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PUBLIC SERVICE  
COMMISSION

Mr. Jeff DeRouen  
Executive Director  
Kentucky Public Service Commission  
211 Sower Boulevard  
Frankfort, Kentucky 40601

**LG&E and KU Energy LLC**  
State Regulation and Rates  
220 West Main Street  
P.O. Box 32010  
Louisville, Kentucky 40232  
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Rick E. Lovekamp  
Manager Regulatory Affairs  
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July 11, 2011

**RE: *Joint Application of Louisville Gas and Electric Company and Kentucky Utilities Company for Review, Modification, and Continuation of Existing, and Addition of New, Demand-Side Management and Energy-Efficiency Programs - Case No. 2011-00134***

Dear Mr. DeRouen:

Please find enclosed and accept for filing the original and ten (10) copies of the response of Louisville Gas and Electric Company and Kentucky Utilities Company to the Second Request for Information of the Association of Community Ministries, Inc. ("ACM") dated June 28, 2011, in the above-referenced matter.

Also, enclosed are an original and ten (10) copies of a Petition for Confidential Protection for certain information requested in ACM Question No. 2-16.

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

Sincerely,

Rick E. Lovekamp

cc: Parties of Record

**COMMONWEALTH OF KENTUCKY**  
**BEFORE THE PUBLIC SERVICE COMMISSION**

**In the Matter of:**

<b>JOINT APPLICATION OF LOUISVILLE GAS AND</b>	)
<b>ELECTRIC COMPANY AND KENTUCKY UTILITIES</b>	)
<b>COMPANY FOR REVIEW, MODIFICATION, AND</b>	)
<b>CONTINUATION OF EXISTING, AND ADDITION OF NEW</b>	)
<b>DEMAND-SIDE MANAGEMENT AND ENERGY-</b>	)
<b>EFFICIENCY PROGRAMS</b>	)

**CASE NO.**  
**2011-00134**

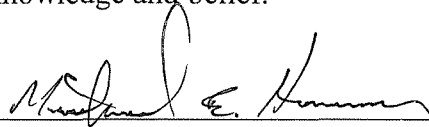
**RESPONSE OF**  
**LOUISVILLE GAS AND ELECTRIC COMPANY**  
**AND**  
**KENTUCKY UTILITIES COMPANY**  
**TO THE SECOND REQUEST FOR INFORMATION**  
**OF THE ASSOCIATION OF COMMUNITY MINISTRIES, INC.**  
**DATED JUNE 28, 2011**

**FILED: July 11, 2011**

VERIFICATION

COMMONWEALTH OF KENTUCKY )  
 ) SS:  
COUNTY OF JEFFERSON )

The undersigned, **Michael E. Hornung**, being duly sworn, deposes and says that he is Manager of Energy Efficiency Planning & Development for LG&E and KU Services Company, and 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.

  
\_\_\_\_\_  
**Michael E. Hornung**

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 8<sup>th</sup> day of July 2011.

  
\_\_\_\_\_  
Notary Public (SEAL)

My Commission Expires:

November 9, 2014



**LOUISVILLE GAS AND ELECTRIC COMPANY  
KENTUCKY UTILITIES COMPANY**

**Response to the Association of Community Ministries, Inc.  
Second Request for Information  
Dated June 28, 2011**

**Case No. 2011-00134**

**Question No. 1**

**Witness: Michael E. Hornung**

- Q-1. Please refer to the Company's response to Question 1 of ACM's First Tendered Request for Information, including the chart provided therein. Please explain in detail why the Company cannot apply the assumptions underlying the chart to a subset of its customer base, to yield the requested breakdown for Jefferson County as a whole and by Jefferson County zip code. Please include an explanation of all of the specific processes and steps that would be required to yield these requested breakdowns, and why, as stated in the Company's response, it is unable to do so.
- A-1. ACM's First Tendered Request for Information requests dollars to be collected, dollars to be spent, and dollars to be spent by program by zip code. The table provided in response to this initial request is the LG&E Residential Budget Program expenses. These expenses were derived from a macro perspective of customer participation across all of LG&E. DSM program participation is voluntary. The Company does not project customer participation levels by zip code or county. Consequently, the Company has no means to segment the table provided that would result in representative data requested as the number of participants by program and zip code would need to be forecasted to determine DSM/EE dollars to be spent. Likewise, DSM charges are on a per kwh basis. Load Projections are not performed on a county or zip code basis and thus the Company does not have a means to generate meaningful data as requested.



**LOUISVILLE GAS AND ELECTRIC COMPANY  
KENTUCKY UTILITIES COMPANY**

**Response to the Association of Community Ministries, Inc.  
Second Request for Information  
Dated June 28, 2011**

**Case No. 2011-00134**

**Question No. 2**

**Witness: Michael E. Hornung**

- Q-2. Please refer to the chart included as part of the Company's response to Question 2 of ACM's First Tendered Request for Information.
- (a) Please state whether the figures provided are for Jefferson County only, or whether they are companywide.
  - (b) If the figures are companywide, please provide the figures for Jefferson County, broken down by zip code, as requested.
  - (c) Should the Company decline to provide the requested Jefferson County figures and/or zip code breakdowns, please explain in detail why it so declines, including an explanation of all of the specific processes and steps that would be required to produce the information and why the Company cannot undertake them.
- A-2.
- (a) The chart included as part of the Company's response to Question No. 2 of ACM's First Tendered Request for Information is for all LG&E residential customers, not just those in Jefferson County.

(b) The following table represents LG&E Residential Billing for April 2009 through December 2010. Data prior to March 2009 is housed within the Companies Legacy Customer Information System.

**LG&E Residential DSM Billing**

<b>LG&amp;E Zip</b>	<b>Residential DSM Billing</b>	<b>LG&amp;E Zip</b>	<b>Residential DSM Billing</b>	<b>LG&amp;E Zip</b>	<b>Residential DSM Billing</b>	<b>LG&amp;E Zip</b>	<b>Residential DSM Billing</b>
40004	\$ 25,180	40041	\$ 5,356	40209	\$ 10,074	42722	\$ 234
40006	\$ 2,405	40047	\$ 112,724	40210	\$ 342,290	42746	\$ 2
40010	\$ 20,228	40048	\$ 13	40211	\$ 597,641	42748	\$ 9,205
40011	\$ 2,523	40050	\$ 3,548	40212	\$ 470,231	42749	\$ 19
40013	\$ 607	40055	\$ 14,409	40213	\$ 441,952	42757	\$ 1,476
40014	\$ 616,230	40056	\$ 109,931	40214	\$ 1,173,291	42764	\$ 83
40018	\$ 1,225	40057	\$ 3,672	40215	\$ 517,962		
40019	\$ 7,446	40059	\$ 720,812	40216	\$ 1,154,832		
40023	\$ 82,921	40067	\$ 9,443	40217	\$ 355,366		
40025	\$ 11,339	40068	\$ 2,810	40218	\$ 729,907		
40026	\$ 207,250	40069	\$ 27	40219	\$ 937,813		
40027	\$ 14,033	40071	\$ 3,399	40220	\$ 958,594		
40031	\$ 276,711	40077	\$ 23,053	40222	\$ 785,489		
40033	\$ 224	40108	\$ 66,632	40223	\$ 785,648		
40037	\$ 1,772	40109	\$ 8,490	40228	\$ 471,948		
		40118	\$ 275,587	40229	\$ 877,023		
		40150	\$ 1,771	40232	\$ 82		
		40155	\$ 23,815	40241	\$ 931,481		
		40160	\$ 20,281	40242	\$ 317,371		
		40162	\$ 1,569	40243	\$ 304,589		
		40165	\$ 269,040	40245	\$ 981,495		
		40175	\$ 9,932	40258	\$ 750,869		
		40177	\$ 33,508	40272	\$ 1,033,978		
		40202	\$ 56,184	40291	\$ 1,089,987		
		40203	\$ 340,881	40299	\$ 1,182,409		
		40204	\$ 441,136	42141	\$ -		
		40205	\$ 750,385	42154	\$ -		
		40206	\$ 570,520	42214	\$ 298		
		40207	\$ 1,100,375	42701	\$ 2,112		
		40208	\$ 332,977	42716	\$ 1,547		

(c) The data has been provided as requested.





LOUISVILLE GAS AND ELECTRIC COMPANY  
KENTUCKY UTILITIES COMPANY

Response to the Association of Community Ministries, Inc.  
Second Request for Information  
Dated June 28, 2011

Case No. 2011-00134

Question No. 3

Witness: Michael E. Hornung

Q-3. Please refer to Question 3 of ACM's First Tendered Request for Information, asking for "the total dollar amount paid in DSM/EE charges by LG&E customers in Jefferson County who have had at least one bill paid by a third-party assistance provider for the time frame commencing with the Commission's March 31, 2008 order in Case No. 2007-00319 to date," and the Company's response, wherein it is stated that the requested information "is not readily available and would require significant time and effort not permitted in the schedule."

- (a) Does the Company have the records necessary to produce the requested information?
- (b) Please provide a detailed explanation of all of the processes and steps that would be required to produce the requested information, including an explanation of why they are unduly time-consuming in comparison to those required to produce other information the Company has provided the various parties pursuant to the schedule governing this proceeding. Please explain further why the Company has been able to produce information about recipients of third-party assistance in response to Questions 4(c), 6(f) and 20 of ACM's First Tendered Request, but not in response to Question 3.

A-3.

- (a) Yes.
- (b) The Company was able to produce information about recipients of third-party assistance in response to Questions 4(c), 6(f) and 20 of ACM's First Tendered Request because the necessary data resided in a single, easily queried database. The Companies have made subsequent efforts since the First Request for Information to develop the response to Question No. 3. These ongoing efforts have allowed the Companies the necessary time to extract the following data:

*LG&E Customers Who Received Third-Party Assistance*  
*Total Dollars Paid into DSM Surcharge*

April 2009 - Dec 31, 2010	\$1,428,805
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**LOUISVILLE GAS AND ELECTRIC COMPANY  
KENTUCKY UTILITIES COMPANY**

**Response to the Association of Community Ministries, Inc.  
Second Request for Information  
Dated June 28, 2011**

**Case No. 2011-00134**

**Question No. 4**

**Witness: Michael E. Hornung**

Q-4. Please provide the total number of residential customers in Jefferson County who had at least one bill paid by a third-party assistance provider during each of the following time periods, respectively: 3/31/2008 – 12/31/2008; calendar year 2009; and calendar year 2010.

A-4. The data for this request is housed in two separate databases. The first database, the Legacy Customer Information System, contains January - December 2008 and January – March 31 of 2009. The second database, the Customer Care System, contains April 2009 – December 31, 2010.

*LG&E customers who had third-party assistance*

LG&E Zip	2008 & Jan-Mar 2009	Apr 2009 - Dec, 31 2010	LG&E Zip	2008 & Jan-Mar 2009	Apr 2009 - Dec, 31 2010	LG&E Zip	2008 & Jan-Mar 2009	Apr 2009 - Dec, 31 2010	LG&E Zip	2008 & Jan-Mar 2009	Apr 2009 - Dec, 31 2010
40004	28	87	40067	6	6	40205	135	126	40223	132	156
40006	4	18	40068		2	40206	369	421	40228	224	234
40011	1	5	40071		1	40207	202	264	40229	614	652
40014	125	189	40077	3	7	40208	847	872	40241	197	200
40019	3	30	40108	25	104	40209	35	34	40242	111	105
40023	8	2	40109	2	4	40210	1,817	1,804	40243	78	101
40026	10	10	40118	287	334	40211	3,096	3,048	40245	129	141
40027	2	1	40150	3	4	40212	2,321	2,238	40258	887	854
40031	66	98	40155	14	49	40213	670	683	40272	1,183	1,203
40037	1	16	40160	33	86	40214	1,610	1,745	40291	446	556
40041	1	1	40162	1	4	40215	1,638	1,832	40299	302	439
40047	126	161	40165	243	346	40216	1,866	2,100	42214	1	1
40050	2	14	40175	2	16	40217	394	363	42701	1	10
40055		1	40177	23	93	40218	1,420	1,557	42716	4	15
40056	27	20	40202	158	228	40219	1,302	1,439	42748	10	60
40057	1	11	40203	1,970	1,936	40220	487	583	42757	2	6
40059	29	34	40204	535	490	40222	175	234			



**LOUISVILLE GAS AND ELECTRIC COMPANY  
KENTUCKY UTILITIES COMPANY**

**Response to the Association of Community Ministries, Inc.  
Second Request for Information  
Dated June 28, 2011**

**Case No. 2011-00134**

**Question No. 5**

**Witness: Michael E. Hornung**

- Q-5. Please refer to the Company's response to Question 4 of ACM's First Tendered Request for Information.
- (a) Please provide the information set forth in item (a) of the Company's response for Jefferson County only, broken down by zip code, as requested. Should the Company decline to provide the requested Jefferson County figure and/or zip code breakdowns, please explain in detail why it so declines, including but not limited to an explanation of all of the specific processes and steps that would be required to produce the information; why the Company cannot undertake them; and why the Company was able to produce various customer data broken down by zip code in response to ACM's Second Request for Information in Case No. 2009-00549, but declines to do so in response to the instant request.
  - (b) How many of the customers included in the figure set forth in item (c) of the Company's response are Jefferson County customers?
  - (c) Please provide the information requested regarding programmable thermostats in item (b) of ACM's First Tendered Request, regardless of whether the thermostats have been or will be removed. Should the Company decline to provide the requested Jefferson County figure and/or zip code breakdowns, please explain in detail why it so declines, including but not limited to an explanation of all of the specific processes and steps that would be required to produce the information; why the Company cannot undertake them; and why the Company was able to produce various customer data broken down by zip code in response to ACM's Second Request for Information in Case No. 2009-00549, but declines to do so in response to the instant request.
- A-5. The Companies have made subsequent efforts since the First Request for Information. These ongoing efforts have allowed the Companies the necessary time to extract the data following data:

(a)

**LG&E Residential Customers with a Switch**

LG&E Zip	# of Switches	LG&E Zip	# of Switches	LG&E Zip	# of Switches	LG&E Zip	# of Switches
40010	31	40109	5	40210	576	40229	2,341
40014	1,567	40118	783	40211	960	40232	1
40018	1	40155	52	40212	633	40241	3,080
40023	162	40165	426	40213	1,802	40242	1,257
40025	38	40175	1	40214	3,673	40243	1,240
40026	497	40177	18	40215	1,162	40245	2,790
40027	13	40202	277	40216	3,161	40258	1,917
40031	563	40203	708	40217	1,344	40272	2,244
40047	104	40204	1,333	40218	2,493	40291	3,626
40055	9	40205	2,872	40219	3,309	40292	1
40056	284	40206	2,207	40220	4,167	40299	3,857
40059	2,057	40207	5,280	40222	4,051		22,354
40077	34	40208	732	40223	2,346		
40108	81	40209	9	40228	1,176		
	5,441		14,703		30,853		

