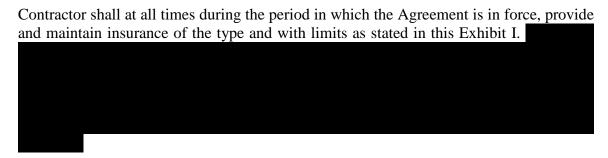
Cane Run Generating Station Natural Gas Combined Cycle Project Issue: For Contract Section Revision: 1

EXHIBIT I

INSURANCE

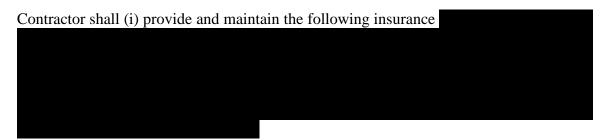
INSURANCE OBTAINED BY CONTRACTOR

A. Contractor shall procure, pay premiums, and provide its own insurance coverage during the performance of the Work. Owner requires Contractor to obtain the following coverages:



Contractor and its Subcontractors are responsible for maintaining, at their own cost, any other insurance they deem necessary.

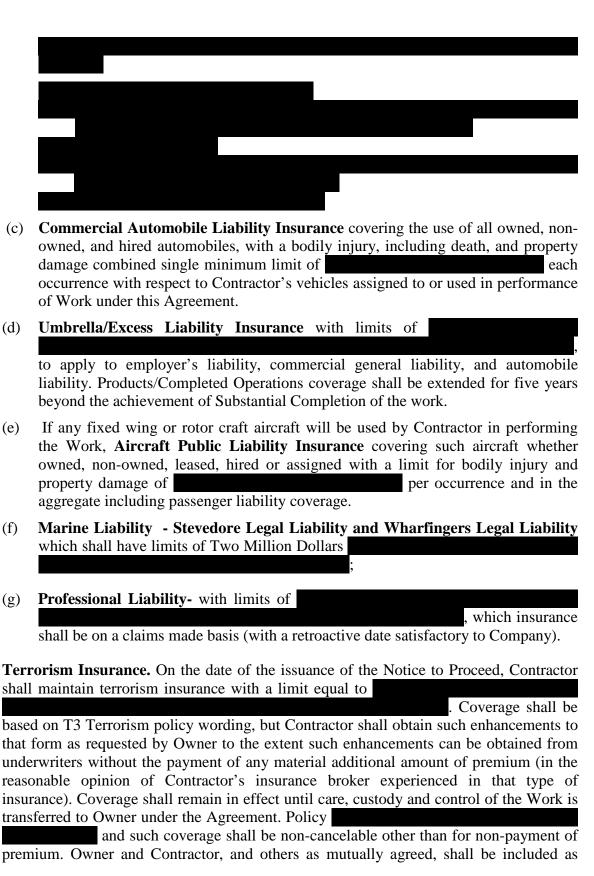
The insurance specified may be provided in a policy or policies, primary and excess.



- (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
 - 3) U.S. Longshore and Harbor Workers Compensation Act coverage;
 - 4) Cancellation Clause; and
 - 5) All States Endorsement.
- (b) Commercial General Liability Policy,

B.

Issue: For Contract Section Revision: 1



Issue: For Contract Section Revision: 1

named additional insureds.

- C. Marine Cargo Insurance. During the performance of the Work Contractor shall carry and maintain Marine Cargo Insurance covering "all risks" of direct physical loss or damage to materials, supplies, and equipment ("goods") intended to become a part of the Project. "All Risks" conditions of coverage includes loss due to strikes, riots, civil commotion, terrorism and war as defined in the policy. Coverage shall be in an amount equal to the value of the largest single shipment on a CIF plus—basis and shall be subject to a maximum deductible of—per loss. Coverage commences at the time of first-loading at point of origin through unloading at the Job Site and includes for avoidance of doubt, unloading and reloading at temporary locations and transshipment to the Job Site. Contractor, Owner, suppliers and vendors shall be included as additional insured parties as their interests may appear.
- D. **Endorsements and Other Requirements**. The insurance carried in accordance with Sections A, B, C and D shall conform with the endorsements requirements as specified below:
 - (a) 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 Owner or having a provided by Contractor of Coverage 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.
 - (b) Implication of Insurance: Owner reserve the right to request and receive a summary of coverage of any of the above policies or endorsements; however, Owner 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 Owner shall not relieve Contractor from or be deemed a waiver of Owner's rights to insist on strict fulfillment of Contractor's obligations under this Agreement.
 - (c) Other Notices: Contractor shall provide notice of any accidents or claims at the Job Site to Owner's Representative.
 - (d) Certificates of Insurance
 - Purpose of submitting the certificate is to evidence the coverage in force
 - Under no circumstances shall Contractor or any Subcontractor be permitted to mobilize on the Job Site prior to submitting a certificate acceptable to Owner. Owner retains the right to waive this requirement at its sole discretion.
 - The Certificate shall evidence prior notice of cancellation.

