

Workforce Planning Update

2015-2019

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Human Resources Department
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Workforce Planning 2015-2019

OVERVIEW

The Workforce Plan (WFP) was initiated in 2005 when demographics and our industry began to change rapidly. The Business and Budget Planning process did not include a strategic, in-depth discussion of workforce needs and their relationship to key internal and external variables. The WFP process was designed to instill a discipline in the organization to rigorously consider and discuss on an annual basis issues such as:

- What external forces (technology, political, regulatory, legislative, customer) will impact our business?
- Can we eliminate, change or subcontract work?
- Do we have the core work in-house?
- Do we have the optimal organizational design to meet business objectives?
- Can process redesign improve our efficiencies?
- Can positions or responsibilities be reconfigured to avoid headcount additions?
- Do we have the right skills and competencies now and for the future; and are developmental plans in place?
- Have we identified employees who possess critical knowledge, and are we ensuring effective knowledge transfer and succession and development plans?
- Do we have sufficient documentation and thorough action plans to ensure knowledge transfer?

It is imperative that the WFP process continues to **push the organization to ask these strategic questions**. If this fails to occur we are at risk of doing little more than backfilling positions in kind.

PROCESS

The discussion process should include a number of debates between staff and the senior executive and result in documentation of key challenges, opportunities and a proposed number of supported positions. **The greatest value to the business comes from these strategic discussions.** In discussing incremental positions the baseline is always the prior year's approved business plan over the plan period. In preparation for meeting with the executive, the HR manager works with the client manager and asks the above strategic questions; a business case is built for any incremental position. With respect to headcount, the client manager should work from a baseline of the prior year's approved business plan. After the executive of the area approves positions in his/her area, the WFP process closes with respect to headcount. The WFP is closed to allow finalization of the WFP narrative. Key strategies, themes, and proposed headcount are captured in the WFP document. Further adjustment of headcount numbers will then be adjusted during the budgeting process.

When the senior executives gather to discuss WFP, the discussion should center on key strategic issues which emerged from their discussions with staff and each should be supportive of the incremental

positions or other changes being proposed within their respective areas. The discussion should remain at a strategic level which may include sharing significant debates about headcount and other matters that occurred within their prior staff discussions. There should also be healthy debate among the executives about these proposals. From WFP, the executive should have been provided the information necessary to distinguish the criticality/priority of each headcount in preparation for the business planning cycle. When the business planning phase begins, the number of headcount that are approved in the budget will be based on the resources available.

Although the WFP process is very time intensive, it is key to the organization's continued success. Among other benefits:

- It allows for **more effective and efficient use of workers**. This becomes increasingly important as we need to perform the same or more work with fewer employees.
- It helps to ensure that **replacements are available to fill important vacancies**. Filling vacancies is especially critical as we face an increasing number of workers eligible for retirement, combined with potential labor market shortages and specialized skill-set requirements.
- **It serves as a resource to aid in establishing the Business Plan.**
- It provides a **clear rationale for linking expenditures** for training and retraining, development, career counseling and recruiting efforts.
- It supports a **diversified workforce**.

Assumptions

The following assumptions are in place throughout the WFP document unless otherwise noted.

- All charts and tables represent data on Jan. 1, 2014.
- WKE is excluded from historic data.
- Co-ops and interns are excluded in calculations.
- The prior year's approved Business Plan is used as the baseline to establish the proposed incremental headcount in the new WFP.

Key Issues

The 2015-2019 WFP was built upon the previous year's efforts by conducting a full analysis of the key issues outlined below:

- diversity;
- the aging workforce;
- retention strategies;
- overtime;
- use of contractors;
- employee training;
- retirement outlook; and
- knowledge-loss risk.

CURRENT WORKFORCE PROFILE

Environmental Scanning Analysis

External Demand

Efforts have been made to bring more businesses to Kentucky. In 2009, Kentucky's business incentive program was enhanced to attract new businesses to Kentucky and motivate existing Kentucky businesses to expand. Since the program was expanded Kentucky has seen an investment of approximately \$2 billion within the state. In 2013, Forbes ranked Kentucky number 34 on their best places to do business list. This is up from their number 43 ranking in 2009.

Internal Demand

LKE experienced many organizational changes in 2013. Bringing two lines of business together under a Chief Operating Officer provided additional organizational synergies. The Information Technology portion of the business was also reorganized in 2013. Power Production will be affected during this planning period as changes are forecasted for the Cane Run and Green River Plants. These major changes in the structure of the workforce require some shifting of labor resources and create a need for new skills to be acquired or developed.

External Supply

The Kentucky Education and Workforce Development Cabinet expects the Kentucky economy to average 69,000 job openings per year through the year 2020. Of those job openings, approximately 35 percent are expected to be new jobs. Other job openings would come from retirements, promotions, transfers, and other exits from existing jobs. By 2020, 20,000 veterans will be seeking employment in Kentucky. The external labor supply has met the demands of our previously identified openings. Going forward, we do not expect a lack of supply or skillset that would prevent us from filling future vacancies.

Internal Supply

With a large portion of the workforce predicted to retire over the course of the planning period it is essential to develop a talented pool of employees to step into leadership positions. LKE will mitigate some risk of retirements and turnover by developing a strong talent pipeline. This is achieved through some internal initiatives, including developing the skills and competencies of our current workforce. There are several initiatives in place to develop existing employees and this is documented in the Workforce Solutions section of this document. In addition, it is vital that we focus on attracting future workers and engage in relationships with external partners that support our needs.

Diversity

One of LKE's core strategies is to attract, retain and develop the best people. As our communities and customers become more diverse, so too must our workforce. Our success depends upon a diverse and creative work environment, blending cultural and ethnic diversity through teamwork. We value, respect and utilize each individual employee's talents, perspectives and knowledge in order to achieve our goals.

Recruiting top talent is critical to our organization's continued success. The company is enriched by the diverse experiences, backgrounds, ethnicities, education, lifestyles and cultural differences of our employees. At its core, LKE's commitment to an inclusive workforce is about treating everyone — customers and colleagues — with dignity and respect.

A comparison of gender and ethnicity of LKE's workforce to that of Kentucky and the United States is provided below. LKE has a disproportionate number of female employees compared with the workforces of both Kentucky and the U.S. The percentage of minorities is also below the national average, but is in line with Kentucky percentages. As our retirement numbers continue to increase, LKE will have more opportunities to increase diversity throughout the organization. Based on discussions with EU-HRMG members, the utility industry is generally weak in this regard. Several attempts have been made through survey requests to gain utility specific data. However, utilities are reluctant to officially disclose.

Gender and Ethnicity Mix - Year End 2013					
	Male	Female	White	Black	Other
LG&E KU					
Regular active employees	73%	27%	91%	7%	2%
Kentucky					
Employed workers	52%	48%	89%	8%	4%
United States					
Employed workers	53%	47%	80%	11%	9%
Totals may not equal 100% due to rounding					

In the past five years, LKE has made some progress in increasing female and minority percentages. As of Jan. 1, 2008, 24 percent of the LKE workforce was female and 8 percent of the workforce was minority —compared to today, when 27 percent of the LKE workforce is female and 9 percent is minority. The company has established solid recruiting practices and has created many good-faith efforts to maximize diversity.

The purpose of applicant testing is to help ensure the hiring and promotion of qualified individuals. Edison Electric Institute (EEI) tests are designed and validated to objectively predict performance and the likelihood of employee success on the job before hiring or promotion decisions are made. Even though these tests are validated and administered in accordance with the EEOC's Uniform Guidelines for Selection Testing, studies show that adverse impact related to the percentages of females and minorities recommended does exist.

LGE-KU continues to work closely with EEI to evaluate and implement program changes that are expected to help minimize adverse impact of the tests while maintaining their effectiveness. Recent examples of such changes include:

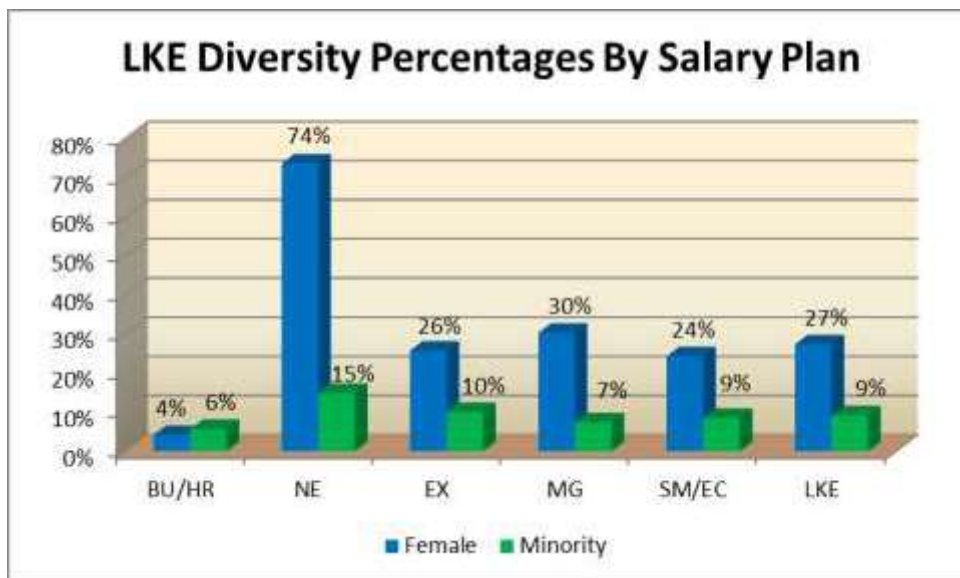
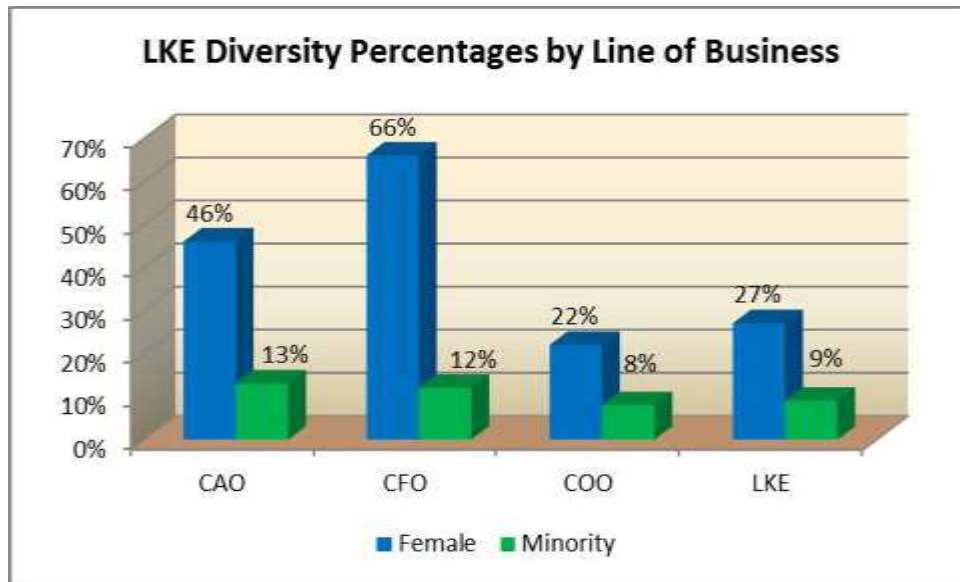
- Discontinuation of Background Opinion Questionnaire (BOQ) Subtest – 2007
- Implementation of On-Line Practice Tests – 2008
- Implementation of 1-on-1 Candidate Feedback – 2010
- Implementation of On-Line Math Tutorial – 2011
- Elimination of Weighted Scoring – 2013 (TECH)

- Transition to “POSS” vs “MASS” Testing (in lieu of combined POSS/MASS testing) – 2013
- Elimination of Weighted Scoring – 2014 (POSS, MASS, CAST)

Although sufficient data is not yet available to be statistically valid, preliminary findings are that recommend rates for females and minority applicants are up an average of about 8-10% over the past 5 years when consolidating all four tests (CAST, TECH, POSS, and MASS).

In addition to above, our company continues to identify and implement various communication and diversity strategies with community partners (i.e., Urban League, CCDC, JFCS, professional organizations).

The charts below show a current view of the diversity mix by line of business and salary plan.



With respect to veterans, our percentage is 5% female and 11% minority. Between 2012 and 2013 the company more than doubled its hiring rate among reservists and veterans.

Aging Workforce

As is the case with many U.S. industries, LKE is addressing an aging workforce. According to industry estimates, 45 percent of the workforce in electric and natural gas utilities is expected to reach retirement age in the next several years. A recent study by the American Public Power Association (APPA) indicates that approximately one-third of utility employees are currently between the ages of 45 and 54.

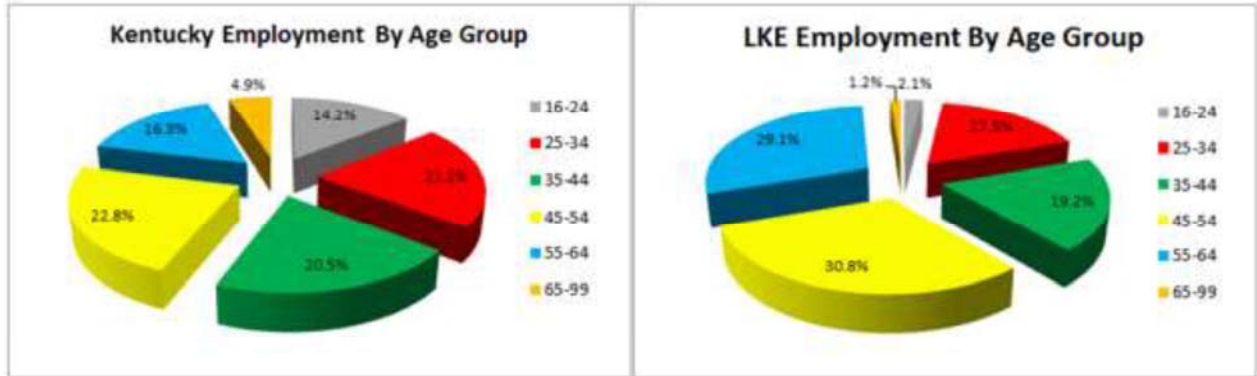
Over the past five years, the LKE workforce average age has increased by 1.11 years. It is now 47 years of age. This trend will reverse over the next several years as older employees retire and are replaced with younger employees.

With more workers approaching retirement, strategies are being developed to address turnover, recruiting, training, rewards and knowledge transfer. The following challenges will be faced:

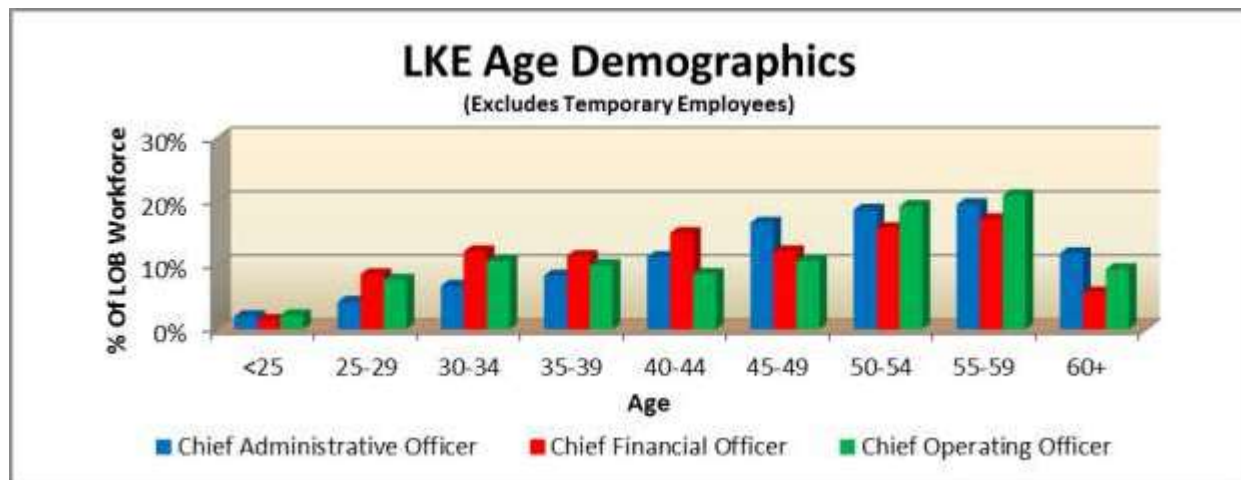
- **Keeping the older workforce engaged.** Older employees need to feel their contributions are valued by the company. To maintain their motivation, older workers will need to be given fulfilling jobs and access to any training they need to update their skill sets.
- **Technical training.** As technology is becoming more advanced in the industry, many front-line workers will have to train and develop new competencies in their jobs. Technical training can be more difficult for the Baby Boomer generation.
- **Safety concerns.** As workers age, they can experience loss of former strength and flexibility, decreased range of motion, deterioration of vision and slower reaction times. All of these changes can have an impact on safety in the workplace.

As “Boomers” reach late middle age, we may begin to see increasing absenteeism, disability claims and long-term disability applications. Options to address these concerns include targeted focus on the development of employees, job rotation and creating new assignments.

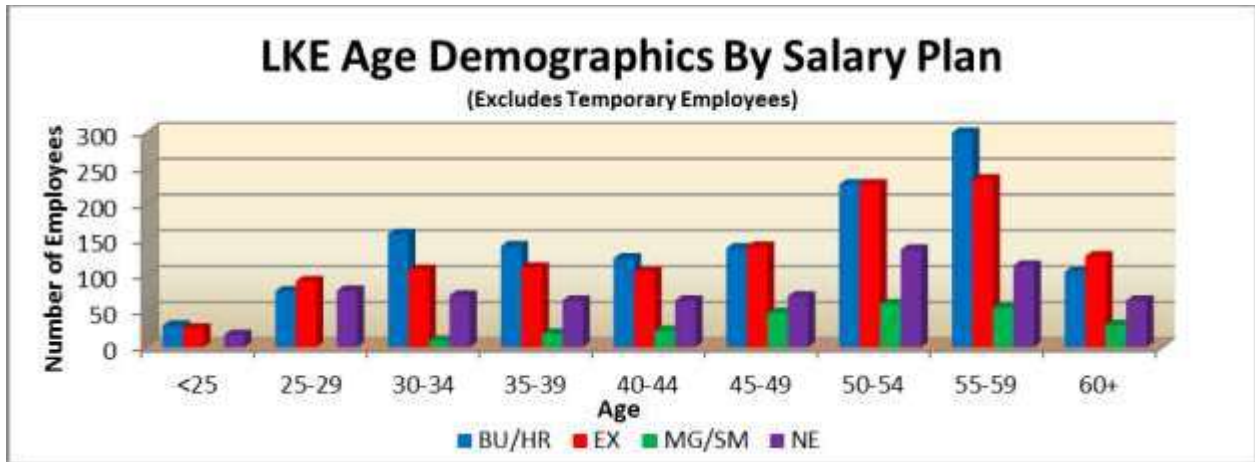
The chart below compares the LKE workforce to that of Kentucky. As illustrated, LKE has a much larger population of employees who are 45 and older. Nearly two thirds of the company falls into this range. Meanwhile, the state of Kentucky has only 44 percent of the workforce in the 45 and older categories. Over 30 percent of the company is 55 or older. The potential loss of knowledge is tremendous when most of these 55 and older employees will retire in the next five to seven years.



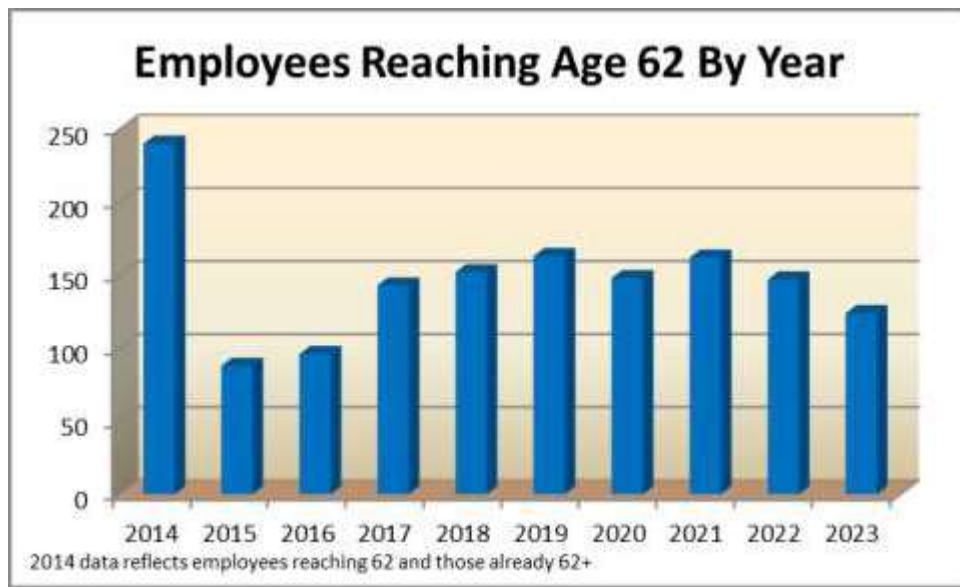
The following charts illustrate our uneven hiring over the years. Hiring has been especially irregular over the past twelve years due to the WTSP in 2001. An optimum distribution would be much more leveled across the age demographics. Both the administrative and operational areas of the company have a large percentage of the workforce over the age of 50.



When looking at the data by salary plan it is clear the uneven distribution is not limited to one area, but it is especially prevalent in bargaining unit, hourly and exempt categories.



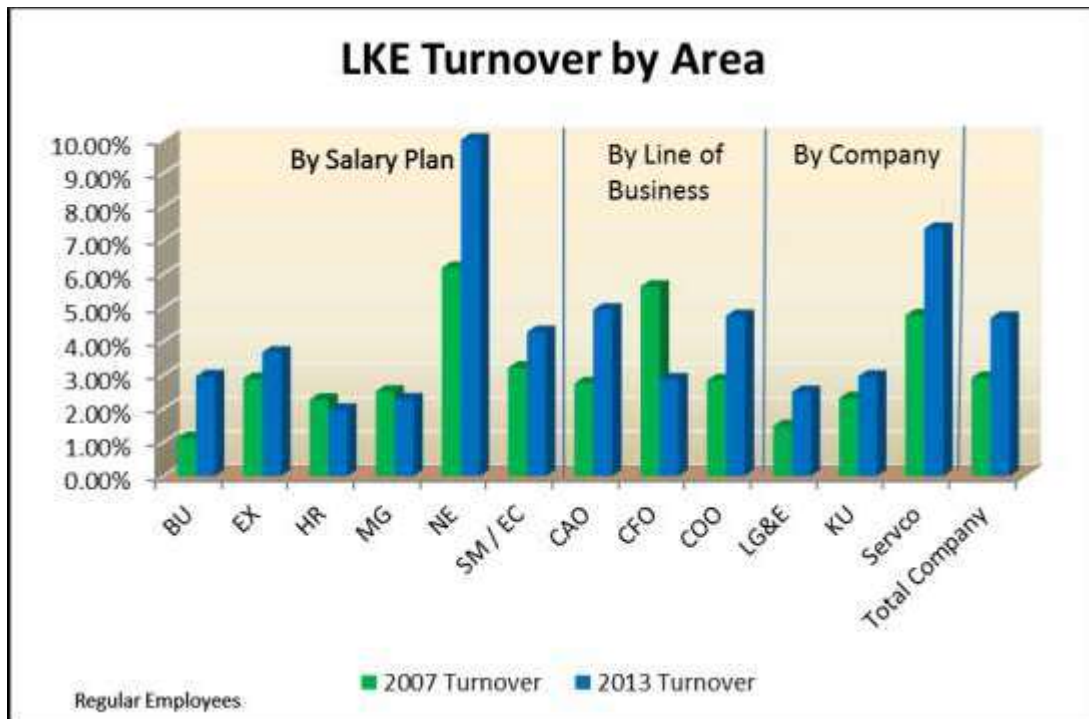
As shown below, from 2014 through the end of 2023, 1,463 employees will reach age 62. This represents almost 43 percent of the current LKE population. The company projects that employees on average will retire at age 62.



Retention Strategies

LKE is fortunate to be in an industry that traditionally experiences low turnover. According to *Electric Light and Power*, however, many utility companies expect turnover to increase, once we see a positive change in the economy. Companies across the country list retaining high-performing employees as the biggest human resources challenge. With the job market opening up, employees want to take their next career step, and employers are focusing on keeping these employees satisfied. In 2013, LKE had a 4.77 percent total turnover rate and a 2.30 percent voluntary turnover rate. Customer Service has the highest turnover rate. Analysis of the total turnover rate for LKE shows that 2.03 percent of the total 4.77 percent and 1.16 percent of the 2.30 percent voluntary turnover is from Customer Services. (Retirements are not included in the voluntary turnover percentage. Additionally, this is inclusive of both our desirable and undesirable turnover metric.)

The chart below is a snapshot of turnover percentages in 2013 versus 2007 (4.77 percent and 2.93 percent, respectively). The turnover rate for LKE has increased due to the number of retirements increasing nearly 500% in this timeframe. LKE like other companies has also experienced an increase in turnover of employees with less than three years of service. Over the next several years, our turnover rates will increase as our aging workforce retires. The low number of retirements from 2001 to 2010 was expected due to the WTSP in 2001.



In 2010, a comprehensive study of employee exit interviews began. Although overall employee satisfaction is high, the analysis is used to look for key areas of employee dissatisfaction, and to look for high turnover in particular departments.

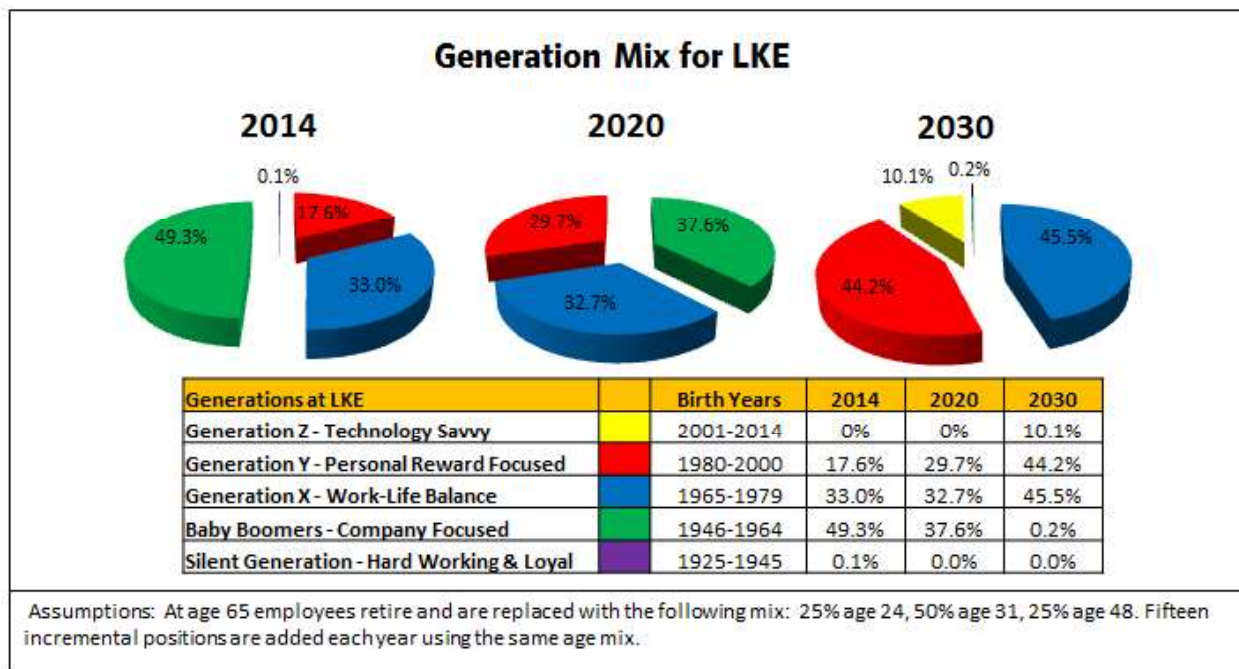
According to the exit interviews, the most common themes for employee dissatisfaction are:

- stress related to the job;
- ability to balance family and work life;
- dissatisfaction with performance appraisal process;
- lack of opportunity for advancement; and
- hours required to work.

Often, an employee will not hesitate to leave an employer if unable to see a career path. This frequently happens within the first five years of employment. This is especially true with Generation X and Generation Y employees. Seventy-three percent of employees who voluntarily left LKE in 2013 had three years or less of tenure. An analysis of the turnover reveals the themes are consistent with all separations.

To assist us in keeping employees engaged, LKE will continue to focus on talent development, our mentoring program and our succession planning process. Additionally, by providing our employees with the proper tools for career development, it should result in higher retention and engagement, and a more qualified workforce.

Currently, we have four different generations working side-by-side in the workplace. This provides managers with a challenge, as each generation has its own focus and priorities. These differences can affect everything including recruiting, building teams, dealing with change, motivating, managing, and maintaining and increasing productivity. The table below shows the current generation mix for LKE.



As more Baby Boomers leave the company, the percentage of Generation Y employees will increase. Here are a few facts about Generation Y employees that could lead to higher turnover rates in the future.

- About 37 percent of Generation Ys have been underemployed or out of work during the recession.
- 13 percent of all Generation Ys are students who do not work for pay.
- Almost 6 in 10 employed Generation Ys say they already have switched careers at least once.
- About 60 percent of younger workers say it is “not very likely” or “not likely at all” that they will stay with their current employers for the remainder of their working life. (In contrast, 62 percent of Generation X workers say it’s likely they will never leave their current employer, while 84 percent of Baby Boomers expect to remain with their current employer for the rest of their working life.)
- Only 1/3 of Generation Ys say their current job is their career.

Source: Pew Research Center 2010 report, *Millennials: A Portrait of Generation Next*.

LOB Overtime Analysis

Due to the nature of our business, overtime hours are expected. For example, shift workers at power plants, line techs reacting to storm restoration and corporate employees all work extra hours throughout the year. Although a certain volume of overtime is expected, a high number of overtime hours can indicate employee shortages. High overtime volume can also be a leading contributor to low employee morale and poor work-life balance, which can lead to higher turnover.

Overall, the Operations leadership team is comfortable with the current overtime rates. Operations overtime trends between 10 and 15% for the overtime eligible workforce, which is between 250 and 312 hours a year on a per capita basis. Overtime is largely driven by unit outages, distribution system trouble and large capital projects. However, the retirements of the Cane Run and Green River plants could have presented several business challenges including not only high overtime rates but also retention of employees, loss of skills, inability to attract/replace employees, and employee morale. To address these business challenges, the company secured, through our last contract negotiations, agreements with each of the unions addressing retention and the company’s ability to secure contractors in non-traditional roles including operations.

It is not uncommon for corporate exempt employees to be required to work overtime hours during major projects, such as monthly and year-end closings and rate cases. No concerns were found for excessive overtime in any of the corporate departments in 2013.

Regular Employees/Contractors

Partnering with contractors plays an important role at LKE. LKE Operations utilizes contractor labor, with almost 2,500 contracted in 2013.

Contractor utilization has increased due to several factors including expanded Energy Efficiency programs and major capital projects pertaining to electric reliability and gas riser and main replacement projects. When these multiyear projects have reached completion, we expect the contractor numbers to go down. Although skills and resources are being brought back “in-house” in a number of highly technical areas across the company, increased resident contractor utilization has been strategically applied within certain power plant functional areas over the past 5 years. This is due to business and

staffing model strategies in the specific areas of material handling, warehouse/inventory management, and mechanical maintenance technical support.

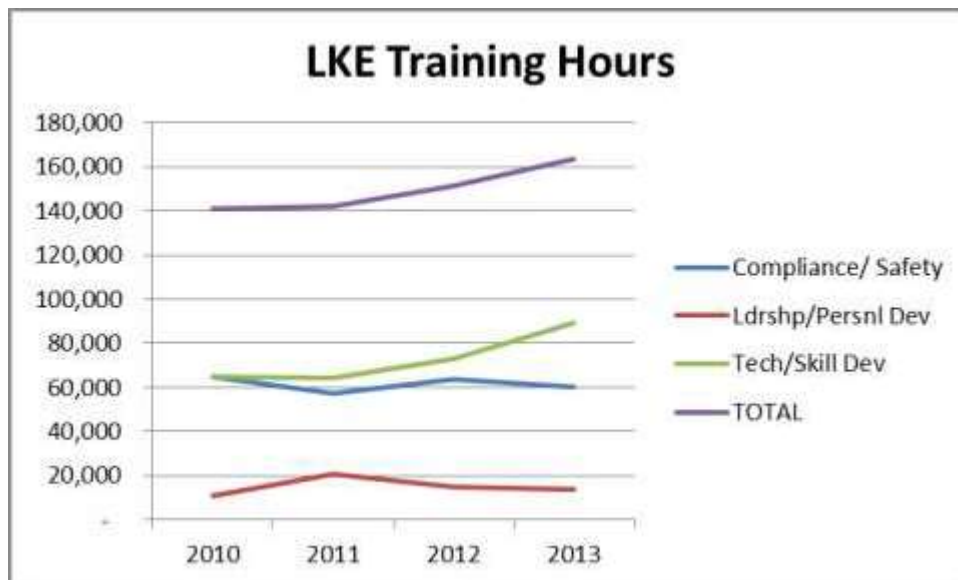
Training

Proper employee training is necessary for LKE to succeed. Although employees and managers understand the importance of training, it can often be viewed as a secondary priority. Additionally, managers may be tempted to cut training dollars due to budgetary constraints. It is important to note that proper training can maximize the productivity and efficiency of an employee. Based upon the logged training hours, LKE shows a strong dedication and investment in its employees by providing the training that is needed.

Training provides the following benefits for the company and our employees:

- educating workers about the effective use of technology;
- ensuring a competitive edge in the market;
- promoting safety and health among employees;
- creating opportunities for career development and personal growth (an important factor in retaining workers);
- helping employers comply with laws and regulations; and
- improving productivity and profitability.

The following chart shows internal training hours for the past four years. Training has remained relatively flat over this time frame. In 2013, there was an increase in technical/skill development training.



	2010	2011	2012	2013
Compliance/ Safety	63,611	57,439	63,653	60,098
Ldrshp/Persnl Dev	10,810	20,541	14,712	13,914
Tech/Skill Dev	64,101	64,055	73,042	89,510
TOTAL	138,521	142,035	151,407	163,522
Employee Headcount	3,119	3,205	3,302	3,399
Trng Hrs per Employee	44	44	46	48

Training hours for all regular employees are included in the total. This report is dependent upon self-reporting; therefore, these numbers are conservative.

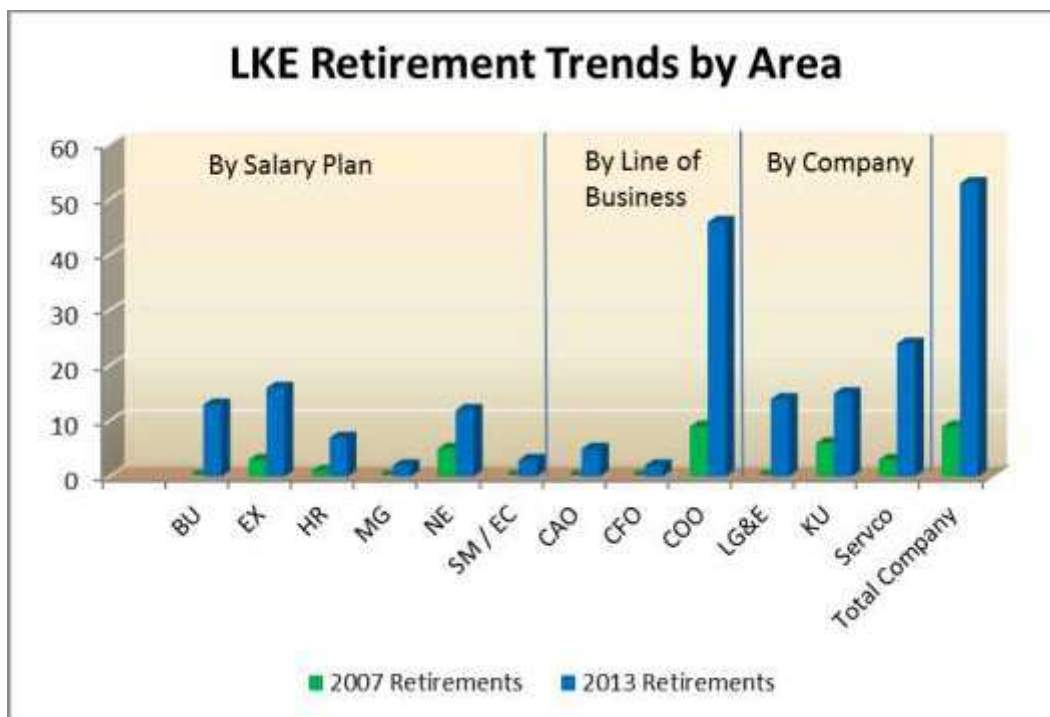
FUTURE WORKFORCE PROFILE

Retirement Outlook

From 2002 to 2009, LKE experienced low numbers of retiring employees. This is due to two main factors.

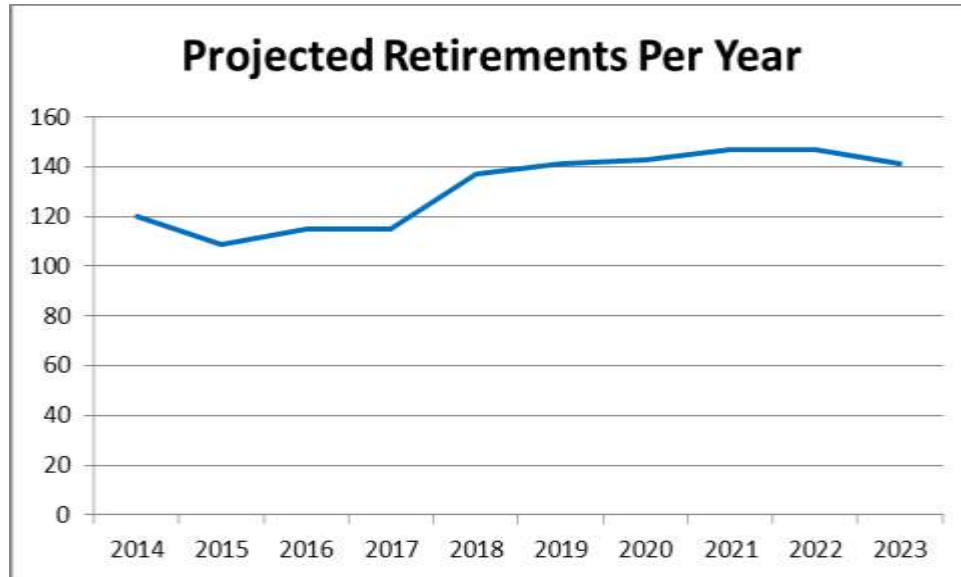
- In 2001, more than 1,100 employees left the company due to the **WTSP**. With the departure of so many retirement-ready people leaving the organization, few retirements would be expected for a period of several years.
- Because of the **economic down-turn** in the middle of the decade, many people who might have considered retirement decided to delay.

Now that a large group of employees is reaching retirement age and the economy is showing signs of improvement, the number of retirements is on the rise. The chart below compares the number of retirements for LKE in 2007 (9) versus 2013 (53). Retirements have increased in every salary plan, line of business and company within LKE. This trend is expected to increase over the next decade.



The following chart outlines retirements forecast to occur through 2023, utilizing the actuarial assumptions provided to the company by Mercer. Through 2023, 1,315 employees are predicted to retire. This is nearly 39 percent of the workforce. If our current employee mix remains constant, by 2023, 61 percent would be retirement-eligible, and nearly 43 percent will be age 62 or older. As evident in the chart, LKE will continue to realize an increasing number of retirements that will require timely staffing of backfills. Where operationally critical, a hiring overlap of the incumbent and successor may be needed to ensure effective transfer of knowledge. Additionally, the company must implement proper

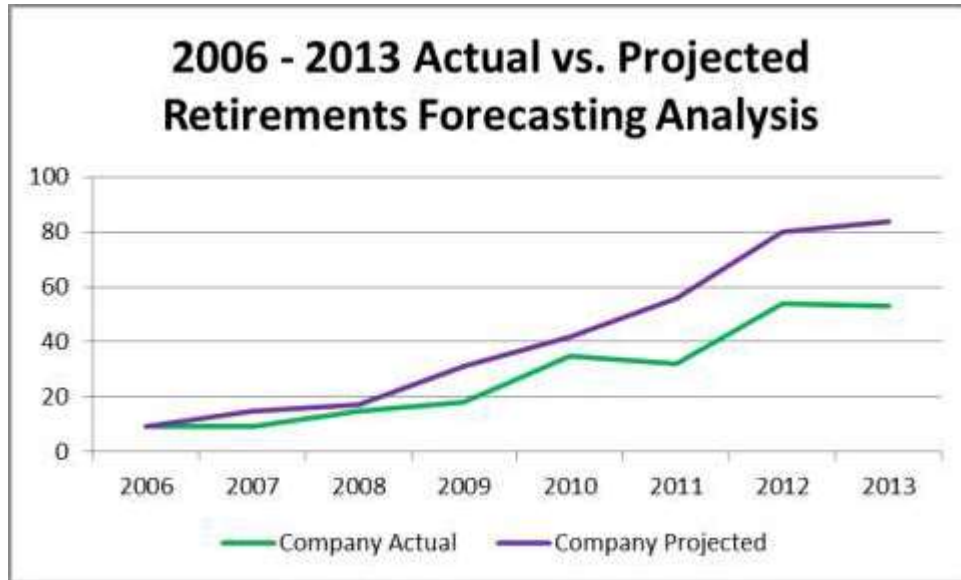
knowledge-transfer plans for those employees with critical skills. The duration of the knowledge-transfer plans vary based on the complexity of each plan put in place.



