

SERVICES AGREEMENT

BY AND BETWEEN

TRANSOURCE PENNSYLVANIA, LLC

AND

TRANSOURCE ENERGY, LLC

(AS PROVIDER)

September 26, 2016

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SERVICES AGREEMENT

This Services Agreement (the “*Pennsylvania Services Agreement*”), dated as of September 26, 2016 (the “*Effective Date*”), is entered into by and between TRANSOURCE PENNSYLVANIA, LLC, a limited liability company organized under the laws of the State of Delaware (the “*Company*”), and TRANSOURCE ENERGY, LLC, a limited liability company organized under the laws of the State of Delaware (the “*Transource*”). Each of the Company and Transource are sometimes referred to herein individually, as a “*Party*” and collectively as the “*Parties*.”

RECITALS

WHEREAS, AEPSC provides certain services to Transource pursuant to a Services Agreement dated as of April 3, 2012 (the “*AEPSC Services Agreement*”) and KCP&L provide certain services to Transource pursuant to a Services Agreement dated as of April 3, 2012 (the “*KCP&L Services Agreement*” and together with the AEPSC Services Agreement, the “*Transource Services Agreements*”), in each case in connection with Transource’s efforts to develop electric transmission projects, including such projects that may be developed by subsidiaries of Transource; and

WHEREAS, pursuant to the Transource Services Agreements, AEPSC and KCP&L agreed, upon the request of Transource, to provide services to subsidiaries of Transource; and

WHEREAS, Transource has established the Company as a subsidiary to pursue, develop, construct, own and operate certain electric transmission projects to be located in the State of Pennsylvania.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

ARTICLE 1 DEFINITIONS; RULES OF CONSTRUCTION

1.1 Definitions.

As used in this Pennsylvania Services Agreement, terms defined in Schedule 1.1 have the meanings set forth therein.

1.2 Rules of Construction.

The following provisions shall be applied wherever appropriate herein:

- (a) “herein,” “hereby,” “hereunder,” “hereof,” “hereto” and other equivalent words shall refer to this Pennsylvania Services Agreement in its entirety and not solely to the particular portion of this Pennsylvania Services Agreement in which any such word is used;

- (b) “include,” “includes” and “including” are terms of illustration and not of limitation and shall be deemed in all instances to be followed by the phrase “without limitation”;
- (c) all definitions set forth herein shall be deemed applicable whether the words defined are used herein in the singular or the plural;
- (d) neither this Pennsylvania Services Agreement nor any other agreement, document or instrument referred to herein or executed and delivered in connection herewith shall be construed against any Person as the principal draftsman hereof or thereof;
- (e) the Section headings appearing in this Pennsylvania Services Agreement are inserted only as a matter of convenience and in no way define, limit, construe or describe the scope or extent of such Section, or in any way affect this Pennsylvania Services Agreement;
- (f) any references herein to a particular Section, Article or Schedule means a Section or Article of, or a Schedule to, this Pennsylvania Services Agreement unless another agreement or document is specified; and
- (g) the Schedules attached hereto are incorporated herein by reference and shall be considered part of this Pennsylvania Services Agreement.

ARTICLE 2 SERVICES

2.1 Request for Services.

- 2.1.1. Pursuant to Section 2.9 of the AEPSC Services Agreement, Transource shall: (i) request that AEPSC perform the services it is obligated to provide thereunder for the benefit of the Company; and (ii) cause AEPSC to perform such services at the direction of the Company. Transource hereby acknowledges, and shall notify AEPSC, that the Company is an express third party beneficiary of the AEPSC Services Agreement, entitled to enforce any rights, terms and conditions of such agreements with respect to any services requested by the Company or provided by AEPSC.
- 2.1.2. Pursuant to Section 2.9 of the KCP&L Services Agreement, Transource shall: (i) request that KCP&L perform the services it is obligated to provide thereunder for the benefit of the Company; and (ii) cause KCP&L to perform such services at the direction of the Company. Transource hereby acknowledges, and shall notify KCP&L, that the Company is an express third party beneficiary of the KCP&L Services Agreement, entitled to enforce any rights, terms and conditions of such agreements with respect to any services requested by the Company or provided by KCP&L.

2.1.3. The Company hereby acknowledges and agrees that: (i) all Services provided hereunder will be provided by AEPSC or KCP&L pursuant to the Transource Services Agreements; and (ii) any notice, request or direction that the Company is authorized or required to deliver or issue to Transource hereunder with respect to any matter relating to the Services shall not be considered to have been delivered or issued unless and until it is delivered or issued by the Company to AEPSC or KCP&L, as applicable.

2.1.4. The Company may, by written notice, direct that any Services be suspended, modified, terminated or resumed, at any time and from time to time; *provided, however*, that the Company shall be responsible for all charges for demobilization and remobilization activities and costs reasonably incurred by the Providers as a result of any such suspension, modification, termination or resumption.

2.2 Standards for Provider Performance.

The Company acknowledges and agrees that the Providers are obligated under the Transource Services Agreement to: (i) provide the Services in a good and workmanlike manner and in conformity with Good Industry Practice and Applicable Law; and (ii) not proceed with any act under this Pennsylvania Services Agreement unless and until necessary regulatory approvals, if any, for such act have been obtained. With respect to any Services related to obtaining any third party approvals, neither Transource nor either Provider represents, warrants or guarantees that any such third party approval can or will be obtained.

2.3 Control of Work.

The Company hereby acknowledges and agrees that the Providers are independent contractors of Transource and that the Providers are solely responsible for and have control over the means, methods, techniques, scheduling, sequences and procedures used in the performance of the Services, including the supervision, direction and control of personnel performing the Services.

2.4 Instructions and Clarifications.

In the event a Provider or Transource requests instructions (or clarification of directives) from the Company prior to taking action with respect to any matter relating to the Services, a Provider may, to the extent reasonably necessary or appropriate, defer such action pending the receipt of such instructions or clarification. The Company shall not unreasonably withhold or delay any instruction or clarification to Transource or a Provider that is necessary or desirable to enable a Provider to timely and properly perform the Services.

2.5 Intentionally Omitted.

2.6 Budgets.

2.6.1. The Company may request Transource or the Provider to submit a proposed budget setting forth the costs and expenses reasonably anticipated to be incurred in connection with the Services. Any such budget shall be accompanied by reasonably detailed supporting materials showing assumptions and calculations

incorporated therein including: (i) an estimate of all costs anticipated to be incurred by the Provider during such calendar year; and (ii) a schedule showing when such costs are expected to be incurred. Each such proposed budget shall be subject to the approval of the Company (each proposed budget, once approved, an “*Approved Budget*”).

