ryan Dam	PPL Montana	PPL Montana	Dec. 17, 1999	WECC-NWPP	Northwest	1915	60 MW (summer and winter)
PPL Montana	ER99-3491	Morony Dam	PPL Montana	PPL Montana	Dec. 17, 1999	WECC-NWPP	Northwest	1930	48 MW (summer and winter)
PPL Montana	ER99-3491	Mystic Lake Dam	PPL Montana	PPL Montana	Dec. 17, 1999	WECC-NWPP	Northwest	1912	12 MW (summer); 7 MW (winter)
PPL Montour, LLC ("PPL Montour")	ER00-744	Montour Units	PPL Montour	PPL Montour	N/A	PJM	Northeast	1972	1,490 MW (summer and winter)

Filing Entity and its Energy Affiliates	MBR Docket #	Generation Name	Owned By	Controlled By	Date Control Transferred	Location		In-service Date	Seasonal rating (MW)
						Balancing Authority Area	Geographic Region (per Appendix D)		
PPL Montour	ER00-744	Conemaugh	PPL Montour (16.25%); Conemaugh Power LLC (3.72%); Constellation Power Source Generation, Inc. (10.56%); Duquesne Conemaugh LLC (3.83%); Exelon Generation Company, LLC (20.72%); PSEG Fossil LLC (22.50%); Reliant Energy Mid-Atlantic Power Holdings, LLC (16.45%); UGI Development Company (5.97%)	PPL Montour (16.25%); Conemaugh Power LLC (3.72%); Constellation Power Source Generation, Inc. (10.56%); Duquesne Conemaugh LLC (3.83%); Exelon Generation Company, LLC (20.72%); PSEG Fossil LLC (22.50%); Reliant Energy Mid-Atlantic Power Holdings, LLC (16.45%); UGI Development Company (5.97%)	N/A	PJM	Northeast	1970-71	1,700 MW (summer and winter)
PPL Montour	ER00-744	Keystone	PPL Montour (12.34%); Constellation Power Source Generation, Inc. (20.99%); Duquesne Keystone LLC (2.47%); Keystone Power LLC (3.70%); Exelon Generation Company, LLC (20.99%); PSEG Fossil LLC (22.84%); Reliant Energy Mid-Atlantic Power Holdings, LLC. (16.67%)	PPL Montour (12.34%); Constellation Power Source Generation, Inc. (20.99%); Duquesne Keystone LLC (2.47%); Keystone Power LLC (3.70%); Exelon Generation Company, LLC (20.99%); PSEG Fossil LLC (22.84%); Reliant Energy Mid-Atlantic Power Holdings, LLC. (16.67%)	N/A	PJM	Northeast	1967-68	1,700 MW (summer and winter)
PPL New Jersey Solar, LLC ("PPL New Jersey Solar")	ER09-903	Summit Solar	PPL New Jersey Solar	PPL New Jersey Solar	N/A	PJM	Northeast	2009	1.7 MW
PPL New Jersey Solar	ER09-903	Princeton Solar	PPL New Jersey Solar	PPL New Jersey Solar	N/A	PJM	Northeast	2009	370 kW
PPL New Jersey Biogas, LLC ("PPL New Jersey Biogas")	ER09-904	Pennsauken Landfill	PPL New Jersey Biogas	PPL New Jersey Biogas	N/A	PJM	Northeast	2004	2,775 KW
PPL New Jersey Biogas	ER09-904	Cumberland County Landfill	PPL New Jersey Biogas	PPL New Jersey Biogas	N/A	PJM	Northeast	2008	4.0 MW
PPL Renewable Energy, LLC ("PPL Renewable")	ER08-1012	Northern Tier Landfill	PPL Renewable	PPL Renewable	N/A	PJM	Northeast	2009	1.0 MW
PPL Renewable	ER08-1012	Moretown Landfill	PPL Renewable	PPL Renewable	N/A	ISO-NE	Northeast	2008	3.2 MW
PPL Renewable	ER08-1012	Community Refuse Service Landfill	PPL Renewable	PPL Renewable	N/A	PJM	Northeast	2009	5.0 MW

Filing Entity and its Energy Affiliates	MBR Docket #	Generation Name	Owned By	Controlled By	Date Control Transferred	Location			In-service Date	Seasonal rating (MW)
						Balancing Authority Area	Geographic Region (per Appendix D)			
PPL Renewable	ER08-1012	Pennsauken Solar	PPL Renewable	PPL Renewable	N/A	PJM	Northeast	2006	500 KW	
PPL Renewable	ER08-1012	United Water	PPL Renewable	PPL Renewable	N/A	PJM	Northeast	2004	8,000 KW	
PPL Renewable	ER08-1012	Frey Farm Landfill	PPL Renewable	PPL Renewable	N/A	PJM	Northeast	2006	1,200 KW	
PPL Renewable	ER08-1012	Pepperidge Farm	PPL Renewable	PPL Renewable	N/A	ISO-NE	Northeast	2006	250 KW	
PPL Renewable	ER08-1012	Greater Lebanon Refuse Authority Landfill	PPL Renewable	PPL Renewable	N/A	PJM	Northeast	2007	2,000 KW	
PPL Renewable	ER08-1012	Macy's Solar Jersey City	PPL Renewable	PPL Renewable	N/A	PJM	Northeast	2006	390 KW	
PPL Renewable	ER08-1012	Macy's Solar Mays Landing	PPL Renewable	PPL Renewable	N/A	PJM	Northeast	2006	380 KW	
PPL Renewable	ER08-1012	Hill at Whitemarsh	PPL Renewable	PPL Renewable	N/A	PJM	Northeast	2007	1,660 KW	
PPL Renewable	ER08-1012	Shapes Solar	PPL Renewable	PPL Renewable	N/A	PJM	Northeast	2008	500 KW	
PPL Susquehanna, LLC ("PPL Susquehanna")	ER00-744	Susquehanna	PPL Susquehanna (90%); Allegheny Electric Cooperative Inc. ("AE Coop") (10%)	PPL Susquehanna (90%); AE Coop (10%)	N/A	PJM	Northeast	1983 (Unit 1); 1985 (Unit 2)	2,250 MW (summer and winter)	

Jurisdictional Electric Transmission, Natural Gas Intrastate Pipelines, and/or Gas Storage Assets of LG&E/KU and Affiliates⁶

Filing Entity and its Energy Affiliates	Asset Name and Use	Owned By	Controlled By	Date Control Transferred	Location			Size
					Balancing Authority Area	Geographic Region (per Appendix D)		
Electric Energy, Inc.	Combined 161 kV Lines	Electric Energy, Inc.	Electric Energy, Inc.	N/A	EEL	Central	Approx. 45 circuit miles	
LG&E/KU	Combined 500 kV lines	LG&E/KU	LG&E/KU	N/A	LGEE	Central	Approx. 56 circuit miles	
LG&E/KU	Combined 345kV lines	LG&E/KU	LG&E/KU	N/A	LGEE	Central	Approx. 670 circuit miles	
LG&E/KU	Combined 161 kV lines	LG&E/KU	LG&E/KU	N/A	LGEE	Central	Approx. 644 circuit miles	
LG&E/KU	Combined 138 kV lines	LG&E/KU	LG&E/KU	N/A	LGEE	Central	Approx. 1339 circuit miles	
LG&E/KU	Combined 69 kV lines	LG&E/KU	LG&E/KU	N/A	LGEE	Central	Approx. 2759 circuit miles	

⁶ Facilities identified do not include limited transmission facilities necessary to interconnect generating facilities to the transmission grid.

Filing Entity and its Energy Affiliates	Asset Name and Use	Owned By	Controlled By	Date Control Transferred	Location		Size
					Balancing Authority Area	Geographic Region (per Appendix D)	
LG&E	Natural Gas Transmission Lines	LG&E	LG&E	N/A	N/A	Central	Approx. 379 miles
LG&E	Natural Gas Distribution Lines	LG&E	LG&E	N/A	N/A	Central	Approx. 4,249 miles
LG&E/KU	Natural Gas Transmission Line	LG&E/KU	LG&E/KU	N/A	N/A	Central	Approx. 6 miles
KU	Natural Gas Transmission Line	KU	KU	N/A	N/A	Central	Approx. 11 miles
LG&E	Natural Gas Storage Fields	LG&E	LG&E	N/A	N/A	Central	Approx. 15.1 bcf working gas
PPL Electric Utilities Corporation ("PPL Electric")	Combined 500 kV Lines	PPL Electric	PPL Electric (operation directed by PJM)	N/A	PJM	Northeast	Approx. 292 combined miles
PPL Electric	Combined 500 kV Lines	PPL Electric; Atlantic City Electric Co.; Baltimore Gas & Electric Co.; Delmarva Power & Light Co.; Metropolitan Edison Co.; PECO Energy Company; Potomac Electric Power Co.; Public Service Electric & Gas Co.; UGI Corp.	First Energy (operation directed by PJM)	N/A	PJM	Northeast	Approx. 150 combined miles (3 miles owned by PPL Electric)
PPL Electric	Combined 230 kV Lines	PPL Electric	PPL Electric (operation directed by PJM)	N/A	PJM	Northeast	Approx. 1043 combined miles
PPL Electric	Combined 138 kV lines	PPL Electric	PPL Electric (operation directed by PJM)	N/A	PJM	Northeast	Approx. 280 combined miles
PPL Electric	Combined 69 kV Lines	PPL Electric	PPL Electric (operation directed by PJM)	N/A	PJM	Northeast	Approx. 3388 combined miles

Filing Entity and its Energy Affiliates	Asset Name and Use	Owned By	Controlled By	Date Control Transferred	Location		Size
					Balancing Authority Area	Geographic Region (per Appendix D)	
PPL Interstate Energy Company	Interstate Energy pipeline – transports oil and natural gas from points within Pennsylvania to PPL's Martins Creek and Lower Mount Bethel generating plants in Lower Mount Bethel Township, Pa.	PPL Interstate Energy Company	PPL Interstate Energy Company	N/A	PJM	Northeast	84 mile pipeline with a storage capacity of 1.9 million barrels of oil

Jurisdictional Generation Assets of Bluegrass Generation

Filing Entity and its Energy Affiliates	MBR Docket #	Generation Name	Owned By	Controlled By	Date Control Transferred	Location		In-service Date	Seasonal rating (MW) (summer)
						Balancing Authority Area	Geographic Region (per Appendix D)		
Bluegrass Generation Company, L.L.C. ("Bluegrass")	ER02-506	Bluegrass Generation Facility	Bluegrass	Bluegrass	N/A	LGEE	Southeast	2002	495 MW (summer)

EXHIBIT I

ASSET PURCHASE AGREEMENT

EXECUTION COPY

ASSET PURCHASE AGREEMENT

BETWEEN

BLUEGRASS GENERATION COMPANY, L.L.C.

AND

KENTUCKY UTILITIES COMPANY

AND

LOUISVILLE GAS AND ELECTRIC COMPANY

DATED AS OF

SEPTEMBER 15, 2011

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ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement (this "**Agreement**"), dated as of September 15, 2011, is entered into between Bluegrass Generation Company, L.L.C., a Delaware limited liability company ("**Seller**") and Kentucky Utilities Company, a Kentucky corporation, and Louisville Gas and Electric Company, a Kentucky corporation (collectively, the "**Buyer**") (Seller and Buyer each a "**Party**" and together the "**Parties**").

RECITALS:

WHEREAS, Seller is engaged in the business of owning and operating three natural gas fired simple cycle power generation units (each a "**Unit**") located on the Real Property (as defined below) (the Units and all supporting infrastructure and other improvements on the Real Property, the "**Plant**") (the "**Business**");

WHEREAS, Seller operates the Business through a financing arrangement with Oldham County, Kentucky ("Oldham") such that Seller makes payments in lieu of property taxes ("**PILOT Payments**") and lease payments to Oldham under the terms of the In-Lieu of Tax Payments Agreement made and entered as of November 1, 2000, by and between Oldham and Seller (the "**PILOT Agreement**") and the lease dated as of November 1, 2000 between Seller as lessee and Oldham as lessor, as such lease has been amended pursuant to amendments dated December 27, 2001, December 27, 2002, and January 19, 2006 (the "**Lease**"); and

WHEREAS, Seller wishes to sell and assign to Buyer, and Buyer wishes to purchase and assume from Seller, substantially all the assets, and certain specified liabilities, of the Business, subject to the terms and conditions set forth herein; and

WHEREAS, as an inducement to Buyer entering into this Agreement, Seller Parent has executed simultaneously herewith a guarantee whereby Seller Parent guarantees Seller's performance of its obligations under this Agreement;

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE I DEFINITIONS

The following terms have the meanings specified or referred to in this **Article I**:
"**Acquisition Proposal**" has the meaning set forth in **Section 6.03(a)(i)**.

"**Action**" means any claim, action, cause of action, lawsuit, arbitration, audit, notice of violation, legal proceeding, litigation, citation, summons, or subpoena of any nature, whether civil, criminal, administrative, or regulatory, whether at law or in equity.

"**Actual Prorated Amount**" has the meaning set forth in **Section 2.06(c)**.

"**Affiliate**" of a Person means any other Person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such Person. The term "control" (including the terms "controlled by" and "under common control with") means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

"**Agreement**" has the meaning set forth in the preamble.

"**Allocation Schedule**" has the meaning set forth in **Section 2.07**.

"**Assigned Contracts**" has the meaning set forth in **Section 2.01(b)**.

"**Assigned Intellectual Property Assets**" has the meaning set forth in **Section 2.01(b)**.

"**Assignment and Assumption Agreement**" has the meaning set forth in **Section 3.02(a)(ii)** (*Closing Deliverables*).

"**Assumed Liabilities**" has the meaning set forth in **Section 2.03**.

"**Balance Sheet**" has the meaning set forth in **Section 4.04**.

"**Balance Sheet Date**" has the meaning set forth in **Section 4.04**.

"**Benefit Plan**" means each benefit, retirement, employment, compensation, incentive, stock option, restricted stock, stock appreciation right, phantom equity, change in control, severance, vacation, paid time off, fringe-benefit and other similar agreement, plan, policy, program and other arrangement (and any amendments thereto), whether or not reduced to writing, in effect and covering one or more Employees, former employees and the beneficiaries and dependents of any such Employee or former employee of the Business, and is maintained, sponsored, contributed to, or required to be contributed to by Seller, or under which Seller has or may have any liability for premiums or benefits.

"**Bill of Sale**" has the meaning set forth in **Section 3.02(a)(i)**.

"**Books and Records**" has the meaning set forth in **Section 2.01(j)**.

"**Business**" has the meaning set forth in the recitals.

"**Business Day**" means any day except Saturday, Sunday or any other day on which commercial banks located in Louisville, Kentucky are authorized or required by Law to be closed for business.

"**Buyer**" has the meaning set forth in the preamble.

"**Buyer Closing Certificate**" has the meaning set forth in **Section 7.03(e)**.

"**Buyer Indemnitees**" has the meaning set forth in **Section 8.02**.

"**Casualty Notice**" has the meaning set forth in **Section 6.17(a)(i)**.

"**Casualty Loss**" has the meaning set forth in **Section 6.17(a)(i)**.

"**Casualty Termination Notice**" has the meaning set forth in **Section 6.17(a)(ii)**.

"**CERCLA**" means the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended by the Superfund Amendments and Reauthorization Act of 1986, 42 U.S.C. §§ 9601 et seq.

"**Closing**" has the meaning set forth in **Section 3.01**.

"**Closing Date**" has the meaning set forth in **Section 3.01**.

"**Code**" means the Internal Revenue Code of 1986, as amended.

"**Condemnation Notice**" has the meaning set forth in **Section 6.17(c)(i)**.

"**Condemnation Termination Notice**" has the meaning set forth in **Section 6.17(c)(ii)**.

"**Condemnation Value**" has the meaning set forth in **Section 6.17(c)(iv)**.

"**Contracts**" means all legally binding contracts, leases, deeds, mortgages, licenses, instruments, notes, commitments, undertakings, indentures, joint ventures and all other legally binding arrangements, whether written or oral, but excluding Permits.

"**Deductible**" has the meaning set forth in **Section 8.04(b)(ii)**.

"**Deed**" has the meaning set forth in **Section 3.02(a)(iv)**.

"**De Minimis Amount**" has the meaning set forth in **Section 8.04(b)(i)**.

"**De Minimis Claim**" has the meaning set forth in **Section 8.04(b)(i)**.

"**Direct Claim**" has the meaning set forth in **Section 8.07(c)**.

"**Disclosure Schedules**" means the Disclosure Schedules delivered by Seller and Buyer concurrently with the execution and delivery of this Agreement.

"**Dollars or \$**" means the lawful currency of the United States.

"**Employees**" means with respect to a Person, those individuals who are considered to be employees of that Person under applicable Law.

"**Encumbrance**" means any charge, claim, pledge, lien (statutory or other), condition set forth in recorded real estate documents, equitable interest, option, security interest, mortgage, easement, encroachment, right of way, right of first refusal or similar restriction.

"**Environmental Attributes**" means any emissions and renewable energy credits, energy conservation credits, benefits, offsets and allowances, emission reduction credits or words of similar import or regulatory effect (including emissions reduction credits or

allowances under all applicable emission trading, compliance or budget programs, or any other federal, state or regional emission, renewable energy or energy conservation trading or budget program) that are held by Seller or are allocated on behalf of the Plant by Seller or allocated to Seller for the ownership, lease, operation, use or maintenance of the Business or the Purchased Assets as of: (i) the date of this Agreement; and (ii) future years for which such allocations have been established and which are in effect as of the date of this Agreement.

"Environmental Claim" means any Action, Governmental Order, lien, fine, penalty, or, as to each, any settlement or judgment arising therefrom, by or from any Person alleging liability of whatever kind or nature (including liability or responsibility for the costs of enforcement proceedings, investigations, cleanup, governmental response, removal or remediation, natural resources damages, property damages, personal injuries, medical monitoring, penalties, contribution, indemnification and injunctive relief) arising out of, based on or resulting from: (a) the presence, Release of, or exposure to, any Hazardous Materials; or (b) any actual or alleged non-compliance with any Environmental Law or term or condition of any Environmental Permit.

"Environmental Law" means any applicable Law, and any Governmental Order or binding agreement with any Governmental Authority: (a) concerning pollution (or the cleanup thereof) or the protection of natural resources, endangered or threatened species, human health or safety, or the environment (including ambient air, soil, surface water or groundwater, or subsurface strata); or (b) concerning the presence of, exposure to, or the management, manufacture, use, containment, storage, treatment, generation, discharge, transportation, processing, production, disposal or remediation of any Hazardous Materials. The term "Environmental Law" includes, without limitation, the following (including their implementing regulations and any state analogs): the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended by the Superfund Amendments and Reauthorization Act of 1986, 42 U.S.C. §§ 9601 et seq.; the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act of 1976, as amended by the Hazardous and Solid Waste Amendments of 1984, 42 U.S.C. §§ 6901 et seq.; the Federal Water Pollution Control Act of 1972, as amended by the Clean Water Act of 1977, 33 U.S.C. §§ 1251 et seq.; the Toxic Substances Control Act of 1976, as amended, 15 U.S.C. §§ 2601 et seq.; the Emergency Planning and Community Right-to-Know Act of 1986, 42 U.S.C. §§ 11001 et seq.; the Clean Air Act of 1966, as amended by the Clean Air Act Amendments of 1990, 42 U.S.C. §§ 7401 et seq.; and the Occupational Safety and Health Act of 1970, as amended, 29 U.S.C. §§ 651 et seq.

"Environmental Notice" means any notice of violation or infraction, notice respecting any Environmental Claim, or notice of intent to file a citizens suit for an actual or alleged non-compliance with any Environmental Law or any term or condition of any Environmental Permit.

"Environmental Permit" means any Permit under Environmental Law.

"EPA" means the Environmental Protection Agency.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended, and the regulations promulgated thereunder.

"Estimated Prorated Amount" has the meaning set forth in Section 2.06(b).

"Estimated Proration Adjustment Amount" has the meaning set forth in Section 2.06(b).

"Estimated Restoration Cost" has the meaning set forth in Section 6.17(b).

"Excluded Assets" has the meaning set forth in Section 2.02.

"Excluded Contracts" has the meaning set forth in Section 2.02(a).

"Excluded Liabilities" has the meaning set forth in Section 2.04.

"FERC" means the Federal Energy Regulatory Commission.

"Financial Statements" has the meaning set forth in Section 4.04.

"FIRPTA Certificate" has the meaning set forth in Section 7.02(m).

"FPA 203" means Section 203 of the Federal Power Act, as amended, 18 U.S.C. §824b.

"GAAP" means United States generally accepted accounting principles in effect from time to time.

"Governmental Authority" means any federal, state, local or foreign government or political subdivision thereof, or any agency or instrumentality of such government or political subdivision, or any self-regulated organization or other non-governmental regulatory authority or quasi-governmental authority (to the extent that the rules, regulations or orders of such organization or authority have the force of Law), or any arbitrator, court or tribunal of competent jurisdiction.

"Governmental Order" means any order, writ, judgment, injunction, decree, stipulation, agreement, determination or award entered by or with any Governmental Authority.

"Hazardous Materials" means: (a) any material, substance, chemical, waste, product, derivative, compound, mixture, solid, liquid, mineral or gas, in each case, whether naturally occurring or manmade, that is designated as "hazardous", "acutely hazardous", "toxic", or words of similar import or regulatory effect under Environmental Laws; and (b) any petroleum or petroleum-derived products, radon, radioactive materials or wastes, asbestos in any form, lead or lead-containing materials, urea formaldehyde foam insulation and polychlorinated biphenyls.

"HSR Act" means the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended.

"Indemnified Party" has the meaning set forth in Section 8.04(c)7.

"Indemnifying Party" has the meaning set forth in **Section 8.04(c)7**.

"Independent Accounting Firm" has the meaning set forth in **Section 2.07**.

"Insurance Policies" has the meaning set forth in **Section 4.123**.

"Intellectual Property" means all intellectual property rights, however arising, whether pursuant to statutory or common Law, and whether or not registered, including: (a) trademarks, service marks, trade names, brand names, logos, trade dress and other, and all registrations and applications for registration of such trademarks, including intent-to-use applications, and all issuances, extensions and renewals of such registrations and applications; (b) internet domain names, whether or not trademarks, registered in any generic top level domain by any authorized private registrar or Governmental Authority; (c) all copyrights, registrations and applications for registration of such copyrights, and all issuances, extensions and renewals of such registrations and applications; (d) confidential information, designs, know-how, processes, and trade secrets, whether or not patentable; and (e) patents and pending patent applications, reissues, extensions, reexaminations and renewals of such patents and applications.

"Intellectual Property Assets" means all Intellectual Property that is owned by Seller and used in or necessary for the conduct of the Business as currently conducted, and includes all Intellectual Property Registrations and Intellectual Property Licenses.

"Intellectual Property Assignments" has the meaning set forth in **Section 3.02(a)(iii)**.

"Intellectual Property Licenses" means all licenses, sublicenses and other Contracts by or through which other Persons, including Seller's Affiliates, grant Seller exclusive or non-exclusive rights or interests in or to any Intellectual Property that is used in or necessary for the conduct of the Business as currently conducted.

"Intellectual Property Registrations" means all Intellectual Property Assets that are subject to any issuance, registration, application or other filing by, to or with any Governmental Authority or authorized private registrar in any jurisdiction, including registered trademarks, domain names and copyrights, issued and reissued patents and pending applications for any of the foregoing.

"Interim Balance Sheet" has the meaning set forth in **Section 4.04**.

"Interim Balance Sheet Date" has the meaning set forth in **Section 4.04**.

"Interim Financial Statements" has the meaning set forth in **Section 4.04**.

"Inventory" has the meaning set forth in **Section 2.01(a)**.

"KPSC" means the Kentucky Public Service Commission.

"Knowledge of Seller or Seller's Knowledge" means the actual knowledge of the individuals listed on Section 1.01(k) of the Disclosure Schedules, after due inquiry, which includes the review of the Purchase and Sale Agreement, dated as of August 9, 2009 (along with its corresponding schedules and exhibits) as the same relates to Seller with respect to the change

in control of Seller that occurred on November 30, 2009, and the inquiry as to Article IV hereof of Mark Yates.

"**Law**" means any applicable statute, law, ordinance, regulation, rule, code, order, constitution, treaty, common law, judgment, decree, other requirement or rule of law of any Governmental Authority.

"**Lease**" has the meaning set forth in the recital.

"**Liabilities**" means liabilities, obligations or commitments of any nature whatsoever, asserted or unasserted, known or unknown, absolute or contingent, accrued or unaccrued, matured or unmatured or otherwise.

"**Losses**" means losses, damages, liabilities, deficiencies, Actions, judgments, interest, awards, penalties, fines, costs or expenses of whatever kind, including reasonable attorneys' fees and the cost of enforcing any right to indemnification hereunder and the cost of pursuing any insurance providers.

"**Material Adverse Effect**" means any event, occurrence, fact, condition or change that is, or would reasonably be expected to become, individually or in the aggregate, materially adverse to (a) the business, results of operations, condition (financial or otherwise) or assets of the Business, or (b) the ability of Seller to consummate the transactions contemplated hereby in accordance herewith; *provided, however*, that the following shall not be considered when determining whether a Material Adverse Effect has occurred: any change, event, effect or occurrence (or changes, events, effects or occurrences taken together) resulting from (a) any change generally affecting the international, national or regional electric generating, transmission or distribution industry; (b) any change generally affecting the international, national or regional wholesale or retail markets for electric power, including pricing; (c) any change generally affecting the international, national or regional wholesale or retail markets for the natural gas industry; (d) any change in markets for commodities or supplies, including electric power, natural gas or fuel and water, as applicable, used in connection with the Business; (e) any change in general regulatory or political conditions, including any engagements of hostilities, acts of war or terrorist activities or changes imposed by a Governmental Authority associated with additional security; (f) any change in the international, national or regional electric transmission or distribution systems or operations thereof; (g) any change in any Laws (including Environmental Laws) or industry standards; (h) any change in the financial condition or results of operation of the Business caused by the sale pursuant to this Agreement; (i) any change in the financial, banking, or securities markets (including any suspension of trading in, or limitation on prices for, securities on the New York Stock Exchange, American Stock Exchange, or Nasdaq Stock Market) or any change in the general national or regional economic or financial conditions; (j) any actions to be taken pursuant to or in accordance with this Agreement; (k) the announcement or pendency of the transactions contemplated hereby; (l) any change in the ability to further develop or expand the Business; (m) any changes to a regional

transmission operator or capacity markets; (n) any new power plant entrants and their effect on pricing or transmission.

"**Material Contracts**" has the meaning set forth in **Section 4.06(a)**.

"**Material Suppliers**" has the meaning set forth in **Section 6.13**.

"**MPPAA Plan**" means a multiemployer Plan, as described in Section 4001(a)(3) of ERISA.

"**Non-Reimbursable Damages**" has the meaning set forth in **Section 8.04(h)**.

"**Party**" has the meaning set forth in the recitals.

"**Permits**" means all permits, licenses, franchises, approvals, authorizations, registrations, certificates of authorization, variances and similar rights obtained, or required to be obtained, from Governmental Authorities.

"**Permitted Encumbrances**" has the meaning set forth in **Section 4.07(a)**.

"**Person**" means an individual, corporation, partnership, joint venture, limited liability company, Governmental Authority, unincorporated organization, trust, association or other entity.

"**PILOT Agreement**" has the meaning set forth in the recitals.

"**PILOT Payments**" has the meaning set forth in the recitals.

"**PILOT Program Termination**" has the meaning set forth in **Section 6.08(a)(ii)**.

"**Plant**" has the meaning set forth in the recitals.

"**Post-Closing Tax Period**" means any taxable period beginning after the Closing Date and, with respect to any taxable period beginning before and ending after the Closing Date, the portion of such taxable period beginning after the Closing Date.

"**Prepayments**" has the meaning set forth in **Section 2.01(h)**.

"**Pre-Closing Tax Period**" means any taxable period ending on or before the Closing Date and, with respect to any taxable period beginning before and ending after the Closing Date, the portion of such taxable period ending on and including the Closing Date.

"**Prorated Amount**" has the meaning set forth in **Section 2.06(f)**.

"**Prorated Difference**" has the meaning set forth in **Section 2.06(b)**.

"**Prorated Items**" has the meaning set forth in **Section 2.06(a)**.

"**Proration Adjustment Amount**" has the meaning set forth in **Section 2.06(c)**.

"**Proration Calculation**" has the meaning set forth in **Section 2.06(c)**.

"**Purchase Date**" means November 30, 2009.

"**Purchase Price**" has the meaning set forth in **Section 2.05**.

"**Purchased Assets**" has the meaning set forth in **Section 2.01**.

"**Qualified Benefit Plan**" means each Benefit Plan that is intended to be qualified under Section 401(a) of the Code.

"**Real Property**" has the meaning set forth in **Section 4.09(a)**.

"**Release**" means, with respect to Hazardous Materials, any actual release, spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, abandonment, disposing or allowing to escape or migrate into or through the environment (including, without limitation, ambient air (indoor or outdoor), surface water, groundwater, land surface or subsurface strata or within any building, structure, facility or fixture), that is punishable (by fines or otherwise) or requires remediation under applicable Environmental Laws.

"**Representative**" means, with respect to any Person and its Affiliates, any and all directors, officers, employees, limited and general partners, consultants, financial advisors, counsel, accountants and other agents of such Person.

"**Request Date**" has the meaning set forth in **Section 2.06(b)**.

"**Restoration Cost**" has the meaning set forth in **Section 6.17(a)(i)**.

"**Restore**" has the meaning set forth in **Section 6.17(a)(i)**.

"**Seller**" has the meaning set forth in the preamble.

"**Seller Closing Certificate**" has the meaning set forth in **Section 7.02(i)**.

"**Seller Indemnitees**" has the meaning set forth in **Section 8.03**.

"**Seller Parent**" means Port River, LLC, a Delaware limited liability company.

"**Schedule Update**" has the meaning set forth in **Section 6.18**.

"**Tangible Personal Property**" has the meaning set forth in **Section 2.01(d)**.

"**Taxes**" means all federal, state, local, foreign and other income, gross receipts, sales, use, production, ad valorem, transfer, documentary, franchise, registration, profits, license, lease, service, service use, withholding, payroll, employment, unemployment, excise, severance, environmental, stamp, occupation, premium, property (real or personal), real property gains, windfall profits, customs, duties or other taxes, fees, assessments or charges of any kind whatsoever, together with any interest, additions or penalties with respect thereto and any interest in respect of such additions or penalties.

"**Tax Return**" means any return, declaration, report, claim for refund, information return or statement or other document relating to Taxes, including any schedule or attachment thereto, and including any amendment thereof.

"**Third Party Claim**" has the meaning set forth in **Section 8.07(a)**.

"**Transaction Documents**" means this Agreement, the Bill of Sale, the Assignment and Assumption Agreement, Intellectual Property Assignments, Deed,

Parent Guaranty and all other agreements, instruments and documents contemplated by this Agreement, including those that are required to be delivered at the Closing.

"**Unaudited Financial Statements**" has the meaning set forth in **Section 4.04**.

"**Unit**" has the meaning set forth in the recitals.

"**VASCC**" means the Virginia State Corporation Commission.

"**WARN Act**" means the federal Worker Adjustment and Retraining Notification Act of 1988, and similar state, local and foreign laws related to plant closings, relocations, mass layoffs and employment losses.

ARTICLE II

PURCHASE AND SALE

Section 2.01 Purchase and Sale of Assets. Subject to the terms and conditions set forth herein, at the Closing, Seller shall sell, assign, transfer, convey and deliver to Buyer, and Buyer shall purchase from Seller, free and clear of any Encumbrances other than Permitted Encumbrances, all right, title and interest in, to and under all of the Purchased Assets owned or leased by Seller. For purposes of this Agreement, the term "**Purchased Assets**" means all of the assets, properties and rights of every kind and nature, whether real, personal or mixed, tangible or intangible, and whether now existing or hereafter acquired (other than the Excluded Assets), which are used or held for use in connection with, the Business, including, without limitation, the following:

- (a) all inventory, raw materials, supplies, parts and other inventories used or useful in the ownership, maintenance or operation of the Business and the Plant (except for those items listed on **Section 2.01(a)** of the Disclosure Schedules, "**Inventory**").
- (b) all Contracts, including Intellectual Property Licenses, set forth on **Section 2.01(b)** of the Disclosure Schedules (the "**Assigned Contracts**");
- (c) all Intellectual Property Assets (the "**Assigned Intellectual Property Assets**");
- (d) all furniture, fixtures, equipment, machinery, tools, vehicles, office equipment, supplies, computers, telephones and other tangible personal property (the "**Tangible Personal Property**");
- (e) all Real Property;
- (f) the Permits, including Environmental Permits, which are held by Seller and required for the conduct of the Business as currently conducted or for the ownership and use of the Purchased Assets, including, without limitation, those listed on **Section 4.15(b)** (*Compliance with Law; Permits*) and **Section 4.16(b)** (*Environmental Matters*) of the Disclosure Schedules;
- (g) all rights to any Actions of any nature available to or being pursued by

Seller to the extent directly arising from the Business, the Purchased Assets or the Assumed Liabilities, whether arising by way of counterclaim or otherwise, but only to the extent that such Actions are with respect to the title to, or to the preservation or restoration of, the Purchased Assets or the Assumed Liabilities following Closing;

(h) all prepaid expenses, credits, claims, security, refunds, rights of recovery, rights of set-off, rights of recoupment, deposits, charges, sums, fees (including any such item relating to the payment of Taxes) and advance payments relating to the ownership of the Business and the Purchased Assets following Closing, but not including any such items attributable to the period prior to Closing or the Excluded Assets, as set forth on **Section 2.01(h)** of the Disclosure Schedules (the "**Prepayments**");

(i) all of Seller's rights under warranties, indemnities and all similar rights against third parties to the extent such rights are with respect to maintaining title to or preserving or restoring the Purchased Assets following Closing;

(j) originals, or where not practicable, copies, of books and records of the Seller which are directly related to the Business, and which include the following: trial balances, general and subsidiary ledgers and other accounting records, machinery and equipment maintenance files, production data, quality control records and procedures, customer complaints and inquiry files, research and development files, records and data (including material correspondence with any Governmental Authority other than any such correspondence concerning the PILOT Project Termination, sales material and records (including pricing history, total sales, terms and conditions of sale, sales and pricing policies and practices), strategic plans, internal financial statements, marketing and promotional surveys, intellectual property files relating to the Intellectual Property Assets and the Intellectual Property Licenses, if any ("**Books and Records**"); and

(k) all of Seller's rights to any Environmental Attributes with respect to the Business or the Plant.

Section 2.02 Excluded Assets. Notwithstanding the foregoing, the Purchased Assets shall not include the following assets (collectively, the "**Excluded Assets**");

(a) Contracts, including Intellectual Property Licenses, that are not Assigned Contracts (the "**Excluded Contracts**");

(b) the seals, organizational documents, minute books, Tax Returns, books of account or other records having to do with the organization and ownership of Seller;

(c) the assets, properties and rights specifically set forth on **Section 2.02(a)** of the Disclosure Schedules;

(d) the rights which accrue or will accrue to Seller under the Transaction Documents;

(e) except as provided in Section 6.17(a)(v), any insurance benefit or claim, including rights and proceeds, arising out of and relating to events or periods prior to the

Closing or which is not related to the Business;

(f) all of Seller's rights under warranties, indemnities and all similar rights against third parties to the extent not explicitly included in the Purchased Assets pursuant to Section 2.01(i).

(g) except for Prepayments, any cash, cash equivalents, certificates of deposit, bank deposits, bank accounts, advance payments to the operator under the operations and maintenance agreement, commercial paper, securities, rights to payment, accounts receivable, rights to refunds, credits, offsets, in-kind or exchange arrangements, income, sales, payroll or other Tax receivables, and any similar rights arising from or relating to the ownership or operation of the Business with respect to any period of time prior to the Closing;

(h) to the extent not Purchased Assets as provided in Section 2.01(g), all claims, causes of action, rights of recovery, rights of set-off, rights to refunds and similar rights of any kind in favor of Seller or any other Person arising from or relating to the ownership or operation of the Business with respect to any period of time prior to the Closing, including any refund of Taxes paid prior to the Closing (including refunds of such Taxes received after the Closing) and described in **Section 2.02(i)** below, except for any of the foregoing to the extent arising from or relating to Assumed Liabilities;

(i) any refund, deposit, credit, payment, adjustment or reconciliation (i) related to real property Taxes, personal property Taxes or other Taxes attributable to any Pre-Closing Tax Period in respect of the Purchased Assets or relating to the Business, whether such refund, adjustment or reconciliation is received as a payment or as a credit against future Taxes payable, or (ii) arising under the Assigned Contracts, Permits or Environmental Permits and relating to any period or portion thereof before the Closing Date, except for any of the foregoing to the extent arising from or relating to Assumed Liabilities;

(j) (A) duplicate copies of all records transferred to Buyer pursuant to this Agreement, (B) all records prepared in connection with the sale of the Business (including bids received from third parties and analyses relating to the Business, or (C) any other records of Seller other than the Books and Records;

(k) any assets disposed of by Seller after the date of this Agreement to the extent such dispositions are consistent with Seller's obligations under this Agreement; and

(l) all of the issued and outstanding membership interests of Seller.

Section 2.03 Assumed Liabilities. Subject to the terms and conditions set forth herein, Buyer shall assume and agree to pay, perform and discharge only the following Liabilities of Seller (collectively, the "**Assumed Liabilities**"), and no other Liabilities:

(a) all Liabilities in respect of the Assigned Contracts but only to the extent that (i) such Liabilities thereunder are ¹²required to be performed or relate to the

period after the Closing, and (ii) are not Liabilities arising out of any failure to perform, improper performance, warranty or other breach, default or violation by Seller prior to the Closing; and

(b) Taxes arising from Buyer's acquisition of Purchased Assets for which Buyer is responsible pursuant to Section 6.14 to the extent such Taxes are a Liability of Seller.

Section 2.04 Excluded Liabilities. Buyer shall not assume and shall not be responsible to pay, perform or discharge any Liabilities of Seller or any of its Affiliates of any kind or nature whatsoever other than the Assumed Liabilities (the "**Excluded Liabilities**"). Seller shall, and shall cause each of its Affiliates to, pay and satisfy in due course all Excluded Liabilities which they are obligated to pay and satisfy. The Excluded Liabilities include, but are not limited to, the following:

(a) any Liabilities of Seller arising or incurred in connection with the negotiation, preparation, investigation and performance of this Agreement, the other Transaction Documents and the transactions contemplated hereby and thereby, including, without limitation, fees and expenses of counsel, accountants, consultants, advisers and others;

(b) any Liability for (i) Taxes of Seller (or any stockholder or Affiliate of Seller) or relating to the Business, the Purchased Assets or the Assumed Liabilities for any Pre-Closing Tax Period; (ii) Taxes that arise out of the consummation of the transactions contemplated hereby or that are the responsibility of Seller pursuant to **Section 6.14**; or (iii) other Taxes of Seller (or any stockholder or Affiliate of Seller) of any kind or description (including any Liability for Taxes of Seller (or any stockholder or Affiliate of Seller) that becomes a Liability of Buyer under any common law doctrine of de facto merger or transferee or successor liability or otherwise by operation of contract or Law); *provided, however*, that Buyer shall be responsible for all sales Tax arising from Buyer's acquisition of the Purchased Assets pursuant to Section 6.14;

(c) any Liabilities relating to or arising out of the Excluded Assets;

(d) any Liabilities in respect of any pending or threatened Action arising out of, relating to or otherwise in respect of the operation of the Business or the Purchased Assets to the extent such Action relates to such operation prior to the Closing;

(e) any product Liability or similar claim for injury to a Person or property which arises out of or is based upon any express or implied representation, warranty, agreement or guaranty made by Seller, or by reason of the breach of performance or malfunctioning of a product, improper design or manufacture, failure to adequately package, label or warn of hazards or other related product defects of any products at any time manufactured or sold or any service performed by Seller;

(f) any claims or liabilities arising from Seller's failure to meet applicable standards related to the production and sale of electricity prior to Closing;

(g) any Liabilities of Seller arising under or in connection with any Benefit Plan providing benefits to any present or former Employee of Seller;

(h) any Liabilities of Seller for any present or former employees, agents or independent contractors of Seller, including, without limitation, any Liabilities associated with any claims for wages or other benefits, workers' compensation, severance, retention, termination or other payments;

(i) any trade accounts payable of Seller;

(j) any Environmental Claims, or Liabilities under Environmental Laws, to the extent arising out of or relating to facts, circumstances or conditions existing on or prior to the Closing or otherwise to the extent arising out of any actions or omissions of Seller;

(k) any Liabilities of the Business relating or arising from unfulfilled commitments, quotations, purchase orders, customer orders or work orders that (i) do not constitute part of the Purchased Assets issued by the Business' customers to Seller on or before the Closing; (ii) did not arise in the ordinary course of business; or (iii) are not validly and effectively assigned to Buyer pursuant to this Agreement;

(l) any Liabilities to indemnify, reimburse or advance amounts to any present or former officer, director, employee or agent of Seller (including with respect to any breach of fiduciary obligations by same);

(m) any Liabilities under the Excluded Contracts or any other Contracts, including Intellectual Property Licenses, but not under any Assigned Contracts (i) which are not validly and effectively assigned to Buyer pursuant to this Agreement; (ii) which do not conform to the representations and warranties with respect thereto contained in this Agreement; or (iii) to the extent such Liabilities arise out of or relate to a breach by Seller of such Contracts prior to Closing;

(n) any Liabilities associated with debt, loans or credit facilities of Seller and/or the Business owing to financial institutions incurred prior to the Closing Date and which are not assumed by Buyer; and

(o) any Liabilities arising out of, in respect of or in connection with the failure by Seller or any of its Affiliates to comply with any Law or Governmental Order.

Section 2.05 Purchase Price. The aggregate purchase price for the Purchased Assets shall be \$109,500,000, subject to adjustment pursuant to **Section 2.06** hereof (the "**Purchase Price**"), plus the assumption of the Assumed Liabilities. The Purchase Price shall be paid on the Closing Date by wire transfer of immediately available funds to an account designated in writing by Seller to Buyer on the Closing Date.

Section 2.06 Purchase Price Adjustment. The Purchase Price shall be adjusted at the Closing as follows: (i) to provide for the proration between Buyer and Seller of any property Taxes, real or personal (but excluding any PILOT

Payments), on the Purchased Assets (and any other items listed on Section 2.06(a) of the Disclosure Schedules) each determined for the calendar year in which the Closing occurs on the basis of no discount, (ii) pursuant to **Section 6.17** (*Casualty and Condemnation*) and (iii) pursuant to **Section 6.04(c)** (*Notice of Certain Events; Removal of Excluded Assets*). Any payments, credits or debits made pursuant to this **Section 2.06** shall be treated as an adjustment to the Purchase Price by the parties for all purposes, unless otherwise required by Law. For avoidance of doubt, the parties agree that the responsibility for Transfer Taxes is set forth in Section 6.14 and are not subject to proration pursuant to this **Section 2.06**.

(a) Buyer and Seller agree that, except as otherwise set forth in this Agreement, with respect to the sale of the Purchased Assets, the items set forth in Section 2.06(i) and all of the items listed on **Section 2.06(a)** of the Disclosure Schedules (including any Prepayments with respect to such items) (collectively, the “**Prorated Items**”) relating to the Business and the Purchased Assets shall be prorated as of the Closing in accordance with this **Section 2.06**.

(b) As of the date at least three Business Days prior to the Closing Date, Seller will deliver to Buyer a worksheet setting forth (i) Seller’s good faith reasonable estimate of the Prorated Amount (as defined in **Section 2.06(f)**) for each Prorated Item (with respect to each Prorated Item, the “**Estimated Prorated Amount**”), as well as, in each case, a computation thereof, and (ii) an amount equal to the sum of the Estimated Prorated Amounts (the “**Estimated Proration Adjustment Amount**”). In the event that, with respect to any Prorated Item, actual figures are not available as of the time of the calculation of the Estimated Prorated Amount, the Estimated Prorated Amount for such Prorated Item shall be an estimate in good faith. If the Estimated Proration Adjustment Amount is a positive number, the Purchase Price payable at Closing will be increased by an amount equal to such Estimated Proration Adjustment Amount. If the Estimated Proration Adjustment Amount is a negative number, the Purchase Price payable at Closing will be decreased by an amount equal to the absolute value of such Estimated Adjustment Amount.

(c) On or prior to the date that is 60 days after the Closing Date (the “**Request Date**”), Buyer will deliver to Seller a worksheet (“**Proration Calculation**”) setting forth in reasonable detail and explanation (i) the Prorated Amount for each Prorated Item using the actual available amounts (the “**Actual Prorated Amount**”), (ii) the absolute value of the difference between the Estimated Prorated Amount and the Actual Prorated Amount for each such Prorated Item (the “**Prorated Difference**”), and (iii) an amount equal to the sum of the **Prorated Differences** (the “**Proration Adjustment Amount**”). If the Proration Adjustment Amount (whether a positive or a negative number) is greater than the Estimated Prorated Adjustment Amount (whether a positive or a negative number), Buyer shall pay an amount equal to the Proration Adjustment Amount to Seller within 10 days of the Request Date. If the Estimated Prorated Amount (whether a positive or a negative number) is greater than the Proration Adjustment Amount (whether a positive or a negative

number), Seller shall pay an amount equal to the Prorated Adjustment Amount to Buyer within 10 days of the Request Date.

(d) If within 60 days following delivery of the Proration Calculation Seller does not object in writing thereto to Buyer, then the Proration Adjustment Amount shall be as reflected on the Proration Calculation as delivered by Buyer. If within such 60 day period Seller delivers to Buyer a written objection to the computation of the Actual Prorated Amount for any Prorated Item to be determined under this **Section 2.06**, then Buyer and Seller shall negotiate in good faith and attempt to resolve such disagreement. Should such negotiations not result in an agreement within 20 days after delivery of such notice of disagreement, then the matter shall be submitted to the Independent Accounting Firm. The Independent Accounting Firm will deliver to Buyer and Seller a written determination of the Actual Prorated Amount and the Prorated Difference with respect to the disputed item (such determination to include a worksheet setting forth all material calculations used in arriving at such determination and to be based solely on information provided to the Independent Accounting Firm by Buyer and Seller) within 30 days of the submission of the dispute to the Independent Accounting Firm, which determination will be final, binding and conclusive on the parties. In resolving any disagreement, the Independent Accounting Firm may not assign any value to a disputed item greater than the greatest value claimed for such disputed item by any party or lesser than the lowest value claimed for such disputed item by any party. All fees and expenses relating to the work, if any, to be performed by the Independent Accounting Firm pursuant to this **Section 2.06** will be allocated between Seller and Buyer in inverse proportion as each shall prevail in respect of the dollar amount of disputed items so submitted (as finally determined by the Independent Accounting Firm).

(e) If, after the Closing, Seller or any of its Affiliates receives any payment with respect to the Purchased Assets relating to periods on or after the Closing Date, Seller shall pay to Buyer within three Business Days after such receipt an amount equal to the amount received with respect to periods on or after the Closing Date. If, after the Closing, Buyer or any of its Affiliates receives any payment with respect to the Business relating to periods before the Closing Date, Buyer shall pay to Seller within three Business Days after such receipt an amount equal to the amount received with respect to periods before the Closing Date.

(f) For purposes of this **Section 2.06**: "**Prorated Amount**" means, (i) with respect to any Prorated Item that is a Prepayment, the amount allocable to the period on or after the Closing Date that was paid by Seller prior to the Closing Date, and (ii) with respect to any other Prorated Item, the amount (expressed as a negative number) allocable to the period prior to the Closing Date, whether or not then due and payable, which was not paid by Seller prior to the Closing Date and which represents an Assumed Liability, excluding, for the avoidance of doubt, any amount paid by Seller after the Closing Date directly to the applicable third party.

Section 2.07 Allocation of Purchase Price. Seller and Buyer agree

that the Purchase Price and the Assumed Liabilities (plus other relevant items) shall be allocated among the Purchased Assets for all purposes (including Tax, regulatory and financial accounting) as shown on the allocation schedule (the "**Allocation Schedule**"). A draft of the Allocation Schedule shall be prepared by Buyer and delivered to Seller within ninety (90) days following the Closing Date. If Seller notifies Buyer in writing that Seller objects to one or more items reflected in the Allocation Schedule, Seller and Buyer shall negotiate in good faith to resolve such dispute; *provided, however*, that if Seller and Buyer are unable to resolve any dispute with respect to the Allocation Schedule within sixty (60) days following the Closing Date, such dispute shall be resolved by PricewaterhouseCoopers LLP (the "**Independent Accounting Firm**"). The fees and expenses of such accounting firm shall be borne equally by Seller and Buyer. Buyer and Seller shall file all Tax Returns (including amended returns and claims for refund) and information reports in a manner consistent with the Allocation Schedule. Any adjustments to the Purchase Price pursuant to **Section 2.06** (*Purchase Price Adjustment*) herein shall be allocated in a manner consistent with the Allocation Schedule.

Section 2.08 Withholding Tax. Buyer shall be entitled to deduct and withhold from the Purchase Price all Taxes that Buyer is required to deduct and withhold under any provision of Tax Law. All such withheld amounts shall be treated as delivered to Seller.

Section 2.09 Third Party Consents. To the extent that Seller's rights under any Contract or Permit constituting a Purchased Asset, or any other Purchased Asset, may not be assigned to Buyer without the consent of another Person which has not been obtained, this Agreement shall not constitute an agreement to assign the same if an attempted assignment would constitute a breach thereof or be unlawful, and Seller, at its expense, shall use its commercially reasonable efforts to obtain any such required consent(s) as promptly as possible. If any such consent shall not be obtained or if any attempted assignment would be ineffective or would impair Buyer's rights under the Purchased Asset in question so that Buyer would not in effect acquire the benefit of all such rights, Seller shall use commercially reasonable efforts to act after the Closing for a period of one year to obtain for Buyer the benefits thereunder and shall cooperate with Buyer during such period in any other reasonable arrangement designed to provide such benefits to Buyer. Notwithstanding any provision in this **Section 2.09** to the contrary, Buyer shall not be deemed to have waived its rights under **Section 7.02(d)** hereof unless and until Buyer either provides written waivers thereof or elects to proceed to consummate the transactions contemplated by this Agreement at Closing.

ARTICLE III CLOSING

Section 3.01 Closing. Subject to the terms and conditions of this Agreement, the consummation of the transactions contemplated by this Agreement (the

"Closing") shall take place at the offices of Frost Brown Todd LLC, 400 West Market Street, Suite 3200, Louisville, Kentucky 40202, at 10:00 AM Eastern Time, on the tenth Business Day after all of the conditions to Closing set forth in **Article VII** (*Conditions to Closing*) are either satisfied or waived (other than conditions which, by their nature, are to be satisfied on the Closing Date), or at such other time, date or place as Seller and Buyer may mutually agree upon in writing. The date on which the Closing occurs is herein referred to as the "**Closing Date**". The Closing shall be deemed effective as of 5:00 P.M. (Eastern Time) on the Closing Date.

Section 3.02 Closing Deliverables.

(a) At the Closing, Seller shall deliver to Buyer the following:

(i) a bill of sale in the form of **Exhibit A** hereto (the "**Bill of Sale**") and duly executed by Seller, transferring the tangible personal property included in the Purchased Assets to Buyer;

(ii) an assignment and assumption agreement in the form of **Exhibit B** hereto (the "**Assignment and Assumption Agreement**") and duly executed by Seller, effecting the assignment to and assumption by Buyer of the Purchased Assets and the Assumed Liabilities;

(iii) assignments in the form of **Exhibit C** hereto (the "**Intellectual Property Assignments**") and duly executed by Seller, transferring all of Seller's right, title and interest in and to the Intellectual Property Assets and the Intellectual Property Licenses to Buyer, if any;

(iv) with respect to each parcel of Real Property, a deed in form and substance substantially in the form attached as **Exhibit D** (each, a "**Deed**") and duly executed and notarized by Seller;

(v) the Seller Closing Certificate;

(vi) the FIRPTA Certificate;

(vii) the certificates of the officer, Secretary or Assistant Secretary of Seller, as applicable, required by **Section 7.02(k)** (*Conditions to Obligations of Buyer*), **Section 7.02(l)** (*Conditions to Obligations of Buyer*) and **Section 7.02 (l)** (*Conditions to Obligations of Buyer*); and

(viii) such other customary instruments of transfer, assumption, filings or documents, in form and substance reasonably satisfactory to Buyer, as may be required to give effect to this Agreement.

(b) At the Closing, Buyer shall deliver to Seller the following:

(i) the Purchase Price, as adjusted in accordance with **Section 2.06** (*Purchase Price Adjustment*);

- Buyer;
- (ii) the Assignment and Assumption Agreement duly executed by Buyer;
- (iii) the Intellectual Property Assignments duly executed by Buyer;
- (iv) the Buyer Closing Certificate;
- (v) the certificates of the Secretary or Assistant Secretary of Buyer required by **Section 7.03(f)** (*Conditions to Obligations of Seller*) and **Section 7.03(g)** (*Conditions to Obligations of Seller*); and
- (vi) such other customary instruments of transfer, assumption, filings or documents, in form and substance reasonably satisfactory to Seller, as may be required to give effect to this Agreement.