Issue: For Contract Section Revision: 1

- All insurance provided by Contractor and Subcontractors shall be primary with respect to any insurance available to certificate holder.
- Automobile Liability and Commercial General Liability shall include Cross Liability Coverage.
- LG&E and KU Services Company shall be stated as the Certificate Holder
- (e) Subrogation and Waiver



(h) Additional Insured



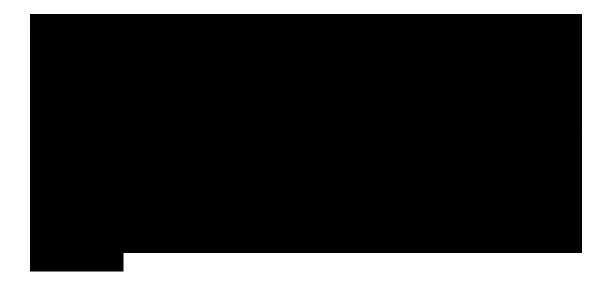
(i) Loss Payee



INSURANCE SCOPE

A. Builder's Risk Insurance.

Cane Run Generating Station Natural Gas Combined Cycle Project



Issue: For Contract Section Revision: 1

Attachment 1

SLIP TERMS – PROJECT BUILDERS RISK

Policy Form: Manuscript All Risk Builders Risk Form to be agreed and under terms and

conditions mutually acceptable to the Underwriters, Contractor, and the

Owner.

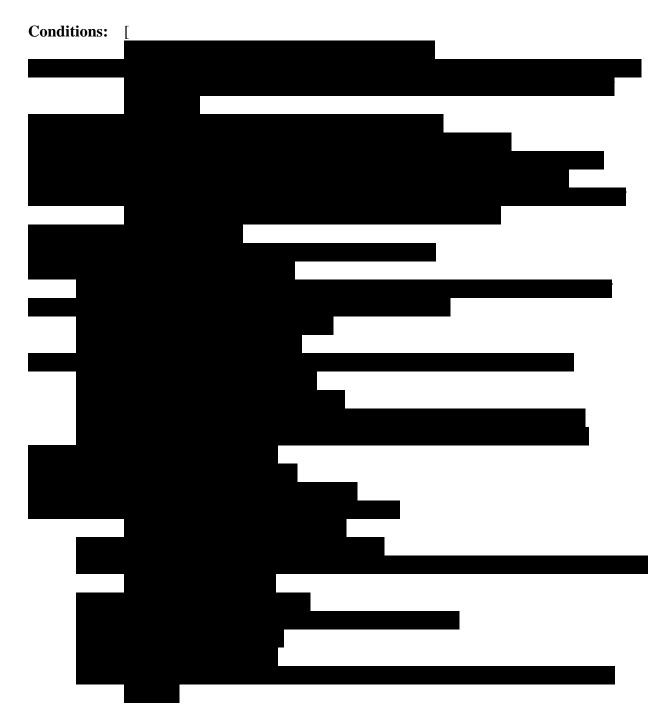
Interests: Works comprising preliminary works (including associated works and

Job Site mobilization), permanent works and temporary works undertaken in relation to the Project including but not limited to all soft costs, designs, drawings, specifications and plans to be provided, process plant machinery, fuel supplies, unfixed materials and goods and all other property for use in connection with the works including any other construction and works

contracted by the Owner.

Territory:		
Coverage:		
Policy Limit:		
Sublimits:		

Issue: For Contract Section Revision: 1



Choice of Law and Jurisdiction:

Law: This insurance shall be governed by and construed in accordance with the laws of the Commonwealth of Kentucky, without regard to is conflicts of law rules.

Engineering, Procurement and Construction

LG&E/KU

Cane Run Generating Station Natural Gas Combined Cycle Project Issue: For Contract Section Revision: 1

Jurisdiction: The United States of America in accordance with the provisions of the SERVICE OF SUIT CLAUSE (U.S.A.) to be made upon Mendes and Mount, N.Y.