- 2.6.2. In the event of a suspension, modification, resumption or termination of any Services that will materially impact an Approved Budget or if Transource or the Provider anticipates that its total costs and expenses for Services will exceed one hundred ten percent (110%) of the then-current Approved Budget, Transource or the Provider shall timely provide to the Company a proposed amended budget reflecting its then-current assessment of costs and expenses to be incurred for Services for the remaining term of the then-current Approved Budget. Any proposed amendment to an Approved Budget shall include the information described in Section 2.6.1 and shall be subject to the approval of the Company.
- 2.6.3. Notwithstanding any other provision of this Pennsylvania Services Agreement, the Company shall pay Transource in accordance with Article 6 all charges for Services, including any such charges in excess of the amounts for such Services set forth in the then-current Approved Budget.

2.7 Status Reports; Documentation.

Transource or a Provider shall provide the Company with a reasonably detailed written report on the status of the Services and the charges for Services no less frequently than once every two (2) months. Such reports shall be reasonably acceptable to the Company as to form and content and shall, subject to applicable confidentiality restrictions, be accompanied by reasonable back-up documentation.

2.8 Limitation on Authority.

Notwithstanding any other provision of this Pennsylvania Services Agreement and without affecting any other limitations on the rights or duties of Transource hereunder, unless otherwise approved in writing by the Company or authorized pursuant to a written power of attorney granted by the Company to Transource or a Provider, neither Transource nor either Provider shall have authority to: (i) sell, lease, pledge, mortgage, encumber, convey, license, exchange or make any other transfer or disposition of any property of the Company; (ii) make, enter into, execute, amend, waive any rights under or modify or supplement any contract or agreement (including this Pennsylvania Services Agreement) on behalf of, binding upon or in the name of the Company; (iii) settle, compromise, assign, pledge, transfer, release or consent to the same of any claim, suit, debt, demand or judgment against or due by the Company, or submit any such claim, dispute or controversy to arbitration or judicial process or stipulate to a judgment, or consent to do the same; (iv) agree to any penalty payable by the Company for violation of any Applicable Law; (v) make any representation or warranty on behalf of the Company; (vi) pledge the credit of the Company; or (vii) cause the conveyance, modification, sale or other disposition of any portion of a project.

ARTICLE 3 COMPANY OBLIGATIONS

3.1 Standards for Performance.

The Company shall carry out all of its activities relating to the Services in conformity with Good Industry Practice and Applicable Law. The Company shall not request Transource or a Provider to proceed with any act in connection with this Pennsylvania Services Agreement, and neither Transource nor either Provider shall have any obligation to undertake any such act, unless and until any necessary regulatory approvals for such act have been obtained.

3.2 Cooperation.

The Company shall cooperate with Transource, the Providers and the Providers' subcontractors so as to minimize delays, errors, inconsistencies, changes and unnecessary costs in connection with this Pennsylvania Services Agreement.

3.3 Access.

The Company shall provide Transource, the Providers and the Providers' subcontractors with access to the Company's sites and facilities in order for the Provider to perform the Services.

3.4 Authorizations.

From time to time, the Company shall execute and deliver, as reasonably requested by Transource or a Provider, any authorizations reasonably necessary to facilitate the performance of the Services.

ARTICLE 4 INTELLECTUAL PROPERTY

4.1 Ownership of Work Product.

Upon delivery, and unless otherwise limited by third party interests, the Company shall be the owner of the delivered copies of all drawings, plans, specifications, budgets, schedules, reports and other documents and materials prepared or provided by Transource or a Provider in connection with the performance of the Services ("**Work Product**").

4.2 Intellectual Property Rights.

- 4.2.1. Transource hereby grants, and agrees to cause the Providers to grant, to the Company an irrevocable, perpetual, non-transferable (except in connection with an assignment permitted pursuant to Section 4.2.6), non-exclusive, world-wide, royalty-free, internal use license to copy, use and display the Provider's Proprietary Property and that of its Corporate Affiliates that is incorporated into the Work Product or otherwise provided to the Company for the purpose for which such Proprietary Property was provided pursuant to this Pennsylvania Services Agreement.

- 4.2.2. The Proprietary Property of Transource, the Providers and their respective Corporate Affiliates is and shall remain the sole and exclusive property of such Person(s). Other than the license granted pursuant to Section 4.2.1, the Company shall have no right, claim or interest of any type, by virtue of this Pennsylvania Services Agreement or otherwise, in or to: (i) the Proprietary Property of Transource, a Provider or their respective Corporate Affiliates; or (ii) any other Intellectual Property Rights of Transource, a Provider or their respective Corporate Affiliates. The Company hereby irrevocably waives and releases any right, claim or interest therein or thereto. The Company shall not reverse engineer, decompile, disassemble or otherwise attempt to reproduce the Proprietary Property of Transource, a Provider or their respective Corporate Affiliates in any manner.
- 4.2.3. Subject to the license granted pursuant to Section 4.2.1, all Intellectual Property Rights that the Company may hereafter acquire, discover, invent, originate, make, develop or conceive, in whole or in part, through its use of the Proprietary Property of Transource, a Provider or their respective Corporate Affiliates shall be the sole, exclusive and unencumbered property of Transource, such Provider or such Corporate Affiliate(s), as applicable, and shall be deemed a part of the Intellectual Property Rights of Transource, such Provider or such Corporate Affiliate(s), as applicable. The Company shall execute and deliver, or cause to be executed and delivered, such agreements, instruments and documents (including one or more memoranda of license suitable for recording in the U.S. Patent and Trademark Office) and shall take such other actions as may be reasonably requested by the Transource or a Provider for the purpose of effectuating, evidencing, implementing and facilitating the rights of Transource, the Provider and their respective Corporate Affiliates as set forth in this Section 4.2.3.
- 4.2.4. In the event that the Company uses any of such Proprietary Property for any purpose other than as permitted pursuant to Section 4.2.1, without limiting its other remedies, Transource, the Providers or their respective Corporate Affiliates shall have exclusive ownership rights in and to any proceeds, assets or intellectual property resulting from or related to such prohibited activity.
- 4.2.5. All of Transource's and the Providers' Proprietary Property and that of their respective Corporate Affiliates shall be deemed to be Confidential Information subject to Section 20 of the Transource Operating Agreement.
- 4.2.6. Should the Company transfer title in a project to a third party (and upon any subsequent transfer of such project), unless otherwise agreed by the Parties, the license provided in Section 4.2.1 shall automatically transfer with such project; *provided, however*, that any such transferee, for itself and its successors and assigns, agrees in writing to be bound by the prohibitions and restrictions of this Article 4.