ARTICLE IV REPRESENTATIONS AND WARRANTIES OF SELLER

Except as set forth in the correspondingly numbered Section of the Disclosure Schedules, Seller represents and warrants to Buyer as set forth below.

Section 4.01 Organization and Qualification of Seller. Seller is a limited liability company duly organized, validly existing and in good standing under the Laws of the state of Delaware and has full limited liability company power and authority to own, operate or lease the properties and assets now owned, operated or leased by it and to carry on the Business as currently conducted. **Section 4.01** of the Disclosure Schedules sets forth each jurisdiction in which Seller is licensed or qualified to do business, and Seller is duly licensed or qualified to do business and is in good standing in each jurisdiction in which the ownership of the Purchased Assets or the operation of the Business as currently conducted makes such licensing or qualification necessary, except in those jurisdictions where the failure to be so duly licensed or qualified would not reasonably be expected to have a Material Adverse Effect. Seller is a wholly-owned subsidiary of Seller Parent and no other Person owns, or holds an option to purchase, any equity or capital interest in Seller.

Section 4.02 Authority of Seller. Seller has full limited liability company power and authority to enter into this Agreement and the other Transaction Documents to which it is a party, to carry out its obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby. The execution and delivery by Seller of this Agreement and any other Transaction Document to which it is a party, the performance by Seller of its obligations hereunder and thereunder and the consummation by Seller of the transactions contemplated hereby and thereby have been duly authorized by all requisite limited liability company action on the part of Seller. This Agreement has been duly executed and delivered by Seller, and (assuming due authorization, execution and delivery by Buyer) this Agreement constitutes a legal, valid

and binding obligation of Seller enforceable against Seller in accordance with its terms. When each other Transaction Document to which Seller is or will be a party has been duly executed and delivered by Seller (assuming due authorization, execution and delivery by each other party thereto), such Transaction Document will constitute a legal and binding obligation of Seller, enforceable against it in accordance with its terms, except as the same may be limited by bankruptcy, insolvency, reorganization, fraudulent conveyance, arrangement, moratorium or other similar Laws relating to or affecting the rights of creditors generally or by general equitable principles.

Section 4.03 No Conflicts; Consents. The execution, delivery and performance by Seller of this Agreement and the other Transaction Documents to which it is a party, and the consummation of the transactions contemplated hereby and thereby, do not and will not: (a) conflict with or result in a violation or breach of, or default under, any provision of the certificate of formation, by-laws, limited liability company agreement, or other organizational documents of Seller; (b) assuming all of the consents set forth on **Section 4.03(b)** of the Disclosure Schedules have been obtained and other notifications provided in the ordinary course of business have been made, conflict with, or result in, a material violation or breach of any provision of any Law or Governmental Order applicable to Seller, the Business or the Purchased Assets; (c) assuming all of the consents set forth in **Section 4.03(c)** of the Disclosure Schedules have been obtained, require the consent, notice or other action by any Person under, conflict with, or result in, a material violation or breach of, constitute a default or an event that, with or without notice or lapse of time or both, would constitute a default under, result in the acceleration of or create in any party the right to accelerate, terminate, modify or cancel any Material Contract or Permit to which Seller is a party or by which Seller or the Business is bound or to which any of the Purchased Assets are subject; or (d) result in the creation or imposition of any Encumbrance on the Purchased Assets other than Permitted Encumbrances. No consent, approval, Governmental Order, declaration or filing with, or notice to, any Governmental Authority is required by or with respect to Seller in connection with the execution and delivery of this Agreement or any of the other Transaction Documents and the consummation of the transactions contemplated hereby and thereby, except (A) as may be required under the HSR Act or by FERC, (B) as are set forth on **Section 4.03(b)** of the Disclosure Schedules and (C) those which, if not obtained or given by Seller, would not reasonably be expected to result in a Material Adverse Effect.

Section 4.04 Financial Statements. Copies of Seller's unaudited financial statements consisting of the balance sheet of the Business as of December 31 in each of the years 2010 and 2009 and the related statement of income for the periods then ended (the "**Unaudited Financial Statements**"), and Seller's unaudited financial statements consisting of the balance sheet of the Business as of June 30, 2011 and the related statement of income for the 6 month period then ended (the "**Interim Financial Statements**") and together with Unaudited Financial Statements, the "**Financial**

Statements") have been provided to Buyer. Except as set forth on **Schedule 4.04** of the Disclosure Schedules, the Financial Statements have been prepared in accordance with GAAP applied on a consistent basis throughout the period involved, subject, to normal and recurring year-end adjustments (the effect of which will not be materially adverse), audit adjustments and the absence of footnotes. The Financial Statements are based on the books and records of the Business, and fairly present the financial condition of the Business as of the respective dates they were prepared and the results of the operations of the Business for the periods indicated. The balance sheet of the Business as of December 31, 2010 is referred to herein as the "**Balance Sheet**" and the date thereof as the "**Balance Sheet Date**" and the balance sheet of the Business as of June 30, 2011 is referred to herein as the "**Interim Balance Sheet**" and the date thereof as the "**Interim Balance Sheet Date**". Seller maintains a standard system of accounting for the Business established and administered in accordance with GAAP.

Section 4.05 Undisclosed Liabilities. Seller has no Liabilities with respect to the Business, except (a) those which are adequately reflected or reserved against in the Balance Sheet as of the Balance Sheet Date, (b) those which have been incurred in the ordinary course of business consistent with past practice since the Balance Sheet Date and which are not, individually or in the aggregate, material in amount, (c) those disclosed on **Section 4.05** of the Disclosure Schedules, and (d) Excluded Liabilities.

Section 4.06 Material Contracts.

(a) **Section 4.06(a)** of the Disclosure Schedules sets forth a list as of the date of this Agreement of the following Contracts (x) by which any of the Purchased Assets are bound or (y) to which Seller is a party or by which it is bound in connection with the Business or the Purchased Assets (such Contracts listed on **Section 4.09(a)** of the Disclosure Schedules that meet the descriptions in this **Section 4.06** being collectively, the "**Material Contracts**"):

(i) *Contracts for future receipt of assets or services other than Contracts with a nominal value of (or under which there has been paid in the last 12 months) less than \$50,000 individually;*

(ii) all interconnection Contracts;

(iii) all Contracts for the transportation of natural gas;

(iv) all Contracts that require Seller to purchase or sell a stated portion of the requirements or outputs of the Business or that contain "take or pay" provisions;

(v) all Contracts that provide for the material indemnification of any Person or the assumption of any Tax or environmental Liability of any Person by Seller;

(vi) all Contracts that relate to the acquisition or disposition of any business, a material amount of stock or assets of any other Person or any real property (whether by merger, sale of stock, sale of assets or otherwise);

(vii) all broker, distributor, dealer, manufacturer's representative, franchise, agency, sales promotion, market research, marketing consulting and advertising Contracts;

(viii) all employment agreements and Contracts with independent contractors or consultants (or similar arrangements) and which are not cancellable without material penalty or without more than 30 days' notice;

(ix) except for Contracts relating to trade receivables, all Contracts relating to indebtedness for borrowed money (including, without limitation, guarantees);

(x) all Contracts with any Governmental Authority;

(xi) all Contracts that limit or purport to limit the ability of Seller to compete in any line of business or with any Person or in any geographic area or during any period of time;

(xii) all joint venture, partnership or similar Contracts;

(xiii) all Contracts for the sale of any of the Purchased Assets or for the grant to any Person of any option, right of first refusal or preferential or similar right to purchase any of the Purchased Assets;

(xiv) all powers of attorney with respect to the Business or any Purchased Asset;

(xv) all collective bargaining agreements or Contracts with any labor organization, union or association; and

(xvi) all other Contracts that are material to the Purchased Assets or the operation of the Business and not previously disclosed pursuant to this **Section 4.06**.

(b) Each Material Contract is valid and binding in all material respects on Seller in accordance with its terms and is in full force and effect in all material respects. None of Seller or, to Seller's Knowledge, any other party thereto is in material breach of or material default under (or is alleged to be in material breach of or default under), or has provided or received any notice of any intention to terminate, any Material Contract. No event or circumstance has occurred that, with notice or lapse of time or both, would constitute an event of default under any Material Contract or result in a termination thereof or would cause or permit the acceleration or other changes of any right or obligation or the loss of any benefit thereunder. Complete and correct copies of each Material Contract (including all modifications, amendments and supplements thereto and waivers thereunder) have been made available to Buyer. There are no material disputes pending or, to Seller's Knowledge, threatened under any Material Contract included in the Purchased Assets.

Section 4.07 Title to Purchased Assets. Subject to Permitted Encumbrances (as

defined below), Seller has good and valid title to all of the Purchased Assets that Seller currently owns and will have at the Closing good and valid title to all of the remaining Purchased Assets. All such Purchased Assets are, or will be at the Closing, free and clear of Encumbrances except for the following (collectively referred to as "**Permitted Encumbrances**"):

- (a) those items set forth in **Section 4.07** of the Disclosure Schedules;
- (b) liens for Taxes not yet due or delinquent and payable or being contested in good faith by appropriate procedures and for which there are adequate accruals or reserves reflected on the Balance Sheet;
- (c) all matters that are disclosed (whether or not subsequently deleted or endorsed over) on any survey, in the title policies insuring the Purchased Assets or any commitments therefor, or in any title reports, to the extent such surveys, title policies, commitments or title reports are listed on and attached to **Section 4.09(a)(i)** of the Disclosure Schedules;
- (d) imperfections or irregularities of title and other Liens and Encumbrances that would not, individually or in the aggregate, materially detract from the value of the affected property or materially impair the use of the affected property in the Business;
- (e) the terms and conditions of (i) the Assigned Contracts and (ii) the Permits listed on **Section 4.15(b)** (*Compliance with Laws; Permits*) of the Disclosure Schedules; and
- (f) easements, rights of way and other similar encumbrances affecting Real Property which would not, individually or in the aggregate, materially detract from the value of the affected property.

Section 4.08 Condition of Assets. To Seller's Knowledge, the Purchased Assets are adequate for the uses to which they are being currently put, and, except as set forth on Section 4.08 of the Disclosure Schedules, none of such Purchased Assets are in need of non-routine maintenance or repair, the failure to perform which would reasonably be expected to cause a Material Adverse Effect.

Section 4.09 Real Property

(a) **Section 4.09(a)** of the Disclosure Schedules sets forth a description of each parcel of real property used in or necessary for the conduct of the Business by Seller as currently conducted (all such parcels, together with all buildings, fixtures, structures and improvements situated thereon and all easements, rights-of-way and other rights and privileges appurtenant thereto, collectively, the "**Real Property**"). Seller has delivered to Buyer copies of (i) the deeds and other instruments (as recorded) for each parcel of Real Property and (ii) all title insurance policies, opinions, abstracts and surveys with respect

to such Real Property, that are in the possession of Seller. With respect to each parcel of Real Property:

(i) Seller has good and marketable fee simple title or good and marketable leasehold title, free and clear of all Encumbrances, and with respect to such properties to which Seller holds leasehold title, has the contractual right to acquire good and marketable fee simple title, free and clear of all Encumbrances, except for (A) Permitted Encumbrances; and (B) those Encumbrances set forth on **Section 4.09(a)(i)** of the Disclosure Schedules.

(ii) except for Permitted Encumbrances and items set forth on **Section 4.09(a)(ii)** of the Disclosure Schedules, Seller has not leased (as lessor) or otherwise granted to any Person the right to use or occupy such Real Property or any portion thereof;

(iii) Seller has not granted, and to Seller's Knowledge, there are no unrecorded outstanding options, rights of first offer or rights of first refusal to purchase such Real Property or any portion thereof or interest therein, other than pursuant to the Lease or as set forth on **Section 4.09(a)(iii)** of the Disclosure Schedules;

(iv) Seller has delivered to Buyer a true and complete copy of each lease respecting any parcel of Real Property, and each such lease as with respect to Seller is valid, binding, enforceable and in full force and effect, and Seller is not in material breach or default under such lease, and Seller has paid all rent due and payable under such lease.

(b) The Real Property is sufficient for the conduct of the Business as presently conducted and constitutes all of the real property necessary to conduct the Business as currently conducted.

Section 4.10 Intellectual Property.

(a) **Section 4.10(a)** of the Disclosure Schedules lists all Intellectual Property Assets, whether or not registered, which are material to the operation of the Business and owned, licensed or otherwise used by Seller, including Seller's formal name and all derivations thereof. All required filings and fees related to material Intellectual Property Assets have been timely filed with and paid to the relevant Governmental Authorities and authorized registrars, and all Intellectual Property Assets are otherwise in good standing, except where the failure to be in good standing would not reasonably be expected to materially impair the value of the applicable Intellectual Property Asset. Seller has provided Buyer with true and complete copies of all file histories, documents, certificates, office actions, correspondence, licenses and other agreements, instruments and materials in its possession related to Intellectual Property Assets. All material Intellectual Property Licenses are valid, binding and enforceable between Seller and the other parties thereto, and Seller is in material compliance with the terms and conditions of such Intellectual Property Licenses. The Intellectual Property Assets currently owned, licensed or used by

Seller, and the conduct of the Business as currently conducted by Seller have not, do not and will not infringe, violate or misappropriate the Intellectual Property of any Person. Seller has not received any communication, and no Action has been settled or, to Seller's Knowledge, instituted or threatened that alleges any such infringement, violation or misappropriation, and, to Seller's Knowledge, none of the Intellectual Property Assets are subject to any outstanding Governmental Order. Seller has not granted, licensed, or authorized to any Person any right or authority with respect to any Intellectual Property Asset. To Seller's Knowledge, no Person has infringed, violated or misappropriated, or is infringing, violating or misappropriating, any Intellectual Property Assets.

(b) Except as set forth in **Section 4.10(b)** of the Disclosure Schedules, Seller owns, exclusively or jointly with other Persons, all right, title and interest in and to the Intellectual Property Assets, free and clear of Encumbrances. Seller is in material compliance with all legal requirements applicable to the Intellectual Property Assets and Seller's ownership and use thereof.

Section 4.11 Inventory. All Inventory is owned by Seller free and clear of all Encumbrances other than Permitted Encumbrances, and no Inventory is held on a consignment basis. All Inventory as of the date of this Agreement is listed in **Section 4.11** of the Disclosure Schedules.

Section 4.12 Intentionally Omitted.

Section 4.13 Insurance. Seller has provided to Buyer (a) a true and complete list of all insurance policies that are maintained by Seller or its Affiliates for and are material to the Business or the Purchased Assets (collectively, the "**Insurance Policies**"); and (b) with respect to the Business, the Purchased Assets or the Assumed Liabilities, a list of all pending claims and the claims history for Seller since the Purchase Date. Except as set forth on **Section 4.12(b)** of the Disclosure Schedules, to Seller's Knowledge there are no claims related to the Business, the Purchased Assets or the Assumed Liabilities pending under any such Insurance Policies as to which coverage has been questioned, denied or disputed or in respect of which there is an outstanding reservation of rights. Neither Seller nor any of its Affiliates has received any written notice of cancellation of, premium increase with respect to, or alteration of coverage under, any of such Insurance Policies. All premiums due on such Insurance Policies have either been paid or, if not yet due, accrued. All such Insurance Policies (a) are in full force and effect and enforceable in accordance with their terms; (b) are provided by carriers who are not generally known to be financially insolvent; and (c) have not been subject to any lapse in coverage. None of Seller or any of its Affiliates is in default under, or has otherwise failed to comply with, in any material respect, any provision contained in any such Insurance Policy.

Section 4.14 Legal Proceedings; Governmental Orders.

(a) Except as set forth in **Section 4.14(a)** of the Disclosure Schedules, there

are no Actions pending or, to Seller's Knowledge, threatened against or by Seller (i) affecting the Business, the Purchased Assets or the Assumed Liabilities; or (ii) that challenge or seek to prevent, enjoin or otherwise delay the transactions contemplated by this Agreement. To Seller's Knowledge, as of the date hereof, no specific event has occurred or specific circumstances exist that would reasonably be expected to give rise to, or serve as a basis for, any such Action.

(b) Except as set forth in **Section 4.14(b)** of the Disclosure Schedules, there are no outstanding Governmental Orders and no unsatisfied judgments, penalties or awards against or affecting the Business. Seller is in material compliance with the terms of each Governmental Order set forth in **Section 4.14(b)** of the Disclosure Schedules. To Seller's Knowledge, no specific event has occurred or specific circumstance exists that reasonably is expected to constitute or result in (with or without notice or lapse of time) a violation of any such material Governmental Order as set forth in Section 4.14(b) of the Disclosure Schedules.

Section 4.15 Compliance With Laws; Permits.

(a) Except as set forth in **Section 4.15(a)** of the Disclosure Schedules, Seller is in material compliance with all Laws applicable to the conduct of the Business as currently conducted or the ownership and use of the Purchased Assets.

(b) All Permits required for Seller to conduct the Business as currently conducted or for the ownership and use of the Purchased Assets as currently owned and used have been obtained by Seller and are valid and in full force and effect. All material fees and charges with respect to such Permits as of the date hereof have been paid in full. **Section 4.15(b)** of the Disclosure Schedules lists all current Permits issued to Seller which are material to the conduct of the Business as currently conducted or the ownership and use of the Purchased Assets, including the names of the Permits and their respective dates of issuance and expiration. No event has occurred that, with or without notice or lapse of time or both, would reasonably be expected to result in the revocation, suspension, lapse or limitation of any Permit set forth in **Section 4.15(b)** of the Disclosure Schedules.

Section 4.16 Environmental Matters.

(a) Except as set forth on in **Section 4.16(b)(i)** of the Disclosure Schedules, the operations of Seller with respect to the Business and the Purchased Assets are currently and have been since the Purchase Date, in material compliance with all Environmental Laws. Except as set forth on in **Section 4.16(b)(ii)** of the Disclosure Schedules, since the Purchase Date, Seller has not received from any Person, with respect to the Business or the Purchased Assets, any: (i) Environmental Notice or Environmental Claim or (ii) written request for information pursuant to Environmental Law, which, in each case, is in respect of a violation or a reasonably probable violation of Environmental Law and remains pending or unresolved.

(b) Seller has obtained and is in material compliance with all Environmental Permits (each of which is disclosed in **Section 4.16(b)(i)** of the Disclosure Schedules) necessary for the conduct of the Business as currently conducted or the ownership, lease, operation or use of the Purchased Assets. Except as set forth on **Section 4.16(b)(ii)** of the Disclosure Schedules, all such Environmental Permits are in full force and effect in all material respects. To Seller's Knowledge, no specific condition, event or circumstance has occurred with respect to such Environmental Permits that might reasonably be expected to materially prevent or impede, after the Closing Date, the conduct of the Business as currently conducted or the ownership, lease, operation or use of the Purchased Assets as currently conducted. Seller has not, since the Purchase Date, received any Environmental Notice or written communication regarding any material adverse change in the status or terms and conditions of the same.

(c) None of the Business or the Purchased Assets in connection with the Business is listed on, or has been proposed for listing on, the National Priorities List (or CERCLIS) under CERCLA, or any similar state list.

(d) Since the Purchase Date, there has been no Release of Hazardous Materials in material violation of Environmental Law with respect to the Business or the Purchased Assets in connection with the Business, and Seller has not received an Environmental Notice that any of the Business or the Purchased Assets in connection with the Business (including soils, groundwater, surface water, buildings and other structure located thereon) has been contaminated with any Hazardous Material which would reasonably be expected to result in a material Environmental Claim against, or a material violation of Environmental Law or term of any Environmental Permit by, Seller.

(e) **Section 4.16(e)** of the Disclosure Schedules contains a complete and accurate list, to Seller's Knowledge, of all active or abandoned aboveground or underground storage tanks owned or operated by Seller since the Purchase Date in connection with the Business or the Purchased Assets.

(f) **Section 4.16(e)** of the Disclosure Schedules contains a complete and accurate list of all off-site Hazardous Materials storage or disposal facilities or locations used by Seller since the Purchase Date in connection with the Business or the Purchased Assets, and to Seller's Knowledge, none of these facilities or locations has been placed or proposed for placement on the National Priorities List (or CERCLIS) under CERCLA or any similar state list, and Seller has not received any Environmental Notice regarding material liabilities with respect to such off-site Hazardous Materials treatment, storage, or disposal facilities or locations used by Seller since the Purchase Date.

(g) Since the Purchase Date, Seller has not retained or assumed, by contract or operation of Law, any liabilities or obligations of third parties under Environmental Law.

(h) Seller has provided or otherwise made available to Buyer any and all environmental reports, studies, audits, records, sampling data, site assessments, risk assessments, economic models and other similar documents with respect to the Business

or the Purchased Assets or any real property currently or formerly owned, leased or operated by Seller in connection with the Business which are in the possession or control of Seller with respect to compliance with Environmental Laws, Environmental Claims or an Environmental Notice or the Release of Hazardous Materials.

(i) Seller owns and controls all Environmental Attributes set forth in **Section 4.16(g)** of the Disclosure Schedules and has not entered into any Contract to transfer, lease, license, guarantee, sell, mortgage, pledge or otherwise dispose of or encumber any such Environmental Attributes as of the date hereof.

Section 4.17 Employee Benefit and Employment Matters. Since the Purchase Date, Seller has not (a) had any Employees; (b) sponsored any Benefit Plans; (c) sponsored any Qualified Benefit Plans; (d) sponsored any MPPAA Plans; (e) been a party to any employment, collective bargaining or any other type of employee agreement with any employee of Seller; or (f) committed or been subject to any violations, claims, liabilities, inquiries or Governmental Authority investigations under any applicable employment or labor Laws, including without limitation the WARN Act.

Section 4.18 Intentionally Omitted.

Section 4.19 Taxes. Except as set forth in **Section 4.19** of the Disclosure Schedules:

(a) All Tax Returns required to be filed by Seller for any Pre-Closing Tax Period have been, or will be, timely filed. Such Tax Returns are, or will be, true, complete and correct in all material respects. All Taxes due and owing by Seller (whether or not shown on any Tax Return) have been, or will be, timely paid.

(b) Seller has withheld and paid each Tax required to have been withheld and paid in connection with amounts paid or owing to any Employee, independent contractor, creditor, customer, shareholder or other party, and complied with all information reporting and backup withholding provisions of applicable Law.

(c) No extensions or waivers of statutes of limitations have been given or requested with respect to any Taxes of Seller since the Purchase Date.

(d) All deficiencies asserted, or assessments made, against Seller as a result of any examinations by any taxing authority have been fully paid.

(e) Seller is not a party to any Action by any taxing authority. There are no pending or, to Seller's Knowledge, threatened Actions by any taxing authority against Seller.

(f) To Seller's Knowledge, there are no Encumbrances (other than Permitted Encumbrances) for Taxes upon any of the Purchased Assets nor, to Seller's Knowledge, is any taxing authority in the process of imposing any Encumbrances for Taxes on any of the Purchased Assets (other than for current Taxes not yet due and payable).

(g) the entity that is treated as the owner of Seller's assets for federal income tax purposes, is not a "foreign person" as that term is used in Treasury Regulations Section 1.1445-2.

Section 4.20 Absence of Certain Changes, Events and Conditions. Since the Balance Sheet Date until the date hereof, and other than in the ordinary course of business consistent with past practice, there has not been any:

(a) events, occurrences or developments that have had, individually or in the aggregate, a Material Adverse Effect;

(b) material change in any method of accounting or accounting practice for the Business, except as required by GAAP or as disclosed in the notes to the Financial Statements;

(c) material change in policies, practices and procedures with respect to inventory control;

(d) entry into any Contract that would constitute a Material Contract other than with respect to the PILOT Program Termination;

(e) incurrence, assumption or guarantee of any indebtedness for borrowed money in connection with the Business except unsecured current obligations and Liabilities incurred in the ordinary course of business consistent with past practice;

(f) transfer, assignment, sale or other disposition of any of the Purchased Assets shown or reflected in the Balance Sheet other than the Excluded Assets;

(g) cancellation of any debts or claims or amendment, termination or waiver of any rights constituting Purchased Assets;

(h) transfer, assignment or grant of any license or sublicense of any material rights under or with respect to any Intellectual Property Assets or Intellectual Property Licenses;

(i) material damage, destruction or loss, or any material interruption in use, of any Purchased Assets, whether or not covered by insurance;

(j) acceleration, termination, material modification to or cancellation of any Assigned Contract or Permit;

(k) material capital expenditures which would constitute an Assumed Liability;

(l) imposition of any Encumbrance upon any of the Purchased Assets;

(m) grant of any bonuses, whether monetary or otherwise, or any general wage or salary increases in respect of any Employees, other than as provided for in any written agreements or consistent with past practice, or change in the terms of employment for any Employee;

(n) hiring of any Employees or entry into a collective bargaining agreement covering any Employee;

(o) adoption of any plan of merger, consolidation, reorganization, liquidation or dissolution or filing of a petition in bankruptcy under any provisions of federal or state bankruptcy Law or consent to the filing of any bankruptcy petition against it under any similar Law;

(p) lease of any property or assets in connection with the Business;

(q) adoption, amendment, modification or termination of any bonus, profit sharing, incentive, severance, or other plan, Contract or commitment for the benefit of any Employees (or any such action taken with respect to any other Benefit Plan); or

(r) any Contract to do any of the foregoing, or any action or omission that would result in any of the foregoing.

Section 4.21 Brokers. Except as set forth in **Section 4.21** of the Disclosure Schedules, no broker, finder or investment banker is entitled to any brokerage, finder's or other fee or commission in connection with the transactions contemplated by this Agreement or any other Transaction Document based upon arrangements made by or on behalf of Seller.

ARTICLE V REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer represents and warrants to Seller as set forth below.

Section 5.01 Organization of Buyer. Buyer is a corporation duly organized, validly existing and in good standing under the Laws of the Commonwealth of Kentucky. Buyer is duly licensed or qualified to do business and is in good standing in each jurisdiction where the actions to be performed by it hereunder makes such qualification or licensing necessary, except in those jurisdictions where the failure to be so duly licensed or qualified would not reasonably be expected to have a Material Adverse Effect.

Section 5.02 Authority of Buyer. Buyer has full corporate power and authority to enter into this Agreement and the other Transaction Documents to which Buyer is a party, to carry out its obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby. The execution and delivery by Buyer of this Agreement and all other Transaction Documents to which Buyer is a party, the performance by Buyer of its obligations hereunder and thereunder and the consummation by Buyer of the transactions contemplated hereby and thereby have been duly authorized by all requisite corporate action on the part of Buyer. This Agreement has been duly executed and delivered by Buyer, and (assuming due authorization, execution and delivery by Seller) this Agreement constitutes a legal, valid and binding obligation of

Buyer enforceable against Buyer in accordance with its terms. When each other Transaction Document to which Buyer is or will be a party has been duly executed and delivered by Buyer (assuming due authorization, execution and delivery by each other party thereto), such Transaction Document will constitute a legal and binding obligation of Buyer enforceable against it in accordance with its terms, except as the same may be limited by bankruptcy, insolvency, reorganization, fraudulent conveyance, arrangement, moratorium or other similar Laws relating to or affecting the rights of creditors generally or by general equitable principles.

Section 5.03 No Conflicts; Consents. The execution, delivery and performance by Buyer of this Agreement and the other Transaction Documents to which it is a party, and the consummation of the transactions contemplated hereby and thereby, do not and will not: (a) conflict with or result in a violation or breach of, or default under, any provision of the certificate of incorporation, by-laws or other organizational documents of Buyer; (b) assuming all of the consents set forth on **Section 5.03(b)** of the Disclosure Schedules have been obtained and other notifications provided in the ordinary course of business have been made, conflict with or result in a material violation or breach of any provision of any Law or Governmental Order applicable to Buyer or any of its Assets; or (c) assuming all of the consents set forth on **Section 5.03(c)** of the Disclosure Schedules have been obtained, require the consent, notice or other action by any Person under any Contract to which Buyer is a party. No consent, of or notice to, any Governmental Authority is required by or with respect to Buyer in connection with the execution and delivery of this Agreement or any of the other Transaction Documents and the consummation of the transactions contemplated hereby and thereby, except (A) as may be required under the HSR Act or by FERC, (B) as are set forth on **Section 5.03(b)** of the Disclosure Schedules and (C) those which, if not obtained or given by Buyer, would not reasonably be expected to result in a Material Adverse Effect.

Section 5.04 Brokers. No broker, finder or investment banker is entitled to any brokerage, finder's or other fee or commission in connection with the transactions contemplated by this Agreement or any other Transaction Document based upon arrangements made by or on behalf of Buyer.

Section 5.05 Sufficiency of Funds. Buyer has and will have at the Closing, access to sufficient cash or other sources of immediately available funds to enable it to make payment of the Purchase Price and consummate the transactions contemplated by this Agreement. Buyer knows of no circumstances or condition that could reasonably be expected to prevent the availability at Closing of such cash.

Section 5.06 Legal Proceedings. There are no Actions pending or, to Buyer's knowledge, threatened against or by Buyer or any Affiliate of Buyer that challenge or seek to prevent, enjoin or otherwise delay the transactions contemplated by this Agreement, except to the extent that any such Actions would not reasonably be

expected to have a Material Adverse Effect.

Section 5.07 Compliance with Laws and Orders. Except as set forth on **Section 5.07** of the Disclosure Schedules, there are no outstanding Governmental Orders and no unsatisfied judgments, penalties or awards against, relating to or affecting Buyer or its Assets that would reasonably be expected to have a Material Adverse Effect.

ARTICLE VI COVENANTS

Section 6.01 Conduct of Business Prior to the Closing. Subject to this **Section 6.01** and **Section 6.07** (*Interim Operation of the Units*), from the date hereof until the Closing, except as otherwise provided in this Agreement or consented to in writing by Buyer (which consent shall not be unreasonably withheld or delayed), Seller shall (a) conduct the Business in the ordinary course of business consistent with past practice and its obligations under **Section 6.07** (*Interim Operation of the Units*); (b) use commercially reasonable efforts to maintain and preserve in all material respects consistent with its obligations under **Section 6.07** (*Interim Operation of the Units*) the Purchased Assets and its current Business organization, operations and franchise and to preserve the rights, franchises, goodwill and relationships of its, suppliers, regulators and others having relationships with the Business; (c) continue (and, as applicable, renew) without material modification all Insurance Policies, except as undertaken by Seller in connection with the Closing and as required by applicable Law; (d) utilize the Inventory solely in connection with the operation of the Plant and replenish the Inventory in the ordinary course of business consistent with past practice and its obligations under **Section 6.07** (*Interim Operation of the Units*); (e) preserve and maintain all Permits required for the conduct of the Business as currently conducted or the ownership and use of the Purchased Assets; (f) pay the debts, Taxes and other obligations of the Business when due (subject to good faith disputes); (g) defend and protect the properties and assets included in the Purchased Assets from infringement or usurpation; (h) perform all of its obligations under all Assigned Contracts; (i) comply in all material respects with all Laws applicable to the conduct of the Business or the ownership and use of the Purchased Assets; and (j) perform all of its obligations under all Assigned Contracts and not amend or grant a waiver under the Assigned Contracts. Each of Buyer and Seller understands and agrees that the agreement set forth in **Section 6.07** (*Interim Operation of the Units*) is not an ordinary course of business arrangement for Seller and that, in order to comply with the provisions of **Section 6.07** (*Interim Operation of the Units*), Seller's ordinary course of business from the date hereof through the date of Closing is therefore subject to deviation from Seller's ordinary course of business prior to the date hereof to the extent required by **Section 6.07**.

Section 6.02 Access to Information. From the date hereof until the Closing, Seller shall (a) afford Buyer and its Representatives reasonable and non-

invasive access to inspect all of the Purchased Assets, Books and Records and Assigned Contracts of the Business; (b) furnish Buyer and its Representatives with access to the Books and Records as Buyer or any of its Representatives may reasonably request; (c) instruct the Representatives of Seller to cooperate with Buyer with the foregoing; and (d) provide Buyer with advance notice of any major or non-routine maintenance or major service to be performed on the Purchased Assets and permit Buyer and a reasonable number of its Representatives to attend and witness such maintenance or service; provided, however that Seller shall have the right to have a Representative present and impose reasonable restrictions and requirements for safety purposes. Any access pursuant to this **Section 6.01** shall be scheduled with Seller a reasonable time period in advance of such access (considering the matter to be reviewed or witnessed by Buyer), shall be conducted during normal business hours, shall be conducted in such manner as not to interfere unreasonably with the conduct of the Business or any other businesses of Seller, shall be in compliance with applicable Laws and any Contracts or Permits to which Seller or any of its Affiliates is a party and shall be non-invasive in nature. No investigation by Buyer or other information received by Buyer shall operate as a waiver of any express representation, warranty or agreement given or made by Seller under Article IV in this Agreement. Buyer agrees to indemnify and hold harmless Seller for any and all Liability to the extent arising out of Buyer's or its Representatives' negligence relating to the access rights under this **Section 6.02**, including any claims by any of Buyer's Representatives for any injuries or property damage while present on the Real Property.

Section 6.03 No Solicitation of Other Bids.

(a) Seller shall not, and shall not authorize or permit any of its Affiliates or any of its or their Representatives to, directly or indirectly, (i) encourage, solicit, initiate, or continue inquiries regarding an Acquisition Proposal; (ii) initiate or continue (except in the case of Buyer) discussions or negotiations with, or provide any information to, any Person concerning a possible Acquisition Proposal; or (iii) enter into any agreements or other instruments (whether or not binding) regarding an Acquisition Proposal. Seller shall immediately cease and cause to be terminated, directly or indirectly, all existing discussions or negotiations with any Persons conducted heretofore with respect to an Acquisition Proposal. For purposes hereof, "**Acquisition Proposal**" means any proposal or offer from any Person (other than Buyer or any of its Affiliates) relating to the direct or indirect disposition, whether by sale, merger or otherwise, of all or any substantial portion of the Business or the Purchased Assets.

(b) Seller agrees that the rights and remedies for noncompliance with this **Section 6.03** shall include having such provision specifically enforced by any court having equity jurisdiction, it being acknowledged and agreed that any such breach or threatened breach may cause irreparable injury to Buyer and that money damages may not provide an adequate remedy to Buyer therefor.

Section 6.04 Notice of Certain Events; Removal of Excluded Assets.

(a) From the date hereof until the Closing, Seller shall provide to Buyer monthly operating reports consistent with those currently prepared by Seller. From the date hereof until the Closing, each Party shall promptly notify the other Party in writing of:

(i) any fact, circumstance, or event, the existence or occurrence of which (A) has had, or would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, (B) has resulted in, or would reasonably be expected to result in, any representation or warranty made by Seller in **Article IV** or by Buyer in **Article V** hereunder not being true and correct or which has resulted in a breach of any representation, warranty or covenant set forth in this Agreement or (C) has resulted in, or would reasonably be expected to result in, the failure of any of the conditions set forth in **Section 7.02** or **Section 7.03**, as applicable, to be satisfied;

(ii) material mechanical break-down or other operational or mechanical malfunction or damage that to Seller's Knowledge or to Buyer's knowledge, as applicable, occurs with respect to a Purchased Asset, including the Units, prior to the Closing;

(iii) any written notice or other communication from any Person received by Seller or Buyer, as applicable, alleging that the consent of such Person is or may be required in connection with the transactions contemplated by this Agreement

(iv) any written notice or other communication from any Governmental Authority that relates to any of the conditions set forth in **Section 7.02** or **Section 7.03**, as applicable, or otherwise calls into question the consummation of the transactions contemplated by this Agreement; and

(v) any Actions commenced or, to Seller's Knowledge, or to Buyer's knowledge, as applicable, threatened against, relating to or involving or otherwise affecting the Business, the Purchased Assets or the Assumed Liabilities that, if pending on the date of this Agreement, would have been required to have been disclosed pursuant to **Section 4.14** (*Legal Proceedings; Governmental Orders*).

(b) Neither Buyer's receipt of information pursuant to this Section 6.04 nor its failure to act thereon shall (i) operate as a waiver of any representation, warranty or agreement given or made by Seller in this Agreement (including **Section 8.02** and **Section 9.01(b)**) or (ii) be deemed to amend or supplement the Disclosure Schedules.

(c) On or before the Closing, Seller shall remove all Excluded Assets from the Plant and the Real Property to be occupied by Buyer. Such obligation for removal shall be done in such manner as to avoid damage to the Purchased Assets and the Plant and any disruption of the business operations to be conducted by Buyer after the Closing. Any damage to the Purchased Assets resulting from such removal shall be treated by Buyer as an adjustment (deduction) to the Purchase Price and addressed in accordance with the procedures set forth in **Section 2.06**³⁴ (*Purchase Price Adjustment*). If the cost to

repair such damage is not known at the Closing, for purposes of Closing, the amount of the Purchase Price shall be reduced by an estimate (to be conducted by a qualified firm reasonably acceptable to Buyer and Seller and selected by Buyer and Seller in good faith) of the cost reasonably determined by Buyer. Promptly after the damage has been repaired and the cost is known, Buyer will pay to Seller any amount by which the estimate exceeds the cost and Seller will pay to Buyer any amount by which the cost exceeds the estimate. Buyer will provide Seller all invoices or other documentation necessary to establish the amount of the cost.

Section 6.05 Employees and Employee Benefits. From and after the date hereof, Seller shall not hire any Employee or adopt or agree to the adoption of any Benefit Plan, and Buyer shall have no obligation for any compensation or other amounts payable to, or to hire, contract or retain, any Employee, independent contractor, agent or consultant of Seller or the Business.

Section 6.06 Confidentiality. From and after the Closing, Seller shall, and shall cause its Affiliates to, hold, and shall use their commercially reasonable efforts to cause its or their respective Representatives to hold, in confidence any and all information, whether written or oral, concerning the Business, except to the extent that such party can show that such information (a) is generally available to and known by the public through no fault of Seller, any of its Affiliates or Representatives; or (b) is lawfully acquired by Seller, any of its Affiliates or Representatives from and after the Closing from sources which are not prohibited from disclosing such information by a legal, contractual or fiduciary obligation. If Seller or any of its Affiliates or their respective Representatives are compelled to disclose any information by judicial or administrative process or by other requirements of Law, Seller shall promptly notify Buyer in writing and shall disclose only that portion of such information which Seller is advised by its counsel is legally required to be disclosed, *provided that* Seller shall use commercially reasonable efforts to obtain an appropriate protective order or other reasonable assurance that confidential treatment will be accorded such information.

Section 6.07 Interim Operation of the Units.

(a) From the date hereof until the Closing, if Seller operates any of the Units, then Buyer shall have the inspection right described in **Section 6.07(b)** below with respect to the Unit or Units so operated; *provided, however*, that Buyer shall have no right to inspect any Unit with respect to any operation of such Unit if the operation was primarily for one or more of the following purposes:

(i) Seller is requested to run one or more of the Units at the direction of the regional transmission operator, in its capacity as such, or by a Governmental Authority;

(ii) to perform repairs or preventative maintenance procedures on a

Unit;

(iii) at the call of Buyer or any of its Affiliates to produce, transmit or otherwise sell electricity, but only if agreed to by Seller upon mutually acceptable terms and conditions to be arranged at such time; or

(iv) to comply with applicable Laws and Permits.

(b) The inspection right under this Section 6.07 shall: (i) be permitted one time prior to Closing with respect to each Unit so operated; and (ii) include the right to request the inspection of the equipment, the right to request borescope inspections, the right to request Seller to perform non-destructive electrical and chemical tests on the equipment, and the right to make such other inspections and request Seller perform such other non-destructive tests as Buyer reasonably determines are necessary to determine the status of the equipment. Upon any request of Seller pursuant to the preceding sentence, Seller shall promptly cause to be performed the inspections and tests so requested and shall provide to Buyer all reports and information resulting from such inspections and tests. Any inspections performed under this Section 6.07 shall be performed solely through the use of Persons well experienced in performing such work and reasonably acceptable to Seller. Any repairs or corrections to the Units that such inspection indicates are necessary or appropriate to perform shall be treated as a Casualty Loss under Section 6.17 of this Agreement. Buyer shall be responsible for the cost of any such inspections and any damage to the Units caused by such an inspection. Buyer and Seller will use commercially reasonable efforts to cause the inspection to be completed as close to the Closing as practicable and in all cases prior to the Closing. If Seller operates a Unit after such an inspection, Buyer shall have another right to inspect such Unit prior to the Closing under the terms of this Section 6.07 (including the terms related to repairs or corrections).

Section 6.08 Governmental Approvals and Consents

(a) (i) Except with respect to the PILOT Program Termination, which is set forth below in **Section 6.08(a)(ii)**, each party hereto shall proceed diligently and in good faith to make, or cause to be made, all filings and submissions listed on **Sections 4.03(b) and 5.03(b)** of the Disclosure Schedules and to make all required filings to be made by it with and to give all required notices to Governmental Authorities that are necessary for such party's (A) execution and delivery of this Agreement and the performance of its obligations pursuant to this Agreement and the other Transaction Documents and (B) the transfer of all Permits listed on **Section 4.15(b)** of the Disclosure Schedules and Environmental Permits listed on **Section 4.16(b)** of the Disclosure Schedules. Each party shall reasonably cooperate with the other party and its Affiliates in promptly seeking to make all such required filings and submissions. In furtherance of the foregoing covenants, Buyer and Seller shall submit, in no event later than 60 days (subject to extension by mutual agreement) after the execution hereof, application(s) for HSR Act approval. With respect to HSR Act filings, Buyer and Seller shall request expedited

treatment, shall promptly furnish each other with copies of any notices, correspondence or other written communication from the relevant Governmental Authority, shall promptly make any appropriate or necessary subsequent or supplemental filings and shall cooperate in the preparation of such filings as is reasonably necessary and appropriate.

(ii) Seller will use commercially reasonable efforts to terminate the PILOT Agreement and the Lease and to obtain a release (reasonably satisfactory to Seller and Buyer) from any further liability (to the Seller, the Buyer, or that would attach to and run with the land) under the PILOT Agreement and the Lease (the “**PILOT Program Termination**”).

(b) Except with respect to the PILOT Program Termination, described in Section 6.08(a)(ii) above, Seller shall use commercially reasonable efforts to give all notices to, and obtain all consents from, all third parties that are described in Section 4.03(b) and 4.03(c) of the Disclosure Schedules. Buyer shall use commercially reasonable efforts to give all notices to, and obtain all consents from, all third parties that are described in Section 4.03 of the Disclosure Schedules. For the avoidance of doubt, neither Buyer nor Seller shall be obligated to pay, reimburse or provide or cause any of its Affiliates to pay, reimburse or provide any compensation or consideration to obtain the written consent of any counterparty to the assignment of any Assigned Contract.

(c) Without limiting the generality of the parties' undertakings pursuant to subsections (a) and (b) above, each of the parties hereto shall use commercially reasonable efforts as follows:

(i) Buyer shall (A) make all required filings with the KPSC within 30 days of the signing of this Agreement and (B) make all required filings with the VASCC, and in each case, shall seek to obtain the timely approval of the transaction by the KPSC and the VASCC (but in any event, the filing with the KPSC shall request approval of the transactions contemplated by this Agreement no later than April 30, 2012). Buyer shall promptly furnish Seller with copies of any notices, correspondence or other written communications from KPSC and VASCC and the status of KPSC and VASCC approvals.

(ii) Buyer shall make all required filings with FERC, including FPA 203 filings, within 60 days of the signing of this Agreement, and shall request expedited treatment of such filings and promptly make any appropriate or necessary subsequent or supplemental filings.

(iii) each party shall use commercially reasonable efforts to obtain all consents, authorizations, orders and approvals as described in this Section 6.08 in sufficient time to allow a Closing by or before April 30, 2012, including, without limitation, Buyer making its required filings with the VASCC at least 90 days prior to April 30, 2012;

(iv) each party shall respond to any inquiries by any Governmental Authority regarding antitrust or other matters with respect to the transactions

contemplated by this Agreement or any other Transaction Document; and

(v) each party shall use commercially reasonable efforts to prevent the imposition of any Governmental Order or the taking of any action by any Governmental Authority that would restrain, alter or enjoin the transactions contemplated by this Agreement or any other Transaction Document.

(d) Except with respect to the PILOT Program Termination, promptly after either Party makes any written submission to a Governmental Authority in connection with this Section 6.08, that Party shall provide a copy of such submission to the other Party; provided, that such copy may have redacted from it such information for which the submitting Party has made a credible claim to the Governmental Authority of exemption from any applicable open records, freedom of information, or similar Law. Each party shall give the other advance written notice of any public hearing or similar proceeding with any Governmental Authority or regulators of any Governmental Authority, with such notice being sufficient to provide the other with the opportunity to attend such hearing. With respect to the PILOT Program Termination, Seller shall keep Buyer reasonably and promptly apprised of the status of the negotiations regarding the PILOT Program Termination.

(e) Notwithstanding the foregoing, except with respect to the PILOT Program Termination, nothing in this Section 6.08 shall require, or be construed to require, Buyer or Seller or any of their Affiliates to agree to (i) sell, hold, divest, discontinue or limit, before or after the Closing Date, any assets, businesses or interests of Buyer or Seller or any of their Affiliates (other than pursuant to this Agreement); (ii) waive their respective conditions set forth in Article VII (*Conditions to Closing*); or (iii) any modification or waiver of the terms and conditions of this Agreement.

Section 6.09 Books and Records.

(a) In order to facilitate the resolution of any claims made against or incurred by Seller prior to the Closing, or for any other reasonable purpose, for a period of 7 years after the Closing, Buyer shall:

(i) retain the Books and Records (including personnel files) relating to periods prior to the Closing in a manner reasonably consistent with the prior practices of Seller; and

(ii) upon reasonable notice, afford the Seller's Representatives reasonable access (including the right to make, at Seller's expense, photocopies), during normal business hours, to such Books and Records.

(b) In order to facilitate the resolution of any claims made by or against or incurred by Buyer after the Closing, or for any other reasonable purpose, for a period of 7 years following the Closing, Seller shall:

(i) retain any Books and Records that do not constitute Purchased

Assets; and

(ii) upon reasonable notice, afford the Buyer's Representatives reasonable access (including the right to make, at Buyer's expense, photocopies), during normal business hours, to such Books and Records.

(c) Neither Buyer nor Seller shall be obligated to provide the other party with access to any Books and Records pursuant to this **Section 6.09** where such access would violate any Law.

Section 6.10 Closing Conditions From the date hereof until the Closing, each party hereto shall use commercially reasonable efforts to take such actions as are necessary to expeditiously satisfy the closing conditions set forth in **Article VII (Conditions to Closing)** hereof before April 30, 2012.

Section 6.11 Public Announcements. Unless otherwise required by applicable Law (based upon the reasonable advice of its counsel), neither party to this Agreement shall make any public announcements in respect of this Agreement or the transactions contemplated hereby or otherwise communicate with any news media without the prior written consent of the other party (which consent shall not be unreasonably withheld or delayed), and the parties shall cooperate as to the timing and contents of any such announcement.

Section 6.12 Bulk Sales Laws. The parties hereby waive compliance with the provisions of any bulk sales, bulk transfer or similar Laws of any jurisdiction that may otherwise be applicable with respect to the sale of any or all of the Purchased Assets to Buyer; it being understood that any Liabilities arising out of the failure of Seller to comply with the requirements and provisions of any bulk sales, bulk transfer or similar Laws of any jurisdiction which would not otherwise constitute Assumed Liabilities shall be treated as Excluded Liabilities.

Section 6.13 Seller shall reasonably cooperate with Buyer to provide Buyer with information of the Business, including providing information regarding each supplier to whom Seller has paid consideration for goods or services rendered in an amount greater than or equal to \$10,000 for each of the two most recent fiscal years (collectively, the "Material Suppliers").

Section 6.14 Transfer Taxes. All transfer, documentary, sales, use, stamp, registration, value added and other such Taxes and fees (including any penalties and interest) incurred in connection with this Agreement and the other Transaction Documents (including any real property transfer Tax and any other similar Tax) shall be borne and paid by Seller when due; *provided, however*, that Buyer shall be responsible for and pay the Kentucky Sales Tax due in connection with the consummation of the transactions contemplated by this Agreement as follows:

(a) Buyer has determined that certain items of equipment comprising the Purchased Assets will be exempt from Kentucky sales Tax. Buyer shall be responsible for notifying Seller in a timely manner as to the items of equipment which are exempt from Kentucky Sales Tax and, Buyer will promptly provide Seller with a validly executed tax exemption certificate at least 5 days prior to Closing. With regard to Purchased Assets upon which Kentucky Sales Tax is due, if any, Buyer shall provide the Seller a direct pay certificate, and no Kentucky sales Tax shall be collected by Seller from Buyer.

Section 6.15 Tax Matters. If any taxing authority asserts that Buyer is liable for any Tax that is the responsibility of the Seller pursuant this Agreement, Seller shall pay any and all such amounts and shall provide evidence to the Buyer that such liabilities have been paid in full or otherwise satisfied. If any taxing authority asserts that Seller is liable for any Tax that is the responsibility of the Buyer pursuant to this Agreement, Buyer shall pay any and all such amounts and shall provide evidence to the Seller that such liabilities have been paid in full or otherwise satisfied.

Section 6.16 Further Assurances; Change of Name. Following the Closing, each of the parties hereto shall, and shall cause their respective Affiliates to, execute and deliver such additional documents, instruments, conveyances and assurances and take such further actions as may be reasonably required to carry out the provisions hereof and give effect to the transactions contemplated by this Agreement and the other Transaction Documents. Within 10 days after the Closing Date, Seller shall amend its organizational documents and take all other actions necessary to change its name to one sufficiently dissimilar to Seller's present name to avoid confusion.

Section 6.17 Casualty and Condemnation.

(a) Casualty.

(i) If any Purchased Asset is actually damaged or destroyed by casualty loss after the date hereof and prior to the Closing (a "**Casualty Loss**"), Seller shall provide Buyer prompt written notice of such Casualty Loss and the details thereof (a "**Casualty Notice**"). If the cost (the "**Restoration Cost**") to restore such damaged or destroyed Purchased Asset to a condition reasonably comparable to its condition prior to such Casualty Loss ("**Restore**") is greater than \$100,000 but does not exceed 35% of the Purchase Price, Seller shall within 30 days after the date of such Casualty Loss (but in any event prior to the Closing) elect to either Restore such damaged or destroyed Purchased Asset or reduce the amount of the Purchase Price by the Restoration Cost, by notice to Buyer, and such Casualty Loss shall not affect the Closing. If Seller does not make any such election within the periods required in the previous sentence, Buyer may elect to either terminate this Agreement or reduce the amount of the Purchase Price by the Restoration Cost by written notice to Seller.

(ii) If the Restoration Cost is in excess of 35% of the Purchase

Price, Buyer may, by written notice to Seller within 30 days (a "**Casualty Termination Notice**") after Buyer receives the Casualty Notice, elect to terminate this Agreement. If Buyer does not terminate this Agreement pursuant to the immediately preceding sentence within such 30 day period, then Seller shall, by written notice to Buyer within 30 days after the Casualty Loss, elect to (a) Restore such damaged or destroyed Purchased Asset, (b) reduce the Purchase Price by the Restoration Cost, or (c) terminate this Agreement. If Seller does not make any such election within such 30-day period, Buyer may, by written notice to Seller, elect to either terminate this Agreement or reduce the amount of the Purchase Price by the Restoration Cost.

(iii) If the Restoration Cost is \$100,000 or less, (x) neither Buyer nor Seller shall have the right or option to terminate this Agreement and (y) there shall be no reduction in the amount of the Purchase Price.

(iv) To the extent Seller elects to reduce the amount of the Purchase Price by the Restoration Cost pursuant to this Section 6.17(a), Buyer will, at Seller's election, (i) use commercially reasonable efforts to assign to Seller any rights to any indemnification and contribution available under or any rights to insurance claims or recoveries available under insurance policies covering Seller or its properties or assets, or (ii) at Seller's sole cost and expense, use commercially reasonable efforts to pursue such available indemnification and contribution on Seller's behalf for the benefit of Seller.

(v) If, after the date hereof, (i) damage to the Purchased Assets that does not constitute a Casualty Loss is discovered (e.g., damage that occurred prior to the date hereof), (ii) such damage is not restored prior to the Closing, and (iii) such damage is or may be insured against under one or more insurance policies covering Seller or its properties or assets, Seller will, at Buyer's election, (y) use commercially reasonable efforts to assign to Buyer any rights to any indemnification and contribution available under or any rights to insurance claims or recoveries available under such insurance policies, or (z) at Buyer's sole cost and expense, use commercially reasonable efforts to pursue such available indemnification and contribution on Buyer's behalf for the benefit of Buyer.

(b) Post-Closing Adjustment for Casualty Loss. If, pursuant to this Section 6.17, the Purchase Price is to be reduced by the Restoration Cost, for purposes of Closing, the amount of the Purchase Price shall be reduced by an estimate (to be conducted by a qualified firm reasonably acceptable to Buyer and Seller and selected by Buyer and Seller in good faith and promptly after the election is made to reduce the Purchase Price) of the Restoration Cost (the "**Estimated Restoration Cost**"). Promptly after the Purchased Assets have been Restored and the Restoration Cost is known, Buyer will pay to Seller any amount by which the Estimated Restoration Cost exceeds the Restoration Cost and Seller will pay to Buyer any amount by which the Restoration Cost exceeds the Estimated Restoration Cost. Buyer or Seller, as appropriate, will provide to the other party all invoices or other documentation necessary to establish the amount of the Restoration Cost.

