

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

**In the Matter of:**

**JOINT APPLICATION OF KENTUCKY )**  
**UTILITIES COMPANY AND LOUISVILLE )**  
**GAS AND ELECTRIC COMPANY FOR ) CASE NO. 2016-00274**  
**APPROVAL OF AN OPTIONAL SOLAR )**  
**SHARE PROGRAM RIDER )**

**RESPONSE OF**

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

**TO**

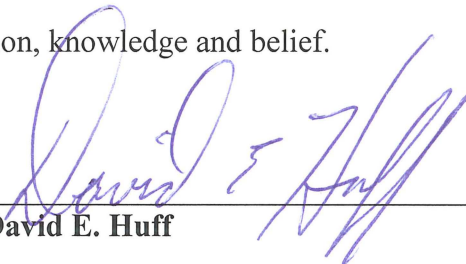
**COMMISSION STAFF'S INITIAL REQUEST FOR INFORMATION**  
**DATED AUGUST 26, 2016**

**FILED: SEPTEMBER 6, 2016**

VERIFICATION

COMMONWEALTH OF KENTUCKY )  
 ) SS:  
COUNTY OF JEFFERSON )

The undersigned, **David E. Huff**, being duly sworn, deposes and says that he is Director of Customer Energy Efficiency & Smart Grid Strategy for LG&E and KU Services Company, and that he has personal knowledge of the matters set forth in the responses for which he is identified as the witness, and that the answers contained therein are true and correct to the best of his information, knowledge and belief.

  
\_\_\_\_\_  
**David E. Huff**

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 6<sup>th</sup> day of September 2016.


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

My Commission Expires:  
**JUDY SCHOOLER**  
**Notary Public, State at Large, KY**  
~~My commission expires July 11, 2016~~  
**Notary ID # 512743**


VERIFICATION

COMMONWEALTH OF KENTUCKY )  
 ) SS:  
COUNTY OF JEFFERSON )

The undersigned, **Rick E. Lovekamp**, being duly sworn, deposes and says that he is Manager – Regulatory Affairs/Tariffs for LG&E and KU Services Company, and that he has personal knowledge of the matters set forth in the responses for which he is identified as the witness, and the answers contained therein are true and correct to the best of his information, knowledge and belief.

  
Rick E. Lovekamp

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 6th day of September 2016.

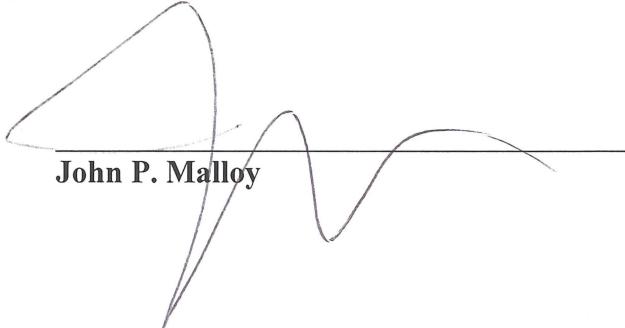
  
Notary Public (SEAL)

My Commission Expires:  
**JUDY SCHOOLER**  
**Notary Public, State at Large, KY**  
**My commission expires July 11, 2018**  
**Notary ID # 512743**

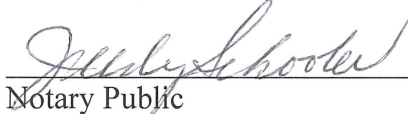
VERIFICATION

COMMONWEALTH OF KENTUCKY )  
 ) SS:  
COUNTY OF JEFFERSON )

The undersigned, **John P. Malloy**, being duly sworn, deposes and says that he is Vice President, Customer Services for Kentucky Utilities Company and Louisville Gas and Electric Company and an employee of LG&E and KU Services Company, and that he has personal knowledge of the matters set forth in the responses for which he is identified as the witness, and the answers contained therein are true and correct to the best of his information, knowledge and belief.

  
**John P. Malloy**

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 15<sup>th</sup> day of September 2016.

  
Notary Public (SEAL)

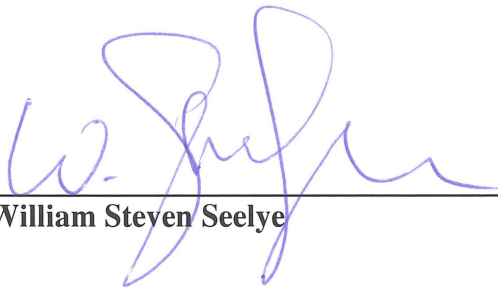
My Commission Expires:

**JUDY SCHOOLER**  
**Notary Public, State at Large, KY**  
~~My commission expires July 11, 2016~~  
Notary ID # 512743

VERIFICATION

STATE OF FLORIDA )  
 ) SS:  
COUNTY OF MARTIN )

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

  
\_\_\_\_\_  
**William Steven Seelye**

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 30 day of August 2016.

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

My Commission Expires:  
9/14/19



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

**Response to Commission Staff's Initial Request Dated August 26, 2016**

**Case No. 2016-00274**

**Question No. 1**

**Witness: David E. Huff**

- Q-1. Refer to the application, page 6, paragraph 12, which states that the number of kWh produced by a customer's subscribed capacity for which the customer may receive a credit is limited to the net kWh the customer consumes each month. Confirm it is the Companies' intent that the uncredited kWh do not carry forward to the following month.
- A-1. The Companies confirm that uncredited kWh do not carry forward to the following month.

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

**Response to Commission Staff's Initial Request Dated August 26, 2016**

**Case No. 2016-00274**

**Question No. 2**

**Witness: Rick E. Lovekamp**

- Q-2. Refer to the application, pages 6-7, which states that the Companies would require a five-year commitment for customers subscribing capacity of 50 kW or more and a 12-month commitment for those subscribing less than 50 kW. The top of page 6 states that the Solar Capacity Charge is expected to decrease over time. State whether it is possible that customers could make a commitment of 12 months or five years and the Solar Capacity Charge increase in the middle of their commitment.
- A-2. Yes, it is possible the Solar Capacity Charge could increase during a subscriber's commitment period. But it could also decrease: the installed cost of solar photovoltaic systems has generally declined in constant dollars since 1998, and has significantly and steadily declined since 2009.<sup>1</sup> This decline in real prices (i.e., in constant dollars) is expected to continue, albeit at a more gradual rate, through at least 2018.<sup>2</sup> Therefore, although it is possible the Solar Capacity Charge could increase (at least in nominal terms), it seems more likely the charge would decrease in real terms as the Companies build additional Solar Share Facilities in response to additional customer subscriptions, at least in the near term.

But is important to note that the possibility that the Solar Capacity Charge could change during a customer's commitment period does not make the Solar Share Program Rider unique: both of the Companies have standard rate schedules requiring contracts for customers to take service, and the Companies' rates could change for such customers while they are under contract.<sup>3</sup>

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<sup>1</sup> See U.S. Department of Energy, "Photovoltaic System Pricing Trends: Historical, Recent, and Near-Term Projections (2015 Edition)," at 8. Available at: [https://emp.lbl.gov/sites/all/files/pv\\_system\\_pricing\\_trends\\_presentation\\_0.pdf](https://emp.lbl.gov/sites/all/files/pv_system_pricing_trends_presentation_0.pdf).

<sup>2</sup> *Id.* at 5.

<sup>3</sup> The Companies' Rates TODS, TODP, and RTS, all require contracts with a minimum initial term of one year, and Rate RTS requires a contract with a minimum initial term of five years.

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

**Response to Commission Staff's Initial Request Dated August 26, 2016**

**Case No. 2016-00274**

**Question No. 3**

**Witness: David E. Huff**

- Q-3. Refer to the application, page 8, paragraph 17, which states that the Companies plan to construct a Solar Share Facility ("Facility") in 500-kW sections on a 35-acre parcel of land in Simpsonville, Kentucky. State whether this land was already owned by the Companies prior to its plans for the Facility, or whether the land was purchased for the purpose of placing the Facility.
- A-3. The Companies do not own the property. The Companies have an option to purchase the property when the Solar Share Program is approved. The cost of the option was \$10,000 and expires on December 12, 2016. The option may be extended for an additional 6 months for an additional \$10,000.



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

**Response to Commission Staff's Initial Request Dated August 26, 2016**

**Case No. 2016-00274**

**Question No. 4**

**Witness: David E. Huff**

- Q-4. Refer to the application, Exhibit 1, page 1 of 1.
- a. Provide any updates to the projected completion dates
  - b. Explain why an Order is requested by November 1, 2016, when not all of the permits, permissions, and land rights will be completed by that date.
- A-4.
- a. All environmental assessments have been submitted to the regulatory agency for approval. The approvals are expected by the end of October. The railroad crossing approval is not expected until December but site construction can begin prior to receiving that approval.
  - b. The Companies presently expect to have all permits, permissions, and land rights necessary to begin construction by November 1. Also by that date the Companies will be ready to begin enrolling and collecting subscription fees from interested customers. But the Companies cannot begin the necessary customer enrollment communications or subscription-fee collections without first having Commission approval. Once the Companies receive Commission approval, the Companies anticipate it will take some time to fully subscribe the first Solar Share Facility. Only after the first Solar Share Facility is fully subscribed can construction begin. With the time required to reach full subscription and to begin construction, the Companies anticipate they will be able to obtain all remaining permits, permissions, and land rights necessary to complete construction well before they are needed. Therefore, having a final order from the Commission in this proceeding by November 1 will allow the Companies to proceed with the Solar Share Program in the most expeditious way feasible for customers.

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

**Response to Commission Staff's Initial Request Dated August 26, 2016**

**Case No. 2016-00274**

**Question No. 5**

**Witness: David E. Huff**

- Q-5. Refer to the application, Exhibit 4, the LG&E and KU Services Company Contract, page 2 of 37, Section 2.3.11. State whether this section indicates that all ongoing operations and maintenance ("O&M") for the Facility will be performed by Solar Energy Solutions, LLC ("Solar Energy") once each 500-kW section of the Facility is completed.
- A-5. Although the Companies selected Solar Energy through a competitive-bidding process, Article 7 of the Companies' contract with Solar Energy states that Solar Energy is the Companies' preferred, not their sole or exclusive, contractor for the work described in the contract. Article 7 further states that the Companies are not guaranteeing the amount of work Solar Energy will perform under the contract. Therefore, although the Companies presently require Solar Energy to perform ongoing O&M for one or all Solar Share Facilities, the Companies may choose in the future to perform O&M internally or to choose a different contractor to perform O&M or other work through another competitive bid process.

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

**Response to Commission Staff's Initial Request Dated August 26, 2016**

**Case No. 2016-00274**

**Question No. 6**

**Witness: David E. Huff**

- Q-6. Refer to the application, Exhibit 3, page 2 of 9, and Exhibit 4, page 10 of 37. Exhibit 3 indicates that fencing and security is to be completed by the Companies, while Exhibit 4 indicates that Solar Energy will provide security fencing and gate. State which entity will provide fencing and security.
- A-6. The Companies will purchase and install the fencing using the contractor we use for our facilities and security.

Concerning the contract between the Companies and Solar Energy (Application Exhibit 4), please note that, as described in the response to Question No. 5 above, Article 7 of the Companies' contract with Solar Energy states that Solar Energy is the Companies' preferred, not their sole or exclusive, contractor for the work described in the contract. Article 7 further states that the Companies are not guaranteeing the amount of work Solar Energy will perform under the contract. Therefore, the Companies' decision to use another vendor for fencing and security is not in conflict with the contract between the Companies and Solar Energy.

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

**Response to Commission Staff's Initial Request Dated August 26, 2016**

**Case No. 2016-00274**

**Question No. 7**

**Witness: David E. Huff**

- Q-7. Refer to the application, Exhibit 3, page 3 of 9. Explain whether the Companies are planning to purchase any of the items listed at the bottom of the page under "Additional Considerations." If so, provide any updates to Exhibit WSS-2 and any other exhibits affected.
- A-7. The Companies are purchasing the wind speed and direction monitoring and the 10-year inverter warranty extension as shown on Exhibit 3, page 3 of 9. Costs for these components are included in the \$1.06M for Solar Share Facility 1, therefore no updates to Exhibit WSS-2 are required at this time.

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

**Response to Commission Staff's Initial Request Dated August 26, 2016**

**Case No. 2016-00274**

**Question No. 8**

**Witness: David E. Huff**

**CONFIDENTIAL INFORMATION REDACTED**

- Q-8. Refer to the application, Exhibit 3, pages 2-3 of 9, and Exhibit 5. Explain how the two redacted "Total Cost" amounts in Exhibit 3 relate to Exhibit 5.
- A-8. See attached for a reconciliation of Exhibit 3 and Exhibit 5. The requested information is confidential and proprietary, and is being provided under seal pursuant to a petition for confidential protection.

The two "Total Cost" amounts in Exhibit 3 are represented by three cost amounts in Exhibit 5. The first "Total Cost" amount (\$ [REDACTED]) shown on Exhibit 3, page 2, is the core construction cost of the project from Solar Energy. The majority of this amount is included in the \$ [REDACTED] amount in Exhibit 5, which are costs attributed to Solar Share Facility No. 1. The remainder is included in the \$ [REDACTED] amount in Exhibit 5, which are costs attributed to Solar Share Facility Nos. 1 through 4. For further clarification, the \$ [REDACTED] amount shown in Exhibit 5 also includes additional costs for a "10 year inverter warranty extension." The \$ [REDACTED] amount includes costs for "Wind speed and direction monitoring."

The second "Total Cost" amount, shown on Exhibit 3, page 3, is the annual planned O&M cost for each Solar Share Facility. This amount is represented in the \$ [REDACTED] amount in Exhibit 5, which also includes additional costs for unplanned maintenance.

**CONFIDENTIAL INFORMATION REDACTED**

Reconciliation of "Variable Cost - Each 500 kW DC Array"		
Cost	Exhibit 5 Nomenclature	Exhibit 3 Nomenclature
	<i>Not Shown</i>	Total Cost (page 2)
	Geotech & Topo	Geotechnical and topographic surveys on full site (page 2)
	XFMR Duct	Transformer conduit duct (single transformer) (page 2)
	Gravel Road	Gravel entry road, ground compaction and 2nd entry gate construction (page 2)
	Equipment Pad	Large pad (combined solar/networking/transformer) and NEMA 3R enclosure and mounting structures (page 2)
	Site Power	480V/240V transformer and 100A monitoring equipment load center (page 2)
	Inverters*	10 Year inverter warranty extension (20 yr. total) (page 3)
Sum	Solar Energy Solutions-Cost	<i>Not Shown</i>

\* Cost is representative of extended warranty portion only

Reconciliation of "Fixed Costs - up to 4 MW capacity"		
Cost	Exhibit 5 Nomenclature	Exhibit 3 Nomenclature
	Geotech & Topo	Geotechnical and topographic surveys on full site (page 2)
	XFMR Duct	Transformer conduit duct (single transformer) (page 2)
	Gravel Road	Gravel entry road, ground compaction and 2nd entry gate construction (page 2)
	Equipment Pad	Large pad (combined solar/networking/transformer) and NEMA 3R enclosure and mounting structures (page 2)
	Site Power	480V/240V transformer and 100A monitoring equipment load center (page 2)
	Weather Station	Wind speed and direction monitoring (page 3)
Sum	Solar Energy Solutions-Cost	<i>Not Shown</i>

Reconciliation of "Fixed Costs - up to 4 MW capacity"		
Cost	Exhibit 5 Nomenclature	Exhibit 3 Nomenclature
	<i>Not Shown</i>	Total Cost (page 3)
	<i>Not Shown</i>	*standard hourly rate (█/man-hr.) + █ non-stocking item or + █ stocking item. (page 3)
Sum	Solar Energy Solutions-Ongoing Costs	<i>Not Shown</i>

\*This value represents the unplanned maintenance costs. We predicted an estimated 80 hrs per year per array and \$2,000 of materials per year per array for unplanned maintenance costs.

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

**Response to Commission Staff's Initial Request Dated August 26, 2016**

**Case No. 2016-00274**

**Question No. 9**

**Witness: David E. Huff**

- Q-9. Refer to the application, Exhibit 4, page 10 of 37, Ground Mount Projects, Item 8. Explain what is meant by "demand charge management reduction."
- A-9. "[D]emand charge management reduction" is a set of tools, data, and analytics a utility customer who owns a private solar facility can use to manage demand by timing maximum electrical use to coincide with maximum solar generation from the solar facility; such coincidence reduces demand measured by the serving utility, in turn potentially reducing demand charges the customer would pay the utility. Such tools, data, and analytics do not add value to utility-owned solar facilities (because utilities do not pay demand charges to themselves). Therefore, the Companies are not purchasing "demand charge management reduction" from Solar Energy.

Please note that the cited text ("demand charge management reduction") is located in Exhibit 2 to the contract, titled, "RFP #3811 Pricing Specifications & Presumptions." The list of items shown in that contract exhibit formed the basis for Solar Energy's RFP response to the Companies, but does not constitute a set of items the Companies are obligated or planning to purchase.

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

**Response to Commission Staff's Initial Request Dated August 26, 2016**

**Case No. 2016-00274**

**Question No. 10**

**Witness: David E. Huff**

**CONFIDENTIAL INFORMATION REDACTED**

Q-10. Refer to the application, Exhibit 5.

- a. State whether annual O&M for each 500-kW portion of the Facility is included in this exhibit, and if so, where it is located in the exhibit.
- b. State whether total annual O&M for the completed 4-MW Facility is included in this exhibit.
- c. Explain whether the use of the term "Variable Cost" in the first row was intended as it relates to "Each 500 kW DC Array."

A-10. The information requested is confidential and proprietary, and is being provided under seal pursuant to a petition for confidential protection.

- a. Yes, the annual O&M for each Solar Share Facility is included in Exhibit 5 row 1 "Solar Energy Solutions" and column "Ongoing Costs" The value is \$ [REDACTED] /year/500 kW array. This is the portion of the annual O&M which varies with the number of facilities constructed.
- b. The total annual O&M for the completed 4 MW Facilities is not explicitly stated in Exhibit 5. It can be calculated from the column "Ongoing Costs" and is eight times the \$ [REDACTED] plus the other annual costs in that column. The total is \$155,118.70
- c. Yes, the term "Variable Cost" was intentional. It is meant to convey that the cost of each Solar Share Facility will be based upon the cost of the equipment at the time of full subscriptions. Based upon historical price declines for solar panels and equipment, the Companies expect that subsequent Solar Share Facilities may cost less than the first one.



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

**Response to Commission Staff's Initial Request Dated August 26, 2016**

**Case No. 2016-00274**

**Question No. 11**

**Witness: Rick E. Lovekamp**

- Q-11. Refer to the application, Exhibits 6 and 7, Tariff Sheet No. 72.3 for each of the Companies. The "Term of Contract" section refers to a "non-transferrable, non-assignable contract between Subscriber and Company." State whether this language means that a written contract will be executed. If so, provide a copy of the contract.
- A-11. Yes, a written contract will be executed for subscriptions of 50 kW DC or more. A copy of the proposed contract for each utility is attached.

Contract No. \_\_\_\_\_

Account No. \_\_\_\_\_

## CONTRACT FOR SOLAR SHARE PROGRAM SUBSCRIPTIONS

This contract made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ by and between \_\_\_\_\_ Kentucky Utilities Company (“Company”) and \_\_\_\_\_ (“Subscriber”).

