

August 12, 2015

Ms. Kate Whitney
Utility Division
Montana Public Service Commission
1701 Prospect Avenue
PO Box 2022601
Helena, Montana 59620-2601

**Re: Docket Nos. D2013.5.33/D2014.5.46 Electric Tracker
MEIC Set 6 Data Requests (069-084)**

Dear Ms. Whitney:

Enclosed for filing is a copy of NorthWestern Energy's responses to MEIC Set 6 Data Requests in Docket Nos. D2013.5.33/D2014.5.46. It will be hand delivered to the Montana Public Service Commission and the Montana Consumer Counsel this date. It will also be mailed to the service list in this docket, e-filed on the PSC website, and emailed to counsel of record.

Should you have questions please contact Joe Schwartzberger at (406) 497-3362.

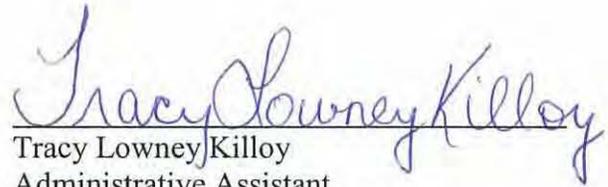
Sincerely,

Tracy Lowney Killoy
Administrative Assistant

CERTIFICATE OF SERVICE

I hereby certify that a copy of NorthWestern Energy's responses to MEIC Set 6 Data Requests (069-084) in Docket Nos. D2013.5.33/D2014.5.46 has been hand delivered to the Montana Public Service Commission and to the Montana Consumer Counsel this date. It will be e-filed on the PSC website, emailed to counsel of record, and served on the most recent service list by mailing a copy thereof by first class mail, postage prepaid.

Date: August 12, 2015

A handwritten signature in blue ink that reads "Tracy Lowney Killoy". The signature is written in a cursive style with a horizontal line drawn across the middle of the text.

Tracy Lowney Killoy
Administrative Assistant
Regulatory Affairs

Docket Nos.
D2013.5.33/D2014.5.46
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North Western Energy
Docket D2013.5.33/D2014.5.46
Electric Tracker

Montana Environmental Information Center/Sierra Club
Set 6 (069-084)

Data Requests received July 29, 2015

MEIC-069 Subject: General Agreement Between PPL and Siemens
 Witness: Goetz

Please refer to Exhibit JHG-1, entitled "General Agreement for Supply of Equipment, Field Services, Shop Repair Services and Technical Services Between PPL Services Corporation and Siemens Power Generation, Inc." Please produce an unredacted copy of the entire General Agreement.

RESPONSE:

See Attachment.

ORIGINAL

GENERAL AGREEMENT

FOR

**SUPPLY OF EQUIPMENT, FIELD
SERVICES, SHOP REPAIR SERVICES
AND TECHNICAL SERVICES**

BETWEEN

**PPL SERVICES CORPORATION
AND
SIEMENS POWER GENERATION, INC.**

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Attachments:

- Exhibit A - Supplemental Terms & Conditions for PPL Susquehanna, LLC**
- Exhibit B - Supplemental Terms & Conditions for PPL Montana, LLC**
- Exhibit C - RESERVED**
- Exhibit D - Insurance Requirements**
- Exhibit E - Lien Waiver**
- Exhibit F - Release**
- Exhibit G - PPL Affiliates**
- Exhibit H - Proprietary Information Agreement**
- Exhibit I - Contractor's Major Competitors**

AGREEMENT

GENERAL AGREEMENT FOR THE SUPPLY
OF
EQUIPMENT, FIELD SERVICES, SHOP REPAIR SERVICES AND
TECHNICAL SERVICES
BETWEEN
SIEMENS POWER GENERATION, INC. AND PPL SERVICES
CORPORATION

This AGREEMENT is made and entered into as of the 1st day of January, 2006, by and between Siemens Power Generation, Inc., a corporation organized under the laws of the State of Delaware with offices located at 4400 Alafaya Trail, Orlando, FL 32826-2399 (hereinafter referred to as "Contractor") and PPL Services Corporation, a corporation organized under the laws of the State of Delaware with offices located at Two North Ninth Street, Allentown, PA 18101 (hereinafter referred to as "PPL").

WITNESSETH

WHEREAS, PPL, whose Affiliates are owners and operators of power generation facilities, desires Contractor to provide equipment, shop repair services, field services and technical services as further described in PPL's Contracts; and

WHEREAS, Contractor is willing to supply such equipment, shop repair services, field services and technical services for the compensation, during the time period, and in accordance with the terms and conditions as set forth in PPL's Contracts; and

WHEREAS, this Agreement is intended to cover routine, day to day purchases of equipment, shop repair services, field services and technical services; and this Agreement is not intended to cover high risk projects, equipment upgrades, and modernization projects which shall be contracted under individually negotiated contracts on a case by case basis. Notwithstanding the above, a Contract received by and executed by the Contractor shall be considered a valid contract between Contractor and PPL;

NOW, THEREFORE, in consideration of the mutual promises set forth herein and intending to be legally bound, the parties agree as follows:

Article 1 - Definitions

The following words and phrases shall have the following meanings for the purpose of this Agreement. Words importing persons include corporations. Words importing only the singular include plural and vice versa when the context requires.

"Affiliate" shall mean a company which either owns or controls PPL or which PPL owns or controls directly or indirectly, at least fifty percent (50%) of the stock having the right to vote for or appoint directors thereto or is under common control directly or indirectly with PPL through a common parent company. In no event shall any entity which is a competitor of Contractor be considered an Affiliate for the purpose of this Agreement or any Contract. For the purposes of this Agreement, Affiliate shall not be considered a third party.

"Amendment" shall mean the document issued by PPL to change certain aspects of this Agreement pursuant to Article 4 hereof.

"Agreement" shall mean this document and the annexed attachments, exhibits, and schedules all of which are attached hereto and made part hereof, and any amendments, revisions and change orders issued pursuant thereto.

"Agreement Compensation" shall mean the amounts due Contractor as specified in the applicable Contract.

"Contract" shall mean the document issued by PPL and signed by Contractor that provides or references the work scope, Specification, compensation, payment terms, Schedule, division of responsibilities, this Agreement and other relevant information applicable to the Work. Any Contract contemplating the use of this Agreement shall reference this Agreement and any pre-printed terms on the Contract shall be of no effect.

"Equipment" shall mean equipment, material, or parts provided by Contractor all as specified in the Contract.

"Field Services" shall mean the disassembly, inspection, repair, maintenance or modification, and reassembly services performed by Contractor on PPL's Material at the Plant Site, or installation of Equipment at the Plant Site all as detailed in this Agreement.

"Plant Site" shall mean any PPL power plant specified in the Contract for which Contractor is supplying Work.

"PPL's Authorized Representative" shall mean the person designated by PPL in the Contract, an officer of PPL, or any other person or persons as may be authorized in writing by an officer of PPL.

"PPL's Material" shall mean equipment, materials, parts, components and items of any kind owned by PPL for which Contractor is to provide either or any combination of Shop Repair Services, Field Services or Technical Services under a Contract.

"Services" shall mean either or any combination of Shop Repair Services, Technical Services or Field Services.

"Specification" shall mean the written description of PPL requirements that may be included as part of the Contract.

"Schedule" shall mean the mutually agreed upon schedule for the supply of Equipment, Shop Repair Services, Field Services and/or Technical Services all as specified in the Contract.

"Shop Repair Services" shall mean shall mean Work performed by Contractor on PPL's Material at a Contractor manufacturing plant, a Contractor service facility or a suitable facility selected by Contractor.

"Software" shall mean instructions in machine readable form, other than source code, and associated documentation delivered by Contractor to PPL in chip, disc and/or tape format.

"Subcontractor" shall mean any person, or entity, or Contractor's subsidiaries or affiliated entity, which at any time is under agreement with Contractor to perform any portion of the Work. The term "Subcontractor" shall include without limitation its officers, directors, agents and employees as well as each of its agents, suppliers and manufacturers whether or not they perform work at the Plant Site. The term "Subcontractor" does not include a separate contractor or subcontractors of a separate contractor.

"Technical Services" shall mean the (i) inspections, technical evaluation of inspections, technical analysis of materials and technical recommendations related to: shop repairs, installation of Equipment, and modernization (Equipment upgrades), (ii) technical information provided by Contractor including data interpretation and reports, (iii) advice and consultation given to PPL personnel at PPL's facility or at a Contractor facility by a Contractor engineer or technician or (iv) advice and guidance given to PPL by the Contractor's field engineer(s) regarding methods and procedures for installation of Equipment or PPL's Material, and for periodic maintenance and calibration of Equipment or PPL's Material when the scope of work under the Contract specifically provides for such services.

"Work" shall mean the Equipment, Shop Repair Services, Field Services and/or Technical Services provided by Contractor as specified in the Contract.

Article 2 – Affiliates

Any Affiliate listed in Exhibit G may reference this Agreement in a Contract. For any Affiliate of PPL named in Exhibit G that issues a Contract ("Ordering Affiliate"), Contractor agrees (upon acceptance of the Contract) to grant to such Ordering Affiliate all rights of PPL under this Agreement. PPL agrees to require such Ordering Affiliate to

comply with all obligations of PPL under this Agreement, and PPL shall be solely responsible for any failure of such Ordering Affiliate to so comply.

Article 3 - Direction

- A. PPL shall have the right, at all times during performance of the Work, to issue written directions to Contractor which redirect Contractor's effort, shift the emphasis between tasks, require pursuit of certain lines of inquiry, fill in details, or otherwise serve to accomplish the Work being pursued (herein referred to as "direction"). Nothing contained in this Section A shall be construed as relieving Contractor of its responsibilities under this Agreement. All direction furnished by PPL hereunder must be in writing and within the scope of Work.
- B. Any direction having the effect of assigning additional work outside the general scope of, or constituting a change to, or unreasonably affecting the time required for performance of, or changing substantially any of the pricing, terms, conditions, or specifications of the Work issued pursuant to this Agreement must be authorized in writing by PPL's Authorized Representative before Contractor proceeds with implementation thereof. Any such additional work undertaken by Contractor without such prior written approval from PPL shall be at Contractor's risk and expense. Notwithstanding the foregoing, PPL's Authorized Representatives may direct Contractor to perform additional work for emergency circumstances pursuant to a written direction (including e-mail) designating such Work as an emergency, and PPL shall issue a formal change order to the Contract within five (5) days of such direction.

Article 4 – Amendments / Change Orders

- A. Should PPL and Contractor agree to modify the terms or provisions of this Agreement, such modification shall be authorized by means of an Amendment to this Agreement. Amendments shall detail the mutual agreement of the parties to the changes to the terms or provisions of this Agreement resulting thereby. No amendment or modification of any of the terms or provisions of this Agreement shall be binding unless in writing and signed by duly authorized representatives of the parties.
- B. Should PPL desire a modification to the Contract to modify the Work, or modify the terms of the Contract, and if Contractor agrees to such changes, the agreement of the parties shall be documented in a change order to the Contract executed by both parties.

Article 5 - Progress Meetings

If required by the Contract, progress meetings shall be held with representatives of PPL and Contractor during the performance of the Work at the work site at location(s) to be determined by PPL and Contractor.

Article 6 - Reports

Contractor shall furnish its schedule for the performance of the Work, logic diagrams of activities, and such other data as specified in the Contract. Contractor shall update such schedule on a periodic basis consistent with the type of work and the level of activities performed by Contractor, or as otherwise reasonably requested by PPL. Contractor shall notify PPL in writing when the Equipment or PPL's Material is ready for shipment. Upon request, Contractor's authorized representative shall be prepared to discuss progress of the Work, including any problems related thereto.

Article 7 - Tests and Inspections

- A. If laws, ordinances, rules, regulations, orders of any public authority having jurisdiction, this Agreement, or the Contract require Work specifically to be inspected, tested or approved by someone other than the Contractor, the Contractor will give (7) days advance written notice of readiness thereof to PPL. The Contractor will deliver the required certificates of inspection, testing or approval to PPL. All such tests shall be in accordance with the methods prescribed by such laws, ordinances, rules, regulations and orders, this Agreement, and the Contract. If any such Work which is required to be inspected, tested or approved is covered without written approval of PPL, it must, if requested by PPL or by the applicable legal authority, be uncovered for observation at Contractor's expense. The cost of all inspections, tests and approvals shall be borne by Contractor unless expressly otherwise provided.
- B. Neither observations by PPL nor inspections, tests or approvals by persons or entities other than the Contractor shall relieve the Contractor from its obligations to perform the Work in accordance with the requirements of this Agreement and the Contract.

Article 8 - Expediting

PPL shall be entitled to make inquiries regarding progress of the Work and delivery status, and shall have the right of access to Contractor's and any relevant subcontractors' records and facilities during normal business hours for the purpose of expediting and/or validating the progress of the Work. Contractor shall provide proper workspace for PPL personnel at no additional cost to PPL. Any expediting and/or progress validation performed by PPL shall not relieve Contractor of its responsibility to meet all requirements set forth herein.

Article 9- Delivery, Shipping/Packing Instructions

Delivery of each component of Equipment shall be made when said component is delivered Free On Board carrier at the Plant Site. Legal and equitable title and risk of loss or damage to each such component of the Equipment shall pass from Contractor to PPL upon delivery. Delivery shall be made Monday through Friday between 8:00 a.m. and 3:00 p.m. unless authorization for alternate arrangements has been granted by PPL in advance. All shipments shall contain two copies of a packing list; one securely

attached to the outside of the shipping container and one packed with the items inside the container. All shipping containers shall be plainly marked upon at least two sides identifying the shipment with PPL's Contract number and the Contractor's name and address at a minimum. To the extent routing and carrier are designated in the Contract, Contractor shall comply therewith.

Title to and right of possession of any Software licensed hereunder, without legal process, shall remain with Contractor or its licensor, except that PPL shall have the right of possession and use of the Software provided hereunder for the terms of the corresponding license provided herein, so long as no breach of this Agreement has been made by PPL and all payments due Contractor have been paid. Nothing in this agreement shall be construed as giving PPL any right to sell, assign, lease or in any other manner transfer or encumber Contractor's or its licensor's ownership of the Software, or as limiting Contractor or its licensor from using and licensing the Software to any third party.

PPL's Material sent to Contractor for Shop Repair will be delivered by PPL at its expense to the repair or manufacturing plant designated by Contractor where the Work is to be performed. PPL's Material and Equipment being returned pursuant to the provisions of the Warranty or Patents articles of this Agreement will be delivered by PPL at Contractor's expense to the repair or manufacturing plant designated by Contractor where the Work is to be performed. Title to such Equipment or PPL's Material will remain at all times with PPL. Risk of loss or damage to such Equipment or PPL's Material will transfer to Contractor upon its arrival on board the carrier at the repair or manufacturing plant and will transfer back to PPL upon its delivery to the carrier at the repair or manufacturing plant after the Work is performed. Delivery of PPL's Material shall be made when the item is placed Free On Board carrier at the repair or manufacturing plant after the Work is performed. When repair Work is performed by Contractor at the Plant Site, title shall remain at all times with PPL. Other than as provided in this Article 9 or as limited by or provided for in Article 80, Damage to PPL Property, risk of loss or damage shall at all times remain with PPL.

Article 10 – Transportation / Delivery

- A. When items of Equipment are ready for shipment or Shop Repair is completed on PPL's Material, Contractor will (i) in the absence of shipping instructions inform PPL of pending shipment and PPL will thereafter promptly give shipping instructions to Contractor (ii) determine the method of transportation and the routing of the shipment and (iii) ship the Equipment or PPL's Material freight prepaid and included in the price by Normal Carriage:
- (1) to PPL's Plant Site when shipped by highway transport, or
 - (2) to the rail siding nearest PPL's Plant Site when shipped by rail transport.

Notwithstanding the foregoing, Contractor shall comply with all reasonable shipping instructions provided by PPL in a timely manner.

In the event that PPL fails to provide Contractor with timely shipping instructions, Contractor will ship the Equipment or PPL's Material by Normal Carriage to PPL's Plant Site or to a suitable storage location selected by Contractor.

If the Equipment or PPL's Material is to be placed into storage in accordance with the above, Delivery of the Equipment or PPL's Material shall be deemed to have occurred for all purposes hereunder at the time the Equipment or PPL's Material is placed on the carrier for shipment to the storage location. If it is to be stored in the facility where manufactured, or where Shop Repair is performed, delivery shall be deemed to have occurred when the Equipment or PPL's Material (i) is placed Free On Board the common carrier for shipment to the storage location or (ii) is placed into the storage location when stored in a Contractor manufacturing or service facility.

In the event of storage pursuant to the preceding paragraph, all reasonable and necessary expenses thereby incurred by Contractor, such as preparation for and placement into storage, handling, freight, storage, inspection, preservation, taxes and insurance, shall be payable by PPL within thirty days after submission of an invoice(s) prepared by Contractor. When conditions permit and upon payment to Contractor of any additional amounts due hereunder, PPL shall arrange, at its expense, for removing the Equipment or PPL's Material from storage.

B. Normal Carriage

Most Equipment and PPL's Material can be shipped by highway transport. Contractor shall make every reasonable effort to ship by highway transport unless rail transport is requested by PPL. Normal Carriage means carriage either by highway transport (provided this does not necessitate use of specialized riggers trailers) or by rail transport, on normal routing from the repair facility or factory to (i) PPL's designated destination when shipped by highway transport, (ii) the rail siding nearest PPL's designated destination when shipped by rail transport or (iii) the port of export selected by Contractor in the 48 continental United States if PPL's designated destination is outside the United States or is in Alaska or Hawaii.

Article 11 – Final Acceptance

"Final Acceptance" shall occur when the following conditions have been completed to PPL's satisfaction:

- A.
 1. Work including all deliverables required under the Contract have been completed and delivered to PPL in accordance with this Agreement and the Contract.
 2. Acceptance testing (if required) of the Work has been performed using test procedures or programs specified in this Agreement and the Contract.
 3. PPL has performed final inspection.
 4. If required by PPL, Contractor has prepared and forwarded to PPL a breakdown of the Agreement Compensation in accordance with PPL's requirements for property records in such detail and format as may be

required to satisfy the rules and regulations of the Federal Energy Regulatory Commission.

- 5 If requested by PPL, Contractor has executed and delivered to PPL a release substantially in the form of the attachment provided in this Agreement.
- B. After Contractor has complied with Section A above, Contractor shall notify PPL's Authorized Representative in writing. PPL's Authorized Representative shall, within fourteen (14) calendar days of receipt of such notice, either (1) accept the Work in writing which shall constitute Final Acceptance or (2) submit a written report (punch list) describing any items which render the Work incomplete. Contractor shall correct all incomplete items specifically outlined in PPL's report, subject to all terms and provisions of this Agreement and the Contract. Contractor shall notify PPL's Authorized Representative when the Work is complete, and the procedure set forth in this section shall be repeated until Final Acceptance has been achieved. PPL's use of the Work shall not be deemed as Final Acceptance and shall not be deemed to waive PPL's rights or Contractor's responsibilities pursuant to this Agreement. Nothing contained herein shall be deemed to create a waiver of Contractor's obligations to adhere to all the requirements set forth in this Agreement and the Contract.

Article 12 – Performance of the Work

Contractor shall perform the Work and complete all of its obligations in accordance with the requirements set forth in the Contract and any applicable laws, regulations, codes and standards governing Contractor's performance of the Work. Any deviation or waiver of such requirements must have prior written approval of PPL's Authorized Representative. This provision shall not relieve Contractor of any duties or responsibilities set forth elsewhere in this Agreement.

Article 13 – Inspection

- A. PPL contemplates and Contractor agrees to inspection(s) by PPL, or its designee, of all of the Work furnished under this Agreement, whether at the Plant Site, the Contractor's place of manufacture, at a Subcontractor's place of manufacture, or at any place where any of the Work is being manufactured, fabricated, assembled or constructed. All Work performed by Contractor shall be subject to the inspection of PPL to determine whether the Work is being performed in strict compliance with the requirements of this Agreement. PPL may elect to conduct reasonable inspections. However, Contractor shall not rely upon the advice, direction or representation of PPL in the manner of performing the Work, it being the Contractor's obligation and responsibility to make such decisions and to take such action as is required to complete the Work strictly in accordance with all requirements of this Agreement. Contractor at no additional cost to PPL shall furnish PPL's personnel safe access at all times to the Work wherever it is in progress and shall provide PPL every reasonable facility for

purpose of inspection. Contractor shall at all times keep PPL advised of its plan of operation sufficiently in advance to permit proper inspection of the Work and shall notify PPL in advance of the shipping date if such inspection is required. If any Work performed by Contractor is defective or fails to comply with the Specification or other requirements of this Agreement, then Contractor shall, at its own expense, immediately repair or replace the Work so found to be defective or nonconforming in a manner complying with such requirements.