(c) Condemnation.

(i) If any Purchased Asset is taken by condemnation after the date hereof and prior to the Closing, Seller shall provide Buyer prompt written notice of such condemnation and the details thereof (a "**Condemnation Notice**"). If the Purchased Assets condemned have a Condemnation Value (as defined below) which is greater than \$100,000 but which does not exceed 35% of the Purchase Price, the Purchase Price shall be reduced by such Condemnation Value and such condemnation shall not affect the Closing.

(ii) If the Condemnation Value is in excess of 35% of the Purchase Price, Buyer may, by written notice to Seller within 30 days (a "**Condemnation Termination Notice**") after Buyer receives the Condemnation Notice, elect to terminate this Agreement. If Buyer does not terminate this Agreement pursuant to the immediately preceding sentence, Seller shall, by written notice to Buyer within 30 days after the Condemnation elect, by written notice to Buyer (but in any event at least 10 days prior to the Closing Date) to either, (a) reduce the Purchase Price by such Condemnation Value and such condemnation shall not affect the Closing or (b) terminate this Agreement. If Seller does not make any such election within such 30 day period, Buyer may elect to, by written notice to Seller, (a) reduce the Purchase Price by such Condemnation Value and such condemnation shall not affect the Closing or (b) terminate this Agreement.

(iii) If the Condemnation Value is \$100,000 or less, (x) neither Buyer nor Seller shall have the right or option to terminate this Agreement, (y) there shall be no reduction in the amount of the Purchase Price and (c) any such award shall remain with the Business.

(iv) As used in this Section 6.17, "**Condemnation Value**" means, with respect to any Asset, the condemnation award proceeds actually received for any Asset of the Business that is taken by condemnation after the date hereof and prior to the Closing. If the Condemnation Value is not known at the Closing and it has been elected to reduce the Purchase Price in connection with a condemnation, for purposes of Closing, the amount of Purchase Price shall be as stated herein and the reduction in Purchase Price will be effected by the assignment from the Seller to the Buyer of all rights to the Condemnation Value (including all legal rights to contest the amount of the Condemnation Value and to collect the condemnation award).

Section 6.18 Schedule Update. From time to time prior to the Closing Date, Seller may at its option supplement or amend and deliver updates to the Schedules (each a "**Schedule Update**") that are necessary to complete or correct any information in such Schedules or in any representation or warranty of Seller that has been rendered inaccurate since the date of this Agreement because of events or circumstances occurring after the date of this Agreement (and such Schedule Update shall be clearly identified as a Schedule Update delivered pursuant to Section 6.19 of this Agreement). If (a) the economic impact of such Schedule Update is immediately determinable, (b) Buyer has

the right to terminate the Agreement pursuant to Section 9.01(b)(i) and does not exercise such right as a result of such Schedule Update within 60 days of such Schedule Update and (c) the Schedule Update pursuant to this Section 6.19 relates to events occurring or conditions arising after the date of this Agreement, then such Schedule Update shall be deemed to have amended the appropriate Schedule or Schedules solely for purposes of Section 7.02(a) of this Agreement. If Seller provides more than one Schedule Update, then all Schedule Updates shall be deemed dated as of, and delivered, on the date of delivery of the last Schedule Update, and all such previous Schedule Updates shall be deemed for all purposes under this Section 6.19 not to have been delivered prior to date of delivery of the last Schedule Update.

Section 6.19 Title Policy. At or prior to Closing, Seller shall act in good faith to execute such certificates or affidavits as may be reasonably required by Buyer's title insurance company (and in such form reasonably acceptable to Seller) in issuing a title policy.

Section 6.20 Obligations. Buyer hereby agrees to comply with the obligations set forth on **Section 6.20** of the Disclosure Schedules until the tenth anniversary of the Closing Date.

ARTICLE VII CONDITIONS TO CLOSING

Section 7.01 Conditions to Obligations of All Parties. The obligations of each party to consummate the transactions contemplated by this Agreement shall be subject to the fulfillment, at or prior to the Closing, of each of the following conditions:

(a) The filings of Buyer and Seller listed on **Section 7.01(a)** of the Disclosure Schedules have been made and the applicable waiting period and any extensions thereof shall have expired or been terminated.

(b) No Governmental Authority shall have enacted, issued, promulgated, enforced or entered any Governmental Order which is in effect and has the effect of making the transactions contemplated by this Agreement illegal, otherwise restraining or prohibiting consummation of such transactions or causing any of the transactions contemplated hereunder to be rescinded following completion thereof.

(c) Seller and Buyer shall have received all final, non-appealable consents, authorizations, orders and approvals from Governmental Authorities set forth on **Sections 4.03(b)** (to the extent marked with an asterisk) and **5.03(b)** of the Disclosure Schedules, in form and substance reasonably satisfactory to Buyer and Seller, necessary for (i) the consummation of the transactions contemplated by this Agreement and the other Transaction Documents, (ii) the transfer of all Permits set forth on **Section 4.15(b)** of the Disclosure Schedules and Environmental Permits set forth on **Section 4.16(b)** of the Disclosure Schedules, and (iii) the transfer₄₃ of all permits and licenses required to

operate the Business and use the Purchased Assets after the Closing in substantially the same manner as Seller has done prior to the Closing to the extent different from **Section 7.01(c)(ii)**.

Section 7.02 Conditions to Obligations of Buyer. The obligations of Buyer to consummate the transactions contemplated by this Agreement shall be subject to the fulfillment or Buyer's waiver, at or prior to the Closing, of each of the following conditions:

(a) Other than the representations and warranties of Seller contained in **Section 4.01**, **Section 4.02** and **Section 4.21**, the representations and warranties of Seller contained in this Agreement, the other Transaction Documents and any certificate delivered pursuant hereto shall be true and correct in all respects (in the case of any representation or warranty qualified by materiality or Material Adverse Effect) or in all material respects (in the case of any representation or warranty not qualified by materiality or Material Adverse Effect) on and as of the date hereof and on and as of the Closing Date with the same effect as though made at and as of such date (except those representations and warranties that address matters only as of a specified date, the accuracy of which shall be determined as of that specified date in all respects). The representations and warranties of Seller contained in **Section 4.01**, **Section 4.02**, and **Section 4.21** shall be true and correct in all respects on and as of the date hereof and on and as of the Closing Date with the same effect as though made at and as of such date (except those representations and warranties that address matters only as of a specified date, the accuracy of which shall be determined as of that specified date in all respects).

(b) Seller shall have duly performed and complied in all material respects with all agreements, covenants and conditions required by this Agreement and each of the other Transaction Documents to be performed or complied with by it prior to or on the Closing Date.

(c) No Action shall have been commenced against Buyer or Seller, which would prevent the Closing. No injunction or restraining order shall have been issued by any Governmental Authority, and be in effect, which restrains or prohibits any transaction contemplated hereby.

(d) Seller shall have completed the PILOT Program Termination.

(e) From the date of this Agreement, there shall not have occurred any Material Adverse Effect, nor shall any event or events have occurred that, individually or in the aggregate, with or without the lapse of time, would reasonably be expected to result in a Material Adverse Effect.

(f) Seller shall have delivered to Buyer duly executed counterparts to the Transaction Documents (other than this Agreement) and such other documents and deliveries set forth in **Section 3.02(a)** (*Closing Deliverables*).

(g) Buyer shall have received all Permits set forth on **Section 4.15(b)** of

the Disclosure Schedules and all Environmental Permits set forth on **Section 4.16(b)** of the Disclosure Schedules.

(h) Buyer shall, at its sole cost, have received an owner's title insurance policy reasonably acceptable to Buyer with respect to each parcel of Real Property, issued by a nationally recognized title insurance company, written as of the Closing Date, insuring Buyer in such amounts and together with such endorsements, and otherwise in such form, as Buyer shall reasonably require. Such title insurance policy shall insure fee simple title to each parcel of Real Property, free and clear of all Encumbrances other than Permitted Encumbrances. Buyer shall, at its sole cost, have received an appropriately certified ALTA/ACSM Land Title Survey showing no Encumbrances other than the Permitted Encumbrances, and otherwise in form and substance reasonably satisfactory to Buyer, for each parcel of Real Property. Notwithstanding the foregoing, to the extent Buyer receives (i) a title insurance policy in the form and from a similar-quality title insurance company set forth in **Schedule XX** in an amount up to the Purchase Price and (ii) a certified ALTA/ACSM Land Title Survey in the form as set forth on **Schedule YY** taking into account the changes relating to the PILOT Program Termination, the condition in this Section 7.02(h) shall be deemed satisfied.

(i) All Encumbrances relating to the Purchased Assets shall have been released in full, other than Permitted Encumbrances, and Seller shall have delivered to Buyer written evidence, in a form reasonably satisfactory to Buyer, of the release of such Encumbrances.

(j) Buyer shall have received a certificate, dated the Closing Date and signed by a duly authorized officer of Seller, that each of the conditions set forth in **Section 7.02(a)** (*Conditions to Obligations of Buyer*) and **Section 7.02(b)** (*Conditions to Obligations of Buyer*) have been satisfied (the "**Seller Closing Certificate**").

(k) Buyer shall have received a certificate of the Secretary or an Assistant Secretary (or equivalent officer) of Seller certifying that attached thereto are true and complete copies of all resolutions adopted by the board of directors of Seller authorizing the execution, delivery and performance of this Agreement and the other Transaction Documents and the consummation of the transactions contemplated hereby and thereby, and that all such resolutions are in full force and effect and are all the resolutions adopted in connection with the transactions contemplated hereby and thereby.

(l) Buyer shall have received a certificate of the Secretary or an Assistant Secretary (or equivalent officer) of Seller certifying the names and signatures of the officers of Seller authorized to sign this Agreement, the Transaction Documents and the other documents to be delivered hereunder and thereunder.

(m) Buyer shall have received a certificate pursuant to Treasury Regulations Section 1.1445-2(b) under the Foreign Investment in Real Property Tax Act of 1980 (the "**FIRPTA Certificate**") that the entity that is treated as the owner of Seller's assets is not a foreign person within the meaning of Section 1445 of the Code, duly executed by

Seller.

(n) Buyer shall have received an opinion of counsel to Seller and Seller Parent in the form of **Exhibit E** hereto.

(o) Seller shall have delivered to Buyer such other documents or instruments as Buyer reasonably requests and are reasonably necessary to consummate the transactions contemplated by this Agreement.

Section 7.03 Conditions to Obligations of Seller. The obligations of Seller to consummate the transactions contemplated by this Agreement shall be subject to the fulfillment or Seller's waiver, at or prior to the Closing, of each of the following conditions:

(a) Other than the representations and warranties of Buyer contained in **Section 5.01**, **Section 5.02** and **Section 5.04**, the representations and warranties of Buyer contained in this Agreement, the other Transaction Documents and any certificate delivered pursuant hereto shall be true and correct in all respects (in the case of any representation or warranty qualified by materiality or Material Adverse Effect) or in all material respects (in the case of any representation or warranty not qualified by materiality or Material Adverse Effect) on and as of the date hereof and on and as of the Closing Date with the same effect as though made at and as of such date (except those representations and warranties that address matters only as of a specified date, the accuracy of which shall be determined as of that specified date in all respects). The representations and warranties of Buyer contained in **Section 5.01**, **Section 5.02** and **Section 5.04** shall be true and correct in all respects on and as of the date hereof and on and as of the Closing Date with the same effect as though made at and as of such date.

(b) Buyer shall have duly performed and complied in all material respects with all agreements, covenants and conditions required by this Agreement and each of the other Transaction Documents to be performed or complied with by it prior to or on the Closing Date.

(c) No Action shall have been commenced against Buyer or Seller, which would prevent the Closing. No injunction or restraining order shall have been issued by any Governmental Authority, and be in effect, which restrains or prohibits any material transaction contemplated hereby.

(d) Buyer shall have delivered to Seller duly executed counterparts to the Transaction Documents (other than this Agreement) and such other documents and deliveries set forth in **Section 3.02(b)** (*Closing Deliverables*).

(e) Seller shall have received a certificate, dated the Closing Date and signed by a duly authorized officer of Buyer, that each of the conditions set forth in **Section 7.03(a)** (*Conditions to Obligations of Seller*) and **Section 7.03(b)** (*Conditions to Obligations of Seller*) have been satisfied (the "**Buyer Closing Certificate**").

(f) Seller shall have received a ⁴⁶certificate of the Secretary or an Assistant

Secretary (or equivalent officer) of Buyer certifying that attached thereto are true and complete copies of all resolutions adopted by the board of directors of Buyer authorizing the execution, delivery and performance of this Agreement and the other Transaction Documents and the consummation of the transactions contemplated hereby and thereby, and that all such resolutions are in full force and effect and are all the resolutions adopted in connection with the transactions contemplated hereby and thereby.

(g) Seller shall have received a certificate of the Secretary or an Assistant Secretary (or equivalent officer) of Buyer certifying the names and signatures of the officers of Buyer authorized to sign this Agreement, the Transaction Documents and the other documents to be delivered hereunder and thereunder.

(h) Seller shall have completed the PILOT Program Termination.

(i) Buyer shall have delivered to Seller such other documents or instruments as Seller reasonably requests and are reasonably necessary to consummate the transactions contemplated by this Agreement.

ARTICLE VIII INDEMNIFICATION

Section 8.01 Survival. Subject to the limitations and other provisions of this Agreement, the representations and warranties contained herein shall survive the Closing and shall remain in full force and effect until the date that is 1 year from the Closing Date; *provided, that* the representations and warranties in **Section 4.01** (*Organization and Qualification of Seller*), **Section 4.02** (*Authority of Seller*), **Section 4.07** (*Title to Purchased Assets*), **Section 5.01** (*Organization of Buyer*) and **Section 5.02** (*Authority of Buyer*) shall survive for a period of 5 years from the Closing Date and the representations and warranties in **Section 4.19** and **Section 4.21** shall survive for the full period of all applicable statutes of limitations (giving effect to any waiver or extension by the appropriate Governmental Authority thereof) plus 60 days. All covenants and agreements of the parties contained herein shall survive the Closing indefinitely or for the period explicitly specified therein. Notwithstanding the foregoing, any claims asserted in accordance with the terms of this Article 8, in good faith, with reasonable specificity (to the extent known at such time), and in writing, by notice from the non-breaching party to the breaching party prior to the expiration date of the applicable survival period, shall not thereafter be barred by the expiration of the relevant representation or warranty and such claims shall survive until finally resolved.

Section 8.02 Indemnification By Seller. Subject to the other terms and conditions of this **Article VIII**, from and after the Closing, Seller shall indemnify and defend Buyer and its Affiliates and their respective Representatives (collectively, the "**Buyer Indemnitees**") against, and shall hold each of them harmless from and against, and shall pay and reimburse each of them for, any and all Losses incurred or sustained

by, or imposed upon, the Buyer Indemnitees to the extent resulting from:

(a) any inaccuracy in or breach of any of the representations or warranties of Seller contained in this Agreement, the other Transaction Documents or in any certificate delivered by or on behalf of Seller pursuant to this Agreement, as of the date such representation or warranty was made or as if such representation or warranty was made on and as of the Closing Date (except for representations and warranties that expressly relate to a specified date, the inaccuracy in or breach of which will be determined with reference to such specified date);

(b) any breach or non-fulfillment of any covenant, agreement or obligation to be performed by Seller pursuant to this Agreement, the other Transaction Documents or any certificate delivered by or on behalf of Seller pursuant to this Agreement; or

(c) any Excluded Asset or any Excluded Liability; or

(d) any Third Party Claim based upon, resulting from or arising out of the business, operations, properties, assets or obligations of Seller or any of its Affiliates (other than the Assumed Liabilities) conducted, existing or arising on or prior to the Closing Date; provided that such Third Party Claim does not arise from facts or circumstances that would constitute a breach of a representation, warranty, or covenant of Buyer under this Agreement.

Section 8.03 Indemnification By Buyer. Subject to the other terms and conditions of this **Article VIII**, from and after the Closing, Buyer shall indemnify and defend each of Seller and its Affiliates (to the extent any such Affiliate is a permitted assignee under **Section 10.07 (Successors and Assigns)**) and their respective Representatives (collectively, the "**Seller Indemnitees**") against, and shall hold each of them harmless from and against, and shall pay and reimburse each of them for, any and all Losses incurred or sustained by, or imposed upon, the Seller Indemnitees resulting from:

(a) any inaccuracy in or breach as of the Closing Date of any of the representations or warranties of Buyer contained in this Agreement, the other Transaction Documents or in any certificate delivered by or on behalf of Buyer pursuant to this Agreement, as of the date such representation or warranty was made or as if such representation or warranty was made on and as of the Closing Date (except for representations and warranties that expressly relate to a specified date, the inaccuracy in or breach of which will be determined with reference to such specified date);

(b) any breach or non-fulfillment of any covenant, agreement or obligation to be performed by Buyer pursuant to this Agreement, the other Transaction Documents or any certificate delivered by or on behalf of Buyer pursuant to this Agreement;

(c) any Assumed Liability;

(d) the Taxes that are the obligation of Buyer set forth in **Section 6.14**

(*Transfer Taxes*); or

(e) any Third Party Claim based upon, resulting from, or arising out of the Buyer's ownership and use of the Purchased Assets after the Closing; provided, that such Third Party Claim does not arise from facts or circumstances that would constitute a breach of a representation, warranty, or covenant of Seller under this Agreement.

Section 8.04 Certain Limitations. The indemnification provided for in **Section 8.02** (*Indemnification by Seller*) and **Section 8.03** (*Indemnification by Buyer*) shall be subject to the following limitations:

(a) Seller shall not be liable to the Buyer Indemnitees for indemnification under **Section 8.02(a)** (*Indemnification by Seller*) and, with respect to a breach of **Section 6.04(a)(i)** (*Notice of Certain Events; Removal of Excluded Assets*), under **Section 8.02(b)** (*Indemnification by Seller*) (or certificate with respect thereto) (other than with respect to a claim for indemnification based upon, arising out of, with respect to or by reason of fraud) in excess of \$16,425,000; provided, however, that with respect to a breach of any representation or warranty in **Section 4.01** (*Organization and Qualification of Seller*), **Section 4.02** (*Authority of Seller*), **Section 4.07** (*Title to Purchased Assets*), **Section 4.19** (*Taxes*) and **Section 4.21** (*Brokers*), Seller's liability shall not exceed the Purchase Price; and provided further that, in no event shall Buyer Indemnitees be entitled to aggregate indemnification under this Agreement, the Transaction Documents or in any certificate in excess of the Purchase Price.

(b) Notwithstanding anything to the contrary contained in this **Section 8.04**, Buyer Indemnitees and Seller Indemnitees shall be entitled to indemnification with respect to any claim for indemnification under this Agreement, the other Transaction Documents or in any certificate:

(i) only if the amount of Losses with respect to such claim exceeds the amount of \$50,000 (the "**De Minimis Amount**") (any claim involving Losses equal to or less than such amount being referred to as a "**De Minimis Claim**") (provided that, in the case of Buyer Indemnitees, claims for Losses with respect to Excluded Liabilities shall not be subject to the De Minimis Amount and, in the case of Seller Indemnitees, claims for Losses with respect to Assumed Liabilities shall not be subject to the De Minimis Amount);

(ii) only if the aggregate Losses for breach of this Agreement to all Buyer Indemnitees or Seller Indemnitees, as applicable, (other than De Minimis Claims), exceed the amount of one percent (1.0%) of the Purchase Price (the "**Deductible**"), whereupon (subject to the provisions of clause (iii) below) Seller or Buyer, as the case may be, shall be obligated to pay in full all such amounts exceeding the amount of the Deductible (provided that, in the case of Buyer Indemnitees, claims for Losses with respect to Excluded Liabilities shall not be subject to the Deductible and in the case of Seller Indemnitees, claims for Losses with respect to Assumed Liabilities shall not be

subject to the Deductible); and

(iii) only with respect to claims for indemnification made on or before the expiration of the survival period pursuant to **Section 8.01** (*Survival*) for the applicable representation or warranty.

(c) Buyer shall not be liable to the Seller Indemnitees for indemnification under **Section 8.02(a)** (*Indemnification by Buyer*) (other than with respect to a claim for indemnification based upon, arising out of, with respect to or by reason of fraud) in excess of \$16,425,000; provided, however, that with respect to a breach of any representation or warranty in **Section 4.01** (*Organization of Buyer*), **Section 4.02** (*Authority of Buyer*), and **Section 4.074** (*Brokers*), Buyer's liability shall not exceed the Purchase Price; and provided further that, in no event shall Seller Indemnitees be entitled to aggregate indemnification under this Agreement, the Transaction Documents or in any certificate in excess of the Purchase Price.

(d) For purposes of this **Article VIII**, the amount of Loss arising out of any inaccuracy in or breach of any representation or warranty shall be determined without regard to any materiality, Material Adverse Effect or other similar qualification contained in or otherwise applicable to such representation or warranty.

(e) No party shall have any liability for any Loss which would not have arisen but for any alteration or repeal or enactment of any Law after the date of this Agreement;

(f) The Losses suffered by any indemnified party shall be calculated after giving effect to any amounts available from third parties, including insurance proceeds, in each case net of the reasonable out of pocket costs and expenses associated with such recoveries from third parties (it being understood and agreed that the Indemnified Parties shall use their commercially reasonable efforts to seek insurance recoveries in respect of Losses to be indemnified hereunder). If any insurance proceeds or other recoveries from third parties are actually realized (in each case calculated net of the reasonable out of pocket costs and expenses associated with such recoveries from third parties) by an Indemnified Party subsequent to the receipt by such Indemnified Party of an indemnification payment hereunder in respect of the claims to which such insurance proceedings or third party recoveries relate, appropriate refunds shall be made promptly to the Indemnifying Party regarding the amount of such indemnification payment;

(g) Seller shall have no liability for any breach of or inaccuracy in this Agreement, the other Transaction Documents or in any certificate or instrument delivered by or on behalf of Seller pursuant to this Agreement to the extent Buyer has actual knowledge as of the date of this Agreement of such breach or inaccuracy; and

(h) NOTWITHSTANDING ANYTHING IN THIS AGREEMENT TO THE CONTRARY, NO PARTY SHALL BE LIABLE FOR SPECIAL, PUNITIVE, EXEMPLARY, INCIDENTAL, CONSEQUENTIAL OR INDIRECT DAMAGES OR LOST PROFITS, WHETHER BASED ON CONTRACT, TORT, STRICT LIABILITY, OTHER LAW OR OTHERWISE AND WHETHER OR NOT ARISING FROM

THE OTHER PARTY'S SOLE, JOINT OR CONCURRENT NEGLIGENCE, STRICT LIABILITY OR OTHER FAULT ("**NON-REIMBURSABLE DAMAGES**"); *PROVIDED, HOWEVER*, THAT A PARTY SHALL BE LIABLE FOR, AND NON-REIMBURSABLE DAMAGES SHALL NOT INCLUDE, ALL SUCH DAMAGES ARISING FROM THIRD PARTY CLAIMS FOR WHICH AN INDEMNIFIED PARTY SEEKS INDEMNIFICATION.

Section 8.05 Indirect Claims. Notwithstanding anything in this Agreement to the contrary, except for fraud or willful misconduct, no Representative or Affiliate of a Party shall have any personal liability to the other Party or any other Person as a result of the breach of any representation, warranty, covenant, agreement or obligation of such Party in this Agreement.

Section 8.06 EXCEPT FOR ANY REPRESENTATIONS AND WARRANTIES SET FORTH IN **ARTICLE IV** OR IN ANY CERTIFICATE OR THE DEED DELIVERED HEREUNDER, THE PURCHASED ASSETS ARE "AS IS, WHERE IS," AND SELLER EXPRESSLY DISCLAIMS ANY REPRESENTATIONS OR WARRANTIES OF ANY KIND OR NATURE, EXPRESS OR IMPLIED, AS TO LIABILITIES, OPERATIONS, TITLE, CONDITION, VALUE OR QUALITY OR THE PROSPECTS OF THE BUSINESS (FINANCIAL AND OTHERWISE), RISKS AND OTHER INCIDENTS OF THE BUSINESS, AND SELLER SPECIFICALLY DISCLAIMS ANY REPRESENTATION OR WARRANTY OF MERCHANTABILITY, USAGE, OR SUITABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE WITH RESPECT TO THE PURCHASED ASSETS OR ANY PART THEREOF, OR AS TO THE WORKMANSHIP THEREOF, OR THE ABSENCE OF ANY DEFECTS THEREIN, WHETHER LATENT OR PATENT, OR COMPLIANCE WITH ENVIRONMENTAL REQUIREMENTS, OR AS TO THE CONDITION OF THE BUSINESS, INCLUDING, WITHOUT LIMITATION, WHETHER THE BUSINESS POSSESSES SUFFICIENT REAL PROPERTY OR PERSONAL PROPERTY TO OPERATE, IN EACH CASE EXCEPT AS SET FORTH HEREIN OR IN ANY CERTIFICATE DELIVERED HEREUNDER. EXCEPT AS OTHERWISE EXPRESSLY PROVIDED HEREIN OR IN ANY CERTIFICATE DELIVERED HEREUNDER, SELLER FURTHER SPECIFICALLY DISCLAIMS ANY REPRESENTATION OR WARRANTY REGARDING THE ABSENCE OF HAZARDOUS MATERIALS OR LIABILITY OR POTENTIAL LIABILITY ARISING UNDER ENVIRONMENTAL LAWS. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, EXCEPT AS EXPRESSLY PROVIDED HEREIN OR IN ANY CERTIFICATE DELIVERED HEREUNDER, SELLER EXPRESSLY DISCLAIMS ANY REPRESENTATION OR WARRANTY OF ANY KIND REGARDING THE CONDITION OF THE PURCHASED ASSETS OR THE SUITABILITY FOR OPERATION AS A POWER PLANT OR AS SITES FOR THE

DEVELOPMENT OF ADDITIONAL OR REPLACEMENT GENERATION CAPACITY AND NO MATERIAL OR INFORMATION PROVIDED BY OR COMMUNICATIONS MADE BY SELLER, OR ANY OTHER PARTY, INFORMATION PROVIDED DURING DUE DILIGENCE, AND ANY ORAL, WRITTEN OR ELECTRONIC RESPONSE TO ANY INFORMATION REQUEST PROVIDED TO BUYER, WILL CAUSE OR CREATE ANY WARRANTY, EXPRESS OR IMPLIED, AS TO THE TITLE, CONDITION, VALUE OR QUALITY OF THE PURCHASED ASSETS THAT IS NOT SET FORTH HEREIN.

Section 8.07 Indemnification Procedures. The party making a claim under this **Article VIII** is referred to as the "**Indemnified Party**," and the party against whom such claims are asserted under this **Article VIII** is referred to as the "**Indemnifying Party**".

(a) **Third Party Claims.** If any Indemnified Party receives notice of the assertion or commencement of any Action made or brought by any Person who is not a party to this Agreement or an Affiliate of a party to this Agreement or a Representative of the foregoing (a "**Third Party Claim**") against such Indemnified Party with respect to which the Indemnifying Party is obligated to provide indemnification under this Agreement, the Indemnified Party shall give the Indemnifying Party reasonably prompt written notice thereof, but in any event not later than 30 calendar days after receipt of such notice of such Third Party Claim (and in any event within the applicable survival period set forth in **Section 8.01 (Survival)**). The failure to give such prompt written notice shall not, however, relieve the Indemnifying Party of its indemnification obligations (unless outside of the survival periods set forth in **Section 8.01 (Survival)**), except and only to the extent that the Indemnifying Party is prejudiced by the failure to give such notice or forfeits rights or defense by reason of such failure. Such notice by the Indemnified Party shall describe the Third Party Claim in reasonable detail, shall include copies of all material written evidence thereof and shall indicate the estimated amount, if reasonably practicable, of the Loss that has been or may be sustained by the Indemnified Party. The Indemnifying Party shall have the right to participate in, or by giving written notice to the Indemnified Party, to assume the defense of any Third Party Claim at the Indemnifying Party's expense and by the Indemnifying Party's own counsel, and the Indemnified Party shall cooperate in good faith in such defense; *provided, that* if the Indemnifying Party is Seller, such Indemnifying Party shall not have the right to defend or direct the defense of any such Third Party Claim that (x) is asserted directly by or on behalf of a Person that is a significant supplier of the Business, or (y) seeks an injunction or other equitable relief against the Indemnified Party. In the event that the Indemnifying Party assumes the defense of any Third Party Claim, subject to **Section 8.07(b) (Settlement of Third Party Claims)**, it shall have the right to take such action as it deems necessary to avoid, dispute, defend, appeal or make counterclaims pertaining to any such Third Party Claim in the name and on behalf of the Indemnified Party. The Indemnified Party shall have the right to participate in the defense of any Third Party Claim with counsel selected by it subject to the Indemnifying Party's right to control the defense

thereof. The fees and disbursements of such counsel shall be at the expense of the Indemnified Party, *provided, that* if in the reasonable opinion of counsel to the Indemnified Party, (A) there are legal defenses available to an Indemnified Party that are different from or additional to those available to the Indemnifying Party; or (B) there exists a conflict of interest between the Indemnifying Party and the Indemnified Party that cannot be waived, the Indemnifying Party shall be liable for the reasonable fees and expenses of counsel to the Indemnified Party in each jurisdiction for which the Indemnified Party determines counsel is required. If the Indemnifying Party elects not to compromise or defend such Third Party Claim, fails to promptly notify the Indemnified Party in writing of its election to defend as provided in this Agreement, or fails to diligently prosecute the defense of such Third Party Claim, the Indemnified Party may, subject to **Section 8.07(b)** (*Settlement of Third Party Claims*), pay, compromise, defend such Third Party Claim and seek indemnification for any and all Losses based upon, arising from or relating to such Third Party Claim. Seller and Buyer shall cooperate with each other in all reasonable respects in connection with the defense of any Third Party Claim, including making available (subject to the provisions of **Section 6.06** (*Confidentiality*)) records relating to such Third Party Claim and furnishing, without expense (other than reimbursement of actual out-of-pocket expenses) to the defending party, management employees of the non-defending party as may be reasonably necessary for the preparation of the defense of such Third Party Claim.

(b) **Settlement of Third Party Claims.** Notwithstanding any other provision of this Agreement, the Indemnifying Party shall not enter into settlement of any Third Party Claim without the prior written consent of the Indemnified Party, except as provided in this **Section 8.07(b)** (*Settlement of Third Party Claims*). If a firm offer is made to settle a Third Party Claim without leading to liability or the creation of a financial or other obligation on the part of the Indemnified Party and provides, in customary form, for the unconditional release of each Indemnified Party from all liabilities and obligations in connection with such Third Party Claim and the *Indemnifying Party desires to accept and agree to such offer*, the Indemnifying Party shall give written notice to that effect to the Indemnified Party. If the Indemnified Party fails to consent to such firm offer within ten days after its receipt of such notice, the Indemnified Party may continue to contest or defend such Third Party Claim and in such event, the maximum liability of the Indemnifying Party as to such Third Party Claim shall not exceed the amount of such settlement offer. If the Indemnified Party fails to consent to such firm offer and also fails to assume defense of such Third Party Claim, the Indemnifying Party may settle the Third Party Claim upon the terms set forth in such firm offer to settle such Third Party Claim. If the Indemnifying Party has assumed the defense pursuant to **Section 8.07(a)** (*Third Party Claims*), it shall not agree to any settlement without the written consent of the Indemnified Party (which consent shall not be unreasonably withheld or delayed).

(c) **Direct Claims.** Any Action by an Indemnified Party on account of a Loss which does not result from a Third Party Claim (a "**Direct Claim**") shall be asserted

by the Indemnified Party giving the Indemnifying Party reasonably prompt written notice thereof, but in any event not later than 30 days after the Indemnified Party becomes aware of such Direct Claim (and in any event within the applicable survival period set forth in Section 8.01 (*Survival*)). The failure to give such prompt written notice shall not, however, relieve the Indemnifying Party of its indemnification obligations (unless outside of the survival periods set forth in Section 8.01 (*Survival*)), except and only to the extent that the Indemnifying Party forfeits rights or defenses by reason of such failure. Such notice by the Indemnified Party shall describe the Direct Claim in reasonable detail, shall include copies of all material written evidence thereof and shall indicate the estimated amount, if reasonably practicable, of the Loss that has been or may be sustained by the Indemnified Party. The Indemnifying Party shall have 30 days after its receipt of such notice to respond in writing to such Direct Claim. The Indemnified Party shall allow the Indemnifying Party and its professional advisors to investigate the matter or circumstance alleged to give rise to the Direct Claim, and whether and to what extent any amount is payable in respect of the Direct Claim and the Indemnified Party shall assist the Indemnifying Party's investigation by giving such information and assistance (including access to the Indemnified Party's premises and personnel and the right to examine and copy any accounts, documents or records) as the Indemnifying Party or any of its professional advisors may reasonably request. If the Indemnifying Party does not so respond within such 30 day period, the Indemnifying Party shall be deemed to have rejected such claim, in which case the Indemnified Party shall be free to pursue such remedies as may be available to the Indemnified Party on the terms and subject to the provisions of this Agreement.

(d) **Cooperation.** Any party that becomes aware of a Loss for which it may seek indemnification under this Article VIII shall be required to use commercially reasonable efforts to mitigate (including not taking actions to exacerbate) the Loss including taking any actions reasonably requested by the Indemnifying Party. An Indemnifying Party shall not be liable for any Loss to the extent that it is attributable to the Indemnified Party's breach of its obligation set forth in the preceding sentence.

Section 8.08 Payments. Once a Loss is agreed to by the Indemnifying Party or finally adjudicated to be payable pursuant to this **Article VIII**, the Indemnifying Party shall satisfy its obligations within 15 Business Days of such final, non-appealable adjudication by wire transfer of immediately available funds. The parties hereto agree that should an Indemnifying Party not make full payment of any such obligations within such 15 Business Day period, any amount payable shall accrue interest from and including the date of agreement of the Indemnifying Party or final, non-appealable adjudication to and including the date such payment has been made at a rate per annum equal to the "prime rate" as published in the *Wall Street Journal* from time to time plus 300 basis points. Such interest shall be calculated daily on the basis of a 365 day year and the actual number of days elapsed.

Section 8.09 Tax Treatment of Indemnification Payments. All indemnification payments made under this Agreement shall be treated by the parties as an adjustment to the Purchase Price for Tax purposes, unless otherwise required by Law.

Section 8.10 Exclusive Remedies. Subject to **Section 10.11** (*Specific Performance*) and **Article IX** (*Termination*), the parties acknowledge and agree that their sole and exclusive remedy with respect to any and all claims arising after the Closing (other than claims arising under **Article 2** and **Article 6** related to Purchase Price Adjustments and claims from fraud, criminal activity or willful misconduct on the part of a party hereto in connection with the transactions contemplated by this Agreement) for any breach of any representation, warranty, covenant, agreement or obligation set forth herein or otherwise relating to the subject matter of this Agreement, shall be pursuant to the indemnification provisions set forth in this **Article VIII**. Nothing in this **Section 8.11** shall limit any Person's right to seek and obtain any equitable relief to which any Person shall be entitled or to seek any remedy on account of any Person's fraudulent, criminal or intentional misconduct, or any Person's right to seek and obtain equitable or monetary relief prior to the Closing.

ARTICLE IX TERMINATION

Section 9.01 Termination. This Agreement may be terminated at any time prior to the Closing:

- (a) by the mutual written consent of Seller and Buyer;
- (b) by Buyer by written notice to Seller if:

(i) Buyer is not then in material breach of any provision of this Agreement and there has been a breach, inaccuracy in or failure to perform any representation, warranty, covenant or agreement made by Seller pursuant to this Agreement that would give rise to the failure of any of the conditions specified in **Section 7.02(a)** (*Conditions to Obligations of Buyer*) or **Section 7.02(b)** (*Conditions to Obligations of Buyer*) and such breach, inaccuracy or failure has not been cured by Seller within thirty (30) days of Seller's receipt of written notice of such breach from Buyer; provided, however, that if, during such thirty (30) day period Seller has endeavored in good faith and proceeded diligently to cure such breach, such thirty (30) day period may be extended for up to an additional thirty (30) days, but only so long as (y) Seller continues to endeavor in good faith and proceeds diligently to cure such breach and (z) such breach is reasonably likely to be cured during such additional period, provided further that in no event shall such thirty (30) day period extend past June 30, 2012;

(ii) any of the conditions set forth in **Section 7.01** or **Section 7.02** shall not have been, or if it becomes reasonably apparent that the condition in **Section 7.01(c)** will not be, fulfilled by June 30, 2012, unless such failure shall be due to the failure of

Buyer to perform or comply with any of the covenants, agreements or conditions hereof to be performed or complied with by it prior to the Closing; or

(iii) Buyer is electing to terminate this Agreement pursuant to Section 6.18;

(c) by Seller by written notice to Buyer if:

(i) Buyer has breached its obligation to pay the Purchase Price;

(ii) any of the conditions set forth in **Section 7.01** (*Conditions to Obligations of All Parties*) or **Section 7.03** (*Conditions to Obligations of Seller*) shall not have been fulfilled by June 30, 2012, unless such failure shall be due to the failure of Seller to perform or comply with any of the covenants, agreements or conditions hereof to be performed or complied with by it prior to Closing; or

(iii) Seller is not then in material breach of any provision of this Agreement and there has been a breach, inaccuracy in or failure to perform any representation, warranty, covenant or agreement made by Buyer pursuant to this Agreement that would give rise to the failure of any of the conditions specified in **Section 7.03(a)** (*Conditions to Obligations of Seller*) or **Section 7.03(b)** (*Conditions to Obligations of Seller*) and such breach, inaccuracy or failure, in the case of **9.01(c)(ii)** only, has not been cured by Buyer within thirty (30) days of Buyer's receipt of written notice of such breach from Seller; provided, however, that if, during such thirty (30) day period Buyer has endeavored in good faith and proceeded diligently to cure such breach, such thirty (30) day period may be extended for up to an additional thirty (30) days, but only so long as (y) Buyer continues to endeavor in good faith and proceeds diligently to cure such breach and (z) such breach is reasonably likely to be cured during such additional period, provided further that in no event shall such thirty (30) day period extend past June 30, 2012; or

(iv) Seller is electing to terminate this Agreement pursuant to Section 6.18;

(d) by Buyer or Seller in the event that (i) there shall be any Law that makes consummation of the transactions contemplated by this Agreement illegal or otherwise prohibited or (ii) any Governmental Authority shall have issued a Governmental Order restraining or enjoining the transactions contemplated by this Agreement, and such Governmental Order shall have become final and non appealable.

Section 9.02 Effect of Termination. In the event of termination of this Agreement in accordance with this Agreement, each party shall have available to it all remedies available at law or in equity, including without limitation the ability to specifically enforce the terms of this Agreement or to obtain temporary or permanent injunctive relief.

Section 10.04 Headings. The headings in this Agreement are for reference only and shall not affect the interpretation of this Agreement.

Section 10.05 Severability. If any term or provision of this Agreement is declared by a final judgment or order by a court of competent jurisdiction to be invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction. It is hereby stipulated and declared to be the intention of the parties that they would have executed the remaining terms, provisions, covenants and restrictions without including any of such which may be hereafter declared invalid, void or unenforceable. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, such term or provision shall be judicially modified by a court of competent jurisdiction so as to make such term or provision legal, valid and enforceability and to effect the original intent of the parties as closely as possible in an acceptable manner to the end that the transactions contemplated hereby are fulfilled to the fullest extent possible.

Section 10.06 Entire Agreement. This Agreement and the other Transaction Documents constitute the sole and entire agreement of the parties to this Agreement with respect to the subject matter contained herein and therein, and supersede all prior and contemporaneous understandings and agreements, both written and oral, with respect to such subject matter. In the event of any inconsistency between the statements in the body of this Agreement and those in the other Transaction Documents, the Exhibits and Disclosure Schedules (other than an exception expressly set forth as such in the Disclosure Schedules), the statements in the body of this Agreement will control.

Section 10.07 Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns. Neither party may assign its rights or obligations hereunder without the prior written consent of the other party, which consent shall not be unreasonably withheld or delayed; *provided, however*, that prior to the Closing Date, Buyer may, without the prior written consent of Seller, assign all or any portion of its rights under this Agreement to one or more of its direct or indirect wholly-owned subsidiaries or an Affiliate of Buyer. No assignment shall relieve the assigning party of any of its obligations hereunder.

Section 10.08 No Third-party Beneficiaries. Except as expressly provided in **Article VIII**, this Agreement is for the sole benefit of the parties hereto and their respective successors and permitted assigns and nothing herein, express or implied, is intended to or shall confer upon any other Person or entity any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

Section 10.09 Amendment and Modification; Waiver. This Agreement may only be amended, modified or supplemented by an agreement in writing

signed by each party hereto. No waiver by any party of any of the provisions hereof shall be effective unless explicitly set forth in writing and signed by the party so waiving. No waiver by any party shall operate or be construed as a waiver in respect of any failure, breach or default not expressly identified by such written waiver, whether of a similar or different character, and whether occurring before or after that waiver. No failure to exercise, or delay in exercising (other than delays that result in an exercise of rights hereunder outside the relevant time periods prescribed hereunder), any right, remedy, power or privilege arising from this Agreement shall operate or be construed as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.

Section 10.10 Governing Law; Submission to Jurisdiction; Waiver of Jury Trial.

(a) This Agreement shall be governed by and construed in accordance with the internal laws of the Commonwealth of Kentucky without giving effect to any choice or conflict of law provision or rule (whether of the Commonwealth of Kentucky or any other jurisdiction) that would cause the application of Laws of any jurisdiction other than those of the Commonwealth of Kentucky.

(b) ANY LEGAL SUIT, ACTION OR PROCEEDING ARISING OUT OF OR BASED UPON THIS AGREEMENT, THE OTHER TRANSACTION DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY MAY BE INSTITUTED IN THE FEDERAL COURTS OF THE UNITED STATES OF AMERICA OR THE COURTS OF THE COMMONWEALTH OF KENTUCKY IN EACH CASE LOCATED IN THE CITY OF LOUISVILLE AND COUNTY OF JEFFERSON, AND EACH PARTY IRREVOCABLY SUBMITS TO THE EXCLUSIVE JURISDICTION OF SUCH COURTS IN ANY SUCH SUIT, ACTION OR PROCEEDING. SERVICE OF PROCESS, SUMMONS, NOTICE OR OTHER DOCUMENT BY MAIL TO SUCH PARTY'S ADDRESS SET FORTH HEREIN SHALL BE EFFECTIVE SERVICE OF PROCESS FOR ANY SUIT, ACTION OR OTHER PROCEEDING BROUGHT IN ANY SUCH COURT. THE PARTIES IRREVOCABLY AND UNCONDITIONALLY WAIVE ANY OBJECTION TO THE LAYING OF VENUE OF ANY SUIT, ACTION OR ANY PROCEEDING IN SUCH COURTS AND IRREVOCABLY WAIVE AND AGREE NOT TO PLEAD OR CLAIM IN ANY SUCH COURT THAT ANY SUCH SUIT, ACTION OR PROCEEDING BROUGHT IN ANY SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

(c) EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS AGREEMENT OR THE OTHER TRANSACTION DOCUMENTS IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES AND, THEREFORE, EACH SUCH PARTY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY

RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LEGAL ACTION ARISING OUT OF OR RELATING TO THIS AGREEMENT, THE OTHER TRANSACTION DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY. EACH PARTY TO THIS AGREEMENT CERTIFIES AND ACKNOWLEDGES THAT (A) NO REPRESENTATIVE OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT SEEK TO ENFORCE THE FOREGOING WAIVER IN THE EVENT OF A LEGAL ACTION, (B) SUCH PARTY HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (C) SUCH PARTY MAKES THIS WAIVER VOLUNTARILY, AND (D) SUCH PARTY HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 10.10(c).

Section 10.11 Specific Performance. The parties agree that irreparable damage would occur if any provision of this Agreement were not performed in accordance with the terms hereof and that the parties shall be entitled to specific performance of the terms hereof, in addition to any other remedy to which they are entitled at law or in equity.

Section 10.12 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. A signed copy of this Agreement delivered by facsimile, e-mail or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

[SIGNATURE PAGE FOLLOWS]

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

BLUEGRASS GENERATION COMPANY,
L.L.C.

By DAVID
Name: David Darius
Title: EVP

KENTUCKY UTILITIES COMPANY

By Paul W. Thompson
Name: Paul W. Thompson
Title: SVP

LOUISVILLE GAS AND ELECTRIC
COMPANY

By Paul W. Thompson
Name: Paul W. Thompson
Title: SVP

EXHIBIT A

BILL OF SALE

This Bill of Sale (this "**Bill of Sale**") dated as of _____, 2011, from Bluegrass Generation Company, L.L.C., a Delaware limited liability company ("**Seller**"), to Kentucky Utilities Company, a Kentucky corporation, and Louisville Gas and Electric Company, a Kentucky corporation (collectively, the "**Buyers**"), is being delivered pursuant to that certain Asset Purchase Agreement (the "**Purchase Agreement**") dated _____, 2011 between Seller and Buyers. Capitalized terms used in this Bill of Sale but not defined herein shall have the meanings assigned to them in the Purchase Agreement.

1. In consideration of the covenants, agreements, terms and provisions contained in the Purchase Agreement and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Seller does hereby grant, sell, assign, convey, transfer and deliver to the Buyers, as tenants in common [% to be determined by Buyers prior to closing] and their successors and assigns, free and clear of all Encumbrances other than Permitted Encumbrances, all of Seller's right, title, and interest in and to the Tangible Personal Property included in the Purchased Assets.

2. Any conflict between the terms of this Bill of Sale and the Purchase Agreement are to be resolved in favor of the terms of the Purchase Agreement.

3. Seller will execute and deliver any further instruments of sale, conveyance, transfer, and assignment and take any other actions reasonably requested by Buyers in order to more effectively sell, assign, transfer, and convey to and vest in Buyers all of Seller's right, title, and interest in and to the Tangible Personal Property included in the Purchased Assets as specified in the Purchase Agreement.

4. This Bill of Sale shall be governed by and construed and enforced under the laws of the Commonwealth of Kentucky, without regard to its conflicts-of-laws principles.

IN WITNESS WHEREOF, Seller has caused this Bill of Sale to be executed and delivered by its duly authorized agent on the date first set forth above.

Bluegrass Generation Company, L.L.C.,
a Delaware limited liability company

By: _____
Name: _____
Title: _____

EXHIBIT B

ASSIGNMENT AND ASSUMPTION AGREEMENT

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT (this "Assignment and Assumption Agreement") is dated as of _____, 2011, between Bluegrass Generation Company, L.L.C., a Delaware limited liability company ("Seller"), and Kentucky Utilities Company, a Kentucky corporation, and Louisville Gas and Electric Company, a Kentucky corporation (collectively, the "Buyers").

Recitals

A. This Assignment and Assumption Agreement is delivered pursuant to Section 3.02(a)(ii) of that certain Asset Purchase Agreement (the "*Purchase Agreement*"), dated as of _____, 2011, between Buyer and Seller.

B. Capitalized terms not defined in this Assignment and Assumption Agreement shall have the meanings assigned to them in the Purchase Agreement.

Agreement

In consideration of the agreements and covenants contained in the Purchase Agreement and this Assignment and Assumption Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Buyers and Seller, intending to be legally bound, agree as follows:

1. **Assignment.** Seller hereby assigns to Buyers, as tenants in common [% to be determined by Buyer prior to closing], and Buyers hereby assumes all of the Purchased Assets that may not be transferred in the Bill of Sale, including without limitation the Assigned Contracts included in the Purchased Assets.

2. **Assumed Liabilities.** Effective as of the Effective Time, Buyers hereby accept the foregoing assignment and assume and agree to discharge the Assumed Liabilities.

3. **No Other Liabilities Assumed.** Notwithstanding anything in this Assignment and Assumption Agreement to the contrary, Buyers shall not assume, and in no event shall be deemed to have assumed, any of the Excluded Liabilities, and Buyers and Seller agree that all such Excluded Liabilities shall remain the sole responsibility of Seller and shall be retained, paid, performed and discharged solely by Seller.

4. **Terms of the Asset Purchase Agreement.** The terms of the Purchase Agreement are incorporated herein by this reference. Buyers and Seller acknowledge and agree that the representations, warranties, covenants, agreements and indemnities contained in the Purchase Agreement shall not be superseded but shall remain in full force and effect to the full extent provided therein. In the event of any conflict or inconsistency between the terms of the Purchase Agreement and the terms hereof, the terms of the Purchase Agreement shall govern.

5. **Further Actions.** Each of the parties covenants and agrees, at its own expense, to execute and deliver, at the request of the other party, such further instruments of transfer and

assignment and to take such other action as such other party may reasonably request to more effectively consummate the assignments and assumptions contemplated by this Assignment and Assumption Agreement.

6. **Governing Law.** This Assignment and Assumption Agreement shall be governed by and construed and enforced under the laws of the Commonwealth of Kentucky, without regard to its conflicts-of-laws principles.

7. **Execution in Counterparts.** This Assignment and Assumption Agreement may be executed in any number of counterparts with the same effect as if the signatures thereto were upon one instrument.

8. **Severability.** If any part, terms or provision of this Assignment and Assumption Agreement is held by any court to be unenforceable or prohibited by any law applicable to this Assignment and Assumption Agreement, the rights and obligations of the parties shall be construed and enforced with that part, term or provision limited so as to make it enforceable to the greatest extent allowed by law, or, if it is totally unenforceable as if this Assignment and Assumption Agreement did not contain that particular part, term or provision.

9. **Successors.** This Agreement shall inure to the benefit of Assignees and their successors and assigns and shall be binding upon Assignor and its successors and assigns.

IN WITNESS WHEREOF, the parties have executed this Assignment and Assumption Agreement as of the date first above written.

BLUEGRASS GENERATION COMPANY,
L.L.C.

By _____
Name:
Title:

KENTUCKY UTILITIES COMPANY

By _____
Name:
Title:

LOUISVILLE GAS AND ELECTRIC
COMPANY

By _____
Name:
Title:

EXHIBIT C

INTELLECTUAL PROPERTY ASSIGNMENT AGREEMENT

This is an Intellectual Property Assignment Agreement (this "**Agreement**"), dated as of _____, 2011, between Bluegrass Generation Company, L.L.C., a Delaware limited liability company ("**Assignor**"), and Kentucky Utilities Company, a Kentucky corporation, and Louisville Gas and Electric Company, a Kentucky corporation (collectively, the "**Assignees**"). Capitalized terms used in this Agreement but not defined herein shall have the meanings assigned to them in that certain Asset Purchase Agreement, dated as of _____, 2011, between Assignee and Assignor (the "**Purchase Agreement**").

WHEREAS, *in connection with the consummation of the transactions contemplated by the Purchase Agreement*, Assignor desires to transfer and assign its right, title and interest in and to the Assigned Intellectual Property Assets;

NOW, THEREFORE, Assignor and Assignee agree as follows:

1. Assignment of Property. Assignor hereby sells, transfers, conveys, assigns and delivers to Assignees, as tenants in common [% to be determined by Buyer prior to closing] and Assignees accept all right, title and interest of Assignor in and to the Assigned Intellectual Property Assets (the "Assigned Assets").
2. Further Assurances. Assignor hereby undertakes to give to Assignees all assistance reasonably necessary to the end of transferring and assigning the Assigned Assets and finalizing any reasonably necessary endorsements for the transfer thereof in favor of Assignee.
3. Successors. This Agreement shall inure to the benefit of Assignees and their successors and assigns and shall be binding upon Assignor and its successors and assigns.
4. Governing Law. This Agreement and all questions relating to its validity, interpretation, performance and enforcement shall be governed by and construed in accordance with the laws of the Commonwealth of Kentucky, without giving effect to the conflict of laws rules thereof.
5. Severability. If any part, terms or provision of this Agreement is held by any court to be unenforceable or prohibited by any law applicable to this Agreement, the rights and obligations of the parties shall be construed and enforced with that part, term or provision limited so as to make it enforceable to the greatest extent allowed by law, or, if it is totally unenforceable as if this Agreement did not contain that particular part, term or provision.
6. Execution in Counterparts. This Agreement may be executed in any number of counterparts with the same effect as if the signatures thereto were upon one instrument.

IN WITNESS WHEREOF, Assignor and Assignees have caused this Agreement to be duly executed as of the date first written above.

BLUEGRASS GENERATION COMPANY,
L.L.C.

By _____
Name:
Title:

KENTUCKY UTILITIES COMPANY

By _____
Name:
Title:

LOUISVILLE GAS AND ELECTRIC
COMPANY

By _____
Name:
Title:

EXHIBIT D

SPECIAL WARRANTY DEED

This DEED is made and entered into as of _____, 2012, from

BLUEGRASS GENERATION COMPANY, L.L.C.

a Delaware limited liability company

2 Tower Center

11th Floor

East Brunswick, NJ 08816

("Grantor").

to

KENTUCKY UTILITIES COMPANY,

a Kentucky corporation

820 West Broadway

Louisville, Kentucky 40202

And

LOUISVILLE GAS AND ELECTRIC COMPANY

A Kentucky corporation

820 West Broadway

Louisville, Kentucky 40202

("Grantees").