### WITNESSETH:

**Whereas**, Company is in the business of providing retail electric service in the Commonwealth of Kentucky;

**Whereas**, Subscriber has applied for or is receiving retail electric service from Company in accordance with the provisions of rate schedule \_\_\_\_\_;

**Whereas**, Company is offering its Solar Share Program Rider to customers on a voluntary basis as filed with and approved by the Public Service Commission of Kentucky; and

**Whereas**, Subscriber requests to subscribe capacity in Company’s Solar Share Facilities in an amount of 50 kW DC or more, thereby requiring this contract pursuant to Company’s Solar Share Program Rider.

**Now, therefore**, and in consideration of the mutual covenants made herein, Company and Subscriber agree as follows:

Subscriber hereby subscribes to \_\_\_\_\_ nominal 250 W increments of capacity (a total of \_\_\_\_\_ kW) in Company’s Solar Share Facilities. Subscriber is paying to Company contemporaneously with the execution of this contract the Subscription Fee prescribed by the Company’s Solar Share Program Rider corresponding to the amount of Solar Share Facilities capacity Subscriber is subscribing.

Subscriber agrees to adhere to and follow all of the provisions of Company’s Solar Share Program Rider, including paying timely all applicable rates, fees, and charges set out in the rider, as such rider may change from time to time.

Upon Subscriber’s ceasing to take service from Company or Company’s sister utility, Louisville Gas and Electric Company, Subscriber agrees to pay a lump sum in the amount of the then-effective Solar Capacity Charge applicable to the Subscriber’s subscribed capacity multiplied by the number of months remaining in Subscriber’s five-year commitment under this contract.

Company will adhere to and follow all of the provisions of Company’s Solar Share Program Rider as it applies to Subscriber as such rider may change from time to time.

Subscriber may increase its subscribed capacity at any time, subject to the limitations stated in the Company’s Solar Share Program Rider as it may change from time to time, by entering into a new contract with Company for the increased amount of capacity subscribed. Upon Subscriber’s

Contract No. \_\_\_\_\_

Account No. \_\_\_\_\_

and Company's entering into such a contract, including Subscriber's paying the necessary Subscription Fee to Company, this contract shall become null and void.

**TERM OF CONTRACT:**

For a fixed term of not less than five (5) years beginning on the date first stated above and continuing thereafter until terminated by either party giving thirty (30) days prior written notice. Subscriber may not decrease subscribed capacity during the five (5) year term.

**TERMS, CONDITIONS, AND TARIFF PROVISIONS:**

Subscriber may neither transfer nor assign this contract or any of the obligations or benefits under this contract, but this contract shall continue to bind Subscriber and all of Subscriber's successors for the full term of the contract as defined in the Term of Contract provision above.

It is mutually agreed that Company's terms and conditions and applicable rate schedule, including Company's Solar Share Program Rider, as from time to time approved by and on file with the Public Service Commission of Kentucky, are made a part of this contract as fully as if written here. Company's Solar Share Program Rider is available for public inspection on Company's website (<http://www.lge-ku.com>) or on the Public Service Commission of Kentucky's website (<http://psc.ky.gov>).

All disputes arising between Subscriber and Company hereunder shall be finally decided by the Kentucky Public Service Commission in accordance with its applicable rules and procedures.

This contract shall be construed and enforced in accordance with the laws of the Commonwealth of Kentucky.

**IN WITNESS WHEREOF**, the parties hereto have caused this contract to be executed by their duly authorized representatives the day and year shown above.

KENTUCKY UTILITIES COMPANY

\_\_\_\_\_  
\_\_\_\_\_

By \_\_\_\_\_

By \_\_\_\_\_

\_\_\_\_\_  
Official Capacity

\_\_\_\_\_  
Official Capacity

\_\_\_\_\_  
Attest

\_\_\_\_\_  
Attest

Contract No. \_\_\_\_\_

Account No. \_\_\_\_\_

## CONTRACT FOR SOLAR SHARE PROGRAM SUBSCRIPTIONS

This contract made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ by and between Louisville Gas and Electric Company (“Company”) and \_\_\_\_\_ (“Subscriber”).

### WITNESSETH:

**Whereas**, Company is in the business of providing retail electric service in the Commonwealth of Kentucky;

**Whereas**, Subscriber has applied for or is receiving retail electric service from Company in accordance with the provisions of rate schedule \_\_\_\_\_;

**Whereas**, Company is offering its Solar Share Program Rider to customers on a voluntary basis as filed with and approved by the Public Service Commission of Kentucky; and

**Whereas**, Subscriber requests to subscribe capacity in Company’s Solar Share Facilities in an amount of 50 kW DC or more, thereby requiring this contract pursuant to Company’s Solar Share Program Rider.

**Now, therefore**, and in consideration of the mutual covenants made herein, Company and Subscriber agree as follows:

Subscriber hereby subscribes to \_\_\_\_ nominal 250 W increments of capacity (a total of \_\_\_\_ kW) in Company’s Solar Share Facilities. Subscriber is paying to Company contemporaneously with the execution of this contract the Subscription Fee prescribed by the Company’s Solar Share Program Rider corresponding to the amount of Solar Share Facilities capacity Subscriber is subscribing.

Subscriber agrees to adhere to and follow all of the provisions of Company’s Solar Share Program Rider, including paying timely all applicable rates, fees, and charges set out in the rider, as such rider may change from time to time.

Upon Subscriber’s ceasing to take service from Company or Company’s sister utility, Kentucky Utilities Company, Subscriber agrees to pay a lump sum in the amount of the then-effective Solar Capacity Charge applicable to the Subscriber’s subscribed capacity multiplied by the number of months remaining in Subscriber’s five-year commitment under this contract.

Company will adhere to and follow all of the provisions of Company’s Solar Share Program Rider as it applies to Subscriber as such rider may change from time to time.

Subscriber may increase its subscribed capacity at any time, subject to the limitations stated in the Company’s Solar Share Program Rider as it may change from time to time, by entering into a new contract with Company for the increased amount of capacity subscribed. Upon Subscriber’s

Contract No. \_\_\_\_\_

Account No. \_\_\_\_\_

and Company's entering into such a contract, including Subscriber's paying the necessary Subscription Fee to Company, this contract shall become null and void.

**TERM OF CONTRACT:**

For a fixed term of not less than five (5) years beginning on the date first stated above and continuing thereafter until terminated by either party giving thirty (30) days prior written notice. Subscriber may not decrease subscribed capacity during the five (5) year term.

**TERMS, CONDITIONS, AND TARIFF PROVISIONS:**

Subscriber may neither transfer nor assign this contract or any of the obligations or benefits under this contract, but this contract shall continue to bind Subscriber and all of Subscriber's successors for the full term of the contract as defined in the Term of Contract provision above.

It is mutually agreed that Company's terms and conditions and applicable rate schedule, including Company's Solar Share Program Rider, as from time to time approved by and on file with the Public Service Commission of Kentucky, are made a part of this contract as fully as if written here. Company's Solar Share Program Rider is available for public inspection on Company's website (<http://www.lge-ku.com>) or on the Public Service Commission of Kentucky's website (<http://psc.ky.gov>).

All disputes arising between Subscriber and Company hereunder shall be finally decided by the Kentucky Public Service Commission in accordance with its applicable rules and procedures.

This contract shall be construed and enforced in accordance with the laws of the Commonwealth of Kentucky.

**IN WITNESS WHEREOF**, the parties hereto have caused this contract to be executed by their duly authorized representatives the day and year shown above.

LOUISVILLE GAS AND ELECTRIC  
COMPANY

\_\_\_\_\_  
\_\_\_\_\_

By \_\_\_\_\_

By \_\_\_\_\_

\_\_\_\_\_  
Official Capacity

\_\_\_\_\_  
Official Capacity

\_\_\_\_\_  
Attest

\_\_\_\_\_  
Attest

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

**Response to Commission Staff's Initial Request Dated August 26, 2016**

**Case No. 2016-00274**

**Question No. 12**

**Witness: Rick E. Lovekamp**

Q-12. Refer to the application, Exhibits 6 and 7. Paragraph 14 of Terms and Conditions appears to contain a typographical error. State whether the intended text is:

Subscriber's Solar Energy Credit and corresponding Solar FAC Adjustment will apply each billing cycle to the Subscriber's pro rata amount of AC energy produced by the Solar Share Facilities (truncated to a whole kWh value) or Subscriber's net energy consumption (kWh) for the billing period, whichever is less.

If not, provide the corrected text.

A-12. Yes, the intended text is as stated above. The Companies will use the text as revised above when they file the approved tariffs with the Commission.

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

**Response to Commission Staff's Initial Request Dated August 26, 2016**

**Case No. 2016-00274**

**Question No. 13**

**Witness: David E. Huff**

- Q-13. Refer to the application, Exhibit 8, page 2 of 2. Confirm that, for this particular sample bill, the customer would pay a net rate of 17.6 cents per kWh for the solar power produced from the Facility. If this cannot be confirmed, provide the net rate paid per kWh for the solar power and how it was calculated.
- A-13. The Companies cannot duplicate the calculation of the 17.6 cents. For this particular sample bill, this customer will pay \$40.47 more than their standard utility bill due to their participation in the Solar Share Program. Dividing the \$40.47 from Exhibit 8, "Other Charges," by the 232 kWh shown in the same location equals 17.44 cents per kWh. Please note that the Companies do not bill a "net rate."

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

**Response to Commission Staff's Initial Request Dated August 26, 2016**

**Case No. 2016-00274**

**Question No. 14**

**Witness: David E. Huff**

- Q-14. Refer to the application, Exhibit 9. Provide the basis for the \$14,000 shown as Subscription and Billing Processing Setup.
- A-14. The \$14,000 is an estimated cost to outsource the invoicing of the one-time Subscription Fee and collection of the fee. This estimate is based on the Companies' experience.



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

**Response to Commission Staff's Initial Request Dated August 26, 2016**

**Case No. 2016-00274**

**Question No. 15**

**Witness: David E. Huff**

- Q-15. Refer to the application, Exhibit 9. Explain the difference between the columns titled "Rate" and "Burdened."
- A-15. "Rate" is the hourly compensation rate for the role identified, which includes burdens for some benefits such as vacation and sick leave. "Burdened" is the fully-loaded compensation rate, which includes all benefits.

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

**Response to Commission Staff's Initial Request Dated August 26, 2016**

**Case No. 2016-00274**

**Question No. 16**

**Witness: David E. Huff**

Q-16. Refer to the application, the Direct Testimony of John P. Malloy ("Malloy Testimony"), page 7, lines 3-4.

- a. Provide a list of those who attended the Consumer Advisory Panel meeting in December 2015.
- b. Provide a copy of the presentation.

A-16.

- a. Customers attending were Susan Barto, Anne McArthur, Melvin Chesnut, Jim Nickell, Clay Davis, David Peterson, Tonita Goodwin, Fred Ramey, Barton Gover, Don Richey, Gary Jones, Roy Robinson, Amy Keadle, James Shively, Harry Lewis, Glenn Thomas, and Vicky Weber.

Additionally, present from LG&E and KU were: Paul Thompson, Chief Operating Officer; Katie Delaune, Social Media Specialist; Julie Stethen, Customer Commitment Coordinator; Debbie Leist, Director, Revenue Integrity; Joni Votaw, Assistant to Vice President, Customer Services; Cheryl Williams, Senior Customer Communications Specialist; and Cheryl Johnson, Corporate Affairs Coordinator. Presenters from the Companies included George Siemens, Vice President, External Affairs; David Freibert, Director, External Affairs; Caroline Clark, Director, Government Affairs; David Huff, Director, Customer Energy Efficiency, Smart Grid Strategy; Brian Phillips, Director, Brand Advertising, Customer and Digital Communications; and John Malloy, Vice President, Customer Services.

- b. See attached.



**PPL companies**

## ***New Customer Products***

*David Huff, Director  
Customer Energy Efficiency & Smart Grid Strategy  
December 3, 2015*



# Agenda

- *Electric Vehicle Charging Stations*
- *Solar & Distributed Generation*
- *LED Street Lights*

Slide 2



PPL companies

# Forward looking...



*Electric Vehicle  
Charging Stations*



*Solar & Distributed  
Generation*



*LED Street Lights*

Slide 3



# *Electric Vehicle Charging Stations*

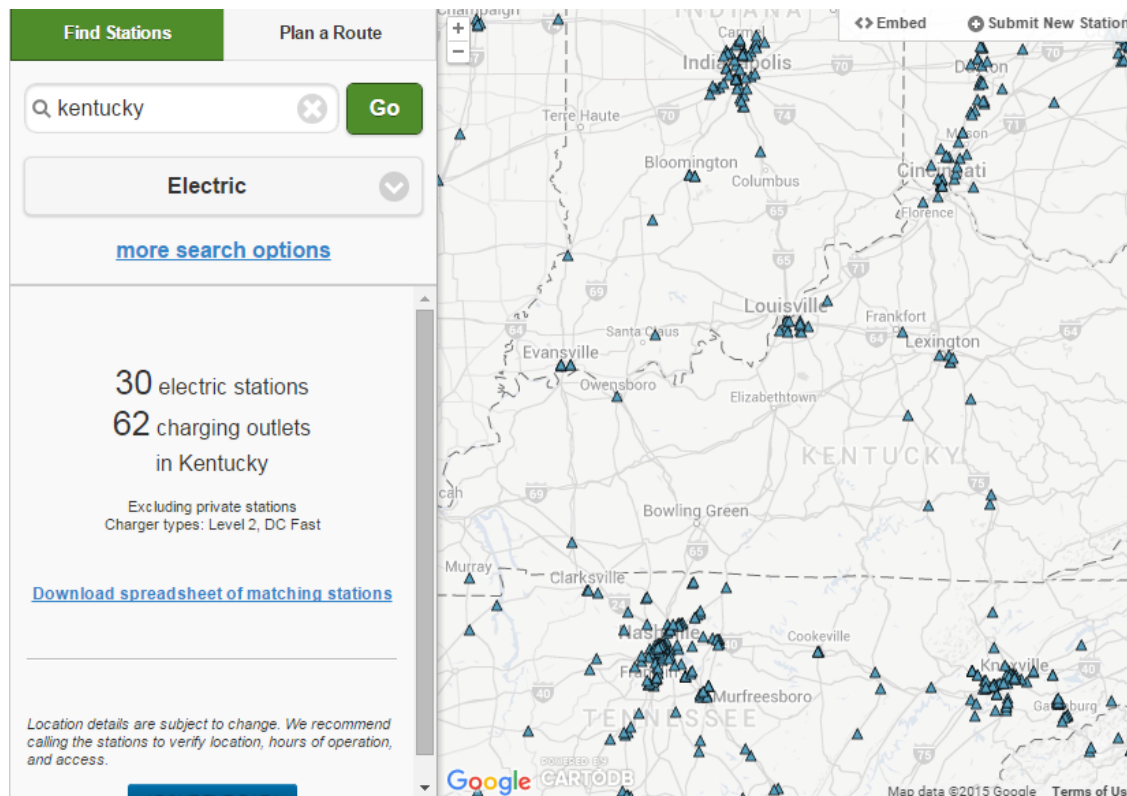
Slide 4



PPL companies

# EVSE Background

- *State map from DOE. 30 stations with 62 outlets in Kentucky*

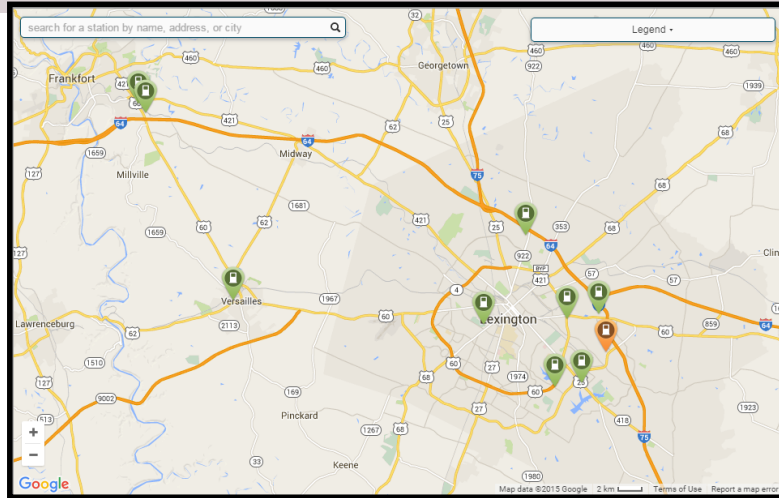


Slide 5



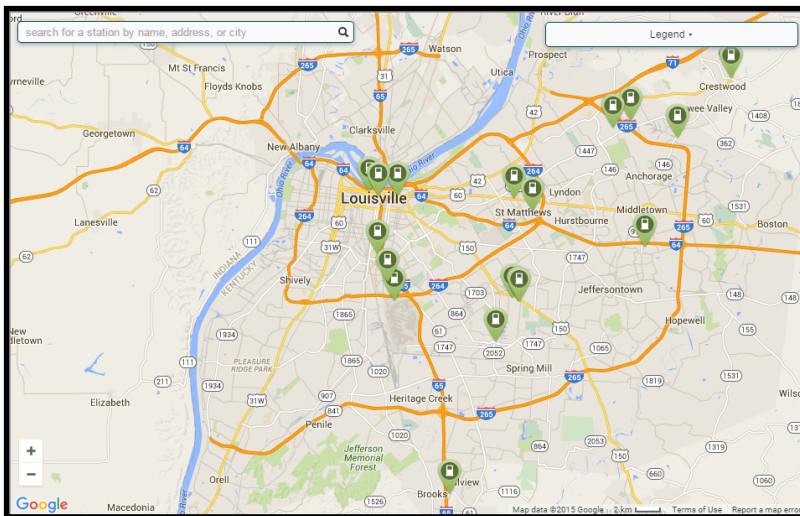
PPL companies

# Charging Station Locations



## Lexington/Frankfort Area

- 10 charging stations
- Brown icon is a "Fast Charge" station



## Louisville Area

- 18 charging stations

Slide 6



PPL companies

Attachment to Response to Question No. 16(b)

Page 6 of 16

Huff



# Alternative Transportation



Page 7



PPL companies

# EVSE Strategy

- *Provide commercial customers with electric vehicle charging services to meet their needs*
- *Commercial Customer Segments*
  - *Desire EV charging stations to enhance their retail operations*
  - *Desire EV charging stations for community support of sustainability*

# EV Charging Products

Tariff / Rider	Branding	Charging Price	Monthly EV Host Charge
<i>EVC Utility Host</i>	<i>LGE / KU</i>	<i>LGE \$2.85 per hour KU \$2.88 per hour Plus adder for install costs</i>	<i>N/A</i>
<i>EVSE Commercial Host</i>	<i>Co-Branded</i>	<i>Host determined</i>	<i>LGE / KU Single - \$176.13 / \$180.83 Dual - \$293.10 / \$302.41 Plus installation costs</i>
<i>EVSE-R Commercial Host (rider for behind the meter service)</i>	<i>Co-Branded</i>	<i>Host determined</i>	<i>LGE / KU Single - \$132.49 / \$132.68 Dual - \$205.83 / \$206.11 Plus installation costs</i>



# Station Branding

*Utility  
Branded*



*Co-Branded  
with Utility  
and Site Host*



Page 10



PPL companies

# *Solar & Distributed Generation*



# E.W. Brown Solar



# Current Landscape

**Issue:** Customers want to have *visible* (on-site) renewable generation for multiple reasons...

- Position business as “green”
- Lessen their Carbon footprint
- Reduce bill
- Photo-ops

*We engage where the customer wants to go by figuring out how to enter into new relationships with them in their space.*

**Solution?** Offer interested business customers a utility-owned renewable distributed generation facility.

# Renewable Energy Options



- *Net Metering – up to 30 kw*
- *Small Qualifying Facility (SQF) – up to 100 kw*
- *Large Qualifying Facility (LQF) – Over 100 kw*



# *LED Street Lights*



# LED Street Light Samples



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

**Response to Commission Staff's Initial Request Dated August 26, 2016**

**Case No. 2016-00274**

**Question No. 17**

**Witness: Rick E. Lovekamp / David E. Huff**

Q-17. Refer to the Malloy Testimony, page 11.

