OCT 07 2008 PUBLIC SERVICE COMMISSION

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

Lonnie E. Bellar Vice President T 502-627-4830 F 502-217-2109 Ionnie bellar@eon-us com

COMMISSION

Ms. Stephanie L. Stumbo Executive Director Kentucky Public Service Commission 211 Sower Boulevard Frankfort, Kentucky 40601

October 7, 2008

RE: Application of Kentucky Utilities Company for an Adjustment of Base Rates – Case No. 2008-00251

Application of Kentucky Utilities Company to File Depreciation Study – Case No. 2007-00565

Dear Ms. Stumbo:

Please find enclosed and accept for filing the original and ten (10) copies of the Response of Kentucky Utilities Company to the Lexington-Fayette Urban County Government's (LFUCG) Second Data Request for Information dated September 22, 2008, in the above-referenced matters.

Also, enclosed are an original and ten (10) copies of a Petition for Confidential Protection regarding certain information requested in Question No. 5.

Should you have any questions regarding the enclosed, please contact me at your convenience.

Sincerel

Lonnie E. Bellar

cc: Parties of Record

Ms. Stephanie L. Stumbo October 7, 2008

Counsel of Record

Allyson K. Sturgeon, Senior Corporate Attorney – E.ON U.S. LLC Robert M. Watt – Stoll Keenon Ogden PLLC (Kentucky Utilities) Kendrick R. Riggs – Stoll Keenon Ogden PLLC (Kentucky Utilities) W. Duncan Crosby – Stoll Keenon Ogden PLLC (Kentucky Utilities) Dennis Howard II – Office of the Attorney General (AG) Lawerence W. Cook – Office of the Attorney General (AG) Paul D. Adams – Office of the Attorney General (AG) Michael L. Kurtz – Boehm, Kurtz & Lowry (KIUC) David C. Brown – Stites and Harbison (Kroger) Willis L. Wilson – LFUCG Department of Law (LFUCG) Joe F. Childers (CAK and CAC)

Consultants to the Parties

Steve Seelye – The Prime Group (E.ON U.S. LLC) William A. Avera – FINCAP, Inc (E.ON U.S. LLC) John Spanos – Gannett Fleming, Inc. (E.ON U.S. LLC) Robert Henkes (AG) Michael Majoros – Snavely King Majoros O'Connor & Lee (AG) Glenn Watkins – Technical Associates (AG) Dr. J. Randall Woolridge – Smeal College of Business (AG) Lane Kollen – Kennedy and Associates (KIUC) Kevin C. Higgins – Energy Strategies, LLC (Kroger)

STATE OF KENTUCKY)) SS: COUNTY OF JEFFERSON)

The undersigned, **Chris Hermann**, being duly sworn, deposes and says he is Senior Vice President – Energy Delivery for Kentucky Utilities Company, that he has personal knowledge of the matters set forth in the foregoing testimony, and the answers contained therein are true and correct to the best of his information, knowledge and belief.

Maulu_

CHRISIHERMANN

Subscribed and sworn to before me, a Notary Public in and before said County and State, this $3^{\underline{Cl}}$ day of October, 2008.

Notary Public (SEAL)

November 9, 2010

STATE OF KENTUCKY)) SS: COUNTY OF JEFFERSON)

The undersigned, **Butch Cockerill**, being duly sworn, deposes and says that he is Director, Revenue Collection for Louisville Gas and Electric Company, that he has personal knowledge of the matters set forth in the responses for which he is identified as the witness, and the answers contained therein are true and correct to the best of his information, knowledge and belief.

Butch CockEDU

Subscribed and sworn to before me, a Notary Public in and before said County and State, this $2^{\underline{M}}$ day of October, 2008.

Notary Public (SEAL)

November 9, 2010

STATE OF KENTUCKY)) SS: COUNTY OF JEFFERSON)

The undersigned, **Robert M. Conroy**, being duly sworn, deposes and says that he is the Director, Rates for Kentucky Utilities Company, that he has personal knowledge of the matters set forth in the responses for which he is identified as the witness, and the answers contained therein are true and correct to the best of his information, knowledge and belief.

ROBERT M. CONROY

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 3^{-d} day of October, 2008.

Notary Public (SEAL)

November 9, 2010

STATE OF KENTUCKY)) SS: COUNTY OF JEFFERSON)

The undersigned, William Steven Seelye, being duly sworn, deposes and says that he is the Senior Consultant and Principal, for The Prime Group, LLC, that he has personal knowledge of the matters set forth in the responses for which he is identified as the witness, and the answers contained therein are true and correct to the best of his information, knowledge and belief.

WILLIAM STEVEN SEELYE

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 2^{nd} day of October, 2008.

Jammy J. Ely (SEAL)

November 9, 2010

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF KENTUCKY)	CASE NO.
UTILITIES COMPANY FOR AN)	2008-00251
ADJUSTMENT OF BASE RATES)	
APPLICATION OF KENTUCKY)	CASE NO.
UTILITIES COMPANY TO FILE)	2007-00565
DEPRECIATION STUDY)	

RESPONSE OF KENTUCKY UTILITIES COMPANY TO THE SECOND DATA REQUEST FOR INFORMATION OF THE LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT (LFUCG) DATED SEPTEMBER 22, 2008

FILED: OCTOBER 7, 2008

CASE NO. 2008-00251 CASE NO. 2007-00565

Response to Second Data Request For Information of the Lexington-Fayette Urban County Government Dated September 22, 2008

Question No. 1

Responding Witness: Butch Cockerill

- Q-1. Please refer to LFUCG Initial Request for Information No. 5. If LFUCG installs 700 additional street lights per year, which are primarily low wattage residential type fixtures, for up to a total of 3,500 additional street lights (taking into account the impact of roadway projections and housing market slow down) what would you estimate the approximate additional tariff LFUCG would pay on a monthly basis for these lights?
- A-1. Additional lights are requested for installation at the discretion of the LFUCG. Since the style and the quantity may vary depending upon the lighting needs identified by the LFUCG, rates also will vary.

CASE NO. 2008-00251 CASE NO. 2007-00565

Response to Second Data Request For Information of the Lexington-Fayette Urban County Government Dated September 22, 2008

Question No. 2

Responding Witness: Chris Hermann / Robert M. Conroy

- Q-2. Please refer to LFUCG Initial Request for Information No. 6. KU is currently in the process of replacing all their Mercury Vapor (MV) fixtures in Fayette County. The last report reflected that there were approximately 2,857 Mercury Vapor (MV) street lights with an approximate average cost of \$1.50 more per light on a monthly basis than the High Pressure Sodium (HPS) street lights currently in use. Would KU be willing to expedite the replacement of these lights more rapidly than on an "as needed basis?" If so, please elaborate. If not, why not?
- A-2. As stated in the response to LFUCG-1 Question No. 6, existing lighting fixtures are replaced on an as-needed basis. Therefore, the quantity and type of light replaced is subject to random conditions and is unpredictable. KU is replacing MV street lights as they fail in accordance with tariff provisions and has no plans to deviate.

CASE NO. 2008-00251 CASE NO. 2007-00565

Response to Second Data Request For Information of the Lexington-Fayette Urban County Government Dated September 22, 2008

Question No. 3

Responding Witness: Chris Hermann

- Q-3. Is KU willing to offer any of its street light customers (including LFUCG) any lighting options that are more efficient in consuming electricity (i.e., LED or solar) than those presently offered?
 - a. Please provide the cost and feasibility of any alternative lighting options that might become available.
- A-3. KU has not studied alternative street lighting options or alternative street lighting technologies.

Provisions for special lighting applications specific to one customer can be accommodated with electrical service to a metered delivery point for any customer-owned facilities.

CASE NO. 2008-00251 CASE NO. 2007-00565

Response to Second Data Request For Information of the Lexington-Fayette Urban County Government Dated September 22, 2008

Question No. 4

Responding Witness: Chris Hermann

- Q-4. Is KU willing to offer any additional enhanced decorative lighting options, including those that might offer more efficiency?
 - a. Please provide the cost and feasibility of any alternative lighting options that might become available.
- A-4. Please see response to Question No. 3.

CASE NO. 2008-00251 CASE NO. 2007-00565

Response to Second Data Request For Information of the Lexington-Fayette Urban County Government Dated September 22, 2008

Question No. 5

Responding Witness: Chris Hermann

- Q-5. Please refer to LFUCG Initial Request for Information No. 4. Please provide the current total cost to KU of installing each type of public street light, as well as a break down of the cost of labor, materials, equipment, and any other associated costs for each type of street light. Also provide copies of the most recent contracts for purchase of each type of light fixture and pole type.
 - (a) What is the typical life expectancy of each street light fixture for which KU provided information in its response?
 - (b) Please provide the "Installed values" (labor, associated materials, equipment, etc.) typically borne by KU for each type of street light.
- A-5. The current total cost to KU of acquiring and installing each type of public street light broken down between material and labor is included in KU's response to part (b) of this question below.

Copies of the most recent contracts for purchase of each type of light fixture and pole type are being filed pursuant to a Petition for Confidential Protection.

- (a) As stated in KU's response to LFUCG's Initial Request for Information Question No. 11, KU utilizes one depreciable life established for all assets in the street lighting account. The Company proposes to use a depreciation rate of 3.16%, with an average service life of 32 years and an average remaining life of 19.1 years. The methods utilized are those typically employed within the industry.
- (b) See attached.

Contracts for Purchase of each Type of Light Fixture and Pole Type

Confidential Information Redacted

STREET LIGHT INSTALLED COST BT	MATERIAL A	ND LABO	
			TOTAL INSTALLED
TYPE OF INSTALLATION	MATERIAL	LABOR	COST
5800L HPS COBRA, 30' WD	\$525.94	\$523.69	\$1,049.63
5800L HPS COBRA, 25' ORN, DIR BUR	\$1,130.59	\$548.80	\$1,679.39
5800L HPS COBRA, 25' ORN, PED	\$1,226.76	\$781.55	\$2,008.31
9500L HPS COBRA, 35' WD	\$657.14	\$593.37	\$1,250.51
9500L HPS COBRA, 30' ORN, DIR BUR	\$1,267.18	\$548.80	\$1,815.98
9500L HPS COBRA, 30' ORN, PED	\$1,499.88	\$781.55	\$2,281.43
22000L HPS COBRA, 35' WD	\$688.27	\$523.69	\$1,211 96
22000L HPS COBRA, 30' ORN DIR BUR	\$1,298.31	\$548.80	\$1,847.11
22000L HPS COBRA, 30' ORN, PED	\$1,531.02	\$781.55	\$2,312.57
50000L HPS COBRA, 35' WD	\$768.76	\$523.69	\$1,292.45
50000L HPS COBRA, 30' ORN, DIR BUR	\$1,378.80	\$548.80	\$1,927.60
50000L HPS COBRA, 30' ORN, PED	\$1,611.51	\$781.55	\$2,393 06
4000L HPS ACORN, DEC POLE, DIR BUR	\$985.22	\$460.60	\$1,445.82
4000L HPS ACORN, DEC POLE, PED	\$1,026.32	\$711.73	\$1,738.05
4000L HPS ACORN, HIST POLE, DIR BUR	\$1,869.20	\$460.60	\$2,329.80
4000L HPS ACORN, HIST POLE, PED	\$2,047.52	\$711.73	\$2,759.25
5800L HPS ACORN, DEC POLE, DIR BUR	\$990.83	\$460.60	\$1,451.43
5800L HPS ACORN, DEC POLE, PED	\$1,055.35	\$711.73	\$1,767.07
5800L HPS ACORN, HIST POLE, DIR BUR	\$1,874.81	\$460.60	\$2,335.41
5800L HPS ACORN, HIST POLE, PED	\$2,053.13	\$711.73	\$2,764.86
9500L HPS ACORN, DEC POLE, DIR BUR	\$983.27	\$460.60	\$1,443.87
9500L HPS ACORN, DEC POLE, PED	\$1,047.79	\$711.73	\$1,759.51
9500L HPS ACORN, HIST POLE, DIR BUR	\$1,867.25	\$460.60	\$2,327.85
9500L HPS ACORN, HIST POLE, PED	\$2,045.57	\$711.73	\$2,757.29
4000L HPS COLONIAL, DEC POLE, DIR BUR	\$769.16	\$460.60	\$1,229.76
4000L HPS COLONIAL, DEC POLE, PED	\$833.68	\$711.73	\$1,545.40
5800L HPS COLONIAL, DEC POLE, DIR BUR	\$767.15	\$460.60	\$1,227.75
5800L HPS COLONIAL, DEC POLE, PED	\$831.67	\$711.73	\$1,543.39
9500L HPS COLONIAL, DEC POLE, DIR BUR	\$770.16	\$460.60	\$1,230.76
9500L HPS COLONIAL, DEC POLE, PED	\$834.68	\$711.73	\$1,546.40
5800L HPS COACH, PED	\$2,484.34	\$711.73	\$3,196.07
9500L HPS COACH, PED	\$2,435.65	\$711.73	\$3,147.37
5800L HPS CONTEMP, 25' DIR BUR	\$1,463.26	\$548.80	\$2,012.06
5800L HPS CONTEMP, 25' PED	\$1,625.50	\$668.85	\$2,294.35
9500L HPS CONTEMP, 30' PED	\$1,187.76	\$546.00	\$1,733.76
22000L HPS CONTEMP, 30' PED	\$1,205.39	\$546.00	\$1,751.39
50000L HPS CONTEMP, 30' PED	\$1,224.21	\$546.00	\$1,770.21
16000L HPS GRAN VILLE, PED	\$2,631.43	\$711.73	\$3,343.16