Total of Switches	73,351
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(b)  
**LG&E Residential Customers with a Switch & Received Third Party Assistance**

<b>LG&amp;E Zip</b>	<b># of Customers</b>	<b>LG&amp;E Zip</b>	<b># of Customers</b>	<b>LG&amp;E Zip</b>	<b># of Customers</b>
40014	70	40205	30	40220	108
40026	4	40206	74	40222	123
40027	2	40207	106	40223	21
40031	6	40208	121	40228	44
40047	7	40209	2	40229	162
40056	2	40210	207	40241	33
40059	7	40211	456	40242	23
40108	8	40212	313	40243	17
40118	80	40213	271	40245	55
40155	7	40214	381	40258	308
40165	19	40215	267	40272	278
40177	2	40216	543	40291	127
40202	33	40217	53	40299	154
40203	288	40218	360		
40204	57	40219	436		
	592		3,620		1,453

<b>Total Customers</b>	<b>5,665</b>
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(c)

**LG&E Residential and Commercial Customers with programmable Thermostat**

<b>LG&amp;E Zip</b>	<b># of Customers</b>	<b>LG&amp;E Zip</b>	<b># of Customers</b>	<b>LG&amp;E Zip</b>	<b># of Customers</b>	<b>LG&amp;E Zip</b>	<b># of Customers</b>
40014	167	40175	2	40215	226	40258	253
40023	11	40202	13	40216	468	40272	300
40026	46	40203	104	40217	157	40291	379
40027	1	40204	160	40218	275	40299	408
40031	77	40205	265	40219	296		1,340
40047	11	40206	191	40220	345		
40055	1	40207	357	40222	220		
40056	44	40208	113	40223	277		
40059	207	40209	2	40228	214		
40077	3	40210	128	40229	271		
40108	12	40211	223	40241	351		
40118	49	40212	162	40242	119		
40155	7	40213	188	40243	145		
40165	2	40214	351	40245	323		
	638		2,259		3,687		
<b>Total Customers</b>		<b>7,924</b>					



**LOUISVILLE GAS AND ELECTRIC COMPANY  
KENTUCKY UTILITIES COMPANY**

**Response to the Association of Community Ministries, Inc.  
Second Request for Information  
Dated June 28, 2011**

**Case No. 2011-00134**

**Question No. 6**

**Witness: Michael E. Hornung**

- Q-6. Please refer to the Company's response to Question 6 of ACM's First Tendered Request for Information.
- (a) Please provide the information set forth in items (a), (b) and (e) of the Company's response for Jefferson County only, broken down by zip code, as requested. Should the Company decline to provide the requested Jefferson County figure and/or zip code breakdowns for any or all of items (a), (b) or (e), please explain in detail, respectively, why it so declines, including but not limited to an explanation of all of the specific processes and steps that would be required to produce the information; why the Company cannot undertake them; and why the Company was able to produce various customer data broken down by zip code in response to ACM's Second Request for Information in Case No. 2009-00549, but declines to do so in response to the instant request.
  - (b) Please refer to the Company's response to item (c), wherein it is stated that the requested information "is not readily available and would require significant time and effort not permitted in the schedule." Please explain in detail all of the specific processes and steps that would be required to produce the requested information, including an explanation of why they are unduly time-consuming in comparison to those required to produce other information the Company has provided the various parties pursuant to the schedule governing this proceeding. Please explain further why the Company has been able to produce information about recipients of third-party assistance in response to Questions 4(c), 6(f) and 20 of ACM's First Tendered Request, but not in response to Question 6(c).
  - (c) Please refer to the Company's response to item (f). Please provide the number of Jefferson County customers, as requested. Should the Company decline to provide the requested Jefferson County figure and/or zip code breakdowns, please explain in detail why it so declines, including but not limited to an explanation of all of the specific processes and steps that would be required to produce the information and why the Company cannot undertake them.

A-6.

- (a) The Companies do not maintain the requested data in a single database, nor do the Companies analyze their DSM programs on the basis of zip code, census tract, or other means of segregating the residential class of customers by location of residence.

The Companies have made subsequent efforts since the First Request for Information. These ongoing efforts have allowed the Companies the necessary time to extract the data following data:

*Item a.: LG&E On-line Energy Audits by Zip Code*

LG&E Zip	# of Online Audits	LG&E Zip	# of Online Audits	LG&E Zip	# of Online Audits	LG&E Zip	# of Online Audits
40004	7	40108	5	40207	46	40222	34
40013	1	40118	12	40208	12	40223	39
40014	27	40121	1	40210	8	40228	20
40019	1	40150	1	40211	25	40229	42
40023	4	40155	1	40212	12	40241	66
40026	5	40160	1	40213	17	40242	26
40031	27	40165	20	40214	80	40243	21
40037	1	40175	1	40215	17	40245	54
40047	11	40177	1	40216	36	40258	77
40056	10	40202	1	40217	23	40272	45
40059	24	40203	13	40218	30	40291	56
40067	2	40204	28	40219	42	40299	85
40068	1	40205	66	40220	63		
40069	1	40206	44	40221	1		

*Item b.: LG&E On-line Energy Audit CFLs Received by Zip Code*

LG&E Zip	# of CFLs	LG&E Zip	# of CFLs	LG&E Zip	# of CFLs	LG&E Zip	# of CFLs	
40004	28	40108	20	40207	184	40222	136	
40013	4	40118	48	40208	48	40223	156	
40014	108	40121	4	40210	32	40228	80	
40019	4	40150	4	40211	100	40229	168	
40023	16	40155	4	40212	48	40241	264	
40026	20	40160	4	40213	68	40242	104	
40031	108	40165	80	40214	320	40243	84	
40037	4	40175	4	40215	68	40245	216	
40047	44	40177	4	40216	144	40258	308	
40056	40	40202	4	40217	92	40272	180	
40059	96	40203	52	40218	120	40291	224	
40067	8	40204	112	40219	168	40299	340	
40068	4	40205	264	40220	252		2260	
40069	4	40206	176	40221	4			
	488		780		1648			
							Total of CFLs Distributed	5176

*Item e.: LG&E On-site Energy Audits by Zip Code*

LG&E Zip	# of On-site Audits	LG&E Zip	# of On-site Audits	LG&E Zip	# of On-site Audits	LG&E Zip	# of On-site Audits
40004	6	40108	2	40211	77	40242	37
40007	1	40118	3	40212	45	40243	32
40010	2	40160	3	40213	34	40245	124
40014	39	40162	1	40214	71	40258	35
40019	3	40165	15	40215	25	40272	39
40023	9	40177	1	40216	68	40291	86
40025	4	40202	4	40217	35	40299	132
40026	20	40203	32	40218	50	40307	1
40031	26	40204	67	40219	48	41065	1
40047	14	40205	122	40220	107	41214	1
40050	2	40206	87	40222	108	41223	1
40056	18	40207	163	40223	101	42701	1
40059	94	40208	15	40228	57		
40067	2	40209	1	40229	40		
40077	2	40210	31	40241	107		

- (b) The total number of LG&E customers in Jefferson County completing on-line energy audits who have had at least one LG&E bill paid by a third-party assistance provider during the period 2008 through 2010 cannot be provided within the timeframe of this data request. The Companies provided the information requested in Questions 4(c), 6(f) and 20 of ACM's First Tendered Request because all of the data required to respond was fully housed in a single system, the Companies' Customer Care System ("CCS"), including third-party assistance records. On-line audit data, however, is not housed in CCS because it is not information the Companies need to access as part of their day-to-day operations. To correlate and ensure the accuracy of data across the two databases would require significant time and effort.
- (c) The Companies have made subsequent efforts since the First Request for Information. These ongoing efforts have allowed the Companies the necessary time to extract the following data:

*LG&E On-site Energy Audits with Third-Party Assistance, by Zip Code*

<b>LG&amp;E Zip</b>	<b># of On-site Audits</b>	<b>LG&amp;E Zip</b>	<b># of On-site Audits</b>	<b>LG&amp;E Zip</b>	<b># of On-site Audits</b>	<b>LG&amp;E Zip</b>	<b># of On-site Audits</b>
40014	1	40208	3	40216	23	40229	4
40056	2	40209	4	40217	6	40241	3
40165	2	40210	29	40218	14	40243	1
40203	10	40211	39	40219	4	40258	8
40204	4	40212	29	40220	18	40272	13
40205	1	40213	3	40222	1	40291	4
40206	6	40214	18	40223	5	40299	9
40207	6	40215	8	40228	9		





**LOUISVILLE GAS AND ELECTRIC COMPANY  
KENTUCKY UTILITIES COMPANY**

**Response to the Association of Community Ministries, Inc.  
Second Request for Information  
Dated June 28, 2011**

**Case No. 2011-00134**

**Question No. 7**

**Witness: Michael E. Hornung**

Q-7. Please refer to page 35 of Exhibit MEH-1 to the Direct Testimony of Michael E. Hornung, wherein levels of customer investment and corresponding financial incentives under the Home Energy Performance Program are discussed, and to the Company's response to Question 7 of ACM's First Tendered Request. For the time frame commencing with the Commission's March 31, 2008 Order in Case No. 2007-00319 and continuing to date, please provide:

- (a) the total number of LG&E customers in Jefferson County who reached the second and third tiers, respectively, under the Home Energy Performance Program; and
- (b) the number of Jefferson County customers reaching the second and third tiers, respectively, who had at least one LG&E bill paid by a third-party assistance provider during the period in question.

A-7.

- (a) The Home Energy Performance Program is a redesigned program based on the Residential Conservation Program commencing with the Commission's March 31, 2008 Order in Case No. 2007-00319. The tier structure is a new part of the Home Energy Performance Program proposed in Case No. 2011-00134 and has not been approved; therefore, the Companies have no data to determine the total number of LG&E customers who reached the second and third tiers.
- (b) Please see the response to (a) above.



**LOUISVILLE GAS AND ELECTRIC COMPANY**  
**KENTUCKY UTILITIES COMPANY**

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**Question No. 8**

**Witness: Michael E. Hornung**

- Q-8. Please refer to the Company's response to Question 8 of ACM's First Tendered Request for Information.
- (a) Please provide the information set forth in items (a) and (c) of the Company's response for Jefferson County only, broken down by zip code, as requested. Should the Company decline to provide the requested Jefferson County figure and/or zip code breakdowns for either or both of (a) or (c), please explain in detail, respectively, why it so declines, including but not limited to an explanation of all of the specific processes and steps that would be required to produce the information; why the Company cannot undertake them; and why the Company was able to produce various customer data broken down by zip code in response to ACM's Second Request for Information in Case No. 2009-00549, but declines to do so in response to the instant request.
  - (b) Please refer to the Company's responses to items (b) and (d), wherein it is stated that the requested information "is not readily available and would require significant time and effort not permitted in the schedule." Please explain in detail all of the specific processes and steps that would be required to produce the requested information in each instance, including an explanation of why they would be unduly time-consuming in comparison to those required to produce other information the Company has provided the various parties pursuant to the schedule governing this proceeding. Please explain further why the Company has been able to produce information about recipients of third-party assistance in response to Questions 4(c), 6(f) and 20 of ACM's First Tendered Request, but not in response to Question 8(b) or (d).

A-8.

- (a) The Company has made subsequent efforts since the First Request for Information. These ongoing efforts have allowed the Company the necessary time to extract the following data:

*Items (a) and (c): LG&E AC Tests and Tune-Ups by Zip Code*

LG&E Zip	# of AC Tests	# of AC Tune-Ups	LG&E Zip	# of AC Tests	# of AC Tune-Ups	LG&E Zip	# of AC Tests	# of AC Tune-Ups	LG&E Zip	# of AC Tests	# of AC Tune-Ups
40004	1	0	40108	3	1	40210	8	2	40228	17	9
40006	3	3	40118	5	3	40211	21	7	40229	19	9
40014	23	8	40155	1	0	40212	13	7	40241	39	16
40023	2	2	40160	5	3	40213	20	9	40242	24	8
40026	4	1	40162	2	1	40214	36	13	40243	22	7
40031	29	16	40165	1	1	40215	20	13	40245	23	12
40033	2	2	40175	3	1	40216	39	15	40258	18	6
40050	2	2	40203	13	5	40217	26	8	40272	30	11
40056	7	4	40204	16	5	40218	27	13	40291	49	26
40057	2	0	40205	50	22	40219	33	16	40299	56	23
40059	28	10	40206	39	13	40220	42	23			
40067	4	2	40207	71	22	40222	41	19			
40069	3	2	40208	11	5	40223	32	10			

- (b) The following response includes data only from April 1, 2009, through December 31, 2010. Data for January 1, 2008, through March 31, 2009 cannot be provided as the data is stored within the Companies Legacy Customer Information System, which classified AC Test and Tune-Up charges under “Non-Regulated Business” (NRB) billing. Because many billing other components were classified as NRB, creating and providing the requested information would require significant time and effort.

The Company has made subsequent efforts since the First Request for Information. These ongoing efforts have allowed the Company the necessary time to extract the following data:

*Item (b) & (d): LG&E AC Tests and Tune-Ups with third-party assistance, by zip code*

LG&E Zip	# of AC Tests	# of AC Tune-Ups	LG&E Zip	# of AC Tests	# of AC Tune-Ups
40203	1	1	40216	2	1
40206	1	1	40217	1	
40208	1	1	40218	1	1
40210	1	1	40219	2	
40211	1	1	40228	1	1
40212	2	2	40258	1	
40214	2		40272	1	1
40215	2	1	40299	1	1



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**Question No. 9**

**Witness: Michael E. Hornung**

- Q-9. Please refer to the Company's response to Question 9, item (b) of ACM's First Tendered Request for Information.
- (a) How often customers are sent the referenced direct mail pieces notifying them of the opportunity to receive CFL bulbs?
  - (b) Are all customers throughout LG&E's service territory sent the referenced direct mail pieces on a uniform schedule with regard to frequency? If not, please describe any variations and the reason(s) therefore.
  - (c) Please provide copies of any reports tracking, monitoring or evaluating customer response to the direct mail marketing of the CFL program.
  - (d) Has the Company undertaken any studies or reviewed any data regarding geographic variations, whether by county, zip code or other parameter, in the response rate for the CFL program? If so, please provide such studies and/or data.
- A-9.
- (a) Residential customers will receive one (1) or two (2) direct mail pieces per year notifying them of the opportunity to receive CFL bulbs.
  - (b) Yes, all LG&E residential customers are mailed a direct mail piece on a uniform schedule.
  - (c) The data used to track and fulfill the High Efficiency Residential Lighting Program is stored within our fulfillment contractor data base. The attached spreadsheet was generated through a portal to which the program manager has access. The attached spreadsheet contains only response data for the 2011 direct mail campaigns, coupon campaigns, and the associated energy and demand savings.