4.3 Survival.

This Article 4 shall survive the termination of this Pennsylvania Services Agreement.

**ARTICLE 5
TERM**

5.1 Term.

The term of this Pennsylvania Services Agreement (the “*Term*”) shall commence on the Effective Date and, unless earlier terminated in accordance with Article 8, shall remain in effect until the date a certificate of cancellation of the Company is filed with the Secretary of State of the State of Delaware.

**ARTICLE 6
COMPENSATION**

6.1 Charges for Services.

Charges for the Services shall be equal to the total charges owed for such Services by Transource pursuant to the Transource Services Agreements.

6.2 Invoicing.

On or before the fifteenth (15th) day of each calendar month, Transource or a Provider shall submit an invoice for all Services performed during the preceding calendar month. Each such invoice shall include an itemization of charges for Services based on the different categories of Service performed and shall direct whether payment for such Services should be made to Transource or directly to a Provider. Any monthly invoice may include billings to adjust or correct billings from prior periods. No less frequently than quarterly, Transource or a Provider shall provide reasonable supporting documentation to support previously invoiced charges, including hours charged for different job classifications and reconciliations against the Approved Budget.

6.3 Sales and Use Taxes.

In addition to the amounts payable pursuant to Section 6.1, the Company shall pay Transource and/or each Provider any state or local sales or use tax or any other similar charge owed in connection with the Services (other than any such taxes or charges based on the earnings, income or net worth of Transource or a Provider). Transource shall take, and shall cause the Providers to take, reasonable actions to minimize the amount of such sales and use taxes payable hereunder.

6.4 Payment.

Within thirty (30) days after the Company receives an invoice in accordance with Section 6.2, the Company shall pay Transource or the Provider, as applicable, the amount of such invoice. If the Company in good faith disputes any portion of an invoice, the Company shall pay the amount invoiced and provide a written explanation of the basis for the dispute. If any amount is later

determined or agreed not to have been owed by the Company, such amount (together with interest at the Default Rate from the date of payment until the date of reimbursement) shall either be credited against the next invoice or refunded by Transource to the Company within thirty (30) days after the resolution of the dispute. All disputes regarding invoiced amounts shall be resolved in accordance with Section 12.18.

6.5 Right to Review Information.

Upon reasonable advance notice and at reasonable times, the Company shall have access to, and may examine, inspect, excerpt, audit, copy or transcribe any pertinent records of Transource and/or the Providers to the extent relating to and reasonably necessary to confirm such Person's performance under this Pennsylvania Services Agreement. The Company's rights pursuant to this Section 6.5 shall be conducted in a manner that does not unreasonably interfere with the business operations of Transource or either Provider. This Section 6.5 shall survive the termination of this Pennsylvania Services Agreement.

**ARTICLE 7
WARRANTIES**

7.1 No Direct Warranties.

SUBJECT TO SECTION 7.2: (i) NEITHER TRANSOURCE NOR EITHER PROVIDER MAKES ANY WARRANTY TO THE COMPANY, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE IN CONNECTION WITH THE SERVICES; AND (ii) THE COMPANY ACKNOWLEDGES AND AGREES THAT THE SERVICES ARE BEING PROVIDED ON AN "AS-IS, WHERE-IS" BASIS, WITH ALL FAULTS.

7.2 Exclusive Remedy.

THE COMPANY'S SOLE REMEDY FOR ANY DEFICIENCY WITH RESPECT TO THE SERVICES PROVIDED HEREUNDER SHALL BE TO ENFORCE ITS REMEDIES AS A THIRD PARTY BENEFICIARY OF THE TRANSOURCE SERVICES AGREEMENTS WITH RESPECT TO SUCH SERVICES. IN NO EVENT SHALL TRANSOURCE BE LIABLE FOR ANY SUCH DEFICIENCY.

**ARTICLE 8
DEFAULT AND TERMINATION**

8.1 Events of Default.

Each of the following shall constitute an event of default (an "*Event of Default*") with respect to a Party (such Party, the "*Defaulting Party*"):

- (a) such Party files a voluntary petition for bankruptcy or is adjudged bankrupt or insolvent, or has entered against it an order for relief, in any bankruptcy or insolvency proceeding;

- (b) such Party fails to pay any amount due to the other Party under this Pennsylvania Services Agreement on or before the payment date therefor and does not cure such failure within ten (10) days after its receipt of written notice of such failure; or
- (c) such Party breaches in any material respect any of its other obligations under this Pennsylvania Services Agreement and fails to cure such breach within: (i) thirty (30) days of receipt of written notice of such breach from the other Party; or (ii) such longer period as may be reasonably necessary to cure such breach (not to exceed ninety (90) days) if the breach is not reasonably susceptible of cure within such thirty (30) day period and such Party diligently pursues the cure of such breach within such additional time period.

8.2 Termination for Cause.

Upon an Event of Default described in Section 8.1(b) or Section 8.1(c), the Non-Defaulting Party may terminate this Pennsylvania Services Agreement by providing written notice of such termination to the Defaulting Party.

8.3 Automatic Termination.

This Pennsylvania Services Agreement shall automatically terminate upon: (i) an event of Default by a Party described in Section 8.1(a); or (ii) the termination of either of the Transource Services Agreements.

8.4 Termination by Mutual Agreement.

The Parties may terminate this Pennsylvania Services Agreement by mutual written agreement at any time.

8.5 Fines and Penalties.

Transource may charge the Company for any monetary fine or penalty assessed against Transource by any Governmental Authority to the extent arising from the performance of the Services by Transource or a Provider, unless such fine or penalty results from the gross negligence, willful misconduct or actual fraud of Transource or a Provider, in which case the Company shall not be responsible for such fine or penalty. The Company may not charge Transource for any monetary fine or penalty assessed against the Company arising from the performance of the Services unless the monetary fine or penalty is caused by the gross negligence, willful misconduct or fraud of Transource or a Provider, in which case, as between the Parties, Transource shall be responsible for such fine or penalty.

8.6 Limitations on Liability.

- 8.6.1. A Defaulting Party shall not be liable for damages as a result of an Event of Default unless such Event of Default is due to its gross negligence or willful misconduct.