STREET LIGHT INSTALLED COST BY MATERIAL AND LABOR

CASE NO. 2008-00251 CASE NO. 2007-00565

Response to Second Data Request For Information of the Lexington-Fayette Urban County Government Dated September 22, 2008

Question No. 6

Responding Witness: Chris Hermann

- Q-6. Please refer to LFUCG Initial Request for Information No. 7. Is none of the information that KU provided in its response in the form of a written policy, procedure, practice and/or guideline provided to KU's employees and/or agents? If so, please provide all such documentation (as previously requested). If not, please explain why not, and also explain how such policies, procedures, practices and/or guidelines can be expected to be consistently enforced and/or followed if they are not in written form.
 - (a) Please describe and explain in detail KU's "lighting patrols" (see Response to 7(a)) and provide all applicable information and supporting documentation. For example, how often and at what times and in what areas do these "patrols" take place?
 - (b) For each type of repair order generated by a person or entity described in KU's response to LFUCG 7(a)(i.e., employees and contractors, customers, LFUCG personnel, police, fire, etc.) please provide the annual number of such repair orders generated for each such person or entity. For example, what percentage of repairs are generated by the "lighting patrols" versus complaints? Please provide any and all supporting documentation.
 - (c) What percentage of public street light repairs are typically repairs to the same particular street light? Does KU maintain a regular schedule to replace antiquated public street lights? Please provide a detailed explanation as well as all supporting documentation.
 - (d) Please describe in detail the process for a citizen to make a complaint regarding a street light, and include any applicable points of contact, addresses and telephone numbers, and how the location of the light is too be described to KU (if not by street address). If this process or the required information differs for complaints made by the LFUCG or its divisions, please provide the additional information.

- (e) Does KU in any way educate the public as to how or to whom to complain about a public street light that does not work properly? If so, please describe in detail all such efforts made by KU in the last 5 years and provide copies of any applicable materials.
- (f) For each of the past 5 years, please provide the total number of public street lights that KU has performed maintenance work on in Fayette County. If this information is not available by county, please provide this information for KU's entire service area. If available, please also provide the type of maintenance work performed in each instance.
- A-6. KU has adopted a written set of procedures for the installation and safe operation of street lights and other lighting products which are provided to appropriate personnel. KU maintains its street lights and other lighting products consistent with the original KU installation standards, and in compliance with 807 KAR 5:041. Electric: Section 2 General Requirements, Section 3 Acceptable Standards, and Section 5 Maintenance or Continuity of Service. A copy of these installation standards was provided in KU's response to LFUCG-1 Question No. 7.
 - (a) As stated in KU's response to LFUCG-1 Question No. 7, KU conducts lighting patrols as part of its regular operations. These patrols are integrated into KU's normally scheduled operations for outage response activities. When not responding to outages, which can occur at any time, KU's outage technicians, on duty on a 24 x 7 basis, undertake lighting patrol and maintenance activities, among other duties that they may perform on a daily basis.

STREET LIGHT PATROL/REPAIR SCHEDULE

In addition to needed street light repairs reported via the public, LFUCG, and internally, concerted patrol and repairs are performed on the following annual schedule.

MONTH	ZONE	ZIP CODE
JAN	1	40507
JAN	2	40508
FEB	3	40505
MAR	4	40502
APR	5	40511
MAY	6	40503
JUN	7	40509
JUL	8	40504
AUG	9	40517
SEPT	10	40516

SEPT	11	40513
OCT	12	40515
NOV	13	40514
DEC	14	40510

Arterials are scheduled for patrol semi-annually in May and October to identify and repair those lights along the following routes:

Man-O-War Blvd - New Circle Rd Versailles Rd - Winchester Rd Harrodsburg Rd- Paris Pike Nicholasville Rd - Newtown Pike Tates Creek Rd - Georgetown Rd Richmond Rd - Leestown Rd

- (b) KU does not track light repair orders by origin.
- (c) KU does not track repair history by specific light. As stated in KU's response to LFUCG-1 Question No. 6, existing lights are replaced due to third party damage, requested replacement (by the customer), damage from weather events, or failure. KU does not initiate the replacement of street lights other than as the result of street light failure or requested replacement by the customer.
- (d) KU provides many points of contact for the customer to report a light that is not functioning. These include direct communication with a business office or employee, by telephone, or through KU's Internet web-site. See the attached telephone and website processes.
 1-800-981-0600
 https://secure.eon-us.com/common/CallCenterMail/contact_ku_streetlight.asp
- (e) KU has historically utilized various media -- including the E.ON U.S. corporate Web site, Power Source customer newsletter, etc. -- to inform customers about how to contact the Company to report outages (including street lights). The attached examples provide samples of streetlight outage communications efforts and reporting mechanisms:
 - Sept. 2008 Power Source newsletter
 - Online "Report a Streetlight Outage" form on Web site
 - Online "Contact KU/ODP" form on Web site:
- f) KU does not track street light maintenance activities by county. Historically, KU repairs an average of 3,000 lights per year in the Central Kentucky area, which includes Fayette County. The attachment to KU's response to LFUCG-

1 Question No. 8 sets forth the typical types of maintenance activities requested herein.

•

Responding Witness – Chris Hermann KU Response to LFUCG-2 Question No. 6(d)

Location of light in need of repair:* (please be as specific as possible)

Kentucky Utilities Company - Contact - Streetlight Repair

an <i>e-dirs</i> company							
For the Home	For the Business	About Us	Newsroom	Kids Connection	Careers	E.ON U.S.	Contact Us search
	E.ON U.S.	Home > Kenti	ucky Utilities > 4	Contact KU/ODP			
	Please fill technician track this	in the informati s will be contac repair.	ting you with a v	ck "Send". If requested, vork order number so th	nat you can		Call Center Hou Monday - Frida 7am - 7pm 800-981-0600 Emergency outa
For the Home For the Business	Please all		or streetlight outa	ge repairs to be compl	eled.		called in 24 hours a week.
About KU Business Office Loo Economic Developi Outages	Phone Nu						
KU/ODP Territory Plant Information Old Dominion Powe	Clty, Sta	te, Zip Code:*	;				
	~ 1						



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For the Home
For the Business
About KU
Business Office Locations
Economic Development
Outages
KU/ODP Territory

Hours -riday m 0090

outages may be urs a day, 7 days a veek.

site map + contact KU + home

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Page 1 of 2

9/29/2008

Kentucky Utilities Company - Contact - Streetlight Repair

Page 2 of 2

Description of Problem:* Light is always off

Please note that the problem cannot be repaired if we do not receive the required information regarding this issue. Please provide as much information as possible.

Send

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September 2008 Power Source Newsletter **Responding Witness – Chris Hermann** KU Response to LFUCG-2 Question No. 6(e)

Power On

In this difficult economy, individuals and industries across the country are feeling the effects of rising costs Unfortunately, we in Kentucky are not immune to the challenges presented by a struggling economy and, particularly, rising fuel costs The prices we pay for the fuels we rely on to meet your energy needs are at all time highs. The rising costs of natural gas and coal concern us because we know they will significantly impact your future energy bills We want to keep you informed of these issues and help you find ways to lessen the impact of price increases

With this issue of *Power Source*, we are launching several new features, including this column, "Power On," which we will use to communicate energy issues and trends "Lighten Up" and "Technotes" will feature energy efficiency and moneysaving tips you can use in and around your home and with your electronic equipment "Eco-Centric" will offer energy efficient ideas and strategies outside your home

You may wonder if one person or one household truly can make a difference We say, "Yes." Begin by learning as much as you can about energy efficiency Pay attention to how you and your family use the electric devices and appliances in your home. Evaluate your family's energy needs. Many items in your home may make your life easier, but we encourage you to consider at what cost

Customers first. Energy that lasts.

In the coming months, we will expand and enhance our energy efficiency offerings so you will have more tools available to help you become a better energy manager Visit our Web site for detailed information about existing programs and watch for information about new programs In addition, review some of our online tips — some low cost, others no cost — to help you find ways to better manage your energy usage



Now is the time for action Efforts made in the past to become more energy efficient and reduce energy costs are more crucial than ever to our energy future. We invite you to contact us if you have questions or need additional information Visit us online or call us at 800-981-0600

Fall clean-up, fix-up & dig-up safety tips

- When cleaning gutters, never carry your ladder upright It's easy to lose control and hit power lines or windows
- Look up for power lines before putting a ladder down
- Have your fireplace inspected and flue cleaned by a qualified contractor

 To save on heating and cooling costs. close the dampers and doors in fireplaces when not in use

Visit www.ean-us.com for tips on how to find and seal leaks in your home and for an annual savings of up to 10 percent on your heating and cooling bill



Computer energy-saving tips

The energy cost to run your computer can vary greatly depending on the type of computer you own, how often you use it and current energy rates Regardless, you can save about 34 percent of the energy used to run your computer each year simply by shutting it off for eight hours each night. These days, computers are designed to handle 40,000 cycles (turning it on and off), so they can be turned off frequently without shortening the life of the PC Plus, you avoid the extra cooling cost since a computer that is turned off does not generate any heat. Here are more computer tips to keep in mind:

- Turn off the PC monitor or close your laptop if you don't plan to use it for more than 20 minutes
- Shut down your laptop or PC and monitor if you don't plan to use it for more than two hours
- Avoid using screen savers because they are not energy savers. Not only might they prevent your automatic power-down feature from starting. but they may actually use more energy than if you did not use one
- Dial 811 before beginning any excavation or digging work in your yard
- Inspect (or install) fire extinguishers
- If your furnace is more than a few years old, have it cleaned and tuned, including cleaning the blower and burners and resetting the fuel-air mixture if needed



Call for convenient, 24-hour service

Our Interactive Voice Response (IVR) system is available 24 hours a day for immediate account access, account management. program information and to get help with a power issue Just clip and save this speed-dial guide for your next call or simply listen as our menu guides you through your options

Quick IVR guide for residential customers

Write	your	account	number	here	for	quick	reference	
A ATTICE	your	accoon	1011061	11010	101	quica.	reletence	

Call toll-free (800) 981-0600

Press

- 1-1 To report a power outage, downed wire. street light outage or any other power problem
- 1-2-1 To obtain account information (balance due, last payment received)
- **1-2-3-1** To listen to information on billing and payment plans such as the Budget Payment Plan or automatic bank payments
- 1-2-3-2 For payment locations, office hours or mailing address
- 1-2-3-3 To request a copy of your bill
 - 1-2-4 To receive info about how to contribute to community assistance programs
 - 1-3 If you are moving, to start or stop service, or for new construction
 - 1-4-1 For information on paying your bill by phone
 - 1-4-2 For community assistance locations and phone numbers
 - 1-4-3 For information about green energy and other energy efficiency programs
 8 To repeat the current menu of options
 - 8 To repeat the current menu of options
 - 9 To return to the main menu

New law expands enforcement

A state law that went into effect this summer is designed to reduce accidents or outages caused by someone digging into a buried utility line. The new law expands enforcement of existing statutes that require underground utility lines to be located and marked prior to most excavation or demolition activity. Under the new law (KRS 367 4917), local governments may collect fines from excavators who fail to arrange for proper marking. In the past, all such fines went to the state

"By giving local authorities an incentive to identify violators. this law should significantly increase enforcement of and compliance with the before-youdig statute," Kentucky Public Service Commission Chairman David Armstrong explained "Digging into a buried utility line can disrupt service to large numbers of customers and, in the case of electric or gas lines, be extremely dangerous." Armstrong said.

The new provision was included in House Bill 649, which was enacted earlier this year House Bill 649 also provides for the designation of Kentucky 811 as the state's call-before-you-dig center (www.call811.com)



Eco-Centric

- Revolving doors make a difference According to a 2006 MIT study, on average, eight times as much air is exchanged when a swing door is opened as opposed to a revolving door; that's eight times as much new air that needs to be heated or cooled And each use of a traditional swing door loses an energy equivalent of:
 - 1 3 hours of light from a desk lamp
 - 4 3 hours of light from a compact fluorescent bulb
 - Driving a car 306 feet
 - A half-mile jog

Simply put, when entering a building, use the revolving door instead of the regular door to lighten our community's energy load!