- (d) No, the Company has not undertaken any studies or reviewed any data regarding geographic variations, whether by county, zip code or other parameter, in the response rate for the CFL program.





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**Question No. 10**

**Witness: Michael E. Hornung**

- Q-10. Please refer to the Company's response to Question 10(a) of ACM's First Tendered Request for Information, where it is stated that the requested information "is not readily available and would require significant time and effort not permitted in the schedule." Please explain in detail all of the specific processes and steps that would be required to produce the requested information, including an explanation of why they are unduly time-consuming in comparison to those required to produce other information the Company has provided the various parties pursuant to the schedule governing this proceeding.
- A-10. The Company has made subsequent efforts since the First Request for Information. These ongoing efforts have allowed the Company the necessary time to extract the following data:

**CFLs Distributed by Direct Mail**

<b>LG&amp;E Zip</b>	<b># of CFLs</b>	<b>LG&amp;E Zip</b>	<b># of CFLs</b>	<b>LG&amp;E Zip</b>	<b># of CFLs</b>	<b>LG&amp;E Zip</b>	<b># of CFLs</b>	
40004	296	40108	3,128	40207	37,968	40222	23,232	
40013	104	40118	10,176	40208	10,864	40223	20,992	
40014	18,224	40121	12	40210	12,948	40228	15,700	
40019	60	40150	100	40211	22,904	40229	28,368	
40023	2,356	40155	1,180	40212	19,888	40241	27,348	
40026	5,004	40160	204	40213	20,224	40242	11,480	
40031	8,308	40165	9,828	40214	22,840	40243	10,064	
40037	16	40175	112	40215	22,756	40245	5,607	
40047	3,400	40177	1,516	40216	49,024	40258	27,676	
40056	4,004	40202	624	40217	16,512	40272	37,268	
40059	16,940	40203	11,784	40218	28,252	40291	-	
40067	200	40204	18,316	40219	32,724	40299	37,968	
40068	40	40205	32,248	40220	36,872		245,703	
40069	8	40206	24,404	40221	-			
	58,960		113,632		333,776			
							<b>Total of CFLs Distributed</b>	<b>752,071</b>



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**Question No. 11**

**Witness: Michael E. Hornung**

- Q-11. Please refer to the Company's response to Question 10(b) of ACM's First Tendered Request for Information, where it is stated that the requested information "is not readily available and would require significant time and effort not permitted in the schedule." Please explain in detail all of the specific processes and steps that would be required to produce the requested information, including an explanation of why they are unduly time-consuming in comparison to those required to produce other information the Company has provided the various parties pursuant to the schedule governing this proceeding. Please explain further why the Company has been able to produce information about recipients of third-party assistance in response to Questions 4(c), 6(f) and 20 of ACM's First Tendered Request, but not in response to Question 10(b).
- A-11. Please refer to the response to Question No. 10. The data for the Residential High Efficiency Lighting Program is held in a separate database housed by our third party vendor that provides the fulfillment associated with this program and is not integrated with the Companies' current Customer Care System.



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**Question No. 12**

**Witness: Michael E. Hornung**

Q-12. Please provide a list of the types of customer data by county and/or zip code and/or receipt of third-party assistance that the Company would characterize as "readily available," as that term is used in its responses to ACM's First Tendered Requests for Information.

A-12.

The Companies use over 23 separate internal and external data sources to manage the DSM programs. For each program, the Companies track performance metrics associated with program measures deployed, data associated with services rendered, equipment inventory, and customer enrollment, engagement, and scheduling data. In addition, customer information and billing determinants are stored within the Companies' Legacy Customer Information System (pre-April 2009) and current Customer Care System (post-April 2009), while all program expenses are recorded and tracked through the Companies' ORACLE financial system. Consequently, the ability to aggregate and analyze this data on a scale smaller than per company requires manual processes to manage the accuracy and integrity of the data.

"Readily available" data would be information that could be addressed in one of the following manners: (1) information provided from existing processes and reports that the Companies use to manage the DSM programs; (2) information that is fully housed in an individual database that can be easily queried with a high confidence of accuracy; and (3) within the timeframe of this data request, other multiple-database extractions that can be extracted and correlated with a high confidence of accuracy.



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**Question No. 13**

**Witness: Michael E. Hornung**

Q-13. Please refer to the Company's response to Question 11 of ACM's First Tendered Request for Information, where it is stated that "the proposed WeCare seven-year budget now represents 13% of the total portfolio of program budget...."

- (a) Please provide copies of any studies, reports or other analyses underlying the Company's decision to allocate 13% of the total program budget to WeCare.
- (b) Please identify any additional data or other factors taken into consideration beyond those included in response to (a), above.
- (c) Did the Company consider allocating a greater percentage of the program budget to WeCare prior to adopting the 13% level? If so, please state the figure(s) considered, explain why any higher figure(s) was rejected, and provide copies of any supporting analyses.

A-13.

- (a) As the Company evaluated the WeCare Program, it initially looked at program measures that would increase the California Standard Practice Manual Total Resource Cost (TRC) while minimizing the negative impact to the Ratepayer Impact Measure (RIM) benefit/cost scores. In this evaluation the Company realigned the participation goals between the tier structures to more accurately depict the customer usage behavior of the customers currently on the LIHEAP list. In addition to this, additional funding was placed within all tiers to allow for additional measures to be performed that would increase the energy savings per participant. As these enhancements improved the TRC score, the Company looked to add an additional 500 participants year-over-year. This analysis was then used by ICF International to benchmark the WeCare program to other "best-practice" programs across the country. This report can be found within Exhibit MEH-1, section 10, pages 44-50 of Michael Hornung's testimony.



- (b) There was no additional data or factors taken into consideration beyond those included in the response above.
  
- (c) No, the Company's analysis as described above was based on increased energy saving while ensuring a passing TRC and reasonable RIM scores.



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**Question No. 14**

**Witness: Michael E. Hornung**

Q-14. Is WeCare available to renters regardless of the number of units in the building in which they reside, or is there a limit? If there is a limit, what is the underlying rationale, and what options exist for renters thus excluded?

A-14. WeCare program services are performed on buildings up to an eight-unit building. If 50% of the residents living within the building are LIHEAP eligible and have their utility bill in their name, the Companies will weatherize the entire building, which includes each unit and common attic spaces.

The rationale for the limit is that buildings that exceed eight units are more complex to evaluate and are generally commercial properties.



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**Question No. 15**

**Witness: Michael E. Hornung**

Q-15. Are tenants who have utilities included in their rent eligible for WeCare, notwithstanding the eligibility requirement of 12 months of usage history?

A-15. No. The Companies' WeCare program is available only to tenants who are customers of the utility (i.e., their utility bills are in their names).



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**Question No. 16**

**Witness: Michael E. Hornung**

- Q-16. Please provide the name of the third-party contractor(s) referenced in the Company's response to Question 15 of ACM's First Tendered Request, and copies of all WeCare contracts in effect for the LG&E service territory during the time frame commencing with the Commission's March 31, 2008 Order in Case No. 2007-00319 and continuing to date.
- A-16. Please see the attached contract for Honeywell, the current third-party vendor for the LG&E service territory. The Companies are providing the requested information under a Petition for Confidential Protection being filed with the Commission.

**ORIGINAL****CONTRACT**

This contract (hereinafter referred to as this "Contract") is entered into, effective as of March 1, 2009 between E.ON U.S. Services, Inc. (hereinafter referred to as "E.ON U.S."), whose principal place of business is 220 West Main, Louisville, Kentucky 40202, and

Honeywell International Inc.  
(Hereinafter referred to as "Contractor")

ADDRESS: 199 Rosewood Drive

Danvers, MA 01923

The parties hereto agree as follows:

**1.0 GENERAL**

Whereas on the basis of the representations contained in Contractor's proposal dated August 4, 2007 in response to E.ON U.S.'s Request for Proposal #3198 and from Contractor's presentations, printed material, correspondence, discussions and in reliance upon the expertise of Contractor's knowledge to provide the service described herein, under the terms and conditions hereinafter set forth, Contractor shall perform the following work:

**Provide installation services for customers participating in Louisville Gas and Electric Company's ("LG&E") and Kentucky Utilities Company's ("KU") Residential Low-Income Weatherization Program (known as "WeCare") as more specifically described in Articles 2.0 and 3.0 hereof (hereinafter referred to as the "Work"), and E.ON U.S. shall compensate the Contractor for the Work, under all the terms and conditions hereof.**

**2.0 DESCRIPTION OF WORK**

- 2.1 Except as otherwise expressly provided herein, Contractor shall supply all labor, supervision, materials, equipment, tools and warehousing, and shall pay all expenses, necessary or appropriate in the performance of the Work.
- 2.2 NO MATERIALS CONTAINING ASBESTOS SHALL BE SUPPLIED OR USED IN THE PERFORMANCE OF WORK.
- 2.3 Without limitation, Contractor shall meet all requirements set forth in the Lead Construction Standard 29 CFR 1926.62.
- 2.4 Contractor shall supply MSDS-Material Safety Data Sheets for all materials used in the performance of the Work.
- 2.5 Contractor to implement measures recommended by Community Action Kentucky (CAK) who will be recruiting/qualifying low-income customers and performing energy audits on their homes. CAK will be performing audits and providing recommendations for measures utilizing the National Energy Audit Tool (NEAT). References throughout this document to CAK and NEAT shall only apply once a contract is implemented between E.ON U.S. and CAK and Contract No. 11370, Amendment No. 5, between E.ON U.S. and Contractor is terminated.



- 2.6 The Work shall include but not be limited to the following:
- 2.6.1 Perform weatherization services to a targeted 600 LG&E and 600 KU customers for each Contract year 2009 through 2011.
  - 2.6.2 Since Community Action Kentucky will be using the NEAT audit tool for the initial audit, the weatherization contractor must have access to and utilize this software to interpret audit results.
  - 2.6.3 Weatherization crew to perform energy saving services designated by the NEAT audit using the blower door during applicable processes. If weatherization contractor finds conditions that warrant deviation from the NEAT audit recommendations, it will be necessary to evaluate the energy savings impacts to assure increased cost effectiveness and to obtain approval to deviate from E.ON's Program Manager. Any work that is beyond the scope of the WeCare Program will be referred to Community Action Kentucky or other applicable agencies/organizations.
  - 2.6.4 All weatherization work must be completed within one month of receipt of audit results/recommendations from CAK.
  - 2.6.5 Weatherization personnel are to discuss each implemented measure with the customer explaining how the measure works, the benefits the customer will experience and providing any information related to operating or caring for each measure.
  - 2.6.6 Contractor shall coordinate with the CAK and E.ON U.S. shall encourage the CAK to coordinate with Contractor. WeCare can only utilize a certain amount of dollars depending on the customer's energy savings potential based upon audit results) and only certain services can be implemented. The services and information will be shared with CAK through a referral process (shared electronically and within a database), emphasizing areas in the customer's home which are beyond the WeCare program's services, but may fall into the scope of CAK's program.
  - 2.6.7 All personnel working under the WeCare Program's name are required to apply for an E.ON U.S. badge and must wear the badges at all times while at the WeCare's customers' homes. All WeCare personnel are required to wear uniform apparel.
  - 2.6.8 All personnel and all subcontractors to the WeCare Program must abide by the E.ON U.S. Safety guidelines, rules and procedures, and tests that are required in a timely manner.
  - 2.6.9 Contractor must conduct regularly scheduled safety meetings, training and documented field inspections.
  - 2.6.10 All E.ON U.S. WeCare customer concerns or problems, regardless of the severity, will be disclosed to the E.ON U.S. WeCare program manager or designate immediately and allow E.ON U.S. to partner or if necessary decide the final decision of the concern/problem. Any concern or problem created by the Contractor or their employees/subcontractors will be disclosed to the utility and then resolved at the expense of the Contractor.
  - 2.6.11 The WeCare Program will schedule customers Monday through Saturday. The Work will occur from Monday through Friday however, customers with

situations that don't allow them to be home during the week will need to be accommodated on Saturdays. The holidays for the WeCare Program will match E.ON U.S. holidays. Any unexpected schedule changes (including those due to inclement weather) must be reported immediately to E.ON U.S. by e-mail.

- 2.6.12 Contractor shall provide a weekly update via email to keep E.ON U.S. aware of the ongoing progress of the Work. If there are any problems or concerns, it shall be reported on the day it is discovered by the Contractor E.ON U.S. This report shall be in the E.ON U.S. office by 10:00 AM Tuesday morning of the following week.
- 2.6.13 E.ON U.S. reserves the right to perform spot inspections at the time of the Contractor's scheduled visit or other times to verify the audit process or the measures installed and to ensure customer satisfaction and proper reporting.
- 2.6.14 E.ON U.S. will routinely perform edit checks, validations, verifications, audits and other activities necessary to ensure adequate financial and operational controls exist within the program. Contractor agrees to follow program procedures and cooperate fully with these activities.
- 2.6.15 Contractor is required to participate in a periodic safety reporting and contract performance review meeting to be held no less than annually during the contract period.
- 2.7 Data Requirements
- 2.7.1 **Work Tracking** - Each working day a file will be transmitted from E.ON U.S.'s Customer Care System (CCS), or from CAK, to Contractor with information regarding customers who have completed audits by CAK and are to be scheduled for implementation of weatherization measures. Each working day a file will be transmitted from Contractor to E.ON U.S. to update the CCS system. The file will identify customers whose weatherization measures have been completed.
- Contractor shall be responsible for providing/procuring technology required to send/receive files to/from CCS in the correct format. This data will be transferred through an agreed upon method and will be formatted as required by E.ON U.S.
- 2.7.2 **Program Data** – Program data is critical to the E.ON U.S. in dealing with customer inquiries, validating payments to contractors, verification of participation and impacts and coordination of services between customers, contractors and E.ON U.S. Additionally, access to all data is needed by auditors and independent evaluation contractors. Contractor will maintain interfaces necessary for all data exchange.
- 2.7.3 Contractor will electronically submit to E.ON U.S., data related to implementation of weatherization measures for each customer, including identification of each customer, each measure implemented along with cost and expected energy impacts. E.ON U.S. may choose to obtain a copy of the NEAT software and import data from the Contractor or may import the data into a database application such as Microsoft Access. Data will be submitted to E.ON U.S. and as E.ON U.S. determines appropriate, to CAK. Additionally, Contractor agrees to capture and provide all data and information requested by an evaluation contractor and to provide all data requested by audit personnel. Program data described above will be submitted weekly except for independent

evaluation data which will be submitted monthly and/or upon demand and audit related data which will be submitted upon demand.