Mercer’s calculations use a percentage retirement rate based upon employee’s age (age 56 and above). It is assumed that, each year, a certain percentage of employees in each age category will retire. The ages of the employees are as of Jan. 1, 2014.

One of the most frequent and talked-about workforce challenges facing the utility industry is the retirement of “Baby Boomer” employees and its impact on operations. This analysis acknowledges the impact of these increasing retirements on the business, as evident from the ten-year forecast noted above. It is important, however, to specify that the retirements of most concern are from those operational areas in “critical” positions. Further retirement analysis is conducted at the department and operational location level to determine the impact these “position-critical” retirements will have on operations.

Again in 2013, LKE retirements were fewer than were projected, with 53 retirements for the year — versus a projection of 84. The past three years’ retirements have been below projected levels. This is largely due to a significant number of employees aged 65 and older who did not retire as expected. The increase in Social Security Normal Retirement Age from 65 to 66 and 67 may have played a part. For now, Towers Watson is not making any changes to the assumption percentages. Towers Watson plans to compare actual retirement experience under LKE’s plans to the current assumptions as part of a demographic experience study during the second half of 2014 and will have more details once that study is complete. The actual vs. predicted retirement assumptions will be examined to ensure that the forecasting model will serve as a reliable tool for workforce planning purposes. Metrics will be important to track and measure the impact of the aging workforce, sick time/short-term disability/long-term disability utilization and the impact this may have on overtime.



Knowledge-Loss Risk Analysis

Some positions within LKE require years of experience and extensive knowledge to be performed correctly. These “critical positions” can be very difficult to replace. These jobs can significantly impact performance measures such as revenue, quality of customer engagement and costs. LKE has a well-established knowledge base and specialized skills which reinforce the importance of ensuring thorough knowledge-transfer plans.

This process identifies each employee’s criticality factor. In this process, HR and LOB management work together to assign each employee a 1-5 criticality rating based on the employee’s specialized or unique skill set, including the impact on safety, reliability, customer service, geographic isolation and potential successors. The employees in critical positions may not necessarily be the highest positions on the organizational chart, but they possess critical and unique knowledge. The positions where the employee has a high impact on the company’s business strategy, cannot be easily replaced, and lacks another employee in the company who can succeed them are classified as “critical positions.” Next, it is determined how soon each employee is likely to retire. The positions classified as critical with a high retirement risk receive increased focus from HR and LOB management to implement a proper knowledge-transfer plan.

The chart below summarizes the number of employees in each line of business who will receive increased focus, and a knowledge-transfer plan will be created. Depending on the complexity of the knowledge-transfer plan it may take a year or more to establish and effectively transfer the knowledge.

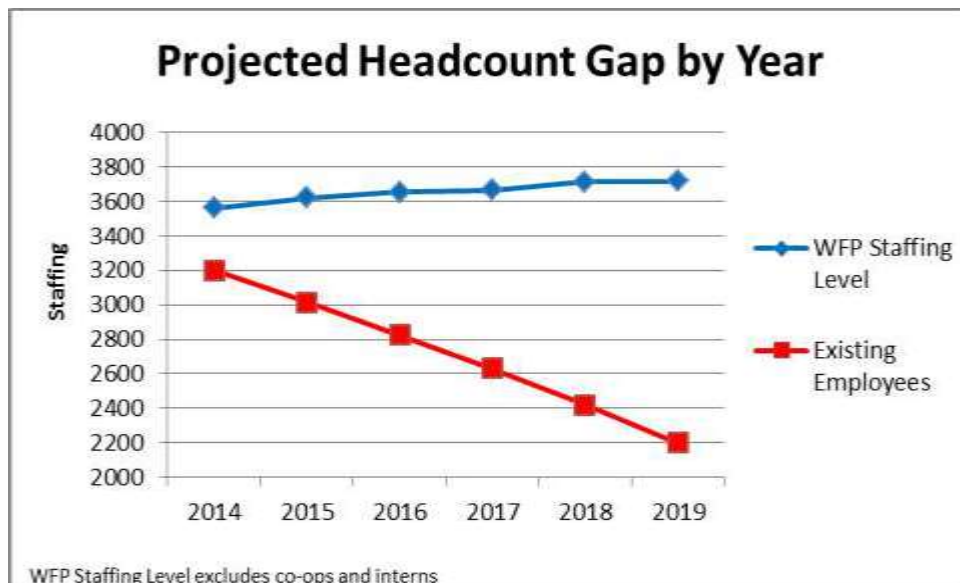


By zeroing in on these positions, HR and management can start to develop a method and timing of replacement, recruitment efforts and the method by which knowledge will be transferred. The goal is to properly identify the critical positions and to ensure the knowledge and specialized skill set have been documented within the organization and transferred to another employee well in advance of the employee's retirement.

Solving our workforce planning challenges over the next 10 to 15 years will be an extreme challenge, requiring us to rethink how we do business — considering advances in technology, complying with environmental regulations, properly identifying our talent needs and gaining a better understanding of generational differences. We must continue to seek better processes to support our core business and eliminate or outsource those non-core areas.

Projected Headcount Gap

The following chart shows the headcount gap and resultant hiring needs during the five-year plan. The red line shows the expected decrease in employees. The blue line shows expected staffing from the 2015 plan. The gap between the lines shows the expected staffing needs. Using preliminary headcount numbers, minus projected turnover, our net hiring needs are expected to be over 1400 new employees through 2019. When the “churn” associated with backfilling employees is taken into account, an estimated 1500 - 2000 positions will be filled through 2019. By the end of the year 2019 approximately 40 percent of our workforce will have less than five years of service. With churn an additional 25 percent of the workforce will be in their roles less than five years.



WORKFORCE SOLUTIONS RESPONDING TO OUR FUTURE NEEDS

It is critical that we mitigate the risk of anticipated turnover and skill gaps by developing a strong talent pipeline. This will be achieved through continued internal initiatives, including the development of skills and competencies of our current workforce. In addition, it is imperative that we continue to aggressively focus on the attraction of future workers and engage in relationships with external partners that support our needs.

Knowledge Transfer Plans

- A process is in place to identify critical roles requiring a knowledge transfer plan. Action plans have been developed to document and capture this knowledge, along with the actual transfer of the knowledge to other employees. Fourteen (14) action plans were implemented in 2013.

Leadership and Employee Development

Internal training initiatives continue to broaden the skills and competencies of our current workforce, both in business acumen and leadership skills. Key programs include:

- **Strategic Business Integration (SBI)** is a 14-day program over a nine-month period. Participants experience well-rounded, company-wide learning, allowing them to increase strategic knowledge and skills while finding new ways to enhance professional effectiveness. The program is committed to developing the capabilities of all participants by offering in-depth utility industry content, building a strategic mind-set to operate today and in the future, and providing an opportunity to build professional networks within the company. The closing event allowed the participants to demonstrate their growth and learning by presenting their strategic plans to executives and senior leaders in the organization. The target group is exempt employees and managers who have demonstrated high performance and potential for the next level. Through 2013, one hundred forty-four (144) employees completed this program. Forty (40) of them have been promoted to manager or senior manager and fourteen (14) others made lateral moves.
- **Personal Awareness and Effective Leadership (PAEL)** is a two-module program, designed specifically for managers. The focus is to increase their personal self-awareness and impact on others. PAEL develops managers to be more self-aware, thereby increasing their ability to better lead others and adapt their leadership style to be more effective with their staff. One hundred twenty-nine (129) managers have completed this program which started in 2010.
- **Leading One-on-One** was developed in 2011 for front-line leaders. This program focuses on communication styles, giving feedback, accountability, and strengthens the participants' skills as people leaders. Approximately 200 leaders participated. This program is being updated for **Front-line Leader Development**. A pilot program was implemented at Trimble County during the third quarter of 2013 and is currently under review. In addition to this, a team is developing a specific curriculum required for all new leaders which will include some online modules for just-in-time learning and will be completed by year-end.

- **Utility Business Fundamentals (UBF)** is designed to broaden all employees' knowledge of our business. It gives an overview of the company's various departments including generation, transmission, distribution, retail, and some corporate functions. All new employees are expected to attend this program within the first 18 months of employment.
- **New Leader Onboarding** focuses on employees new in their leadership roles (supervisor, team leader, manager, etc.) to support them during the transition. An OD Specialist and the HR Manager meet with the leader to discuss the new role, staff interaction, performance management, competencies, and leader and staff development opportunities. There are also online tools available on the OD website. The new leader receives a copy of the book, *The First 90 Days*, which focuses on transitioning into a leadership role and the critical areas of focus to achieve success. Operations leaders also receive *From Bud to Boss*. This program started in 2012. There have been 24 new leaders through December 2013 that have benefitted from this opportunity.
- It is imperative that we have a comprehensive training program in place in the **operations group** to ensure that the new employees entering our organization, as well as those moving into new roles, are well prepared to maintain operations in a safe, efficient and reliable fashion and be prepared for future challenges. An analysis of current training programs was conducted, noting our strengths and identifying areas where additional focus is needed. A plan has been developed and appropriate programs are implemented as identified.

Military Recruitment

- LKE has developed and implemented a focused strategy to enhance its **military recruiting efforts**. The Manager Staffing Services has developed relationships with selected business partners that specialize in military recruiting and implemented a strategy to enhance the company's relationship with government and community organizations that assist veterans transitioning into civilian roles. These relationships are critical to attract skilled workers as they fulfill their military obligations and seek opportunities in the private sector. In 2013, 11.1% of our hires were veterans. Through the first quarter of 2014, 9.17% of our external hires were veterans.
- The company has established a **Military Veterans Business Resource Network**. The veteran network group emphasizes four key areas of interest for veterans and employee supporters in the following areas:
 - Recognition and Rewards
 - Filling the Talent Pipeline
 - Professional Development and Marketing
 - Communication, Education and Marketing

This network will be instrumental in helping the company mentor military veterans within LG&E and KU and reach out to potential job candidates interested in a career here.

The military media campaign included placing ads in 4 print media in March 2014. We also placed a press release to the areas where the ads were published which was picked up by

multiple media outlets. Plans are to repeat the advertising near patriotic holidays such as Armed Forces, Memorial and Veterans Days. We also plan to place ads in locations where LKE will be recruiting, such as in the Lexington Herald June 26 for the 'Hiring Our Heroes' summit.

Co-ops and interns

The co-op and intern program strongly supports the recruitment and retention of top performing students and enhances our reputation as an employer of choice. The program consists of mentoring, a formal performance review process, and educational and professional networking events to learn more about our business and meet professionals in their field. Through this program, the students gain real life career experiences, while our management team has the opportunity to interact with them and learn more about the skills and talent the next generation will bring to the company.

Focused relationships have been developed with colleges and universities to support the co-op and intern program. We have worked closely with regional schools and participated in career fairs, mock interviews and information sessions at the University of Kentucky, Tennessee State University, University of Louisville, Western Kentucky University, Indiana University Southeast, Kentucky State University, and the University of Cincinnati. In addition to our recruiting specialists and HR managers, some of our full-time employees who are alumni of these institutions are being utilized to market and promote energy careers to current students.

During 2013, LKE employed 151 co-op/intern students. These students worked on a variety of assignments, including Accounting and Finance, Human Resources and Engineering projects. Eighteen former co-ops/interns were hired into full-time positions.

Diversity recruitment

The Company continues to follow our established solid recruitment practices and has created many good-faith efforts to maximize diversity. These include:

- Requiring a diverse slate of candidates for every job opening
- Posting every external position on the company's website and sending the notice of the posting to the applicable Department for Employment Services office, the Department for Vocational Rehabilitation, the Urban League, and the Center for Accessible Living, the local Job Corps, YouthBuild Louisville, the Kentucky Community and Technical College System, and the Department for the Blind.
- In addition to posting positions on the "typical" websites, all external job postings (up to manager level), are posted on the Commonwealth's Employer Service Delivery Agencies and diverse websites, such as the Lexington and Louisville Urban Leagues.
- Participation in the National Society of Black Engineers annual conference and job fair in Indianapolis, IN.
- Participation on several boards, advisory committees and support of the workforce development efforts of several organizations, including the Louisville Urban League, National Black MBA Association, National Society of Black Engineers, and the Greater Louisville International Professionals.

- Participating on the board of directors for both the Business Diversity Network of Kentucky — of which LKE was a founding member — and the Kentucky Industry Liaison Group (member since the late 1990s).
- A commitment from the senior leadership team to hire outstanding external candidates when identified even when we are not recruiting for a specified position. Full attention will be given to diversity and monies will be diverted from other O&M if necessary.

Aging Workforce

In an effort to retain our aging workforce, the **WorkSmart** ergonomics program was implemented to address some of the concerns of physically aging workers. The program helps reduce the physical stressors created by some jobs and offers ergonomically correct ideas to improve work processes. A website has been created where employees can share ideas to help individuals work more productively and improve their work environments. Also available are suggestions on improving work equipment usage, methods to reduce the risk of injury in performing routine tasks, and alternative tool, equipment, and techniques that reduce physical exertion.

Numerous **wellness initiatives** are in place across the businesses to support employees in their mental and physical wellbeing. These include walking competitions, weight loss programs, exercise programs/facilities, wellness newsletters, and nutrition and fitness programs, to name a few. Employees are encouraged to participate in these programs. In 2013, we implemented a program focused on educating and supporting employees with hypertension through a third party vendor, Edumedics. In 2014, the program was extended to include disease management for hyperlipidemia and diabetes.

The company recently introduced the “Game Plan for Aging” by Occupational Athletics. This program covers how to make a plan for the “four quarters” of life, sharing how to increase body awareness, improve posture and more. Being physically ready for work reduces muscle tension, improves coordination and develops awareness, flexibility, balance and strength. Employees from various groups at Auburndale, Simpsonville, Green River, KU General Office and the LG&E Center participated.

Talent Management

To support the engagement and development of employees, LKE will continue to focus on talent development, mentoring and succession planning. By providing our employees with the proper tools for career development, we anticipate higher retention and engagement, and more a qualified workforce.

Succession Planning – Our annual integrated succession planning process has been in place since 1988. Replacement candidates are identified for all executive and senior manager positions. High potential pools are also created for executive, senior manager, manager, and female/minority candidates. Diverse employees at all levels are reviewed. The plan is discussed with the senior executives and CEO and implemented appropriately. We have also integrated our plan with PPL’s process.

Formal Mentoring – High potential employees are mentored by executives, senior managers and managers. Mentorees and Mentors receive training prior to the start of the mentoring year. Three month and six month follow up “check ins” are conducted and changes made when necessary. We continue to receive high evaluations on this development program. A total of 170 employees have been mentored since 2006.

Engineering Mentoring - A program was developed for more senior engineers to mentor newer engineers. In 2012, five engineers were mentored by senior level engineers and/or managers. In the 2013-2014 program, there are 10 relationships. Good feedback from the participants.

Engineer Professional Development – OD supported the Engineering Council and built a library of resources, along with creating a dedicated page on the OD website, to have available for engineers to attain professional development hours for license recertification.

New Hire Assessments – We have broadened the use of TriMetrics pre-hire assessments. Previously used in the Call Center, the use of assessments has been expanded to HR and Accounting. These assessments have been helpful in identifying successful candidates. By using this tool, we anticipate decreased turnover, supporting the retention of top talent.

The company uses pre-employment technical assessments for a large majority of its field and craft technician roles throughout the power generation, electric distribution and gas distribution businesses. These assessments were developed and validated by the Edison Electric Institute and are used by many investor owned utilities across the country. Currently, the company is participating in a validation study to expand the use of these assessments for additional job roles within the business (i.e., gas controller, energy dispatcher, transmission operator).

Urban Leadership Alliance Seminar (ULAS) – The Urban League of Louisville designed this program as a vehicle through which African American men exhibiting high potential as future leaders are coached, educated and prepared for higher levels of leadership and responsibility within their respective companies. We sponsored one participant from our high potential pool to participate in this program in 2013 and have two in 2014. The objectives of the program are to provide peer-to-peer and small group learning opportunities including gender and race-specific communication. Facilitators include experienced local leaders and participants have the opportunity to self-initiate mentor relationships with area African American leaders.

External Partnerships

Partnering with external organizations increases the company's exposure to potential workers by informing the marketplace of opportunities within the energy industry. Critical partnerships have been established or are under development.

- **Center for Energy Workforce Development (CEWD)** – Through PPL, we have membership status in the Center for Energy Workforce Development. CEWD has developed an energy industry competency model which is available to all member companies. We are also learning more about their Troops into Energy resources. All of our open positions are posted on the CEWD careers website.
- **Degrees at Work** - LKE was an original member that supported GLI in the development of materials for the Degrees at Work (DAW) program in support of Louisville's 55,000 Degrees initiative. We have committed to 150 new Bachelor's and Associate's degrees among our workforce by the year 2020. The Degrees at Work program supports this commitment by providing LKE employees with support as they seek their degree. We have a dedicated contact

at LKE that meets regularly with the DAW team. Two career fairs were conducted in 2013 with approximately 50 attendees.

- In 2008, we began offering **on-site college courses** through KCTCS at East Operations Center to support employees who are working on their college degrees. The program is also offered at the Lexington Operations Center. To date, fifteen (15) employees have completed the program and twelve (12) more are currently working on their associate degree. These programs are very convenient for Line Technicians and other employees working on their college degrees.
- **Gas operations employees can attain an associate degree** through a partnership with West Kentucky Community and Technical College (WKCTC) in Paducah, KY. Employees are granted credit hours for technical training they have accumulated in their jobs. Two employees have achieved their associate degree and two others have an additional module to complete for the degree.
- Our partnership with **Southern High School** was designed to develop a long-term relationship with school administrators, faculty and students to identify potential candidates for utility careers early. The program provides a first-hand look at job possibilities across the company by providing training opportunities to students through bi-weekly, 40-minute meetings in a dedicated classroom. We just completed our third year with Southern. We will stay in contact with eight graduating seniors; two of them are entering the military, one is entering UK in the fall. While the program has resulted in good public relations, the results don't warrant the use of resources to expand to other schools.
- **Line Technician - Schools/Development** - We continue to recruit from the Line Technician School in Trenton, Georgia. LG&E/KU is their number one employer of choice due in part to our exceptional safety record. We also recruit from the **Line Technician Center at Somerset Community and Technical College**; however the majority of these graduates are accepting positions with municipals and co-ops. Evaluation of this program and potential candidates will continue.
- **Project Lead the Way (PLTW)** partners schools and local industries across the United States to promote science, technology, engineering and math — STEM-based education — in local schools. KU committed to providing classroom computer equipment in Elizabethtown when their school board approved incorporating the program at T.K. Stone Middle School starting in the 2012-2013 school year. Twenty-five (25) desktop computers with upgraded memory and video cards were installed in a classroom, as well as desktop lab stations, a printer and a teacher's laptop. The computers support CAD design software, which is used as part of the program's curriculum. Supporting STEM-based education is a critical opportunity for our company, as well as for Kentucky, because today's students are our communities' future workforce and civic leaders. LG&E and KU have actively participated in Project Lead the Way in Kentucky as a founding partner and one of 12 major partners across the state. Our vice president of State Regulation and Rates is a current University of Kentucky College of Engineering Project Lead the Way council member, and our chief operating officer was a founding council member for the University of Kentucky College of Engineering Project Lead the Way.

- **National Energy Education Development (NEED) Project** – The NEED Project sets out to promote an energy conscious and educated society by creating effective networks of students, educators, business, government and community leaders to design and deliver objective, multi-sided energy education programs. LKE has a liaison to the Kentucky State chapter of NEED to work with local teachers on curriculum and educational experiences for students to learn more about energy efficiency.

Solving our workforce planning challenges over the next 10 years brings unique challenges which will require us to rethink how we do business — considering advances in technology, complying with environmental regulations, cyber security regulations, new federal regulations, properly identifying our talent needs and gaining a better understanding of generational differences.

PROPOSED HEADCOUNT

The goal of the WFP is to identify the needs of the business. Therefore, this is the initial stage in the development of the Business Plan with respect to needed headcount.

Proposed Incremental Headcount*	2014	2015	2016	2017	2018	2019	Total
Corporate							
Proposed Incremental Headcount		8					8
Chief Operating Officer							
Proposed Incremental Headcount	3	44	16	21	3	0	87
LKE Total							
Proposed Incremental Headcount	3	52	16	21	3	0	95

*Incremental means additional headcount requested relative to the approved 2014-2018 headcount in the Business Plan.

Corporate Workforce Planning 2015-2019

OVERVIEW

The purpose of this five year workforce plan (WFP) is to take a systematic approach to analyzing business strategies and resource needs to ensure continued success of the CFO and CAO organizations. The 2015 Corporate WFP is summarized by the CFO and functional areas reporting to the CAO.

Our corporate groups are similar to the rest of the organization in dealing with an aging workforce. Forty-one percent of the corporate workforce will reach age 62 by 2023. This will drive a significant amount of churn within the employee population requiring focused attention to staffing needs as well as knowledge transfer. Previous workforce planning cycles have begun to address the identified concerns such as: (1) establishment of action plans related to knowledge risk-loss, (2) utilization of technology to advance the business and (3) reorganization of various departments (i.e., Human Resources, Information Technology and Corporate Communications). Although the CFO organization did not have a formal restructuring, the organization did transfer headcount and work responsibilities in order to achieve a more positive work life balance. A continued review and alignment with the business strategies and cross-company prioritization will drive the need for flexible skill sets to assign to the highest priority initiatives.

During the WFP analysis, challenges were identified such as:

Chief Financial Officer

- The Controller group currently has one open intern position. In the recent past, open Accounting Analyst positions have been filled from outside the company due to the skill level needed and the lack of qualified or interested candidates within the company. In the past the departments have had difficulty attracting candidates from outside the company and positions typically take several weeks to fill. Recently the group has increased the hiring of high-performing interns to fill open Accounting Analyst positions.
- The manager level positions are the most critical positions within the Controller group. These positions require more highly skilled and experienced employees who may be more difficult to recruit. Management within the organization is continually working to coach and mentor accounting analysts to help develop them for management positions; however, currently there are very few senior level accounting analysts who are ready to make that transition. Other options for successors include other managers within the Controller's organization, or senior analysts or managers in other areas of the company.

Chief Administrative Officer

- Over the past six years, HR has had the opportunity (primarily through replacement hiring) to bring in more than 10 highly skilled employees into key positions. These hires have added bench strength and provided greater opportunity for knowledge transfer.
- Difficulty exists in both attracting and retaining core/key IT skill sets. This is true both in the local and national markets and for our contractor base and suppliers as well.
- 104 IT employees will reach age 62 by the year 2023 (representing 36% of the current IT population).

- Key attorney positions that focus on the FERC and construction are difficult to fill and will require a national search for candidates.
- Currently contract resources are utilized in both Material Logistics and Services and Sourcing Support. However, for the rural areas the strategy includes moving away from the contractor workforce. This will require the contractor at the London storeroom to be replaced with a company resource.
- Supply Chain has implemented a formal intern program with the University of Louisville and has worked with HR to strengthen the relationship with both the University of Kentucky School of Business and Kentucky State University. These programs will allow a college junior, senior or MBA student to work part-time in supply chain. This program is intended to introduce local college students to the supply chain discipline, enhance the quality of the company's college relations program, and identify potential future LKE regular employees.
- A formal internal development and succession plan has been developed for the sourcing leader group. This plan, which is reviewed quarterly by the SC management team has and will continue to ensure a smooth transition as this group incurs potential retirements and/or other turnover.
- A high level succession plan has been discussed for the balance of the key positions in the Supply Chain department. The challenge will be to draw interested internal candidates from other parts of the company, or recent college graduates, vetted through the intern initiative, into Supply Chain to ensure long-term success and sustainability in these key positions.

CONFIDENTIAL INFORMATION REDACTED**CURRENT WORKFORCE PROFILE****CHIEF FINANCIAL OFFICER ORGANIZATION****Key Assumptions**

- Financing assumptions are based on existing capital plan.
- Annual rate case filings, alternating each year between KY and VA.
- Continue to report on three SEC registrants with no significant changes to SEC filing requirements or schedules.
- No significant system implementations in next five years.
- Maintain hybrid service model across PPL (three shared service groups based on location – PA, UK, KY).

CFO Summary

No change to total headcount is contemplated. The CFO group expects to maintain current 144 FTE positions.

Action plans included in the 2013 Workforce Plan have been executed.

- The Financial Systems and Trading Controls departments were eliminated with resources redeployed to other areas of the CFO group where needed or to other groups in the company (Supply Chain). One manager position was eliminated in the process.

No near term organization changes are expected. Consideration will be given to realignment of the existing Financial Planning & Analysis and Operations Budgeting & Forecasting groups upon the expected retirement of the Director of the latter group within the next few years. Other potential realignments will be considered based on changes in workload, needs of the organization and changes in personnel.

All CFO employees completed a follow-up Employee Opinion Survey in the 4th quarter of 2013 to determine if action plans from the 2012 survey improved overall employee satisfaction. The results of the survey were reported for the entire CFO organization and showed positive improvement in the response rate and all five categories including: Roles & Responsibilities, Communication, Work Environment, Training & Development and Overall Satisfaction. The table below shows the average % of positive (Strongly Agree or Agree) to the 4-6 questions in each section of the survey:

Category	This Year	Last Year
Roles & Responsibilities	92.1%	87.9%
Communications	78.3%	70.2%
Work Environment	82.7%	65.1%
Training & Development	85.0%	79.0%
Overall Satisfaction	86.7%	72.6%

The results also indicated most employees feel morale is generally high in the CFO organization and that management has made an effort to improve work/life balance. A company-wide Employee Opinion Survey will be deployed in the 2nd quarter of 2014. Results will be reported to provide greater insight on employee engagement at the manager/department level.

The continued use of interns is being encouraged, where necessary, to lessen the entry-level workload on accounting analysts, enabling focus on more complex work assignments. Improving the workload of employees will allow more time for necessary cross-training, knowledge retention, professional development and better communication across departments. The CFO group currently employs 11 interns, representing approximately 7% of its workforce. The continued and potentially expanded use of interns also provides a pipeline for full-time employment either after the intern receives their college degree or completes any desired public accounting experience. Six of the most recent (past twelve months) eight new hires in the CFO group had previously worked as interns for the company. Efforts will continue to maintain relationships with successful interns.

Succession plans and individual development plans are robust in the CFO group and should be adequate to address the ongoing needs of the organization, expected turnover and development opportunities for high potential employees. During the next 5 years, approximately 15% of employees in the CFO group will reach age 62 (3 of whom are currently there) and 37.5% of employees will reach the retirement eligible age of 55.

CHIEF ADMINISTRATIVE OFFICER ORGANIZATION

HUMAN RESOURCES

HR's goals are to deliver strategic value and operational excellence. The primary objectives are to attract the right talent, develop the workforce in alignment with our key values, and retain high performers. The strategic areas of focus include:

- Health and wellness
- Competitive benefits programs
- Competitive compensation strategy
- A culture of inclusion
- Formalized workforce and succession planning
- Professional development programs
- Performance management
- Effective recruiting programs
- Cooperative relations with unions
- Positive public image as employer of choice

HR has the talent in place to lead and execute these initiatives. Employees are experienced in their functional disciplines, understand the business and are able to respond to company and employee needs. Over the last several years, transactional work has been outsourced to leverage the available headcount for strategic organizational development work. Coordination with PPL will continue to impact the HR workload as we align processes such as succession planning and identify and evaluate potential cost savings (e.g., actuarial services, savings plan options, systems integration such as CAAMS, BrassRing and administration of the savings and pension plans).

During ongoing workforce planning discussions, we look at factors such as external and internal forces which would impact how we do business; whether any work could be eliminated or streamlined; whether we've hired the right skill sets for the future; whether we've sufficiently focused on knowledge transfer; and organizational design.

Organizational Structure

One of the major challenges we continue to face is the amount of current and projected staffing required to meet business needs along with all that is associated with an influx of new hires (e.g., onboarding, training). With the increase in hiring, we restructured to centralize hiring of co-ops and interns in 2011. The hiring of engineers was also centralized. To more effectively and efficiently address the hiring challenges, a fully centralized staffing function was established last year. This structure supports a strategic focus on superior hiring practices, ensuring consistency of processes and standardized data input. The requisitions, postings, screening of candidates, interview scheduling and the onboarding process now reside in this centralized area. HR managers continue to retain responsibility for final interviewing and candidate selection to support the hiring managers. These changes align with the company's broader restructuring.

To support the new staffing organization a headcount was transferred from HRIS to Staffing. This was the only potential area where we could redeploy to avoid an incremental headcount. We tested this by having a new manager identify what we could stop doing, how we could improve processes and efficiencies, etc. Ultimately the conclusion was that this arrangement would not meet the company's

needs. It was determined that the headcount which was redeployed from HRIS during the HR reorganization was necessary; therefore, an HR Business Analyst was hired in 2014. As a result, HRIS has streamlined several processes and implemented a number of system enhancements which has added value not only to HR but the business as well.

With the centralization of HR, it is now possible to achieve greater consistency in process and measurement. This allows us to improve our analytics. Additionally, for the first time we have access to real-time data through the BI tool.

With increased hiring, it will be critical to ensure that new hires are receiving the necessary training at the right time. With the Learning Management System we expect to eliminate all of the manual processes associated with scheduling, enrolling and tracking of participants.

Previously, the management of the company's competitive benefits associated with short-term and long-term disability, as well as FMLA, was decentralized. As part of the 2013 restructuring, we created a centralized absence management function within Benefits to deliver a consistent application of processes, policies and enhanced data integrity related to all "absence" issues, including STD, LTD, FMLA and Limited Service Administration. The goal was to take a function that is both very complex (in terms of compliance with a host of laws) and heavily transactional and centralize it so dedicated specialists could manage it. This, in turn, streamlined the work of the other HR Associates.

Similarly, to ensure greater data integrity and consistency and to more fully utilize metrics analysis across HR, the HRIS function was consolidated to include metrics and workforce planning analysis.

Finally HR policies, such as, drug and alcohol testing, Sarbanes-Oxley, etc., (those that involve compliance matters) were centralized this year.

In addition to streamlining processes and ensuring greater consistency, this overall centralization of responsibilities should ultimately allow the HR field managers to serve additional organizational development functions with their client groups.

Knowledge Transfer

The senior HR leadership team is approximately of the same age, so knowledge transfer has been a major area of internal focus for several years. Approximately 50% of the group is age 55 and older. To facilitate both knowledge transfer and planning for the future, a strategic description of key events and turning points detailing the paths that led us to where we are, along with strategic challenges and plans for the future is available on SharePoint. Extensive employee participation in the process in and of itself has provided a meaningful way to facilitate knowledge transfer. Within the document the key events and turning points have links related to analyses, programs and other relevant information. This serves as a roadmap where senior employees share key history with junior employees, involve them in planning and thereby provide a pathway to the future. It also allows officers and other key people outside the department (e.g., external hire) to quickly assess each area's history and status of key issues and strategies.

We continue to use HR Forums to support knowledge transfer. Teams are established around functional issues (e.g., benefits, workforce planning, etc.) as a way to stretch and build resource capacity and to transfer knowledge from senior to more junior employees. This broadens the exposure of virtually every

employee in the department and maximizes the team's depth and overall strategic contribution. Also, we will use major projects such as the savings and pension plans vendor conversions as opportunities to transfer knowledge to newer employees.

We have focused on building bench strength and ensured that knowledge transfer processes are in place to allow for seamless transfer of responsibilities as workers retire. In the last five years, HR has hired, mostly due to replacements, more than 10 employees in key positions such as HR Manager, Workforce Analytics Specialist and Staffing Specialist. These hires have significantly enhanced the strength of the organization. We have also rotated HR Managers on a very regular basis to learn different areas of the business and to allow for more options as we plan for succession.

Specific Workforce Issues

Benefits – The incumbents in the two senior exempt positions are ages 58 and 56. Over the past several years, we hired two new Benefits Analysts to support current needs and to prepare them for senior roles in the future. We are expecting another retirement at the end of this year and will be using an MBA intern to understudy the incumbent, pending a broader evaluation of whether and how to backfill the role.

Absence Management – The exempt-level person over this function is retiring later this year. We will fill that role through an internal promotion and hire a new HR Associate.

Compensation – There is no identified risk of losing any of these incumbents. However, they have been specializing in their areas of focus; therefore, intensive cross-training has been taking place to ensure that critical knowledge and responsibilities are shared among employees. This cross-training includes routinely exposing these employees to Benefits work. We have internal talent who could assume the manager role.

Diversity – This manager role was filled in 2011. The affirmative action and EEOC work previously done by a Policy and Compliance Coordinator was transferred to this role to ensure we have several individuals trained in this work.

Health and Safety – Safety, for strategic reasons, was transferred to operations and a manager was hired for Wellness, who retains Safety responsibility for the corporate group. The new Wellness manager is qualified and equipped to develop the long-term strategies necessary to develop a culture of health and wellness that aligns with and supports related objectives for our medical plan while staying connected to Safety.

HR Managers – We currently have one HR Manager who retired this year and another who is age 62. We have used this and related openings to promote or develop other HR employees while hiring more junior employees externally. This strategy has proven very effective in positioning HR to service clients in the future.

Labor Relations/HRIS – The current manager assumed this role in May 2010. Knowledge transfer and development of this incumbent have been taking place over the past several years. This area is solid with no identified risks. Successors are in place.

Organization Development – We currently have a successor in place for the manager role.

Staffing – The staffing organization has a new manager and there is no identified risk of losing this manager; nonetheless, there is bench strength. This organization is developing as new processes and procedures are being evaluated and implemented.

INFORMATION TECHNOLOGY

In 2013, the IT organization went through a restructuring to address the current and future needs of the business. The assumptions for IT remain:

- Expanded use of co-sourcing will be embraced.
- No incremental headcount is included for Smart Grid, Smart Meter (AMI) or joint overall corporate initiatives. It is expected that business cases would identify those needs and be included in subsequent WFPs when identified.
- IT will continue to see growth in the demand for IT Services. These demands include business process improvements, emerging technologies, NERC/CIP and other regulations (although the impact is not known or included at this time).
- Few, if any, applications, infrastructure or services will be removed from the current IT Portfolio.
- Project Investment Proposals need to include funding for incremental support. The approval of the IP needs to be the understood mechanism for the funding.

IT continues to see four key issues for the 2014-2019 WFP. The four areas include emerging technologies, security and compliance, changing needs for the business and smart meter/smart grid. A full analysis of each of the four key issues is explained below.

Emerging Technologies

All areas of IT partner with business areas to develop roadmaps where existing solutions are analyzed and new technologies are evaluated. Over the next several years, the roadmaps continue to show significant system upgrade cycles: expansion of web services and business analytics, increased mobile build-out, implementation of solutions such as Unified Communications and Collaboration, Smart Grid/Smart Meter, Transmission Applications, Records Management and Call Center technologies. These new technologies will continue to bring the need to expand the technical skill sets of our staff and expand the resources required to implement and support these technologies. In some areas, like mobile, we have found that dedicated support resources have enabled us to provide the level of service expected by the business.

Security and Compliance

Increasing numbers of information security threats are documented almost daily. Additionally, actual breaches of large corporations' networks (e.g., Target, Skype, Neiman Marcus) wherein millions of leaked financial and customer records and/or instances of malicious code bringing down entire corporate networks, are more and more frequently reported. The results include work stoppages and recovery efforts costing millions of dollars; reputational degradation, and increased regulatory (and expected legislative) oversight and requirements. At the same time, attackers are focusing increasing attention on industrial control systems. A report published in the fourth quarter, 2012, by the Department of Homeland Security's Industrial Control Systems Cyber Emergency Response Team (ICS-CERT), reported 198 cyber incidents in the fiscal year that ended September 30, 2012. Of these attacks, approximately 40 percent were directed against companies operating in the energy sector. The potential consequences of a significant cyber security breach of a public utility could be catastrophic, conceivably resulting in exposed confidential customer information, blackouts of entire sections of the grid, and

even loss of life. As the number of Web-based and Internet-facing applications continues to grow, vectors for attacking IT systems and data grow exponentially, as well, as do actual attacks on systems and networks.

In response to increasing threats, expanding regulatory requirements and recommendations from the 2013 maturity assessment conducted by Accenture against the SANS Top 20 Critical Security Controls, IT Security continues to mature its log monitoring function. Logs from corporate, as well as CIP assets are being integrated into LogRhythm which is being developed over time into a Security Information and Event Management (SIEM) system. Such a system allows for log monitoring, alerting, aggregation, correlation, and reporting.

On November 22, 2013 FERC approved Version 5 of the cyber security standards for Critical Infrastructure Protection (CIP), designed to protect the integrity and reliability of the nation's bulk electric system. As Version 5 includes changes to the requirements within the framework itself, effort for LKE compliance is expected to be significant. IT continues to work with the Compliance, Transmission Operations, Generation Services, and Corporate Security areas to understand the changes required by version 5 and the resources necessary for implementation and ongoing sustainability while ensuring the company's compliance with the current version of the standards. Standardized and unified processes are in place across the company for most requirements providing consistency in interpretation and compliance. It is anticipated that the company will take this opportunity to participate in the voluntary Reliability Assurance Initiative (RAI) which takes more of a risk assessment, control-based focus. Version 5 implementation is required by April 1, 2016.

In addition to the modified CIP standards, additional regulatory and legislative cyber and physical security requirements and expectations have been issued and/or are anticipated. On February 12, 2014, the National Institute of Standards and Technology's (NIST) "Framework for Improving Critical Infrastructure Cybersecurity" (the Framework), developed in response to the 2013 Executive Order -- Improving Critical Infrastructure Cyber security (EO) and the Presidential Policy Directive #21 on Critical Infrastructure Security and Resilience (PPD-21) were issued. While individual companies' adoption of the Framework is voluntary, various Federal agencies (Department of Energy (electric) and the Transportation Security Administration now under the Department of Homeland Security (oil and natural gas)) were directed to clarify the Federal government role in critical infrastructure security. Issued on that same day were the new versions of the Electricity Sector – and Oil and Natural Gas-Cybersecurity Capability Maturity Model (ES-C2M2 and ONG-C2M2, respectively) as the respective agencies' selected tools for meeting the Framework. Use of consistent tools across the industry allows for joint understanding, collaboration, and benchmarking. Cyber and physical security have become topics of interest at the state level, as well. As a result, IT Security is taking a much more active role in external cyber security industry and governmental groups, responding to inquiries, providing input into policy, and knowledge sharing with industry peers.

Support changing needs of the business

As noted in the overview, IT reorganized to better address current and future technology needs of the company. Two key features of the revised organization are the forming of Centers of Excellence and Communities of Practice.

A Center of Excellence (CoE) is a centralized, shared team of resources to provide leadership, best practice, research, standardization, support and training for a focused area. Employees and a manager will be formally assigned to a CoE. These are being established for Business Analysis, Program

Management and Quality/Testing. This will include an additional resource to mature the project management practices within IT.

A Community of Practice (CoP) refers to a loose affiliation of a distributed set of resources that formally report into different groups that collaborate on research, standardization and best practices for a domain. In the ITI&O several are being established.

To enable us to fully realize the benefits of the collaboration and productivity tools, additional resources will be needed in training/personal productivity.

Reliance on Technology

All areas of the business increasingly rely on the use of technology to perform their jobs. The ability to revert to manual business processes in the event of disasters or system outages is diminishing. This is due to the increasingly complex technological footprint and processes which cross multiple applications, devices and infrastructures from start to finish. As long-term employees retire across the company, those who knew how to perform manual processes will be replaced by workers who've never encountered the need for those processes. These factors combine to make reliability of the technology infrastructure and applications of paramount importance. Both planned and unplanned outages must be minimized and higher-availability designs must be contemplated to address these needs. Additional focus on proactive monitoring and management of the infrastructure is also required.