Energy savings in the laundry room

- Wash and dry full loads
- Use only cold water for rinsingUse cold water for washing
- whenever possible detergents formulated for cold water are just as effective as regular detergents
- Dry loads in succession to take advantage of the residual heat.
- Use the auto-dry setting if you have one to avoid over-drying clothes
- Clean the dryer vent after each use
- Check your dryer exhaust; it may need to be cleaned out to return efficiency to your dryer and prevent a fire hazard

Contact Information

Ktulie F. Gebeen KU Customer Service Monday – Friday 7 a.m. – 7 p.m. (EST) (800) 981-0600

For hearing/speech-impaired Dial 711 24-hour Power Outages (800) 981-0600 Business Service Center Monday – Friday 7 a.m. – 6 p.m. (EST) (859) 367-1200 (800) 383-5582 Editor Cheryl.Williams@eon-us.com

Visit our Web site www.eon-us.com



Responding Witness – Chris Hermann Online "Report a Streetlight Outage" form on Web site KU Response to LFUCG-2 Question No. 6(e)



Outages

site map - contact KU + home

For the Home	For the Business	About Us	Newsroom	Kids Connection	Careers	E.ON U.S.	Contact Us	
				r.			search	÷

E.ON U.S. Home > Residential Services > KU Residential Services > Outages



Billing FAQ Business Office Locations Customer Handbook Electric Heat Pump Information Energy Savings Programs **Energy Saving Tips** Fuel Cost Comparison Geothermal Heating and Cooling Heating Assistance Programs Home Energy Calculator How to Read Your Meter Online Billing

Outages

- » Report a Streetlight Outage
- » Storm Information
- » Momentary Outages

Snow, ice storms, and thunderstorms with high winds can severely damage an electric system. When objects, like tree limbs and animals come in contact with a power line, automatic breakers and other protection devices shut off the flow of electricity. Any customer connected to that particular circuit will lose power until we make the necessary repairs and reset the equipment.



During severe weather situations, tree branches or entire trees may fall onto power lines, knocking down spans of power lines and numerous poles. Sometimes entire spans of electric line must be rebuilt, which can be time-consuming and dangerous for our crews, and it may mean your power is out for longer durations.

Our line crews cannot always immediately detect the damage or problem. Our employees many times are forced to spend a great deal of time walking the route of the circuit to assess the damage and determine approximate restoration times.

By reporting power outages to us, you can help our crews locate the problem and restore service more quickly. Below you'll find convenient information and valuable tips for what you can do if the power goes out.

To report or inquire about power outages, call us at (800) 981-0600 - 24 hours a day, 7 days a week.

Payment Options To help you report your outage as quickly as possible, we use an automated outage reporting system. When you call, our automated system will prompt you to enter your telephone number, and the system will verify the service address so we can quickly Power Source Newsletter

KU Residential Service Center - Outage Information

Safety Information record the outage report into our system. This system also helps us determine the areas affected and how widespread the outage may be so we can more efficiently assign our crews and restore service.

Start/Stop Services

Tree Trimming

Terms of Use | Site Map Contractor Health and Safety Site | Wellness

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Page 2 of 2

KU Response to LFUCG-2 Question No. 6(e) Online "Contact KU/ODP" form on Web site **Responding Witness – Chris Hermann**

Kentucky Utilities Company - Contact KU/ODP - Windows Internet Explorer provided by E.ON U.S.	
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CASE NO. 2008-00251 CASE NO. 2007-00565

Response to Second Data Request For Information of the Lexington-Fayette Urban County Government Dated September 22, 2008

Question No. 7

Responding Witness: Chris Hermann

- Q-7. Please refer to KU's response to LFUCG Initial Request for Information No. 9(a). Please provide all documentation supporting KU's contention that "[a]t any given time, on average, less than 1% of the total lights are reported as not in proper working order."
 - (a) Is any particular type of public street light more likely to require repeat maintenance? If so, please identify all such types and how frequently such repeat maintenance is typically required.
- A-7. As previously stated in KU's response to No. 6 (f), KU repairs on average 3,000 street lights per year in Central Kentucky (which includes Fayette County). This equates to approximately 12 lights per day [(3,000 lights / (52 weeks x 5 days per week)]. The LFUCG has about 28,300 lights in service. This yields an outage rate of less than 0.1% (12 / 28,300), which is less than 1%.
 - a) KU does not track repeat maintenance requirements by type of public street light.

CASE NO. 2008-00251 CASE NO. 2007-00565

Response to Second Data Request For Information of the Lexington-Fayette Urban County Government Dated September 22, 2008

Question No. 8

Responding Witness: William Steven Seelye

- Q-8. Please refer to LFUCG Initial Request for Information No. 10. Please provide the information requested in general form, rather than for each specific type of street light.
 - (a) Please describe in detail each element of the proposed monthly rate for public street lights in general (maintenance and operations, etc.), including the percentage of the rate attributable to each element.
 - (b) Does this differ from the existing rate elements? If so, in what regard?
 - (c) What percentage of KU's proposed monthly rate for public street lights is comprised of maintenance?
 - (d) What percentage of KU's proposed monthly rate for public street lights is comprised of costs associated with acquiring or installing the street light?
- A-8. (a) Generally, the cost of providing public street lighting service consists of (a) the carrying costs on the lighting equipment, (b) the operation and maintenance expenses associated with the lighting equipment, and (c) the cost of providing electric service to energize the lighting equipment. Included in (c) would be the cost of generating the electric energy, the cost of transmitting the power from the sources of generation to the distribution system, the cost of distributing the power from the transmission system to each public streetlight, and administrative costs.

For public street lights, the percentage of the total estimated costs related to each of these three components is broken down as follows:

COST ELEMENT	ESTIMATED Percentage of			
Carrying Costs on the Lighting Equipment	Total			
Operation and Maintenance of the Lighting Equipment	5%			
Prod, Trans, and Dist Cost to Energize the Lights Total Cost of Service	70%			

- (b) The current lighting rates would have consisted of these same components when they were originally developed or last modified. The Company has not performed an analysis of the cost components of the public street lighting rates when they were originally developed or last modified.
- (c) See above table.
- (d) See above table.

CASE NO. 2008-00251 CASE NO. 2007-00565

Response to Second Data Request For Information of the Lexington-Fayette Urban County Government Dated September 22, 2008

Question No. 9

Responding Witness: Chris Hermann

- Q-9. Please refer to LFUCG Initial Request for Information No. 20. Is none of the information that KU provided in its response in the form of a written policy, procedure, practice and/or guideline provided to KU's employees and/or agents? If so, please provide all such documentation (as previously requested). If not, please explain why not, and also explain how such policies, procedures, practices and/or guidelines can be expected to be consistently enforced and/or followed if they are not in written form.
- A-9. A written Vegetation Management Plan was submitted, pursuant to the Commission's Order, Administrative Case 2006-00494, on December 19, 2007. See attached.

Tree trimming is targeted to meet the prescriptive needs of each circuit. The vegetation program is centrally managed by a Forestry manager and nine arborists. Two arborists are assigned to the Lexington Operations area. The manager clearly communicates expectations to the arborists and reviews the performance through frequent field inspections and quarterly staff meetings. Arborists work closely with the tree contractors to communicate expectations and to subsequently review each circuit for performance and quality control.

The vegetation program maintains flexibility to operate within variable easement widths, address differences between rural and urban service areas and applicable local codes or ordinances, and the need to maintain some level of flexibility in addressing landowner requests or concerns.

KU has adopted and uses the written guidelines for tree trimming as set forth in the recommendations of the International Society of Arboriculture ("ISA") as published in ANSI A300 (Part 1) and "Pruning Trees Near Electric Utility Lines". Both publications are copyrighted and may not be copied without the publisher's permission. Parties may arrange to examine the publications by contacting counsel for KU.

E.OM U.S.

Mr. Jim Welch Director of Engineering Kentucky Public Service Commission 211 Sower Boulevard Frankfort, Kentucky 40602-0615

E.ON U.S. LLC State Regulation and Rates 220 West Main Street PO Box 32010 Louisville, Kentucky 40232 www.eon-us.com

Rick E. Lovekamp Manager – Regulatory Affairs T 502-627-3780 F 502-627-3213 rick.lovekamp@eon-us.com

December 19, 2007

RE: <u>An Investigation of the Reliability Measures of Kentucky's</u> Jurisdictional Electric Distribution Utilities and Certain Reliability <u>Maintenance Practices</u>- Administrative Case 2006-00494

Dear Mr. Welch:

Enclosed please find Louisville Gas and Electric Company ("LG&E") and Kentucky Utilities Company's ("KU") Vegetation Management Plan pursuant to the Commission's Order dated October 26, 2007 in the above mentioned matter.

Should you have any questions concerning the enclosed, please do not hesitate to contact me.

Sincerely,

with anter-

Rick E. Lovekamp

Louisville Gas and Electric Company and Kentucky Utilities Company

Distribution Vegetation Management Plan

Louisville Gas and Electric Company and Kentucky Utilities Company Distribution Vegetation Management Plan

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Work Plan	4
Evaluation of Plan Effectiveness	5
Customer Communication	5
Contractor Performance Management	5

Introduction

The Distribution Vegetation Management Program encompasses right of way maintenance for Louisville Gas and Electric Company and Kentucky Utilities Company (referred to as the "Companies"). The program is centralized and managed by a Forestry Manager and nine company Utility Arborists. All are certified arborists by the International Society of Arboriculture. The Companies employ five professional tree contractor companies (Asplundh, Nelson, Phillips, Townsend and Wright). Utility line clearing is undertaken to maintain safety, reliability of service, and access to the utility's facilities for maintenance and repair.

Safety

The Companies primary focus and core value is to ensure the health and safety of our employees, business partners, and the public. The policies, procedures, and goals contained in the Companies' *No Compromise Plan* support our current operating and safety commitments. Contractors shall regard safety as their first priority. Contractors and their employees will recognize and follow all laws, rules and regulations regarding public and worker safety. Any incident must be reported to the appropriate safety consultant immediately. Tree Trimming Contractors are held accountable for safety per OSHA and Company standards. Every new contract employee must complete a safety training program in the first 30 days. Safety performance is also included in the contractor evaluation.

Right of Way Maintenance Strategy

The Companies employ an Integrated Vegetation Management Program (IVM) that is the process of using chemical, manual, or mechanical techniques to control undesirable vegetation and includes natural or directional pruning, environmentally safe herbicides, and tree removals. The program includes flexibility to operate and maintain variable easement widths, differences between rural and urban service areas, applicable codes or ordinances, and the need to maintain some level of flexibility in addressing landowner requests or concerns. Schedules and priorities for tree trimming are based on vegetation growth, cycle-last trim date, reliability data, and visual inspections. Reliability centered maintenance concepts are also employed in establishing tree trimming priorities.

The plan includes the application of a flexible multi-cycle strategy to address growth and tree density which will vary across the service area. The Companies' plan is to maintain a proactive trim cycle while balancing the reactive needs of worst performing circuits. The Companies' goal is to maintain an average trim cycle of five years or less.

Louisville Gas and Electric Company and Kentucky Utilities Company Distribution Vegetation Management Plan

All tree trimming shall be governed by approved principles of modern arboriculture and shall adhere to International Society of Arboriculture (ISA) standards. Other standards utilized in the program include ANSI A300, NESC, and OSHA 1910.269 as well as compliance with tree ordinances and local codes.

Reliability Criteria and Reports

The reliability criteria used to develop the vegetation management plan are system SAIDI, SAIFI, and CAIDI. System performance targets are established annually. Reports used to develop the plan include the Worst Performing Circuit Report and Circuit SAIDI, SAIFI, and CAIDI Reports.

The Annual Reliability Report will include the Worst Performing Circuits and how well the Companies implemented its vegetation plan as well as changes to the plan in the coming year.

Work Plan

Work plans are prepared annually by circuit based on vegetation growth, cycle-last trim date, reliability data, and visual inspections by arborists who develop work plans to target trees that need to be trimmed or removed as well as the flexibility to prescribe a different trim cycle by circuit that addresses growth and tree density for that circuit. A mid-cycle "touch up" is used as needed based on field inspections for multi-phase lines. The vegetation plan strategy will balance the routine trimming plan to maintain an average trim cycle with the reliability centered maintenance plan to address the worst performing circuits. The top 10 worst performing circuits are identified by each reliability index. These circuits are evaluated to determine root cause of the outages. If the root cause is tree related, the arborist will visually inspect the circuit to determine the appropriate plan of action.

The Work Plan includes the following sections:

Routine Trimming Cycle Plan

The routine trimming cycle plan is a proactive plan to trim circuits based on the date last trimmed.

Mid-Cycle Touch Up Plan

The mid-cycle touch up plan focuses on specific fast growing and hazard trees on multi-phase lines.

<u>Herbicide Treatment Plan</u> The herbicide plan is a proactive plan to control brush and immature trees.

Worst Performing Circuits Plan

The worst performing circuit plan is a reactive plan that has identified trees as the root cause of poor performance and is recommended by the arborist after inspection to be included in the tree work plan.

