

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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

JOINT APPLICATION

Pursuant to 807 KAR 5:001 Section 14 and 807 KAR 5:011 Section 6(2)(b) Kentucky Utilities Company (“KU”) and Louisville Gas and Electric Company (“LG&E”) (collectively, the “Companies”) submit to the Kentucky Public Service Commission (“Commission”) their Joint Application for approval to offer their customers an optional, voluntary Solar Share Program Standard Rate Rider (“Rider SSP”), approval to apply Commission-approved group depreciation rates to new solar photovoltaic facilities with a combined capacity of up to approximately 4 MW (collectively “Solar Share Facilities”), and for a deviation from the notice-publication requirement of 807 KAR 5:011 Section 8.¹

In support of their Joint Application, the Companies specifically state:

1. Applicant KU’s full name and business address are: Kentucky Utilities Company, One Quality Street, Lexington, Kentucky 40507. KU’s mailing address is Kentucky Utilities Company c/o Louisville Gas and Electric Company, 220 West Main Street, Post Office Box 32010, Louisville, Kentucky 40202.

Applicant LG&E’s full name and post office address are: Louisville Gas and Electric Company, 220 West Main Street, Post Office Box 32010, Louisville, Kentucky 40202.

¹Unless explicitly stated otherwise, all capacities given are for direct current (DC) rather than alternating current (AC).

The Companies may be reached by electronic mail at the electronic mail addresses of their counsel set forth below.

2. KU is incorporated in the Commonwealth of Kentucky and the Commonwealth of Virginia and KU attests that it is in good corporate standing in both states. KU was incorporated in Kentucky on August 17, 1912, and in Virginia on November 26, 1991.

3. LG&E is incorporated in the Commonwealth of Kentucky and LG&E attests that it is in good corporate standing. LG&E was incorporated in Kentucky on July 2, 1913.

4. KU is a public utility, as defined in KRS 278.010(3)(a), engaged in the electric business. KU generates and purchases electricity, and distributes and sells electricity at retail in the following counties in Central, Northern, Southeastern, and Western Kentucky:

Adair	Edmonson	Jessamine	Ohio
Anderson	Estill	Knox	Oldham
Ballard	Fayette	Larue	Owen
Barren	Fleming	Laurel	Pendleton
Bath	Franklin	Lee	Pulaski
Bell	Fulton	Lincoln	Robertson
Bourbon	Gallatin	Livingston	Rockcastle
Boyle	Garrard	Lyon	Rowan
Bracken	Grant	Madison	Russell
Bullitt	Grayson	Marion	Scott
Caldwell	Green	Mason	Shelby
Campbell	Hardin	McCracken	Spencer
Carlisle	Harlan	McCreary	Taylor
Carroll	Harrison	McLean	Trimble
Casey	Hart	Mercer	Union
Christian	Henderson	Montgomery	Washington
Clark	Henry	Muhlenberg	Webster
Clay	Hickman	Nelson	Whitley
Crittenden	Hopkins	Nicholas	Woodford
Daviess			

5. LG&E is a public utility, as defined in KRS 278.010(3)(a), engaged in the electric and gas business. LG&E generates and purchases electricity, and distributes and sells electricity at retail in Jefferson County and portions of Bullitt, Hardin, Henry, Meade, Oldham, Shelby, Spencer, and Trimble Counties. LG&E also purchases, stores and transports natural gas and

distributes and sells natural gas at retail in Jefferson County and portions of Barren, Bullitt, Green, Hardin, Hart, Henry, Larue, Marion, Meade, Metcalfe, Nelson, Oldham, Shelby, Spencer, Trimble, and Washington Counties.

6. Pursuant to KRS 278.380, the Companies waive any right to service of Commission orders by mail for purposes of this proceeding only.² Copies of all orders, pleadings and other communications related to this proceeding should be directed to:

Robert M. Conroy
Vice President, State Regulation and Rates
LG&E and KU Services Company
220 West Main Street
Louisville, Kentucky 40202
robert.conroy@lge-ku.com

Allyson K. Sturgeon
Senior Corporate Attorney
Sara Veeneman
Corporate Attorney
LG&E and KU Services Company
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Louisville, Kentucky 40202
allyson.sturgeon@lge-ku.com

Kendrick R. Riggs
W. Duncan Crosby III
Stoll Keenon Ogden PLLC
2000 PNC Plaza
500 West Jefferson Street
Louisville, Kentucky 40202
kendrick.riggs@skofirm.com
duncan.crosby@skofirm.com

Government Officials, Economic Development Authorities, and Customers Have Expressed Interest in Having the Companies Offer a Voluntary Solar Energy Program

7. The Companies' customers have become increasingly interested in receiving power generated by renewable sources. Indeed, the Companies conducted a demographically

²On July 26, 2016, the Companies gave notice to the Commission pursuant to 807 KAR 5:001, Section 8, of their intent to file this application and their use of electronic filing procedures.

representative market survey in their own service territories concerning a potential solar offering in which about 50% of the respondents stated they would be likely to participate in a solar offering from the Companies.³ Of those who stated they would likely participate, 75% said they would be willing to pay a one-time enrollment fee of the kind the Companies are proposing, and 97% indicated they would be willing to pay a recurring monthly charge of the kind the Companies are proposing.⁴ Overall, therefore, about 35% of the total respondents indicated their interest in participating in a solar-power program of the kind the Companies are proposing in this proceeding.⁵

8. In addition, the Companies have received numerous communications from state and local governmental officials, chambers of commerce, economic development authorities, and a number of the Companies' customers, large and small, expressing interest in having the Companies provide solar energy offerings.⁶ The proposed Solar Share Program responds to that interest.

The Companies Have Designed the Solar Share Program to Meet Customers' Interests

9. To meet the needs of customers interested in renewable energy offerings, the Companies propose to construct solar photovoltaic facilities with a combined DC capacity of up to 4 MW ("Solar Share Facilities"). Each Solar Share Facility will have a DC capacity of

³See Exhibit JPM-4 to the testimony of John P. Malloy.

⁴See *id.*

⁵See *id.* The conclusion of 35% of total respondents being potentially interested in a program like the Solar Share Program derives from multiplying 50% (total respondents interested in any solar program) times 75% (percentage of interested respondents willing to pay one-time enrollment fee) times 97% (percentage of interested respondents willing to pay one-time fee who were also willing to pay recurring monthly charge). The product of that multiplication (50% * 75% * 97%) is 36.4%, which is about 35%.

⁶See Exhibits JPM-1 and JPM-2 to the testimony of John P. Malloy.

approximately 500 kW, and the Companies will build each Solar Share Facility only as customer interest supports it.⁷

10. The Solar Share Program will be available to all customers taking service at distribution voltages under the following standard rates: Residential Service, Residential Time-of-Day Energy Service, Residential Time-of-Day Demand Service, Volunteer Fire Department Service, General Service, Power Service, Time-of-Day Secondary Service, Time-of-Day Primary Service, and All Electric Schools Service (KU only). Because nearly all of the people or entities taking service from the Companies have at least one meter served under one of these rates, making the Solar Share Program available to customers taking service under these rates ensures nearly all customers will be able to participate in the program if they choose to do so.

11. Through the Solar Share Program and its related tariff provision for each of the Companies, Standard Rate Rider SSP, the Companies will provide their customers a long-term, completely voluntary opportunity to subscribe as many nominal quarter-kW (250 W) portions of the Solar Share Facilities' capacity as they would like, bounded only by a 500 kW aggregate capacity limit per customer and a restriction that no customer may subscribe more than half of the capacity of any single Solar Share Facility.⁸ Participating customers will pay an upfront nonrefundable Subscription Fee (initially \$40 per quarter-kW subscribed) to offset the Companies' administrative and customer-education costs, as well as a monthly Solar Capacity Charge (initially \$6.29 per month per quarter-kW subscribed) to recover the capital, fixed operating and maintenance, and other costs of the Solar Share Facilities. (Cost support for the

⁷ More precisely, the Companies presently expect each Solar Share Facility will have a DC capacity of 498.96 kW and an AC capacity of 360 kW on the 480 V side of the transformer delivering the power to the Companies' distribution system; however, for ease of discussion the Companies refer to each Solar Share Facility as having a capacity of 500 kW.

⁸ Because the Companies presently expect each Solar Share Facility will have a precise DC capacity of 498.96 kW, each of the 2,000 capacity portions available for subscription will have a DC capacity of 249.48 W. For the sake of convenience, the Companies refer to this capacity as 250 W or quarter-kW.

Subscription Fee is attached as Exhibit 9. The testimony of W. Steven Seelye addresses the derivation of the Solar Capacity Charge.) The Subscription Fee and monthly Solar Capacity Charge will be subject to change in the Companies' base-rate cases. The Solar Capacity Charge is expected to decrease as additional Solar Share Facilities are built at what are likely to be decreasing capital costs over time.

12. Subscribers will receive bill credits (Solar Energy Credits) based on the Companies' variable cost of production for the pro rata amount of energy produced by their subscribed portions of the Solar Share Facilities during the previous calendar month (initially a credit of approximately \$0.04 per kWh of AC energy produced for residential customers), as well as adjustments to their bills concerning the Fuel Adjustment Clause (the Solar FAC Adjustment) corresponding to the energy produced by their subscribed solar capacity. Because the Solar Share Program is intended to allow customers to offset some or all of their energy consumption with solar energy produced by the Solar Share Facilities, the number of kWh produced by a customer's subscribed capacity for which the customer may receive Solar Energy Credits and the corresponding Solar FAC Adjustment is limited to the number of net kWh the customer consumes each month. Also, because the Solar Energy Credit is based on the Companies' variable cost of production per rate class, it will also be subject to change in the Companies' base-rate cases based on cost-of-service studies and in two-year Fuel Adjustment Clause review cases to account for base-rate roll-ins of fuel costs.

13. To promote broad participation and mitigate the financial risk of having large subscribers leaving the program, the Companies will require a 5-year commitment from only those customers subscribing capacity of 50 kW or more. In addition, as noted above, no single customer will be able to subscribe more than 500 kW of total capacity in the Solar Share

Facilities, and no single customer will be able to subscribe more than half of the total capacity of any Solar Share Facility. Finally, for the first 45 days of the initial subscription period for Solar Share Facility No. 1 the Companies will reserve 25% of the facility's capacity for subscription by residential customers only; after that period ends, all of the facility's remaining capacity will be available for subscription by any customer.

14. Customers subscribing less than 50 kW will not be required to enter into a contract concerning their subscriptions; however, a customer may not reduce or cancel a subscription earlier than 12 months from the date of the customer's most recent change to the customer's subscription level. Therefore, a customer subscribing less than 50 kW has a 12-month commitment from the date of the customer's initial subscription, and may have a longer commitment if the customer subsequently increases subscribed capacity (which a customer may do at any time upon paying a Subscription Fee for the additional capacity) or if the customer chooses to decrease but not cancel the subscription after the initial 12 months. For example, a customer subscribing 1 kW on January 1, 2017, would have to maintain that subscription level through and including December 31, 2017, but could decrease or cancel the subscription beginning on January 1, 2018. But if that same customer chose to increase subscribed capacity on April 1, 2017 to 1.5 kW, the customer would have to maintain the 1.5 kW subscription through and including March 31, 2018. This approach strikes an appropriate balance between flexibility for customers and ensuring that only those who are genuinely interested in the program subscribe.

15. Subject to the temporary 25% capacity reservation of Solar Share Facility No. 1 for residential customers described above, all capacity will be available for subscription on a first come, first served basis. A subscriber whose subscription the Companies can fulfill only

partially may either accept the available capacity and await additional capacity, or decline the partial fulfillment, allowing the next awaiting subscriber(s) to accept the available capacity. Accepting or declining available capacity will not affect a subscriber's place in the queue of subscribers awaiting capacity. This will help the Companies ensure all existing capacity is subscribed before committing to construct a new Solar Share Facility.

16. The proposed KU and LG&E tariff sheets for Rider SSP are attached as Exhibits 6 and 7 of this Application. A sample bill for a customer participating in the Solar Share Program under Rider SSP is attached as Exhibit 8.

The Solar Share Facilities Do Not Require CPCNs because They Are Ordinary Extensions of the Companies' Existing Solar Facility and Will Not Have a Material Financial Impact on the Companies

17. The Companies plan to construct Solar Share Facility No. 1, the first of the 500-kW Solar Share Facilities, on a 35-acre parcel in Simpsonville, Kentucky, where the Companies currently anticipate constructing additional Solar Share Facilities. The Companies will initiate construction of Solar Share Facility No. 1 only when participating customers have subscribed all of the facility's capacity. Each additional Solar Share Facility will be built only when all previous facilities are fully subscribed and the next facility to be built is fully subscribed.

18. A list of the permits necessary for Solar Share Facility No. 1 is attached as Exhibit 1. Representative maps and renderings showing the approximate location of Solar Share Facility No. 1 are attached to this Application as Exhibit 2, and preliminary design specifications for Solar Share Facility No. 1 are attached to this Application as Exhibit 3.

19. Through a competitive request-for-proposals process the Companies selected Solar Energy Solutions LLC ("SES") of Lexington, Kentucky, to construct the Solar Share Facilities. A copy of the contract between the Companies and SES is attached as Exhibit 4. Detailed cost information concerning the Solar Share Facilities is attached as Exhibit 5.

20. Neither KRS 278.020 nor 807 KAR 5:001 Section 15 requires the Companies to obtain a certificate of public convenience and necessity to construct the Solar Share Facilities or offer Rider SSP. The Solar Share Facilities are ordinary extensions of the Companies' existing generation system, including the Commission-approved 10 MW AC Brown Solar Facility, in the usual course of business:

- a. The Solar Share Facilities will not be a wasteful duplication of plant, equipment, property, or facilities because they will meet an expressed customer desire to participate in a program of this kind and will be built only when customers have made a real financial commitment to each facility; the Company will initiate construction of each facility only when it is 100% subscribed and any previously constructed Solar Share Facilities are 100% subscribed. This will help prevent overbuilding the Solar Share Facilities, ensuring the facilities are constructed only when customers demand them.
- b. The total capital outlay involved with the Solar Share Facilities will not materially affect the financial condition of either Company. Solar Share Facility No. 1, including site-related and other common facilities that other Solar Share Facilities could use, will require an initial capital investment of \$2.0 million, and the combined total estimated capital cost of the Solar Share Facilities is \$9.8 million, the latter of which is approximately 0.16% of KU's 2015 net utility plant of \$6.2 billion, and is approximately 0.22% of LG&E's 2015 net utility plant of \$4.5 billion. These capital investment figures do not reflect applicable tax credits, which will significantly reduce the Companies' effective cost of the net investment in the Solar Share Facilities.

- c. The Solar Share Facilities will not compete or conflict with the existing certificates or services of any other jurisdictional utilities in the area. All of the Solar Share Facilities will be located in the Companies' service territories, and the Companies will jointly own and operate the facilities to serve LG&E and KU customers.

21. The Companies further request the Commission's approval to apply to the Solar Share Facilities the following group depreciation rates, which are the same group depreciation rates the Commission approved in April of this year for the Companies' 10 MW AC Brown Solar Facility:⁹

- Account 341 - Structures and Improvements - 4.24%
- Account 344 - Generators - 4.61%
- Account 345 - Accessory Electric Equipment - 4.36%
- Account 346 - Miscellaneous Power Plant Equipment - 4.25%

The depreciation rates are consistent with the Average Service Life methodology the Companies proposed and the Commission accepted in the Companies' 2012 base rate proceedings. The recommended group depreciation rates for each production plant account are based on an interim survivor curve, net salvage percent, and the facilities' probable retirement date. Each parameter is established with the understanding of the Solar Share Facilities and the estimates of other comparable facilities across the United States. The overall life span of the facilities is 25 years.

22. The Companies are supporting this application with the following testimony:

- John P. Malloy, Vice President of Customer Services, sponsors a number of the Companies' exhibits and provides an overview of the Solar Share Facilities and Rider SSP, the results of the Companies' research showing customer interest in renewable generation, and the Companies' proposed

⁹ *In the Matter of: Joint Application of Kentucky Utilities Company and Louisville Gas and Electric Company for Approval of Depreciation Rates for Brown Solar*, Case No. 2016-00063, Order (April 8, 2016).

financing for the Solar Share Facilities. Also, Mr. Malloy states that, due to high levels of interest from government officials, economic development authorities, and customers in having the Companies make a solar offering available, the Companies are requesting a final order in this proceeding by November 1, 2016.

- David E. Huff, Director of Customer Energy Efficiency & Smart Grid Strategy, sponsors a number of the Companies' exhibits and describes the Solar Share Facilities, Rider SSP's availability and limitations, and the annual cost of the Solar Share Facilities.
- Rick E. Lovekamp, Manager of Regulatory Affairs/Tariffs, provides an overview of the Companies' proposed Rider SSP tariff sheets, requests approval for the Companies' requested relief by November 1, 2016, demonstrates that the Solar Share Facilities are extensions in the ordinary course of business, describes the allocation of the facilities' cost between the Companies, and requests to use for purposes of the Solar Share Facilities the Commission-approved Brown Solar group depreciation rates.
- W. Steven Seelye, Managing Partner of The Prime Group, LLC, describes Rider SSP's rates and their derivation.

23. The Companies request a deviation from 807 KAR 5:011 Section 8, which requires notice to the public of the proposed rate schedules. Good cause exists for such deviation because service under Rider SSP is purely voluntary and cannot commence without Commission approval. In addition, the estimated cost to publish notice is \$250,000; the Companies respectfully submit any benefits from publication would be relatively small compared to the high

cost of publication. Also, granting the Companies' requested deviation would be consistent with the Commission's order granting the Companies a deviation on the same grounds in Case No. 2015-00355 concerning voluntary electric-vehicle-related rates.¹⁰

WHEREFORE, Kentucky Utilities Company and Louisville Gas and Electric Company respectfully request the Commission to enter an order by November 1, 2016:

1. Approving the proposed Rider SSP;
2. Approving use of the Commission-approved Brown Solar group depreciation rates for the Solar Share Facilities;
3. Authorizing a deviation from the notice-publication requirements of 807 KAR 5:011 Section 8; and
4. Awarding such other relief as may be necessary for the Companies to begin offering optional, voluntary service under Rider SSP.

¹⁰ *In the Matter of: Application of Louisville Gas and Electric Company and Kentucky Utilities Company to Install and Operate Electric Charging Stations in their Certified Territories, for Approval of an Electric Vehicle Supply Equipment Rate, an Electric Vehicle Charging Rate, Depreciation Rate, and for a Deviation from the Requirements of Certain Commission Regulations*, Case No. 2015-00355, Order at 10-11 (April 16, 2016) (“However, the Commission finds that LG&E/KU have shown good cause to deviate from the notice requirements, as the cost of providing public notice would outweigh the benefit derived from such notice.”).

Dated: August 2, 2016

Respectfully submitted,

A handwritten signature in blue ink, reading "Kendrick R. Riggs", is written over a horizontal line.