- B. Upon PPL's request, Contractor at any time before Final Acceptance as set forth herein, shall remove, uncover or disassemble such portions of the finished Work as may be directed. After examination, Contractor shall restore said portions of the Work to the standards required by this Agreement. Should the Work thus exposed or examined prove to be in accordance with the requirements of this Agreement, the actual cost of disassembling, uncovering or removing, and the replacing of the covering or making good of the part removed shall be paid to Contractor by PPL, provided Contractor shall have kept an accurate record of such costs in accordance with generally accepted accounting principles consistently applied and appropriate to facilitate PPL's review and audit. Should the Work so exposed or examined prove to be defective or nonconforming, the disassembling, uncovering or removing and replacing of the covering or the making good of the parts removed shall be at Contractor's expense. If Contractor fails to correct or replace any defective or nonconforming Work after written notice, PPL may cause such defective or nonconforming Work to be corrected or replaced and all costs associated therewith shall be paid by Contractor or at PPL's discretion deducted by PPL from payments otherwise due to Contractor.
- C. If and as required in the Specification and/or the Contract, evidence of specific tests and inspections performed, such as inspection data sheets, test reports, subtier certification of procured and/or manufactured items, or any other pertinent data shall be submitted to PPL with each delivery. Contractor shall verify raw materials purchased by the Contractor to fabricate Work for this Agreement for specification compliance, as applicable, by means of chemical and/or physical testing or certified test reports. Test reports shall be submitted to PPL as soon as possible after the tests are made, but not later than two (2) weeks after test was performed.
- D. PPL (or its designee) shall be provided free access to the shops and other Work locations of the Contractor or its suppliers or Subcontractors, to audit compliance to the requirements of the Contractor's approved Quality Assurance plan as approved by PPL, and to inspect or observe the Work and its associated records and documentation. PPL shall be allowed to audit unpriced copies of Contractor's purchase orders issued to its suppliers or Subcontractors.
- E. PPL may identify to Contractor specific points in the manufacture, fabrication, assembly, inspection and test cycle that PPL intends to observe. The Contractor is required to provide PPL with seven (7) days advance notice of impending hold or witness points. Neither PPL's waiver of such observations, nor its acceptance

or rejection of Work in the Contractor's shops shall in any way relieve the Contractor of its responsibilities to fulfill the requirements of this Agreement.

- F. Should any Work be performed by Contractor prior to giving PPL notice and/or opportunity of inspection, Contractor may be required to uncover such Work for inspection, and such Work shall be subject to acceptance or rejection by PPL. Cost of uncovering such Work shall be borne by the Contractor.
- G. As an alternate to periodic shop inspections, PPL may elect to assign a resident inspector. Should the resident inspector not be an employee of PPL, then both parties shall mutually agree on the resident inspector, such agreement not to be unreasonably withheld. In such a case, the resident inspector shall be provided with sufficient facilities to accomplish its required inspections and associated report writing.

Article 14 - Physical Completion

"Physical Completion" shall mean the Work is substantially complete and ready for use, and shall occur when the following conditions have been completed to PPL's satisfaction:

- A.
 - 1. Contractor has substantially completed the Work in accordance with this Agreement and original equipment manufacturer's instructions, underwriter's requirements and/or standard industry practice. Substantially complete and ready for use includes, as applicable, the following:
 - a. All systems and Equipment have been installed and, if applicable, calibrated.
 - b. All Services have been performed.
 - 2. Contractor has completed any punch-listed items, and in all other respects has completed the Work, including resolution of any items listed as nonconforming under Section B of this Article, all as required for operation of the equipment.
 - 3. Contractor has removed all debris and rubbish, other than that for which PPL is responsible, and has cleaned any PPL provided facility or building in the areas in which Work has been performed or material and equipment has been stored by Contractor.
 - 4. Contractor has removed or disposed of all equipment, materials and supplies brought on the Plant Site by Contractor, which are not incorporated into the Work, excluding hazardous materials resulting from performance of the Work. Contractor shall use reasonable effort to minimize the generation of hazardous materials during performance of the Work.

- B. When Contractor has complied with Section A above, Contractor shall notify PPL's Authorized Representative in writing. PPL's Authorized Representative shall, within a reasonable period of time consistent with the circumstances, either (1) furnish written confirmation that it agrees the Work is physically complete or (2) submit a written report (punch list) describing any items which render the Work incomplete. Contractor shall correct all incomplete items specifically outlined in PPL's report, subject to all terms and provisions of this Agreement. Contractor shall notify PPL's Authorized Representative when the Work is complete, and the procedure set forth in this section shall be repeated until Physical Completion has been achieved. Physical Completion shall be deemed to have occurred if PPL commences operation of Equipment, or PPL's Material for which the Services were provided. Nothing contained herein shall be deemed to create a waiver of Contractor's obligations to adhere to all the requirements set forth in this Agreement.

Article 15 – RESERVED

Article 16 – Special Services

Unless expressly provided otherwise, preparing to serve or serving as a witness in connection with any public hearing, arbitration proceeding or legal proceeding arising from the Work, are services that are not included in the Work. Such services are deemed to be special services and shall be provided only if authorized in writing by PPL's Authorized Representative in accordance with this Agreement. Contractor shall be compensated for authorized special services at Contractor's standard hourly and expense rates in effect at the time such special services are performed unless other rates for special services are provided in this Agreement. The obligations created by this article shall survive completion of the Work or any termination of this Agreement.

Article 17 – Work Week and Overtime

For work performed on a time and material basis, overtime shall be limited to the hours for which PPL has given prior written approval. Except as provided below, any scheduled or unscheduled overtime undertaken by Contractor without prior written approval from PPL shall be at Contractor's risk and expense. Nothing in this Article shall be construed to prevent or delay the immediate start of critical work.

Article 18 - Ownership and Risk of Loss

Except as otherwise provided under this Agreement, title to and risk of loss of any Equipment provided by Contractor under this Agreement shall pass to PPL upon delivery FOB Plant Site.

Article 19 - Term

This Agreement shall become effective on the date first set forth above and shall remain in full force and effect for a period of four (4) years. After the initial period of four (4) years either party may terminate this Agreement for convenience upon ninety (90) days

advance written notice to the other party, except that any Contract entered into prior to notice of termination shall continue under the Agreement until the Contract is completed.

Article 20 - Data Rights

Excluding any intellectual property rights or confidential or proprietary information rights of Contractor or a third party, Contractor shall deliver the Work free and clear of any liens, claims, encumbrances, and rights in favor of Contractor or any third party. Contractor shall retain ownership of design, and any information designated as confidential information.

Article 21 - Time Extensions

If, after commencement of the Work by Contractor, Contractor is delayed in the completion of the Work directly due to acts or omissions of PPL or any third party contracted by PPL, without the fault or negligence of Contractor, the time for completion of the Work shall be extended an equitable amount to overcome the impact of such delay; provided that Contractor uses reasonable efforts to minimize the actual impact of such delay. In arriving at the length of the extension, Contractor shall maintain a record of days or portions of days upon which, on account of such delays caused by PPL, it is impossible to proceed with any Work. Where only a part of the Work is delayed for any such reason, the part of the Work affected and PPL and Contractor shall mutually determine the actual impact of such delay. Any claimed delay and the causes thereof shall be evidenced by written notice from Contractor to PPL promptly after the delay commences; otherwise, Contractor shall be deemed to have waived any claim for an extension of the period of performance.

Article 22 - Unexcused Delays

If Contractor causes or suffers a delay not otherwise excused hereunder in the progress of the Work, Contractor shall, without additional cost to PPL, work such overtime, acquire such necessary additional equipment, or perform such other acts as may be necessary to complete the Work within the period of performance set forth in this Agreement and the Contract.

Article 23 - Compensation for Delays

No payment of any kind shall be due Contractor for any delay, unless such delay is requested or caused by PPL, or caused by any third party contracted by PPL, or the result of an action or inaction of a regulatory or governmental body (without the fault of the Contractor), in which event the compensation due Contractor will be equitably adjusted provided Contractor has used its reasonable efforts to minimize the actual impact of such delay. Any claimed delay and the causes thereof shall be evidenced by written notice from Contractor to PPL promptly after Contractor becomes aware of the delay; otherwise, Contractor shall be deemed to have waived any claim for an adjustment in compensation.

Article 24 - Sales and Use Tax

The price paid or to be paid to Contractor under the Agreement does not include any federal, state, or local property, license, privilege, sales, use, excise, value added, gross receipts, or similar taxes now or hereafter applicable to, measured by, or imposed upon or with respect to the transaction, the property, its sale, its value or its use, or any services performed in connection therewith. In the event Contractor or its Subcontractors become liable for payment of such taxes, PPL agrees to reimburse Contractor only for such taxes which Contractor or its Subcontractors have paid. Proof of payment shall be provided to PPL by Contractor. However, PPL shall not be responsible for any penalties or interest charges which result from the fault or negligence of Contractor or its Subcontractors. Contractor shall be responsible for all import duties or fees and any payroll related taxes for its employees incurred in the performance of its obligations.

Article 25 - Compensation

PPL shall pay Contractor the Agreement Compensation in U. S. Dollars according to the payment schedule set forth in the Contract. The Agreement Compensation as set forth in the Contract is firm unless escalation provisions are established in such Contract.

Article 26 – Payment

- A. PPL shall make payment within thirty (30) calendar days after receipt of a proper and correct invoice from Contractor. Payment milestones may be established in the Contract.
- B. Separate invoices for extra work performed by Contractor shall be submitted to PPL within forty-five (45) days of completion of such extra work. Each invoice for extra work which is not performed on a firm fixed price basis must be accompanied by pertinent labor time tickets, original receipted invoices (including the cost and the freight and haulage charges) for all materials furnished by Contractor and used in such extra work, invoices for Subcontractors, invoices for third party rental equipment and timesheets for equipment and machines provided directly by the Contractor and utilized in such extra work.

Article 27 - Invoicing

One original of each itemized invoice shall be mailed to the address established in the Contract.

Article 28 - Records and Audit

In addition to technical records, material certifications and other information sufficient to verify Contractor's compliance with the requirements of the Agreement, Contractor shall maintain timesheets, vouchers, invoices, and payment records to vendors and suppliers sufficient to determine Contractor's proper invoicing for any portion of the Work which is priced on a time and material basis. The aforesaid documents are hereinafter referred to

as "Records". Records shall be retained for a period of three (3) years after final payment.

PPL shall have the right of access to Contractor's Records, wherever maintained, during normal business hours, to review, audit and verify compliance with Contract requirements. Contractor shall cooperate with PPL in furnishing such access, Records and assistance as may be reasonably requested by PPL. In addition, PPL may review and audit Records to verify that Contractor and its Subcontractors did not make payments to or for the personal benefit of employees of PPL, its agents and its other contractors. Contractor may require an independent third party, mutually agreeable to both parties, to conduct the audit if Contractor reasonably determines the information is business sensitive.

Any adjustment to compensation shown to be appropriate as a result of an audit, at PPL's option, may be offset against payments not yet made to Contractor under this Agreement, or refunded by Contractor to PPL, or paid to Contractor by PPL.

The right to audit compensation is limited to the use of those audit procedures that are considered appropriate for a time and material order. PPL does not have the right to audit: the development of negotiated or standard rates, overhead, or profit factors; items where price is not calculated on a time and material basis; documents unrelated to this Agreement; employee salary or personal information; or Contractor proprietary information as defined in Article 50.

Article 29 -Representation

Contractor represents and warrants that it is fully experienced and properly qualified to perform the Work, and that it is properly licensed, equipped, organized and financed to do so.

Article 30 - Design Responsibility

PPL shall have the right to review any drawings and other documents generated by Contractor for the Work while in progress. Contractor shall submit all required general outline drawings, general arrangement drawings and drawings to support maintenance to PPL. Contractor has the responsibility for furnishing equipment and materials that comply with the requirements of this Agreement. This review by PPL shall not be construed as relieving Contractor of any responsibility hereunder including responsibility for errors in shop drawings or details.

Article 31 - Warranty

A. Title and General Warranty

Contractor warrants that PPL will receive good title to the Work, when delivered, and shall not be subject to any encumbrances, liens, security interests, or other defects in title. In the event of any failure to conform to this warranty, Contractor, upon prompt written notice of such failure, shall at its expense defend the title to

the Work and remove said defects. For the purpose of clarification, "good title" shall not include title to any Contractor confidential or proprietary information as defined in Article 50 of this Agreement. Unless otherwise specified in the Contract, all Equipment furnished by Contractor shall be new and all Work shall comply with the Specification, and conform to the requirements of all governing laws and regulations.

B. Equipment, Services and Software Warranties

1. Equipment Warranty

Contractor warrants that the Equipment (excluding Software) furnished to PPL, including any part repaired or replaced by Contractor during the Equipment Warranty Period, will be free of defects in workmanship and materials and design (to the extent a design defect manifests itself during the Equipment Warranty Period and except to the extent PPL effects a change in the design) until one (1) year from the date of PPL's Final Acceptance of the Equipment at PPL's Plant Site (the "Equipment Warranty Period"), but in no event later than eighteen (18) months from date of delivery of the Equipment at the Plant Site.

If during the Equipment Warranty Period, Contractor is promptly notified in writing that the Equipment fails to conform to the Equipment warranty, Contractor will at its option and expense correct such nonconformity by repair or replacement. Upon determination of the requisite repair or replacement, Contractor shall expeditiously implement the repair or replacement with due consideration of equipment availability, procurement lead times and PPL's operating requirements. PPL shall be given the opportunity to comment on any repair or replacement which Contractor intends to perform to remedy the nonconformity. Any repair or replacement made hereunder shall conform to the original warranty for the remainder of the Equipment Warranty Period or sixty (60) calendar days after start-up of the repaired or replaced Equipment, whichever is later.

2. Technical Services Warranty

Contractor warrants for each item of Technical Services that (i) the Technical Services shall be performed by technically competent and qualified personnel, (ii) the Technical Services shall be performed in accordance with generally accepted professional standards associated with the particular industry, trade, and/or discipline involved, (iii) the advice, recommendations and performance of its personnel will reflect competent professional knowledge and judgment, and (iv) the technical information, reports and analyses transmitted by Contractor in connection therewith will reflect competent professional knowledge and judgment, beginning with the start of the item of Technical Services and ending one year after completion of said item of Technical Services by Contractor (hereinafter the "Technical Services Warranty Period").

If during the Technical Services Warranty Period Contractor is promptly notified in writing that any portion of the Technical Services fails to conform to the Technical Services Warranty, Contractor will at its expense promptly re-perform such nonconforming portion of the Technical Services. If re-performance is impracticable, Contractor will refund the amount of the Agreement Compensation paid to Contractor for such nonconforming portion of the Technical Services.

3. Shop Repair Services Warranty

Contractor warrants that the Shop Repair Services performed by Contractor on PPL's Material, including any materials supplied by Contractor in connection therewith, will be free of defects in workmanship and materials until one (1) year from the date of installation of repaired PPL Material (the "Shop Repair Services Warranty Period"), but in no event later than eighteen (18) months from date of delivery of repaired PPL Material at the Plant Site.

If during the Shop Repair Services Warranty Period, Contractor is promptly notified in writing that the Work fails to conform to the Shop Repair Services Warranty, Contractor will at its option and expense correct such nonconformity by repair or replacement of the defective portion of the Work. Upon determination of the requisite repair or replacement, Contractor shall expeditiously implement the repair or replacement with due consideration of equipment availability, procurement lead times and PPL's operating requirements. PPL shall be given the opportunity to comment on any repair or replacement which Contractor intends to perform to remedy the nonconformity. Any repair or replacement made hereunder shall conform to the original warranty for the remainder of the Shop Repair Services Warranty Period or sixty (60) calendar days after start-up of the repaired or replaced PPL Material, whichever is later. If repair or replacement is impracticable, Contractor will refund the amount of the compensation paid to Contractor for such nonconforming portion of the Work.

4. Field Services Warranty

Contractor warrants that the Field Services supplied in connection with the Work (i) will be performed in a competent and workmanlike manner, and (ii) will be free of defects in workmanship and materials beginning with the start of the Field Services and ending one year after completion of the Work (hereinafter the "Field Services Warranty Period").

If during the Field Services Warranty Period Contractor is promptly notified in writing that the Work fails to conform to the Field Services Warranty, Contractor will, at its option and expense, correct such nonconformity by repair, adjustment or replacement of the nonconforming portion of the Work. If repair, adjustment or replacement is impracticable, Contractor will refund the amount of the compensation paid to Contractor for such

nonconforming portion of the Work. This Field Services Warranty shall apply to any of the Work performed by PPL employees under the direct supervision of Contractor, if applicable.

5 Software Warranty

If Equipment includes Software, Contractor also warrants that the Software: (i) will operate in accordance with the program documentation published by the licensor, (ii) will be free of critical program errors which materially affect its utility, (iii) shall be free of faults, defects, viruses, worms, Trojan horses, built-in, or use-driven destruction mechanisms, and will not contain any injurious or damaging formulas, (iv) contains no hidden files, (v) shall not replicate, transmit, or activate itself without control of a person operating computing equipment on which it resides, (vi) shall not alter, damage, or erase any data or computer programs without control of a person operating the computing equipment on which it resides, (vii) contains no key, node, lock, time-out, back door, trap door, booby trap, or drop dead device which restricts or may restrict use of any program delivered under the Agreement, until one (1) year from the date of shipment of the Software to PPL. If during this warranty period, Contractor is promptly notified in writing that the Software fails to conform to its warranty, Contractor will at its option and expense correct the nonconformity by correction in the medium originally supplied or by providing a procedure to correct material errors. Third party Software shall be warranted on a pass through basis in the same manner and for the same period and extent provided to Contractor by the firm which supplied said third party software.

C. The warranties and remedies set forth in this Article are based upon PPL complying with the following operational requirements/guidelines:

1. PPL's receipt, handling, storage, and maintenance during any storage, installation (except where installation is performed by Contractor), testing, operation, and maintenance, including tasks incident thereto, of PPL's equipment and Equipment in a normal and proper manner with experienced supervision in accordance with the reasonable recommendations of Contractor to the extent applicable or, in the absence of such reasonable recommendations or to the extent not applicable, in accordance with the generally accepted practices of the United States electric power industry. PPL shall have the opportunity to review and comment on Contractor's recommendations in a timely manner. In addition such PPL equipment and Equipment shall not have been operated in excess of reasonable limitations specified in writing by Contractor, and shall not have been subjected to accident, alteration, abuse, or misuse. Should PPL anticipate intentionally deviating from these requirements, PPL shall provide such anticipated deviations to Contractor for its review and approval. Such approval shall not be unreasonably withheld. To the extent that PPL does not follow the above

mentioned guidelines, and any warranty claim does not result from PPL's failure to comply with these guidelines, PPL shall have recourse under this Article 31, Warranty.

2. For all warranty work, where disassembly, removal, replacement, and reinstallation of equipment, materials, or structures was not part of the Contractor scope of Work under the Agreement; PPL shall provide, without cost to Contractor, access to the non-conformity by disassembling, removing, replacing, and reinstalling any equipment, materials, or structures to the extent necessary to permit Contractor to perform its warranty obligations.
3. For all warranty work, where disassembly, removal, replacement and reinstallation of equipment, materials, or structures was part of the Contractor scope of Work under the Agreement; Contractor shall provide, without cost to PPL, access to the non-conformity suspected cause by disassembling, removing, replacing and reinstalling any equipment, materials, structures or Contractor's material consistent with Contractor's original obligations.
4. All warranty work shall be performed in a manner to expedite critical path activities up to and including staffing the site on a two-shift, ten hours per shift basis, Monday through Sunday. In the event PPL requests correction of warranty items on a different schedule, the incremental additional costs of such schedule shall be to PPL's account. Access to Contractor's supervisory personnel shall be available on an as-needed twenty-four-hour-per-day basis.
5. PPL shall at no cost to Contractor, make its site facilities and personnel (to the extent consistent with personnel job classifications) available to assist Contractor in the performance of its warranty obligations. Such support shall be consistent with PPL's obligations and support required for the original supply of the Work. In the event PPL performs work which was originally performed by Contractor, Contractor shall reimburse PPL at mutually agreed billing rates.
6. PPL warrants that any and all third party parts which may be the subject of any Work shall (a) be fully compatible (when applying a standard of reasonableness) with the corresponding part, component, equipment or material of the Original Equipment Manufacturer ("OEM") in terms of form, fit and function; (b) shall be provided to Contractor in a timely fashion hereunder; and (c) shall be capable of installation in the same manner and within the same time frame as the corresponding OEM part, component, equipment, or material.
7. PPL assumes the liability and risk arising out of or resulting from third party parts. The warranties and remedies set forth in paragraphs A and B of this Article do not apply to third party parts, and Contractor DISCLAIMS

ANY AND ALL WARRANTIES AND REMEDIES, WHETHER STATUTORY, EXPRESS OR IMPLIED (INCLUDING ALL WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, AND ALL WARRANTIES ARISING FROM THE COURSE OF DEALING OR USAGE OF TRADE), OR OTHERWISE, FOR OR WITH RESPECT TO THIRD PARTY PARTS.