2.7.3.1 Required data to be collected and maintained in database:

- All information contained in any of the documents mentioned above
- Customer contact information (name, address, zip code, phone, e-mail)
- I.G&E or KU account number
- LG&E or KU premise number
- Blower door reading (pre- and post)
- each and all measures implemented or installed with details
- the cost of each measure or replacement or repair
- the energy savings assumed by that measure
- Any energy savings/educational suggestions made by Contractor while at the customer's home
- Date each measure was completed and date all measures are complete

2.7.4 Forms - The following forms will be required:

2.7.4.1 Customer permission slip authorizing work which will be obtained by CAK prior to conducting the audit and one copy forwarded to Contractor. In the event Contractor doesn't receive a copy of the customer permission slip it shall be the Contractor's responsibility to obtain a new one. The permission must be signed by the landlord for rental properties.

### 3.0 EXHIBITS AND ATTACHMENTS

All Work shall be performed in strict accordance with the following specifications, exhibits and drawings which are incorporated herein by reference.

3.1	<b>Exhibit No.</b>	<b>Title</b>
	<u>Exhibit No. 1</u>	<u>Program Overview</u>
	<u>Exhibit No. 2</u>	<u>Performance Metrics</u>
3.2	<b>Attachment</b>	<b>Title</b>
	<u>Attachment A</u>	<u>Allowable Measure Spending Per Customer/Customer Participation Targets/Targeted Energy Impacts</u>
	<u>Attachment B</u>	<u>Program Costs and Energy Impact</u>

### 4.0 TEMPORARY FACILITIES AND UTILITIES

4.1 FURNISHED BY CONTRACTOR

Contract No. 33847

Except as otherwise expressly set forth in this Contract, Contractor shall supply, install, properly maintain and remove all temporary facilities and utilities necessary for performance of the Work, including but not limited to:

- 4.1.1 All sanitary facilities, including janitorial services
- 4.1.2 First-aid facilities
- 4.1.3 Fuels and lubricants
- 4.1.4 Transportation facilities on and off site
- 4.1.5 Communication facilities
- 4.1.6 Scaffolding
- 4.1.7 All necessary equipment for lifting and moving equipment
- 4.1.8 All small tools
- 4.1.9 All standard expendable or consumable construction items and supplies
- 4.1.10 Containers, ice, cups for drinking water
- 4.1.11 Cost of unloading, loading and storing all materials, equipment and supplies
- 4.1.12 Dumpsters and waste disposal in accordance with the Article titled "Cleanup" set forth in the attached General Services Agreement.

The type of facilities, move-in and move-out dates and locations on job sites shall be subject to and in accordance with the review and approval of E.ON U.S.

## 5.0 TERM

This Contract shall become effective March 1, 2009 and continue until February 29, 2012, unless terminated earlier pursuant to the Article titled "Term and Termination" set forth in the attached General Services Agreement. Unless otherwise specified, E.ON U.S. makes no promise or guarantee as to the amount of Work to be performed under this Contract, nor does it convey an exclusive right to the Contractor to perform Work of the type or nature set forth in this Contract.

## 6.0 PERFORMANCE SCHEDULE

- 6.1 Contractor shall commence performance of the Work on March 1, 2009 and shall complete Work not later than February 29, 2012. Passport training and badge are required prior to the start of work.
- 6.2 Contractor shall arrange or coordinate material storage at the job site or shop to minimize material theft or damage. E.ON U.S. will not be held accountable for Contractor materials and/or supplies.
- 6.3 Contractor shall not assign or subcontract out any material portion of the work except under extenuating circumstances, which requires advanced written approval by E.ON U.S. Contractor shall notify E.ON U.S. of its intent to use subcontractors in performance of Work at least forty-eight (48) hours prior to start of Work. See the Article titled "Assignment of Agreement; Subcontracting" in the General Services Agreement.

Contract No. 33847

6.4 The performance under this Agreement will be subject to periodic review by E.ON U.S. or another firm designated by E.ON U.S. for Contractor compliance.

7.0 GENERAL SERVICES AGREEMENT

7.1 The terms and conditions set forth in the General Services Agreement that is attached hereto, (herein referred to as the "General Services Agreement") and are hereby incorporated by reference as fully set forth herein. In the event of a conflict between the terms and conditions of the General Services Agreement and those of this Contract, the terms and conditions of the General Services Agreement shall prevail.

8.0 COMPENSATION

8.1 CONTRACT PRICE

8.1.1 Full compensation to Contractor for full and complete performance by Contractor of the Work, compliance with all terms and conditions of this Contract and for Contractor's payment of all obligations incurred in, or applicable to, performance of the Work (hereinafter referred to as the "Contract Price") shall be unit pricing and any applicable sales tax in accordance with Attachment B, Program Cost and Energy Impacts, attached hereto and incorporated herein by reference.

8.1.2 The pricing noted above in Article 8.1.1 may escalate annually by [REDACTED] effective after the first and/or second anniversary of the Contract effective date, provided that any price increase is substantiated by Contractor to the reasonable satisfaction of E.ON U.S. Any request for a price increase and supporting documentation must be submitted to E.ON U.S. not later than 30 days prior to the requested effective date of the price increase.

8.1.3 [REDACTED]

8.1.4 In no event shall the value of this Contract exceed [REDACTED]

8.2 PRICING FOR CHANGES IN SCOPE OF WORK

At E.ON U.S.'s sole option, adjustments to the Contract Price for changes in the Scope or Description of Work shall be on a unit price basis.

8.3 SPECIAL INVOICING INSTRUCTIONS

8.3.1 See the Article titled "Invoices and Effect of Payment" in the General Services Agreement

8.3.2 All invoices shall include a Contract Number. Invoices for Work shall include Contract/Purchase Order Number 33847. All invoices shall be prepared in one original and distributed as follows:

Original: E.ON U.S. Services, Inc.  
Attention: WeCare Program Manager  
P.O. Box 32020  
Louisville, Kentucky 40232

Valid invoices shall be paid Net 30 from date of invoice.

**ORIGINAL**

Contract No. 33847

**9.0 CONTRACTUAL NOTICES**

See the Article titled "Miscellaneous" in the General Services Agreement for provisions governing contractual notices.

9.1 E.ON U.S.'s address: E.ON U.S. Services, Inc.  
Attention: Manager, Corporate Purchasing  
820 West Broadway  
P.O. Box 32020  
Louisville, Kentucky 40232  
502-627-3646 (FAX)

Copy to: E.ON U.S. Services, Inc.  
Attention: Manager, Energy Efficiency Operations  
P.O. Box 32020  
Louisville, Kentucky 40232

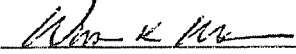
9.2 Contractor's Address: Honeywell International Inc.  
199 Rosewood Drive  
Danvers, MA 01923  
978-774-6701 (FAX)

**10.0 ENTIRE AGREEMENT**


This Contract, including all specifications, exhibits and drawings listed in this Contract and the General Services Agreement, constitutes the entire agreement between the parties relating to the Work and supersedes all prior or contemporaneous oral or written agreements, negotiations, understandings and statements pertaining to the Work or this Contract.

The parties hereto have executed this Contract on the dates written below, but it is effective as of the date first written above.

**E.ON U.S. SERVICES, INC.**

BY:   
TITLE: Manager, Corporate Purchasing  
DATE: 3-11-2009

**HONEYWELL INTERNATIONAL INC.**

BY:   
TITLE: Kevin McDonough, General Manager  
DATE: March 10, 2009

CONTRACTS: 

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## EXHIBIT 1

### Residential Low Income Weatherization Program

This program (known as WeCare) is an education and weatherization program designed to reduce energy consumption of LG&E and KU's low-income and payment-troubled customers. The program is designed to provide energy audits, energy education, perform blower door tests, and install weatherization and energy conservation measures on qualified houses.

The WeCare Program is targeted for customers that meet federal LIHEAP eligibility requirements. The marketing and recruitment process identifies low-income households through LIHEAP programs at Community Action Agencies in LG&E and KU service territory. Potential participants are pro-actively contacted for participation in the program. Alternatively, customers who feel they qualify for the program who have not applied for LIHEAP may request to go through an intake process to be qualified.

Contractor shall implement measures recommended by Community Action Kentucky (CAK) who will be recruiting/qualifying low-income customers and performing energy audits on their homes. CAK will be performing audits and providing recommendations for measures utilizing the National Energy Audit Tool (NEAT). The program is to be delivered to the combined LG&E/KU service territory. Participating Kentucky Community Action Agencies and participation goals for each are provided in Appendix A. Program energy savings goals and per customer spending limits are provided in Appendix B.

The WeCare Program was established to:

- improve the health, safety, comfort, and quality of life of the participants;
- reduce monthly utility bills so money is saved for low-income households;
- reduce utility shut-offs and arrearages;
- enable Demand-Side Management (DSM) opportunities for low-income customers;
- and
- delay the need for additional generation capacity

The WeCare Program is a joint effort between E.ON U.S., CAK and Contractor. It is expected that the Contractor will partner cooperatively and effectively with E.ON U.S. and CAK in accepting responsibility for providing a cost-effective program and meet program energy savings objectives.

## EXHIBIT 2

### Performance Metric

A quarterly Metric Review Meeting is required. Scheduling the quarterly meeting is the responsibility of the Contractor. The responsible E.ON Program Manager and Procurement Specialist will also be in attendance. The first quarterly meeting is to be held on or before 3/31/09.

A review of the following metrics will include but not be limited to:

- *Participation Goals per filing* - 1200 per year: The participation goal will be split 50/50 between LG&E and KU service territories. Shown below is an explanation of how the participation goals of the filing will be met as per the agreement with CAK:
  - Tier 1:  
444 All Electric Customers – Ninety percent (90%) of the All Electric customers will be in the KU service territory.  
  
325 Electric and Gas Customers – Customers in this category must have LG&E gas.
  - Tier 2:  
249 All Electric Customers – Eighty percent (80%) of the All Electric customers will be in the KU service territory.  
  
182 Electric and Gas Customers – Customers in this category must have LG&E gas.
- *Energy savings goals per the filing:* The energy savings goals are cumulative (year to year)
  - First Year – 2,297 MWh, 262 KW and 213,441 ccf
  - Second Year – 4,593 MWh, 524 KW and 426,882 ccf
  - Third Year – 6,890 MWh, 787 KW and 640,323 ccf
- *Annual Energy Savings Goals per the Kentucky Public Service Commission agreement are as follows.*

Electric:	2,441,194 kWh
Demand:	263 KW
Gas:	198,250 ccf
- A monthly minimum potential energy savings goal of 204,000 kWh, a minimum of 22 KW and 16,521 ccf are required.
  - Tier 1:  
All Electric Customers 37 per month (50% LGE/50% KU)  
Electric and Gas Customers 27 per month (50% LGE/50% KU)

Honeywell will report on the potential energy savings each month (based on installed measures). If the goals are not reached, a written explanation stating the reason and outlining the action plan to reach goals must be submitted to the Program Manager on a monthly basis.



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- Tier 2:
  - All Electric Customers 21 per month (50% LGE/50% KU)
  - Electric and Gas Customers 15 per month (50% LGE/50% KU)

Honeywell will report on the potential energy savings each month (based on installed measures). If the goals are not reached, a written explanation stating the reason and outlining the action plan to reach goals must be submitted to the Program Manager on a monthly basis.

- An annual audit of the WeCare Program processes and procedures will be performed by the E.ON Energy Efficiency Program Manager.

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**Attachment A**

Allowable Measure Spending Per Customer Customer Participation Targets Targeted Energy Impacts			
	Tier 1	Tier 2	
	Maximum Measures	Maximum Measures	
	\$500	\$1,700	
<b>Customer Type</b>			
<b>All E.ON Electric - Average KWH Savings</b> (also includes E.ON electric and non-E.ON heat)	1,250	4,250	
<b>E.ON Electric &amp; Gas</b>			
Average KWH Savings	900	2,942	Must Meet
Average CCF Savings	330	500	Both
<b>Expected Customers</b>			
All E.ON Electric	444	249	
E.ON Electric & Gas	325	182	
<b>Total KWH Savings</b>			
All E.ON Electric Savings (KWH)	555,000	1,058,250	1,613,250
E.ON Electric & Gas Savings (KWH)	292,500	535,444	827,944
<b>Total KWH Savings</b>	<b>847,500</b>	<b>1,593,694</b>	<b>2,441,194</b>
<b>E.ON Gas Savings</b>			
E.ON Gas Savings	107,250	91,000	198,250
<b>Total Annual KW Savings</b>			
			262

**Attachment B – Program Pricing and Energy Impacts  
Residential low-income Weatherization Program**

MEASURE	UNIT	PRICE <small>(inc. materials - yes/no)</small>	Descriptive COMMENTS <small>(if needed)</small>	ENERGY IMPACTS <small>(for both kWh and ccf)</small>
Program Management Fee	Per month			N/A
Air sealing (blower door guided)	Per hour basis		Materials include: tape, caulk, weather stripping, door sweeps and outlet gasket sealers.	41 / 36
Attic hatch cover (insulated and air sealed)	per hatch			* savings counted within air sealing savings
Building repairs - single pane glazing replacement	Per united inch			* savings counted within air sealing savings
Building repairs - single pane wood sash replacement	Per united inch			* savings counted within air sealing savings
Building repairs - single pane wood window replacement	Per united inch			* savings counted within air sealing savings
Building repairs - double pane glazing replacement	Per united inch			* savings counted within air sealing savings
Building repairs - double pane wood sash replacement	Per united inch			* savings counted within air sealing savings
Building repairs - double pane wood window replacement	Per united inch			* savings counted within air sealing savings
Building repairs - drywall replacement (finish ready)	Per square foot			0
Building repairs - exterior siding replacement (finish ready)	Per square foot			0
Building repairs - flooring replacement (finish ready)	Per square foot			0
Building repairs - primary solid core wood door replacement (pre-hung, all inclusive)	Per door			* savings counted within air sealing savings
Building repairs - lockset replacement	Per door			* savings counted within air sealing savings
Central air conditioner system efficiency tune-ups	Per system basis			10% of Electrical Seasonal Usage
CO Detector	Per unit			Customer Safety
Compact fluorescent fixtures (security 25 - 30 watt exterior flood)	Per fixture			219 / 0