Supporting Growth

The company's technology landscape has become increasingly complex. Drivers include industry regulations including the SEC, FERC and NERC and increased reliance on the computing infrastructure to provide business reliability. We currently have 453 physical servers, 1035 virtual servers, 853 TB of used storage, hundreds of miles of fiber-optic cable, thousands of networking and security devices, 1300+ databases, and two data centers. These technologies have grown at more than 30% CAGR over the past three years and are expected to continue at this rate for the foreseeable future. Growth is expected to continue in areas such as SharePoint, Business Intelligence, Unified Communications and Enterprise Content Management. In addition, several areas which have historically been light consumers of corporate IT services are continuing to bring new requirements and support needs to IT. While these may not require introduction of new technology, they add to the overall volume.

Smart Meter/Smart Grid

The company is in the process of developing a strategy to implement Smart Grid technology. When this strategy is fully deployed across our service territory, it is expected to require a significant number of IT resources specifically in IT Security, Applications and Network Infrastructure – both for implementation and ongoing support. At the present time, we are not able to determine the quantity and the specific skill sets required for this initiative. The business case for these initiatives must include the needed headcount and any backfill strategies. The Downtown Network AMI project will help define the resource needs for a full deployment.

The operating model framework for IT segments the "Change" and "Run" functions to help meet future needs of the business – addressing the pace of changing technology, responding to the company's overall structure and further recognizing demographics issues of the IT workforce.

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Primary objectives for IT continue to be effective business alignment to increase levels of partnership and trust, enhanced productivity of IT resources to maximize value delivery, and optimized sourcing model to maximize IT spend.

Training, re-tooling, and recruiting for key skills, as well as looking at optional sourcing models to optimize flexibility will need to be considered and pursued by IT management in these plan years as we continue to transition the organization to this new model.

The external and internal influence of cyber security will also continue to be a key driver in both the staffing levels and skillsets to complete the work.

To stay abreast of the constant changing technologies, the IT organization finds it is necessary to train the staff on a regular basis through conferences, classes, webinars, and other learning opportunities. Without this constant upgrading of skills, it would be impossible to meet the needs of the business. Where possible, we are grouping employees across the organization to offer technical courses on-site. This can provide an overall reduced cost as well as allowing the training to be tailored to our examples. Speaking opportunities for our employees at conferences provide a way to stretch the training budget and develop presentation skills. Retooling and/or expansion of skill sets to additional IT employees have been and will continue to be necessary. Specialization through staffing of Centers of Excellence requires training in those specific areas to provide support across multiple areas of the company. Additional technical training has started in 2014 due to the combination of development and support skills into similar areas based on core applications, and may continue for multiple years. These may involve several proprietary languages; depth of skill in internal platform, currently .Net web; and new infrastructure and security technology solutions.

SUPPLY CHAIN

Supply Chain currently has an approved budgeted headcount of 53 personnel. This total includes interns, the 2 headcount added to the department as a result of the Oracle Business group decentralization in late 2013 and the 2 incremental positions (System Analyst, Storeroom Specialist) approved as part of the 2013 Workforce Plan. No additional incremental headcount is requested during the plan period.

From a demographic perspective, 17 are greater than 57 years of age and 10 of those 17 are 60 years of age or older.

This demographic will present an ongoing challenge to the stability of the overall department as most long-serving incumbents are in critical knowledge positions and have accumulated significant experience. The backfill process of these positions, as they occur, will have to be thoughtful and conducted well in advance of actual retirement dates to allow ample time for transfer of knowledge and transition. While no formal retirement announcements have been made (outside of what is stated above) the recommendations in this plan continue to address the critical positions with both internal moves and external hires within the approved headcount.

A formal internal development and succession plan has been developed for our Sourcing Leader group. This plan, which is reviewed quarterly by the SC management team, has, and will continue to ensure that all internal stakeholder work is covered and a smooth transition can be planned in the event of potential retirements and/or other potential turnover.

In 2014, focused effort will be placed on a detailed succession and development plan for the Support Analyst group. The initial step in this process will be to use an external third party, TriMetrix, to conduct a detailed skill assessment of the applicable positions, determine the key characteristics needed to be successful in the position, fill the two open positions and develop detailed development plans for each member of the group. The challenge will be to draw interested internal candidates from other parts of the Company, or recent college graduates, vetted through our intern initiative, into Supply Chain to ensure long term success and sustainability in these key positions.

College Relations

Supply Chain has implemented a formal relationship with both the University of Louisville MBA program and the University of Kentucky, School of Business through *Project Connect*. These programs will allow a college junior, senior or MBA student to work part-time in the supply chain department. This program is intended to introduce local college students to the supply chain discipline, enhance the quality of the Company's college relations program, and identify potential future LKE permanent employees.

PPL

The ongoing interaction and formal collaboration effort with PPL Supply Chain will continue to challenge all areas of the supply chain group. The current disparate "views of the future" will mean that workload and effort will have to be continually assessed and adjusted/balanced to generally support overall PPL Supply Chain initiatives without compromising the expected high level of quality and service currently being provided to internal LKE stakeholders.

In addition, PPL has recently purchased the Ariba Procure-to-Pay software. While LKE has been exposed to this software and sees benefits in adopting specific pieces of it, particularly as related to the ability to better manage Supplier documents and Sourcing and Payables automation, there has been no formal assessment as to the effort, costs or ability of this system to meet and/or improve our current processes.

Outsourcing

Currently contract resources are utilized in both Material Logistics and Services and Sourcing Support. (Brownstown Electric) Contract storeroom personnel are located primarily in the Lexington and Louisville metropolitan areas. An incremental company headcount was approved in the 2013 plan and will be filled in the 2nd Quarter 2014 to offset one of the Brownstown contract resources.

The (Xerox) contract resource in the Sourcing Support group will continue to be utilized until the new IPM/Open Test solution is implemented in mid-2014.

An assessment is currently underway across the Supply Chain area to determine if additional non-core tasks are candidates for outsourcing or technology improvement. One such specific effort is the Supplier Certification and Insurance update process.

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Sourcing Support

As a result of the latest Oracle ERP upgrade, Supply Chain assumed direct responsibility for all system administration and maintenance of the Oracle material modules.

The two open System Analyst positions in this area will be used to begin building bench strength in our Analyst functions, an area where we are demographically challenged. TriMetrix will be utilized to perform a comprehensive skills assessment of these functions and positions as well as an interview assessment to ensure that the right position fit is achieved. Comprehensive development plans will then be established for all of the personnel in this group. This will be done by mid-year.

Supplier Diversity

The incumbent Supplier Diversity Manager has been in this position for 6 years. The typical length of this assignment, up to now, has been approximately 4 years. While the incumbent has significantly enhanced the SD initiative, the initiative is at a point where “step” improvements will require incremental resources and increased funding. It is reasonable to assume that Stephanie Pryor will take another position in the Company and a new incumbent will be in this position in the planning period.

To adequately support the Supplier Diversity function, we created a Supplier Diversity Assistant position and filled that position from within the SC group in 2013.

GENERAL COUNSEL GROUP

LEGAL

Greg Cornett transitioned to the role of Associate General Counsel in 4th quarter 2012 to oversee natural gas regulatory matters, litigation and provide leadership for all paralegals in the department. Travis Crump, Corporate Attorney, was hired in 2013 to assist Cornett with litigation and also to provide back up support for other attorneys on the legal team.

STATE REGULATIONS & RATES

A more solid contingency plan is needed for unplanned, lengthy absences and terminations for key employees, particularly those who have been identified for management positions in succession planning. Establishing the department as a necessary rotational stop along the career path to executive leadership, while retaining key employees with historical knowledge, would promote a better understanding of the rate design process across the company.

CONFIDENTIAL INFORMATION REDACTEDCOMPLIANCE

The LKE Compliance Department is currently properly staffed to manage its existing roles. However, those roles could change in light of a recent NERC initiative (RAI) to change its enforcement and audit approach. The RAI is likely to drive a need for 2 new FTEs in 2015 to complete specific duties in a new SOX-like internal controls program. However, it is not clear that the headcount would be added in the Compliance Department; it is equally possible that this staffing would occur within the line of business teams. Further guidance from NERC and discussion internally is required to finalize our approach to the NERC RAI.

CORPORATE COMMUNICATIONS

The key assumption for the Corporate Communications department is an increased focus on customer satisfaction will drive LKE Brand & Advertising, Customer and Digital Communication Strategy and statewide Community Relations strategy. The Corporate Communications department restructured to focus on aligning advertising, digital and customer communications and strengthening the LKE brand. Cindy Stairs will continue to manage Internal Communications. Brian Phillips was promoted to Director, Brand, Advertising, Customer and Digital Communications. His focus will be on advertising and external communications. Natasha Collins was hired in 2013 and has been successful in leading Media Relations for the state. Since the department restructuring all data points (website, customer commitment, social media and media relations) have improved.

CORPORATE RESPONSIBILITY & COMMUNITY AFFAIRS

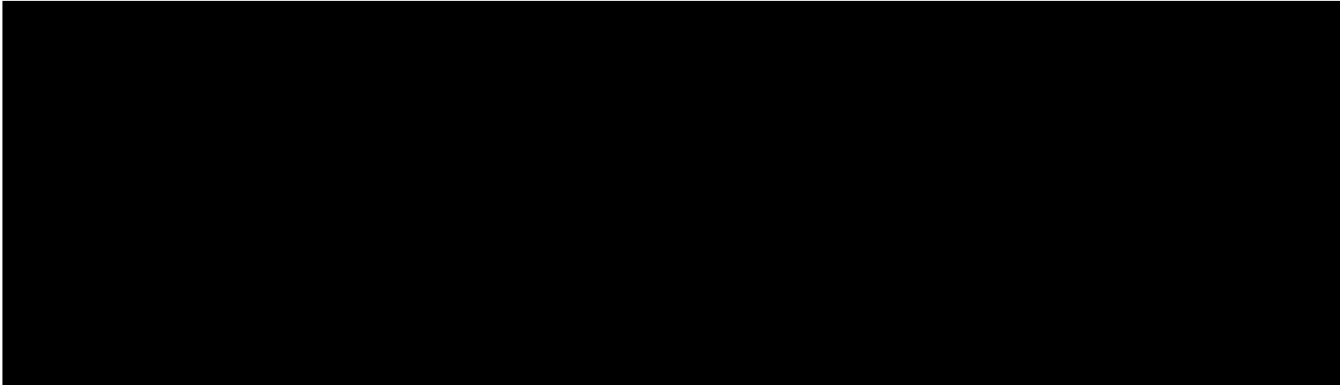
As expectations for corporate environmental stewardship and corporate responsibility increase, the Corporate Responsibility group will be required to develop and manage an effective new strategy to illustrate our stewardship to the public. The open Community Relations Specialist position was filled in March 2014 by Maryanne Butler to execute a strategy to further extend LKE reach in unchartered territories of the state, placing more emphasis on the Latino community. A Corporate Responsibility Manager position is budgeted to be filled in 2014.

ENVIRONMENTAL AFFAIRS

A key assumption for Environmental Affairs is new Federal EPA regulations and permitting requirements will drive an increase in the number of Environmental Scientist/Engineer positions. This is based on seeing a continuation of new Federal EPA environmental requirements for electric generation facilities. Environmental permitting and compliance activities continue to increase. Because of significant increases in contractor testing cost and the increase risk of non-compliance due to contractor unavailability, the Environmental Affairs Department has begun developing an in-house emission testing team. An Environmental Scientist position has been filled in 2014 to assist with the growth in demand for the program. Increased demand and work from the operations group and Legal team further justifies the previously approved Environmental Scientist/Engineer II position which is budgeted for 2014 and a

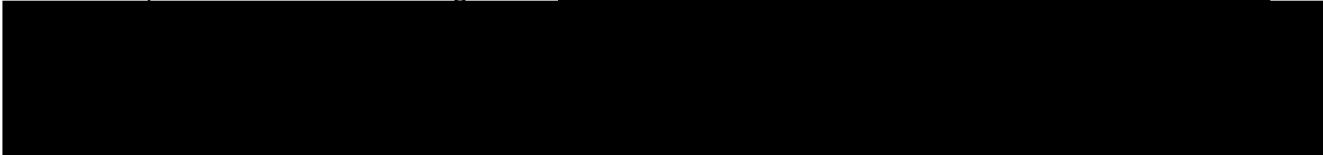
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second additional Environmental Scientist/Engineer II position budgeted for 2015. No additional incremental headcount is expected through 2019.



EXTERNAL AFFAIRS

External Affairs is responsible for the development, implementation and communication of the Company's public policy strategy on the local, state and federal levels. The External Affairs department has no planned incremental hiring needs.



FEDERAL REGULATION & POLICY

Federal Regulation & Policy develops and implements the Company's federal regulatory strategy and energy policy. It is also responsible for the management of the federal regulatory process before the Federal Energy Regulatory Commission and other related federal agencies and coordinates the company's internal processes relating to the North American Electric Reliability Corporation's mandatory transmission standards development process. There are no plans to add incremental headcount in this department. Neither the manager nor the senior analyst is within the age where retirement is being considered. Neither position would be critical given the requisite degree of transition or training. Expertise lies elsewhere within the organization to assume all or a portion of their respective duties and obligations.



Diversity

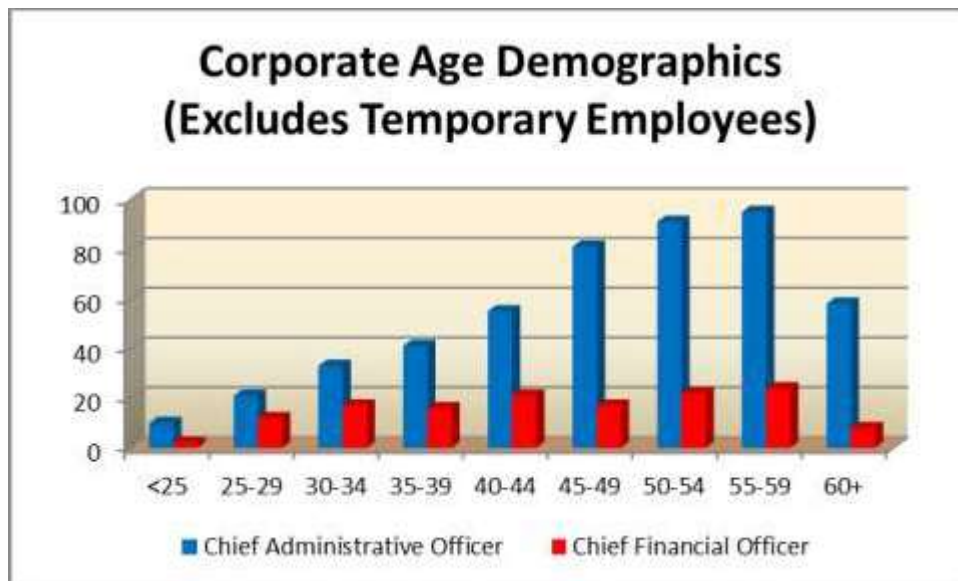
As of 12-31-07, 49.7% of the Corporate workforce was female and 11.8% of the workforce was minority.

As of 01-01-14, 50.6% of the Corporate workforce is female and 13.0% of the workforce is minority.

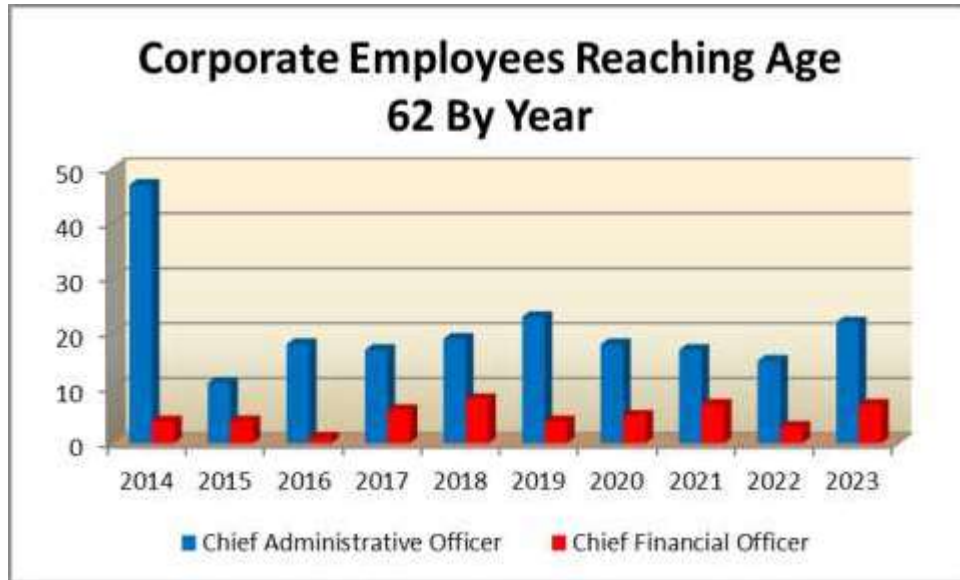
To continue to drive improved diversity within the workforce, managers are required to consider a diverse slate of candidates when hiring new or replacement staff. While the CAO organization remained relatively flat over this period, the CFO organization saw an increase in their minority workforce from 6.6% in 2007 to 12.2% in 2013.

Aging Workforce

Consistent with many industries across the county, the utility business is facing challenges associated with an aging workforce. The chart below shows the CAO organization has a large volume of employees over the age of 45. Most of these employees work in an office environment. Much has been published about the challenges of aging personnel in labor intensive positions, but the office environment also poses challenges such as repetitive motion injuries etc. LKE has been proactive by incorporating Wellness Programs, ergonomic assessments, workout facilities, and Health Fairs.



As shown below, from 2014 through the end of 2023, 256 employees will reach age 62. This represents 41% of the current Corporate population. In IT, 104 employees will reach age 62 by the end of 2023. This represents 36% of the current IT population. (These numbers exclude temporary employees.)



Retention Strategies

As noted below, overall turnover is relatively low. With the expectation of increased retirements, turnover in both the CAO and CFO organizations will increase over the next ten years. As additional senior employees leave the company, it will offer additional leadership opportunities for high performing employees. In preparation of the forecasted turnover, it is important for each organization to be proactive in knowledge transfer and employee development.

A further analysis does not indicate any particular area experiencing a higher turnover rate than others. The CFO organization lost 39 employees and the CAO organization lost 66 employees.

	2009	2010	2011	2012	2013
Total Terms	12	25	17	21	30
Actual Headcount	568	571	584	604	624
Turnover Rate	2.11%	4.38%	2.91%	3.48%	4.8%

Turnover was determined by using yearend headcount and departures excluding temporary employees.

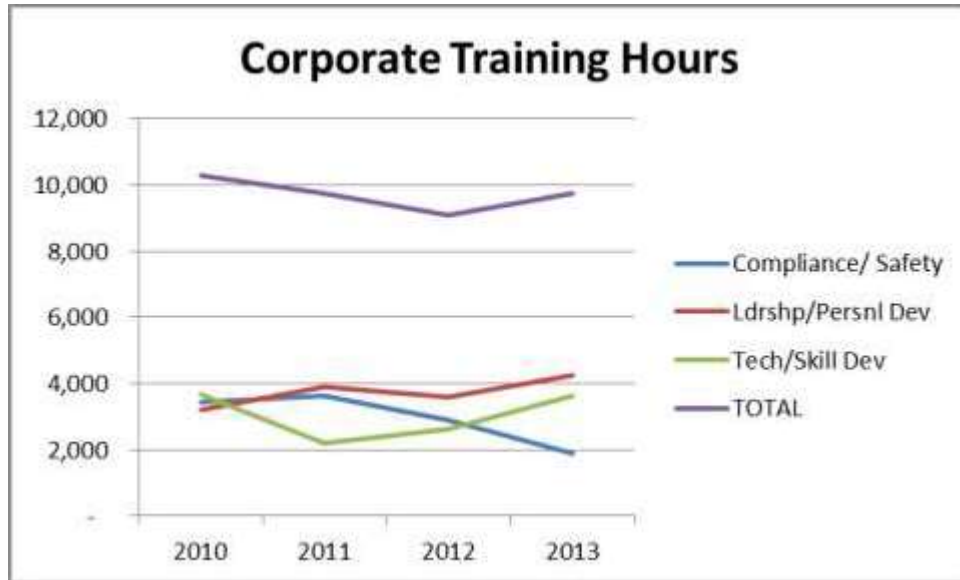
LOB Overtime Analysis

It is not uncommon for corporate exempt employees to be required to work overtime hours during major projects, such as monthly and year-end closings and rate cases. No concerns were found for excessive overtime in any of the corporate departments in 2013. However, the CFO organization did transfer headcount and work responsibilities from one department to another to better allow for cross-training and to achieve a more positive work/life balance. Excessive overtime hasn't been an issue in IT but as workload increases the overtime has increased as well. Exempt IT employees are expected to work weekends and provide after hour support. Major project implementations can drive peaks of overtime, but that typically diminishes once the project has been implemented.

Training

All Corporate employees are asked to complete Individual Development Plans to identify action plans necessary to sharpen job-specific, technical, leadership, administrative, and interpersonal skills with input from their manager. The plan addresses both technical and soft skills needed to improve the employees' overall effectiveness. Organization Development partners to develop strong leaders through the various in-house course offerings. Participation in the company's SBI and PAEL programs provide important opportunities for leadership and personal development of the staff. Ongoing development opportunities are possible through off-site seminars/conferences, a contract consulting firm that provides in-house training, lunch and learns, online training programs and individual coaching as necessary. All groups need increased exposure to compliance topics and understanding of its importance.

To stay abreast of the constant changing technologies, the IT organization finds it is necessary to train the staff on a regular basis through conferences, classes, webinars, and other learning opportunities. Without this constant upgrading of skills, it would be impossible to meet the needs of the business. Where possible, we are grouping employees across the organization to offer technical courses on-site. This can provide an overall reduced cost and allows the training to be tailored to LKE examples. Speaking opportunities for our employees at conferences provide a way to stretch the training budget and develop presentation skills. Retooling and/or expansion of skill sets to additional IT employees is likely necessary. Specialization through staffing of Centers of Excellence will require training in those specific areas to provide support across multiple areas of the company. Additional technical training is anticipated due to the combination of development and support skills into similar areas based on core applications. These may involve several proprietary languages; depth of skill in internal platform, currently .Net web; and new infrastructure and security technology solutions.

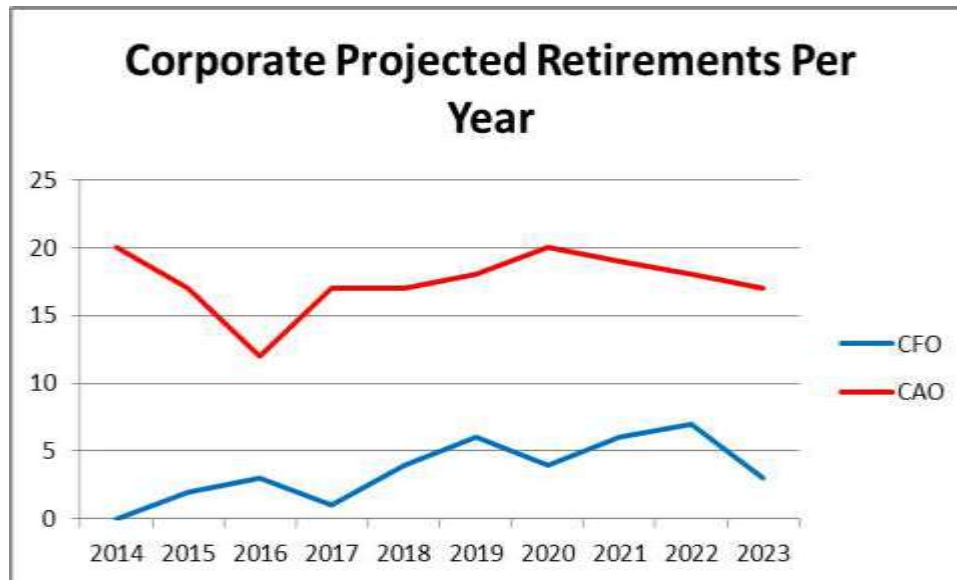


	2010	2011	2012	2013
Compliance/ Safety	3,430	3,628	2,908	1875
Ldrshp/Persnl Dev	3,189	3,906	3,574	4247
Tech/Skill Dev	3,655	2,209	2,607	3613
TOTAL	10,274	9,743	9,089	9,735
Employee Headcount	571	584	604	624
Trng Hrs per Employee	18	17	15	16

FUTURE WORKFORCE PROFILE

Retirement Outlook

The following chart outlines the forecasted retirements to occur through 2023 utilizing actuarial assumptions from Mercer. The increasing projected number of retirements will require strong efforts to ensure knowledge transfer, staffing of new employees, and training.



Knowledge Loss Risk Analysis / Knowledge Retention

With concerns of the large number of retirements facing the utility industry, Corporate HR has engaged management in the quantification of potential knowledge loss risk (KLR). This process is intended to identify where KLR exists within the business as a result of aging workforce issues, and where work may have become centralized over the years. This best practice was adapted and refined from the experiences of EPRI utilizing a scoring matrix to assess Retirement Risk and Position Criticality factors. HR and LOB management quantified the potential for KLR by focusing on the following two areas:

- Retirement Risk Factor: A 1-5 Likert scale was used to quantify the anticipated retirement of an employee; and
- Position Criticality Factor: A 1-5 Likert scale was used to quantify the criticality and uniqueness of a position for an employee based upon that employee's impact on reliability, customer service, operations, potential successors to that employee and the recruitment challenges that exist to backfilling the position.

The following definitions were used to categorize each employee below manager level.

Criticality Factor – Definition

Score	Description:
5	<u>Critical and unique knowledge or skills</u> Individual possesses critical knowledge or skills with the potential impact on reliability, regulatory, safety, and/or customer service operations. Company or site-specific knowledge. Knowledge/information is undocumented. Requires 5+ years of relevant industry training and experience to possess the critical knowledge. No ready replacements have been identified and/or available. Substantial challenge exists within the market to source talent
4	<u>Critical knowledge and skills</u> Individual possess critical knowledge/skills. Some limited duplication exists at other plants/geographic locations. Limited documentation exists regarding the critical knowledge. Requires 2-4 years of focused training and experience. Limited external training opportunities exist to obtain knowledge/information.
3	<u>Important, systematized knowledge and skills</u> Documentation exists and/or other personnel onsite possess the knowledge/skills. Recruits generally available and can be trained in 1 to 2 years. Formal external training opportunities exist and are regularly available.
2	<u>Proceduralized or non-mission-critical knowledge and skills</u> Clear, up-to-date procedures exist. Training programs are current and effective and can be completed in ≤ 1 year. Formal internal training programs are regularly available.
1	<u>Common knowledge and skills</u> External hires possessing the knowledge/skills are readily available and require little additional training (≤ 6 months).

Retirement Risk Factor - Definition

This assessment identifies an individual’s projected retirement date using the default age of 62. Managers and supervisors should modify the default risk factor based on age should additional information be known regarding the individual's retirement intentions.

Score	Description:
5	Default retirement age is currently met or will be met in the 1-2 fiscal years.
4	Default retirement age will be met in the upcoming 3rd fiscal year.
3	Default retirement age will be met in the upcoming 4th fiscal year.
2	Default retirement age will be met in the upcoming 5th fiscal year.
1	Default retirement age will be met in the upcoming 6th or greater fiscal year.

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Knowledge Critical – individual possesses undocumented knowledge, possesses unique capabilities or skills, knowledge based on rare/infrequent events, knowledge/processes not documented in procedures or work practices, able to interpret vague or hidden clues/data.

Position Critical – individual serves in a role that may be geographically isolated, no formal successors identified or “ready”, no one within the area knows how to “do what they do.”

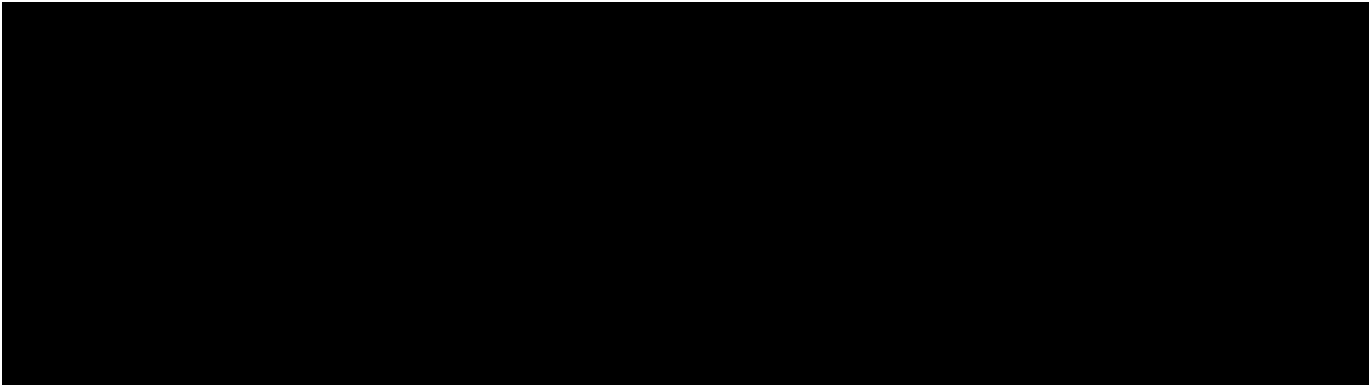
The chart below represents the number of employees in each area who have been designated as possessing either unique knowledge or position critical. A total of 5 Corporate employees fall into these categories.



For purposes of action plans, employees who were ranked a 4 or 5 will be evaluated further to determine if they are “knowledge critical” or “position critical” as defined above. Those possessing critical knowledge will have action plans created and documented by the end of 2014. Some action plans are already in place and will be formally documented via a database created by IT and HR.

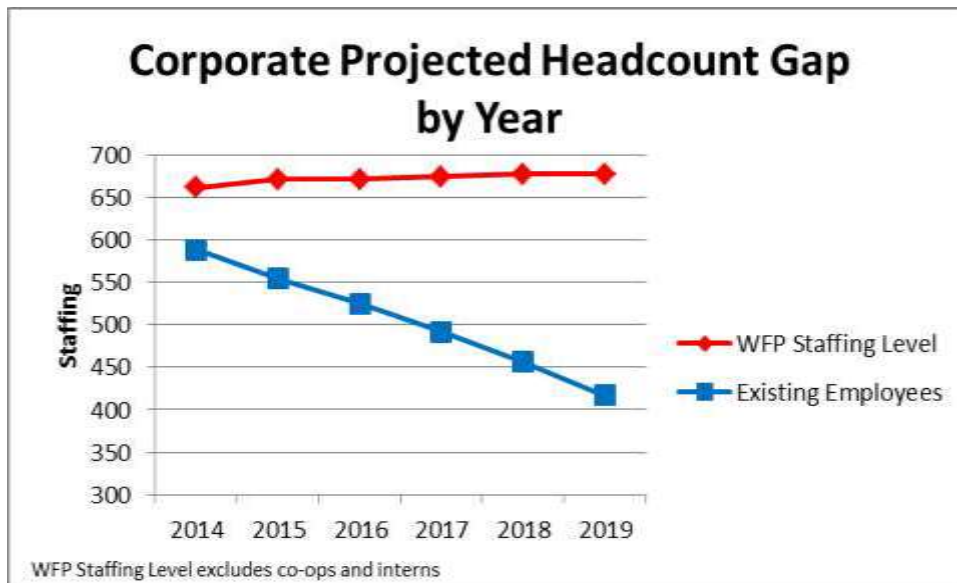
CFO

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Gap Analysis

The following graph represents the anticipated hiring gap needed to fill workforce demand over the next five years. The red line represents the anticipated staffing needs and the blue line represents the projected retirements and employee departures of the existing workforce. This shows a gap of over 250 employees. Associated “churn” will increase this number substantially with some position openings resulting in multiple employee moves before getting to the final opening that leads to a new hire. Efficient staffing processes, including approvals, will be necessary to meet the demand.



Conclusion

The Corporate organization will see a tremendous amount of change in the next five years. The aging workforce as well as changes in technology, compliance and the regulatory environment will continue to drive efforts to prepare the future workforce to take on highly skilled roles in the absence of the experienced employees who will be exiting the organization. Succession planning, mentoring, leadership development, competency training and timely staffing of positions will be key for the Corporate organizations' continued success.

PROPOSED HEADCOUNT

Proposed Incremental Headcount* for 2015-2019

Proposed Incremental Headcount*	2014	2015	2016	2017	2018	2019	Total
Chief Financial Officer							
CAO Organization							
Chief Information Officer							
IT Development & Support		5					5
IT Business Services							
IT Infrastructure Technologies- Flannery							
IT Infrastructure Services – Reffett							
IT Architecture and Engineering - Snyder							
IT Client Support Services							
IT Security		1					1
Chief Information Officer Total	0	6	0	0	0	0	6
Environmental Affairs							
Supply Chain							
Compliance							
Human Resources							
State Regulations and Rates		2					2
Chief Administrative Officer Total	0	2	0	0	0	0	2
Total Incremental Additions	0	8	0	0	0	0	8

*Incremental means additional headcount requested relative to the approved 2014-2018 headcount in the Business Plan.

Operations Workforce Planning 2015-2019

OVERVIEW

The purpose of this five year workforce plan is to take a systematic approach to analyzing business strategies and resource needs to ensure continued economic and operational viability of the Operations organization. In 2013, Energy Services and Energy Delivery were combined into one central operating group comprising nearly 80% of the total LG&E and KU Energy workforce. This change has allowed for a unified operation and ensures appropriate strategies for efficient and safe operations.

In January 2014, the Safety and Technical training groups for distribution, transmission, and generation were reorganized and consolidated under one director. This centralization enables Operations to maximize resources as it prepares for the significant number of new additions to our workforce with anticipated retirements over the next 10 years. Developing the core skills sets of our new hires through training will be critical as our most experienced employees exit the organization. This new structure will support our new employees in learning and living the exceptional safety culture we have built in our organization.

Forty-four percent of the current operations workforce will reach age 62 by the end of 2023. This will drive a significant amount of churn within the employee population requiring focused attention to staffing needs as well as knowledge retention of a highly skilled and knowledgeable workforce. Previous workforce planning cycles have begun to address concerns of the aging workforce through steps such as: (1) advanced hiring where needed, and (2) reduced reliance on contractors in certain core areas of the business such as Substation Construction and Maintenance, Network Technicians, and Lines Inspectors. Other areas have maintained contractor relationships for lesser skilled work such as security, material handling, janitorial services, meter reading, tree trimming, etc., to allow for more flexibility during down economic times.

Regulatory and legal compliance will continue to drive changes in processes and procedures and in some areas drive needs for additional headcount, specifically in Gas Distribution and Transmission. Environmental compliance will similarly drive changes within the generating stations.

Customer expectations are evolving which will change the way the company educates and interacts with its customers. Customers want more information in a timely manner and want to be able to access information and make account changes and requests at any time. Continued refinement of communications channels and understanding of customer expectations will be a focus over the next five years.

Assumptions

The following assumptions are applicable throughout the WFP unless otherwise noted.

- Retirement eligibility is age 55.
- Full retirement eligibility is age 62.
- Headcount data referenced herein is as of January 1, 2014.

Key Issues

Key issues strategically impacting workforce planning in the next five years are:

- Aging Workforce
- Regulatory and Legal Compliance
- Knowledge Retention and Leadership Development
- Capital Projects and Infrastructure Development

CURRENT WORKFORCE PROFILE

Environmental Scanning Analysis

External Demand

Regulatory, legal and environmental compliance are significant drivers of business change over the next five years. Ongoing evaluation and monitoring of these changes will allow the business to make timely and effective changes. Administrative and technical support will be needed to help maintain compliance with the ever changing landscape. Customer expectations for low cost and reliable service in addition to changing expectations regarding information sharing and communications will shape processes and communication channels.

Economic development has been slow due to the downturned economy over the past five years. However, efforts have been made to boost Kentucky's standing as a premier place to do business. In 2013, 52 new company and 222 expansion projects were announced related to new business entering our service territory or existing companies that will expand operations. The overall impact to operations remains to be seen, but the situation will be monitored to ensure the proper resources are in place to meet customer demand.

The regulatory environment may impact the existing structure of gas operations in the areas of the Transmission Integrity Management Program (TIMP) and the Distribution Integrity Management Programs (DIMP). The DIMP program is less than three years old and regulatory agency expectations for the program are growing. The (TIMP) program is very technical and complex requires an extensive level of documentation and has increasing enforcement. Future regulatory scrutiny and expansion of these regulations may require the Company to separate these programs to provide more direct focus than the current integrated operations structure.

Internal Demand

The previously mentioned reorganization to form a unified operations organization will allow for better communication and sharing of resources. Areas such as Transmission and Distribution will explore opportunities to gain efficiencies and avoid duplication of work. One change that is being considered is the transfer of the EMS SCADA system for Louisville from the Transmission Control center in Simpsonville to the Restoration and Dispatch group within Electric Distribution.

Technology enhancements will also play a part in internal changes. Employees will need to be trained on new systems and processes. Employees will need to either have the necessary computer skills or have the ability to learn the skills to operate and navigate these systems. Consolidation of the Safety and Technical training groups under one centralized organization will help facilitate development of skills necessary for the technology changes and regulatory requirements of the future related to operations.

The replacement of the current customer information system (C CS) by CRM 7.X will require approximately 750 operational processes to be touched in some way. It is anticipated that additional positions will be necessary to ensure Customer Services has an adequate number of trained resources to allow for other team members to move into full time project roles associated with the upgrade,

including testing, training, deployment readiness and change management. The majority of these positions would be eliminated post Go-live through the normal attrition process in Customer Services.

External Supply

The utility industry as a whole recognizes challenges related to an aging workforce and impending retirement projections over the next ten years. LG&E and KU Energy are not immune to the same concerns. As the business becomes more technical, the need for a higher level skill set among new hires has also grown. Craft positions such as I&E Techs, Protection Techs, and Substation Techs have historically required two year technical degrees, and this emphasis on formal education is becoming even more essential as the work processes and tools required for these jobs continues to evolve. Relationships with career and technical colleges will be key to providing the needed pipeline of candidates. Many military veterans possess the knowledge and skills needed to be successful in many of our craft and technical positions. Enhanced recruiting efforts in this area have been beneficial to the company.

Finding a sufficient pool of qualified line technicians has historically been a significant concern. However, the growth of line tech training schools and strong relationships with the Southeast Lineman Training Center and the Somerset Lineman Tech Center have allowed for a strong pipeline of candidates willing and able to perform the needed work. LKE does not have issues recruiting line technicians for the majority of positions. Certain rural areas cause some challenges, but those have been mitigated through previous workforce planning cycles.

Many areas of our company, particularly Transmission and Project Engineering, rely heavily on degreed engineers for design and project management work as well as leadership positions. The company's relationship with regional engineering schools and our expanding co-op/intern program is proving to be valuable in introducing new talent into our organization.

Internal Supply

Impending retirements, particularly among front line leaders, highlight the need to have a clear focus on leadership development for our less experienced workforce. Programs exist to assist with development of employees, such as the IUS Front Line Leader program. Roughly 300 employees have completed this program to date, and the next session is tentatively planned for mid-2015. The geographic diversity of the distribution side of the business does not lend itself to being able to utilize this program for distribution employees. Human Resource Managers and the lines of business are partnering to develop a curriculum to address the needs of distribution employees. Two associate degree programs do exist within Gas and Electric distribution which allow employees to apply their on-the-job training toward an associate's degree. To date, fifteen employees have completed the program and twelve more are currently working on their associate degree. Human Resource Managers will continue to work with LOB management to market these programs and determine if any strategy changes are needed.

While not a part of the formal process, succession planning efforts have reached to the front line leader level to identify individuals with potential for leadership positions. Efforts to encourage and promote their development will focus on individual development discussions with their respective managers, internal mentoring opportunities within the line of business and the company's formal mentoring program where applicable.

Diversity

The Operations Organization continues to support and advance company diversity initiatives through active participation in community outreach efforts, representation at career fairs, and recruiting events to identify minority candidates for craft positions. Initiatives with the Urban League and the Canaan Center have not proven effective to date at yielding candidates.

Our company uses a number of Edison Electric Institute (EEI) tests as selection tools for various craft positions across the Operations Organization. These tests are re-evaluated against our company's jobs by EEI on an ongoing basis to ensure both reliability and validity. Although still administered in combination, the plant operations (POSS) test was separated from the plant maintenance (MASS) test for selection purposes in 2012 to more specifically predict applicant performance. Our internal research (which is supported by broader EEI studies) shows an unintended but favorable consequence of this change on minority and female recruiting initiatives. Based on LGE/KU five year historical data, minority recommend rates went from 7% to 16% and female recommend rates for MASS went from 16% to 25%. This will support several other steps EEI and LGE/KU have taken in recent years to minimize adverse impact of the tests, while maintaining validity and quality of recommended applicants:

- Discontinuation of Background Opinion Questionnaire (BOQ) Subtest – 2007
- Implementation of On-Line Practice Tests - 2008
- Implementation of 1-on-1 Candidate Feedback – 2010
- Implementation of On-Line Math Tutorial – 2011
- Scoring Changes (Weighted Scoring & Corrections for Guessing) - 2012

The company has completed the second year of its partnership with Southern High School to educate students on the type of careers available within the utility industry. A diverse cohort of 14 students met with company representatives and learned about various craft positions. With more of our craft positions requiring two year technical degrees, it will be well into the future before any of these students could be eligible for openings.