D. Additional Conditions Applicable to Diagnostic and Non-Destructive Examination and Testing

Diagnostic and non-destructive examination and testing techniques employed by Contractor represent the current Contractor techniques for detecting defects in (including indications of cracking) and evaluation of the condition of PPL's Material. However even these current techniques, when performed according to the standards detailed above in this warranty provision, may not detect all of the defects in PPL's Material (including indications of cracking) and shall not constitute a breach by Contractor of its warranty obligations. PPL acknowledges that Contractor will not be responsible for the consequences of undetected defects including undetected cracks.

E. THE WARRANTIES SET FORTH IN THIS ARTICLE ARE EXCLUSIVE AND ARE IN LIEU OF ALL OTHER WARRANTIES WHETHER STATUTORY, EXPRESS, OR IMPLIED (INCLUDING ALL WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, AND ALL WARRANTIES ARISING FROM COURSE OF DEALING OR USAGE OF TRADE). Correction of nonconformities in the manner and for the period of time provided above or payment of liquidated damages as contained herein, shall constitute Contractor's sole liability and PPL's exclusive remedy for defective or nonconforming Work whether claims of PPL are based in contract, in tort (including negligence and strict liability), or otherwise.

Article 32 - Right to Operate Equipment

PPL shall have the right to use and/or operate the Work delivered under this Agreement as soon as, and as long as, it is in operating condition and turned over to PPL for operation. Any request by PPL to operate the Work shall not be unreasonably withheld.

Article 33 – Indemnity

- A. "PPL Parties" shall mean PPL, its directors, officers, agents and employees, successors, assignees, subsidiaries and affiliates, and each of them; "Contractor Parties" shall mean Contractor, its directors, officers, agents and employees, as well as any Subcontractors of Contractor, at any tier, and the Subcontractor's directors, officers, agents and employees, and each of them; and "Claims" shall mean claims, demands, suits or causes of action. Contractor's obligations under this article shall not be limited to Contractor's insurance coverages.

B. General Indemnity

Contractor shall indemnify PPL Parties for any and all loss or liability of or to third parties, including the costs of settlements, judgments, damages and direct out of pocket expenses including reasonable third party out of pocket attorneys fees, (including reasonable attorney's fees incurred in establishing a right to indemnify hereunder where Contractor disputes such right and PPL ultimately prevails in such dispute), from Claims, at law or in equity, whether based on statute or regulation or on theories of contract, tort, strict liability, or otherwise, which are brought by or on behalf of persons other than PPL Parties or Contractor for claims of death or injury or third party property damage arising from and to the extent caused by the Wrongful acts or omissions of Contractor Parties under this Agreement, whether arising from or relating to acts or omissions solely of Contractor Parties or arising from or relating to acts or omissions of both Contractor Parties and PPL Parties. Contractor shall defend at its own expense, with counsel reasonably acceptable to PPL, any suit or action brought against PPL Parties based upon such Claims. Contractor shall also indemnify PPL Parties for any and all loss or liability for fines, fees or penalties for violations of any statutes, regulations, rule ordinances, codes or standards applicable to the performance of the Work arising from and to the extent caused by the Wrongful acts or omissions of Contractor Parties, whether arising from or relating to the acts or omissions solely of Contractor Parties or arising from or relating to acts or omissions of both Contractor Parties and PPL Parties. For the purpose of this Article, "Wrongful" shall be defined as negligent, grossly negligent, reckless, willful, or intentional misconduct.

However, in no event shall Contractor Parties have any liability under this Article 33 for any Claim by a customer of PPL for voltage or frequency fluctuation or service interruption or for any Claim by any third party for failure of PPL to provide power or capacity. PPL shall promptly notify Contractor in writing of any Claim for which defense and/or indemnification is sought and afford Contractor full opportunity and authority to defend, settle, or compromise the matter.

C. Statutory Indemnity (does not apply for Work at PPL's Montana facilities)

1. With respect to Claims brought against PPL Parties by or on behalf of Contractor Parties' employees, arising from or in any manner relating to injuries to or death of Contractor Parties' employees, including but not limited to Claims based upon allegations of negligence of PPL Parties, Contractor shall indemnify PPL Parties for any and all third party loss or liability resulting therefrom, including costs of settlements, judgments, damages and direct out of pocket expenses including reasonable attorney's fees, (including reasonable out of pocket third party attorney's fees incurred in establishing a right to indemnity hereunder where Contractor disputes such right and PPL ultimately prevails in such dispute) to the extent of Contractor's fault or negligence. It is understood and

agreed that the indemnity provided for in this section is applicable to claims which Contractor has or may have immunity under the Pennsylvania Worker's Compensation Act. Contractor agrees and acknowledges that by undertaking to indemnify PPL Parties under this section C.1, Contractor is expressly undertaking indemnification liability by written contract pursuant to Section 481(b) of the Pennsylvania Workmen's Compensation Act.

2. With respect to Claims brought against Contractor Parties by or on behalf of PPL Parties' employees, arising from or in any manner relating to injuries to or death of PPL Parties' employees, including but not limited to Claims based upon allegations of negligence of Contractor Parties, PPL shall indemnify Contractor Parties for any and all third party loss or liability resulting therefrom, including costs of settlements, judgments, damages and direct out of pocket expenses including reasonable attorney's fees, (including reasonable out of pocket third party attorney's fees incurred in establishing a right to indemnity hereunder where PPL disputes such right and Contractor ultimately prevails in such dispute) to the extent of PPL's fault or negligence. It is understood and agreed that the indemnity provided for in this section is applicable to claims which PPL has or may have immunity under the Pennsylvania Worker's Compensation Act. PPL agrees and acknowledge that by undertaking to indemnify Contractor Parties under this section, PPL is expressly undertaking indemnification liability by written contract pursuant to Section 481(b) of the Pennsylvania Workmen's Compensation Act.

D. Waiver of Montana Workmen's Compensation Claims

For purposes of the indemnity set forth in paragraph C above only, Contractor hereby voluntarily waives and relinquishes the exclusive remedy provisions of Mont. Code. Ann. 39-71-411 (and any amended, recodified or renumbered versions). This waiver is intended solely for the benefit of PPL Montana, LLC and is not to inure to the benefit of any employee of the Contractor or any subcontractor, or any other individual.

Article 34- Patent, Copyright and Trademark Indemnity

Contractor shall indemnify, save defend, and hold harmless PPL, its Affiliates, and their officers, directors, agents, employees, contractors, subcontractors at any tier, successors and assigns, from and against all claims, actions, legal and administrative proceedings, liability, losses, damages, fees including reasonable attorney's fees, costs and expenses of whatsoever kind or nature directly or indirectly incurred by or on behalf of PPL arising out of or in connection with any infringement or alleged infringement of any patent, copyright, trademark, service mark, or other intellectual property relating to any Work, or the use or design for any Work, furnished to PPL under this Agreement by Contractor, or out of the processes or actions employed by or on behalf of Contractor in connection with the performance of the Work hereunder. Contractor shall, at its sole expense, promptly

defend against any such claims or actions; provided only that PPL shall have notified Contractor upon becoming aware of such claims, actions or proceedings. Contractor shall have the right, in order to avoid such claims, actions, or proceedings, to (a) substitute at its own expense non-infringing Work, or processes; or (b) modify the use or design of such infringing Work and processes so they become non-infringing; provided that said substitution or modification meets all the requirements of this Agreement as determined by PPL.

Contractor's obligations under this Article 34 shall be limited to the Work, except Contractor shall have no obligations for modification or services directed by PPL.

THIS ARTICLE IS AN EXCLUSIVE STATEMENT OF ALL THE DUTIES OF THE PARTIES RELATING TO PATENTS, COPYRIGHTS OR TRADE SECRETS AND DIRECT OR CONTRIBUTORY INFRINGEMENT THEREOF AND OF ALL THE REMEDIES OF PPL RELATING TO ANY CLAIMS, SUITS, OR PROCEEDINGS INVOLVING PATENTS, COPYRIGHTS OR TRADE SECRETS. Compliance with this Article as provided herein shall constitute fulfillment of all liabilities of the parties under the Agreement with respect to patents, copyrights or trade secrets.

Article 35 - Postponement of Work

PPL may at any time direct Contractor to stop performance of the Work or any portion thereof, and to continue at a later date. Upon receipt of such directive, Contractor shall comply with its terms. An equitable adjustment in compensation and delivery requirements as mutually agreed to by Contractor and PPL shall be made for the actual unavoidable additional cost and schedule impacts on Contractor as a result of such postponement. Extension to the delivery requirements and payment for the actual unavoidable additional costs and expenses incurred as a result of such suspension shall be Contractor's sole and exclusive remedy for any postponement of Work, and Contractor shall make no claim for any other cost or loss including loss of anticipated profits in respect thereof. Suspensions greater than one year may be considered a termination for convenience by PPL.

Article 36 - Termination for Convenience

- A. PPL may terminate any Contract under this Agreement, at any time for its convenience. Any such termination shall be effected by delivery to Contractor of a written notice of termination specifying the extent to which performance of the Work is terminated and the date upon which termination becomes effective. Such notice of termination shall be given to the Contractor not less than ten (10) days prior to the effective date of the termination described herein.
- B. After receipt of a notice of termination, and except as otherwise directed by PPL, Contractor shall, in good faith, and to the best of its ability, do all reasonable things necessary, in light of such notice and of such requests in implementation thereof as PPL may make, to assure the efficient, proper closeout of the terminated Work (including the protection of PPL's property). Among other

things, the Contractor shall, except as otherwise directed or approved by PPL's Authorized Representative:

- (1) stop the Work on the date and to the extent specified in the notice of termination;
- (2) place no further orders or subcontracts for services, equipment or materials except as may be necessary for completion of such portion of the Work as is not terminated;
- (3) terminate all orders and subcontracts for the applicable Contract to the extent that they relate to the performance of the Work terminated by the notice of termination;
- (4) settle all outstanding liabilities and all claims arising out of such termination of orders and subcontracts; and
- (5) deliver to PPL, when and as directed by PPL's Authorized Representative, all completed Work for which Contractor shall be paid pursuant to this Article 36, Section C, and transfer title to such property to PPL to the extent not already transferred. In the event PPL terminates the Work for its convenience at any time, Contractor shall attempt in good faith to direct materials purchased to the date of termination to other projects. For a period of 12 months after a notice of termination, if and to the extent Contractor succeeds in re-directing such materials to other projects, Contractor shall provide a credit to PPL of fifty percent (50%) of the amount paid by PPL for the re-directed materials.

- C. In the event of a termination for convenience, Contractor shall be entitled to receive the lesser of (a) the fixed price, or (b) the pro-rata portion of the Agreement Compensation based on the portion of the Work performed, up to the date of termination, plus the cost of termination necessarily and reasonably incurred by Contractor in accordance with PPL's termination notice. No cost incurred after the effective date of the notice of termination shall be treated as a reimbursable cost unless it relates to performing the portion of the Work not terminated, or taking closeout measures.

Article 37 - Termination for Cause

- A. Without prejudice to any other right or remedy which it would otherwise possess hereunder, PPL shall be entitled at any time, by giving Contractor a written notice of termination, to terminate any Contract under this Agreement or any portion of the Work for which Contractor has committed any breach of items (1), (2) or (6) below; or for three breaches in a twelve-month period of items (3), (4) or (5) below, PPL shall be entitled to terminate this Agreement. Such notice of termination shall be given to the Contractor prior to the effective date of the termination described therein. PPL may issue such notice of termination for any one of the following reasons:

- (1) If Contractor becomes insolvent, commits any act of bankruptcy, makes a general assignment for the benefit of creditors, or becomes the subject of any proceeding commenced under any statute or law for the relief of debtors; or
- (2) If a receiver, trustee or liquidator of any of the property or income of Contractor is appointed; or
- (3) Except to the extent liquidated damages conditions may apply, if Contractor (a) fails to prosecute the Work, or any part thereof, with the diligence necessary to insure its progress in accordance with the project Schedule, and (b) further fails to take such actions as necessary to remedy or diligently initiate remedy of such default within ten (10) days after written notice thereof from PPL; or
- (4) If Contractor (a) fails to pay when due any obligation or obligations which it shall incur in the performance of the Work, and (b) further fails to diligently initiate remedy of such default within ten (10) days after written notice thereof from PPL; or
- (5) If Contractor enters into any sale or assignment of the Work or any part thereof without the prior written consent of PPL; or
- (6) If Contractor (a) defaults in any material manner in the performance of Contractor's obligations under any of the terms, provisions, conditions or covenants contained in any Contract or this Agreement, and (b) further fails within ten (10) days after written notice thereof from PPL to take reasonable steps to remedy or diligently initiate remedy of such default.

Each instance or default shall be treated as separate, even if related to the same event or events and PPL shall be permitted to pursue any and all rights and remedies available hereunder by reason thereof without terminating this Agreement for cause. Any waiver or release by PPL of any instance of default shall not operate as a waiver or release of any other instance of default.

- B. In the event of termination for cause, Contractor shall be paid only the portion of the Agreement Compensation related to the portion of conforming Work actually performed. PPL is under no obligation to accept any portion of nonconforming Work. Further, Contractor shall also be subject to any remedies PPL may have against Contractor under other provisions of this Agreement, including the refund of any overpayment of compensation by PPL.
- C. If this Agreement or any portion of the Work is terminated for cause, PPL shall have the right, but shall not be obligated to complete the Work itself or by others; and, to this end, PPL shall be entitled to take possession of and use such equipment and materials as may be on the work site and to exercise all rights, options and privileges of Contractor under its subcontracts, purchase orders

(excluding those subcontracts or purchase orders that Contractor may have with its affiliates) or otherwise, and Contractor shall promptly assign such rights, options and privileges to PPL. If PPL elects to complete the Work itself or by others pursuant to the foregoing sentence, then Contractor will reimburse PPL for all costs incurred by PPL which are in excess of those costs which would have been incurred had such termination not have occurred (including, without limitation, applicable general and administrative expenses and field overhead and the cost of necessary equipment, materials and field labor) in correcting Work by Contractor which fails to meet contractual requirements.

Article 38 - Protection Against Liens

Other than for any liens or claims due to the fault or negligence of PPL, which shall not include alleged failure of PPL to pay any amount owed by PPL under this Agreement when due, Contractor shall not at any time file any lien or notice of lien, or permit the same to be filed for Work performed or materials furnished hereunder, or for any other reason or upon any other ground whatsoever, and Contractor does hereby forever waive and relinquish the right to any and all liens or claims of liens as may be permitted or provided by any provision of law. Notwithstanding the foregoing, Contractor shall be bound by this provision only to the extent that it has received payment in accordance with this Agreement for Work performed. Contractor shall insert a provision identical to the one immediately preceding into any major subcontract which may be let for any portion of the Work.

Upon Agreement execution and at other times, if requested by PPL, Contractor shall for itself, its Subcontractors at any tier, suppliers and all parties or firms performing any labor or furnishing any material for any Work covered by this Agreement, deliver to PPL a complete release and waiver of all rights to have filed or maintained any mechanics or other liens or claims to the full extent permitted by law. The form of said release is attached hereto and made a part hereof as Exhibit E.

Article 39 - Notice Of Delay

Whenever either party has knowledge that any event or other situation that is delaying, or threatens to delay, the timely performance of any obligation called for by this Agreement, that party shall immediately give written notice to the other including all relevant information with respect thereto.

Article 40 - Force Majeure

Force Majeure shall mean any acts (including delay or failure to act) or omissions of any governmental authority or agency thereof; strikes; work stoppage or other labor disputes; fire; earthquake; flood; extreme weather conditions; natural disaster; acts of terrorism; acts of civil or military authority; acts of war, whether declared or undeclared; civil disturbance; insurrection or riot; sabotage; delay or accident in shipping or transportation; embargo; rail car shortage; fuel or energy shortage; major equipment breakdown; or other similar events beyond the reasonable control and without the fault or negligence of the party claiming the benefit of this Article.

Whenever either party has knowledge of any kind that an event of Force Majeure is delaying or threatens to delay the timely performance of the obligations called for by this Agreement; that party shall immediately give written notice thereof, including all relevant information with respect thereto, to the other party. Neither party to this Agreement shall be liable for a delay and/or failure to perform pursuant to the terms of this Agreement, if and to the extent such delay and/or failure to perform is due to any event of Force Majeure as defined above provided that:

- A. Neither party may claim the benefit of this Article unless the delay and/or failure to perform are due to causes beyond its reasonable control and without its fault or negligence.
- B. Any delay and/or failure to perform by a supplier or subcontractor at any tier of either party shall not be excusable unless such delay and/or failure to perform arises out of causes beyond the reasonable control of the party claiming the benefit of this Article, and the supplies or services to be furnished by that party's supplier or subcontractor are not obtainable from other sources at comparable costs in sufficient time to permit its obligations to be met pursuant to this Agreement.
- C. Any party claiming the benefit of this Article shall use all reasonable diligence to remove the cause of delay and/or failure to perform as quickly as possible, but shall not be required to settle strikes or other labor difficulties against its best judgment.
- D. In all cases the time extension due to Force Majeure shall be held to a minimum but under no circumstances shall it exceed the actual and reasonable time necessary to overcome the Force Majeure event.

Nothing herein shall be construed or interpreted as relieving either party of its obligation to make payments to the other, as provided under the Agreement.

Article 41 - Dispute Resolution

Contractor and PPL shall make good faith attempts to negotiate resolutions to any and all claims, controversies or disputes arising out of or related to this Agreement or any Contract. In the event that such good faith attempts fail to bring resolution, such unresolved claims, controversies or disputes, whether in contract or in tort, arising out of or related to this Agreement, or the breach, termination or validity of any agreement related thereto or arising out of or related to the sale or use of any items or services or work provided shall, unless otherwise agreed upon between the parties, be brought in a court of competent jurisdiction located in state of the Plant Site for which the Work was provided. Each party shall pay its own attorney's fees and expenses. Any action arising out of the applicable transaction must be commenced within the applicable statute of limitations.

Article 42 – Contractor Representations

Contractor represents and warrants that at the time Contractor accepts the Contract it is familiar with, or prior to commencing the Work will become familiar with, all federal, state, regional, and local laws, ordinances, regulations, codes, standards, orders and decrees, all amendments thereto, and all rules and orders issued thereunder, which in any manner may affect the conduct of the Work, including, where applicable, those related to environmental matters generally or soil remediation specifically, and the Plain English Law of Pennsylvania. Contractor agrees at all times to observe and comply therewith. PPL agrees that should there be requirements of environmental permits that affect the Work, PPL shall make such requirements a part of the Specification.

Contractor represents and warrants to PPL that it has had an opportunity to examine the entire Contract and the work site (excluding subsurface conditions, unless subsurface conditions were part of the work scope) and its surroundings which were reasonably foreseeable during the pre-bid stage; that it has made all investigations reasonably necessary for a full understanding of the difficulties which may be encountered in performing the Work.

Contractor represents and warrants to PPL that (i) it has the corporate power to execute, deliver, and perform under a Contract accepted by Contractor, and has taken all necessary corporate action to authorize such execution, delivery, and performance, and (ii) no consent of any other party and no consent, license, approval or authorization of, or registration or declaration with, any governmental authority, bureau, or agency is required by Contractor in connection with its execution, delivery, performance, validity, or enforceability of this Agreement. Contractor further represents and warrants to PPL that its execution, delivery, and performance under this Agreement will not violate or contravene any provision of any existing law or regulation or decree of any court, governmental authority, bureau or agency having jurisdiction over Contractor or of any corporate or organizational document applicable to Contractor or of any mortgage, indenture, security agreement, contract, undertaking or other agreement to which Contractor is a party or which purports to be binding upon it or any of its properties or assets.

Contractor represents to PPL that it is financially capable, fully experienced and properly qualified to undertake and provide the Work as described herein, and that it is properly licensed, equipped, and organized to do so. Contractor further represents to PPL that there has been no material adverse change in the business, operations, or condition (financial or otherwise) of Contractor, and no event has occurred that could reasonably be expected to interfere with Contractor's normal business operations or ability to fulfill its duties and obligations hereunder.