Evaluation of Plan Effectiveness

The effectiveness of the plan is evaluated by the cycle, system performance as measured by system SAIDI, SAIFI and CAIDI, and customer feedback as measured by satisfaction surveys. Reports used to monitor the plan effectiveness include the Circuit Reliability Report, System SAIDI, SAIFI, and CAIDI Reports, and Customer Satisfaction Surveys.

Customer Communication

Each customer on the circuit receives a mailing notification letter, one to two weeks prior to beginning the circuit work. The crew "knocks on the door" before the work begins. Customer complaints are investigated. Customer satisfaction is included in the contractor evaluation. Customer education about tree trimming and planting trees is provided in consumer mail inserts, participation in community events, and media announcements.

Contractor Performance Management

The vegetation management strategy includes target pricing and firm bid work. Target pricing promotes efficiency in contractor resource management. The target price strategy deploys prescriptive tree management techniques. All trees and brush are planned, counted, and marked on a circuit map, span by span. Contractor work is prescribed and a target price is established for the work. Every circuit is inspected after the tree work is complete. Approximately 8 to 10 percent of the tree work is bid on a firm basis to validate target pricing and encourage contractor competition.

Contractor's performance is evaluated based on safety, productivity, quality, and customer satisfaction on a quarterly and annual basis. Contractors are held accountable for safety per OSHA and Company standards.

CASE NO. 2008-00251 CASE NO. 2007-00565

Response to Second Data Request For Information of the Lexington-Fayette Urban County Government Dated September 22, 2008

Question No. 10

Responding Witness: William Steven Seelye

- Q-10. Please refer to KU's Response to LFUCG Initial Request for Information No. 23(a). Please described in detail how such costs or expenses are otherwise reflected in KU's overall costs or expenses and in which categories this is the case. Will this proposed tariff not in some way result in KU receiving compensation more than once for performing the same service?
- A-10. The cost of disconnects and reconnects are recorded as operation expenses in Account No. 586.

The proposed increase in the disconnection/reconnection charge will not result in KU receiving compensation more than once for performing the same service. The additional revenues from increasing the disconnection/reconnection charge are included in the Company's total requested revenue increase and thus act as a revenue credit to (or reduction in) the overall revenue requirement.

CASE NO. 2008-00251 CASE NO. 2007-00565

Response to Second Data Request For Information of the Lexington-Fayette Urban County Government Dated September 22, 2008

Question No. 11

Responding Witness: William Steven Seelye

- Q-11. For each type of private street light designation for which the proposed tariff is less than the comparable type of public street light, please provide a detailed explanation for the justification for the difference in the charge.
- A-11. In developing the lighting rates, Company did not perform a unit-by-unit comparison of each type of light listed in the public street lighting tariff and the private outdoor lighting tariff. Except for mercury vapor and incandescent lights, the Company is proposing to increase all public street lighting rates by the same percentage. Any differences that may have occurred between individual private street lighting rates and individual public street light rates that did not previously exist were the result of applying different percentage increases to the two classes of service in previous rate cases.

CASE NO. 2008-00251 CASE NO. 2007-00565

Response to Second Data Request For Information of the Lexington-Fayette Urban County Government Dated September 22, 2008

Question No. 12

Responding Witness: William Steven Seelye

- Q-12. Does KU agree that certain types of public street lights for which the LFUCG pays a monthly tariff are more efficient than others with respect to the street light's typical consumption or use of power or electricity? Please indicate all of the types of lights for which this is the case, and the difference in consumption or use power or electricity that is typically found with the use of the more efficient street light.
- A-12. Yes. The attached table shows the approximate lumens per kW for each type of public streetlight.

Page	Schedule			Kwh per year	LOAD/LIGHT		
40	ST.LT.						
	Street Lighting Syster	n					
	Incandescent Sys		dard				
	1,000	Lumens (a	pproximately)	408	0.102	KW/Light	
	2,500	F#	**	804	0.201	KW/Light	
	4,000	(1	#1	1308	0.327	KW/Light	
	6,000	tł.	¥1	1788	0.447	KW/Light	
	Incandescent Sys	tem Orna	mental				
			pproximately)	408	0.102	KW/Light	
	2,500	11	-	804	0.201	KW/Light	
	4,000	14	*1	1308	0.327	KW/Light	
	6,000	tą.	41	1788	0.447	KW/Light	
	Mercury Vapor	- Standard					
	7,000		pproximately)	828	0.207	KW/Light	
	10,000	18		1176	0.294	KW/Light	
	20,000	18	#1	1812	0.453	KW/Light	
	Mercury Vapor	- Ornament	al				
			pproximately)	828	0.207	KW/Light	
	10,000	11		1176	0.294	KW/Light	
	20,000	11	64	1812	0.453	KW/Light	
	High Pressure S	odium Vapo	or Standard				
		•	pproximately)	240	0.060	KW/Light	
	5,800	41	н	332	0.083	KW/Light	
	9,500	2 3	ff	468	0.117	KW/Light	
	22,000	\$]	18	968	0.242	KW/Light	
	50,000	#I	ł‡	1940	0.485	KW/Light	
	High Pressure Sodium Vapor Ornamental						
	4,000	Lumens (a	pproximately)	240	0.060	KW/Light	
	5,800	6	It	332	0.083	KW/Light	
	9,500	H	It	468	0.117	KW/Light	
	22,000	19	11	968	0.242	KW/Light	
	50,000	н	11	1940	0.485	KW/Light	

Page	Schedule		Kwh per year	LOAD/LIGHT	
40.1	SL LT				
	Decorative Undergrou	and Service			
	Acorn with Deco				
	4,000	Lumens (approximately)	240	0.060	KW/Light
	5,800		332	0.083	KW/Light
	9,500	19 - 91	468	0.117	KW/Light
	Acorn with Histo	ric Pole			
		Lumens (approximately)	240	0.060	KW/Light
	5,800	t) U	332	0.083	KW/Light
	9,500	41 It	468	0.117	KW/Light
	Colonial				
	4,000	Lumens (approximately)	240	0.060	KW/Light
	5,800	H H	332	0.083	KW/Light
	9,500	if B	468	0.117	KW/Light
	Coach				
	5,800	Lumens (approximately)	332	0.083	KW/Light
	9,500	14 11	468	0.117	KW/Light
	Contemporary				
	5,800	Lumens (approximately)	332	0.083	KW/Light
	9,500	14 U	468	0.117	KW/Light
	22,000	1¥ 83	968	0.242	KW/Light
	50,000	18 2)	1940	0.485	KW/Light
	Gran Ville				
	16,000	Lumens (approximately)	600	0.150	KW/Light

Page	Schedule		Kwh per year	LOAD/LIGHT		
41	P.O.Lt.					
	Private Outdoor Light	ting				
	Standard (Served Ove	-				
	Mercury Vapor	,				
	7,000	Lumens	(approximately)	828	0.207	KW/Light
	20,000	11	lt lt	1812	0.453	KW/Light
	High Pressure S	odium				-
	5,800	#I	†1	332	0.083	KW/Light
	9,500	11	н	468	0.117	KW/Light
	22,000	11	n	968	0.242	KW/Light
	50,000	17	19	1940	0.485	KW/Light
	Directional (Served C)verhead)				
	High Pressure S					
	9,500		(approximately)	468	0.117	KW/Light
	22,000	н	4	968	0.242	KW/Light
	50,000	81	ห	1940	0.485	KW/Light
						-

Kwh per Page Schedule year LOAD/LIGHT 41.1 P.O.Lt. Private Outdoor Lighting Metal Halide Commercial and Industrial Lighting Directional Fixture 828 0.207 KW/Light 12,000 Lumens (approximately) KW/Light #1 tt 32,000 1800 0.45 ** 51 107,800 4320 1.08 KW/Light **Directional Fixture with Wood Pole** 12,000 Lumens (approximately) 828 0.207 KW/Light 32.000 ÷1 1800 0.45 KW/Light ¥\$ 11 #1 107,800 1.08 KW/Light 4320 **Directional Fixture with Metal Pole** 12,000 Lumens (approximately) 828 0.207 KW/Light 32,000 п #1 1800 0.45 KW/Light H. 107,800 11 4320 1.08 KW/Light **Contemporay Fixture** 12,000 Lumens (approximately) 828 0.207 KW/Light 32,000 18 31 1800 0.45 KW/Light # 107,800 н 4320 1.08 KW/Light Contemporay Fixture with Metal Pole 0.207 KW/Light 12,000 Lumens (approximately) 828 KW/Light 32,000 IF 0.45 #1 1800 łf 107,800 11 1.08 KW/Light 4320

Page	Schedule		Kwh per year	LOAD/LIGHT	
41.2	P.O.Lt				
	Private Outdoor Ligh	ting			
	Directional HPS Serv				
	Acorn with Deco				
	4,000	Lumens (approximately)	240	0.060	KW/Light
	5,800	18 19	332	0.083	KW/Light
	9,500	H H	468	0.117	KW/Light
	Acorn with Histo	oric Pole			
	4,000	Lumens (approximately)	240	0.060	KW/Light
	5,800	t# #1	332	0.083	KW/Light
	9,500	¥) #(468	0.117	KW/Light
	Colonial				
	4,000	Lumens (approximately)	240	0.060	KW/Light
	5,800	19 11 II	332	0.083	KW/Light
	9,500	81 ¥I	468	0.117	KW/Light
	Coach				
	5,800	Lumens (approximately)	332	0.083	KW/Light
	9,500	н н	468	0.117	KW/Light
	Contemporary				
	5,800	Lumens (approximately)	332	0.083	KW/Light
	9,500	ar ta	468	0.117	KW/Light
	22,000	18 89	968	0.242	KW/Light
	50,000	19 \$1	1940	0.485	KW/Light
	Gran Ville				
	16,000	Lumens (approximately)	600	0.150	KW/Light

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CASE NO. 2008-00251 CASE NO. 2007-00565

Response to Second Data Request For Information of the Lexington-Fayette Urban County Government Dated September 22, 2008

Question No. 13

Responding Witness: William Steven Seelye

- Q-13. Has KU ever performed a cost of service or similar study in which the cost of public street lights was based upon the consumption or use of power or electricity by each type of respective street light? If so, please provide the results of any such study or studies and copies thereof.
- A-13. The Company is unaware of any such study.

CASE NO. 2008-00251 CASE NO. 2007-00565

Response to Second Data Request For Information of the Lexington-Fayette Urban County Government Dated September 22, 2008

Question No. 14

Responding Witness: Chris Hermann / William Steven Seelye

- Q-14. With respect to any type of public street light for which the LFUCG pays a monthly tariff, was a volume discount rate applied as to the acquisition cost of the street light and/or any of its components (i.e., fixtures, poles, associated equipment, etc.)? If not, please provide the resulting amount in reduction in cost that such an application would have, as well as the overall reduction in cost to each proposed tariff that would be effected.
- A-14. Rates are based upon total installed costs, giving effect to any volume discounts obtained by KU in obtaining street lights.

CASE NO. 2008-00251 CASE NO. 2007-00565

Response to Second Data Request For Information of the Lexington-Fayette Urban County Government Dated September 22, 2008

Question No. 15

Responding Witness: Chris Hermann

Q-15. Does KU have any immediate or future plans that in any way effect its current level of resources (e.g. - manpower, number of employees, facilities, operations, etc.) committed to Fayette County, Kentucky? If so, please describe in detail any such plans and when they are proposed to take place.

A-15. No.

CASE NO. 2008-00251 CASE NO. 2007-00565

Response to Second Data Request For Information of the Lexington-Fayette Urban County Government Dated September 22, 2008

Question No. 16

Responding Witness: Robert M. Conroy

- Q-16. Please provide a copy of KU's standard pole attachment tariff or agreement for a local government and any other such agreement KU utilizes for pole line attachments or tariff agreements.
- A-16. Attached please find the June 23, 2005 Agreement to Permit Attachments between LFUCG and KU. Also please see the attached CATV RC (Cable Television Attachment Rental Charge tariff.

Responding Witness – Robert M. Conroy Agreement to Permit Attachments between LGUCG and KU **KU Response to LFUCG-2 Question No. 16**



DEPARTMENT OF LAW

July 19, 2005

Bonita K. Black Frost Brown Todd LLC 400 West Market Street Suite 3200 Louisville, Kentucky 40202

Re: Agreement to Permit Attachments (Kentucky Utilities Co.)

Dear Ms. Black:

Please find enclosed herein a fully executed copy of the referenced agreement. Should you have any additional questions, please feel free to give me a call.