8.6.2. EXCEPT FOR CLAIMS BASED ON ACTUAL FRAUD, NEITHER PARTY SHALL BE LIABLE TO THE OTHER FOR ANY SPECIAL, INCIDENTAL, INDIRECT, PUNITIVE, EXEMPLARY OR CONSEQUENTIAL DAMAGES (INCLUDING DAMAGES FOR LOSS OF USE OF EQUIPMENT, LOST BUSINESS OPPORTUNITIES OR PROFITS OR DAMAGE TO REPUTATION), EVEN IF THE DEFAULTING PARTY WAS AWARE OF THE POSSIBILITY OF SUCH DAMAGES, AND REGARDLESS OF THE THEORY OF LIABILITY UNDER WHICH SUCH DAMAGES ARE SOUGHT; *PROVIDED, HOWEVER*, THAT THE FOREGOING EXCLUSION SHALL NOT BE CONSTRUED TO LIMIT RECOVERY UNDER ANY INDEMNITY PURSUANT TO ARTICLE 10 FOR THIRD PARTY CLAIMS.

8.6.3. Transource's aggregate liability under or related to this Pennsylvania Services Agreement (other than any liability based on actual fraud or any indemnification liability) shall not exceed the total amount paid to Transource pursuant to this Pennsylvania Services Agreement for the category of Services to which the applicable breach relates (as such categories are set forth in the Transource Services Agreements).

8.7 Exclusive Remedies.

Except for the remedies otherwise expressly provided herein or as otherwise agreed in writing between the Parties and except for recoveries for actual fraud, the remedies set forth in this Article 8 are the exclusive legal and equitable remedy for any claim or controversy arising under or in connection with this Pennsylvania Services Agreement or the Services, whether sounding in contract, negligence, intentional misconduct, other tort, breach of warranty, deceptive trade practice, other statutory cause of action, strict liability, product liability or other theory of liability.

8.8 Obligations upon Termination.

8.8.1. Upon termination of this Pennsylvania Services Agreement for any reason, Transource shall and shall cause the Providers to: (i) promptly discontinue performance of the Services; and (ii) upon request by the Company, deliver to the Company all documents (including design documents in process) in the Provider's possession related to the Services.

8.8.2. Upon termination of this Pennsylvania Services Agreement for any reason, each Party shall pay any amounts due as of the date of such termination in accordance with the terms of this Pennsylvania Services Agreement.

8.8.3. Except as provided herein, no action taken by the Company, Transource or a Provider after the termination of this Pennsylvania Services Agreement shall prejudice any other rights or remedies of such Person provided by Applicable Law, this Pennsylvania Services Agreement or otherwise upon such termination.

ARTICLE 9 INSURANCE PLAN

9.1 Required Coverage.

The Parties shall procure and maintain (or cause to be procured and maintained) insurance of the types, in the amounts and with the deductibles/retentions and waivers specified on Schedule 9 (the “**Insurance Plan**”). If a Party fails to carry or cause to be carried the insurance required to be provided by or on behalf of it pursuant to the Insurance Plan, then the other Party on not less than ten (10) days’ prior written notice may procure such insurance and shall be entitled to reimbursement therefor from the other Party on written demand. A Party may self-insure all or any portion of the coverage required pursuant to the Insurance Plan during any period in which such Party: (i) maintains a net worth of no less than \$100,000,000; or (ii) is covered by a program of self-insurance maintained by a Corporate Affiliate of such Party and either: (a) such Corporate Affiliate maintains a net worth of no less than \$100,000,000; or (b) the obligations and liabilities of such Corporate Affiliate are guaranteed or supported by a Corporate Affiliate having a net worth of no less than \$100,000,000. Any such self-insurance shall not be deemed to transfer or alter the allocation of risks set forth in this Pennsylvania Services Agreement.

ARTICLE 10 INDEMNIFICATION

10.1 Indemnification of Third Party Claims.

The Company shall indemnify, defend and hold harmless Transource, its members, their Corporate Affiliates and each of their respective officers, directors, members, shareholders, employees, agents and representatives (each a “**Transource Indemnified Person**”) from and against any third-party claim, demand, action, suit, damage, liability, loss, cost or expense (including reasonable attorneys’ fees and out-of-pocket disbursements), judgment, fine, settlement or other amount (a “**Claim**”) incurred by any Transource Indemnified Person to the extent arising out of this Pennsylvania Services Agreement or the activities of the Parties hereunder and resulting from or attributable to any act, omission, event or circumstance other than the gross negligence or willful misconduct of any Transource Indemnified Person.

10.2 Indemnification Procedures.

10.2.1. If the Company is obligated hereunder to indemnify, defend and hold harmless a Transource Indemnified Person hereunder, such Transource Indemnified Person shall give notice as promptly as is reasonably practicable to the Company of the Claim giving rise to such indemnification obligation; provided, that a delay by a Transource Indemnified Person in delivering such notice shall not relieve the Company of its obligations hereunder except to the extent (if any) that the Company shall have been materially prejudiced thereby. Provided that it first unconditionally acknowledges in writing its indemnification obligations hereunder, the Company shall have the right to control the defense and settlement of such Claim with counsel reasonably acceptable to it; *provided, however*, that the Transource Indemnified Person may retain counsel at its expense to assist in

the defense and settlement of such Claim. Without the prior written consent of the Transource Indemnified Person, which consent shall not be unreasonably withheld, delayed or conditioned, the Indemnifying Party shall not enter into any settlement of any Claim which would lead to liability or create any financial or other obligation on the part of the Transource Indemnified Person. If a firm offer is made to settle a Claim without leading to liability or the creation of a financial or other obligation on the part of the Transource Indemnified Person and the Company desires to accept and agree to such offer, the Company shall give written notice to the Transource Indemnified Person to that effect. If the Transource Indemnified Person fails to consent to such offer within twenty (20) days after its receipt of such notice, the Company shall be relieved of its obligations to defend such Claim and the Transource Indemnified Person may contest or defend such Claim. In such event, the maximum liability of the Company with respect to such Claim shall be the amount of such settlement offer plus reasonable costs and expenses paid or incurred by the Transource Indemnified Person up to the date of such notice.

10.2.2. If the Company fails to assume the defense of a Claim for which a Transource Indemnified Person seeks indemnification hereunder, the Transource Indemnified Person shall have the right to control the defense and settlement of such Claim with counsel reasonably acceptable to it, at the sole cost and expense of the Company.

10.3 Subrogation.

In the event that the Company pays all or any portion of a Claim, the Company shall be subrogated to any and all defenses, claims or other matters which the Transource Indemnified Person asserted or could have asserted against the Person making such Claim, and all related cross-claims that the Indemnified Person asserted or could have asserted against other Persons. The Indemnified Person shall execute and deliver to the Indemnifying Party (at the Indemnifying Party's expense) such documents as may be reasonably necessary to establish, by way of subrogation, the ability of the Indemnifying Party to assert such defenses, claims, cross-claims or other matters.

10.4 Survival.

This Article 10 shall survive the termination of this Pennsylvania Services Agreement.