WITNESSETH:

THAT, for and in consideration of the sum of [**One Hundred Nine Million Five Hundred Thousand and 00/100 Dollars – Amount Allocated to Other Assets**] (\$XXXXXXX), the receipt of which is hereby acknowledged by Grantor, Grantor has this day BARGAINED and SOLD and does hereby GRANT and CONVEY unto Grantees, as tenants in common [**% to be determined by Buyer prior to Closing**], their s accessors and assigns forever, the following described property located in Oldham County, Kentucky, which is more fully described as follows, to-wit:

[LEGAL DESCRIPTION TO BE INSERTED]

BEING the same property conveyed to Grantor, by Special Warranty Deed dated _____, 2012, of record in Deed Book _____, Page _____, in the Office of the Clerk of Oldham County, Kentucky.

TO HAVE AND TO HOLD the above-described property, together with all appurtenances and common elements thereunto belonging, unto Grantees, their successors and assigns forever.

Grantor does hereby release and relinquish unto Grantees, their successors and assigns forever, all of its right, title and interest in and to the above-described property (the "Property"), including dower, curtesy and homestead exemption and all other exemptions allowed by law, and hereby covenants to and with Grantees, their successors and assigns, that it has a good and lawful right to convey the same as herein done, and that it will WARRANT SPECIALLY the title to the Property and will forever defend the Property and every part thereof unto Grantees and their successors and assigns, against the claims of all persons claiming by, through or under Grantor.

Provided, however, that there is excepted from the foregoing warranty and covenants, and this conveyance is made subject to, the following:

1. The restrictions and covenants of record in the Oldham County Clerk's office.
2. *All conditions, restrictions and/or notes affecting the property herein conveyed and contained on any plat of record in the aforesaid clerk's office.*
3. Easements and rights-of-way of whatsoever nature and kind reserved and recorded in the aforesaid clerk's office.
4. Governmental laws, ordinances and regulations affecting the Property

This conveyance is made subject to and Grantees shall pay the 2011 and all subsequent years ad valorem property taxes assessed against the property herein conveyed.

For purposes of KRS 382.135 the in-care-of address to which the property tax bill for 2011 may be sent to: Kentucky Utilities Company, 820 West Broadway, Louisville, Kentucky 40202, and Louisville Gas and Electric Company, 820 West Broadway, Louisville, Kentucky 40202.

CONSIDERATION CERTIFICATE

For purposes of compliance with KRS 382.135, and first being duly sworn, Grantor and Grantees certify that the consideration reflected herein is the full consideration paid for the above-described real property. Grantees join in the execution of this Deed for the sole purpose of certifying the amount of the consideration.

[Remainder of page left intentionally blank. Signature pages to follow.]

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands as of the day and year first above written.

GRANTOR:

BLUEGRASS GENERATION COMPANY, L.L.C.
a Delaware limited liability company

By: _____

Name: _____

Title: _____

STATE OF _____)

COUNTY OF _____)

The foregoing deed, including the consideration certificate contained therein, was subscribed, sworn to and acknowledged before me on this the ____ day of _____, 2012, by _____, as _____ of Bluegrass Generation Company, L.L.C., a Delaware limited liability company, for and on behalf of said company.

NOTARY PUBLIC
My commission expires: _____

[Remainder of page left intentionally blank. Signature pages continue on next page.]

GRANTEES:

KENTUCKY UTILITIES COMPANY,
a Kentucky corporation

By: _____

Name: _____

Title: _____

COMMONWEALTH OF KENTUCKY)

COUNTY OF JEFFERSON)

The foregoing deed, including the consideration certificate contained therein, was subscribed, sworn to and acknowledged before me on this the ____ day of _____, 2012, by _____, as _____ of Kentucky Utilities Company, a Kentucky corporation, for and on behalf of said corporation.

NOTARY PUBLIC
My commission expires: _____

LOUISVILLE GAS AND ELECTRIC COMPANY,
a Kentucky corporation

By: _____

Name: _____

Title: _____

COMMONWEALTH OF KENTUCKY)

COUNTY OF JEFFERSON)

The foregoing deed, including the consideration certificate contained therein, was subscribed, sworn to and acknowledged before me on this the ____ day of _____, 2012, by _____, as _____ of Kentucky Utilities Company, a Kentucky corporation, for and on behalf of said corporation.

NOTARY PUBLIC
My commission expires: _____

THIS INSTRUMENT PREPARED BY:

FROST BROWN TODD
400 West Market Street, Suite 3200
Louisville, Kentucky 40202
(502) 589-5400

By: _____
Erik C. Lattig

LOULibrary 0000HCJ 0588194 1136430v2

EXHIBIT E

OPINIONS OF SELLER'S COUNSEL

1. Each of Seller and Seller Parent is a limited liability company validly existing and in good standing under the laws of the State of Delaware.

2. Seller has the requisite corporate power and authority to enter into the Agreement and to perform its obligations thereunder. Seller Parent has the requisite corporate power and authority to enter into the Parent Guaranty and to perform its obligations thereunder.

3. The execution and delivery of the Agreement by Seller, and the consummation by Seller of the transactions provided for therein, have been duly authorized by all requisite entity action on the part of Seller. The execution and delivery of the Parent Guaranty by Seller Parent, and its obligations provided for therein, have been duly authorized by all requisite entity action on the part of Seller Parent.

4. The Agreement constitutes the legal, valid and binding obligations of Seller, enforceable against Seller in accordance with its terms, subject to bankruptcy, reorganization, insolvency and other similar laws affecting the enforcement of creditors' rights in general and to general principles of equity (regardless of whether considered in a proceeding in equity or an action at law). The Parent Guaranty constitutes the legal, valid and binding obligations of Seller Parent, enforceable against Seller Parent in accordance with its terms, subject to bankruptcy, reorganization, insolvency and other similar laws affecting the enforcement of creditors' rights in general and to general principles of equity (regardless of whether considered in a proceeding in equity or an action at law).

5. Neither the execution and delivery of the Agreement by Seller, nor the consummation by Seller of any or all of the transactions contemplated by the Agreement, conflicts with or violates any provision of Seller's certificate of formation, limited liability company agreement or other governing documents. Neither the execution and delivery of the Parent Guaranty by Seller Parent, nor the performance by Seller Parent of any or all of its obligations thereunder, conflicts with or violates any provision of Seller Parent's certificate of formation, limited liability company agreement or other governing documents.

6. No consent or approval, and no registration or filing with, any governmental agency, authority or other governmental unit is required, under any law applicable to Seller, other than such consents and approvals as have been obtained and registrations and filings as have been made, for Seller to consummate the transactions provided for in the Agreement.

Private & Confidential

Disclosure Schedules
to the
Asset Purchase Agreement
dated September 15, 2011
Among
KENTUCKY UTILITIES COMPANY
and
LOUISVILLE GAS AND ELECTRIC COMPANY
as Buyer
and
BLUEGRASS GENERATION COMPANY, L.L.C.
as Seller

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General Terms

Any terms used in these Disclosure Schedules but not defined herein shall have the same meanings ascribed thereto in the Asset Purchase Agreement (the “**Agreement**”), dated September 15, 2011, by and among Kentucky Utilities Company, a Kentucky corporation, Louisville Gas and Electric Company, a Kentucky corporation (collectively, “**Buyer**”), and Bluegrass Generation Company, L.L.C., a Delaware limited liability company (“**Seller**” and collectively with Buyer, the “**Parties**”), of which these Disclosure Schedules are a part. These Disclosure Schedules are qualified in their entirety by reference to specific provisions of the Agreement, subject to the limitations set forth in such specific provision, and are not intended to constitute, and shall not be construed as constituting, any representations or warranties of the Parties. These Disclosure Schedules may include items or information that the Parties are not required to disclose under the Agreement; disclosure of such items or information shall not affect (directly or indirectly) the interpretation of the Agreement or the scope of the disclosure obligation under the Agreement. Inclusion of information herein shall not be construed as an admission that such information is material to the Business or the business, assets, liabilities, financial condition, or operations of the Parties. The disclosure of any fact or item in any Disclosure Schedule referenced by a particular section of the Agreement shall be deemed to have been disclosed with respect to every other section in the Agreement to the extent it is reasonably apparent on the face of such disclosure the relevance to such other section. The headings contained in these Disclosure Schedules are for reference only and shall not affect in any way the meaning or interpretation of these Disclosure Schedules.

Schedule 1.01(k)

Seller's Knowledge

1. David Nanus
2. Ernest Kim
3. Carolyne Wass
4. Woody Saylor

Schedule 2.01(a)

Excluded Inventory

1. See Appendix 2.01(a).

Schedule 2.01(b)

Assigned Contracts

1. Interconnection and Operating Agreement by and among Louisville Gas & Electric Company and Kentucky Utilities Company and Bluegrass Generation Company, L.L.C., dated February 13, 2001. ⁽¹⁾
2. Switchyard Sub-Lease Agreement by and between Bluegrass Generation Company, L.L.C., and Louisville Gas and Electric and Kentucky Utilities Company, dated January 1, 2002. ⁽²⁾
3. Facilities Agreement between Texas Gas Transmission Corporation and Bluegrass Generation Company, L.L.C., dated April 9, 2001.
4. Water Purchase Agreement by and between Bluegrass Generation Company, L.L.C. and Oldham County Sewer District, dated February 8, 2001, to include related Access Easement, dated as February 9, 2006, and Amendment to Access Easement, as of February 2006.
5. Oldham County Sanitation District Wastewater Collection and Transport Facilities extension contract between Bluegrass Generation Company, L.L.C. and Oldham County Sanitation District dated June 19, 2001. ⁽³⁾
6. Permanent Access Road Agreement by and between Bluegrass Generation Company, L.L.C. and Texas Gas Transmission Corporation, dated as of February 27, 2001.
7. Conveyance of Right of Way by and between Bluegrass Generation Company, L.L.C., and Louisville Gas and Electric, dated January 3, 2001. ⁽⁴⁾

(1) Failure of Louisville Gas and Electric Company ("LG&E") to consent to assignment of this contract shall not result in a Seller's failure of a condition required for closing.

(2) Failure of LG&E to consent to assignment of this contract shall not result in a Seller's failure of a condition required for closing.

(3) Buyer and Seller may mutually agree that amended KPDES may eliminate need for this agreement to be assigned.

(4) Failure of LG&E to consent to assignment of this contract shall not result in a Seller's failure of a condition required for closing.

Schedule 2.01(h)

Prepayments

1. As of the date hereof, none.

Schedule 2.02(c)

Excluded Assets

1. Any and all software rights and licenses, including those set forth on Schedule 4.01(b), but not including (i) such all software necessary to operate and control the Units (including, Teleperm XP (AS 620) – T-2000 / Version 7.0.26) and all firmware installed on the Purchased Assets.
2. Any and all items listed as Excluded Inventory in Schedule 2.01(a).
3. Rights under any and all Contracts and agreements that are not Assigned Contracts.

Schedule 2.06(a)

Prorated Items

1. Liabilities accrued prior to Closing in the ordinary course of business under the contracts actually assigned and listed on Schedule 2.01(b).

Schedule 4.01

Qualified Jurisdictions

1. Delaware
2. Kentucky

Schedule 4.03(b)

Consents under Law or Governmental Order

Note: The following consents, approvals and notices are being provided as required under Section 4.03(b) of the Agreement, and only those consents or approvals designated with an asterisk (“”) shall be a condition to closing under Section 7.01(c).*

Pre-Closing Consents/Approvals:

1. * Notification filed with the Federal Trade Commission and the United States Department of Justice under the HSR Act and the rules and regulations promulgated thereunder with respect to the transactions contemplated by the Agreement, response to any requests for additional information made by either of such agencies, and termination or expiration of the waiting periods under the HSR Act.
2. * FERC– Filing of joint application under section 203 of the Federal Power Act for the sale of FERC jurisdictional facilities.
3. * Kentucky’s Division of Water as required for KPDES Permit. ⁽¹⁾
4. * Kentucky’s Public Service Commission.

Post-Closing Notices (not required as conditions to closing):

1. FERC–Within thirty (30) calendar days after the Closing Date, Buyer must submit Notices of Change of Status to FERC or a Notice of Self Certification of QF status, advising of the change of ownership of the Plant in accordance with FERC’s regulations.
2. As of the Closing Date, Seller will no longer be responsible for compliance with North American Electric Reliability Corporation (“NERC”) Reliability Standards at the Plant. Within thirty (30) calendar days after the Closing Date, Seller will provide written notification to NERC that it is no longer the “Generator Owner and Operator” for the Plant. It is the Buyer's obligation to inform NERC of their new obligations for purposes of ongoing compliance at the Plant.
3. EPA Clean Air Markets Division, where Buyer must submit change of ownership information to EPA Clean Air Markets Division within thirty (30) days after the Closing Date, as required for the following permits:

(1) Only to the extent that the KPDES Permit has been issued. Seller has filed KPDES application and is currently awaiting issuance of the permit from Kentucky’s Division of Water.

- a. Phase II Acid Rain Permit (Section J of Air Quality Permit No. V-05-080), issued by Kentucky Department of Environmental Protection to Bluegrass Generation Company, L.L.C., dated (issued) July 27, 2011; expires July 27, 2016;
 - b. CAIR Permit (Section K of Air Quality Permit No. V-05-080), issued by Kentucky Department of Environmental Protection to Bluegrass Generation Company, L.L.C., dated (issued) July 27, 2011; expires July 27, 2016; and
 - c. Certificate of Representation, Designated Representative (Carolyn Wass, LS Power) / Alternate Designated Representative (Kathy French, LS Power), Acid Rain Program, CAIR NOx Annual Program, CAIR NOx Ozone Season Program, CAIR SO2 Program, filed with U.S. Environmental Protection Agency, Clean Air Markets Division, sent December 2, 2009.
4. Kentucky's Division for Air Quality as required for Air Quality Permit, No. V-05-080, issued by Kentucky Department of Environmental Protection to Bluegrass Generation Company, L.L.C., dated (issued) July 27, 2011; expires July 27, 2016 (presently at EPA for its 45 day review). Notice must be provided to the Division of Air Quality within ten (10) days after the Closing Date. Notice must include a "signed written agreement specifying the date of transfer of permit responsibility, coverage, and liability."
 5. Kentucky's Division of Waste Management as required for Hazardous Waste Generator ID #KYR000032409, issued by Kentucky Department of Environmental Protection to Bluegrass Generation Co., LLC, dated May 10, 2002. Seller must notify the Division of Waste Management within thirty (30) days after the generation of hazardous waste ceases using Form DEP 7086. Buyer must submit registration form and receive EPA ID number prior to treating, storing, disposing, transporting, or offering to transport hazardous waste using form DEP 7037.
 6. FCC radio license for station WQEP319 is held in the name of Bluegrass Generation Company, L.L.C; FRN: 0019071422, Expiration Date: March 16, 2016.

Schedule 4.03(c)

Consents under Material Contracts

1. Any consent in connection with PILOT Program *Termination* and collapse of Lease and Bond structure.
2. Interconnection and Operating Agreement by and among Louisville Gas & Electric Company and Kentucky Utilities Company and Bluegrass Generation Company, L.L.C., dated February 13, 2001. ⁽¹⁾
3. Switchyard Sub-Lease Agreement by and between Bluegrass Generation Company, L.L.C., and Louisville Gas and Electric and Kentucky Utilities Company, dated January 1, 2002. ⁽²⁾
4. Oldham County Sanitation District Wastewater Collection and Transport Facilities extension contract between Bluegrass Generation Company, L.L.C. and Oldham County Sanitation District, dated June 19, 2001. ⁽³⁾
5. Permanent Access Road Agreement by and between Bluegrass Generation Company, L.L.C. and Texas Gas Transmission Corporation, dated as of February 27, 2001.

(1) Failure of Louisville Gas and Electric Company ("LG&E") to consent to assignment of this contract shall not result in a Seller's failure of a condition required for closing.

(2) Failure of LG&E to consent to assignment of this contract shall not result in a Seller's failure of a condition required for closing.

(3) Buyer and Seller may mutually agree that amended KPDES may eliminate need for this agreement to be assigned.

Schedule 4.04

Financial Statements

1. Financial Statements do not include any allocation of liabilities and expenses for Affiliate personnel, general and administrative and overhead costs incurred in the ordinary course of business.

The aggregate amount of such liabilities and expenses does not exceed \$5,000,000.

Schedule 4.05

Undisclosed Liabilities

1. Financial Statements do not include any allocation of liabilities and expenses for Affiliate personnel, general and administrative and overhead costs. The aggregate amount of such liabilities and expenses does not exceed \$5,000,000.
2. Liabilities accrued prior to Closing in the ordinary course of business under the Assigned Contracts.

Schedule 4.06(a)

Material Contracts

All documents relating to Lease and Bond Structure, including without limitation:

1. County of Oldham, Kentucky Industrial Building Revenue Bonds, Series 2000A.
2. County of Oldham, Kentucky Industrial Building Revenue Bonds, Series 2001A.
3. County of Oldham, Kentucky Industrial Building Revenue Bonds, Series 2002A.
4. Master Trust Indenture between County of Oldham, Kentucky and Bank One Trust Company, National Association, dated as of November 1, 2000.
5. Supplement No. 1 to Master Trust Indenture between the County of Oldham, Kentucky and Bank One Trust Company, National Association, dated as of November 1, 2000.
6. Supplement No. 2 to Master Trust Indenture between the County of Oldham, Kentucky and Bank One Trust Company, National Association, dated as of December 27, 2001.
7. Supplement No. 3 to Master Trust Indenture between the County of Oldham, Kentucky and Bank One Trust Company, National Association, dated as of December 27, 2002.
8. Home Office Payment Agreement between Bluegrass Generation, Inc., Bluegrass Generation Company, L.L.C., Bank One Trust Company, National Association, and County of Oldham, Kentucky, dated November 1, 2000.
9. Home Office Payment Agreement between Bluegrass Generation, Inc., Bluegrass Generation Company, L.L.C., Bank One Trust Company, National Association, and County of Oldham, Kentucky, dated December 27, 2001.
10. Home Office Payment Agreement between Bluegrass Generation, Inc., Bluegrass Generation Company, L.L.C., Bank One Trust Company, National Association, and County of Oldham, Kentucky, dated December 27, 2002.
11. In-Lieu of Tax Payments Agreement by and between Bluegrass Generation Company, L.L.C. and County of Oldham, Kentucky, dated November 1, 2000
12. Letter Agreement by and between Bluegrass Generation Company, L.L.C. and Oldham County, Kentucky Fiscal Court, executed on August 28, 2000.

13. Lease Agreement by and between County of Oldham, Kentucky and Bluegrass Generation Company, L.L.C. (Industrial Building Revenue Bonds), dated November 1, 2000.
14. First Amendment to Lease Agreement by and between County of Oldham, Kentucky and Bluegrass Generation Company, L.L.C. (Series 2001A Bonds), dated December 27, 2001.
15. Second Amendment to Lease Agreement by and between County of Oldham, Kentucky and Bluegrass Generation Company, L.L.C. (Series 2002A Bonds), dated December 27, 2002.
16. Third Amendment to Lease Agreement by and between County of Oldham, Kentucky and Bluegrass Generation Company, L.L.C., dated January 19, 2006.
17. Bill of Sale by and between Bluegrass Generation, Inc. and County of Oldham, Kentucky, dated December 27, 2001.
18. Bill of Sale by and between Bluegrass Generation, Inc. and County of Oldham, Kentucky, dated December 27, 2002.
19. Bond Purchase Agreement by and among County of Oldham, Kentucky, as Issuer, and Bluegrass Generation Company, L.L.C., as Lessee, and Bluegrass Generation, Inc., as Original Purchase, dated as of November 1, 2000.
20. First Amendment to Bond Purchase Agreement by and among County of Oldham, Kentucky, as Issuer, and Bluegrass Generation Company, L.L.C., as Lessee, and Bluegrass Generation, Inc., as Original Purchase, dated as of December 27, 2001.
21. Second Amendment to Bond Purchase Agreement by and among County of Oldham, Kentucky, as Issuer, and Bluegrass Generation Company, L.L.C., as Lessee, and Bluegrass Generation, Inc., as Original Purchase, dated as of December 27, 2002.

Other Material Contracts:

1. Amended and Restated Limited Liability Company Agreement of Bluegrass Generating Company, L.L.C., by Port River, LLC, dated as of November 30, 2009.
2. Assignment and Assumption Agreement between Bluegrass Generation, Inc. and Bluegrass Generation, L.L.C., dated as of November 24, 2009.
3. Interconnection and Operating Agreement by and among Louisville Gas & Electric Company and Kentucky Utilities Company and Bluegrass Generation Company, L.L.C., dated February 13, 2001.
4. Switchyard Sub-Lease Agreement by and between Bluegrass Generation Company, L.L.C., and Louisville Gas and Electric and Kentucky Utilities Company, dated January 1, 2002.

5. Water Purchase Agreement by and between Bluegrass Generation Company, L.L.C. and Oldham County Sewer District, dated February 8, 2001, to include related Access Easement, dated as February 9, 2006, and Amendment to Access Easement, as of February 2006.
6. Facilities Agreement between Texas Gas Transmission Corporation and Bluegrass Generation Company, L.L.C., dated April 9, 2001.
7. Leasehold Interest in the land described on Schedule XX.
8. All matters and encumbrances disclosed on Schedule XX.
9. All matters and encumbrances disclosed on Schedule YY.
10. Permanent Access Road Agreement by and between Bluegrass Generation Company, L.L.C. and Texas Gas Transmission Corporation, dated as of February 27, 2001.
11. Conveyance of Right of Way by and between Bluegrass Generation Company, L.L.C., and Louisville Gas and Electric, dated January 3, 2001.
12. Oldham County Sanitation District Wastewater Collection and Transport Facilities Extension Contract between Bluegrass Generation Company, L.L.C. and Oldham County Sanitation District, dated June 19, 2001.
13. Conveyance of Wastewater and Collection Facilities between Bluegrass Generation Company, L.L.C. and the Oldham County Sanitation District, delivered January 16, 2002.
14. LG&E/KU System Impact Study Agreement for PTP for Bluegrass 501 MW Project, System Impact Study Agreement Number: LGE-2011-014, by and between Independent Transmission Organization and BGCP, dated as of June 28, 2011.
15. LG&E/KU System Impact Study Report for PTP for Bluegrass 501 MW Project, System Impact Study Agreement Number: LGE-2011-014, by Independent Transmission Organization, dated as of September 7, 2011.
16. Application for Membership Agreement, by and between PJM Interconnection, L.L.C. and Bluegrass Generation Company, L.L.C., dated June 24, 2011.
17. Notice of Approval for PJM Membership, delivered by PJM Interconnection, L.L.C. to Bluegrass Generation Company, L.L.C., dated August 12, 2011 (to include Membership Kit).
18. Interconnection Feasibility Study Agreement (LGE-GIS-2011-001), by and between Southwest Power Pool and Bluegrass Generation Company, L.L.C., dated April 6, 2011.

19. Letter of Notice of Receipt of Interconnection Feasibility Study Agreement (LGE-GIS-2011-001), from Southwest Power Pool to Bluegrass Generating Company, L.L.C., dated April 15, 2011.
20. PJM Interconnection Transmission Request, by and between Bluegrass Generating Company, L.L.C. and PJM Interconnection, L.L.C., dated August 26, 2011.
21. Confirmation Letter, by PJM Interconnection, L.L.C., dated as of September 1, 2011, and PJM Long-Term Firm Network Transmission Service Application and Initial Study Agreement, by and between Bluegrass Generating Company, L.L.C. and PJM Interconnection, L.L.C., dated as of September 13, 2011.
22. Operations and Maintenance Agreement for the Bluegrass Facility, between Port River, LLC and NAES Corporation, dated as of September 15, 2009.
23. Energy Management Agreement, between EDF Trading North America, LLC, Port River, LLC and Bluegrass Generation Company, L.L.C., dated as of October 15, 2009.
24. ISDA Master Agreement, between EDF Trading North America, LLC, Bluegrass Generation Company, L.L.C. and Port River, LLC, dated as of October 15, 2009.
25. ISDA Credit Support Annex, between EDF Trading North America, LLC, Bluegrass Generation Company, L.L.C. and Port River, LLC, dated as of October 15, 2009.
26. First Amendment to Energy Management Agreement, between EDF Trading North America, LLC, Port River, LLC and Bluegrass Generation Company, L.L.C., dated as of January 21, 2010.

Schedule 4.07

Permitted Encumbrances

None.

Schedule 4.08

Condition of Assets

Note: The content of the reports and documents referenced herein are incorporated by reference.

Item	Document / Condition	Category	Dataroom Folder
1	CT-2 Row 9 Compressor Blade Tip	—	—
2	CT-3 Cracked Row 4 Diaphragm	—	—
3	CT-3 Compressor FOD	—	—
4	Bluegrass Capital Expenditure Plan	Financials	1.1
5	BG Monthly Operations Report 2009-11	Monthly Operating Reports	4.2.1
6	BG Monthly Operations Report 2009-12	Monthly Operating Reports	4.2.1
7	BG Monthly Operations Report 2010-01	Monthly Operating Reports	4.2.2
8	BG Monthly Operations Report 2010-02	Monthly Operating Reports	4.2.2
9	BG Monthly Operations Report 2010-03	Monthly Operating Reports	4.2.2
10	BG Monthly Operations Report 2010-04	Monthly Operating Reports	4.2.2
11	BG Monthly Operations Report 2010-05	Monthly Operating Reports	4.2.2
12	BG Monthly Operations Report 2010-06	Monthly Operating Reports	4.2.2
13	BG Monthly Operations Report 2010-07	Monthly Operating Reports	4.2.2
14	BG Monthly Operations Report 2010-08	Monthly Operating Reports	4.2.2
15	BG Monthly Operations Report 2010-09	Monthly Operating Reports	4.2.2
16	BG Monthly Operations Report 2010-10	Monthly Operating Reports	4.2.2
17	BG Monthly Operations Report 2010-11	Monthly Operating Reports	4.2.2
18	BG Monthly Operations Report 2010-12	Monthly Operating Reports	4.2.2
19	BG Monthly Operations Report 2011-01	Monthly Operating Reports	4.2.3
20	BG Monthly Operations Report 2011-02	Monthly Operating Reports	4.2.3
21	BG Monthly Operations Report 2011-03	Monthly Operating Reports	4.2.3
22	BG Monthly Operations Report 2011-04	Monthly Operating Reports	4.2.3
23	BG Monthly Operations Report 2011-05	Monthly Operating Reports	4.2.3
24	BG Monthly Operations Report 2011-06	Monthly Operating Reports	4.2.3
25	BG Monthly Operations Report 2011-07	Monthly Operating Reports	4.2.3
26	2007 Unit 1 Bulletin 6 Inspection	Inspection Reports	4.3.1
27	2009 Unit 1 Bulletin 6 Inspection	Inspection Reports	4.3.1
28	2010 Unit 1 Borescope Inspection from Spring CI	Inspection Reports	4.3.1
29	2010 Unit 1 Row 2 Turbine Blade NDE Inspection	Inspection Reports	4.3.1
30	2011 Unit 1 Borescope Inspection	Inspection Reports	4.3.1
31	GT - Air intake and exhaust photos (August 2011) (Unit 1)	Inspection Reports	4.3.1.5
32	Unit 1 Inlet Filter Test Report	Inspection Reports	4.3.1.5
33	2005 Unit 2 NDE Inspection	Inspection Reports	4.3.2
34	2007 Unit 2 Bulletin 6 Inspection	Inspection Reports	4.3.2
35	2009 Unit 2 Bulletin 6 Inspection	Inspection Reports	4.3.2
36	2010 Unit 2 Row 2 Turbine Blade NDE Inspection	Inspection Reports	4.3.2
37	2011 Unit 2 Borescope Inspection	Inspection Reports	4.3.2

38	GT - Air intake and exhaust photos (August 2011) (Unit 2)	Inspection Reports	4.3.2.6
39	2005 Unit 3 NDE Inspection	Inspection Reports	4.3.3
40	2007 Unit 3 Bulletin 6 Inspection	Inspection Reports	4.3.3
41	2007 Unit 3 UT Thickness Measurement of Compressor Case	Inspection Reports	4.3.3
42	2009 Unit 3 Bulletin 6 Inspection	Inspection Reports	4.3.3
43	2010 Unit 3 Row 2 Turbine Blade NDE Inspection with Bulletin 6 Inspection	Inspection Reports	4.3.3
44	2011 Unit 3 Borescope Inspection	Inspection Reports	4.3.3
45	GT - Air intake and exhaust photos (August 2011) (Unit 3)	Inspection Reports	4.3.3.7
46	PRC-005 Supporting Documentation - Relay testing	Relay Calibration	4.6.2
47	Oil test report	Trans. Oil Analysis & Maint.	4.6.4
48	SD Myers Test Result of GSU's 2010	Trans. Oil Analysis & Maint.	4.6.4
49	SD Myers Test Results for GSUs 2011	Trans. Oil Analysis & Maint.	4.6.4
50	Bluegrass -- 7 2KV Test 0 Fire Pump Motor Starter	MV & LV Breaker Testing	4.6.6
51	Bluegrass -- 7 2KV Test 1 APE Bldg. Unit 3	MV & LV Breaker Testing	4.6.6
52	Bluegrass -- 7 2KV Test 2 Main Tie Breaker CB52-BT	MV & LV Breaker Testing	4.6.6
53	Bluegrass -- 7 2KV Test 3 Main Incoming Breaker CB52-AT2	MV & LV Breaker Testing	4.6.6
54	Bluegrass -- 7 2KV Test 4 4160V Switchgear 2 Equipped Space	MV & LV Breaker Testing	4.6.6
55	Bluegrass -- 7 2KV Test 5 4160V Switchgear 2 CBBA10GS002	MV & LV Breaker Testing	4.6.6
56	Bluegrass -- 7 2KV Test 6 SUS Transformer No. 1 Feeder	MV & LV Breaker Testing	4.6.6
57	Bluegrass -- 7 2KV Test 7 Equipped Space	MV & LV Breaker Testing	4.6.6
58	Bluegrass Digitrips	MV & LV Breaker Testing	4.6.6
59	MV Motor Testing	MV & LV Motor Testing	4.6.7
60	Ohmmeter Readings 102007	Generator Breaker testing	4.6.8
61	Bluegrass 1 10696 102007	Generator Breaker testing	4.6.8
62	Bluegrass 2 10697 102007	Generator Breaker testing	4.6.8
63	Bluegrass 3 10698 102007	Generator Breaker testing	4.6.8
64	ABB Generator Circuit Breaker Repairs	Generator Breaker testing	4.6.8
65	Bluegrass - GSU Doble Readings (Aug. 3, 2011)	GSU Doble Readings	4.6.12
66	Natural Gas Sampling	Natural Gas Sampling	4.8
67	Bluegrass - R2 Blades Pedigree & Inspection Info (Sept 2, 2011)	Bulletins Summary	4.16

Schedule 4.09(a)

Real Property

TRACT "A"

Being a tract of land located in Oldham County Kentucky, being the same property conveyed to County of Oldham, Kentucky by Deed as recorded in Deed Book 663, Page 015. All Deed Books, Plot Books and Will Books referenced herein are recorded in the office of the Oldham County Court Clerk. Unless otherwise stated herein, any monument referred to as an "I. R. with cap" is a ½" diameter steel number 4 bar, 18" long with yellow plastic cap stamped "Prop. Cor. LS 1771". All bearings herein are referenced from the state plane coordinate system. Said Tract "A" being located at 3095 Commerce Parkway, LaGrange, Kentucky 40031 and being more particularly described as follows:

Beginning at an I. R. with cap set in the South line of the CSX railroad property, being 33.00 feet from the center of the main track, being a common corner with the Northeast corner of Tract #3 as conveyed to the County of Oldham, Kentucky as recorded in Deed Book 700, Page 133; thence, leaving said County of Oldham, Kentucky and following said South line of the CSX railroad North 45°09'19" East, 282.24 feet to an I. R. with cap found; thence, North 31°51'08" West, 10.26 feet to a ½" diameter iron pipe found, being 23 feet South of the main track; thence, North 44°58'07" East, 972.39 feet to an I. R. with cap found, being 24.6 feet South of the main track; thence North 59°23'00" East, 82.46 feet to an I. R. with cap found, being 45.0 feet South of the main track; thence, North 44°47'30" East, 161.84 feet to on I. R. with cap found, being 45.0 feet South of the main track; thence, North 21°02'56" West passing a ½" diameter iron rod at 3.1 feet, 21.92 feet in all to an I. R. with cap found, being 25.0 feet from the main track; thence, North 44°56'46" East, 700.62 feet to an I. R. with cap found, being in the east line of the Louisville Gas & Electric Company easement and being a common corner with James C Carpenter & Frank Otte as recorded in Deed Book 321, Page 203 and Deed Book 321, Page 255; thence, leaving said CSX Railroad and following the east edge of sold easement and said James C. Carpenter & Frank Otte South 06°35'56" West, 2929.38 feet to on I. R. with cap found, being in the north line of Business Parkway; thence, leaving the east line of said easement and said James C. Carpenter & Frank Otte and following the North line of said Business Parkway South 55°52'28" West, 329.88 feet to an I. R. with cap found being a common corner with said James C. Carpenter & Frank Otte; thence, leaving said Business Parkway and following said James C. Carpenter & Frank Otte North 30°44'03" West, 509.10 feet to on I. R. with cap found, said point being a common corner with said county of Oldham, Kentucky Tract #3; thence, leaving said James C. Carpenter & Frank Otte and following said County of Oldham, Kentucky North 49°44'29" West, 158.99 feet to a railroad spike in a fence post found; thence, North 35°36'26" West, 376.37 feet to a ½" diameter iron rod found; thence, North 31°26'04" West, 278.85 feet to a railroad spike found in a walnut tree at the corner of a fence; thence, North 37°08'04" East, 121.41 feet to a ½" diameter iron rod set; thence, North 38°11'22" West 439.08 feet to the POINT OF BEGINNING.

Said property being located in Oldham County, Kentucky containing 53.33 acres, more or less.

TOGETHER WITH temporary construction easement rights and rights of ingress and egress as set forth in Construction Easement recorded in Deed Book 633, page 184, said records, over and across the property more specifically described therein.

TRACT "A" being the same property conveyed to County of Oldham, Kentucky by Deed dated November 1, 2000, recorded in Deed Book 663, Page 015.

TOGETHER WITH non-exclusive rights of access as described in Temporary Construction Access Agreement between County of Oldham, Kentucky and Bluegrass Generation Company, L.L.C. recorded in Deed Book 666, page 516, said records, over and across a portion of a proposed Business Parkway designated as the "393 Corridor" described therein.

TRACT "B"

Being the tract of land as recorded as Tract #1 in Deed Book 700, Page 133 in the office of the Oldham County Court Clerk as conveyed to the County of Oldham, Kentucky. Said Tract #1 being located at 3210 West Highway 146, LaGrange, Kentucky and being more particularly described as follows:

BEGINNING at a found ½ inch by 18 inch iron rod with #1771 survey cap in the south line of the CSX Railroad (originally Louisville and Nashville Railroad) and being a common corner with Wallace C. and Pamela A. Wilson as recorded in Deed Book 353, Page 287 and Deed Book 571, Page 312; thence, leaving the common corner with Wallace C. and Pamela A. Wilson and following the common line of the CSX Railroad on a curve to the left with a radius of 1942.86 feet, the chord being N 53°19'01" E, 491.34 feet, to a found ½ inch by 18 inch iron rod with #1771 survey cap being a common corner with the County of Oldham, Kentucky as recorded in Deed Book 700, Page 133, Tract #3 (6.05 Acres); thence, leaving the common line of the CSX Railroad and following said Tract #3, S 19°33'28" E, 638.26 feet to a found ½ inch diameter iron rod, being a common corner with Wallace C. and Pamela A. Wilson; thence, leaving said Tract #3 and following the common line of Wallace C. and Pamela A. Wilson as follows: N 80°19'25" W, 508.51 feet to a found ½ inch by 18 inch Iron rod with #1771 survey cap set at a wood fence post; thence N 25°34'03" W, 246.59 feet, to the POINT OF BEGINNING.

SAID PROPERTY being located in Oldham County, Kentucky, containing 4.50 acres, more or less.

TRACT "C"

Being the tract of land as recorded as Tract #2 in Deed Book 700, Page 133 in the office of the Oldham County Court Clerk as conveyed to the County of Oldham, Kentucky. Said Tract 2 Being located at 3210 West Highway 146, LaGrange, Kentucky and being more particularly described as follows:

BEGINNING at a found ½ inch by 18 inch iron rod with #1771 survey cap in the south line of the CSX Railroad (originally Louisville and Nashville Railroad) and being a corner of Wallace C. and Pamela A. Wilson as recorded in Deed Book 353, Page 287 and Deed Book 571, Page 312, and a corner with Tract #1 as conveyed to said County of Oldham, Kentucky, thence, leaving the corner of Wallace C. and Pamela A. Wilson and Tract #1 and crossing the CSX Railroad N 25°34'03" W, 66.15 feet to a found mag. nail being the TRUE POINT OF BEGINNING and being the north line of the CSX Railroad as described in Deed Book 37, Page 333 and being a point in a private road as shown at station 59 + 57 on the Right-of-Way and Track Map, Louisville and Nashville R.R. Co. Cincinnati Division, said point being in the south line of the remaining lands located between the CSX Railroad and the right-of-way of Kentucky Highway 146; thence, leaving the common line of the CSX Railroad and following the private road N 25°34'03" W, 20.05 feet, to a found mag. nail in the private road, being in the south right-of-way line of Kentucky Highway 146 as described in Deed Book 50, Page 91; thence, leaving the private road and following the south right-of-way line of Kentucky Highway 146 on a curve to the left with a radius of 1856.86 feet, the chord being N 55°48'18" E, 297.68 feet, to a found ½ inch by 18 inch iron rod with #1771 survey cap; thence, leaving the south right-of-way of Kentucky Highway 146 and following the remaining lands between the north line of the CSX Railroad and the south right-of-way line of Kentucky 146, S 38°47'33" E, 20.00 feet, to a found ½ inch by 18 inch iron rod with #1771 survey cap, being in the north line of the CSX Railroad; thence, leaving the remaining lands between the CSX Railroad and the right-of-way of Kentucky Highway 146 and following the north line of the CSX Railroad on a curve to the right with a radius of 1876.86 feet, the chord being S 55°49'36" W, 302.29 feet, to the TRUE POINT OF BEGINNING.

SAID PROPERTY being located in Oldham County, Kentucky, containing 0.14 acres, more or less.

TRACT "D"

Being the tract of land as recorded as Tract #3 in Deed Book 700, Page 133 in the office of the Oldham County Court Clerk as conveyed to the County of Oldham, Kentucky. Said Tract #3 being located at 3210 West Highway 146, LaGrange, Kentucky and being more particularly described as follows:

BEGINNING at a found ½ inch by 18 inch iron rod with #1771 survey cap in the south line of the CSX Railroad (originally Louisville and Nashville Railroad) and being a corner of Wallace C. and Pamela A. Wilson as recorded in Deed Book 353, Page 287 and Deed Book 571, Page 321 and a corner with Tract #1 as conveyed to said County of Oldham, Kentucky thence, leaving said Wallace

and Pamela A. Wilson and following said Tract #1 and the CSX Railroad with a curve to the left with a radius of 1942.86 feet, the chord being N 53°19'01" E, 491.34 feet to a found ½ inch by 18 inch iron rod with #1777 survey cap being the TRUE POINT OF BEGINNING thence, leaving said Tract #1 and following the common line of the CSX Railroad as follows: with a curve to the left with a radius of 1942.86 feet, the chord being N 45°29'20" E, 38.23 feet, to a found ½ inch by 18 inch iron rod with #1771 survey cap; thence, N 44°55'31" E, 41.56 feet, to a set ½ inch by 18 inch iron rod with #1771 survey cap, being a common corner with the County of Oldham, Kentucky as recorded in Deed Book 663, Page 015; thence, leaving the common line of the CSX Railroad and following the common line of said County of Oldham, Kentucky as follows: S 38°11'22" E, 439.08 feet, to a set ½ inch by 18 inch iron rod with #1771 survey cap; thence, S 37°08'04" W, 121.41 feet, to a found railroad spike in a 30 inch walnut tree in a fence line; thence, S 31°26'04" E, 278.85 feet, to a found ½ inch iron rod; thence, S 35°36'26" E, 376.37 feet to a found railroad spike in a wood fence post; thence, S 49°44'29" E, 158.99 feet, to a found ½ inch by 18 inch iron rod with #1771 survey cap, being a common corner with James C. Carpenter and Frank Otte as described in Deed Book 321, Page 203; thence, leaving the common corner of said County of Oldham, Kentucky and following the common line of James C. Carpenter and Frank Otte as follows: S 14°14'50" W, 135.74 feet, to a found ½ inch by 18 inch iron rod with #1771 survey cap; thence, S 38°46'50" W, 104.16 feet, to a found railroad spike in a wood fence post; thence, N 72°34'58" W, 232.00 feet, to a found ½ inch by 18 inch iron rod with #1771 survey cap in a fence line, being in a common line with Wallace C. and Pamela A. Wilson as recorded in Deed Book 353, Page 287 and Deed Book 571, Page 312; thence, leaving the common corner with James C. Carpenter and Frank Otte and following the common line with Wallace C. and Pamela A. Wilson N 19°49'26" W, 610.38 feet, to a found ½ inch Iron rod at a fence intersection being a common corner with said Tract #1 of said County of Oldham, Kentucky, thence, leaving the common corner with said County of Oldham, Kentucky and following the common line of said Tract #1 N 19°33'28" W, 638.28 feet, to the TRUE POINT OF BEGINNING.

SAID PROPERTY being located in Oldham County, Kentucky, containing 6.05 acres, more or less.

TRACT "E"

TOGETHER WITH the right, along with others, to use the existing passway over the right of way of the L & N Railroad for ingress and egress to and from the above described Tracts 1 and 3 and Kentucky Highway 146, as described in Right of Passway recorded in Deed Book 77, page 450, said records.

TRACTS "B", "C", "D", and "E" being the same property conveyed to County of Oldham, Kentucky by Deed dated December 27, 2001, recorded in Deed Book 700, Page 133, said records.

LESS AND EXCEPT THE FOLLOWING PROPERTY:

A certain tract of land located in Oldham County, Kentucky, on the south side of Ky. Hwy. 146, southwest of Town of LaGrange and further described as:

Beginning at an existing iron pin, in the south Right-of Way line of the CSX Railroad, being the northeast corner of Parts Unlimited Inc., (DB 818, Pg. 28); thence, with said Right-of-Way line, with a curve turning to the left, with a radius of 1942.86 feet, with a chord bearing of North 56°28'22" East, with a chord length of 275.00 feet, to an iron pin and cap, set this survey, in a New Division Line of the County of Oldham, Kentucky (DB 700 Pg. 133 Tract 1); thence, with New Division Lines, the following (2) two calls: South 25°54'08" East 320.00 feet, to an iron pin and cap, set this survey; thence, South 61°54'33" West 210.10 feet, to an iron pin and cap, set this survey, in the line of Parts Unlimited Inc.; thence, with Parts Unlimited Inc., the following (2) two calls: North 80°18'38" West 80.00 feet, to an existing iron; thence, North 25°20'08" West 245.08 feet, to a point of beginning, containing 1.874 Acres per survey performed by Neal W. Roberts, PLS #3 159, on September 12, 2005.

Being the property conveyed to Oldham County Water District by Deed dated February 9, 2006, recorded in Deed Book 859, page 91, said records.

Schedule 4.09(a)(i)

Encumbrances to Real Estate

1. Switchyard Sub-Lease Agreement by and between Bluegrass Generation Company, L.L.C., and Louisville Gas and Electric and Kentucky Utilities Company, dated January 1, 2002.
2. All matters and encumbrances disclosed on Schedule YY.
3. All matters and encumbrances disclosed on Schedule XX.

Schedule 4.09(a)(ii)

Leases and Other Exceptions to Title

1. Lease Agreement by and between County of Oldham, Kentucky and Bluegrass Generation Company, L.L.C. (Industrial Building Revenue Bonds), dated November 1, 2000.
2. First Amendment to Lease Agreement by and between County of Oldham, Kentucky and Bluegrass Generation Company, L.L.C. (Series 2001A Bonds), dated December 27, 2001.
3. Second Amendment to Lease Agreement by and between County of Oldham, Kentucky and Bluegrass Generation Company, L.L.C. (Series 2002A Bonds), dated December 27, 2002.
4. *Third Amendment to Lease Agreement* by and between County of Oldham, Kentucky and Bluegrass Generation Company, L.L.C., dated January 19, 2006.
5. Switchyard Sub-Lease Agreement by and between Bluegrass Generation Company, L.L.C., and Louisville Gas and Electric and Kentucky Utilities Company, dated January 1, 2002.

Schedule 4.09(a)(iii)

Unrecorded Real Estate Options, Rights of Offer or Rights of Refusal

None.

Schedule 4.10(a)

Intellectual Property Assets

1. Teleperm XP (AS 620) – T-2000 / Version 7.0.26 and all firmware installed on the Purchased Assets.

Schedule 4.10(b)

Leased or Encumbered Intellectual Property

1. Red Tag Pro
2. Microsoft OfficeProPlus 2007 SNGL OLP NL
3. Microsoft VisioPro 2007 SNGL OLP NL
4. Microsoft ProjectPro 2007 SNGL OLP NL w1PrjctSvrCAL
5. Microsoft WinSvrCAL 2008 SNGL OLP NL UsrCAL
6. Symantec SYMC Backup/ Protection
7. Cisco Systems ASA 5500 CSC-SSM-10 50-User
8. Enigma HP Management Tools
9. OSISoft Reliance Program (PI System)
10. Navigant GADS
11. Maximo
12. Versify

Schedule 4.11

Inventory

Note: Inventory has not been audited or verified. The description of Inventory set forth in Appendix 4.11 is Seller's reasonable estimate of Inventory.

1. See Appendix 4.11.

Schedule 4.13(b)

Insurance: Pending Material Claims

None.

Schedule 4.14(a)
Legal Proceedings

None.

Schedule 4.14(b)

Government Orders / Judgments / Penalties Outstanding

Schedule 4.15(b) is hereby incorporated by reference.

Schedule 4.15(a)

Compliance with Laws

None.

Schedule 4.15(b)

Permits

1. AED/First Aid certification, expiring on December 10, 2011, and fork lift certification, expiring August 24, 2014. Certifications valid for three (3) years.
2. Certificates of Operation, State Nos. KY055143-KY055149, KY055150, KY055151, KY055153, KY055154, KY072505-KY072507, KY072509-KY072521, KY072523-KY072532, KY053543, KY053545, KY071882-KY071884, issued by Kentucky Environmental and Public Protection Cabinet, Office of Housing, Buildings and Construction, to Bluegrass Generation, dated (date inspected) April 18, 2011; expires April 18, 2012 and December 31, 2011.
3. FCC radio license for station WQEP319 is held in the name of Bluegrass Generation Company, L.L.C; FRN: 0019071422, Expiration Date: March 16, 2016.
4. Schedule 4.16(b)(i) is hereby incorporated by reference.

Schedule 4.16(a)(i)

Compliance with Environmental Laws

None.

Schedule 4.16(a)(ii)

Environmental Notices, Claims or Requests

1. On January 26, 2011 a Notice of Deficiency (NOD) for an application to renew a Title V Permit was received by the facility. The NOD requested hazardous air pollutant (HAPS) emissions rates for the combustion turbines, fire water pump and emergency generator. A response was sent to Ben Markin on February 18, 2011.
2. On February 21, 2011 a Second Notice of Deficiency (NOD) was received by the facility requesting additional HAPS emissions. A response was sent to Ben Markin on March 8, 2011. Further communications were with Esmail Hassanpour. On April 8, 2011 all KYDAQ requests for information pursuant to the Title V application were answered to the satisfaction of the KYDAQ and the application was deemed complete.
3. On September 13, 2011 a Technical notice of deficiency was received by the facility stating that the Form SDAA submitted was considered inadequate for undisclosed reasons. The permit engineer was contacted and a plant visit was scheduled for September 21, 2011.

Schedule 4.16(b)(i)

Environmental Permits

1. Application for KPDES Permit, submitted by Bluegrass Generation Company, L.L.C., as of March 2011. Letter updating status of Application for KPDES Permit, as of April 22, 2011. Awaiting further information / KPDES Permit pending as of August 12, 2011.
2. Air Quality Permit, No. V-05-080, issued by Kentucky Department of Environmental Protection to Bluegrass Generation Company, L.L.C., dated (issued) July 11, 2006; expires July 11, 2011. Application for renewal was received by the Commonwealth of Kentucky Division for Air Quality January 10, 2011 and deemed complete April 8, 2011. The Air Quality Permit is presently in draft and at EPA for its 45 day review.
3. Phase II Acid Rain Permit (Section J of Air Quality Permit No. V-05-080), issued by Kentucky Department of Environmental Protection to Bluegrass Generation Company, L.L.C., dated (issued) July 11, 2006; expires July 11, 2011. Application for renewal was received by the Commonwealth of Kentucky Division for Air Quality January 10, 2011 and deemed complete April 8, 2011. The Phase II Acid Rain Permit is presently in draft and at EPA for its 45 day review.
4. CAIR Permit (Section K of Air Quality Permit No. V-05-080), issued by Kentucky Department of Environmental Protection to Bluegrass Generation Company, L.L.C., dated (issued) July 11, 2006; expires July 11, 2011. Application for renewal was received by the Commonwealth of Kentucky Division for Air Quality January 10, 2011 and deemed complete April 8, 2011. The CAIR Permit is presently in draft and at EPA for its 45 day review.
5. 40 CFR Part 75 certification of NO_x and O₂ CEMS approved in accordance with 40 CFR 75.20(a)(4) by Kentucky Department of Environmental Protection for Bluegrass Generation Co., LLC, certification submitted July 22, 2002 for CT1 and CT3, and submitted July 1, 2002 for CT2.
6. Hazardous Waste Generator ID #KYR000032409, issued by Kentucky Department of Environmental Protection to Bluegrass Generation Co., LLC, dated May 10, 2002.

Schedule 4.16(b)(ii)

Non-Compliance with Environmental Permits

- I. In 2009 the Oldham County Sewer District (OCSD) approached the facility about applying for a KPDES permit for discharge of wastewater. The OCSD stated that the WWTP was having difficulties handling the plant's waste water during periods of high rainfall. As found on Schedule 4.16(b)(i) an application for a KPDES permit was submitted March 2011.

Schedule 4.16(e)

Storage Tanks

1. 450,000 gallon Service Water AST
2. 300,000 gallon Demineralized Water AST
3. 300 gallon Emergency Generator AST
4. 300 gallon Emergency Fire Pump Fuel AST
5. 3,000 gallon Oil/Water Separator UST
6. 30,000 gallon Ammonia AST x 2

Schedule 4.16(f)

Hazardous Materials

1. Safety-Kleen Systems, Inc.

261 Eiler Ave.

Louisville KY 40214

2. Safety-Kleen Systems, Inc.

3700 Lagrange Rd.

Smithfield, KY 40068

3. Safety-Kleen Systems, Inc.

1722 Cooper Creek Rd.

Denton, TX 76208

Schedule 4.16(i)

Environmental Attributes

Note: Seller shall have the right to use Environmental Attributes in the ordinary course of operations; furthermore, Seller shall retain the right to use Environmental Attributes as required or necessary to cover emissions related to pre-Closing operations of the Business.

1. CAIR NOx Annual Allowances

Year:	Allowances:
2011 and prior -	22
2012 -	20
2013 -	20
2014 -	20

2. CAIR NOx Ozone Allowances

Year:	Allowances:
2011 and prior -	59
2012 -	18
2013 -	18
2014 -	18

3. SO2 Acid Rain / CAIR SO2 Allowances

Year:	Allowances:
2011 and prior -	3

Schedule 4.19

Taxes

None.

Schedule 4.21

Brokers

None.

Schedule 5.03(b)

Consents under Law or Governmental Order

1. Approval under FPA 203 and any other required approvals required from FERC.
2. Approval by KPSC of applicable CCN filing pursuant to Kentucky Revised Statutes Chapter 278 generally and, more specifically, KRS 278.020.
3. Approval of the transaction by the VSCC - Virginia State Corporation Commission approval of the affiliated transaction that results from the Buyer joint purchase/ownership of the Purchased Assets under Virginia Code Title 56 generally and, more specifically, Chapter 4 of Title 56.
4. Approvals to transfer and/or grant replacements of all items listed in Sections 4.15(b), 4.16(b)(i) and 4.16(i) of the Disclosure Schedules.

Schedule 5.03(c)

Consents under Material Contracts

None.

Schedule 5.07

Compliance with Laws and Orders

None.