- a. Refer to lines 14-16. Explain how the energy produced and sold from the Facility will affect the monthly fuel adjustment clause ("FAC") calculation.
- b. Refer to lines 18-20. Provide the amount of revenue expected to be generated annually from selling the renewable energy credits attributable to energy produced by unsubscribed portions of the Facility.

A-17.

- a. There are no fuel costs associated with operating a solar facility. Therefore no fuel costs are included in the fuel adjustment clause. The energy produced from any unsubscribed portion of the Solar Share Facilities will be included in the denominator of the FAC calculation and could reduce the FAC billing factor for all customers.
- b. The Companies do not expect any unsubscribed portions and thus expect the revenue annually from selling solar renewable energy credits (SREC) would be zero. Current market prices are \$12 to \$14 per SREC.<sup>4</sup>

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<sup>4</sup> Current market prices are based on bid prices for SRECs sold in Ohio for out of state sited systems for the last four months from SRECTrade.com as of September 2, 2016.

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

**Response to Commission Staff's Initial Request Dated August 26, 2016**

**Case No. 2016-00274**

**Question No. 18**

**Witness: John P. Malloy**

- Q-18. Refer to the Malloy Testimony, page 14, lines 1-12. Explain the delays, if any, that will occur in the project if the final Order is not issued by the requested November 1, 2016 date.
- A-18. The delay could have an effect on economic development efforts for Kentucky. Certain publications and resources used in site selection are annual publications; to ensure Kentucky is reflected as having utility-sponsored solar offerings available for the 2017 publications, it is important to have approval for the Solar Share Program as close to November 1 as possible. In addition, delays in issuing an order approving the Solar Share Program would delay Kentucky businesses' ability to use the program as a resource to meet their 2017 renewable goals.

The Companies anticipate that each day after November 1 that the Commission issues its final order in this proceeding will result in delaying by an additional day the in-service date of Solar Share Facility No. 1. As explained in the response to Question No. 4 above, by November 1 the Companies expect to have all permits, permissions, and land rights necessary to begin construction. The Companies further expect that by November 1 they will be ready to begin enrolling and collecting subscription fees from customers. But the Companies cannot begin those processes without first having Commission approval, and the Companies cannot begin construction until Solar Share Facility No. 1 is fully subscribed. Therefore, all other things being equal, if the Commission issues its final order on November 8, for example, the Companies would expect a seven-day delay in identifying customer subscribers, collecting their subscription fees, finalizing the land purchase, ordering the solar panels and equipment, and putting Solar Share Facility No. 1 in service as compared to having received the Commission's final order on November 1.

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

**Response to Commission Staff's Initial Request Dated August 26, 2016**

**Case No. 2016-00274**

**Question No. 19**

**Witness: John P. Malloy**

Q-19. Refer to the Malloy Testimony, Exhibit JPM-3. Provide a list of RE100 companies that currently have an active business within the Companies' service territory.

A-19. An important goal of the Solar Share Program is to attract new business and retain existing ones. As RE100 describes itself, "RE100 is a collaborative, global initiative of influential businesses committed to 100% renewable electricity, working to massively increase demand for - and delivery of - renewable energy."<sup>5</sup> The following RE100 companies currently have locations in the LG&E/KU service area:

- Coca Cola
- H&M
- Hewlett-Packard (HP)
- Nestle
- Nike
- Starbucks
- Walmart

Part of the intent of the Solar Share Program is to make Kentucky a more attractive place to do business for the companies listed above, other RE100 companies, and other companies for whom access to utility-provided renewable options is a priority.

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<sup>5</sup> <http://there100.org/re100>.

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

**Response to Commission Staff's Initial Request Dated August 26, 2016**

**Case No. 2016-00274**

**Question No. 20**

**Witness: John P. Malloy**

Q-20. Refer to the Malloy Testimony, Exhibit JPM-5.

- a. State whether the Companies plan to pursue the Business Solar or Green Energy programs and whether they are requesting approval of these programs in this proceeding.
- b. State whether the "proprietary online panel" used for the primary research consists only of residential customers or all customer classes.

A-20.

- a. The Green Energy Program began in 2007 and has almost 1,400 customers participating in the program. Almost 360,000 Renewable Energy Certificates ("RECs") have been retired through 2015 through customer contributions to the program.

The Companies currently offer businesses an opportunity to have the Companies build, own and operate solar facilities for their needs. The Companies will provide this service through a special contract subject to KPSC approval. Although a few business have expressed an interest, none are ready to execute a contract for KPSC consideration and approval.

- b. The proprietary online panel consists only of residential customers.

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

**Response to Commission Staff's Initial Request Dated August 26, 2016**

**Case No. 2016-00274**

**Question No. 21**

**Witness: David E. Huff**

- Q-21. Refer to the application, the Direct Testimony of David E. Huff ("Huff Testimony"), page 3, lines 5-10. Confirm that if the FAC is a credit during any month, the Solar FAC adjustment will be a charge to the Solar Share Program Rider ("Tariff SSR") customer.
- A-21. The Companies confirm that the Solar FAC Adjustment is a credit during any month the FAC (shown in the Current Charges - Electric portion of the bill) is a charge, and the Solar FAC Adjustment is a charge during any month the FAC (shown in the Current Charges - Electric portion of the bill) is a credit.

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

**Response to Commission Staff's Initial Request Dated August 26, 2016**

**Case No. 2016-00274**

**Question No. 22**

**Witness: David E. Huff**

- Q-22. Refer to the Huff Testimony, page 4, lines 12-14. State the cost of the Companies' net investment in the Facility after taking into account applicable tax credits.
- A-22. The Companies' combined net cost rate base for Solar Share Facility No. 1 is \$719,057 (KU \$346,720 + LG&E \$372,337) and is shown in WSS-2, page 1, line 9.



**LOUISVILLE GAS AND ELECTRIC COMPANY  
AND  
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**Response to Commission Staff's Initial Request Dated August 26, 2016**

**Case No. 2016-00274**

**Question No. 23**

**Witness: David E. Huff**

Q-23. Refer to the Huff Testimony, page 4, lines 15-17, which states that each 500-kW section of the Facility will produce approximately 700,000 kWh annually.

- a. Provide a breakdown of this annual kWh amount by month.
- b. Confirm that this annual kWh production results in a capacity factor for the Facility of approximately 16 percent. If this cannot be confirmed, provide the capacity factor.

A-23.

- a. This is shown graphically in Application Exhibit 3, page 8 of 9 about mid-way down the page on the left side titled Monthly Production. Quantitative values are shown below:

Month	kWh
January	37,269
February	49,229
March	55,711
April	64,123
May	76,176
June	75,060
July	72,648
August	73,271
September	64,128
October	55,117
November	41,636
December	36,770
Annual	701,136

- b. On a DC basis the capacity factor is about 16% (700,000 kWh divided by 500 kW-DC and divided by 8,760 hours).

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

**Response to Commission Staff's Initial Request Dated August 26, 2016**

**Case No. 2016-00274**

**Question No. 24**

**Witness: David E. Huff**

Q-24. Refer to the Huff Testimony, page 4, line 22, through page 5, line 1. State the amount of time it is expected to take to complete construction of a 500-kW section of the Facility once it is fully subscribed.

A-24. Construction is estimated to take up to four months per Solar Share Facility.

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

**Response to Commission Staff's Initial Request Dated August 26, 2016**

**Case No. 2016-00274**

**Question No. 25**

**Witness: David E. Huff**

- Q-25. Refer to the Huff Testimony, page 5, lines 7-11. Provide a copy of the Request for Proposal ("RFP") issued by the Companies and the responses received to the RFP.
- A-25. See attached. The information requested is confidential and proprietary, and is being provided under seal pursuant to a petition for confidential protection.



**Provision of Services for LG&E and KU Services**  
**NON-RESIDENTIAL SOLAR ENERGY AND STORAGE**  
**CUSTOMER SERVICE OFFERING**

**Request for Proposal**  
**No. 3811**

**CONFIDENTIAL INFORMATION**

This document, including any exhibits or attachments, is solely for use by employees of LG&E and KU Services Company and those employees or agents of suppliers invited to submit Proposals with a need to know. Not to be disclosed to or used by any other person without the express written consent of LG&E and KU Services Company

**Issued By:**

**LG&E and KU Services Company**  
**820 West Broadway**  
**Louisville, Kentucky 40202**

**Issue Date:**  
**February 9, 2016**

**Proposal Due Date:**  
**February 24, 2016**

Request for Proposal No. 3811

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**Request for Proposal No. 3811**

**1 Introduction**

**1.1 Corporate Overview**

Louisville Gas and Electric Company and Kentucky Utilities Company, part of the PPL Corporation (NYSE: PPL) family of companies, are regulated utilities that serve a total of 1.2 million customers and have consistently ranked among the best companies for customer service in the United States. LG&E serves 321,000 natural gas and 397,000 electric customers in Louisville and 16 surrounding counties. KU serves 543,000 customers in 77 Kentucky counties and five counties in Virginia. More information is available at [www.lge-ku.com](http://www.lge-ku.com) and [www.pplweb.com](http://www.pplweb.com).

**1.2 RFP Goals and Project Overview**

Louisville Gas and Electric Company (“LG&E”) and Kentucky Utilities Company (“KU”) (collectively “Company”) are seeking proposals from a third-party contractor to provide solar energy evaluation, equipment, installation, maintenance and storage (hereinafter, “Solar”) service offering for Company’s non-residential customers. The goal of the RFP is to award a contract for such work to the vendor who can provide the required solar energy services at a high level of satisfaction and competitive price.

**1.3 Timetable**

The following events are tentatively scheduled for this bid:

February 9, 2016	RFP Issued
February 15, 2016	Pre-Bid Conference Call at 2:30 PM ET
February 16, 2016	Questions due by 5:00 PM ET
February 24, 2016	Proposal Deadline by 5:00 PM ET

**COMPANY RESERVES THE RIGHT TO CHANGE THE ABOVE SCHEDULE AT ANY TIME WITHOUT NOTICE.**

**1.4 Confidentiality**

This RFP is confidential and for the sole use of supplier’s preparation of a Proposal. By supplier’s acceptance hereof, supplier agrees:

- 1.4.1 Not to disclose, copy or distribute this RFP in whole or in part to persons other than supplier’s employees and agents who are authorized by nature of their duties to receive such information.
- 1.4.2 To return any Company confidential or proprietary materials upon the Company’s request.
- 1.4.3 Not to use any information in this RFP or any other materials related to the business affairs or procedures of Company and of its affiliates for supplier’s advantage, other than in performance of this RFP.
- 1.4.4 Suppliers who intend to use subcontractors will be required to have such subcontractors execute non-disclosure agreements prior to work being done by subcontractor.
- 1.4.5 Suppliers who seek to negotiate possible sub-contract arrangements with the Company’s existing subcontractors will be held accountable for any breach of the non-disclosure agreements that they have signed with the Company.

**1.5 Disclaimer**

This RFP is not an offer to enter into a Contract but is merely a request for the supplier to submit information. Expenses incurred in responding to this request are the responsibility of the supplier. All materials submitted become the property of the Company. The Company reserves the right to modify, reject or use without limitation any or all of the ideas from submitted information. The Company reserves the right to discontinue the RFP process at any time for any reason whatsoever. The finalist’s response to this RFP will become part of the final contract if awarded. Wherever there is a conflict between supplier’s responses to this RFP and the terms and conditions contained in any contract subsequently entered into by the parties, the terms and conditions of the contract shall prevail. The Company

**Request for Proposal No. 3811**

has no obligation to disclose the results of the RFP process or to disclose why particular supplier(s) were selected to participate in the contract negotiations process.

**1.6 Pre-bid Questions**

A pre-bid teleconference call will be held on February 15, 2016. The meeting will be held at 2:30 PM ET. **Please notify Jessica Logsdon at [Jessica.logsdon@lge-ku.com](mailto:Jessica.logsdon@lge-ku.com) by end of business February 11, 2016 if you will or will not be able to attend the teleconference call.**

Please use the following information to access the audio-only pre-bid teleconference call:

502-560-7450 (WebEx Call-in Number)  
1-855-710-9964 (WEbex Toll Free )

Access Code:  
996 445 345

All operational, technical, business and contractual questions regarding this RFP and the scope contained herein shall be submitted in writing via email. Questions shall be sent to Jessi Logsdon at [Jessica.logsdon@lge-ku.com](mailto:Jessica.logsdon@lge-ku.com) by February 16, 2016, 5:00 PM ET.

Specific details on the Company's strategies will not be disclosed. Questions and answers/clarifications given to potential respondents on any aspect of this RFP will be published and distributed to all suppliers invited to submit information.

**1.7 Duration of Offer**

Proposals must be valid for a minimum of 120 days following the submission of responses to this RFP.

**1.8 Response Instructions**

All Proposals must contain a table of contents delineating responses to each section. Proposals must be organized to include all responses including attachments as outlined in this RFP. Each section of your response must contain all items in the sequence identified. An authorized official must sign Proposals. The Proposal must also provide the names, titles, phone numbers, and email addresses of those individuals with authority to negotiate and contractually bind the company. The Company may use this information to obtain clarification of information provided. Please provide and/or comply with the following:

1. Notify Jessi Logsdon via phone or email immediately if RFP contents appear incomplete.
2. All responses to this RFP must correspond with the sequence outlined in section 3, which includes attachments.
3. **Submit your electronic copy of your response to [bids@lge-ku.com](mailto:bids@lge-ku.com). DO NOT SUBMIT YOUR BIDS TO ANY COMPANY EMPLOYEE'S INDIVIDUAL EMAIL.** Responses should be in Microsoft Word or Excel format. Aside from Certificates of Insurance, please refrain from submitting your response as a PDF. Keep files to a minimum for ease of review and internal distribution. If you are unable to submit your documents within one email, due to file size, multiple emails are permitted.
4. You may submit additional information in a separate document, which you feel, may help the Company evaluate your Proposal; however, it is understood that such information is not a replacement for any component of this RFP.
5. Fax responses will not be accepted.
6. No advance notification of Award will be given.

Responses to the RFP must be received no later than February 24, 2016 by 5:00 PM ET to be considered.

Please be sure the RFP Number is in the Subject Line of your email to [bids@lge-ku.com](mailto:bids@lge-ku.com).

**Request for Proposal No. 3811**

Any prospective supplier, who receives this RFP and either; chooses not to respond or; submits an incomplete Proposal, will be disqualified from consideration.

**1.9 Disqualification**

Under no circumstances (except those noted above) are respondents to contact any Company employee with regards to this RFP or any of the information contained herein. Respondents are strictly forbidden from visiting Company locations or approaching any Company current provider or subcontractor for any information specific to the account. Violations of this provision will subject the respondent to immediate disqualification.

An evaluation committee will perform the evaluation of written Proposals. During this time, the Company may initiate discussions with suppliers who submit responses or who are potentially submitting responses for the purpose of clarifying aspects of the Proposals; however, Proposals may be evaluated without such discussions. Suppliers shall not initiate discussions.

**2. Business Objective and Scope of Work/Service Requirements.**

It should be noted that the information contained in this section, “Business Objective and Scope of Work/Service Requirements” serves as the basis for a final agreement. All items listed in this section will be required and in place upon contract execution unless negotiated otherwise.

**The Company reserves the right to accept other than the lowest priced Proposal and to accept or reject any Proposal in whole or in part, or to reject all Proposals with or without notice or reasons, and if no Proposal is accepted, to abandon the work or to have the work performed in such other manner as the Company may elect.**

**Minimum Standards**

The Company has minimum standards and expectations that the prospective Contractor must meet. Responses to this RFP shall describe the prospective Contractor’s processes and procedures as they relate to each item. The Contractor must meet the minimum standards. These standards, in addition to costs/value, can be considered evaluation and selection criteria.

**2.1 Scope of Work**

Company seeks a vendor who can provide material/equipment installation and ongoing maintenance to serve Customers seeking on-site solar generation capability and/or storage. Projects in the program are expected to range from 30kW to 5,000kW per installation/site. The solar energy installations must be located on Customer’s property, owned by Company and connected into the utility (grid) side of the meter.

Company will manage Customer interest in installing solar energy measures. The vendor would thereafter perform steps to fulfill the Solar offering, including, but not limited to the following:

- 2.1.1 Evaluation of Customer’s property and facilities to determine structural and geographical capability for supporting a solar installation
- 2.1.2 Development of a detailed design and recommendation for solar energy or storage
  - 2.1.2.1 Assume the interconnection voltage is 480V and the interconnection point is 100 ft from the solar array
- 2.1.3 Description of means to disconnect from utility grid
  - 2.1.3.1 A utility means of disconnect is required between the inverter and point of interconnection
- 2.1.4 Permitting and inspection



**Request for Proposal No. 3811**

- 2.1.5 Procurement of solar equipment
- 2.1.6 Site preparation
- 2.1.7 Installation of solar support equipment
- 2.1.8 Installation of solar panels, inverter(s), and balance of system equipment
- 2.1.9 Interconnection from solar array to grid
- 2.1.10 Selected contractor is responsible for connecting to the correct voltage parameters
- 2.1.11 Revenue-grade networked metering capabilities are required
- 2.1.12 Any necessary testing, inspection and/or commissioning during start-up
- 2.1.13 Ongoing operation and maintenance
  - 2.1.12.1 Please provide details regarding length and scope of operation and maintenance
- 2.2 Provide the following information regarding materials, in addition to the pricing information requested in Section 3.0:
  - 2.2.1 Make and model of racking system
  - 2.2.2 Quantity, make, and model of panels
  - 2.2.3 Quantity, make and model of inverter(s)
  - 2.2.4 Any other pertinent specifications necessary to complete the work described in Section 2.1
  - 2.2.5 Ability to provide storage solutions and description of said solution(s)
- 2.3 Customer Satisfaction

Business partners must share responsibility for the Company's commitment to create a positive experience for LG&E and KU customers through dedication to safety, respectful relationships, professional behavior, timely solutions to issues and exceptional service. At all times, business partners must align operations and business processes to meet the needs of the customer and proactively address potential issues with the Company to ensure they are resolved in the customer's best interest.

### **3.0 Pricing**

Your RFP response must provide a time and materials quote for each aspect of the Scope of Work outlined in Section 2.1 for a 50 kW, 250 kW and a 1,000 kW DC wattage project. For purposes of completing pricing for each sized project, assume the 50kW project is a roof mount and the 1,000 kW project is a ground mount. For the 250 kW project, please provide pricing for both a roof and ground mount. Assume interconnection into a 480V pole-mounted transformer 100 ft. from the array. Installation must comply with all applicable codes and LG&E/KU standards of interconnection.

If you would like to submit alternate pricing for additional services not described in this RFP, you may provide said pricing. However, pricing for additional services will not substitute for the pricing requested in this RFP.