Kendrick R. Riggs
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Stoll Keenon Ogden PLLC
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Telephone: (502) 333-6000
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Email: kendrick.riggs@skofirm.com
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Allyson K. Sturgeon
Senior Corporate Attorney
LG&E and KU Energy LLC
220 West Main Street
Louisville, KY 40202
Telephone: (502) 627-2088
Fax: (502) 627-3367
Email: allyson.sturgeon@lge-ku.com

*Counsel for Kentucky Utilities Company
and Louisville Gas and Electric Company*

CERTIFICATE OF SERVICE

In accordance with 807 KAR 5:001 Section 8 I certify that the August 2, 2016 electronic filing of this Joint Application is a true and accurate copy of the same document being filed in paper medium; that the electronic filing was transmitted to the Commission on August 2, 2016; that there are currently no parties that the Commission has excused from participation by electronic means in this proceeding; and that an original paper medium of this Application will be delivered to the Commission on or before August 4, 2016. I further certify that a true and correct copy of this Application was served on the following persons on August 2, 2016, by electronic mail:

Rebecca Goodman
Rebecca.Goodman@ky.gov
Lawrence W. Cook
Larry.Cook@ky.gov
Assistant Attorneys General
Office of the Attorney General
Office of Rate Intervention
1024 Capital Center Drive, Suite 200
Frankfort, KY 40601-8204

Michael L. Kurtz
Mkurtz@BKLawfirm.com
Boehm, Kurtz & Lowry
36 East Seventh Street, Suite 1510
Cincinnati, OH 45202


*Counsel for Louisville Gas and Electric
Company and Kentucky Utilities Company*

Application Exhibit 1

The Companies will perform the following studies and have obtained or will obtain the following permits, permissions, and land rights prior to construction:

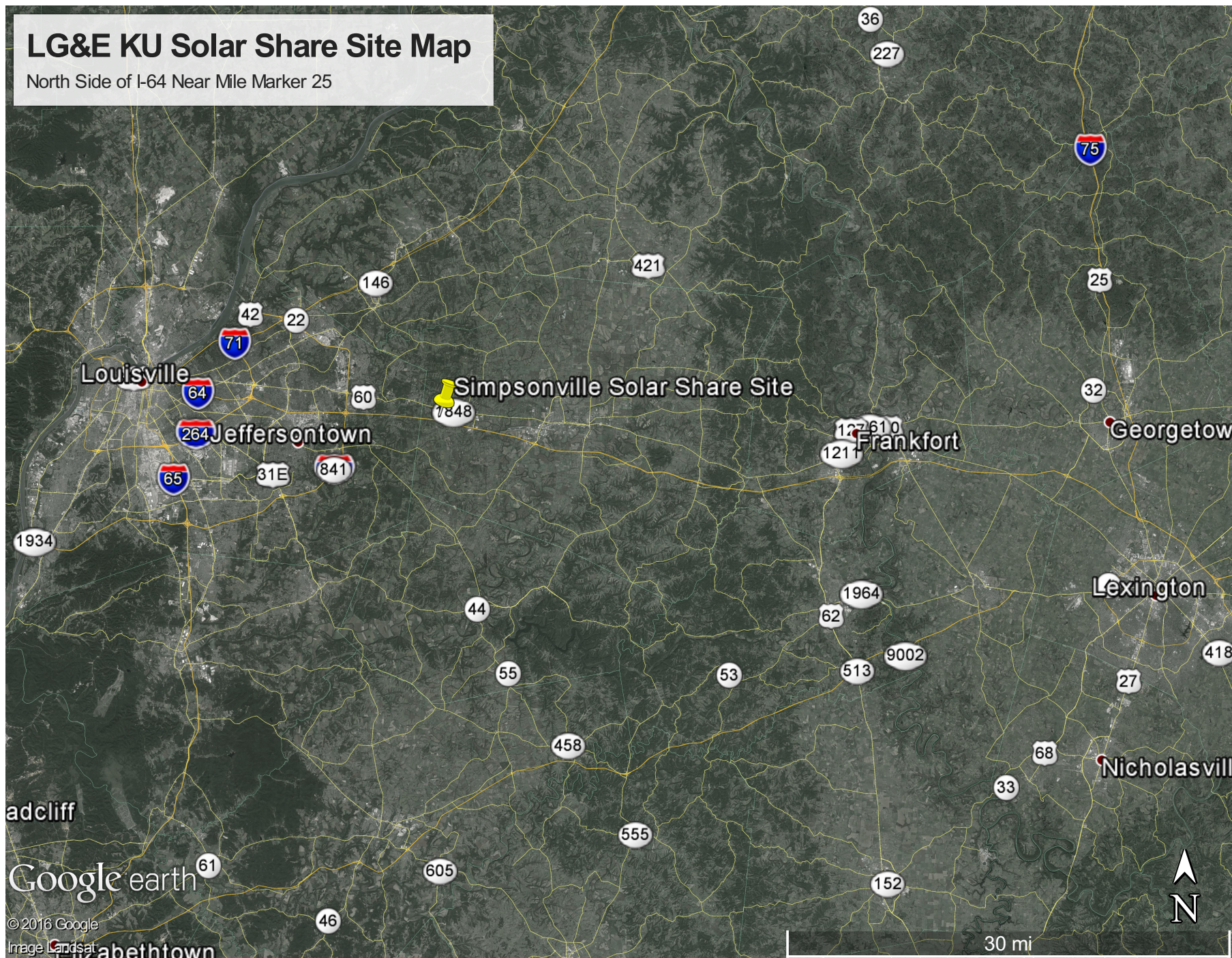
Permit	Controlling Entity	Projected Completion Date
Wetlands Delineation Jurisdictional Determination	U.S. Army Corps of Engineers	10/27/16
Endangered Species Study	U.S. Fish and Wildlife Service	10/27/16
Cumulative Environmental Assessment (CEA) (KRS 224-10-280)	KY Department of Environmental Protection	10/27/16
*State Highway Crossing	KY Dept. of Transportation	11/29/16
**Historic Structures and Archaeological Study	Kentucky State Historic Preservation Office	11/30/16 (if needed)
Electrical Permit	Shelby County Building Inspector	12/9/16
*Railroad Crossing	RJ Corman	12/19/16
*Conner Station Rd. Crossing Easement	Shelby County Clerk	12/20/16

*Not required to begin construction on site.

**Only required if initial assessments uncover potential artifacts.

LG&E KU Solar Share Site Map

North Side of I-64 Near Mile Marker 25



adcliff

Google earth

© 2016 Google
Image Landsat

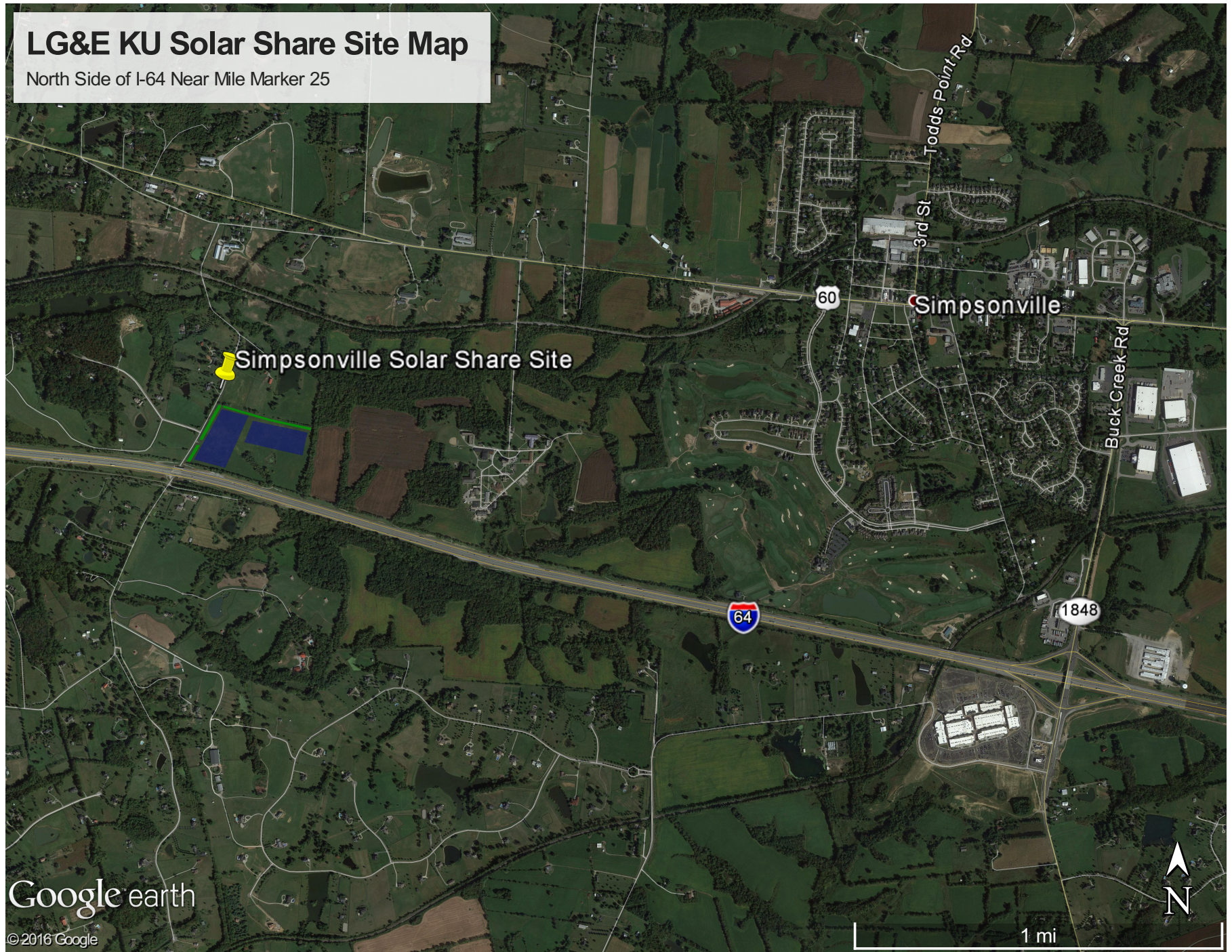
Elizabethtown



30 mi

LG&E KU Solar Share Site Map

North Side of I-64 Near Mile Marker 25



Simpsonville Solar Share Site

60

Simpsonville

Todds Point Rd

3rd St

Buck Creek Rd

64

1848

Google earth

© 2016 Google

1 mi



LG&E and KU Solar Share Facility Simpsonville, KY – Phase 1



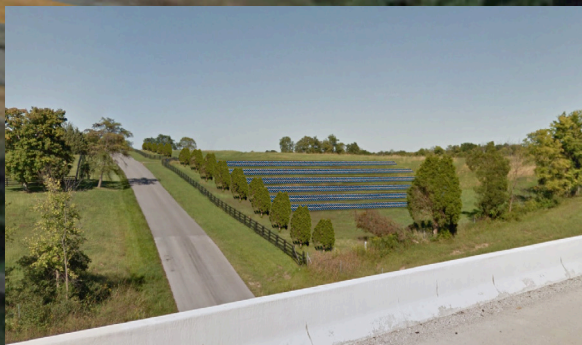
Photos representational only



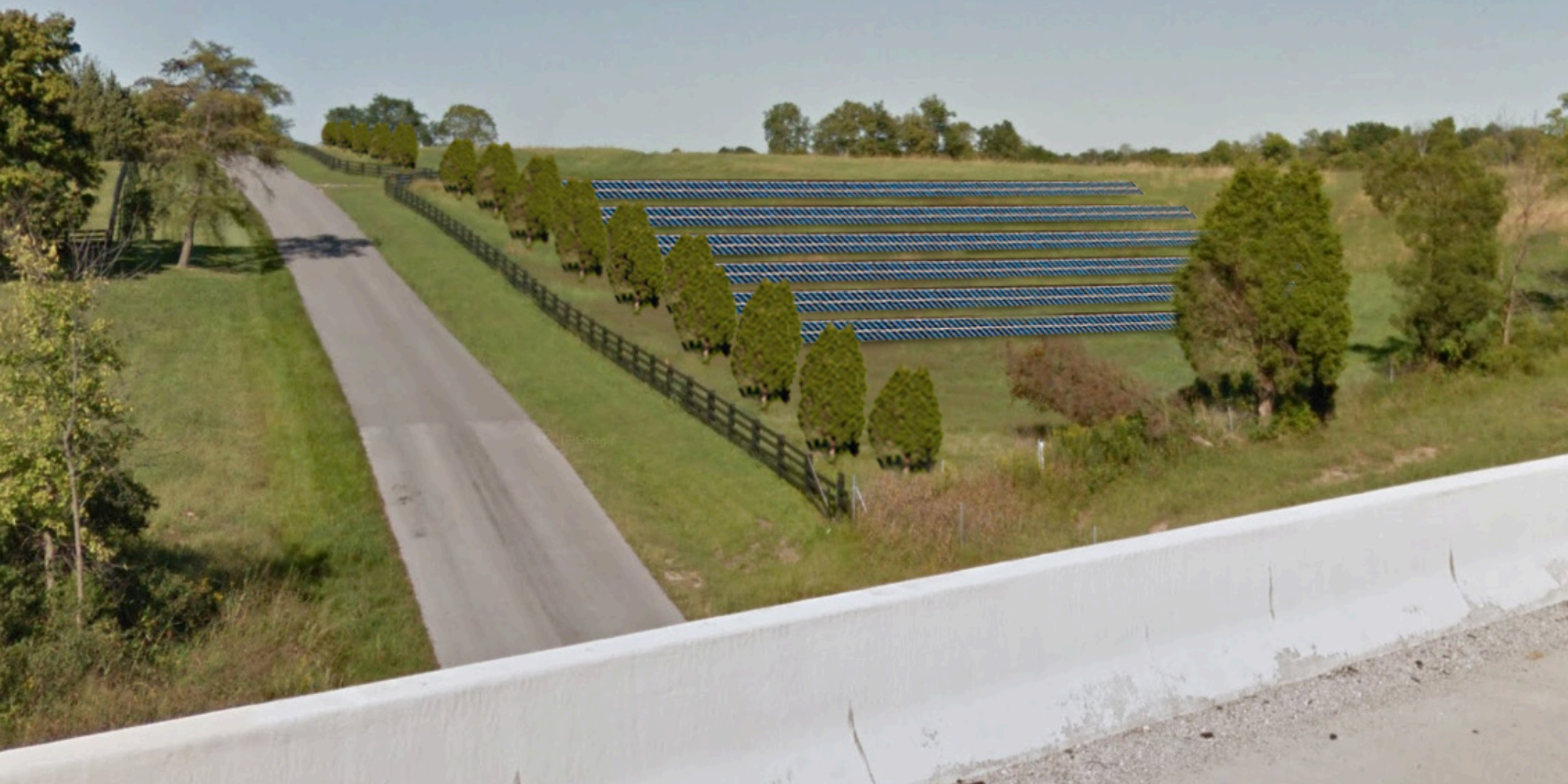
LG&E and KU Solar Share Facility Simpsonville, KY – Future Plan



Photos representational only



LG&E and KU Solar Share Facility Simpsonville, KY – Phase 1



CONTAINS REDACTED INFORMATION



Design-Build-Maintain Proposal – Contract #108520 RFP#1

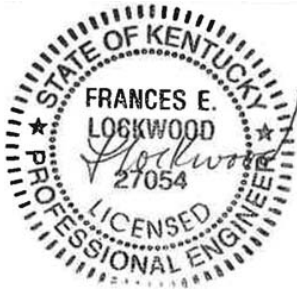
LG&E/KU Services Company

Simpsonville, KY



June 24th, 2016

Steve Ricketts - Owner & General Manager - Business Development



All of the pages of this Exhibit were completed under the supervision of a register engineer.

Headquarters:
1038 Brentwood Court, Suite B
Lexington, KY 40511
Tel: (859) 312-7456

Louisville:
1603 Stevens Avenue, Suite 203
Louisville, KY 40205
Tel: (502) 264-7615

Evansville:
5444 E Indiana St #181
Evansville, IN 47715
Tel: (812) 480-7595



SOLAR ENERGY
SOLUTIONS

RE: RFP# 1, Contract# 108520

CONFIDENTIAL INFORMATION REDACTED

June 24th, 2016

Thank you for considering Solar Energy Solutions LLC (SES). We would be pleased to work with you in the development of the photovoltaic system for the above referenced solicitation.

Scope – BASE BID (RFP Dated 6/10/16):

SES will provide all components and labor through utility transformer. This includes 1,512 Canadian Solar 330 W mono modules (499 kW DC), six Solentra 60 kW inverters (360 kW AC), gravel entry road, and all other components, engineering, topographical map (including boundary survey), geotechnical survey and commissioning. SES proposes to eliminate existing grass under solar array and replant with Buffalo Grass with a maximum 24" expected growth height to minimize maintenance.

Tracker costing requires initial Topographic mapping for run length design and ground grading assessment. Initial review shows sub-optimal site for tracker deployment due to variable inclines and short axis bar length.

Cost components for future expansion include:

- **Geotechnical and topographic surveys on full site + [REDACTED]**
- **Transformer conduit duct (single transformer) + [REDACTED]**

Excluded work to be completed by LG&E/KU or as bid below:

- **Fencing & security**
- **Transformer Installation**
- **O&M services**
- **Trees and landscaping**

Required cost breakouts:

- **Gravel entry road, ground compaction and 2nd entry gate construction - [REDACTED]**
- **Large pad (combined solar/networking/transformer) and NEMA 3R enclosure and mounting structures - [REDACTED]**
- **480V/240V transformer and 100A monitoring equipment load center - [REDACTED]**

TOTAL COST: [REDACTED]

Headquarters:
1038 Brentwood Ct., STE B
Lexington, KY 40511
Tel: (859) 312-7456

Louisville:
1603 Stevens Ave., STE 203
Louisville, KY 40205
Tel: (502) 264-7615



CONFIDENTIAL INFORMATION REDACTED

Note: Key project elements additional to Contract # 108520 Exhibit 2 500 kW pricing:

- Canadian Solar 330W Mono panel vs. 320W Poly usage
- Gravel road construction
- Large pad/NEMA 3R enclosure
- Racking 'I' beam rock penetration (by pre-survey USGS soil/geological data)
- Racking install on rolling land with up to 6 degree slopes
- Topographic, geotechnical and boundary surveys
- Weather station monitoring
- 4 acre ground cover kill and low growth grass seeding
- Monitoring equipment 480V/240V 15KVA transformer and 100 A load center + outlets
- Duct bank (for full 4 MW array)

PRELIMINARY

Operations and Maintenance Plan:

Proposed five-year O&M plan includes remote system monitoring, failure response and annual recommissioning.

TOTAL COST: [REDACTED]

On-call repairs within 7 days of failure identification are billed at standard hourly rate [REDACTED]/man-hr.) + [REDACTED] non-stocking item or + [REDACTED] stocking item.

Additional Considerations:

- Wind speed and direction monitoring [REDACTED]
- 10 Year inverter warranty extension (20 yr. total) [REDACTED]
- Perimeter landscaping design (Element Design) [REDACTED]
- Perimeter landscaping w/ native plant estimate (530 trees + 400 shrubs + irrigation) [REDACTED]
- Additional 500 kW array (non-concurrent build) [REDACTED]



RE: RFP # 1, Contract # 108520

SCOPE OF SERVICES (06/24/2016)

498,960 W DC Watt Solar Electric System (701,136 estimated kWh/year production) including:

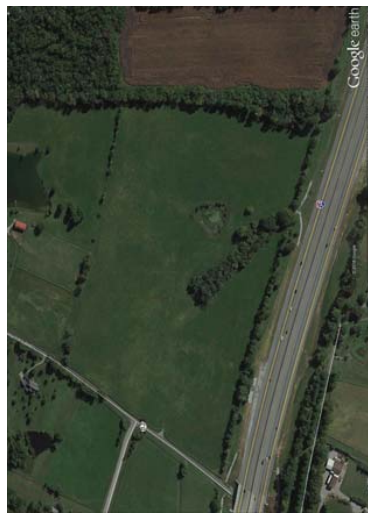
- Design and management
 - 4MW array area topographic and boundary surveys.
 - 4MW array area geotechnical survey.
- Infrastructure
 - Additional gated entry and 14' wide delivery road construction comprised of compacted earth, filter fabric, 6" #5 gravel and 3" of DGA. Standard erosion control measures included.
 - Large pad (combined solar networking/transformer) and NEMA 3R enclosure and mounting structures as per RFP specification.
 - Array ground cover kill and re-seeding with low growth Buffalo Grass.
- Photovoltaic Panels
 - 1512 330W Canadian Solar (CS6U) panels (monocrystalline) or approved equivalent.
 - Panel mounting with portrait orientation via RBI racking system or approved alternate.
 - Array placement allowing 100' Conner Station Road setback and 0.41 ground coverage ratio.
 - RBI fixed tilt (25 degree) racking systems (driven beam based) with included rock adder.
- Grid Tied Inverter and Monitoring
 - 6 Solectria PVI-60TL string inverters with networked web linkage/monitoring capability
 - Revenue grade meter CT linked to networked monitoring.
 - Networked weather station with irradiance and temperature sensors.
- Load Center
 - Installation of 600A, 480V load center with inverter overcurrent protection.
 - 480V/240V transformer and 100A monitoring equipment load center
- Wiring and installation
 - All ground to surface wiring transitions in Schedule 80 PVC as per specification.
 - Concrete duct bank as per LG&E/KU stated specifications.
 - All labor necessary for installation and commissioning of the system.
 - All consumables and small and miscellaneous parts.
 - All permitting required for solar electric system (electrical inspector, utility interconnection)
- Warranties
 - 1-year full service warranty.
 - 10-year module physical warranty.
 - 25-year module power warranty to 80% power production.
 - 10-year inverter warranty.