Schedule 6.20

Certain Covenants of Buyer

1. Buyer will comply with all applicable current and future Laws.
2. Buyer will cooperate with the County on the continued implementation of the existing landscaping plan that retains existing mature trees wherever possible, and provides for the planting of additional trees in an attempt to create a buffer to soften the Facility's appearance to surrounding properties and provide for an attractive setting within the Business Park.
3. Bluegrass will provide for the detention and acceptable discharge rate of stormwater generated from all impervious surfaces including but not limited to buildings, parking lots, driveways, and equipment/machinery pads in the same manner as currently conducted. Stormwater detention shall be operated to maintain the current stormwater runoff discharge rate.
4. Buyer shall operate the Facility so as not to generate noise that exceeds 68 db(A), 400 feet from the fenced perimeter of the plant footprint.
5. Simple cycle operation, shall be allowed to discharge all wastewater (including sanitation, washdown wastewater and evaporative cooler discharge water) to the Buckner sewage treatment plant as permitted and agreed to by the Oldham County Sanitation District. Any combined cycle operation, shall discharge only sanitary wastewater and washdown wastewater to the Buckner sewage treatment plant as permitted and agreed to by the Oldham County Sanitation District. Water generated from the condensing or cooling towers shall not be discharged to the Buckner sewage treatment plant unless it is otherwise permitted and agreed to by the Oldham County Sanitation District.
6. Buyer will encourage its management and employees located at, or dedicated primarily to the Plant to participate in Oldham County community events.
7. Buyer will use good operating practices in the maintenance of the facility and site.
8. Buyer acknowledges and agrees that the construction of the natural gas fired power plant was locally approved and supported. Operation of the Facility on any alternate fuel or the conversion of the Facility to a fuel other than natural gas is not approved by the County.
9. Buyer shall operate, maintain and as appropriate, engineer and/or install all exterior lighting so as not to create a spillover lighting nuisance for adjoining properties.
10. Buyer shall not install any lighting on the turbine exhaust stacks unless required by state or federal regulatory agencies for public or worker safety purposes.
11. Buyer shall maintain the neutral paint color applied to the turbine exhaust stacks as previously agreed upon by the County and the Plant. The County's mutual agreement of the neutral paint color shall be administered by staff in the Oldham County Planning and Zoning Commission Office.

12. Buyer shall utilize the planned Business Park roadway as its primary point of vehicular access. Highway 146 may be utilized as the primary point of vehicular access only until completion of the planned Business Park Roadway.

Schedule 7.01(a)

Filings with Governmental Authorities

1. Notification filed with the Federal Trade Commission and the United States Department of Justice under the HSR Act and the rules and regulations promulgated thereunder with respect to the transactions contemplated by the Agreement, response to any requests for additional information made by either of such agencies, and termination or expiration of the waiting periods under the HSR Act.

Schedule XX

**COMMITMENT
Issued by
CHICAGO TITLE INSURANCE COMPANY
Schedule A**

RE BLUEGRASS GENERATION COMPANY, L.L.C.

County: Oldham

:

COMMITMENT C1101571LKY (revised 9-15-11)

1. **Effective Date:** August 19, 2011, at 8:00 am
2. **Policy or Policies to be issued:**

ALTA Owner's Policy - 6/17/06

Proposed Insured: TO BE DETERMINED

Amount: TO BE DETERMINED

3. **The estate or interest in the land described or referred to in this Commitment is:**
FEE SIMPLE
4. **Title to the estate or interest in the land is at the effective date hereof vested in:**
Fee Simple: County of Oldham, Kentucky
Leasehold: Bluegrass Generation Company, L.L.C.
5. **The land referred to in this Commitment is described as follows:**
SEE ATTACHED LEGAL DESCRIPTION

LEGAL DESCRIPTION

TRACT "A"

Being a tract of land located in Oldham County Kentucky, being the same property conveyed to County of Oldham, Kentucky by Deed as recorded in Deed Book 663, Page 015. All Deed Books, Plot Books and Will Books referenced herein are recorded in the office of the Oldham County Court Clerk. Unless otherwise stated herein, any monument referred to as an "I. R. with cap" is a ½" diameter steel number 4 bar, 18" long with yellow plastic cap stamped "Prop. Cor. LS 1771". All bearings herein are referenced from the state plane coordinate system. Said Tract "A" being located at 3095 Commerce Parkway, LaGrange, Kentucky 40031 and being more particularly described as follows:

Beginning at an I. R. with cap set in the South line of the CSX railroad property, being 33.00 feet from the center of the main track, being a common corner with the Northeast corner of Tract #3 as conveyed to the County of Oldham, Kentucky as recorded in Deed Book 700, Page 133; thence, leaving said County of Oldham, Kentucky and following said South line of the CSX railroad North 45°09'19" East, 282.24 feet to an I. R. with cap found; thence, North 31°51'08" West, 10.26 feet to a ½" diameter iron pipe found, being 23 feet South of the main track; thence, North 44°58'07" East, 972.39 feet to an I. R. with cap found, being 24.6 feet South of the main track; thence North 59°23'00" East, 82.46 feet to an I. R. with cap found, being 45.0 feet South of the main track; thence, North 44°47'30" East, 161.84 feet to on I. R with cap found, being 45.0 feet South of the main track; thence, North 21°02'56" West passing a ½" diameter iron rod at 3.1 feet, 21.92 feet in all to an I. R. with cap found, being 25.0 feet from the main track; thence, North 44°56'46" East, 700.62 feet to an I. R. with cap found, being in the east line of the Louisville Gas & Electric Company easement and being a common corner with James C Carpenter & Frank Otte as recorded in Deed Book 321, Page 203 and Deed Book 321, Page 255; thence, leaving said CSX Railroad and following the east edge of sold easement and said James C. Carpenter & Frank Otte South 06°35'56" West, 2929.38 feet to on I. R. with cap found, being in the north line of Business Parkway; thence, leaving the east line of said easement and said James C. Carpenter & Frank Otte and following the North line of said Business Parkway South 55°52'28" West, 329.88 feet to an I. R. with cap found being a common corner with said James C. Carpenter & Frank Otte; thence, leaving said Business Parkway and following said James C. Carpenter & Frank Otte North 30°44'03" West, 509.10 feet to on I. R. with cap found, said point being a common corner with said county of Oldham, Kentucky Tract #3; thence, leaving said James C. Carpenter & Frank Otte and following said County of Oldham, Kentucky North 49°44'29" West, 158.99 feet to a railroad spike in a fence post found; thence, North 35°36'26" West, 376.37 feet to a ½" diameter iron rod found; thence, North 31°26'04" West, 278.85 feet to a railroad spike found in a walnut tree at the corner of a fence; thence, North 37°08'04" East, 121.41 feet to a ½" diameter iron rod set; thence, North 38°11'22" West 439.08 feet to the POINT

OF BEGINNING.

Said property being located in Oldham County, Kentucky containing 53.33 acres, more or less.

TOGETHER WITH temporary construction easement rights and rights of ingress and egress as set forth in Construction Easement recorded in Deed Book 633, page 184, said records, over and across the property more specifically described therein.

TRACT "A" being the same property conveyed to County of Oldham, Kentucky by Deed dated November 1, 2000, recorded in Deed Book 663, Page 015.

TOGETHER WITH non-exclusive rights of access as described in Temporary Construction Access Agreement between County of Oldham, Kentucky and Bluegrass Generation Company, L.L.C. recorded in Deed Book 666, page 516, said records, over and across a portion of a proposed Business Parkway designated as the "393 Corridor" described therein.

TRACT "B"

Being the tract of land as recorded as Tract #1 in Deed Book 700, Page 133 in the office of the Oldham County Court Clerk as conveyed to the County of Oldham, Kentucky. Said Tract #1 being located at 3210 West Highway 146, LaGrange, Kentucky and being more particularly described as follows:

BEGINNING at a found ½ inch by 18 inch iron rod with #1771 survey cap in the south line of the CSX Railroad (originally Louisville and Nashville Railroad) and being a common corner with Wallace C. and Pamela A. Wilson as recorded in Deed Book 353, Page 287 and Deed Book 571, Page 312; thence, leaving the common corner with Wallace C. and Pamela A. Wilson and following the common line of the CSX Railroad on a curve to the left with a radius of 1942.86 feet, the chord being N 53°19'01" E, 491.34 feet, to a found ½ inch by 18 inch iron rod with #1771 survey cap being a common corner with the County of Oldham, Kentucky as recorded in Deed Book 700, Page 133, Tract #3 (6.05 Acres); thence, leaving the common line of the CSX Railroad and following said Tract #3, S 19°33'28" E, 638.26 feet to a found ½ inch diameter iron rod, being a common corner with Wallace C. and Pamela A. Wilson; thence, leaving said Tract #3 and following the common line of Wallace C. and Pamela A. Wilson as follows: N 80°19'25" W, 508.51 feet to a found ½ inch by 18 inch Iron rod with #1771 survey cap set at a wood fence post; thence N 25°34'03" W, 246.59 feet, to the POINT OF BEGINNING.

SAID PROPERTY being located in Oldham County, Kentucky, containing 4.50 acres, more or less.

TRACT "C"

Being the tract of land as recorded as Tract #2 in Deed Book 700, Page 133 in the office of the Oldham County Court Clerk as conveyed to the County of Oldham, Kentucky. Said Tract 2 Being located at 3210 West Highway 146, LaGrange, Kentucky and being more particularly described as follows:

BEGINNING at a found ½ inch by 18 inch iron rod with #1771 survey cap in the south line of the CSX Railroad (originally Louisville and Nashville Railroad) and being a corner of Wallace C. and Pamela A. Wilson as recorded in Deed Book 353, Page 287 and Deed Book 571, Page 312, and a corner with Tract #1 as conveyed to said County of Oldham, Kentucky, thence, leaving the corner of Wallace C. and Pamela A. Wilson and Tract #1 and crossing the CSX Railroad N 25°34'03" W, 66.15 feet to a found mag. nail being the TRUE POINT OF BEGINNING and being the north line of the CSX Railroad as described in Deed Book 37, Page 333 and being a point in a private road as shown at station 59 + 57 on the Right-of-Way and Track Map, Louisville and Nashville R.R. Co. Cincinnati Division, said point being in the south line of the remaining lands located between the CSX Railroad and the right-of-way of Kentucky Highway 146; thence, leaving the common line of the CSX Railroad and following the private road N 25°34'03" W, 20.05 feet, to a found mag. nail in the private road, being in the south right-of-way line of Kentucky Highway 146 as described in Deed Book 50, Page 91; thence, leaving the private road and following the south right-of-way line of Kentucky Highway 146 on a curve to the left with a radius of 1856.86 feet, the chord being N 55°48'18" E, 297.68 feet, to a found ½ inch by 18 inch iron rod with #1771 survey cap; thence, leaving the south right-of-way of Kentucky Highway 146 and following the remaining lands between the north line of the CSX Railroad and the south right-of-way line of Kentucky 146, S 38°47'33" E, 20.00 feet, to a found ½ inch by 18 inch iron rod with #1771 survey cap, being in the north line of the CSX Railroad; thence, leaving the remaining lands between the CSX Railroad and the right-of-way of Kentucky Highway 146 and following the north line of the CSX Railroad on a curve to the right with a radius of 1876.86 feet, the chord being S 55°49'36" W, 302.29 feet, to the TRUE POINT OF BEGINNING.

SAID PROPERTY being located in Oldham County, Kentucky, containing 0.14 acres, more or less.

TRACT "D"

Being the tract of land as recorded as Tract #3 in Deed Book 700, Page 133 in the office of the Oldham County Court Clerk as conveyed to the County of Oldham, Kentucky. Said Tract #3 being located at 3210 West Highway 146, LaGrange, Kentucky and being more particularly

described as follows:

BEGINNING at a found ½ inch by 18 inch iron rod with #1771 survey cap in the south line of the CSX Railroad (originally Louisville and Nashville Railroad) and being a corner of Wallace C. and Pamela A. Wilson as recorded in Deed Book 353, Page 287 and Deed Book 571, Page 321 and a corner with Tract #1 as conveyed to said County of Oldham, Kentucky thence, leaving said Wallace and Pamela A. Wilson and following said Tract #1 and the CSX Railroad with a curve to the left with a radius of 1942.86 feet, the chord being N 53°19'01" E, 491.34 feet to a found ½ inch by 18 inch iron rod with #1777 survey cop being the TRUE POINT OF BEGINNING thence, leaving said Tract #1 and following the common line of the CSX Railroad as follows: with a curve to the left with a radius of 1942.86 feet, the chord being N 45°29'20" E, 38.23 feet, to a found ½ inch by 18 inch iron rod with #1771 survey cap; thence, N 44°55'31" E, 41.56 feet, to a set ½ inch by 18 inch iron rod with #1771 survey cap, being a common corner with the County of Oldham, Kentucky as recorded in Deed Book 663, Page 015; thence, leaving the common line of the CSX Railroad and following the common line of said County of Oldham, Kentucky as follows: S 38°11'22" E, 439.08 feet, to a set ½ inch by 18 inch iron rod with #1771 survey cap; thence, S 37°08'04" W, 121.41 feet, to a found railroad spike in a 30 inch walnut tree in a fence line; thence, S 31°26'04" E, 278.85 feet, to a found ½ inch iron rod; thence, S 35°36'26" E, 376.37 feet to a found railroad spike in a wood fence post; thence, S 49°44'29" E, 158.99 feet, to a found ½ inch by 18 inch iron rod with #1771 survey cap, being a common corner with James C. Carpenter and Frank Otte as described in Deed Book 321, Page 203; thence, leaving the common corner of said County of Oldham, Kentucky and following the common line of James C. Carpenter and Frank Otte as follows: S 14°14'50" W, 135.74 feet, to a found ½ inch by 18 inch iron rod with #1771 survey cap; thence, S 38°46'50" W, 104.16 feet, to a found railroad spike in a wood fence post: thence, N 72°34'58" W, 232.00 feet, to a found ½ inch by 18 inch iron rod with #1771 survey cap in a fence line, being in a common line with Wallace C. and Pamela A. Wilson as recorded in Deed Book 353, Page 287 and Deed Book 571, Page 312; thence, leaving the common corner with James C. Carpenter and Frank Otte and following the common line with Wallace C. and Pamela A. Wilson N 19°49'26" W, 610.38 feet, to a found ½ inch Iron rod at a fence intersection being a common corner with said Tract #1 of said County of Oldham, Kentucky, thence, leaving the common corner with said County of Oldham, Kentucky and following the common line of said Tract #1 N 19°33'28" W, 638.28 feet, to the TRUE POINT OF BEGINNING.

SAID PROPERTY being located in Oldham County, Kentucky, containing 6.05 acres, more or less.

TRACT "E"

TOGETHER WITH the right, along with others, to use the existing passway over the right of way of the L & N Railroad for ingress and egress to and from the above described Tracts 1 and 3 and

Kentucky Highway 146, as described in Right of Passway recorded in Deed Book 77, page 450, said records.

TRACTS "B", "C", "D", and "E" being the same property conveyed to County of Oldham, Kentucky by Deed dated December 27, 2001, recorded in Deed Book 700, Page 133, said records.

LESS AND EXCEPT THE FOLLOWING PROPERTY:

A certain tract of land located in Oldham County, Kentucky, on the south side of Ky. Hwy. 146, southwest of Town of LaGrange and further described as:

Beginning at an existing iron pin, in the south Right-of Way line of the CSX Railroad, being the northeast corner of Parts Unlimited Inc., (DB 818, Pg. 28); thence, with said Right-of-Way line, with a curve turning to the left, with a radius of 1942.86 feet, with a chord bearing of North 56°28'22" East, with a chord length of 275.00 feet, to an iron pin and cap, set this survey, in a New Division Line of the County of Oldham, Kentucky (DB 700 Pg. 133 Tract 1); thence, with New Division Lines, the following (2) two calls: South 25°54'08" East 320.00 feet, to an iron pin and cap, set this survey; thence, South 61°54'33" West 210.10 feet, to an iron pin and cap, set this survey, in the line of Parts Unlimited Inc.; thence, with Parts Unlimited Inc., the following (2) two calls: North 80°18'38" West 80.00 feet, to an existing iron; thence, North 25°20'08" West 245.08 feet, to a point of beginning, containing 1.874 Acres per survey performed by Neal W. Roberts, PLS #3 159, on September 12, 2005.

Being the property conveyed to Oldham County Water District by Deed dated February 9, 2006, recorded in Deed Book 859, page 91, said records.

SCHEDULE B -- SECTION 1

REQUIREMENTS:

1. Instruments creating the estate or interest to be insured must be executed and filed for record, to-wit:
 - (a) Special Warranty Deed from COUNTY OF OLDHAM, to BLUEGRASS GENERATION COMPANY, L.L.C., conveying the premises described in Schedule A hereof in fee simple, free and unencumbered.
 - (b) Special Warranty Deed from BLUEGRASS GENERATION COMPANY, L.L.C. to purchaser to be determined conveying the premises described in Schedule A hereof in fee simple, free and unencumbered.
2. Pay the full consideration to, or for the account of, the grantors or mortgagors.
3. Pay all taxes, charges and assessments levied against subject premises, which are due and payable.
4. Satisfactory evidence should be had that improvements and/or repairs or alterations thereto are completed; that contractor, sub-contractors, labor and materialmen are all paid; and have released of record all liens or notice of intent to perfect a lien for labor or material.
5. We must be furnished with satisfactory evidenced of the authorization for the County of Oldham to complete the proposed transaction.
6. We must be furnished with corporate resolutions from Bluegrass Generation Company, L.L.C. authorizing the proposed transaction and Certificate of Good Standing.
7. Satisfaction of indebtedness and termination of record of Lease Agreement by and between County of Oldham, Kentucky, as Issuer, to Bluegrass Generation Company, L.L.C., as Lessee, regarding issuance of Industrial Revenue Bonds, Series 2000A, 2000B, 2001A and 2001B, in the amount of \$200,000,000 by Master Trust Indenture between Issuer and Bank One Trust Company, National Association, recorded in Deed Book 663, page 23; as amended by First Amendment to Lease Agreement dated December 27, 2001, in connection with \$157,498,252 Industrial Revenue Bonds, Series 2001A, recorded in Deed Book 700, page 139; and further amended by Second Amendment to Lease Agreement dated December 27, 2002, in connection

with \$33,719,511 Industrial Revenue Bonds, Series 2002A, recorded in Deed Book 739, page 44, and Third Amendment to Lease Agreement dated January 19, 2006, recorded in Deed Book 857, page 613, said records.

NOTE: This Commitment for Title Insurance does NOT constitute a report of title and is not to be relied upon by the proposed insured(s) or any other party as a title report or representation of the status of title. Any title search and examination conducted by or for the Company in connection with the issuance of this Commitment for Title Insurance, if any, is solely for the benefit of the Company. The sole liability of the Company and / or its issuing agent hereunder shall be as set forth in the Conditions and Stipulations of this Commitment for Title Insurance. Neither the Company nor its issuing agent shall be liable to the proposed insured(s) or any other party for any claim of alleged negligence, negligent misrepresentation, or any other cause of action in tort in connection with this Commitment for Title Insurance.

Commitment C1101571LKY (REV. 9-15-11)

SCHEDULE B -- Section 2

EXCEPTIONS

Schedule B of the policy or policies to be issued will contain exceptions to the following matters unless the same are disposed of to the satisfaction of the Company:

Defects, liens, encumbrances, adverse claims or other matters, if any, created, first appearing in the public records or attaching subsequent to the Effective Date but prior to the date the proposed Insured acquires for value of record the estate or interest or mortgage thereon covered by this Commitment.

1. Intentionally deleted.
2. Rights of others and terms and conditions of right of passway described in Deed Book 77, page 450, said records, and shown on the Survey.
3. Rights of way or easements to Louisville Gas and Electric Company recorded in Deed Book 57, pages 461 and 469; Deed Book 58, page 86; Deed Book 87, pages 266 and 528; Deed Book 90, page 34; Deed Book 140, page 456; Deed Book 345, page 448; and Deed Book 662, page 117, said records. The Survey shows 150-foot easement, 70-foot easements, 25-foot and 30-foot easements located on the property with numerous electric lines, poles and towers.
4. Rights of way for pipeline easement to Texas Gas Transmission Corporation recorded in Deed Book 70, pages 330 and 332 and Agreements recorded in Deed Book 88, pages 294 and 346, said records. The Survey shows gas easement of unspecified width with gas pipelines crossing the land.
5. Agreement for Dedication of Public Right of way between James C. Carpenter and Frank G. Otte and Oldham County Fiscal Court recorded in Deed Book 612, page 103, said records. The survey shows 15-foot wide utility easements and 10-foot wide construction easements adjacent to 100-foot right of way crossing the land.
6. Terms and conditions of Construction Easement from James C. Carpenter, et al. to Bluegrass Generation Company, L.L.C. recorded in Deed Book 633, page 184, said records.

7. Certificates of Land Use Restriction recorded in Permit Book 3, pages 425, 426, 427, 433 and 434 and Permit Book 4, page 1, said records.
8. Rights of others and terms and conditions of Temporary Construction Access Agreement recorded in Deed Book 666, page 516, said records, as shown on the Survey; right of access insured by this policy is limited to the access provided by said agreement.
9. Rights of way to Louisville Gas and Electric Company recorded in Deed Book 667, page 167 and Deed Book 670, page 311, said records, 25-foot easement with electric lines and poles shown on the Survey.
10. Permanent Access Road Agreement between Bluegrass Generation Company, L.L.C. and Texas Gas Transmission Corporation dated February 27, 2001, recorded in Deed Book 671, page 391, said records.
11. Easement to Texas Gas Transmission Company dated June 28, 2001, recorded in Deed Book 682, page 181, said records, 100-foot right of way with gas pipelines and valves crossing the property as shown on the Survey.
12. Easement to Louisville Gas and Electric Company recorded in Deed Book 808, page 479, said records.
13. Access Easement from Oldham County Water District recorded in Deed Book 859, page 103, as amended by Amendment to Access Easement recorded in Deed Book 860, page 157, said records.
14. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title, or easements or claims of easements not shown by the public records that would be disclosed by an accurate and complete land survey of the Land occurring subsequent to March 21, 2003, date of survey of Jeffrey K. Meyer, R.S. ("the Survey.")
15. State, County, and School taxes for the year 2011, not yet due and payable.
NOTE: The property is not presently taxed by the county. The property may be subject to franchise taxes paid to the State of Kentucky.

Appendix 2.01(a)
Schedule 2.01(a) - Excluded Inventory

Item	Bin	Description	Current Balance
50100046	BLU-OUTSIDE	ROTOR, COMBUSTION TURBINE FULLY BLADED W501FD2	1 0
50100047	BLU-OUTSIDE	ROTOR, GENERATOR, AEROPAC I, W501F	1 0
505-5400223-R	ROW5 ROW6	NOZZLE, FUEL, SUPPORT HOUSING. DUAL FUEL, DLN COMBUSTION, 2076J60G02,	38 0
BLU-4955-R1	ROW 9	BASKET, THICK TBC, IGN, DLN, EXTENDED SWIRLER, COMBUSTION, 501F, MODIFIED 2295J56G02 PM	2 0
BLU-6850003-R1	ROW 9	SEAL, TRANSITION, OUTER, DLN, COMBUSTION, 501F 4240C35G04	16 0
BLU-5015-R1	ROW 9	BASKET, THICK TBC, STD, DLN, EXTENDED SWIRLER, COMBUSTION, 501F, MODIFIED 2295J56G01 PM	12 0
BLU-8300012-R1	ROW 11	TRANSITION, DLN, COMBUSTION, 501F, 8099D70011, 1804D34102	16 0
BLU-5400050-R1	ROW4, ROW7	NOZZLE, FUEL, SUPPORT HOUSING, DLN, GAS ONLY, 501D/F, 2066J73G01, 1 REPAIR CYCLNE	62 0
505-6850002	ROW9BLU	SEAL, TRANSITION, INNER, DLN, COMBUSTION, 501F, 4240C35G03	-
BLU-5400223-R1	ROW 9	NOZZLE, FUEL, SUPPORT HOUSING, DUAL FUEL, DLN, COMBUSTION, 2076J60G02	16 0
BLU-6850002-R1	ROW 9	SEAL, TRANSITION, INNER, DLN, COMBUSTION, 501F, 4240C35G03	16 0
BLU-5400001-R1	ROW 9	NOZZLE, FUEL, PILOT, DUAL FUEL, DLN, COMBUSTION, 501F, 7930D88G03	16 0
BLU-5014-R1	ROW 9	BASKET THICK TBC UV, DLN, EXTENDED SWIRLER, COMBUSTION, 501F MODIFIED 2295J56G03 PM	2 0
505-6500295	ROW7	RING SEGMENT, ROW 1, TURBINE, 501F, 8101D14G01	96 0
3868	ROW5-BLU	CAP. TRANSITION, 501F PART# 2297J52G01	31 0
BLU-6850002	ROW9	SEAL, TRANSITION, INNER, DLN, COMBUSTION, 501F, 4240C35G03	16 0
4626	ROW1-1G1	MODULE, COMMUNICATION DIGITAL CS7 TXP SWPC PN: AUX0010294, SIEMENS IC PN: 6DD16620AB0	5 0
4627	ROW1-1G1	MODULE, SS52, TXP, SWPC PN: AUX0010296, SIEMENS IC PN: 6DD16880AE2	4 0
4150	ROW9	ACTUATOR, C-STAGE, FUEL GAS, 2" TXP, MOOG part# 80-109B109	1 0
4151	ROW9	ACTUATOR, A-STAGE, FUEL GAS, 4", TXP, MOOG, PART# 80-109B107	1 0
4152	ROW9	ACTUATOR B-STAGE, FUEL GAS, 4" TXP, MOOG, PART# 80-109B108	1 0
4333	ROW2	MOTOR, COOLING, SCR MEDIA, 4160 VOLT, 1200 RPM, 3PH, 60HZ, 400HP, NOCAT500H, GE	1 0
4768	ROW1-1B3	COUPLING, GEAR, STARTING MOTOR TO TORQUE CONVERTER, 501F, VOITH	1 0
5729	ROW1-1E3	CABLE, FIBER OPTIC, 1 MTR ST-ST, 6XV18205BH110, BREAKOUT2 PVC, SWPC	3 0
6821	ROW1-1C3	RACK, REDUANDANT SPLIT, SIEMENS SIMANTIC, S5 ZG155H, 501F, TXP	2 0
6822	ROW1-1C1	SUBRACK, SIMADYN-D, SR12 1, 6DD1682-OCCO, 501F, 12 SLOTS	5 0
6823	ROW1-1E3	FACEPLATE, BLIND, PLC S5, SIEMENS SIMANTIC, 501F, 6XF20086KB00	27 0
6824	ROW1-1E3	COVER, SLOT, SIMADYN-D, SR81, 501F, 6DD16820AJ1	36 0
6828	ROW1-1C3	ASSEMBLY, FAN SIMANTIC S7, 6ES7408-1TA01-OXAD, 501F, TXP	3 0
6829	ROW1-1E3	CABLE, CONNECTING, PLC S5-135U 721, 501F, TXP, 6ES57210B00	3 0
14403	ROW1-1C3	Analyzer, O2 & CO2; servomex model# 4900, continuous emissions analyzer; serial# 3842	1 0
50100081	ROW1-1E4	SWITCH, MICRO, MOTOR, FKG1N CKT BKR, W501F, VLP 12 60 94 01	6 0
50100082	ROW1-1E4	FILTER, OIL, FKG1N CKT BKR, W501F, VLN 55 14 85 01	4 0
50100083	ROW1-1D3	SWITCH, PRESSURE, FKG1N CKT BKR, W501F, VLB 12 59 08 01	2 0
50100084	ROW1-1E4	VALVE, BLEEDING, FKG1N CKT BKR, W501F, VLN 55 20 71 09	2 0
50100072	ROW1-1D6	MOTOR, PUMP, GEN BREAKER, ABB, 110-125V, GPFX052220R0001	2 0
50100073	ROW1-1E4	VALVE, CONTROL, OPEN, GEN BREAKER, W501F, GPFX730094R92	2 0
50100074	ROW1-1E4	VALVE, CONTROL, CLOSE, GEN BREAKER, W501F, GPFX730094R92	2 0
50100075	ROW1-1E3	BRUSHES, CARBON, GEN BREAKER, W501F, GPFX052143P0098	4 0
50100048	ROW1-1A1	MOTOR, TURB ENC, HVAC, 10 HP, W501F, BALDOR M3714T	1 0
50100049	ROW1-1B4	MOTOR, TURB ENC, HVAC, 5 HP, W501F, BALDOR M3615T	1 0
50100051	ROW2	MOTOR, INDUCTION STARTING, W501F, SIEMENS	1 0
50100052	ROW11	JOINT EXPANSION, EXHAUST MANIFOLD/TRANSITION, TURBINE, 501F, PT-WH-501F,	3 0
505-4800736	LSW	KIT, PARTS, COMBUSTION INSPECTION, 501F	1 0
505-5140003	ROW9	LOCK, STRIP, RE-SEAL KIT, BLADE RING, ROW 2, TURBINE, 501F,	2 0
505-5140004	ROW9	LOCK, STRIP, RE-SEAL KIT, BLADE RING, ROW 3, TURBINE, 501F,	2 0
505-4600046	ROW9	HELICOIL, BRUSH, RE-BRUSH KIT, BLADE RING, ROW 3, TURBINE,	30 0
505-4600047	ROW9	HELICOIL, RE-BRUSH KIT, BLADE RING, ROW 2, TURBINE, 501F,	31 0
50100002	ROW2	PUMP/MOTOR, 490 GPM, EMER LO, W501F, BUFFALO SIZE 706, MODEL CSWV	1 0
50100003	ROW2	MOTOR, 15 HP, 125 VDC, EMER LO, W501F, GE 5CD173ZD839A800	1 0
50100004	ROW2	PUMP, 675 GPM, MLO, W501F, BUFFALO SIZE 7011 VCRE	1 0
50100005	ROW2	MOTOR, 100 HP, 460 VAC, LO PUMP, W501F, GE 5KS4055T176C	1 0
50100006	ROW3	VALVE, 4"ACT 45, LO TCV, W501F, FISHER ACT 657, BODY ET	1 0
50100110-2	ROW1-1B2	GASKET, SET, GSU XFRM, W501F, 245 MVA, RENAISSANCE	1 0
3982	ROW4	TUBE, SAMPLE, STAINLESS STEEL, HEATED, 5/16" O D, 70 FT LONG, 250 DEG, 1-PH,	1 0
3983	ROW4	TUBE, SAMPLE, STAINLESS STEEL, HEATED, 5/16" O D, 127 FT LONG, 250 DEG, 1-PH, PART# 88001361	1 0
3984	ROW4	TUBE, SAMPLE, STAINLESS STEEL, HEATED, 3/8" O D, 140 FT LONG, 350 DEG, 3-PH,	1 0
50100155	ROW1-1D3	THERMOMETER, OIL, TRANSFORMER, ALSTOM, 245 MVA, AKM 34 4 05 15-6-0	1 0
50100156	ROW1-1D3	THERMOMETER, WINDING, TRANSFORMER, ALSTOM, 245 MVA, AKM 35 4 01 15-6-6 0	1 0
50100113	ROW1-1D6	VALVE, RELIEF, GSU XFRM, W501F, 245 MVA	1 0
50100117	ROW5	PAD, BEARING, UPPER, AEROPAK I, 501F, 8103D27001	4 0
50100118	ROW5	PAD, BEARING, LOWER, AEROPAK I, 501F, 8103D27002	2 0
2569	ROW3	VALVE, MASONEILAN, 1 INCH, SW600LB, SCHEDULE 80 011502564999, SER# 5-344844-1, PART# 88-18239	1 0
50100160	ROW1-1E3	VALVE, SERVO, IGV ACTUATOR, MOOG, 76DN1105A	1 0

Appendix 2.01(a)
Schedule 2.01 (a) - Excluded Inventory

Item	Bin	Description	Current Balance
50100121	ROW1-1E2	RTD, ASSY, 3 POSITION, AVR, W501F, SWPC PN: AUX0003282, CUTLER-HAMMER PN: 2190A89G02	10
50100122	ROW1-1D4	TRANSDUCER, ISOLATION, AVR, C-H, AUX0003289, 8650C80G01	10
50100123	ROW1-1D4	ASSEMBLY, THYRISTOR, AVR, SWPC, AUX0007544, C-H, 6D34462G99	10
50100124	ROW1-1D6	ASSEMBLY UPPER STUD, AVR, SWPC, AUX0007550, C-H, DSII620H01	30
50100125	ROW1-1D2	ASSEMBLY, LOWER STUD, AVR, SWPC, AUX0007551, C-H, DSII620H02	30
50100126	ROW1-1E5	BOARD, BUFFER, WDR, AVR, SWPC, AUX0003632, C-H, 8522C51G01	10
50100127	ROW1-1D5	BOARD MAIN CPU, WDR AVR, SWPC, AUX0003633, C-H, 8522C52G01	10
50100128	ROW1-1D5	BOARD, WDR, REMOTE COMM, CPU, AVR, SWPC, AUX0003634, C-H, 8522C52G02	10
50100129	ROW1-1D2	BOARD WDR MEMORY AVR SWPC, AUX0003635 C-H, 8522C53G01	10
50100131	ROW1-1D4	TRANSDUCER, DC-DC ISOLATION, AVR, C-H, AUX0004389, 1A96166G54	10
50100132	ROW1-1D5	UPPER STUD, WDR AVR, CUTLER-HAMMER, AUX0004653, DSII632H01	10
50100133	ROW1-1D5	LOWER STUD, WDR, AVR, CUTLER-HAMMER, AUX0004654, DSII632H02	10
50100134	ROW1-1A3	ASSEMBLY, DXCB, AVR CUTLER-HAMMER, AUX0003652 2D80386G05	10
50100139	ROW1-1A2	ASSEMBLY, DXCB 600V TO 2000A, AVR, SWPC, AUX0003290, C-H, 2D80386G05	10
50100140	ROW1-1D4	MODULE, ANALOG INPUT/OUTPUT, AVR, SWPC, AUX0003291, CUTLER-HAMMER 8650C86G01	10
50100141	ROW1-1D4	MODULE, DIGITAL INPUT/OUTPUT, AVR, SWPC PN: A, CUTLER-HAMMER PN: 8650C89G01	10
50100142	ROW1-1E5	OVR EXC PROT , OXP-1 AVR, SWPC AUX0003655, C-H, 149D946G01	10
50100143	ROW1-1E5	THYRISTOR OVERCURRENT PROT, AVR, SWPC, AUX0003657, C-H, 5295C58G03	10
50100144	ROW1-1E5	THYRISTOR OVERCURRENT PROT, AVR, SWPC, AUX0003658, C-H, 6966D22G01	10
50100145	ROW1-1E5	MODULE, PSS INPUT/OUTPUT, AVR, SWPC, AUX0003659, C-H, 9185D76G01	10
50100146	ROW1-1D6	MODULE, SENSOR INPUT, AVR, CUTLER-HAMMER, AUX0003295, 8650C74G01	10
50100147	ROW1-1D4	ASSEMBLY, PC, BLOWN FUSE 277V, AVR, CUTLER-HAMMER, AUX0003661, 3728A31G03	10
50100148	ROW1-1D5	ASSEMBLY, GROUND DETECTOR, AVR, SWPC, AUX0003306, C-H 195C491G01	10
50100149	ROW5	CIRCUIT, AUCTIONEERING, AVR, SWPC, AUX0003307, C-H, 4A36502G02	10
50100152	ROW1-1A3	PANELMATE, AVR, CUTLER-HAMMER, AUX0007561, 195C492H21	10
50100153	ROW1-1D5	SUPPLY, POWER, AVR, W501F, SWPC PN: AUX0005313, CUTLER-HAMMER PN: 4A36433H03	10
4572	ROW5	RING, SEAL OIL BEARING TURBINE 501F, PART# 8103D26G01, SWPC	40
4115	ROW5	PAD, BEARING, LOWER, AEROPAK I, 501F, part# 8103D27003	20
50100035	ROW1-1B2	CONTROLLER, VFD, ROTOR AIR COLLER, W501F, SV9F30AC5M0B00	10
50100036	ROW1-1B2	STARTER, NON-REVERSING, SZ 3, 120V, CUTLER-HAMMER, A200M3CAC	10
50100007	ROW1-1A4	MOTOR, 30 HP 1773 RPM, FR 286T, 460 VAC, LUBE OIL COOLER, W501F	10
50100010	ROW3	VALVE/ACT, LO PRESS CONT, W501F, FISHER ACT/BODY TYPE 655/ED	10
50100011	ROW1-1C4	MOTOR, 15 HP 460 VAC CONT OIL, W501F, BALDOR 09R095X12962	10
50100013	ROW1-1B3	PUMP, VANE, 25 GPM, CONTROL OIL, W501F, REXROTH	10
50100014	ROW4	COOLER, CONTROL OIL, W501F, THERMAL TRANSFER PRODUCTS	10
50100015	ROW1-1B3	MOTOR, 1/3 HP, 230/460 VAC, CONT OIL FAN, W501F, BALDOR	10
50100016	ROW5	VALVE, 8", FG OST, W501F, FISHER ACT 1031/1035, BODY A41	10
50100018	ROW4	VALVE, 6", FG MAIN PCV, W501F, FISHER ACT/BODY 1052/8560	10
50100018	ROW3, ROW4	VALVE, 6", FG MAIN PCV W501F, FISHER ACT/BODY 1052/8560	20
50100019	ROW3	VALVE, 2", 300#, RF FLANGE, FG START PCV, W501F, FISHER, 310A-32A	10
50100022	ROW3	VALVE, 18", LP BLEED, W501F, FISHER ACT/VLV 1031/A31A	20
50100023	ROW3	VALVE, 18", HP BLEED, W501F, FISHER ACT/VLV 1031/A41	30
50100024	ROW9	ACTUATOR, IGV, W501F, MOOG 85-616C101	10
50100025	ROW1-1B4	MOTOR, MECH PKG HVAC, W501F, BALDOR CP3661T-4	10
50100027	ROW5	VALVE, 3", 3RD STG TCV, W501F, FISHER ACT/VLV HYTORK 280/A41	10
50100028	ROW9	CHARGER, BATTERY, W501F, CUSTOM PWR BCF-60100-480-3-60	20
50100029	ROW9	TRANSFORMER, 30 KVA/120 VAC W501F, CUTLER HAMMER T30201	10
50100030	ROW9	TRANSFORMER, 15 KVA/120 VAC, W501F, CUTLER HAMMER C0015P7HSES	10
50100031	ROW1-1B1	RELAY, W501F, BECKWITH 3420-A3DE	10
50100032	ROW1-1B1	RELAY, W501F, BECKWITH 3430-A3DE	10
50100033	ROW1-1B2	RELAY, SYNC CHECK, W501F, SWPC AUX0001382, BASLER ELECTIRC BE125-M1EA7PN5U6F	10
50100041	ROW3	GEARBOX, W501F, VOITH TURBO EL7 5 YGTM2 2-86	10
50100085	ROW1-1E3	GAUGE, PRESSURE GEN BREAKER, W501F, HAGG100471P12	20
50100086	ROW1-1E3	GAUGE, PRESSURE GEN BREAKER, W501F, HAGG100471P11	20
50100087	ROW1-1E3	MONITOR, DENSITY SF6, GEN BREAKER, W501F, HAGG300805P1	20
50100088	ROW1-1E3	MONITOR, DENSITY, SF6, GEN BREAKER, W501F, HAGG301141P1	20
50100089	ROW1-1E4	LIGHT, RED INDICATING, 125V, GEN BREAKER, W501F, W-654-436	60
50100090	ROW1-1E4	LIGHT, GREEN INDICATING, 125V, GEN BREAKER, W501F, W-654-437	40
50100091	ROW1-1E2	RELAY, AUX 3-POLE, 125V GEN BREAKER, W501F, W-571-126	20
50100092	ROW1-1E2	RELAY, AUX, 4-POLE, 125V, GEN BREAKER, W501F, W-571-139	20
50100093	ROW1-1E2	RELAY, AUX, 2-POLE 125V GEN BREAKER, W501F, W-571-144	20
50100094	ROW1-1E2	RELAY, AUX, 2-POLE, 125V, GEN BREAKER, W501F, W-571-148	20
50100095	ROW1-1E2	RELAY, TIMING, 2-POLE 125V, GEN BREAKER, W501F, W-528-567	20
50100096	ROW1-1D3	MOTOR, REVERSING, STARTING, GEN BKR, W501F, 73-151-728-801	20

Appendix 2.01(a)
Schedule 2.01(a) - Excluded Inventory

Item	Bln	Description	Current Balance
50100087	ROW1-1D5	MOTOR, NON-REVERSE, STARTING, GEN BKR, W501F, 73-151-729-8D1	2.0
50100098	ROW1-1E4	FUSE, 15A, 600V, FRS-R-15, GEN BKR, W501F, 652-346	8.0
50100099	ROW1-1E4	FUSE, 3A, 600V, FRS-R-35, GEN BKR, W501F, 652-347	16.0
50100100	ROW1-1E4	SENSOR, VOLTAGE, GEN BKR, W501F, W-519-220	2.0
50100101	ROW1-1E2	RELAY, TIMING DELAY GEN BKR, W501F, W-528-124	2.0
50100102	ROW1-1E2	RELAY, TIMING, GEN BKR, W501F, W-528-139	2.0
50100105	ROW9	BUSHING, LOW VOLTAGE, GSU TRANSFORMER, W501F, LF126007-A ABB	1.0
50100058	ROW3	PUMP, STARTING PACKAGE BOOSTER, W501F, ALLWEILLER	1.0
50100060	ROW1-1B4	MOTOR, 30 HP, 1175 RPM 230/460 VAC, FR 326T, TEFC, INVERTER DUTY TECO-WESTINGHOUSE	1.0
1633	ROW1-1F1	PROCESSOR, SIM D, PMR, CONTROLLER, TXP, SWPC PN: AUX0010288, SIEMENS IC PN: 6DD16000AK0	5.0
1635	ROW1-1D1	MODULE, ANALOG I/O, EM11 TXP, SWPC AUX0010290, SIEMENS IC 6DD16400AC0	5.0
1638	ROW1-1D1	MODULE, COMMUNICATION, MASTER, CS12, TXP, SWPC PN: AUX0010291, SIEMENS IC PN: 6DD16600BD0	5.0
1640	ROW1-1D1	MODULE, COMMUNICATION, CSH11, TXP, SWPC, AUX0010293, SIEMENS IC, 6DD16610AB1	6.0
1644	ROW1-1E6	SUPPLY, POWER; SIMADYN 24VDC, TXP, 6DD16630CC0	5.0
1646	ROW1-1E1	MODULE IM 308 L2 BUS PLC S5, TXP, SWPC PN: AUX0008796, SIEMENS IC PN: 6ES53083UC21	5.0
1647	ROW1-1F1	MODULE, INTERFACE, IM 324R, PLC S5, TXP, SWPC PN: AUX0010302, SIEMENS IC: 6ES53243UR11	5.0
1648	ROW1-1E1	CPU 948R, TXP, SWPC, 6ES59483UR23T	5.0
1649	ROW1-1E1	SUPPLY, POWER; AP RACK, TXP, SWPC PN: AUX0010A9H, SIEMENS IC PN: 6ES59557NC11 VER 03	4.0
1662	ROW1-1F1	CP 1430 H1 MOD, TXP, SWPC, 6GK11430TB01	5.0
1679	ROW1-1B3	BREATHER, AIR, TRANSFORMER, ALSTOM, 245 MVA,	1.0
1680	ROW9	FAN, COOLING, TRANSFORMER ALSTOM, 245 MVA.	1.0
1681	ROW1-1B2	RELAY, BUCHOLZ, TRANSFORMER, ALSTOM, 245 MVA,	1.0
1682	ROW1-1C1	INDICATOR, OIL LEVEL TRANSFORMER ALSTOM 245 MVA,	1.0
50100076	ROW1-1A1	MOTOR, FKG1N CKT BREAKER, W501F, VL 02 31 41 71	2.0
50100077	ROW1-1E4	COIL, TRIPPING/CLOSING, FKG1N CKT BKR, W501F, VL 96 14 53 002	8.0
50100079	ROW1-1D4	MONITOR, GAS DENSITY, W501F, VLN 55 14 84 12	2.0
50100080	ROW1-1E4	CONTACT, AUX, FKG1N CKT BREAKER, W501F, VLN 55 15 01 01	6.0

Appendix 4.11
Schedule 4.11 - Inventory

Item	Bin	Description	Current Balance
12300033	M-3-C3	THERMOMETER, REXROTH HYDRAULIC POWER UNIT	1.0
12300034	M-3-C3	SWITCH,TEMPERATURE,REXROTH HYDRAULIC POWER UNIT	1.0
12300037	M-3-C3	BREATHER, REXROTH HYDRAULIC POWER UNIT	2.0
12300038	M-3-C3	STRAINER, SUCTION, MICRON, 200, REXROTH HYDRAULIC POWER	6.0
12300039	W-3-D4	PUMP,AXIAL PISTON,REXROTH HYDRAULIC POWER UNIT,	1.0
12300040	W-3-D4	PUMP, GPM VANE, REXROTH HYDRAULIC POWER UNIT,	1.0
12300042	M-4-D5-2B	VALVE,CHECK,REXROTH HYDRAULIC POWER UNIT, INLET	3.0
12300049	M-3-C3	SWITCH,PRESSURE,REXROTH HYDRAULIC POWER UNIT	3.0
12300052	M-3-D2	TRANSMITTER,PRESSURE,REXROTH HYDRAULIC POWER UNIT	1.0
12965	M-4-A3-3A	BALANCE WEIGHT, EXCITER END, #A00A11D53	11.0
1520	M-1-C7	PRESSURE TRANSDUCER, INLET FOGGING SYSTEM RANGE: 150	1.0
1521	M-1-C7	TRANSDUCER,PRESSURE, OUTLET, INLET FOGGING SYSTEM	3.0
1531	M-3-C13	BELT, PUMP #781, 5 HP, INLET FOGGING SYSTEM, BX46	4.0
1532	M-3-C13	BELT, PUMP #781, 10 HP, INLET FOGGING SYSTEM, BX42	4.0
1533	M-3-C13	BELT, PUMP #661, 20 HP, INLET FOGGING SYSTEM, BX52	4.0
1534	M-3-C13	BELT, PUMP #3811, 30 HP, INLET FOGGING SYSTEM, 5VX680	4.0
1561	M-3-C4	MODULE, ACTIVE BUS, 2X40, PS/M, ET200, TXP, SWPC:	1.0
1562	M-3-C4	MODULE, BUS, REDUNDANT, IM153-2, ET200M, TXP,	1.0
1570	M-3-C5	MODULE, ANALOG OUTPUT, 4CH, TXP, SPWC PN: AUX0010312,	3.0
1572	M-4-A2-3A	SIMATIC S7,FRONT CONN,20-PIN,SCREW, TXP, 6ES73921AJ000AA0,	1.0
1573	M-4-A2-4A	BATTERY, POWER SUPPLY, PLC, TXP, SWPC AUX0010313, SIEMENS	9.0
1579	M-4-A2-1C	DIODE, ZENER, 25V, 5W, TXP, W501F, SWPC. AUX0010272, SIEMENS	1.0
1582	M-4-A2-1D	RELAY TERMINAL BLOCK, 24V,1NO DEK-REL-24/1/AK, TXP, SWPC:	1.0
1586	M-4-A2-1D	CIRCUIT BREAKER, 1P, 2A, TXP, SWPC: AUX0010280, SIEMENS IC:	1.0
1590	M-4-A2-4D	FUSE, .5A W/BLOWN FUSE INDICATION, TXP, GMT.5A	21.0
1592	M-4-A2-4D	FUSE 1AMP, TXP, GMT1 - SAME AS 1591	22.0
1593	M-4-A2-4D	FUSE, 2A, 60VDC, FAST ACTING, COLOR-ORANGE, TXP, SWPC,	1.0
1623	M-4-A2-3D	AMP, ISOLATION, 30MA, CONTROLLER, TXP, SWPC ID#: 2333, VEND	2.0
1624	M-4-A2-2A	BREAKER, CIRCUIT, 10A, CONTROLLER, TXP, SWPC, 5530957,	1.0
1625	M-4-A2-2B	BREAKER, CIRCUIT, 1A, CONTROLLER, TXP, SWPC ID# 2221, VEND	4.0
1626	M-4-A2-4C	BREAKER, CIRCUIT, 4A, CONTROLLER, TXP, SWPC, 5531354	1.0
1628	M-4-A2-1B	BREAKER, CIRCUIT, 8A, CONTROLLER, TXP, SWPC, 5531749	1.0
1629	M-4-A2-3B	CIRCUIT BREAKER, 6A, TXP, SWPC: AUX0010282, SIEMENS IC:	1.0
1630	M-4-A2-4B	CIRCUIT BREAKER, 20A, 1 POLE, CONTROLLER, TXP, SWPC	1.0
1631	M-4-A2-3C	CIRCUIT BREAKER, 25A, 1 POLE, CONTROLLER, TXP, SWPC:	1.0
1632	M-4-A2-2C	CONTACT, AUXILIARY, CONTROLLER, TXP, SWPC, 5SX9100	1.0
1633	I-1-A	PROCESSOR, SIM D, PMR, CONTROLLER, TXP, SWPC PN:	1.0
1634	I-1-A	IT 41 SUBMODULE, CONTROLLER, TXP, SWPC, 6DD16063AC0	2.0
1635	M-4-A2-1C	SUBMODULE, MS5 MEMORY, 2MB FLASHCARD, TXP, SWPC,	2.0
1636	I-1-A	MODULE, ANALOG I/O, EM11, TXP, SWPC AUX0010290, SIEMENS IC	1.0
1637	I-1-A	EA12 ANALOG IO, TXP, SWPC, 6DD16420BC0	2.0
1638	I-1-A	MODULE, COMMUNICATION, MASTER, CS12, TXP, SWPC PN:	1.0
1639	I-1-A	MODULE, COMMUNICATION, SLAVE, CS22, TXP, SWPC PN:	2.0
1640	I-1-A	MODULE, COMMUNICATION, CSH11, TXP, SWPC, AUX0010293,	1.0
1642	M-3-C5	SB 30 DIGIT IO, TXP, SWPC, 6DD16810DD1	2.0
1643	M-3-C4	MODULE, RELAY, SB30, TXP, SWPC, 6DD16810DE1	2.0
1644	M-3-C5	SUPPLY, POWER; SIMADYN 24VDC, TXP, 6DD16830CC0	1.0
1646	I-1-B	MODULE, IM 308 L2 BUS, PLC S5, TXP, SWPC PN: AUX0008796,	1.0
1646	M-B-1	MODULE, IM 308 L2 BUS, PLC S5, TXP, SWPC PN: AUX0008796,	5.0
1650	M-4-A2-1A	BATTERY, BACKUP, TXP, SWPC, 6ES59800MA11,	4.0
1651	M-3-C5	MODULE, IM 153-2, ET200M PLC, TXP, SWPC PN:AUX0029423,	3.0
1652	M-3-C5	MODULE, DIGITAL INPUT, DI 16*DC24V, SM321, DIGITAL EINGABE,	3.0
1653	M-3-C5	MODULE, DIGITAL OUTPUT, 16PTS, TXP, SWPC PN: AUX0010308,	4.0
1654	M-3-C5	MODULE, RELAY, DIGITAL OUTPUT, 8PTS, TXP, SWPC, AUX0010309,	5.0
1656	M-3-C4	MODULE, ANALOG INPUT, 4CH, TXP, SWPC, AUX0010311, SIEMENS	2.0
1658	M-4-A2-4A	BATTERY, BACKUP, 1 9A, TXP, SWPC, 6ES79710BA00, AUX 0010313	9.0
1659	M-4-B2-1B	SINEC L2 BUS CONN, TXP, 6ES79720BB400XA0	1.0
1660	M-4-A2-1B	BATTERY, S5 BACKUP, 3 6V, TXP, SWPC PN: AUX0010315, SIEMENS	8.0
1663	M-3-C4	OPTICAL LINK L2 BUS, TXP, SWPC, 6GK15023CB10 - PART	3.0
1664	M-4-A2-1A	TRANSDUCER, TXP, DK6-I/U-0-20MA/0, SWPC, 2337	2.0
1665	M-4-B2-1A	DIODE, WITH HEATSINK, TXP, SWPC PN: AUX00108PO, SIEMENS IC	1.0
1666	I-1-A	CONVERTER, 125VDC TO 24VDC, TXP, SWPC AUX0008455,	5.0