Article 43 - Applicable Law

The validity, interpretation, and performance of this Agreement shall be governed by the laws of the Commonwealth of Pennsylvania or, if the Work is performed for PPL Montana, LLC, the laws of the state of Montana shall apply.

Article 44 - Approval Not Waiver

Any direction, approval or consent given by PPL in connection with the Work shall not relieve Contractor of its responsibility to comply with the requirements of this Agreement or otherwise diminish PPL's rights and remedies under this Agreement.

Article 45 - Claim Settlement

- A. Upon Contractor's receipt of any third party claim, Contractor shall notify immediately PPL's Authorized Representative of the full particulars thereof and PPL may elect, by notice to Contractor, to have its representative participate at its own expense in Contractor's settlement discussions.
- B. With respect to any release forms used by or in settling third party claims, Contractor shall use all reasonable efforts to include a provision releasing both Contractor and PPL in any release. When appropriate, Contractor shall provide PPL the opportunity to review and comment on the release forms. Contractor shall incorporate such comments as reasonably possible.

Article 46 - Collateral Work

- A. PPL reserves for itself, its other contractors and its agents, the right to enter upon PPL's work site where the Work is being conducted, for the purpose of performing such collateral work as PPL may desire. Such collateral work will be performed with as little hindrance or interference as possible with Contractor. Contractor shall work in harmony with PPL, its contractors and its agents, and PPL's Authorized Representative shall settle any difference of opinion among contractors, agents and PPL.
- B. PPL reserves the right to direct Contractor to schedule the order of performance of its Work in such a manner as not to interfere unreasonably with the performance of work of PPL, its contractors or its agents.

Article 47- Compliance with Laws

The price for the Work is based on compliance by Contractor with those laws and requirements as they are in effect on the date of the Contract. Thereafter, should Contractor become aware of and document any material changes in law that impacts Contractor's obligations hereunder, Contractor shall provide timely notice to PPL of such change, and an equitable adjustment to the Agreement Compensation shall be made.

Article 48 - Compliance with OSHA Requirements

Contractor warrants that all Work performed pursuant to this Agreement shall conform with all safety standards established and promulgated under the Federal Occupational Safety and Health Act (Public Law 91-956) and the rules, regulations and guides in effect or proposed as of the date of the Contract.

Article 49 - Compliance with Tax Laws, Rules and Regulations

Contractor shall comply with all federal, state, regional or local laws, rules and regulations regarding taxes, and the payment of taxes of all kinds now in effect and those becoming effective hereafter, until the Work has been completed, including without limitation, Social Security, state unemployment insurance, withholding taxes, sales and use tax (if applicable), gross receipts, property, value added, franchise and income taxes, and will provide, as requested by PPL, satisfactory evidence of such compliance in a format acceptable to PPL.

Article 50- Confidential Information

All documentation, designs, specifications, data, and other information provided by PPL to Contractor, which would reasonably be considered confidential information in the electric power generation industry based on the nature of the information, or resulting from the performance of Contractor hereunder, shall be considered PPL confidential information.

Contractor agrees to use PPL confidential information only for the performance of Work. Contractor shall not disclose PPL confidential Information before, during, or after the completion of Work without PPL's prior written approval. Contractor shall maintain internal policies to protect the confidential nature of PPL confidential information. Contractor shall take steps to ensure that its employees who receive such confidential information comply with the requirements of this provision.

Likewise, Contractor may have a proprietary interest in information that it may furnish to PPL pursuant to this Agreement. PPL may disclose such information to an unaffiliated third party on a need to know basis as required for the operation and maintenance of the Work, and only upon the party to whom such information is disclosed agreeing and signing a proprietary information agreement with terms and restrictions provided for in Exhibit H. However, PPL agrees to not provide any information which Contractor designates as confidential information to Contractor's major competitors without the prior written authorization of Contractor, such authorization not to be unreasonably withheld or delayed. For purposes of this article, major competitors shall be those listed in Exhibit I, which may be reasonably changed from time to time by Contractor giving proper written notice to PPL. Except as specified in this paragraph, PPL will keep in confidence and will not disclose any such confidential information as defined in the first sentence of this paragraph without the prior written permission of Contractor, or use any such information for other than the purpose for which it is supplied, or for maintenance and operation of the Work.

For the purposes of this Article 50, the party disclosing confidential information shall be deemed the "Disclosing Party" and the party receiving such confidential information shall be deemed the "Receiving Party". Notwithstanding anything contained in this Article 50, in no event shall the following types of information be considered confidential information hereunder:

- (1) Information which is now or hereafter comes into the public domain without breach of this Agreement;
- (2) Information which is known by the Receiving Party previous to disclosure;
- (3) Information independently developed by the Receiving Party;
- (4) Information the Receiving Party receives from a third party not subject to similar restrictions and without breach of this Agreement;
- (5) Information which is disclosed with the written consent of the Disclosing Party; or
- (6) Information which is disclosed pursuant to a court order, provided that the Disclosing Party is given timely notice to obtain a protective order.

Notwithstanding the foregoing, when required by a governmental authority that exercises authority or control over the Work to be provided hereunder, either party may disclose the other party's confidential information to such governmental authority; provided that prior to making any disclosure, the Receiving Party will use its best efforts to (a) provide the Disclosing Party with timely advance written notice of the confidential information requested by the governmental authority and its intent to so disclose; and (b) permit the Disclosing Party the opportunity to minimize the amount of confidential information to be disclosed consistent with the requirements of the governmental authority involved (which shall include participation by both parties in discussions with the governmental authority involved).

Article 51 - Conflict of Interest

Contractor for itself, its officers, directors and employees, to the extent they will or do become involved in the performance of this Agreement, and for its consultants and contractors, if any, hereby represents and warrants that no past, present or currently planned interest or activity (financial, contractual, personal, organizational or otherwise) creates a conflict of interest with respect to the Work or PPL. A "conflict of interest" shall be considered to be the existence of any circumstance which affects the Contractor's ability to render impartial, technically sound and objective assistance or advice. Contractor also acknowledges that it has reviewed PPL's "Standards of Conduct and Integrity for Suppliers" handbook and hereby represents and warrants that: 1) It is not aware of any facts which would tend to evidence a violation of the policies enunciated in that handbook; 2) It will not undertake any activities which are in violation of the policies expressed in that handbook; 3) It will notify PPL if it becomes aware of any facts tending to evidence a violation of the policies enunciated in that handbook. PPL agrees to be bound by the "Standards of Conduct and Integrity for Suppliers" to the extent it relates to the conduct of PPL employees.

Article 52 - Correlation of Documents

The provisions of the various documents comprising this Agreement are intended to be consistent. However, in the event of conflict, the terms of this document shall prevail over any attachments/exhibits. Amendments shall prevail over the terms of this Agreement. If this Agreement allows for release of Work by means of separate work authorizations, the Agreement shall prevail over the work authorization.

Article 53- Disclosure

Except as provided in the disclosure requirements of 10 CFR Part 21, Contractor nor PPL shall disclose any information or make any news release or other public statement regarding the Work or this Agreement without the prior written consent of the other party.

Article 54 - Equal Employment Opportunity

Contractor shall, unless specifically exempted by law, perform its obligations under this Agreement in full compliance with all applicable equal employment opportunity requirements including, but not limited to, those relating to equal employment opportunity and non-segregated facilities; those relating to the utilization of minority business enterprises; the Vietnam Era Readjustment Assistance Act of 1974, the Rehabilitation Act of 1973 and other requirements relating to the employment of veterans and handicapped persons; and all amendments thereto and all regulations, rules and orders issued thereunder.

Article 55- Release of Claims

Contractor shall execute a release of claims, in a form similar to Exhibit F and acceptable to PPL, upon completion of the Work and for which final payment is to be made by PPL.

Article 56- Independent Contractor

Contractor is an independent contractor, and nothing in this Agreement shall be construed as creating the relationship of principal and agent, or employer and employee, between PPL and Contractor or Contractor's employees, agents or subcontractors. Contractor shall have no authority to hire any persons on behalf of PPL and any and all persons whom it may employ shall be deemed to be solely the employees of Contractor. Contractor is not authorized and shall not incur any debt, liability or obligation of any nature for or on behalf of, PPL.

Article 57- Information Furnished by PPL

Drawings, designs, specifications, data, and other documentation and information furnished by or through PPL shall remain the property of PPL, and shall be returned to PPL upon request or completion or termination of this Agreement.

Article 58 - Interpretation

Contractor shall, without delay and prior to performing any affected Work, notify PPL of any errors, omissions or inconsistencies, which it believes to exist in this Agreement. All questions concerning the meaning of any term, condition, provision or requirement in this Agreement shall be submitted in writing to PPL's Authorized Representative for determination. At all times, Contractor shall proceed with the Work in accordance with the determinations of PPL's Authorized Representative.

Article 59- Software License

Contractor grants to PPL a nonexclusive, nontransferable license to utilize the Contractor Software furnished hereunder. Such license is limited to PPL's internal use at or for the unit with which such Software is incorporated. All title and ownership of the Contractor Software, including, without limitation, the copyright to such Software, shall remain exclusively with Contractor. PPL may make a reasonable number of backup copies of the Software for evaluation, installation, and maintenance of the Contractor units. PPL shall not itself, or with the assistance of others, reverse compile, reverse engineer, or in any other manner attempt to decipher in whole or in part the logic or coherence of any Software licensed hereunder. Third party Software provided by Contractor may be subject to a separate license agreement and /or registration requirements and limitations on copying and use, but Contractor may only require PPL to enter into such license if Contractor provided the license agreement and/or registration requirements to PPL at the time of entering into the Contract. However, should Contractor fail to provide such license agreement or registration requirements prior to entering into a Contract, PPL shall nevertheless not withhold entering into a license agreement or registration requirements that are no more restrictive than normally required of any other user of the software for similar purposes, and Contractor shall pay for any additional cost of such software for which PPL was not notified by Contractor prior to entering into a Contract.

Article 60- Notice

- A. Any notice or communications provided for in this Agreement shall be in writing sent by fax, overnight mail, courier or e-mail, in the following manner:

If to PPL:

*PPL Services Corp.
Two North Ninth Street
Allentown, PA 18101*

*Fax No: (610) 774-6414
e-mail: lrehrenreich@pplweb.com*

Attn: Larry Ehrenreich

If to Contractor:

*Siemens Power Generation, Inc.
4400 Alafaya Trail
Orlando, FL 32826-2399*

*Fax No: (407)736-5848
e-mail: [bill.conklin@siemens.com]*

Attn: William Conklin

- B. Any notice or communications provided for in this Agreement or relating to a Contract shall be in writing sent by fax overnight mail, courier or e-mail, to the appropriate PPL and Contractor personnel designated in the Contract.
- C. Either party hereto may designate a new representative for purposes of this Article by notifying the other party hereto in writing of the name of the new representative.

Article 61- Notifications to Proper Authorities

Contractor shall give notification(s), where such notification(s) is/(are) required to be given in the name of the Contractor, to the proper authorities (federal, state, regional or local, or any other authority, board, utility, or political subdivision having jurisdiction over any part of the Work), as may be required in connection with the commencement, conduct, suspension, resumption or completion of the Work. All notices shall be given sufficiently in advance of the proposed operation to permit proper correlation of activities.

Article 62- Permits and Licenses

- A. Except as expressly set forth elsewhere in this Agreement, where federal, state, municipal, or other regulatory authorities, laws, ordinances, and regulations require permits and approvals related to design and installation of a system, building, facility, or other property, Contractor shall be responsible for providing notice and securing the required permits and approvals which are required to be in Contractor's name for performance of the Work. Contractor shall furnish all data for and prepare the required documents, procedures and testimony necessary to secure approval from such regulatory authorities having jurisdiction over the Work or authorities and agencies that may participate in the Work, whether or not the Contractor is responsible to obtain the approval. PPL will reimburse Contractor for permit and approval fees or charges directly related to the Work.
- B. Notwithstanding the foregoing, Contractor shall be responsible and liable for all hauling, parking, loading and other business permits and licenses and shall pay all related charges and fees.

Article 63- Reference Checks

Contractor hereby authorizes PPL to conduct any and all reference checks and make other background inquiries as PPL may deem necessary or desirable in connection with the performance, qualifications, and/or capability of the Contractor, its Subcontractors, and/or persons and entities now or hereafter employed by Contractor in connection with performance of this Agreement.

Article 64- Separate Agreements

- A. The Contractor shall afford other contractors reasonable opportunity for introduction of their work and the execution of their work, and shall properly interface and coordinate Contractor's work with such contractors. Any delay caused by other contractors shall be considered an excusable delay, which is addressed under Article 21 of this Agreement.
- B. If any part of the Contractor's Work depends upon the work of any other separate contractor for proper execution or results, Contractor shall observe, inspect and promptly report to PPL any apparent discrepancy or defect in such other contractor's work that renders it unsuitable for such proper execution and results. For the avoidance of doubt, nothing herein shall imply any Contractor obligations or liabilities for work performed by PPL or any other PPL contractor.

Article 65- Severability

The provisions of this Agreement are severable, and if any provision is determined to be illegal or unenforceable, such determination shall in no manner affect any other provision hereof, and the remainder of this Agreement shall remain in full force and effect without regard to the fact that one or several provisions of this Agreement may be determined from time to time to be illegal or unenforceable; provided, however, that the intention and essence of this Agreement may still be accomplished and satisfied.

Article 66- Site Training and Procedures

- A. Prior to permitting Contractor to enter upon or remain at any of PPL's facilities pursuant to this Agreement, Contractor shall request PPL's clearance of such entry by its personnel. In connection with any requests by Contractor pursuant to this paragraph, Contractor shall supply all reasonable information sought by PPL. It is understood and agreed by the parties hereto that the granting of clearances pursuant to this paragraph rests within the sole discretion of PPL.
- B. Prior to the commencement of any Work on PPL's premises, and from time to time thereafter, Contractor shall be briefed on such matters including, but not limited to, work procedures, security procedures and safety requirements in force and applicable to the premises. Contractor thereafter diligently adheres to said procedures and requirements.

Article 67 - Small/Disadvantaged/Women Owned Business

Contractor shall use its best efforts to assure that Small, Small Disadvantaged and Women Owned Small Business Concerns (SSDWOSBCs) are given equitable opportunity to compete for procurements resulting from this Agreement. In this regard, Contractor shall comply with the requirements in 48 C.F.R. 52.219-8, which is hereby incorporated by reference.

If the total aggregate commitment hereunder exceeds \$500,000.00, Contractor (unless Contractor is itself a small business concern) shall adopt a plan similar to the plan required in 48 C.F.R. 52.219-9, and shall establish and conduct, or maintain, a program that enables SSDWOSBCs to have equitable opportunities to compete as subcontractors or suppliers for Work resulting from this Agreement. In this regard, Contractor shall assure that known SSDWOSBCs are given equitable opportunities to compete for subcontracts, particularly by arranging solicitations for bids and delivery schedules so as to facilitate participation by those entities, maintain records showing procedures which have been adopted to comply with the provisions of this clause, and prepare periodic reports and cooperate in surveys as may be required by the General Services Administration or the Small Business Administration. Upon request from PPL, Contractor agrees to annually submit reports on Standard Forms required by Contractor's SSDWOSBC program.

Contractor (except small business concerns) shall insert in any subcontract hereunder which may exceed \$500,000.00, provisions that conform substantially to the language of this clause or as required by Contractor's approved SSDWOSBC program.

Article 68 – Subcontracting

Contractor, as soon as practicable after award of this Agreement, but prior to the commencement of any Work, shall provide, in writing, the names of persons or entities (including those which are to furnish only materials or equipment) proposed as Subcontractors. PPL will promptly reply to Contractor, in writing, stating whether or not PPL objects to any of the proposed Subcontractors. Should PPL reject any Subcontractors upon which Contractor based its pricing and the cost to obtain a different Subcontractor is greater than that of the original Subcontractor, Contractor may request an equitable change in the Agreement Compensation.

Contractor shall not subcontract with a proposed person or entity that PPL has made reasonable objections. Contractor shall not be required to subcontract with anyone against its will.

If PPL reasonably objects to any person or entity proposed by Contractor, the Contractor shall propose replacement(s) until a non-objectionable person or entity is identified.

Contractor shall obtain bids from approved subcontractors and suppliers of materials or equipment, qualified to perform that portion of the Work, and shall award subcontracts to the best overall evaluated persons and entities.

For each major subcontract agreement, Contractor shall use reasonable efforts to include contractual provisions that preserve and protect the rights and remedies of PPL pursuant to this Agreement. Notwithstanding the foregoing, nothing contained in this section shall abridge the responsibility of Contractor or the work of any Subcontractor.

Article 69- Substitution

In the event Contractor desires to substitute items for those specified by PPL, Contractor shall make a written request to PPL's Authorized Representative. Said request shall include, at a minimum, a discussion of the benefits to PPL of the substitution, cost and schedule impacts, if any, and information which demonstrates that the substituted item is, in fact, equivalent in all respects to the specified item. PPL, at its sole discretion, reserves the right to accept or reject any request for any reason. PPL's acceptance or rejection of Contractor's request shall be given within thirty (30) calendar days of receipt of a complete request. In no event shall acceptance or rejection of any substitution serve to release Contractor from any of its obligations or liabilities under this Agreement.

Article 70- Successors and Assigns

This Agreement or any Contract under this Agreement shall be binding on the parties hereto, their successors in interest and assigns. Neither party shall assign its rights or delegate its duties hereunder to any third party without the prior written consent of the other party, which shall not be unreasonably withheld. Any assignment without the prior written consent of the other party shall be null, void and of no force or effect.

Article 71- Survival

Any warranty, or indemnity, or limitation of liability, or nondisclosure requirement, expressly set forth herein shall survive completion of performance, expiration of the period of performance or term of this Agreement, and/or any cancellation or termination hereunder.

Article 72- Third Party Rights

Nothing contained in this Agreement shall be construed or interpreted in any manner whatsoever as conferring any rights of any nature upon any person or entity not a party to this Agreement.

Article 73- Waiver

Any failure by PPL at any time or from time to time, to enforce or demand performance in strict keeping with the terms, conditions, and requirements of this Agreement shall not constitute a waiver unless in writing and issued by PPL's Authorized Representative.

Article 74- Work and Safety Rules (Not applicable for Work performed for PPL Montana, LLC)

- A. Contractor's work practices, equipment, materials and services covered by this Agreement shall meet or exceed all applicable safety standards and regulations including those established and promulgated by the federal Occupational Safety and Health Administration. Contractor shall give all notices and comply with all applicable laws, ordinances, rules, regulations and lawful orders of any public

authority bearing on the safety of persons and property for their protection from damage, injury or loss in connection with the conduct of the Work.

- B. All tools, machinery, equipment, rigging and scaffolding provided and used by Contractor in performance of the Work shall be safe, efficient, serviceable, in good condition and fit for the purpose intended. Contractor agrees to replace any tool, machinery, equipment, rigging or scaffolding which in the judgment of PPL is unsafe or incapable of satisfactorily performing the Work.
- C. Pursuant to OSHA 29 C.F.R. 1910.1200 Hazard Communication and at least thirty (30) days prior to use or storage of any chemical at the work site, Contractor must provide copies of material safety data sheets to PPL for chemicals, which it intends to use in the Work. Two (2) copies of the material safety data sheets shall be submitted to the PPL Field Representative/Project Coordinator (who places a copy into the site's hazard communication information center) and one (1) copy shall be submitted to PPL, Safety Operations (WALO), 1639 Church Road, Allentown, PA 18104-9342. Contractor shall specify at which locations the chemical is to be used and the intended use of the chemical. Unless specified elsewhere herein, Contractor shall remove such unopened chemicals provided by Contractor from the work site prior to completion of the Work.
- D. Contractor shall have a safety program and work and safety rules for the Work and shall comply with and enforce them for all Work performed on the work site. Contractor shall ensure that all Contractor personnel receive, read and sign a copy of the work and safety rules. Proof of compliance will be retained and made available to PPL upon request. Contractor shall designate a safety contact person for all matters concerning Contractor's work and safety programs.
- E. Contractor shall take all reasonable precautions for the safety of all Contractor personnel engaged in the Work and shall continuously maintain adequate protection of all its Work, PPL's property, and persons to prevent damage, injury or loss. Contractor shall at all times exercise due care with regard to all equipment, machinery and materials to prevent damage, loss or injury to persons and property, and shall use such adequate protective devices, warning signs, crossover points and barriers as may be reasonably required under the circumstances.
- F. PPL shall have the right, from time to time, to undertake a safety performance audit of Contractor's services, work practices, tools, equipment and materials. PPL may, at any time, and in its sole discretion, suspend all or a portion of the Work for safety-related reasons. Contractor shall take immediate, appropriate corrective action. Notwithstanding any other provisions of this Agreement, neither the suspension of Contractor's Work nor any corrective action taken will result in any increase in the Agreement Compensation or extension of the schedule for the Work.