DESIGN/BUILD SERVICES LG&E KU COMMUNITY SOLAR PROJECT SIMPSONVILLE, KENTUCKY

INDEX OF DRAWINGS:

- COVER PAGE
- PV-S1 SITE PLAN AND STRUCTURAL DRAWING - 4MW
- PV-E1 PV ELECTRICAL DIAGRAM - 500KW

VICINITY MAP:



STATE MAP:



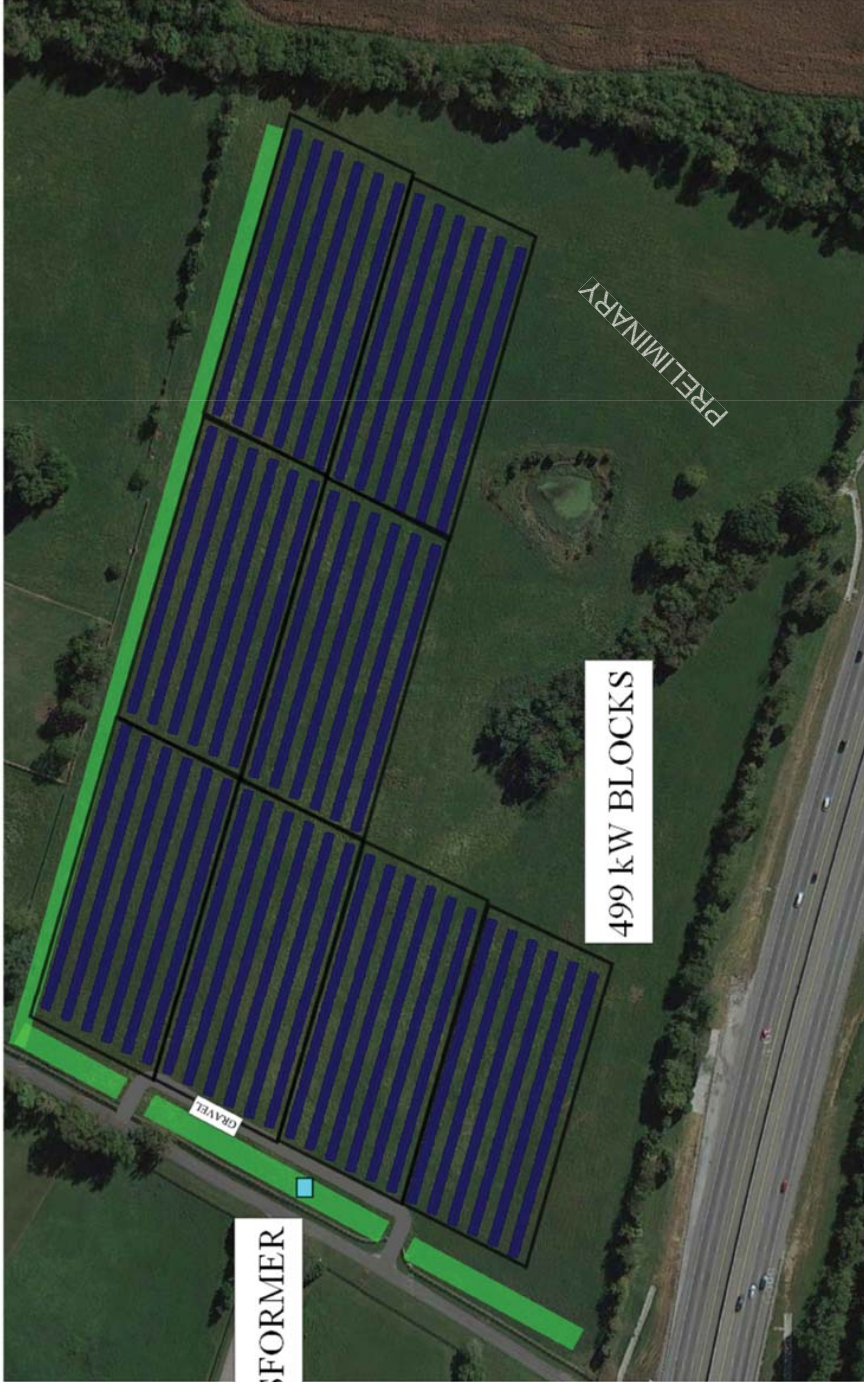
PRELIMINARY

DESIGN BUILD TEAM:

SOLAR ENERGY SOLUTIONS
1038 Brentwood Ct. STE B, Lexington, Kentucky 40511
PHONE: (859) 312-7456, FAX: (866) 830-0418

REVISIONS		DATE	LG&E KU COMMUNITY SOLAR SIMPSONVILLE, KENTUCKY		DRAWING NO.
1	ISS	6/24/2016	COVER PAGE		COV
2	ISS	7/5/2016			
3			REVISIONS	DATE	
4			ISSUED FOR PERMIT		
5			DESIGNED BY		
6			CHECKED BY		
7			DATE		
8			APPROVED BY		
9			DATE		

APPROVED FOR PERMIT DATE: _____	APPROVED FOR PERMIT DATE: _____



TRANSFORMER

499 kW BLOCKS

PRELIMINARY



REVISIONS	DATE	DESCRIPTION
1	06/20/2016	
2	06/20/2016	
3	06/20/2016	
4	06/20/2016	
5		
6		
7		
8		
9		

LG&E KU COMMUNITY SOLAR SIMPSONVILLE, KENTUCKY		DRAWING NO. S1.1
PROJECT NAME LG&E KU COMMUNITY SOLAR		SCALE 1" = 40'
SHEET NUMBER 1 OF 1		DATE 7/1/2016
PROJECT LOCATION LG&E KU COMMUNITY SOLAR		PROJECT NUMBER 1000000000
PROJECT OWNER LG&E KU COMMUNITY SOLAR		PROJECT MANAGER [Name]
PROJECT ENGINEER [Name]		PROJECT CHECKER [Name]
PROJECT APPROVER [Name]		PROJECT DATE 7/1/2016



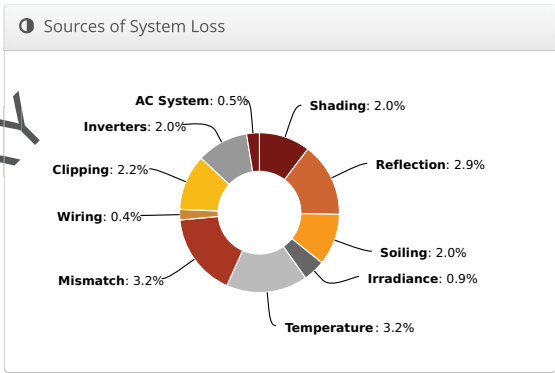
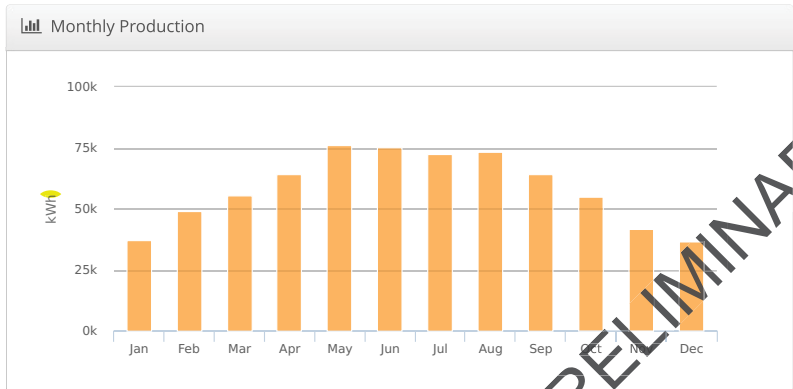
CS330 + Solectria 60TL LG&E + KU, Simpsonville, KY

Report

Project Name	LG&E + KU
Project Address	Simpsonville, KY
Prepared By	Solar Energy Solutions matt@solar-energy-solutions.com

System Metrics

Design	CS330 + Solectria 60TL
Module DC Nameplate	499.0 kW
Inverter AC Nameplate	360.0 kW Load Ratio: 1.39
Annual Production	701.1 MWh
Performance Ratio	82.4%
kWh/kWp	1,405.2
Weather Dataset	TMY, 10km Grid (38.25,-85.35), NREL (prospector)
Simulator Version	153 (443094f0ad-ea93f843ef-fce6caf820-00aa14f623)



Annual Production

	Description	Output	% Delta
Irradiance (kWh/m ²)	Annual Global Horizontal Irradiance	1,510.0	
	POA Irradiance	1,706.2	13.0%
	Shaded Irradiance	1,672.3	-2.0%
	Irradiance after Reflection	1,624.3	-2.9%
	Irradiance after Soiling	1,591.8	-2.0%
	Total Collector Irradiance	1,591.8	0.0%
Energy (kWh)	Nameplate	794,230.0	
	Output at Irradiance Levels	787,457.9	-0.9%
	Output at Cell Temperature Derate	762,578.9	-3.2%
	Output After Mismatch	737,957.5	-3.2%
	Optimal DC Output	734,940.0	-0.4%
	Constrained DC Output	719,043.3	-2.2%
	Inverter Output	704,659.0	-2.0%
Energy to Grid	701,136.0	-0.5%	
Temperature Metrics			
	Avg. Operating Ambient Temp	15.5 °C	
	Avg. Operating Cell Temp	23.5 °C	
Simulation Metrics			
	Operating Hours	4652	
	Solved Hours	4652	

Condition Set

Description	Condition Set 1											
Weather Dataset	TMY, 10km Grid (38.25,-85.35), NREL (prospector)											
Solar Angle Location	Meteo Lat/Lng											
Transposition Model	Perez Model											
Temperature Model	Sandia Model											
Temperature Model Parameters	Rack Type	a	b	Temperature Delta								
	Fixed Tilt	-3.56	-0.075	3°C								
	Flush Mount	-2.81	-0.0455	0°C								
Soiling (%)	J	F	M	A	M	J	J	A	S	O	N	D
	2	2	2	2	2	2	2	2	2	2	2	2
Irradiation Variance	5%											
Cell Temperature Spread	4° C											
Module Binning Range	-2.5% to 2.5%											
AC System Derate	0.50%											
Module Characterizations	Module	Characterization										
	CS6U-330M (Canadian Solar Inc.)	CS6U-330M_CPTL_CSI_EXT_V6_41_2016Q2.PAN, PAN										
Component Characterizations	Device	Characterization										
	PVI 60TL (Solectria)	Spec Sheet										

PRELIMINARY



Annual Production Report produced by Solar Energy Solutions

Component	Name	Count
Inverter	PVI 60TL (Solectria)	6 (360.0 kW)
Combiner	1 pole Combiner	6
Combiner	14 pole Combiner	6
Strings	10 AWG (Copper)	84 (36,259.7 ft)
Module	CS6U-330M (Canadian Solar Inc.)	1,512

Description	Combiner Poles	String Size	Stringing Strategy
Wiring Zone	14	18	Along Racking

Description	Racking	Orientation	Tilt	Azimuth	Intrarow Spacing	Frame Size	Frames	Modules
Field Segment 1	Fixed Tilt	Vertical (Portrait)	25°	196.035°	20.0 ft	2x126	6	1,512

Detailed Layout



CONTAINS REDACTED INFORMATION

Contract No. 108520

NAICS No. 221114

LG&E AND KU SERVICES COMPANY**CONTRACT**

This Contract is entered into as of May 27, 2016 by and between LG&E and KU Services Company ("Company") whose address is 220 Main Street, Louisville, Kentucky 40202 and Solar Energy Solutions, LLC ("Contractor"), whose principal place of business is 1038 Brentwood Court, Suite B, Lexington, Kentucky 40511.

The parties hereto agree as follows:

1. GENERAL INFORMATION

Contractor shall provide solar energy evaluation, equipment, installation, maintenance and storage across Company's service territory as per the terms more specifically defined within the articles of Section 2.0 (hereinafter, the "Work") and under the terms and conditions hereof. Each Customer, as defined below, shall have a separate Work order agreed to between Company and Contractor for the Work to be performed by Contractor.

2. DESCRIPTION OF WORK

2.1. Except as otherwise expressly provided herein, Contractor shall supply all labor, materials, supervision, equipment, tools, fuel, warehouse and shall pay all expenses necessary or appropriate in the performance of the Work.

2.2. No materials containing ASBESTOS shall be supplied or used in the performance of this Work.

2.3. Work shall include, but not be limited to, the following:

2.3.1. General Work Description

2.3.2. Evaluation of Company's customer(s) (hereinafter, "Customer") property and/or facilities, identified by Company, to determine structural and geographical capability for supporting a solar installation.

2.3.3. Development of a detailed design (hereinafter, "Design") and recommendation for solar energy or storage.

2.3.4. Obtain all necessary inspections and permits required for installation and completion of the Design.

2.3.5. Procurement of solar equipment.

2.3.6. Site preparation necessary for installation and completion of the Design.

2.3.7. Installation of solar support equipment.

2.3.8. Installation of solar panels, inverter(s) and balance of system equipment.

- 2.3.9. Interconnection from solar array to grid.
 - 2.3.9.1. Contractor is responsible for connecting to the correct voltage parameters.
- 2.3.10. Testing, inspection and commissioning required for use of the solar equipment installed.
- 2.3.11. Ongoing operation and maintenance per the terms of a standard maintenance agreement to be entered into for each Customer.
- 2.4. All material choices shall be reviewed and approved, within each Work order, for use by authorized Company representative prior to installation.
- 2.5. Contractor shall provide all warranty information pertaining to materials and equipment used in performance of Work to an authorized Company representative.
- 2.6. If Contractor cannot meet a Work order specification and fulfill the material or equipment delivery thereof, then Company shall maintain the right to supply any and/or all materials or equipment for completion of the Work.
- 2.7. Installation shall be in accordance with the specifications pertaining to the individual equipment and project requirements.
- 2.8. Contractor shall provide accurate As-Built drawings following the completions of a project, as requested by Company.
- 2.9. Contractor shall remove all tools and materials used in completion of the Work and leave work area in a clean and professional manner.
- 2.10. Contractor shall ensure all employees perform the Work possess any applicable trade licenses and are well qualified to perform the Work safely and in accordance with Company's expectations
- 2.11. Company and/or Customer Occupancy
 - 2.11.1. Company, Customer or other building tenants may occupy the site and premises near construction areas during the course of the Work for conduct of normal operations.
 - 2.11.2. Contractor shall cooperate with Company or Customer to minimize conflict and facilitate fluid Company or Customer operations.
 - 2.11.3. Should any damage occur to Company or Customer's property including vehicles on the premises, Contractor shall be liable for such damage.
 - 2.11.3.1. Contractor shall report damage and incident to Company representative immediately.

- 2.11.4. Contractor shall assume full responsibility for protection and safekeeping of products stored onsite during maintenance or repairs.
- 2.11.5. Contractor shall obtain and pay for use of any additional storage of work areas needed for operations with prior approval from authorized Company representative.
- 2.11.6. Contractor shall abide by all site and safety rules and regulations at all times.
- 2.12 Company shall designate Contractor as a program partner within Company's marketing collateral and customer communications. Company will include Contractor's identifying brand where appropriate for safety purposes. Company and Contractor shall agree upon the final marketing collateral for the Work contemplated hereunder. Any use of the LG&E and KU brand must first be approved by the Company.

3. FURNISHED BY CONTRACTOR

Contractor shall, as part of the Work, supply, install, properly maintain, and remove all construction facilities, utilities and consumable items necessary for full and complete performance of the Work. The type of facilities, consumable items, move-in and move-out dates, and locations on jobsite shall be subject to and in accordance with the review and approval of an authorized Company representative.

4. STAFFING AND EQUIPMENT REQUIREMENTS

The following requirements are applicable to Contractor and all subcontractors utilized in the performance of the Work during the Term of this Contract. Contractor assumes full responsibility for all staffing requirements, both personnel and equipment of its subcontractors. Contractor shall be responsible for the following:

- 4.1. Contractor shall maintain full staffing, equipment and any other resources necessary in the performance of the individual Work orders.
- 4.2. Contractor shall notify authorized Company representative immediately should staffing, equipment and/or resources fall below a level adequate for performance of the individual Work orders.
- 4.3. Company reserves the right to refuse any subcontractor it deems unacceptable due to an unqualified or unskilled workforce, poor workmanship, inattention to safety, inappropriate conduct, or any other factor that may jeopardize the successful, safe and timely completion of Work.
- 4.4. **Contractor shall ensure all subcontractors are well-qualified to perform Work, maintain proper Passport training and abide by all safety regulations at all times on Company job sites.**
- 4.5. Contractor shall notify Company of all subcontractors to be utilized in performance of Work at least forty-eight (48) hours prior to start of Work. Subcontractors will be denied access to Company facilities without the required notification. See General Commercial Agreement Exhibit 1, Article 8 titled "Safety; Compliance; Subcontracting". Company REQUIRES the

same degree of safety to be demonstrated by subcontractors which is required of the Contractor. Contractor is responsible for subcontractor's compliance. **Contractor shall be responsible for verifying and auditing all subcontractors' compliance with Company terms and conditions.**

4.6. Contractor shall be responsible for managing subcontractor performance and safety adherence at all times.

5. PERMITS AND TESTS

Unless otherwise agreed to in writing by both parties, Contractor shall procure the necessary permits for the Work. Contractor shall pay the governmental fees and Contractor's charges for said permits. If any tests or inspections are required by the plans and specifications or by the orders of any public authority having jurisdiction, Contractor agrees to procure said tests and inspections and to pay all costs and fees associated with them.

6. EXHIBITS AND ATTACHMENTS

Exhibit 1	Pricing
Exhibit 2	Pricing Specifications and Assumptions
Attachment 1	General Commercial Agreement/Contractor Code of Conduct

7. TERM

This Contract shall become effective as of the Effective Date and continue through December 31, 2018 ("Initial Term"). Company retains the right to extend the Contract on a yearly basis through December 31, 2021 (each a "Renewal Term" and together with the Initial Term, the "Term") upon sixty (60) days notice prior to the end of the then occurring Term. For each Renewal Term, the parties shall agree in writing to review and if need be amend- Exhibit 1 Pricing. Company makes no promise or guarantee as to amount of Work Contractor shall perform under this Contract. Contractor shall be the preferred contractor for the Work for business and community solar, described herein during the Initial Term and each Renewal Term provided that Contractor has not breached any material term of this Contract., nor does it convey an exclusive right to Contractor to perform the Work as set forth in this Contract.

This Contract shall only be terminated upon thirty (30) days advance written notice due to a material breach of the terms contained herein by the defaulting party. The defaulting party shall have a thirty (30) day cure period from the time it receives notice of breach hereunder from the non-defaulting party.

8. PERFORMANCE SCHEDULE

- 8.1. Contractor shall maintain the ability to service all locations within Company's service territory throughout the Term of this Contract.
- 8.2. Timelines for specific projects performed under this Contract will be agreed upon by Company and Contractor upon Company's notification to Contractor of the project to be performed, which shall be set forth in each Customer Work order.

8.3. Work shall be approved for final completion of a project by an authorized Company representative. Contractor shall guarantee all Contractor supplied materials and workmanship under this Contract against defects or improper installation for a period of 12 months after installation. Any additional work resulting from defective workmanship or improper installation shall be performed at Contractor's expense.

8.4. Company reserves the right to suspend payment to Contractor per Article 5 of Exhibit 1 of the General Commercial Agreement should the service schedule fall behind that which was agreed upon by Company and Contractor pursuant to Article 8.2 of this Contract. In the event of a lagging service schedule, Contractor shall expend all necessary manpower or equipment in order to bring the current project up to speed at no additional cost to Company.

9. COMPANY CUSTOMER COMMITMENT

Business partners must share responsibility for the Company's commitment to create a positive experience for Company 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.

10. STANDARD TERMS AND CONDITIONS

The terms and conditions set forth in the General Commercial Agreement (hereinafter, "GCA") signed May 24, 2016 are hereby incorporated by reference and made a part of this Contract. In the event of a conflict between the terms and conditions of the GCA and those set forth in the body of this Contract, the terms and conditions of the GCA shall prevail.

11. SAFETY

Safety of both Company employees and the employees of the Contractor is of the utmost importance to Company. 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 observe all standards of the Occupational Safety & Health Administration (OSHA), which are applicable to the Work being performed, as well as the Company's Contractor Code of Business Conduct and any other rules and regulations that may be issued by the Company from time to time. Contractor shall abide by federal, state and local labor laws.

Contractor is required to submit a health and safety management plan to Company project lead upon commencement of the Contract. Contractor is required to complete a Hazard Analysis document (Tool 2) and Hazard Mitigation Plan (Tool 3). Copies of these documents can be obtained from the Company project lead.

- 11.1. Contractor must supply complete drug and alcohol testing program for its employees. Contractor must have on file a clean drug and alcohol testing result for any personnel working on Company site (including subcontractors). The testing must have been completed not more than seven (7) days prior to starting to work on site.
- 11.2. Contractor shall report any near miss or injury(s) to the appropriate Company safety representative immediately upon occurrence.

- 11.3. Contractor shall provide easy access to fire extinguishers as applicable for the Work being conducted.
- 11.4. **All Contractor employees working on Company site must be Passport Trained and carry documentation on their persons at all times while on site.**
- 11.5. Contractor must have appropriate Personal Protective Equipment (including but not limited to: safety glasses, appropriate shoes, gloves, hard hat, neon vests and appropriate shirt or coveralls and fall protection).