Item	Bin	Description	Current Balance
1668	M-3-C4	UV DETECTOR, TXP, LINE ITEM 36030-01, AUX0007885	1.0
1669	M-4-A2-2D	MODULE, DIODE, TXP, W501F, 300V, 15A MG, 2950064	1.0
1732	M-3-B11	BREAKER, 480V 50A CUTLER HAMMER HMCP050K2C, GE,	2.0
1734	M-3-B11	BREAKER, 480V, 150A, 3-PH, CUTLER-HAMMER, HMCP150U4C	3.0
1736	M-3-B9	BREAKER, 480V 20A, HFD3020, CUTLER HAMMER, 6639C86G85	2.0
1737	M-3-D7	BREAKER, 480V 30A, HFD3030, CUTLER HAMMER, 6639C86G87	1.0
1740	M-3-B11	BREAKER, 480V 50A, HFD3050, SERIES C, CUTLER HAMMER,	2.0
1741	M-3-B9	BREAKER, 480V 70A, HFD3070, GE, 6639C86G93	2.0
1742	M-3-B10	BREAKER, 480V 100A, HFD3100, GE, 6639C86G96	1.0
1744	M-3-B11	STARTER, SZ 2, 120V, CUTLER-HAMMER, A200M2CAC, 6710C51G05	2.0
1842	M-1-C10	KIT, REPAIR, 1/2"-STEM, 2-3/16" BOSS, TYPE ET, 2" VALVE, FISHER,	3.0
1868	M-1-C10	CAGE, EQ%, TYPE ET 4" VALVE, 4, 4-3/8 PORT, FISHER 2U236333272	1.0
1869	M-1-C10	CAGE, EQ%, TYPE ET 4" VALVE, 2, 2-5/16 PORT, FISHER	1.0
1872	M-4-F5-3A	GASKET SET, TYPE ET, 2" VALVE, FUEL GAS HEADER, FISHER,	1.0
1875	M-4-E5-3B	RING, BACK-UP, TYPE ET, 4" VALVE, FISHER, 1V659805292	1.0
1876	M-4-F5-2C	RING, SEAL, TYPE ET, 4" VALVE, FISHER, 1V659905092	1.0
1899	M-4-F4-2B	O-RING, 8", TYPE A41, VALVE, FISHER, V110611X022	1.0
1900	M-4-E5-1A	DISC, RETAINER, 2 IN, 50%, TYPE 310A 2" REG, FISHER,	2.0
1901	M-1-C9	KIT, REPAIR, TYPE 310A 2" REG, FISHER, R310X000042	1.0
1902	M-4-E5-1B	KIT, REPAIR, TYPE 32A, PILOT, FISHER, R32AX000022	1.0
1903	M-4-E5-1A	BUSHING, SIZE 3-4, TYPE 32A, PILOT, FISHER, 1F262035032	1.0
1904	M-4-E5-1A	ASSEMBLY, ORIFICE, 1/8, TYPE 32A, PILOT, FISHER, 1R7430000A2	2.0
1905	M-4-E5-1A	ORIFICE, BLEED, 3/16, TYPE 32A, PILOT, FISHER, 1R743835162	1.0
1906	M-1-C10	SEAT RING, 2, 2-5/16 PORT, 1 CAGE TRIM, FULL CAPACITY, FISHER,	1.0
1907	M-4-E5-3B	RING, BACK-UP, TYPE ET, 2" VALVE, FISHER, 1V550705292	1.0
1908	M-4-E5-3B	SEAL RING, TYPE ET, 2" VALVE, FISHER, 1V550805092	1.0
1909	M-4-F5-3B	PLUG, STEM, BAL, TYPE ET, 2" VALVE, FUEL GAS HEADER, FISHER,	1.0
1934	M-1-A1	VALVE, SOLENOID, PUMP CONTROLLER, FIRE TROL, FTA 1100, SV-	1.0
2018	M-3-C13	V-BELT, 8 GROOVE, BANDED, LUBE OIL COOLER, DAYCO, 3VX-1320	2.0
2029	M-3-B4	SWITCH, TURBINE ENCLOSURE THERMOSTAT, MERCROID, DWYER,	1.0
2123	M-4-B4-1C	FLOWMETER, TUBE CUBE, 2-2 L/MIN, CEMS, 82000008-3	1.0
2124	M-4-B4-3D	FLOWMETER, TUBE CUBE, 5-5 L/MIN, CEMS, 82000008-5	1.0
2125	M-4-B4-3D	FLOWMETER, TUBE CUBE, 1-10 L/MIN, CEMS, 82000008-7	1.0
2128	M-1-B3	TUBING, NORPRENE, SIZE 15, 50', 81010027-7, 06404-15	1.0
2129	M-4-B4-2D	KIT, REBUILD KIT, SAMPLE PUMP, CEMS, 81010006 USE ITEM	6.0
2132	M-1-C4	MODULE, DIGITAL IN, 16 CH, PLC, 22000026-5	1.0
2134	M-1-B3	MODULE, RELAY, OUT, 16 CH, PLC, CISCO, 22000026-6	1.0
2135	M-1-C4	POWER SUPPLY, PLC, CISCO, 22000026-3	1.0
2137	M-4-B4-4A	RELAY, SOLID STATE, 120VAC, 12A, CISCO, 45000011	1.0
2138	M-4-B4-4A	RELAY, DPDT, 24VDC, 10A, CEMS, 45000012	1.0
2139	M-1-B3	PUMP, LIQUID, SUBMERSIBLE, 80 GPH, CEMS, CISCO, 81010030	1.0
2140	M-4-B4-4D	VALVE, SOL, 2W, NC, SS, 24VDC, 1/8 ORIFICE, CEMS, 82020009	1.0
2141	M-4-B4-3C	VALVE, NEEDLE, REGULATING, .172 ORIFICE, 1/4 T, CEMS, 82010019	1.0
2143	M-1-C4	SWITCH, VAC, 4 0-28 2" HG, SS, 1A SPDT, CEMS, 81020001	1.0
2144	M-4-B4-4C	CONTROL, CONDENSATE, 24VDC, CISCO, CEMS, 22000019	1.0
2146	M-1-C4	POWER SUPPLY, LINEAR, 24VDC, 4 8A, CEMS, 40000013	1.0
2147	M-1-C4	FLOWMETER, PM, SS, NO VALVE, .5-5 L/MIN, CEMS, 82000003-5	1.0
2152	M-1-C4	REGULATOR, PRESSURE, 0-15 PSI, GH10XT2230B, CEMS,	1.0
2153	M-1-C4	REGULATOR, BACK PRESSURE, 0-15 PSI, GH30XTHAXSXB, CEMS,	1.0
2156	M-4-B4-3A	KIT, REBUILD, GH10XTHXXX-X, CEMS, 81000010	1.0
2160	M-3-C4	MODULE, FRONT END, FAST I/O, TXP, SWPC PN: AUX0010297,	1.0
2161	M-3-C4	MODULE, OPTICAL LINK, TXP, 6GK1-102-4AA00	1.0
2200002	M-2-B1	GASKET, COVER, O-RING, LUBE OIL FILTER HOUSING, 458V, NFS,	3.0
2200004	M-2-B2	FILTER, ELEMENT, PALL, RECIRC, CONTROL OIL, HC9600FKP8H,	6.0
2200005	M-2-B2	FILTER, DISCHARGE, CONTROL OIL, PALL HC9601FDP8H,	6.0
2200007	M-3-D4	KIT, REPAIR, BLADDER, 5GAL 3000PSI, CONTROL OIL, US00884544,	2.0
2200009	W-3-D4	EXCHANGER, HEAT, HYDROTECH, US00839902	1.0
2200013	M-4-D5-2A	VALVE, PRESSURE REGULATOR, DBDS6G1X/200/12, R900341066,	2.0
2200018	W-3-D1	MOTOR, PUMP, MTRB15H1750R254TCNFT460/3, HYDROTEC,	1.0
2200021	M-4-D5-2A	VALVE, RELIEF, DBDS-20K1X/25, HYDROTECH, REXROTH,	2.0
2200022	M-4-D5-2B	VALVE, RELIEF, DBDS10K18/100, HYDROTECH, REXROTH,	2.0
2200023	M-4-D5-2C	VALVE, CHECK, M-SR20KE0S-1X/, HYDROTECH, REXROTH,	2.0
2200024	M-4-D5-2D	ELEMENT, LOGIC, LC16B05D-7X, HYDROTECH, REXROTH,	2.0
2200025	M-4-D5-1B	COVER, LOGIC, LFA16H2-7X/F/12, HYDROTECH, REXROTH,	2.0
2200026	M-4-D5-1C	VALVE, PRESSURE REGULATOR, DBDS6K18/100, R900423723	2.0
2200059	M-1-C6	SWTCH, PRESSURE, 30" H2OD 15A, 125/250 VAC, ASHCROFT, JAY	1.0
2200062	M-1-C11	TRANSMITTER, I/P, TYPE 846, 3311 / 846	1.0

Item	Bin	Description	Current Balance
2200065	W-3-C7	THERMOCOUPLE, CT DISC CAVITY 3, BRADLEY, LPG 7863D60002	1.0
2200066	W-3-C7	THERMOCOUPLE, CT DISC CAVITY 4, BRADLEY, LPG 7863D60003	2.0
2200067	W-3-C7	THERMOCOUPLE, CT DISC CAVITY 2, BRADLEY, LPG 7863D60006	2.0
2200088	M-3-D3	LUBE OIL COOLER BEARING, FAN SHAFT UPPER, 2-15/16" SCM,	1.0
2200069	M-3-D3	LUBE OIL COOLER BEARING, FAN SHAFT LOWER, 2-15/16" E, GEA,	1.0
2200072	M-3-A11	SWITCH, PRESSURE,LUBE OIL, 0-200 PSI, UNITED ELECTRIC, J402-	5.0
2200189	W-3-C8	THERMOCOUPLE, T/C ASSY, SWPC, 7940D47G01	1.0
2200190	M-4-B2-1D	FERRULE, FOR FLASHBACK T/C, SWPC, 1853J04080	100.0
2200192	W-3-C8	THERMOCOUPLE, ASSY, ROTOR AIR RETURN, TYPE K, S/W#	2.0
2200193	W-3-C8	THERMOCOUPLE, T/C ELEMENT ONLY,T2C, TYPE K, PYCO #	3.0
2200259	I-1-A	TACHOMETER, PROCESS, OVERSPEED, DIGITAL, SWPC, T77430-11	1.0
2200268	M-3-D5	IGNITOR, EXCITOR IGNITION, SWPC, AUX0001164,	2.0
2200335	M-4-F1-2A	IGNITION ASSEMBLY, SWPC, 4212C12G01	3.0
2200336	M-4-B2-2A	GASKET, PILOT NOZZLE, GRAPHITE, SIEMENS 4216C47001,	49.0
2200337	W-3-D3	COUPLING, MARMAN, TORQUE 80-90#-IN, SWPC, 2337C41001	166.0
2200338	M-4-F1-2A	IGNITOR, SPARKPLUG, CH38039, SWPC, 1772D32001	5.0
2200339	M-4-F1-2A	EXTENSION, IGNITOR, SHIELDED, SWPC, 1741D82001, CHAMPION,	4.0
2200345	M-4-B5-3D	DETECTOR, THERMAL, 160 DEGREE F, AM FIRE, 12-E27121-000-03	1.0
2200346	M-4-B5-3D	DETECTOR, THERMAL, 225 DEGREE, AM FIRE, 12-E27121-000-05	1.0
2200351	I-1-C	CARD, MONITOR MODULE, NOTIFIER, AM FIRE, XP10-M	1.0
2200356	I-1-C	TRANSMITTER, COMBUSTIBLE GAS, LEL, AMFIRE, DETRONICS	1.0
2200357	M-4-B4-2B	SET, SEAL, FILTER HOLDER, VITON, CEMS, 83500070	20.0
2200358	M-1-C3	FILTER ELEMENT, CEMS, 99.99%, 0.1 UM, CISCO, 83500002	16.0
2200359	M-1-C3	FILTER ELEMENT, PARTICULATE, 99.99%, CEMS, 83500078	6.0
2200360	M-4-B4-4D	FILTER DISC ALUMINUM OXIDE, 3.5" X 2.5", CEMS, 83500014	9.0
2200361	M-1-C3	FILTER, COALESCING, CEMS, I/A,95% REM 0.1, CEMS, 83500076,	9.0
2200362	M-4-B4-1B	FUSE, 2A 3AG 250 V, CEMS, 43015003-2	6.0
2200363	M-4-B4-3B	DIODE, 1N4005, CEMS, 48000009	9.0
2200364	M-4-B4-1D	WASHER, TEFLON, CGA 660 CYL REG, CEMS, 28500016-2	16.0
2200368	M-4-B4-4B	KIT, REBUILT, REGULATOR, 44-3400 SERIES, CEMS, 81001037-2	1.0
2200370	M-1-C3	SET, GASKET, SAMPLE PROBE, HIGH TEMP, NON METALLIC, CEMS,	8.0
2200372	M-3-C10	DETECTOR, FLAME SCANNER, ALLESCO, 46048-	3.0
2200373	M-3-D10	SWITCH, FLAME, U/V, EDISON, SCHRAMM, 424-00061	3.0
2200380	M-1-C4	PUMP HEAD, LEXAN PC HSG, STD LOAD, CEMS, 81010029 SAMPLE	1.0
2200382	M-1-C3	PUMP, DRIVE, FIXED SPEED, 12 RPM, 115V, CISCO, 81010057-12,	1.0
2200383	M-1-D3	PUMP, SINGLE, ALUMINUM HEAD, CISCO, 81010014, CEMS	1.0
2200458	M-1-D6	KIT, OVERHAUL, 7100 SERIES, TEC, 32319485	1.0
2200459	M-1-D6	KIT, VALVE GASKET, 7100 SERIES AIR COMPRESSOR, IR, 32229882	4.0
2200460	M-2-C5	FILTER, ELEMENT, AIR, 10MC, 7100 SERIES AIR COMP, INGERSOLL,	6.0
2200463	M-1-D6	SWITCH, OIL LEVEL, 7100 SERIES, TEC, 32276313	2.0
2200465	M-1-B7	FILTER, MOISTURE ELEMENT, LS-10, 02250081-108	4.0
2200468	M-2-B3	FILTER, OIL, LS-10, SULLAIR, 250025-525	6.0
2200480	M-2-B3	FILTER, ELEMENT, HANKISON AIR DRYER DH115, TEC, HFF 7-12-3-	4.0
2200481	M-2-C5	FILTER, ELEMENT, AIR DRYER DH115, TEC, HF5-28-8DGL#EF5-28	2.0
2200486	M-1-B4	HOUSING, FILTER, HYDRAULIC, GAS VALVES, MOOG **USE P/N	1.0
2200592	M-1-D4	BRUSH, EMERGENCY LUBE OIL, GE 125VDC MOTOR, HELWIG	11.0
2200597	I-1-B	DIODE, 400V, 380A, CPI, SW04PHN300	2.0
2200598	M-3-C8	TIMER, EQUALIZER, OMRON, H3CA-A FOR BATTERY CHARGER	1.0
2200599	I-4-G1-E	LED, GREEN, 4305H5	10.0
2200600	I-4-G1-E	LED, RED, IDI, 4305H1	4.0
2200601	I-4-G1-F	COVER, LED, WHITE, EAO, 11-931 9	6.0
2200602	M-4-A4-2A	POTENTIOMETER, 10 KOHM, BOURNS, 3540S-1-103	1.0
2200604	I-1-B	CARD, ALARM BOARD, PC ASSEMBLY, CPI, C163-130	2.0
2200606	M-4-A4-4C	RESISTOR, CLARO, CPI, WW-20K-10W	1.0
2200607	M-4-A4-4C	RESISTOR, CLARO, CPI, WW-5K-5W	4.0
2200608	M-4-A4-3B	SURGE PROTECTOR GE V250PA40C	6.0
2200627	I-4-G1-O	HEATER, OVERLOAD, 814-1 32 AMP, C-H H2004B-3, GE, FH94	3.0
2212	W-3-B4	FILTER,ELEMENT, SEPARATOR, FUEL GAS MAIN	3.0
2309	M-4-D4-3C	FILTER ELEMENT KIT, 90 MICRON, INLET FOGGING SYSTEM, GT-	17.0
2312	W-3-B3	FILTER, INLET AIR, 26" CYLINDRICAL, DONALDSON, P191280	11.0
2313	W-3-A3	FILTER, INLET AIR, 26" CONICAL, DONALDSON, P191281	10.0
2385	M-2-C5	FILTER, WATER INJECTION, PILOT GAS, HYDAC, SZ-2-20-MS-V	3.0
2398	M-1-D7	PROBE, THRUST, 3300XL 8MM, 3/8-24 UNF, 330101-00-20-90-02-00	6.0
2400	M-3-D3	KIT, DISC CAVITY, ITEM 006,002,003, W501F, 2283J4106D	1.0
2408	M-1-B5	GAUGE, PRESSURE, GEN BREAKER, W501F, HAGG100471P10	1.0
2409	M-1-B5	MONITOR, GAS DENSITY, GEN BREAKER, HAGG301141P1	2.0
2410	FC-2-1B	OIL, HYDRAULIC, GEN BREAKER, HASV405272R10	4.0

Item	Bin	Description	Current Balance
2411	M-1-B5	PASTE, CONTACT, GEN BREAKER, HATM405593R2	2.0
2412	M-1-B5	GREASE, GEN BREAKER, ABB, HAGT556460R1	2.0
2413	M-1-B5	SWITCH, CONTROL, GEN BREAKER, 74202WT	1.0
2414	M-1-B5	SWITCH, LOCAL REMOTE, 5-DECK, GEN BREAKER, 24905B-2	1.0
2415	M-1-B6	SWITCH DISCONNECT, GEN BREAKER, 74202D	1.0
2416	M-1-B6	RELAY, 125VDC, 4-NO LO SPRING ENERGY, GEN BKR, D26MRD40A1	1.0
2417	M-1-B6	RELAY, LATCHING, 125VDC, 2-NO, GEN BKR, D26MRD202A1	1.0
2418	M-1-B6	RELAY, COIL, 125VDC, 2-NO, GEN BKR, D26MRD70A1	1.0
2419	M-1-B6	RELAY, COIL, 125VDC, 4-NO, CLOSE, GEN BKR, D26MRD601A1	1.0
2420	M-1-B6	RELAY, COIL, 125VDC, 4-NO, LO SF6 BLOCK TRIP, GEN BKR,	1.0
2421	M-1-B6	RELAY, COIL, 125VDC, 2-NO, ANTI-PUMP, GEN BKR, D26MRD20A1	2.0
2422	M-1-B5	SWITCH, DISCONNECT, 89 NEMA, REVERSING STARTER, GEN BKR,	1.0
2423	M-1-B6	KIT, FACTORY CONVERSION, 125VDC, GEN BKR, C335KD4A4	1.0
2424	M-1-B5	CONTACT, AUXILIARY, GEN BKR, C320KGT3	1.0
2425	M-1-B5	RELAY, TIME DELAY, 125VDC, PUMO EXCESS ALARM, GEN BKR	1.0
2426	M-1-B6	BREAKER, MINI, 2 POLE, 15A 500VDC, GEN BKR, S282UC-K16	1.0
2427	M-1-B6	BREAKER, MINI, 3 POLE, 10A 480VDC, 65KA IC, GEN BKR, S283-K10	1.0
2429	M-1-B6	BREAKER, MINI, 1 POLE, 20A 240VAC, GEN BKR, S271-K20	1.0
2432	M-1-B6	BREAKER, MINI, 3 POLE, 1A 480VDC, GEN BKR, S273-K1	1.0
2433	M-1-B6	BREAKER, MINI, 1 POLE, 1A 240VAC, GEN BKR, S271-K1	1.0
2436	M-1-B6	LENS, CLEAR, 125VDC, TYPE ET-16 LIGHT, GEN BKR,	1.0
2437	M-1-B6	STARTER, WITH OVERLOAD, 125VDC, GEN BKR, CR306S026DEA	1.0
2438	M-1-B6	BLOCK, ADDER N.O., GEN BKR, CR305X100D	1.0
2439	M-1-B6	OVERLOAD, GEN BKR, CR324C360A	1.0
2440	M-1-B6	HEATER, GEN BKR, CR123C630A	1.0
2441	M-1-B6	RELAY, UNDERVOLTAGE, 85-100VDC, 8 PIN SOCKET, GEN BKR	1.0
2443	M-1-B6	RESISTOR, 500 OHM, SET @ 43 OHM, GEN BKR, D50K50R	1.0
2444	M-1-B6	HEATER, 350W @ 240VAC, GEN BKR, 2766	1.0
2445	M-1-B6	BLOCK, 12 POINT TERMINAL, GEN BKR, CR151B2	1.0
2475	M-3-C3	SWITCH, DP, CONTROL OIL, POLISHING FILTER, W501F, PALL,	1.0
2476	M-3-C3	SWITCH, DP, CONTROL OIL, MAIN SYSTEM FILTER, W501F, PALL,	1.0
2481	W-2-T2	ELEMENT, EX RAKE T/C, W501F 1732D66 ITEM 005	5.0
2482	W-2-T1	ELEMENT, EX RAKE T/C, W501F 1732D66 ITEM 006	5.0
2483	W-2-T3	ELEMENT, EX RAKE T/C, W501F 1732D66 ITEM 007	5.0
2484	W-2-T4	ELEMENT, EX RAKE T/C, W501F 1732D66 ITEM 008	5.0
2485	W-2-T2	ELEMENT, EX RAKE T/C, W501F 1732D66 ITEM 009	5.0
2486	W-2-T1	ELEMENT, EX RAKE T/C, W501F 1732D66 ITEM 010	5.0
2487	W-2-T3	ELEMENT, EX RAKE T/C, W501F 1732D66 ITEM 011	5.0
2488	W-2-T4	ELEMENT, EX RAKE T/C, W501F 1732D66 ITEM 012	5.0
2609	M-1-D4	BRUSH, CARBON EXCITATION, W501F, SWPC, 895C638G01, NECC,	12.0
2686	M-2-B4	SEPARATOR ELEMENT, SULLAIR COMPRESSOR, 02250121-500	4.0
2687	M-1-B7	KIT, REPAIR FOR INLET VALVE, SULLAIR COMPRESSOR, 250019-451	2.0
2689	M-1-B7	KIT, REPAIR SPRINGS, SULLAIR COMPRESSOR, 250029-315	4.0
2690	M-1-B7	KIT, REPAIR FOR MPV, SULLAIR COMPRESSOR, 02250110-988	4.0
2691	M-1-B7	KIT, REPAIR CAP FOR MPV, SULLAIR COMPRESSOR, 02250046-397	2.0
2692	M-1-B7	KIT, REPAIR O-RING FOR MPV, SULLAIR COMPRESSOR, 826502-123	4.0
2693	M-1-B7	KIT, REPAIR PISTON FOR MPV, SULLAIR COMPRESSOR, 02250051-	4.0
2695	M-1-B7	KIT, REPAIR THERMAL VALVE 170 F, SULLAIR COMPRESSOR,	4.0
2696	M-4-D5-3A	KIT, REPAIR FOR PRESSURE REGULATOR, SULLAIR	3.0
2697	M-1-B7	KIT, REPAIR FOR BLOWDOWN VALVE, SULLAIR COMPRESSOR,	3.0
2698	M-4-D5-3B	KIT, REPAIR FOR SOLENOID VALVE, SULLAIR COMPRESSOR,	2.0
2699	M-1-B8	KIT, REPLACEMENT FOR SOLENOID VALVE COIL, SULLAIR	3.0
2700	M-1-B8	KIT, REPAIR FOR SOLENOID VALVE, SULLAIR COMPRESSOR,	3.0
2701	M-1-B8	KIT, REPLACEMENT FOR SOLENOID VALVE COIL, SULLAIR	3.0
2703	M-4-D5-3C	KIT, REPAIR FOR V-TYPE STRAINER, SULLAIR COMPRESSOR,	3.0
2704	M-1-B8	KIT, REPAIR FOR STEEL SHAFT SEAL, SULLAIR COMPRESSOR,	1.0
2705	M-2-B3	ELEMENT, SEPARATOR/TRAP, SULLAIR COMPRESSOR, 02250081-	1.0
2706	M-1-B8	KIT, REPAIR FOR AUTOMATIC DRAIN, SULLAIR COMPRESSOR,	2.0
2727	M-3-C1	ACTUATOR, PNEUMATIC, MECH.PKG. VENT LOUVERS, RUSKIN,	1.0
2729	M-1-D7	PROXIMITOR SENSOR, 3300 XL, 5MM, BENTLY NEVADA, 330180-50-	5.0
2730	M-1-D7	CABLE, EXTENSION, PROXIMITOR, 3300XL 8MM, BENTLY NEVADA,	3.0
2736	M-1-D8	PROBE, SEISMIC, BENTLY NEVADA, 74712-06-05-03-00	2.0
2772	M-4-G5-1B	COUPLING, TURNING GEAR MOTOR, W501F, FLENDER, BIPEX,	1.0
2773	M-4-G5-1B	INSERT, COUPLING, TURNING GEAR MOTOR, W501F, FLENDER,	3.0
2775	M-2-A3	FILTER, AIR, GENERATOR, COLLECTOR, EXPANDED METAL BACK	4.0
2779	M-4-A3-1A	TERMINAL BLOCK, THERMOCOUPLE, FLASHBACK, CERAMIC, 6 PT	3.0
2824	M-4-F1-2A	GASKET, IGNITOR, SWPC, 897C266001	3.0

Item	Bin	Description	Current Balance
2831	I-4-G1-M	HEATER,OVERLOAD,C-H,FH36,CHF36	3.0
2832	I-4-G1-M	HEATER,OVERLOAD,C-H,FH37,CHF37	3.0
2834	I-4-G1-M	HEATER,OVERLOAD,C-H,FH40,CHF40	3.0
2835	I-4-G1-M	HEATER,OVERLOAD,C-H,FH43,CHMFH43	3.0
2836	I-4-G1-M	HEATER,OVERLOAD,C-H,FH45,CHMFH45	3.0
2837	I-4-G1-M	HEATER,OVERLOAD,C-H,FH52,CHMFH52	3.0
2838	I-4-G1-M	HEATER,OVERLOAD,C-H,FH78,CHF78	3.0
2839	I-4-G1-M	HEATER,OVERLOAD,C-H,FH79,CHF79	3.0
2840	I-4-G1-N	HEATER,OVERLOAD,C-H,FH80,CHMFH80	3.0
2841	I-4-G1-N	HEATER,OVERLOAD,C-H,FH82,CHF82	3.0
2892	W-3-B6	FILTER, ELEMENT, LUBE OIL MIST ELIMINATOR, DOLLINGER	6.0
2901	W-3-A6	AIR FILTER,ELECTRIC PKG, 20 X 30 X 2	32.0
2901	M-3-A14	AIR FILTER,ELECTRIC PKG, 20 X 30 X 2	6.0
2903	W-3-A5	AIR FILTER,EXCITATION LKG, 16 X 30 X 1	32.0
2940	M-3-C9	BREAKER, 600V, 125A, 3 POLE, CUTLER-HAMMER, HFD3125L	1.0
2941	M-3-B11	BREAKER, 600V, 100A, 3 POLE, HFD3100LF	1.0
2944	M-3-C10	DETECTOR, IONIZATION HEADS MODEL #67-1033	4.0
2945	M-3-C10	DETECTOR, PHOTOELECTRIC HEADS,FIKE,SMOKE, MODEL #63-1024	5.0
3140	M-4-A4-4C	CAPACITOR, 1000 F, IC, EL-1000 F 25V	2.0
3141	I-1-B	CAPACITOR, 20 F/600 VP, RONKIN, 86D79206K80B	2.0
3142	I-1-B	CAPACITOR, 200 V 10000 MF, NIPPON, U36D200LG 103M63	4.0
3143	M-4-A4-4C	DIODE, IDI, 5AMP, 200V, 1N5624	2.0
3145	I-1-B	BOARD, OSCILLATOR & SYNCHRONIZATION, CPI, C426F-60HZ	1.0
3153	I-1-B	RELAY, HIGH/LOW AC SENSING, CPI, C175A (120VAC)	2.0
3155	M-4-A4-4C	DIODE, ZENER, 18 V, 5%, 10 W, CPI, 1N2982	2.0
3157	M-4-A4-3D	REGULATOR, GATE DRIVER, CPI, C155D	1.0
3159	M-4-A4-2C	RECTIFIER, SILICON CONTROL, SCR, 1 6, 150A, 400V, NL, C180D	1.0
3160	M-4-A4-4C	RESISTOR, 20 OHM, 1 W, OHMITE, 20-1W	2.0
3161	M-4-A4-4C	RESISTOR, 10 KOHMS, 5 W, CLARO, WWW-10K-5W	2.0
3167	M-4-A4-2B	DIODE, 150A, 200V, NL, S4320	3.0
3168	I-1-B	BOARD, SCR DRIVER, 3 PHASE, CPI, C140F	1.0
3174	M-4-A4-2D	CAPACITOR, 10000 UF, SAMWHA, 200VV-10000UF	1.0
3177	M-4-D5-1D	VALVE, SAFETY RELIEF, 250 PSI, TURBINE KIT, INST AIR	4.0
3200	W-3-C8	THERMOCOUPLE ASSY, NO WELL, PYCO, ROTOR AIR RETURN,	3.0
3229	M-3-C9	VALVE, AUTOMATIC SOLENOID DRAIN, SD11	1.0
3237	M-4-D5-1D	VALVE, SAFETY, AIR COMP 80 PSIG, 72062185	3.0
330004	M-4-A1-2A	REPAIR KIT, 1/2 PBV BALL VALVE, C-5333-39-2236-ML-NL	1.0
330005	M-4-A1-2A	REPAIR KIT, 3/4" PBV BALL VALVE, C-5333-39-2236-ML-NL	5.0
330006	M-4-A1-2A	REPAIR KIT, 1" PBV BALL VALVE, C-5333-39-2236-ML-NL	2.0
330007	M-4-A1-2A	REPAIR KIT, 2" PBV BALL VALVE, C-5333-39-2236-ML-NL	3.0
330008	M-4-A1-2A	REPAIR KIT, 2" PBV BALL VALVE, C-5410-31-2236-GL-NL	1.0
330009	W-3-C3	REPAIR KIT, 12 PBV BALL VALVE, C-6730-70-2200-GV-NG	1.0
330010	W-3-C3	REPAIR KIT, 8" PBV BALL VALVE, C-6730-71-2200-GV-NG	1.0
330011	W-3-C3	REPAIR KIT, 8" PBV BALL VALVE, C-6760-31-2200-NV-NG	1.0
330012	M-4-C4-2A	PACKING, RP AND C VALVE, 1 EF57D D031400	10.0
330014	M-4-C4-2A	PACKING, RP AND C VALVE, 3/4 EF57D D031500	10.0
330016	M-4-C4-2A	PACKING, RP AND C VALVE, 1/2 S81A, D031700	10.0
330018	M-4-C4-2A	PACKING, RP AND C VALVE, 2 ES57A, D034700	5.0
330019	M-4-C4-2B	GASKET, RP AND C VALVE, 1/2 S81A, D036000	5.0
330020	M-4-C4-2B	GASKET, RP AND C VALVE, 3/4 S81A, D036000	5.0
330021	M-4-C4-2B	GASKET, RP AND C VALVE, 3/4 EF57D, D036000	5.0
330022	M-4-C4-2B	GASKET, RP AND C VALVE, 3/4 ES57A, D036000	5.0
330023	M-4-C4-2B	GASKET, RP AND C VALVE, 3/4 F81D, D036000	5.0
330024	M-4-C4-2B	GASKET, RP AND C VALVE, 1 EF57D, D036100	7.0
330025	M-4-C4-2B	GASKET, RP AND C VALVE, 1 ES57A, D036100	7.0
330026	M-4-C4-2B	GASKET, RP AND C VALVE, 2 F99A, D036300	5.0
330027	M-4-C4-2B	GASKET, RP AND C VALVE, 2 ES57A, D036300	5.0
330030	M-4-C4-3B	GASKET, 3" DSI 37XUF	1.0
330031	M-4-C4-3A	PACKING, 4" DSI 37XUF	1.0
330032	M-4-C4-2C	GASKET, 4" DSI 37XUF	1.0
330033	M-4-C4-3A	PACKING, 8" DSI 37XUF	1.0
330034	M-4-C4-2C	GASKET, 8" DSI 37XUF	1.0
330035	M-4-C4-2C	MAXP2GASKET, 3" DSI 37XUF	1.0
330036	M-1-A5	REPAIR KIT, 4" PBV BALL VALVE, C-6760-31-2236-NV-NG	1.0
330038	M-4-C4-3A	PACKING, VALVE STEM, 3", FAIRBANKS, 0403	4.0
330041	M-4-B4-2C	O-RING, 1" OD, .625" ID, VITON, 28500002	3.0
330042	M-4-B4-4D	FILTER, DISC, 3 215" X 25", 7 5 MICRO METER, ALU OXIDE, CISCO,	3.0

Item	Bin	Description	Current Balance
330043	M-4-B4-2A	GASKET, SET, PROBE, LOW TEMP, VITON, CISCO, 28500084-2	1.0
330044	M-1-C3	SCRUBBER, NH3, CISCO, 83000018	2.0
330045	M-3-A4	ASSEMBLY, CONVERTER, NH3, CISCO, 83000017	2.0
330047	M-4-B4-3A	KIT, REBUILD, GH10XT2230X (81000001), CISCO, 81000004	1.0
330048	M-1-C4	KIT, DESICCANT TOWER, 6", SET OF 2, CISCO, 83005004-2	3.0
330049	M-1-C3	ELEMENT, DRYER, MEMBRANE, 50 TUBE 24", CISCO, 83000034-1	2.0
330050	M-4-B4-3C	VALVE, NEEDLE, SS, .09 CV, .08 ORFICIE, CISCO, 82010004	1.0
330051	M-1-C4	REGULATOR, PRESSURE RED, BRASS, 0-25 PSI, CISCO, 81000003-3	1.0
330052	M-1-C4	VALVE, SOL, NC, 1/2" NPT, 15MM ORIFICE, 5 5 CV, CISCO, 82020046	1.0
330053	M-1-C4	REGULATOR, PRESSURE, 0-25 PSI, CISCO, 81000011-3	1.0
330054	M-1-C4	FLOWMETER, PM, AL, VALVE, 1-10 L/MIN, CISCO, 82000005-7	1.0
330055	M-3-B10	RELAY, SOLID STATE, 10A, WITH HEAT SINK, CISCO, 45000023	1.0
330056	M-1-B3	LINKE, COUPLER, PLC, CISCO, 22000026-7	1.0
330057	M-1-C4	CONTROLLER, TEMP, 0-2500 DEG F, "K", COOL, CISCO, 53002011-1	1.0
330058	M-1-B3	MODULE, ANALOG CURRENT, OUTPUT, CISCO, 22000026-33	1.0
330059	M-1-B3	MODULE, ANALOG, INPUT, 8 CHANNEL, CISCO, 22000026-42	1.0
330060	M-1-D3	PUMP, DUAL, ALUM, TEF COAT, TEF DIAPHRAM, CISCO, 81010020	1.0
330061	M-1-B3	PROCESSOR, PLC, SLC, 5/03, 16K MEMORY, CISCO, 22000026-22	1.0
330062	M-1-C3	CARD, INTERFACE, DATA HYWY DH485 RS23, CISCO, 19000017	1.0
330063	W-3-D5	ASSEMBLY, REFRIGERATION UNIT, DUAL TRAP, CISCO, 83000008	1.0
330064	M-3-C10	DETECTOR, SMOKE, PHOTOELECTRIC, 24 VCE, 4W, CISCO,	2.0
330065	M-1-C4	CONVERTER, ISO, 4-20 MA IN, 4-20 MA OUT, CISCO, 11000021	1.0
330066	M-1-B3	TERMINAL, OPERATOR INTERFACE, CISCO, 22000028-1	1.0
330067	M-2-C1	ANALYZER, NO/NOX 10/25/100/250, 951C, CISCO, 85000045	1.0
330068	M-2-C2	ANALYZER, NOX, 951C REMOVE, RANGE, CISCO, 85000103-100	1.0
330069	M-3-C6	ANALYZER, 0-50/1000 CO, 0-25%/100% O2, CISCO, 85000095	1.0
330070	W-3-B5	FILTER, ELEMENT, FUEL GAS, ANDERSON SEPARATOR, AJFG-436	44.0
3390	M-3-D11	TRANSDUCER, LINEAR, VALVE, ACTUATOR, FUEL GAS, A/B STAGE,	1.0
3391	M-3-D11	TRANSDUCER, LINEAR, VALVE, ACTUATOR, FUEL GAS, PILOT/C	1.0
340000	M-4-A4-3A	PUSH BUTTON, NO POS, PB1, 2, 4001	2.0
340001	M-3-D1	INDUCTOR, L1, 120VDC, 100AMP, 9857	1.0
340002	I-1-B	TRANSFORMER, CURRENT, CT3, 013125A/10VAC	1.0
340003	M-3-B5	TRANSFORMER, CURRENT, CT2, 100:51T	1.0
340004	M-4-D4-1D	RESISTOR, 100-100W, R28, 100-100W	2.0
340005	M-4-A4-4C	SNUB RESIS, 120V INV, R8,9, 10-5W	2.0
340006	W-3-D6	INDUCTOR, 120VDC, 250AMP, 10726A	1.0
340007	I-4-G1-G	LED, SOCKET/NUT, LED1-4, 11030/11937	6.0
340008	M-4-A4-3C	TERMINAL BLOCK, TBS, 1-140	1.0
340009	M-4-B5-3B	RELAY, RLY4, 120VAC/2POLE	2.0
340010	M-4-B5-3B	RELAY, RLY10,11,16, 120VAC/4POLE	2.0
340011	M-4-B5-3B	RELAY, RLY5, 120VDC/4POLE	2.0
340012	M-4-B5-3B	RELAY, RLY 12, 125VDC/2POLE	2.0
340013	M-4-B5-3B	RELAY, RLY13,14, 125VDC/4POLE	2.0
340014	M-4-D4-1D	TRANSFORMER, CURENT, CT1, 150:51T	1.0
340015	M-4-A4-4D	METER SHUNT, MS1, 150-A 50MV	1.0
340016	I-1-B	TERMINAL BLOCK, 225AMP, TB2, TB2A, 2-0	2.0
340017	M-4-A4-3C	TERMINAL BLOCK, 15AMP, TB3, 24-140	1.0
340018	M-4-D4-1D	IV POWER SUPPLY RES, R7, 250-100W	1.0
340019	M-4-A4-4C	120V INV SCR G RESIS, R10,11, 25-5W	2.0
340020	M-3-B5	AC AMPMETER, 0-150A, SO, M4, 261340LSPZ	1.0
340021	M-3-B5	AC VOLTMETER, 0-150V, M3, 261344PZPZ	1.0
340022	M-3-B5	FREQ METER, 120V, 60HZ, M5, 261350ANAN	1.0
340023	I-1-B	TERMINAL BLOCK, 225AMP, TB4,5, 2-L	1.0
340024	M-4-A4-3C	TERMINAL BLOCK, 15AMP, TB6, 3-140	1.0
340025	M-4-A4-3C	TERMINAL BLOCK, 40AMP, TB1, 3-150	1.0
340026	M-3-D9	MOTOR, FAN, 1/6HP, 1075RPM, 3M8821115VAC	1.0
340027	M-4-A4-3A	PUSH BUTTON, NO POS, PB3-6, 4001	2.0
340028	I-4-G1-E	LED, AMBER, LED3, 4305H7	10.0
340029	I-1-B	HEAT SINK, 1.3C/W, SCR 7, 8, 4554-14"	1.0
340030	I-1-B	HEAT SINK, 1 3C/W, SCR 7, 8, 4554-6"	1.0
340031	I-1-B	HEATSINK, SCR, 50-125W, SCR1-6, 476K	1.0
340032	I-1-B	HEATSINK, 50-125W, D1 & D2, 476K	2.0
340033	I-1-B	HEATSINK, 50-125W, SCR9-12, 476K	1.0
340034	M-4-A4-4C	SNUBBER CAP, 1V120SCR, C3,4, 47F-600V, 47F-600V	2.0
340035	M-4-A4-2A	POTENTIOMETER AND LOCK NUT, 7286R10KL25	2.0
340037	M-4-A4-2A	TOGGLE SWITCH, SW1, 8381K108	1.0
340038	M-4-A4-2A	PUSH BUTTON, BIG 2, NO POLES, PB7ABW120	1.0

Item	Bin	Description	Current Balance
340039	W-3-D6	TRANSFORMER, 3-80-100-208, XFI, AX099	1.0
340043	M-4-A4-4A	DC VOLTAGE SENSING, RLY6,7, C167-120V	1.0
340044	I-1-B	CHARGER CONTROL, 6 SCR, PC1, C179-120V	1.0
340045	I-1-B	SCR 1.6, 150A, 400V, SCR1-6, C180N	8.0
340047	I-1-B	STATIC SWITCH, PCB W/PIGGY BACK, PC4C249B	1.0
340048	M-4-A4-4D	SCR 192AMP@102C 400V, SCR7,8, C385D(T0200AB)	2.0
340049	M-4-A4-4A	POWER SUP CHOKE, IV120, CH1,2,C40X	1.0
340050	I-1-B	SCR GATE DRIVER, PC3, C416B	1.0
340051	M-4-A4-4B	TRANSFORMERS, XF3,4, DSW-4-24	2.0
340053	M-3-B5	BREAKER, 3P/35AT, ED43B035	1.0
340054	M-4-A4-4C	GATE, SCR, 1V120, FD-0 1F-50V	2.0
340055	M-3-B5	BREAKER, 2P/150AT, FD62B150	1.0
340056	M-3-B5	BREAKER, 2P/150AT, FXD62B150	1.0
340057	M-3-B5	BREAKER, 2P/125AT, ED42B125	1.0
340059	I-1-B	FAN, 6 INCH, FAN3, OA172SAP-11-1TB	1.0
340060	M-3-B5	SHUNT TRIP, 125VDC, S11FD60	1.0
340061	M-4-A4-4C	RESISTOR, 120VDC, WW-20K-10W	2.0
340062	W-3-D7	TRANSFORMER, FERRORESONANT, XF2, Z3306	1.0
340063	M-4-C4-1A	STEM SEAL, 0300BDY, DFDZF-TFE, 4000750	1.0
340064	M-4-C4-1A	STEM SEAL, 3 AND 4" A AFS, 004013250	2.0
340065	M-4-C4-1A	RING, COMPRESSION, 006038830	1.0
340066	M-4-C4-1A	BEARING, THRUST MOD C, 4" 815W, 006-0845-36	2.0
340067	M-4-C3-1C	BEARING, THRUST NYLON, 006-1019-53	2.0
340068	M-1-B1	DIAPHRAGM, RETAINER, CARBON STEEL, 018012222	1.0
340069	M-1-B1	DIAPHRAGM, BUNA-N DACRON, 020009698	1.0
340070	M-4-C3-1B	VENT, RELIEF RUBBER, 04508665	1.0
340071	M-4-C3-1B	RING, RET, STAINLESS STEEL, 067-0101-41	1.0
340072	M-4-C3-1A	RING, RET, 67016530	1.0
340073	M-4-C3-1A	STEM, AF 3+4" AF S/A, 103-0001-36	1.0
340074	M-1-B2	BALL, 3-WAY BODY, 3" AM150FD, 001 0449 36	1.0
340076	M-4-C3-1B	RING, RET, 0300+4", W-SS, 067-0186-2A	1.0
340077	M-1-B1	KIT, REPAIR, EXISTING 4" 815L-11-3600-TT, RK10359TTRK10359TT	2.0
340078	M-1-B1	KIT, REPAIR, EXISTING 3" AM150FD3600MT, RKA75MTRKA75MT	1.0
340079	M-3-C10	TRANSFORMER, 0005-10095	1.0
340080	M-4-B5-1D	PILOT LIGHT, AMBER, 0025-00598, 0014-00598	1.0
340081	M-4-B5-2D	CONTACT BLOCK, 1NO, 0017-10086	1.0
340082	M-4-B5-1D	SELECTOR SWITCH, 0017-30033	1.0
340085	I-4-C1-S	FUSE, JJS-80, 600V, 0024-03009	1.0
340086	I-4-C1-U	FUSE, JJS-175 600V, 0024-03101	6.0
340087	M-3-D10	CONTACTOR, 3 POLE, 150AMP, 0025-15212	1.0
340088	M-1-D3	GASKET, COMPOSITION, 14"-150#, 132-017222-013	1.0
340089	M-1-D3	GASKET, TERMINAL HOUSING, 132-050-747-001	1.0
340090	M-3-B8	CONTROLLER, TEMPERATURE, HEATER, CHROMALOX, 2104-T0100	1.0
340093	M-4-B1-2A	VALVE, SOLENOID, 904276904276	1.0
340094	M-4-B1-2A	FUSE, OVEN CUT-OFF, 904292904292	4.0
340095	M-4-D4-3A	SWITCH, C SERIES SNAP, MAGNETROL, 89-7101-022	1.0
340096	M-4-C3-2D	INDICATOR, AIR FILTER GROUP, 750687750687	1.0
340097	M-1-C2	RAIN CAP EXHAUST GROUP, 957148957148	1.0
340098	M-4-C3-3B	REGULATOR - WATER TEMPERATURE, 111-8010	1.0
340099	M-1-C1	THERMOSTAT JW HEATER, 127-6260	1.0
340100	M-1-C2	OIL PAN GASKET, 169-4199	1.0
340101	M-1-C1	FILTER, OIL, CATERPILLAR, 1R0739	3.0
340102	M-1-C1	FILTER, FUEL, CATERPILLAR, EMERGENCY GENERATOR, 1R0750	3.0
340103	M-4-C3-2B	PLUG OIL PAN, 2A3852	2.0
340104	M-1-C1	CRANK CASE BREATHER, 2W9162	1.0
340105	M-4-C3-3C	GREASE FITTING-FAN DRIVE, 3B8489	1.0
340106	M-4-C3-3B	RELAY CONTROL GROUP, 3E9362	2.0
340107	M-4-C3-2A	LAMP (MINIATURE) PANEL GROUP, 3N5719	2.0
340108	M-2-C3	ELEMENT AIR CLEANER, , 4L98524L9852	1.0
340109	M-4-C3-3C	LAMP (RED) PANEL GROUP, , 5N54995N5499	1.0
340110	M-4-C3-2D	LAMP (GREEN) PANEL GROUP, , 5N55015N5501	1.0
340112	M-1-C2	RADIATOR HOSE, , 5P12625P1262	1.0
340113	M-4-C3-2D	RADIATOR CAP, , 6L86176L8617	1.0
340114	M-4-C3-3A	OIL FILTER CAP, , 6N29856N2985	1.0
340115	M-4-C3-2C	LAMP PANEL GROUP, 7G97307G9730	2.0
340116	M-4-C3-2A	LAMP PANEL GROUP (28VOLT), 7N58767N5876	3.0
340117	M-4-C3-3C	DUST CAP - OIL FILTER BASE GROUP, 8C3445	1.0

Item	Bin	Description	Current Balance
340118	M-4-C3-2A	FUSE, 1 AMP, EMCP CONTROL, 8K4644	10.0
340119	M-1-C1	V BELT SET, 8L4526	1.0
340120	M-4-C3-2C	FUSE, 12AMP VOLTAGE REGULATOR, 9Y8419	2.0
340121	M-3-B8	NOTIFIER AUTOMATIC FIRE ALARM: IONAZATION DETECTORS1400	1.0
340122	M-3-B8	ALTERNATING PANEL (ONE PWR) TRANSFORMER, 014-P-104	1.0
340123	M-4-A5-4A	ALTERNATING PANEL (ONE PWR) RELAY 4PDT, 014-P-175	1.0
340124	M-4-A5-4A	ALTERNATING PANEL (ONE PWR) RELAY DPDT,014-P-465	1.0
340125	M-4-B5-3C	ALTERNATING PANEL (ONE PWR) DELAY TIMER, 014-P-533	1.0
340129	M-3-A8	RELAY, CURRENT DIF, TYPE SEL-587, 5 OUTPUT, 2 INPUT	1.0
340130	M-4-A5-3A	CONTACTOR, 18A, 600VAC, 3POLE, 100C23D10	1.0
340131	W-3-D8	TRANSFORMER, MODEL 143, 50:5A RATIO C20 RELAY, WIN 7.31",	1.0
340132	M-3-B9	TIMER, 120VAC, 0 1 TO 10 SEC DELAY, PLUG-IN TYPE OCTAL	1.0
340133	M-3-C9	SWITCH, BREAKER CONTROL, SERIES 24,PISTOL GRIP; CLOSE, &	1.0
340134	M-3-B10	CURRENT TRANSFORMER, TYPE 365, 4000/5 RATION365-402	1.0
340135	M-3-B8	BREAKER, 15A, 2 POLE, TYPE HFD, , 3P15A	1.0
340138	M-3-A9	TRANSFORMER, 120/120V AC,150VA @30 DEG C 460-120	1.0
340139	M-3-B8	TRANSFORMERS, 480V PRI, 120V SEC, MODEL 460, OPEN DELTA,	1.0
340140	M-3-B9	CURRENT TRANSFORMER, MODEL 5, 50/5 RATIO 5SFT500,	1.0
340141	M-4-A5-1D	TIMER, 120 VAC, 1 TO 10 SEC DELAY, PLUG-IN TYPE OCTAL BASE,	1.0
340142	M-4-A5-2C	KIT, CONTACT, SZ 1 AND 2, , 3P6-65-2	1.0
340143	M-4-A5-1C	KIT, CONTACT, SZ 2, , 3P6-65-8	1.0
340144	M-4-B5-1D	RELAY, 120VAC, 11 PIN, 3PDT, 700-HA33A1	1.0
340145	M-4-B5-1C	RELAY, 120VAC, 60HZ, 4 FORM "C" 5A RATED CONTACT, 700-HC24A1	1.0
340146	M-4-A5-4C	8 PIN PLUG - IN BASE, PANEL OR DIN RAIL MOUNT, 700-HN125	1.0
340147	M-3-A10	TRANSFORMER, MODEL 780, 2000:5A RATIO, C200 RELAY, 780-202	1.0
340148	M-3-C9	SWITCH, LOCK-OUT RELAY, SERIES 24, 5 DECK, 125VDC COIL,	1.0
340149	M-3-C8	TRANSFORMER, MODEL 785, 500:5A RATIO, C100 RELAY CLASS785-	1.0
340150	M-4-A5-1B	PUSHBUTTON, 800T, BLACK, WITH 1N O -1N C CONTACT 800T-A2A	1.0
340151	M-4-A5-2D	SWITCH, SELECTOR, 2 POSITION WITH 1 N O.-1 N C CONT A800T-	1.0
340152	M-4-A5-1A	PILOT LIGHT, 120 VAC TRANSFORMER TYPE, GREEN LENS, 800T-	1.0
340153	M-4-A5-2A	PILOT LIGHT, 120 VAC TRANSFORMER TYPE, RED LENS, 800T-P16R	1.0
340154	M-4-A5-2A	COIL, CONTACTOR, SZ 1/2 120V 3P9-2703-1	1.0
340156	M-3-B8	STARTER, 120V, SIZE 2, AN16GN0AB	1.0
340162	M-4-C5-4A	20 AMP, 1 POLE BRANCH CIRCUIT BREAKERS, TYPE BABBAB1020	4.0
340163	M-4-C5-4C	BREAKER, 30A, 1 POLE, TYPE BAB1030	2.0
340164	M-4-C5-3D	BREAKER, 20A, 2 POLE, TYPE BAB2020	3.0
340165	M-1-A11	RELAY, GROUND FAULT, GSU, TYPE BE1-59	1.0
340166	M-3-B9	RELAY, SYNC CHECK, 120VAC INPUT, 60HZ, SWPC AUX0001832,	1.0
340167	M-4-A5-3B	INTERLOCK, 2NO/2NC, C320KGT15	1.0
340168	W-3-D8	TRANSFORMER, 2 KVA, 4160V PRI-120/240V SEC34 7:1 CPT3-60-2-	1.0
340169	M-4-A5-3C	LIGHT, 120VAC, 30MM, GREEN LENS TRANSFORMER,	1.0
340170	M-4-C5-2D	LIGHT, 120VAC, 30MM, RED LENS TRANSFORMER,	1.0
340172	M-3-B10	BREAKER, 40A, 2 POLE, TYPE GHB2040	2.0
340173	M-3-B10	BREAKER, 15A, 2 POLE, TYPE GHB2015	1.0
340174	M-3-B10	BREAKER, 20A, 2 POLE, TYPE GHB2020	1.0
340176	M-4-B5-1A	NOTIFIER AUTOMATIC FIRE ALARM: THERMAL DETECTORHD-601	1.0
340178	M-3-B9	BREAKER, 20A, 3 POLE, THERMAL, MAGHFD3020	2.0
340179	M-3-A9	TERMINAL BLOCK, MODEL 1KU, 12 POLE IKU12C	3.0
340181	M-3-B8	TERMINAL BLOCK, NON-SHORTING, 600V, RANGE 18-10 AWG, 2	3.0
340182	M-3-B10	TERMINAL BLOCKS, MODEL 1KU, 4 POLE IKU4C	1.0
340183	M-3-C8	TERMINAL BLOCK, SHORTING TYPE, 600V, RANGE 18-10 AWG, 4	2.0
340184	M-3-B9	TRIP HKD 350AKT350T	1.0
340185	M-4-A5-4D	CONTACT, BLOCK, C-2000 RELAY, 2 NO/2NC CONTACT- A600,	1.0
340186	M-4-B5-2A	RELAY, CONTROL, C-2000 MINI TYPE, 4 NO, A600 RATED, 120VAC,	1.0
340187	M-4-C5-1C	LIGHT, SWITCHBOARD, AMBER, 125VDC, 16MM, 2000 OHM	1.0
340188	M-4-C5-1C	LIGHT, SWITCHBOARD, BLUE, 125VDC, 16MM, 2000 OHM RESISTOR	1.0
340189	M-4-C5-1B	LIGHT, SWITCHBOARD, GREEN, 125VDC, 16MM, 2000 OHM	1.0
340190	M-4-C5-1A	LIGHT, SWITCHBOARD, RED, 125VDC, 16MM, 2000 OHM RESISTOR	1.0
340191	M-4-C5-1B	LIGHT, SWITCHBOARD, 125 VDC, GREEN LENS AND LED,	1.0
340192	M-4-C5-1A	LIGHT, SWITCHBOARD, 125 VDC RED LENS AND LED, MRL125DL48-	1.0
340193	M-4-C5-1A	LIGHT, SWITCHBOARD, RED, 125VDC, 16MM, RESISTOR,	1.0
340194	W-3-D8	TRANSFORMER, 4200:120V, 35:1 RATIO, 500VA AT 55 C WITH (2) 10E	1.0
340196	M-4-C5-4B	HOLDER, FUSE, 600VAC/300VDC, 30A, USCC11	2.0
340197	M-4-C5-3C	HOLDER, FUSE, 600VAC/300VDC, 30A, 2 POLE, USCC21	1.0
340198	M-4-C5-4D	HOLDER, FUSE, 600VAC/300VDC, 30A, USM11	5.0
340199	W-3-D8	TRANSFORMER, 30KVA, 480V PRI, 208/120V SEC, TYPEDT-3,	1.0
340200	W-3-D8	TRANSFORMER, 45KVA, 480V PRI, 208/120V SEC, TYPE DT-3,	1.0