### **4.0 Safety Requirements**

Contractor shall at all times be solely responsible for complying with all applicable laws and facility rules, including without limitation those relating to health and safety, in connection with the work and for obtaining all permits and approvals necessary to perform the work. Without limiting the foregoing, Contractor agrees to strictly abide by and

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observe all standards of the Occupational Safety & Health Administration (OSHA) which are applicable to the work being performed, as well as the Company Contractor Code of Business Conduct and any other rules and regulations that may be issued by Company from time to time. Contractor agrees to strictly abide by and observe all standards of the National Fire Protection Association (NFPA) code 70. Contractor shall abide by all federal, state, and local labor laws. As part of your main proposal, please complete Exhibit No. 2, Company Contractor/Subcontractor Safety and Health Questionnaire and Checklist which is attached hereto and incorporated herein by reference.

4.2.1 Additionally, any Contractor awarded work for Company will also be required to read, acknowledge and sign the LG&E and KU SERVICES COMPANY & Affiliates (KU, LG&E) Contractor / Subcontractor Safety Policy, and submit during the contract period as required by Company, Safety Reporting Tools 2-5 (if necessary) together hereafter referred to as the Exhibit No. 3, Company Contractor/Subcontractor Safety Policy and Safety Reporting Tools, which is attached hereto and incorporated herein by reference. These documents will become part of the final contract.

4.2.2 Contractor is responsible to halt any process if any safety issues are found in the work environment. All Company customer concerns or problems, regardless of the severity, will be disclosed to the Company Program Manager or their designee immediately and allow Company to partner or if necessary decide the final decision of the concern/problem. Any concern or problem created by the Contractor or their employees/subcontractors will be disclosed to the Company and then resolved at the expense of the Contractor.

4.2.3 All personnel and all subcontractors to the Program must abide by Company Safety guidelines, rules and procedures which have been received and reviewed by Contractor, and tests that are required in a timely manner.

4.2.3.1 Company uses a four (4) foot rule for tie off when on a ladder as opposed to the OSHA six (6) foot rule.

4.2.3.2 Contractor must conduct and document regularly scheduled safety meetings, training and field inspections. Contractor must attend all monthly, quarterly and annual safety meetings sponsored by Company. Contractor shall provide a documented daily safety related job briefing to its employees working under this Contract.

4.2.3.3 Company will conduct safety audits while Contractor is on Customers' premises for site verifications of rebates.

**5.0 Safety Training**

All Contractor personnel and all subcontractors working under the Program's name are required to successfully complete the appropriate Company Passport safety as determined by the Company Safety Department and also to apply for a Company badge. Company conducts train the trainer Passport training on a semi-annual basis (typically spring and fall) at no cost. If Company provided Passport training is unavailable Contractor will be required to use a third party Passport training company at their cost. Personnel can only enter a customer's residential premise with a Company badge and a printed Passport certification. Badge must be in a visible location, at all times while at the Company customers' homes. Passport must be available upon Company request.

Contractor shall abide by Company Badge guidelines, rules and procedures which have been received and reviewed by Contractor. Badges need to be collected and returned to Company, if personnel and or subcontractor are no longer completed services under the Program's name. If badge is lost a lost badge form must be submitted, provided by Company.

**6.0 Safety Equipment**

Contractor shall supply all necessary and required safety equipment to its employees. Each vehicle shall be equipped with all required safety items as deemed necessary by Contractor and Company policies. This also includes, but not limited to, flat and sloped rooftop installation work and arc prevention.

**7.0 On Site Safety Representative**

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Contractor shall have a local, designated safety representative who must have field experience within the scope of work and must have a background in safety or a related field (i.e. worked as a safety person or safety degree or OSHA 10 or 30 hour Outreach program in 1910 General Industry or 1926 Construction Standards or a combination of work or experience in a safety related field) whose responsibilities shall include but not limited to:

- *Supports daily safety activities*
- *Work site audits*
- *Weekly safety meetings*
- *Passport training*
- *Oversees Drug & Alcohol policy and testing*
- *Attends Retail monthly safety meeting*
- *Attends Energy Delivery Quarterly safety meetings*
- *Near miss, close call, injury investigations*

**8.0 Reporting-Feedback**

Contractor will be required and responsible for having a well-defined communication process with the Company. Responses shall include details of a reporting system that includes incident reporting, summary reports, and other significant monthly statistical data. All reporting systems and procedures will be reviewed and may be modified according to the Company's needs. The Contractor shall modify the reporting system to the Company's acceptance at no additional charge. It is the responsibility of the Contractor to obtain, track, and monitor all incidents.

**9.0 Contractor Scorecard**

Prior to execution of the Contract, the Company will introduce a scorecard that will track various metrics related to Contractor performance. Contractor will be evaluated monthly and a quarterly report card will be compiled and reviewed at a quarterly meeting which will include the Energy Efficiency Program Manager, Energy Efficiency management and Supply Chain.

**10.0 Summary of RFP Requirements**

All Proposals must also include the following to be considered complete:

- Bidders shall list any requirements of the Company necessary to perform work outlined in Proposal.
- Bidders shall describe all partnerships/arrangements included in the proposal for subcontracting any aspect of the work.
- Bidders shall include detailed and firm pricing in Attachment E.
- All items in Sections 2 above and Attachments to the RFP must be completed.
- What differentiates your company and services from other suppliers?

**11.0 Company Information and Sequence of Proposal**

**11.1 Project Team**

Identify who will be the Company contact(s) during the contract term. Provide specific individuals' names, their title, a brief description of their background and experience, and their area and levels of responsibility

**11.2 Proposed Solution**

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Provide a detailed description of services for the proposed solution to meet the Company's business objective as described in Section 2. In addition, successful bidder shall include samples of any reports, work schedules, and an estimated transition plan.

**11.3 Conditions of Bid**

In submitting a response to this RFP, respondent acknowledges and accepts the following conditions by initialing each sub-paragraph in Attachment A.

**11.4 Bidder Contact Information**

In Attachment B, please provide contact information of the authorized person making this Proposal and any alternate person with like such authority whom the Company should contact in the event of questions or clarifications.

**11.5 Company Profile**

Briefly complete your company profile information as listed in Attachment C and include a copy of your current insurance certificate. Also provide a separate Attachment C and insurance certificate for each subcontractor included in your Proposal.

**11.6 Support for Minority and Women-Owned Businesses**

It is the Company's policy to promote and increase participation of MBE/WBE's in its purchasing and contractual business. Maximum practicable opportunity shall be given to MBE/WBE's to participate as Company suppliers, but in order to achieve this goal the Company encourages additional opportunities for MBE/WBE's by requiring participation plans from suppliers who are not MBE/WBE firms. In Attachment C, please indicate which business classification your company falls into. A description of each business classification is provided. If your firm currently or intends to use minority sub-contractors or suppliers in the performance of this work, please indicate so in the space provided on Attachment C.

**11.6.1 Use of Union Labor**

Also in Attachment C, please indicate whether your company will use union or non-union labor.

**11.7 Bid Clarifications and/or Exceptions**

Your Proposal shall conform to in all respects with the applicable specifications, terms and conditions referred to in this RFP and the attached proposed contract, including the General or Administrative Services Agreement. Submission of a Proposal constitutes your company's commitment that it can provide the services in this RFP and acceptance of the General or Administrative Services Agreement. An inability to provide an individual service(s) will not eliminate your firm from consideration. Any deviations from or exceptions to this RFP and the attached contract shall be clearly stated in your Proposal using the form titled "BID CLARIFICATIONS AND/OR EXCEPTIONS" in Attachment D. If there are not such exceptions, please state so. An award of a contract will not take place until there are executed terms and conditions between the parties. If a contract is awarded, any exceptions taken after announcing the award will not be considered.

**11.8 Pricing**

**PRICING AND FEES SHALL BE SUMMARIZED IN ATTACHMENTS E.**

The price shall be firm for the duration of this contract. Identify assumptions made regarding the Company's environment that would impact the cost. The bid price(s) shall include all costs to bidder, including taxes (if applicable) and profit.

Your pricing must include:

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- Time and materials for each aspect of the Scope of Work outlined in Section 2 and described in Section 3 of this RFP.

**12 Other Services**

**12.1 Alternative Processes and Methods**

Please provide any relevant information regarding recommendations to deliver services/products as detailed herein in a different manner than is specified. Clearly demonstrate the quantity of the benefit derived and limitations from alternate solutions as proposed either in functionality, service level, or cost savings.

**12.2 Additional Services**

Please provide detail on any additional or unique services provided by your organization. Generic information without detail will be excluded from the analysis. Any fees associated with any extraordinary services should be clearly listed separately as an appendix to your Proposal.

## Attachment A CONDITIONS OF BID

In submitting a response to this RFP, respondent acknowledges and accepts the following conditions, and makes the following representations. **Please initial (blue ink) each sub-paragraph in each box below in your response.**

- A-1 **Ownership of Proposals** – All Proposals in response to this RFP are to be the sole property of LG&E and KU Services Company, Louisville, Kentucky.
- A-2 **Oral Contracts** – Any alleged oral Contracts or arrangements made by a respondent with any employee of LG&E and KU Services Company will be superseded by the written Contract.
- A-3 **Amending or Canceling Request**- LG&E and KU Services Company reserves the right to amend or cancel this RFP, at any time, if it is in the best interest of LG&E and KU Services Company.
- A-4 **Rejection for Default or Misrepresentation** – LG&E and KU Services Company reserves the right to reject the Proposal of any supplier that is in default of any prior contract or for misrepresentation.
- A-5 **Clerical Errors in Awards** – LG&E and KU Services Company reserves the right to correct inaccurate awards resulting from its clerical errors.
- A-6 **Rejection of Qualified Proposals** – Proposals are subject to rejection in whole or in part if they limit or modify any of the terms and/or specifications of the RFP.
- A-7 **Presentation of Supporting Evidence** – If requested, respondent(s) shall present evidence of experience, ability and financial standing necessary to satisfactorily meet the requirements set forth in the RFP or those implied in the Proposal.
- A-8 **Consistency in Submissions** – The hardcopy submission of the Proposal will prevail in the case of a discrepancy between the electronic and hardcopy version of the documents.
- A-9 **Changes to Proposals** – No additions or other changes to the original Proposal will be allowed after submittal. While changes are not permitted, clarification at the request of LG&E and KU Services Company may be required at the sole expense of the respondent.
- A-10 **Collusion** – In submitting a Proposal, the respondent implicitly states that the Proposal is not made in connection with any competing respondent submitting a separate response to the RFP, and is in all respects fair and without collusion or fraud.
- A-11 **Costs** – LG&E and KU Services Company shall not be liable for any cost incurred by the respondent in the preparation of this RFP.
- A-12 **Subcontractors** – The use of subcontractors must be clearly identified and explained in the Proposal. The prime contractor shall be wholly responsible for the performance of the contract in its entirety whether or not subcontractors are used. Subcontractors shall be bound by the terms and conditions of this RFP. The prime contractor shall indemnify and hold LG&E and KU Services Company harmless from any and all activities related to the services provided by the subcontractor(s) under this contract.
- A-13 **Legal Compliance**- In submitting a Proposal, the respondent warrants that it is legally authorized to do business in the state of Kentucky, is in compliance with all applicable laws and regulations, is not prohibited from doing business with LG&E and KU Services Company by law, order, regulation, or otherwise, and the person submitting the Proposal on behalf of the supplier is authorized by the supplier to bind it to the terms of the Proposal.

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**Attachment B**  
**BIDDER INFORMATION**

- A. BIDDER'S COMPANY NAME \_\_\_\_\_
- B. BIDDER'S MAILING ADDRESS \_\_\_\_\_  
\_\_\_\_\_
- C. BIDDER'S PHYSICAL ADDRESS(if different from above) \_\_\_\_\_  
\_\_\_\_\_
- D. PRIMARY CONTACT NAME \_\_\_\_\_
- E. TELEPHONE NUMBER \_\_\_\_\_
- F. ALTERNATE PHONE NUMBER \_\_\_\_\_
- G. FAX NUMBER \_\_\_\_\_
- H. EMAIL ADDRESS \_\_\_\_\_
- I. RFP # 3811
- J. DUN & BRADSTREET NUMBER \_\_\_\_\_
- K. TAX IDENTIFICATION NUMBER \_\_\_\_\_
- L. AGE OF COMPANY \_\_\_\_\_
- M. SIZE OF COMPANY, INCLUDING THE NUMBER OF EMPLOYEES  
Revenue \_\_\_\_\_  
Employees \_\_\_\_\_
- N. PROVIDE A CURRENT CERTIFICATE OF INSURANCE
- O. RECENT OR PENDING MERGERS, ACQUISITIONS OR IPO'S \_\_\_\_\_
- P. NAICS CODE: \_\_\_\_\_

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### Attachment C BUSINESS CLASSIFICATION

Identify which category(s) your company falls into (see following page for classification definitions). Attach any certificates verifying your company as a Small Business, Small Disadvantaged Business, Minority Business Enterprise (MBE), Woman-Owned Business Enterprise (WBE), Disabled-Owned Business, Veteran-Owned Business.

- \_\_\_\_\_ Large Business – Over 500 people or dominant in field
- \_\_\_\_\_ Small Business – Less than 500 people and not dominant in field
- \_\_\_\_\_ Small Disadvantaged Business – Less than 500 people, not dominant in field and meeting criteria on next page
- \_\_\_\_\_ Minority Business Enterprise
- \_\_\_\_\_ Woman-Owned Business Enterprise
- \_\_\_\_\_ Disabled Owned Business
- \_\_\_\_\_ Veteran Owned Business

#### USE OF UNION LABOR:

\_\_\_\_\_ **Non-Union Labor will be used.**

\_\_\_\_\_ **Union Labor will be used**  
**(List any and all local unions involved and labor contract expiration dates)**

\_\_\_\_\_ **Local No.** \_\_\_\_\_ **Exp. Date** \_\_\_\_\_

\_\_\_\_\_ **Local No.** \_\_\_\_\_ **Exp. Date** \_\_\_\_\_

\_\_\_\_\_ **Local No.** \_\_\_\_\_ **Exp. Date** \_\_\_\_\_

**Please indicate any MBE/WBE firms which you intend to use as subcontractors or suppliers as part of your Proposal.**



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**BUSINESS CLASSIFICATION DESCRIPTIONS**

A) Small Business

Defined as a concern, including its affiliates, that is independently owned and operated, not dominant in the field of operation in which it is bidding on government contracts, and qualified as a small business under the criteria and size standards in 13 CFR Part 121 (see 19.102). Such a concern is "not dominant in its field of operation" when it does not exercise a controlling or major influence on a national basis in a kind of business activity in which a number of business concerns are primarily engaged. In determining whether dominance exists, consideration shall be given to all appropriate factors, including volume of business, number of employees, financial resources, competitive status or position, ownership or control of materials, processes, patents, license agreements, facilities, sales territory, and nature of business activity.

GSA (General Services Administration) Federal Acquisition Regulation (FAR) Part 19

B) Small Disadvantaged Business

Defined as a small business concern that is at least 51 percent unconditionally owned by one or more individuals who are both socially and economically disadvantaged, or a publicly owned business that has at least 51 percent of its stock unconditionally owned by one or more socially and economically disadvantaged individuals and that has its management and daily business controlled by one or more such individuals, This term also means small business concern that is at least 51 percent unconditionally owned by an economically disadvantaged Indian tribe or Native Hawaiian Organization, or a publicly owned by one of these entities, that has its management and daily business controlled by members of an economically disadvantaged Indian tribe or Native Hawaiian Organization, and that meets the requirements of 13 CFR 124.

GSA (General Services Administration) Federal Acquisition Regulation (FAR) Part 19

C) Minority Business Enterprise

Defined as a for profit enterprise, regardless of size, physically located in the United States or its trust territories, which is owned, operated and controlled by minority group members. "Minority group members:" are U.S. citizens who are African-American, Hispanic American, Native American, Asian-Pacific American, and Asian-Indian American. "Ownership" by minority individuals means business is at least 51% owned by such individuals or, in the case of a publicly owned business, at least 51% of the stock is owned by one or more such individuals. Further, the management and daily business operations are controlled by those minority group members.

KMSDC (Kentucky Minority Supplier Development Council)

D) Woman-Owned Business

Defined as a business that is at least 51% owned by a woman or women who also control and operate it. "Control" in this context means being actively involved in the day-to-day management.

GSA (General Services Administration)

E) Large Business

Defined as more than 500 employees.

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**Attachment D**  
**BID CLARIFICATIONS AND/OR EXCEPTIONS**

1. Bidder offers the following clarifications and/or exceptions taken to any requirement or provision of this RFP and any proposed modifications or replacement language for each clarification or exception (If none, so state.):

**Bidder understands that unless itemized above, no other clarifications or exceptions to this Request for Proposal are taken by the Bidder.**

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## Attachment E PRICING SUMMARY

Please provide a summary of your pricing proposal for all services related to the delivery of your solution.

**Please provide Company all costs it will incur for the program.**

**Please provide pricing on an Excel spreadsheet.**

**Your pricing must include time and materials for each aspect of the Scope of Work outlined in Section 2.1 of the RFP for three separate sized projects – 50 kW, 250 kW and 1,000 kW DC wattage. Your pricing spreadsheet should be formatted similarly to the example below. For purposes of completing pricing for each sized project, assume the 50 kW project is a roof mount and the 1,000 kW project is a ground mount. For the 250 kW project, please provide pricing for both a roof and ground mount.**

Service	50 kW Project (roof mount)	250 kW Project (roof mount)	250 kW Project (ground mount)	1,000 kW Project (roof mount)
Evaluation of property and facilities	Time: (rate) Materials:	Time: (rate) Materials:	Time: (rate) Materials:	Time (rate) Materials
Development of design and recommendation	Time: (rate) Materials:	Time: (rate) Materials:	Time: (rate) Materials:	Time: (rate) Materials:
Permitting and inspection for installation	Time: (rate) Materials:	Time: (rate) Materials:	Time: (rate) Materials:	Time: (rate) Materials:
Procurement of racking system	Time: (rate) Materials:	Time: (rate) Materials:	Time: (rate) Materials:	Time: (rate) Materials:
Procurement of inverters	Time: (rate) Materials:	Time: (rate) Materials:	Time: (rate) Materials:	Time: (rate) Materials:
Procurement of solar panels	Time: (rate) Materials:	Time: (rate) Materials:	Time: (rate) Materials:	Time: (rate) Materials:
Procurement of balance of system	Time: (rate) Materials:	Time: (rate) Materials:	Time: (rate) Materials:	Time: (rate) Materials:
Site preparation	Time: (rate) Materials:	Time: (rate) Materials:	Time: (rate) Materials:	Time: (rate) Materials:
Installation of racking equipment	Time: (rate) Materials:	Time: (rate) Materials:	Time: (rate) Materials:	Time: (rate) Materials:
Installation of panels & DC wiring	Time: (rate) Materials:	Time: (rate) Materials:	Time: (rate) Materials:	Time: (rate) Materials:
Installation of inverters	Time: (rate) Materials:	Time: (rate) Materials:	Time: (rate) Materials:	Time: (rate) Materials:
Attachment of revenue-grade networked metering functionality	Time: (rate) Materials:	Time: (rate) Materials:	Time: (rate) Materials:	Time: (rate) Materials:
Interconnection from inverter to existing 3	Time: (rate) Materials:	Time: (rate) Materials:	Time: (rate) Materials:	Time: (rate) Materials:

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phase 480V transformer (assume 100ft)				
Testing, Inspection and/or commissioning	Time: (rate) Materials:	Time: (rate) Materials:	Time: (rate) Materials:	Time: (rate) Materials:
Planned operation and maintenance	Time: (rate) Materials:	Time: (rate) Materials:	Time: (rate) Materials:	Time: (rate) Materials:
Unplanned service and repairs	Time: (rate) Materials:	Time: (rate) Materials:	Time: (rate) Materials:	Time: (rate) Materials:
Storage (20% of system capacity for 2 hours)	Time: (rate) Materials:	Time: (rate) Materials:	Time: (rate) Materials:	Time: (rate) Materials:

Attachment F

**CONTRACTOR/SUBCONTRACTOR SAFETY AND HEALTH**  
**QUESTIONNAIRE AND CHECKLIST**

**THIS QUESTIONNAIRE IS REQUIRED FOR ALL CONTRACTORS AND SUBCONTRACTORS PRIOR TO STARTING WORK**

The Company is committed to providing a safe and healthy workplace for employees and Contractors/Subcontractors. To qualify to perform work, the Contractor/Subcontractor shall provide the following information and agree to obtain the following information from all subcontractors utilized.