ARTICLE 11 EXCUSED PERFORMANCE

11.1 Force Majeure.

Neither Party nor a Provider shall be responsible for any delay or failure to perform hereunder (other than any obligation to pay money) if such delay or failure to perform is attributable to an event of Force Majeure; *provided, however*, that:

- (a) the excused Person oversees such interruption in accordance with Good Industry Practice to the extent practicable;
- (b) the excused Person, within ten (10) days after the occurrence of the Force Majeure event, gives the other Party(ies) written notice describing the particulars of the occurrence;
- (c) the suspension of performance is of no greater scope and of no longer duration than is reasonably required by the Force Majeure event;
- (d) the excused Person uses its reasonable efforts to remedy its inability to perform; *provided, however*, that no Person shall be required to settle any strike, walkout, lockout or other labor dispute on terms which, in the sole judgment of the Person involved in the dispute, are contrary to its interest, it being understood that the settlement of strikes, walkouts, lockouts or other labor disputes shall be at the sole discretion of the Person involved; and
- (e) when the excused Person is able to resume performance of its obligations under this Pennsylvania Services Agreement, that Person shall give the other Party(ies) and, if applicable, the Provider written notice to that effect.

11.2 Change in Law.

In the event a Party is unable to perform any obligation hereunder due to any change in any Applicable Law, the Parties shall attempt in good faith to amend this Pennsylvania Services Agreement as necessary to permit such Party to comply with the change in Applicable Law while preserving the purpose and value of this Pennsylvania Services Agreement (including tax and accounting treatment of the Parties) for both Parties. If the Parties are unable to reach agreement on such an amendment, the Party affected by the change in Applicable Law shall be excused from the performance of that obligation to the extent so affected.

11.3 Emergencies.

Notwithstanding any other provision of this Pennsylvania Services Agreement, if Transource or a Provider believes in good faith that a condition or circumstance that threatens imminent harm to persons, property or the environment exists or has occurred or that the performance of any of the Services would (in the reasonable judgment of Transource or such Provider) create an unreasonable safety risk to persons, property or the environment, or would violate the safety policies or procedures of Transource or such Provider (each of the foregoing, an “**Emergency**”), either or both Providers may discontinue performance until such time as the Services can be performed safely and in conformity with such policies and procedures. Additionally, if prompt action within the scope of any Services is required to avoid or mitigate losses from an Emergency, Transource or either or both Providers shall take such reasonable actions, or cause such actions to be taken, in the reasonable judgment of Transource or the Providers, to the extent required to avoid or mitigate the Emergency. Transource shall promptly notify the Company, or cause the Company to be notified, of the Emergency, and the remedial and preventive actions

taken and the costs incurred or reasonably expected to be incurred. Unless the Emergency is the direct result of gross negligence or willful misconduct of the officers, directors, agents or personnel of Transource or a Provider (acting within the course and scope of their employment by Transource or such Provider), the costs incurred for actions taken pursuant to this Section 11.3 and the costs incurred as the result of any necessary delay shall be paid or reimbursed by the Company in accordance with Article 6.

ARTICLE 12 GENERAL PROVISIONS

12.1 Confidentiality Agreement.

Each Party agrees that the provisions of Section 20 of the Transource Operating Agreement shall apply to all Confidential Information disclosed or made available by a Party to the other Party pursuant to this Pennsylvania Services Agreement.

12.2 Interest on Overdue Amounts.

Any amount due to a Party under this Pennsylvania Services Agreement shall accrue interest daily from the deadline for payment thereof until paid at the Default Rate.

12.3 Assignment.

Neither Party may assign this Pennsylvania Services Agreement or any of its rights hereunder or delegate any of its duties hereunder to any Person without the prior written consent of the other Party.

12.4 Setoff.

A Party may offset any amounts it owes to the other Party pursuant to this Pennsylvania Services Agreement by any amount such other Party owes to it pursuant to this Pennsylvania Services Agreement.

12.5 Applicable Law.

This Pennsylvania Services Agreement shall be governed by, interpreted, construed and enforced in accordance with the laws of the State of Delaware, without regard to its conflict of laws principles.

12.6 Binding Agreement; No Third Party Beneficiaries.

This Pennsylvania Services Agreement shall be binding upon and shall inure to the benefit of the Parties and their respective heirs, executors, administrators, legal representatives, successors and permitted assigns. Nothing in this Pennsylvania Services Agreement, express or implied, is intended to confer upon any third party any rights, remedies, obligations or liabilities under or by reason of this Pennsylvania Services Agreement, except as expressly provided herein.

12.7 Notices.

12.7.1. All notices, demands, requests or communications which are required or authorized by this Pennsylvania Services Agreement are to be in writing and delivered via personal delivery, mailed by registered or certified mail (return receipt requested) postage prepaid, sent prepaid by overnight air courier or facsimile to the addresses designated for each Party on Schedule 12.7, as such Schedule may be modified from time to time.

12.7.2. All such notices, demands, requests or communications shall be deemed to have been given and duly received: (i) on the third (3rd) Business Day after posting if mailed as provided; (ii) when delivered personally (including delivery by private courier services) unless such day is not a Business Day, in which case such delivery will be deemed to be made as of the next succeeding Business Day; or (iii) if sent by facsimile, when receipt is evidenced by written confirmation generated by the recipient's facsimile machine showing successful transmission.

12.7.3. Either Party or a Provider may from time to time specify a different address by notice to the other Party and, if applicable, the Provider(s).

12.8 Terminology.

All personal pronouns used in this Pennsylvania Services Agreement, whether masculine, feminine or neuter, shall include all other genders, and the singular shall include the plural and vice versa whenever the context requires.

12.9 Entire Agreement.

This Pennsylvania Services Agreement, including the Schedules hereto, contains the entire agreement between the Parties with respect to the matters it purports to cover. This Pennsylvania Services Agreement supersedes any prior understanding or oral or written agreement between the Parties respecting the subject matter of this Pennsylvania Services Agreement.

12.10 Severability.

If any one or more of the provisions contained in this Pennsylvania Services Agreement, or the application thereof to any Party or to circumstances that may arise hereunder, shall for any reason be held to be invalid, illegal or unenforceable in any respect, the remainder of this Pennsylvania Services Agreement and the application of such provision(s) to other Persons or circumstances shall not be affected thereby and shall be enforced to the greatest extent permitted by Applicable Law.

12.11 Other Instruments.

The Parties covenant and agree that they will execute such other and further instruments and documents as are or may become reasonably necessary or convenient to effectuate and carry out the purposes of this Pennsylvania Services Agreement.

12.12 Amendments.

This Pennsylvania Services Agreement may only be amended or modified by a written instrument signed by all Parties.