Sincerely,

David J. Barberie Corporate Counsel

D3B/let455

AGREEMENT TO PERMIT ATTACHMENTS

THIS AGREEMENT (as hereinafter defined), made as of this <u>25</u>^{*} day of June, 2005, by and between THE LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT, an urban county government of the Commonwealth of Kentucky, the permittee, whose address is 200 East Main Street, Lexington, Kentucky 40507, hereinafter called "LFUCG," party of the first part, and KENTUCKY UTILITIES COMPANY, a Kentucky corporation, One Quality Street, Lexington, Kentucky 40507, hereinafter called "KU," party of the second part,

WITNESSETH:

WHEREAS, pursuant to the provisions of this Agreement, LFUCG desires to install or cause the installation of certain Facilities (as defined herein) on the utility poles of KU in Lexington and Fayette County, Kentucky and,

WHEREAS, KU is willing to permit, to the extent it may lawfully do so, the attachment of the described Facilities to its' utility poles where, in its judgment, such use will not interfere with its own use of its utility poles and facilities and/or the facilities of other entities permitted to use KU's poles,

NOW, THEREFORE, in consideration of the mutual covenants, terms and conditions herein contained, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto do hereby mutually covenant and agree as follows:

DEFINITIONS

"Agreement" shall mean this agreement dated as of June <u>23</u>, 2005 between KU and LFUCG unless otherwise specified.

"DOT" shall mean the Department of Transportation of the United States of America.

"Facilities" shall mean any equipment installed on or attachments made to KU's poles by LFUCG or by a contractor for the sole benefit of the LFUCG, including but not limited to fiber, guys, anchors, cable and traffic control devices, which enable LFUCG to directly provide the communications services set forth in paragraph 24 of this Agreement., in accordance with applicable laws and regulations.

"Interference" shall mean physically inhibiting KU from having safe access to its poles and other facilities or in any way impeding KU's ability to conduct its core electrical business.

"KU" shall mean Kentucky Utilities Company, a Kentucky and Virginia corporation.

"LFUCG" shall mean the Lexington Fayette Urban County Government, an urban-county government and the local government for the citizens of Lexington, Fayette County Kentucky.

"Make-ready or Make-Ready Work" shall mean field verification of existing facilities and work necessary by KU personnel to make a pole available for the attachment of additional Facilities.

"NESC" shall mean the National Electrical Safety Code as it may be revised or amended from time to time.

"OSHA" shall mean the Occupational Safety and Health Administration.

"Preliminary Engineering and Design Work" shall mean field verification by LFUCG of existing facilities and recommended work necessary to make a pole available for the attachment of additional facilities.

1. <u>PERMITTED ATTACHMENTS</u>.

KU agrees to permit LFUCG to attach and maintain the Facilities as described herein and in the area as identified under Schedule A and located in Fayette County, Kentucky to KU's utility poles, in the manner set out and pursuant to the provisions of this Agreement. Any attachment other than to tangent poles must be properly braced with guys and anchors provided by LFUCG to the

2

satisfaction of KU. The use of existing KU anchors for this purpose will not be permitted. No attachment fees shall be paid by LFUCG for this build. Notwithstanding the exclusion of attachment fees, LFUCG shall be required to pay any and all Make-ready costs and expenses for work performed by KU on LFUCG's behalf at KU's actual cost pursuant to Section 3 hereof. LFUCG shall also pay inspection fees, if any, arising under this Agreement pursuant to Section 6 hereof. All Facilities attached by LFUCG shall be made in the communications space as such term is defined in the NESC as that definition may be revised from time to time.

2. <u>CONSTRUCTION AND MAINTENANCE REQUIREMENTS</u> <u>AND SPECIFICATIONS</u>.

All Facilities attached pursuant to this Agreement shall be erected and maintained in compliance with the requirements and specifications of the current NESC, KU's construction practices, all as may be changed from time to time; with any rules, orders, or regulations now in effect or that hereinafter may be issued by the Public Service Commission of the Commonwealth of Kentucky; and with all existing applicable Federal, state or local laws, rules, regulations, orders and ordinances issued by any Federal, state or local authority and as may be changed from time to time. All Facilities attached pursuant to this Agreement shall be identified as to the owner of said Facilities atteached pursuant to this Agreement shall be identified as to the owner of said Facilities atteach attachment location. In the event any part of LFUCG's construction does not meet any of the above requirements, LFUCG will correct same in thirty (30) business days after receipt of written notification. If LFUCG for the total costs incurred, which may include reasonable attorneys' fees, expenses and court costs incurred by KU in its effort to get reimbursed for performing work on LFUCG's behalf.
LFUCG shall be responsible for performing its own Preliminary Engineering and Design Work for all requested or proposed attachments made under this Agreement. Prior to attachment, LFUCG, shall submit copies of designs to KU identifying the proposed route, structures involved, Make- ready work required to facilitate the build, drawing of proposed position of attachments on each structure, and existing or proposed clearances for centerlines of all road crossings. KU reserves the right to perform a field review of the proposed build route, accompanied by a representative of LFUCG, if necessary, to verify ownership of poles along the route and to determine any additional required Make-ready work that may have been overlooked during the preliminary design phase.

Any necessary Make-ready work shall be performed by KU or its agents unless otherwise specifically agreed to by the parties in advance. LFUCG shall be responsible for paying for any and all Make-ready work completed by KU necessary for its build under this Agreement, including engineering labor and review work for KU's facilities, pursuant to Section 11 hereof and such work shall be reimbursed at KU's actual cost. KU shall be responsible for performing its own engineering and design work for the relocation or rearrangement of KU facilities caused by LFUCG's proposed attachments and shall be reimbursed for same by LFUCG. LFUCG shall not install any cable prior to the completion of all Make-ready work. Any KU or third party facilities dislocated during LFUCG's Make-ready work shall be re-installed by the facility owner at LFUCG's sole cost and expense. Billing for any Make-ready work performed by KU, at KU's election, shall be based on a final audit of actual costs and expenses incurred performing such work after construction has been completed.

Prior to or during construction, LFUCG shall be responsible for obtaining any permits and or zoning variances, etc., necessary to complete its build. LFUCG shall also be responsible for determining which, if any such permits and or zoning variances, etc. are necessary to do such build.

All construction methods, including but not limited to traffic control, shall comply with accepted industry standards and practices and must comply with all applicable codes, including but not limited to NESC, OSHA and DOT. Such compliance shall include all bonding/grounding requirements, vertical clearance between conductors, vertical clearances over roadways, driveways, and ground. Anchoring and guying of all conductor dead-ends and angles shall be approved by KU in advance of such process.

LFUCG, at all times, warrants compliance with all the requirements as set out above and assumes the continuing responsibility for such compliance in the future and assumes all responsibility for any damages, fines or penalties resulting from any noncompliance to the extent allowable by law. KU undertakes no duty with respect to such compliance by requiring LFUCG to meet any specifications or by requiring or failing to require any corrections, modifications, additions or deletions to any work or planned work by LFUCG.

3. <u>MAINTENANCE OF ATTACHMENTS</u>.

At all times, LFUCG shall be solely responsible for the operation, maintenance and repair of the Facilities and shall, at its own expense, make and maintain said Facilities in safe condition and in good repair, and in a manner reasonably suitable to KU and so as not to conflict with the use of said poles by KU, or by any other parties, firms, corporations, governmental units, or entities using said poles pursuant to any license or permit by KU. LFUCG agrees not to cause Interference with the working use of any other facilities located on KU's poles or which may, from time to time in the future, be placed thereon. KU in no way insures the continuance of LFUCG's Facilities at their original location or placement of KU's poles or other facilities. In the event KU elects to abandon certain in place facilities, KU has the option of selling or otherwise transferring ownership of those abandoned facilities free of charge, to LFUCG, for their use.

If KU reasonably determines, at its sole discretion to relocate, replace, enlarge, add to, modify or in any manner alter its poles or other facilities, even for KU's sole convenience, LFUCG shall, at its expense, upon advance written notice from KU, at KU's sole discretion, relocate, replace or renew the LFUCG's Facilities placed on said poles, and transfer them to substituted poles, or perform any other work in connection with said Facilities that may be required by KU. KU, to the best of its ability, will provide LFUCG reasonable notice to relocate any Facilities needing to be moved. In case of emergency, whereby public safety and/or electric restoration is necessary, KU may arrange to relocate, replace or renew the Facilities placed on said poles; transfer them to substituted poles or perform any other work in connection with said Facilities that may be required in the maintenance, replacement, removal or relocation of said poles, the facilities thereon or which may be placed thereon, or for the service needs of KU, or its other licensees, and LFUCG shall, on demand, reimburse KU for the expenses thereby reasonably incurred that are related to the replacement, removal or relocation of LFUCG's Facilities. KU, as stated in Section 3 above, undertakes no duty however, at any time, to inspect or insure the repair of any facilities.

LFUCG shall ensure that all of the Facilities are clearly labeled on each structure with: LFUCG's name and a 24 hour emergency contact phone number. Should the need arise, LFUCG agrees that upon reasonable notice from KU, LFUCG will transfer the Facilities to new structures within 30 days at LFUCG's sole cost and expense unless LFUCG decides not to utilize KU's structures in that particular area.

4. MAINTENANCE AND OPERATION OF KU'S FACILITIES.

KU reserves to itself, its successors and assigns, the right to maintain its poles and to operate its facilities thereon in such manner as will, in its sole judgment, best enable it to fulfill its own service requirements, but in accordance with the specifications hereinbefore listed. KU shall not be liable to LFUCG for any Interference with the operation of LFUCG's facilities, or loss of business arising in any manner out of the use of KU's poles hereunder. Notwithstanding the foregoing, KU agrees to repair any LFUCG Facilities negligently or willfully damaged by KU.

5. EASEMENTS AND RIGHTS OF WAY.

LFUCG must secure its own easement rights and rights of way from real property owners. KU's permitting the attachment of Facilities shall not constitute any representation or warranty by KU to LFUCG regarding LFUCG's right to occupy or use any public or private easements or rightsof -way.

6. **INSPECTION OF FACILITIES.**

KU reserves the right to inspect at any time, in its sole discretion the Facilities. KU shall not be entitled to reimbursement for any inspections occurring during the installation phase of the project unless such inspections are prompted by LFUCG's negligence or misconduct, in KU's judgment, including but not limited to the negligent installation of Facilities and the failure to maintain the same pursuant to the standard set forth in the NESC or KU's construction practices as amended from time to time (a copy of which is available upon request) or other nationally recognized standard of that time should the NESC superseded. LFUCG shall reimburse KU for the expenses of any such inspections at KU's prevailing wage rate per man-hour plus associated expenses and applicable overhead. KU shall not be entitled to reimbursement by LFUCG for inspections made after the installation phase of the project and after completion of the project inspections unless such inspections are precipitated by LFUCG's negligence or intentional wrong doing, including but not limited to LFUCG's failure to maintain the Facilities. Such inspections, made or not, shall not operate to relieve LFUCG of any responsibility, obligation or liability assumed under this Agreement or impose any additional liability, obligation or responsibility on KU in any way. KU may also require that a full time inspector be on the premises during the entire installation process at LFUCG's sole cost and expense should it become apparent that LFUCG is not following NESC and KU procedures for installation. KU undertakes no duty to inspect such Facilities or insure that no damage or loss occurs by reason of such Facilities or their use. Any such inspections may be conducted during the installation phase of a project, after installation is completed or any time there after. Any deficiencies noted by KU shall be presented to LFUCG in writing, and LFUCG shall promptly correct same and provide KU with written proof of such correction. KU shall have no liability for any undiscovered or undisclosed defects ultimately found in LFUCG's Facilities that might have been discovered during an inspection. Unless waived by KU in a writing subsequent hereto, LFUCG's failure to make timely corrections shall terminate this Agreement. Inspections conducted by KU its agents, contractors or employees shall not create a duty, responsibility or obligation on the part of KU conduct inspections at any time during the life of this Agreement. LFUCG shall remain independently responsible for making sure its work is compliant with all applicable laws, codes, rules, regulations and all KU standards set forth in this Agreement and any amendments hereto.

7. PRECAUTIONS TO AVOID FACILITY DAMAGE.

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LFUCG shall not damage any facilities of KU or of others supported on KU's poles and facilities. LFUCG shall not interfere with KU's operation; and hereby assumes all responsibility for any and all loss for any such damage and/or interference, to the extent allowable by law. LFUCG shall make an immediate report to KU of any damage or interference caused by LFUCG, or one of its agents, employees, contractors, designees, officials or representatives, and hereby agrees to reimburse KU for the expenses incurred in making repairs and/or clearing up interference caused by LFUCG. Such report may be oral but shall be documented within 24 hours of any such oral report.

KU shall not willfully or negligently damage any of LFUCG's Facilities. KU shall make a report of any such damage caused by KU or one of its agents, employees, contractors, designees, officials or representatives, in a reasonable period of time (which in most instances means 48 hours) to LFUCG. KU hereby agrees to repair any damage willfully or negligently caused by KU, or if the parties otherwise agree, to reimburse LFUCG for the actual costs of any such repairs.

8. INDEMNIFICATION: HOLD HARMLESS.

LFUCG shall indemnify and hold KU harmless and defend against any liability or loss from personal injury or property damage resulting from or arising out of the use or occupancy of KU's facilities by LFUCG or its employees, contractors or agents, excepting, however, such liabilities and losses as may be due to or caused by the acts or omissions of KU or its employees, contractors, or agents.