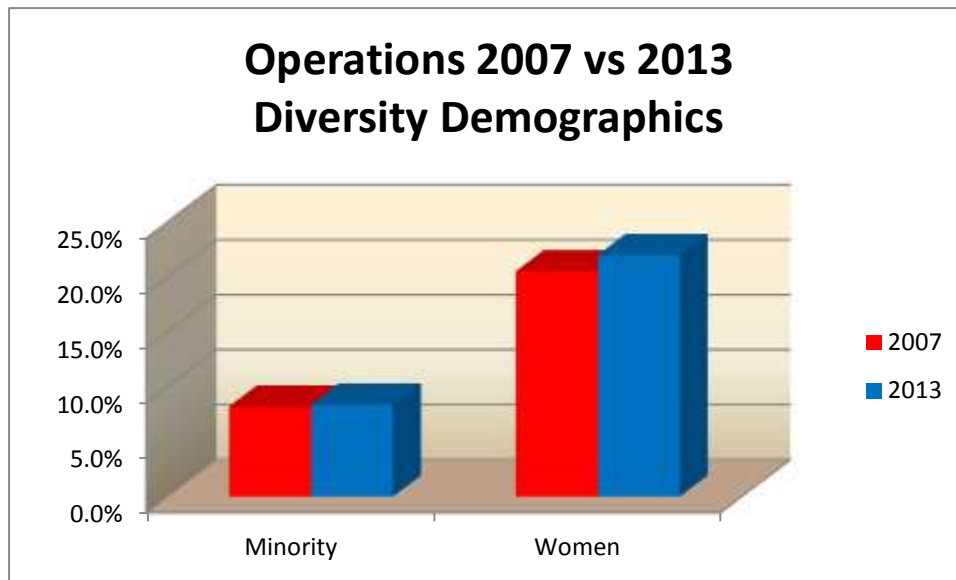
Former military personnel will be an avenue of increased recruiting focus for future craft workers. Military skillsets can be successfully transferred to some operations positions within the company. The recently formed Military Resource Network will also be an avenue to identify former military candidates as current veteran employees are educated on opportunities for veteran hires. We will be looking for experience and technical skills that would be equivalent to the two year technical associate degree requirement of many of our craft positions. This may also provide minority candidates.

In 2012, we began a focused recruiting relationship with Tennessee State University Engineering School (TSU). This summer's co-op program has five engineering co-ops from TSU. We have also initiated a relationship with the TSU alumni association in Louisville (one of the largest TSU alumni chapters in the country). These efforts provide exposure for our company to an engineering school with students from within or close to our service territory. Through positive co-op assignments within the company and opportunities to work near home, we expect these efforts to provide high caliber minority engineer hires for the company in the future. Five TSU engineer student assignments were provided within Operations in the summer of 2014.

In 2012, the Residential Service Center began a concerted targeted recruitment effort of Spanish speaking customer representatives. These efforts were initiated to assist in the handling of an increasing volume of Spanish speaking phone calls and included the following:

- Open house with Hispanic based community organizations to learn about career opportunities within the Customer Services business
- Targeted recruitment advertising in Hispanic focused publications
- Direct notification of career opportunities to Hispanic based community organizations

As a result of these efforts, the company has hired four bilingual customer representatives within the Residential Service Center. The company will continue to pursue efforts to attract and recruit bilingual customer service representatives.

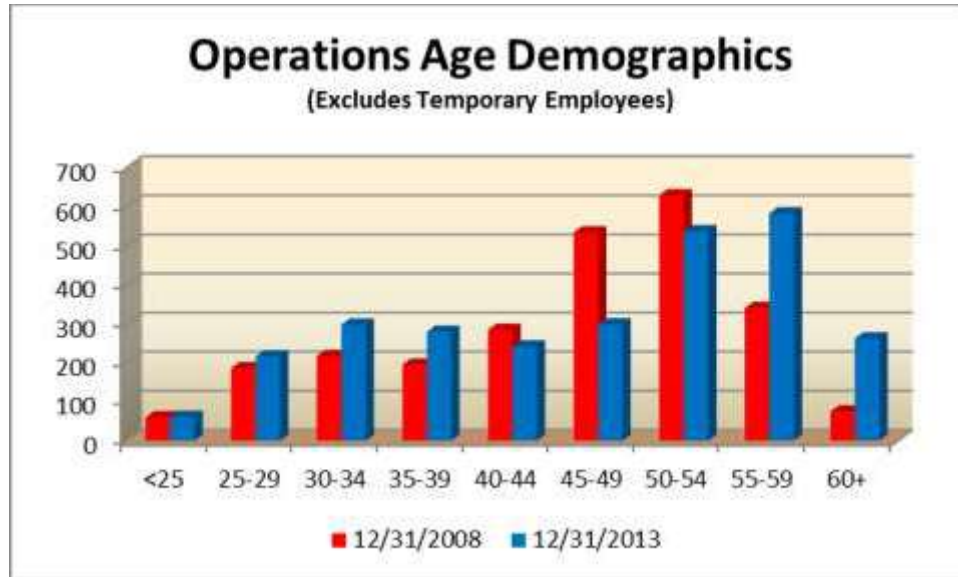


As of 12-31-07, 8.2% of the Operations workforce was minority and 20.5% of the workforce was female.

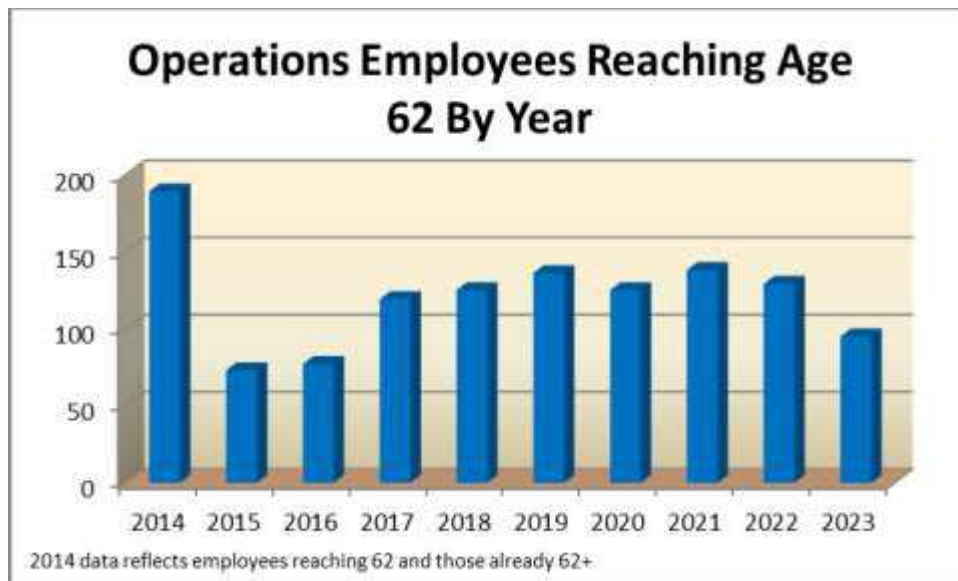
As of 12-31-13, 8.4% of the Operations workforce is minority and 22.0% of the workforce is female.

Aging Workforce

Consistent with many industries across the country, the utility business is facing challenges associated with an aging workforce.



As shown below, from 2014 through the end of 2023, 1,206 employees will reach age 62. This represents 44% of the current Operations population. These numbers exclude temporary employees.



Similar to our internal workforce, demographics and anticipated turnover due to retirement of resident contractor resources (many of them former employee “retirees”) will create its own set of challenges. While strategic utilization of contractor resources will continue to be a critical component of our company’s workforce plan, from a longer term perspective the reliance on retiree contractors will not be sustainable in all areas of the business. Previous workforce planning efforts have resulted in adding

employee headcount to shift certain core work back in house. The 2015 WFP process will continue to evaluate the contractor/employee mix and is outlined in more detail later in this plan.

In addition to knowledge loss risk, the aging workforce poses risk for increased muscular skeletal injuries, and more absenteeism through higher utilization of short-term and long-term disability. An Absence Management group has been created within HR to track, coordinate, and manage off-duty programs to ensure consistencies across the organization. Also, Health and Safety has partnered with Operations to create a program called WorkSmart! which helps provide ideas and solutions to make work less physically demanding and more ergonomically sound.

Finally, many employees are “baby boomers” and are in the role of caregiver for both parents and children, sandwiched between two generations. The company will need to be mindful of such demands that could take focus off of safe work practices. Allowing for flexible schedules where feasible and encouraging utilization of the Family Assistance Program can help employees navigate these challenges.

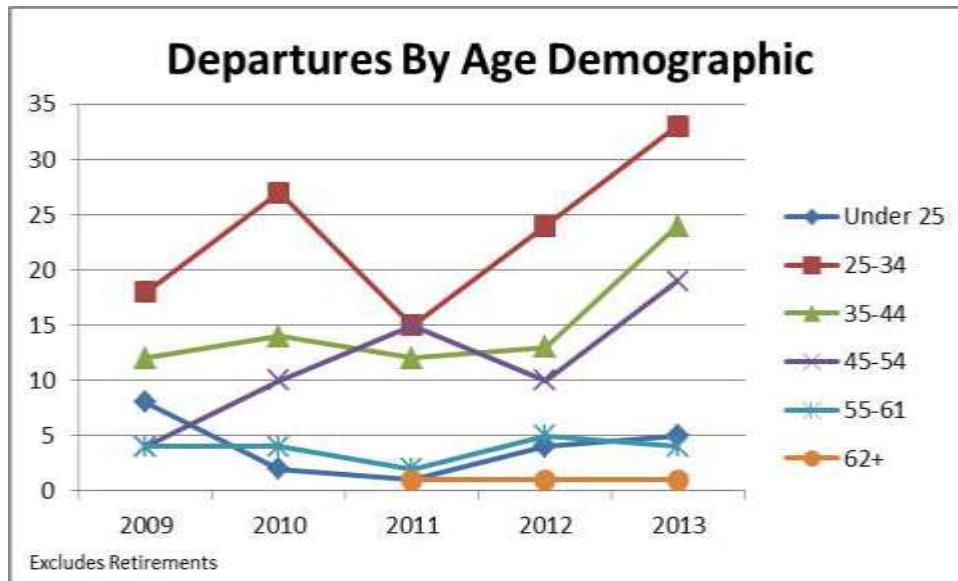
Retention Strategies

Turnover was determined by using year-end headcount and departures excluding temporary employees. As noted below, overall turnover is relatively low. With impending retirements, these numbers will increase over the next ten years. Exit interviews indicate that lack of opportunity for advancement is an area of concern; however as retirements increase, more opportunities for promotions will open. In addition to upward movement, the organization will work to encourage employees to seek lateral moves to foster additional growth and development.

	2009	2010	2011	2012	2013
Total Terms	61	84	75	105	132
Actual Headcount	2,516	2,545	2,618	2,695	2772
Turnover Rate	2.4%	3.3%	2.9%	3.9%	4.8%

Note: Includes retirements.

Many positions within the Operations organization require significant overtime (i.e., planned, unplanned, built-in, etc.) and non-traditional schedules to meet the 24/7/365 nature of the business. No widespread concerns are evident to date associated with willingness to work these hours, and a strong benefits and compensation package continues to allow us to attract and retain qualified individuals. However, generational differences and changing attitudes about work life balance is something the company will continue to monitor. The following chart identifies resignations by age demographic. The age group seeing the highest level of resignations is in the 25-34 age group and resides mostly in Customer Services. The majority of these employees have less than three years of service with the company.



Call center turnover has been one specific area of focus as it is much higher than the overall Operations rate. However, through transitioning to a direct hire model and a focus on performance management, the majority of turnover is classified as positive as lower performing employees have been managed out of the business.

Turnover continues to be a significant challenge within certain areas of the Transmission organization as well. From January 2013 – February 2014, the turnover rate within Transmission was 9.6%, which was slightly higher than the 5 year average. Recognized factors include: (1) growing pains associate with an organization undergoing significant growth in terms of services, scope, and internal/external visibility, (2) influx of relatively inexperienced yet highly qualified and motivated/career driven employees, and (3) unique skill sets of employees within the organization that are in high demand throughout the industry. From January 2013 – February 2014, six out of fifteen departures were due to voluntary resignation or transfer out and characterized as “unfavorable” turnover. The remaining were due to retirement, medical, and involuntary terminations. Tracking and analysis of unfavorable turnover is monitored on an ongoing basis. While the organization has been successful in attracting strong new talent to backfill the loss of seasoned contributors, this flux still creates its own challenges related to stability within the workgroup. Following an organizational assessment, our company’s internal Organizational Development group is currently working very closely with the transmission team to assess, develop, and implement programs and processes for: (1) new employee on-boarding and check-ins, and (2) leadership development. In addition to adding staff and new leadership to address volume and process issues, it is important that we recognize transmission “skills” as a new high demand area. As a consequence, our inexperienced, but capable employees are sought after by other employers. We will continue to regularly review compensation against the market and adjust to remain fully competitive.

The pending decisions to build CCGTs at Cane Run and Green River Generating stations will result in a reduction in workforce at Cane Run from approximately 120 employees to 45 employees. Of the 75 staff reductions, it is estimated that half will be transferred into other positions in the generating fleet. Eleven Meter Readers will be added into Customer Services as a result of the Green River Plant closing. Although the staffing numbers for Green River CCGT operation are anticipated to be relatively flat against current headcount, there will be associated challenges in the strategic placement of current employees due to existing versus needed skill-sets.

Insights from exit interviews for Operations employees identify stress related to the job and lack of opportunities for advancement as common factors. As more employees in leadership positions exit the organization, more opportunities for advancement will be available. Further evaluation regarding stress associated with the job will need to be completed to determine action plans to address.

LOB Overtime Analysis

Operations overtime averaged 10% (206 hours per employee) for 2013, which was down slightly from 2012 for the overtime eligible workforce. This percentage is generally in line with expectations and workforce utilization strategies. Overtime is largely driven by unit outages, distribution system trouble and large capital projects. Customer Services is lower at 146 hours per capita, down from 194 hours per capita in 2009. Additional headcount coupled with representatives becoming fully trained has resulted in lower overall overtime rates.

Overall, the Operations leadership team is comfortable with the current overtime rates. One area where overtime is above the desired rate is within the Network technician workforce and will be mitigated by additional headcount in 2014.

Regular Employees / Contractors

Since the 2001 WTSP, Operations has relied upon the use of a contracted workforce to staff both core and non-core business operations. This supplemental workforce exists in nearly all areas of Operations and is held to the same safety, performance, and operational policies and standards. Additionally, the company has mandated in some of its craft worker service agreements with contract business partners that a percentage of the contractor workforce be local talent that is available to respond to emergency situations.

In certain areas of the business, such as Transmission, Substation Construction and Maintenance and Underground and 3 Phase Network, strategies have been initiated to begin rebalancing the contractor workforce in favor of more employees. This is intended to mitigate knowledge loss risk and bring the core technical work in house.

The Generating stations routinely track and analyze contractor utilization strategies to ensure consistencies and best practices across the fleet. Resident contractor resources are a critical component of the labor force across Power Production. While plant specific skill occupations such as operators and I/E techs continue to be staffed primarily with regular full-time employees, common areas of contractor support include:

- Material Handling (Coal Yard Operations)
- Mechanical Maintenance
- Cleaning/Janitorial Services
- Warehouse/Tool Room Services

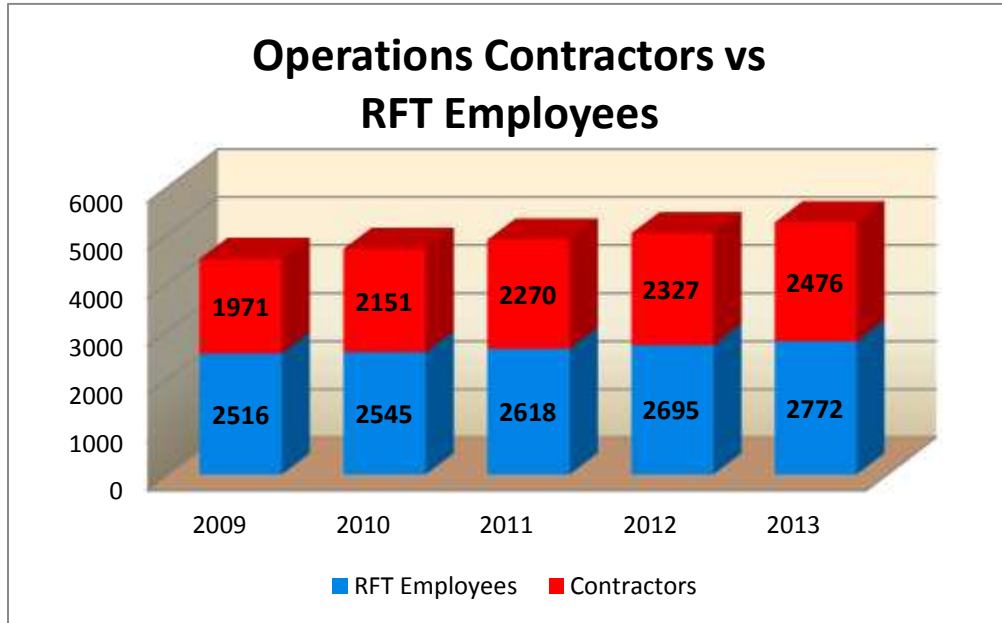
Craft level construction and maintenance activities within the Transmission Lines organization is performed almost completely with a contract workforce, with oversight and direction provided by in-house inspectors. Transmission Substations relies similarly on contractors, with some additional support from Distribution employees. While additional inspectors have been added within both of these departments over recent years, there is no plan to change the general staffing model.

Distribution Operations has maintained a strategy to keep core high level technical work in house and maintain a contractor workforce for areas such as meter reading, tree trimming and security. With regards to line technicians, the company maintains a contractor workforce of 35% statewide. This helps to ensure sound relationships with these contracting partners to assist with storm and other outage emergencies.

Customer Services has focused on returning customer contact centers such as call centers and business offices to an employee workforce. All call center agents are now company employees. Additionally, plans to convert 31 business office contractors to company employees in 2014 and 2015 have been approved.

Contractor utilization has increased due to several factors including expanded Energy Efficiency programs and major capital projects pertaining to electric reliability and gas riser and main replacement projects. When these multiyear projects have reached completion, we expect the contractor numbers to go down. Although skills and resources are being brought back "in-house" in a number of highly technical areas across the company, increased resident contractor utilization has been strategically

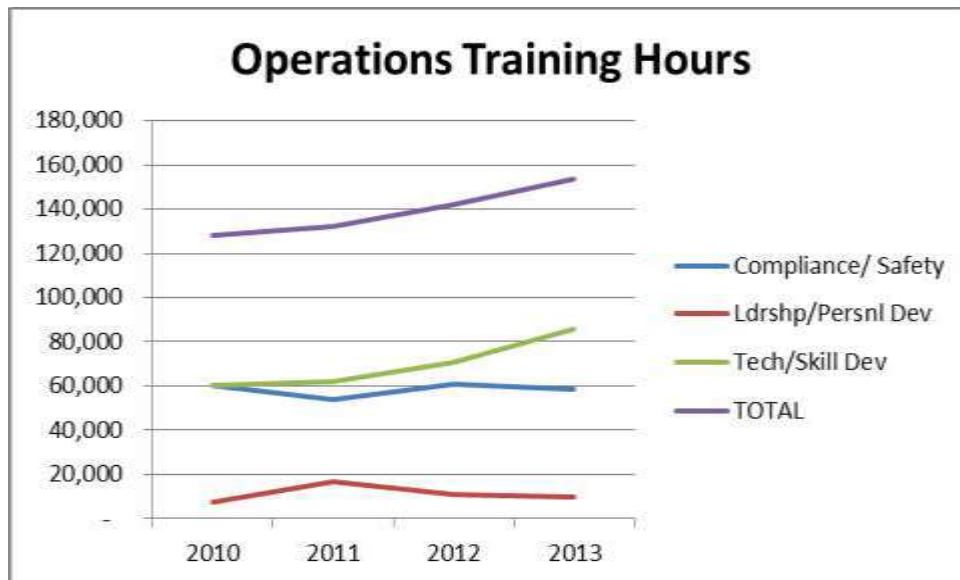
applied within certain power plant functional areas over the past 5 years. This is due to business and staffing model strategies in the specific areas of material handling, warehouse/inventory management, and mechanical maintenance technical support.



Training

The Operations workforce completed 153,000 hours of training in 2013 equating to 55 hours per employee. Average hours have increased five hours per employee since 2010. This is reflective of an increase in new hires and related technical training in their respective fields. The majority of hours are in safety/compliance as well as technical and skill development, which is expected for a workforce comprised largely of craft workers. Technology changes will drive more training needs, as will regulatory and compliance training requirements.

An area of needed improvement is within leadership and personal development, especially as many leaders exit the organization. The company is making a concerted effort to provide appropriate classes and promoting existing training opportunities. Succession planning and knowledge retention plans will help to identify individuals for focused development efforts.

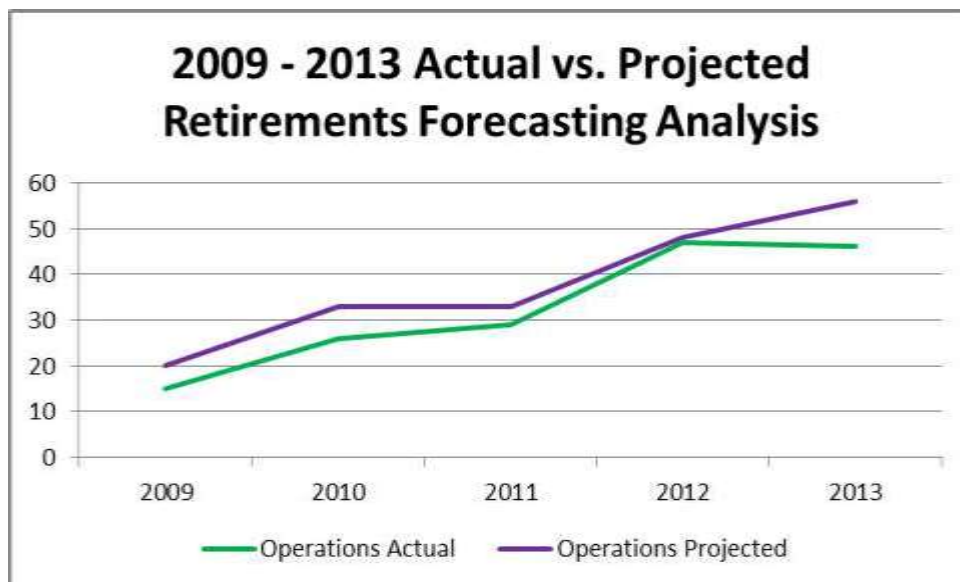
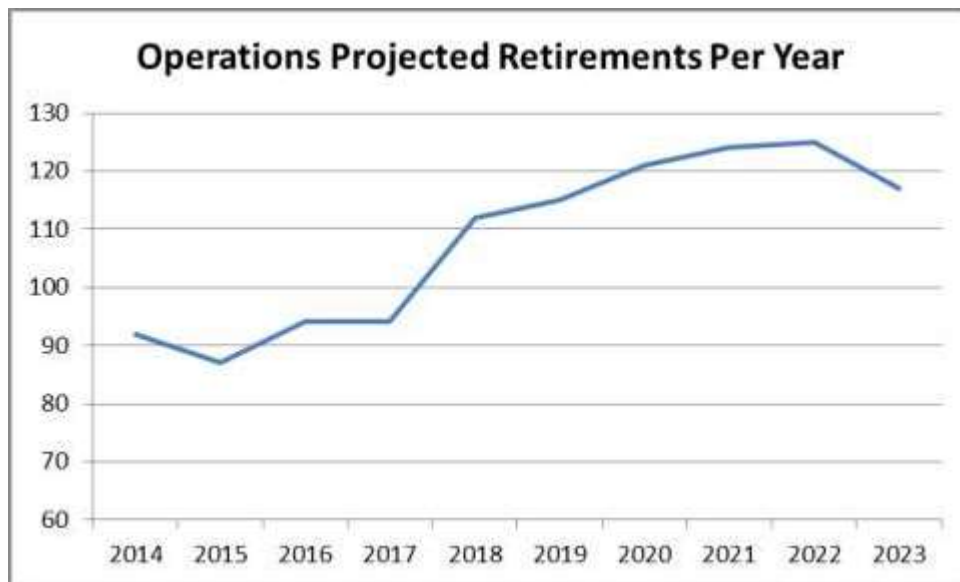


	2010	2011	2012	2013
Compliance/ Safety	60,181	53,811	60,745	58223
Ldrshp/Persnl Dev	7,621	16,635	11,138	9667
Tech/Skill Dev	60,445	61,846	70,435	85897
TOTAL	128,247	132,292	142,318	153,787
Employee Headcount	2,545	2,618	2,695	2772
Trng Hrs per Employee	50	51	53	55

FUTURE WORKFORCE PROFILE

Retirement Outlook

The following chart outlines the forecasted retirements to occur through 2023 utilizing actuarial assumptions from Mercer. Operations will continue to realize an increasing number of retirements that will require timely staffing of backfills and associated ramped up training programs. A newly formed centralized staffing department has streamlined hiring processes to meet operational demand. Where operationally critical, a hiring overlap of the incumbent and successor may be needed to ensure transfer of knowledge.



Knowledge Loss Risk Analysis / Knowledge Retention

With concerns about the large number of retirements facing the utility industry, Operations HR has engaged management across the company in the quantification of potential knowledge loss risk (“KLR”) since 2008. This process is intended to identify where KLR exists within the business as a result of aging workforce issues, and where work may have become centralized over the years. This best practice was adapted and refined from the experiences of TVA and Arizona Public Service utilizing a scoring matrix to assess Retirement Risk and Position Criticality factors. HR and Operations management quantified the potential for KLR by focusing on the following two areas:

- Retirement Risk Factor: A 1-5 Likert scale was used to quantify the anticipated retirement of an employee; and
- Position Criticality Factor: A 1-5 Likert scale was used to quantify the criticality and uniqueness of a position for an employee based upon that employee’s impact on reliability, safety, customer service, geographic isolation of the employee, potential successors to that employee and the recruitment challenges that exist to backfilling the position.

The following definitions were used to categorize each employee below manager level.

Criticality Factor – Definition

Score	Description:
5	<u>Critical and unique knowledge or skills</u> Individual possesses critical knowledge or skills with the potential impact on reliability, regulatory, safety, and/or customer service operations. Company or site-specific knowledge. Knowledge/information is undocumented. Requires 5+ years of relevant industry training and experience to possess the critical knowledge. No ready replacements have been identified and/or available. Substantial challenge exists within the market to source talent
4	<u>Critical knowledge and skills</u> Individual possess critical knowledge/skills. Some limited duplication exists at other plants/geographic locations. Limited documentation exists regarding the critical knowledge. Requires 2-4 years of focused training and experience. Limited external training opportunities exist to obtain knowledge/information.
3	<u>Important, systematized knowledge and skills</u> Documentation exists and/or other personnel onsite possess the knowledge/skills. Recruits generally available and can be trained in 1 to 2 years. Formal external training opportunities exist and are regularly available.
2	<u>Proceduralized or non-mission-critical knowledge and skills</u> Clear, up-to-date procedures exist. Training programs are current and effective and can be completed in ≤ 1 year. Formal internal training programs are regularly available.
1	<u>Common knowledge and skills</u> External hires possessing the knowledge/skills are readily available and require little additional training (≤ 6 months).

Retirement Risk Factor - Definition

This assessment identifies an individual’s projected retirement date using the default age of 62. Managers and supervisors should modify the default risk factor based on age should additional information be known regarding the individual's retirement intentions.

Score	Description:
5	Default retirement age is currently met or will be met in the 1-2 fiscal years.
4	Default retirement age will be met in the upcoming 3rd fiscal year.
3	Default retirement age will be met in the upcoming 4th fiscal year.
2	Default retirement age will be met in the upcoming 5th fiscal year.
1	Default retirement age will be met in the upcoming 6th or greater fiscal year.

Knowledge Critical – individual possesses undocumented knowledge, possesses unique capabilities or skills, knowledge based on rare/infrequent events, knowledge/processes is not documented in procedures or work practices, able to interpret vague or hidden clues/data.

Position Critical – individual serves in a role that may be geographically isolated, no formal successors identified or “ready”, no one within the area knows how to “do what they do.”

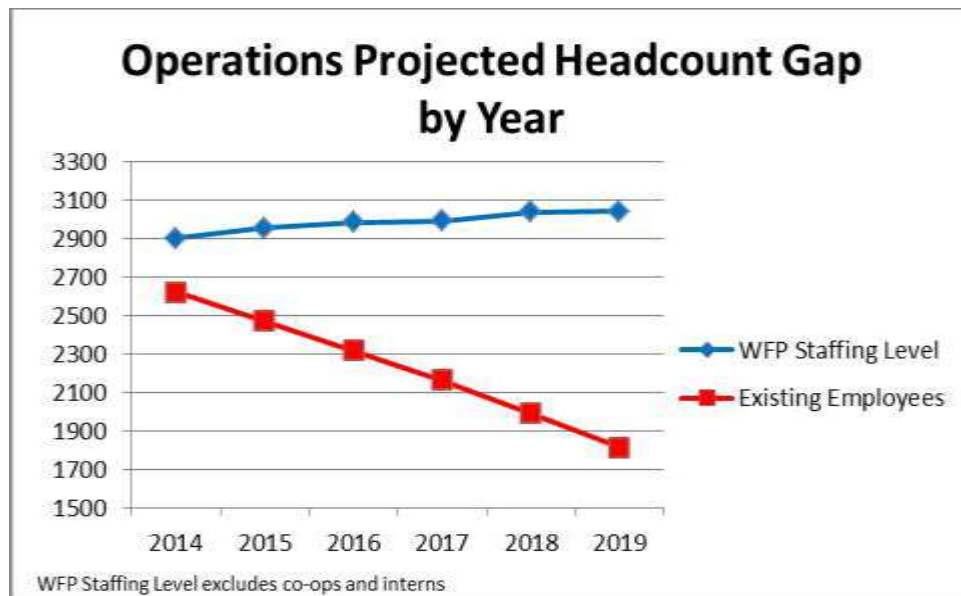
The chart below represents the number of employees in each area who have been designated as either knowledge or position critical. A total of 12 Operations employees fall into these categories.



For purposes of action plans, employees who were ranked a 4 or 5 will be evaluated further to determine if they are “knowledge critical” or “position critical” as defined above. Those possessing critical knowledge will have action plans implemented and documented by the end of 2014. Some actions plans are already in place and are formally documented via an HR database.

Gap Analysis

The following graph represents the anticipated hiring gap needed to fill workforce demand over the next five years and the “churn” associated with this hiring. The red line represents the anticipated staffing needs and the gap represents the expected staffing needs based upon projected retirements and employee departures. This represents a gap of over 1000 employees. Associated “churn” will increase this number substantially with some position openings resulting in multiple employee moves before getting to the final opening that leads to a new hire. Efficient staffing processes, including approvals, will be necessary to meet the demand.



Conclusion

The Operations Organization will see a tremendous amount of change over the next five years. The aging workforce as well as changes within the regulatory framework and new technology and infrastructure changes will drive efforts to prepare the future workforce to take on highly skilled roles in the absence of the experienced employees who are exiting the organization. Continuous monitoring of overtime rates, training hours and requirements, pending regulatory and legal changes will be necessary to ensure staffing levels are appropriate. Additionally, succession planning, mentoring, leadership development and timely staffing of positions will be key to transferring both technical knowledge and the safety culture that is at the heart of the operations culture.

PROPOSED HEADCOUNT

Proposed Incremental Headcount* for 2015-2019

Proposed Incremental Headcount*	2014	2015	2016	2017	2018	2019	Total
Gas Operations	1	20	2	7	(1)	(4)	25
Customer Services	3	7	6	(1)	1		16
Electric Distribution	(1)	4	4	4	3		14
Mill Creek		1					1
Trimble County		1	1	7			9
Cane Run / Ohio Falls							0
Ghent							0
E.W. Brown		1					1
Green River							0
Commercial Operations		2					2
Other Generation - Power Production		1					1
Energy Supply & Analysis		1					1
Project Engineering		3					3
Generation Services							0
Transmission		3	3	4		4	14
Other Generation - Trans & Gen Svcs							0
Total Incremental Additions	3	44	16	21	3	0	87

*Incremental means additional headcount requested relative to the approved 2014-2018 headcount in the Business Plan.

Glossary

Benefits (benefits package): Benefits are a form of compensation paid by employers to employees over and above the amount of pay specified as a base salary or hourly rate of pay. Benefits are a portion of a total compensation package for employees.

Diversity: The collective mixture of differences and similarities that may include: individual and organizational characteristics, values, beliefs, experiences, backgrounds, preferences and behaviors.

Employee engagement: Employee engagement, also called worker engagement, is a business management concept. An "engaged employee" is one who is fully involved in, and enthusiastic about their work, and thus will act in a way that furthers their organization's interests.

Employee retention: Practices and policies designed to create a work environment that makes employees want to stay with the organization, thus reducing turnover.

Generating Unit: Any combination of physically connected generator(s), reactor(s), boiler(s), combustion turbine(s), or other prime mover(s) operated together to produce electric power.

Incremental Headcount: Additional headcount requested relative to the approved 2012-2017 headcount in the Business Plan.

Knowledge Critical: Individual possesses undocumented knowledge, possesses unique capabilities or skills, knowledge based on rare/infrequent events, knowledge/processes is not documented in procedures or work practices, able to interpret vague or hidden clues/data.

Mentoring: A formal training process between a more experienced person and a junior employee.

Minority: A group differing, especially in race, religion, or ethnic background, from the majority of a population.

Outage: The period during which a generating unit, transmission line, or other facility is out of service.

Position Critical: Individual serves in a role that may be geographically isolated, no formal successors identified or "ready", no one within the area knows how to "do what they do."

Reliability: The ability of the power system to provide customers uninterrupted electric service at their point of service.

Resident Contractors: Those contractors with an annual contract and who provide day-to-day services for LG&E and KU Services Company.

Scheduled Outage: The shutdown of a generating unit, transmission line, or other facility, for inspection or maintenance, in accordance with an advance schedule.

Staffing: A method of finding, evaluating, and establishing a working relationship with future employees. They may be current employees or future employees.

Substation: An electric power station which serves as a control and transfer point on an electrical transmission system. Substations route and control electrical power flow, transform voltage levels, and serve as delivery points to individual customers.

Succession Planning: The process of identifying long-range needs and cultivating a supply of internal talent to meet those future needs. Used to anticipate the future needs of the organization and assist in finding, assessing and developing the human capital necessary to the strategy of the organization.

Transmission: The act or process of transporting electric energy in bulk from one point to another in the power system, rather than to individual customers.

Turbine: The part of a generating unit which is spun by the force of water or steam to drive an electric generator. A turbine usually consists of a series of curved vanes or blades on a central spindle.

Union: Workers who organize a united group, usually related to the kind of work they do, to collectively bargain for better work conditions, pay or benefit increases, etc.

Workforce Plan: Is an analytical and methodical process to ensure LG&E and KU Energy LLC (LKE) has the right talent with the right skills at the right time. This process provides managers with the information and tools necessary to make optimal human resource decisions based upon the company's mission, strategy, budgetary resources, regulatory compliance, advances in technology and the desired skill sets and competencies for their organizations.

Work-life Balance: The attempt to balance work and personal life in order to have a better quality of life. A person with a balanced life is an asset to his or her business, as he or she experiences greater fulfillment at work and at home.

Accomplishments, Ongoing Initiatives, and Planned Initiatives

The WFP process is fully integrated into the business and linked to the corporate strategy. Many initiatives are in place to support an environment that attracts and retains the current and future workforce. These initiatives are grouped into the following areas:

- Diversity
- Aging Workforce (Ergonomics & Wellness)
- Co-ops and Interns
- Employee Training

The company will continue to benefit from these ongoing initiatives as well as future initiatives that will attract, develop, and retain our workforce. A summary of the initiatives follows.

DIVERSITY

Current Initiatives and Accomplishments (January – December 2013)

- Mentoring provides development and exposure to management for high-potential female and minority employees.
- A Diversity Management competency is included in the PEP. It is mandatory for all senior managers. Diversity support is also included in the objective for all managers.
- Compliance training on equal employment opportunity, harassment and sexual harassment policies is provided online for all new employees and discussed at New Employee Orientation.
- The Manager of Inclusion and Diversity facilitates discussions with managers and above on the current Affirmative Action Program to solicit ideas on how to improve recruitment in underutilized job groups.
- The co-op and intern program is a primary feeder pool for future employees. We had 151 unique hires in 2013, 22% females and 13% minorities.
- One African American male participated in the Urban Leadership Alliance Seminar (ULAS) in 2013.
- Continue to be actively engaged with two HBCUs chosen because of their proximity (Kentucky State University) and excellent Engineering School (Tennessee State University).
- The first Business Resource Network was launched in October 2012 for Young Professionals. More than 260 people participated in various events hosted by the Young Energy Professionals (YEP!) during 2013.
- Participated in several job fairs focused on African Americans and Veterans in 2013.
- An ongoing comprehensive communication plan to inform employees, suppliers and the community of LG&E and KU's commitment to diversity and inclusion is in place.
- Promoted 347 individuals in 2013. 23% were women and 8% were minorities.
- Met the Affirmative Action targets for minorities in four job groups and females in seven.
- In addition to the 'typical' websites, all external job postings, up to the manager level, are posted on the Commonwealth's Employer Service Delivery Agencies and diverse websites such as both the Lexington and Louisville Urban League.
- The 2014 corporate supplier diversity goal with minority, women and veteran owned firms is \$136.5 million. The actual spend for 2013 was \$133.0 million.
- Participated in the National Society of Black Engineers annual conference and job fair in Indianapolis, IN.
- Participate on several boards, advisory committees and support the workforce development efforts of several organizations including the Louisville Urban League, National Black MBA Association, National Society of Black Engineers and the Greater Louisville International Professionals.
- Actively engaged with a selection of students at Southern High School who are interested in careers in electronics, automotive or other craft-type positions. Met with the cohort, which has 14 students, more than 20 times in 2013. Guest speakers included John Wolfe, Jamal Bowman, Lisa Clifton and David Paragon. LG&E and KU also sponsored the cohort's participation in the annual "Thrivals" Day which kicks off the IdeaFestival.

Future Initiatives

- The fourth phase of Diversity training for all employees has begun and will continue through 2014. The purpose of “Changing Talent. Unchanging Values.” is to build cultural competency with an emphasis on generational differences.
- Will continue to monitor results associated with partnering with Southern High School to build relationships with 12-16 students and their faculty.
- Two African American males will participate in the 2014 Urban Leadership Alliance Seminar.
- Will complete the 2014 Affirmative Action Programs and have discussions with managers and leaders to build a more effective diversity recruiting strategy.
- The College Mentoring Initiative continues with a partnership at University of Louisville. The intent is targeting African American students who have not had an internship at LG&E-KU. We match students with a senior leader who works in the same function as the student’s major. Four participated in the pilot in 2013.