Item	Bin	Description	Current Balance
340201	W-3-D8	TRANSFORMER, 15KVA, 480V PRI, 208/120V SEC, TYPE	1.0
340202	M-4-C5-3B	INTERLOCK, 1NC, C320KGS2	1.0
340474	M-4-B3-2B	GASKET, 2" 60,3MM, LUBE OIL VAPOR RETURN PIPING AT	1.0
3420605	M-3-B8	RELAY, SEAL IN, 909-200-01	1.0
350000	M-4-A1-3A	SPRING, SERVICE H2O REG VLV, DLPM-12-015-10368/A, HBE ENG	1.0
350001	M-4-A1-3A	SEAL, SERVICE H2O REG VLV, DLPM-12-015-10368/A, HBE ENG.	1.0
350002	M-4-A1-3A	PRESS RING, SERVICE H2O REG VLV, DLPM-12-015-10368/A, HBE	1.0
350003	M-4-A1-3A	DAMPENING VALVE, SERVICE H2O REG VLV, DLPM-12-015-10368/A,	1.0
350004	M-4-A1-3A	SLIDE RING, SERVICE H2O REG VLV, DLPM-12-015-10368/A, HBE	1.0
350005	M-4-A1-3A	SEAL, DEMIN H2O, DLPM-08-015-10358/B, HBE ENGINEERING	1.0
350006	M-4-A1-3A	SPRING, DEMIN H2O, DLPM-08-015-10358/B, HBE ENGINEERING	1.0
350007	M-3-B6	ELEMENT, UV, CLASS 1 DIV 2, HONEYWELL, C7012F1052	1.0
350008	M-3-D11	VALVE, RED HAT, SOLENOID, 120 VAC, EF8215G53, EF8215C53	1.0
350010	M-1-C8	REGULATOR, AIR, 5 TO 150 PSIG, 1/2" PIPE SIZE, R74G-4AT-RMG,	4.0
350011	M-1-C8	BRACKET, MOUNTING, FILTER/REGULATOR, 4324-50, P/N 4910K98	4.0
350012	M-3-D11	SWITCH, PRESSURE, FUEL GAS, MYERS, 646GZEM1	2.0
350014	M-3-B9	SWITCH, 4"-1 6" WC, DWYER, 1950-1	1.0
350015	M-3-B5	METER, FLOW, 500 SCFM - 7000 SCFH, HALLIBURTON, 100003398/1	1.0
350017	M-3-B7	REGULATOR, PRES REDUCING, 3-20 PSI, SET AT 5, FISHER, 64-26	1.0
350018	M-3-D11	SWITCH, LVL, 1-1/2" GUAGE CONN, LINC, L471-01-017/ 700-01-01	1.0
350021	M-3-B6	HOSE, FLEXIABLE, 6" AIR PIPE 6" LONG WITH 2 SS HOSE CLAMPS,	1.0
350023	M-3-B7	SWITCH, HIGH BATH TEMP, 100-300 DEG F, 3/4" PROCESS	1.0
350025	M-1-C11	REGULATOR, PRESS, 1/4" NPT END CONN STD TRIM SPRING 5-35	1.0
350026	M-3-B9	SWITCH, PROXIMITY, MAGNUM, SILVER BULLET	1.0
350027	M-3-D11	TRANSDUCER, 4-20 MA INPUT AT 3-15 PSI, ROSEMOUNT, 846	1.0
350030	M-4-D5-1A	G755 6.3V .15A T3-1/4 MIN BAY LAMP,	10.0
350031	M-4-A5-4B	PILOT HEAD, RED, SQ D, ZB2BV04	1.0
350032	M-4-A5-4B	PILOT HEAD, AMBER, SQ D, ZB2BV05	1.0
350033	M-4-A5-4B	PILOT HEAD, WHITE, LIGHT, SQ D, ZB2BV01	1.0
350034	M-3-B7	BREAKER, SP-120V-10A, SQ D, QOU110	1.0
350035	M-3-B7	DWYER, # 16A2055-926, , 16A2055-926,	1.0
350036	M-3-B7	CONTROLLER, TEMP, DWYER, 16A2055-934	1.0
350037	M-3-C8	SWITCH, FLAME, 120V 50/60 HZ PRI, HONEYWELL, RM7823A1016	1.0
350038	M-3-B9	TIMER, 3 SEC FLAME FAILURE RESPONSE, HONEYWELL,	1.0
350039	M-3-B9	DISPLAY, KEYBOARD, HONEYWELL, S7800A1001	1.0
350040	M-3-B6	POWER SUPPLY, PLC, G.E., IC693PWR321	1.0
350041	M-3-B6	CARD, PLC INPUT, G E , IC693MDL645	1.0
350042	M-3-B6	CARD, PLC OUTPUT, G.E., IC693MDL930	1.0
350043	M-3-D11	HEATER, ENCLOSURE, HOFFMAN, DAH2001A	1.0
350044	M-4-D5-1A	TIMER, WATCHING, BRENTEK, WDT24DT64	1.0
350045	M-3-B7	SPARK IGNITOR PART OF BR-100, ECLIPSE, 11941	1.0
350046	M-4-G4-1A	BEARING, BALL SKF 5306 AC3, 8049-30600	2.0
350047	M-4-B4-1A	LOCKNUT, BRG SKF N-06, 8601-0006	1.0
350048	M-4-G4-1A	BEARING, BALL SKF 6207, 8050-20760	2.0
350049	M-4-B4-1A	SEAL LABY, INBOARD, D08717A02 6241	1.0
350050	M-1-B2	GASKET CASING, 70782-81 5127	1.0
350051	M-4-B4-1A	RING, RTNG, 58101 281	1.0
350052	M-4-B4-1A	LOCKWSHR, BRG SKF W-6, 8910-0006	1.0
350053	M-4-B4-1A	KEY, SQUARE END, 49568 61 2213	1.0
350054	M-4-B4-1A	O-RING AS568-23, C02495A23 6359	1.0
350055	M-4-B4-1A	O-RING AS568-236, C02495A23 65302	1.0
350056	M-4-B4-1A	O-RING AS568-20, C02495A20 5304	1.0
350057	M-4-B4-1A	O-RING AS568-24, C02495A24 5304	1.0
350058	M-4-B4-1A	O-RING AS568-220, C02495A220 5304	1.0
350059	M-4-B4-1A	O-RING, C02495A146 5304	1.0
350060	M-1-B2	KIT, MAINTENANCE SEAL ST, R1986-MKS6	1.0
350061	I-1-A	SMART TRANSMITTER ELETRONICS, HP & GP & AP, 01151-0946-	3.0
350062	M-3-D9	TRANSMITTER, LEVEL, AC CONTROLS, SON51K-U-D-B-X-N-N	1.0
350063	M-3-D9	TRANSMITTER, METER, COND, AC CONTROLS, APT2000CC-H-00-	1.0
350064	M-4-C3-3D	SINTERED SST FILTER KIT, AC CONTROLS, H411314-40151	1.0
350065	I-1-A	SENSOR, AIR HDR MOISTURE, AC CONTROLS, H411314-40194	1.0
350066	I-1-C	CALIBRATION KIT, AC CONTROLS, H411314-L0001	1.0
350067	M-3-C7	TRANSMITTER, RANGE 4AP (11 IN HGA), 316L SST, 01151-0054-0042	1.0
350068	M-3-C7	TRANSMITTER, RANGE 5HP (750 IN H2O), 316L SST, 01151-0112-	1.0
350069	M-3-C7	TRANSMITTER, RANGE 3DP (30 IN H2O), 316L SST, 01151-0230-0032	1.0
350070	M-3-C7	TRANSMITTER, RANGE 4DP, GP (150 IN H2O), 316L SST, 01151-0230-	1.0
350071	M-3-C7	TRANSMITTER, RANGE 5DP, GP (750 IN H2O), 316L SST, 01151-0230-	1.0

Item	Bin	Description	Current Balance
350072	M-3-C7	TRANSMITTER, RANGE 6GP (100 PSIG), 316L SST, 01151-0230-0062	1.0
350073	M-3-C7	TRANSMITTER, RANGE 7DP (300 PSID), 316L SST, 01151-0230-0072	1.0
350074	M-3-C7	TRANSMITTER, RANGE 7GP (300 PSIG), 316L SST, 01151-0041-0072	1.0
350075	M-3-C7	TRANSMITTER, RANGE 8DP (1000 PSID), 316L SST, 01151-0230-0082	1.0
350080	M-1-C1	THERMOSTAT KIT, CUMMINS, 3802273	1.0
350082	M-2-B3	AIR CLEANER ELEMENT, ENGINE, FLEETGUARD, AF-1735K	1.0
350083	M-1-C2	FUEL INJECTOR KIT, CUMMINS, 3802333	1.0
350084	M-1-C2	ALTERNATOR BELT, POLY COG, DAYCO, 5080537, 8PK1365	1.0
350085	M-1-C2	FUEL TRANSFER PUMP, CUMMINS, 3936320	1.0
350087	M-1-C2	CAP HEAT EXCHANGER, CUMMINS, 3910344	1.0
350091	M-3-D14	ASSEMBLY, T31-1080T COUPLING COVER, FALK, 256-0837-650	1.0
350092	M-3-D14	HUB, SPACER, T31-1080T COUPLING HALF, FALK, 256-2795-650	1.0
350093	M-3-D14	HUB, SHAFT, T31-1080T COUPLING, FALK, 256-2799-648	1.0
350095	M-3-D14	BUSHING, 13B COUPLING, WOODS, 136-0180-648	1.0
350096	M-3-D14	BUSHING, 13B COUPLING, WOODS, 136-0184-648	1.0
350097	M-3-D14	COUPLING, 13B COUPLING HALF, WOODS, 256-1410-648	1.0
350098	M-3-D14	INSERT, 13B COUPLING, WOODS, 448-0145-650	1.0
3528	M-1-A6	VALVE, SERVO, FUEL GAS, PILOT/C-STAGE, 760N1177A, MOOG	1.0
3529-R1	M-1-A6	VALVE, SERVO, FUEL GAS, A/B-STAGE, 760N1179A, MOOG	1.0
3530	M-1-A6	VALVE, SERVO, INLET GUIDE VANE ACTUATOR, MOOG, 760N1174A	1.0
3532	M-4-E4-4C	VALVE, SOLENOID, FUEL GAS, PILOT/A/B/C-STAGE, C54402-001,	1.0
3537	M-1-D1	O-RINGS, SPACER, 2"MOONEY, 021-244-01	2.0
3538	M-1-D1	SEAL, BODY, 2" MOONEY, NITRILE, 102-016-01	2.0
3547	I-1-A	NOTIFIER, MOTHERBOARD, AMFIRE, AFP-300-CPU	1.0
3597	M-3-D5	ASSEMBLY, IGNITOR LEAD, SWPC, 895C715001, UNISON, 9043170-2	4.0
360000	W-3-D7	BATTERY, LEAD SELENIUM, SD-7	2.0
360001	W-3-D3	TUBE, CROSSFIRE, COMBUSTION, W501F, 7951D97G03	26.0
360003	M-3-A9	SWITCH, PRESSURE, LUBE OIL, 80" H20, UNITED ELECTRIC, J402-	1.0
360005	M-3-B10	SWITCH, 2 STACKS, VOLTAGE REG, ELECTROSWITCH, SER 24,	3.0
360006	M-1-B1	RESTRICTOR, FLOW, LP BLEED VLV, NUMATICS, 5FC3	1.0
360007	M-3-B8	BOOSTER, VOLUME, 150#/150#, FAIRCHILD, 20823	1.0
360008	M-1-B1	SUPPORT, BRUSH MODULE, 1858J05G08	1.0
360009	M-4-A5-2B	GAUGE, 0-60, 2 1/2" FACE, ROSEMOUNT, G425BSG10S	1.0
360010	M-4-B5-2B	GAUGE, 0-400, 2 1/2" FACE, ROSEMOUNT, G425BSG15S	1.0
360011	W-3-T2	THERMOCOUPLE, LPG INDUSTRIES, W7940D48-G01	3.0
360012	GB-3	GASKET, SPIRAL WOUND, WITH RING, 2", 3/4/600#	20.0
360012	W-C-3F	GASKET, SPIRAL WOUND, WITH RING, 2", 3/4/600#	162.0
360013	GB-3	GASKET, SPIRAL WOUND, WITH RING, 1", 3/4/600#, # 010030000085	9.0
360014	W-C-3F	GASKET, SPIRAL WOUND, CGI, 1-1/2", 300#	159.0
360014	GB-3	GASKET, SPIRAL WOUND, CGI, 1-1/2", 300#	13.0
360015	W-C-3F	GASKET, SPIRAL WOUND, WITH OUT RING, 1 1/2", 150#	210.0
360015	GB-1	GASKET, SPIRAL WOUND, WITH OUT RING, 1 1/2", 150#	62.0
360016	W-C-3D	GASKET, SPIRAL WOUND, WITH RING, 1 1/2", 150#	16.0
360017	W-C-3D	GASKET, SPIRAL WOUND, WITH RING, 3/4", 150#	20.0
360018	W-C-3D	GASKET, SPIRAL WOUND, WITH RING, 1", 150#, 010010000085	12.0
360019	W-C-3D	GASKET, SPIRAL WOUND, CGI - WITH INNER RING, 2", 150#,	1.0
360020	W-C-3D	GASKET, SPIRAL WOUND, WITH RING, 8", 150#	16.0
360021	GB-1	GASKET, SPIRAL WOUND, WITH OUT RING, 8", 150#	7.0
360021	W-C-3E	GASKET, SPIRAL WOUND, WITH OUT RING, 8", 150#	17.0
360022	W-C-3E	GASKET, SPIRAL WOUND, WITH RING, 10", 300#	15.0
360023	GB-1	GASKET, SPIRAL WOUND, WITH OUT RING, 12", 150#	5.0
360023	W-C-3E	GASKET, SPIRAL WOUND, WITH OUT RING, 12", 150#	10.0
360024	GB-2	GASKET, SPIRAL WOUND, WITH OUT RING, 12", 300#	8.0
360024	W-C-3E	GASKET, SPIRAL WOUND, WITH OUT RING, 12", 300#	10.0
360025	GB-2	GASKET, SPIRAL WOUND, WITH OUT RING, 8", 300#	9.0
360025	W-C-3E	GASKET, SPIRAL WOUND, WITH OUT RING, 8", 300#	7.0
360026	GB-1	GASKET, SPIRAL WOUND, WITH OUT RING, 14", 150#	5.0
360026	W-C-3E	GASKET, SPIRAL WOUND, WITH OUT RING, 14", 150#	20.0
360027	GB-2	GASKET, SPIRAL WOUND, CGI - WITH INNER RING, 14", 300#,	3.0
360028	GB-1	GASKET, SPIRAL WOUND, WITH OUT RING, 18", 150#	5.0
360028	W-C-3E	GASKET, SPIRAL WOUND, WITH OUT RING, 18", 150#	5.0
360029	GB-2	GASKET, SPIRAL WOUND, CGI, WITH RING, 6", 300#, P/N	12.0
360030	GB-2	GASKET, SPIRAL WOUND, WITH OUT RING, 6", 300#	17.0
360031	GB-1	GASKET, SPIRAL WOUND, WITH OUT RING, 6", 150#	12.0
360031	W-C-3E	GASKET, SPIRAL WOUND, WITH OUT RING, 6", 150#	10.0
360032	W-C-3E	GASKET, SPIRAL WOUND, WITH OUT RING, 4", 300#	18.0
360032	GB-2	GASKET, SPIRAL WOUND, WITH OUT RING, 4", 300#	12.0

Item	Bin	Description	Current Balance
360033	GB-2	GASKET, SPIRAL WOUND, WITH RING, 4", 300#	6.0
360033	W-C-3E	GASKET, SPIRAL WOUND, WITH RING, 4", 300#	11.0
360034	W-C-3D	GASKET, SPIRAL WOUND, WITH RING, 3", 3/4/600#	32.0
360035	W-C-3F	GASKET, SPIRAL WOUND, WITH OUT RING, 3", 3/4/600#	25.0
360035	GB-3	GASKET, SPIRAL WOUND, WITH OUT RING, 3", 3/4/600#	9.0
360036	GB-2	GASKET, SPIRAL WOUND, WITH RING, SS OUTER RING, 12", 300#	1.0
360037	GB-1	GASKET, SPIRAL WOUND, WITH OUT RING, 16", 150#	2.0
360038	W-C-3D	GASKET, SPIRAL WOUND, CGI - WITH INNER RING, 6", 150#	6.0
360040	GB-3	GASKET, SPIRAL WOUND, WITH OUT RING, 12", 600#	6.0
360040	W-C-3E	GASKET, SPIRAL WOUND, WITH OUT RING, 12", 600#	7.0
360041	W-C-3E	GASKET, SPIRAL WOUND, CGI - WITH INNER RING, 12", 600#	5.0
360042	W-C-3D	GASKET, SPIRAL WOUND, CGI - WITH INNER RING, 4", 150#	7.0
360043	GB-4	GASKET, RED RUBBER, 1/8" THICK, 10"	9.0
360044	GB-4	GASKET, WHITEGARLOCK, 1/16" THICK, 10", 150#	10.0
360045	GB-3	GASKET, GRAFOIL, 1/8" THICK, 12", 300#	20.0
360046	GB-3	GASKET, GRAFOIL, 1/8" THICK, 10", 300#	12.0
360047	GB-3	GASKET, GRAFOIL, 1/8" THICK, 8", 150#	10.0
360048	GB-3	GASKET, GRAFOIL, 1/8" THICK, 8", 300#	20.0
360049	GB-3	GASKET, GRAFOIL, 1/8" THICK, 6", 300#	16.0
360050	M-3-B11	RECEPTICAL, WELDING, CROUSE-HINDS, CPS532201	1.0
360053	M-3-B11	BREAKER, 30A, 3 POLE, STYLE 66D1546G04, CUTLER-HAMMER	4.0
360054	M-3-B11	BREAKER, 150A,, 6601C87G11, CUTLER-HAMMER HMCP150T4C,	2.0
360055	M-3-B11	ARRESTOR, LIGHTNING 277/480V, DELTAL, LA 601	1.0
360058	M-3-B8	ASSEMBLY, RELAY BOARD, CATERPILLAR, 9Y6497	1.0
360059	M-1-D8	PROBE, KEY PHASER, SWPC, 2275J77011	3.0
360060	M-3-B11	BREAKER, 480V 80A, STYLE 6639C86G94, CUTLER-HAMMER	1.0
360061	M-3-A7	COVER, RECEPTICLE, ALUMINUM WET LOC, FSK-WT2	8.0
360062	M-1-A1	VALVE, GLOBE, THREADED FITTING, 1" 150#, BRONZE, JENKINS	9.0
360063	M-1-A1	VALVE, GLOBE, THREADED FITTING, 3/4" 150#, BRONZE, JENKINS	7.0
360064	M-1-A2	VALVE, GLOBE, THREADED FITTING, 1 1/2" 150#, BRONZE, JENKINS	5.0
360065	M-1-A2	VALVE, GLOBE, THREADED FITTING, 3/8" 150#, BRONZE, JENKINS	10.0
360066	M-1-A1	VALVE, GLOBE, THREADED FITTING, 1/2" 150#, BRONZE, JENKINS	1.0
360067	M-1-D2	GAUGE, 0-500 PSI, 5" FACE, , DWYER, 2005 W20N	2.0
360068	M-1-A2	VALVE, RED HAT, SOLENOID, 120 VAC, EFHT8320G202	2.0
360069	M-3-D11	TRANSFORMER, IGNITION, 120V/6000V, 175A/20MILLI A, DONGAN,	1.0
360070	M-1-B2	GAUGE, PRESSURE, 0-30 PSI, 2" DIAL, 1/4" NPT BACK, ASHCROFT,	1.0
360071	M-3-B5	RECEPTICLE, ANGLE PLUG, 2 POLE 3 WIRE, 30 AMP, 250V ,	1.0
360072	M-1-B4	REGULATOR, 1/4", W/HANDWHEEL, 0-35 PSI SPRING, FS67CFR-	1.0
360073	M-3-A8	TRANSMITTER, PRESSURE, 0-250 IN H2O, 3051CD2A02A1AH2DF	2.0
360074	M-3-A7	VALVE, SOLENOID, 2 WAY, 24VDC, 1" N/C, ASCO, EFHT8215B50	1.0
360075	M-1-D2	GAUGE, DIFFERENTIAL, 0-15 PSI, 5" FACE, , DWYER, 2330	3.0
360076	M-1-A3	VALVE, CHECK, PILOT WTR, PARKER, 8Z(A)-C8L-1-T-SS	7.0
360078	GB-3	GASKET, SPIRAL WOUND, WITH OUT RING, 4", 600#	10.0
360078	W-C-3E	GASKET, SPIRAL WOUND, WITH OUT RING, 4", 600#	15.0
360079	GB-3	GASKET, SPIRAL WOUND, WITH OUT RING, 1 1/2", 3/4/600#	18.0
360079	W-C-3F	GASKET, SPIRAL WOUND, WITH OUT RING, 1 1/2", 3/4/600#	75.0
360080	GB-1	GASKET, SPIRAL WOUND, WITH OUT RING, 1", 150#	55.0
360080	W-C-3F	GASKET, SPIRAL WOUND, WITH OUT RING, 1", 150#	25.0
360081	W-C-3F	GASKET, SPIRAL WOUND, WITH OUT RING, 2", 3/4/600#	75.0
360081	GB-3	GASKET, SPIRAL WOUND, WITH OUT RING, 2", 3/4/600#	21.0
360082	GB-1	GASKET, SPIRAL WOUND, WITH OUT RING, 2", 150#	14.0
360082	W-C-3F	GASKET, SPIRAL WOUND, WITH OUT RING, 2", 150#	50.0
360085	W-C-3F	GASKET, SPIRAL WOUND, WITH OUT RING, 1", 3/4/600#	50.0
360085	GB-3	GASKET, SPIRAL WOUND, WITH OUT RING, 1", 3/4/600#	15.0
360086	GB-1	GASKET, SPIRAL WOUND, WITH OUT RING, 3/4", 150#	48.0
360087	GB-1	GASKET, SPIRAL WOUND, WITH OUT RING, 1/2", 150#	47.0
360088	GB-1	GASKET, SPIRAL WOUND, WITH OUT RING, 3", 150#	21.0
360088	W-C-3F	GASKET, SPIRAL WOUND, WITH OUT RING, 3", 150#	28.0
360089	W-C-3F	GASKET, SPIRAL WOUND, WITH OUT RING, 4", 150#	13.0
360089	GB-1	GASKET, SPIRAL WOUND, WITH OUT RING, 4", 150#	9.0
360090	W-C-3E	GASKET, SPIRAL WOUND, WITH OUT RING, 5", 150#	15.0
360090	GB-1	GASKET, SPIRAL WOUND, WITH OUT RING, 5", 150#	10.0
360091	W-C-3E	GASKET, SPIRAL WOUND, WITH OUT RING, 5", 300#	9.0
360091	GB-2	GASKET, SPIRAL WOUND, WITH OUT RING, 5", 300#	16.0
360092	GB-3	GASKET, SPIRAL WOUND, WITH OUT RING, 8", 600#	4.0
360092	W-C-3F	GASKET, SPIRAL WOUND, WITH OUT RING, 8", 600#	10.0
360093	GB-2	GASKET, SPIRAL WOUND, WITH OUT RING, 10", 300#	9.0

Item	Bin	Description	Current Balance
360093	W-C-3E	GASKET, SPIRAL WOUND, WITH OUT RING, 10", 300#	5.0
360094	GB-1	GASKET, SPIRAL WOUND, WITH OUT RING, 10", 150#	5.0
360095	GB-4	GASKET, GRAFOIL, 8", 150#	25.0
360095	W-C-3A	GASKET, GRAFOIL, 6", 150#	24.0
360096	W-C-3C	GASKET, GRAFOIL, 1 1/2", 150#	169.0
360096	GB-4	GASKET, GRAFOIL, 1 1/2", 150#	25.0
360097	GB-4	GASKET, GRAFOIL, 3/4", 150#	25.0
360097	W-C-3B	GASKET, GRAFOIL, 3/4", 150#	175.0
360098	W-C-3B	GASKET, GRAFOIL, 1", 150#	190.0
360098	GB-4	GASKET, GRAFOIL, 1", 150#	25.0
360099	GB-4	GASKET, GRAFOIL, 4", 150#	16.0
360099	W-C-3D	GASKET, GRAFOIL, 4", 150#	30.0
360100	GB-4	GASKET, GRAFOIL, 2", 150#	30.0
360100	W-C-3A	GASKET, GRAFOIL, 2", 150#	170.0
360101	GB-4	GASKET, GRAFOIL, 3", 150#	21.0
360101	W-C-3D	GASKET, GRAFOIL, 3", 150#	75.0
360102	M-1-A3	VALVE, BALL, 1/2", THREADED END, APOLLO, 76F-103-01	2.0
360103	M-1-A3	VALVE, BALL, 3/4", THREADED END, APOLLO, 76F-104-01	10.0
360104	M-1-A3	VALVE, BALL, 1", THREADED END, APOLLO, 76F-105-01	3.0
360105	M-1-B3	VALVE, BALL, 3/8", THREADED END, APOLLO, 76F-102-01	2.0
360106	M-1-B3	VALVE, BALL, 1/4", THREADED END, APOLLO, 76F-101-01	4.0
360107	I-1-B	MODULE, E-STAND: 04, TXP, 6ES7 153-1AA03-0XB0	1.0
360108	I-1-B	CARD, BIOS-REVISION, TXP, 6DD1611-0AG0	1.0
360109	M-1-C4	FILTER, GR. 10 COALESCER, PARKER 10H10H-025X8	8.0
360110	M-1-D5	DRYER, DESICCANT, X2504000, PN# 360110	6.0
360111	M-1-A4	VALVE, GLOBE, THREADED FITTING, 2" 150#, JENKINS 300CWP M-1-	5.0
360112	M-4-C4-1C	RELAY, 24VOLTS, MSD INC., TXP TRIP STRING RELAY, 219FXX69PL	3.0
360113	M-4-C4-1B	SOCKET/FRONT, MSD INC , 33377	3.0
360114	M-1-A4	VALVE KIT FOR DRAIN PUMP, 1-1/2 DCV-4, VALVE #1348300 DC4	5.0
360115	M-1-A1	VALVE, ASCO RED-HAT VALVE, 120/60, 110/50 T564394, EF8210G87	8.0
360117	M-1-A4	VALVE, ASCO RED-HAT VALVE, EF8210G87	2.0
360119	M-2-B1	FILTER, TYPE KZ1, BETA 1>Z=200, MICROGLASS, SCHROEDER,	6.0
360120	M-2-B1	FILTER, BETA 3>=200, MICROGLASS, SCHROEDER, SBF-9601-8Z3B	1.0
360121	M-2-B1	FILTER, BETA 3>=200, SFB-9600-8Z3B, SCHROEDER	1.0
360122	M-3-B3	FUSE, FUSETRON, FRS-R-200	6.0
360123	M-3-B3	FUSE, FUSETRON, FRS-R-100	2.0
360124	M-3-B3	FUSE, CURRENT LIMITING, HIGH VOLTAGE, 25CLPT-.5E	6.0
360125	M-3-B3	FUSE, FUSETRON, FR5-R-30	15.0
360126	I-4-C1-Q	FUSE, BUSS, D-4256, NON-10 ONE TIME FUSE	7.0
360128	M-3-B3	FUSE, CLASS RK5, CURRENT LIMITING, 200AMP, 600V, GOULD	6.0
360129	M-1-B6	ELEMENT, HEATER, 250W, 240VOLT, D-4256	2.0
360130	M-4-F5-1A	ALARM, FIRE, MULTITONE W/STROBE, WP, 24V, HIGH, RED, WH-	2.0
360131	M-3-C4	ANALOG INPUT MODULE, TXP, ANALOG EINGABE, A18*12BIT,	3.0
360132	M-1-A5	VALVE, SOLENOID, COIL, 125VDC, PARKER, H2723N	2.0
360133	M-3-C4	BUSCONNECTOR, SIMATIC, SIEMENS, 6ES79720BB400XA0	1.0
360134	M-4-B1-1A	VALVE, CARTRIDGE, 3 WAY, G5261-001 (MANIFOLD REBUILD KIT,	3.0
360135	M-4-B1-1B	VALVE, SOLENOID, C54402001, (MANIFOLD REBUILD KIT PART 2 OF	3.0
360136	M-4-B1-1B	VALVE, CHECK, A55221-3, (MANIFOLD REBUILD KIT PART 3 OF 4 SEE	3.0
360137	M-4-B1-1B	ORFICE ASSEMBLY, 42950-115, (MANIFOLD REBUILD KIT PART 4 OF 4	3.0
360138	M-4-C1-1	SPLICE KIT, MOTOR LEAD INLINE, 3M, 78-8096-4636-3	5.0
360139	M-1-A4	VALVE, TRUeline BALL, HOWARD MARTIN, N650-T, 1-1/2" NPT SS	1.0
360140	M-4-D4-1C	SWITCH, 3 POS, SEL, CUTLER-HAMMER, E34VPBK1-Y1	1.0
360141	M-4-D4-1B	CONTACT BLOCK, 2N.O., CUTLER HAMMER, 10250T2	5.0
360142	M-4-D4-1A	PADLOCK ATTACHMENT, FOR PUSHBUTTON & KNOB, CUTLER	5.0
360143	W-3-C8	GASKET, T/C, HEAD CAP INSULATOR, PYCO, 85741	16.0
360144	W-3-C8	GASKETS, T/C, HEAD CAP, PYCO, 85716	33.0
360145	M-4-D4-2A	SWITCH, KNOB SEL., BLACK NON-ILLUMINATED, CUTLER HAMMER,	9.0
360146	M-4-D4-2B	CONTACT KIT, FOR ME SERIES, CUTLER-HAMMER, 2184A10G14	1.0
360147	W-3-C8	THERMOCOUPLE, LPG INDUSTRIES, DWG#897C244-G01	8.0
360148	W-3-C8	THERMOCOUPLE, HEAD CAP, LGP IND, DWG#897C316-001	8.0
360150	M-4-B5-3A	PHOTOCONTROL, OUTDOOR LIGHTING, FLUSH MOUNTING,	1.0
360151	W-3-C8	RTD, BATH HEATER TEMP SENSOR FOR FUEL GAS, SSI, CT/CW-103	1.0
360152	W-3-C8	RTD, BYPASS TEMP SENSOR, SSI, CT/CW100	1.0
360153	W-3-C8	SWITCH, LEVEL, KNOCKOUT DRUM DRAIN TANK, MAGNETROL,	2.0
360154	W-3-C8	PROBE, LEVEL, KKS#CEKG40CL221, 8AA-1A1A-	1.0
360156	W-3-C8	SWITCH, LEVEL, HEAD ONLY, MAGNETROL, 082-8303-400/8AA-1A1A-	2.0
360157	M-4-F5-1B	SPEED SENSOR, VOITH, Q100880	6.0

Item	Bin	Description	Current Balance
360158	M-1-C1	PRESSURE RING, 350/292, ABB, GSXB840036P0003	1.0
360159	M-1-C1	SEALING RING, 100X20, ABB, G60-609	3.0
360160	I-1-A	SENSOR, COMBUSTIBLE GAS, LEL, 3/4"NPT, DETRONICS,	2.0
360161	M-1-B4	MUFFLER, REL-VL-VALV, MALE, MPT, MAX 175PSI, X10	6.0
360162	M-3-B4	CASING, FOR COMBUSTABLE GAS TRANSMITTER (2200356), DET-	3.0
360163	M-1-B3	SWITCH, PUMP, SJE PUMPMASER PLUS, 15FT, 120VWPLUG,	1.0
360164	M-1-C1	RELAY, DRIVER, MODULE, GP, CATERPILLAR, EMERGENCY DIESEL	1.0
360165	M-4-B5-4B	AUDIO LEVEL, VOLUME CONTROL, GAI-TRONIX, 12506-001	1.0
360166	M-4-B5-4A	PHOTOCONTROL, OUTDOOR LIGHTING, AREA LIGHTING	2.0
360167	M-4-C4-4A	RELAY, INTERPOSING, 3PDT, 120VAC, DAYTON, 5YP92	3.0
360168	M-4-C4-4B	RELAY, INTERPOSING, DPDT, 120VAC, DAYTON, 5X827	3.0
360169	M-4-C4-4C	RELAY, INTERPOSING, DPTD, 24VDC, DAYTON, 5YP80	5.0
360170	M-4-C4-4D	RELAY, SOCKET, TYPE A, DAYTON, 5X852	6.0
360171	M-4-C4-3C	RELAY, SOCKET, TYPE C, DAYTON, 5X853	3.0
360173	M-1-A11	RELAY, MOTOR MANAGEMENT, GE/TESLA, MODEL 469-P5-HI-A20	1.0
360174	I-1-C	SENSOR, AMMONIA, MIL-RAM TECHNOLOGY, 09-2211	2.0
360175	I-1-C	BOARD, AMMONIA DETECTOR, MIL-RAM TECHNOLOGY, 02-2211	2.0
360176	M-3-C10	TRANSFORMER, CONTROL, 150VA, CUTLER-HAMMER, C0150E2AFB	2.0
360178	M-4-B5-2C	CONTACT, AUXILIARY, TELEMECANIQUE, LA1 DN22	1.0
360179	M-3-C10	TRANSFORMER, 150VA, PRI 230/480V, SEC 115V, CUTLER-HAMMER,	1.0
360180	M-4-C5-1D	POWER LIGHT, ASSEMBLY KIT, RED, FOR PUMP CONTROLLER,	1.0
360181	M-4-C5-1D	POWER LIGHT, ASSEMBLY KIT, CLEAR, FOR PUMP CONTROLLER,	1.0
360182	M-4-C5-2A	LAMP, 755, PUMP CONTROLLER, 6 3V, 0 15A, 0 95W, #M0028	2.0
360183	M-4-B5-2C	RELAY, CONTROL, PUMP CONTROLLER, 110V, 50/60HZ,	2.0
360184	M-4-C5-2B	TIMER, MINIMUM RUN, PUMP CONTROLLER, CROUZET, 88 867 215	1.0
360185	M-3-C10	SWITCH, PRESSURE, 0-300, PUMP CONTROLLER, POTTER, ADPS-	1.0
360186	M-4-C5-2A	LAMP, 755, DIESEL PUMP CONTROLLER, 14V, 0 8A, # M0029	10.0
360187	M-4-B5-2C	RELAY, DIESEL PUMP CONTROLLER, 3PDT, 12VDC COIL, CUTLER-	1.0
360188	M-4-C5-2C	ARRESTOR, LIGHTNING, SURGE SUPPRESSOR, SINGLE PHASE,	1.0
360189	M-3-C10	MONITOR, POWER, PHASE REVERSAL, PUMP CONTROLLER,	1.0
360190	I-4-G1-N	HEATER, OVERLOAD, C-H, F91A	3.0
360191	I-4-G1-N	HEATER, OVERLOAD, C-H, F89A	3.0
360192	I-4-G1-O	HEATER, OVERLOAD, C-H, H2014B	3.0
360193	I-4-G1-P	HEATER, OVERLOAD, C-H, H2012B	3.0
360194	I-4-G1-O	HEATER, OVERLOAD, C-H, H2005B	3.0
360195	I-4-G1-P	HEATER, OVERLOAD, C-H, H2011B	3.0
360196	I-4-G1-Q	CONTACT, AUXILIARY, GEN BKR, SIDE MOUNT, CUTLER-HAMMER,	1.0
360198	M-3-B5	COIL, CONTACTOR FOR FIRE WATER TANK HEATER, 120V,	1.0
360199	GB-4	GASKET, BLACK GRAFOIL, 1/2", 150#	26.0
360199	W-C-3C	GASKET, BLACK GRAFOIL, 1/2", 150#	175.0
360200	M-1-B2	KIT, REPAIR, AMMONIA, PUMP, HYDRA-CELL MODEL	4.0
360201	M-4-D5-4B	SEAL, 4", SOFT TEFLON, 1-503-24-063	1.0
360202	M-4-D5-4B	SPRING, FOR CHECK VALVE MDL#1601AC P/N 1-504-02-812	1.0
360203	M-4-D5-4B	PIPE PLUG, HEX P/N 1-507-01-318	1.0
360204	M-4-D5-4B	ROLL PIN P/N 1-562-10-152	1.0
360205	M-4-D5-4B	O-RING, BACK-UP P/N 1-503-02-658	1.0
360206	M-4-D5-4C	SEAL, 6" SOFT TEFLON P/N 1-503-24-065	1.0
360207	M-4-D5-4C	SPRING, P/N 1-504-02-820	1.0
360208	M-4-D5-4C	PIPE PLUG, HEX P/N 1-507-01-319	1.0
360209	M-4-D5-4D	PIN, ROLL P/N 1-562-10-160	1.0
360211	M-4-D5-4D	O-RING, BACK-UP P/N 1-503-02-761	1.0
360212	M-3-D7	STARTER, SZ 3 3P 120V P/N A200M3CAC	1.0
360213	M-3-D7	STARTER, SZ 4 3P 120V P/N A200M4CAC	1.0
360214	M-3-D7	CONTACTOR, SZ 1 3P 120V P/N A201K1CA	1.0
360215	M-3-D7	CONTACTOR, SIZE 3, 3PH, 120V, CUTLER-HAMMER, A201K3CA	1.0
360216	M-3-D6	BREAKER, 3P 50A, INDUSTRIAL, P/N HFD3050	1.0
360217	M-3-D6	BREAKER, 3P 80A P/N HFD3080	1.0
360218	M-3-D6	BREAKER, 3P 3A MAGNETIC P/N HMCP003AOC	1.0
360219	M-3-D6	BREAKER, 3P 15A P/N HMCP015EOC	1.0
360220	M-3-D6	BREAKER, 3P 30A P/N HMCP030H1C	1.0
360221	M-3-D6	BREAKER, 3P 50A P/N HMCP050K2C	1.0
360222	M-3-D6	BREAKER 3P 100A P/N HMCP100R3C	1.0
360223	M-3-D6	BREAKER, 3P 150A 750-250V P/N HMCP150U4C	1.0
360224	M-3-D6	BREAKER, P FRAME, 400A MAX, CUTLER-HAMMER, HKD3400F	1.0
360225	M-3-D6	BREAKER, 2P FRAME P/N HJD3250F	1.0
360226	M-3-D6	BREAKER, 2P 125A P/N HFD3125	1.0
360227	M-3-D6	BREAKER, 2P 100A P/N HFD3100	1.0

Item	Bin	Description	Current Balance
360228	M-3-D10	CONTACTOR, 125V DC, 1 NO, CUTLER-HAMMER, ME410C	2.0
360229	M-3-D10	CONTACTOR, 125VDC P/N ME401C- USE ITEM # 2843	1.0
360230	M-3-C12	DESICCANT CARTRIDGE, MODEL DC-7, P/N3091500	4.0
360231	M-3-B10	SWITCH, 4 STACKS, VOLTAGE REG. ELECTROSWITCH, SERIES 24,	2.0
360232	M-4-D4-3C	GASKET, TEE FILTER BODY, SWAGelok, GT-209, SS-8TF-K2	8.0
360233	M-3-C2	SWITCH, LIMITED, FIRE SYSTEM VALVE, POTTER, 1010206, OSYSU-	2.0
360234	M-3-C7	SWITCH, PRESSURE, LOW PILOT - CHEMETRON, 0-300 PSI, UNITED	1.0
360235	M-4-F5-2A	SPRAY NOZZLE, FOGJET, FOR NH3 LEAK PROTECTION SYS,	4.0
360236	M-3-A6	TUBE, FEP, .250"OD X .187", 50FT, CEMS, FOR NOX ANALYZER	1.0
360237	M-3-D7	BREAKER, 2P, 150AT, CUTLER HAMMER, ED2150V	1.0
360238	M-4-A4-2B	RELAY, 110DCV, LY2-DC-110	1.0
360240	M-3-A12	FILTER, EMERGENCY EYE-WASH, AMETEK, P/N BB-155305	10.0
360241	M-3-A12	CANNISTER, FILTER EMERGENCY EYE-WASH, AMETEK, P/N 20-ST	2.0
360242	M-4-F4-1	SOLENOID, 24VDC, CHEMETRON,#1-061-0707	1.0
360243	M-3-B6	PILOT VALVE, 3-WAY, CHEMETRON, #1-061-0794	1.0
360244	M-1-D7	HOUSING,PROXIMITY PROBE,#31000-16-10-00-147-01-05	3.0
360246	M-1-D7	CHARGE AMPLIFIER, DYNAMIC PRESS, BNCVG, 350500-01-00-00-	1.0
360247	I-1-C	MAGNETIC OPTICAL DRIVE, 8X 5 25", SONY, MODEL SMOF551	1.0
360248	I-1-C	POWER SUPPLY,BENTLY,3500 # 3500/15-03-03-00	1.0
360249-R1	I-1-C	MODULE,DYNAMIC PRESSURE,BENTLY,3500 # 3500/64-01-00,	1.0
360250	I-1-C	RELAY,4 CHANNEL,BENTLY,DYNAMIC,3500 # 3500/32-01-0	2.0
360251	I-1-C	COMMUNICATION GATEWAY,BENTLY,3500 # 3500/92-01-01-00	3.0
360252	M-1-D8	SENSOR,ACCOUSTIC,DYNAMIC,COLUMBIA RSRCH,3500 # 145664,	3.0
360253	I-1-C	POWER SUPPLY,BENTLY,VIBRATION,3500 # 3500/15-04-04-00	1.0
360254	I-1-C	TACHOMETER,BENTLY,3500 # 3500/50-01-00	1.0
360255	I-1-C	PROXIMITOR,SEISMIC, RACK CARD, BENTLY,3500 # 3500/42-01-00	1.0
360256	M-2-B1	FILTER, DRIER, CHEMETRON # 50440830	2.0
360257	M-4-F5-3A	GASKET, SET, TYPE ES, 1", FISHER, P/N RGASKETX162	1.0
360258	M-4-F5-3B	PLUG,STEM ASSY,TYPE ES, 1", P/N 1U2161X0082	1.0
360259	M-4-E5-2C	SEAT, RING, TYPE ES, 1", P/N 1U222546172	1.0
360260	M-1-C10	CAGE,QO, TYPE ES 1" P/N 2U215033272	1.0
360261	M-1-C10	KIT, REPAIR, TYPE ES, 1", P/N RPACKX00102	1.0
360262	M-1-C9	DIAPH, SCUFF PLATE, TYPE 657, SIZE 34, P/N 18B2713X092	1.0
360263	M-4-E5-3C	BEARING, THRUST, TYPE 1052K, P/N 1N888799012	2.0
360264	M-4-F5-2B	BUSHING, TYPE 1052K, P/N 12A9374X012	2.0
360265	M-4-E5-3A	BUSHING LINED, DU, TYPE 1052K, P/N 12A9775X012	2.0
360266	M-1-C9	DIAPHRAGM, TYPE 1052K, P/N 2E859702202	2.0
360267	M-4-E5-2D	PIN, TAPER, TYPE 8560, P/N F13668X0022	2.0
360268	M-1-C10	SEAL, RING, TYPE 8560, P/N 75B0003X012	1.0
360269	M-4-F5-2C	SPRING, TYPE 8560, P/N 75B0004X012	1.0
360270	M-4-E5-3C	BEARING, LINED, TYPE 8560, P/N 75B1075X012	2.0
360271	M-4-E5-2D	PIN, HOLLOW, TYPE 8560, P/N 75B1122X042	2.0
360272	M-4-E5-3B	PACKING, SET, TYPE 8560, P/N 12A8832X022	1.0
360273	M-4-E5-3B	PACKING, BOX, RING, TYPE 8560, P/N 16A6085X012	1.0
360274	M-4-E5-2B	KIT, RELAY, TYPE DVC 5020, P/N 14B5072X122	1.0
360275	M-4-F5-2C	KIT, ELASTOMER, TYPE DVC 5020, P/N 14B5072X142	1.0
360276	M-4-E5-2B	GAUGE, PRESS, 1.5, P/N 11B4040X022	2.0
360277	M-4-E5-2C	POT, BUSHING, ASSEMBLY, TYPE DVC 5020, P/N 14B5070X072	1.0
360278	M-1-C10	I/P, ASSY, SHROUD, TYPE DVC5020, P/N 38B6041X022	2.0
360279	M-4-F5-3A	GASKET, SET, TYPE ED & ET, P/N RGASKETX212	3.0
360280	M-1-C9	PLUG, STEM, BAL, TYPE ED & ET, P/N 1V6581X0042	4.0
360281	M-1-C10	SEAT, RING, TYPE ED & ET, P/N 1U222946172	4.0
360282	M-4-F5-2B	RING, PISTON, TYPE ED, P/N 1U2392X0012	1.0
360283	M-1-C10	CAGE, QO, TYPE ED, P/N 2U236033272	1.0
360284	M-1-C10	KIT, REPAIR, TYPE ED, P/N RPACKX00022	1.0
360285	M-1-C9	DIAPHRAGM, TYPE 655, P/N 1F702402112	2.0
360292	M-1-C9	KIT, REPAIR, TYPE V20B, P/N RV150X00C32	1.0
360293	M-4-E5-3B	PACKING, SET, TYPE V20B, P/N 12A899X022	1.0
360294	M-4-F5-2B	KEY, TAPER, W/HEAD, TYPE V200B, P/N 12B9530X012	1.0
360295	M-4-E5-3B	PACKING, BOX, RING, TYPE V200B, P/N 16A6084X012	1.0
360296	M-4-E5-3C	BEARING, LINED, COMP, TYPE V200B, P/N 17B7142X012	2.0
360297	M-4-E5-2D	PIN, GROOVE, TYPE24, TYPE V200B, P/N 18A6135X012	1.0
360298	M-4-E5-3C	BEARING, THRUST, TYPE 1052, P/N 10A4636X012	1.0
360299	M-4-E5-3A	BUSHING, TYPE 1052, P/N 12A9373X012	1.0
360300	M-4-E5-3A	BUSHING, LINED, DU, TYPE 1052, P/N 12A9556X012	1.0
360301	M-1-C9	DIAPHRAGM, TYPE 1052, P/N 2E670002202	1.0
360302	M-4-E5-2D	PIN, TAPER, TYPE A41, P/N G11299X0032	2.0

Item	Bin	Description	Current Balance
360303	M-4-E5-3C	BEARING, METAL, TYPE A41, P/N 75B1100X012	2.0
360304	M-4-F5-2B	SEAL, RING, TYPE A41, P/N 75B1109X022	1.0
360305	M-4-E5-2D	PIN, HOLLOW, TYPE A41, O/N 75B1122X032	2.0
360306	M-4-F5-3A	GASKET, TYPE A41, P/N 75B1124X032	2.0
360307	M-4-E5-2A	PACKING, RING, TYPE A41, P/N 12A9136X012	4.0
360308	M-4-E5-3B	PACKING, BOX, RING, TYPE A41, P/N 16A6084X012	1.0
360309	M-4-E5-1C	KIT, REPAIR, HIGH, TEMP, TYPE 1035, P/N 75B0595X062	1.0
360310	M-4-E5-2C	KIT, REPAIR, TYPE DVC 5030, P/N 14B5072X122	1.0
360311	M-4-F5-2C	KIT, ELASTOMER, TYPE DVC 5030, P/N 14B5072X142	1.0
360312	M-4-E5-2B	GAUGE, PRESS, 1.5, TYPE DVC 5030, P/N 11B4040X032	2.0
360313	M-4-E5-3A	POT, BUSHING, ASSY, TYPE DVC 5030, P/N 17B4030X022	1.0
360315	M-4-E5-3C	O-RING, TYPE DVC 5030, P/N 1E591406992	1.0
360316	M-1-C9	KIT, REPAIR, TYPE DVC 5030, P/N R67CFRX0012	1.0
360317	M-4-E5-2D	PIN, TAPER, TYPE A41, P/N 19A3749X012	2.0
360318	M-4-F5-2B	SEAL, RING, NOVEX, TYPE A41, P/N 75B1108X012	1.0
360319	M-4-E5-2D	PIN, HOLLOW, TYPE A41, P/N 75B1122X012	2.0
360320	M-4-E4-1B	EXPANSION VALVE, CHEMETRON, LPCO2	2.0
360321	M-4-E5-3C	BEARING, METAL, TYPE A41, P/N 75B1136X012	2.0
360322	M-4-E5-2A	PACKING, RING, TYPE A41, P/N 12A9134X012	4.0
360323	M-4-E5-3B	PACKING, BOX, RING, TYPE A41 P/N 16A6082X012	2.0
360325	M-1-C11	TYPE DVC6020,	1.0
360327	M-1-C11	TYPE 6030,	1.0
360328	M-1-C11	REGULATOR, TYPE 67SS	1.0
360329	M-4-E4-1A	SOLENOID VALVE,PILOT,CHEMETRON #10610673	2.0
360330	M-4-E4-1C	O-RING,3-WAY VALVE,CHEMETRON # 30610046	3.0
360331	M-4-E4-2B	O-RING,3-WAY VALVE,CHEMETRON # 50230522	8.0
360332	M-4-E4-2B	O-RING,3-WAY VALVE,CHEMETRON #70230041	8.0
360333	M-4-E4-2A	SEAT DISC,3-WAY VALVE,CHEMETRON	8.0
360334	M-1-D1	REBUILD KIT, 8"FLOWGRID, NITRILE, 75 DUROMETER, MOONEY,	2.0
360335	M-4-G5-1C	REBUILD KIT,PILOT VALVE,MOONEY,SERIES 20H #201-008-01	4.0
360336	M-4-G5-1C	FILTER ELEMENT,TYPE 30, F G PCV, MOONEY # 301-005-01	4.0
360337	M-4-G5-1C	REPAIR KIT, RESTRICTOR TYPE 24, F.G. PCV, MOONEY #240-004-01	6.0
360338	M-1-A9	HEATER,BLOCK,CUMMINS # 3919577	1.0
360339	M-1-A10	STARTER,CUMMINS,28MT,12V,CW10TD	1.0
360340	M-1-A10	BELT,RIBBED,CUMMINS	2.0
360341	M-1-A11	FILTER, FUEL, CUMMINS FIRE DIESEL PUMP, CUMMINS PN FF5052,	3.0
360342	M-1-A11	FILTER, OIL, CUMMINS DIESEL FIRE PUMP, STRATAPOUR #LF3894,	3.0
360343	M-1-A10	FILTER, AIR INTAKE, DIESEL FIRE PUMP,CUMMINS, RPL.AF4148,	3.0
360344	M-1-A10	BEARING, KIT, FIRE PUMP, CUMMINS	1.0
360345	M-4-C4-4A	RELAY,CUBE,METRON PANEL, FIREPUMP	3.0
360346	M-4-G5-1A	BUSHING, CORE GROUND, ABB GSU TRANSFORMERS, ABB, F-630,	1.0
360347	M-1-A9	SOLENOID,STARTER,CUMMINS	1.0
360348	M-1-A9	REGULATOR,WATER,CUMMINS,CASH ACME	1.0
360349	M-4-D3-1B	SOLENOID,VALVE,WATER,CUMMINS,ASCO # 8210G3	1.0
360350	M-4-G4-1A	BEARING, LUBE OIL FAN MOTOR #6311ZZ, 6311VVVC3	2.0
360351	M-4-G4-1A	LUBE OIL BEARING, L.O. FAN MOTOR #6210ZZ, 6210VVVC3	2.0
360352	M-1-C7	GAGE,ASHCROFT,BOTTOM MOUNT,4-1/2", 0-160# #45-1279SS-	1.0
360353	M-1-A6	BALL VALVE SAFTEY SHOWER 1"	2.0
360354	M-3-B2	FILTER, REGULATOR, PNEUMATIC, 3/4", PARKER, 07E41A13AC	3.0
360355	M-4-F3-3C	SOLENOID, VALVE, W501 VENTILATION, MAC, # 113B-111 CAA	6.0
360356	M-4-F3-3B	VALVE, QUICK EXHAUST, W501 VENTILATION, # OR25B	6.0
360357	M-3-B2	ACTUATOR, PNEUMATIC, W501 VENTILATION, D-3153-6003	5.0
360357-R1	M-3-B1	ACTUATOR, PNEUMATIC, W501 VENTILATION, D-3153-6003	2.0
360358	M-4-E4-2C	RTD, SENSOR, FLOW BOSS METERING, 1/4" DIA X 6" PROBE, 4"	1.0
360359	M-4-G4-1B	BEARING, HYDRAULIC PUMP MOTOR, SEALED, # 6208LL	2.0
360360	M-4-G4-1B	BEARING, HYDRAULIC PUMP MOTOR, SEALED, # 6309LL	1.0
360361	M-2-C3	FILTER, AIR, RESEVIOR, HYDRAULIC, REXROTH, DC-6F/1	3.0
360362	M-1-B3	VALVE, BALL 3/4", SAFETY SHOWER, # P-008A	2.0
360363	M-1-B3	VALVE, BALL 1", SAFETY SHOWER, # P-009A	2.0
360364	M-3-B6	VALVE, BALL, 1-1/2", CHEMETRON, FILL, #1-1/2 - A- 2200-GT	1.0
360365	M-3-B6	VALVE,BALL,1",CHEMETRON,VAPOR # 1 - A - 2200 - GT	1.0
360366	M-4-F4-1B	REPAIR KIT, VALVE, 1-1/2",CHEMETRON # RKA5GT	1.0
360367	M-4-F4-1B	REPAIR KIT, VALVE, 1", CHEMETRON # RKA3GT	2.0
360368	M-3-D3	BUSHING,SMALLMOUNT,1.435",LUBE OIL FAN, # 637	7.0
360369	M-2-B1	FILTER, TYPE KW, SCHROEDER, (CART MODEL KF32KZ1SD)	4.0
360371	M-3-D3	BEARING, DODGE, TYPE K FLANGE PN#023247, SHAFT 2 11/16",	2.0
360372	M-3-D3	BEARING, DODGE, TYPE E FLANGE PN#023106, SHAFT 2 7/16",	2.0