12. COMPENSATION

- 12.1. Company will compensate Contractor for the Work performed herein, pursuant to the pricing outlined in Exhibit 1, attached and hereby incorporated in the Contract.
 - 12.1.1 Pricing in Exhibit 1 is based on project specifications in Company's Request for Proposal 3811. If specifications for any project performed under this project differ than those described in Request for Proposal 3811 Contractor should identify specification differences during site evaluation and design development stages, as described in Sections 2.3.2 and 2.3.3. Exhibit 2 defines key solar design and construction specifications and system presumptions used in formulating Exhibit 1 pricing.
 - 12.1.2 Contractor shall notify Company if the price of any project will differ than the prices listed in Exhibit 1 subsequent to site evaluation but prior to commencement of any other work performed on the project. Company and Contractor shall gain agreement to materials and labor pricing variances prior to Work Order agreement.
 - 12.1.3 Only authorized Company representatives shall be authorized to approve change orders. Any change orders not approved by said representatives shall not be considered valid, and Contractor shall be responsible for any resulting costs.

13. INVOICING INSTRUCTIONS

See Article 20 of Exhibit 1 titled "Invoices; Payments" in the GCA. **Payment Terms are Net 30. You must submit your invoices to Company with complete and correct information in order for company to pay within 30 days of receipt of your invoice.** Invoices shall include Contract No. 108520 and shall be prepared in one original distributed as follows:

Original: LG&E and KU Services Company
Attn: Manager Smart Grid Development
220 West Main Street
Louisville, Kentucky 40202
Jeff.myers@lge-ku.com

14. CONTRACTUAL NOTICES

14.1. COMPANY: LG&E and KU Services Company
820 West Broadway
Louisville, Kentucky 40202
ATTN: Mgr of Corporate Purchasing, Supply Chain

CONTRACTOR: Solar Energy Solutions, LLC
1038 Brentwood Court
Suite B
Lexington, Kentucky 40511
ATTN: Steve Ricketts

15. ENTIRE AGREEMENT

This Contract (including all exhibits and Contractor Code of Business Conduct, the GCA and any purchase order, statement of work or other document issued as contemplated within the Standard Term, constitutes the entire agreement between the parties relating to the Work and supersedes all prior or contemporaneous oral or written agreements, negotiations, understandings and statements pertaining to the Work or this Contract.

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

LG&E AND KU SERVICES COMPANY

BY: [Signature]
TITLE: Manager Corp Purchasing
DATE: 5/26/16

SOLAR ENERGY SOLUTIONS, LLC

BY: [Signature]
TITLE: Owner / General Manager
DATE: 26th May 2016

CONFIDENTIAL INFORMATION REDACTED

**EXHIBIT 1
PRICING**

System Size (kW DC)	System Description	\$/W DC	
		Canadian Solar	Tata
50	Roof Mounted	█	█
250	Roof Mounted	█	█
250	Ground Mounted	█	█
500	Ground Mounted	█	█
1000	Ground Mounted	█	█

*Pricing is based on specifications described in Company Request for Proposal 3811. See Section 12.1 of the Contract for instructions on pricing per project.

SERVICE	PRICE
Planned Operation and Maintenance	█/W/Year
Unplanned Service and Repairs	█/hour Cost + █ non-stocking item; + █ stocking item
Storage	TBD per project

EXHIBIT 2

RFP #3811 Pricing Specifications & Presumptions

Roof Mount Projects

1. Buildings are 2 story
2. PV arrays can be fully housed on the roof surface without resort to usage of awnings or need for additional support structure construction
3. PV array interconnection within 100' at 480V to the existing transformer
4. Roof surface obstacles and shade generating structures are absent facilitating efficient system electrical design
5. PV system augmentation to minimize structural or vegetation derived shading such as the addition of optimizers or micro-inverters is excluded
6. Building power supply, time based usage analysis (logging) and load analysis with a view to demand charge management reduction design as part of PV array installation is excluded
7. Inverter warranties are as manufacturer standard with extensions as an excluded but available cost adder
8. Array monitoring is as manufacturer standard with custom data handling, web presentation or building energy management system integration excluded
9. Metal roof type is corrugated with PV array attachment being of the S-5! clamp type without the needed use of additional racking or ballast based mounting systems
10. Roof slope is 5:12 or 22.6%
11. Ample space exists around the building for east loading/unloading/storage of PV components and their transport to the roof surface
12. No new structures, awnings or mechanical rooms are to be constructed for the housing of PV equipment
13. Work site location is presumed to be Louisville/Jefferson County.

Ground Mount Projects

1. Generally flat site not requiring earth grading
2. Rock core drilling, breaking or removal costs for support beam or trenching needs are excluded
3. PV arrays can be fully housed on the site as a single block
4. An access road exists to the corner of the array

5. PV array interconnection within 100' at 480V to the existing transformer
6. Surface obstacles and shade generating structures are absent facilitating efficient system electrical design
7. PV system augmentation to minimize structural or vegetation derived shading such as the addition of optimizers or micro-inverters is excluded
8. Facility power supply, time based usage analysis (logging) and load analysis with a view to demand charge management reduction design as part of PV array installation is excluded
9. Inverter warranties are as manufacturer standard with extensions as an excluded but available cost adder
10. Array monitoring is as manufacturer standard with custom data handling, web presentation or building/site energy management system integration excluded
11. Ample space exists around the site for loading/unloading/storage of PV components and their transport to the work area
12. No new structures, awnings or mechanical rooms are to be constructed for the housing of PV equipment
13. Landscaping and grass/foliage management before or after array construction is excluded unless agreed as part of an additional O&M Work Order
14. Boundary security fencing and a 6' security gate are included in pricing but video or motion detecting security measures are excluded
15. Work site location is presumed to be Louisville/Jefferson County.

ATTACHMENT 1

GENERAL COMMERCIAL AGREEMENT (signed May 24, 2016)

CONTRACTOR CODE OF CONDUCT

[Form Revised 04-04-2016]

GENERAL COMMERCIAL AGREEMENT

This **General Commercial Agreement** is made this 23rd day of May, 2016 (the "Effective Date") by and between (i) **LG&E and KU Services Company**, a Kentucky corporation ("LKS"), **Louisville Gas and Electric Company**, a Kentucky corporation ("LG&E"), and **Kentucky Utilities Company**, a Kentucky and Virginia corporation ("KU") and (ii) Solar Energy Solutions, LLC, a Kentucky limited liability company ("Contractor"). LKS, LG&E, and KU are referred to herein collectively as the "LKS Entities" and individually as an "LKS Entity." Please note that section numbers below are preceded by the letter 'G' to distinguish those sections from sections of Exhibit 1.

WHEREAS, Contractor desires the opportunity to provide goods and/or services to one or more of the LKS Entities from time to time, and the LKS Entities desire the opportunity to engage Contractor to provide goods and/or services through entering Contracts; and

WHEREAS, the Parties intend that this Agreement set forth certain default terms and conditions for all Contracts.

NOW THEREFORE, intending to be legally bound and for good and valuable consideration, the receipt of which is hereby acknowledged, the Parties do agree as follows:

G1. DEFINITIONS. When used in this Agreement (including in Exhibit 1), the capitalized terms listed below shall have the following meanings, unless expressly stated otherwise in this Agreement:

"**Affiliate**" means with respect to a particular Person, any other Person which, from time to time, in whole or in part, directly or indirectly, controls, is controlled by, or is under common control with that particular Person.

"**Agreement**" means this General Commercial Agreement (including Exhibit 1), as it may be amended, modified or supplemented from time to time.

"**Applicable Laws**" means any applicable statute, law (including common law), rule, treaty, regulation, code, ordinance, court order, executive order, or the like, when enacted, adopted, issued or promulgated by a Governmental Authority and interpretations thereof by a Governmental Authority, as the same may be amended, modified, codified or reenacted, in whole or in part, and in effect from time to time.

"**Business Day**" means any Day other than Saturday, Sunday, or a holiday observed by the United States federal government, the Commonwealth of Kentucky, or the Company.

"**Change**" has the meaning specified in Section 2.1 of Exhibit 1 to this Agreement.

"**Change in Law**" means with respect to a Contract, an amendment, modification, or other change of Applicable Law enacted, adopted, issued, or promulgated by a Governmental Authority after the Contract Date of such Contract. A change in Applicable Law with respect to any of the following will not constitute a Change in Law hereunder: (i) taxes or levies assessed on the basis of Contractor's income, profits, revenues, gross receipts; (ii) other taxes, duties or imposts for which Contractor is responsible hereunder; (iii) taxes, levies or withholdings that vary the compensation, benefits or amounts to be paid to, on behalf of or on account of Contractor's or its Subcontractors' employees; and (iv) amendments, modifications, or other changes in Applicable Law published, enacted, adopted, issued, or promulgated before the Contract Date of such Contract whether or not becoming effective after the Contract Date of such Contract.

"**Claims**" means claims, causes of action, proceedings, demands or suits.

“Climatic Condition” means a weather condition that is unusually severe and abnormal such as hurricane force winds, tornado force winds, or flooding (at a 50-year or greater recurrence level).

“Company” means, with respect to a particular Contract, any LKS Entity that is identified as being a Party in the applicable Contract Form (e.g., the LKS Entity identified as the issuer of a purchase order that is accepted by Contractor).

“Company Indemnitees” means Company and its Affiliates and their respective successors, assigns, directors, officers, members, managers, employees, agents and representatives.

“Company Policy” means any written policy or rule of Company or written policy or rule applicable to Company, in effect from time to time and applicable to the Work or the Job Site.

“Confidential Information” has the meaning specified in Section G5.1 of this Agreement.

“Contract” means any legally binding agreement (as such agreement may be amended by change order or otherwise) between or among Contractor and one or more LKS Entities that obligates Contractor to provide goods and/or services to one or more LKS Entities.

“Contract Date” has the meaning specified in Section G2.4.

“Contract Form” means a writing, including those titled “Contract,” “Purchase Order,” “Contract Purchase Agreement,” “Master Agreement,” or “Master Service Agreement,” (in this sentence, these terms are used only as examples, not as defined terms), that, together with the Default Terms (whether or not the Default Terms are referenced therein), set forth the terms and conditions capable of forming a Contract. The Contract Form shall, as applicable, include the specifications, instructions, drawings, schedules, addenda, and descriptions of Work. The Contract Form shall not constitute a Contract except as provided in Section G2.2 or as otherwise provided by law.

“Contract Price” means the aggregate of the consideration to which Contractor is entitled pursuant to a Contract.

“Contractor” means the entity designated as the “Contractor” in the opening paragraph of this Agreement.

“Contractor Party” means Contractor, its Subcontractors, and their respective directors, officers, agents and employees.

“Culpable Conduct” means willful misconduct or the failure (by act or omission) to exercise the standard of care that a reasonably prudent Person would have exercised in a similar situation.

“Day” means a calendar day including Business Days.

“Default Terms” means those terms set forth in Exhibit 1 to this Agreement.

“Effective Date” has the meaning specified in the opening paragraph of this Agreement.

“Equitable Adjustment” shall mean, with respect to an occurrence for which Contractor is entitled under a Contract to an adjustment to a term of that Contract, an adjustment to that term to reflect the impact of such occurrence (e.g., if the impact is added Contractor cost, the adjustment would be an increase in the Contract Price by the amount of such added cost); provided, that such adjustment shall not include any impacts that either (a) could have been avoided by Contractor exercising commercially reasonable efforts to mitigate such impacts or (b) cannot be documented in detail by Contractor.

“Force Majeure Event” means any condition, event, or circumstance to the extent such condition, event, or circumstance is not within the reasonable control of the Party affected, including war, rebellion, civil strife, insurrection, public disorder, Climatic Condition, earthquake, quarantine, act of terrorism, industry-wide or national strike, and Change in Law. Notwithstanding the foregoing, Force Majeure Event shall not include the following events, conditions or circumstances:

- a. late delivery of goods required for the Work however caused, including by congestion at a Subcontractor’s plant or elsewhere, oversold market conditions, inefficiencies, transportation delays or other similar circumstances (except to the extent a transportation delay is caused by the occurrence of an independent condition, event or circumstance described in and meeting the conditions of this definition);
- b. shortages of supervisors, labor, or goods (except to the extent such a shortage is caused by the occurrence of an independent condition, event or circumstance described in and meeting the conditions of this definition);
- c. late performance as a consequence of any violation of Applicable Law or decisions of a Governmental Authority related to the conduct of Contractor’s or any Subcontractor’s business, including insolvency or any delay related to the economic, commercial or labor circumstances of Contractor, any Subcontractor or other business conducted by Contractor or any Subcontractor;
- d. breakdown, loss, or damage to or theft of machinery, tools, or equipment (except where such breakdown, loss, or damage is directly due to the occurrence of an independent condition, event, or circumstance described in and meeting the conditions of this definition);
- e. failure of a Party to pay amounts due and owing under this Agreement;
- f. strikes or other labor disturbances affecting Contractor or any of its Subcontractors, except as expressly set forth in the examples described in the first full paragraph of this definition;
- g. increased costs of the Work or general economic or industry conditions; or
- h. weather conditions other than Climatic Conditions.

“Governmental Authority” means any federal, state, county, regional, city, parish or local government body, agency, authority, branch, department, arbitrator, court or any subdivision, instrumentality or agency thereof having, or claiming, a regulatory interest in, or jurisdiction over, the Work, this Agreement or one or more of the Parties in their respective capacities under this Agreement.

“Intellectual Property” has the meaning specified in Section 18.1 of Exhibit 1 to this Agreement.

“Job Site” means any property Company owns, leases or has the right to use under an easement, permit or otherwise on which Work will be performed.

“KU” has the meaning specified in the opening paragraph of this Agreement.

“LG&E” has the meaning specified in the opening paragraph of this Agreement.

“Liabilities” means all judgments, liabilities, losses, costs, expenses, damages, fines or penalties, court costs, reasonable attorneys’ fees and costs, and pre- and post-judgment interest.

“LKS” has the meaning specified in the opening paragraph of this Agreement.

“LKS Entities” or **“LKS Entity”** has the meaning specified in the opening paragraph of this Agreement.

“**Party**” means (a) with respect to this Agreement, Contractor or any LKS Entity and (b) with respect to a Contract, Contractor or a Company.

“**Person**” means any individual, company, corporation, firm, joint venture, partnership, association, limited liability entity, organization, trust, Governmental Authority or similar entity. Reference to any Person includes such Person’s successors and assigns, to the extent that such successors and assigns are permitted by this Agreement.

“**Personal Information**” means any non-public personal information of Company’s employees or customers.

“**Personally Identifiable Information**” has the meaning specified in Section 22.2 of Exhibit 1 to this Agreement.

“**Records**” has the meaning specified in Section 7.3 of Exhibit 1 to this Agreement.

“**Sensitive Information**” has the meaning specified in Section 22.2 of Exhibit 1 to this Agreement.

“**Subcontractor**” means and refers to a Person (at any tier other than Contractor) which has a contract, agreement or other arrangement to perform a portion of the Work, including the supply of goods or services in connection with the Work.

“**Tools and Equipment**” shall mean any tools, vehicles, equipment, rigging and other general supplies.

“**Work**” means with respect to a Contract, the services required to be performed and the goods and Intellectual Property required to be provided by Contractor and the other obligations of Contractor, including with respect to any warranty.

G2. SCOPE AND BINDING EFFECT.

- G2.1.** Except to the extent otherwise agreed to in a writing executed by the Parties which expressly states a clear intention to supersede this Agreement with respect to one or more specific Contracts, the terms and conditions of each Contract shall consist solely of the Default Terms and, to the extent they do not conflict with the Default Terms, the terms of the applicable Contract Form.
- G2.2.** A Contract shall come into effect when either (a) the Contractor and all applicable LKS Entities execute the applicable Contract Form and deliver it to each other or (b) all applicable LKS Entities execute the applicable Contract Form and provide it to Contractor and Contractor signifies its acceptance by commencing performance in a manner readily apparent to the Company; provided that such acceptance occurs prior to any of such LKS Entities withdrawing or otherwise revoking the Contract Form. Contractor agrees to the formation of a binding agreement as described in Section G2.2(b), waives any argument that Contractor might otherwise have under Applicable Laws that the Contract Form should have been executed by each of the Parties to be enforceable and further agrees to not contest the enforceability of such Contract on those grounds, and agrees to not contest the admissibility of the Company’s records related to such Contract that are kept in the ordinary course of business by the Company.
- G2.3.** The Parties intend that no Contract or other binding agreement for the provision of goods and/or services will arise between Contractor and one or more LKS Entities except as set forth in Section G2.2. If despite this it is determined that such an agreement is legally binding and effective, such agreement shall be a Contract and governed by the terms of this Agreement except to the extent expressly stated otherwise agreed to in a writing executed by the Parties which evidences a clear intention to supersede this Agreement. Any work performed or expense incurred by Contractor without an effective Contract shall

be at Contractor's sole risk and expense, and no LKS Entity shall be obligated to pay for any such work or expense.

G2.4. The date on which all events described in either Section G2.2(a) or Section G2.2(b) are first completed (or the date an agreement otherwise becomes legally binding and effective as described in Section G2.3) shall be the "Contract Date" for that Contract.

G2.5. In no event shall the terms and conditions of any proposal, acknowledgement, invoice, or other document issued by Contractor be binding upon any LKS Entity unless such document is explicitly incorporated into the Contract Form.

G3. TERM; TERMINATION.

G3.1. This Agreement shall commence on the Effective Date and will continue until terminated on no less than 30 Days' written notice by any Party to the other Parties.

Notwithstanding any such termination, this Agreement shall remain in full force and effect with respect to all then-existing Contracts until all of Contractor's obligations under all such Contracts have been fulfilled.

G4. INSURANCE.

G4.1. Contractor's Insurance Obligation. For the duration of this Agreement and until completion of all Contracts, Contractor shall, at its own expense, maintain and carry in full force and effect insurance reasonably acceptable to LKS as follows:

- a) Workers' Compensation and Employer's Liability Policy, which shall include: (i) Workers' Compensation (Coverage A), with statutory limits, and in accordance with the laws of the state where the Work is performed; (ii) Employer's Liability (Coverage B) with minimum limits of \$1,000,000 Bodily Injury by Accident, each Accident, \$1,000,000 Bodily Injury by Disease, each Employee; (iii) 30 Day Cancellation Clause; and (iv) Broad Form All States Endorsement.
- b) Commercial General Liability Policy, which shall have minimum limits of \$1,000,000 each occurrence; \$1,000,000 Products/Completed Operations Aggregate each occurrence; \$1,000,000 Personal and Advertising Injury each occurrence, in all cases subject to \$2,000,000 in the General Aggregate for all such claims, and including: (i) 30 Day Cancellation Clause; (ii) Blanket Written Contractual Liability to the extent covered by the policy against liability assumed by Contractor under this Agreement; (iii) Broad Form Property Damage; and (iv) Insurance for liability arising out of blasting, collapse, and underground damage (deletion of X, C, U Exclusions).
- 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 \$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 \$2,000,000 per occurrence; \$2,000,000 aggregate, to apply to employer's liability, commercial general liability, and commercial 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 \$5,000,000 including passenger liability coverage.

- f) To the extent applicable, if engineering or other professional services will be separately provided by Contractor as specified in any Contract, then Professional Liability Insurance with limits of, \$2,000,000 per occurrence and 2,000,000 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).
- G4.2. Additional Insured.** Except with regard to workers' compensation and professional liability, Contractor shall name LKS and all of its Affiliates as additional insured and waive any rights of subrogation against LKS and all of its Affiliates and their insurance carriers.
- G4.3. Quality of Insurance Coverage.** The policies shall be written by insurance companies which are licensed to do business in the state where the Work will be performed and having a Best Rating of not less than "A". These policies shall not be materially changed or canceled except with 30 Days' written notice to the LKS Entity 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 32020, Louisville, Kentucky 40232.
- G4.4. Insurance Policies.** Upon Company's request, Contractor shall provide Company with insurance policies from Contractor's insurer evidencing the insurance coverage specified in this Agreement. 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.
- G4.5. Claims Made Policies.** For any of the foregoing policies that are issued on a claims made basis, after termination of this Agreement Contractor shall maintain such policies in place (and/or provide comparable tail coverage) for at least five years after all of Contractor's obligations under all of the Contracts have been fulfilled.
- G4.6. Other Notices.**
- a) Contractor shall provide notice of any accidents or Claims at the Job Site to the LKS Manager, Risk Management at LG&E and KU Services Company, P.O. Box 32030, Louisville, Kentucky 40232 and Company's site authorized representative.
 - b) Contractor shall notify Company of any threatened, pending or paid off Claims to third parties, individually or in the aggregate, which from time to time may affect the coverage inuring to the benefit of the LKS Entity and all of its Affiliates as hereinafter specified.