ERGONOMICS AND WELLNESS EFFORTS

Current Initiatives and Accomplishments (January – December 2013)

- Annual health fairs are provided free to employees, spouses and retirees. Health risk appraisals and screening tests include cholesterol, blood sugar, PSA, blood pressure, and body mass index. Individualized health coaching is available for each participant as well. Gift Cards in the amount of \$75.00 were given to all employed participants.
- Tobacco Cessation Program provides assistance for employees, spouses, and retirees by reimbursing the cost of the program up to a maximum amount.
- Annual flu vaccinations are provided to employees, retirees and spouses at no cost.
- WellFit Incentive Program offers employees and/or spouses who join an approved fitness facility or attend a fitness class and/or participate in approved weight loss program reimbursement of 50% of their annual dues not to exceed \$300 per year.
- Free mammograms offered annually through a mobile mammography unit.
- Our Family Assistance Program provides free, confidential counseling for employees and their families on a short-term basis for personal problems that may affect their work and home life.
- ChooseWell incentive is available for employee participation in healthy lifestyle choices and earning points toward a \$100 deposit into their HCRA account. If overall employee WellFair participation reached 65%, an additional \$100 HCRA employer contribution is given to those employees who attended a WellFair or submitted his/her biometric results from their Primary Care Provider to KC Wellness by July 31, 2013. Total participation = 61%.
- ChooseWell Matching Grant Program is used to increase local employee wellness initiatives developed to support our key health indicator goals of lowering employee BMI and glucose levels.
- LG&E and KU implemented a hypertension care management program, Edumedics, for employees and dependents diagnosed with hypertension. The specific goal of outreach is to encourage face-to-face consultation with a nurse practitioner in clinics and outpatient offices in the participant's community. Those employees who enrolled in the Edumedics program and completed their first visit by 12/31/12 were automatically eligible for the 2012 wellness incentive of \$150, paid in January 2013. Upon program completion, an employer contribution of \$300 was made to their HCRA in January 2014. If both employee and dependent complete the program, both are eligible for the incentive.
- Two U of L students who are pursuing their Masters in Science, Exercise Physiology provided personal training sessions for LG&E Center and BOC employees. This also supported the expansion of onsite fitness facilities; the most recent of which opened at the LG&E Center in April 2013. The students also developed warm-up stretching routines to enhance and reinvigorate stretching programs within the company.
- A stretching and body positioning program was piloted with Occupational Athletics to educate and motivate employees to be fit for their position, just as professional athletes do, throughout their four quarters of life using the "GamePlan for Aging" model.
- Collaboration with Operations to develop and share tools and processes that are more ergonomically friendly (i.e., jackhammer lift for Gas Dept., currently working with Power Plants to develop a tool that breaks up clinkers when stuck in the bottom of the boilers).
- Conducted 41 workstation ergonomic evaluations.

Future Initiatives

- Expansion of the Edumedics disease management program to include hyperlipidemia and diabetes. Program will include face-to-face Nurse Practitioner visits and education classes.
- Recommendation of a new incentive structure for WellFairs and flu shot.
- Recommendation of a new company-wide ChooseWell Incentive linked to employee WellFair participation.

CO-OP AND INTERN PROGRAM

Current Initiatives and Accomplishments (January 2013 - February 2014)

- The total number of “unique” students increased from 107 in 2012 to 151 in 2013. This number will increase in 2014 due to new requests from departments that have not previously utilized the co-op/intern program.
- Hired 18 co-op/interns into full-time positions in 2013 and 7 in 2014 through the month of February.
- Planned and coordinated ten events for the co-ops and interns in 2013, and 3 through February 2014. Educational opportunities focused on Energy Efficiency, Safety in Engineering, Corporate Communications, Customer Experience and tours of Ohio Falls and the Cane Run Power Plant. Networking events included Lexington Legends and Louisville Bats baseball games, bowling and a networking social at the Kentucky Derby Museum.
- Pursue continuous participation on various college campuses including career fairs, mock interviews, resume sessions, company information sessions and employee panels. Colleges of focus include the University of Louisville, University of Kentucky, Western Kentucky University, Rose Hulman School of Technology, Indiana University Southeast and Tennessee State University.
- Developed "Workplace Expectations" for the students indicating appropriate and inappropriate behavior in the work setting. This information is provided to students upon hire and managers are requested to communicate expectations to the students.
- Developed and delivered orientation for the new co-ops and interns using WebEx covering company policies and expectations.
- Sponsoring a small group of MBA students from UK's Project Connect program. The students are working on a series of small projects assigned by our Supply Chain department.
- Implementing a formal evaluation process for the co-ops and interns at the end of each semester to track performance.

Future Initiatives

- Develop manager guide for hiring and managing students in the co-op/intern program.
- Improvements to our internal and external careers website for recruiting purposes to include past and upcoming events and information.
- Build relationship and communicate with Staffing Services to target high-performing co-ops and interns for full-time positions.
- Explore informal mentoring assignments for co-ops and interns.
- Create enhanced process for connecting and engaging with co-op/interns when they return to school and before they graduate.

EMPLOYEE DEVELOPMENT AND TRAINING

Current Initiatives and Accomplishments (January – December 2013)

All Employee Development

- Utility Business Fundamentals
- Enneagram I
- Enneagram II
- Priority Planning
- Effective Communication & Conflict Resolution
- Business Writing
- Power of Choice

Nomination Programs

- Personal Awareness & Effective Leadership (PAEL) – 32 participants
- Strategic Business Integration (SBI) – 30 participants
- Leading People and Processes (PPL program) – 4 participants
- Managing People and Processes (PPL program) – 3 participants
- Power of X - Women's Leadership Development Program (PPL program) – 2 participants

People Management Development

- Real Time Coaching
- New Leader Onboarding
- Situational Leadership

External Training

- Partnership with U of L Delphi Center for Professional Development courses
- Distribution has partnered with JCTCS and BCTCS to support employees in attaining an associate degree by holding on-site courses.
- Urban Leadership Alliance Seminar – 1 participant
- Wharton Executive Development (sponsored by PPL) – 2 participants
- Kellogg Executive Development (sponsored by PPL) – 2 participants

Customized Solutions

- Work with individual leaders or organizations to address organizational needs. Solutions include team building, coaching, facilitation of meetings, IDP counseling, strategic planning facilitation, and new leader onboarding.

External Initiatives

- Kentucky Energy Workforce Development (KEWD) Consortium-- statewide consortium to address the future industry workforce needs.
- Degrees at Work – partnership with Greater Louisville, Inc. to provide support to employees returning to school.

EMPLOYEE DEVELOPMENT AND TRAINING *(continued)*

Current Initiatives and Accomplishments *(continued)*

Other Processes & Offerings

- Performance Excellence Process (PEP) – annual performance management and Individual Development Plan (IDP) process
- Competencies – Manage the competency model
- Succession planning & associated development plans
- Formal Mentoring – Facilitate partnering internal mentors with employees to enhance individual development
- Coaching – Facilitate partnering external coaches with employees & managers
- New Employee Orientation – open to all new hires in the organization
- Engineer Professional Development – dedicated website and resources for technical and professional development for engineers
- Hiring Assessments – benchmark identified roles to include competencies, skills, behaviors, and motivators for successful candidates. Use TriMetrix assessment to assess candidates.
- Development Assessments – administration and interpretation of assessments within organizations to enhance team dynamics and/or raise personal awareness
- Reading Materials – Access to the OD Library, Get Abstract, and Harvard Business Review articles
- Webinars – Provide recommended websites to view webinars based on Business Focus, Competency Focus, and Leadership Focus
- Developed an employee development guide to be used during IDP discussions.

Future Initiatives and Offerings

- Front Line Leader training
- Strategic Business Integration II when operating conditions permit
- Group Leader Training
- Employee Opinion Survey – all employee survey in 2014 to measure employee’s engagement and satisfaction, and to identify areas of need for improvement.
- New employee surveys to measure onboarding and engagement.

Chief Administrative Officer

Complete only for incremental positions that are not in any approved Business Plans			
Please refer to the Strategic Guidelines to assist in completing this form			
Job Title Requested:	Rate & Regulatory Analyst	#Headcount/Year requested:	2/2015
Department/Group:	State Regulation & Rates	Location:	LGE Center 5 th Floor
Salary Plan:	EX	Work Space Requirements:	Individual contributor cubicle
HR Contact:	Bridges,Michelle M	Requisition Category:	Regulatory Compliance
Job Description			
WHY IS THE HEADCOUNT NEEDED?			
<p>New or enhanced regulations and the associated regulatory scrutiny continue to escalate at both the state and federal level. Significant capital investment and associated O&M cost increases will continue at current rate as identified in the 5 year plan. Rate cases will occur with bi-annual frequency in both Kentucky and Virginia for the next 5-10 years. Downward pressure on future awarded ROE will continue and be a focus of interveners (AG, low income advocates, etc.) and Commissioners. New technology (i.e. Distributed Generation) will continue to develop and require regulatory attention and solutions (tariff revisions or new tariff development). Rate mechanism's (ECR, DSM, GLT) will receive more scrutiny going forward as rates rise. Public awareness/participation in proceedings and interest will continue to escalate as rates increase and technology is more affordable and becomes mainstream (DG, Electric vehicles, etc.).The political and public policy environment will continue to put pressure on fossil fueled generation and force investments in carbon reduction and new generation sources. Employee retirements occurring in the next 5 years will create significant turnover (potentially half of the current team) and impact with the loss of significant expertise and experience.</p>			
WHAT ARE THE BENEFITS OF HAVING THE INCREMENTAL POSITION?			
<p>Increased internal awareness and interest in the Rates and Regulatory department as a destination of choice and opportunity in career development; knowledge retention.</p>			
WHAT ARE THE RISKS IF HEADCOUNT IS NOT APPROVED?			
<p>The rates and regulatory function is critical to the company's success, not only through rate design and successful execution of rate cases but also in our relationship management and leadership position with the respective jurisdictional Commissions and interested parties.</p> <p>The potential loss of significant experience and expertise in critical areas without contingency resources to mitigate can present additional risk and business challenges to the company.</p>			
ADDITIONAL NOTES			
<p>These additional headcount are recommended to ensure the strength and capability of the regulatory and rates team is sustainable and remains a core strength of the company going forward.</p>			
Requested By:	Ed Staton	Date:	April 29, 2014

Complete only for incremental positions that are not in any approved Business Plans			
Please refer to the Strategic Guidelines to assist in completing this form			
Job Title Requested:	Programmer/Analyst	#Headcount/Year requested:	2/2015
Department/Group:	IT Development & Support	Location:	LGEC02
Salary Plan:	EX	Work Space Requirements:	Office
HR Contact:	Bridges,Michelle M	Requisition Category:	Capital Projects
Job Description			
<p>WHY IS THE HEADCOUNT NEEDED?</p> <p>Expanded use and enhancement of Financial Systems (Oracle, Power Plant) and Quest (document and records management) applications.</p> <p>With Quest, areas of current and future demand include: Real Estate and Right Away, Legal, Generation mapping, Distribution mapping, Gas line Integrity, HR records, CCS customer requests, eForms, eTariff, Legal Holds, Global Search, Procard authorization and documentation, Rates and Regulatory, Major Account contracts, and Billing Integrity.</p> <p>With the Financial Systems, multiple modules, systems, and interfaces have been added over the years without increasing the support staff: Hyperion Financial Management (HFM), Wall Street, Damage Tracking System (DTS), iExpense, increased use of Oracle Workflow, Power Tax, Power Plant Lease, and EIS Reporting. Requests for additional modules are growing (ARIBA, Mobile, Unitization, and Archiving).</p> <p>Power Plant was originally implemented for Property Accounting, Tax and Budgeting. It has expanded to include the Power Tax and Lease modules, and it has become the system of record for Projects and Tasks.</p>			
<p>WHAT ARE THE BENEFITS OF HAVING THE INCREMENTAL POSITION?</p> <ul style="list-style-type: none"> • Ability to staff the continued list of project • Provide support for the existing implementations • Maintain the depth of knowledge internally for a core system • Availability of external resources is limited 			
<p>WHAT ARE THE RISKS IF HEADCOUNT IS NOT APPROVED?</p> <p>Failure to expand staff in this area could jeopardize timely support/restoration in event of system outage and expand timelines to deliver projects.</p>			
ADDITIONAL NOTES			
Requested By:	Alpha Troutman	Date:	June 1, 2014

Complete only for incremental positions that are not in any approved Business Plans			
Please refer to the Strategic Guidelines to assist in completing this form			
Job Title Requested:	Programmer/Analyst	#Headcount/Year requested:	3/2015
Department/Group:	IT Development & Support	Location:	LGEC02
Salary Plan:	EX	Work Space Requirements:	Office
HR Contact:	Bridges,Michelle M	Requisition Category:	Capital Projects
Job Description			
<p>WHY IS THE HEADCOUNT NEEDED?</p> <p>Expanded use and enhancement of Work Management applications – Cascade, Ventyx, Maximo in various operations areas. Business areas are increasingly reliant on these applications and additional areas of the company would like to adopt their use.</p> <p>Transmission/Distribution have projects to add modules and functionality to Cascade and LOAD has capital projects to improve automation, workflow, and improve communication for rating change alerts. In addition, there are projects to add new business areas such as Power Generation, Facilities, and Corporate Security to Cascade. IT Infrastructure plans to evaluate the product to see if it meets their requirements for asset management.</p> <p>Ventyx is currently the mobile application for Field Services, Meter Shops, Gas Distribution, and Electric Outage. Additional areas and work processes are being planned to add ARM work orders and customer appointment booking.</p> <p>Maximo is another business critical application which has a backlog of enhancements and ongoing upgrades. Planned interfaces with the Cane Run 7 mobile application is being analyzed.</p>			
<p>WHAT ARE THE BENEFITS OF HAVING THE INCREMENTAL POSITION?</p> <ul style="list-style-type: none"> • Ability to staff the continued list of project • Provide support for the existing implementations • Maintain the depth of knowledge internally for a core system • Availability of external resources is limited 			
<p>WHAT ARE THE RISKS IF HEADCOUNT IS NOT APPROVED?</p> <p>Failure to expand staff in this area could jeopardize timely support/restoration in event of system outage and expand timelines to deliver projects.</p>			
ADDITIONAL NOTES			
Requested By:	Alpha Troutman	Date:	June 1, 2014

Complete only for incremental positions that are not in any approved Business Plans			
Please refer to the Strategic Guidelines to assist in completing this form			
Job Title Requested:	Information Security Analyst	#Headcount/Year requested:	1/2015
Department/Group:	IT Security	Location:	BOC
Salary Plan:	EX	Work Space Requirements:	Click here to enter text.
HR Contact:	Bridges,Michelle M	Requisition Category:	Choose an item.
Job Description			
<p>WHY IS THE HEADCOUNT NEEDED?</p> <p>Expansion of standards and requirements in CIP Version 5, and the inclusion of all assets as at least low risk requires additional compliance oversight resources. This individual will be responsible for development of processes / procedures, evidence evaluation and oversight for specific standards and requirements for all areas of the organization.</p>			
<p>WHAT ARE THE BENEFITS OF HAVING THE INCREMENTAL POSITION?</p> <p>Meeting the expanded requirements without reassigning other resources and allowing development of expertise, which will be needed ongoing.</p>			
<p>WHAT ARE THE RISKS IF HEADCOUNT IS NOT APPROVED?</p> <p>Use of temporary or contract labor for these tasks is not efficient due to the ongoing nature of this work. Reassignment of staff from another area of IT or another area of the organization may be required.</p>			
<p>ADDITIONAL NOTES</p>			
Requested By:	Ashley Moore	Date:	2015 WFP

Gas Operations

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Complete only for incremental positions that are not in any approved Business Plans			
Please refer to the Strategic Guidelines to assist in completing this form			
Job Title Requested:	Manager – Gas Services	#Headcount/Year requested:	1/2017
Department/Group:	Gas Distribution Operations	Location:	AOC, BOC or EOC
Salary Plan:	EX	Work Space Requirements:	Cubicle or office
HR Contact:	Duncan, Stephanie Ellis	Requisition Category:	Regulatory Compliance
Job Description			
<p>WHY IS THE HEADCOUNT NEEDED?</p> <p>This position would be responsible for overseeing the functions of a new group within GDO called Gas Services. Gas Services will be a centralized group with responsibilities for procedures, construction standards, quality assurance, regulatory compliance and analysis work that is currently completed among various groups within GDO. This position will ensure that the primary functions of the group are completed and will interface with GDO groups, Gas Safety and other company departments.</p>			
<p>WHAT ARE THE BENEFITS OF HAVING THE INCREMENTAL POSITION?</p> <p>The position and group are needed to provide a structure within GDO that focuses on procedures, codes, standards, quality assurance and other services, which will strengthen regulatory compliance and technical training along with increased opportunity to improve existing business processes. This position and organization would provide a more robust structure for regulatory functions such as procedure reviews, procedure developments and quality assurance for procedures and operator qualification. In addition, this group will provide analysis resources for other GDO groups increasing process improvement opportunities. The group will also enable more focus on current regulatory compliance functions.</p>			
<p>WHAT ARE THE RISKS IF HEADCOUNT IS NOT APPROVED?</p> <p>Certain regulatory functions such as procedure review and development, quality assurance and verification of OQ program will not be as robust. Opportunities to improve business processes and other data analysis functions will be diminished because this is currently not resources dedicated to these type tasks. Management resources overseeing regulatory compliance functions will be spread more thinly.</p>			
<p>ADDITIONAL NOTES</p> <p>Salary: [REDACTED]</p> <p>O&M 100%</p> <p>Month of Hire: March</p> <p>Company: LG&E</p>			
Requested By:	Tom Rieth	Date:	April 2, 2014

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Complete only for incremental positions that are not in any approved Business Plans			
Please refer to the Strategic Guidelines to assist in completing this form			
Job Title Requested:	Gas Analyst	#Headcount/Year requested:	1/2015
Department/Group:	Gas Distribution Operations/Gas Services (proposed new area)	Location:	AOC, BOC or EOC
Salary Plan:	EX	Work Space Requirements:	Cubicle or office
HR Contact:	Duncan,Stephanie Ellis	Requisition Category:	Core Skill Building/Knowledge Retention & Transfer
Job Description			
<p>WHY IS THE HEADCOUNT NEEDED?</p> <p>This position will be responsible for administering/developing metrics within GDO. Position would assume responsibility for current metrics and lead efforts to develop new ones as needed. Position would provide analysis and help other GDO groups drive improvements and or determine causes for trends in the metrics. Position would also be responsible for AGA/SGA benchmarking and SOS requests and administers the Gas Communications program. Other duties would include gathering/analyzing data related to business processes within GDO at the request of GDO groups.</p>			
<p>WHAT ARE THE BENEFITS OF HAVING THE INCREMENTAL POSITION?</p> <p>GDO does not currently have analyst positions within the operating groups. This position would have the primary responsibilities for metrics, benchmarking efforts and communications. These functions are currently completed across operational groups (benchmarking efforts are sent to a single contact after completion). A dedicated resource can be used by operational groups to more thoroughly review data and measure the effects of changes to improve them. In addition the Communication program will enhance communications throughout the group and is required for some regulatory programs.</p>			
<p>WHAT ARE THE RISKS IF HEADCOUNT IS NOT APPROVED?</p> <p>The communication plan will be administered through other administrative support, but will not be a primary responsibility. Metrics and benchmarking responsibilities will be spread across operational groups. Data analysis for process improvements is not a primary responsibility for personnel currently in the roles performing this unless needed for a specific request. Metrics will be completed, but data analysis will not be as thorough.</p>			
<p>ADDITIONAL NOTES</p> <p>Salary: [REDACTED]</p> <p>O&M 100%</p> <p>Month of Hire: March</p> <p>Company: LG&E</p>			
Requested By:	Tom Rieth	Date:	April 2, 2014

Complete only for incremental positions that are not in any approved Business Plans			
Please refer to the Strategic Guidelines to assist in completing this form			
Job Title Requested:	Engineer	#Headcount/Year requested:	1/2015; 2/2017
Department/Group:	Gas Distribution Operations/Gas Services (proposed new area)	Location:	AOC, BOC or EOC
Salary Plan:	EX	Work Space Requirements:	Cubicle
HR Contact:	Duncan,Stephanie Ellis	Requisition Category:	Regulatory Compliance
Job Description			
<p>WHY IS THE HEADCOUNT NEEDED?</p> <p>This position will be responsible for procedure review and development along with developing/maintaining construction standards and other code related activities. Procedures within responsibility will include, but are not limited to gas emergency operating procedures (GEOP), OM&I's, field operation job-aides and will assist in compressor station procedures. Position will ensure that procedure is meeting and referencing proper codes and administer review for operations personnel to review. Position will compile changes and work with appropriate personnel to ensure changes are communicated. This position will also be responsible for developing new procedures within the programs of responsibility.</p> <p>This position would also be responsible for developing, implementing and reporting on quality assurance functions within GDO. Areas of emphasis would include field work execution, procedure validation, OQ program, other regulatory processes and business processes. Employee would be expected to work with operating groups and Safety and Technical Training (S&TT) to develop appropriate QA measures, complete assessments and provide feedback to appropriate groups to ensure areas of focus have proper documentation, work execution is completed in adherence to the documentation and gaps are identified and addressed.</p> <p>In addition, this position would be responsible for expansion of and execution of the distribution integrity management program. This would include conducting root cause failure analysis of materials, serving as the business lead on IT initiatives such as the implementation of bar code tracking of materials and material failure reporting database, and conducting blasting analysis when blasting is being conducted near gas pipelines.</p>			

CONFIDENTIAL INFORMATION REDACTED**WHAT ARE THE BENEFITS OF HAVING THE INCREMENTAL POSITION?**

A resource would be dedicated to reviewing and administering procedural reviews for GDO. Responsibility for this work is currently spread across areas for administering and completing reviews. Operational personnel may not be as familiar with codes changes that could affect procedures. A dedicated resource would provide consistency and systematic approach to this process and also in communicating changes appropriately. This position will also maintain construction standards, which are currently maintained as necessary, but are not assigned to a position as a primary responsibility.

A resource would be dedicated to validating procedures, work execution, the OQ plan along with other areas of focus. Quality assurance and documented reviews of this type are gaining increasing attention from state and federal regulators. There are currently no resources within GDO dedicated to this function. In addition, a centralized approach would help standardize the QA approach and provide a single contact for GDO groups to contact for QA requests.

A resource would be focused on distribution integrity management program development. Resources within the current integrity management section are focused on high risk gas transmission issues and spend minimal time dealing with distribution integrity issues.

WHAT ARE THE RISKS IF HEADCOUNT IS NOT APPROVED?

Procedure review and development will be performed by various groups within GDO, but will lack a standardized and systematic approach along with a less thorough review for code changes. QA work will likely not be done the same in all areas leading to less meaning in the results. There is more opportunity for gaps in completing QA work, documenting and utilizing the data if it is not a centralized effort with a dedicated resource. Construction standards will continue to be done as they can, but will not be a primary responsibility for a resource.

QA for programs will be performed by various groups within GDO, but will lack a standardized and systematic approach for conducting QA work. QA work will likely not be done the same in all areas leading to less meaning in the results. There is more opportunity for gaps in completing QA work, documenting and utilizing the data if it is not a centralized effort with a dedicated resource.

The distribution integrity program will be maintained in its current state and will not be developed into a robust regulatory compliance program. This will potentially be viewed as unsatisfactory by state regulators.

ADDITIONAL NOTES

Salary: [REDACTED]
 O&M 100%
 Month of Hire: May
 Company: LG&E

Requested By:

Tom Rieth

Date:

April 2, 2014

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Complete only for incremental positions that are not in any approved Business Plans			
Please refer to the Strategic Guidelines to assist in completing this form			
Job Title Requested:	Engineer/Scientist	#Headcount/Year requested:	1/2015; 1/2017
Department/Group:	Gas Regulatory Services (Corrosion Control)	Location:	Auburndale
Salary Plan:	EX	Work Space Requirements:	Two cubicles
HR Contact:	Duncan,Stephanie Ellis	Requisition Category:	Regulatory Compliance
Job Description			
<p>WHY IS THE HEADCOUNT NEEDED?</p> <p>LG&E's only catastrophic gas pipeline failure on record was due to internal corrosion on a drip in the wet gas system. The gas in the wet system has hydrogen sulfide in it and high moisture concentrations. Both of these factors increase the likelihood of internal corrosion. LG&E has invested in developing a two phase flow model to predict water hold up locations in the wet gas system. Additional investment is currently being made to refine the model and gain greater understanding of how adjustments in operating conditions impact the movement of water and gas flow rates. Personnel are needed in a centralized group to oversee and administer an expanded internal corrosion control program. Recent pipeline failures at other companies have brought dramatic financial, regulatory, and political repercussions.</p>			
<p>WHAT ARE THE BENEFITS OF HAVING THE INCREMENTAL POSITION?</p> <p>Mitigation of risks associated with internal corrosion and the associated potential financial, regulatory, and political repercussions.</p>			
<p>WHAT ARE THE RISKS IF HEADCOUNT IS NOT APPROVED?</p> <p>Continuation of risks associated with internal corrosion and the associated potential financial, regulatory, and political repercussions.</p>			
<p>ADDITIONAL NOTES</p> <p>Salary: [REDACTED]</p> <p>O&M 100%</p> <p>Month of Hire: March</p> <p>Company: LG&E</p>			
Requested By:	Peter Clyde	Date:	April 3, 2014

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Complete only for incremental positions that are not in any approved Business Plans			
Please refer to the Strategic Guidelines to assist in completing this form			
Job Title Requested:	Gas Regulatory Associate	#Headcount/Year requested:	5/2015
Department/Group:	Gas Regulatory Services	Location:	Auburndale
Salary Plan:	NE	Work Space Requirements:	None – Positions exist as contractors today.
HR Contact:	Duncan,Stephanie Ellis	Requisition Category:	Regulatory Compliance
Job Description			
<p>WHY IS THE HEADCOUNT NEEDED?</p> <p>The Gas Regulatory Associates administer programs to comply with federal and state pipeline safety regulations. These programs include leak survey, public awareness, stop box inspections, priority valve inspections, transmission integrity management, atmospheric corrosion inspections, and farm tap inspections. The work is currently completed by 5 LG&E Gas Regulatory Associates employees and 6 JY Legner employees. The incremental headcount request is to convert 5 of the JY Legner positions to LG&E Gas Regulatory Associate employee positions (contractor offset).</p> <p>The JY Legner personnel's daily activities are directed by an LG&E Group Leader. This creates some co-employment risk. To minimize the risk, the Group Leader is not permitted to provide performance reviews or recommend salary adjustments for the JY Legner employees. In addition, turnover is common amongst the work group as a result of the positions not being LG&E employees.</p>			
<p>WHAT ARE THE BENEFITS OF HAVING THE INCREMENTAL POSITION?</p> <p>Eliminate co-employment risk. Provide stable workforce to deal with increasingly demanding regulatory requirements and increasing regulatory scrutiny. Allow personnel administering our programs to be properly managed and motivated by allowing LG&E management team to perform performance reviews and evaluate salaries.</p>			
<p>WHAT ARE THE RISKS IF HEADCOUNT IS NOT APPROVED?</p> <p>We will continue to have co-employment risk and have very limited ability to manage the performance of personnel administering regulatory compliance programs. We will continue to deal with turnover and re-training.</p>			
<p>ADDITIONAL NOTES</p> <p>Salary: [REDACTED]</p> <p>O&M 100%</p> <p>Month of Hire: March</p> <p>Company: LG&E</p>			
Requested By:	Peter Clyde	Date:	April 3, 2014

CONFIDENTIAL INFORMATION REDACTED

Complete only for incremental positions that are not in any approved Business Plans			
Please refer to the Strategic Guidelines to assist in completing this form			
Job Title Requested:	Damage Investigator	#Headcount/Year requested:	1/2015
Department/Group:	Gas Regulatory Services	Location:	Auburndale
Salary Plan:	EX	Work Space Requirements:	None – Cube currently occupied by JY Legner contractor will be used by this employee.
HR Contact:	Duncan,Stephanie Ellis	Requisition Category:	Regulatory Compliance
Job Description			
<p>WHY IS THE HEADCOUNT NEEDED?</p> <p>Increasing scrutiny is being placed on preventing damages to gas lines. Bills passed the Kentucky legislature and have been sent to the governor to sign that will add an additional fine of \$1K per occurrence for violations to the state damage prevention law that result in damages to a gas line. Authority is given to fire protection agencies to enforce the law and use the fines collected as their operating funds. Additional fines already exist for operators who fail to locate lines properly even if there is not damage. PHMSA has been pressuring states to have effective enforcement of damage prevention laws and to fine operators who violate pipeline safety regulations. PHMSA can influence state regulators by threatening to revoke their federal funding.</p> <p>LG&E currently has one Damage Investigator who is on call 24/7/365. The individual performs damage investigations and safety audits. LG&E is implementing a locate request ticket management system for the first time to more aggressively manage the process. The incremental Damage Investigator will perform damage investigations, monitor if locates are completed within the legally allowed timeframe, performing onsite evaluations of contract line locators, develop and track performance metrics, and perform quality assurance and safety inspections of various contractors in the department. Most of these functions are not currently performed.</p> <p>A JY Legner employee currently supports other aspects of the locate process. The JY Legner office position would be replaced with the LG&E Damage Investigator (contractor offset).</p>			
<p>WHAT ARE THE BENEFITS OF HAVING THE INCREMENTAL POSITION?</p> <p>More aggressively manage the locate process. This will verify contractor performance and ensure compliance with state damage prevention laws and federal and state pipeline safety regulations during a period of increasing regulatory scrutiny. Eliminate co-employment risk currently present with the JY Legner staff. Provide stable workforce. Allow personnel administering our programs to be properly managed and motivated by allowing LG&E management team to perform performance reviews and evaluate salaries. Allow on call responsibilities to be shared rather than one person being on call 24/7/365.</p>			
<p>WHAT ARE THE RISKS IF HEADCOUNT IS NOT APPROVED?</p> <p>We will continue to have co-employment risk and have limited ability to manage the performance of personnel administering regulatory compliance programs. We will continue to deal with turnover and re-training.</p>			
<p>ADDITIONAL NOTES</p> <p>Salary: [REDACTED]; O&M 100%; Month of Hire: March; Company: LG&E</p>			
Requested By:	Peter Clyde	Date:	April 3, 2014

CONFIDENTIAL INFORMATION REDACTED

Complete only for incremental positions that are not in any approved Business Plans			
Please refer to the Strategic Guidelines to assist in completing this form			
Job Title Requested:	Corrosion Technician	#Headcount/Year requested:	1/2017; 1/2019
Department/Group:	Gas Regulatory Services (Corrosion Control)	Location:	Auburndale
Salary Plan:	BU	Work Space Requirements:	Expansion of shared workspace will be needed
HR Contact:	Duncan,Stephanie Ellis	Requisition Category:	Regulatory Compliance
Job Description			
<p>WHY IS THE HEADCOUNT NEEDED?</p> <p>LG&E currently has six Corrosion Technicians. Two of the technicians will turn 55 and two will turn 58 in 2014. The technicians take pipe to soil potential readings, troubleshoot issues with the cathodic protection system (system that prevents steel pipelines from corroding), perform AC safety work on pipelines to protect employees from shock hazards, and inspect coatings contractors. Pre-retirement hires are needed for knowledge retention purposes. The current line of progression requires 4 years for a new hire to progress to journeyman level. Experienced corrosion technicians are not readily available.</p>			
<p>WHAT ARE THE BENEFITS OF HAVING THE INCREMENTAL POSITION?</p> <p>Knowledge retention and ability to meet corrosion mitigation regulatory requirements.</p>			
<p>WHAT ARE THE RISKS IF HEADCOUNT IS NOT APPROVED?</p> <p>A 66% turnover in the work group in a short period of time with no advanced training for replacements will create challenges maintaining compliance with corrosion mitigation regulatory requirements.</p>			
<p>ADDITIONAL NOTES</p> <p>Salary: [REDACTED]</p> <p>O&M 100%</p> <p>Month of Hire: March</p> <p>Company: LG&E</p>			
Requested By:	Peter Clyde	Date:	April 3, 2014

CONFIDENTIAL INFORMATION REDACTED

Complete only for incremental positions that are not in any approved Business Plans			
Please refer to the Strategic Guidelines to assist in completing this form			
Job Title Requested:	Gas Engineer	#Headcount/Year requested:	1/2015
Department/Group:	Gas Engineering	Location:	AOC or EOC
Salary Plan:	EX	Work Space Requirements:	Cubicle
HR Contact:	Duncan,Stephanie Ellis	Requisition Category:	Capital Projects
Job Description			
<p>WHY IS THE HEADCOUNT NEEDED? (GDO PROJECTS)</p> <p>Gas Engineering has responsibility to process new commercial business requests, developments and other requests from various departments. These types of requests have been requiring increasingly more time from current resources in the Gas Engineering area. Additional Engineering resources are needed to provide required support for new business while still providing resources to the other GDO departments for required and budgeted projects. More complex requests such as customers evaluating using CNG for vehicle fleets are increasing also. This position will also be available support system planning and other engineering functions.</p>			
<p>WHAT ARE THE BENEFITS OF HAVING THE INCREMENTAL POSITION?</p> <p>The incremental position will allow Gas Engineering to process new business requests and provide engineering oversight when installing commercial metering facilities and other new business functions. The incremental position will also allow Gas Engineering to continue supporting other GDO organizations along with performing other critical functions such as system planning.</p>			
<p>WHAT ARE THE RISKS IF HEADCOUNT IS NOT APPROVED?</p> <p>Gas Engineering will not be able to provide support at the same level to other GDO organizations, while processing the increasing number of new business related requests. Other critical functions such as system planning will also be impacted.</p>			
<p>ADDITIONAL NOTES</p> <p>This position will primarily work on capital related projects</p> <p>Salary: [REDACTED]</p> <p>Capital: 100%</p> <p>Month of Hire: February</p> <p>Company: LG&E</p>			
Requested By:	Tom Rieth	Date:	April 4, 2014

CONFIDENTIAL INFORMATION REDACTED

Complete only for incremental positions that are not in any approved Business Plans			
Please refer to the Strategic Guidelines to assist in completing this form			
Job Title Requested:	Gas Engineer	#Headcount/Year requested:	1/2016
Department/Group:	Gas Engineering	Location:	AOC or EOC
Salary Plan:	EX	Work Space Requirements:	Cubicle
HR Contact:	Duncan,Stephanie Ellis	Requisition Category:	Capital Projects
Job Description			
<p>WHY IS THE HEADCOUNT NEEDED?</p> <p>Gas Engineering has responsibility to process new commercial business requests, developments and other requests from various departments. These types of requests have been requiring increasingly more time from current resources in the Gas Engineering area. Additional Engineering resources are needed to provide required support for new business while still providing resources to the other GDO departments for required and budgeted projects. More complex requests such as customers evaluating using CNG for vehicle fleets are increasing also. This position will also be available support system planning and other engineering functions.</p>			
<p>WHAT ARE THE BENEFITS OF HAVING THE INCREMENTAL POSITION?</p> <p>The incremental position will allow Gas Engineering to process new business requests and provide engineering oversight when installing commercial metering facilities and other new business functions. The incremental position will also allow Gas Engineering to continue supporting other GDO organizations along with performing other critical functions such as system planning.</p>			
<p>WHAT ARE THE RISKS IF HEADCOUNT IS NOT APPROVED?</p> <p>Gas Engineering will not be able to provide support at the same level to other GDO organizations, while processing the increasing number of new business related requests. Other critical functions such as system planning will also be impacted.</p>			
<p>ADDITIONAL NOTES</p> <p>This position will primarily work on capital related projects</p> <p>Salary: [REDACTED]</p> <p>Capital: 100%</p> <p>Month of Hire: February</p> <p>Company: LG&E</p>			
Requested By:	Tom Rieth	Date:	April 4, 2014

CONFIDENTIAL INFORMATION REDACTED

Complete only for incremental positions that are not in any approved Business Plans			
Please refer to the Strategic Guidelines to assist in completing this form			
Job Title Requested:	Gas Engineer	#Headcount/Year requested:	1/2015
Department/Group:	Gas Engineering	Location:	AOC or EOC
Salary Plan:	EX	Work Space Requirements:	Cubicle
HR Contact:	Duncan,Stephanie Ellis	Requisition Category:	Capital Projects
Job Description			
WHY IS THE HEADCOUNT NEEDED? (SYSTEM PLANNING)			
<p>Gas Engineering has does not currently have an engineer dedicated to system planning work. System Planning is currently completed when needed by current engineering resources and an analyst in Gas Engineering. This does not allow for a consistent approach to long-term system planning and reliability studies, completing system studies requests from other GDO organizations, providing analysis for large load requests and providing support for operational activities such as analyzing shutdown plans.</p>			
WHAT ARE THE BENEFITS OF HAVING THE INCREMENTAL POSITION?			
<p>The incremental position will allow Gas Engineering to complete critical system planning studies, which provide data on how the system will function under certain conditions. This information is crucial in determining areas needing reinforcement to ensure reliable service. In addition, system planning provides data about specific operation situations and aids other GDO groups in troubleshooting system issues and evaluating extensions and enhancement opportunities.</p>			
WHAT ARE THE RISKS IF HEADCOUNT IS NOT APPROVED?			
<p>Gas Engineering will not be able to provide support at the same level to other GDO organizations, while processing the increasing number of new business related requests. Other critical functions such as system planning will also be impacted.</p>			
ADDITIONAL NOTES			
<p>This position will be primarily O&M. Salary: ██████████ O&M 30% Capital %30 LE 40% Month of Hire: February Company: LG&E</p>			
Requested By:	Tom Rieth	Date:	April 4, 2014

Complete only for incremental positions that are not in any approved Business Plans			
Please refer to the Strategic Guidelines to assist in completing this form			
Job Title Requested:	Project Planner	#Headcount/Year requested:	1/ 2015
Department/Group:	Gas Engineering	Location:	AOC or EOC
Salary Plan:	EX	Work Space Requirements:	Cubicle
HR Contact:	Duncan, Stephanie Ellis	Requisition Category:	Capital Projects
Job Description			
WHY IS THE HEADCOUNT NEEDED?			
<p>This role would be responsible for planning and coordination for high pressure commercial service, regulator station capacity and relief projects and coordinating overall capital project planning for GDO (excluding GLT projects).</p> <p>Gas Engineering and Gas Control personnel currently engineer, plan and coordinate high pressure commercial service and regulator station capacity/relief type projects through a combined effort. This position would be responsible for coordinating these projects in addition to leading project planning within the GDO organization for non-GLT projects, which currently does not have a resource either.</p>			
WHAT ARE THE BENEFITS OF HAVING THE INCREMENTAL POSITION?			
<p>The incremental position will facilitate planning and coordination for high pressure commercial services, regulator relief/capacity projects and helps schedule/plan other GDO non-GLT capital projects. These projects can require multiple site and customer visits to ensure proper information is gathered for ordering and then the design and fabrication of equipment. GDO has not been able to complete as many installations as desired in the past couple years, which can be attributed to resource constraints to plan and coordinate the projects. In addition, this position will be responsible to lead and/or assist with scheduling other capital projects within GDO. GDO does not have a resource dedicated to this and is currently completed by the Gas Engineering manager.</p>			
WHAT ARE THE RISKS IF HEADCOUNT IS NOT APPROVED?			
<p>It is likely that GDO will not be able to fully utilize funds intended to upgrade high pressure commercial services and regulator relief/capacity projects. There is not currently a resource to plan and coordinate these types of projects and the personnel completing this work are constrained by other work duties. These types of projects are necessary to ensure LG&E's gas system continues to have the capacity to serve its customers reliably and has safety features updated as necessary. In addition, planning for other capital projects will continue to be handled by personnel who have other job duties as their primary responsibilities.</p>			
ADDITIONAL NOTES			
This position will be approximately 95% CAPEX.			
Requested By:	Tom Rieth	Date:	May 8, 2014

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Complete only for incremental positions that are not in any approved Business Plans			
Please refer to the Strategic Guidelines to assist in completing this form			
Job Title Requested:	Engineer	#Headcount/Year requested:	1/2014
Department/Group:	Gas Engineering	Location:	EOC
Salary Plan:	EX	Work Space Requirements:	Cubicle
HR Contact:	Duncan,Stephanie Ellis	Requisition Category:	Core Skill Building/Knowledge Retention & Transfer
Job Description			
<p>WHY IS THE HEADCOUNT NEEDED?</p> <p>Support Gas Construction work execution. The Gas Operations area was split to an operating group and major construction group in 2013 as part of a larger reorganization. The Gas Construction area supports major gas construction projects in the distribution area, which are currently the Main Replacement and Gas Riser projects. The area currently has engineering support from the Gas Engineering group and needs to have an engineer in this area to support the existing programs along with providing an engineer resource for projects and work execution functions in this area.</p>			
<p>WHAT ARE THE BENEFITS OF HAVING THE INCREMENTAL POSITION?</p> <p>Support Gas Engineering workload. Gas Engineering supplies (2) engineering resources to support the Main Replacement program. The Gas Engineering group supports the gas system planning function and new commercial and residential development new business requests. Gas Engineering is experiencing an increase in the system planning and New Business requests. The incremental engineering resource in the Gas Construction area would allow one of the Gas Engineering resources to gradually transition back to primarily Gas Engineering functions. There would be a transition time (9 months to a year) to adequately train the new engineer to support the Main Replacement program along with other projects.</p>			
<p>WHAT ARE THE RISKS IF HEADCOUNT IS NOT APPROVED?</p> <p>Gas Engineering will not be able to provide support at the same level to other GDO organizations, while processing the increasing number of new business related requests.</p>			
<p>ADDITIONAL NOTES</p> <p>Expected Salary (midpoint or entry rate): [REDACTED]</p> <p>O&M 15% / Capital 85%</p> <p>Month of Hire: May</p> <p>Company: LG&E</p>			
Requested By:	Russ Cloyd	Date:	March 1, 2014