Contractor/Subcontractor Name: \_\_\_\_\_ Date: \_\_\_\_\_  
\_\_\_\_\_

Contracted Activity (please describe): \_\_\_\_\_

Contractor/Subcontractor Representative:  
Phone: \_\_\_\_\_

Please provide a brief description of the work activities and location(s) undertaken by your company:  
\_\_\_\_\_

**The following information must be from the facilities providing labor. We are not interested in overall statistics at a national or international level.** Describe the area to which this questionnaire applies. \_\_\_\_\_  
\_\_\_\_\_

ITEM	DESCRIPTION	20____	20____	20____
A	Interstate Experience Modification Rate (EMR)			
	Using the OSHA 300 Logs from the facilities providing labor, please document the following:			
B	Recordable Incident Rate (RIR)	_____	_____	_____
C	Lost Time Incident Case Rate (LTICR)(only incidents that resulted in days away from work)	_____	_____	_____
D	Lost Workday Injury and Illness Case Rate (LWDCR)(includes days away from work, job transfers and job restrictions)	_____	_____	_____
E	Number of Injuries and Illnesses (Total Line Entries of 300 Log)	_____	_____	_____
F	Number of Lost Work Day Cases (Column H of 300 Log)	_____	_____	_____
G	Number of Job Transfer or Restriction Cases (Column I of 300 Log)	_____	_____	_____
H	Number of Injury Related Fatalities (Column G of 300 Log)	_____	_____	_____
I	Employee Hours Worked/Year (If unknown use # of employees x 2080)			

J	Total Number of Employees			
K	NAISC or Standard Industrial Classification (SIC)			

In the table below, provide the three most recent full years of history for the area or region this questionnaire applies. **In addition, attach copies of applicable OSHA 300 Logs (showing the actual injuries, etc. – not the summaries) and verification of your EMR/discount rate information.**

	Question	Y/N	Comments
1.	Does your company have a written safety and health program? Please attach a copy with this submission		
2.	Does your company have a written Hazard Communication Program?		
3.	Does your company have a written environmental compliance assurance program? Does your company have a written DOT Operator Qualification Plan? Please attach a copy with this submission for review.  Note: Plan must meet or exceed LG&E and KU Services Company Gas Distribution Operator Qualification Plan		
4.	Does your company use subcontractors? (This Questionnaire is required for all subcontractors)  If you do use subcontractors, do you qualify subcontractors based on the ability to address safety, health, and environmental requirements?		

	<p>Do you verify subcontractors meet regulatory requirements?</p> <p>Does your subcontractor have a DOT Operator Qualification Plan or are they qualified under your plan. If they have their own plan then please submit a copy for review.</p>		
5.	<p>Are all documents, pertaining to this questionnaire, available for auditing?</p> <p>If no, please explain.</p>		
6.	<p>Who in your company is responsible for coordinating your safety and health program?</p> <p style="text-align: center;">Name/Job Title: _____</p> <p style="text-align: center;">Phone #: _____</p> <p>Is Safety and health a full time responsibility for this position?</p>		
7.	<p>Has your company received any citations from a regulatory agency during the last three years?</p> <p>If yes, describe citation(s).</p>		

	<b>Question</b>	<b>Y/N</b>	<b>Comments</b>
8.	<p style="text-align: center;">Does your company perform safety audits/review?</p> <p style="text-align: center;">If yes, are safety audits documented?</p>		
9.	<p style="text-align: center;">Who reviews the safety audit/review and how often?</p> <p style="text-align: center;">Job Title: _____</p>		
10.	<p style="text-align: center;">Does your company provide/require the following?</p> <p style="text-align: center;">Eye protection (ANSI-Z41.1)(29 CFR 1910.133)</p> <p style="text-align: center;">Fall Protection (ANSI-Z41.1)(29 CFR 1926.501 or 1910.66)</p> <p style="text-align: center;">Foot Protection (ANSI-Z41.1)(29 CFR 1910.136)</p> <p style="text-align: center;">Hand Protection (ANSI-Z41.1)(29 CFR 1910.138)</p> <p style="text-align: center;">Hard Hats (ANSI-Z89.1)(29 CFR 1910.135)</p> <p style="text-align: center;">Hearing Protection (ANSI-Z41.1)(29 CFR 1910.95)</p> <p style="text-align: center;">Respiratory Protection (ANSI-Z41.1)(29 CFR 1910.134)</p>		
11.	<p style="text-align: center;">In addition to regulatory required Personal Protective Equipment, what other PPE is required or supplied?</p> <p style="text-align: center;">If any, please describe or list:</p> <p style="text-align: center;">_____</p> <p style="text-align: center;">_____</p> <p style="text-align: center;">_____</p>		
12.	<p style="text-align: center;">Describe how you will meet the requirements for first aid and medical provisions under this contract.</p>		
13.	<p style="text-align: center;">Does your company have scheduled, documented employee safety meetings?</p> <p style="text-align: center;">If yes, how often?</p>		
14.	<p style="text-align: center;">Who conducts the safety meetings?</p> <p style="text-align: center;">Job Titles:</p> <p style="text-align: center;">_____</p>		



	<b>Questions</b>	<b>Y/N</b>	<b>Comments</b>
15.	<p>What managers/supervisors participate in the safety meetings?</p> <p>Job Titles: _____</p>		
16.	<p>Are meetings reviewed and critiqued by managers/supervisors?</p>		
17.	<p>Does your company hold onsite (tailgate/toolbox) safety meetings?</p> <p>If yes, how often? _____</p> <p>Who conducts these safety meetings?</p> <p>Job Titles: _____</p> <p>Is documentation available?</p>		
18.	<p>Does your company have a written policy regarding drug screening or testing of your employees?</p> <p>If yes, please provide a copy of your plan to the Company representative.</p>		
19.	<p>Does your drug-testing program conform to DOT requirements?</p> <p>Comments: _____</p> <p>If yes, which set of DOT regulations does your drug-testing program designed to satisfy?</p> <p>Pipeline and Hazardous Material Safety Administration PHMSA</p> <p>Federal Motor Carrier Safety Administration FMCSA</p>		
20.	<p>Does your company have policy requiring written accident/incident reports (spills, injuries, property damage, etc.)?</p>		

Please respond to all items with "Yes, No, or NA." (Estimated Percentage of Employees should reflect the percentage of employees providing labor who have received training).

PROGRAMS/TRAINING	REFERENCE SOURCE	PROGRAM DOCUMENTED AND WRITTEN Y/N/NA	EST. %	FREQUENCY OF TRAINING FOR INDIVIDUAL EMPLOYEES
Asbestos Class IV (Awareness)	OSHA 29 CFR 1926.1101			
Asbestos Class III	OSHA 29 CFR 1926.1101			
Asbestos Class I and II	OSHA 29 CFR 1926.1101			
Confined Space Entry	OSHA 29 CFR 1910.146(g)			
Cranes	OSHA 29 CFR 1926 Subpart CC			
Natural Gas Operations	DOT 49 CFR 192, Subpart N			
DOT HM-126\ Hazmat Employee	DOT 49 CFR 172.704			
Generation, Transmission, and Distribution Standard	OSHA 29 CFR 1910.269			
Electrical Safety	OSHA 29 CFR 1910.332			
Emergency Evacuation	OSHA 29 CFR 1910.38(a)			
Excavations	OSHA 29 CFR 1926.651			
Fall Protection	OSHA 29 CFR 1926.500			
First Aid/CPR	OSHA 29 CFR 1910.151(b)			
Forklifts	OSHA 29 CFR 1910.178(l)			
Hazard Communications	OSHA 29 CFR 1910.1200(h)			
Hazwoper - Awareness Level	OSHA 29 CFR 1910.120			
Hazwoper 8 Hour	OSHA 29 CFR 1910.120			
Hazwoper 24 Hour	OSHA 29 CFR 1910.120			
Hazwoper 40 Hour	OSHA 29 CFR 1910.120			
Hazwoper Supervisor 8 Hour	OSHA 29 CFR 1910.120			
Hearing Conservation	OSHA 29 CFR 1910.95			
Incipient Fire Fighting	OSHA 29 CFR 1910.157(g)			
Lead Worker	OSHA 29 CFR 1926.62(l)			
Lead Supervisor	See Above			
Lockout/Tag out Authorized Person	OSHA 29 CFR 1910.147(c)(7)			
Lockout/Tag out Affected Person	See Above			
New Employee Orientation	OSHA 29 CFR 1910.119(g)			
Personal Protective Equipment	OSHA 29 CFR 1910.132(f)			
Process Safety Management	OSHA 29 CFR 1910.119			
Respiratory Protection	OSHA 29 CFR 1910.134			
Scaffolding	OSHA 29 CFR 1926.454			
Substance Abuse	DOT 46 CFR 16.401 & 391.119			

Signature \_\_\_\_\_  
 Title \_\_\_\_\_

Date \_\_\_\_\_

Attachment G

**LG&E and KU Services Company Contractor / Subcontractor Safety Policy**

PURCHASE ORDER #: \_\_\_\_\_ CONTRACT JOB #: \_\_\_\_\_

NAME OF CONTRACTOR: \_\_\_\_\_

SCOPE OF WORK: \_\_\_\_\_

WORK LOCATION: \_\_\_\_\_

CONTACT NAME: \_\_\_\_\_ WORK ORDER #: \_\_\_\_\_  
(AUTHORIZED CONTRACTOR/SUBCONTRACTOR REPRESENTATIVE)

**1. Contractor / Subcontractor Safety Policy**

**General**

LG&E and KU Services Company, is committed to safety excellence and in providing a safe and healthful work environment for anyone working on our property. The personal safety and health of each employee, contractor and the safety of the general public are of primary importance to LG&E and KU Services Company. Accordingly, there is no job so important that safety policies and procedures or legal obligations are compromised.

This Policy does not replace the Contractor's/subcontractor's ("Contractor") existing safety and health program(s), provided that their program(s) meet or exceed these and any additional site specific minimum requirements. Contractor's employees not following this Policy will be subject to removal from the job site.

The Contractor is required to comply with all federal and state safety laws and all provisions of the LG&E and KU Services Company, Health & Safety Manual. The Contractor is responsible for conducting its work and activities safely. LG&E and KU Services Company expect and require that you continuously update your employees with respect to safety issues relevant to the work and to take immediate corrective action when your employees violate safety rules or procedures.

It is the responsibility of Contractors' construction managers, superintendents, safety representatives and foremen/supervisors to ensure workers under their supervision maintain safe work areas and perform their tasks in a safe manner. It is also the responsibility of each worker to follow every precaution and LG&E and KU Services Company safety rule and Policy to protect them and their fellow workers.

Contractors are responsible for ensuring that any subcontractors working under their purview are held to the same performance expectations, and therefore this Policy, as the contractor themselves.

**2. Scope**

**General**

This Policy applies to all construction activities performed for LG&E and KU Services Company by Contractor's employees or employees of the Contractor's subcontractors. Construction activities may originate from construction contracts, service contracts, purchase orders, or in-house work orders. This Policy is in addition to the requirements of the General Services Agreement or other contract under which the Contractor is performing construction activities.

**3. General Safety Requirements**

1. Contractors will comply with all applicable federal and state regulations and the LG&E and KU Services Company safety rules and programs relevant to the work performed.
2. Contractors will ensure that any and all subcontractors working under their purview comply with all applicable federal and state regulations and the LG&E and KU Services Company safety rules and programs relevant to the work performed.
3. Contractors are responsible for their employees and any and all subcontractors working for them. Contractors are responsible for ensuring that the subcontractors follow all provisions of this document. Contractors are

responsible for providing their employees, and subcontractors with all information provided by LG&E and KU Services Company regarding:

- \* Occupational health and safety;
  - \* Federal, state and local environmental regulations including LG&E and KU Services Company environmental compliance policies and procedures;
  - \* Exposure to atmospheric health, serious physical or chemical hazards; and
  - \* Precautionary measures and procedures for performing the work.
4. All Contractors' employees, and any subcontractor employees, shall receive training under the LG&E and KU Services Company Contractor Health and Safety Passport Program.
  5. The LG&E and KU Services Company Policy prohibits the Contractor's employees, agents or representatives from:
    - \* Consuming or possessing alcohol while on the LG&E and KU Services Company job sites, including the parking lots;
    - \* Reporting to perform work on the LG&E and KU Services Company job sites with unauthorized drugs on his/her person or while under the influence of drugs or alcohol;
    - \* Intentionally dumping unauthorized chemicals/materials into a sewer, waterway or on the ground;
    - \* Mishandling LG&E and KU Services Company waste;
    - \* Allowing employees to perform work that involves operating heavy equipment or working at elevations when using prescribed medication that can cause drowsiness or otherwise impair the employee's ability to perform the work in a safe manner.
  6. The following conduct is prohibited by the Contractor at and about LG&E and KU Services Company property:
    - \* Theft, horseplay, gambling, sabotage or attempted sabotage.
    - \* Threatening, intimidating or abusing employees, customers, vendors or guests of LG&E and KU Services Company.
    - \* Fighting, creating, or inciting a disturbance.
  7. LG&E and KU Services Company has a tobacco policy that restricts tobacco and smoking-related products (cigarette, cigar, pipe, chewing tobacco, snuff, or e-cigarette) use to company designated areas. Other than such designated areas, tobacco and smoking related products use, and containers of expectorant/saliva associated with smokeless tobacco are prohibited in all administrative offices, buildings, company vehicles, and customer locations. Tobacco and smoking related product use is prohibited in customers' residences or places of business or any other location while interacting with customers on company business.
  8. Attendance at job site safety meetings is required of the Contractor at the discretion of the LG&E and KU Services Company authorized representative. At least one representative of the Contractor will attend such job safety meetings.
  9. Any Contractor's employee, who appears sick, extremely tired, or otherwise unable to perform his/her job in a safe manner will be reported to the Contractor's supervision for evaluation and possible removal from the job site.
  10. Contractors are responsible for establishing control measures to protect their employees, subcontractors or workers under their control, from exposure to hazards (chemical, atmospheric health and physical) present at the job site.
  11. The Contractor must provide electrical ground fault protection for employees using construction power (temporary branch circuits to include extension cords) through the use of approved ground fault circuit interrupters (GFCI). Additionally, Contractors must provide ground fault protection when using permanent facility power and using cord and plug equipment in wet or damp locations. Applies to 120-volt single phase 15 and 20-ampere receptacle outlets.

12. Contractor employees will work in full pants and shirts appropriate for the task being performed and in compliance with appropriate regulations. Shorts and tank tops are not allowed unless otherwise specified. (Some jobs will require wearing long sleeve shirts.)
13. Contractors shall not transport employees in the cargo bed of a truck or trailer.
14. All Contractors must receive authorization from the LG&E and KU Services Company authorized representative, before performing work in areas posted as “**DANGEROUS OR HAZARDOUS.**”
15. Employees of **Resident Contractors**, defined as those Contractors with an annual contract and who provide day-to-day services for LG&E and KU Services Company, shall be required to have a negative drug pre-test when hired and before reporting to work at an LG&E and KU Services Company site. All contract employees will be required by the Contractor to participate in a drug and alcohol testing program that randomly tests 5% of their employees monthly, while working on an LG&E and KU Services Company site.

If a Contractor brings “transient” workers on site for “plant outages”, “project work” or “major construction”, the transient workers shall be required to have a negative drug pre-test when hired and within 7 days before reporting to work at an LG&E and KU Services Company site. If a contractor sends one of their workers to another LG&E and KU Services Company site with no interruption of service, no pre-work drug test is required. If a worker reports to another LG&E and KU Services Company site with an interruption in service of thirty days or more, the worker shall be required to have a negative drug test before reporting to work at that site. All transient contractors are to be placed in a random testing pool and tested at a 10% monthly rate for the duration of the assignment.

#### **4. Specific Safety Requirements**

##### **Contractor Safety Qualification**

Contractor selection and ultimate certification shall include an evaluation of the Contractor's prior safety performance, current written safety programs, safety training, and qualifications of key Health & Safety (H&S) personnel to assure LG&E and KU Services Company that the Contractor is capable of meeting its safety performance goals. Employees of certified Contractors and any subcontractor employees shall undergo “Passport Training” for those designated as Industrial Workers prior to performing work at an LG&E and KU Services Company facility. This by no means will replace regulated compliance training for the work the contractor employee will be performing.

##### **Subcontractor Safety Qualifications**

Subject only to the specific exception stated below, any and all subcontractors used by a Contractor to perform work for LG&E and KU Services Company shall meet or exceed the following criteria:

- a) The subcontractor’s incident rates for the three (3) most recent calendar years do not exceed, in any one (1) year, the industry average, based on NAISC (or SIC), as published by the Bureau of Labor Statistics;
- b) The subcontractor has not experienced any employee fatality identified within any of the three (3) most recent calendar years’ statistics.
- c) The subcontractor has not received any citation, from OSHA, the Kentucky Public Service Commission or any other state agency regulating utilities in the most recent three (3) calendar years; and
- d) The subcontractor has a current Workers Compensation Insurance Experience Modification Rate (EMR) less than or equal to 1.0.

LG&E and KU Services Company may, at the sole option of such company, provided written authorization for the use of a subcontractor not meeting the above criteria; provided that such authorization must specifically identify how the subcontractor fails to meet the criteria and state additional protective measures the Contractor shall put in place in order to use such subcontractor. Such authorization may be withdrawn at any time for any reason.

The criteria stated above are minimum standards and Contractors using subcontractors shall seek out subcontractors with the highest safety performance available.

##### Contractor On-site Health and Safety Representative

The Contractor shall appoint a qualified on-site Health and Safety Representative, accepted by the LG&E and KU Services Company authorized representative, with the authority to enforce all of the safety requirements of this Policy, including implementation of the Contractor’s Injury and Illness Prevention Program.

LG&E and KU Services Company authorized representative and H&S will make a risk-based decision as to the qualification level of the Contractor H&S representative. Requirements may range from a full-time on-site safety professional (Certified Safety Professional) to a craft supervisor or “person in charge” with competency as measured by experience training.

Whenever the Contractor has any employees or subcontractors on the job site, the Contractor must have a designated representative on the construction worksite that is knowledgeable of the project’s hazards and has full authority to act on behalf of the Contractor. The Contractor’s designated representative must make periodic observations of the construction worksite to identify and correct any instances of noncompliance with the project health and safety requirements.