- G. It shall be the duty and responsibility of the Contractor or any Subcontractor performing any cutting or welding to comply with the safety provisions of the National Fire Protection Association's "National Fire Codes", and Factory Mutual Engineering's cutting and welding procedures and the "Hot Work Permit" requirements specified in PPL Procedure NDAP-QA-0442, Control of Ignition Sources: Cutting, Welding, and Hot Work Permits.
- H. Whenever working on PPL's property, Contractor shall, at no additional cost to PPL, ensure that PPL's safety requirements are met including, but not limited to, the following: all Contractor personnel shall wear ANSI Class 75 steel toe safety shoes, hard hats, safety glasses and, as required, hearing protection.
- I. Contractor shall at all times enforce strict discipline and good order among Contractor personnel and shall not employ on the Work any unfit person or anyone not skilled in the work assigned. PPL shall have the right to request the removal of any Contractor personnel from the work site either with or without cause. Contractor further agrees that it will comply with such requests at no additional cost to PPL.
- J. Firearms, illegal drugs and alcohol use or possession on PPL property is prohibited and any Contractor personnel who are under the influence of or in possession of any shall be removed from PPL's property by Contractor.
- K. In any emergency affecting the safety of persons or property the Contractor shall act reasonably and as required to prevent threatened damage, loss or injury.
- L. The purpose of this Article is to define Contractor's safety responsibilities under this Agreement while performing Work on PPL's property. Although PPL may monitor Contractor's safety performance, may review safety performance with Contractor's safety contact person, or may suspend the Work for safety-related reasons, these actions are for the primary purpose of protecting PPL personnel and property. Contractor shall remain solely responsible for the safe performance of the Work under this Agreement. The provisions of this article shall be interpreted and construed in a manner consistent with Contractor's status as an independent contractor.

Article 75 – Contractor Facilities and Office Space

Contractor shall identify its needs regarding facilities and office space based on the size of its work force. Subject to PPL's approval of Contractor's identified needs, PPL shall furnish such facilities and office space for Contractor's use including telephone(s) and communication lines. Contractor shall furnish all office equipment unless otherwise agreed to by PPL.

Article 76 – Contractor Personnel Qualifications

Contractor shall have in effect a procedure which confirms the qualifications (education, licenses and certificates, employment experience, etc.) of the professional or technical

personnel provided pursuant to the standards and/or requirements of this Agreement. Contractor warrants that personnel assigned to the Work are qualified in accordance with such standards and/or requirements and shall, if requested by PPL and at no cost to PPL, provide PPL with documentation (certification) indicating such qualifications. The procedure shall be implemented and maintained by Contractor for the term of this Agreement. During this term, PPL shall have the right to audit upon five (5) days' notice the implementation of the procedure. Contractor shall provide personnel to support such audit and resulting corrective action for all deficiencies identified, at no additional cost to PPL.

Article 77- Design Responsibility

Contractor shall design the Work to accomplish the purpose set forth herein. Contractor shall be responsible for furnishing designs, and specifying methods, equipment and materials that comply with the requirements of this Agreement and the Contract including its Specifications. All warranties for designs, methods, equipment and materials are set forth in Article 31 of this Agreement. The acceptance of design documents by PPL shall not be construed as relieving Contractor of its responsibility hereunder or of its responsibility for errors in shop drawings, schedules or details whether, or not, such items had been prepared by Contractor

Article 78- Additional Terms and Conditions for PPL Susquehanna, LLC and PPL Montana, LLC

- A. In the event a Contract involves Work to be performed for PPL Susquehanna, LLC's nuclear facility, the additional terms and conditions specified in Exhibit A shall be applicable.
- B. In the event a Contract involves Work to be performed for PPL Montana, LLC's facilities, the additional terms and conditions specified in Exhibit B shall be applicable.

Article 79-Counterparts

This Agreement may be executed in two or more counterparts, each executed counterpart constituting an original, but all together only one agreement.

Article 80 – Damage to PPL Property

Contractor, in the performance of Field Services, and while the Work is in the custody, care and control of Contractor, shall be liable for damage to PPL's property to the extent of its negligent acts and omissions. Such liability shall not exceed the lesser of (a) the Agreement Compensation of the applicable Contract for Field Services (but in no case less than \$250,000) or (b) one million dollars (\$1,000,000).

Contractor, in the performance of Shop Repair Services, and while the Work is in the custody, care and control of Contractor, shall be liable for damage to PPL's property to

the extent of its negligent acts and omissions. Such liability shall not exceed the Agreement Compensation of the applicable Contract for Shop Repair Services.

Contractor, in the performance of Technical Services, shall be liable for damage to PPL's property to the extent of its negligent acts and omissions. Such liability shall not exceed the price of the Technical Services of the applicable Contract for Technical Services.

Article 81 – Limitation of Liability

BOTH PARTIES EXPRESSLY AGREE THAT NEITHER PARTY NOR ITS SUPPLIERS WILL UNDER ANY CIRCUMSTANCES BE LIABLE UNDER ANY THEORY OF RECOVERY, WHETHER BASED IN CONTRACT, IN TORT (INCLUDING NEGLIGENCE AND STRICT LIABILITY), UNDER WARRANTY, OR OTHERWISE, FOR: ANY INDIRECT, SPECIAL, INCIDENTAL OR CONSEQUENTIAL LOSS OR DAMAGE WHATSOEVER; LOSS OF ANTICIPATED PROFITS OR REVENUE (EXCLUDING ANY PROFIT THAT MAY BE DUE CONTRACTOR FOR WORK PERFORMED); LOSS OF USE OF MATERIAL, EQUIPMENT OR POWER SYSTEM; INCLUDING BUT NOT LIMITED TO CAPITAL COST, FUEL COST AND COST OF PURCHASED OR REPLACEMENT POWER; OR LOSS OF USE OR CLAIMS OF CUSTOMERS. THIS PARAGRAPH SHALL NOT BE DEEMED TO LIMIT OR RESTRICT: (A) EITHER PARTY'S LIABILITY AND OBLIGATIONS ARISING UNDER ARTICLE 33 (INDEMNITY) AND EXHIBIT A, ARTICLE 5 (NUCLEAR INSURANCE) OR (B) PPL'S LIABILITY AND OBLIGATIONS TO INDEMNIFY CONTRACTOR FOR ANY CONSEQUENTIAL DAMAGES ACTUALLY PAID BY CONTRACTOR TO A THIRD PARTY PURSUANT TO THE LAST SENTENCE OF ARTICLE 82.]

BOTH PARTIES EXPRESSLY AGREE THAT UNDER NO CIRCUMSTANCES SHALL THE TOTAL AGGREGATE LIABILITY OF EITHER PARTY UNDER ANY THEORY OF RECOVERY, WHETHER BASED IN CONTRACT, IN TORT (INCLUDING NEGLIGENCE AND STRICT LIABILITY), UNDER WARRANTY, OR OTHERWISE, EXCEED THE TOTAL AGREEMENT COMPENSATION UNDER THE APPLICABLE CONTRACT, EXCLUDING ONLY OBLIGATIONS AND LIABILITY PURSUANT TO (A) ARTICLE 33 (INDEMNITY), (B) ARTICLE 34 (PATENT, COPYRIGHT AND TRADEMARK INDEMNITY), (C) ARTICLE 50 (CONFIDENTIAL INFORMATION), (D) ARTICLE 80 (DAMAGE TO PPL PROPERTY), (E) FINES OR PENALTIES FOR FAILURE TO COMPLY WITH ARTICLE 85 (ENVIRONMENTAL COMPLIANCE), AND, IF APPLICABLE, (F) EXHIBIT A, ARTICLE 5 (NUCLEAR INSURANCE); PROVIDED, THAT ANY AMOUNTS PAID OR PAYABLE BY PPL HEREUNDER SHALL NOT BE INCLUDED IN APPLYING THE LIMITATION OF LIABILITY OF PPL SET FORTH IN THIS PARAGRAPH. WHERE LIQUIDATED DAMAGES ARE PROVIDED IN THE CONTRACT, THEY SHALL BE, TO THE EXTENT APPLICABLE TO THE CONDITION FOR WHICH THEY APPLY, THE EXCLUSIVE REMEDY OF PPL FOR THE TYPES OF DEFAULTS FOR WHICH THEY ARE DESIGNATED AS EXCLUSIVE IN THE CONTRACT.

THE PROVISIONS OF THIS ARTICLE SHALL PREVAIL OVER ANY CONFLICTING OR INCONSISTENT PROVISIONS SET FORTH ELSEWHERE IN THIS CONTRACT.

Article 82- Transfer

Prior to the transfer to another party of any Equipment or the transfer of any interest in said Equipment or PPL's power generation facility in which said Equipment is installed, PPL shall obtain for Contractor written assurances from the transferee of limitation of and protection against liability following the proposed transfer at least equivalent to that afforded Contractor and its suppliers under this Agreement. Transfer contrary to the provisions of this article shall make PPL the indemnitor of Contractor and its suppliers against any liabilities incurred by Contractor and its suppliers in excess of those that would have been incurred had no such transfer taken place.

Article 83- Entire Agreement

This Agreement contains the entire agreement between the parties with respect to the Work described herein, and there are no representations, understandings or agreements, oral or written, which are not included, referenced or incorporated herein.

Article 84- Headings

The headings set forth herein are for convenience only and shall not define or limit any of the terms hereof.

Article 85- Environmental Compliance

The performance of Work at the Plant Site may involve the generation of hazardous waste as such term is defined in the Resource Conservation and Recovery Act (42 U.S.C. 6901, et seq.), the laws of the state in which the Plant Site is located and the rules or regulations issued thereunder as are now in effect or hereafter amended from time to time (such generated hazardous waste being herein referred to as "Hazardous Waste").

PPL shall at its expense and in accordance with all applicable federal, state and local laws, rules, regulations and ordinances (i) furnish Contractor with containers for Hazardous Waste, (ii) designate a storage area at the Plant Site proximate to the Work where such containers are to be placed; and (iii) dispose of Hazardous Waste.

Contractor shall identify in the Contract information any specific hazardous wastes that will be produced in connection with the Work. Contractor shall handle and store the hazardous materials produced in connection with the Work in accordance with PPL instructions. Contractor shall be responsible for any and all cleanup that may be required in connection with the Work, and any and all costs, fines and penalties for breach of its obligations under this Article. In the event Contractor does not fulfill its obligations under this Article in a timely fashion, PPL may proceed with cleanup, and shall be reimbursed by Contractor for its documented cleanup costs and any fines or penalties associated therewith.

Article 86- Asbestos and Thermal Insulation

The terms "Asbestos" and "Presumed Asbestos Containing Material" shall have the meanings set forth in United States Code of Federal Regulations Chapter 29 Section CFR 1926.1101 et seq., and "ACM" shall mean Asbestos and Asbestos Containing Materials.

- (1) PPL warrants and represents that, in Contractor's designated work areas at the Plant Site (including any ingress and egress routes and any general areas required to perform the Work), PPL will comply with all applicable laws and regulations pertaining to asbestos, including, but not limited to, marking of Asbestos or ACM and ensuring any ACM is in a lawful condition.
- (2) Prior to Contractor's commencement of Work at any Plant Site:
 - (a) PPL shall, at PPL's expense, remove all thermal insulation, sprayed-on surfacing material, and/or Presumed Asbestos Containing Material (any or all of the foregoing hereinafter "PACM"), and ACM which may be disturbed during or removal of which is required for the performance of the Work; and,
 - (b) PPL shall ensure that any areas where any activities involving the abatement or removal of PACM or ACM shall be identified, posted and isolated to the extent required by applicable law.

Without limiting its other rights and remedies, Contractor (i) shall not be obligated to commence, and may stop any affected Work, unless and until it is reasonably satisfied that PPL is in compliance with this Article 86, and (ii) shall be entitled to an equitable adjustment in the schedule and/or price to the extent PPL's non-compliance adversely impacts Contractor's performance of the Work.

- (3) In no event shall Contractor be obligated to install, disturb, handle, or remove any PACM except as specifically agreed in writing by Contractor and only after Contractor has been provided acceptable chemical analyses verifying that the same are not ACM.
- (4) Contractor makes no representation that it is licensed to abate ACM. Notwithstanding anything set forth in the Agreement, Contractor shall be obligated to handle, remove, or reinstall generator wedges, packing, or high temperature gaskets (such materials herein "GPW") only if such activities are within the scope of the Work and only then to the extent that:
 - (a) (i) such activities would be classified as Class II or Class III activity under United States Code of Federal Regulations Chapter 29 Section CFR 1926.1101 et seq., (ii) such activities do not require a permit, license, or authorization, (iii)

such activities are not likely to generate airborne asbestos fibers, and (iv) all such GPW is non-friable; or,

(b) Contractor is provided satisfactory written evidence that such GPW is not ACM.

In all other cases, such activities shall be PPL's responsibility and Contractor shall be entitled to an equitable adjustment in the schedule and/or price to the extent PPL's non-compliance adversely impacts Contractor's performance of the Work. The disposal of any GPW or scrap or waste material resulting from its disturbance or removal shall in all cases be PPL's responsibility.

Article 87 - Insurance

- A. Contractor shall, without additional cost to PPL, maintain with insurance companies of recognized financial responsibility (which companies shall have an A.M. Best Company Financial Strength Rating of "A-" or better and Financial Size Category of "VIII" or larger or otherwise acceptable to PPL), the minimum insurance coverages, hereinafter referred to as the "Required Coverages", as set forth in Exhibit D hereof. The Commercial General Liability coverage required of Contractor shall be written on an occurrence basis and all required coverages shall be in full force and effect during Contractor's performance of Work.
- B. A certificate of insurance acceptable to PPL shall be furnished to PPL's Authorized Representative.
- C. Policies shall contain an endorsement (if terminology is not in printed form) that Contractor's policies shall be primary in all instances regardless what, if any, like coverages are carried by PPL, to the extent of Contractor's obligations under the Agreement.
- D. Contractor's liability under this Agreement shall not be limited to the Required Coverages.
- E. Contractor's insurance requirements may change as final scope is defined.
- F. Company shall be named as an additional insured on Contractor's Commercial General Liability Policy to the extent of Contractor's indemnity obligations.

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed by their authorized officers as of the date first above written.

**SIEMENS POWER GENERATION,
INC.**

WITNESS:

Wh Coulter
(Signature)
MANAGER, CONTRACTS
(Title)

By:

Craig A. Weeks
(Signature)
Craig A. Weeks
(Typed Name)
President, Global Service Division
(Title)

WITNESS:

Gary R. Ehrenich
(Signature)
PURCHASING SPECIALIST
(Title)

By:

Albert P. Rusczyk
(Signature)
Albert P. Rusczyk
(Typed Name)
Director-Purchasing
(Title)

EXHIBIT A

SUPPLEMENTAL TERMS & CONDITIONS FOR PPL SUSQUEHANNA LLC

Article 1 - Security

1. All employees, officers, directors, agents, consultants and Subcontractors of Contractor (hereinafter collectively referred to as "Contractor Personnel"), who will at any time require unescorted access to any area of the SSES to which unescorted access is limited to those individuals with a PPL security clearance (hereinafter referred to as a "Clearance"), must have a Clearance prior to the date said Contractor Personnel are scheduled for unescorted access inside this limited access area.
2. Clearances will be granted by PPL in accordance with PPL's security plan and applicable policies and procedures (hereinafter referred to as "Security Procedures" then in effect. Security Procedures may be amended from time to time by PPL. PPL, in accordance with its normal practices, will inform Contractor of amendments, which will affect Clearances for Contractor Personnel.
3. Background investigations and psychological evaluations necessary for issuance of a Clearance will be performed by PPL or its agents at PPL's expense. A listing of the information Contractor Personnel must have available at the beginning of Clearance processing will be provided by PPL. For any Contractor Personnel, Contractor, at its expense, will supply PPL with information as may be requested by PPL for processing the Clearance. If Contractor has written procedures in place that implements a screening program, PPL will consider reviewing and approving the program to cover portions or all of the background investigation and/or psychological evaluations required above. If all or part of Contractor's program is approved and accepted by PPL, Contractor must retain all information provided to PPL for a minimum of five (5) years after unescorted access terminates at SSES for Contractor Personnel.
4. The grant, denial, withdrawal or suspension of any Clearances at any time shall be within the sole and exclusive discretion of PPL. With respect to any such actions, PPL shall have no liability to Contractor, including liability for any Contractor Personnel's time for periods when he/she cannot work as a result of not having a Clearance. PPL's decision shall be conclusive and binding on Contractor and Contractor Personnel. If for any reason a Clearance is denied, withdrawn, or suspended, Contractor further agrees to remove such Contractor Personnel from the limited access areas of the SSES immediately upon request by PPL.
5. Contractor shall at no cost to PPL, implement a continual behavior observation program that complies with applicable NRC regulations. This program shall be submitted to the designated PPL representative for such submittals as soon as possible, but in any event prior to the time any Contractor Personnel are scheduled for unescorted access to a limited access area. The program shall be subject to PPL's approval. All information relevant to Contractor's continual behavior observation program, if accepted by PPL, shall be retained

by Contractor for a minimum of five (5) years after unescorted access terminates at SSES for Contractor Personnel. In lieu of implementing a proprietary program, Contractor may request to be included under PPL's continual behavior observation program.

6. In the event Contractor desires to have any Contractor Personnel escorted in lieu of obtaining a Clearance, a written request including the basis for the request will be made to PPL as early as possible. Escorted access will not be granted to Contractor except as agreed to in advance by PPL. The granting of any such waiver shall be within the sole and exclusive discretion of PPL. Unless escorted access is requested by PPL, Contractor shall supply the required escort at no additional cost to PPL, and all such escorts will be trained as escorts at PPL's expense pursuant to PPL's Security Procedures.
7. PPL shall have the right to audit all information provided to it by Contractor upon reasonable notice to Contractor. As noted in paragraphs 3 and 5 of this Article, Contractor must retain all relevant information for a minimum of five (5) years after unescorted access terminates at SSES for Contractor Personnel.
8. The actions of Contractor Personnel while at Susquehanna SES can affect plant operations and thus potentially public health and safety. Therefore, Contractor shall not assign to Susquehanna SES any Contractor Personnel who it believes might adversely affect plant security or operations or who is not fit for duty.
9. Contractor for itself and for Contractor Personnel releases PPL, PPL's agents and employees of both of them from any and all liability in connection with this Article. Furthermore, notwithstanding any other indemnities, limitations of liability or other provisions of this contract, Contractor agrees to indemnify, defend and hold harmless PPL from and against any and all loss and liability for any and all costs, claims or suits by Contractor, Contractor Personnel or former Contractor Personnel arising out of 1) the grant, denial, suspension or withdrawal of any Clearance, 2) any investigation conducted by PPL or its agents in connection therewith pursuant to this Article, or 3) PPL activities pursuant to this Article.

Article 2 - Fitness for Duty

1. PPL is required to maintain an effective Fitness For Duty Program at SSES as required by the Nuclear Regulatory Commission (NRC) 10 CFR 26 regulation. The Fitness for Duty Program requirements apply to all individuals authorized for unescorted or escorted access.
2. Contractor must comply with PPL's Fitness for Duty Program. PPL will not accept any similar Contractor program.
3. Contractor is required to notify PPL in advance if any Contractor Personnel being assigned to work at PPL have been denied access or removed from duties or activities at any nuclear power plant for violations of a Fitness For Duty policy or program. Contractor will NOT assign such Contractor Personnel to work at PPL without the prior knowledge and consent of PPL.

4. Failure to comply with the Fitness for Duty Program requirements may result in denied or revoked access authorization.
5. Contractor shall comply with any requests by PPL or its authorized representatives or the NRC to audit, inspect, copy or take away copies of documents, records or reports pertaining to Fitness For Duty of Contractor Personnel.

Article 3 - Health Physics Requirements

The requirements as described herein reflect PPL's Administrative Controls to ensure compliance with Title 10 of the Code of Federal Regulations, Part 20, Sections 1001 through 2401, inclusive.