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Complete only for incremental positions that are not in any approved Business Plans			
Please refer to the Strategic Guidelines to assist in completing this form			
Job Title Requested:	Data / Planning Analyst	#Headcount/Year requested:	1/2015
Department/Group:	004270	Location:	AOC/EOC
Salary Plan:	NE	Work Space Requirements:	Cubicle, AOC
HR Contact:	Duncan,Stephanie Ellis	Requisition Category:	Regulatory Compliance
Job Description			
<p>WHY IS THE HEADCOUNT NEEDED?</p> <p>A Planning Analyst is need in the Gas Dispatch area to identify data integrity issues as information is collected from field employees, plan short duration jobs (service line installations, replacements).</p>			
<p>WHAT ARE THE BENEFITS OF HAVING THE INCREMENTAL POSITION?</p> <p>Process improvement, education of employees on proper data/information gathering. Scheduling of jobs to improve on Customer Experience metrics.</p>			
<p>WHAT ARE THE RISKS IF HEADCOUNT IS NOT APPROVED?</p> <p>Regulatory issues could arise if data misinformation is not identified and corrected. New employees in positions that require documentation of gas facilities and incidents could develop bad habits if problems not quickly identified and remediated.</p>			
<p>ADDITIONAL NOTES</p> <p>Capital/OPEX split – 75/25 Salary: [REDACTED] Month of Hire: March Company: LG&E</p>			
Requested By:	Paul Stratman	Date:	April 9, 2014

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Complete only for incremental positions that are not in any approved Business Plans			
Please refer to the Strategic Guidelines to assist in completing this form			
Job Title Requested:	Distribution Mechanic	#Headcount/Year requested:	1/2015 1/2016 1/2017
Department/Group:	004190	Location:	AOC/EOC
Salary Plan:	BU	Work Space Requirements:	Field position
HR Contact:	Duncan,Stephanie Ellis	Requisition Category:	Core Skill Building/Knowledge Retention & Transfer
Job Description			
WHY IS THE HEADCOUNT NEEDED?			
This position's family is the feeder to Gas Trouble, Gas Crew Leader and Pipeline Inspection positions. In order to accommodate the approaching retirement, these employees need to be hired in the immediate future to allow appropriate regulatory and safety training and transfer institutional knowledge to new generation of employees.			
WHAT ARE THE BENEFITS OF HAVING THE INCREMENTAL POSITION?			
Knowledge transfer, more flexibility to respond to emergency situations.			
WHAT ARE THE RISKS IF HEADCOUNT IS NOT APPROVED?			
Inability to backfill critical journeyman positions, specifically Crew Leaders, Gas Trouble Technicians that are first responders to gas emergencies. Currently have no employees capable of assuming Crew Leader position.			
ADDITIONAL NOTES			
Capital/OPEX split – 50/50 Salary: \$ [REDACTED] /hr Month of Hire: March Company: LG&E			
Requested By:	Paul Stratman	Date:	April 9, 2014

CONFIDENTIAL INFORMATION REDACTED

Complete only for incremental positions that are not in any approved Business Plans			
Please refer to the Strategic Guidelines to assist in completing this form			
Job Title Requested:	Administrative/Clerical Position	#Headcount/Year requested:	1/2015
Department/Group:	Gas Distribution – Contract Construction	Location:	AOC
Salary Plan:	EX	Work Space Requirements:	Office or cubicle at Auburndale
HR Contact:	Duncan, Stephanie Ellis	Requisition Category:	Capital Projects
Job Description			
<p>WHY IS THE HEADCOUNT NEEDED?</p> <p>This position is needed for processing invoices, reviewing and consolidating invoices for accuracy, ordering material, and performing other essential functions supporting gas construction projects and specifically the large scale multi-year capital projects. This work is currently being performed by a contractor resource and has been since 2010. The gas distribution capital budget has increased dramatically over the past few year and increased the volume of this type of administrative work supporting these projects.</p>			
<p>WHAT ARE THE BENEFITS OF HAVING THE INCREMENTAL POSITION?</p> <p>We can better manage the administrative aspects of large scale multi-year Gas Construction projects by adding this position. This position also now requires more than 40 hours a week to complete and would be best served by a full time company person. This work volume will remain the same or higher at least through 2016 and possibly longer.</p>			
<p>WHAT ARE THE RISKS IF HEADCOUNT IS NOT APPROVED?</p> <p>The risks of not adding this headcount would be to continue to have a contractor resource continue to perform this administrative work. There are numerous large dollar invoices I these capital projects that need to be reviewed and analyzed for accuracy, and having a full time LG&E employee in this position is a key to long term success.</p>			
<p>ADDITIONAL NOTES</p> <p>Other groups of this type would typically have a Team Leader between the Group Leader and Bargaining Unit personnel. Adding a Team Leader would make this Group more consistent with other Departments within the Company.</p> <p>Salary: [REDACTED]</p> <p>O&M 5%</p> <p>Capital 95%</p> <p>Month of Hire: January</p> <p>Company: LG&E</p>			
Requested By:	Russ Cloyd	Date:	March 27, 2014

CONFIDENTIAL INFORMATION REDACTED

Complete only for incremental positions that are not in any approved Business Plans			
Please refer to the Strategic Guidelines to assist in completing this form			
Job Title Requested:	Team Leader, Gas Distribution, Contract Inspection	#Headcount/Year requested:	1/2015
Department/Group:	Gas Distribution – Contract Construction	Location:	AOC
Salary Plan:	EX	Work Space Requirements:	Office or cubicle at Auburndale
HR Contact:	Duncan, Stephanie Ellis	Requisition Category:	Core Skill Building/Knowledge Retention & Transfer
Job Description			
<p>WHY IS THE HEADCOUNT NEEDED?</p> <p>The size of this department has tripled over the last 10 years due to increased contract construction. The number of projects and capital budget managed has also increased dramatically. There is now a Group Leader over this group who was previously a team leader. The Group Leader has taken on more project and budget management duties over the years and has less time to manage day to day activities of a group of this size.</p>			
<p>WHAT ARE THE BENEFITS OF HAVING THE INCREMENTAL POSITION?</p> <p>We can better manage the contract inspection group by adding this position. This incremental position also makes the Gas Inspection Department more consistent with other departments within the company.</p>			
<p>WHAT ARE THE RISKS IF HEADCOUNT IS NOT APPROVED?</p> <p>Difficulties in effectively managing this group will exist.</p>			
<p>ADDITIONAL NOTES</p> <p>Other groups of this type would typically have a Team Leader between the Group Leader and Bargaining Unit personnel. Adding a Team Leader would make this Group more consistent with other Departments within the Company.</p> <p>Salary: [REDACTED]</p> <p>O&M 5%</p> <p>Capital 95%</p> <p>Month of Hire: January</p> <p>Company: LG&E</p>			
Requested By:	Russ Cloyd	Date:	March 19, 2014

CONFIDENTIAL INFORMATION REDACTED

Complete only for incremental positions that are not in any approved Business Plans			
Please refer to the Strategic Guidelines to assist in completing this form			
Job Title Requested:	Auxiliary Operator	#Headcount/Year requested:	1 / 2015
Department/Group:	Magnolia Gas Storage	Location:	Magnolia
Salary Plan:	BU	Work Space Requirements:	General
HR Contact:	Duncan, Stephanie Ellis	Requisition Category:	Customer Service Commitments
Job Description			
<p>WHY IS THE HEADCOUNT NEEDED?</p> <ol style="list-style-type: none"> 1) Assist the Operators on Shift with the additional duties of running the Booster at Magnolia. 2) Assist the Operators and travel to Center to check on the two (2) compressors at Center. 3) Assist Operators and check on the Canmer Dehydration facility. 4) The Amine filtration system is a good filtration system; however, it does involve a lot of labor. Loading the filter, draining the vessel and disposing of the debris. 5) This position would also maintain the environmental records for the station. 6) Backfill for the occasional absences of the Operators for illness and funeral leave. 			
<p>WHAT ARE THE BENEFITS OF HAVING THE INCREMENTAL POSITION?</p> <p>Insure that Magnolia continues to provide and maintain a safe and reliable operation meeting our customer's needs. The addition of equipment; particularly off-site, has placed a need for an additional employee. This person would be responsible for the environmental records, the operations of the off-site equipment at Canmer and Center, vacancies and miscellaneous duties at the stations.</p>			
<p>WHAT ARE THE RISKS IF HEADCOUNT IS NOT APPROVED?</p> <p>The risks are that we are not able to provide treated natural gas to the distribution system that meets or exceeds regulatory requirements. Additionally, Safety of the station can be compromised with sending one of the operators on-shift to check on the other station, leaving the entire Magnolia station to only 1 person.</p>			
<p>ADDITIONAL NOTES</p> <p>The employees feel that a 3rd person should be on each shift, like Muldraugh. In fact, the Chief Union Steward met with Nathan and I on this matter on Feb. 21, 2014. The management team at Magnolia feels we can Safely operate the 3-sites, 24/7 with only 1 additional headcount.</p> <p>O&M 90% / Capital 10%</p> <p>Salary: [REDACTED]/hr</p> <p>Month of Hire: January</p> <p>Company: LG&E</p>			
Requested By:	John W. Skaggs	Date:	March 7, 2014

CONFIDENTIAL INFORMATION REDACTED

Complete only for incremental positions that are not in any approved Business Plans			
Please refer to the Strategic Guidelines to assist in completing this form			
Job Title Requested:	Storage Operator	#Headcount/Year requested:	1/2017
Department/Group:	Magnolia Gas Storage	Location:	Magnolia
Salary Plan:	BU	Work Space Requirements:	All existing
HR Contact:	Duncan,Stephanie Ellis	Requisition Category:	Core Skill Building/Knowledge Retention & Transfer
Job Description			
WHY IS THE HEADCOUNT NEEDED?			
<p>This headcount is needed to replace and have knowledge transfer for [REDACTED] and in order to maintain the safe, dependable, reliable and expected gas supply from storage to the LG&E Gas Distribution system. It takes a minimum of 8 shift-workers to operate the station. There are only 8 shift operators; therefore absences due to sickness or funeral leave are filled with the remaining 7 on overtime. It takes 3 to 5 years to become proficient in the duties of a Storage Operator. A minimum of 1 year of cross-training; including a season of shift work is mandatory, in order to continue the high level of customer service that LG&E has come to expect.</p>			
WHAT ARE THE BENEFITS OF HAVING THE INCREMENTAL POSITION?			
<p>The main benefit for having this incremental position for 1 year, is the knowledge transfer and cross-training needed to be in that second position on shift. Again, there are only 2 employees on shift; there are only 8 operators in total. It takes 8 to minimally staff the shift work. In addition, there are not experienced operators available off the street. This is a unique position and requires 90% on-the-job training.</p>			
WHAT ARE THE RISKS IF HEADCOUNT IS NOT APPROVED?			
<p>By allowing [REDACTED] to retire and no one ready to step up and be that second person on shift could result in significant gas supply shortage in the event of a station and/or personal emergency. This could include safety risks, not only to the employees but also the station equipment as well.</p>			
ADDITIONAL NOTES			
<p>This is identical to the back-fill for [REDACTED] the year before Salary: [REDACTED]</p> <p>Salary: [REDACTED]/hr O&M 90% / Capital 10% Month of Hire: March Company: LGE</p>			
Requested By:	John Skaggs	Date:	April 10, 2014

CONFIDENTIAL INFORMATION REDACTED

Complete only for incremental positions that are not in any approved Business Plans			
Please refer to the Strategic Guidelines to assist in completing this form			
Job Title Requested:	Instrumentation, Measurement & Electronics Technician	#Headcount/Year requested:	1/2015
Department/Group:	Magnolia Gas Storage	Location:	Magnolia/Center Stations
Salary Plan:	BU	Work Space Requirements:	F350 Truck
HR Contact:	Duncan, Stephanie Ellis	Requisition Category:	Core Skill Building/Knowledge Retention & Transfer
Job Description			
<p>WHY IS THE HEADCOUNT NEEDED?</p> <p>Similar to Muldraugh Gas Storage, Magnolia Gas Storage currently has one instrumentation, measurement & electronics technician (IM&E). It is recommended that an additional IM&E Technician be hired in 2014 to support the growing work load associated with operating and maintaining the measurement, pneumatic, control, instrumentation, mechanical, and electrical equipment at Magnolia and Center Compressor Stations. Some of this equipment includes: Programmable Logic Controllers (PLC) that control very complex control systems for the natural gas compressors and process control equipment that include gas purification units, gas dehydration units, gas compression equipment; including all auxiliary and process control equipment necessary to operate and maintain the natural gas compression, purification, dehydration, and filtration in the Magnolia Gas Storage area.</p>			
<p>WHAT ARE THE BENEFITS OF HAVING THE INCREMENTAL POSITION?</p> <p>The growing requirement for experienced technical support in the Magnolia Gas Storage area justifies an increase in headcount. Although it will not solve the grossly discrepant ratio of technical work to qualified team members, it will allow us to solve various production problems with a substantially shorter turn-around without sacrificing industry best practices. For example:</p> <p>1). The gas compression equipment, gas processing equipment, and the associated system controls located within the Magnolia Compressor Station are exclusive to this site. Currently the station has one in house IM&E technician that thoroughly understands the stations network of equipment controls and instrumentation. The reliance on the controls and instrumentation has drastically shifted in the past decade to the point that the station is not operable if the controls or instrumentation were to fail, which could result in the loss of thousands of gas customers. This shift in many ways makes the IM&E tech the most important position within the Magnolia Station staff. The growing workload associated with operating/maintaining the station equipment and the dependence on a single individual to respond in the event of an emergency substantiates the request for the incremental position.</p>			
<p>WHAT ARE THE RISKS IF HEADCOUNT IS NOT APPROVED?</p> <p>Reliance on a single individual to maintain gas compressor station equipment could result in significant gas supply shortage in the event of a station and/or personal emergency.</p>			
<p>ADDITIONAL NOTES:</p> <p>Position will require the lease of an additional F250/350 truck. Salary: ██████████ O&M/Capital %: 90% O&M/10% Capital Month of Hire: January Company: LGE</p>			
Requested By:	John Skaggs	Date:	April 4, 2014

Complete only for incremental positions that are not in any approved Business Plans			
Please refer to the Strategic Guidelines to assist in completing this form			
Job Title Requested:	Instrumentation, Measurement & Electronics Technician	#Headcount/Year requested:	1/2015
Department/Group:	Muldraugh Gas Storage	Location:	Muldraugh / Laconia Field Shop
Salary Plan:	BU	Work Space Requirements:	F350 Truck w/utility bed
HR Contact:	Duncan,Stephanie Ellis	Requisition Category:	Core Skill Building/Knowledge Retention & Transfer
Job Description			
<p>WHY IS THE HEADCOUNT NEEDED?</p> <p>Muldraugh Gas Storage currently has one instrumentation, measurement & electronics technician (IM&E). It is recommended that an additional IM&E Technician be hired in 2014 to support the growing work load associated with operating and maintaining the unique measurement, pneumatic, control, instrumentation, mechanical, and electrical equipment in the Muldraugh Gas Storage area. Some of this equipment includes: Doe Run shale gas recovery system compressors and process control equipment; Muldraugh station gas purification units, gas dehydration unit, gas compression equipment; including all auxiliary and process control equipment necessary to operate and maintain the natural gas compression, purification, dehydration, and filtration in the Muldraugh Gas Storage area.</p>			
<p>WHAT ARE THE BENEFITS OF HAVING THE INCREMENTAL POSITION?</p> <p>The growing requirement for experienced technical support in the Muldraugh Gas Storage area justifies an increase in headcount. Although it will not solve the grossly discrepant ratio of technical work to qualified team members, it will allow us to solve various production problems with a substantially shorter turn-around without sacrificing industry best practices. For example:</p> <ol style="list-style-type: none"> 1) The gas compression equipment, gas processing equipment, and the associated system controls located within the Muldraugh Compressor Station are often exclusive to this site. Currently the station has one in house IM&E technician that thoroughly understands the stations network of equipment controls and instrumentation. The reliance on the controls and instrumentation has drastically shifted in the past decade to the point that the station is not operable if the controls or instrumentation were to fail, which could result in the loss of thousands of gas customers. This shift in many ways makes the IM&E tech the most important position within the Muldraugh Station staff. The growing workload associated with operating/maintaining the station equipment and the dependence on a single individual to respond in the event of an emergency substantiates the request for the incremental position. 2) The equipment in the Doe Run shale recovery system is unique to the LG&E gas business. The equipment is complex and very technical. Often when equipment in the shale recovery system breaks down it is a simple instrumentation or control issue. The current storage field employees do not poses the expertise to troubleshoot the equipment. At the present time, the Doe Run shale recovery system is supported, when schedules permit, by IM&E staff out of Louisville. The dependence on the Louisville IME staff coupled with the inability to support the equipment in house often times results in extended equipment shutdowns and increased gas loss from the storage field that could be avoided/reduced with a dedicated IM&E technician onsite. 			

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WHAT ARE THE RISKS IF HEADCOUNT IS NOT APPROVED?

- 1) Reliance on individual to maintain gas compressor station equipment could result in significant gas supply shortage in the event of a station and/or personal emergency.
- 2) Loss of production resulting in increased gas losses in the Doe Run storage field

ADDITIONAL NOTES

Position will require the lease of an additional F250/350 w/utility bed truck.

Salary: [REDACTED]/hr

O&M 100%

Month of Hire: March

Company: LG&E

Requested By:	Mike Cummins	Date:	March 25, 2014
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Complete only for incremental positions that are not in any approved Business Plans			
Please refer to the Strategic Guidelines to assist in completing this form			
Job Title Requested:	Gas Supply Specialist I or II	#Headcount/Year requested:	1/2015
Department/Group:	Gas Management, Planning, and Supply Department	Location:	BOC-1
Salary Plan:	EX	Work Space Requirements:	Cubicle and Personal Computer
HR Contact:	Duncan,Stephanie Ellis	Requisition Category:	Core Skill Building/Knowledge Retention & Transfer
Job Description			
<p>WHY IS THE HEADCOUNT NEEDED?</p> <ul style="list-style-type: none"> • Address increasing regulatory compliance requirements (Sarbanes-Oxley, CFTC, FERC, KYPS). • Address increasing complexities of gas supply and related regulatory issues. • Address increasing expectations of existing gas transportation customers. • Address increasing numbers of end-use gas transportation customers. • Develop statistical, analytical, and other expertise to support department activities. • Address workforce retirements. 			
<p>WHAT ARE THE BENEFITS OF HAVING THE INCREMENTAL POSITION?</p> <p>An organizational succession plan has already been developed for the Director of Gas Supply. Similarly, job responsibilities and organizational structure has been adjusted within the department to address changing work requirements. Steps have already been undertaken to address the transfer of knowledge issues. However, additional resources are required to be developed in order to accommodate new demands (regulatory, compliance, customer) that cannot otherwise be met with existing personnel. Therefore, it is necessary to begin the development of an employee with expertise in gas supply planning, contract negotiation, project management, statistical analysis, and regulatory expertise. This new person would be available to move into the Gas Supply Manager role.</p>			
<p>WHAT ARE THE RISKS IF HEADCOUNT IS NOT APPROVED?</p> <p>Failure to address the headcount issue leaves the department and the company exposed to increased regulatory scrutiny, non-compliance, inadequate planning, potential reliability issues, and cost disallowances.</p>			
<p>ADDITIONAL NOTES</p> <p>Developing an understanding of the more complex gas supply issues generally takes 3 to 5 years. There are no existing resources at the Gas Supply Specialist level which can be developed to address gas supply planning, contract negotiation, and regulatory expertise.</p> <p>Salary: [REDACTED]</p> <p>O&M 100%</p> <p>Month of Hire: March</p> <p>Company: LG&E</p>			
Requested By:	J. Clay Murphy	Date:	March 27, 2014

Customer Service

CONFIDENTIAL INFORMATION REDACTED

Complete only for incremental positions that are not in any approved Business Plans			
Please refer to the Strategic Guidelines to assist in completing this form			
Job Title Requested:	Customer Care Coach	#Headcount/Year requested:	1/2015
Department/Group:	Residential Service Center	Location:	Morganfield
Salary Plan:	NE	Work Space Requirements:	No additional work space required
HR Contact:	Stallard,Danielle	Requisition Category:	Core Skill Building/Knowledge Retention & Transfer
Job Description			
<p>WHY IS THE HEADCOUNT NEEDED?</p> <p>Currently, the Morganfield coach:employee ratio is 1:17. This is what we run in Louisville, but we also have 3 ops managers, which drops the effective ratio 1:10. If you include the ops manager position, the leader: employee ratio is 1:12.25.</p>			
<p>WHAT ARE THE BENEFITS OF HAVING THE INCREMENTAL POSITION?</p> <p>Adding the additional coach position brings this ratio in line with Louisville at 1:10. The additional coach would help the existing leadership team more effectively track and coach performance opportunities, and would help the team continue to focus and refine their performance.</p>			
<p>WHAT ARE THE RISKS IF HEADCOUNT IS NOT APPROVED?</p> <p>If this position is not approved, it could have a negative impact on the support and guidance that the leadership is team is able to provide the reps in the Morganfield call center, which could ultimately impact the customer experience.</p>			
<p>ADDITIONAL NOTES</p> <p>Expected Salary (midpoint or entry rate): [REDACTED]</p> <p>O&M/Capital %: 100%</p> <p>Month of Hire:1/2015</p> <p>Company:Servco</p>			
Requested By:	Darius Lepp	Date:	April 11, 2014

CONFIDENTIAL INFORMATION REDACTED

Complete only for incremental positions that are not in any approved Business Plans			
Please refer to the Strategic Guidelines to assist in completing this form			
Job Title Requested:	Dept/Div Secretary	#Headcount/Year requested:	1/2015
Department/Group:	Residential Service Center	Location:	Morganfield
Salary Plan:	NE	Work Space Requirements:	No additional work space required
HR Contact:	Stallard,Danielle	Requisition Category:	Core Skill Building/Knowledge Retention & Transfer
Job Description			
<p>WHY IS THE HEADCOUNT NEEDED?</p> <p>The RSC currently has a long term contractor filling this role in Morganfield. The contractor is the only secretary on site, and provides support to the entire staff of over 50 Customer Services employees. The contractor also provides indirect/occasional support for the Business Office team and the Distribution Ops teams as well. The RSC would seek this as a contractor conversion.</p>			
<p>WHAT ARE THE BENEFITS OF HAVING THE INCREMENTAL POSITION?</p> <p>This would lead to an overall reduction in O&M cost, as the price we pay the contracting agency is much high higher than the salary and benefits of the company. If possible we would seek to accelerate this to into 2014 to recognize the savings earlier.</p>			
<p>WHAT ARE THE RISKS IF HEADCOUNT IS NOT APPROVED?</p> <p>The company will continue to pay the higher contracting agency costs.</p>			
<p>ADDITIONAL NOTES</p> <p>Expected Salary (midpoint or entry rate): [REDACTED]</p> <p>O&M/Capital %: 100%</p> <p>Month of Hire:1/2015</p> <p>Company:Servco</p>			
Requested By:	Darius Lepp	Date:	April 11, 2014

CONFIDENTIAL INFORMATION REDACTED

Complete only for incremental positions that are not in any approved Business Plans			
Please refer to the Strategic Guidelines to assist in completing this form			
Job Title Requested:	Customer Relations Associate	#Headcount/Year requested:	1/2015
Department/Group:	Customer Commitment	Location:	Louisville
Salary Plan:	NE	Work Space Requirements:	No additional work space required
HR Contact:	Stallard,Danielle	Requisition Category:	Customer Service Commitments
Job Description			
WHY IS THE HEADCOUNT NEEDED?			
<p>The Customer Commitment department continues to expand its job responsibilities without any additional headcount. In 2009, due to an increase in internal and external complaints, the decision was made to add a contractor. Also with the implementation of CCS, many daily tasks for low income pledge processing and "My Account" were added to the department. To enhance the customer experience and to assist other company departments, Customer Commitment department has added the following duties over the past few years: Customer Experience Support, Low Income Pledge Processing (approximately 135,000 pledges annually), and Low Income Portal Management, FLEX Program Management (approximately 18,000 customers), Net Metering Service and Low Emission Vehicles program management.</p>			
WHAT ARE THE BENEFITS OF HAVING THE INCREMENTAL POSITION?			
<p>Since the work is complex, requires a deep understanding of CCS and cannot be eliminated through the use of technology, it is prudent to shift this work to a Company employee to better protect against the risk of having a trained resource leave the Company. Also, the job tasks are extremely time sensitive and if not completed timely can harm the relationship with KPSC, Office of Attorney General, Better Business Bureau, and the many utility assistance agencies and organizations throughout the LG&E, KU and ODP service areas.</p>			
WHAT ARE THE RISKS IF HEADCOUNT IS NOT APPROVED?			
<p>With temporary contractor turnover, the loss of knowledge, lack of stability, it causes the department to be less efficient in completing time sensitive work tasks which causes poor customer experiences internally and for external regulatory and low income agencies and advocacy organizations that the department interacts with on a daily basis.</p>			
ADDITIONAL NOTES			
<p>Expected Salary (midpoint or entry rate): REDACTED</p> <p>O&M/Capital %: 100%</p> <p>Month of Hire:1/2015</p> <p>Company:Servco</p>			
Requested By:	Tim Melton	Date:	April 11, 2014

CONFIDENTIAL INFORMATION REDACTED

Complete only for incremental positions that are not in any approved Business Plans			
Please refer to the Strategic Guidelines to assist in completing this form			
Job Title Requested:	CCS Business Systems Specialist	#Headcount/Year requested:	1/2016
Department/Group:	Retail Business Systems, Strategy, and Learning	Location:	BOC 1 or Lex GO 2
Salary Plan:	EX	Work Space Requirements:	No additional work space required
HR Contact:	Stallard,Danielle	Requisition Category:	Core Skill Building/Knowledge Retention & Transfer
Job Description			
WHY IS THE HEADCOUNT NEEDED?			
Additional CCS Projects – Upgrade, RFC Enhancements, Automated Testing, Annual System Maintenance, Incremental training resource.			
WHAT ARE THE BENEFITS OF HAVING THE INCREMENTAL POSITION?			
Maintain CCS system with up-to-date functionality and system availability. The specialist will be expert in CCS areas and would probably serve as Leads for Customer Service, Testing, Change Management/Training etc. on the project as well as maintaining the current business while the project is ongoing.			
WHAT ARE THE RISKS IF HEADCOUNT IS NOT APPROVED?			
Additional resources from the Business areas will be needed to staff projects and test new functionality as well as research system issues and business needs.			
ADDITIONAL NOTES			
Expected Salary (midpoint or entry rate): [REDACTED]			
O&M/Capital %: 100			
Month of Hire: Jan 2016			
Company: Servco			
Requested By:	Jean Ann Pfisterer	Date:	April 11, 2014

CONFIDENTIAL INFORMATION REDACTED

Complete only for incremental positions that are not in any approved Business Plans			
Please refer to the Strategic Guidelines to assist in completing this form			
Job Title Requested:	Critical Infraction Protection (CIP) Assistant	#Headcount/Year requested:	1/2015
Department/Group:	Corporate Security	Location:	BOC 1
Salary Plan:	NE	Work Space Requirements:	No additional work space required
HR Contact:	Danielle Stallard	Requisition Category:	Core Skill Building/Knowledge Retention & Transfer
Job Description			
<p>WHY IS THE HEADCOUNT NEEDED?</p> <p>This position would be a fulltime employee to work as a CIP Assistant to assist the Corporate Security Compliance Coordinator. Due to the ever changing and increasing FERC/NERC reliability standards, additional assistance is needed on a daily basis to be proactive and prevent risk from potential violations.</p>			
<p>WHAT ARE THE BENEFITS OF HAVING THE INCREMENTAL POSITION?</p> <p>The benefit to the company having a fulltime employee in this position is that a person knowledgeable in the NERC/CIP standards and dedicated to assisting the Compliance Coordinator. Currently, the Compliance Coordinator is overwhelmed with current tasks of overseeing FERC/NERC requirements for physical security of the companies' critical cyber assets housed within Physical Security Perimeters and well as all the Personal Risk Assessments that must be conducted and approved for granting access.</p>			
<p>WHAT ARE THE RISKS IF HEADCOUNT IS NOT APPROVED?</p> <p>The risks if the headcount is not approved would decrease the ability to be proactive with additional measures that continue to be put in place to maintain compliance with NERC/CIP standards. The major risk is the failure to comply with the NERC/CIP standards CIP-004 or CIP-006, resulting in a NERC/CIP violation for the company.</p>			
<p>ADDITIONAL NOTES</p> <p>Expected Salary (midpoint or entry rate): [REDACTED]</p> <p>O&M/Capital %: 100% O&M</p> <p>Month of Hire: 1/2015</p> <p>Company: Servco</p>			
Requested By:	Philip A. Noble, Manager of Corporate Security	Date:	April 24, 2014

CONFIDENTIAL INFORMATION REDACTED

Complete only for incremental positions that are not in any approved Business Plans			
Please refer to the Strategic Guidelines to assist in completing this form			
Job Title Requested:	Supervisor of Corporate Facility Operations	#Headcount/Year requested:	1/2014
Department/Group:	Corporate Facility Services	Location:	LGE Center - 1
Salary Plan:	EX	Work Space Requirements:	workstation
HR Contact:	McClure,Hazen Renea	Requisition Category:	Core Skill Building/Knowledge Retention & Transfer
Job Description			
<p>WHY IS THE HEADCOUNT NEEDED?</p> <p>This supervisor role will handle the direct day-to-day operations for the LG&E Center. This will be an incremental headcount addition due to the Manager of Administration and Contract Services being reassigned to oversee all contracts.</p>			
<p>WHAT ARE THE BENEFITS OF HAVING THE INCREMENTAL POSITION?</p> <p>This will remove any operational confusion and allow for consistency and harmonization of processes, guidelines and vendors across all facilities. This position will report to the</p>			
<p>WHAT ARE THE RISKS IF HEADCOUNT IS NOT APPROVED?</p> <p>This position will oversee the Company's lease agreement with building owner to ensure all lease provisions are properly executed and terms and conditions of the lease are fulfilled at the corporate facility. It will also serve as the Company's liaison to ensure that building maintenance; janitorial services, etc. are provided in a timely and efficient manner.</p>			
<p>ADDITIONAL NOTES</p> <p>Expected Salary (midpoint or entry rate): [REDACTED]</p> <p>O&M/Capital %: 100% O&M</p> <p>Month of Hire: June 2014</p> <p>Company: LGE KU Services Company</p>			
Requested By:	Travis Thompson	Date:	March 25, 2014

Complete only for incremental positions that are not in any approved Business Plans			
Please refer to the Strategic Guidelines to assist in completing this form			
Job Title Requested:	Right of Way Agent	#Headcount/Year requested:	2/2016
Department/Group:	025580- Real Estate/Right of Way	Location:	London/Earlington
Salary Plan:	EX	Work Space Requirements:	Normal Cubical Workspace
HR Contact:	McClure,Hazen Renea	Requisition Category:	Core Skill Building/Knowledge Retention & Transfer
Job Description			
<p>WHY IS THE HEADCOUNT NEEDED?</p> <p>The current Company's approach to Right of Way (RoW) management is a fragmented process. LG&E has a centralized RoW function employing five (5) company RoW agents operating under the direction of the manager of Real Estate and Right of Way (REROW). These agents currently cover all LG&E/KU Gas and Electric Transmission projects, and approximately 730,000 LG&E gas and electric distribution customers. KU has a decentralized RoW function which contains no dedicated RoW agents. The operation of the RoW function is managed by the various distribution and transmission managers across KU service territory. Over the past several months, REROW has been working with the KU distribution and transmission managers and senior managers to move toward a centralized Companywide RoW division. This would include jointly working to develop and implement standardize Companywide guidelines that govern the Company's RoW activities. The purpose of this request is to provide the dedicated RoW resources for the specified geographic areas.</p> <p>In addition to moving to a centralize RoW division, having dedicated and knowledgeable RoW agents can provide significant value to the Company. One of the primary roles of a RoW agent is to obtain easements which allow the Company to install electric and gas facilities necessary to serve our customers. It is the goal of the Company to obtain private easements whenever possible. Private easements provide financial protection to the Company in the event its facilities must be relocated in the future. To identify, negotiate, procure, and record private easements is a very timely process and requires someone knowledgeable in real estate and right of way processes. The absence of any dedicated RoW agents to serve these KU areas hinders the Company's ability to achieve this goal. The lack of private easements could expose the Company to significant financial cost to relocate its facilities in the future. However, these costs may be prevented or reduced by obtaining private easements whenever possible. Therefore, to protect against future facility relocation costs and to provide additional right of way support for distribution and transmission, it is request to add Right of Way agents to cover the service territories as follows:</p> <ul style="list-style-type: none"> • (1) agent for London, Richmond, Pineville, Norton (ODP) and surrounding counties. There are approx. 99,000 KU and 30,000 ODP electric customers in this area, with considerable drive time between communities. • (1) agent for Earlington, Greenville, Morganfield, Barlow and surrounding counties. There are approx. 60,000 KU electric customers in this area, with considerable drive time between communities. 			

CONFIDENTIAL INFORMATION REDACTED**WHAT ARE THE BENEFITS OF HAVING THE INCREMENTAL POSITION?**

These positions will provide oversight for the implementation of all Right of Way processes/guidelines and procure record and document all public and private easements for this assigned area for the REROW department. This would include all new and proposed construction projects, as well as encroachments.

WHAT ARE THE RISKS IF HEADCOUNT IS NOT APPROVED?

Currently there are no dedicated REROW agents for any KU areas. These responsibilities are fulfilled by various distribution and transmission employees at the center level. Without obtaining and recording of private easements whenever possible exposes the Company the bear the financial costs to relocate our electric and gas infrastructure should the need arise.

ADDITIONAL NOTES

Expected Salary (midpoint or entry rate): [REDACTED]

O&M/Capital %: 75% O&M and 25% Capital

Month of Hire: March

Company: Servco

Requested By:

Jim Holderman

Date:

March 21, 2014

Complete only for incremental positions that are not in any approved Business Plans			
Please refer to the Strategic Guidelines to assist in completing this form			
Job Title Requested:	Building Operations Technician (BOT)	#Headcount/Year requested:	1/2015
Department/Group:	Facility Operations	Location:	Simpsonville, Dix Dam, & Future Transmission/Distribution Control Center (backup)
Salary Plan:	NE	Work Space Requirements:	Normal Supervisor Workstation
HR Contact:	McClure,Hazen Renea	Requisition Category:	Core Skill Building/Knowledge Retention & Transfer
Job Description			
<p>WHY IS THE HEADCOUNT NEEDED?</p> <p>This position is requested to address the lack of a building operations technician for redundancy at Simpsonville, a complete lack of full time coverage at Dix Dam, and the need to acquire, orient, and train a new building operations technician for the future backup Transmission and Distribution Control center scheduled for finalization in 2016-2017. Currently, Facility Services (FS) has one building operations technician located at Simpsonville to cover operations at the Simpsonville and Dix Dam locations. This employee acts as the on-site building engineer; operating and performing full preventative maintenance on complex building equipment and equipment system controls to include electrical, plumbing, and HVAC equipment. Additional responsibilities include: responding to building emergencies, responding to tenant requests and work orders, interacting and escorting vendors and contractors in PSP areas, performing daily rounds and recording critical meter readings, scheduling and coordinating generator testing, responding to site scan alarms and performing corrective actions, and coordinating all complex required system validation preventative maintenance measures with multiple agencies, contractors and internal customers.</p> <p>Currently, FS has been able to take advantage of engineers organic to the Dix Dam building to provide some of these services as needed. Those services include testing the generators and recording fuel, escorting needed contractors into the PSP, responding to routine alarms and performing minor maintenance. We were recently informed during a space planning meeting that the employee from Transmission that had acquired this knowledge and currently works at Dix Dam will likely be moved at the earliest availability of space in Lexington to the KUGO building. This move was narrowly avoided late last year but is still being actively sought. This employee, once moved, will not be replaced by Transmission at Dix Dam.</p> <p>Additionally, the existing BOT located at Simpsonville did not get assigned to the facility until the very end phase of construction. Therefore, this individual had no extensive knowledge of the construction of the building and was not afforded the invaluable opportunity to be involved with the systems as they were installed. This individual is still learning small details about the construction as a result of not having that first-hand knowledge. Much of this has been done through detailed self-study and extensive operational experience as issues have arisen.</p>			
<p>WHAT ARE THE BENEFITS OF HAVING THE INCREMENTAL POSITION?</p> <p>Recruiting, hiring, and training a Building Operations Technician in 2015 will allow FS to accomplish three key operational objectives: 1.) This will give FS ample time to train a new technician on highly critical and complex systems while gaining the knowledge to be a redundant resource for the Simpsonville Data/Control Center; and concurrently, 2.) utilize the new BOT to conduct needed operations at the Dix Dam Facility until the new backup control center is operational and 3.) Allow the new BOT to be involved with the design and construction of the new backup TCC/DCC and ultimately be able to function in both the primary and back up control centers. Hiring and training an incremental BOT would result in primary and redundant capabilities at both of these critical facilities immediately upon commissioning the new building.</p>			

CONFIDENTIAL INFORMATION REDACTED**WHAT ARE THE RISKS IF HEADCOUNT IS NOT APPROVED?**

Redundant capabilities are at risk currently at Dix Dam. Additionally, any resource that has to be dedicated from Simpsonville to address issues at Dix Dam creates vulnerability in our service to the Simpsonville DCC. Further, not recruiting, hiring, and training an additional BOT now will result in a dramatic decrease in service to the new backup control center once operational.