12.13 Waivers.

No waiver of this Pennsylvania Services Agreement, or any part hereof, shall be binding unless made in writing and signed by the Party to be charged with such waiver. No waiver of any breach or condition of this Pennsylvania Services Agreement shall be deemed to be a waiver of any subsequent breach or other condition whether of like or different nature.

12.14 Counterparts.

This Pennsylvania Services Agreement may be executed in counterparts, each of which shall be deemed an original and all of which, taken together, shall constitute one and the same instrument. An executed counterpart may be delivered by facsimile or electronic mail and, when so delivered, shall be legally enforceable in accordance with its terms.

12.15 Costs.

Each Party shall be responsible for its own costs incurred in connection with the negotiation of this Pennsylvania Services Agreement.

12.16 WAIVER OF RIGHT TO JURY TRIAL.

TO THE FULLEST EXTENT PERMITTED BY LAW, AND AS SEPARATELY BARGAINED-FOR CONSIDERATION, EACH PARTY HEREBY WAIVES ANY RIGHT TO TRIAL BY JURY IN ANY ACTION, SUIT, PROCEEDING OR COUNTERCLAIM OF ANY KIND ARISING OUT OF OR RELATING TO THE SERVICES OR THIS PENNSYLVANIA SERVICES AGREEMENT.

12.17 Survival.

Any provision specifically designated in this Pennsylvania Services Agreement to survive the termination hereof and (unless otherwise expressly provided) any other provision which, by its nature, necessarily may become performable by a Party after termination of this Pennsylvania Services Agreement shall survive the expiration of earlier termination of this Pennsylvania Services Agreement.

12.18 Dispute Resolution.

In the event of any failure of the Company and Transource to reach agreement on any material matter hereunder, a senior executive officer of the Company and a senior executive officer of Transource shall meet to attempt to resolve any such dispute in good faith. If agreement cannot be reached between such officers within fifteen (15) days (or such longer period as may be agreed between such officers), the Parties shall be free to pursue any other remedy available at law or in equity.

IN WITNESS WHEREOF, the Parties have executed this Pennsylvania Services Agreement as of the date first set forth above.

COMPANY

TRANSOURCE PENNSYLVANIA, LLC

By: _____

Name: Antonio Smyth

Title: President

PROVIDER

TRANSOURCE ENERGY, LLC

By: _____

Name: Antonio Smyth

Title: President

SCHEDULE 1.1

DEFINITIONS

“**AEPSC**” means American Electric Power Service Corporation, a corporation organized under the laws of the State of New York.

“**AEPSC Services Agreement**” has the meaning set forth in the recitals hereto.

“**Applicable Law**” means: (i) any statute, law, ordinance, executive order, rule or regulation; (ii) any guideline or notice having force of law, including any applicable requirements of NERC or a regional transmission organization or similar planning authority; or (iii) any approval, permit, code, standard of conduct, regulatory code of conduct, license, franchise, judgment, order, decree, injunction, or writ of any Governmental Authority applicable to a specified Person or specified property, in each case as in effect from time to time.

“**Approved Budget**” has the meaning set forth in Section 2.6.1.

“**Business Day**” means any working day in the United States other than a Saturday, Sunday or a day on which banks located in New York, New York are authorized or required by Applicable Law to close.

“**Claim**” has the meaning set forth in Section 10.1.

“**Company**” has the meaning set forth in the preamble hereto.

“**Company Project**” means any electric transmission project being developed by the Company.

“**Confidential Information**” has the meaning set forth in the Transource Operating Agreement.

“**Corporate Affiliate**” of a specified Person means any other Person (other than a natural person) that directly or indirectly controls, is controlled by or is under common control with the Person specified. For purposes of this definition, “control” shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person (whether through ownership of securities or partnership or other ownership interests, by contract or otherwise); *provided, however*, that: (i) in any event, any Person that owns directly or indirectly securities having at least fifty percent (50%) of the voting power for the election of directors or other members of the governing body of a corporation or at least fifty percent (50%) of the partnership or other ownership interests (that carry voting power) of any other Person will be deemed to control such corporation or other Person; and (ii) for purposes of this Pennsylvania Services Agreement, KCP&L shall be deemed to be a Corporate Affiliate of the Provider.

“**Default Rate**” means the prime rate in effect from time to time as published by *The Wall Street Journal* (and generally defined therein as the base rate on corporate loans posted by at least seventy-five percent (75%) of the nation’s thirty (30) largest banks) plus five percent (5%) or, if less, the maximum annual interest rate permitted by Applicable Law.

“**Defaulting Party**” has the meaning set forth in Section 8.1.

“**Effective Date**” has the meaning set forth in the preamble hereto.

“**Emergency**” has the meaning set forth in Section 11.3.

“**Event of Default**” has the meaning set forth in Section 8.1.

“**FERC**” means the Federal Energy Regulatory Commission.

“**Force Majeure**” means any circumstance or cause reasonably beyond a Party’s control, which could not reasonably be prevented, avoided or removed with the exercise of reasonable diligence of the affected Party, and which causes such Party to be delayed in the performance of, or unable to perform, its obligations under this Pennsylvania Services Agreement. Such causes may include, to the extent they meet the foregoing criteria, condemnation, expropriation, invasion, plague, drought, landslide, hurricane, flood, lightning, tornado, storm, earthquake, fire, explosion, epidemic, quarantine, war (declared or undeclared), terrorism or other armed conflict, material physical damage to the Company’s property caused by third parties, inability to gain access to real property as necessary to perform Services (except to the extent that the failure to gain access is the result of the acts or omissions of the affected Party or its Corporate Affiliates), riot or similar civil disturbance or commotion, other act of God, act of the public enemy, blockade, insurrection, sabotage or vandalism, embargo, change in Applicable Law as described in Section 11.2, an act of any Governmental Authority, regional transmission organization or similar planning authority and labor strikes, work stoppages or other labor unrest.

“**Good Industry Practice**” means the practices, methods and acts engaged in or approved by a significant portion of electric transmission project developers and owners in the United States during the relevant time period, or any of the practices, methods and acts that, in the exercise of reasonable judgment in light of the facts known at the time a decision is made, would have been expected by a significant portion of such Persons to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition; provided, however, that Good Industry Practice is not intended to be limited to the optimum practice, method or act to the exclusion of all others, but rather is intended to include generally accepted practices, methods or acts.

“**Governmental Authority**” means: (i) any federal, state, foreign, tribal, local or municipal governmental body; and (ii) any governmental, regulatory or administrative agency, commission, body, instrumentality or other authority exercising or entitled to exercise executive, judicial, legislative, administrative, regulatory or taxing authority or power, including any court or other tribunal.