G5. CONFIDENTIAL INFORMATION.

- G5.1.** "Confidential Information" means this Agreement, each Contract, Personal Information, and any other information or material (including all non-public, confidential or proprietary information of LKS Entities, including specifications, samples, patterns, designs, plans, drawings, documents, data, business operations, customer lists, pricing, discounts or rebates), whether disclosed orally or disclosed or accessed in written, electronic or other form or media, and whether or not marked, designated or otherwise identified as "confidential," that is provided by or on behalf of a LKS Entity to a Contractor Party in connection with the Work or potential Work before or after the Effective Date. Confidential Information also includes any information owned by a third party that was (i) disclosed by such third party to Company subject to a confidentiality agreement, and in turn (ii) disclosed by Company to a Contractor Party solely for use by such Contractor Party in connection with the Work.
- G5.2.** Contractor shall ensure that the Contractor Parties will: (a) use Confidential Information solely in connection with performing Work or evaluating whether Contractor wishes to enter into a potential Contract and on what terms; (b) maintain the confidentiality of Confidential Information; and (c) not

disclose Confidential Information except with Company's prior written consent or as otherwise permitted in this Agreement.

G5.3. Contractor Parties may disclose Confidential Information to other Contractor Parties only to the extent they need such Confidential Information in connection with a permitted use under Section G5.2(a) and are bound by confidentiality obligations no less protective of Company than those in the Contract.

G5.4. Contractor will be liable for any use or disclosure of Confidential Information by Contractor Parties in violation of this Agreement.

G5.5. Upon request, Contractor will promptly return or destroy (and certify such destruction) all copies of Confidential Information other than those retained solely for archival or administrative purposes.

G5.6. The restrictions on use and disclosure of Confidential Information in this Section G5 will not apply to (a) any information or materials (other than Personal Information) to the extent: (i) it is already known to Contractor before receipt from Company; (ii) it is or becomes publicly available other than through the acts of a Contractor Party; (iii) it is received by a Contractor Party from a third party who Contractor has no reason to believe is prohibited from disclosing the information by a contractual, fiduciary or other duty; or (iv) developed or derived by a Contractor Party without the aid, application or use of Confidential Information; (b) disclosure authorized in writing by Company, to the extent of such authorization; or (c) disclosure required by law or legal process, provided, however, that prior to any disclosure under this Section G5.6(c), Contractor will give Company as much advance notice of the requirement as is practical, will cooperate with Company to protect against disclosure, and if disclosure is still required, then disclose only such part of the Confidential Information that Contractor's legal counsel advises it must disclose and such disclosure shall be subject to such confidentiality restrictions as are available.

G6. INDEPENDENT CONTRACTS. Each Contract shall be independent of all others. Any termination of a Contract (whether or not for cause), shall not constitute termination of or otherwise affect any other Contract. No LKS Entity shall have any liability under any Contract to which it is not a party.

G7. PUBLICITY. Contractor shall not issue news releases, publicize or issue advertising pertaining to the Work or Contract without first obtaining the written approval of the Company, which may be withheld by Company in its sole discretion.

G8. INTERPRETATION. In this Agreement and each Contract, unless the context otherwise requires:

the singular includes the plural and vice versa;

reference to any agreement (including this Agreement), document, insurance policy or instrument means such agreement, document or instrument as amended or modified and in effect from time to time in accordance with the terms thereof;

"including" (and "include") means (i) including without limiting the generality of any description preceding such term and (ii) with respect to any description following such term, means "including, without limitation" or "including, but not limited to";

when applied to goods, "furnish," "provide" or words of similar import means to secure, pay for, deliver, unload, inspect and uncrate, store per manufacturer's recommendations and any other services or activities appropriate to that portion of the Work;

"install" or "installation" or words of similar import mean to assemble, place in position, incorporate, adjust, clean, make fit for use and any other services or activities appropriate to that portion of the Work;

unless the context specifically requires otherwise, the terms “approval,” “consent,” “accept,” “acceptance,” “authorization,” and terms of similar import shall, unless expressly provided otherwise, be deemed to be followed by the phrase “which shall not be unreasonably withheld, unreasonably conditioned or unreasonably delayed”;

the words “shall” and “will” have equal force and effect;

the words “herein,” “hereof,” or “hereunder” or similar terms refer to this Agreement as a whole and not to any specific section or article;

the “Work” is intended to be a term that encompasses all of the necessary performance obligations of Contractor. Any listing of types of work such as “construct,” “erect,” “check” or “align” is not meant to be exclusive in the context of the Contract or exclude similar or other services or activities appropriate to that portion of the Work;

any accounting term used and not otherwise defined in this Agreement has the meaning assigned to such term in accordance with generally accepted accounting principles consistently applied;

words and abbreviations not defined in this Agreement which have well-known technical or design, engineering or construction industry meanings are used in this Agreement in accordance with such recognized meanings; and

unless the context specifically requires otherwise, references to a “Section” are references to a Section of this Agreement.

G9. MISCELLANEOUS.

G9.1. Non-exclusive. None of the LKS Entities makes any commitment to Contractor as to the exclusiveness of this relationship or as to the volume, if any, of any business the LKS Entities will do with Contractor.

G9.2. Headings. The article, section and exhibit titles and similar headings are inserted for convenience only and are not to be used for the purposes of construing or interpreting this Agreement.

G9.3. English Language. All documentation to be supplied under this Agreement shall be provided in the English language.

G9.4. Assignment. Contractor shall not assign any of its rights or delegate any of its obligations under this Agreement without the prior written consent of Company. Any purported assignment or delegation in violation of this Section G9.4 shall be null and void. No assignment or delegation relieves Contractor of any of its obligations under this Agreement. Any permitted assignee shall be fully bound by the terms of this Agreement. Upon request by Company, 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.

G9.5. Waiver. No waiver by any Party of any of the provisions of this Agreement shall be effective unless explicitly set forth in writing and signed by the Party so waiving. Except as otherwise set forth in the Agreement, no failure to exercise, or delay in exercising, any rights, remedy, power or privilege arising from this Agreement shall operate or be construed as a waiver thereof, nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.

G9.6. Entire Agreement. This Agreement represents the entire agreement between the LKS Entities and Contractor with respect to the subject matter hereof and shall supersede all prior negotiations, binding

documents, representations or other agreements, whether written or oral with respect to such subject matter.

G9.7. No Third Party Beneficiaries. This Agreement is for the sole benefit of the Parties hereto and their respective successors and permitted assigns and nothing herein, express or implied, is intended to or shall confer upon any other Person or entity any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

G9.8. State Law Governing Agreement. All matters arising out of or relating to this Agreement shall be governed by and construed in accordance with the internal laws of the Commonwealth of Kentucky without giving effect to any choice or conflict of law provision or rule (whether of the Commonwealth of Kentucky or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than those of the Commonwealth of Kentucky.

G9.9. Submission to Jurisdiction. Any legal suit, action or proceeding arising out of or relating to this Agreement shall be instituted in the federal courts of the United States of America or the courts of the Commonwealth of Kentucky in each case located in the City of Louisville and County of Jefferson, and each Party irrevocably submits to the exclusive jurisdiction of such courts in any such suit, action or proceeding. Each of the Parties irrevocably waives, to the fullest extent permitted by Applicable Law, any objection which it may have or hereafter have to the personal jurisdiction of such courts or the laying of the venue of any such proceeding brought in such a court and any Claim that any such proceeding brought in such a court has been brought in an inconvenient forum.

G9.10. Waiver of Jury Trial. EACH OF THE PARTIES HEREBY KNOWINGLY, VOLUNTARILY, AND INTENTIONALLY WAIVES ANY RIGHTS IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION ARISING OUT OF, UNDER, OR IN CONNECTION WITH THIS AGREEMENT.

G9.11. Enforcement of Rights. Company shall have the right to recover from Contractor all expenses, including attorneys' fees and expenses, arising out of Contractor's breach of this Agreement or any other action by Company to enforce or defend Company's rights hereunder.

G9.12. Cumulative Remedies. The rights and remedies under this Agreement are cumulative and are in addition to and not in substitution for any other rights and remedies available at law or in equity or otherwise.

G9.13. Notices. All notices pertaining to this Agreement shall be in writing and addressed to the Parties at the addresses set forth below (provided, that a Party may change its address by written notice to the other Parties). All notices shall be delivered to the applicable address by personal delivery or nationally recognized express courier (with all fees pre-paid) or certified or registered mail (in each case, return receipt requested, postage prepaid). Except as otherwise provided in this Agreement, a notice is effective only (a) upon receipt of or rejection by the receiving Party and (b) if the Party giving the notice has complied with the requirements of this Section G9.13. If a Contract does not specify means for providing notice, the Parties shall provide notice under such Contract in accordance with this Section G9.13.

To any LKS Entity:

To Contractor:

LG&E and KU Services Company
Attn: Manager, Supply Chain
820 West Broadway
Louisville, Kentucky 40202

G9.14. Severability. If any term or provision of this Agreement is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other term or provision of

this Agreement and shall not invalidate or render unenforceable such term or provision in any other jurisdiction.

G9.15. **Survival.** Provisions of this Agreement which by their nature should apply beyond their terms will remain in force after any termination or expiration of this Agreement including the following provisions: Set-off, Warranties, Indemnification, Intellectual Property, Insurance, Compliance with Applicable Laws, Confidentiality, Governing Law, Submission to Jurisdiction and Survival.

G9.16. **Amendment and Modification.** This Agreement may only be amended or modified in a writing that specifically states that it amends this Agreement and is signed by an authorized representative of each Party.

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

LG&E AND KU SERVICES COMPANY

By:  _____

Printed Name: Stephanie R. Pryor

Title: Manager Corporate Purchasing

Date: 5/24/16

(Contractor)

By:  _____

Printed Name: STEVE ROBERTS

Title: OWNER / GENERAL MANAGER

Date: 24th MAY 2016

LOUISVILLE GAS AND ELECTRIC COMPANY

By:  _____

Printed Name: Stephanie R. Pryor

Title: Manager Corporate Purchasing

Date: 5/24/16

KENTUCKY UTILITIES COMPANY

By:  _____

Printed Name: Stephanie R. Pryor

Title: Manager Corporate Purchasing

Date: 5/24/16

EXHIBIT 1 TO GENERAL COMMERCIAL AGREEMENT

DEFAULT TERMS AND CONDITIONS FOR CONTRACT

This is Exhibit 1 to the General Commercial Agreement to which it is attached. Capitalized terms used but not defined herein shall have the meanings ascribed them in the body of such General Commercial Agreement. This Exhibit 1 sets forth the Default Terms for all Contracts.

1. CONDITIONS AND RISKS OF WORK.

- 1.1. Contractor agrees that the Contract Price, schedule, and other Contract terms and conditions take into account (a) all Job Site conditions (whether above ground or subsurface) and (b) all local conditions (including ingress and egress, access, lay-down areas, roadways, weather, etc.) relevant to the Work. Prior to entering into a Contract that involves construction, erection, installation, excavation, on-site assembly, or demolition, Contractor shall have conducted all inspections necessary to determine the Contract Price, schedule and other terms and conditions of this Contract.
- 1.2. Contractor shall, regardless of actual conditions, expense, and difficulty in performing the Work, fully complete all Work at the stated Contract Price and in accordance with the applicable Contract schedule.
- 1.3. Any information on the Job Site and local conditions set forth in the specifications, drawings, or otherwise is made without representation or warranty of any kind by Company, is not guaranteed by Company, and is furnished solely for the convenience of Contractor. Company will provide Contractor reasonable, non-exclusive access to the Job Site consistent with this Contract. Without limiting the foregoing, Contractor specifically recognizes that Company and third parties may be working concurrently at the Job Site. Any failure of the Company to provide the access required by this Section 1.3 shall constitute a Change and be subject to Section 2.2.
- 1.4. All drawings and documents required to be submitted to Company for review shall be submitted in accordance with the schedule set forth in this Contract. If there is no such schedule, the drawings and documents shall be submitted without unreasonable delay. To the extent stated in this Contract, Contractor shall not begin any Work which requires such drawings and documents until Contractor is authorized to do so by Company.
- 1.5. In the event of a conflict between or among the terms of this Contract, Company shall resolve such conflict; and Company's resolution shall be binding on Contractor.

2. COMPANY CHANGES IN WORK.

- 2.1. The scope of and conditions, specifications, quantities ordered, schedule and all other attributes of the Work shall be subject to change by Company from time to time ("Change"). Such changes shall only be enforceable if documented in a writing executed by Company.
- 2.2. Except as otherwise specifically set forth in this Contract, if a Change impacts Contractor's cost or other aspects of the performance of the Work, Contractor shall be entitled to an Equitable Adjustment to the applicable terms and conditions of this Contract to the extent that Contractor (a) gives Company written notice of its claim within 5 Business Days after receipt of notice of such Change and (b) supplies a written statement supporting Contractor's claim within 10 Business Days after receipt of notice of such Change, which statement shall include Contractor's detailed estimate of the effect on the Contract Price, Work schedule, and any other impact on the Work that would justify an Equitable Adjustment. Contractor agrees to continue performance of the Work during the time any claim hereunder is pending. Company shall not be liable for, and Contractor waives, any Claims of Contractor about which Contractor

knew or should have known and that were not reported by Contractor in accordance with the provisions of this Section 2.2.

3. **SHIPMENTS.** With respect to goods shipped by Contractor to Company, delivery shall be DDP (Incoterms 2010) Company and title and risk of loss shall pass to Company upon delivery at the delivery point specified by Company. Company shall have the option of specifying the routing of any 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.
4. **FORCE MAJEURE.**
 - 4.1. Neither Party shall be liable or responsible to the other, nor be deemed to have defaulted or breached this Contract, for any failure or delay in fulfilling or performing any term of this Contract when and to the extent such failure or delay is caused by or results from a Force Majeure Event. Contractor shall use all diligent efforts to end the failure or delay of its performance, ensure that the effects of any Force Majeure Event are minimized and resume performance under this Contract.
 - 4.2. Contractor shall notify Company of each Force Majeure Event as soon as commercially practicable but no later than 3 Business Days from the time Contractor knew or should have known that such Force Majeure Event may affect Contractor's performance. The notice shall provide all relevant details regarding the Force Majeure Event including: (i) any anticipated or actual failure, delay, or interruption, (ii) the cause, and (iii) the estimated duration of such event.
 - 4.3. Contractor shall, within 5 Days following the notification described above, submit to Company a recovery plan detailing the manner in which the failure, delay, or interruption shall be remedied and the revised schedule for performance.
 - 4.4. This Section 4 shall apply only to the part of the Work directly affected by the Force Majeure Event, and shall not apply to the Work as a whole or any other unaffected part thereof. Notwithstanding the Force Majeure Event, Contractor shall diligently proceed with the portions of Work unaffected by the Force Majeure Event.
5. **CONTRACTOR DELAYS.**
 - 5.1. Time is an important and material consideration in performance of this Contract. Contractor agrees to cooperate with Company in scheduling the Work so that the Work and other activities will progress with minimum delays. Company shall not be responsible for compensating Contractor for any costs for overtime or other premium work time except to the extent Company has agreed in writing in advance to do so, and, if Company so agrees, such 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 or profits unless otherwise expressly agreed in such written agreement.
 - 5.2. Contractor shall be liable for all failures, delays, and interruptions in performing its obligations under this Contract (except to the extent Contractor is entitled to relief under Sections 2.2 or Section 4) and 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 Contract during the period of any such failure, delay, or interruption.
6. **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 event that Company identifies safety concerns, Company may require an immediate suspension upon oral notice to Contractor). Contractor shall, upon receipt of such notice, immediately suspend or delay the Work. Contractor shall resume any suspended Work as directed by Company. Each such extension, suspension, or resumption

shall be a Change subject to Section 2.2 above except to the extent arising because of a breach of this Contract by Contractor.

7. INSPECTING; TESTING; AUDITING; AND USE OF TOOLS AND EQUIPMENT.

- 7.1. Inspection and Rejection of Nonconforming Work.** Company, at its sole option, may inspect all or a sample of the Work at any time, and may reject all or any portion of the Work if it determines the Work is nonconforming or defective. If Company rejects any portion of the Work, Company has the right, effective upon written notice to Contractor, to: (a) accept the Work at a reasonably reduced price; or (b) reject the Work and require replacement of the rejected Work. If Company requires replacement of the Work, Contractor shall, at its expense, promptly replace the nonconforming Work and pay for all related expenses, including transportation charges for the return of the defective Work and the delivery of replacement Work. If Contractor fails to timely deliver replacement Work, Company may replace such nonconforming Work with work from a third party or performed by Company's employees and charge Contractor the cost thereof and/or terminate the applicable Contract for cause pursuant to Section 21.2. Any inspection or other action by Company under this Section 7.1 shall not reduce or otherwise affect Contractor's obligations under this Contract, and Company shall have the right to conduct further inspections after Company has carried out its remedial actions.
- 7.2. Right of Inspecting and Testing.** Company reserves the right to appoint representatives to follow the progress of the Work with authority to suspend any Work not in compliance with this Contract. The appointment or absence of an appointment by Company shall not have any effect on the obligations of Contractor under this Contract. 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. 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. In the event Contractor fails to provide Company with reasonable facilities and access for inspection when requested, Contractor will be deemed to be in breach of this Contract.
- 7.3. Right of Auditing.** Contractor shall maintain (i) complete and accurate records relating to any cost-based (i.e., Work not covered by lump sum prices) components of the Work billed under this Contract, (ii) complete and accurate records relating to Work relating to the quantity of units billed under any unit price provisions of this Contract and (iii) records sufficient to verify Contractor's performance of Work in compliance with this Contract (all of the foregoing hereinafter collectively referred to as "Records") for a minimum of 5 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 during normal working hours upon reasonable notice, 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 of Work under this Contract. For the purpose of verifying such costs, Company or its authorized representative shall have access to said Records at any time upon reasonable notice, including any time after final payment by Company to Contractor pursuant to this Contract. 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, on reasonable notice, to all necessary Contractor facilities and shall be provided adequate and appropriate work space to conduct audits in compliance with the provisions of this Section 7.3. Company shall give Contractor reasonable notice of the date and time Company or any agent of Company intends to commence any audit. If any audit should disclose an overbilling, Contractor will pay for the cost of the audit and the amount of such overbilling within 30 Days of receipt of Company's invoice. Company's right to audit under this Section 7.3 does not include the right to audit the initial make-up or components of any agreed multipliers, rates, mark-ups, or fixed percentages, but does include the right to audit subsequent changes to such multipliers, rates, and mark-ups. Company's rights under this Section 7.3 include the right to audit the application of such multipliers, rates, mark-ups, or fixed percentages.

7.4. **Use of Tools and Equipment.** Contractor shall not use Company's Tools and Equipment for the Work unless this Contract expressly authorizes such use. Contractor shall indemnify and hold harmless the Company Indemnitees, from and against all Claims and Liabilities arising out of, relating to, or in connection with, the use of any of Company's Tools and Equipment by Contractor Parties, and will reimburse each Company Indemnitee for all expenses (including attorneys' fees and expenses) as they are incurred in connection with investigating, preparing, pursuing or defending any Claim or proceeding related to, arising out of, or in connection with, any use of any of Company's Tools and Equipment by Contractor Parties, whether or not threatened or pending and whether or not any Company Indemnitee 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, any Company Indemnitee with respect to any Claims or Liabilities, arising out of, relating to, or in connection with the use of Company's Tools and Equipment by any Contractor Party. Unless this Contract expressly provides otherwise, no Company Indemnitee shall in any event be liable for any Claim whatsoever by or through any Contractor Party or by any third party, for any inoperability or failure of any of Company's 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 cause its employees, agents, Subcontractors and servants to inspect and otherwise exercise the appropriate level of care in the use, maintenance and repair of all Tools and Equipment. The obligations set forth in this Section 7.4 shall survive the termination or expiration of this Agreement.

8. **SAFETY; COMPLIANCE; SUBCONTRACTING.**

- 8.1. Contractor agrees to protect its own and its Subcontractors' employees and be responsible for their Work and to exercise reasonable care to protect Company's facilities, property, employees and third parties from damage or injury.
- 8.2. Contractor shall at all times comply with all Applicable Laws then in effect, including those relating to health and safety, in connection with the Work and for obtaining all permits, licenses and approvals necessary to perform the Work. Without limiting the foregoing, Contractor agrees to strictly abide by and observe (a) all regulations of the Kentucky Occupational Safety and Health Program and U.S. Department of Labor, Occupational Safety and Health Administration ("OSHA") which are applicable to the Work and (b) all Applicable Law related to licenses, permissions, authorizations, consents and permits that it needs to carry out its obligations under this Contract.
- 8.3. Contractor shall furnish an adequate number of trained, qualified, and experienced personnel and appropriate safety and other equipment in first-class condition, suitable for performance of the Work. Contractor shall provide English speaking personnel or a sufficient number of interpreters to ensure adequate communication is maintained at all times for personnel safety. A minimum ratio of one English speaking interpreter for every 7 Contractor personnel must be maintained at all times if non-English speaking personnel are provided. Without limiting the foregoing, Contractor shall participate in all safety orientation and Company's other 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.
- 8.4. Contractor shall maintain the Job 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 Job Site clean, Company shall have the right to perform such cleanup on behalf of and at the risk and expense of Contractor.