ADDITIONAL NOTES

Expected Salary (midpoint or entry rate): approx.. [REDACTED]

O&M/Capital %: 100% O&M

Month of Hire: May 2015

Company: SERVCO

Requested By:

Travis Thompson

Date:

March 31, 2014

CONFIDENTIAL INFORMATION REDACTED

Complete only for incremental positions that are not in any approved Business Plans			
Please refer to the Strategic Guidelines to assist in completing this form			
Job Title Requested:	Facilities Project Scheduler	#Headcount/Year requested:	1/2015
Department/Group:	Facilities Service	Location:	Louisville – BOC / LG&E Center
Salary Plan:	EX	Work Space Requirements:	Dedicated workstation
HR Contact:	McClure,Hazen Renea	Requisition Category:	Capital Projects
Job Description			
WHY IS THE HEADCOUNT NEEDED?			
<p>The Project Scheduler position is requested to provide planned/unplanned project support for the Facility Services Department. Due to the yearly increase in projects, both planned and unplanned, the need for a dedicated Project Planner/Scheduler has become evident and required. Since 2010, the number of capital projects completed by Facility Services has nearly doubled from 49 in 2010 to 88 in 2013. Additionally, many of these projects were requested during the year and not a part of the normal capital budgeting process which complicates Facility Services planning and scheduling. Facility Services expects the number of projects is expected to increase based on the information provided in the Master Facility Plan. The projects related to the Master Facility Plan will extend throughout the entire LG&E/KU service territory, will carry forward for several years based upon complexity and have the possibility to overlap with unplanned project requests from outside Facility Services. The Project Planner/Scheduler will be able to identify potential overlaps and minimize the disruption to the business units, along with maximizing the work performed and reducing costs by planning/scheduling projects according to allowable project impact.</p>			
WHAT ARE THE BENEFITS OF HAVING THE INCREMENTAL POSITION?			
<p>The Project Planner/Scheduler will be able to identify potential overlaps with both planned and unplanned projects, minimize the disruption to the business units across the LG&E/KU service territory and maximize work performed. As a consequence, the Project Planner/Scheduler will also be able to reduce project costs by planning/scheduling projects sequentially or in parallel as is feasible under the given circumstances for each project.</p>			
WHAT ARE THE RISKS IF HEADCOUNT IS NOT APPROVED?			
<p>The volume of planned Capital Projects is expected to continue to increase in the short term based on the information provided by the Master Facility Plan. Given the continual growth in unplanned projects requests received each year, the potential exists for completion timelines of projects (planned and unplanned) to be extended or negatively impact other project schedules.</p>			
ADDITIONAL NOTES			
<p>Expected Salary: █████/hr. O&M/Capital %: 5% O&M and 95% Capital Month of Hire: 01/15/2015 Company: SERVCO</p>			
Requested By:	Zachary Conley	Date:	April 1, 2014

CONFIDENTIAL INFORMATION REDACTED

Complete only for incremental positions that are not in any approved Business Plans			
Please refer to the Strategic Guidelines to assist in completing this form			
Job Title Requested:	Design and Space Planners	#Headcount/Year requested:	2/2016
Department/Group:	Facilities Service	Location:	Louisville – BOC / LG&E Center
Salary Plan:	EX	Work Space Requirements:	Dedicated workstation
HR Contact:	McClure,Hazen Renea	Requisition Category:	Capital Projects
Job Description			
WHY IS THE HEADCOUNT NEEDED?			
<p>These positions are requested to permanently bring in-house the duties and services that are currently being fulfilled by an interior design/space planning contractor. Currently, the contractor is responsible for assessing and delivering interior design/space planning solutions throughout the entire LG&E/KU service territory. In 2014, the contract for the service of interior design/space planning was extended two (2) additional years to carry through until the end of 2016. This contract has been in place and supported solely by two (2) individuals for a period in excess of ten (10) years. Facility Services considers these positions very important to their success and desires to fill these positions with Company employees. This, in 2016 when the contract for interior design/space planning expires, Facility Services is requesting two (2) new positions to accommodate the existing and upcoming need for interior design/space planning services that has not been previously represented by FTE's in the Facility Services Department.</p>			
WHAT ARE THE BENEFITS OF HAVING THE INCREMENTAL POSITION?			
<p>In concert with the Master Facility Plan, the Interior Designer/Space Planning will be developed and implemented to fully utilize the existing and new space in facilities that will be renovated or potentially consolidated. These positions will be critical in assessing the possible space modifications that can be made to accommodate headcount changes within various departments, either in advance or as they occur as a result of gradual departmental growth.</p>			
WHAT ARE THE RISKS IF HEADCOUNT IS NOT APPROVED?			
<p>The interior design/space planning service for LG&E/KU is current under contract and set to expire in 2016. The contractor carries with them over ten (10) years of integral knowledge and experience across multiple, various-sized projects in LG&E/KU facilities throughout the service territory. Failure to replace these positions with similarly-qualified FTE's to function in the contractor's existing role within the specified timeframe may result in internal customer dissatisfaction, disrupt project schedules and increase overall project costs due to length of time necessary to fully integrate the new interior designer/space planner(s). Facility Services requests to fill these positions prior to the end of the existing contract to allow some transition time for knowledge transfer.</p>			
ADDITIONAL NOTES			
<p>Expected Salary: ██████████ per hour O&M/Capital %: 40% O&M and 60% Capital Month of Hire: 10/01/2015 Company: SERVCO</p>			
Requested By:	Zachary Conley	Date:	April 1, 2014

CONFIDENTIAL INFORMATION REDACTED

Complete only for incremental positions that are not in any approved Business Plans			
Please refer to the Strategic Guidelines to assist in completing this form			
Job Title Requested:	Program Manager	#Headcount/Year requested:	1/2014
Department/Group:	021415	Location:	LGE -3
Salary Plan:	EX	Work Space Requirements:	workstation
HR Contact:	McClure,Hazen Renea	Requisition Category:	Regulatory Compliance
Job Description			
<p>WHY IS THE HEADCOUNT NEEDED?</p> <p>To support the development and implementation of the Smart Grid.</p>			
<p>WHAT ARE THE BENEFITS OF HAVING THE INCREMENTAL POSITION?</p> <p>Program Manager will handle the day to day operations of the smart grid which include contract management, educating and marketing to the customer base, enrollments and de-enrollments.</p>			
<p>WHAT ARE THE RISKS IF HEADCOUNT IS NOT APPROVED?</p> <p>Manager would have to address day to day issues as well as manage the technology expansion, growth and development as well as internal and external social impacts.</p>			
<p>ADDITIONAL NOTES</p> <p>Expected Salary (midpoint or entry rate): [REDACTED]</p> <p>O&M/Capital %:</p> <p>Month of Hire: October 2014</p> <p>Company: LGE KU Services Company</p>			
Requested By:	Jeffrey Myers	Date:	March 25, 2014

CONFIDENTIAL INFORMATION REDACTED

Complete only for incremental positions that are not in any approved Business Plans			
Please refer to the Strategic Guidelines to assist in completing this form			
Job Title Requested:	Revenue Assurance Data Integrity Analyst	#Headcount/Year requested:	1/2016
Department/Group:	Revenue Assurance	Location:	One Quality Lexington and/or BOC Louisville
Salary Plan:	EX	Work Space Requirements:	Typical office space.
HR Contact:	McClure,Hazen Renea	Requisition Category:	Core Skill Building/Knowledge Retention & Transfer
Job Description			
<p>WHY IS THE HEADCOUNT NEEDED?</p> <p>Work volume may necessitate the need for data integrity analyst(s). Advanced internal knowledge and skill sets are required. There are a limited number of individuals that currently have these skill sets.</p>			
<p>WHAT ARE THE BENEFITS OF HAVING THE INCREMENTAL POSITION?</p> <p>Aid and assist in analyzing data issues, developing resolution plans, and performing clean-up activities to ensure work processes successfully complete and CCS/Mobile/ARMS customer/account data is accurate.</p>			
<p>WHAT ARE THE RISKS IF HEADCOUNT IS NOT APPROVED?</p> <p>Delay in getting accurate data which will have effect on Customer Services, Billing Integrity and Collections.</p>			
<p>ADDITIONAL NOTES</p> <p>Expected Salary (midpoint or entry rate): [REDACTED]</p> <p>O&M/Capital %: 100% O&M</p> <p>Month of Hire: May</p> <p>Company: LKS</p>			
Requested By:	Jon Winfrey	Date:	March 12, 2014

CONFIDENTIAL INFORMATION REDACTED

Complete only for incremental positions that are not in any approved Business Plans			
Please refer to the Strategic Guidelines to assist in completing this form			
Job Title Requested:	Electric Meter Technicians	#Headcount/Year requested:	1/2015 1/2018 1/2019
Department/Group:	Meter Assets	Location:	Auburndale
Salary Plan:	BU	Work Space Requirements:	None
HR Contact:	McClure,Hazen Renea	Requisition Category:	Core Skill Building/Knowledge Retention & Transfer
Job Description			
<p>WHY IS THE HEADCOUNT NEEDED?</p> <p>To prepare for the future retirements of the aging workforce. Including the contractors, 14 out of the 15 people working in the Louisville Electric Meter Shop are over 53 years of age. Eleven of the 15 people are 55 years of age or older. It takes approximately 5 years for a new hire to become a journeyman meter technician.</p>			
<p>WHAT ARE THE BENEFITS OF HAVING THE INCREMENTAL POSITION?</p> <p>We have time to train the new hires before the current aging workforce begins to retire. Expect to have an employee meter technician retire by 2021 with a 2 year transition period.</p>			
<p>WHAT ARE THE RISKS IF HEADCOUNT IS NOT APPROVED?</p> <p>Not able to adequately respond to Billing Integrity meters with potential billing issues resulting in an increased risk of billing errors. Not able to adequately meet the KPSC requirement to test every meter removed from a premise and to test certain meters on a periodic basis.</p>			
<p>ADDITIONAL NOTES</p> <p>Expected Salary (midpoint or entry rate): [REDACTED]/hour entry level BU-2 O&M/Capital %: 100% O&M Month of Hire: April Company: LG&E</p>			
Requested By:	Scott Cooke	Date:	April 24, 2014

CONFIDENTIAL INFORMATION REDACTED

Complete only for incremental positions that are not in any approved Business Plans			
Please refer to the Strategic Guidelines to assist in completing this form			
Job Title Requested:	Customer Care Representative II or III (CHAT Function)	#Headcount/Year requested:	8 (year of hire to be determined)
Department/Group:	Residential Service Center	Location:	Louisville
Salary Plan:	NE	Work Space Requirements:	No additional work space required
HR Contact:	Stallard,Danielle	Requisition Category:	Core Skill Building/Knowledge Retention & Transfer
Job Description			
<p>WHY IS THE HEADCOUNT NEEDED?</p> <p>These positions were not included in the incremental headcount for Customer Services Workforce Planning. Customer Services continues to evaluate CHAT web based capability to support customer containment on web transactions. CHAT will be implemented on a limited or pilot basis. The desire is to support within the current operations. However, the initial assessment has indicated needing 8 CSR's specifically focused on CHAT if it is fully implemented. CHAT is a strategic channel to make available for our customers due to its widespread adoption and availability in the retail customer service industry.</p>			
<p>WHAT ARE THE BENEFITS OF HAVING THE INCREMENTAL POSITION?</p> <p>This benefits LKE by allowing our customers to have another choice in how they interact with the company to have their needs addressed by our RSC team. Chat is an established industry channel available to our customers working with other companies that they do business with. Industry benchmarks show that this is a highly satisfying option for customers who prefer to interact with a customer services team using a non-phone channel. Chat allows for the immediacy of a phone conversation without having to be tied up on a phone line. Email doesn't allow for this due to the longer response times.</p>			
<p>WHAT ARE THE RISKS IF HEADCOUNT IS NOT APPROVED?</p> <p>If the headcount is not approved, then the successful implementation of chat support would be at risk. Once we offer this as a channel for our customers to use, we need to make sure that we maintain acceptable service levels so that it succeeds as a channel that our customers want to continue to use and are satisfied with. For the channel to be seen as easy to use and effective, we need to make sure that we have the right staff identified and available to work with our customers.</p>			
<p>ADDITIONAL NOTES</p> <p>Expected Salary (midpoint or entry rate): [REDACTED]</p> <p>O&M/Capital %: 100%</p> <p>Month of Hire: 8/2015</p> <p>Company:Servco</p>			
Requested By:	Darius Lepp	Date:	April 11, 2014

Electric Distribution

Complete only for incremental positions that are not in any approved Business Plans			
Please refer to the Strategic Guidelines to assist in completing this form			
Job Title Requested:	Field Coordinator	#Headcount/Year requested:	1/2015
Department/Group:	3430/EDO Network	Location:	AOC
Salary Plan:	NE	Work Space Requirements:	None
HR Contact:	Duncan,Stephanie Ellis	Requisition Category:	Capital Projects
Job Description			
<p>WHY IS THE HEADCOUNT NEEDED?</p> <p>Incorporating Supervisor A's into the LG&E Electric Operations workforce will address a critical need to increase support and leadership in the field. With the increased field supervision, we will improve safety, efficiency, productivity and customer satisfaction.</p> <p>Based on the work force projections, the Electric Operations group will lose a large segment of its workforce over the next six years. With the transition to the new employees, it will be critical that we increase field supervision to address the needs of these new employees' needs for safety, training, guidance, progression, and work ethic. As a part of our apprenticeship program, field training and experience provides the best learning opportunities for new line and network technicians.</p>			

CONFIDENTIAL INFORMATION REDACTED**WHAT ARE THE BENEFITS OF HAVING THE INCREMENTAL POSITION?**

It will be critical that we have a strong presence in the field to lead, guide and train the future Line and Network Technicians. This strong presence will provide:

- Increased safety in the field
- Increased training and development of the Line Technicians
- Increased leadership in the field
- Maintenance of Progression requirements
- Increased construction efficiency

Team Leaders required time in the field continues to increase, and, with the implementation of new technologies, the time for the team leaders will continue to increase. The presence of the Supervisor A in the field will:

- Provide Team Leader time for field supervision.
- Address the need to plan work when the new ARM system is implemented.

With the addition of this position, we will better align LG&E with KU organizational structure. For succession planning these positions will develop a pool of candidates for future Leadership positions through:

- Alignment of the LG&E and KU organization structures
- Creation of a pool of management employees.

This position will improve customer satisfaction in many ways:

- Quality workmanship
- Proper resource assignment
- Increased oversight of our business partners.
- Focus on restore before repair

WHAT ARE THE RISKS IF HEADCOUNT IS NOT APPROVED?

- Limited supervision in the field - the existing organizational structure creates challenges for the current Team Leaders in effectively managing the Line Technicians in the field.

ADDITIONAL NOTES

Salary: [REDACTED]

O&M 30%

Capital 70%

Month of Hire: March

Company: LG&E

Requested By:	Robert Rose	Date:	March 24, 2014
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Complete only for incremental positions that are not in any approved Business Plans			
Please refer to the Strategic Guidelines to assist in completing this form			
Job Title Requested:	LG&E Line Technician	#Headcount/Year requested:	3/2016, 3/2017, 3/2018
Department/Group:	3300/EDO	Location:	EOC/AOC
Salary Plan:	BU	Work Space Requirements:	Bucket Truck
HR Contact:	Duncan, Stephanie Ellis	Requisition Category:	Capital Projects
Job Description			
<p>WHY IS THE HEADCOUNT NEEDED?</p> <p>LG&E Distribution Operations is heavily dependent on contracting resources to supplement electric construction needs with currently 68 LG&E Line Technicians versus 159 contractor Line Technicians which equates to almost a 1:2.4 ratio. This workforce mix of employee to contractor is not ideal and the recommendations include the approved 2014 MTP along with early backfills of critical resources such as Lead Line Technicians and Team Leaders is vital to the operations to achieve a better line Technician employee to contractor ratio. It is recommended that a gradual increase of company linemen will be offset by a reduction in resident contracting resources.</p> <p>Additional benefits ensure the Customer Experience is embraced and communicated through relationships built with our customers and employees. Customers respond more favorable to employee's vs contracting work force, reason Employees are part of the fabric of their community. Additionally, first contact with our customers primarily should be LG&E resources in their neighborhoods.</p>			
<p>WHAT ARE THE BENEFITS OF HAVING THE INCREMENTAL POSITION?</p> <p>These employee resources will be resident and part of the core group handling trouble response, maintenance, and construction initiatives. If executed, the ratio between employee and contractor will be less than 2 to 1. This workforce mix will provide the Company flexibility to move contractors to other operation centers or reduce if budgets and workloads necessitate.</p>			
<p>WHAT ARE THE RISKS IF HEADCOUNT IS NOT APPROVED?</p> <ol style="list-style-type: none"> 1. Reliance on Business Partners to provide the majority of resources needed to provide our core work. 2. In-house knowledge lost due to retirements. 3. Impact on the customers' experience regarding efficient outage response times. 			
<p>ADDITIONAL NOTES</p> <p>Salary: █████/hr O&M 10% Capital 90% Month of Hire: March Company: LG&E</p>			
Requested By:	Bob Rose	Date:	March 25, 2014

CONFIDENTIAL INFORMATION REDACTED

Complete only for incremental positions that are not in any approved Business Plans			
Please refer to the Strategic Guidelines to assist in completing this form			
Job Title Requested:	Restoration Coordinator	#Headcount/Year requested:	1/2015
Department/Group:	23220 –System Restoration and Ops	Location:	Lexington DCC
Salary Plan:	NE	Work Space Requirements:	Space available in DCC
HR Contact:	Duncan,Stephanie Ellis	Requisition Category:	Core Skill Building/Knowledge Retention & Transfer
Job Description			
<p>WHY IS THE HEADCOUNT NEEDED?</p> <ul style="list-style-type: none"> • Need additional Coordinators during high volume situations (storms, summer/winter peak workload, etc.) and for normal operations. Both DCC's experience the same high volumes during the same periods. • No contractors are available to supplement the workforce. • Workload is increasing due to demand for more timely data (on-site times, ERTs, customer information). • The group has over 2600 hours of off duty time per year which requires backfilling of shifts. 			
<p>WHAT ARE THE BENEFITS OF HAVING THE INCREMENTAL POSITION?</p> <ul style="list-style-type: none"> • Allow for proper staffing during high volume weekdays. • Additional coordinator for storm restoration and normal shift filling to cover large amount of off duty time. • Will allow flexibility for coordinators to train and develop for succession planning. 			
<p>WHAT ARE THE RISKS IF HEADCOUNT IS NOT APPROVED?</p> <ul style="list-style-type: none"> • Staffing issues could arise during restoration events with not having trained and experienced coordinators to safely operate and control the distribution system. • Current staff is working a lot of overtime and burnout could become an issue due to the job pressure and stress. 			
<p>ADDITIONAL NOTES</p> <p>Expected Salary (midpoint or entry rate): ██████████ Midpoint O&M/Capital %: 90% O&M/10% Capital Month of Hire: January Company: KU</p>			
Requested By:	Jamie Archer	Date:	March 28, 2014

CONFIDENTIAL INFORMATION REDACTED

Complete only for incremental positions that are not in any approved Business Plans			
Please refer to the Strategic Guidelines to assist in completing this form			
Job Title Requested:	Engineer	#Headcount/Year requested:	1/2015
Department/Group:	00005494	Location:	BOC/Quality St.
Salary Plan:	EX	Work Space Requirements:	No additional work space requirement
HR Contact:	Wilson, Jessica Kosko	Requisition Category:	Customer Service Commitments
Job Description			
<p>WHY IS THE HEADCOUNT NEEDED?</p> <ul style="list-style-type: none"> Resources are not available to complete reliability functions previously provided by [REDACTED] (contractor) who are retiring in 2014 and [REDACTED] who transferred to another department in 2014. There is very little depth of knowledge left in the Reliability team to manage data and reporting requirements. Inadequate resources available to support reliability analysis and engineering solutions for circuit improvement action plans per the CIFI and CEMI projects and KPSC requirements by Commission Order (Case No. 2011-00450). 			
<p>WHAT ARE THE BENEFITS OF HAVING THE INCREMENTAL POSITION?</p> <p>These positions replace a retiring employee (1/4 – ½ FTE dedicated to reliability), a retiring contractor (1/4 – ½ FTE dedicated to reliability) and a transferred employee. The impact to the budget will be an incremental increase of two FTE's. Bringing the contractor position in-house will assist with the skill building/knowledge retention & transfer that is necessary to continue to deliver quality reliability programs and data reporting. The additional employees will provide the resources necessary to complete reliability analysis required by the Commission order and other strategic reliability improvement programs and support to Operation Center's that will enhance the customer experience and customer satisfaction. It will directly impact the improvement of JD Power Customer Satisfaction Index rankings.</p>			
<p>WHAT ARE THE RISKS IF HEADCOUNT IS NOT APPROVED?</p> <p>Without the resource, depth of knowledge and experience in Reliability we will likely experience:</p> <ul style="list-style-type: none"> Delays in completing PSC complaints and reliability reporting requirements Delays in reliability evaluations and root cause analysis that drive system reliability improvements Negative customer experiences from increased reliability complaints Decline in JD Power in Customer Satisfaction Index rankings Delays in completing data analysis and reporting requirements for corporate management Reduce engineering support to Operation Centers management. Potential to expend funds on less effective projects due to insufficient data evaluation. 			
<p>ADDITIONAL NOTES</p> <p>These employees have significant impacts to power quality and reliability improvements, customer satisfaction and regulatory compliance. In addition, [REDACTED], has indicated he plans to retire January 1, 2015.</p>			
Requested By:	Nelson Maynard	Date:	March 17, 2014

CONFIDENTIAL INFORMATION REDACTED

Complete only for incremental positions that are not in any approved Business Plans			
Please refer to the Strategic Guidelines to assist in completing this form			
Job Title Requested:	Engineer	#Headcount/Year requested:	1/2015
Department/Group:	Maysville Operations	Location:	Maysville Operations
Salary Plan:	EX	Work Space Requirements:	Available
HR Contact:	Wilson, Jessica Kosko	Requisition Category:	Core Skill Building/Knowledge Retention & Transfer
Job Description			
WHY IS THE HEADCOUNT NEEDED?			
<p>_____ is anticipated to retire. _____ It will take a minimum of three years to effectively train his replacement. Six months of overlap are requested.</p>			
WHAT ARE THE BENEFITS OF HAVING THE INCREMENTAL POSITION?			
<p>The addition of the position will facilitate the building and transfer of knowledge to a new employee, lessening the disruption to business needs, and continuing to meet customer expectations.</p>			
WHAT ARE THE RISKS IF HEADCOUNT IS NOT APPROVED?			
<p>Risk of not completing the hire includes a lack of familiarity with the Maysville electric distribution system and customers as well as with KU's standards and engineering practices.</p>			
ADDITIONAL NOTES			
<p>Expected Salary (midpoint or entry rate): To be provided by Jessica Wilson O&M/Capital %: 20% O&M/ 80% capital Month of Hire: May Company: KU</p>			
Requested By:	Chris Mayes	Date:	April 2, 2014

CONFIDENTIAL INFORMATION REDACTED

Complete only for incremental positions that are not in any approved Business Plans			
Please refer to the Strategic Guidelines to assist in completing this form			
Job Title Requested:	Sr Electrical Engineer	#Headcount/Year requested:	1/2016
Department/Group:	Danville Operations Center	Location:	Danville Office
Salary Plan:	EX	Work Space Requirements:	existing
HR Contact:	Wilson, Jessica Kosko	Requisition Category:	Core Skill Building/Knowledge Retention & Transfer
Job Description			
WHY IS THE HEADCOUNT NEEDED?			
<p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]. It will take a minimum of three years to effectively train his replacement. Six months of overlap are requested.</p>			
WHAT ARE THE BENEFITS OF HAVING THE INCREMENTAL POSITION?			
<p>The addition of the position will facilitate the building and transfer of knowledge to a new employee, lessening the disruption to business needs, and continuing to meet customer expectation.</p>			
WHAT ARE THE RISKS IF HEADCOUNT IS NOT APPROVED?			
<p>Risk of not completing the hire includes a lack of familiarity with the Danville electric distribution system and customers as well as with KU's standards and engineering practices.</p>			
ADDITIONAL NOTES			
<p>Expected Salary (midpoint or entry rate): \$ [REDACTED]</p> <p>O&M/Capital %: 20/80</p> <p>Month of Hire: January</p> <p>Company: Kentucky Utilities Company</p>			
Requested By:	Frank R. Bryant	Date:	March 6, 2014

CONFIDENTIAL INFORMATION REDACTED

Complete only for incremental positions that are not in any approved Business Plans			
Please refer to the Strategic Guidelines to assist in completing this form			
Job Title Requested:	Eng Design Tech – Dist Ops	#Headcount/Year requested:	1/2015
Department/Group:	Danville Operations Center	Location:	Campbellsville Storeroom
Salary Plan:	EX	Work Space Requirements:	existing
HR Contact:	Wilson, Jessica Kosko	Requisition Category:	Core Skill Building/Knowledge Retention & Transfer
Job Description			
WHY IS THE HEADCOUNT NEEDED?			
<p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED] It will take a minimum of three years to effectively train a replacement. Six months of overlap are requested.</p>			
WHAT ARE THE BENEFITS OF HAVING THE INCREMENTAL POSITION?			
<p>The addition of the position will facilitate the building and transfer of knowledge to a new employee lessening the disruption to business needs and continuing to meet customer expectation.</p>			
WHAT ARE THE RISKS IF HEADCOUNT IS NOT APPROVED?			
<p>Risk of not completing the hire includes a lack of familiarity with the Campbellsville and Danville electric distribution systems and customers as well as with KU's standards and design practices.</p> <p>Additionally, [REDACTED] is anticipated to retire in 2016, reducing knowledge transfer opportunity.</p>			
ADDITIONAL NOTES			
<p>Expected Salary (midpoint or entry rate): [REDACTED]</p> <p>O&M/Capital %: 20/80</p> <p>Month of Hire: June</p> <p>Company: Kentucky Utilities Company</p>			
Requested By:	Frank R. Bryant	Date:	March 6, 2014

CONFIDENTIAL INFORMATION REDACTED

Complete only for incremental positions that are not in any approved Business Plans			
Please refer to the Strategic Guidelines to assist in completing this form			
Job Title Requested:	Line Technician A, B, C	#Headcount/Year requested:	1 / 2015
Department/Group:	014160	Location:	Pineville
Salary Plan:	BU	Work Space Requirements:	Available
HR Contact:	Wilson, Jessica Kosko	Requisition Category:	Core Skill Building/Knowledge Retention & Transfer
Job Description			
<p>WHY IS THE HEADCOUNT NEEDED?</p> <p>[Redacted] backfill will most likely come from the line technicians currently working in the Pineville operations center area. Average experience in the Pineville line technician group is currently 3.7 years and if the most experienced line technician is promoted upon [Redacted] retirement, the average experience will become 2.6 years. This advanced hire will allow time to begin development of experience in a new line technician prior to [Redacted] retirement and will allow us to utilize [Redacted] experience in developing the new line technician's skills.</p>			
<p>WHAT ARE THE BENEFITS OF HAVING THE INCREMENTAL POSITION?</p> <p>Benefits of the incremental position include development of experience in the field prior to an anticipated retirement as well as the ability to utilize the experience and knowledge of the anticipated retiree to train and adapt the new employee to our culture of safety and customer commitment.</p>			
<p>WHAT ARE THE RISKS IF HEADCOUNT IS NOT APPROVED?</p> <p>Risks of not completing the hire include degradation of field experience as well as reduced capacity to train and develop new employees.</p>			
<p>ADDITIONAL NOTES</p> <p>Expected Salary (midpoint or entry rate): O&M/Capital %: 30/70 Month of Hire: January Company: KU/ODP</p>			
Requested By:	Stewart Spradlin	Date:	March 21, 2014

CONFIDENTIAL INFORMATION REDACTED

Complete only for incremental positions that are not in any approved Business Plans			
Please refer to the Strategic Guidelines to assist in completing this form			
Job Title Requested:	Louisville SC&M Computer Graphics Technician	#Headcount/Year requested:	1/2015
Department/Group:	003550 / Substation Engineering and Design	Location:	Louisville – South Service Center
Salary Plan:	BU	Work Space Requirements:	Standard office space
HR Contact:	Wilson, Jessica Kosko	Requisition Category:	Core Skill Building/Knowledge Retention & Transfer
Job Description			
WHY IS THE HEADCOUNT NEEDED?			
<p>The current work group has reached advanced maturity. The group consist of a total of three employees, and our only Computer Graphics Technician Specialist, [REDACTED] [REDACTED] [REDACTED]. This request will provide a 10 month overlap before [REDACTED] retirement. This is not an incremental headcount request.</p>			
WHAT ARE THE BENEFITS OF HAVING THE INCREMENTAL POSITION?			
<p>The likelihood of two members leaving the group within a very short time frame is almost certain. Replacing and training new or multiple hires by the one remaining Computer Graphics Technician (9 years' experience) is a complex and demanding task, especially in consideration of all ongoing responsibilities. Computer Graphics Technician for SC&M Engineering is a core skill position that cannot be readily replicated from the outside, either a new hire or a contractor. A thorough understanding of LG&E/KU substation design standards and procedures are necessary to effectively complete the work required. Creating a smooth transition for this group and replacing mission critical job skills necessitates the near term hiring of a Computer Graphics Technician while we can still take advantage of the</p>			
WHAT ARE THE RISKS IF HEADCOUNT IS NOT APPROVED?			
<p>Loss of critical skills and system wisdom due to the loss of two seasoned employees, out of a group of three, at nearly the same time.</p> <p>Inadequate time to create a smooth transition for a new Project Coordinator and a new Computer Graphics Technician within a short time period.</p>			
ADDITIONAL NOTES			
<p>Expected Salary (midpoint or entry rate): [REDACTED] O&M/Capital %: 10/90 Month of Hire: January Company: LG&E</p>			
Requested By:	Jude Beyerle	Date:	March 6, 2014

CONFIDENTIAL INFORMATION REDACTED

Complete only for incremental positions that are not in any approved Business Plans			
Please refer to the Strategic Guidelines to assist in completing this form			
Job Title Requested:	Substation Technician	#Headcount/Year requested:	1/2015
Department/Group:	013040 SCM Lexington	Location:	Lexington – N. Limestone
Salary Plan:	HR	Work Space Requirements:	Work space currently available
HR Contact:	Wilson, Jessica Kosko	Requisition Category:	Regulatory Compliance
Job Description			
WHY IS THE HEADCOUNT NEEDED?			
<p>Expertise is required to meet the relay testing schedules imposed by the new NERC Reliability Standard PRC-005-2 which is effective in November 2014. Previously, compliance was required with PRC-008, which allowed an internally developed testing schedule, not nearly as extensive as that required by PRC-005-2. PRC-005-2 requires more relays and associated control systems to be tested at shorter intervals and with more extensive procedures than previous requirements. In addition, microprocessor based relays that did not require any testing beyond commissioning under past standards, now require testing at frequencies defined by PRC-005-2 testing requirements. Testing requirements have expanded for Transmission as well, as the better part of the PRC-005-2 regulation impacts that group much greater than Distribution. SC&M substation technicians extensively support these Transmission requirements and are heavily tasked to meet Transmission's compliance concerns. This position will be utilized for compliance testing and documentation (through Powerbase and Cascade) throughout the state.</p>			
WHAT ARE THE BENEFITS OF HAVING THE INCREMENTAL POSITION?			
<p>The benefits of this position include staffing the workforce to be able to meet NERC Reliability Standard Requirements for Distribution and Transmission as well as developing the necessary core skills and expertise for sustainability of this function within the work group. It is imperative that the core skill sets and technical knowledge required for this testing be developed in Company employees. Development of this core skillset requires routine/frequent testing and should be assigned to a dedicated relay technician with provisions in place for an alternate resource. The skill set required is not readily found in the local job market or at the contractor level, as the test requirements are unique to the electric utility industry. Due to the specialized nature of this work, this will require years of experience working under our existing skilled technical staff.</p>			
WHAT ARE THE RISKS IF HEADCOUNT IS NOT APPROVED?			
<p>Without this position, the current workforce will not be staffed to accommodate the additional testing that will now be required. Also, a lack of technician experience in this area may cause difficulty executing quality testing and may affect the ability to comply with NERC Reliability Standards. Past practice indicates that absorbing relay testing for compliance across a number of resources that are also responsible for non-compliance work is not optimum. Noncompliance may result in self reports or audit findings that may result in company fines or other penalties.</p>			
ADDITIONAL NOTES			
<p>Expected Salary (midpoint or entry rate): REDACTED</p> <p>O&M/Capital %: 90/10</p> <p>Month of Hire: 1/1/2015</p> <p>Company: Kentucky Utilities</p>			
Requested By:	Patrice Niles	Date:	March 21, 2014

CONFIDENTIAL INFORMATION REDACTED

Complete only for incremental positions that are not in any approved Business Plans			
Please refer to the Strategic Guidelines to assist in completing this form			
Job Title Requested:	Louisville SC&M Coordinator/Analyst	#Headcount/Year requested:	1/2015
Department/Group:	023130/Substation Construction & Maintenance	Location:	Louisville – South Service Center
Salary Plan:	EX	Work Space Requirements:	Work space currently available
HR Contact:	Wilson, Jessica Kosko	Requisition Category:	Core Skill Building/Knowledge Retention & Transfer
Job Description			
<p>WHY IS THE HEADCOUNT NEEDED?</p> <p>Currently the SC&M Coordinator position is filled with a 66 year old contractor who is an LG&E retiree. This position is responsible for analyzing, processing, coordinating, performing, and documenting SC&M planning and scheduling through the Cascade asset health management system. Additionally, SC&M has no one person dedicated to analysis of the Cascade and Powerbase applications, which are used for substation asset information, auto-triggering on asset health, and NERC and SERC compliance documentation. Ongoing full time support for these applications is critical to organizational success and obtaining value added benefits from these applications. Full time contractor expertise (redacted) annually-burdened) for Cascade and Powerbase was available until December 2013 with (redacted) (an LG&E retiree) but (redacted) unexpectedly left the workforce at that time. In the interim, a substation engineer is being utilized to pick up this work which is taking away from the engineering core skill set. SC&M management is requesting that the coordinator and analyst contract positions be replaced with one internal employee in order to bring these core skills back in-house. Future dollars for training and development of a substation coordinator/analyst should be spent on an internal resource. It will take an estimated 2-3 years to become proficient in Cascade and Powerbase (assuming previous substation experience) and routine/frequent work in these applications is required to build this skillset. It should be noted that the existing contractors developed expertise while working on the Cascade and Powerbase launch teams – experience that will not be available to the new employee thus increasing time to proficiency.</p>			
<p>WHAT ARE THE BENEFITS OF HAVING THE INCREMENTAL POSITION?</p> <p>In December 2011, Cascade was implemented with the main purpose of allowing more effective tracking and reporting of compliance related maintenance and testing activities. Cascade triggers and captures activities required by NERC Reliability Standards, NESC rules, PSC requirements, and EPA regulations. The Powerbase application provides a database for documenting specific protective relay information and requires a thorough knowledge of protective relays, relay settings, relay design, and relay testing in order to be proficient in the application. This coordinator/analyst position will require very specific substation knowledge and expertise which is necessary to manage these applications and take full advantage of these software applications as tools for improving maintenance productivity, prioritizing capital investments, and increasing reliability. Analysis and reporting of information such as equipment failure trends and asset health test reports support decisions on maintenance intervals, maintenance practices, asset health dashboards, and other investment strategies. This is a core skill position and considering training and time to proficiency, and the fact that one of the two contract resources has exited the workforce, this position should be filled internally versus contract.</p>			
<p>WHAT ARE THE RISKS IF HEADCOUNT IS NOT APPROVED?</p> <p>Replacing the previously available resource with another contractor would involve a significant and an undesirable amount of time and dollars to train the replacement to meet the needs of the business. There would also be risk of not being able to retain the contractor as a long term resource.</p>			

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ADDITIONAL NOTES

Expected Salary (midpoint or entry rate): [REDACTED]

O&M/Capital %: 50/50

Month of Hire: 1/1/2015

Company: LG&E/KU Services Company

Requested By:	Patrice Niles	Date:	March 21, 2014
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Complete only for incremental positions that are not in any approved Business Plans			
Please refer to the Strategic Guidelines to assist in completing this form			
Job Title Requested:	Engineer I	#Headcount/Year requested:	1 FTE / 2015
Department/Group:	021072/Electric Engineering & Planning, Electric System Codes and Standards	Location:	BOC-2
Salary Plan:	EX	Work Space Requirements:	Vacant Office
HR Contact:	Wilson, Jessica Kosko	Requisition Category:	Core Skill Building/Knowledge Retention & Transfer
Job Description			
<p>WHY IS THE HEADCOUNT NEEDED?</p> <p>The Standards group within E.E. &P. is responsible for the specification, approval and application of all distribution material as well as the development and maintenance of construction Standards and distribution engineering and design documents. E.E. &P. Standards is also responsible for providing technical support to Operations, Procurement, Safety, Legal and others.</p> <p>The Standards function has seen resources continually decline since the LG&E-KU merger. In 2002, there were 7 FTE's including 5 engineers with core Standards responsibilities with one additional engineer (currently a contractor) focused on the development of engineering documentation and other advanced technical matters. Currently only 3 people spend the majority of their time devoted to the core Standards function. Only one of the three has a technical background (____); the other two positions are Drafting Technician and Project Coordinator. The most recent vacancy to go unfilled occurred in 2006 when the team's Group Leader was promoted to EE&P manager in 2006.</p> <p>The single engineer in the Standards group has state wide responsibility and primarily focuses on the specification, approval and support for distribution material procurement, end user support for construction and engineering standards, material/equipment application, material quality and failure investigations and providing general technical support to Operations Centers, Procurement, Safety, Equipment Shop, etc. on NESC code issues and other technical matters.</p> <p>A second engineer dedicated to Standards will allow progress in areas that have had little focus in recent years: the development of a comprehensive LG&E/KU merged construction manual, development of necessary new construction Standards, expansion and maintenance of comprehensive design and engineering documentation and improved support for Operational Centers. The progress in these particular areas has declined over time and has been displaced by the need to provide necessary daily support for Operations, material procurement, vendors/distributors and routine support for other groups: _____</p> <p>_____</p> <p>_____ Filling this position provides not only an additional resource to make progress on critical needs within Standards but supports a knowledge transfer before the loss of all other technically knowledgeable employees with experience in Standards.</p>			

CONFIDENTIAL INFORMATION REDACTED**WHAT ARE THE BENEFITS OF HAVING THE INCREMENTAL POSITION?**

- Increased development of new construction Standards and maintenance of existing construction Standards
- Reestablish progress toward a combined LGE-KU Standards (construction) manual
- Development and maintenance of Engineering and design documentation for use by Design Techs and Operations engineers
- Improve responsiveness and Increased direct support for Operations personnel
- Development of a new technical expert in the National Electrical Safety Code (NESC) to support Operations, Safety and Legal (accident investigations, lawsuits, damage claims, etc.)
- Improve coordination between Operations, Standards and Engineering

WHAT ARE THE RISKS IF HEADCOUNT IS NOT APPROVED?

- Continued variation in construction practices due to lack of a comprehensive set of Standards
- Increase in NESC violations and non-standard construction practices
- Eventual loss of remaining subject matter experts on the NESC
- Continued lack of reference material to support and train operations engineers, Design Techs and Construction personnel and to ensure consistency, best practice and least cost in design and construction
- Inability to provide adequate support for Operations personnel in identifying and rectifying material and equipment failures problems which can negatively impact safety and reliability

ADDITIONAL NOTES

Expected Salary (midpoint or entry rate): [REDACTED] (unburdened)

O&M/Capital %: 20% OPEX/80% CAPEX

Month of Hire: 1/2015

Company: SERVCO

Requested By:

Michael T. Leake, Manager E.E.&P.

Date:

March 14, 2014

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Complete only for incremental positions that are not in any approved Business Plans			
Please refer to the Strategic Guidelines to assist in completing this form			
Job Title Requested:	Electrical Apprentice	#Headcount/Year requested:	2/2016
Department/Group:	003160/SC&M Louisville	Location:	Louisville – South Service Center
Salary Plan:	BU	Work Space Requirements:	Additional workstation space needed
HR Contact:	Wilson, Jessica Kosko	Requisition Category:	Core Skill Building/Knowledge Retention & Transfer
Job Description			
<p>WHY IS THE HEADCOUNT NEEDED?</p> <p>These positions support an ongoing effort that began in 2012 to reduce SC&M-Louisville's contract labor from 45% to 20% over a period of five years in order to decrease the group's dependency on contract labor for specific skill sets and technical expertise. A study completed in 2011 also indicated that it is more economical in Louisville SC&M to hire internally than contract mainly because SC&M already owns (with a small percentage of leases) all substation vehicles and equipment. 2016 represents the final year in the hiring plan. It is critical that this technical knowledge is brought back in-house and allows the group to shift away from a resident contractor base toward contracting defined scopes of work which will greatly improve productivity and efficiency of this group. Variable work in this group has proven to be minimal.</p>			
<p>WHAT ARE THE BENEFITS OF HAVING THE INCREMENTAL POSITION?</p> <p>The benefits of this position include developing the necessary core skills and expertise for sustainability of core work functions within the work group. It is imperative that the core skill sets and technical knowledge required for this type of work are developed in Company employees. The skill set required is not readily found in the local job market. Due to the specialized nature of this work, this will require years of experience working under our existing skilled technicians.</p>			
<p>WHAT ARE THE RISKS IF HEADCOUNT IS NOT APPROVED?</p> <p>A lack of technician experience in this area may cause difficulty completing necessary construction and maintenance work in a safe, accurate, and timely manner and could impact the group's ability to support Generation, Transmission, and Distribution in critical operations and maintenance activities. Contractor rates for utility substation work continue to increase outpacing internal costs for the same resource. Resident contractors (who are also LGE/KU retirees) have exited or are exiting the workforce leaving contractors with relatively inexperienced labor.</p>			
<p>ADDITIONAL NOTES</p> <p>Expected Salary (midpoint or entry rate): REDACTED</p> <p>O&M/Capital %: 60/40</p> <p>Month of Hire: 4/1/2015</p> <p>Company: LG&E</p>			
Requested By:	Patrice Niles	Date:	March 21, 2014

CONFIDENTIAL INFORMATION REDACTED

Complete only for incremental positions that are not in any approved Business Plans			
Please refer to the Strategic Guidelines to assist in completing this form			
Job Title Requested:	Project Coordinator I	#Headcount/Year requested:	1/2015
Department/Group:	021072/Electrical Engineering & Planning, Third Party Attachment group	Location:	BOC-2
Salary Plan:	EX	Work Space Requirements:	Intern offset, office available
HR Contact:	Wilson, Jessica Kosko	Requisition Category:	Customer Service Commitments
Job Description			
<p>WHY IS THE HEADCOUNT NEEDED?</p> <p>This employee is needed to assist in managing the process for third party attachments (cables, antennas, banners, police municipal attachments, etc.) on LG&E/KU structures, buildings and in conduits. This process currently generates approximately \$4M in revenue annually in attachment and lease fees and is increasing. Currently the only person dedicated to managing third party attachments is [REDACTED]. Management of this process is typically handled by workgroups consisting of multiple people at other utilities of similar size and territory. [REDACTED]. [REDACTED]. The only other resource for this process is provided by the part time assistance of an administrative assistant (billing, accounting, reporting) and a series of interns who work full or part time during different times of the year.</p> <p>The workload is well beyond what one person can effectively handle and the gap is increasingly pushed by changes in federal regulations and technology. The workload and lack of a succession plan for the specialized knowledge related to this process is of significant concern. Evolving FCC regulations have increased demands on pole owners and the National Broadband Plan appears to be increasing requests for new cable attachments. Changes in technology for small cell and other wireless attachments are on the verge of increasing attachment requests significantly. The time required for the routine management of attaching parties is increasing in proportion to the increase in the number and variety of attachments. Beyond the daily workload, many improvements in this process need to be made and can only be accomplished through an additional resource, including:</p> <ul style="list-style-type: none"> • Reduce the backlog and time necessary (and the potential for regulatory complaints) to develop and manage new attachment contracts and build-outs. • Updating existing agreements for cable attachments to a common contractual platform to ensure consistent benefit to the company and ease management. • Updating Joint Use agreements to ensure adequate compensation and penalties are in place when JU partners fall out of contractual pole ownership ratios. • Improve documentation, tracking, management and reporting on all aspects of third party attachments. 			