KU shall indemnify and hold LFUCG harmless and defend against any liability or loss from personal injury or property damage resulting from or arising out of the use or occupancy of KU's facilities by KU or its employees, contractors or agents, excepting, however, such liabilities and losses as may be due to or caused by the acts or omissions of LFUCG or its employees, contractors, or agents.

Further, this Agreement is for the sole benefit of, and only between LFUCG and KU, and in no way creates an enforceable agreement, commitment or obligation by LFUCG or KU to any other party.

9. <u>ATTACHMENT REMOVAL AND NOTICES.</u>

LFUCG may voluntarily remove its Facilities from any pole or poles of KU, but shall give KU reasonable prior written notice of any such removal. Any such removal shall be undertaken in a manner consistent with Paragraph 7 of this Agreement.

10. NONCOMPLIANCE.

If LFUCG fails to comply with any of the provisions of this Agreement or defaults in any of its obligations under this Agreement and fails to correct such default or noncompliance within thirty (30) days after receipt of written notice from KU, KU may, at its sole option, either correct the default or noncompliance event and invoice LFUCG for the costs associated with same or forthwith terminate this Agreement by giving written notice to LFUCG of said termination. No refund of any rental will be due on account of any termination by either party hereto at any time in accordance with Section 16 of this Agreement.

11. <u>BILLING</u>.

Bills for inspections and Make-ready work, if any, expenses and other charges under this Agreement shall be payable within thirty (30) days after presentation. Nonpayment of bills shall constitute a default of this Agreement.

12. WAIVERS.

Failure to enforce or insist upon compliance with any of the terms or conditions of this Agreement shall not constitute a general waiver or relinquishment of any such terms or conditions, but the same shall be and remain at all times in full force and effect.

13. <u>USE OF KU's FACILITIES BY OTHERS.</u>

Nothing herein contained shall be construed as affecting the rights or privileges previously conferred by KU, by contract or otherwise, to others, not parties to this Agreement, to use any poles covered by this Agreement; and KU shall have the right to continue and to extend such rights and privileges to others not parties to this Agreement. The Facilities herein authorized shall at all times be subject to such previously conferred privileges.

14. ASSIGNMENT.

LFUCG shall not assign, transfer or sublet the privileges hereby granted without the prior written consent of KU. Any attempt to so assign without such written consent shall be void.

15. PROPERTY RIGHTS.

No use, however extended, of KU poles or other facilities under this Agreement shall create or vest in LFUCG any ownership or property rights in said poles or other facilities; rights herein contained shall be and remain a mere permission. Nothing herein contained shall be construed to compel KU to maintain any of said poles for a period longer than demanded by its own service requirements.

16. <u>TERM</u>.

This Agreement shall become effective upon its execution and if not terminated in accordance with the provisions of Paragraph 10 of this Agreement shall continue in effect one (1) year. If neither party elects to terminate this Agreement at the end of one year, said Agreement shall automatically renew for another one year period and successive one year periods until a party hereto gives written notice of termination as provided for in this Section 16. Either party may terminate the Agreement at the end of said initial term or at any time thereafter for any reason whatsoever by giving to the other party at least sixty (60) days written notice. Upon termination of the Agreement in accordance with any of its terms, LFUCG shall immediately remove all its Facilities existing pursuant to provisions of this Agreement. All costs of such removal will be borne by LFUCG. LFUCG shall exercise precautions to avoid damage to facilities of KU in so removing and assumes all responsibility for any and all such damage. If LFUCG's Facilities attached to KU's utility poles and other Facilities attached pursuant to this Agreement are not promptly removed, KU shall have the right to remove them at the cost and expense of LFUCG and without any liability to KU therefor.

17. <u>NOTICES</u>.

Any notice or request required by this Agreement shall be deemed properly given if mailed,

postage prepaid, to:

KU	Director of Distribution Ope	rations
	Kentucky Utilities Company	/
	820 West Broadway	
	Louisville, KY 40202	
	Attn: Mr. David Guy	with a copy to:

Vice President and General Counsel Kentucky Utilities Company 220 West Main Street Louisville, KY 40202 Attn.: John R. McCall, Esq.

And

LFUCG	Administrative Officer – Regulatory Compliance
	Lexington-Fayette Urban County Government
	200 East Main Street
	Lexington, Kentucky 40507
	Attn.: Mr. Robert Starkweather

The designation of the person to be notified, and/or his address may be changed by KU or LFUCG at any time, or from time to time, by similar written notice.

18. <u>ACCESS</u>.

At all times, LFUCG shall maintain, operate and construct all Facilities in such manner to insure that KU has full and free access to all of its facilities located on KU's poles in the KU Service Territory for the purpose of repairing, rebuilding, replacing, maintaining and operating such facilities.

19. ADJUSTMENTS.

Nothing contained herein shall be construed as affecting in any way the right of KU, and KU shall at all times have the right, to unilaterally make a change in the rental charge for the attachment

of Facilities to its poles, other charges as provided for, any rule, regulation, condition or any other change required. Such change or changes to become effective as provided for in this Agreement after written notifications or changes in applicable regulations or statutes. KU shall give LFUCG two months notice before instituting any fee change. If LFUCG finds the institution of a fee unacceptable, LFUCG may terminate this Agreement within that two month period. No refund of fees paid, if any, will be made because of termination for the institution of a fee.

20. SUCCESSORS AND ASSIGNS.

All provisions of this Agreement shall extend to and bind the successors and assigns of the parties hereto, specifically including the provisions of paragraph 15.

21. <u>INSURANCE</u>. LFUCG self insures. A copy of its self-insurance policy is attached hereto as Schedule B. LFUCG shall name KU as an additional insured as its interest may appear with regard to the aforementioned general liability insurance policy and shall furnish KU with a certificate of insurance upon request by KU.

22. <u>ENTIRE AGREEMENT</u>.

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This Agreement and attached Schedules constitute the entire Agreement between KU and LFUCG and all previous representations relative thereto, either written or oral, are hereby annulled and superseded. No modification shall be binding on either KU or LFUCG unless it shall be in writing and signed by both parties to this Agreement. Nothing contained in this Agreement or attached Schedules shall be construed as having any effect in any future agreement or contemplated future agreement between the parties.

23. <u>HEADINGS</u>.

Paragraph headings are for the convenience of the parties only and are not to be construed as part of Agreement.

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24. REPRESENTATIONS AND WARRANTIES OF LFUCG.

LFUCG hereby represents and warrants that it will attach to KU's facilities pursuant to this agreement in order for LFUCG to directly provide the following services: public safety and/or homeland security, communications, command, and/or control facilities, in accordance with applicable laws and regulations.

25. BANNERS/SIGNS.

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LFUCG shall have the right to attach banners or signs to KU's poles so long as the banners or signs are to promote LFUCG's events and civic purposes. Such banners or signs shall be attached in accordance with the requirements and procedure described in Section 2 hereof. LFUCG shall submit a written request to KU to facilitate the attachment of any necessary or desired banners or signs.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed the day and year first above written.

ATTEST:

in Vanuel LEXA **IGTON-FAYETTE URBAN TY GOVERNMENT** 1 DAAL Teresa Ann Isgac, Mayor STATE OF KENTUCKY ş Ş Ş COUNTY OF Jay ette

Before me, the undersigned authority, personally appeared succe the cheer, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that {he/she} executed the same for the purposes and consideration therein expressed, on this the

5th day of July , 2005. My Commission Expires 3-13-2006.

NOTARY PUBLIC IN AND FOR THE STATE **OF KENTUCKY**

ATTEST: Actual Arthack	KENTUCKY UTILITIES COMPANY By:
	Name: David Guy
	Title: Dir Sys Restoration & JD Disp Ops COG.
STATE OF KENTUCKY	Jas
COUNTY OF Jefferson	
Before me, the undersigned authority, perso	nally appeared David Guy known to

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me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that {he/she} executed the same for the purposes and consideration therein expressed, on this the

3.3 day of June, 2005. Unrict Elevile NOTARY PUBLIC IN AND FOR THE STATE

OF KENTUCKY

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SCHEDULE B- Copy of Self-Insurance Policy for LFUCG

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Attachment to Response to LFUCG-2 Question No. 16 Page 20 of 36 Conroy

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LEXINGTON-FAYETTE

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URBAN COUNTY GOVERNMENT

PROPERTY AND CASUALTY

SELF-INSURANCE POLICY

POLICY NO. S.I. 1174-914-86

INSURED | LEXINGTON-FAYETTE

ORIGINAL DATE OF ISSUE: 7-1-85 12:01 AM Local Standard Time

PREPARED BY: Lexington-Fayette Urban County Government Division of Risk Management



Master Contract

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		,
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	PROPERTY AND CASUALTY SELF-INSURANCE POLICY	
THE INSURER:	LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT DIVISION OF RISK MANAGEMENT SELF-INSURANCE FUND AND ANY INVOLVED RE-INSURERS	
PORTION	•	
OR AMOUNT I	1005	
This Insurance	provides the following coverages:	
SECTION 1:	PROPERTY COVERAGES	
	A. ALL REAL AND PERSONAL PROPERTY	
	B. AUTOMOBILE AND MOBILE EQUIPMENT PHYSICAL DAMAGE	
SECTION II:	BOILER AND MACHINERY	
	C. BOILER AND MACHINERY	
SECTION III:	WORKERS! COMPENSATION	
	D. WORKERS' COMPENSATION	
	E. EMPLOYER'S LIABILITY	
SECTION IV.	LIABILITY COVERAGES	
	F. COMPREHENSIVE GENERAL LIABILITY	
	G. COMPREHENSIVE AUTOMOBILE LIABILITY	
	H. PUBLIC OFFICIALS LIABILITY	
SECTION VI	CRIME, MONEY AND SECURITIES	
	I. MONEY AND SECURITY (WITHIN PREMISES)	
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	J. MONEY AND SECURITIES (OUTSIDE PREMISES)	ľ
	J. MONEY AND SECURITIES (OUTSIDE PREMISES) K. COMMERCIAL BLANKET BOND	ľ

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NO.523 D84

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DECLARATIONS

NAMED ASSURED:

Lexington-Fayette Urban County Government for Sections 1, 11, 113 and V. Lexington-Fayette Urban County Government Section IV for cost of defense only unless defense of Sovereign Immunity is not applicable. The Assured for Section IV is as defined in the General insurance Agreements, Section II Name of Assured.

LIMITS: SPECIFIC:

SECTION 1: \$5,000,000 each and every occurrence.

SECTION 11: \$5,000,000 auch and every occurrence.

BOILER

PROPERTY

SECTION III: Coverage D: Statutory per occurrence not to exceed WORKERS' aggregate of \$5,000,000. COMPENSATION Coverage E: \$5,000,000 any one occurrence

SECTION IV: \$5,000,000 any one occurrence Combined Single Limit LIABILITY Coverages F. G. \$5,000,000 such claim combined single COVERAGES limit as respect to Coverage H.

SECTION V: \$5,000,000 any one claim CRIME, MONEY AND SECURITIES

in the event of a claim involving more than one section of coverage, the limits of per occurrence are subject to an overall aggregate limit each policy year as provided in the following schedule:

LIMITS

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Each Year Thoreatter

AGGREGATE

POLICY YEAR AGGREGATE LIMITS OF COVERASE 7-1-85 - 7-1-86 \$2.4 million 7-1-86 - 7-1-87 \$1.6 million

An amount as requested by the Division of Risk Management and approved by the Mayor and Council of the Lexington-Feyette Urban County Government budgetarily, but never less than the value of expected losses for the policy period as computed by the Division of Risk Management plus all administrative and operations expenses as recognized

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	*	in Account 481 for the Division of Risk Management.	,
	PREMILM		
	POLICY YEAR	PREMIUM	
	7-1-85 - 7-1-86	Amount of budget of Lexington-Fayette Urban County Government Division of Risk Management to Include payment of projected Incurred losses, administrative and operations expenses and cost of any re-insurance.	
	7-1-86 - 7-1-87	Amount of budget of Laxington-Fayette Urban County Government Division of Risk Management to Include payment of projected Incurred Iosses, administrative and operations expenses and cost of any re-insurance.	
	Each Year Thereafter	Amount of Budget as requested by Risk Management and approved by the Mayor and Council of the Lexington-Fayatte Urban County Government, but never less than the value of expected losses for the policy period as computed by the Division of Risk Management, plus all administrative and operations expenses as recognized in Account 481 for the Division of Risk Management.	

PRENJUN REFUNDS:

Premium Refunds shall be made to the Named Assured after actuarial analysis has determined the Lexington-Fayette Urban County Government Division of Risk Management Self-insurance Fund is actuarially sound and does not need the entire premjum made to date to maintain the financial integrity of the Laxington-Fayette Urban County Government Division of Risk Management Selt-Insurance Fund.

of Risk Management.

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The refunds are to be made available only after the interest earned on investments by the Lexington-Fayette Urban County Government Division of Risk Management Self-Insurance Fund is equal to or exceeds the computed premium for a given policy period.