“**Pennsylvania Services Agreement**” has the meaning set forth in the preamble hereto.

“**Intellectual Property Rights**” means any or all of the following: (i) all United States, international and foreign patent rights, patents and applications therefor and all reissues, divisions, extensions, provisionals, continuations and continuations-in-part thereof; (ii) all copyrights, copyright and mask work registrations and applications therefor and all other rights corresponding thereto throughout the world; (iii) all trade secret rights throughout the world; (iv) all rights under agreements relating to any of the foregoing; and (v) any similar or equivalent rights anywhere in the world.

“**Insurance Plan**” has the meaning set forth in Section 9.1.

“**KCP&L**” means Kansas City Power & Light Company, a corporation organized under the laws of the State of Kansas.

“**KCP&L Services Agreement**” has the meaning set forth in recitals hereto.

“**NERC**” means the North American Electric Reliability Corporation.

“**Non-Defaulting Party**” means, with respect to an Event of Default, the Party that is not the Defaulting Party.

“**Party**” and “**Parties**” have the meanings set forth in the preamble hereto.

“**Person**” means an individual, trust, estate, corporation, partnership, joint venture, limited liability company, business trust, unincorporated association or Governmental Authority.

“**Proprietary Property**” means, to the extent not in the public domain, any: (i) discoveries, inventions (whether patentable or not), invention disclosures, improvements (whether patentable or not), formulae, formulations and know-how; (ii) technical and product specifications, equipment descriptions, plans, layouts, drawings, computer programs, assemblies, quality control procedures, installation procedures, operating procedures, operating and/or maintenance manuals, instructions and other user documentation, technical and marketing information, designs, data and/or other similar items; (iii) other trade secrets, copyrightable material or proprietary information; and (iv) all documentation of any of the foregoing.

“**Provider**” means, as applicable, either AEPSC or KCP&L in its capacity as provider pursuant to a Transource Services Agreement.

“**Services**” means any of the services specified in the Transource Services Agreements that a Provider performs for the benefit of the Company pursuant to this Pennsylvania Services Agreement.

“**Term**” has the meaning set forth in Section 5.1.

“**Transource**” has the meaning set forth in the preamble hereto.

“**Transource Indemnified Person**” has the meaning set forth in Section 10.1.

“**Transource Operating Agreement**” means the Operating Agreement of Transource Energy, LLC, a Delaware Limited Liability Company, dated as of April 3, 2012, as such agreement may be amended from time to time.

“**Transource Services Agreements**” has the meaning set forth in the recitals hereto.

“**Work Product**” has the meaning set forth in Section 4.1.

SCHEDULE 9

INSURANCE PLAN

1. General

- a. Transource/Provider Insurance. Transource shall procure or cause to be procured and maintain or cause to be maintained in full force and effect all insurance coverages specified in Sections 2 and 4 of this Schedule 9. All insurance coverages shall, to the extent required by Applicable Law, be issued by insurance companies authorized to do business in the applicable jurisdiction where Services are being performed or where assets are situated.
- b. Company Insurance. The Company shall procure or cause to be procured and maintain or cause to be maintained in full force and effect all insurance coverages specified in Sections 3 and 4 of this Schedule 9. All insurance coverages shall, to the extent required by Applicable Law, be issued by insurance companies authorized to do business in the applicable jurisdiction where Services are being performed or where assets are situated.
- c. Evidence of Insurance. Evidence of insurance required hereunder to be maintained by a Party, shall be furnished in the form of certificates of insurance upon the request of the other Party, which certificates shall include a description of coverage, policy limits and identification of insureds and additional insureds.
- d. Insurance Coverages. Neither Party represents that the insurance coverages specified herein will be adequate in scope or amount of coverage to protect such Party, the other Party or any additional insured. Nothing in this Schedule shall be deemed to limit a Party's liability under this Pennsylvania Services Agreement.
- e. Subcontractor's Insurance; Scope of Coverage. The Company and Transource shall require subcontractors (other than the Providers) who perform Services at a Company Project to maintain liability insurance (automobile liability, commercial general liability and excess or umbrella liability) and workers' compensation/employers' liability insurance as shall be reasonable in accordance with Good Utility Practice. Upon a Party's reasonable request, the other Party shall require its subcontractors (other than the Providers) performing work at the Project Site to provide evidence of the insurance maintained by such subcontractor.
- f. Builders' Risk and Transit Insurance. In connection with the construction of any Company Project, the amount and scope of Builders' Risk and Transit Insurance shall be subject to the Parties' agreement. The Company shall be responsible for the costs of such insurance.

2. **Transource/Provider Required Insurance.**

Transource shall maintain or cause the Providers to maintain the following types of insurance, subject to the general provisions set forth in Section 4 of this Schedule 9.

- a. Workers' Compensation Insurance or qualified self-insurance to the extent required by Applicable Law.
- b. Employers Liability Insurance in an amount not less than \$500,000 each accident, \$500,000 disease policy limit and \$500,000 disease each employee.
- c. Automobile Liability Insurance in respect of all mechanically propelled vehicles used in any circumstances such as to be required by Applicable Law to provide compulsory motor vehicle insurance, including coverage for all owned, non-owned and hired vehicles. Such coverage shall include the Company as an additional insured for its legal liability arising out of the negligence of Transource or a Provider and shall be primary and non-contributory with respect to any Claims arising out of the negligence of Transource or such Provider.
- d. Commercial General Liability Insurance (or equivalent) for a Provider's legal liability for bodily injury, property damage or personal injury. Such insurance shall include, subject to policy terms and conditions, coverage for contractual liability, products/completed operations and independent contractors.
- e. Umbrella or Excess Liability Insurance with a limit not less than \$35,000,000 in combination with the insurance coverages provided in Sections 2(b), 2(c) and 2(d) of this Schedule 9. The required limit may be in any combination of primary and excess or umbrella coverage, so long as the total amount of insurance is not less than \$35,000,000.
- f. If aircraft are used in connection with the Services, Aircraft Liability Insurance in respect of all aircraft owned, non-owned, hired or chartered. The limit of liability for such Aircraft Liability Insurance shall not be less than \$10,000,000 per occurrence. The insurance coverage described in Section 2(e) of this Schedule 9 shall be excess of any such Aircraft Liability Insurance.
- g. Other Insurance.
 - i. Insurance providing coverage for any Provider equipment that will not becoming part of a Company Project.
 - ii. All other insurance required by Applicable Law.

3. **Company Required Insurance.**

The Company shall maintain or cause to be maintained the following types of insurance, subject to the general provisions set forth in Section 4 of this Schedule 9.