Qualification Evaluation

Based on the level of H&S qualification determined necessary by LG&E and KU Services Company, the Contractor shall submit documentation, for review and acceptance by LG&E and KU Services Company in support of the proposed designated representative. Suggested qualifications may include, but are not limited to:

- Professional certifications (CSP, CIH, ASP, etc.).
- Curriculum detailing work experience and EH&S responsibilities on projects of similar scope for the previous five years, at a minimum.
- Evidence of construction safety training such as the 10-hour or 30-hour OSHA training.
- Proof of “Competent Person” (as defined below) or “Qualified Person” (as defined below) status attained by the proposed on-site H&S representative.

**Contractor Health and Safety Representative Responsibilities**

**The Contractor H&S Representative shall:**

- ❖ **Assist in the development of the contractor’s safety plan and job site management system.**
- ❖ **Support training of contractor personnel.**
- ❖ **Evaluate the Contractor’s safety process continuously.**
- ❖ **Attend any pre-job meetings to discuss their site-specific safety plan.**
- ❖ **Conduct and formally document job briefings.**
- ❖ **Assist in the identification of jobs requiring a hazard analysis.**
- ❖ **Assist in evaluating potential subcontractors in accordance with this Policy.**

**Competent Person**

Each Contractor shall provide to LG&E and KU Services Company a written list of those persons designated as a Competent Person, who shall be available at the work site and capable of identifying existing and predictable hazards in the surroundings or working conditions which are unsanitary, hazardous, or dangerous to workers, and who has authorization to take prompt corrective measures to eliminate them. Persons shall be responsible for conducting periodic observations of the job sites, materials and equipment, and shall maintain the accident prevention program. Contractor shall ensure that each Competent Person listed has been trained in the following areas as applicable:

- Asbestos
- Cranes
- Confined Space
- Demolition
- Excavations
- Fall Protection
- Industrial Trucks
- Ladders
- Scaffold
- Steel Erection
- Tower Climbing

5. Health and Safety Management Plan

Prior to commencement of contract work, the Contractor shall develop and submit to the LG&E and KU Services Company authorized representative a written Health & Safety (H&S) Management Plan on how the contract work will be completed without endangering the health and safety of those performing the work or anyone else working in the general area. The H&S Management Plan will be developed for the following higher risk contracts, including projects:

- ❖ All construction projects (new site and refurbishment)
- ❖ Contracts with an estimated value of \$250,000 and over
- ❖ Long term contracts (12 months and over)
- ❖ Contracts for which the Contractor will use subcontractors.
- ❖ Contracts that provide a service by performing **high risk**\* activities.
- ❖ Any other contracts at the discretion of the contract manager.

*\*High risk activities include but are not limited to:*

- ❖ *Electrical work requiring an Electrical Work Permit*
- ❖ *Asbestos removal*
- ❖ *Cooling tower maintenance*
- ❖ *Demolition*
- ❖ *Hot work in hazardous area*
- ❖ *Permit Required Confined Spaces*
- ❖ *Scaffolding*
- ❖ *Tank cleaning or testing*
- ❖ *Welding in hazardous areas*
- ❖ *Working at heights*
- ❖ *Work on telecommunications towers*
- ❖ *Work involving excavations to a depth of more than 4 feet*
- ❖ *Work involving the use of explosives*
- ❖ *Work on or near pressurized gas pipes*
- ❖ *Work over or adjacent to water*
- ❖ *Work involving diving*

The Health and Safety Management Plan shall contain at a minimum:

- ❖ The name of the On-site Health and Safety representative who is responsible for the implementation of their safety plan.
- ❖ LG&E and KU Services Company policy on environment, safety and health.
- ❖ LG&E and KU Services Company policy on substance abuse and testing policies if applicable.
- ❖ How and when each Contractor will conduct their job briefings.
- ❖ Provisions for conducting and documenting weekly job site safety audit/inspections by manager/supervisor level personnel.
- ❖ Training methods used to meet OSHA training requirements, and to ensure that safety program requirements are communicated to all Contractor personnel.
- ❖ Incident reporting, first aid, and emergency procedures.
- ❖ List of all Competent Persons overseeing those tasks in which OSHA requires such person(s), such as excavation, asbestos abatement and scaffolding.

Subcontractors shall be held to the same level of performance as the Contractor's written H&S Management Plan. The Contractor shall submit written documentation for its subcontractors that demonstrates how their subcontractors shall meet compliance with the site safety plan.

#### 6. Hazard Analysis

Contractor shall complete a "Contractor Safety Management / Project Specific Hazard Analysis" \* and a "Contractor Hazard Mitigation Plan". These documents shall be submitted to the LG&E and KU Services Company authorized

representative prior to the initiation of any work. In addition, a “Quality Assurance Closure Form for Contractors”<sup>\*</sup> shall be completed and submitted to the LG&E and KU Services Company authorized representative at the completion of the project.

*\* The Hazard Analysis, Mitigation Plan and Closure Form is presented during the Contractor Passport Train-the-Trainer session.*

All Contractor and subcontractor personnel scheduled to work in the activities identified, shall receive safety training in those activities prior to working on them. (A safety toolbox meeting would be an acceptable forum to meet this requirement). The Contractor shall maintain proof of employee training, and shall make available such proof upon request. Note: This by no means shall replace their regulatory compliance training.

#### Hazard Analysis Requirements

A hazard analysis shall be written based on the following conditions:

- ❖ All major outage work
- ❖ Special Projects
- ❖ Jobs with the highest injury or illness rates
- ❖ Jobs with the potential to cause severe or disabling injuries or illness, even if there is no history of previous accidents
- ❖ Jobs complex enough to require written instructions
- ❖ At the discretion of the LG&E and KU Services Company authorized representative

### **7. Engineered Protective Systems**

The Contractor shall submit for review to the LG&E and KU Services Company authorized representative such safety system that is required by regulation to be designed by a registered professional engineer. This review is solely to verify that the Contractor has had the required protective systems prepared and stamped by a registered professional engineer.

LG&E and KU Services Company review of any documents showing the design or construction of protective systems for worker and property protections shall not relieve the Contractor of its obligations to comply with applicable laws and standards for the design and construction of such protective work. Contractor shall indemnify and hold harmless LG&E and KU Services Company and their engineering personnel from any and all claims, liability, costs, actions and causes of action arising out of or related to the failure of such protective systems. The Contractor shall defend LG&E and KU Services Company, its officers, employees and agents including without limitation engineer personnel, in any litigation or proceeding brought with respect to the failure of such protective systems.

The cost of required safety engineering services required for safety and protective systems shall be borne solely by the Contractor and shall be deemed to have been included in the amount bid for the work as stated in the contract.

### **8. Safety Training and Education**

Contractor shall ensure that its workforce is compliant trained and qualified to perform the work. Contractor shall ensure that all subcontractor employees demonstrate the same level of competence.

#### **Site Orientation**

All Contractors / subcontractors shall undergo an LG&E and KU Services Company “site specific” training/orientation prior to engaging in work activities at a generating station. In addition, Contractors that conduct work at LG&E and KU Services Company generation facilities that process ammonia shall also undergo an ammonia awareness training/orientation prior to conducting work.

Contractor employees conducting work in a substation must first complete a Substation Entry training program.

#### **Contractors Pre-job Orientation**



Contractor shall require and administer a pre-job orientation to its employees and all subcontractor employees prior to engaging in work activities. Contractor shall maintain on the work site a detailed outline of the orientation and a signed and dated roster of all employees who have completed the orientation. The orientation shall address the following elements at a minimum:

- ❖ Employee rights and responsibilities
- ❖ Authority and responsibility to issue Stop Work Order
- ❖ Alcohol and drug abuse policy
- ❖ Contractor's disciplinary procedures
- ❖ First aid and medical facilities
- ❖ Hazard recognition and procedures for reporting or correcting unsafe conditions or practices
- ❖ Procedures for reporting accidents and incidents
- ❖ Hazard Communication Program
- ❖ Access to employee exposure monitoring data and medical records
- ❖ Protection of the environment, including air, water, and storm drains from construction pollutants
- ❖ Location of and access to reviewed Health & Safety Management Plan, Project Specific Hazard Analysis, and Hazard Mitigation Plan.
- ❖ Location and contents of required postings

#### **Daily Job Briefings**

Contractors shall ensure that all of their personnel (employees and sub-contractors) on the job site receive the daily Job Briefing before they start each job. Job Briefings shall discuss, at a minimum, the hazards associated with the job; work procedures involved; special precautions; energy source controls; and personal protection equipment requirements. This job briefing shall be conducted by the contractor's person in charge. Should the scope of the work change, than another job briefing shall be conducted.

### **9. Emergency Procedures**

An emergency is any situation that poses an immediate threat to life or property. Each Contractor shall maintain one person currently qualified in CPR and First Aid on site at all times. Refer to the site orientation, or the LG&E and KU Services Company authorized representative for specific information for handling of a life threatening or other serious injury, fire, etc. Following the occurrence of an emergency, the contractor shall ensure that all proper incident reports are completed and distributed, and that the LG&E and KU Services Company authorized representative is notified immediately.

#### **Incident Reporting**

In the event a job site accident occurs, the Contractor shall immediately implement controls and restrictions on the accident site to ensure the site remains undisturbed until released by the LG&E and KU Services Company authorized representative. All accidents shall be reported to the LG&E and KU Services Company authorized representative immediately after the site is secured. A written incident report shall be furnished within the same day of the incident. A job site accident would include, but not be limited to a fire, explosion, equipment failure, release or exposure to toxic liquids, fumes or vapors, etc.

#### **Near Miss / Injury-free Event**

It is the responsibility of the Contractor, to complete all near miss investigations, and to report these occurrences with recommendations / implementation of corrective actions. The report is to be submitted to the LG&E and KU Services Company authorized representative within 24 hours.

#### **Medical Treatment Event**

The Contractor shall report all accidents (either occupational injury or illness) requiring medical treatment, as soon as possible, but no later than the end of the work shift, to the LG&E and KU Services Company authorized representative along with a copy of the first report of the injury. Serious injuries (defined as an injury that would require off site medical attention) shall be reported within 15 minutes, even during off shifts. (Review project specific emergency notification procedures.)

#### **Fatality**

It is the responsibility of the Contractor to immediately notify LG&E and KU Services Company should a fatality occur. It is the responsibility of the Contractor to notify the Kentucky Occupational Safety & Health, Division of Compliance within the appropriate Kentucky notification periods.

#### **Stop Work Order**

A stop work order must be given when imminent danger is identified or where significant damage to equipment or property or environmental degradation could occur if the operation continued. Any employee of a Contractor that observes an imminent-danger situation is responsible for stopping the work and reporting it to their supervisor. When a stop work order is issued, only those areas of a construction project immediately involved in the identified hazardous situation are to be included in the order.

Immediately after stopping work, the person issuing the order, or their supervisor, must report to the LG&E and KU Services Company authorized representative of their action. Work shall not resume until the LG&E and KU Services Company authorized representative has agreed that the imminent danger has been eliminated.

### **10. Hazard Specific Requirements**

The Contractor will ensure that their employees (and all subcontractor employees) are properly equipped and trained to comply with the LG&E and KU Services Company standards and federal and state regulations; including but not limited to the following:

**Asbestos**

**Blasting and the use of explosives**

**Chemical Safety/Hazard Communication**

**Commercial Diving Operations**

**Confined Space Entry**

**Control of Energy Sources (Lockout/Tagout)**

**Crane Operations, including rigging**

**Electrical**

**Fall Management** (personal fall arrest systems, scaffolding, walking & work surfaces, ladders and floor & wall openings)

**Hazardous Waste and Chemical Spills**

**Hot Work**

**Personal Protective Equipment (PPE)**

**Powered Industrial Trucks**

**Trenching**

### **11. Enforcement**

The Contractor is responsible for the health and safety of its employees and any subcontractor employees under their control. Enforcement of this Policy, as well as other recognized safety requirements, is the responsibility of the Contractor. The evaluation does not constitute acceptance of the Contractor's safety programs or work practices nor, in any way relieve a Contractor of full responsibility for meeting all appropriate OSHA regulations to ensure the safety of its employees.

Whenever there is a jurisdictional question of which standard will apply, the most stringent safety practice will take precedence. The Contractor must document exceptions and attach them to this form. Contractors and their employees who do not follow this Policy are subject to removal from the worksite as well as being banned from future LG&E and KU Services Company projects/contracts.

LG&E and KU Services Company reserve the right to evaluate the safety of Contractor's work practices to determine if they meet LG&E and KU Services Company standards and state/ federal regulations. In addition to the audit rights

under the applicable contract LG&E and KU Services Company reserve the right to audit any and all documents (job briefings, audits, etc.) at any time during the course of the work.

**12. LG&E and KU Services Company Safety and Health Issues**

Contract work may involve use, handling, storage, or work in vicinity of *hazardous chemicals or materials*. (Concerns are Hazard Communication, spill prevention/response).

Contractor may perform work (operation, maintenance or emergency response function) as necessary.

Contractor may perform *hot work* (e.g. welding, torch cutting, brazing, etc.)

Contract may require Contractor to work in or near *confined spaces*.

Contract work may require using/working under clearance procedures for the control of hazardous energy (*lockout/tagout*).

Contract may involve work on an uncontrolled hazardous substance site, Superfund site, or other contaminated site that could trigger Hazardous Waste Operations and Emergency Response (*HAZWOPER*) planning and training requirements. (Ref: CERCLIS List)

Contract work may involve application, handling or disturbance of *lead, cadmium and/or zinc chromate containing materials*. An example would be the removal of *toxic surface coatings* (i.e. paint).

Contract work may involve handling, disturbance, abatement or work around *asbestos containing materials* (ACM).

Contract work may involve application of *pesticides, herbicides, etc.*

**13. Hazardous Chemical Communication**

The following is a list of Hazardous Chemicals and atmospheric contamination that may be encountered at LG&E and KU Services Company sites. It should in no way be deemed as the only contamination that could be encountered at LG&E and KU Services Company sites. Always be aware of the contamination that could be encountered and become familiar with their Material Safety Data Sheets.

<u>Chemical Name</u>	<u>Formula</u>	<u>Trade Name</u>	<u>Description/Target Organs</u>
Anhydrous Ammonia	NH <sub>3</sub> (99-100%)	Liquid	colorless gas or compressed liquid with extremely pungent odor. Targets eyes, skin and respiratory system.
Arsenic	AS	Organic Arsenic	Targets skin, kidneys, liver and resp. system.
Asbestos			Hydrated Mineral Fibers found in insulation, gaskets, packing, vinyl asbestos flooring, roofing, and other materials. Targets respiratory system. Can cause lung cancer.
Carbon Dioxide	CO <sub>2</sub>	Carbonic Acid Gas  Dry ice	Targets respiratory system and cardiovascular system
Carbon Monoxide	CO	Flue gas/Monoxide	Colorless, odorless gas. Targets lungs, blood, can be immediately fatal.

Chromium Hexavalent	Cr(VI)	Hexavalent Chromium	Metal that targets the respiratory tract, skin and eyes. Irritant.
Hydrogen Sulfide	H <sub>2</sub> S	Sewer gas Hydrosulfuric Acid	Colorless gas with strong rotten egg odor, quick loss of sense of smell, can be immediately fatal.
Hydrogen	H <sub>2</sub>	Liquid Gas	Colorless, odorless, targets eyes, skin respiratory system
Lead	Pb	Lead metal	Heavy soft gray metal. Targets eyes, kidneys and blood.
Ozone	O <sub>3</sub>	Triatomic Oxygen	Colorless, targets eyes and respiratory sys.
Sulfur Dioxide	SO <sub>2</sub>	Sulfuric Acid	Targets eyes, skin, and respiratory sys.

**14. Definitions**

**Competent Person:** means one who is capable of identifying existing and predictable hazards in the surroundings or working conditions which are unsanitary, hazardous, or dangerous to workers, and who has authorization to take prompt corrective measures to eliminate them.

**Qualified Person:** is one who, by possession of a recognized degree, certificate, or professional standing, or who by extensive knowledge, training, and experience, has successfully demonstrated their ability to solve or resolve problems relating to subject matter, the work, or the project.

**I have read the LG&E and KU Services Company Contractor Safety Policy as outlined above and I understand and agree to abide by the requirements set forth therein; and confirm this by signing below.**

CONTRACTOR SENIOR MANAGER: \_\_\_\_\_

TITLE: \_\_\_\_\_

DATE: \_\_\_\_\_

**ATTACHMENT H**  
**GENERAL SERVICES AGREEMENT**  
**LG&E AND KU SERVICES COMPANY AND/OR AFFILIATES**

This “**General Services Agreement**” is made this \_\_\_ day of \_\_\_\_\_, 20\_\_ (the “**Effective Date**”) by and between (i) LG&E and KU Services Company, a Kentucky corporation (“**LG&E and KU Services Company**”) and/or its “**Affiliates**” (as defined below) and (ii) (“**Contractor**”), a \_\_\_\_\_ (list state of entity’s organization and entity type, such as “Kentucky corporation” or “Kentucky limited liability company”, etc.).

WHEREAS, Contractor desires the opportunity to provide goods and/or services to LG&E and KU Services Company from time to time, and LG&E and KU Services Company and/or its Affiliates desire the opportunity to engage Contractor to provide such good and/or services through the issuance of Purchase Orders and/or Statements of Work; and

WHEREAS, the parties intend that this General Services Agreement sets forth the exclusive terms and conditions which shall govern the performance of the Work by Contractor for LG&E and KU Services Company and/or any of its Affiliates should LG&E and KU Services Company and/or any of its Affiliates engage Contractor to provide Work.

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

**ARTICLE 1 DEFINITIONS**

- 1.01 Affiliate:** “Affiliate” shall mean any entity which, from time to time, in whole or in part, and directly or indirectly, controls, is controlled by, or under common control with LG&E and KU Services Company and shall include, without limitation, Louisville Gas and Electric Company and Kentucky Utilities Company, both Kentucky corporations.
- 1.02 Agreement:** “Agreement” shall mean this General Services Agreement, along with any “Statements of Work” (as defined below) and/or Purchase Order (as defined below) issued by Company and/or any other documentation as may be executed by the parties in accordance with Article 2, and/or other agreed collateral document pursuant to which the Work is to be performed.
- 1.03 Applicable Laws:** “Applicable Laws” shall mean any and all applicable federal, state or local laws, regulations, codes, ordinances, administrative rules, court orders, permits or executive orders.
- 1.04 Contract Price:** “Contract Price” shall mean the aggregate of the particular considerations set forth in one or more Purchase Orders or other Statements of Work or as otherwise agreed upon. Unless otherwise agreed in writing, the Contract Price includes all applicable taxes, duties, fees, and assessments of any nature including, without limitation, all sales and use taxes due to any governmental authority with respect to the Work.
- 1.05 Contractor:** “Contractor” shall mean the entity designated as the “Contractor” in the opening paragraph of this Agreement.
- 1.06 Company:** “Company” shall mean LG&E and KU Services Company and/or any of its Affiliates as appropriate based on which entity is the party to the applicable Purchase Order and/or Statements of Work or other binding document. The rights and obligations of LG&E and KU Services Company and/or each of its Affiliates hereunder shall be limited to the extent of such party’s proportionate utilization of Contractor’s services hereunder.
- 1.07 LG&E and KU Services Company:** LG&E and KU Services Company shall mean LG&E and KU Services Company, a Kentucky corporation.