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MEASURE	UNIT	PRICE	Descriptive COMMENTS (if needed)	ENERGY IMPACTS
		(inc. materials - yes/no)		(for both kWh and ccf)
Compact fluorescent light bulb (13-17 watt electronic - 60 watt equivalent)	Per bulb	[REDACTED]		45 / 0
Compact fluorescent light bulb (18-25 watt electronic - 75 watt equivalent)	Per bulb	[REDACTED]		55 / 0
Compact fluorescent light bulb (23-30 watt electronic - 100 watt equivalent)	Per bulb	[REDACTED]		75 / 0
Contractor - Gas Leak repairs (quote hourly rate of labor)	Per hour basis	[REDACTED]		0 / 65.7
Contractor - General Labor (quote hourly rate of labor)	Per hour basis	[REDACTED]		* savings counted within air sealing savings
Crawl space or basement floor covering	Per square foot	[REDACTED]		0
Crawl space perimeter insulation (rim joist)	Per square foot	[REDACTED]		.061 / .146
Crawl space perimeter insulation (wall)	Per square foot	[REDACTED]		.065 / .153
Crawl space vent closure	Per vent	[REDACTED]		0
Duct insulation (R-6, 2" FSK fiberglass wrap)	Per linear foot	[REDACTED]		418 / 151
Duct sealing (duct blaster guided - if different explain in description column)	Per hour	[REDACTED]	Utilizing Pressure Pan Test	171 / 62
Duct Wrap	Per foot	[REDACTED]		418 / 151
Electronic baseboard thermostats	Per T-stat	[REDACTED]		9.5% of heating usage
Faucet aerator (bathroom sink)	Per aerator	[REDACTED]		107 / 4.9
Faucet aerator (swivel for kitchen)	Per aerator	[REDACTED]		107 / 4.9
Flooring replacement (plywood or similar - explain)	Per square foot	[REDACTED]		0
Foam canister (10 lbs) for air sealing installed (includes labor)	Per canister	[REDACTED]	Assumes approximately of 2 hours of labor	* savings counted within air sealing savings
Furnace/ AC filter	Per filter	[REDACTED]		TBD
Gable Vent (installed)	Per vent	[REDACTED]		197 / 0
Harp extender	Per lamp	[REDACTED]		0
Heating system efficiency tune-ups	Per system basis	[REDACTED]		0 / 5% of seasonal usage
Heating system repairs (quote hourly rate for labor, materials will be paid @ cost + 10%)	Hourly rate for labor (materials will need to have)	[REDACTED]		65.7
Hot water leak repair (bathroom faucet replacement includes risers)	Per faucet basis	[REDACTED]		371 / 16/9
Hot water leak repair (kitchen faucet replacement includes risers)	Per faucet basis	[REDACTED]		371 / 16/9

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MEASURE	UNIT	PRICE	Descriptive COMMENTS (if needed)	ENERGY IMPACTS
		(inc. materials - yes/no)		(for both kWh and ccf)
Hot water leak repair (washer, stem or valve seat replacement)	Per faucet basis			70 / 3.2
Hot water pipe insulation	Per foot			284 / 12.9
Hot water tank wrap	Per water heater basis			364 / 48.
Insulate marginally insulated attics - unrestricted (From R-8 to R-19) (add R-11)	Per square foot			.280 / .019
Insulate marginally insulated attics - unrestricted (From R-11 to R-26) (Add R-15)	Per square foot			.286 / .022
Insulate marginally insulated attics - unrestricted (From R-11 to R-30) (Add R-19)	Per square foot			.335 / .027
Insulate marginally insulated attics - unrestricted (From R-11 to R-36) (Add R-25)	Per square foot			.382 / .029
Insulate uninsulated floored attics 6" (R-19)	Per square foot			1.99 / .183
Insulate uninsulated floored attics 8" (R-25)	Per square foot			2.06 / .189
Insulate uninsulated floored attics 10" (R-30)	Per square foot			2.14 / .195
Insulate uninsulated floored attics 12" (R-38)	Per square foot			2.18 / .197
Insulate uninsulated kneewalls (R-13)	Per square foot			.290 / .276
Insulate uninsulated kneewalls (R-19)	Per square foot			.312 / .286
Insulate uninsulated slope ceilings 6" of R-19	Per square foot			1.99 / .183
Insulate uninsulated slope ceilings 8" or R-25	Per square foot			2.08 / .191
Insulate uninsulated walls 3.5 inch (dense pack)	Per square foot			.467 / .237
1/2" insulation board (minimum R-5)	Per square foot			* savings counted within air sealing savings
1" insulation board (minimum R-5)	Per square foot			* savings counted within air sealing savings
2" insulation board (minimum R-10)	Per square foot			* savings counted within air sealing savings
Insulate Rim Joist	Per square foot			.061 / .146
Vapor barrier	Per square foot			0
Insulation truck set-up charge (Less than a total of 600 Square Feet) (over 50 miles)	Per visit basis			0
Insulation truck set-up charge (601 square feet to 900 square feet) (over 50 miles)	Per visit basis			0

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MEASURE	UNIT	PRICE	Descriptive COMMENTS (if needed)	ENERGY IMPACTS
		(inc. materials - yes/no)		(for both kWh and ccf)
Insulation truck set-up charge (901 square feet to 1200 square feet) (over 50 miles)	Per visit basis	[REDACTED]		0
Insulation truck set-up charge (Greater than 1200 square feet) (over 50 miles)	Per visit basis	[REDACTED]		0
Low flow shower heads (includes arm if needed)	Per shower head	[REDACTED]		426 / 19.4
Refrigerator Testing (one hour test to calculate annual usage)	Per refrigerator	[REDACTED]		0
Refrigerator replacement (Energy Star) 15 cu. ft. (Left or right door)	Per refrigerator	[REDACTED]		396 / 0
Refrigerator replacement (Energy Star) 17 cu. ft. (Left or right door)	Per refrigerator	[REDACTED]		418 / 0
Refrigerator replacement (Energy Star) 18 cu. ft. (Left or right door)	Per refrigerator	[REDACTED]		431 / 0
Refrigerator replacement (Energy Star) 21 cu. ft. (Left or right door)	Per refrigerator	[REDACTED]		512 / 0
Removal of secondary refrigerator(s) at time of delivery	Per refrigerator	[REDACTED]		913 / 0
Removal of secondary freezer(s) at time of delivery	Per freezer	[REDACTED]		913 / 0
Roof vents	Per vent	[REDACTED]		197 / 0
Setback thermostat (Honeywell)	Per thermostat	[REDACTED]		534 / 167
Setback thermostat (Lightstat)	Per thermostat	[REDACTED]		534 / 167
Thermostat (limiting)	Per thermostat	[REDACTED]		534 / 167
Thermostat (easy to read)	Per thermostat	[REDACTED]		772 / 107
Thermostat - electronic baseboard	Per thermostat	[REDACTED]		9.5% of elec heating usage
Service visit (outside contractors only)	Per visit basis	[REDACTED]		0
Socket extender	Per lamp	[REDACTED]		0
Water bed mattress pad (all sizes)	Per bed	[REDACTED]		273 / 0
Water bed mattress replacement (king)	Per bed	[REDACTED]		1278 / 0
Water bed mattress replacement (queen)	Per bed	[REDACTED]		840 / 0
Water bed mattress replacement (twin)	Per bed	[REDACTED]		402 / 0
Water heater temperature reduction	Per house	[REDACTED]		70 / 3.2
Window air conditioner replacement (5,000 btuh, 10.8 EER)	Per unit	[REDACTED]		140 / 0
Window air conditioner replacement (6,000 btuh, 11.2 EER)	Per unit	[REDACTED]		176 / 0

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MEASURE	UNIT	PRICE <small>(inc. materials - yes/no)</small>	Descriptive COMMENTS <small>(if needed)</small>	ENERGY IMPACTS <small>(for both kWh and ccf)</small>
Window air conditioner replacement (8,000 btuh, 10.8 EER)	Per unit	[REDACTED]		224 / 0
Window air conditioner replacement (10,000 btuh, 10.8 EER)	Per unit	[REDACTED]		280 / 0
Window air conditioner replacement (12,000 btuh, 10.8 EER)	Per unit	[REDACTED]		336 / 0
Window air conditioner replacement (15,000 btuh, 10.7 EER)	Per unit	[REDACTED]		420 / 0
Window air conditioner replacement (18,000 btuh, 10.7 EER)	Per unit	[REDACTED]		504 / 0
Removal of secondary window unit(s) at time of delivery	Per unit	[REDACTED]		224 / 0
Window A/C filter	Per filter	[REDACTED]		TBD
Health & Safety Testing	Per Test	[REDACTED]	Required where combustion equipment is present and air sealing is to take place	

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**GENERAL SERVICES AGREEMENT**  
**E.ON U.S. SERVICES INC. AND/OR AFFILIATES**

This General Services Agreement (this "General Services Agreement") is made this 1st day of March, 2009 by and between E.ON U.S. Services Inc. ("E.ON U.S. Services Inc.") and/or its "Affiliates" (as defined below) and Honeywell International Inc. ("Contractor"), a Massachusetts corporation.

WHEREAS, Contractor desires the opportunity to provide goods and/or services to E.ON U.S. Services Inc from time to time, and E.ON U.S. Services Inc. and/or its Affiliates desire the opportunity to engage Contractor to provide such goods and/or services; and

WHEREAS, the parties intend that this General Services Agreement sets forth the exclusive set of terms and conditions which shall govern the performance of the "Work" (as defined below) by Contractor for E.ON U.S. Services Inc. and/or any of its Affiliates should E.ON U.S. Services Inc. and/or any of its Affiliates engage Contractor to provide Work.

**NOW THEREFORE, in consideration of the premises, the mutual covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties do agree as follows:**

**ARTICLE I DEFINITIONS**

- 1.01 **Affiliate:** "Affiliate" shall mean any entity which, from time to time, in whole or in part, and directly or indirectly, controls, is controlled by, or under common control with E.ON U.S. Services Inc. and shall include, without limitation, Louisville Gas and Electric Company, Kentucky Utilities Company and Western Kentucky Energy Corp.
- 1.02 **Agreement:** "Agreement" shall mean this General Services Agreement, along with any "Statements of Work" (as defined below) and/or Purchase Order (as defined below) issued by Company and/or any other documentation as may be executed by the parties in accordance with Article 2, and/or other agreed collateral document pursuant to which the Work is to be performed.
- 1.03 **Applicable Laws:** "Applicable Laws" shall mean any and all applicable federal, state, or local laws, regulations, codes, ordinances, administrative rules, court orders, permits or executive orders.
- 1.04 **Contract Price:** "Contract Price" shall mean the aggregate of the particular consideration set forth in one or more Purchase Orders or other Statements of Work or as otherwise agreed upon. Unless otherwise agreed in writing, the Contract Price includes all applicable taxes, duties, fees, and assessments of any nature, including without limitation all sales and use taxes, due to any governmental authority with respect to the Work.
- 1.05 **Contractor:** "Contractor" shall mean the entity designated as the "Contractor" in the opening paragraph of this Agreement.
- 1.06 **Company:** "Company" shall mean E.ON U.S. Services Inc. and/or any of its Affiliates as appropriate based on which entity is the party to the applicable Purchase Order or other binding document. The rights and obligations of E.ON U.S. Services Inc. and/or each of its Affiliates hereunder shall be limited to the extent of such party's proportionate utilization of Contractor's services hereunder.
- 1.07 **E.ON U.S. Services Inc.:** E. ON U.S. Services Inc. shall mean E.ON U.S. Services Inc., a Kentucky corporation.
- 1.08 **Purchase Order:** Company may, at its discretion, issue its own "Purchase Order Standard Terms and Conditions" and/or "Contractor's Purchase Agreement" (collectively referred to as a "Purchase Order") that may supplement, but in no way or manner ever supersede, this Agreement with respect to any conflicting terms and conditions.
- 1.09 **Statements of Work:** "Statements of Work" shall mean any specifications, instructions, drawings, schedules, a Purchase Order, contracts, scopes of work, and/or statements of work.
- 1.10 **Work:** "Work" shall include those services and/or goods set forth in this Agreement.
- 1.11 **Tools and Equipment:** "Tools and Equipment" shall mean any tools, equipment, rigging and other general supplies on the Company's premises where the Work is being performed that is either owned and/or leased by Company or by any of its Affiliates.



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**ARTICLE 2 SCOPE; BINDING EFFECT**

Unless otherwise agreed in a writing executed by each of the parties which evidences a clear intention to supercede this Agreement, the parties intend that this Agreement apply to all transactions which may occur between E.ON U.S. Services Inc. and/or any of its Affiliates on one hand and Contractor on the other hand during the term of this Agreement and which are related to the provision of goods and/or services by Contractor for the benefit of E.ON U.S. Services Inc. and/or any of its Affiliates. Neither E.ON U.S. Services Inc. nor any of its Affiliates makes any commitment to Contractor as to the exclusiveness of this relationship or as to the volume, if any, of business E.ON U.S. Services Inc. and/or its Affiliates will do with Contractor. The parties do, however, anticipate that the parties will agree from time to time for the performance of Work by Contractor. Such agreement for the provision of Work shall be reflected by each of the parties executing a mutually acceptable Statement of Work and/or Purchase Order. Contractor will not perform any Work until there is a fully executed mutually Statement of Work and/or Purchase Order. In no event shall the terms and conditions of any proposal, purchase order or other statement of work, acknowledgement, invoice or other document unilaterally issued by Contractor be binding upon Company without Company's explicit written acceptance thereof. Any Work performed by Contractor without Company's binding commitment for such Work either via a duly executed or accepted Purchase Order or other Statement of Work under this Agreement shall be at Contractor's sole risk and expense, and Company shall have no obligation to pay for any such Work

**ARTICLE 3 CONDITIONS AND RISKS OF WORK; LABOR HARMONY**

Unless the applicable Statement of Work expressly provides otherwise, Contractor agrees that before beginning any Work Contractor shall carefully examine all conditions relevant to such Work and its surroundings, and, unless Contractor notifies Company in writing that it will not perform the Work under such conditions, Contractor shall assume the risk of such conditions and shall, regardless of such conditions, the expense, or difficulty of performing the Work, fully complete the Work for the stated Contract Price applicable to such Work without further recourse to Company. Without limiting the foregoing, Contractor specifically recognizes that Company and other parties may be working concurrently at the site. Information on the site of the Work and local conditions at such site furnished by Company in specifications, drawings, or otherwise is made without representation or warranty of any nature by Company, is not guaranteed by Company, and is furnished solely for the convenience of Contractor. All drawings and other documents, if any, required to be submitted to Company for review shall be submitted in accordance with the mutually agreed to schedule, and, if no schedule applies, such drawings or other documents shall be submitted by Contractor without unreasonable delay. No Work affected by such drawings and other documents shall be started until Contractor is authorized to do so by Company. In case of a conflict between or within instructions, specifications, drawings, schedules, Purchase Order(s) and/or other Statements of Work, Company shall resolve such conflict; and Company's resolution shall be binding on Contractor. Contractor agrees that all labor employed by Contractor, its agents, or subcontractors for Work on the premises of Company shall be in harmony with all other labor being used by Company or other contractors working on Company's premises. Contractor agrees to give Company immediate notice of any threatened or actual labor dispute and will provide assistance as determined necessary by Company to resolve any such dispute. Contractor, its agents, or subcontractors shall remove from Company's premises any person objected to by Company in association with the Work.