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NO. 523 P26

GENERAL INSURANCE AGREEMENTS

I. POLICY YEAR

The term "each policy year" wherever used herein shall mean the period July 1, 1985 to July 1, 1986 of the following year, 12:01AK Local Standard Time both days, and each consecutive period of 12 months thereafter.

11. NAME OF ASSURED

It is agreed that the unqualified word "ASSURED" wherever used in this insurance includes not only the Named Assured, but also:

- A. Any officer, Board, employee, volunteer, servant, elected or appointed official, agent, individually or collectively while acting in their official capacity or in the scope of their duties or penell of the Levington-Fayette Urbah County Government and who are in a direct line of supervision to the Mayor and/or Council. Any person, organization, board, trustee, agent or estate to whom the Named Assured is obligated by virtue of written contract or agreement to provide such insurance because coverage is determined to be in the public interest and coverage as such is offered by this insurance and is documented by a RM 310 indemnification Agreement.
- B. Under Section IV, Coverage G Comprehensive Automobile Liability, any assured while using an owned automobile or hired automobile and any person or organization legally responsible for the use thereof, (provided the actual use of the automobile is by the Assured or with the Named Assurad's permission) any Assured with respect to the use of non-owned automobile in the business of the Named Assured. This insurance with respect to any person or organization other than the Named Assured does not apply:
 - 1. to any person or organization, or to rany agent or employees -thereof, operating an automobile sales agency, repair shop, service station, storage garage or public parking place, with respect to any accident arising out of the operation thereof;
 - 2. to any employee with respect to injury to or sickness, disease or death of another employee of the same employer injured in the course of such employment in an accident arising out of the maintenance or use of the automobile in the business of such employer;
 - 3: (with respect to any hired automobile), to the owner or a lesses thereof, other than the Named Assured, nor to any agant or employee of such owner or lessee:

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•	POLICY YEAR	POLICY PERIOD		
	7-1-85 - 7-1-86	JULY 1, 1985, 12:01AM LST - 1, 1986, 12:01AM LST	July	
	7-1-86 - 7-1-87	July 1, 1986, 12:01AM LST - 1, 1987, 12:01AM LST	Ju i Y	
	Each Year Therea	fter July 1, beginning policy ye July 1, ending policy year 12 LST both days	BF - RIDTAM	

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ORDINANCE NO. 204-87

AN ORDINANCE ENACTING SECTION 2-7 OF THE CODE OF CADINANCES TO ESTABLISH AN INSUMANCE PROGRAM PROVIDING COVERAGES TO THE GOVERNMENT AND ITS OFFICERS, AGENTS, RUCLOYEES, STC., FOR CLAIMS ARISING FROM PROPERTY AND CASUALTY LOSSES ACCONDING TO THE TERUS OF A MASTER CONTRACT ON FILE IN THE OFFICE OF FRE CLEAR OF THE URBAN COUNTY COUNCIL, PROVIDING THAT THE PROFAM SHALL BE ADMINISTERED BY THE DIVISION OF RISK MANAGEMENT, SUBJECT TO THE FOWER OF THE MAYOR, OR BIG DESIGNEE, TO SETTLE CLAIMS FUREWANT TO THE NASTER CONTRACT, SO LONG AS THE OCVERNMENT'S DIFFERENCE OF GOVERNMENTAL OR STATUTORY INMUNITY IS NOT WAIVED, FUNDS HAVE BEEN APPROPRIATED AND AND AVAILABLE FOR THE EXPENDITURE CALLED FOR BY THE SITTLEMENT, AND NOTICE OF THE SETTLEMENT IS GIVEN TO THE OFFICE OF THE URBAN COUNTY COUNCIL, EXPRESSIVE PROVIDING THE THE COVERAGE FOR CLAIMS ADAINST THOSE IN THE EXPLOIT OF THE DEBAS COUNTY GOVERNMENT'S ADAINST THOSE IN THE SETTLEMENT IS GIVEN TO THE PROPRIATED AND AND AND AND INCLE OF THE SETTLEMENT IS GIVEN TO THE OFFICE OF THE URBAN COUNTY COUNCIL, EXPRESSIVE PROVIDING THAT COVERAGE FOR CLAIMS ADAINST THOSE IN THE SETTLEMENT IS GIVEN TO THE EMPLOYNENT BY THE GOVERNMENT' AND PUTTHER AUTHORIZIES OF THE DEADS COUNTY GOVERNMENT'S THE OF THE SETTLEMENT IS GIVEN TO THE COVERAGE FOR CLAIMS ADAINST THOSE IN THE SETTLEMENT IS GIVEN TO THE EMPLOYNENT BY THE GOVERNMENT' AND PUTTHER AUTHORIZIES AND THE MAYOR FO ENTER INTO AGREEMENT'S TOR LEGAL SERVICES REGARDING THE MAYOR FO ENTER INTO AGREEMENT'S AND CASUMENT' LOSS CLAIMS, EFFECTIVE JULY 1, 1985,

BE IT ORDAINED BY THE COUNCIL OF THE LEXINGTON-PRVETTE URBAN COUNTY GOVERIMENT:

Section 1 - That Section 2-1 of the Code of Ordinances of

the Lexington-Fayette Orban County Government he and hereby is

anacted to read as follows:

Jac. 2-7.

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- (1) An insurance program providing coverages for vorkers' compensation, general limbility, sutomobile, property or equipment claims and other velid legal claims against the government or its efficers, agente, ampleyees, etc., is satiblished according to the mester contrast, and any amendments thereto, adopted by majority vote of the Lerington-Fayette Unban County Council, A true copy of said mester contrast shall be lodged in the office of the clarm of the urban county council.
- (2) The insurance program shall be edministered by the division of risk management according to the terms and conditions of the matter soutrout and this section. Provided, however, that the mayor, or his designes, is suthorized to edjust, settle or compromise any action, causas of action, accounts, debts, claims, demands, disputes and matters against the urban causay government, now existing or which may hereafter arise, succording to the terms and conditions of the meater contract, subject to the following:
 - (a) Nothing in this section shall be construed as vaiving the urban county government's defense of soversign, governmental or statutory immunity.
 - (b) No such settlement shall be made or be valid unions funds have been appropriated and are available for such an expenditure.
 - (p) Hotips of the settlements authorized and approved by the mayor shall be furnished to the council administrator in the office of the urban dounty council.

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- (3) Coverage for claims spainst those in the employ of the urban county government arising from matters contained in the urban county government's mester contract is provided in consideration of their employment by the urban county government.
- (4) The mayor is suthorized to enter into egreenents for legal services for the purpose of representing the government and those in its employ regarding the property and casualty loss claims referred to in this section, provided funds have been appropriated and are available for such an expenditure.

Section 2 - That the master contract, attached hereto and incorporated herein by reference, he and hereby is adopted and a copy of said contract shall be lodged in the office of the Clerk of the Urban County Council.

Section 3 - That this Ordinance shall be effective on and after July 1, 1985.

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PASSED UNANN COUNTY COUNCIL: August 27, 1987

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Responding Witness - Robert M. Conroy Cable Television Attachment – Rental Charge tariff **KU Response to LFUCG-2 Question No. 16**

Kentucky Utilities Company

Original Sheet No. 47 P.S.C. No. 13

(CATV - RC		
Cable Television	Attachment -	Rental Charge	

APPLICABLE

In all territory served.

AVAILABILITY OF SERVICE

Where a cable television system operator has proper authorization to provide cable television service in a given area (hereinafter "Customer"), the Company is willing to permit the attachments of cables, wires and appliances to its poles where, in Company's judgment, such attachments will not interfere with its electric service requirements and other prior licensees using Company's poles. Attachments will be permitted upon execution by both parties of a Cable Television Attachment Agreement and an Application and Permit form supplied by Company.

RENTAL CHARGE

Rental charge of \$2.71 per year for each attachment to pole, subject to annual adjustment as provided below.

RENTAL CHARGE ADJUSTMENT

The rental charge stated above is subject to change by the Company upon 20 days' written notice to the Customer and the Public Service Commission. Such change will be either an upward or downward adjustment, when conditions arise which materially affect the investment in facilities, or a change in the Company's costs to cover expense of operation, maintenance, depreciation, taxes, insurance and return on investment, in accordance with the Commission's allowance of such expenses and investments. A change in the Rental Charge will not be made more often than once in any 12-month period and will apply to the next semi-annual billing period.

BILLING

Rental charges to be billed semi-annually based on the number of pole attachments being maintained on December 1 and June 1. Payment will be due within 10 days from date of bill.

TERM OF AGREEMENT

The Cable Television Attachment Agreement shall become effective upon execution by both parties and shall continue in effect for not less than 1 year, subject to provisions contained in the agreement. At any time thereafter, the Customer may terminate the agreement by giving not less than 6 months' prior written notice. Upon termination of the agreement, Customer shall immediately remove its cables, wire, appliances and all other attachments from all poles of Company.

TERMS AND CONDITIONS OF POLE ATTACHMENTS

Pole attachments shall be permitted in accordance with this Rental Schedule. The Company's Terms and Conditions shall be applicable, to the extent they are not in conflict with or inconsistent with the special provisions of this Rental Schedule, Cable Television Attachments Agreement, the Application and Permit form.

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Kentucky Utilities Company

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CATV - RC Cable Television Attachment – Rental Charge

Upon written Agreement, the Company is willing to permit, to the extent it may lawfully do so, the attachment of cables, wires and appliances to its poles by a cable television system operator, hereinalter "Customer," where, in its judgment, such use will not interfere with its electric service requirements and other prior licensees using Company's poles, including consideration of economy and safety, in accordance with this rental schedule approved by the Public Service Commission. The Terms and Conditions applicable to such service are as follows:

1. ATTACHMENT APPLICATIONS AND PERMITS

Before making attachment to any pole or poles of Company, Customer shall make application and receive a permit therefor on a form to be supplied by Company (KU Form 17-52). The information submitted by Customer with the application for a permit shall consist of drawings and associated descriptive matter which shall be adequate in all detail to enable the Company to thoroughly check the proposed installation of Customer. Before the attachments are made, the permit must be approved by the Company. Customer shall not build separate pole lines along existing facilities of Company and shall not place intermediate poles in spans of Company, unless authorized by Company in writing. Company shall have the right to remove unauthorized Customer attachments at Customer's expense after notice to Customer. In the event a pole attachment count does not correspond to the recorded attachment count, Customer will pay a back rental fee for any excess attachments. The back rental fee will be double the rate otherwise in effect over the time since last pole attachment count and shall be payable on demand.

2. PERMITTED ATTACHMENTS

Customer shall be permitted to make <u>only</u> one bolt attachment for one messenger on tangent poles and two bolt attachments for two messengers on corner poles. A maximum of five individual coaxial cables may be supported by any single messenger if these cables are all attached to the messenger by suitable lashings or bindings, and so that the maximum overall dimension of the resulting cable bundle does not exceed two inches. Any messenger attachment other than to tangent poles must be properly braced with guys and anchors provided by Customer to the satisfaction of the Company. The use of existing Company anchors for this purpose must be specifically authorized in writing, subject to additional charge, and will not ordinarily be permitted. The use of crossarms or brackets shall not be permitted. In addition to messenger attachments, Customer will be permitted one Customer amplifier installation per pole and four service drops to be tapped on cable messenger strand and not on pole. Customer power supply installations shall be permitted, but only at pole locations specifically approved by the Company. Any or all of the above are considered one attachment for billing purposes Any additional attachments desired by Customer will be considered on an individual basis by the Company, and as a separate attachment application

3. CONSTRUCTION AND MAINTENANCE REQUIREMENTS AND SPECIFICATIONS

Customer's cables, wires and appliances, in each and every location, shall be erected and maintained in accordance with the requirements and specifications of the National Electrical

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CATV - RC Cable Television Attachment -- Rental Charge

Safety Code, current edition, and Company's construction practices, or any amendments or revisions of said Code and in compliance with any rules or orders now in effect or that hereinalter may be issued by the Public Service Commission of Kentucky, or other authority having jurisdiction. In the event any of Customer's construction does not meet any of the foregoing requirements, Customer will correct same in fifteen work days after written notification. Company may make corrections and bill Customer for total costs incurred, if not corrected by Customer.

4. MAINTENANCE OF ATTACHMENTS

Customer shall, at its own expense, make and maintain said attachments in safe condition and in thorough repair, and in a manner suitable to Company and so as not to conflict with the use of said poles by Company, or by other parties, firms, corporations, governmental units, etc., using said poles, pursuant to any license or permit by Company, or interfere with the working use of facilities thereon or which may, from time to time, be placed thereon. Customer shall promptly at any time, at its own expense, upon written notice from Company, relocate, replace or renew its facilities placed on said poles, and transfer them to substituted poles, or perform any other work in connection with said facilities that may be required by Company but in no case longer than two months after date of written request. In cases of emergency, however, Company may arrange to relocate, replace or renew the facilities placed on said poles by Customer, transfer them to substituted poles by Customer, transfer them to substituted poles, the facilities that may be required in the maintenance, replacement, removal or relocation of said poles, the facilities thereon or which may be placed thereon, or for the service needs of Company, or its other licensees, and Customer shall, on demand, reimburse Company for the expense thereby incurred.