In the event Contractor Personnel have occasion to enter radiologically controlled areas at the SSES, the following shall apply for each of Contractor Personnel:

1. Contractor will provide to PPL a completed Form NRC 4 (or equivalent) which discloses all occupational radiation doses received by individual Contractor Personnel for the current calendar year. Such form will be provided to PPL in advance of the arrival of each person. If, as a result of circumstances beyond the control of Contractor, such form cannot be provided in advance of the arrival of each person, the individual, upon arrival at SSES, shall complete Form NRC 4 (or equivalent). In addition, documentation to support all doses for the current calendar year is required. If all occupational dose has not been fully processed by a licensee where dose was received, estimates of dose will be accepted. Contractor is strongly encouraged to provide documentation of occupational dose prior to the current calendar year.
2. PPL's administrative dose limits will be followed. All dose limits as described herein are expressed in Total Effective Dose Equivalent, or TEDE. Individual Contractor Personnel shall not exceed 2,000 mrem, cumulative occupational dose for the calendar year.

No exposure beyond 2,000 mrem cumulative per calendar year shall be authorized unless a completed Form NRC 4 is on file, the individual's lifetime dose has been established based on supporting documentation and an approved dose extension has been granted by PPL.

Individual Contractor Personnel shall not exceed 4,000 mrem, cumulative occupational dose for the calendar year, while at SSES, unless specific approval is granted by Contractor and PPL under the provisions of the NRC exposure category of Planned Special Exposure.

Contractor Personnel, whose lifetime exposure in rem exceeds their age in years, shall be subject to additional ALARA controls.

Contractor Personnel less than 18 years of age shall be exposed to less than 50 mrem per calendar year by PPL.

3. Female Contractor Personnel are encouraged to inform PPL of pregnancy or possible pregnancy, in writing. Upon declaration of pregnancy, PPL shall limit declared pregnant women to 500 mrem for the gestation period, not to exceed 50 mrem in any month during the pregnancy. If a declared pregnant woman is within 50 mrem of the gestation limit, or

has exceeded the limit, the individual shall be limited to 50 mrem for the remainder of the gestation period.

4. Unless such requirement is waived in advance by PPL, PPL shall either receive in advance of the arrival of individual Contractor Personnel or each person shall arrive at the SSES with proof of a medical examination signed by a physician, specifying that the individual is fit to meet the respiratory requirements of NUREG 0041 or any future regulations on respiratory requirements. Periodic recertification will be required and shall be performed in accordance with NUREG 0041 and PPL's procedures.
5. Contractor shall ensure that Contractor Personnel are available for bioassay analysis and whole body counting as required by PPL's procedures prior to the commencement, during, and at the completion of work.
6. The exposure received by Contractor Personnel at the SSES shall be based upon PPL's dosimetry results. The exposure of Contractor Personnel as measured on thermoluminescent dosimeters, self-reading or pocket-alarming dosimeters, bioassay and/or surveys will be used to monitor occupational dose. Contractor shall require that Contractor Personnel keep track of their own cumulative dose with due regard to the dose limits set by both Contractor and PPL. Prior to the release of any information from an individual's exposure records, such individual must furnish a signed release in such form as required by PPL, authorizing the disclosure of the information set forth in the signed release.
7. Upon completion of the work effort by individual Contractor Personnel, PPL will supply to that person a record of occupational dose (Form 5) as required by 10 CFR 20.
8. For work done in a radiation environment, Contractor shall provide personnel who have sufficient available exposure to complete the work, thus eliminating the need for processing replacements.

Article 4 - Site Training & Procedures

- A. Prior to gaining unescorted access to SSES, Contractor Personnel will be required to attend classroom training and successfully pass a written examination on such training. This is general employee training required by the NRC for all Contractor Personnel and it will include such topics as PPL's general maintenance program procedures applicable to Contractor's on-site work, plant safety and security requirements, health physics requirements, OSHA requirements in force and applicable to SSES, quality assurance requirements and SSES emergency procedures. PPL will provide the facilities and instructors to conduct this training. Contractor is responsible for supervising Contractor Personnel during training periods. Retraining and re-examination as necessary will be conducted in accordance with PPL procedures.
- B. Contractor shall ensure that all Contractor Personnel adhere to and comply with all site procedures and requirements. Failure of Contractor Personnel to comply with site procedures and requirements will, if requested by PPL, result in Contractor being required to remove such individual(s) from the SSES. Replacement for such personnel, if necessary,

will be made at no expense to PPL and will be made in a timely fashion so as not to impact PPL's schedules, costs or commitments.

- C. Contractor will, if requested by PPL, provide PPL with documentation indicating that Contractor Personnel are qualified in accordance with applicable ANSI, NRC or other requirements to perform certain work activities.
- D. PPL will reimburse Contractor for time spent by Contractor Personnel in required initial training or periodic retraining, provided that such training or retraining is successfully completed.

Article 5 - Nuclear Insurance

PPL will without cost to Contractor, obtain and maintain for the Susquehanna Steam Electric Station to the extent available and consistent with industry practice in the United States, Nuclear Liability Protection through government indemnity, limitation of liability and/or Nuclear Liability insurance or any other method to the extent available to minimize impairment of the protection contemplated by Section 170 of the Atomic Energy Act of 1954, as amended. Such protection will be in effect as of the date of shipment of the first fuel bundles to the Site and shall remain in effect during the period of operation of the Susquehanna Steam Electric Station. PPL currently maintains:

1. An agreement of indemnification as contemplated by Section 170 of the Atomic Energy Act of 1954, as amended, and
2. Nuclear liability insurance from American Nuclear Insurers (ANI), its' successor, or other organization or an approved alternative, as selected by PPL in such form and in such amount as will meet the financial protection requirements of the Section 170 of the Atomic Energy Act of 1954, as amended.

Neither Contractor nor its suppliers shall be liable for any loss of, damage to, or loss of use of property or equipment wherever located, arising out of or resulting from a "Nuclear Incident." PPL waives and, to the extent permitted by its insurers, will require its insurers to waive all rights of recovery against Contractor and its suppliers on account of any such loss, damage, or loss of use. All such waivers shall be in a form acceptable to Contractor.

PPL will indemnify Contractor and its suppliers for any liability arising out of loss of or damage to property at the Plant which arises out of a "nuclear incident". In addition, PPL shall obtain for the benefit of Contractor and its suppliers, protection against liability for, arising out of, or resulting from damage to any property or equipment located at the Plant which is used or intended for use by PPL in connection with the operation of the nuclear power plant (including but not limited to fuel) and which is owned by parties other than PPL for any damage which arises from a "nuclear incident". The provisions of this Article 86 shall take precedent over any conflicting article in the Contract, including, but not limited to, Article 36.

Article 6 – Nuclear Energy Hazard Bodily Injury Claims

Contractor shall promptly inform PPL in writing of every Contractor Personnel's workers compensation or tort liability claim for bodily injury allegedly caused by the nuclear energy hazard arising out of Susquehanna SES or in the course of transporting nuclear material to or from such facility.

Contractor's written notice shall provide the following information:

1. Name and address of claimant;
2. Time and place of alleged exposure to nuclear energy hazard, if known;
3. Description of alleged bodily injury.

The notice is to be addressed to:

PPL Services Corporation
Two North Ninth Street
Allentown, PA 18101-1179
Attn: Manager-Corp. Risk & Insurance

Contractor shall insert in any subcontract hereunder a provision which shall conform substantially to the language of this article.

Article 7 – Scheduling Site Access/Training (Nuclear)

Contractor shall contact the PPL project manager a minimum of 24 hours prior to its expected arrival at Susquehanna SES to provide the appropriate security information for all Contractor personnel scheduled to perform Work. If Contractor personnel are required to enter vital areas and access training is required, contact the PPL project manager a minimum of one week prior to its expected arrival to allow for scheduling of required training. **IF CONTRACTOR PERSONNEL MUST WEAR A RESPIRATOR, THE ATTACHED PROCEDURE SHALL APPLY AND PPL FORM 3800 MUST BE COMPLETED AND SUBMITTED TO PPL IN ACCORDANCE WITH THE PROCEDURE. (MEDICAL CERTIFICATION FOR RESPIRATOR USE, NM-EMPLOYEES)**

Article 8 – Susquehanna SES Approved Materials Manual

Contractor shall not introduce any substances to the Susquehanna Steam Electric Station which are not listed in the Susquehanna SES Approved Materials Manual. No unapproved chemicals shall be brought to the Susquehanna SES. Contractor shall not change chemicals or concentrations thereof without the prior written approval of PPL. In the event Contractor desires to use chemicals and/or concentrations of approved chemicals different than those approved, Contractor must secure PPL's written approval prior to bringing them to Susquehanna SES. Contractor agrees to provide to PPL such samples of chemicals, as may, from time to time, be requested.

In addition, Contractor shall minimize the use of plastic materials at the Susquehanna SES. In particular, halogenated plastics such as polyvinyl chloride (PVC) and neoprene should be used only with prior PPL approval when substitute non-combustible materials are not available.

Article 9 – Radioactive Contamination of Tools and Equipment

Contractor represents and warrants that all specialty tools and equipment intended to be used on the Work can be decontaminated using generally accepted and customary decontamination techniques. All exceptions shall be identified in writing to PPL prior to commencement of the Work.

If specialty tools and equipment brought to and used at Susquehanna SES by Contractor become contaminated, during the performance of the Work, above levels acceptable for removal from the Susquehanna SES without restriction under applicable Susquehanna SES procedure, PPL will decontaminate, if possible, such specialty tools and equipment, at its cost, using generally accepted and customary decontamination techniques. Any decontamination by PPL will be performed in accordance with Susquehanna SES procedures as promptly as possible consistent with other demands on Susquehanna SES resources. This may include disassembly/reassembly of Contractor' s equipment and tools and the disassembly/reassembly may be under the direction of Contractor' s representative, if desired.

If the contamination resulted from the negligence of PPL, or if PPL refuses, is unable for reasons within its control or is unwilling to perform the decontamination procedures referenced above and the specialty tools and equipment cannot be decontaminated below acceptable levels using the procedures referenced above, then PPL will pay Contractor the lower of (a) depreciated book value or (b) current market (as opposed to replacement) value, for the item which cannot be decontaminated.

If the contamination resulted from the negligence of Contractor or otherwise and the specialty tools and equipment cannot be decontaminated below acceptable levels using the procedures referenced above, then the Contractor may elect to (a) dispose of the specialty tools and equipment at Contractor' s expense, (b) request PPL to dispose of specialty tools and equipment at Contractor' s expense, (c) request PPL to temporarily hold the specialty tools and equipment for later disposition at Contractor' s expense, or (d) transfer title and possession to PPL at a mutually agreeable amount.

In the event PPL pays for any item for any reason stated above, any rental cost or charges otherwise due Contractor shall be credited against any payment otherwise due Contractor, or if no further payment is due, within 30 days of PPL' s notice thereof.

Notwithstanding the foregoing, PPL shall in no event be responsible for foreseeable and normal wear and tear of specialty tools and equipment.

Article 10 – Shipment of Radioactive Materials

- A. Contractor shall provide procedures, subject to PPL review and approval, for the return shipment of all radioactive materials to Contractor. Procedures shall meet all applicable state, federal and international regulations, if any, concerning shipment of hazardous materials and custom regulations.
- B. Contractor shall provide packaging, labeling, etc., which meets all applicable state, federal and international regulations, if any, for the material to be shipped. Contractor shall provide procedures, subject to PPL review and approval, for use of any packaging, labeling, etc., used as well as all supporting test or engineering data to support type of packaging used.

Article 11 - Safety Concerns

It is the policy of PPL to address all concerns pertaining to the safety of the SSES in a forthright manner and without reprisal. It is absolutely essential that the nuclear power plant be operated safely. If anyone involved in the design, operation or maintenance of SSES has a concern about nuclear safety, PPL's management needs to know about it so that it can be addressed. PPL WANTS TO HEAR YOUR NUCLEAR SAFETY CONCERNS. THE INTENTION IS TO CAPTURE AND RESOLVE NUCLEAR SAFETY CONCERNS, NO MATTER WHAT THE SOURCE. PPL is interested in the validity of the concern, not in how it was raised. No one will be penalized for raising a nuclear safety concern to any level of PPL's management or to the Nuclear Regulatory Commission (NRC). If anyone is intimidated or harassed for reporting a nuclear safety concern, he or she should report this to the Employee Concerns Representative immediately.

Each Contractor employee is responsible for bringing any potential nuclear safety issue he or she may have concerning the design, operation or maintenance of the SSES to the attention of the PPL supervision designated hereafter. If the Contractor's employee is not comfortable reporting the concern to the appropriate PPL supervision, he or she can contact one of PPL's Employee Concerns Representatives or PPL's General Manager-Nuclear Assurance. The Contractor employee's concern will be processed in accordance with PPL's Nuclear Safety Concerns Program which will address the concern and provide periodic feedback to concerned Contractor employee.

PPL Susquehanna, LLC
769 Salem Blvd.
Berwick, PA 18603

Attn: Britt McKinney
Sr. VP Chief Nuclear Officer

Telephone: (570) 542-3149

Article 12 - Quality Assurance

A. Contractor and any Subcontractors shall establish and maintain a Quality Assurance (QA) program for the control and documentation of quality which shall be implemented during the performance of those tasks to be identified requiring Quality Assurance Program control.

B. This Quality Assurance Program shall be in accordance with the following which contents are included herein, for those tasks identified as safety related:

10 CFR 50, Appendix B, ANSI N 45.2 - 1977, ANSI N 45.2.11 - 1974, ANSI N 45.2.10 - 1973, ANSI N 45.2.9 - 1979, ANSI N 45.2.13 - 1976, ANSI N 45.2.12 - 1977, ANSI N 45.2.23 - 1978, ANSI N 18.7 - 1976, and ANSI N 45.2.6 - 1973.

C. 10CFR50 and 10CFR21

The turbine and generator are commercial grade equipment and are not Basic Components (i.e. not safety related, not Seismic Class 1, and have not undergone a Dedication process). Consequently, associated turbine generator services would not be required to be performed under a full 10CFR 50, Appendix B Quality Assurance Program.

Contractor will comply with 10CFR 21 regulations, as required. Because the turbine and generator are not Basic Components, any reportable deviations of which personnel might become aware would necessarily be related to some other equipment in the plant.

As there may be Basic Components in other portions of the plant, Contractor has in place a policy and procedure for initial evaluation and reporting of any deviation that could be a potential defect or non-compliance involving a Basic Component, part thereof, or related service that could create a substantial safety hazard as defined in 10CFR 21. Specifically at site, Contractor personnel would be aware of the proper use of this procedure, and a 10CFR 21 posting would be prominently displayed over the course of the Contractor Work. Training of Outage Personnel to comply with 10CFR21, if required, will be by PPL.

D. For those tasks identified as ASME code, the Quality Assurance Program to be implemented shall be in accordance with ASME code, NA-4000. Evidence of code acceptance shall accompany all submittals. Jurisdictional rules regarding codes, standards and licenses, as applicable to the defined scope of work, are limited to those listed for the applicable jurisdiction in the current revision of the Synopsis of Boiler and Pressure Vessel Laws, Rules and Regulations, published by the Uniform Boiler and Pressure Vessel Laws Society, Inc.

E. Contractor shall submit and maintain a controlled copy of its Quality Assurance Program Manual to PPL thirty (30) days after award of this Contract or prior to the start of any Work whichever is first. Revision to the Program Manual shall be submitted to PPL upon issuance.

F. If the Nuclear Regulatory Commission (NRC) or PPL, in its sole discretion, deems the QA Program to be ineffective or inadequate in defining or providing acceptable control during the performance of the Work, Contractor at no cost to PPL shall make all revisions required to upgrade its Quality Assurance Program to PPL's or the NRC's standards.

G. Contractor and its employees, agents and Subcontractors shall comply at all times with the requirements of 10 CFR 21.

H. This Contract shall identify the documentation, including engineering documents and quality assurance records, required to be submitted by Contractor prior to and/or after commencement of Work as well as the time of document submittal. The retention and disposal of quality assurance records, which are not to be submitted to PPL, shall also be prescribed.

I. Method of Quality Assurance Acceptance

For the procurement of services that are not directly related to the purchase of hardware items, such as third party inspection or engineering and consulting services, the service must pass acceptance by at least one of the following methods as specified by the PPL Coordinator:

1. Verification of technical data produced.
2. Surveillance and/or audit of the activity.
3. Review of objective evidence for conformance to the Services Authorization requirements.
4. Other as specified by PPL Coordinator.

J. Sub Tier Contracts/Procurements

For those tasks identified as requiring Quality Assurance Program control, sub-tier procurements placed by Contractor shall require Subcontractors to provide and implement a Quality Assurance Program consistent with this Contract's requirements for the scope of the subcontracted Work.

K. Quality Assurance Audit

PPL shall at all times have access to all Contractor's records maintained pursuant to this Contract during normal business hours to review, audit, and verify implementation of the Contractor's Quality Assurance Program for any Work done under this Contract. Contractor shall provide corrective action for all deficiencies identified in Quality Assurance audits at no cost to PPL and will be required to provide personnel to support such audits.

EXHIBIT B

Supplemental Terms & Conditions for PPL Montana, LLC

Article 1 – Native American Preference (Colstrip Location Only)

Contractor is aware of and is informed of its responsibility pursuant to PPLM's announced preference in employment at its Colstrip location for those Native Americans living on or near the Northern Cheyenne Reservation. The use of the word "near" includes all that area where a person seeking employment could reasonably be expected to commute to and from in the course of a workday. Contractors extending such a preference shall not, however, discriminate among Native Americans on the basis of religion, sex or tribal affiliation, and the use of such a preference shall not excuse a Contractor from complying with the other requirements contained in executive Order 11246, as amended.

Contractor agrees to and shall be bound by the preference in employment so described.

Article 2 – Montana Safety Requirements

A. PPLM considers the safety and welfare of all persons, and the preservation of property, paramount in the conduct of business.

B. Contractor shall comply with the Occupational Safety and Health Act of 1970, the Montana Safety Culture Act of 1993, and all applicable laws, ordinances, rules and regulations bearing on the safety of persons or property or their protection from damage, injury or loss.

C. Contractor shall take all necessary precautions in performing Work hereunder to prevent injury to persons or damage to property.

D. Contractor must comply with the policies, procedures and work rules outlined in the Contractor Safety Procedure attached hereto. Additional copies of the Contractor Safety Procedure may be obtained before starting Work at the PPLM site from the Company Authorized Representative or the Safety Department.

E. Contractor performing Work for PPLM shall agree to abide by the PPLM policy to prohibit possession, sale, use or influence of any illegal drugs. Contractor shall immediately remove any employee(s) from further Work when it is determined that they are not fit for duty. The PPLM drug policy includes random, unannounced canine searches of its facilities. Contractor and its subcontractors and agents shall consent to and cooperate with any such searches conducted while performing Work at any of PPLM's facilities. Failure of Contractor and its employees to comply with this provision shall be cause for PPLM to unilaterally terminate any agreement entered into with Contractor.

Article 3 - Montana DCC Program

Effective for all Contracts issued after April 1, 2004, PPL Montana, LLC (hereinafter referred to as "PPLM") is modifying its Contractor Safety Procedure, which is incorporated by reference

into Contracts issued by PPLM. PPLM is deploying the DISA, Inc./DISA Contractors Consortium (DCC) Program. The DCC program monitors the movement of Contractors and contract employees and is designed to provide full compliance with PPLM fitness for duty requirements. PPLM believes the DCC program will improve our effort to control and eliminate substance abuse in our facilities. PPLM expects that all employees of Contractors and their subcontractors, whether resident or intermittent, performing Work pursuant to a Contract or work release issued after April 1, 2004, must be enrolled in the DCC program in order to perform Work at any PPLM facility. Any individuals not enrolled and/or tested in this program will not be allowed access to the site.

You may contact DISA, Inc. for information regarding program fees, exemptions, and compliance questions by dialing 800-752-6432. There is also information on DISA, Inc. web site at www.disa.com. You may also contact any PPLM Safety & Health Consultant in regards to details about this program.