**ARTICLE 4 COMPANY CHANGES IN WORK**

The scope of and conditions applicable to the Work shall be subject to changes by Company from time to time. Such changes shall only be enforceable if documented in a writing executed by Company and Contractor. Except as otherwise specifically set forth in this Agreement, changes in the scope of or conditions applicable to the Work may result in adjustments in the Contract Price and/or the Work schedule in accordance with this Article 4. If Contractor believes that adjustment of the Contract Price or the Work schedule is justified, whether as a result of a change made pursuant to this Article or as a result of any other circumstance, then Contractor shall (a) give Company written notice of its claim within five (5) business days after receipt of notice of such change or the occurrence of such circumstances and (b) shall supply a written statement supporting Contractor's claim within ten (10) business days after receipt of notice of such change or occurrence of such circumstances, which statement shall include Contractor's detailed estimate of the effect on the Contract Price and/or the Work schedule. Contractor agrees to continue performance of the Work during the time any claim hereunder is pending. Company shall not be bound to any adjustments in the Contract Price or the Work schedule unless expressly agreed to by Company in writing. Company will not be liable for, and Contractor waives, any claims of Contractor that Contractor knew or should have known and that were not reported by Contractor in accordance with the provisions of this Article.

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**ARTICLE 5 FORCE MAJEURE**

Neither party shall be liable to the other for any damages for any failure to perform or for any delays or interruptions beyond that party's reasonable control in performing any of its obligations under this Agreement only due to acts of God, fires, floods, earthquakes, riots, war, acts of terrorism, civil insurrection, acts of the public enemy, or acts or failures to act of civil or military authority, unless the time to perform is expressly guaranteed. Contractor shall advise Company immediately of any anticipated and actual failure, delay, or interruption and the cause and estimated duration of such event. Any such failure, delay, or interruption, even though existing on the date of this Agreement or on the date of the start of the Work, shall require Contractor to within five (5) days submit a recovery plan detailing the manner in which the failure, delay, or interruption shall be remedied and the revised schedule. Contractor shall diligently proceed with the Work notwithstanding the occurrence thereof. This Article shall apply only to the part of the Work directly affected by the particular failure, delay, or interruption, and shall not apply to the Work as a whole or any other unaffected part thereof.

**ARTICLE 6 CONTRACTOR DELAYS**

Time is an important and material consideration in the performance of this Agreement by Contractor. Contractor agrees to cooperate with Company in scheduling the Work so that the project and other activities at Company's site will progress with a minimum of delays. Company shall not be responsible for compensating Contractor for any costs of overtime or other premium time work unless Company has provided separate prior written authorization for additional compensation to Contractor, and, if Company provides such written authorization, such additional compensation shall be limited to Contractor's actual cost of the premium portion of wages, craft fringe benefits, and payroll burdens. Contractor shall be liable for all failures, delays, and interruptions in performing any of its obligations under this Agreement which are not (a) caused by Company and reported in accordance with Article 4, (b) excused by Article 5, or (c) directed by Company pursuant to Article 7. Contractor shall, without adjustment to completion date or Contract Price, be obligated to make up time lost by such failures, delays, or interruptions. Company may suspend payments under this Agreement during the period of any such failure, delay, or interruption.

**ARTICLE 7 COMPANY EXTENSIONS**

Company shall have the right to extend schedules or suspend the Work, in whole or in part, at any time upon written notice to Contractor (except that in an emergency or in the event that Company identifies any safety concerns, Company may require an immediate suspension upon oral or written notice to Contractor). Contractor shall, upon receipt of such notice, immediately suspend or delay the Work. Contractor shall resume any suspended Work when directed by Company. If Contractor follows the requirements of Article 4, a mutually agreed equitable adjustment to the Contract Price or to the schedules for payments and performance of the remaining Work shall be made to reflect Company's extension of schedules or suspension of the Work. Contractor shall provide Company all information Company shall request in connection with determining the amount of such equitable adjustment.

**ARTICLE 8 INSPECTING, TESTING, AUDITING, AND USE OF TOOLS AND EQUIPMENT:**

**8.01 Right of Inspecting and Testing:** Company reserves the right, but shall not be obligated, to appoint representatives to follow the progress of the Work with authority to suspend any Work not in compliance with this Agreement. The appointment, or absence of an appointment, of such representatives by Company shall not have any effect on warranties. Acceptance or approval by Company's representative shall not be deemed to constitute final acceptance by Company, nor shall Company's inspection relieve Contractor of responsibility for proper performance of the Work. Inspection by Company's representative shall not be deemed to be supervision or direction by Company of Contractor, its agents, servants, or employees, but shall be only for the purpose of attempting to ensure that the Work complies with this Agreement. In the event Contractor fails to provide Company with reasonable facilities and access for inspection when advised, and if in the opinion of Company it becomes necessary to dismantle the Work for such inspection, then Contractor shall bear the expenses of such dismantling and reassembly.

**8.02 Right of Auditing:** Contractor shall maintain complete records relating to any cost-based (i.e., Work not covered by firm prices) components of the Work billed under this Agreement or relating to the quantity of units billed under any unit price provisions of this Agreement (all the foregoing hereinafter referred to as "Records") for a minimum of five years following the latest of performance of, delivery to Company of, or payment by Company for, such Work or units. All such Records shall be open to inspection and subject to audit during normal working hours, by Company or its authorized representatives to the extent necessary to adequately permit evaluation and

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verification of any invoices, payments, time sheets, or claims based on Contractor's actual costs incurred in the performance or delivery of Work under this Agreement. For the purpose of evaluating or verifying such actual or claimed costs, Company or its authorized representative shall have access to said Records at any time, including any time after final payment by Company to Contractor pursuant to this Agreement. All non-public information obtained in the course of such audits shall be held in confidence except pursuant to judicial and administrative order. Company or its authorized representative shall have access, during normal working hours, to all necessary Contractor facilities and shall be provided adequate and appropriate work space to conduct audits in compliance with the provisions of this Article. Company shall give Contractor reasonable notice of intended audits. The rights of Company set forth in this paragraph shall survive the termination or expiration of this Agreement.

**8.03 Use of Tools and Equipment:** Company, in its sole discretion, may allow Contractor to use Company's Tools and Equipment for the Work and related activities at designated Company locations. Contractor shall indemnify and hold harmless Company and its Affiliates, including their respective officers, directors, shareholders, agents, members and employees (each an "Indemnified Party"), from and against any and all claims, damages, losses or liabilities arising out of, relating to, or in connection with, the use of Company's Tools and Equipment by Contractor, its agents, servants, employees or subcontractors, and will reimburse each Indemnified Party for all expenses (including attorney's fees and expenses) as they are incurred in connection with investigating, preparing or pursuing or defending any action, claim, suit or investigation or proceeding related to, arising out of, or in connection with, the use of Company's Tools and Equipment by Contractor, its agents, servants, employees or subcontractors, whether or not threatened or pending and whether or not any Indemnified Party is a party. Contractor, on behalf of itself or its agents, affiliates, officers and directors, and all of their predecessors, successors, assigns, heirs, executors and administrators, hereby irrevocably release, discharge, waive, relinquish and covenant not to sue, directly, derivatively or otherwise, Company and/or its Affiliates and each of their respective directors, officers, shareholders, members, partners (general or limited), employees and agents (including, without limitation, its financial advisors, counsel, proxy solicitors, information agents, depositories, consultants and public relations representatives) and all of their predecessors, successors, assigns, heirs, executors or administrators, and all persons acting in concert with any such person, with respect to any and all matters, actions causes of action (whether actually asserted or not), suits, damages, claims, or liabilities whatsoever, at law, equity or otherwise, arising out of, relating to, or in connection with the use of Company's Tools and Equipment by Contractor, its agents, servants, employees or subcontractors. Company shall in no event be liable for any claim whatsoever by or through Contractor, its employees, agents and/or subcontractors or by any third party, for any inoperability or failure of the Tools and Equipment to perform as designed or intended, whether such claim is based in warranty, contract, tort (including negligence), strict liability or otherwise and whether for direct, incidental, consequential, special, exemplary or other damages. Contractor shall ensure that its employees, agents, subcontractors or servants shall inspect, exercise the appropriate level of care in the use, maintenance and repair of the Tools and Equipment, so as to minimize the incidence of casualties and injuries occurring in connection therewith.

**ARTICLE 9 COMPLIANCE WITH APPLICABLE LAWS: SAFETY: DRUG AND ALCOHOL TESTING**

**9.01 Applicable Laws and Safety:** Contractor agrees to protect its own and its subcontractors' employees and be responsible for their Work until Company's acceptance of the entire project and to protect Company's facilities, property, employees, and third parties from damage or injury. Contractor shall at all times be solely responsible for complying with all Applicable Laws and facility rules, including without limitation those relating to health and safety, in connection with the Work and for obtaining (but only as approved by Company) all permits and approvals necessary to perform the Work. Without limiting the foregoing, Contractor agrees to strictly abide by and observe all standards of the Occupational Safety & Health Administration (OSHA) which are applicable to the Work being performed now or in the future, as well as Company's Contractor Code of Business Conduct and Company's Contractor/Subcontractor Safety Policy which are both hereby incorporated by reference (Contractor hereby acknowledges receipt of a copy of such Company's Contractor Code of Business Conduct and Company's Contractor/Subcontractor Safety Policy) and any other rules and regulations of the Company, all of which are incorporated herein by reference. Contractor also agrees to be bound to any amendments and/or modifications that may be issued in the future by Company from time to time, with respect to Company's Contractor Code of Business Conduct and/or any of its related policies which are the subject of this Article 9. Contractor shall maintain the Work site in a safe and orderly condition at all times. Company shall have the right but not the obligation to review Contractor's compliance with safety and cleanup measures. In the event Contractor fails to keep the work area clean, Company shall have the right to perform such cleanup on behalf of, at the risk of and at the expense of Contractor. In the event Contractor subcontracts any of the Work, Contractor shall notify Company in writing of the identity of

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the subcontractor before utilizing the subcontractor. Contractor shall require all of its subcontractors to complete the safety and health questionnaire and checklists provided by Company and shall provide a copy of such documents to Company upon request. Contractor shall conduct, and require its subcontractors to conduct, safety audits and job briefings during performance of the Work. In the event a subcontractor has no procedure for conducting safety audits and job briefings, Contractor shall include the subcontractor in its safety audits and job briefings. All safety audits shall be documented in writing by the Contractor and its subcontractors. Contractor shall provide documentation of any and all audits identifying safety deficiencies and concerns and corrective action taken as a result of such audits to Company semi-monthly.

**9.02 Hazards and Training:** Contractor shall furnish adequate numbers of trained, qualified, and experienced personnel and appropriate safety and other equipment in first-class condition, suitable for performance of the Work. Such personnel shall be skilled and properly trained to perform the Work and recognize all hazards associated with the Work. Without limiting the foregoing, Contractor shall participate in any safety orientation or other of Company's familiarization initiatives related to safety and shall strictly comply with any monitoring initiatives as determined by Company. Contractor shall accept all equipment, structures, and property of Company as found and acknowledges it has inspected the property, has determined the hazards incident to working thereon or thereabouts, and has adopted suitable precautions and methods for the protection and safety of its employees and the property.

**9.03 Drug and Alcohol:** No person will perform any of the Work while under the influence of drugs or alcohol. No alcohol may be consumed within four (4) hours of the start of any person's performance of the Work or anytime during the workday. A person will be deemed under the influence of alcohol if a level of .02 percent blood alcohol or greater is found. In addition to the requirements of the drug testing program, as set forth in Company's rules and regulations and accepted by Contractor (any such non-acceptance by Contractor must be on the basis that Company's drug and alcohol policy is expressly contrary to Contractor's own drug and alcohol policy), all persons who will perform any of the Work will be subject to drug and alcohol testing under either of the following circumstances: (i) where the person's performance either contributed to an accident or cannot be completely discounted as a contributing factor to an accident which involves off-site medical treatment of any person; and (ii) where Company determines in its sole discretion that there is reasonable cause to believe such person is using drugs or alcohol or may otherwise be unfit for duty. Such persons will not be permitted to perform any Work until the test results are established. Contractor shall be solely responsible for administering and conducting drug and alcohol testing, as set forth herein, at Contractor's sole expense. As applicable and in addition to any other requirements under this Agreement, Contractor shall develop and strictly comply with any and all drug testing requirements as required by Applicable Laws.

**9.04 Office of Compliance:** The Company has an Office of Compliance. Should Contractor have actual knowledge of violations of any of the herein stated policies of conduct in this Article 9, or have a reasonable basis to believe that such violations will occur in the future, whether by its own employees, agents, representatives or subcontractors, or by another vendor and/or supplier of the Company and its employees, agents, representatives or subcontractors, or by any employee, agent and/or representative of Company, Contractor has an affirmative obligation to immediately report any such known, perceived and/or anticipated violations to the Company's Office of Compliance in care of Director, Compliance and Ethics, E.ON U.S. Center, 220 West Main Street, Louisville, Kentucky 40202.

#### **ARTICLE 10 STATUS OF CONTRACTOR**

Company does not reserve any right to control the methods or manner of performance of the Work by Contractor. Contractor, in performing the Work, shall not act as an agent or employee of Company, but shall be and act as an independent contractor and shall be free to perform the Work by such methods and in such manner as Contractor may choose, doing everything necessary to perform such Work properly and safely and having supervision over and responsibility for the safety and actions of its employees and the suitability of its equipment. Contractor's employees and subcontractors shall not be deemed to be employees of Company. Contractor agrees that if any portion of Contractor's Work is subcontracted, all such subcontractors shall be bound by and observe the conditions of this Agreement to the same extent as required of Contractor. In such event, Company strongly encourages the use of Minority Business Enterprises, Women Business Enterprises, and Disadvantaged Business Enterprises, as defined under federal law and as certified by a certifying agency that Company recognizes as proper.