Item	Bin	Description	Current Balance
360373	M-3-C11	METER, HEAD ONLY, VORTEX FLOW, 0-15 GPM, YOKOGAWA, YF101,	3.0
360374	M-3-C11	SWITCH, PRESSURE, 30" VAC TO 20 PSI, UNITED ELETRIC	3.0
360375	M-3-C11	GAUGE, PRESSURE, -30 IN HG TO 15 PSI, WIKA	3.0
360376	M-3-C11	REGULATOR, PRESSURE, 1/2" NPT, 0-35 PSI, FISHER, TYPE 64	2.0
360377	M-2-A4	FILTER, HVAC, PLEATED,ADMIN, 20 X 36 X 1 P/N 102-041-3992	21.0
360380	W-3-A4	FILTER, AIR,CEMS BLDG, 15X20X2	36.0
360381	M-2-C4	FILTER,ELEMENT,COMPRESSED AIR,HANKISON, # E7-32 (HF7-32-	3.0
360382	M-4-G5-2A	DRAIN,VALVE ASSY,COMPRESSED AIR,HANKISON,SULLAIR	10.0
360383	M-1-B4	SWITCH,FLOW,SAFETY SHOWER,FLOTEC, DWYER # V6EPB-B-S-6-	2.0
360384	M-3-D8	BREAKER, CIRCUIT, 250A, ELECTRIC FIRE PUMP CONTROLLER	1.0
360385	M-3-D8	CONTACTOR, COIL, ELECTRIC FIRE PUMP CONTROLLER	1.0
360386	M-3-D8	CONTACT, AUXILIARY, ELECTRIC FIRE PUMP CONTROLLER	1.0
360387	M-3-D8	RELAY, 2 POLE, DIESEL FIRE PUMP CONTROLLER	1.0
360388	M-3-D8	SWITCH, PRESSURE, DIESEL FIRE PUMP CONTROLLER, MFG BY	1.0
360389	M-3-D8	VALVE, SOLENOID DRAIN, DIESEL FIRE PUMP CONTROLLER	1.0
360390	M-3-D8	RELAY, TIME, 3TR, OPTION "S", DIESEL FIRE PUMP CONTROLLER	1.0
360391	I-1-B	BOARD, LOGIC, DIESEL FIRE PUMP CONTROLLER	1.0
360392	M-3-D7	CONTACTOR, SQUARE D, LC1F265	1.0
360394	M-3-B3	FUSE, CLASS 3R, 5.08KV RATED, GE, # 55A212942P3RB	1.0
360395	M-3-B3	FUSE, CLASS 18R, 5.08KV RATED, GE, # 55A212942P18RB	1.0
360396	M-3-B3	FUSE, 2 E AMP, 4800V, INST RATING 50KA, GOULD, # A480T2E	3.0
360397	M-1-C8	BRUSH, COPPER SPLIT BRAID, GROUNDING, SHAFT, 501FD SW#	7.0
360398	W-3-C8	CAP, HEAD, THERMOCOUPLE, LPG - 04-1000	12.0
360399	M-3-D2	BEARING, BALL, SCR FAN SHAFT, SKF 1222K/C3	1.0
360400	M-3-D2	BEARING, ADAPTER, SCR DIL AIR FAN SHAFT, SKF SNW22X3-15/16	1.0
360401	M-3-D2	BEARING, SEAL, SCR DIL AIR FAN SHAFT, SKF LOR109	2.0
360402	M-3-D2	BEARING, ROLLER, SCR DIL AIR FAN SHAFT, SKF 23026CCK/C3W33	1.0
360403	M-3-D2	BEARING, ADAPTER, SCR DIL AIR FAN SHAFT, SKF SNW3026X4-7/16	1.0
360404	M-3-D2	BEARING, SEAL, SCR DIL AIR FAN SHAFT, SKF LOR117	2.0
360405	M-4-A4-1	SURGE PROTECTOR,SIMPLEX,FIRE PANEL, # 2081-9044	2.0
360406	M-1-D1	DIAPHRAGM, NITRILE, 75 DURO, 2" MOONEY, 102-013-01	2.0
360407	M-4-E4-2C	COIL, TYPE AMG, SOLENOID, 120/50 - 60, ALCO CONTROLS, R0109	1.0
360408	M-1-A9	LATCH, CT & ELECTRICAL PKG DOOR, KASON, 0056CL8020. DWG	4.0
360409	FC-2-3B	GREASE,COUPLING,AC/DC LUBEOIL PUMP,14 OZ	11.0
360410	M-4-G4-1B	BEARING,SCR DIL AIR BLOWER MTR,480V,OPE, # 6307ZZ	2.0
360411	M-4-G4-1B	BEARING,SCR DIL AIR BLOWER MTR,480V, DE, # 6309ZZ	1.0
360412	M-4-G4-2A	COUPLING, RUBBER INSERT, SERVICE WATER PUMP, SUREFLEX 7J	4.0
360413	M-1-C3	HEATER, PROBE, CEMS, P/N-53000001	2.0
360416	M-4-D4-4A	RELIEF,VALVE,INSTRUMENT AIR, RECEIVER,250 PSI, #0548-A01-	6.0
360417	M-4-D4-4B	RELIEF,VALVE,L.P. BLEED VALVE I/A DRUM, 125 PSI # CF2305-125	6.0
360418	M-4-D4-4C	RELIEF,VALVE,PULSE AIR COMP. RECEIVER, 175 PSI # CF2305-175	3.0
360419	M-4-F4-1B	RELIEF,VALVE,SWAGelok,ROTOR AIR,PS&G,125 PSI # SS-8CPA2-	3.0
360420	M-4-B2-3A	STRAINER,SCREEN,FUELGAS NOZZLE, SPWC# 2296J68007	3.0
360421	M-4-B2-3A	RING,RETAINING,STRAINER,FUELGAS NOZZLE, SWPC# 2296J68008	20.0
360422	M-4-B3-1A	SEAL,WATER PUMP,CUMMINS,F/W PUMP MOTOR # 3906698	2.0
360424	M-2-D5	VALVE, RELIEF, SAFETY, RAC SUPP NH3 VAPORIZER, FLOWSAFE,	1.0
360425	M-2-D5	VALVE, RELIEF, SAFETY, LP CO2 TANK, ANDERSON GREENWOOD,	2.0
360426	M-2-D5	REGULATOR, BACKPRESSURE, LP CO2 TANK, ANDERSON	1.0
360427	M-2-D4	VALVE, RELIEF, SAFETY, SWPC FUELGAS FILTER, CONSOLIDATED,	1.0
360428	M-2-D4	VALVE, RELIEF, SAFETY, HYDRAULIC MIAN DSCHG ,	1.0
360429	M-2-D5	VALVE, RELIEF, SAFETY, SWPC HOT WATER TANK, MERCER, 2",	1.0
360430	W-3-C5	VALVE, RELIEF / VACUUM BKR, AMMONIA TANK, GROTH, 2", 15PSI /	1.0
360431	M-2-D5	VALVE, RELIEF, SAFETY, SERVICE AIR RCVR., MERCER, 3/4", 140PSI	2.0
360432	M-2-D5	VALVE,RELIEF,SAFETY,BOP,FUELGAS	3.0
360433	M-2-D4	VALVE,RELIEF,SAFETY,BOP,FUELGAS HTR	1.0
360434	M-2-D4	VALVE, RELIEF, SAFETY, BOP, FUELGAS HTR BURNER SUPP , AG	1.0
360435	M-2-D5	VALVE,RELIEF,SAFETY,ELECTRIC F/W PUMP	1.0
360436	M-2-D5	VALVE,RELIEF,SAFETY,JOCKEY PUMP DSCHG,FARRIS,175PSI	1.0
360437	M-2-D5	VALVE,RELIEF,SAFETY,SUMP,FORWARDING,DSCHG,KUNKLE,1",30P	1.0
360439	W-3-D5	VALVE,RELIEF / VACUUM BKR,DEMIN WATER TANK,VAREC,4",1PSI /	1.0
360440	W-3-D5	VALVE,RELIEF / VACUUM BKR.,RAW WATER TANK,VAREC,6",1PSI /	1.0
360441	W-3-C8	THERMOCOUPLE,LUBE OIL BEARING TEMP,PYCO,TYPE K,02-3174-	2.0
360442	M-3-D13	ELEMENT, HEATER, 480V, 4.5KW, P/N 156-303012-289, PROHEAT	1.0
360443	W-3-C4	BUSHING, H V , EXCITATION TRANSFORMER, WARCO, P/N	2.0
360444	M-4-A3-2A	GASKET, BUSHING, H.V., EXCITATION TRANSFORMER BUSHING,	4.0
360445	M-1-D2	CONTROLLER,TEMPERATURE,GLYCOL,DWYER 2500, MODEL D-	1.0
360446	M-4-B2-1D	COUPLING, FLASHBACK, 270A379004	7.0

Item	Bin	Description	Current Balance
360447	M-4-B2-1D	FITTING, FLASHBACK, 2076J73040	16.0
360449	I-4-G1-Q	CONTACT, AUXILIARY, GEN BKR, SIDE MOUNTED, CUTLER-	1.0
360450	M-4-D4-3B	THERMOSTAT, HEATER, HOFFMAN, GEN BKR DRIVE MOTOR, #	6.0
360451	M-4-F4-1C	FILTER, FOR CHEMETRON SOLENOID, 9072	5.0
360452	M-4-F4-1C	ELEMENT, CHEMETRON FILTER, EK9072	12.0
360453	M-4-D4-4D	GAUGE, VACUUM PRESSURE, +/- 10 PSIG, QUALITROL, P/N 50-35E	3.0
360454	M-4-C4-1D	TRANSCIEVER, TXP, TERMINAL BUS, IEE 802 3, CENTRE COM, AT-	6.0
360455	W-3-D4	HEATER, MECHANICAL PKG, 480V, 5KW, 3 PHASE, CHROMALOX,	1.0
360456	W-3-C3	PUMP, DEMIN WATER, MODEL 3196 STX, 1 5X3-6, 125 GPM, GOULD	1.0
360457	M-3-D8	TRANSMITTER, GAGE, SMART, GAS, 0-1000PSI, ROSEMOUNT,	1.0
360458	M-4-D4-2D	CONTACT, AUXILIARY, CONTROL OIL, 595-AB, REXROTH	3.0
360459	I-1-C	MODULE, RACK INTERFACE, BENTLY, 3500 / 20	1.0
360460	I-1-C	MODULE, I/O, DATA MGR, BENTLY, # 3500/20-01-02-00	1.0
360461	M-4-G5-2C	SENSOR, BUSHING TAP, GE TYPE A, DOBLE IDD, # 03C-1451-01	1.0
360462	M-4-B3-1B	KIT, SEAL, NBR, FOGGING PUMP, CAT, MODEL 781RS, #701883	2.0
360463	M-4-B3-1C	KIT, VALVE, NBR, FOGGING PUMP, CAT, MODEL 781RS, # 701884	2.0
360464	M-4-B3-1B	KIT, SEAL, NBR, FOGGING PUMP, CAT, MODEL 661, # 30798	1.0
360465	M-4-B3-1C	KIT, VALVE, NBR, FOGGING PUMP, CAT, MODEL 661, # 34387	2.0
360466	M-4-B3-1B	KIT, SEAL, NBR, FOGGING PUMP, CAT, MODEL 3811, # 701793	1.0
360467	M-4-B3-1D	KIT, VALVE, NBR, FOGGING PUMP, CAT, MODEL 3811, # 34151	2.0
360468	M-3-B1	FUSE, TYPE EJ0-1, 25 8 KV 0 5 AMP, MODEL 9F60 DNJ905	1.0
360470	I-1-A	BOARD, TERMINATION MAIN PRINTED, FLOBOSS, ROC 407,	1.0
360471	W-2-C5	HSL, SINGLE SS WCAL, "J" T/C, 117', SCR, CT1&2, CISCO P/N	1.0
360472	M-4-B3-4A	CONTROLLER, TEMP, HOT H2O TANK, ATHENA # 16CTB000	3.0
360473	M-4-G4-1C	BEARING, INCH BALL, FOR PERISTALTIC PUMP, CEMS, P/N	2.0
360475	M-1-A7	HEATER, HVAC UNIT, APE BLDG, 20K WATT, SPECIFIC SYSTEMS #	1.0
360476	M-4-A4-1D	CONTACTOR, HEATER, HVAC UNIT, APE BLDG, 600V, 40 AMP,	2.0
360477	M-4-A4-1B	OVERLOAD, HEATER, HVAC UNIT, APE BLDG, SPECIFIC SYSTEMS #	1.0
360478	M-4-A4-1D	OVERLOAD, FAN MTR, HVAC, APE BLDG, SPECIFIC SYSTEMS #	1.0
360479	M-3-D5	VALVE, GLYCOL COOLER TEMP CONTROL, GENERATOR, LX4B-14-	1.0
360480	M-4-G4-1B	BEARING, MOTOR, OBE, PILOT WATER INJECTION, 6309Z	3.0
360481	M-4-G4-1C	BEARING, MOTOR, IBE, PILOT WATER INJECTION, 6311ZZ	3.0
360482	M-4-B3-3A	REPAIR KIT, ROTOR, FLOW METER, SEAMETRICS, TX81S, INLET	3.0
360483	M-4-D3-1C	STEM, PISTON, REGULATOR/UNLOADER, INLET FOGGING, #32339S	2.0
360484	M-4-D3-1C	RETAINER, PISTON, REGULATOR, 7533SS, INLET FOGGING, #39055S	2.0
360485	M-4-D3-1C	SEAT & BALL ASSY, REGULATOR, 7533SS, INLET FOGGING, #32327S	3.0
360486	M-4-D3-1C	KIT, O-RING, REPAIR, REGULATOR, 7533SS, INLET FOGGING, #32346B	3.0
360487	M-4-D3-1C	PIN, LOCKING, PISTON RETAINER, REGULATOR, 7533SS, INLET	3.0
360488	M-4-D3-1C	NUT, ADJUSTING, M10, REGULATOR, INLET FOGGING, #M10	3.0
360489	M-4-H3-1A	SWITCH, PRESSURE, 6-75 PSI, CUSTOM CONTROL SENSORS,	2.0
360490	M-1-C11	KIT, REBUILD, REGULATOR, FISHER, 95H, AMMONIA SKID, #	3.0
360491	M-1-C8	GAGE, ASHCROFT, 4-1/2", TYPE 1279, BOTTOM MNT, 0-15 PSI, #45-	2.0
360492	M-1-C8	GAGE, ASHCROFT, TYPE 1279, 4-1/2", BOTTOM MNT, 0-100 PSI	1.0
360493	M-1-C8	GAGE, ASHCROFT, TYPE 1279, 4-1/2", BOTTOM MNT, 0-200 PSI	2.0
360494	M-4-F4-2A	REGULATOR, PRESSURE, PUMP DSCHG, AMMONIA, HYDRACELL,	1.0
360495	M-4-F4-2A	KIT, O-RING, PRESSURE REG, PUMP DSCHG, AMMONIA,	3.0
360496	M-3-A1	FLOWMETER, SEAMETRICS, FOGGING, INLET, TX81S	1.0
360497	M-3-A1	SENSOR, FLOWMETER, SEAMETRICS, TX81S, FOGGING, # 26310	1.0
360498	M-4-D3-1A	GASKET, HOUSING, FLOWMETER, SEAMETRICS, FOGGING, # 26211	3.0
360499	M-4-D3-1A	O-RING, SENSOR HOUSING, FLOWMETER, SEAMETRICS,	3.0
360501	M-1-A2	VALVE, SOLENOID, ASCO, 24VDC, INST AIR, PS&G, 1/2 NPT, #8210G2	2.0
360503	M-4-C5-3A	HEATER, OVERLOAD, CUTLER HAMMER, FH46	21.0
360504	M-3-A2	SPRING, MAIN, FUEL GAS PCV, 8", MOONEY, #108-009-01	1.0
360505	W-3-C8	THERMOCOUPLE, ASSY., LPG, ROTOR AIR RETURN, 240T802-002-	1.0
360506	W-3-C8	THERMOCOUPLE, ASSY W/WELL, T2C, PYCO# 02-3170-17-2 8-7 8-	1.0
360507	W-3-C8	THERMOCOUPLE, W/O WELL, T2C, PYCO# 02-3170-17-2 8-7 8-GS	2.0
360509	M-1-B8	COUPLING, FLEXIBLE, SULLAIR, COMPRESSOR, #250004-638	1.0
360510	I-1-A	MODULE, ELECTRONICS, FOGGING, FLOWMETER, SEAMETRICS,	1.0
360511	M-3-B10	TERMINAL BLOCK, TXP, CUSTOM INTERFACE MODULE, 8-POINT, I/O	1.0
360512	M-3-B10	TERMINAL BLOCK, TXP, CUSTOM INTERFACE MODULE, 8-POINT, I/O	1.0
360514	M-2-C3	SHOE, SEAL, TRANSFER VALVE, LUBE OIL, HYCOA, BUNA, # 220-2-	6.0
360517	M-1-C8	GAUGE, ASHCROFT, 3-1/2", BMNT, 1/4", 0-300 PSI, # A35-1009SWL-	1.0
360518	M-1-C8	GAUGE, ASHCROFT, 3-1/2", BMNT 1/4", -30HG - 60 PSI, #A35-	2.0
360519	M-1-C8	GAUGE, ASHCROFT, 2-1/2", 0-200 PSI, 1/4"BMNT, #A25-1009SWL-02L-	3.0
360520	M-1-C8	GAUGE, ASHCROFT, 2-1/2", 0-60 PSI, 1/4"BMNT, #A25-1009SWL-02L-	2.0
360521	M-3-A11	SWITCH, PRESSURE, 0-30 PSI, LUBE OIL, UNITED ELECTRIC, J402-	4.0
360522	W-3-C8	THERMOCOUPLE, THRUST BEARING, TYPE K DUPLEX, LPG,	2.0

Item	Bin	Description	Current Balance
360523	GB-3	GASKET, SPIRAL WOUND, CGI, 3/4" - 600#, 304SS, FLEXICARB	13.0
360524	M-1-B8	THERMOSTAT, PNEUMATIC, FOR SULLAIR DUMPER, RANGE 55 TO	1.0
360525	M-1-B8	KIT, STANDARD SERVICE KIT, FOR SCR FAN DAMPER ACTUATOR,	2.0
360526	M-1-D1	REBUILD KIT, 8"FLOWGRID, NITRILE, 80 DUROMETER,MOONEY,	6.0
360527	M-4-B3-3B	FUSE, THERMAL, 77 CELCIUS, THERMOCOOLER, NOX ANALYZER,	21.0
360528	GB-4	GASKET, COVER, FILTER SEPERATOR, FUEL GAS, SWPC, NFS, #	3.0
360529	M-1-C5	SWITCH, GAGE, DIFFERENTIAL, 0-30, ORANGE RESEARCH, PILOT	1.0
360530	M-3-C9	VALVE, REGULATOR, PRESSURE, INSTRUMENT AIR, FISHER TYPE	1.0
360531	M-1-B2	REPAIR KIT, REGULATOR, FISHER, TYPE 64, INSTRUMENT AIR,	1.0
360532	M-4-B3-3C	TRANSMITTER, MODULE, LEVEL, MAGNETROL, KOTRON,	1.0
360533	M-3-C1	BOARD, POWER, FLOWMETER, AMMONIA, MICROMOTION,	1.0
360534	M-3-C1	BOARD, STACK, AMMONIA, FLOWMETER, MICROMOTION, #	1.0
360535	M-4-B3-2A	SENSOR, RTD, INLET FOGGING, RECIRC TEMP,	3.0
360536	M-3-B2	ACTUATOR, PNEUMATIC, DIAPHRAGM VTD 9294, FOR KMC MODEL	2.0
360537	M-3-B2	ACTUATOR, PNEUMATIC, FOR TURBINE ENCLOSURE SUPPLY AIR,	2.0
360537-R1	M-3-B2	ACTUATOR, PNEUMATIC, FOR TURBINE ENCLOSURE SUPPLY AIR,	2.0
360538	W-2-C5	HSL, DUAL SS W/CAL, "J" T/C, 117', STACK, CT1&2, CISCO P/N	1.0
360539	W-2-C6	HSL, SINGLE SS W/CAL, "J" T/C, 107', STACK, CT3, CISCO P/N	1.0
360540	W-3-D1	MOTOR, VAPOR EXTRACTOR, 5HP, TYPE AEHHXU, # X0052, TECO-	1.0
360541	M-1-A2	KIT, SOLENOID, ASCO, 120V, 1/4" PORTS, 3-WAY, 302142-MS	1.0
360542	M-1-D8	FLEX ELEMENT, BUNA, FOR TORQUE CONVERTER, VOITH, P/N	3.0
360543	M-4-F3-3C	Protector, oil cap, fogging pumps, # 828710	1.0
360544	M-4-F3-3C	Cap, oil, fogging pump, cat, model 781, #44666	2.0
360545	M-4-F3-3C	Cap, oil, fogging pump, cat, model # 661/3811, # 43211	1.0
360546	M-1-B4	O-RING, HEAD, DRYER, I/A, FLUID ENERGY,#3116662	1.0
360547	M-1-B4	VALVE, SHUTTLE, DRYER, INSTRUMENT AIR, #3144127	1.0
360548	I-1-B	BOARD, SIMPLEX 4010 FIRE ALARM PANEL, SF10 BOARD, MODEL	1.0
360549	M-3-D13	Gasket, Victaulic, 6", VI-77EG 6, Glycol, Generator	4.0
360550	M-3-D13	Coupling, Victaulic, 6", VI-77E.6, Glycol, Generator	4.0
360551	M-3-D13	Gasket, Victaulic, 8", VI-77EG 8, Glycol, Generator	2.0
360552	M-3-D13	Coupling, Victaulic, 8", VI-77E.8, Glycol, Generator	2.0
360553	M-3-B6	SWITCH, LEVEL, LS-1700 BR, BN, FOR SUNFLO PUMP, GEMS	2.0
360554	M-4-B3-4B	ISOLATOR, THERMOCOUPLE, CEMS, INPUT TYPE J T/C 0-500 DEG	1.0
360555	M-1-B3	Fan, thermocooler, cems, 951C, NOx analyzer	2.0
360556	M-3-C6	Sensor, MVS205P, Floboss, ROC-407	1.0
360557	M-3-C2	STRIP HEATER, GENERATOR, #285-050601-221, OT-1805, 1-1/2"	16.0
360558	M-1-C11	REGULATOR, PILOT, TYPE 310-32A, RANGE 100-250, HIGH TEMP	1.0
360559	M-1-B8	PISTON, INLET VALVE, PULSE AIR COMPRESSOR, P/N 250042-436,	4.0
360560	M-1-B8	BLOW DOWN VALVE ASSEMBLY (COMPLETE), PULSE AIR	4.0
360561	I-1-C	Board, Processor, Floboss, ROC407, #W48033X0012	1.0
360563	M-3-C10	DETECTOR, SMOKE, PHOTOELECTRIC, 2-WIRE PLUG-IN WITH	2.0
360564	M-3-C10	DETECTOR, SMOKE, PHOTOELECTRIC, 2-WIRE PLUG-IN WITH	1.0
360565	M-1-B3	Module, input, analog, Allen Bradley, Cems, Cisco, 4-Channel	1.0
360566	W-2-C5	SUPPORT BUNDLE, PROBE, 120FT, CEMS, CISCO, 88003004	1.0
360568	M-4-B3-4C	SWITCH,LEVEL,LUBE OIL TANK,GEMS,#83150	2.0
360569	M-1-B7	Valve, Regulator, Sullair, Control air, B08-02-FK00	1.0
360570	M-1-B7	Gauge, Reg, Sullair, 0-30, K4515N18030	1.0
360571	M-1-B7	Bowl, Drain, Reg, Sullair, GRP-96-712	1.0
360572	M-1-B7	Element, Filter, 5 mic, Reg, Sullair, FRP-96-729	3.0
360573	M-4-B5-1B	SWITCH, BLOCK, ALLEN BRADLEY, 800T-XAP	1.0
360574	M-1-B7	Valve, Blowdown, Seperator, Sullair, D2250049-634	3.0
360575	M-1-B3	SWITCH, TEMPERATURE, 120V, 16A, FOR CEMS REFRIGERATION	1.0
360576	M-4-F4-2C	Contact, Cutler Hammer, CO2 compressor, 480V, C25DND325A	1.0
360577	M-4-F4-3C	Bearing,IB, Cems, Sample pump, 6205-2RZ, #A02011	1.0
360578	M-4-F4-3C	Bearing, OB, CEMS, sample pump mtr, 6203, #A02311	1.0
360579	W-3-C8	THERMOCOUPLE, ELEMENT ONLY, KKS MBH50CT003, PYCO, P/N	2.0
360580	M-4-F4-3A	Muffler, air dryer, cems, cisco, Puregas, #P400399	2.0
360581	M-4-F4-3A	Tower, Air Dryer, Cems, Cisco, Puregas, #P2004036	3.0
360582	M-4-D3-4A	Module, Tri Loop, Hart, Rosemount, 333D, 42Vdc	1.0
360583	M-4-F3-2B	Transmitter, ammonia, PureAire, 0-75ppm, TX-2460FMD	1.0
360584	M-4-F3-2A	Sensor, cell, ammonia, PureAire, 0-75ppm, GS-2460DY	2.0
360585	M-4-F3-2B	Membrane, ammonia, sensor, PureAire, M-2400M	5.0
360586	M-4-F3-2A	Electrolyte, ammonia, sensor, PureAire, EL-2460-5	1.0
360587	M-1-B4	MUFFLER, COMPLETE ASSEMBLY, REL-VLVALV, MALE, MPT, MAX	6.0
360588	M-4-3E-1A	SENSOR, PASSIVE INFRARED, 24V AC/DC SPDT, 90 SEC TIMER,	2.0
360589	M-1-D4	REGULATOR, CEMS, CAL GAS, 50 PSI OUTLET, CISCO, PN 81001036-	1.0
360590	W-2-D5	COMPRESSOR, CO2 SYSTEM, P/N KAJA-011A-TAD-800, COPELAND	1.0

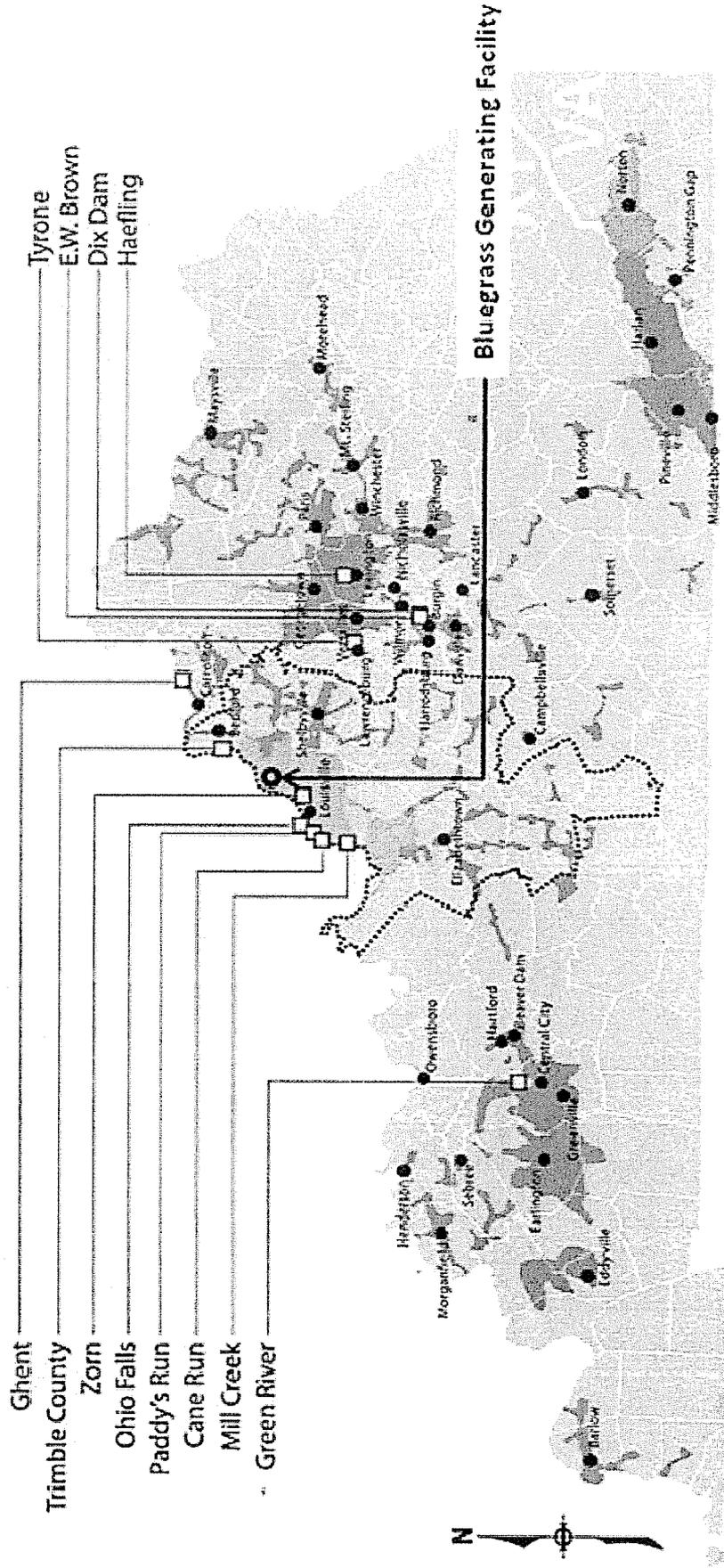
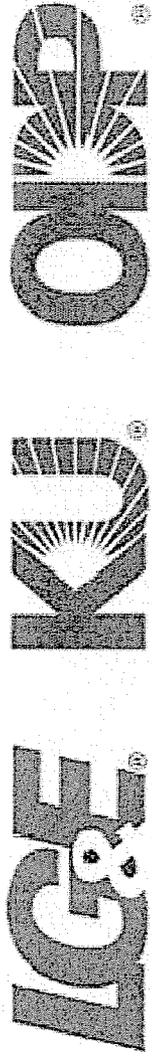
Item	Bin	Description	Current Balance
360591	M-1-B2	VALVE PLATE, FOR CO2 SYSTEM COMPRESSOR, COPELAND	1.0
360592	M-4-F4-2C	Seal, Shaft, Lube Oil, Vapor Extractor	1.0
360593	W-3-C7	THERMOCOUPLE, ELEMENT, BLADE PATH, W501F, LPG 04-1299	8.0
360594	W-3-D7	THRUST BEARING, FILLER RING, W501F, P/N 1851J68001	1.0
360595	M-1-D2	GAUGE, 4-1/2", ASHCROFT, FUELGAS, 0-1000, #A45-1279SSL-04L-	2.0
360596	M-1-D2	GAUGE, ASHCROFT, 2-1/2", FUELGAS, 0-1000 PSIG	2.0
360597	M-1-C4	Regulator, pressure, sample, NOX, 951C, cems	1.0
360598	M-1-C4	Gauge, regulator, sample, NOX, 951C, CEMS	1.0
360599	GB2	Gasket, spiral wound, flex, pilot nozzle, 1"-300, Special	31.0
360600	M-2-B1	FILTER, ELEMENT, FOR PORTABLE FILTER CART, KZ25	8.0
360601	M-1-A1	VALVE, SOLENOID, THREE-WAY, VERSA PRODUCTS, P/N VSG-3521-	1.0
360602	M-1-C4	Thermometer, sample bath, cems, 0-200F	1.0
360603	M-1-C4	Gauge, pressure, cems, 0-160 psi, I/A, 2" back mount	1.0
360604	M-1-C4	FAN, EXHAUST, 951C, CEMS, CISCO, 12VDC, 3200RPM	2.0
360608	M-4-B2-3B	Adapler, contact, switch, turbine, shaft jog, #10250TD31H	1.0
360609	M-4-B2-3B	Operator, key, switch, turbine, shaft jog, #10250T16112	1.0
360610	I-1-C	Power Supply, TDxnet, Bently, 2155, CE-225-4101	1.0
36320	M-4-F5-3A	GASKET, TYPE A41, P/N 75B1124X022	2.0
3646	M-2-B5	FILTER, AIR, SULLAIR COMPRESSOR, 02250131-497 (OLD P/N	6.0
3652	M-1-C5	THERMOMETER, DURATEMP, MODEL 600B-01-CE, ASHCROFT	2.0
3653	M-1-C7	GAUGE,PRESSURE,0-30 PSI,DURAGAUGE,ASHCROFT #45-	3.0
3654	M-1-C5	GAUGE,PRESSURE,0-200 PSI/14KG/CM2 ,DURAGAUGE,ASHCROFT	3.0
3655	M-1-C5	GAUGE,PRESSURE,0-160 PSI - 11 KG/CM2,	3.0
3656	M-1-C6	GAUGE,PRESSURE,0-300 PSI - 21 KG/CM2,	3.0
3657	M-1-C6	GAUGE,PRESSURE,0-10K PSI - 7000KPA, DURAGAUGE,ASHCROFT	3.0
3658	M-1-C6	GAUGE,PRESSURE,0-55 PSI - 4 KG/CM2, DURAGAUGE,ASHCROFT	3.0
3659	M-1-C6	GAUGE,PRESSURE,0-350 PSI - 25 KG/CM2,	2.0
3660	M-1-C5	GAUGE,PRESSURE,0-30 PSI - 2 KG/CM2, COMMERCIAL,ASHCROFT	3.0
3661	M-1-C5	GAUGE,PRESSURE,0-150 PSI - 10	1.0
3662	M-1-C5	GAUGE,PRESSURE,0-60 PSI - 4 KG/CM2,COMMERCIAL,ASHCROFT	3.0
3663	M-1-C5	GAUGE,PRESSURE,0-6000 PSI - 400 BAR,GEN SERVICE,ASHCROFT	3.0
3664	M-1-C5	GAUGE,PRESSURE,0-100 PSI - 7 BAR,GEN SERVICE,ASHCROFT	1.0
3665	M-1-C7	GAUGE,PRESSURE,BELLOWS,20" H2O - 37 MMHG, ASHCROFT	3.0
3666	M-1-D2	GAUGE,MAGNEHELIC,15 PSI,DWYER #4215	3.0
3667	M-1-D2	FLOWMETER, DWYER #RMA-9-SSV	1.0
3668	M-1-C5	GAGE,DIFFERENTIAL PRESSURE,30 PSI,ORANGE RESEARCH,	3.0
3669	M-1-D4	BRUSHES, TURNING GEAR MOTOR, 20 HP, W501F, BALDOR 93A088-	7.0
3670	M-1-D7	PROBE, THRUST, 3300 8MM, 3/8-24 UNF, 330105-02-12-10-02-00	6.0
3671	M-4-D5-4A	SWITCH, ACTUATOR DP, MOOG IGV, G4536-70V, AUX0003531	3.0
3690	M-3-C14	V BELT, 6 GROOVE, BANDED, GLY COOLER, PART # 6- B136	3.0
3691	M-3-C12	V BELT, 5 GROOVE, BANDED, ROTOR AIR COOLER PART # B158	1.0
3805	M-3-B4	SWITCH, THERMOSTAT,120VAC,38-70F RANGE,NOMALLY OPEN,	1.0
390004	M-3-C9	SWITCH, 3 STACKS, VOLTAGE REG, ELECTROSWITCH, SER 24,	1.0
3938	M-1-D6	VALVE,AUTOMATIC DRAIN,INGERSOLL RAND 7100, # 32310690	3.0
4125613	M-3-C10	RELAY, MODEL 12HGA11S52	1.0
4136036	M-4-B4-1A	SEAL, PUMP , P/N DO8717A146241	1.0
4156	M-1-D5	DESICCANT, CASE BREATHER, DES-CASE, HYDRAULIC, DC/6-D	7.0
4194	M-4-E4-4A	COIL, SOLENOID, VALVE, 125VDC, MOOG, C54404-125D,	2.0
4300	M-3-B1	ASSEMBLY, COUPLING GRID & COVER, AC/DC LUBE OIL PUMP,	1.0
4302	M-2-A1	FILTER ELEMENT, 0.35 MICRON, 20", INLET FOGGING SYS, FUP-27,	24.0
4320	M-4-E4-3A	VALVE, CHECK, ACTUATOR, FUEL GAS, PILOT/A/B/C-STAGE,	1.0
4321	M-4-E4-3B	VALVE, CARTRIDGE, ACTUATOR, FUEL GAS, PILOT/A/B/C-STAGE,	1.0
4322	M-4-E4-3C	INDICATOR ASSY, FILTER ALARM, VISUAL, MOOG PN C66875-072V	1.0
4327	M-4-E4-4B	INDICATOR ASSY, FILTER ALARM, MOOG PN C74021-072V	1.0
4334	M-4-E5-4A	SENSOR, INDUCTIVE, SPEED PROBE, 15MM PROX SENSOR, PF	1.0
4336	M-4-E5-4B	CONVERTER, UNIVERSAL FREQUENCY SPD MONITOR,	1.0
4346	M-3-C7	TRANSMITTER, PRESSURE, 0-800 PSI, 3051TA3A2B21AE5,	1.0
4488	M-4-D3-2A	COIL, SOLENOID VALVE, FOGGING PUMP, PN HS3GF18A24	4.0
4489	M-4-D3-2B	KIT, VALVE REPAIR, FOGGING SKID, PN KS211AF02L7FG9	1.0
4515	M-3-D8	TRANSMITTER, DIFFERENTIAL PRESSURE, 0 - 2000PSI,	2.0
4529	I-1-A	MODULE, ANALOG , OUTPUT, P/N FSA01H, FLOBOSS,	2.0
4531	M-4-B4-3A	KIT, REBUILD, GH10XTHMXXX-X, (81000D11), CISCO, 81000013	2.0
4627	LSW	MODULE, SS52, TXP, SWPC PN: AUX0010296, SIEMENS IC PN:	1.0
4767	BLU-WHSE	COUPLING, FLEXIBLE DISC, TORQUE CONVERTER TO	1.0
4809	I-1-B	KEYPAD,SV9000, ROTOR AIR COOLER,CUTLER-	1.0
4818	M-4-D3-2C	KIT, REPAIR, S211, VALVE, DIAPHRAGM, 1" NPT, KS211AF02L7GJ2,	1.0
4822	M-3-C10	SMOKE DETECTOR, IONIZATION, INTEL. AM FIRE, FSI-851	1.0

Item	Bin	Description	Current Balance
4841	M-3-C9	MODULE, TEMPERATURE, RTD, INTRINSICALLY SAFE,	2.0
4888	M-4-F4-3A	KIT, FILTER, 760 SERIES, SERVO VALVE, HYDRAULIC, CONTROL	5.0
4970	M-4-B3-2A	TRANSMITTER, RTD, RECIRC, PN: TH11 PT100, 30-250F, FOGGING	3.0
4971	W-3-C5	FILTER, ELEMENT, LUBE OIL, W501F, 12 MICRON, HYPRO PN:	35.0
4972	W-3-C5	FILTER, ELEMENT, LUBE OIL, W501F, 6 MICRON, HYPRO PN:	14.0
50100001	W-3-D3	MOTOR, 20 HP, DC, TURNING GEAR, W501F, BALDOR, 93A088-2693	1.0
50100007	W-3-D2	MOTOR, 30 HP, 1773 RPM, FR 286T, 460 VAC, LUBE OIL COOLER,	1.0
50100009	BLU-OUTSIDE	COOLER, BUNDLE, LO, W501F, GEA RAINEY 1-1224T108	1.0
50100026	A-6	VALVE, 4", 2ND STG TCV, W501F, FISHER ACT/MLV HYTORK 680/A41	1.0
50100033	M-1-A11	RELAY, SYNC CHECK, W501F, SWPC AUX0001382, BASLER	1.0
50100037	B-A-1	COMPUTER, EMISSIONS FLOW, W501F, SERVOMEX	1.0
50100053	BLU-WHSE	TRANSFORMER, NEUTRAL GROUNDING, W501F	1.0
50100072	M-1-B5	MOTOR, PUMP, GEN BREAKER, ABB, 110-125V, GPFX052220R0001	1.0
50100073	M-1-B5	VALVE, CONTROL, OPEN, GEN BREAKER, W501F, GPFX730094R92	1.0
50100074	M-1-B5	VALVE, CONTROL, CLOSE, GEN BREAKER, W501F, GPFX730094R92	1.0
50100075	M-1-B5	BRUSHES, CARBON, GEN BREAKER, W501F GPFX052143P0098	24.0
50100103	BLU-WHSE	BUSHING, HIGH VOLTAGE, GSU TRANSFORMER, 245 MVA,	3.0
50100105	BLU-WHSE	BUSHING, LOW VOLTAGE, GSU TRANSFORMER, W501F, LF126007-	3.0
50100115	BLU-WHSE	BUSHING, HV-NEUTRAL, GSU TRANSFORMER, W501F, OFTA 550-	2.0
50100150	M-D-3	DETECTOR, GROUND, AVR, SWPC, AUX0003668, C-H, 149D971G04	1.0
50100258	M-3-D12	KIT, OVERHAUL, FIRE PUMP, AURORA, 476-0833-644	2.0
50100265	M-3-C13	BELT, V, 7100 SERIES AIR COMPRESSOR, IR, 95100160	6.0
50100346	M-4-B5-3D	DETECTOR, THERMAL, FENWAL, FIRE SYS, W501F, 12-F27121-000-	2.0
50100347	M-4-B5-4C	DETECTOR, THERMAL, FENWAL, FIRE SYS, W501F, 12-H27121-000-	3.0
50100353	M-3-A8	TRANSMITTER, PRESSURE, ROSEMOUNT, DP, FUELGAS FLOW,	2.0
50100375	M-1-D8	CABLE, EXTENSION 8 METER, BENTLY NEVADA, 330130-080-00-00	8.0
50100377	M-1-D7	PROBE, PROXIMITY 8MM, 9 METER LEAD, BENTLY NEVADA, 330101-	7.0
50100382	M-1-D7	PROXIMITOR, 5MM AND 8MM , 9 METER, BENTLY NEVADA, 330100-	2.0
50100491	M-1-D8	CABLE, DYNAMIC PRESSURE TRANSDUCER, BENTLY, W501F,	16.0
50100492	M-3-C9	CONTROLLER, PLC, MICROLOGIC, W501F, 1761-L32BBB	3.0
50100519	W-3-T4	THERMOCOUPLE, FLASHBACK, W501F, SWPC, 4283C05001	72.0
50100547	W-3-C7	THERMOCOUPLE, BLADE PATH, W501F, SWPC, 897C327001, USE	9.0
50100548	W-3-T2	THERMOCOUPLE, DISC CAVITY #2, W501F, SWPC, 7863D61001	3.0
50100549	W-3-T3	THERMOCOUPLE, DISC CAVITY #3, W501F, SWPC, 7863D61002	2.0
50100550	W-3-T3	THERMOCOUPLE, DISC CAVITY #4, W501F, SWPC, 7863D61003	2.0
50100570	BLU-WHSE	BUSHING, LOW VOLTAGE, GSU TRANSFORMER, 501F, 025V0750VWV,	2.0
50100577	BLU-WHSE	BUSHING, HIGH VOLTAGE, GSU TRANSFORMER, 501F,	3.0
50101062	M-3-B6	SWITCH, MAGNETIC, GLYCOL, TEWAC,GEMS, 85350	3.0
505-5400001	W-3-C6	NOZZLE, FUEL, PILOT, DUAL FUEL, DLN, COMBUSTION, 501F,	1.0
505-5400001-R1	W-3-C6	NOZZLE, FUEL, PILOT, DUAL FUEL, DLN, COMBUSTION, 501F,	3.0
505-6350056	M-3-C8	RELAY, AUX., GENERATOR,COMP.	2.0
507-1600064	M-4-D5-3D	BOARD, AMP, CIRCUIT, FOR 1151AP, DP & GP	2.0
5600	M-4-B2-4A	ANALOG RETRANSMITS (4CH), OUTPUT MODULE, #SNFI-20	1.0
629-1600072	M-4-D5-3D	BOARD, CIRCUIT, CALIB ,FOR 1151AP, DP&G	1.0
661-8600001	M-3-A11	UNIT, WEATHERPROOF DRIVER (RATED 30 WATTS @ 16 OHMS)	1.0
6791	M-4-G5-1A	SEAL 55X70X8 A-NBR TURNING GEAR FLENDER GEAR BOX RO2462	1.0
6816	BLU-WHSE	COUPLING, GEAR, 501F, VOITH 304004619	1.0
6817	BLU-WHSE	COUPLING, DISC, 501F, VOITH 304005135	1.0
6825	M-B-4	CARD, FLASH, PLC S5 MEMORY MODULE, 256KB,501F, SIEMENS,	6.0
6887	M-1-A2	SOLENOID ASCO PART #8320G184 MS 3-WAY 1/4" 120/60	1.0
695-6050001	M-4-D4-2C	PROBE, VIBRATION PROXIMITOR8MM/9 METER 330100-50-00	1.0
711-8200000	M-3-C11	TRANSDUCER, I/P, MOD 3311DS1J1, CURRENT/PRESSURE,	3.0
7146223	I-4-C1-R	FUSE, 250V, 35 AMPS, NON-35/BUSS	15.0
7900007	I-1-C	MODULE, 3500 RACK INTERFACE, 3500/20-01-02-00	1.0
872-5350005	W-3-D1	MOTOR, 10 HP, 215T BALDOR	1.0
IP861606	M-3-A11	STARTER,ELECTRICAL,MAGNETIC,1,,480,,,,3, AN16DNOAB	1.0
IP872582	M-4-B5-1B	RELAY, P/N 420221, ALLEN BRADLEY 700HA32A1, 120 VAC,	1.0
SWPC-6CGRG02	W-3-C4	RING, C-GAS, 6-LEG, 501F, 8154D99G02 (SWPC WARRANTY ITEM)	2.0

EXHIBIT K

MAPS

[See Attached]



* Note: Due to its highly fragmented and constantly changing nature, the gas service area is shown as whole counties. In reality, however, some of the outlined counties are served by two or more gas utilities including LG&E.

EXHIBIT M

DISCUSSION OF CROSS-SUBSIDIZATIONS, PLEDGES OR ENCUMBRANCES

Section 33.2(j) of the Commission's regulations, 18 C.F.R. § 33.2(j), provides that an application under Section 203 of the Federal Power Act shall contain, in an Exhibit M, an explanation "[o]f how applicants are providing assurance, based on facts and circumstances known to them or that are reasonably foreseeable, that the proposed transaction will not result in, at the time of the transaction or in the future, cross-subsidization of a non-utility associate company or pledge or encumbrance of utility assets for the benefit of an associate company."

Applicants submit, based on facts and circumstances known to them or that are reasonably foreseeable, that the proposed Transaction will not result in, at the time of the Transaction or in the future, cross-subsidization of a non-utility associate company or pledge or encumbrance of utility assets for the benefit of an associate company. In support thereof, Applicants state as follows.

In its Supplemental Section 203 Policy Statement,¹ the Commission established several categories of "safe harbors" for transactions that are unlikely to present cross-subsidization concerns or are not likely to require FERC-mandated protections from cross-subsidization. Among them, the Commission established a safe harbor for transactions that are subject to review by state commissions.² The Commission has held that it:

intends to defer to state commissions where the state adopts or has in place ring-fencing measures to protect customers against inappropriate cross-subsidization or the encumbrance of utility assets for the benefit of the 'unregulated' affiliates. Therefore, compliance with Exhibit M could be satisfied with a showing that the proposed transaction complies with specific state regulatory protections against inappropriate cross-subsidization by captive customers.³

The Transaction qualifies for the state review "safe harbor" from cross-subsidization review. The Kentucky Public Service Commission ("KPSC") will review this transaction and consummation of the Transaction is conditioned on its approval. Thus, the KPSC, by reviewing the Transaction, will be able to protect against any inappropriate cross-subsidization that could result from the Transaction. In light of the foregoing, Applicants respectfully submit that there is no need for a further examination of cross-subsidization and encumbrance concerns as to the Transaction.

¹ *FPA Section 203 Supplemental Policy Statement*, 120 FERC ¶ 61,060 (2007).

² *Id.* at P 18.

³ *Id.*

Notwithstanding the application of the state-review safe harbor, this transaction also satisfies the Commission's four-part test for cross-subsidization.⁴

(i) As is common in the utility industry, substantially all of LG&E/KU's real and tangible personal property in Kentucky is subject to liens created by first mortgage indentures. The Companies' first mortgage indentures contain standard after-acquired property clauses pursuant to which relevant later-acquired property automatically becomes subject to the mortgage's lien upon the acquisition of such assets. The respective first mortgage liens can secure existing or future long-term debt issued at LG&E and KU, particularly first mortgage bonds series, including certain series which serve as collateral for pollution control bonds issued by the Companies. Thus, the assets acquired via the Transaction will be pledged or encumbered in a manner similar to other like property of the Companies, and only in such similar manner. These first mortgage indenture and secured debt structures of the Company are consistent with relevant practices in the utility industry, which structures allow utilities efficient access to low-cost capital *See* 18 C.F.R. Section 33.2(j)(1)(i).

(ii)(A) The Transaction is an arms' length transaction between unaffiliated entities. Accordingly, the Transaction will not result in "[a] transfer of facilities between a traditional public utility associate company that has captive customers or that owns or provides transmission service over jurisdictional transmission facilities, and an associate company." *See* 18 C.F.R. Section 33.2(j)(1)(i)(A).

(B) The purchase price payable under the Transaction will be financed by LG&E and KU by funds from a number of sources, including existing cash balances, issuances of short-term commercial paper and/or drawing on existing revolving credit facilities. The subject assets are to be acquired in the name of and utilized by the Companies directly in their utility operations to meet their service obligations and other permitted uses. Accordingly, the Transaction will not result in "[a]ny new issuance of securities by a traditional public utility associate company that has captive customers or that owns or provides transmission service over jurisdictional transmission facilities, for the benefit of an associate company." *See* 18 C.F.R. Section 33.2(j)(1)(i)(B).

(C) As described in (i) above, the assets acquired in the Transaction will be pledged or encumbered in the ordinary course by liens under LG&E's and KU's existing first mortgage indenture's after-acquired property clause, as is common in the utility industry. *See* 18 C.F.R. Section 33.2(j)(1)(i)(C).

(D) The Transaction will not result in "[a]ny new affiliate contract between a non-utility associate company and a traditional public utility associate company that has captive customers or that owns or provides transmission service over jurisdictional transmission facilities, other than non-power goods and services agreements subject to review under sections 205 and 206 of the Federal Power Act." *See* 18 C.F.R. Section 33.2(j)(1)(i)(D).

⁴ *See* 18 C.F.R. § 33.2(j) (2011).