EXHIBIT C

EXHIBIT C
PAGE 1 OF 1

RESERVED

EXHIBIT D

**EXHIBIT D
PAGE 1 OF 1**

INSURANCE REQUIREMENTS

Required Coverages	Minimum Insurance Coverage Required
1. Workers' Compensation Employers' Liability	Statutory \$ 500,000
2. Commercial General Liability Bodily Injury & Property Damage	\$ 5,000,000 Per Occurrence and in the Aggregate
Including, but not limited to, the following with the same above limit of liability for Bodily Injury and Property Damage:	This requirement may be fulfilled by primary or excess liability coverage.
a) Contractual Liability	Policy shall include a Per Project Aggregate endorsement equivalent to ISO form CG-2503 Amendment-Aggregate Limits of Insurance (Per Project).
b) Products and Completed Operations	
c) Broad Form Property Damage	
d) Explosion, Collapse, and Underground	
3. Comprehensive Vehicle Liability Bodily Injury & Property Damage	\$ 1,000,000 Combined Single Limit
Said coverage shall cover all licensed or unlicensed vehicles and/or automotive equipment owned, leased or rented when used in connection with performance of this Agreement.	
4. Design Professional Liability Coverage	\$ 1,000,000
5. Environmental Impairment Liability Bodily Injury & Property Damage	\$ 1,000,000 Combined Single Limit
6. Inland Marine Coverage as appropriate while Equipment is in the care, custody and control of the Contractor	Limit of liability equal to the value of the Equipment

EXHIBIT E

LIEN WAIVER

This Lien Waiver ("Waiver") is made this ___ day of _____, 200_, by Siemens Power Generation, Inc., a Delaware corporation (referred to herein as "CONTRACTOR").

WHEREAS, by contract between PPL Services Corp., a Delaware limited liability company (referred to herein as "PPL"), and CONTRACTOR of the same date as this Waiver, CONTRACTOR has agreed to provide _____ for _____ referred to herein as "WORK") at PPL's _____ located at _____ pursuant to PPL's Contract No. _____ (referred to therein as "CONTRACT");

WHEREAS, the parties intend that PPL shall not be subject to any claim of lien or lien by or on behalf of CONTRACTOR or any subcontractor or any mechanic or materialman or any other person for labor done or materials furnished in connection with the WORK; and

WHEREAS, this Waiver is given by CONTRACTOR in furtherance of the aforesaid purpose and pursuant to the terms of the CONTRACT.

NOW, THEREFORE, in consideration of the foregoing premises, it is hereby understood and agreed that there shall be no lien or right to file a claim of lien against PPL or the lands, buildings, fixtures or premises of PPL in and upon which work is to be performed under the terms of the CONTRACT, or the lands, buildings, fixtures, or premises appurtenant thereto, for work or labor done or materials furnished in the performance of the WORK pursuant to the CONTRACT, or any part or parts thereof or extra work thereunder. No such lien or claim of lien shall be filed or in any way attempted to be enforced by or on behalf of CONTRACTOR, or by or on behalf of any subcontractor, supplier, mechanic or materialman or any other person in connection with the performance of the WORK pursuant to the CONTRACT; nor shall there be any claim against PPL, its successors or its assigns other than the claims of CONTRACTOR under the CONTRACT. If the CONTRACTOR, or any subcontractor, supplier, mechanic, or materialman or any other person in connection with the performance of the WORK pursuant to the CONTRACT shall file any such mechanic's lien or claim of lien, PPL shall have the right to discharge the lien and to retain out of any payment then due or thereafter to become due to CONTRACTOR, an amount sufficient to completely indemnify it against such lien or other claim with interest, together with the expense incident to discharging such lien, including reasonable attorney's fees and disbursements, all of which the CONTRACTOR agrees to pay.

CONTRACTOR, intending to be legally bound, hereby certifies and declares that this Waiver was executed and delivered prior to any authority being given to CONTRACTOR to proceed with any of the work pursuant to the CONTRACT. It is the intent of the CONTRACTOR that this Waiver will be promptly recorded in accordance with the law.

IN WITNESS WHEREOF, the CONTRACTOR has executed and delivered this Waiver on the date first set forth above and in the manner set forth below.

WITNESS:

SIEMENS POWER GENERATION, INC.

By: _____
(Signature)

By: _____
(Signature)

NOTARY

Subscribed and sworn before me
this ___ day of _____, ____.

Notary Public

(SEAL)

EXHIBIT F

**EXHIBIT F
PAGE 1 OF 1**

RELEASE

This Release is executed on _____, 20_ , by Siemens Power Generation, Inc., 4400 Alafaya Trail, Orlando, FL 32826-2399 (referred to herein as "Releasor"), in favor of PPL _____, LLC, Two North Ninth Street, Allentown, PA 18101-1179 (referred to herein as "PPL").

In consideration of final payment in accordance with Article 55 of this Agreement and other good and valuable consideration, the receipt, sufficiency and adequacy of which is hereby acknowledged and intending to be legally bound, Releasor hereby releases and forever discharges PPL and its directors, officers, employees, agents, successors and assigns, from any and all claims related to payment for the Work, and any and all claims arising directly from Contractor's Work which are known to Contractor (excluding counterclaims), in the performance of the Contract dated _____, 200_, between Releasor and PPL, to the date of this Release.

In Witness Whereof, Releasor executes this Release on the date first set forth above and in the manner set forth below.

Witness:

SIEMENS POWER GENERATION, INC.

By:

(Signature)

By:

(Signature)

Name:

Name:

Title:

EXHIBIT G

**EXHIBIT G
PAGE 1 OF 1**

PPL AFFILIATES

PPL Brunner Island, LLC

PPL Montour, LLC

PPL Martins Creek, LLC

PPL Susquehanna, LLC

PPL Montana, LLC

PPL Holtwood, LLC

PPL Maine, LLC

PPL University Park, LLC

Lower Mt. Bethel Energy, LLC

PPL Edgewood Energy, LLC

PPL Wallingford Energy, LLC

PPL Shoreham Energy, LLC

PPL Sundance Energy, LLC

PPL Services Corp.

Note: This Exhibit may be changed from time to time by PPL giving proper written notice to Contractor.

EXHIBIT H

EXHIBIT H
3 PAGES TOTAL

PROPRIETARY INFORMATION AGREEMENT
between
[COMPANY'S FULL NAME]
and
SIEMENS POWER GENERATION, INC.
and
PPL SERVICES CORP.

For and in consideration of this disclosure by Siemens Power Generation, Inc., a Siemens Company (hereinafter referred to as "SWPC") with offices at The Quadrangle, 4400 Alafaya Trail, Orlando, Florida 32826-2399, to one or more representatives of [COMPANY'S FULL NAME], a corporation with offices at [ADDRESS], (said representatives and organization being severally and collectively hereinafter referred to as "RECIPIENT") of information in oral, written, or physical form, including information specifically concerning the [IDENTIFY] Power Plant that is identified by SWPC at the time of disclosure as proprietary, or is of such a nature that a reasonable person would consider it to be the type of information that is typically considered proprietary (hereinafter referred to as "Proprietary Information"); RECIPIENT, to the extent that RECIPIENT is required to have access to Proprietary Information for the purpose of performing maintenance of equipment at the [IDENTIFY] Power Plant owned by PPL (hereinafter referred to as "CUSTOMER") is authorized to use such Proprietary Information, accepts and receives such Proprietary Information in confidence and trust, subject to the following terms and conditions:

1. CUSTOMER provides access to, but not control of, such Proprietary Information to RECIPIENT solely for the purpose of enabling RECIPIENT to [INSERT PURPOSE FOR DISCLOSURE].
2. RECIPIENT shall maintain the Proprietary Information so imparted, secret and confidential.
3. RECIPIENT shall not use such Proprietary Information for any purpose except in accordance with paragraph 1 above.
4. RECIPIENT shall not transmit or further disclose such Proprietary Information to any person other than its respective officers, directors or employees who need to use such Proprietary Information in accordance with paragraph 1 above. Specifically, and not by way of limitation, RECIPIENT shall not transmit or further disclose such Proprietary Information to any third party, including parent organizations of RECIPIENT, sister organizations of RECIPIENT, subsidiaries of RECIPIENT, consultants of RECIPIENT, and subcontractors of RECIPIENT, without first obtaining the prior written approval of SWPC, not to be unreasonably withheld or delayed. In the event SWPC approves of such disclosure or transmittal, RECIPIENT shall disclose and transmit such Proprietary Information to such third party only on a proprietary and confidential basis which will be evidenced by a written commitment with the same terms and conditions of this Agreement. In the event that the

Recipient is required by a court or federal, state or local agency to disclose any information, the Recipient shall promptly notify SWPC of such order so that it may seek a protective order or take appropriate action as it deems appropriate. In such circumstances, Recipient shall exercise reasonable efforts to disclose only the minimal amount of information required to satisfy such order.

5. The term "Proprietary Information" does not include any information that: (a) at the time of disclosure is already lawfully known to RECIPIENT; or (b) at the time of disclosure is generally known to the public; or (c) is rightfully received by RECIPIENT from a third party without restriction on disclosure and without a breach of an obligation of confidentiality running directly or indirectly to SWPC; or (d) has been approved for release by a written authorization of SWPC; or (e) is independently developed by RECIPIENT without use, directly or indirectly, of the Proprietary Information. If RECIPIENT has independently developed the Proprietary Information, they will provide evidence to that effect to SWPC's reasonable satisfaction upon SWPC's request.
6. RECIPIENT shall not take custody of or make any copy or in any way reproduce or excerpt such Proprietary Information except as authorized by SWPC in writing.
7. It is understood by the Parties that nothing herein is intended to grant or shall be construed as granting or implying any right under any intellectual property rights or any right to use any Information covered thereby, other than for the Permitted Use. RECIPIENT shall not unfairly obtain the right to use Information which becomes publicly known through an improper act or omission on its part other than the Permitted Use.
8. RECIPIENT understands and agrees that the Information is provided on an "as is" basis and SWPC makes no representations or warranties, expressed or implied (including those of MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE) with respect to any Information provided hereunder.
9. RECIPIENT understands and agrees that none of the parties to this Agreement nor their respective suppliers or subcontractors shall be liable in connection with this Agreement or the subject matter contained herein for any indirect, incidental, special, or consequential damages, including, but not limited to, loss of revenue, cost of capital, or loss of business opportunity, whether such arises out of contract, tort (including negligence or strict liability) or otherwise.
10. This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania (or the state of Montana for work involving PPL's Montana power generating facilities), excluding its rules governing conflicts of law.
11. Nothing in this Agreement shall obligate SWPC to (a) provide any specific information that it otherwise desires to withhold, or to (b) enter in any subsequent contract dealing with the activities described in paragraph 1 above or any similar or associated activities.
12. RECIPIENT may not assign nor transfer its interest hereunder without the written consent of SWPC. Any purported assignment without such prior written consent shall be null and void.
13. This Agreement contains the entire agreement and understanding between the parties as to the subject matter herein.

14. To facilitate compliance with regulations of the U.S. Government concerning the export of technical information, the Parties agree that any technical information not in the public domain (whether written or otherwise) first received by the RECIPIENT hereto or any technical information which the RECIPIENT may develop by using such technical information received by SWPC, or any product utilizing technical information so received or developed, will not, without the prior written permission of SWPC, knowingly be transmitted by the RECIPIENT, directly or indirectly, to any of the countries designated in the U.S. Government Regulations (15 C.F.R. 770; and 10 C.F.R. 810.7); or their respective successor provisions as issued from time to time relating to the exportation of technical data.

15. Any violation of this Agreement may cause irreparable harm to SWPC. The Parties agree that SWPC is entitled to appropriate equitable relief (including without limitation, injunctive relief or specific performance) for any breach of the Agreement. Such remedies shall not be exclusive nor be in derogation of any other rights or remedies which SWPC may have under this Agreement or under statutory or common law. All of SWPC's rights and remedies shall be cumulative and may be exercised separately or concurrently.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized representatives.

(RECIPIENT)

PPL SERVICES CORP.

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

Acknowledgment by SIEMENS POWER GENERATION, INC.

By: _____

Signature: _____

Title: _____

Date: _____

EXHIBIT I

**EXHIBIT I
PAGE 1 OF 1**

CONTRACTOR'S MAJOR COMPETITORS

General Electric (or any of its affiliated companies)

ABB (or any of its affiliated companies)

Alstom (or any of its affiliated companies)

Mitsubishi (or any of its affiliated companies)

Toshiba (or any of its affiliated companies)

Lovegreen Turbine Services

Regenco

MD&A

The Wood Group (or any of its affiliated companies)

National Electric Coil

GMS Generators

Hitachi

Hickam Industries

Preferred Machine

H&E Stork

Sulzer

Turbo Parts LLC

Retubco, Inc.

Service Industries Inc.

STAR Steam Path Seals

Gemoco Industrial valve Products

Note: This Exhibit may be reasonably changed from time to time by Contractor giving proper written notice to PPL.

NorthWestern Energy
Docket D2013.5.33/D2014.5.46
Electric Tracker

Montana Environmental Information Center/Sierra Club
Set 6 (069-084)

Data Requests received July 29, 2015

MEIC-070 Subject: Ownership and Operation Agreement
 Witness: Goetz

Please refer to Exhibit JHG-2, entitled "The Montana Power Company and Puget Sound Power & Light Company and the Washington Water Power Company and Portland General Electric Company and Pacific Power & Light Company Ownership and Operation Agreement, Colstrip Units #3 & #4." Please produce an unredacted copy of the entire Ownership and Operation Agreement.

RESPONSE:

See the response to Data Request MCC-019.

NorthWestern Energy
Docket D2013.5.33/D2014.5.46
Electric Tracker

Montana Environmental Information Center/Sierra Club
Set 6 (069-084)

Data Requests received July 29, 2015

MEIC-071 Subject: Communications with FM Global
 Witness: Barnes

Please refer to the rebuttal testimony of Mr. Barnes, page 4, which references an email from FM Global.

- a. Please produce the email referenced in the testimony.
- b. Please produce all other emails from FM Global to Mr. Barnes concerning whether FM Global intended to pursue litigation against Siemens or any other party to recover costs associated with the CU4 extended outage.
- c. Please produce all emails from Mr. Barnes to FM Global concerning whether FM Global intended to pursue litigation against Siemens or any other party to recover costs associated with the CU4 extended outage.

RESPONSE:

- a. See Attachment 1. Several of the emails within this Attachment have been redacted and identified as privileged. Also provided as Attachment 2 is a privilege log documenting those emails that have not been produced based on this claim.
- b. None.
- c. None.

From: [Kinnard, David B](#)
To: [Norcott, Sarah](#)
Cc: [Grahame, Heather](#)
Subject: RE: Colstrip Montana - Subrogation Status
Date: Thursday, February 12, 2015 1:28:55 PM
Attachments: [FW PPL Corporation: Colstrip: Claim ID 424240: Subrogation .msg](#)

See newest response attached.

From: Norcott, Sarah [mailto:Sarah.Norcott@northwestern.com]
Sent: Thursday, February 12, 2015 12:24 PM
To: Kinnard, David B
Cc: Grahame, Heather
Subject: RE: Colstrip Montana - Subrogation Status

[REDACTED]

From: Kinnard, David B [mailto:dbkinnard@pplweb.com]
Sent: Thursday, February 12, 2015 12:18 PM
To: Norcott, Sarah
Cc: Grahame, Heather
Subject: RE: Colstrip Montana - Subrogation Status

[REDACTED]

From: Norcott, Sarah [mailto:Sarah.Norcott@northwestern.com]
Sent: Thursday, February 12, 2015 11:49 AM
To: Kinnard, David B
Cc: Grahame, Heather
Subject: RE: Colstrip Montana - Subrogation Status

Dave,

[REDACTED]

[REDACTED]

[REDACTED]

Sarah

Sarah Norcott
Corporate Counsel
208 N. Montana Ave., Suite 205 | Helena, MT 59601
Office: (406) 443-8996 | Fax: (406) 443-8979 | Cell: (406) 422-9755
Email: sarah.norcott@northwestern.com



From: Kinnard, David B [<mailto:dbkinnard@pplweb.com>]
Sent: Thursday, December 04, 2014 8:08 AM
To: Norcott, Sarah
Cc: Grahame, Heather
Subject: RE: Colstrip Montana - Subrogation Status

[Redacted]

From: Norcott, Sarah [<mailto:Sarah.Norcott@northwestern.com>]
Sent: Tuesday, December 02, 2014 5:29 PM
To: Kinnard, David B
Cc: Grahame, Heather
Subject: RE: Colstrip Montana - Subrogation Status

[Redacted]

[Redacted]

[Redacted]

Thanks,
Sarah

Sarah Norcott
Corporate Counsel
208 N. Montana Ave., Suite 205 | Helena, MT 59601
Office: (406) 443-8996 | Fax: (406) 443-8979 | Cell: (406) 422-9755

Email: sarah.norcott@northwestern.com



From: Kinnard, David B [<mailto:dbkinnard@pplweb.com>]
Sent: Monday, December 01, 2014 3:59 PM
To: Norcott, Sarah
Cc: Grahame, Heather
Subject: RE: Colstrip Montana - Subrogation Status

[REDACTED]

From: Norcott, Sarah [<mailto:Sarah.Norcott@northwestern.com>]
Sent: Monday, November 24, 2014 4:56 PM
To: Kinnard, David B
Cc: Grahame, Heather
Subject: RE: Colstrip Montana - Subrogation Status

Hi Dave,

[REDACTED]

Thanks,
Sarah

Sarah Norcott
Corporate Counsel
208 N. Montana Ave., Suite 205 | Helena, MT 59601
Office: (406) 443-8996 | Fax: (406) 443-8979 | Cell: (406) 422-9755
Email: sarah.norcott@northwestern.com



-----Original Message-----

From: Kinnard, David B [<mailto:dbkinnard@pplweb.com>]
Sent: Wednesday, November 19, 2014 11:55 AM

To: Norcott, Sarah
Subject: FW: Colstrip Montana - Subrogation Status
Importance: High

-----Original Message-----

From: Oehler, John D
Sent: Wednesday, November 19, 2014 11:52 AM
To: Kinnard, David B
Subject: FW: Colstrip Montana - Subrogation Status
Importance: High

Good afternoon, Dave. Apparently, Yates the subro counsel FM hired, has yet to finish their report to FM.

Regards,

John D. Oehler, ARM | Manager, Corp Risk & Insurance
(O): (610) 774-5920 | (M): 267-377-6907 | JOehler@pplweb.com PLEASE NOTE THE CHANGE IN MAILSTOP.

PPL
Two North Ninth Street
GENPL7
Allentown, PA 18101

-----Original Message-----

From: Zwyer, Matthew [<mailto:matthew.zwyer@fmglobal.com>]
Sent: Wednesday, November 19, 2014 1:26 PM
To: Oehler, John D
Cc: Gioia, Steven; Monson, Stephen
Subject: Re: Colstrip Montana - Subrogation Status

John,
Our outside counsel is finishing their investigation and will provide an update to FM by the end of this week. Steve G or I will contact you shortly thereafter with an update.

I'm out of the office today but available tomorrow or Friday if you wish to discuss.

Regards,

Matt Zwyer | FM Global | Philadelphia Branch Claims Manager
1 Country View Road, Suite 200 Malvern, PA 19355 <x-apple-data-detectors://0> | (T) +1 610-648

6585<tel:+1%20610-648%206585> | (F) +1 610- 993 3338<tel:+1%20610-%20993%203338> |
(E)matthew.zwayer@fmglobal.com<mailto:benedict.mckenna@fmglobal.com>

The information contained in this message is intended only for the personal and confidential use of the recipient(s) named above. If the reader of this message is not the intended recipient or an agent responsible for delivering it to the intended recipient, you are hereby notified that you have received this document in error and that any review, dissemination, distribution, or copying of this message is strictly prohibited. If you have received this communication in error, please notify us immediately, and delete the original message.

The information contained in this message is intended only for the personal and confidential use of the recipient(s) named above. If the reader of this message is not the intended recipient or an agent responsible for delivering it to the intended recipient, you are hereby notified that you have received this document in error and that any review, dissemination, distribution, or copying of this message is strictly prohibited. If you have received this communication in error, please notify us immediately, and delete the original message.

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From: [Oehler, John D](#)
To: [Kinnard, David B](#)
Subject: FW: PP&L Corporation; Colstrip; Claim ID 424240; Subrogation
Date: Thursday, February 12, 2015 12:39:39 PM

Good afternoon, David.

I apologize. I thought you were on the distribution list. Please see the below email from FM that shows they will not be pursuing subrogation.

Please let me know if you require anything else.

Regards,

John

Cheers,

John D. Oehler, ARM
267-377-6907 mobile

-----Original Message-----

From: LaBella, Julie D
Sent: Friday, January 23, 2015 07:31 PM Eastern Standard Time
To: Oehler, John D
Cc: Simmons Jr, Jerry M
Subject: RE: PP&L Corporation; Colstrip; Claim ID 424240; Subrogation

Thanks John! Great job keeping at this. This is definitely the right answer.

Hope the trip to Marsh went well.

Enjoy your weekend.