#### **ARTICLE 11 EQUAL EMPLOYMENT OPPORTUNITY**

To the extent applicable, Contractor shall comply with all of the following provisions, which are incorporated herein by reference: (i) Equal Opportunity regulations set forth in 41 CFR § 60-1.4(a) and (c), prohibiting employment discrimination against any employee or applicant because of race, color, religion, sex, or national origin; (ii)

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Vietnam Era Veterans Readjustment Assistance Act regulations set forth in 41 CFR § 60-250.4 relating to the employment and advancement of disabled veterans and Vietnam era veterans; (iii) Rehabilitation Act regulations set forth in 41 CFR § 60-741.4 relating to the employment and advancement of qualified disabled employees and applicants for employment; (iv) the clause known as "Utilization of Small Business Concerns and Small Business Concerns Owned and Controlled by Socially and Economically Disadvantaged Individuals" set forth in 15 USC § 637(d)(3); and (v) the subcontracting plan requirement set forth in 15 USC § 637(d).

#### **ARTICLE 12 INDEMNITY BY CONTRACTOR**

Contractor shall indemnify, defend, and hold harmless Company, its directors, officers, employees, and agents, from any and all damage, loss, claim, demand, suit, liability, penalty, or forfeiture of every kind and nature, including but not limited to attorneys' fees and expenses and other costs and expenses of defending against the same and payment of any settlement or judgment therefore, by reason of (a) bodily and other personal injuries to or deaths of persons, (b) damages to tools or equipment owned or leased by Company, (c) damages to other property, (d) the release or threatened release of a hazardous substance or any pollution or contamination of or other adverse effects on the environment, (e) violations of any Applicable Laws, or (f) infringement of patent, copyright, trademark, trade secret, or other property right, to the extent resulting or alleged to have resulted from the negligent acts or omissions of Contractor, its employees, agents, subcontractors, or other representatives or otherwise from performance of this Agreement, whether suffered directly by Company or indirectly by reason of third party claims, demands, or suits. This obligation to indemnify, defend, and hold harmless shall survive termination or expiration of this Agreement.

#### **ARTICLE 13 ENVIRONMENTAL**

**For all of the provisions under Article 13, Contractor's liability is limited to the extent that the Contractor or any of its agents, representatives, employees and/or subcontractors are using, generating, transporting, storing and/or otherwise dealing with hazardous materials.**

**13.01 Control:** As required under the OSHA Hazard Communication Standard (29 CFR 1910.1200) and certain other Applicable Laws, Contractor or its subcontractors shall provide Material Safety Data Sheets ("MSDS") covering any hazardous substances and materials furnished under or otherwise associated with the Work under this Agreement. Contractor and its subcontractors shall provide Company with either copies of the applicable MSDS or copies of a document certifying that no MSDS are required under any Applicable Laws in effect at the worksite. **No asbestos or lead containing materials shall be incorporated into any Work performed by Contractor or otherwise left on the Work site without the prior written approval of Company.** Contractor and its subcontractors shall be solely responsible for determining if any chemical or material furnished, used, applied, or stored or Work performed under this Agreement is subject to any Applicable Laws.

**13.02 Labeling:** Contractor and its subcontractors shall label hazardous substances and materials and train their employees in the safe usage and handling of such substances and materials as required under any Applicable Laws.

**13.03 Releases:** Contractor and its subcontractors shall be solely responsible for the management of any petroleum or hazardous substances and materials brought onto the Work site and shall prevent the release of petroleum or hazardous substances and materials into the environment. All petroleum or hazardous substances and materials shall be handled and stored according to Contractor's written Spill Prevention Control and Countermeasures Plan or Best Management Practices Plan as defined under the provisions of the Clean Water Act, as amended, if either such Plan must be maintained pursuant to Applicable Laws. Contractor shall provide secondary containment for the storage of petroleum or hazardous substances and materials. The prompt and proper clean-up of any spills, leaks, or other releases of petroleum or hazardous substances and materials resulting from the performance of the Work under this Agreement and the proper disposal of any residues shall be Contractor's sole responsibility, but Contractor shall give Company immediate notice of any such spills, leaks, or other releases. Contractor shall be solely responsible for the storage, removal, and disposal of any excess or unused quantities of chemicals and materials which Contractor causes to be brought to the Work site.

**13.04 Generated Wastes:** Unless Company and Contractor expressly agree otherwise in writing, Contractor and its subcontractors shall be solely responsible for any wastes generated in the course of the Work, and Contractor shall handle, store, and dispose of such wastes in accordance with any Applicable Laws.

**13.05 Survival:** The obligations set forth in this Article shall survive termination or expiration of this Agreement.

#### **ARTICLE 14 INSURANCE**

**14.01 Contractor's Insurance Obligation:** Contractor shall provide and maintain, and shall require any subcontractor to provide and maintain the following insurance (and, except with regard to Workers' Compensation,

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naming Company as additional insured and waiving rights of subrogation against Company and Company's insurance carrier(s)), and shall submit evidence of such coverage to Company prior to the start of the Work and, furthermore, Contractor shall notify Company, prior to the commencement of any Work pursuant to any Statement of Work and/or Purchase Order, of any threatened, pending and/or paid off claims to third parties, individually or in the aggregate, which otherwise affects the availability of the limits of such coverage(s) inuring to the benefit of Company as hereinafter specified:

- (a) Workers' Compensation and Employer's Liability Policy, which shall include:
  - 1) Workers' Compensation (Coverage A), with statutory limits, and in accordance with the laws of the state where the Work is performed;
  - 2) Employer's Liability (Coverage B) with minimum limits of One Million Dollars (\$1,000,000) Bodily Injury by Accident, each Accident, \$1,000,000 Bodily Injury by Disease, each Employee;
  - 3) Thirty (30) Day Cancellation Clause; and
- (b) Commercial General Liability Policy, which shall have minimum limits of One Million Dollars (\$1,000,000) each occurrence; Two Million Dollars (\$2,000,000) General Aggregate; One Million Dollars (\$1,000,000) Products/Completed Operations Aggregate; One Million Dollars (\$1,000,000) Personal and Advertising Injury, and including:
  - 1) Thirty (30) Day Cancellation Clause;
  - 2) Blanket Written Contractual Liability to the extent covered by the policy against liability assumed by Contractor under this Agreement;
  - 3) Broad Form Property Damage; and
- (c) Commercial Automobile Liability Insurance covering the use of all owned, non-owned, and hired automobiles, with a bodily injury, including death, and property damage combined single minimum limit of One Million Dollars (\$1,000,000) each occurrence with respect to Contractor's vehicles assigned to or used in performance of Work under this Agreement.
- (d) Umbrella/Excess Liability Insurance with minimum limits of Two Million Dollars (\$2,000,000) per occurrence; Two Million Dollars (\$2,000,000) aggregate, to apply to employer's liability, commercial general liability, and automobile liability.
- (e) If any fixed wing or rotor craft aircraft will be used by Contractor in performing the Work, Aircraft Public Liability Insurance covering such aircraft whether owned, non-owned, leased, hired or assigned with a combined single minimum limit for bodily injury and property damage of Five Million Dollars (\$5,000,000) including passenger liability coverage.
- (f) If engineering or other professional services will be separately provided by Contractor as specified in the Statements of Work, then Professional Liability Insurance with limits of Three Million Dollars (\$3,000,000) per occurrence and Three Million Dollars (\$3,000,000) in the aggregate, which insurance shall be either on an occurrence basis or on a claims made basis (with a retroactive date satisfactory to Company).

**14.02 Quality of Insurance Coverage:** The above policies to be provided by Contractor shall be written by insurance companies which are both licensed to do business in the state where the Work will be performed and either satisfactory to Company or having a Best Rating of not less than A-. These policies shall not be materially changed or canceled except with thirty (30) days written notice to Company from Contractor and the insurance carrier. Evidence of coverage, notification of cancellation or other changes shall be mailed to: Attn: Manager, Supply Chain, E.ON U.S. Services Inc., P.O. Box 32020, Louisville, KY 40232.

**14.03 Implication of Insurance:** Company reserves the right to request and receive a copies and/or summaries of coverage of any of the above policies or endorsements in the event of a claim arising of Contractor's scope of responsibility in this Agreement; however, Company shall not be obligated to review any of Contractor's certificates of insurance, insurance policies, or endorsements, or to advise Contractor of any deficiencies in such documents. Any receipt of such documents or their review by Company shall not relieve Contractor from or be deemed a waiver of Company's rights to insist on strict fulfillment of Contractor's obligations under this Agreement.

**14.04 Other Notices:** Contractor shall provide notice of any accidents or claims at the Work site to Company's Manager, Risk Management at E.ON U.S. Services Inc., P.O. Box 32030, Louisville, KY 40232 and Company's site authorized representative.

#### **ARTICLE 15 WARRANTIES**

Contractor warrants that:

- (a) the Work will conform to any applicable Statement of Work; and any materials supplied in connection therewith shall be new, unused, and free from defect;

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- (b) the Work will be suitable for the purposes specified by Company and will conform to each statement, representation, and description made by Contractor to Company;
- (c) the Work is not and shall not be subject to any encumbrance, lien, security interest, patent, copyright or trademark claims, infringements, or other defects in title; and
- (d) any labor or services performed pursuant to this Agreement shall be performed in a competent, diligent, and timely manner in accordance with the highest professionally accepted standards.  
Contractor shall respond in writing to any warranty claim by Company within five (5) business days of the delivery of notice of such claim to Contractor.
- (e) Contractor shall repair, replace or re-perform any of its defective Work at Contractor's sole cost and expense and for up to one year from the date the Work was performed.

**ARTICLE 16 OWNERSHIP OF INTELLECTUAL PROPERTY: PATENTS**

**16.01 Ownership:** All inventions, discoveries, processes, methods, designs, drawings, blueprints, information, software, works of authorship and know-how, or the like, whether or not patentable or copyrightable (collectively, "Intellectual Property"), which Contractor conceives, develops, or begins to develop, either alone or in conjunction with Company or others, in its performance of the Work, shall be "work made for hire" and the sole and exclusive property of Company. Upon request and at Company's sole cost and expense, Contractor shall promptly execute all applications, assignments, and other documents that Company shall deem necessary to apply for and obtain letters patent of the United States and/or copyright registration for the Intellectual Property and in order to evidence Company's sole ownership thereof.

**16.02 Royalties and License Fees:** Contractor shall pay all royalties and license fees which may be payable on account of the Work or any part thereof. In case any part of the Work is held in any suit to constitute infringement and its use is enjoined, Contractor within a reasonable time shall, at the election of Company and in addition to Contractor's obligations under Article 12, either (a) secure for Company the perpetual right to continue the use of such part of the Work by procuring for Company a royalty-free license or such other permission as will enable Contractor to secure the suspension of any injunction, or (b) replace at Contractor's own expense such part of the Work with a non-infringing part or modify it so that it becomes non-infringing (in either case with changes in functionality that are acceptable to Company).

**ARTICLE 17 RELEASE OF LIENS**

Contractor hereby releases for itself and its successors in interest, and for all subcontractors and their successors in interest, any and all claim or right of mechanics or any other type lien upon Company's or any other party's property, the Work, or any part thereof as a result of performing the Work. Contractor shall execute and deliver to Company such documents as may be required by Applicable Laws to make this release effective and shall give all required notices to subcontractors with respect to ensuring the effectiveness of the foregoing release against those parties. Contractor shall secure the removal of any lien that Contractor has agreed to release in this Article within five (5) working days of receipt of written notice from Company to remove such lien. If not timely removed, Company may remove the lien and charge all costs and expenses to Contractor, including without limitation costs of bonding off such lien. Company, in its sole discretion, expressly reserves the right to off-set and/or retain any reasonable amount due to Contractor from payment of any one or more of Contractor's invoices upon Company having actual knowledge of any threatened and/or filed liens and/or encumbrances that may be asserted and/or filed by any subcontractor, material man, independent contractor and/or third party with respect to the Work, with final payment being made by Company only upon verification that such threatened and/or filed liens and/or encumbrances have been irrevocably satisfied, settled, resolved and/or released (as applicable), and/or that any known payment disputes concerning the Work involving Contractor and any of its subcontractors, agents and/or representatives have been resolved so that no actions, liens and/or encumbrances of any kind or nature will be filed against Company and/or Company's property.

**ARTICLE 18 ASSIGNMENT OF AGREEMENT; SUBCONTRACTING**

Upon prior written notice given to Company, Contractor shall not, by operation of law or otherwise, assign and/or subcontract any part of the Work or this Agreement without Company's prior written approval. Such approval, if given by Company, shall not relieve Contractor from full responsibility for the fulfillment of any and all obligations under this Agreement. Under any and all circumstances, any permitted assignee of Contractor, whether or not such assignee shall be a division, subsidiary and/or affiliate entity of Contractor, shall also be fully bound by the terms of this Agreement and, furthermore, upon request by Company, each of Contractor and its permitted assignee shall

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provide sufficient financial information, as determined by Company in its sole discretion, necessary to validate such assignee's credit worthiness and ability to perform under this Agreement.

**ARTICLE 19 INVOICES AND EFFECT OF PAYMENTS**

**19.01 Invoices:** Within a reasonable period of time following the end of each calendar month or other agreed period, Contractor shall submit an invoice to Company not more than twice monthly that complies with this Article. Payments shall be made on all valid portions of the invoice within thirty (30) day of the date of invoice, and, in the event that Company's payment is overdue, Contractor shall promptly provide Company with a notice that such payment is overdue. Contractor's invoices shall designate the extent to which E.ON U.S. Services Inc. or any of its Affiliates is the responsible party. Such invoices shall reference the contract number and shall also show labor, material, taxes paid (including without limitation sales and use taxes, retainers to the extent as may be specified in the Purchase Order, Statement of Work and/or other contractual documentation, or otherwise pursuant to Article 17, duties, fees, and other assessments imposed by governmental authorities), freight, and all other charges (including without limitation equipment rental) as separate items. All invoices shall be submitted with supporting documentation and in acceptable form and quality to Company's authorized representative. Should Company dispute any invoice for any reason, payment on such invoice shall be made within thirty (30) days of the dispute resolution. Payment of the invoice shall not release Contractor from any of its obligations hereunder, including but not limited to its warranty and indemnity obligations. Invoices shall not be delivered with goods, but all correspondence and packages related to this Agreement shall reference the contract number assigned by Company.

**19.02 Taxes:** If Company provides Contractor with an exemption certificate demonstrating an exemption from sales or use taxes in Kentucky, then Contractor shall not withhold or pay Kentucky sales or use taxes to the extent such exemption certificate applies to the Work (such exemption does not and shall not apply to any materials consumed by Contractor in performing the Work). **Contractor agrees that it shall not rely upon Company's direct pay authorization in not withholding or paying Kentucky sales or use taxes.** If Company does not provide Contractor with an exemption certificate demonstrating an exemption from sales or use taxes in Kentucky, Contractor shall be solely responsible for paying all appropriate sales, use, and other taxes and duties (including without limitation sales or use tax with respect to materials purchased and consumed in connection with the Work) to, as well as filing appropriate returns with, the appropriate authorities. To the extent specifically included in the Contract Price, Contractor shall bill Company for and Company shall pay Contractor all such taxes and duties, but Company shall in no event be obligated for taxes and duties not specifically included in the Contract Price or for interest or penalties arising out of Contractor's failure to comply with its obligations under this Section.