5. COSTS ASSOCIATED WITH ATTACHMENTS

In the event that any pole or poles of Company to which Customer desires to make attachments are inadequate to support the additional facilities in accordance with the aforesaid specifications, Company will indicate on the application and permit form (KU Form 17-52) the changes necessary to provide adequate poles and the estimated cost thereof to Customer and return the form to Customer. If Customer still desires to make the attachments, and returns the form to Company marked to so indicate, Company will replace such inadequate poles with suitable poles and Customer will, on demand, reimburse Company for the total cost of pole replacement necessary to accommodate Customer attachments, less the salvage value of any pole that is removed, and the expense of transferring Company's facilities from the old to the new poles. Where Customer desired attachments can be accommodated on pre-sent poles of Company by rearranging Company's facilities thereon, Customer will compensate Company for the full expense incurred in completing such rearrangements, within ten days after receipt of Company's invoice for such expense. Customer will also, on demand, reimburse the owner or owners of other facilities attached to said poles for any expense incurred by it or them in transferring or rearranging said In the event Customer makes an unauthorized attachment which necessitates facilities. rearrangements when discovered, then Customer shall pay on demand twice the expense incurred in completing such rearrangements.

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Kentucky Utilities Company

CATV - RC Cable Television Attachment – Rental Charge

6. MAINTENANCE AND OPERATION OF COMPANY'S FACILITIES

Company reserves to itself, its successors and assigns, the right to maintain its poles and to operate its facilities thereon in such manner as will, in its own judgment, best enable it to fulfill its electric service requirements, but in accordance with the specifications herein before referred to. Company shall not be liable to Customer for any interruption to service to Customer's subscribers or for interference with the operation of the cables, wires and appliances of Customer arising in any manner out of the use of Company's poles hereunder.

7. FRANCHISES AND EASEMENTS

Customer shall submit to Company evidence, satisfactory to Company, of Customer's authority to erect and maintain Customer's facilities within public streets, highways and other thoroughtares within the above described territory which is to be served and shall secure any necessary consent by way of franchise or other satisfactory license, permit or authority, acceptable to Company from State, County or municipal authorities or from the owners of property where necessary to construct and maintain facilities at the locations of poles of Company which it desires to use. Customer must secure its own easement rights on private property. Customer must, regardless of authority received or franchises given by governmental agencies, conform to all requirements of Terms and Conditions with regard to Company's property. Company's approval of attachments shall not constitute any representation or warranty by Company to Customer regarding Customer's right to occupy or use any public or private right-of-way.

8. INSPECTION OF FACILITIES

Company reserves the right to inspect each new installation of Customer on its poles and in the vicinity of its lines or appliances and to make periodic inspections, every two (2) years or more often as plant conditions warrant of the entire plant of Customer. Such inspections, made or not, shall not operate to relieve Customer of any responsibility, obligation or liability.

9. RENTALS

Customer shall pay to Company an annual rental charge per attachment in accordance with the Rental Schedule from time to time in effect, as approved by the Public Service Commission for each year from the 1st of January of each respective year to the following December 31 provided, however, that should the Agreement be terminated in accordance with the terms of the said Agreement at any time after January 1 of any year and prior to December 31 of that year, the annual rentals will be prorated from January 1 to the date of such termination. The rental payments herein provided for shall be made on a semi-annual basis upon the number of poles on which attachments are being maintained on the 1st day of December and the 1st day of June, respectively. This rental charge is subject to change in accordance with the Rental Schedule from time to time in effect, as approved by the Public Service Commission or applicable regulations or statutes.

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Kentucky Utilities Company

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	Cable Television Attachment – Rental Charge
10. PREC	AUTIONS TO AVOID FACILITY DAMAGE
Custor suppor cause	ner shall exercise precautions to avoid damage to facilities of Company and of others ted on said poles; and shall assume all responsibility for any and all loss for such damage by it. Customer shall make an immediate report to Company of the occurrence of any je and shall reimburse Company for the expense incurred in making repairs.
11. INDEN	INITIES AND INSURANCE
claim, to cost therefo proper violatio self or allegeo repres	mer shall defend, indemnify and save harmless Company from any and all damage, loss, demand, suit, liability, penalty or forfeiture of every kind and nature-including but not limited is and expenses of defending against the same and payment of any settlement or judgment or, by reason of (a) injuries or deaths to persons, (b) damages to or destructions of ties, (c) pollutions, contaminations of or other adverse effects on the environment or (d) ons of governmental laws, regulations or orders whether suffered directly by Company itr indirectly by reason of claims, demands or suits against it by third parties, resulting or d to have resulted from acts or omissions of Customer, its employees, agents, or other interactives or from their presence on the premises of the Company, either solely or in rrence with any alleged joint negligence of Company.
	mer shall provide and maintain in an Insurance Company(s) authorized to do business in ommonwealth of Kentucky, the following:
Coa	surance protection for Customer employees to the extent required by the Workmen's ompensation Law of Kentucky and, where same is not applicable or if necessary to provide defense for Company, Employer's Liability Protection (covering both Company and ustomer) for Customer employees for no less than \$100,000.00 per employee.
pe	ublic Liability and Business Liability insurance with a minimum limit of \$500,000.00 for each erson injured and with a minimum total limit of \$1,000,000.00 for each accident and a inimum limit of \$100,000.00 for property damage for each accident.
C	ublic Liability and Property Damage insurance on all automotive equipment used by ustomer on job to the extent of the amounts for Public Liability and Property Damage surance set out in the preceding Paragraph (b).
w	the event that work covered by the Agreement includes work to be done in places or areas here the Maritime Laws are in effect, then and in that event additional insurance protection the limits in Paragraph (b) above for liability arising out of said Maritime Laws.
fo	n the event the work covers fixed wing aircraft, rotor lift, lighter than air aircraft or any other orm of aircraft, appropriate insurance will be carried affording protection to the limits rescribed in the preceding Paragraph (b).
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(f) In the event the work covers blasting, explosives or operations underground, in trenches or other excavations, appropriate insurance will be carried affording protection to the limits prescribed in the preceding Paragraph (b), together with products hazard and completed operations insurance where applicable, affording protection to the limits above prescribed. Customer's liability insurance shall be written to eliminate XCU exclusions. Said insurance is to be kept in force for not less than one year after cancellation of the Agreement.

Before starting work, Customer shall furnish to Company a certificate(s) of insurance satisfactory to Company, evidencing the existence of the insurance required by the above provisions, and this insurance may not be canceled for any cause without sixty (60) days advance written notice being first given the Company; provided, that failure of Company to require Customer to furnish any such certificate(s) shall not constitute a waiver by Company of Customer's obligation to maintain insurance as provided herein.

Each policy required hereunder shall contain a contractual endorsement written as follows: "The insurance provided herein shall also be for the benefit of Kentucky Utilities Company so as to guarantee, within the policy limits, the performance by the named insured of the indemnity provisions of the Cable Television Attachment Agreement between the named insured and Kentucky Utilities Company. This insurance may not be canceled for any cause without sixty (60) days advance written notice being first given to Kentucky Utilities Company."

12. ATTACHMENT REMOVAL AND NOTICES

Customer may at any time voluntarily remove its attachments from any pole or poles of Company, but shall immediately give Company written notice of such removal on a form to be supplied by Company (KU Form 17-53). No refund of any rental will be due on account of such voluntary removal.

13. FORBIDDEN USE OF POLES

Prior to Customer's initial attachment, Company reserves the right due to engineering design requirements to refuse use by Customer of certain or specific poles or structures (such as normal transmission routes). Upon notice from Company to Customer that the use of any pole or poles is forbidden by municipal or other public authorities or by property owners, the permit covering the use of such pole or poles shall immediately terminate and Customer shall remove its facilities from the affected pole or poles at once. No refund of any rental will be due on account of any removal resulting from such forbidden use.

14. NON-COMPLIANCE

If Customer shall fail to comply with any of the provisions of these Rules and Regulations or Terms and Conditions or default in any of its obligations under these Rules and Regulations or Terms and Conditions and shall fail within thirty (30) days after written notice from Company to correct such default or non-compliance, Company may, at its option, forthwith terminate the Agreement or the permit covering the poles as to which such default or non-compliance shall

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Cable Television Attachment – Renta	I Charge		
have occurred, by giving written notice to Customer of said term rental will be due on account of such termination.	nination. No retund of any		
15. BILLING			
Bills for expenses and other charges under the Agreement shall after presentation. Non-payment of bills shall constitute a default of			
16. WAIVERS			
Failure to enforce or insist upon compliance with any of these Rule and Conditions or the Agreement shall not constitute a genera thereof, but the same shall be and remain at all times in full force a	al waiver or relinquishment		
17. USE OF COMPANY'S FACILITIES BY OTHERS			
Nothing herein contained shall be construed as affecting the rig conferred by Company, by contract or otherwise, to others, not p use any poles covered by the Agreement; and Company shall have extend such rights or privileges. The attachment privileges herein subject to such existing contracts and arrangements.	parties to the Agreement, to ethe right to continue and to		
18. ASSIGNMENT			
Customer shall not assign, transfer or sublet the privileges hereb the Agreement without the prior consent in writing of Company.	y granted and/or provided in		
19. PROPERTY RIGHTS			
No use, however extended, of Company poles under the Agree Customer any ownership or property rights in said poles, but Cus customer only. Nothing herein contained shall be construed to o any of said poles for a period longer than demanded by its electric	stomer shall be and remain a compel Company to maintain		
20. FAILURE TO PROCEED			
Customer agrees to proceed as expeditiously as practical with television cable service to the area described in the Agreement. V the date of the Agreement, Customer shall make progress Company in the installation of its facilities or shall demonstrate, to of Company, its ability to proceed expeditiously.	Vithin ninety (90) days from reasonably satisfactory to		
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Kentucky Utilities Company

Kentucky Utilities Company

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CATV - RC Cable Television Attachment – Rental Charge		
— — — — — — — — — — — — — — — — — — —	******	
1. TERMINATION		
immediately remove its cables,	wires and appliances from	ny of its terms, Customer shall all poles of Company. If not a at the cost and expense of
2. SECURITY		
Customer shall furnish bond for	the purposes hereinafter spe	ecified as follows:
	nan 75 poles, a bond in the	facilities and at the time of any amount of \$2,000 for each 100 Ittach its facilities;
	mpletion of Customer's initia or each 100 poles (or fraction	l installation, the amount of bond thereof);
	period of three years, the bo	ant to the Agreement and is not and shall be reduced to \$500 for
months' after receipt by the insurance company to termi be waived by Company if a months has ended. Upon r Customer to immediately re Company. If Customer sho poles of Company within th then Company shall have th and without being liable appurtenances. Such bor become due to Company f	e Company of written notice nate such bond. This six (6) n acceptable replacement be eccipt of such termination ne move its cables, wires and a build fail to complete the rem ninty (30) days after receipt ne right to remove them at the for any damage to Custo nd shall guarantee the pay for rentals, inspections or we ment, including the removal	ot be terminated prior to six (6) of the desire of the bonding or months' termination clause may ond is received before the six (6) otice, the Company shall request all other facilities from all poles of oval of all of its facilities from the of such request from Company, we cost and expense of Customer mer's wires, cables, fixtures or yment of any sums which may rork performed for the benefit of of attachments upon termination
cash deposit or an irrevoca		accept other collateral (such as a substitution for the bond required a 22.
23. NOTICES		
the Agreement shall be deeme	d properly given if mailed, p	lations or Terms and Conditions or ostage pre-paid, to the Senior Vice any, One Quality Street, Lexington,
ate of Issue: July 20, 2004	Issued By	Date Effective: January 1, Refiled: July 20, 3

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	CATV - RC
Cable Televi	sion Attachment – Rental Charge
designated in the Agreement. T	ly; or, in the case of the Customer, to its representative he designation of the person to be notified, and/or his apany or Customer at any time, or from time to time, by
4. ADJUSTMENTS	
right of Company, and Company's Public Service Commission a ch charges as provided for, any rule, change or changes to become e	Agreement shall be construed as affecting in any way the shall at all times have the right, to unilaterally file with the ange in rental charges for attachments to poles, othe regulation, condition or any other change required. Such ffective upon approval of the Commission or applicable onstitute an amendment to the Agreement.
5. TERM OF AGREEMENT	
parties and shall continue in effect contained in the Agreement. All Agreement by giving not less than	Agreement shall become effective upon execution by bot ect for not less than one (1) year, subject to provisio t any time thereafter, the Customer may terminate th six (6) months prior written notice. Upon termination of the ediately remove its cables, wire, appliances and all othe pany.
6. BINDING EFFECT	
	ction 18 hereof, the Agreement and these Rules an ons shall extend to and bind the successors and assigns o
ite of Issue: July 20, 2004	Issued By Date Effective: January

Kentucky Utilities Company