Julie

From: Oehler, John D
Sent: Friday, January 23, 2015 7:06 PM
To: LaBella, Julie D; Simmons Jr, Jerry M; Obie, Damon D; Baker, Charles S
Cc: Novatnack, Terry
Subject: FW: PP&L Corporation; Colstrip; Claim ID 424240; Subrogation

Huzzah!!!! This is very good and welcomed news!

Have a good weekend, all!

Cheers,

John D. Oehler, ARM
267-377-6907 mobile

-----Original Message-----

From: Zwayer, Matthew [matthew.zwayer@fmglobal.com]
Sent: Friday, January 23, 2015 03:32 PM Eastern Standard Time
To: Oehler, John D
Cc: Gioia, Steven
Subject: PP&L Corporation; Colstrip; Claim ID 424240; Subrogation

John,

Further to our discussion on Wednesday we've consulted with our co-insurers on the subrogation for the referenced claim and they've agreed with the position to not pursue the matter any further. If you have any questions or concerns please don't hesitate to contact me.

Have a great weekend.

Regards,

Matt Zwayer | FM Global | Philadelphia Branch Claims Manager
1 Country View Road, Suite 200 Malvern, PA 19355 | (T) +1 610-648 6585 | (F) +1 610- 993 3338 | (E) matthew.zwayer@fmglobal.com

MEIC-071a
 Privilege Log – Attorney/Client

Author	Recipients	Subject	Privilege	Date
Sarah Norcott	David Kinnard; cc: Heather Grahame	Colstrip Montana – Subrogation Status	Attorney/ Client; not waived because of the Common Interest Doctrine	2/12/2015
David Kinnard	Sarah Norcott; cc: Heather Grahame	Colstrip Montana – Subrogation Status	Attorney/ Client; not waived because of the Common Interest Doctrine	2/12/2015
Sarah Norcott	David Kinnard; cc: Heather Grahame	Colstrip Montana – Subrogation Status	Attorney/ Client; not waived because of the Common Interest Doctrine	2/12/2015
David Kinnard	Sarah Norcott; cc: Heather Grahame	Colstrip Montana – Subrogation Status	Attorney/ Client; not waived because of the Common Interest Doctrine	12/2/2014
David Kinnard	Sarah Norcott; cc: Heather Grahame	Colstrip Montana – Subrogation Status	Attorney/ Client; not waived because of the Common Interest Doctrine	12/1/2014
Sarah Norcott	David Kinnard; cc: Heather Grahame	Colstrip Montana – Subrogation Status	Attorney/ Client; not waived because of the Common Interest Doctrine	11/24/2014
David Kinnard	Sarah Norcott	Colstrip Montana – Subrogation Status	Attorney/ Client; not waived because of the Common Interest Doctrine	11/19/2014

NorthWestern Energy
Docket D2013.5.33/D2014.5.46
Electric Tracker

Montana Environmental Information Center/Sierra Club
Set 6 (069-084)

Data Requests received July 29, 2015

MEIC-072 Subject: Outage Insurance Quotes and MEIC-39
 Witness: Barnes

Please refer to Mr. Barnes' rebuttal testimony on page 11 regarding outage insurance quotes obtained on September 30, 2014 and March 6, 2015. Please also refer to Data Request MEIC-39, which stated, "Please provide all documents and correspondence in NorthWestern's possession regarding the evaluation of obtaining outage insurance for Colstrip 4."

- a. Does NorthWestern believe that the outage insurance quotes it obtained on September 30, 2014 and March 6, 2015 are documents regarding the evaluation of obtaining outage insurance for Colstrip 4? If not, please explain.
- b. Please explain why NorthWestern did not produce the outage quotes obtained on September 30, 2014 and March 6, 2015 in response to MEIC-39.
- c. Please provide all documents and correspondence in NorthWestern's possession regarding the evaluation of obtaining outage insurance for Colstrip 4 that have not already been produced in response to MEIC-39.

RESPONSE:

- a. No. The price quotes don't determine the efficacy of outage insurance, which appeared to be the information being requested.
- b. See the response to part a, above.
- c. Pursuant to ¶ 9 of Amended Procedural Order No. 7283f ("Order 7283f"), an answer to this data request will be provided no later than August 19, 2015.

Pursuant to ¶ 10 of Order 7283f, NorthWestern objects in part to this data request because it seeks irrelevant information. Pursuant to Rule 26(b)(1) of the Montana Rules of Civil Procedure ("M. R. Civ. P."), a party may only obtain discovery "relevant to any party's claim or defense" and that "appears reasonably calculated to lead to the discovery of admissible evidence." The Commission adopted M. R. Civ. P. 26 in its administrative rules. See ARM 38.2.3301. Discovery is irrelevant if it "has no bearing on [the] legitimate issues" in the docket. *Henricksen v. State*, 2004 MT 20, ¶ 44, 319 Mont. 307, 84 P. 3d 38. In *Henricksen*, the Supreme Court affirmed the district court's decision to deny the State's discovery requests for the other party's financial documents, school transcripts or personnel records since the issue to be decided by the court involved the party's mental and emotional states and not a claim for lost earnings or lost earning capacity. *Id.*

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MEIC-072 cont'd

Before the Commission in this docket is NorthWestern's electricity supply tracker. As required by law, the Commission established an "electricity cost recovery mechanism" that permits NorthWestern "to fully recover prudently incurred electricity supply costs." *See* Mont. Code Ann. § 69-8-210(1). In this matter, NorthWestern filed applications requesting permission to track certain electricity supply costs incurred during two tracker years.¹ Specifically, the applications pertained to electricity supply costs incurred from July 1, 2012 to June 30, 2014. In Order No. 6925f in Docket No. D2008.6.69 ("Order"), the Commission granted NorthWestern the right to include its interest in Colstrip Unit No. 4 ("CU4") in rate base as an electricity supply resource. Additionally, in that Order, ¶¶ 260-61, the Commission permitted NorthWestern to track costs from CU4 incurred in a tracker year. NorthWestern's applications in this docket include requests to track the following variable costs related to CU4: fuel costs, property taxes, demand-side management lost revenues, and carrying costs. This docket also includes a request to recover certain replacement power costs resulting from an outage at CU4 that occurred in the second half of 2013.

This data request seeks documents and correspondence regarding outage insurance for Colstrip Unit 4. These documents also contain information about NorthWestern's other generating units. This information is unrelated to the discussion of outage insurance for Colstrip Unit 4. Thus, some of the information sought in this data request unequivocally has nothing to do with, nor does it have any legitimate bearing on, the issue in this docket. As such, it will not lead to admissible evidence regarding the outage or what NorthWestern knew or should have known with respect to the outage, and therefore it is not relevant and the Commission should sustain NorthWestern's partial objection. This information will be redacted for those documents produced in response to this question.

¹ The Commission consolidated NorthWestern's 2013 Electricity Supply Tracker docket with its 2014 Electricity Supply Tracker docket. *See* Notice of Commission Action issued May 12, 2014.

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MEIC-073 Subject: Exhibit MJB-2
 Witness: Barnes

Please refer to Exhibit MJB-2.

- a. Please identify the date on which the calculations in this exhibit were completed.
- b. Please identify the date on which Mr. Barnes began the calculations in this exhibit.

RESPONSE:

- a. The metadata on my file indicates I began preparing the exhibit on May 15, 2015. It would have to be considered completed when my testimony was finalized shortly before filing.
- b. See the response to part a, above.

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MEIC-074 Subject: Quotes for Outage Insurance
 Witness: Barnes

Please refer to Mr. Barnes' rebuttal testimony on page 11 regarding outage insurance quotes obtained on September 30, 2014 and March 6, 2015. On what date did Mr. Barnes first use these quotes to analyze whether it would be worthwhile for NorthWestern to obtain outage insurance?

RESPONSE:

I don't recall a specific date. However, I know I was working on and analyzing outage insurance in September of 2014.

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MEIC-075 Subject: Equivalent Availability Factor
 Witness: Barnes

Please refer to the rebuttal testimony of Mr. Barnes, pages 5-6, which provides the Equivalent Availability Factor (“EAF”) for Colstrip Units 3 and 4 combined. Please provide the EAF for Colstrip Unit 3 separately and Colstrip Unit 4 separately, instead of the EAF for Colstrip Unit 3 and 4 combined, as Mr. Barnes has done. For Colstrip Unit 3 and 4, please provide, for each unit separately, the EAF for each of the time periods referenced in Mr. Barnes’s testimony, namely:

- a. 1995-2004
- b. 2005-2014
- c. 2009-2013
- d. 2009-2014
- e. Over the last 24 years.

RESPONSE:

- a. Unit 3 - 83.29%; Unit 4 - 85.48%
- b. Unit 3 - 88.56%; Unit 4 - 81.48%
- c. Unit 3 - 89.82%; Unit 4 - 72.65%
- d. Unit 3 - 87.65%; Unit 4 - 75.16%
- e. Unit 3 - 84.99%; Unit 4 - 83.69%

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MEIC-076 Subject: Equivalent Availability Factor and Capacity Factor
 Witness: Barnes

Please refer to the rebuttal testimony of Mr. Barnes, pages 5-6, which provides the EAF for Colstrip Units 3 and 4 combined. For Colstrip Unit 3 and 4, please provide, for each unit separately, the average annual capacity factor over the following time frames:

- a. 1995-2004
- b. 2005-2014
- c. 2009-2013
- d. 2009-2014
- e. Over the last 24 years.

RESPONSE:

- a. Unit 3 – 75.76%; Unit 4 – 77.61%
- b. Unit 3 – 82.51%; Unit 4 – 74.96%
- c. Unit 3 – 81.90%; Unit 4 – 64.14%
- d. Unit 3 – 79.93%; Unit 4 – 66.45%
- e. Unit 3 – 79.01%; Unit 4 – 77.56%

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MEIC-077 Subject: Equivalent Availability Factor
 Witness: Barnes

Please refer to the rebuttal testimony of Mr. Barnes, page 5, which states that “because of the Reciprocal Sharing Agreement” the “overall performance of CU4 ... includes the performance of Colstrip Unit 3.”

- a. Please explain why the Reciprocal Sharing Agreement means that the reliability of Colstrip Unit 3 is relevant to an assessment of the reliability of Colstrip Unit 4.
- b. If Colstrip Unit 3 had an EAF of 90% and Colstrip Unit 4 had an EAF of 10%, does Mr. Barnes believe that the performance of Colstrip Unit 4 would be good?
- c. Please explain the metric Mr. Barnes believes is appropriate to use in evaluating whether the performance of Colstrip Unit 4 is good. Produce all documents and evidence upon which Mr. Barnes’s opinion is based.

RESPONSE:

- a. The inclusion of Colstrip Unit 4 in rate base included the rights and obligations contained within the Reciprocal Sharing Agreement and, as a result, discussing the performance of Colstrip Unit 4 must be based on a discussion of performance of both Unit 3 and Unit 4. Under the Reciprocal Sharing Agreement, NorthWestern is entitled to 15% share of the total available output (111 MW) from each unit. Thus, since the combined performance of both units is the basis of the output available and the obligations relative to the cost of the operation, the combined performance is the appropriate and relevant performance metric for this asset as long as the Reciprocal Sharing Agreement remains in effect.
- b. No. In this unrealistic example, the Unit 3 EAF would be considered excellent and the Unit 4 EAF would be considered poor. In any case and as stated previously, the combined EAF is the relevant metric; the combined average EAF in this unrealistic example would be 50%. An EAF of 50% is more than 30% below the average for coal-fired plants of this size so not only do I believe the individual performance of Unit 4 in this example is poor, I would also consider the combined average to be poor.
- c. As discussed in part a, given NorthWestern’s Reciprocal Sharing Agreement, I believe the combined EAF of Unit 3 and Unit 4 is the appropriate measure for determining and evaluating the performance of Colstrip Unit 4.

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MEIC-078 Subject: El Cid Tests
 Witness: Halpern

Please refer to the rebuttal testimony of Mr. Halpern on page 11, regarding the El Cid test.

- a. Prior to the completion of the Root Cause Analysis, had Mr. Halpern reviewed the outage reports indicating that the El Cid test on May 30, 2013 revealed problems with the interlaminar insulation?
- b. Prior to the completion of the Root Cause Analysis, had Mr. Halpern reviewed the outage reports indicating that the interlaminar insulation was repaired after the May 30, 2013 El Cid test results?
- c. Prior to the completion of the Root Cause Analysis, had Mr. Halpern reviewed the outage reports indicating that the El Cid test on May 31, 2013 revealed that, after the repairs, no problems with the interlaminar insulation were detected?
- d. Please provide all notes, memoranda, correspondence, and other documentation pertaining to Mr. Halpern's review as indicated in subparagraphs a-c, above.

RESPONSE:

- a. Mr. Halpern reviewed the Customer Final Report provided to him by PPL Montana. This 89-page report, prepared by the Siemens employees who actually did the testing and maintenance work, contains the actual test data. The Customer Final Report indicates that El Cid testing was done on the core on May 27 and May 29, not May 30 as indicated by MEIC/Sierra Club. The Customer Final Report indicates that the May 27 El Cid testing detected some problem areas (which areas were not in the area of the rewedging work) in the interlaminar insulation after work was performed on the core. Those areas were fixed, and the core was retested on May 29. The May 29 El Cid test reflected no problem areas in the interlaminar insulation. It appears that the MEIC/Sierra Club witness, Mr. Schlissel, may have made judgments based on high level daily outage reports prepared by PPL Montana employees (Colstrip SES Unit 4 Daily Outage Report) who did not do the actual testing and work and did not have the actual test results.
- b. See the response to part a, above.
- c. See the response to part a, above.
- d. See the updated response to Data Request MEIC-44a.

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MEIC-079 Subject: Causes of the Outage
 Witness: Halpern

Please refer to the rebuttal testimony of Mr. Halpern on page 11, lines 6-12. For the response to each subpart below, please produce all documents and other evidence upon which the response is based.

- a. Please confirm that Mr. Halpern believes that the interlaminar insulation deficiencies would likely not have caused the generator failure by themselves.
- b. Please confirm that Mr. Halpern believes that the actions Siemens took during the reassembly, in combination with the inadequate interlaminar insulation, were the most likely causes of the generator failure.
- c. Please confirm that the most likely causes of the outage were actions Siemens took during the reassembly after the final El Cid test, in combination with inadequate interlaminar insulation.
- d. If Siemens's reassembly of the generator was one of the two causes of the generator failure, does Mr. Halpern believe that Siemens could have reassembled the generator in a way that did not result in the generator failing?

RESPONSE:

- a. Confirmed.
- b. Confirmed.
- c. Confirmed.
- d. Possibly. Whenever a rotor is removed and reinserted into a generator core, there is the possibility of contact between rotor and core. Usually, such contacts are harmless and do not damage the core.

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MEIC-080 Subject: Preventing the Generator Failure
 Witness: Halpern

Please refer to the rebuttal testimony of Mr. Halpern on page 13, stating that “NorthWestern could not have foreseen or prevented it [the generator failure].” In Mr. Halpern’s opinion, could PPL have done anything to prevent the generator failure? Please produce all documents and other evidence upon which Mr. Halpern’s opinion is based.

RESPONSE:

No. PPL Montana selected the OEM (Siemens) to do the maintenance work, consistent with its prior practice. In my experience, the OEM is the best choice for maintenance work because of its familiarity and experience with the unit. As I indicated in the RCA, in my opinion, PPL did everything according to standard industry practice such as hiring the OEM (Siemens) to perform the maintenance, performing El Cid testing on the core, operating their unit according to industry practice, and protecting the unit with adequate relay protection. Nothing they did or could have done could have prevented this failure. To my knowledge, the only possible way of detecting the problem which occurred in this case is a robotic inspection or a second El Cid test of the unit after it has been reassembled but before the air gap baffles are inserted, which is not an industry standard.

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MEIC-081 Subject: Preventing the Generator Failure
 Witness: Halpern

Please refer to the rebuttal testimony of Mr. Halpern, page 13, lines 9-11. For the response to each subpart below, please produce all documents and other evidence upon which the response is based.

- a. In Mr. Halpern's opinion, could Siemens have done anything to prevent the generator failure?
- b. In particular, in Mr. Halpern's opinion, could Siemens have prevented the generator failure by reassembling the generator in such a way that did not cause the laminations to be forced together?
- c. Could Siemens have done anything during reassembly to prevent the rotor insertion from forcing the interlaminar insulation together or otherwise damaging the core?
- d. Could Siemens have done anything during reassembly to prevent the air gap baffle installation from forcing the interlaminar insulation together or otherwise damaging the core?
- e. Could Siemens have done anything during reassembly to prevent the skid pan insertion from forcing the interlaminar insulation together or otherwise damaging the core?

RESPONSE:

- a. Based on my professional judgment, it is unlikely.
- b. Based on my professional judgment, it is unlikely.
- c. Based on my professional judgment, it is unlikely.
- d. Based on my professional judgment, it is unlikely.
- e. Based on my professional judgment, it is unlikely.

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MEIC-082 Subject: Preventing the Generator Failure
 Witness: Halpern

Please refer to the rebuttal testimony of Mr. Halpern, page 13, lines 9-11. For the response to each subpart below, please produce all documents and other evidence upon which the response is based.

- a. If generator reassembly is conducted according to industry standards and done without negligence, does rotor insertion force the interlaminar insulation together or otherwise damage the core?

- b. If generator reassembly is conducted according to industry standards and done without negligence, does air gap baffle installation force the interlaminar insulation together or otherwise damage the core?

- c. If generator reassembly is conducted according to industry standards and done without negligence, does skid pan insertion force the interlaminar insulation together or otherwise damage the core?

RESPONSE:

- a. If generator reassembly is done in accordance with industry standards, and without negligence, rotor insertion could force the interlaminar insulation together, but should not damage the core.

- b. If generator reassembly is done in accordance with industry standards, and without negligence, air gap baffle installation could force the interlaminar insulation together, but should not damage the core.

- c. If generator reassembly is done in accordance with industry standards, and without negligence, skid pan insertion could force the interlaminar insulation together, but should not damage the core.

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MEIC-083 Subject: Preventing the Generator Failure
 Witness: Ward

Please refer to the rebuttal testimony of Robert Ward, page 9, lines 2-9. For the response to each subpart below, please produce all documents and other evidence upon which the response is based.

- a. Please confirm that it is Mr. Ward's opinion that the forced outage at Colstrip Unit 4, that occurred from May 14 to October 28, 2009 and cost over \$100 million, was not significant.
- b. Prior to completing his rebuttal testimony, was Mr. Ward aware of the cost of the Colstrip Unit 4 outage that occurred from May 14 to October 28, 2009?
- c. Prior to completing his rebuttal testimony, was Mr. Ward aware of whether NorthWestern's ratepayers paid for any of the costs of the Colstrip Unit 4 outage that occurred from May 14 to October 28, 2009?
- d. Is it Mr. Ward's opinion that an outage that costs over \$100 million is not significant to ratepayers?

RESPONSE:

- a. Mr. Ward's testimony that the 2009 outage was not significant was prepared and presented in the context of the generator, not the turbine. The generator was taken out of service for a planned outage, during which the crack in the turbine was discovered. The prolonged forced outage related to the repair of the cracked turbine and had nothing to do with the generator. Mr. Ward has seen no information which indicates it cost a \$100 million to repair the turbine and doubts that it did.
- b. Mr. Ward did not review the costs associated with turbine repair, or the cost of the planned outage for the generator, as his opinion was not dependent upon them. His opinion was based on the nature of the generator outage, which in 2009 was planned.
- c. No.
- d. No.

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MEIC-084 Subject: Preventing the Generator Failure
 Witness: Ward

Please refer to the rebuttal testimony of Robert Ward. For the response to each subpart below, please produce all documents and other evidence upon which the response is based.

- a. In Mr. Ward's experience, would he expect a unit that was new or better than new in 2009 and comparable to Colstrip Unit 4 to experience an average annual forced outage rate of 19% between 2009 and 2014?
- b. In Mr. Ward's experience, would it be likely for a unit that is new or better than new in 2009, and comparable to Colstrip Unit 4, to experience two unplanned outages, each lasting at least five months, in the first six years the unit operated?
- c. In Mr. Ward's experience, is he aware of any units comparable to Colstrip Unit 4 that have had two unplanned outages, each lasting at least five months, in the first six years the unit operated?

RESPONSE:

- a. Colstrip Unit 4 was placed in service in 1985, not 2009. Mr. Ward is unaware of a similar sized coal-fired unit being placed in service in 2009 and experiencing a forced outage rate of 19% between 2009 and 2014.
- b. Colstrip Unit 4 was placed in service in 1985, not 2009. Mr. Ward is unaware of a similar sized coal-fired unit being placed in service in 2009 and having two unplanned outages of five months duration or longer.
- c. No.