- 1.08 Purchase Order:** Company may, at its discretion, from time to time, issue one or more of its own “Purchase Order Standard Terms and Conditions” and/or “Contractor Purchase Agreement” (“CPA”) (collectively referred to as a “Purchase Order”) that may supplement, but in no way or manner ever supersede, this Agreement with respect to any conflicting terms and conditions.
- 1.09 Statements of Work:** “Statements of Work” shall mean any specifications, instructions, drawings, schedules, a Purchase Order, contracts, scopes of Work, and/or descriptions of Work.
- 1.10 Tools and Equipment:** “Tools and Equipment” shall mean any tools, equipment, rigging and other general supplies on the Company’s premises where the Work is being performed that is either owned and/or leased by Company or by any of its Affiliates.
- 1.11 Work:** “Work” shall include, collectively, those services, goods and/or obligations as set forth in this Agreement.

#### **ARTICLE 2 SCOPE: BINDING EFFECT**

Unless otherwise agreed in a writing executed by each of the parties which evidences a clear intention to supersede this Agreement, the parties intend that this Agreement apply to all transactions which may occur between LG&E and KU Services Company and/or any of its Affiliates and Contractor during the term of this Agreement and which are related to the provision of goods and/or services by Contractor for the benefit of LG&E and KU Services Company and/or any of its Affiliates. Neither LG&E and KU Services Company nor any of its Affiliates makes any commitment to Contractor as to the exclusiveness of this relationship or as to the volume, if any, of business LG&E and KU Services Company and/or its Affiliates will do with Contractor. The parties do, however, anticipate that the parties will agree from time to time for the performance of Work by Contractor. Such agreement for the provision of Work shall be reflected by (a) each of the parties executing a mutually acceptable Statement of Work under this Agreement or (b) Company providing a Purchase Order or other Statement of Work to Contractor and Contractor accepting such Purchase Order or other Statement of Work (including by commencing performance pursuant to such Purchase Order or other Statement of Work). In the event Company provides a Purchase Order or other Statement of Work to Contractor and Contractor commences performance, unless such Purchase Order or other Statement of Work expressly provides otherwise, Contractor hereby agrees to the formation of a binding agreement as described in the Purchase Order or other Statement of Work upon Contractor’s commencement of performance, waives any argument that it might otherwise have under Applicable Laws that the Purchase Order should have been executed by each of the parties to be enforceable and further agrees to not contest the enforceability of such Purchase Order or other Statement of Work on those grounds, and agrees to not contest the admissibility of Company’s records related to such Purchase Order or other Statement of Work that are kept in the ordinary course by Company. In addition, in no event shall the terms and conditions of any proposal, purchase order or other statement of work, acknowledgment, invoice, or other document unilaterally issued by Contractor be binding upon Company without Company’s explicit written acceptance thereof. Any Work performed by Contractor without Company’s binding commitment for such Work either via a duly executed or accepted Purchase Order or other Statement of Work under this Agreement shall be at Contractor’s sole risk and expense, and Company shall have no obligation to pay for any such Work.

#### **ARTICLE 3 CONDITIONS AND RISKS OF WORK: LABOR HARMONY**

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

all other labor being used by Company or other contractors working on Company's premises. Contractor agrees to give Company immediate notice of any threatened or actual labor dispute and will provide assistance as determined necessary by Company to resolve any such dispute. Contractor, its agents and subcontractors, shall remove from Company's premises any person objected to by Company in association with the Work.

#### **ARTICLE 4 COMPANY CHANGES IN WORK**

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

#### **ARTICLE 5 FORCE MAJEURE**

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

#### **ARTICLE 6 CONTRACTOR DELAYS**

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

#### **ARTICLE 7 COMPANY EXTENSIONS**

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

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

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

**8.02 Right of Auditing:** Contractor shall maintain complete records relating to any cost-based (i.e., Work not covered by firm prices), components of the Work billed under this Agreement, or Work relating to the quantity of units billed under any unit price provisions of this Agreement (all the foregoing hereinafter collectively referred to as "Records") for a minimum of five years following the latest of performance of, delivery to Company of, or payment by Company for, such Work or units. All such Records shall be open to inspection and subject to audit and reproduction during normal working hours, by Company or its authorized representatives, to the extent necessary to adequately permit evaluation and verification of any invoices, payments, time sheets or claims based on Contractor's actual costs incurred in the performance or delivery of Work under this Agreement. For the purpose of evaluating or verifying such actual or claimed costs, Company or its authorized representative shall have access to said Records at any time, including any time after final payment by Company to Contractor pursuant to this Agreement. All non-public information obtained in the course of such audits shall be held in confidence except pursuant to judicial and administrative order. Company or its authorized representative shall have access, during normal working hours, to all necessary Contractor facilities and shall be provided adequate and appropriate work space to conduct audits in compliance with the provisions of this Article. Company shall give Contractor reasonable notice of intended audits. The rights of Company set forth in this paragraph shall survive the termination or expiration of this Agreement.

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



**ARTICLE 9 COMPLIANCE WITH APPLICABLE LAWS; SAFETY; DRUG AND ALCOHOL TESTING; IMMIGRATION LAWS; NERC RELIABILITY STANDARDS COMPLIANCE**

**9.01 Applicable Laws and Safety:** Contractor agrees to protect its own and its subcontractors' employees and be responsible for their Work until Company's acceptance of the entire project and to protect Company's facilities, property, employees and third parties from damage or injury. Contractor shall at all times be solely responsible for complying with any and all Applicable Laws and facility rules, including without limitation those relating to health and safety, in connection with the Work and for obtaining (but only as approved by Company) all permits and approvals necessary to perform the Work. Without limiting the foregoing, Contractor agrees to strictly abide by and observe all standards of the Occupational Safety & Health Administration (OSHA) which are applicable to the Work being performed now or in the future, as well as Company's Contractor Code of Business Conduct and Company's Contractor/Subcontractor Safety Policy which are both hereby incorporated by reference (Contractor hereby acknowledges receipt of a copy of such Company's Contractor Code of Business Conduct and Company's Contractor/Subcontractor Safety Policy) and any other rules and regulations of the Company, all of which are incorporated herein by reference. Contractor also agrees to be bound to any amendments and/or modifications that may be issued in the future by Company from time to time, with respect to Company's Contractor Code of Business Conduct and/or any of its related policies which are the subject of this Article 9. Contractor shall maintain the Work site in a safe and orderly condition at all times. Company shall have the right, but not the obligation, to review Contractor's compliance with safety and cleanup measures. In the event Contractor fails to keep the work area clean, Company shall have the right to perform such cleanup on behalf of, at the risk of and at the expense of Contractor. In the event Contractor subcontracts any of the Work, Contractor shall notify Company in writing of the identity of the subcontractor before utilizing the subcontractor. Contractor shall require all of its subcontractors to complete the safety and health questionnaire and checklists provided by Company and shall provide a copy of such documents to Company upon request. Contractor shall conduct, and require its subcontractors to conduct, safety audits and job briefings during performance of the Work. In the event a subcontractor has no procedure for conducting safety audits and job briefings, Contractor shall include the subcontractor in its safety audits and job briefings. All safety audits shall be documented in writing by the Contractor and its subcontractors. Contractor shall provide documentation of any and all audits identifying safety deficiencies and concerns and corrective action taken as a result of such audits to company semi-monthly. Contractor further specifically acknowledges, agrees and warrants that Contractor has complied, and shall at all times during the term of this Agreement, comply in all respects with all laws, rules and regulations relating to the employment authorization of employees including, but not limited to, the Immigration Responsibility Act of 1996, as amended, whereby Contractor certifies to Company that Contractor has (a) properly maintained, and shall at all times during the term of this Agreement properly maintain all records required by Immigration and Customs Enforcement, such as the completion and maintenance of the Form I-9 for each of Contractor's employees; (b) that Contractor maintains and follows an established policy to verify the employment authorization of its employees; (c) that Contractor has verified the identity and employment eligibility of all employees in compliance with all applicable laws; and (d) that Contractor is without knowledge of any fact that would render any employ or subcontractor of Contractor ineligible to legally work in the United States. Contractor further acknowledges, agrees and warrants that all of its subcontractors will be required to agree to these same terms as a condition to being awarded any subcontract for such Work.

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

**9.03 Drug and Alcohol:** No person will perform any of the Work while under the influence of drugs or alcohol. No alcohol may be consumed within four (4) hours of the start of any person's performance of the Work or anytime during the workday. A person will be deemed under the influence of alcohol if a level of .02 percent blood alcohol or greater is found. In addition to the requirements of the drug testing program, as set forth in Company's rules and regulations, all persons who will perform any of the Work will be subject to drug and alcohol testing under either of the following circumstances: (i) where the person's performance either contributed to an accident or cannot be completely discounted as a contributing factor to an accident which involves off-site medical treatment of any person; and (ii)

where Company determines in its sole discretion that there is reasonable cause to believe such person is using drugs or alcohol or may otherwise be unfit for duty. Such persons will not be permitted to perform any Work until the test results are established. Contractor shall be solely responsible for administering and conducting drug and alcohol testing, as set forth herein, at Contractor's sole expense. As applicable, and in addition to any other requirements under this Agreement, Contractor shall develop and strictly comply with any and all drug testing requirements as required by Applicable Laws.

**9.04 NERC Reliability Standards:** The following additional provisions shall apply if Contractor's Work in any way involves areas or assets which are located within physical security perimeters as defined by NERC's Reliability Standards for the Bulk Electric Systems of North America (collectively, the "**NERC Standards**"), including without limitation any Company data center or control center. Contractor's non-compliance of NERC Standards may result in fines and/or penalties being assessed against the Company that would result in Company seeking indemnification from Contractor as a consequence of Contractor's and/or its subcontractors' agents' and/or representatives' non-compliance of NERC Standards,

A. **Information Protection.** Without compromising the confidentiality provisions in Article 24, contractor shall at all times comply with the Company's information protection program(s) as defined by CIP-003, R4. Among the information protected by this program are: (i) all operational procedures; (ii) lists of critical cyber assets; (iii) network topology or similar diagrams; (iv) floor plans of computing centers that contain critical cyber assets; (v) equipment layouts of critical cyber assets; (vi) disaster recovery plans; (vii) incident response plans; and (viii) security configuration information. Contractor shall protect this protected information from disclosure consistent with the program.

B. **Access Revocation.** Contractor shall ***immediately*** advise appropriate Company's management if any of Contractor's personnel who have key card access to a restricted area or electronic access to a protected system no longer require such access.

C. **Training.** If any Contractor personnel require key card access to a restricted area or electronic access to a protected system, Contractor shall ensure that such personnel complete, and retake as requested, all necessary NERC training as requested by Company.

D. **Personnel Risk Assessment.** If any Contractor personnel require key card access to a restricted area or electronic access to a protected system, Contractor shall ensure that Company receives necessary waivers and information from Contractor's personnel to complete, and repeat as necessary, such background checks as requested by Company.

**Continuing Obligations.** Contractor further acknowledges that its compliance with the NERC Standards is a continuing obligation during and after the Term. Upon written notice to Contractor, Company shall have the absolute right to audit and inspect any and all information regarding contractor's compliance with this Section 9.04, and/or to require confirmation of the destruction of any documentation received from or regarding Company. Contractor is encouraged to contact Company's Compliance Department pursuant to Section 9.05 to ensure Contractor understands and complies with this Section 9.04.

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

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

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

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

Contractor and its subcontractors shall abide by the requirements of 41 CFR 60-741.5(a). That regulation prohibits discrimination against qualified individuals on the basis of disability, and requires affirmative action by covered prime contractors and subcontractors to employ and advance in employment qualified individuals with disabilities. Contractor and its subcontractors shall abide by the requirements of 41 CFR 60-300.5(a). That regulation prohibits discrimination against qualified protected veterans, and requires affirmative action by covered prime contractors and subcontractors to employ and advance in employment qualified protected veterans. To the extent applicable, Contractor and its subcontractors shall comply with all of the following provisions, which are incorporated herein by reference: (i) Equal Opportunity regulations set forth in 41 CFR § 60-1.4(a) and (c), prohibiting employment discrimination against any employee or applicant because of race, color, religion, sex or national origin; (ii) Vietnam Era Veterans Readjustment Assistance Act regulations set forth in 41 CFR § 60-250.4 relating to the employment and advancement of disabled veterans and Vietnam era veterans; (iii) Rehabilitation Act regulations set forth in 41 CFR § 60-741.4 relating to the employment and advancement of qualified disabled employees and applicants for employment; (iv) the clause known as “utilization of Small Business Concerns and Small Business Concerns Owned and Controlled by Socially and Economically Disadvantaged Individuals” set forth in 15 USC § 637(d)(3); and (v) the subcontracting plan requirement set forth in 15 USC § 637(d).

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

Contract shall indemnify, defend, and hold harmless Company, its directors, officers, members, managers, employees and agents, from any and all damage, loss, claim, demand, suit, liability, penalty and/or fine (pursuant to Section 9.04 or otherwise) or forfeiture of every kind and nature, including but not limited to attorney’s fees (for both in-house and/or outside counsel) and expenses and other costs and expenses of defending against the same and payment of any settlement or judgment therefore, by reason of (a) bodily and other personal injuries to or deaths of persons, (b) damages to tools or equipment owned or leased by Company, (c) damages to other property, (d) the release or threatened release of a hazardous substance or any pollution or contamination of or other adverse effects on the environment, (e) violations of any Applicable Laws or (f) infringement of patent, copyright, trademark, trade secret or other property right, to the extent resulting or alleged to have resulted from acts or omissions of Contractor, its employees, agents, subcontractors or other representatives or otherwise from performance of this Agreement, whether suffered directly by Company or indirectly by reason of third party claims, demands or suits. This obligation to indemnify, defend and hold harmless shall survive termination or expiration of this Agreement.

#### **ARTICLE 13 ENVIRONMENTAL**

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

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

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

removal, and disposal of any excess or unused quantities of chemicals and materials which Contractor causes to be brought to the Work site.

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

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

#### **ARTICLE 14 INSURANCE**

**14.01 Contractor's Insurance Obligation:** For the entire duration of the Agreement on a per occurrence basis with respect to any Purchase Order issued under this Agreement, Contractor shall provide and maintain, and shall require any of its subcontractors to provide and maintain, the following insurance (and except with regard to Workers' Compensation, naming Company as additional insured and waiving rights of subrogation against Company and Company's insurance carrier(s)), and Contractor shall submit evidence of such coverage(s) of Contractor to Company prior to the start of the Work and, furthermore, Contractor shall notify Company, prior to the commencement of any Work pursuant to any Statement of Work and/or Purchase Order, of any threatened, pending and/or paid off claims to third parties, individually or in the aggregate, which otherwise affects the availability of the limits of such coverage(s) inuring to the benefit of Company as hereinafter specified:

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

**14.02 Quality of Insurance Obligation:** The above policies to be provided by Contractor shall be written by insurance companies which are both licensed to do business in the state where the Work will be performed and either satisfactory to Company or having a Best Rating of not less than "A-". These policies shall not be materially changed or canceled

except with thirty (30) days written notice to Company from Contractor and the insurance carrier. Evidence of coverage, notification of cancellation or other changes shall be mailed to: Attention: Manager, Supply Chain, LG&E and KU Services Company, P.O. Box 3202, Louisville, Kentucky 40232.

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

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

#### **ARTICLE 15 WARRANTIES**

Contractor warrants that:

- (a) the Work will conform to any applicable Statement of Work and/or Purchase Order; and any materials supplied in connection therewith shall be new, unused and free from defect;
- (b) the Work will be suitable for the purpose specified by Company and will conform to each statement, representation and description made by Contractor to Company.
- (c) the Work is not and shall not be subject to any encumbrance, lien, security interest, patent, copyright or trademark claims, infringements, or other defects in title; and
- (d) any labor or services performed pursuant to this Agreement shall be performed in a competent, diligent, and timely manner in accordance with the highest professionally accepted standards.

Contractor shall respond in writing to any warranty claim by Company within five (5) business days of the delivery of notice of such claim to Contractor. All such warranties shall, in no case, be less than 18 months after Company's notice of substantial completion of the Work or 12 months after the commencement of regular use by Company of all components and/or systems comprising the Work, as applicable, whichever occurs first; *provided however*, that any specific warranties, whether of performance, fitness for any particular purposes, merchantability or otherwise, that are in excess of such time periods, as may be agreed by and between Contractor and Company in any statement of Work and/or Purchase Order shall govern notwithstanding any terms to the contrary contained in this Agreement.

#### **ARTICLE 16 OWNERSHIP OF INTELLECTUAL PROPERTY; PATENTS**

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

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

#### **ARTICLE 17 RELEASE AND INDEMNITY REGARDING LIENS**

Contractor hereby releases and/or waives for itself and its successors in interest, and for all subcontractors and their successor in interest, any and all claims or right of mechanics or any other type of lien to assert and/or file upon Company's or any other party's property, the Work, or any part thereof as a result of performing the Work. Contractor shall execute and deliver to Company such documents as may be required by Applicable Laws (i.e., partial and/or final waivers of liens and/or affidavits of indemnification) to make this release effective and shall give all required

notices to subcontractors with respect to ensuring the effectiveness of the foregoing releases against those parties. Contractors shall secure the removal of any lien that Contractor has agreed to release in this Article within five (5) working days of receipt of written notice from Company to remove such lien. If not timely removed, Company may remove the lien and charge all costs and expenses including legal fees (for inside and/or outside legal counsel) to Contractor including, without limitation, the costs of bonding off such lien. Company, in its sole discretion, expressly reserves the right to off-set and/or retain any reasonable amount due to Contractor from payment of any one or more of Contractor's invoices upon Company having actual knowledge of any threatened and/or filed liens and/or encumbrances that may be asserted and/or filed by any subcontractor, materialman, independent contractor and/or third party with respect to the Work, with final payment being made by Company only upon verification that such threatened and/or filed liens and/or encumbrances have been irrevocably satisfied, settled, resolved, and/or released (ass applicable), and/or that any known payment disputes concerning the Work involving Contractor and any of its subcontractors, agents and/or representatives have been resolved so that no actions, liens and/or encumbrances of any kind or nature will be filed against Company and/or Company's property.

#### **ARTICLE 18 ASSIGNMENT OF AGREEMENT; SUBCONTRACTING**

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

#### **ARTICLE 19 INVOICES AND EFFECT OF PAYMENTS**

**19.01 Invoices:** Within a reasonable period of time following the end of each calendar month or other agreed period, Contractor shall submit an invoice to Company that complies with this Article 19. Payments shall be made within forty-five (45) days of Company's receipt of Contractor's proper invoice and, in the event that Company's payment is overdue, Contractor shall promptly provide Company with a notice that such payment is overdue. Contractor's invoices shall designate the extent to which LG&E and KU Services Company or any of its Affiliates is the responsible party. Such invoices shall reference the contract number and shall also show labor, material and taxes paid (including without limitation sales and use taxes); retainers to the extent as may be specified in the Purchase Order, Statement of Work and/or other contractual documentation, or otherwise pursuant to Article 17; duties, fees and other assessments imposed by governmental authorities; freight; and all other charges (including without limitation equipment rental) as separate items. All invoices shall be submitted with supporting documentation and in acceptable form and quality to Company's authorized representative. Should Company dispute any invoice for any reason, payment on such invoice shall be made within thirty (30) days after the dispute resolution. Payment of the invoice shall not release Contractor from any of its obligations hereunder including, but not limited to, its warranty and indemnity obligations. Invoices shall not be delivered with goods, but all correspondence and packages related to this Agreement shall reference the contract number assigned by Company.