- a. Workers' Compensation Insurance or qualified self-insurance to the extent required by Applicable Law.
- b. If required by Applicable Law or agreed to between the Parties, Employers Liability Insurance in an amount not less than \$500,000 each accident, \$500,000 disease policy limit and \$500,000 disease each employee.
- c. Automobile Liability Insurance in respect of all mechanically propelled vehicles used in any circumstances such as to be required by Applicable Law to provide compulsory motor vehicle insurance, including coverage for all owned, non-owned and hired vehicles.
- d. Commercial General Liability Insurance (or equivalent) for the Company's legal liability arising out of the Company's operations. Such insurance shall include, subject to policy terms and conditions: (i) coverage for bodily injury, property damage and personal injury; and (ii) coverage for contractual liability, products/completed operations and independent contractors. Such Commercial General Liability insurance shall be primary and non-contributory to any Commercial General Liability insurance to be maintained by Transource or a Provider where Claims arise out of the operations or assets of the Company, except where Claims are due to the gross negligence or intentional misconduct of Transource or such Provider.
- e. Umbrella or Excess Liability Insurance with a limit not less than \$35,000,000 in combination with the limits of all applicable insurance coverages. The required limit may be in any combination of primary and excess or umbrella coverage, so long as the total amount of insurance is not less than \$35,000,000.
- f. If aircraft are used in connection with the Company's operations, Aircraft Liability Insurance in respect of all aircraft owned, non-owned, hired or chartered. The limit of liability for such Aircraft Liability Insurance shall not be less than \$10,000,000 per occurrence. The insurance coverage described in Section 3(e) of this Schedule 9 shall be excess of any such Aircraft Liability Insurance.
- g. Operational property insurance with respect to the Company's real property as determined by the Company. The Company shall cause each of its property insurers to waive all rights of recovery or subrogation against Transource and the Providers for damage to the Company's property.
- h. Other Insurance.
 - i. All other insurance required by Applicable Law.
 - ii. Such other insurance, which may include professional liability insurance, as may be mutually agreed by the Parties from time to time.

4. General Insurance Provisions.

- a. All insurance may be carried through the worldwide insurance programs of the Parties or their respective Corporate Affiliates and/or, subject to the limitations set forth in Section 9.1 of this Pennsylvania Services Agreement, provided by self-insurance. Each Party shall have the right to determine self-insured retention levels.
- b. With respect to Workers' Compensation/Employer's Liability Insurance and Auto Liability Insurance, the insurer and each Party, where permitted by Applicable Law, shall waive for the benefit of the other Party all rights of recovery and subrogation against the other Party, its Corporate Affiliates and their respective directors, officers, agents and employees.
- c. With respect to Commercial General Liability and Excess/Umbrella insurance, the insurer of each Party shall waive any right of recovery which the insurer of such Party may have or acquire against the other Party, its Corporate Affiliates and their respective directors, officers, agents and employees. Each Commercial General Liability policy shall include a severability of interest clause and a cross liability clause.
- d. Notwithstanding any other provision of this Pennsylvania Services Agreement, it is intended that the Company's Commercial General Liability and Umbrella or Excess insurance be primary and non-contributory to Transource's and Providers' insurance for liability for bodily injury, property damage or personal injury arising out of the assets or operations of the Company. Transource, the Providers and their respective officers, directors, employees and agents shall be included as insureds or additional insureds, as appropriate, on the Company's Commercial General Liability and Excess or Umbrella Liability insurance policies for its/their liability arising out of the operations or assets of the Company. Transource's and/or the Providers' Commercial General Liability and/or Excess or Umbrella policy(ies) shall be excess of the Company's Commercial General Liability and Excess or Umbrella Liability. This provision does not apply to liability arising out of Transource's or a Provider's owned, non-owned or hired vehicles (Automobile Liability), nor does it apply in cases of Transource's or a Provider's gross negligence or intentional misconduct.
- e. In the event any insurance described herein (including the limits or deductibles thereof), other than insurance required by Applicable Law, shall not be available on commercially reasonable terms in the commercial insurance market to a Party, the other Party shall consent to waive the requirement to maintain such insurance to the extent the maintenance thereof is not so available on such terms, but each Party shall continue to remain obligated to maintain any such insurance up to the level, if any, at which such insurance can be maintained on commercially reasonable terms in the commercial insurance market.

- f. All insurance to be maintained in accordance with this Schedule 9 shall be placed with financially sound and reputable insurers having an A. M. Best rating of A-: VII (or equivalent rating from another recognized rating agency) or better.
- g. Each Party shall cause its insurers to provide the other Party thirty (30) days' prior notice of cancellation or material amendment (or ten (10) days in the event of cancellation due to non-payment of premium).

SCHEDULE 12.7

ADDRESSES FOR NOTICES

If to the Company:

Transource Pennsylvania, LLC
1 Riverside Plaza
Columbus, Ohio 43215
Fax: (614) 552-1628
Attn: President
Email: apsmyth@aep.com

with copies to:

American Electric Power Service Corporation
1 Riverside Plaza
Columbus, Ohio 43215
Fax: (614) 716-2014
Attn: Office of the General Counsel
Email: rgryan@aep.com

Kansas City Power & Light Company
1200 Main Street
Kansas City, MO 64105
Attn: Julie Shull
Email: Julie.shull@kcpl.com

and

Great Plains Energy Incorporated
1200 Main Street
Kansas City, MO 64105
Fax: (816) 654-1970
Attn: Assistant Secretary and Corporate Counsel –
Securities and Finance
Email: Leah.Huddleston@kcpl.com

If to Transource:

Transource Energy, LLC
1 Riverside Plaza
Columbus, Ohio 43215
Fax: (614) 552-1628
Attn: President
Email: apsmyth@aep.com

with copies to:

American Electric Power Service Corporation
1 Riverside Plaza
Columbus, Ohio 43215
Fax: (614) 716-2014
Attn: Office of the General Counsel
Email: rgryan@aep.com

Kansas City Power & Light Company
1200 Main Street
Kansas City, MO 64105
Attn: Julie Shull
Email: Julie.shull@kcpl.com

and

Great Plains Energy Incorporated
1200 Main Street
Kansas City, MO 64105
Fax: (816) 654-1970
Attn: Assistant Secretary and Corporate Counsel –
Securities and Finance
Email: Leah.Huddleston@kcpl.com

If to AEPSC

American Electric Power Service Corporation
1 Riverside Plaza
Columbus, Ohio 43215
Fax: (614) 716-2014
Attn: Office of the General Counsel
Email: rgryan@aep.com

If to KCP&L

Kansas City Power & Light Company
1200 Main Street
Kansas City, MO 64105
Attn: Julie Shull
Email: Julie.shull@kcpl.com