- 8.5. Contractor shall at all times comply with all Company Policies then in effect, including those with titles such as: "Contractor Code of Business Conduct," "Contractor/Subcontractor Safety Policy," "Contractor Environmental Requirements," and "Personal Information Policy" even if such Company Policies impose greater requirements with respect to a matter than as provided in this Contract; provided, that (a) Contractor shall not be obligated to comply with a Company Policy (or a modification, amendment, supplement, or replacement of such a Company Policy) unless and until it is provided to Contractor in writing or electronically and (b) if such provision occurs after the Contract Date, it shall constitute a Change and be subject to Section 2.2.
- 8.6. If Contractor subcontracts any of the Work, 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 Contractor's safety audits and job briefings. All safety audits shall be documented in writing by the Contractor and its Subcontractors. Contractor shall provide documentation of all audits identifying safety deficiencies and concerns and corrective action taken as a result of such audits to Company semi-monthly.
- 8.7. If Contractor subcontracts any of the Work, Contractor shall nonetheless ensure that (a) all of the Work (whether or not subcontracted) is performed in accordance with this Contract and (b) all Subcontractors comply with all of the terms and conditions of this Contract (to the extent applicable to the Work so subcontracted).

9. EMPLOYMENT ISSUES.

- 9.1. **Immigration Law.** Contractor specifically acknowledges, agrees, represents and warrants that Contractor has complied, and shall at all times during the term of this Contract, comply in all respects with all laws, rules and regulations relating to the employment authorization of employees including the Immigration Reform and Control Act of 1986, as amended, and the Illegal Immigration Reform and Immigrant Responsibility Act of 1996, as amended, whereby Contractor certifies to Company that: (a) Contractor has properly maintained, and shall at all times during the term of this Contract 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 employee or Subcontractor of Contractor ineligible to legally work in the United States. Contractor further acknowledges, agrees, represents 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.
- 9.2. **Labor Harmony.** Contractor agrees that all labor employed by Contractor, its agents, or Subcontractors for Work on the premises of Company shall be in harmony with all other labor being used by Company or other contractors working on Company's premises. Contractor agrees to give Company immediate notice of any threatened or actual labor dispute and will provide assistance as determined necessary by Company to resolve any such dispute. Contractor, its agents, or Subcontractors shall remove from Company's premises any Person objected to by Company in association with the Work. Any such removal shall not be the basis for a Change.
- 9.3. **Drugs and Alcohol.** No Contractor or Subcontractor personnel will perform any Work while under the influence of drugs or alcohol. No alcohol may be consumed within 4 hours of the start of performance of Work or anytime during the workday. Personnel 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 Contractor/Subcontractor Safety Policy and other policies, rules and

regulations of Company, all personnel who will perform any Work will be subject to drug and alcohol testing under any of the following circumstances: (i) where the personnel'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 personnel; and (ii) where Company determines in its sole discretion that there is reasonable cause to believe such personnel is using drugs or alcohol or may otherwise be unfit for duty. Such personnel will not be permitted to perform any Work under any Contract until the test results are confirmed. Replacement of such personnel shall not be the basis for a Change. Contractor shall be solely responsible for administering and conducting drug and alcohol testing, as set forth herein, at Contractor's sole expense. Contractor shall develop and strictly comply with all drug testing requirements as required by Applicable Laws.

- 9.4. Contractor represents and warrants that it is in full compliance with, and Contractor shall fully comply with, all Applicable Laws, including unless specifically exempted by law, all applicable equal employment opportunity and affirmative action requirements, including: (i) the 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) the Vietnam Era Veterans Readjustment Assistance Act of 1974 and the implementing regulations set forth in 41 CFR Part 60-300 relating to the employment and advancement of disabled veterans and Vietnam era veterans; (iii) the Rehabilitation Act of 1973 and the implementing regulations set forth in 41 CFR Part 60-741 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).
- 9.5. **Without limiting the foregoing, Contractor and its Subcontractors shall abide by the requirements of 41 CFR 60-300.5(a) and 60-741.5(a). These regulations prohibit discrimination against qualified individuals on the basis of protected veteran status or disability, and require affirmative action by covered prime contractors and Subcontractors to employ and advance in employment qualified protected veterans and individuals with disabilities.**

10. ENVIRONMENTAL.

- 10.1. **Control.** As required under the OSHA Hazard Communication Standard (29 CFR 1910.1200) and certain other Applicable Laws, Contractor or its Subcontractors shall provide Safety Data Sheets ("SDS") covering any hazardous substances and materials furnished under or otherwise associated with the Work under this Contract. Contractor and its Subcontractors shall provide Company with either copies of the applicable SDS or copies of a document certifying that no SDS are required under any Applicable Laws in effect at the Job Site. **No asbestos or lead containing materials shall be incorporated into the Work or otherwise left on the Job Site without the express 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 Contract is subject to any Applicable Laws.
- 10.2. **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 this Contract (including Company Policies) and any Applicable Laws.
- 10.3. **Releases.** Contractor and its Subcontractors shall be solely responsible for the management of any petroleum or hazardous substances and materials brought onto the Job 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 of such plans 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 Contract 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 Job Site.

10.4. 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 all Applicable Laws.

11. RESTRICTED ACCESS.

11.1. Signage. Contractor personnel shall comply with all signage at Company facilities.

11.2. 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.

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

11.4. Personnel Risk Assessment. If any of Contractor's 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.

11.5. Continuing Obligations. Access to certain areas of Company's facilities and electronic systems are subject to extensive restrictions under Applicable Law. To the extent the Work involves such areas or systems, the Work is subject to such extensive restrictions.

11.6. Office of Compliance. The Company has an Office of Compliance. Should Contractor have actual knowledge of violations of any of the policies stated herein, or have a reasonable basis to believe that such violations will occur in the future, Contractor has an affirmative obligation to immediately report such known, perceived or anticipated violations to the Company's Office of Compliance in care of the Director, Compliance and Ethics, LG&E and KU Services Company, 220 West Main Street, Louisville, Kentucky 40202.

12. SECURE DEVELOPMENT PRACTICES. This Section 12 shall apply to any Work which includes software that is developed for or licensed to Company.

12.1. Secure development practices are the processes and tools used throughout the software development life cycle to ensure that software is written securely and free of common vulnerabilities. These practices apply to software, hardware, and firmware.

12.2. Contractor shall provide Company summary documentation of all software security practices that are in use by Contractor.

12.3. Contractor shall demonstrate that secure development practices outlined in this Section 12 are actively being followed by providing results from application security techniques. Common techniques include dynamic testing, static code, analysis, and fuzz testing.

- 12.4. Contractor shall have an independent third-party satisfactory to Company evaluate the results of Contractor's secure development practices and provide a summary report to Company. To the extent that the secure development practices are deemed insufficient, Contract shall improve the secure development practices utilized until deemed reasonable by Company.
13. **LOSS OF COMPANY DATA.** If Company's electronic data is lost, corrupted, or destroyed while in the possession or control of Contractor due to Contractor's Culpable Conduct, Contractor will use commercially reasonable efforts to reconstruct such data at Contractor's expense provided any files, data, programs, or other information that may be necessary to accomplish such reconstruction but which are not in Contractor's possession or control are promptly furnished to Contractor by Company upon request.
14. **INDEPENDENT CONTRACTOR.**
- 14.1. 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, ensuring the suitability of its equipment, and having responsibility for the safety and actions of the Contractor Parties. The Contractor Parties shall not be deemed to be employees or agents of Company.
- 14.2. Contractor agrees that if any portion of the Work is subcontracted, all such Subcontractors shall be bound by and observe the conditions of this Contract to the same extent as required of Contractor.
- 14.3. Company strongly encourages the use of Minority Business Enterprises, Women Business Enterprises, Veteran Owned Business Enterprises, Service-Disabled Veteran-Owned Small Businesses and Disadvantaged Business Enterprises, as defined under federal law and as certified by a certifying agency that Company recognizes as proper.
15. **INDEMNITY.** To the fullest extent permitted by Applicable Law, Contractor shall indemnify, defend, and hold harmless the Company Indemnitees from all Claims and all Liabilities, whether suffered directly by Company Indemnitees or indirectly by reason of third party Claims, to the extent arising or resulting from, or occasioned by or in connection with: (a) bodily and other personal injuries (including death) to Persons or damage to property resulting or alleged to have resulted from acts or omissions of any Contractor Party or otherwise from Contractor's performance under this Contract, (b) the release or threatened release of a hazardous substance or any pollution or contamination of or other adverse effects on the environment resulting or alleged to have resulted from acts or omissions of any Contractor Party or otherwise from Contractor's performance under this Contract, (c) violations of any Applicable Laws by any Contractor Party, (d) Claims by any Governmental Authority arising from or in any matter relating to Contractor Parties' failure to comply with or remediate pursuant to any Applicable Law, (e) Claims by any Governmental Authority for taxes that are the responsibility of any Contractor Party with respect to any payment for the Work made to or earned by any Contractor Party under this Contract, (f) infringement or alleged infringement of any patent, copyright, trademark, service mark, trade or business secret, or other Intellectual Property right of any third party in connection with Contractor's performance and delivery of the Work under this Contract or Company's use thereof, or (g) the disclosure of information of any Company Indemnitee or any customer or employee of any Company Indemnitee resulting or alleged to have resulted from the failure of a Contractor Party to comply with the terms and conditions of this Contract applicable to such information. The obligation to indemnify, defend and hold harmless under this Section 15 shall survive termination or expiration of this Contract and this Agreement until the expiration of the applicable statutes of limitation therefor. Contractor's duty to defend arising under this Section 15 shall be with counsel reasonably acceptable to Company, and such counsel shall consult with Company on all major decisions relating to Claims. Company reserves the right to defend itself at its own expense. Contractor's monetary obligations under this Section 15 shall not be limited to the amount of insurance coverage carried or required to be carried by Contractor hereunder; provided however, it shall be reduced to the extent it is established by final adjudication or mutual agreement of the Parties that such

Liabilities were caused by the Culpable Conduct of Company Indemnitees. Notwithstanding the foregoing, Contractor's duty to defend Company Indemnitees against Claims hereunder shall not be affected. With respect to Claims against any Company Indemnitee by any Contractor Party, the indemnification obligation under this Section 15 is not limited by a limitation on the amount or type of damages, compensation or benefits payable by or for any Contractor Party under employee compensation acts, disability benefit acts, or other employee benefit acts.

16. WARRANTIES.

- 16.1. Contractor warrants to Company that all Work will: (a) conform to each statement, representation, description and requirement of this Contract; (b) be new, unused and free from any defects in workmanship, material and design; (c) conform to applicable specifications, drawings, designs, samples and other requirements of Company; (d) be fit and suitable for the purposes specified by Company and operate as intended; (e) be merchantable; (f) be free and clear of all defects in title, liens, security interests or other encumbrances; and (g) not infringe or misappropriate any third party's patent, copyright, trademark or other Intellectual Property rights. These warranties shall survive any delivery, inspection, acceptance or payment of or for the Work by Company for the duration of any remaining warranty period.
- 16.2. Contractor further represents and warrants that all labor and services performed pursuant to this Contract shall be performed (a) by technically competent and qualified personnel and (b) in accordance with generally accepted professional standards associated with the particular industry, trade, or discipline involved.
- 16.3. The warranties set forth in this Section 16 are cumulative and in addition to any other warranty provided by law or equity. Upon notice of noncompliance with this Section 16, Contractor shall, at its own cost and expense, promptly replace or repair the defective or nonconforming Work and pay for all related expenses, including transportation charges for the return of the defective or nonconforming Work to Contractor and the delivery of repaired or replacement Work to Company.
- 16.4. Contractor shall respond in writing to any warranty claim by Company within 5 Business Days of the delivery of notice of such claim to Contractor. All warranties set forth in this Section 16 shall remain effective until 12 months after completion of the Work; *provided, however*, that any additional specific warranties, whether or not in excess of such time periods, as may be agreed by and between Contractor and Company in a writing executed by Company and Contractor under this Contract, shall also apply notwithstanding any terms to the contrary contained in this Contract. Additionally, the correction, repair, or replacement of Work under such warranties shall be warranted for an extended period equal to the period of warranty set forth above, commencing on the date of such correction, repair or replacement; provided, however, that the warranty period for any such correction, repair, or replacement will not extend beyond the period that is twice the duration of the original warranty period therefor as set forth in the second sentence of this paragraph. If a portion of the Work does not conform to the above warranties or other warranties set forth in this Contract and Contractor fails within a 7 Day period after receipt of written notice from Company to commence and diligently continue curing such nonconformity, Company, without prejudice to any other rights or remedies Company may have under this Contract, at law, or in equity and with or without terminating this Contract, may correct such nonconformity at Contractor's expense (including Company's internal, general, and administrative expenses) and Company shall have the right to: (i) deduct an amount equal to the amounts incurred by Company in so doing from amounts due or to become due to Contractor; and (ii) obtain reimbursement of such amounts from Contractor. The correction of a nonconformity by Company pursuant to the previous sentence will not limit or void Contractor's warranty; provided, the correction of such nonconformity by Company is in accordance with Contractor's reasonable written recommendations, if any.

- 17. CORRECTION OF WORK.** If by reason of accident, failure, or event occurring in connection with the Work, during performance of the Work, or during any warranty period hereunder, any remedial or other work or

repair is, in the reasonable opinion of Company, urgently necessary and Contractor is unable or unwilling to do such work or repair, Company may, with its own employees or other contractors, do such work or repair. If the work or repair so performed was Work which Contractor was liable to do at its own expense under this Contract, all costs and expenses reasonably incurred by Company shall be paid by Contractor to Company on demand or set off from amounts due to Contractor. Company, as soon after the occurrence of any such emergency as may be reasonably practicable, shall notify Contractor thereof in writing.

18. OWNERSHIP OF INTELLECTUAL PROPERTY; PATENTS.

18.1. Ownership. Unless otherwise specifically provided in this Contract, 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 and exclusive property of Company. Upon request, Contractor shall promptly execute all applications, assignments and other documents that Company deems necessary to apply for and obtain letters patent of the United States or copyright registration for the Intellectual Property and in order to evidence Company's sole ownership thereof. To the extent any Contract expressly and specifically provides that Contractor will retain ownership of any Intellectual Property constituting Work, Contractor hereby grants to Company an unlimited, fully-paid, perpetual, irrevocable, transferable license to use such Intellectual Property.

18.2. Royalties and License Fees. Unless otherwise expressly provided in this Contract, 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 to constitute infringement and its use enjoined, Contractor shall, within a reasonable time and at the election of Company, (a) secure for Company the perpetual right to continue use of such Work or part thereof by procuring at Contractor's own expense 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 (c) modify it so that it becomes non-infringing (in either case with changes in functionality that are acceptable to Company). The obligations set forth in this Section 18 are in addition to Contractor's obligations set forth in Sections 12 and 13.

19. RELEASE AND INDEMNITY REGARDING LIENS.

19.1. Contractor hereby releases, disclaims and waives and will cause its Subcontractors, pursuant to exemptions in the "Kentucky Fairness in Construction Act" (K.R.S. 371.400 to 371.425), to release, disclaim, and waive any right under Applicable Law to make, file or pursue any mechanics or any other type of lien (whether statutory or otherwise) upon Company's or any other party's property, the Work, or any part thereof as a result of performing the Work.

19.2. Contractor shall execute and deliver to Company such documents as may be required by Applicable Laws (i.e., partial or final waivers of liens and affidavits of indemnification) to make such release effective and shall give all required notices to Subcontractors with respect to ensuring the effectiveness of the foregoing releases against those parties.

19.3. Contractor shall secure the removal of any lien that Contractor has agreed to release in this Section 19 within 5 Business Days of receipt of written notice from Company. If not timely removed, Company may remove the lien and charge all costs and expenses including legal fees (for inside and outside legal counsel) to Contractor including the costs of bonding off such lien.

19.4. Company, in its sole discretion, expressly reserves the right to set off and retain any reasonable amount due to Contractor upon Company having actual knowledge of any threatened or filed liens or encumbrances that may be asserted or filed by any Subcontractor, materialman, independent contractor or third party with respect to the Work. Company will make final payment to Contractor only upon

verification that such threatened or filed liens and encumbrances have been irrevocably satisfied, settled, resolved and released (as applicable), and that any known payment disputes concerning the Work involving Contractor and any of its Subcontractors, agents and representatives have been resolved so that no actions, liens or encumbrances of any kind or nature will be filed against Company or Company's property.

20. INVOICES; PAYMENTS.

- 20.1. Invoices.** Contractor shall submit invoices to Company on a monthly basis, or such other timing as agreed to by the Parties in writing. Invoices shall not be delivered with goods, but all correspondence and packages (including the invoice) related to this Contract shall reference the contract number assigned by Company or, in the absence of a contract number, otherwise reference this Contract. The invoice shall identify the Company. The invoice shall include, as separate line items, to the extent applicable, charges for (i) labor (with any removal and installation labor shown separately); (ii) material and taxes paid (including sales and use taxes); (iii) retainers; (iv) duties, fees and other assessments imposed by governmental authorities; (v) freight; and (vi) all other charges (including equipment rental). All invoices shall be submitted with supporting documentation and in acceptable form and quality to the Company's authorized representative.
- 20.2. Billing of Additional Work.** All claims for payments in addition to the Contract Price shall be on a separate invoice and must refer to the specific change order or written authorization issued by Company as a condition to being considered for payment.
- 20.3. Currency.** All invoiced amounts and payments hereunder shall be in United States dollars.
- 20.4. Payment Terms.** Company shall pay all properly invoiced amounts due to Contractor within 30 Days after Company's receipt of such invoice, except for any amounts disputed by Company in good faith. If a payment obligation falls due on a Day that is not a Business Day, the payment obligation will instead be due on the next Business Day. In the event that Company's payment is overdue, Contractor shall promptly provide Company notice of such payment being overdue. Payment or nonpayment of an invoice shall not release Contractor from any of its obligations under this Contract including its warranty and indemnity obligations. No payment shall be considered evidence of complete performance or acceptance of Work, either in whole or in part.
- 20.5. Payment Dispute.** In the event of a payment dispute, Company shall timely pay any undisputed amount (subject to Contractor reissuing an invoice for that amount).
- 20.6. Right to Set off.** Without prejudice to any other right or remedy it may have, Company reserves the right to set off at any time any amount owing to it by Contractor against any amount payable by Company to Contractor.
- 20.7. Evidence of Payment to Subcontractors.** Contractor shall, if requested by Company, furnish Company with waivers of lien and certificates showing names of Subcontractors hereunder, and certifying to Company that said Subcontractors have been paid in full.
- 20.8. Taxes.** Unless otherwise expressly stated in this Contract, the Contract Price includes all applicable taxes, duties, fees, and assessments of any nature including all sales and use taxes due to any Governmental Authority with respect to the Work. If Company provides Contractor with a jointly executed exemption certificate (such as New and Expanded or Pollution Control) 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 Contractor is not engaged in sales at retail. If Company does not provide Contractor with an

exemption certificate demonstrating an exemption from sales or use taxes in Kentucky, Contractor shall be solely responsible for paying all appropriate sales, use, and other taxes and duties to (including 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 invoice Company for all such taxes and duties, but in no event shall Company be obligated for taxes and duties not specifically included in the Contract Price or for interest or penalties arising out of Contractor's failure to comply with its obligations under this Section 20.8.

21. TERM AND TERMINATION.

21.1. Term. This Contract shall continue in effect until all of Contractor's obligations under this Contract have been fulfilled, unless terminated earlier pursuant to this Contract.