**19.03 Billing of Additional Work:** All claims for payments of additions to the Contract Price shall be shown on separate Contractor's invoices and must refer to the specific change order or written authorization issued by Company as a condition to being considered for payment.

**19.04 Effect of Payments/Offset:** No payments shall be considered as evidence of the performance of or acceptance of the Work, either in whole or in part, and all payments are subject to deduction for loss, damage, costs or expenses for which Contractor may be liable under any Purchase Order and/or Statement of Work and are set-off hereunder. In addition to Company's right of off-set for threatened and/or filed liens and/or encumbrances, and/or with respect to payment disputes pursuant to Article 17 or otherwise, Company, without waiver or limitation of any rights or remedies of Company and upon Contractor's failure to defend or remedy any breach of its obligations herein within ten (10) days after written notice from Company, shall be entitled from time to time to deduct and/or retain from any and all amounts owing by Company to Contractor in connection with this Agreement or with respect to any other contract with Company any and all amounts owed by Contractor to Company in connection with this Agreement or any other contract with Company. .

**19.05 Evidence of Payment to Subcontractors:** Contractor shall, if requested by Company, furnish Company with a certificate showing names of Contractor's suppliers and subcontractors hereunder, and certifying to Company that said suppliers and subcontractors have been paid in full.

**ARTICLE 20 ROUTING OF SHIPMENTS**

Company shall have the option of specifying the routing of shipments. If freight is included in the Contract Price, and such specified routing increases Contractor's shipping costs, Contractor shall immediately so notify Company, and should Company still specify the more expensive routing, then Company shall reimburse Contractor for the increase actually incurred thereby.

**ARTICLE 21 TERM AND TERMINATION**



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**21.01 Term:** This Agreement shall commence on the date set forth above and shall survive in full force and effect until terminated as set forth below. A termination under this Article 21 based on certain Work shall only apply to the Statement of Work that covers such Work. Any Statements of Work that do not relate to such Work shall not be affected by such a termination.

**21.02 Termination for Contractor's Breach:** If the Work to be done under this Agreement shall be abandoned by Contractor, if this Agreement or any portion thereof shall be assigned by operation of law or otherwise, if the Work or any portion thereof is sublet by Contractor without the permission of Company, if Contractor is placed in bankruptcy, or if a receiver be appointed for its properties, if Contractor shall make an assignment for the benefit of creditors, if at any time the necessary progress of Work is not being maintained, or if Contractor is violating any of the conditions or agreements of this Agreement, or has executed this Agreement in bad faith, Company may, without prejudice to any other rights or remedies it may have as a result thereof, notify Contractor to discontinue any or all of the Work and terminate this Agreement in whole or part. In the event that Section 365(a) of the Bankruptcy Code or some successor law gives Contractor as debtor-in-possession the right to either accept or reject this Agreement, then Contractor agrees to file an appropriate motion with the Bankruptcy Court to either accept or reject this Agreement within twenty (20) days of the entry of the Order for Relief in the bankruptcy proceeding. Contractor and Company acknowledge and agree that said twenty (20) day period is reasonable under the circumstances. Contractor and Company also agree that if Company has not received notice that Contractor has filed a motion with the Bankruptcy Court to accept or reject this Agreement within said twenty (20) day period, then Company may file a motion with the Bankruptcy Court asking that this Agreement be accepted or rejected, and Contractor shall not oppose such motion.

**21.03 Effect of Termination for Contractor's Breach:** From the effective date of such termination notice, Contractor shall vacate the site, whereupon Company shall have the right but not the obligation to take possession of the Work wherever located, and Contractor shall cooperate with Company and cause Contractor's subcontractors to cooperate with Company so that Company can effect such possession. In obtaining replacement services, Company shall not be required to request multiple bids or obtain the lowest figures for completing the Work and may make such expenditures as shall best accomplish such completion and are reasonable given the circumstances. The expenses of completing the Work in excess of the unpaid portion of the Contract Price, together with any damages suffered by Company, shall be paid by Contractor, and Company shall have the right to set off such amounts from amounts due to Contractor, but only to the extent due to the Contractor's negligent acts, omissions or willful misconduct, or the negligent acts, omissions or willful misconduct of Contractor's employees, agents, representatives or subcontractors.

**21.04 Termination for Company's Convenience:** Company may terminate this Agreement or one or more Statements of Work in whole or in part for its own convenience by thirty (30) days' written notice at any time. In such event, Company shall pay Contractor all direct labor and material costs incurred on the Work that is subject to such Termination prior to such notice, plus any reasonable unavoidable cancellation costs which Contractor may incur as a result of such termination, plus indirect costs or overhead on the portion of the Work completed, computed in accordance with generally accepted accounting principles less salvage value. As an alternative to salvage value reduction, Company shall have the right in its sole discretion to take possession of all or part of the Work.

#### **ARTICLE 22 LIABILITY OF AFFILIATES**

Any and all liabilities of E.ON U.S. Services Inc. and/or its Affiliates under this Agreement shall be several but not joint.

#### **ARTICLE 23 PUBLICITY**

Contractor shall not issue news releases, publicize or issue advertising pertaining to the Work or this Agreement without first obtaining the written approval of Company.

#### **ARTICLE 24 CONFIDENTIAL INFORMATION**

All information relating to the Work or the business of Company, including, but not limited to, drawings and specifications relating to the Work, and customer information, shall be held in confidence by Contractor and shall not be used by Contractor for any purpose other than for the performance of the Work or as authorized in writing by Company. In the event that the Contractor assigns the work to one or more subcontractors, a signed confidentiality agreement between the Contractor and each subcontractor(s) will be provided to the Company prior to the provision of any information described in the immediately preceding sentence or the performance of any Work by the subcontractor. All drawings, specifications, or documents furnished by Company to Contractor or developed in

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connection with the Work shall either be destroyed or returned to Company (including any copies thereof) upon request at any time.

**ARTICLE 25 CONSEQUENTIAL DAMAGES**

Absent the gross negligence and/or willful misconduct of either party's employees, agents, representatives or subcontractors, and notwithstanding anything to the contrary in this Agreement, in no event shall either party be liable for any consequential, special or speculative damages, whether arising out of or as a result of breach of contract, warranty, tort (including negligence) or strict liability.

**ARTICLE 26 MOLD INDEMNITIES**

The Company acknowledges that the Company has not retained Contractor to discover, inspect, investigate, identify, prevent or remediate Hazardous Substances or Mold, conditions caused by Hazardous Substances or Mold, or conditions that might cause or promote accumulation, concentration, growth or dispersion of Hazardous Substances or Mold. Company agrees that Contractor shall not be responsible for any such discovery, inspection, investigation, prevention or remediation, or for any damages arising from or related to the existence of Hazardous Substances or Mold at Company's sites.

**ARTICLE 27 MISCELLANEOUS**

**27.01 Waiver:** No waiver by Company of any provision herein or of a breach of any provision shall constitute a waiver of any other breach or of any other provision.

**27.02 Headings:** The headings of Articles, Sections, paragraphs, and other parts of this Agreement are for convenience only and do not define, limit, or construe the contents thereof.

**27.03 Severability:** If any provision of this Agreement shall be held invalid under law, such invalidity shall not affect any other provision or provisions hereof which are otherwise valid.

**27.04 State Law Governing Agreement; Consent to Jurisdiction:** This Agreement shall be governed by, and construed in accordance with, the laws of the Commonwealth of Kentucky, without regard to its principles of conflicts of laws. The site of any legal actions between the parties shall be held in state and/or federal court in Louisville, Jefferson County, Kentucky.

**27.05 Enforcement of Rights:** Company shall have the right to recover from Contractor all expenses, including but not limited to fees for and expenses of inside or outside counsel hired by Company, arising out of Contractor's breach of this Agreement or any other action by Company to enforce or defend Company's rights hereunder.

**27.06 No Third Party Beneficiaries:** Except for Contractor and Company, there are no intended third party beneficiaries of this Agreement and none may rely on this Agreement in making a claim against Company.

**27.07 Notices:** All notices and communications respecting this Agreement shall be in writing, shall be identified by the contract number, shall be designated for E.ON U.S. Services Inc., or the appropriate Affiliate, and shall be addressed as follows (which address either party may change upon five (5) days prior notice to the other party).

To Company:  
E.ON U.S. Services Inc.  
Attn: Manager, Supply Chain  
P.O. Box 32020  
Louisville, Kentucky 40232

To Contractor:  
Honeywell International Inc.  
Attn: Steven Alexander  
199 Rosewood Drive, Suite 300  
Danvers, MA 01923  
Fax No. : 978-744-6701

**ORIGINAL**

Contract No. 33847

IN WITNESS WHEREOF, the parties have entered into this Agreement on the date set forth in the introductory paragraph of this Agreement.

**COMPANY:**

**E.ON U.S. SERVICES INC.**

*Signature*

*William K. Woodard*

*Name (Please Print)*

*William K Woodard*

*Title*

*Manager, Corporate Purchasing*

*Date*

*3/11/09*

**CONTRACTOR:**

**HONEYWELL INTERNATIONAL INC.**

*Signature*

*Kevin McDonough*

*Name (Please Print)*

Kevin McDonough

*Title*

General Manager

*Date*

March 10, 2009

CONTRACTS: *(Signature)*



**LOUISVILLE GAS AND ELECTRIC COMPANY  
KENTUCKY UTILITIES COMPANY**

**Response to the Association of Community Ministries, Inc.  
Second Request for Information  
Dated June 28, 2011**

**Case No. 2011-00134**

**Question No. 17**

**Witness: Michael E. Hornung**

Q-17. For the time frame commencing with the Commission's March 31, 2008 Order in Case No. 2007-00319 and continuing to date, please provide:

- (a) the total number of LG&E households receiving WeCare services; and
- (b) the number of such recipients who had been contacted for that purpose by a third-party contractor working from a list of LIHEAP recipients, as described in the Company's response to Question 15 of ACM's First Tendered Request.

A-17.

- (a) The total number of LG&E households receiving WeCare services for commencing with the Commission's March 31, 2008 Order in Case No. 2007-00319 to date is 2,313.
- (b) Neither the Companies nor their third-party vendor tracks the origination of enrollees in the WeCare program.



**LOUISVILLE GAS AND ELECTRIC COMPANY  
KENTUCKY UTILITIES COMPANY**

**Response to the Association of Community Ministries, Inc.  
Second Request for Information  
Dated June 28, 2011**

**Case No. 2011-00134**

**Question No. 18**

**Witness: Michael E. Hornung**

Q-18. Please refer to the Company's responses to Questions 15 and 16 of ACM's First Tendered Request. Was it the Company's intended response that its third-party contractor(s) do not use any written policies, procedures, criteria, protocols or manuals in screening, selecting or providing weatherization services to LG&E customers under the WeCare program? If this was not the Company's intended response, please provide copies of the requested policies, procedures, criteria, protocols and/or manuals.

A-18. The Company does not have written procedures for vendors relating to WeCare participant screening. However, the Company provides its vendor with a LIHEAP list sorted by usage and program Tier structure. The Company then advises the third-party contractor to solicit for each tier based on highest usage. The Company requires the contractor to qualify and provide weatherization services in alignment with the approved program description of services to achieve the projected energy savings. The Company follows up with the contractor and selected customers to ensure the contractor meets program objectives with a positive customer experience.





**LOUISVILLE GAS AND ELECTRIC COMPANY  
KENTUCKY UTILITIES COMPANY**

**Response to the Association of Community Ministries, Inc.  
Second Request for Information  
Dated June 28, 2011**

**Case No. 2011-00134**

**Question No. 19**

**Witness: Michael E. Hornung**

- Q-19. Does the Company ever analyze or utilize customer data by county, zip code, or other geographic subset of its service territory for marketing or other purposes? If so, please describe what kind of information is thus analyzed or used.
- A-19. Yes, the Company utilizes various geographic subsets of the Customer Care System data especially as required to apply various franchise agreements, taxes, ordinances, and regulations. The Company may pull similar data related to the number of customers, customer usage, and total amounts billed to answer specific ad-hoc questions. Routine and periodic customer or geographic segmentation below the Company level is not currently utilized to manage DSM programs.



**LOUISVILLE GAS AND ELECTRIC COMPANY  
KENTUCKY UTILITIES COMPANY**

**Response to the Association of Community Ministries, Inc.  
Second Request for Information  
Dated June 28, 2011**

**Case No. 2011-00134**

**Question No. 20**

**Witness: Michael E. Hornung**

Q-20. Please provide the following figures:

- (a) total number of LG&E residential customers;
- (b) total number of LG&E residential customers in Jefferson County; and
- (c) Jefferson County LG&E residential customers by zip code.

A-20. (a) (b), and (c) Please see the attached table.

LG&E Zip	# of Residential Customers	LG&E Zip	# of Residential Customers	LG&E Zip	# of Residential Customers	LG&E Zip	# of Residential Customers	LG&E Zip	# of Residential Customers	LG&E Zip	# of Residential Customers
40004	2,758	40041	130	40118	3,978	40209	164	40229	13,324	42722	23
40006	221	40047	5,423	40150	196	40210	5,633	40232	1	42746	29
40010	203	40048	1	40155	465	40211	9,589	40241	12,324	42748	836
40011	189	40050	267	40160	2,041	40212	7,281	40242	4,768	42749	32
40013	57	40055	169	40162	168	40213	7,298	40243	4,465	42757	146
40014	7,115	40056	1,268	40165	7,853	40214	19,115	40245	11,218	42764	17
40018	18	40057	261	40175	920	40215	8,817	40258	10,875		1,083
40019	617	40059	6,984	40177	571	40216	18,028	40272	14,529		
40023	822	40067	750	40202	1,272	40217	6,098	40291	15,116		
40025	58	40068	225	40203	6,617	40218	13,555	40299	15,965		
40026	2,045	40069	5	40204	7,858	40219	15,834	42141	1		
40027	128	40071	368	40205	10,735	40220	15,344	42154	1		
40031	4,913	40077	343	40206	10,207	40222	10,274	42214	88		
40033	18	40108	1,268	40207	14,736	40223	9,818	42701	226		
40037	194	40109	447	40208	6,330	40228	6,679	42716	149		
	19,356		17,909		73,947		153,527		103,050		

<b>Total</b>	<b>368,872</b>
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