CONFIDENTIAL INFORMATION REDACTED**WHAT ARE THE BENEFITS OF HAVING THE INCREMENTAL POSITION?**

An incremental resource will allow improved management of this revenue producing process and help maximize revenue generated from third party attachments. Additional support will also reduce the time to develop new contracts for attachments and help ensure compliance with new FCC mandated timelines for approving and completing "make ready" work for new cable attachments. It will also result in better oversight of the overall attachment process including contract development, contract administration, attaching party safety, improved records/reporting, etc. Many contracts are outdated, including some Joint Use agreements which date to the 1940's and 1950's and require renegotiation to ensure the continued benefit to company.

WHAT ARE THE RISKS IF HEADCOUNT IS NOT APPROVED?

Failure to properly manage the attachment process could result in not fully maximizing the revenue from third party attachments. Failure to address attachment requests in a timely manner could result in potential complaints to the KYPSC for failure to execute an attachment process within timelines established by the revised FCC regulations of 2011. It could also result in the potential loss of new revenue from new cable attachments and new types of attachments such as micro-cell antennas.

ADDITIONAL NOTES This position will eliminate the need for an intern in the group partially offsetting the cost of an incremental FTE. Savings = [REDACTED] (full year unburdened, intern recently moved to FT).

Expected Salary (midpoint or entry rate): [REDACTED] (unburdened).

O&M/Capital %: 85% O&M/15% Capital

Month of Hire: ASAP or 1/1/2015

Requested By:	Michael T. Leake, Manage E.E.&P	Date:	March 13, 2014
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Mill Creek

Complete only for incremental positions that are not in any approved Business Plans			
Please refer to the Strategic Guidelines to assist in completing this form			
Job Title Requested:	Community Relations Representative	#Headcount/Year requested:	1 / 2015
Department/Group:	Energy Services	Location:	Mill Creek Station
Salary Plan:	EX	Work Space Requirements:	Cubicle at Mill Creek
HR Contact:	Piontek,Natalie K	Requisition Category:	Core Skill Building/Knowledge Retention & Transfer
Job Description			
<p>WHY IS THE HEADCOUNT NEEDED?</p> <p>This position will take the lead in developing and maintaining relationships between the plant and the community including local schools, subdivision trustees, local organizations, and community leaders.</p> <ul style="list-style-type: none"> • This work has been conducted by a Generation Services employee nearing retirement. • Generation Services does not plan to replace the employee. • This work has been supplemented by a contract event planner. • The contractor is over sixty years old. • As Mill Creek is an urban plant, it is critical to maintain a proper presence in the community. • Management is not available to deal with community relation issues and home office decision makers timely. • This position is required to maintain the relationship established in the community over the past 10-20 years. 			
<p>WHAT ARE THE BENEFITS OF HAVING THE INCREMENTAL POSITION?</p> <p>This position provides the opportunity to have better community relationships and allows management to have a quick notification of issues that occasionally pop up in the area. We have benefited from these relationships in the past and they can be continued if this position is approved.</p>			
<p>WHAT ARE THE RISKS IF HEADCOUNT IS NOT APPROVED?</p> <ul style="list-style-type: none"> • The relationships built in the past will not be maintained for the future. • The ability to measure activities by activists will be diminished. • Employee recognition events will be significantly harder to perform. (Admin support has greatly been curtailed.) 			
<p>ADDITIONAL NOTES</p> <p>No additional comments</p>			
Requested By:	K. Michael Kirkland	Date:	April 23, 2014

Trimble County

Complete only for incremental positions that are not in any approved Business Plans			
Please refer to the Strategic Guidelines to assist in completing this form			
Job Title Requested:	Material Handling Leader	#Headcount/Year requested:	1 / 2015; 1 / 2016
Department/Group:	Operations Trimble Co – Material handling	Location:	Trimble Co Material Handling
Salary Plan:	EX	Work Space Requirements:	Desk /PC access
HR Contact:	Piontek,Natalie K	Requisition Category:	Core Skill Building/Knowledge Retention & Transfer
Job Description			
<p>WHY IS THE HEADCOUNT NEEDED?</p> <p>This head count allows for the transition to a more variable work force in the material handling operations of Trimble County.</p>			
<p>WHAT ARE THE BENEFITS OF HAVING THE INCREMENTAL POSITION?</p> <p>These positions provide for the direct LG&E leadership monitoring, directing, coordinating activity within the Material Handling areas with increased use of variable work force. It helps to simplify lock /out tag/out activity associated with contracted work forces. Supports moving toward moving to a better market match for skills required for the activities associated with current material handling task.</p>			
<p>WHAT ARE THE RISKS IF HEADCOUNT IS NOT APPROVED?</p> <p>More difficulty in assuring the oversight necessary to manage increased material handling activities with contracting support.</p>			
<p>ADDITIONAL NOTES</p> <p>Maintains consistency with Generation Fleet wide planning. The intent is to have 24 / 7 oversight with LG&E supervision.</p>			
Requested By:	Jeff Joyce / Phil Rabe	Date:	April 24, 2014

Complete only for incremental positions that are not in any approved Business Plans			
Please refer to the Strategic Guidelines to assist in completing this form			
Job Title Requested:	CCR Maintenance Technicians (4 I&E, 3 Mechanical)	#Headcount/Year requested:	7 / 2017
Department/Group:	Maintenance	Location:	Trimble Co
Salary Plan:	BU	Work Space Requirements:	Locker / tool storage / etc
HR Contact:	Piontek,Natalie K	Requisition Category:	Capital Projects
Job Description			
<p>WHY IS THE HEADCOUNT NEEDED?</p> <p>Request for 3 mechanics and 4 I&E technicians to provide mechanical support for the CCR Transport and effluent water treatment systems equipment. These systems will be required for continued operation of the Station. It will add significant numbers of equipment to be maintained for continuous operation.</p>			
<p>WHAT ARE THE BENEFITS OF HAVING THE INCREMENTAL POSITION?</p> <p>Maintaining reliable operations of this necessary equipment for the plant.</p>			
<p>WHAT ARE THE RISKS IF HEADCOUNT IS NOT APPROVED?</p> <p>Additional reliance upon subcontractors fore core skill set activities required for plant operations.</p>			
<p>ADDITIONAL NOTES</p> <p>These systems are under development for implementation in and around 2017. The numbers and actual craft requirements will be refined as additional detailed information is obtained. Additionally, we will review activities to determine which should be outsourced versus in house.</p>			
Requested By:	Jeff Joyce / Larry Byrd	Date:	April 24, 2014

EW Brown

Complete only for incremental positions that are not in any approved Business Plans			
Please refer to the Strategic Guidelines to assist in completing this form			
Job Title Requested:	Shift Supervisor / Trainer	#Headcount/Year requested:	1 / 2015
Department/Group:	Plant Operations	Location:	E.W. Brown
Salary Plan:	NE	Work Space Requirements:	EWB Trng Building Office
HR Contact:	Lester, Donald B	Requisition Category:	Core Skill Building/Knowledge Retention & Transfer
Job Description			
<p>WHY IS THE HEADCOUNT NEEDED?</p> <p>Anticipated retirements will generate increased hiring of inexperienced operators and technicians over the coming 5 years. As a result of needs assessments, newly adopted plant procedures and processes, incident reviews, and projected retirements, formalized training programs are in place, including:</p> <ul style="list-style-type: none"> • CD ROM based training program from Primedia. • OJT documented through the use of job performance measures. • Classroom training using custom developed plant specific training prints and manuals. • Online plant specific training administered through Coursemill. <p>In addition to above, a significant effort has begun to incorporate training for various environmental systems installed. Training was developed and implemented begun in 2012 for the operation and maintenance of SCR and SO3 mitigation systems. This training is continuing and availability of resources for most effective delivery is critical.</p> <p>Training for Maintenance Technicians will continue as part of the EPRI Skills Assessments Testing and Training program. In addition to this program, training relative to newly installed equipment and other facility specific systems is ongoing.</p> <p>The EWB management team is currently working with LGE Organizational Development to finalize a formal Leadership Development program for implementation beginning in 2014. This will include both assessments and skills development.</p> <p>To support and facilitate the above initiatives, one designated RFT trainer was added to the plant staff in 2012. This request is for a second dedicated resource to be added in 2015.</p>			
<p>WHAT ARE THE BENEFITS OF HAVING THE INCREMENTAL POSITION?</p> <p>The additional trainer position will allow for timely and efficient implementation of trainings in the areas of: new employee orientation, operating procedures, maintenance skills, new equipment/systems, compliance, safety, and leadership development.</p>			
<p>WHAT ARE THE RISKS IF HEADCOUNT IS NOT APPROVED?</p> <p>Although plans for implementation and delivery of the trainings identified above will continue either way, failure to add a 2nd dedicated trainer will significantly impact the timing and efficiencies necessary to ensure best practices.</p>			
ADDITIONAL NOTES			
Requested By:	Jeff Fraley	Date:	April 25, 2014

Commercial Operations

Complete only for incremental positions that are not in any approved Business Plans			
Please refer to the Strategic Guidelines to assist in completing this form			
Job Title Requested:	Manager Commercial Operations - PPL	#Headcount/Year requested:	1 / 2015
Department/Group:	Commercial Operations	Location:	LG&E Center
Salary Plan:	MG	Work Space Requirements:	Standard Managers Office
HR Contact:	Trimble,Thomas W	Requisition Category:	Corporate Reorganization
Job Description			
<p>WHY IS THE HEADCOUNT NEEDED?</p> <p>To act as the primary coordinator of generation focused joint procurement and supplier management activities with the PPL family of companies.</p>			
<p>WHAT ARE THE BENEFITS OF HAVING THE INCREMENTAL POSITION?</p> <ol style="list-style-type: none"> 1. Coordinating joint efforts with PPL that could likely bring value to LKE, detracts from LKE's fully loaded existing commercial resources ability to execute to the LKE Power Generation Business Plan. 2. The Commercial Operations team is evolving to a less experienced work group with recent and upcoming retirements, and needs to keep an efficient focus on resource development. 3. A Commercial Manager position focused on the PPL interface could likely produce enough benefits to cover its costs by diminishing inefficiencies inherent in the existing interface and facilitating higher leveraged supply agreements to the benefit of LKE. 4. The position could also be leveraged for succession planning purposes as station based Commercial Managers move towards retirement. 			
<p>WHAT ARE THE RISKS IF HEADCOUNT IS NOT APPROVED?</p> <p>The PPL interface will continue to be managed by multiple commercial resources leading to a commercial team distracted from its primary mission of LKE Power Generation commercial services delivery.</p>			
<p>ADDITIONAL NOTES</p> <p>This position would report directly to the Director of Commercial Operations, with the Supply Market and Inventory Analyst and the Systems and Training Analyst reporting to it.</p>			
Requested By:	Joe Clements	Date:	April 22, 2014

Complete only for incremental positions that are not in any approved Business Plans			
Please refer to the Strategic Guidelines to assist in completing this form			
Job Title Requested:	Contracts Administrator - Servco	#Headcount/Year requested:	1 / 2015
Department/Group:	Commercial Operations	Location:	LG&E Center
Salary Plan:	NE	Work Space Requirements:	Standard Cubical
HR Contact:	Trimble,Thomas W	Requisition Category:	Core Skill Building/Knowledge Retention & Transfer
Job Description			
<p>WHY IS THE HEADCOUNT NEEDED?</p> <p>A contract administrator is needed to deliver procurement and contracting services across the Power Generation fleet as a supplemental resource to all stations, Generation Services and the Central Service Shop.</p>			
<p>WHAT ARE THE BENEFITS OF HAVING THE INCREMENTAL POSITION?</p> <p>The position will benefit the PG business via establishing and managing a portfolio of Master Service Agreements (MSAs) and station specific project related procurements/contracts. As procurement planning has been accepted as an integral part of effective delivery of the business plan, the demand for project/outage specific bidding and contracting services has increased across the fleet. There is also an ever increasing list of MSAs being requested by the business, that are difficult to execute with existing resources, due to on –going station level commercial support activities. These MSA’s represent an approximate annual spend of \$XXX and will require on-going maintenance as they are established. It is assumed that this additional resource to assist in delivery of the overall business plan, will more than pay for itself through cost savings across the fleet.</p>			
<p>WHAT ARE THE RISKS IF HEADCOUNT IS NOT APPROVED?</p> <p>Value will be lost due to lack of appropriate resources to manage effective contract development on a significant spend. More of this spend will essentially be sole sourced or executed by non-commercial resources, unfamiliar with best procurement processes/practices leading to greater risk to the business.</p>			
<p>ADDITIONAL NOTES</p> <p>The commercial support of Generation Services and the Central Service Shop has added a greater than expected workload to Commercial Operations that has to be recognized and resourced.</p>			
Requested By:	Joe Clements	Date:	April 22, 2014

Other Generation – Power Production

Complete only for incremental positions that are not in any approved Business Plans			
Please refer to the Strategic Guidelines to assist in completing this form			
Job Title Requested:	Boiler Combustion Specialist	#Headcount/Year requested:	1/2015
Department/Group:	022200A- VP Power Generation	Location:	LGEC - 8
Salary Plan:	EX	Work Space Requirements:	Cubicle
HR Contact:	Trimble,Thomas W	Requisition Category:	Core Skill Building/Knowledge Retention & Transfer
Job Description			
<p>WHY IS THE HEADCOUNT NEEDED?</p> <p>This addition to the headcount is primarily needed because we currently do not have this expertise within the Power Generation Department. The composition of the fuels being burned in our coal fired plants today is changing more than it has in the past which requires a better understanding of how it is affecting the combustion process inside our boilers. This position is needed to help improve both boiler reliability and environmental compliance by helping to identify combustion issues and at the same time optimize this process. This position would also help to provide consistency across the fleet in dealing with combustion related issues.</p>			
<p>WHAT ARE THE BENEFITS OF HAVING THE INCREMENTAL POSITION?</p> <p>There would be several benefits realized by the addition of this position. It would provide consistency across the fleet by having a point person who would provide guidance to the plant's Operations and Maintenance staffs on all combustion related issues. The position could also be used to train the Operating staffs at each station on the overall combustion process while teaching them how to optimize and improve the efficiency of their boilers while learning how to troubleshoot issues such as furnace slag. This position could also be utilized to oversee the combustion testing of any new fuels on the market to see if they would be suitable for our units.</p>			
<p>WHAT ARE THE RISKS IF HEADCOUNT IS NOT APPROVED?</p> <p>The risks of not adding this position is that we as a department will miss an opportunity to make a consolidated effort to improve the combustion process of the boilers in our fleet.</p>			
<p>ADDITIONAL NOTES</p>			
Requested By:	Mike Buckner	Date:	May 9, 2014

Energy Supply & Analysis

CONFIDENTIAL INFORMATION REDACTED

Complete only for incremental positions that are not in any approved Business Plans			
Please refer to the Strategic Guidelines to assist in completing this form			
Job Title Requested:	Senior Fuels & Transportation Administrator	#Headcount/Year requested:	1 / 2015
Department/Group:	Corporate Fuels & By-Products	Location:	LG&E Center
Salary Plan:	EX	Work Space Requirements:	Cubicle
HR Contact:	Trimble,Thomas W	Requisition Category:	Core Skill Building/Knowledge Retention & Transfer
Job Description			
WHY IS THE HEADCOUNT NEEDED?			
<div style="background-color: black; height: 1.2em; width: 50%; display: inline-block;"></div> We need to add this incremental headcount for the first half of 2015 so that Bill has an opportunity to train his replacement.			
WHAT ARE THE BENEFITS OF HAVING THE INCREMENTAL POSITION?			
This incremental position will provide for knowledge transfer concerning not only the purchasing process and contract administration responsibilities for coal, rail and barge transportation, and reagents, but also training in the use of Align Fuels to ensure accurate and complete financial and regulatory reporting.			
WHAT ARE THE RISKS IF HEADCOUNT IS NOT APPROVED?			
If this headcount is not approved we are at risk for not maintaining appropriate contract oversight with vendors supplying coal, transportation services, and reagents. We also risk compliance with our internal SOX controls concerning adherence to fuel procurement processes and contract and inventory management responsibilities, as well as risks associated with the accuracy and completeness of financial and regulatory reporting.			
ADDITIONAL NOTES			
Requested By:	Caryl Pfeiffer	Date:	May 8, 2014

Project Engineering

Complete only for incremental positions that are not in any approved Business Plans			
Please refer to the Strategic Guidelines to assist in completing this form			
Job Title Requested:	Engineer	#Headcount/Year requested:	3 / 2015
Department/Group:	Project Engineering	Location:	1 – EWB, 2 – Trimble County
Salary Plan:	EX	Work Space Requirements:	Site Office Space
HR Contact:	Trimble, Thomas W	Requisition Category:	Capital Projects
Job Description			
<p>WHY IS THE HEADCOUNT NEEDED?</p> <p>Current issues impacting PE staffing include:</p> <ul style="list-style-type: none"> • Green River Combined Cycle – scope and timing • CCR Rules – scope and timing • ELG Rules – scope and timing • Paddy’s and Canal Demo – timing • Ohio Falls – timing due to Unit 5 Issue <p>This request is for 1 Civil Engineer (contractor offset) and 1 Electrical Engineer (incremental add) to be placed at Trimble County, and 1 Mechanical Engineer (incremental add) to be placed at E.W. Brown.</p>			
<p>WHAT ARE THE BENEFITS OF HAVING THE INCREMENTAL POSITION?</p> <p>Will provide engineering design, project management, and contractor oversight to ensure safe completion of capital projects on time and within budget.</p>			
<p>WHAT ARE THE RISKS IF HEADCOUNT IS NOT APPROVED?</p> <p>Potential loss of efficiencies and additional stresses on project time-lines.</p>			
<p>ADDITIONAL NOTES</p>			
Requested By:	Scott Straight	Date:	May 8, 2014

Transmission

Complete only for incremental positions that are not in any approved Business Plans			
Please refer to the Strategic Guidelines to assist in completing this form			
Job Title Requested:	Inspector	#Headcount/Year requested:	1 / 2015
Department/Group:	Transmission Lines	Location:	Louisville
Salary Plan:	EX	Work Space Requirements:	Cubicle @ AOC
HR Contact:	Lester, Donald B	Requisition Category:	Capital Projects
Job Description			
<p>WHY IS THE HEADCOUNT NEEDED?</p> <p>Current contractor Inspectors are retired LGE-KU employees. They are aging and will retire for the second time in the next 3 years. There is no pool left of these retired employees to choose from.</p>			
<p>WHAT ARE THE BENEFITS OF HAVING THE INCREMENTAL POSITION?</p> <p>This is a contractor offset – there is no financial impact to the BP. Provides for long term employees in this position.</p>			
<p>WHAT ARE THE RISKS IF HEADCOUNT IS NOT APPROVED?</p> <p>We won't have qualified personnel watching our capital projects during construction. Ensuring safety processes and engineering standards are met.</p>			
ADDITIONAL NOTES			
Requested By:	Robby Trimble	Date:	April 21, 2014

Complete only for incremental positions that are not in any approved Business Plans			
Please refer to the Strategic Guidelines to assist in completing this form			
Job Title Requested:	Cascade/Powerbase Administrator	#Headcount/Year requested:	1 / 2015
Department/Group:	Transmission Protection and Controls	Location:	Lexington
Salary Plan:	EX	Work Space Requirements:	Standard Cubicle
HR Contact:	Lester, Donald B	Requisition Category:	Regulatory Compliance
Job Description			
<p>WHY IS THE HEADCOUNT NEEDED?</p> <p>LKE has had three self-reports for the PRC-005 standard and one self-report for the PRC-023 standard. Transmission P&C is responsible for 13 PRC standards. Lack of dedicated resources to monitor the approximately 16,000 pieces of equipment in the standard is a contributing factor to these self-reports. Cascade and Powerbase are the two system of record used to monitor and track compliance with PRC-005. Presently, data entry into these two databases has been handled through Coops. This system is not working as the volatility and short-term nature of the Coops does not insure a continuing knowledge base of the processes nor does it give enough hours of work to maintain the data.</p>			
<p>WHAT ARE THE BENEFITS OF HAVING THE INCREMENTAL POSITION?</p> <p>Reduction or elimination of self-reports by focused attention on the compliance of these standards through the timely upkeep of change management associated with the databases.</p>			
<p>WHAT ARE THE RISKS IF HEADCOUNT IS NOT APPROVED?</p> <p>A lack of properly identified PRC assets in Cascade. A lack of proper tracking of maintenance activities associated with the PRC standards. These two factors will increase the likely hood of future self-reports.</p>			
<p>ADDITIONAL NOTES</p> <p>Will be filled with a contractor offset in 2015 and evaluated for possible synergies in order to consolidate a similar 2016 budgeted position into one RFT position. This headcount is being recommended to position Transmission Protection and Controls to be more successful in the monitoring and tracking of asset changes in Cascade and Powerbase and overall program compliance. Existing staff workloads prohibit the proper attention being devoted to these databases and gaps exist today. PRC-005 is one of the most violated standards in the industry. This headcount will ensure a more robust PRC compliance.</p>			
Requested By:	Brent Birchell	Date:	April 25, 2014

Complete only for incremental positions that are not in any approved Business Plans			
Please refer to the Strategic Guidelines to assist in completing this form			
Job Title Requested:	Drafter	#Headcount/Year requested:	1 / 2015
Department/Group:	Transmission Lines	Location:	Lexington
Salary Plan:	EX	Work Space Requirements:	Cubicle @ Lexington Office
HR Contact:	Lester, Donald B	Requisition Category:	Capital Projects
Job Description			
<p>WHY IS THE HEADCOUNT NEEDED?</p> <p>When GIS is fully implemented the current drafter will be managing that on a full time basis. This position will provide daily drafting duties – PP updates, Construction prints, structure drawings.</p>			
<p>WHAT ARE THE BENEFITS OF HAVING THE INCREMENTAL POSITION?</p> <p>This position will provide the daily drafting duties that create construction prints and keep our structure drawings up to date.</p>			
<p>WHAT ARE THE RISKS IF HEADCOUNT IS NOT APPROVED?</p> <p>Lack of proper record keeping. Engineering staff will have to provide this function.</p>			
ADDITIONAL NOTES			
Requested By:	Robby Trimble	Date:	April 21, 2014

Complete only for incremental positions that are not in any approved Business Plans			
Please refer to the Strategic Guidelines to assist in completing this form			
Job Title Requested:	Inspector	#Headcount/Year requested:	1 / 2016
Department/Group:	Transmission Lines	Location:	Louisville
Salary Plan:	EX	Work Space Requirements:	Cubicle @ AOC
HR Contact:	Lester, Donald B	Requisition Category:	Capital Projects
Job Description			
<p>WHY IS THE HEADCOUNT NEEDED?</p> <p>Current contractor Inspectors are retired LGE-KU employees. They are aging and will retire for the second time in the next 3 years. There is no pool left of these retired employees to choose from.</p>			
<p>WHAT ARE THE BENEFITS OF HAVING THE INCREMENTAL POSITION?</p> <p>This is a contractor offset – there is no financial impact to the BP. Provides for long term employees in this position.</p>			
<p>WHAT ARE THE RISKS IF HEADCOUNT IS NOT APPROVED?</p> <p>We won't have qualified personnel watching our capital projects during construction. Ensuring safety processes and engineering standards are met.</p>			
ADDITIONAL NOTES			
Requested By:	Robby Trimble	Date:	April 21, 2014

Complete only for incremental positions that are not in any approved Business Plans			
Please refer to the Strategic Guidelines to assist in completing this form			
Job Title Requested:	PRC Compliance (Electrical) Engineer	#Headcount/Year requested:	1 / 2016
Department/Group:	Transmission Protection and Controls	Location:	Lexington
Salary Plan:	EX	Work Space Requirements:	Standard Cubicle
HR Contact:	Lester, Donald B	Requisition Category:	Regulatory Compliance
Job Description			
WHY IS THE HEADCOUNT NEEDED?			
<p>LKE has had three self-reports for the PRC-005 standard and one self-report for the PRC-023 standard. Transmission P&C is responsible for 13 PRC standards. Lack of dedicated resources to monitor the approximately 16,000 pieces of equipment in the standard is a contributing factor to these self-reports. The PRC standards are technical in nature and require the oversight of an engineer to understand and monitor successfully LKE's compliance in this area.</p>			
WHAT ARE THE BENEFITS OF HAVING THE INCREMENTAL POSITION?			
<p>Reduction or elimination of self-reports by focused attention on the compliance of these standards.</p>			
WHAT ARE THE RISKS IF HEADCOUNT IS NOT APPROVED?			
<p>A lack of properly identified PRC assets in Cascade. A lack of proper tracking of maintenance activities associated with the PRC standards. These two factors will increase the likely hood of future self-reports.</p>			
ADDITIONAL NOTES			
<p>This headcount is being recommended to position Transmission Protection and Controls to be more successful in the monitoring and tracking of asset changes in Cascade and overall program compliance. Existing staff workloads prohibit the proper attention being devoted to these standards. PRC-005 is one of the most violated standards in the industry. This headcount will ensure a more robust PRC compliance.</p>			
Requested By:	Brent Birchell	Date:	April 30, 2014

Complete only for incremental positions that are not in any approved Business Plans			
Please refer to the Strategic Guidelines to assist in completing this form			
Job Title Requested:	PRC Compliance (Electrical) Engineer	#Headcount/Year requested:	1 / 2016
Department/Group:	Transmission Protection and Controls	Location:	Lexington
Salary Plan:	EX	Work Space Requirements:	Standard Cubicle
HR Contact:	Lester, Donald B	Requisition Category:	Regulatory Compliance
Job Description			
<p>WHY IS THE HEADCOUNT NEEDED?</p> <p>LKE has had three self-reports for the PRC-005 standard and one self-report for the PRC-023 standard. Transmission P&C is responsible for 13 PRC standards. Lack of dedicated resources to monitor the approximately 16,000 pieces of equipment in the standard is a contributing factor to these self-reports. The PRC standards are technical in nature and require the oversight of an engineer to understand and monitor successfully LKE's compliance in this area.</p>			
<p>WHAT ARE THE BENEFITS OF HAVING THE INCREMENTAL POSITION?</p> <p>Reduction or elimination of self-reports by focused attention on the compliance of these standards.</p>			
<p>WHAT ARE THE RISKS IF HEADCOUNT IS NOT APPROVED?</p> <p>A lack of properly identified PRC assets in Cascade. A lack of proper tracking of maintenance activities associated with the PRC standards. These two factors will increase the likely hood of future self-reports.</p>			
<p>ADDITIONAL NOTES</p> <p>This headcount is being recommended to position Transmission Protection and Controls to be more successful in the monitoring and tracking of asset changes in Cascade and overall program compliance. Existing staff workloads prohibit the proper attention being devoted to these standards. PRC-005 is one of the most violated standards in the industry. This headcount will ensure a more robust PRC compliance.</p>			
Requested By:	Brent Birchell	Date:	April 30, 2014

Complete only for incremental positions that are not in any approved Business Plans			
Please refer to the Strategic Guidelines to assist in completing this form			
Job Title Requested:	Inspector	#Headcount/Year requested:	1 / 2017
Department/Group:	Transmission Lines	Location:	Central KY
Salary Plan:	EX	Work Space Requirements:	Cubicle @ Danville Office
HR Contact:	Lester, Donald B	Requisition Category:	Capital Projects
Job Description			
<p>WHY IS THE HEADCOUNT NEEDED?</p> <p>Current contractor Inspectors are retired LGE-KU employees. They are aging and will retire for the second time in the next 3 years. There is no pool left of these retired employees to choose from.</p>			
<p>WHAT ARE THE BENEFITS OF HAVING THE INCREMENTAL POSITION?</p> <p>This is a contractor offset – there is no financial impact to the BP. Provides for long term employees in this position.</p>			
<p>WHAT ARE THE RISKS IF HEADCOUNT IS NOT APPROVED?</p> <p>We won't have qualified personnel watching our capital projects during construction. Ensuring safety processes and engineering standards are met.</p>			
ADDITIONAL NOTES			
Requested By:	Robby Trimble	Date:	April 21, 2014

Complete only for incremental positions that are not in any approved Business Plans			
Please refer to the Strategic Guidelines to assist in completing this form			
Job Title Requested:	Substations Inspector	#Headcount/Year requested:	1 / 2017
Department/Group:	Trans Subs Eng, Const & Mntc	Location:	Flexible
Salary Plan:	EX	Work Space Requirements:	
HR Contact:	Lester, Donald B	Requisition Category:	Core Skill Building/Knowledge Retention & Transfer
Job Description			
WHY IS THE HEADCOUNT NEEDED?			
Construction management and engineering support. Will be offset by equal reduction in resident contractor support.			
WHAT ARE THE BENEFITS OF HAVING THE INCREMENTAL POSITION?			
We currently have four resident contractors working under Bray Electric that are former employees that have retired from LGE-KU. Relying on these contractors is not a good long term solution. This position will strengthen our construction management abilities and improve our ability to execute projects. We need more engagement from the field inspectors to provide feedback to engineering and improve upon our overall efficiency.			
WHAT ARE THE RISKS IF HEADCOUNT IS NOT APPROVED?			
Managing work with former employees that have retired is not sustainable and puts us at risk when it comes to having the ability to oversee substation construction work.			
ADDITIONAL NOTES			
Requested By:	Chris Talley	Date:	April 30, 2014

Complete only for incremental positions that are not in any approved Business Plans			
Please refer to the Strategic Guidelines to assist in completing this form			
Job Title Requested:	Reliability Engineer/Analyst – PI Support	#Headcount/Year requested:	1 / 2019
Department/Group:	Reliability Performance & Standards	Location:	BOC-02
Salary Plan:	EX	Work Space Requirements:	Cube
HR Contact:	Lester, Donald B	Requisition Category:	Customer Service Commitments
Job Description			
<p>WHY IS THE HEADCOUNT NEEDED?</p> <p>Reliability Performance & Standards originally identified that the addition of the PI system for Transmission would necessitate a headcount for 20k points and 10 licenses in order to be able to properly administer the application and the associated support functions. Presently we have purchased 50k points and 20 licenses. Reliability Performance & Standards has not been able to properly develop and maintain the PI tags for Transmission. As a result, the PI effort has taken a backseat to more pressing reliability related issues.</p>			
<p>WHAT ARE THE BENEFITS OF HAVING THE INCREMENTAL POSITION?</p> <p>PI is a very powerful tool that will provide EMS level data on a real-time basis without having to have access to a Critical Cyber Asset like the EMS. PI provides a platform to develop tools for situational awareness that can be put into the hands of managers and individual contributors alike through their smart phones and tablets. We have been unable to leverage this capability due to the lack of resources to commit to the project. This position would also allow us to further optimize the data we are presently capturing such that we do not consume as much IT disk space. This optimization requires a dedicated resource to analyze each of the data points and determine the proper archival setting. Right now we just archive everything the same and at a high data rate such that we are consuming large amounts of disk space.</p>			
<p>WHAT ARE THE RISKS IF HEADCOUNT IS NOT APPROVED?</p> <p>Support of the PI application will be limited at best and we will continue to consume vast amounts of disk space on the virtual servers. We will also be unable to address the needs of PI users and will probably result in the PI system not being utilized. Without the headcount, we will be unable to add additional data points and achieve the identified benefits that justified PI being added. If we are unable to accomplish the necessary PI enhancements, it could also endanger the progress of the Transmission Outage Application (TOA) which intends to utilize PI for all EMS related data and avoided connecting to a Critical Cyber Asset.</p>			
ADDITIONAL NOTES			
Requested By:	Keith Yocum	Date:	March 28, 2014

Complete only for incremental positions that are not in any approved Business Plans			
Please refer to the Strategic Guidelines to assist in completing this form			
Job Title Requested:	Project Coordinator	#Headcount/Year requested:	1 / 2017
Department/Group:	Trans Subs Eng, Const & Mntc	Location:	Flexible
Salary Plan:	EX	Work Space Requirements:	
HR Contact:	Lester, Donald B	Requisition Category:	Capital Projects
Job Description			
<p>WHY IS THE HEADCOUNT NEEDED?</p> <p>Improved Operational performance of the Substation Construction and P&C groups.</p>			
<p>WHAT ARE THE BENEFITS OF HAVING THE INCREMENTAL POSITION?</p> <p>The current plan is to utilize our business partners to create and track the schedules for some of the more complicated projects. Over the next 30 months, I would like to develop the tools and expertise internally to complete this work rather than relying on consultants.</p>			
<p>WHAT ARE THE RISKS IF HEADCOUNT IS NOT APPROVED?</p> <p>If position is not approved, we will continue to rely on the individual currently in the Project Coordinator role to provide scheduling support with the assistance of our business partners. Having a second Project Coordinator would lessen the impact should there be turnover and allow us to perform project scheduling at a lower cost.</p>			
ADDITIONAL NOTES			
Requested By:	Chris Talley	Date:	April 30, 2014

Complete only for incremental positions that are not in any approved Business Plans			
Please refer to the Strategic Guidelines to assist in completing this form			
Job Title Requested:	Electrical Engineer I, II, III, or Sr (Protection Settings)	#Headcount/Year requested:	1 / 2019
Department/Group:	Transmission Protection and Controls	Location:	Lexington
Salary Plan:	EX	Work Space Requirements:	Standard Cubicle
HR Contact:	Lester, Donald B	Requisition Category:	Core Skill Building/Knowledge Retention & Transfer
Job Description			
<p>WHY IS THE HEADCOUNT NEEDED?</p> <p>Increased work load due to:</p> <ul style="list-style-type: none"> • Replacement of electromechanical relays • Implementation of a peer review procedure for relay settings calculations • Reliability focused event review <p>Additionally, this position would help support the review of protection issues identified by the transmission system coordination study performed in 2013.</p>			
<p>WHAT ARE THE BENEFITS OF HAVING THE INCREMENTAL POSITION?</p> <p>We are currently contracting a significant amount of relay settings work. In 2013, we contracted \$179k for relay settings. In 2011, we contracted \$172k for relay settings. Our average spends for contracted relay settings over the past 4 years is \$145k. This head count will reduce our dependence on contractors to perform relay settings. This will both reduce our costs and maintain this expertise in house.</p>			
<p>WHAT ARE THE RISKS IF HEADCOUNT IS NOT APPROVED?</p> <p>A lack of sufficient internal resources will result in increased use of contractors at additional expense. If additional contractors are not funded, the number of relay replacements will be limited as well as our ability to implement peer review procedures.</p>			
<p>ADDITIONAL NOTES</p> <p>Existing staff workloads require the increasing use of contractors to support construction and renewal projects as well as best practices identified by industry peers.</p>			
Requested By:	Brent Birchell	Date:	April 30, 2014

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Complete only for incremental positions that are not in any approved Business Plans			
Please refer to the Strategic Guidelines to assist in completing this form			
Job Title Requested:	Reliability Engineer/Analyst	#Headcount/Year requested:	1 / 2017
Department/Group:	Reliability Performance & Standards	Location:	BOC-02
Salary Plan:	EX	Work Space Requirements:	Cube
HR Contact:	Lester, Donald B	Requisition Category:	Customer Service Commitments
Job Description			
WHY IS THE HEADCOUNT NEEDED?			
<p>The workload of Reliability Performance & Standards has increased as we are taking a more active role in developing capital plans to address reliability, analyzing customer complaints regarding power quality and reliability, and generally providing more analytics to support improved decision making capability within Transmission. This position will help with the day to day development of metrics and weekly reporting requirements and free up Tom Fuchs to do further development and clean-up work required to provide additional data and improve data quality. It is assumed that customer requests such as those seen recently from Ford and Madisonville will continue or increase in the future. Responses to these types of customer requests take a considerable amount of time to develop. This position would be able to assist in those efforts. [REDACTED]</p>			
WHAT ARE THE BENEFITS OF HAVING THE INCREMENTAL POSITION?			
<p>Filling this position will allow Reliability Performance & Standards to continue enhancement of our existing data collection efforts, develop additional tools to enhance decision making capability, and improve data quality that can be utilized across the Transmission organization (like TRODS). Presently we are struggling to keep up with the development of metrics and additional data metrics. [REDACTED]</p>			
WHAT ARE THE RISKS IF HEADCOUNT IS NOT APPROVED?			
<p>Reliability Performance & Standards may not be able to address all of the reliability related requests that are required. Presently we only have one person working directly on reliability efforts and if he were to get sick or leave, our process would be severely hampered. We also run the risk of not maintaining customer satisfaction as we will be unable to promptly address all of the customer related issues surrounding Transmission.</p>			
ADDITIONAL NOTES			
Requested By:	Keith Yocum	Date:	March 28, 2014

Complete only for incremental positions that are not in any approved Business Plans			
Please refer to the Strategic Guidelines to assist in completing this form			
Job Title Requested:	Maintenance (Electrical) Engineer	#Headcount/Year requested:	1 / 2019
Department/Group:	Trans Subs Eng, Const & Mntc	Location:	Flexible
Salary Plan:	EX	Work Space Requirements:	
HR Contact:	Lester, Donald B	Requisition Category:	Core Skill Building/Knowledge Retention & Transfer
Job Description			
<p>WHY IS THE HEADCOUNT NEEDED?</p> <p>Succession Planning and Knowledge Transfer. This is an incremental head count to work under Chris Brown's direction and learn from his experience.</p>			
<p>WHAT ARE THE BENEFITS OF HAVING THE INCREMENTAL POSITION?</p> <p>Understanding what it takes to operate and maintain substations is a unique skill set and is not something that is part of the Substation design process. Due to the various types and vintages of components in a substation, it takes years to gain the knowledge necessary to be effective in this role. Having an engineer as part of the Asset Management group will help with root cause analysis of failures and improvements in our maintenance prioritization and tracking. This individual will also take a lead role in outlining our Transmission Renewal plan.</p>			
<p>WHAT ARE THE RISKS IF HEADCOUNT IS NOT APPROVED?</p> <p>Due to the aging infrastructure in our Transmission substations, proper maintenance of the equipment will be critical to prevent substations from having an increasingly negative impact on our reliability indices. Many of the technicians and supervision that we currently rely on for maintenance functions are nearing retirement age. Failure to not address this concern will make it difficult to put together a sustainable Transmission Renewal plan as well and put us at risk of not being able to react appropriately to equipment related issues.</p>			
<p>ADDITIONAL NOTES</p>			
Requested By:	Chris Talley	Date:	April 30, 2014

Complete only for incremental positions that are not in any approved Business Plans			
Please refer to the Strategic Guidelines to assist in completing this form			
Job Title Requested:	EMS System Administrator	#Headcount/Year requested:	1 / 2019
Department/Group:	Trans EMS CIP	Location:	Simpsonville
Salary Plan:	EX	Work Space Requirements:	Cubicle, Corp PC, EMS Workstation, Landline & Cell Phone
HR Contact:	Lester, Donald B	Requisition Category:	Core Skill Building/Knowledge Retention & Transfer
Job Description			
<p>WHY IS THE HEADCOUNT NEEDED?</p> <p>Four of the seven EMS system support staff has 30+ years of service at mid-fifties years of age. The EMS support skillset is not readily available and takes several years to learn the technical complexities of the system. In order to ensure that we have succession plans in place for imminent retirements of the EMS workforce, we will need to ramp up on resources well in advance of our veteran support personnel exiting the company.</p>			
<p>WHAT ARE THE BENEFITS OF HAVING THE INCREMENTAL POSITION?</p> <p>Proactively train resources to be able to continue support of the EMS system at expected levels. It will take 2-5 years of cross training to prepare a System Administrator to provide the required level of support when the specialist exits the company. We need to hire the succession workforce to begin training and grooming to replace key personnel as attrition occurs.</p>			
<p>WHAT ARE THE RISKS IF HEADCOUNT IS NOT APPROVED?</p> <p>Reliability and Compliance Violations: The EMS system is very technically complex and takes years to develop the technical skills required for support and operation. Additionally, all support tasks that need to be done on the system also have to incorporate evidence of compliance with NERC CIP standards. New employees must learn both the technical complexities of the system and the regulatory parameters that we must operate within. If we wait until the aging workforce exits to hire replacements, we will risk encountering severe technical and regulatory issues.</p>			
<p>ADDITIONAL NOTES</p> <p>The coming Transmission and Distribution technologies coupled with the continually evolving compliance landscape, also give credence to adding additional headcount in advance to allow adequate training and experience. The skills to support the EMS system take several years to attain a productive level of competence and confidence. With several veteran employees nearing retirement, we need to proactively add a succession workforce. Additionally, CIP v5, Analog Sunset of Communication circuits, Obsolete RTU replacements, PI Historian, Substation Automation, IP Networks, and GIS are just a few of the compliance and technology changes that will add to the need for skilled and experienced EMS technical support personnel.</p>			
Requested By:	Richard Watson	Date:	March 17, 2014