21.2. Termination for Contractor's Breach.

- a) In addition to any remedies that may be provided for under this Contract, Company may terminate this Contract in whole or part with immediate effect upon written notice to Contractor, in the following circumstances if: (i) the Work to be done under this Contract is abandoned by Contractor; (ii) this Contract or any portion thereof is assigned by operation of law or otherwise without the permission of Company; (iii) the Work or any portion thereof is sublet by Contractor without the permission of Company; (iv) Contractor is placed in bankruptcy, or if a receiver is appointed for its properties and assets; (v) Contractor makes an assignment for the benefit of creditors; (vi) at any time the necessary progress of Work is not being maintained, as determined in the reasonable discretion of Company; (vii) Contractor is violating any material provision of this Contract; (viii) Contractor is violating any material provision of this Agreement; or (ix) Contractor has executed this Contract in bad faith.
- b) 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 Contract, then Contractor agrees to file an appropriate motion with the Bankruptcy Court to either accept or reject this Contract within 20 Days of the entry of the Order for Relief in the bankruptcy proceeding. Contractor and Company acknowledge and agree that said 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 Contract within said 20 Day period, then Company may file a motion with the Bankruptcy Court asking that this Contract be accepted or rejected, and Contractor shall not oppose such motion.
- c) If Company terminates this Contract under this Section 21.2, but it is ultimately determined that Company did not have the right to do so, such termination will be treated as a termination for convenience.
- d) **Effect of Termination for Contractor's Breach.** From the effective date of such termination notice, Contractor shall vacate the Job Site, whereupon Company shall have the right but not the obligation to take possession of the Work wherever located. Contractor shall cooperate with Company in taking 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 other 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.

21.3. Termination for Company's Convenience. Company may terminate this Contract at any time in whole or in part for its own convenience upon 30 Days' written notice to Contractor. In such event, Company shall pay Contractor (i) all direct labor and material costs incurred on the Work prior to the termination notice, (ii) any reasonable and unavoidable cancellation costs which Contractor actually incurs as a result

of such termination, (iii) indirect costs or overhead on the portion of Work completed, as 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.

21.4. Termination for Company's Failure to Pay. If Company fails to pay Contractor any undisputed payment as required under this Contract and such failure continues for 30 Days after written notice of such failure has been given to Company by Contractor, then Contractor may suspend performance of this Contract until such failure is cured by giving Company 14 Days' written notice thereof and if such failure has not been cured within 30 Days of such suspension, Contractor may terminate this Contract. Upon any such termination, this Contract shall be treated the same as if terminated under Section 21.3. Contractor is not entitled to suspend or terminate this Contract by reason of Company withholding any payment that is the subject of a bona fide dispute.

22. DATA PROTECTION.

22.1. If in connection with this Contract, a Contractor Party has access to any Sensitive Information, Contractor shall (i) ensure that such access shall not result in a release, unauthorized access, or other breach of confidentiality, of such Sensitive Information and (ii) not use (or allow any other Contractor Party to use) such Sensitive Information for any purpose other than in furtherance of this Contract. The foregoing shall apply regardless of (i) the format of the Sensitive Information (e.g., written, digital, oral, etc.) and (ii) the impermissible access risk (e.g., during transmission to or from a Contractor Party, while Sensitive Information is in the possession of a Contractor Party (in computer or any other form), etc.). In addition, (i) Contractor shall cause all Sensitive Information in digital form in the possession of any Contractor Party (and all transmissions of such Sensitive Information (including internally on Contractor's own network)) to be encrypted (and, as applicable, transmitted) using products and technologies approved by the Company's IT Security Department (and Contractor shall not maintain in its possession or transmit any Sensitive Information in digital form unless and until it has received such approval) and Contractor shall not allow any Sensitive Information to be stored on mobile devices (e.g., laptop computers, phones, etc.), or data-storage devices (e.g., USB flash drives/external hard-drives, CD/ DVD/diskette media, etc.) without the written permission of the Company's IT Security Department.

22.2. "Sensitive Information" means any information obtained or otherwise accessed by a Contractor Party in connection with this Contract that by its nature may be sensitive (whether or not marked as sensitive, confidential, or otherwise) and includes (i) Personally Identifiable Information, (ii) Personal Information, and (iii) employee or contractor health or benefit information (including information governed by HIPAA regulations); (iv) confidential financial information (including bank-account and credit-card numbers), (v) information related to Company financial reporting or documentation; and (vi) information required to be kept confidential (or restricted in its use) by Applicable Laws. "Personally Identifiable Information" means individually identifiable information from or about an individual employee, any Company customer, consumer, or other individual, including a first name or initial and last name in combination with one or more of the following:

- a) a home or other physical address, including street name and name of city or town;
- b) an email address or other online contact information, such as an instant messaging user identifier or a screen name;
- c) a telephone number;
- d) a Social Security number;
- e) a driver's license or other state-issued or tribe-issued identification number;
- f) credit or debit card information, including card number, expiration date, and security code;
- g) a persistent identifier, such as a customer number held in a "cookie" or processor serial number, that is combined with other available information that identifies an individual consumer; and/or
- h) any information that is combined or used in conjunction with any of (a) through (g) above.

- 22.3. Contractor shall notify Company of any potential security breach that involves the potential disclosure or access to Sensitive Information as soon as practicable but in no event more than 60 minutes following discovery. Contractor shall be responsible for the costs associated with responding to and mitigating any such breach including costs associated with investigation and identification of the nature and scope of such breach; notification of individuals whose privacy is potentially impacted; paying all costs incurred by such individuals in connection with such breach, and providing credit-monitoring or similar services to those individuals whose privacy is potentially impacted through the unauthorized disclosure of such information.
- 22.4. Upon termination of this Contract, Contractor shall properly and securely destroy all copies of Sensitive Information in its possession. Additionally, before disposing of, through sale, recycling, or otherwise, equipment or media used at any time to store Company Sensitive Information, Contractor shall properly and securely destroy such data. Measures for securely destroying data include: physical destruction (shredding/pulverizing) of CD/DVD/diskette media, degaussing of magnetic media (e.g., computer hard-drives), running secure erase over-writing software on media containing such sensitive data (e.g., flash /USB drives or computer hard-drives), or incineration of media as detailed in the *National Institute of Standards and Technology (NIST) Guidelines for Media Sanitization (NIST Special Publication 800-88)*.
23. **SEVERAL LIABILITY.** If there is more than one LKS Entity that constitutes the Company under this Contract, all Liabilities of such LKS Entities shall be several but not joint and the aggregate liability shall be divided among such LKS Entities in the percentages set forth in this Contract (or, if not set forth in this Contract, in the percentages provided by the LKS Entities by written notice to Contractor).
24. **MISCELLANEOUS.**
- 24.1. **Headings.** The article, section and exhibit titles and similar headings are inserted for convenience only and are not to be used for the purposes of construing or interpreting this Contract.
- 24.2. **English Language.** All documentation to be supplied under this Contract shall be provided in the English language.
- 24.3. **Assignment.** Contractor shall not assign any of its rights or delegate any of its obligations under this Contract without the prior written consent of Company. Any purported assignment or delegation in violation of this Section 24.3 shall be null and void. No assignment or delegation relieves Contractor of any of its obligations under this Contract. Any permitted assignee shall be fully bound by the terms of this Contract. Upon request by Company, 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 Contract.
- 24.4. **Waiver.** No waiver by any Party of any of the provisions of this Contract shall be effective unless explicitly set forth in writing and signed by the Party so waiving. Except as otherwise set forth in this Contract, no failure to exercise, or delay in exercising, any rights, remedy, power or privilege arising from this Contract shall operate or be construed as a waiver thereof, nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.
- 24.5. **Entire Agreement.** This Contract represents the entire agreement between the LKS Entities and Contractor with respect to the subject matter hereof and shall supersede all prior negotiations, binding documents, representations or other agreements, whether written or oral with respect to such subject matter.
- 24.6. **No Third Party Beneficiaries.** This Contract is for the sole benefit of the Parties hereto and their respective successors and permitted assigns and nothing herein, express or implied, is intended to or shall confer upon any other Person or entity any legal or equitable right, benefit or remedy of any nature

whatsoever under or by reason of this Contract.

- 24.7. State Law Governing Contract.** All matters arising out of or relating to this Contract shall be governed by and construed in accordance with the internal laws of the Commonwealth of Kentucky without giving effect to any choice or conflict of law provision or rule (whether of the Commonwealth of Kentucky or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than those of the Commonwealth of Kentucky.
- 24.8. Submission to Jurisdiction.** Any legal suit, action or proceeding arising out of or relating to this Contract shall be instituted in the federal courts of the United States of America or the courts of the Commonwealth of Kentucky in each case located in the City of Louisville and County of Jefferson, and each Party irrevocably submits to the exclusive jurisdiction of such courts in any such suit, action or proceeding. Each of the Parties irrevocably waives, to the fullest extent permitted by Applicable Law, any objection which it may have or hereafter have to the personal jurisdiction of such courts or the laying of the venue of any such proceeding brought in such a court and any Claim that any such proceeding brought in such a court has been brought in an inconvenient forum.
- 24.9. Waiver of Jury Trial.** EACH OF THE PARTIES HEREBY KNOWINGLY, VOLUNTARILY, AND INTENTIONALLY WAIVES ANY RIGHTS IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION ARISING OUT OF, UNDER, OR IN CONNECTION WITH THIS CONTRACT.
- 24.10. Enforcement of Rights.** Company shall have the right to recover from Contractor all expenses, including attorneys' fees and expenses, arising out of Contractor's breach of this Contract or any other action by Company to enforce or defend Company's rights hereunder.
- 24.11. Cumulative Remedies.** The rights and remedies under this Contract are cumulative and are in addition to and not in substitution for any other rights and remedies available at law or in equity or otherwise.
- 24.12. Notices.** All notices pertaining to this Contract shall be in writing and addressed to the Parties at the addresses set forth for such purpose in this Contract (provided, that a Party may change its address by written notice to the other Parties) or, if this Contract does not set forth such addresses, at the addresses set forth for the purpose of providing notices in the General Commercial Agreement to which these Default Terms are attached. All notices shall be delivered to the applicable address by personal delivery or nationally recognized express courier (with all fees pre-paid or certified or registered mail (in each case, return receipt requested, postage prepaid)). Except as otherwise provided in this Contract, a notice is effective only (a) upon receipt of or rejection by the receiving Party and (b) if the Party giving the notice has complied with the requirements of this Section 24.12.
- 24.13. Severability.** If any term or provision of this Contract is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other term or provision of this Contract and shall not invalidate or render unenforceable such term or provision in any other jurisdiction.
- 24.14. Provisions Required By Law.** Any term or condition required to be contained in this Contract as a matter of Applicable Law which is not so contained herein is deemed to be incorporated in this Contract as though originally set forth herein.
- 24.15. Survival.** Provisions of this Contract which by their nature should apply beyond their terms will remain in force after any termination or expiration of this Contract including the following provisions: Set-off, Warranties, Indemnification, Intellectual Property, Insurance, Compliance with Applicable Laws, Confidentiality, Governing Law, Submission to Jurisdiction and Survival.
- 24.16. Amendment and Modification.** This Contract may only be amended or modified in a writing that

specifically states that it amends this Contract and is signed by an authorized representative of each Party.

Application Exhibit 5
CONFIDENTIAL INFORMATION REDACTED

SOLAR SHARE PROGRAM COST DETAIL
as of July 2016

Subcontractor/ Department	Detail	Cost	Allocation	Ongoing Costs	# of 500 kW Blocks	500 kW	1 MW	1.5 MW	2 MW	2.5 MW	3 MW	3.5 MW	4 MW	Total	
						Cost for Solar Facility No. 1	Cost for Solar Share Facility No. 2	Cost for Solar Facility No. 3	Cost for Solar Share Facility No. 4	Cost for Solar Share Facility No. 5	Cost for Solar Facility No. 6	Cost for Solar Facility No. 7	Cost for Solar Facility No. 8		
Solar Energy Solutions	Panels, Inverters, Racking, Ongoing Maintenance (Includes Rock Contingency)		Variable Cost - Each 500 kW DC Array	/year/500 kW array	1										
Subtotal			Costs Incurred at Each Solar Share Facility												
Security	Camera		Fixed cost - up to 2 MW capacity		4										
Security	6 ft Black Chain Link Fence, (2) Vehicle Gates, (1) Man Gate (Encloses 50% of Site)		Fixed cost - up to 2 MW capacity		4										
Security	Card Readers, Perimeter Detection System, Annual Service Plan		Fixed cost - up to 2 MW capacity	per year	4										
Landscaping	Tree Installation Along West & 50% of North Boundary, Ongoing Landscaping		Fixed cost - up to 2 MW capacity	per year	4										
Subtotal			Costs Incurred at 1st Solar Share Facility												
Solar Energy Solutions	Geotech & Topo, XFMR Duct, Weather Station, Equipment Pad, Gravel Road, Site Power		Fixed cost - up to 4 MW capacity		8										
Distribution Operations	Upgrade circuit from site to US-60, Air Break Switch, Regulators, 1.5 MW XFMR (Incl. 20% Contingency)	\$202,005	Fixed cost - up to 4 MW capacity		8	\$25,251	\$25,251	\$25,251	\$25,251	\$25,251	\$25,251	\$25,251	\$25,251	\$ 202,005	
Substations	Install RTU and add SCADA Capability	\$50,000	Fixed cost - up to 4 MW capacity		8	\$6,250	\$6,250	\$6,250	\$6,250	\$6,250	\$6,250	\$6,250	\$6,250	\$ 50,000	
Telecom/IT	Fiber Infrastructure from Site to US-60	\$60,000	Fixed cost - up to 4 MW capacity		8	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500	\$ 60,000	
Telecom/IT	Network Port Installation at Site	\$8,830	Fixed cost - up to 4 MW capacity		8	\$1,104	\$1,104	\$1,104	\$1,104	\$1,104	\$1,104	\$1,104	\$1,104	\$ 8,830	
Environmental Affairs	Cumulative Environmental Assessment, USACE Wetlands Delineation, USFWS Endangered Species Study	\$20,000	Fixed cost - up to 4 MW capacity		8	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$ 20,000	
Real Estate & Right of Way	Land - 35 Acres Total		Fixed cost - up to 4 MW capacity		8										
Real Estate & Right of Way	RJ Corman R/R Crossing Permit, US-60 Crossing Permit, Other Easements TBD	\$3,000	Fixed cost - up to 4 MW capacity		8	\$375	\$375	\$375	\$375	\$375	\$375	\$375	\$375	\$ 3,000	
Subtotal			Costs Incurred at 1st Solar Share Facility												
Distribution Operations	Upgrade Circuit from US-60 to Simpsonville Sub, Install New Reclosers (Includes 20% Contingency)	\$267,118	Fixed cost - 1 MW to 4 MW		7		\$38,160	\$38,160	\$38,160	\$38,160	\$38,160	\$38,160	\$38,160	\$ 267,118	
Subtotal			Costs Incurred at 2nd Block												
Security	Camera		Fixed cost - 2 MW to 4 MW		4										
Security	6 ft Black Chain Link Fence, (2) Vehicle Gates, (1) Man Gate (Encloses 50% of site)		Fixed cost - 2 MW to 4 MW		4										
Security	Perimeter Control		Fixed cost - 2 MW to 4 MW	per year	4										
Distribution Operations	Additional 1.5 MW XFMR (Includes 20% Contingency)	\$15,768	Fixed cost - 2 MW to 4 MW		4					\$3,942	\$3,942	\$3,942	\$3,942	\$ 15,768	
Transmission	Transmission related upgrade costs	\$1,080,000	Fixed cost - 2 MW to 4 MW		4					\$0	\$0	\$0	\$0	-	
Landscaping	Tree Installation Along 50% of North Boundary		Fixed cost - 2 MW to 4 MW		4										
Subtotal			Costs Incurred at 5th Block												
Various Departments	Miscellaneous Company Charges	\$413,645	Cost Incurred Throughout Project		8	\$51,706	\$51,706	\$51,706	\$51,706	\$51,706	\$51,706	\$51,706	\$51,706	\$413,645	
Note:						TOTAL COSTS FOR 1ST 500 kW BLOCK									
-All system sizes refer to DC wattage unless noted otherwise.						\$1,055,417	\$1,093,577	\$1,093,577	\$1,093,577	\$1,357,600	\$1,357,600	\$1,357,600	\$1,357,600	\$9,766,546	
-No contingency has been added unless noted otherwise.															

Application Exhibit 6

Kentucky Utilities Company

P.S.C. No. 17, Third Revision of Original Sheet No. 1.1
Canceling P.S.C. No. 17, Second Revision of Original Sheet No. 1.1

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DATE OF ISSUE: August 2, 2016

DATE EFFECTIVE: September 1, 2016

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

Application Exhibit 6 Kentucky Utilities Company

Standard Rate Rider

SSP
Solar Share Program Rider

APPLICABLE

In all territory served.

AVAILABILITY OF SERVICE

This optional, voluntary service is available to Company’s customers taking service under any Standard Rate Schedule except those served under Retail Transmission Service, Fluctuating Load Service, Lighting Service, Restricted Lighting Service, Lighting Energy Service, Traffic Energy Service, Cable Television Attachment Charges, Electric Vehicle Supply Equipment, and Electric Vehicle Charging Service rate schedules. The terms and conditions set out herein are available for and applicable to participation in Company’s Solar Share Program.

RATE:

Upfront Fee	
Subscription Fee	\$40.00 per quarter-kW subscribed
Monthly Charge	
Solar Capacity Charge	\$6.29 per quarter-kW subscribed

Monthly Credits and Adjustments

Solar Energy Credit (per kWh of pro rata energy produced by the Solar Share Facilities; number of kWh eligible for credit limited to customer’s net kWh consumption on each bill)	<u>Rate Schedule</u>	<u>Credit per kWh</u>
	RS	\$0.03477
	RTOD-Energy	\$0.03477
	RTOD-Demand	\$0.03477
	VFD	\$0.03477
	GS	\$0.03504
	AES	\$0.03497
	PS Secondary	\$0.03572
	PS Primary	\$0.03446
	TODS	\$0.03527
TODP	\$0.03432	
Solar FAC Adjustment	Subscriber’s billing under Adjustment Clause FAC will be adjusted corresponding to number of kWh to which Solar Energy Credit applies	

DATE OF ISSUE: August 2, 2016

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ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the
Public Service Commission in Case No.
2016-00274 dated**

Application Exhibit 6

Kentucky Utilities Company

P.S.C. No. 17, Original Sheet No. 72.1

Standard Rate Rider

SSP Solar Share Program Rider

PROGRAM DESCRIPTION

The Solar Share Program is an optional, voluntary program that allows customers to subscribe capacity in the Solar Share Facilities. Each Solar Share Facility will have an approximate direct-current (DC) capacity of 500 kW and will be available for subscription in nominal 250 W (quarter-kW) DC increments. Each subscribing customer ("Subscriber") may subscribe capacity up to an aggregate amount of 500 kW DC, though no Subscriber may subscribe more than 250 kW DC in any single Solar Share Facility. Payment of the Subscription Fee for the amount of capacity a customer seeks to subscribe will be due at the time of subscription. The Subscription Fee is a non-refundable administrative and customer education fee.

After subscribing and paying the Subscription Fee, Subscriber will pay the monthly Solar Capacity Charge for each quarter-kW subscribed beginning with the first billing period in which the subscribed capacity has been in service for the entire billing period. For each such billing period, Subscriber will also receive (i) a bill credit in the amount of the monthly Solar Energy Credit (see Rate above) times the pro rata amount of energy production attributable to Subscriber's subscribed capacity (limited by Subscriber's net kWh consumption for the period being billed) and (ii) a bill adjustment to the Subscriber's Fuel Adjustment Clause (FAC) credits or charges corresponding to the number of kWh for which the Subscriber receives a Solar Energy Credit.

Customers subscribing less than 50 kW DC will not be required to enter into a contract concerning their subscriptions; however, a customer may not reduce or cancel a subscription earlier than 12 months from the date of the customer's most recent change to the customer's subscription level. Therefore, a customer subscribing less than 50 kW has a 12-month commitment from the date of the customer's initial subscription, and may have a longer commitment if the customer subsequently increases subscribed capacity (which a customer may do at any time upon paying a Subscription Fee for the additional capacity) or if the customer chooses to decrease but not cancel the subscription after the initial 12 months. As addressed in Term of Contract below, customers subscribing 50 kW DC or more must enter into a 5-year contract with Company.

TERMS AND CONDITIONS

- 1) Subscriptions will be available on a first-come first-served basis, except that 25% of the capacity of Solar Share Facility No. 1 will be available only to residential customers for the first 45 days of the initial subscription period for new facility. Otherwise, all capacity in the Solar Share Facilities will be available for subscription by all customers on a first-come, first-served basis.
- 2) Individual subscriptions will be available in nominal 250 W DC (quarter-kW) increments.