**19.02 Taxes:** If company provides Contractor with an exemption certificate demonstrating an exemption from sales or use taxes in Kentucky, then Contractor shall not withhold or pay Kentucky sales or use taxes to the extent such exemption certificate applies to the Work (such exemption does not and shall not apply to any materials consumed by Contractor in performing the Work). Contractor agrees that it shall not rely upon Company's direct pay authorization in not withholding or paying Kentucky sales or use taxes. If Company does not provide Contractor with an exemption certificate demonstrating an exemption from sales or use taxes and duties to (including without limitation sales or use tax with respect to materials purchased and consumed in connection with the Work), as well as filing appropriate returns with, the appropriate authorities. To the extent specifically included in the Contract Price, Contractor shall bill Company and Company shall pay Contractor all such taxes and duties, but Company shall in no event be obligated for taxes and duties not specifically included in the Contract Price or for interest or penalties arising out of Contractor's failure to comply with its obligations under this Article 19.

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

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

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

#### **ARTICLE 20 ROUTING OF SHIPMENTS**

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

#### **ARTICLE 21 TERM AND TERMINATION**

**21.01 Term:** This Agreement shall commence on the Effective Date and shall survive in full force and effect until terminated as set forth below and/or otherwise, solely with respect to any Statement of Work and/or Purchase Order, terminate consistent with the specified expiration date as may be stated in any Statement of Work and/or Purchase Order by and between Contractor and Company notwithstanding any terms and conditions to the contrary in this Agreement. A termination under this Article 21 based on certain Work shall only apply to the Statement of Work and/or Purchase Order that covers such Work. Any Statements of Work and/or Purchase Orders that do not relate to such Work shall not be affected by such a termination.

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

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

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

**ARTICLE 22 LIABILITY OF AFFILIATES**

Any and all liabilities of LG&E and KU Services Company and/or its Affiliates under this Agreement shall be several but not joint.

**ARTICLE 23 PUBLICITY**

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

**ARTICLE 24 CONFIDENTIAL INFORMATION**

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

**ARTICLE 25 MISCELLANEOUS**

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

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

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

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

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

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

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

To Company:  
LG&E and KU Services Company

To Contractor:



Attn: Manager, Supply Chain  
P.O. Box 32020  
Louisville, Kentucky 40232

Fax No.

**IN WITNESS WHEREOF**, the parties have entered into this Agreement as of the Effective Date.

**COMPANY:**

**CONTRACTOR:**

**LG&E AND KU SERVICES COMPANY**

\_\_\_\_\_ **(Insert)**

*Authorized Signature*

*Authorized Signature*

\_\_\_\_\_

\_\_\_\_\_

*Name (Please Print)*

*Name (Please Print)*

\_\_\_\_\_

\_\_\_\_\_

*Title*

*Title*

\_\_\_\_\_

\_\_\_\_\_

*Date*

*Date*

\_\_\_\_\_

\_\_\_\_\_

**ATTACHMENTS: (i) Copy of Company's Contractor/Subcontractor Safety Program; (ii) Drug Testing Program; and (iii) Contractor's Code of Business Conduct**

## **Contractor Code of Business Conduct**

This LG&E and KU Services Company (a Kentucky corporation) Contractor Code of Business Conduct (“Code”) is incorporated by reference into the General Service Agreement or other agreement between you as the contractor (“Contractor”) and LG&E and KU Services Company and/or one of its affiliates Kentucky Utilities Company, and Louisville Gas and Electric Company (collectively the “Company”). This Code sets minimum standards for Contractor’s conduct in the areas addressed. Contracts between Company and Contractor may provide for standards exceeding the standards of this code.

### Observance of Laws

Contractor shall fully comply with the provisions of all federal, state and local laws, regulations and ordinances applicable to its activities performed for the Company or any goods or services provided to or on behalf of the Company, including without limitation, all applicable laws, regulations and ordinances pertaining to occupational health and safety and environmental protection.

### Bribes and Kickbacks

Contractor may not under any circumstances accept or pay bribes, kickbacks or other similar compensation or consideration in any way relating to the Company or any activity for or on behalf of the Company.

### Dishonest and Fraudulent Activity

Contractor shall not engage in or allow its employees to engage in dishonest acts or fraudulent activity in connection with or in association with the Company’s business. For purposes of this policy, the definition of a dishonest act or fraudulent activity includes but is not limited to:

1. An intentional or deliberate act to deprive the Company or any person of something of value, or to gain an unfair benefit using deception, false suggestions, suppression of truth, or other unfair means which are believed and relied upon.
2. A dishonest act or fraudulent activity may be, but is not limited to, an intentional act or activity that is unethical, improper, or illegal such as:
  - a. Embezzlement;
  - b. Misappropriation, misapplication, destruction, removal, or concealment of property;
  - c. Alteration or falsification of paper or electronic documents, including the inappropriate destruction of paper or electronic documents;
  - d. False claims and/or misrepresentation of facts;
  - e. Theft of an asset, including, but not limited to, money, tangible property, trade secrets or intellectual property;

### Harassment

Contractor shall not permit sexual advances, actions, comments, or any other conduct that creates an intimidating or otherwise offensive work environment on Company property or any site where Contractor is performing activity for or on behalf of Company. Further, Contractor shall not permit the use of racial and religious slurs, or any other conduct that breeds an offensive work environment, on Company property or any site where Contractor is performing activity for or on behalf of Company.

Drugs and Alcohol

Contractor shall not allow any employee to perform services for or on behalf of Company while under the influence of drugs or alcohol. Contractor shall maintain a drug and alcohol testing program meeting all applicable federal, state and local laws, regulations and ordinances and meeting or exceeding any and all standards stated in any contract with Company or any document incorporated in such a contract.

Misuse of Company Assets

No funds or assets of the Company may be used or paid for any unlawful or improper purpose. A Contractor's employees shall not have access to any Company computers unless the contract between such Contractor and the Company expressly provides for such access in writing.

Reporting of Violations

In the event Contractor learns of any violation of this Code, Contractor shall immediately report such violation to Company's Director, Compliance and Ethics at (502) 627-2648.



# Attachment Confidential

The entire attachment is  
Confidential and  
provided separately  
under seal.

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

**Response to Commission Staff's Initial Request Dated August 26, 2016**

**Case No. 2016-00274**

**Question No. 26**

**Witness: David E. Huff**

**CONFIDENTIAL INFORMATION REDACTED**

- Q-26. Refer to the Huff Testimony, page 6, lines 6-9, and the application, Exhibit 5. Mr. Huff states that Exhibit 5 shows that approximately \$37,000 of annual operating costs consists of mowing, annual recommissioning, data service, landscaping, and service agreements. State where in Exhibit 5 the \$37,000 annual operating cost is shown.
- A-26. In the column "Ongoing Costs" the first three numbers from the top total to \$ [REDACTED]. The last number in that column is not needed until Solar Share Facility No. 5 is built (2.5 MW in total facilities) and thus was not included to calculate the approximately \$37,000. The information requested is confidential and proprietary, and is being provided under seal pursuant to a petition for confidential protection.

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

**Response to Commission Staff's Initial Request Dated August 26, 2016**

**Case No. 2016-00274**

**Question No. 27**

**Witness: Rick E. Lovekamp**

Q-27. Refer to the Huff Testimony, page 7.

- a. Explain whether customer's initially subscribing to 50 kW or more can increase their subscription at any time upon paying the applicable subscription fee.
- b. Explain whether a customer initially subscribing to 50 kW or more may not reduce or cancel a subscription earlier than five years from the date of the most recent change to the customer's subscription level, or if the customer may reduce or cancel a subscription any time after the five-year term of the original contract.

A-27.

- a. Yes, a customer subscribing to 50 kW or more can increase their subscription at any time, assuming the request to increase is not greater than 250 kW DC of any single Solar Share Facility and does not exceed an aggregate amount of 500 kW DC.
- b. A customer that subscribes to 50 kW or more and requests to cancel a subscription will be required to pay all Solar Capacity Charges for the remaining duration of the contract.

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

**Response to Commission Staff's Initial Request Dated August 26, 2016**

**Case No. 2016-00274**

**Question No. 28**

**Witness: David E. Huff**

Q-28. Refer to the Huff Testimony, page 7, line 18, through page 8, line 8.

- a. State whether a customer who wishes to decrease subscribed capacity will continue to be billed for the original capacity subscribed for the original 12-month period (or five-year period for subscriptions of 50 kW or greater), or if the customer will be billed for the reduced subscribed capacity with the contract period starting over with the change in subscribed capacity.
- b. State whether a customer who wishes to discontinue participation in Tariff SSR will continue to be billed at the tariffed rate until the end of the commitment period.
- c. State whether a customer who closes his or her account in the middle of a Tariff SSR commitment would be billed in his or her final bill for the remainder of the commitment.

A-28.

- a. As stated in response to Question No. 27 b, a customer who subscribes to 50 kW or greater will be required to pay for their full contract amount through monthly billings for the duration of the commitment period. Customers subscribing to less than 50 kW will be billed at their subscribed level for 12 months from their last change (increase or decrease). A customer will not be allowed to decrease their subscribed amount if the time since their last subscription change is less than 12 months.
- b. A customer discontinuing service falls into one of three situations. 1) If the customer is a 50 kW or larger contract then the customer will be billed for any remaining portion of their contract. 2) If the customer is not a 50 kW or greater contract customer, wishes to discontinue participation in SSP, and remains an active Company customer then the Company will bill them on a monthly basis for the remaining portion of their 12 month commitment. 3) If the customer is not a 50 kW or greater customer and discontinues their account with the Companies the Company will not attempt to collect any remaining portion of their 12 month contract in the customer's final bill.



- c. A customer subscribing less than 50 kW closing an account would be billed only for the time the account was active; the remainder of the commitment would not be billed.

A customer subscribing 50 kW or more closing an account would be billed a lump sum in the amount of the applicable Solar Capacity Charge for the amount of capacity subscribed multiplied by the number of months remaining in the customer's contract commitment period. That is consistent with the Companies' practices concerning customers under contract.

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

**Response to Commission Staff's Initial Request Dated August 26, 2016**

**Case No. 2016-00274**

**Question No. 29**

**Witness: David E. Huff**

- Q-29. Refer to the Huff Testimony, page 11. Explain what it means for a Renewable Energy Certificate ("REC") to be "retired in the Companies' name."
- A-29. A REC is a tradable instrument that represents the non-energy attributes (i.e., the environmental attributes) of a MWh of electricity generated by a renewable generator. RECs are created when a renewable generator registers a certain amount of energy generated with a reputable registry; as noted in Mr. Huff's testimony at page 11, the Companies anticipate using PJM Environmental Information Services' Generation Attribute Tracking System (PJM-EIS GATS) or a similar registry for the creation of RECs from the solar energy produced by the Solar Share Facilities. Retiring a REC means it can no longer be traded, sold, or otherwise transferred; the environmental attributes of that particular MWh of renewable energy then permanently reside with the retiring person or entity. As Mr. Huff stated in his testimony, the Companies will retire all RECs resulting from energy produced by subscribed portions of the Solar Share Facilities, thereby ensuring only the Companies, and therefore their customers, can benefit from the environmental attributes of the energy produced by the subscribed portions of the Solar Share Facilities.

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

**Response to Commission Staff's Initial Request Dated August 26, 2016**

**Case No. 2016-00274**

**Question No. 30**

**Witness: David E. Huff**

- Q-30. Refer to the Huff Testimony, page 12, lines 12-17. State whether the \$40 subscription fee is due at the time a customer requests subscription to the next Facility or when the next Facility is fully subscribed.
- A-30. The Companies will clearly indicate to customers how much of a facility is subscribed so they may make an informed decision on when they elect to pay the \$40 to confirm their subscription status. The \$40 Subscription Fee is due at the time a customer confirms they want to subscribe to the Solar Share Program. The Companies will assure customers understand the subscription fee is non-refundable.

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

**Response to Commission Staff's Initial Request Dated August 26, 2016**

**Case No. 2016-00274**

**Question No. 31**

**Witness: David E. Huff**

Q-31. Refer to the Huff Testimony, page 12

- a. Confirm that customers will be informed that their requested capacity is available or partially available at the time they subscribe to the program.
- b. If part a. cannot be confirmed, explain how customers will receive notice that their requested capacity is available or partially available.
- c. If part a. cannot be confirmed, explain whether there is any specified time frame a customer must accept of decline partial fulfillment.
- d. Confirm that customers who accept partial fulfillment of their subscribed capacity will be billed the Solar Capacity Charge, Solar Energy Credit, and Solar FAC Adjustment only for the fulfilled amount.
- e. Explain whether customers will receive another advance notice that the Facility for which they have subscribed capacity has produced energy for the full billing period before the Solar Capacity Charge, Solar Energy Credit, and Solar FAC Adjustment are included in the customer's bill.

A-31.

- a. Yes, customers will be informed that their requested capacity is available or partially available at the time they wish to subscribe to the program.
- b. N/A
- c. N/A
- d. Yes, customers will only be billed and receive credits for the actual amount they subscribe even if it is less than their desired amount.

- e. The Companies plan to keep subscribers informed on the progress of construction, facility operation, and production. Customers' confirmation that the Facility is producing energy for their full bill cycle is the appearance of the Solar Capacity Charge, Solar Energy Credit and FAC Adjustment on their bill.

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

**Response to Commission Staff's Initial Request Dated August 26, 2016**

**Case No. 2016-00274**

**Question No. 32**

**Witness: Rick E. Lovekamp**

- Q-32. Refer to the Direct Testimony of Rick Lovekamp ("Lovekamp Testimony"), page 10, lines 4-7. Explain whether the Companies propose to file the reports for three years rather than until all sections of the facility are fully subscribed.
- A-32. The Companies propose to file three consecutive annual reports, with the first to be filed one year from the date of the Commission's approval of this application.

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

**Response to Commission Staff's Initial Request Dated August 26, 2016**

**Case No. 2016-00274**

**Question No. 33**

**Witness: Rick E. Lovekamp**

- Q-33. Refer to the Lovekamp Testimony, page 10, lines 4-7. State what is meant by "other relevant information."
- A-33. The Companies intended to include participation levels and other relevant information in the annual report, which could include the number of subscribers by rate schedule; the high, average, and low quarter-kW increments subscribed; and the monthly production of the Solar Share Facilities.

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

**Response to Commission Staff's Initial Request Dated August 26, 2016**

**Case No. 2016-00274**

**Question No. 34**

**Witness: Rick E. Lovekamp**

- Q-34. Refer to the Lovekamp Testimony, page 11, lines 6-7, which state the allocation of the cost of the Facility between the Companies is based on the number of electric customers. State whether this allocation method will change in the future based on capacity subscription of customers from each of the Companies.
- A-34. Yes, the allocation method will change in the future based on the capacity subscription of Solar Share Program customers from each of the Companies.



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

**Response to Commission Staff's Initial Request Dated August 26, 2016**

**Case No. 2016-00274**

**Question No. 35**

**Witness: W. Steven Seelye**

- Q-35. Refer to the Direct Testimony of William Steven Seelye ("Seelye Testimony"), page 7, line 22, through page 8, line 4. Confirm that 100 percent of the tax benefits referenced in the testimony are reflected in Exhibit WSS-2.
- A-35. Yes; 100 percent of the tax benefits referenced in Mr. Seelye's testimony are reflected in Exhibit WSS-2.

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

**Response to Commission Staff's Initial Request Dated August 26, 2016**

**Case No. 2016-00274**

**Question No. 36**

**Witness: W. Steven Seelye**

Q-36. Refer to the Seelye Testimony, Exhibit WSS-2. Provide this exhibit and all work papers in Excel spreadsheet format with all formula intact and unprotected and with all columns and rows accessible.

A-36. See attached.

# Attachment in Excel

The attachment(s)  
provided in separate  
file(s) in Excel format.

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

**Response to Commission Staff's Initial Request Dated August 26, 2016**

**Case No. 2016-00274**

**Question No. 37**

**Witness: W. Steven Seelye**

Q-37. Refer to the Seelye Testimony, Exhibit WSS-3. Explain why not all rate classes that are able to participate and receive a credit under Tariff SSR are included in this exhibit.

A-37. The credits calculated on Exhibit WSS-3 are for those applicable to RS, VFD, RTOD-E, RTOD-D, and AES. Because these are two-part rates consisting of only an energy charge and customer charge, it was necessary to calculate the variable cost component of the energy charge that should be used as the credit. The other rate schedules to which Rider SSP would be applicable (Power Service Secondary, Power Service Primary, Time-of-Day Secondary Service, and Time-of-Day Primary Service) are three-part rates consisting of an energy charge, customer charge, and demand charge; thus, it was not necessary to calculate the variable cost component that would be used as the credit of these rate schedules. The energy charge components of these three-part rate schedules would be used as the credits for solar share service.

As explained on pages 9-10 of the Direct Testimony of William Steven Seelye, beginning at line 21 on page 9, "For Power Service Secondary, Power Service Primary, Time-of-Day Secondary Service, and Time-of-Day Primary Service, which are three-part rates consisting of customer charge, energy charge and demand charge(s), the energy charge set forth in the rate schedule will be used to determine the credit." Because the energy charges set forth in the tariff will be used as the credits for these rate schedules, it was therefore not necessary to include these schedules in the calculations performed in Exhibit WSS-3.

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

**Response to Commission Staff's Initial Request Dated August 26, 2016**

**Case No. 2016-00274**

**Question No. 38**

**Witness: Rick E. Lovekamp**

Q-38. State whether non-participating customers will be paying for any costs of the Facility.

A-38. Only subscribers will pay costs associated with capital allocated to Solar Share Facilities actually built. For example, non-participants will not pay any of the costs associated with the \$1.06 million capital cost (before accounting for tax credits) the Companies will allocate to Solar Share Facility No. 1; the proposed Solar Capacity Charge is designed to provide cost recovery of, and a return on, that capital. But the necessary total investment to build the first Solar Share Facility is approximately \$2 million before accounting for tax credits, which is the sum of the \$1.06 million allocated to Solar Share Facility No. 1 and approximately \$1 million in unallocated capital, which includes land cost, site improvements, and other costs that will eventually be allocated to subsequent Solar Share Facilities. Until the roughly \$1 million of unallocated capital investment is allocated as appropriate to each new Solar Share Facility built, all customers, including non-participants, will pay carrying costs related to the unallocated portion of the Solar Share Facilities' initial capital cost beginning with the base rates resulting from the Companies' next base-rate cases.

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**Question No. 39**

**Witness: Rick E. Lovekamp**

- Q-39. Confirm that the rate base associated with the Solar Share Facilities will not be included in general rate base because the costs are being recovered through the Solar Capacity Charge and not included in base rates.
- A-39. Because the Solar Share Program Rider is not a separate cost-recovery mechanism, all of the rate base associated with the Solar Share Facilities will be included general rate base, as is true for all non-cost-recovery-mechanism rate base. Please see also the response to Question No. 38 above.

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**Case No. 2016-00274**

**Question No. 40**

**Witness: David E. Huff**

- Q-40. Provide any estimates or studies that predict the timeframes for full subscription and subsequent construction of the Solar Share facilities.
- A-40. The Companies are estimating that Solar Share Facilities No. 1 through No. 3 will be built in 2017. Facilities No. 4, 5 and 6 will be built in 2018 and Facilities No. 7 and 8 will be built in 2019. However, the Companies do not have experience with community solar subscription levels and these estimates may be sooner or later than predicted. The LG&E - KU customer survey data shown in Exhibit JPM-4 indicates that a number of customers are willing to subscribe to community solar. The number of total customers across the Companies service territory may well exceed the 1,416 these facilities are expected to serve (Huff testimony page 7, line 10 - 1,360 residential + 56 business =1,416).