DATE OF ISSUE: August 2, 2016

DATE EFFECTIVE: September 1, 2016

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the
Public Service Commission in
Case No. 2016-00274 dated**

Application Exhibit 6

Kentucky Utilities Company

P.S.C. No. 17, Original Sheet No. 72.2

Standard Rate Rider

SSP Solar Share Program Rider

TERMS AND CONDITIONS (continued)

- 3) Customer may subscribe as much solar capacity as desired up to an aggregate amount of 500 kW DC. No customer may subscribe more than 250 kW DC in any single Solar Share Facility.
- 4) All Subscription Fees are non-refundable.
- 5) Subject to the restrictions above, Company will fill subscriptions as capacity in the Solar Share Facilities becomes available, and will fill subscriptions in the chronological order in which the subscriptions were made. A Subscriber whose subscription the Company can fulfill only partially may either accept the available capacity and await additional capacity, or decline the partial fulfillment, allowing the next awaiting Subscriber(s) to accept the available capacity. Accepting or declining available capacity will not affect a Subscriber's place in the queue of Subscribers awaiting capacity.
- 6) Customers may not owe any arrearage prior to participating in the Solar Share Program.
- 7) Subscribers' pro-rata share of the electricity produced by the Solar Share Facilities will be determined on a billing cycle basis. The corresponding Solar Energy Credit (per kWh) and Solar FAC Adjustment will appear on the Subscriber's bill.
- 8) Subscriber may continue to participate in the Program without incurring new or additional Subscription Fees if Subscriber changes premises within the combined Kentucky certified electric service territories of Louisville Gas and Electric Company and Kentucky Utilities Company. For clarity, changing premises does not exempt Subscriber from additional Subscription Fees for any additional capacity Subscriber elects to subscribe before, during, or after changing premises.
- 9) Subscribers whose customer accounts are closed for any reason will not be able to remain in the Program. Any such former Subscriber who reestablishes service with Company and seeks again to subscribe will have to pay again the Subscription Fee associated with the amount of capacity desired.
- 10) Unless constrained by contract (see Term of Contract below), Subscriber may decrease or terminate a subscription any time after 12 months following the date of the most recent change to Subscriber's subscription; however, any re-subscription will require Subscriber to pay Subscription Fees for all capacity re-subscribed, as well as for any capacity subscribed beyond Subscriber's original subscription. Similarly, if Subscriber decreases and later increases subscribed capacity, Company will require Subscriber to pay Subscription Fees for the re-subscribed capacity as well as any net new capacity subscribed. Decreases in subscribed amounts will not result in refunds of Subscription Fees to Subscriber.
- 11) Unless constrained by contract (see Term of Contract below), Subscriber may also increase subscribed capacity at any time. Increases in subscribed capacity will require payment of additional Subscription Fees.

DATE OF ISSUE: August 2, 2016

DATE EFFECTIVE: September 1, 2016

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the
Public Service Commission in
Case No. 2016-00274 dated**

Application Exhibit 6

Kentucky Utilities Company

P.S.C. No. 17, Original Sheet No. 72.3

Standard Rate Rider

SSP
Solar Share Program Rider

TERMS AND CONDITIONS (continued)

- 12) Each subscription under the Solar Share Program applies to a particular meter. Subscribers with multiple meters may obtain multiple subscriptions, one per meter. But Company will not aggregate usage across multiple meters for applying credits, charges, or adjustments under Rider SSP; credits, charges, and adjustments under Rider SSP apply only to the meter associated with the subscription. The only exception to this restriction is if Subscriber has more than one meter for a single service, which multiple meters Company installed for its own operating convenience and bills on an aggregated basis in accordance with Company's Terms and Conditions.
- 13) Subscriptions are not transferrable or assignable between customers or between a single customer's meters.
- 14) The amount of energy (kWh) to which 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.
- 15) For all customers taking service under both of Riders NMS and SSP, Company will apply all provisions of Rider NMS to their bills before applying charges and credits under Rider SSP, including applying the Solar Energy Credit and Solar FAC Adjustment to such customers' net energy consumption. Therefore, customers should note that in months in which a customer taking service under Riders SSP and NMS has net zero energy consumption or net energy production under the terms of Rider NMS—including carryover net-energy credits from previous months, if any—the customer will receive zero Solar Energy Credit and Solar FAC Adjustment under Rider SSP. These provisions apply regardless of whether a customer first took service under Rider NMS before taking service under Rider SSP or vice versa, or if a customer began taking service under both riders simultaneously.
- 16) All Renewable Energy Credits ("RECs") related to energy produced by subscribed portions of the Solar Share Facilities will be retired.
- 17) Use of any images of the Solar Share Facilities or use any other of Company's intellectual property requires Company licensing prior to use.
- 18) Service will be furnished under Company's Terms and Conditions except as provided herein.

TERM OF CONTRACT

Subscriptions of 50 kW DC or more will require a five (5) year non-transferrable, non-assignable contract between Subscriber and Company.

DATE OF ISSUE: August 2, 2016

DATE EFFECTIVE: September 1, 2016

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the
Public Service Commission in
Case No. 2016-00274 dated**

Application Exhibit 7

Louisville Gas and Electric Company

P.S.C. Electric No. 10, Third Revision of Original Sheet No. 1.1
Canceling P.S.C. Electric No. 10, Second Revision of Original Sheet No. 1.1

GENERAL INDEX

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DATE OF ISSUE: August 2, 2016

DATE EFFECTIVE: September 1, 2016

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

Application Exhibit 7 Louisville Gas and Electric Company

P.S.C. Electric No. 10, Original Sheet No. 72

Standard Rate Rider

SSP
Solar Share Program Rider

APPLICABLE

In all territory served.

AVAILABILITY OF SERVICE

This optional, voluntary service is available to Company’s customers taking service under any Standard Rate Schedule except those served under Retail Transmission Service, Fluctuating Load Service, Lighting Service, Restricted Lighting Service, Lighting Energy Service, Traffic Energy Service, Cable Television Attachment Charges, Electric Vehicle Supply Equipment, and Electric Vehicle Charging Service rate schedules. The terms and conditions set out herein are available for and applicable to participation in Company’s Solar Share Program.

RATE:

Upfront Fee	
Subscription Fee	\$40.00 per quarter-kW subscribed
Monthly Charge	
Solar Capacity Charge	\$6.29 per quarter-kW subscribed

Monthly Credits and Adjustments

Solar Energy Credit (per kWh of pro rata energy produced by the Solar Share Facilities; number of kWh eligible for credit limited to customer’s net kWh consumption on each bill)	<u>Rate Schedule</u>	<u>Credit per kWh</u>
	RS	\$0.04020
	RTOD-Energy	\$0.04020
	RTOD-Demand	\$0.04020
	VFD	\$0.04020
	GS	\$0.04021
	PS Secondary	\$0.04071
	PS Primary	\$0.03925
	TODS	\$0.04049
	TODP	\$0.03824
Solar FAC Adjustment	Subscriber’s billing under Adjustment Clause FAC will be adjusted corresponding to number of kWh to which Solar Energy Credit applies	

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State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the
Public Service Commission in
Case No. 2016-00274 dated**

Application Exhibit 7 Louisville Gas and Electric Company

P.S.C. Electric No. 10, Original Sheet No. 72.1

Standard Rate Rider

SSP
Solar Share Program Rider

PROGRAM DESCRIPTION

The Solar Share Program is an optional, voluntary program that allows customers to subscribe capacity in the Solar Share Facilities. Each Solar Share Facility will have an approximate direct-current (DC) capacity of 500 kW and will be available for subscription in nominal 250 W (quarter-kW) DC increments. Each subscribing customer ("Subscriber") may subscribe capacity up to an aggregate amount of 500 kW DC, though no Subscriber may subscribe more than 250 kW DC in any single Solar Share Facility. Payment of the Subscription Fee for the amount of capacity a customer seeks to subscribe will be due at the time of subscription. The Subscription Fee is a non-refundable administrative and customer education fee.

After subscribing and paying the Subscription Fee, Subscriber will pay the monthly Solar Capacity Charge for each quarter-kW subscribed beginning with the first billing period in which the subscribed capacity has been in service for the entire billing period. For each such billing period, Subscriber will also receive (i) a bill credit in the amount of the monthly Solar Energy Credit (see Rate above) times the pro rata amount of energy production attributable to Subscriber's subscribed capacity (limited by Subscriber's net kWh consumption for the period being billed) and (ii) a bill adjustment to the Subscriber's Fuel Adjustment Clause (FAC) credits or charges corresponding to the number of kWh for which the Subscriber receives a Solar Energy Credit.

Customers subscribing less than 50 kW DC will not be required to enter into a contract concerning their subscriptions; however, a customer may not reduce or cancel a subscription earlier than 12 months from the date of the customer's most recent change to the customer's subscription level. Therefore, a customer subscribing less than 50 kW has a 12-month commitment from the date of the customer's initial subscription, and may have a longer commitment if the customer subsequently increases subscribed capacity (which a customer may do at any time upon paying a Subscription Fee for the additional capacity) or if the customer chooses to decrease but not cancel the subscription after the initial 12 months. As addressed in Term of Contract below, customers subscribing 50 kW DC or more must enter into a 5-year contract with Company.

TERMS AND CONDITIONS

- 1) Subscriptions will be available on a first-come first-served basis, except that 25% of the capacity of Solar Share Facility No. 1 will be available only to residential customers for the first 45 days of the initial subscription period for new facility. Otherwise, all capacity in the Solar Share Facilities will be available for subscription by all customers on a first-come, first-served basis.
- 2) Individual subscriptions will be available in nominal 250 W DC (quarter-kW) increments.

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State Regulation and Rates
Louisville, Kentucky

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Application Exhibit 7 Louisville Gas and Electric Company

P.S.C. Electric No. 10, Original Sheet No. 72.2

Standard Rate Rider

SSP
Solar Share Program Rider

TERMS AND CONDITIONS (continued)

- 3) Customer may subscribe as much solar capacity as desired up to an aggregate amount of 500 kW DC. No customer may subscribe more than 250 kW DC in any single Solar Share Facility.
- 4) All Subscription Fees are non-refundable.
- 5) Subject to the restrictions above, Company will fill subscriptions as capacity in the Solar Share Facilities becomes available, and will fill subscriptions in the chronological order in which the subscriptions were made. A Subscriber whose subscription the Company can fulfill only partially may either accept the available capacity and await additional capacity, or decline the partial fulfillment, allowing the next awaiting Subscriber(s) to accept the available capacity. Accepting or declining available capacity will not affect a Subscriber's place in the queue of Subscribers awaiting capacity.
- 6) Customers may not owe any arrearage prior to participating in the Solar Share Program.
- 7) Subscribers' pro-rata share of the electricity produced by the Solar Share Facilities will be determined on a billing cycle basis. The corresponding Solar Energy Credit (per kWh) and Solar FAC Adjustment will appear on the Subscriber's bill.
- 8) Subscriber may continue to participate in the Program without incurring new or additional Subscription Fees if Subscriber changes premises within the combined Kentucky certified electric service territories of Louisville Gas and Electric Company and Kentucky Utilities Company. For clarity, changing premises does not exempt Subscriber from additional Subscription Fees for any additional capacity Subscriber elects to subscribe before, during, or after changing premises.
- 9) Subscribers whose customer accounts are closed for any reason will not be able to remain in the Program. Any such former Subscriber who reestablishes service with Company and seeks again to subscribe will have to pay again the Subscription Fee associated with the amount of capacity desired.
- 10) Unless constrained by contract (see Term of Contract below), Subscriber may decrease or terminate a subscription any time after 12 months following the date of the most recent change to Subscriber's subscription; however, any re-subscription will require Subscriber to pay Subscription Fees for all capacity re-subscribed, as well as for any capacity subscribed beyond Subscriber's original subscription. Similarly, if Subscriber decreases and later increases subscribed capacity, Company will require Subscriber to pay Subscription Fees for the re-subscribed capacity as well as any net new capacity subscribed. Decreases in subscribed amounts will not result in refunds of Subscription Fees to Subscriber.
- 11) Unless constrained by contract (see Term of Contract below), Subscriber may also increase subscribed capacity at any time. Increases in subscribed capacity will require payment of additional Subscription Fees.

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Louisville, Kentucky

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Application Exhibit 7 Louisville Gas and Electric Company

P.S.C. Electric No. 10, Original Sheet No. 72.3

Standard Rate Rider

SSP

Solar Share Program Rider

TERMS AND CONDITIONS (continued)

- 12) Each subscription under the Solar Share Program applies to a particular meter. Subscribers with multiple meters may obtain multiple subscriptions, one per meter. But Company will not aggregate usage across multiple meters for applying credits, charges, or adjustments under Rider SSP; credits, charges, and adjustments under Rider SSP apply only to the meter associated with the subscription. The only exception to this restriction is if Subscriber has more than one meter for a single service, which multiple meters Company installed for its own operating convenience and bills on an aggregated basis in accordance with Company's Terms and Conditions.
- 13) Subscriptions are not transferrable or assignable between customers or between a single customer's meters.
- 14) The amount of energy (kWh) to which 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.
- 15) For all customers taking service under both of Riders NMS and SSP, Company will apply all provisions of Rider NMS to their bills before applying charges and credits under Rider SSP, including applying the Solar Energy Credit and Solar FAC Adjustment to such customers' net energy consumption. Therefore, customers should note that in months in which a customer taking service under Riders SSP and NMS has net zero energy consumption or net energy production under the terms of Rider NMS—including carryover net-energy credits from previous months, if any—the customer will receive zero Solar Energy Credit and Solar FAC Adjustment under Rider SSP. These provisions apply regardless of whether a customer first took service under Rider NMS before taking service under Rider SSP or vice versa, or if a customer began taking service under both riders simultaneously.
- 16) All Renewable Energy Credits ("RECs") related to energy produced by subscribed portions of the Solar Share Facilities will be retired.
- 17) Use of any images of the Solar Share Facilities or use any other of Company's intellectual property requires Company licensing prior to use.
- 18) Service will be furnished under Company's Terms and Conditions except as provided herein.

TERM OF CONTRACT

Subscriptions of 50 kW DC or more will require a five (5) year non-transferrable, non-assignable contract between Subscriber and Company.

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ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the
Public Service Commission in
Case No. 2016-00274 dated**

Mailed 4/8/16 for Account # 3000-5555-5555



a PPL company

BILLING SUMMARY

Previous Balance	185.14
Payment(s) Received	-185.14
Balance as of 4/7/16	\$0.00
Current Electric Charges	54.03
Current Gas Charges	53.62
Current Taxes and Fees	0.94
Total Current Charges as of 4/7/16	\$108.59
Other Charges (See Other Charges on back)	40.47
Total Amount Due	\$149.06

AMOUNT DUE

\$149.06

DUE DATE

5/1/16

Account Name: JOHN SMITH
Service Address: 100 Cassidy Ln
 LOUISVILLE KY

Online Payments: lge-ku.com
Telephone Payments: (502) 589-1444, press 1-2-3
 24 hours a day; \$2.25 fee
Customer Service: (502) 589-1444
 M-F, 7am-7pm ET
Walk-in Center: 820 W. Broadway
 Louisville, KY 40202
 M-F, 8am-5pm ET

Next read will occur 5/4/16 - 5/6/16 (Meter Read Portion 03)

CURRENT USAGE

ELECTRIC

Meter Reading Information	Meter # 700000
Actual (R) kWh Reading on 4/7/16	58526
Previous (R) kWh Reading on 3/9/16	58072
Current kWh Usage	454
Meter Multiplier	1
Metered kWh Usage	454

GAS

Meter Reading Information	Meter # 600000
Actual (R) ccf Reading on 4/7/16	2704
Previous (R) ccf Reading on 3/9/16	2658
Current ccf Usage	46
Meter Multiplier	1
Metered ccf Usage	46

CURRENT CHARGES

ELECTRIC

Rate: Residential Electric Service

Basic Service Charge	10.75
Energy Charge (\$0.08076 x 454 kWh)	36.67
Electric DSM (\$0.00520 x 454 kWh)	2.36
Electric Fuel Adjustment (\$0.00224 x 454 kWh)	1.02
Environmental Surcharge (5.860% x \$50.80)	2.98
Home Energy Assistance Fund Charge	0.25
Total Charges	\$54.03

GAS

Rate: Residential Gas Service

Basic Service Charge	13.50
Gas Distribution Charge (\$0.26419 x 46 ccf)	12.15
Gas Supply Component (\$0.49951 x 46 ccf)	22.98
Weather Normalization Adjustment (\$0.26419 x 6.093 ccf)	1.61
Gas DSM (\$0.01311 x 46 ccf)	0.60
Gas Line Tracker	2.53
Home Energy Assistance Fund Charge	0.25
Total Charges	\$53.62

Please return only this portion with your payment. Make checks payable to LG&E and write your account number on your check.

Amount Due **5/1/16** **\$149.06**

After Due Date, Pay this Amount: \$153.53

Winterhelp Donation:

Total Amount Enclosed:

Account # **3000-5555-5555**
 Service Address: 100 Cassidy Ln

#116100001 2#

JOHN SMITH
 100 CASSIDY LN
 LOUISVILLE, KY 40229-1000



a PPL company

PO Box 9001960
 Louisville, KY 40290-1960

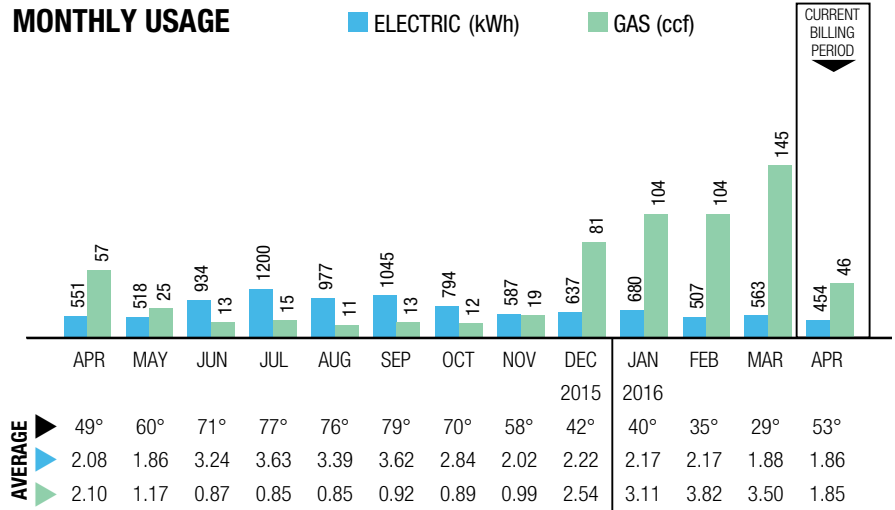


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BILLING PERIOD AT-A-GLANCE

	THIS YEAR	LAST YEAR
Average Temperature	53°	49°
Number of Days Billed	29	29
Avg. Electric Charges per Day	\$1.86	\$2.08
Avg. Gas Charges per Day	\$1.85	\$2.10
Avg. Electric Usage per Day (kWh)	15.66	19.00
Avg. Gas Usage per Day (ccf)	1.59	1.97

MONTHLY USAGE



Taxes & Fees

Franchise Fee-Louisville	0.94
Total Taxes and Fees	\$0.94

Other Charges

Solar Capacity Charge (\$6.29 x 8 qtr-kWh)	50.32
Solar Energy Credit (-\$0.04020 x 232 kWh)	-9.33
Solar Offset to FAC Charge (-\$0.00224 x 232 kWh)	-0.52
Total Other Charges Due	\$40.47

BILLING INFORMATION

Late Payment Charge

Late Charge to be Assessed After Due Date \$4.47

Rate Schedules

For a copy of your rate schedule, visit lge-ku.com/rates or call our Customer Service Department.

HOME ENERGY REBATES



Earn cash rebates on qualifying energy-efficient Energy Star® appliances.

Visit lge-ku.com/rebates

OFFICE USE ONLY:
MRU03835043, G000000
P185.14
PF:Y eB:P

Application Exhibit 9

Solar Administrative Costs - 1 Array for 1 Year

<u>Role</u>	<u>Hours</u>	<u>Rate</u>	<u>Burdened</u>	<u>Cost</u>	<u>Assumptions</u>
Billing Associate	1,040	26.44	29.62	\$ 30,800	1/2 FTE, 10 bills/day, 20 days/month
BSC Rep - Web Form	320	16.59	18.58	\$ 5,945	1/6 FTE, 10 hrs/week for 3 months, 5 hrs/week after
CSR - Subscriptions	750	14.28	15.99	\$ 11,994	1/3 FTE, 20 hrs/week for 3 months, 10 hrs/week after
Program Manager	280	34.62	38.77	\$ 10,855	1/8 FTE, 10 hrs/week for 1 month, 5 hrs/week after
Customer Education	240	26.00	26.00	\$ 6,240	1/9 FTE, 1 FTE for 6 weeks
Subscription and Billing Processing Setup				\$ 14,000	
Total	2,630			\$ 79,834	1 1/4 FTE - Total from the partial FTEs listed above

Price per share: \$ 39.92