

SERVICES AGREEMENT

BY AND BETWEEN

TRANSOURCE ENERGY, LLC

AND

KANSAS CITY POWER & LIGHT COMPANY

April 3, 2012

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SERVICES AGREEMENT

This Services Agreement (the “Services Agreement”), dated as of April 3, 2012 (the “Effective Date”), is entered into by and between TRANSOURCE ENERGY, LLC, a limited liability company organized under the laws of the State of Delaware (the “Company”), and KANSAS CITY POWER & LIGHT COMPANY, a corporation organized under the laws of the State of Kansas (the “Provider”). Each of the Company and the Provider are sometimes referred to herein, individually, as a “Party” and, collectively, as the “Parties.”

RECITALS

WHEREAS, AEP Transmission Holding Company, LLC and GPE Transmission Holding Company, LLC have established the Company to pursue, develop, construct, own and operate certain electric transmission projects pursuant to the Operating Agreement of the Company dated April 3, 2012 (as such agreement may be amended, supplemented or otherwise modified from time to time, the “Operating Agreement”); and

WHEREAS, the Company intends to pursue such activities through various subsidiary utility companies (each, a “Subsidiary” and, collectively, the “Subsidiaries”) and the Company is willing to provide certain support services to such Subsidiaries in connection with such activities; and

WHEREAS, the Company desires that the Provider provide certain services to support the Company and the activities of the Subsidiaries; and

WHEREAS, the Provider is willing to provide such services to the Company and the Subsidiaries.

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 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 Services Agreement in its entirety and not solely to the particular portion of this 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 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 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 Services Agreement;
- (f) any references herein to a particular Section, Article or Schedule means a Section or Article of, or a Schedule to, this 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 Services Agreement.

ARTICLE 2 SERVICES

2.1 Services Upon Company Request.

2.1.1 Upon the written direction of the Company, the Provider shall perform any or all of the services identified on Schedule 2.1.

2.1.2 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, that the Company shall be responsible for all charges for demobilization and remobilization activities and costs reasonably incurred by the Provider as a result of any such suspension, modification, termination or resumption.

2.2 Standards for Provider Performance. The Provider shall provide the Services in a good and workmanlike manner and in conformity with Good Industry Practice and Applicable Law. The Provider shall not proceed with any act under this 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, the Provider does not represent, warrant or guarantee that any such Third Party Approval can or will be obtained.

2.3 Control of Work. In performing the Services, the Provider shall act and shall be deemed for all purposes to be an independent contractor. The Provider shall be solely responsible for and have control over the means, methods, techniques, scheduling, sequences and procedures used in the performance of the Services.

2.4 Instructions to the Provider. The Provider may request instructions (or clarification of directives) from the Company prior to taking action with respect to any matter relating to the Services and the 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 the Provider that is necessary or desirable to enable the Provider to timely and properly perform the Services.

2.5 Personnel; Subcontractors.

2.5.1 The Provider shall be solely responsible for the supervision, direction and control of all the Provider's personnel engaged in the performance of Services. Such personnel shall be employees or independent contractors of the Provider and not of the Company. The Provider shall be responsible for the payment of all compensation, benefits and employment taxes with respect to the services of its personnel. The Provider may remove, reassign or take any other employment-related action in regard to any of its personnel.

2.5.2 Without limiting the obligations of the Provider hereunder, the Provider may retain the services of other Persons (each, a "Subcontractor"), including Corporate Affiliates of the Provider, to perform all or any part of the Services, and may also enter into subcontracts with such Persons in order to perform all or any part of the Services; provided, that:

- (a) any such subcontract(s) reasonably expected to cost (singly or in the aggregate with all subcontracts with the same Subcontractor and its Corporate Affiliates and including any termination liability) more than \$500,000 in a calendar year shall be subject to the prior written approval of the Company; provided, that this Section 2.5.2(a) shall not restrict the Provider's right to execute subcontracts to the extent reasonably necessary to avoid or mitigate the effects of an Emergency so long as the Provider notifies the Company of any such subcontract as soon as reasonably practicable;
- (b) the Provider shall use commercially reasonable efforts to obtain from all Subcontractors terms and conditions (including representations, warranties, guarantees, insurance and indemnities) that are substantially equivalent to the terms and conditions obtained by the Provider and its Corporate Affiliates in comparable contracts with subcontractors;
- (c) the Provider shall use commercially reasonable efforts to cause its Subcontractors to cause their respective insurers to designate the Company and the Subsidiaries as additional named insureds under the Subcontractors' insurance policies; and
- (d) the Provider shall act diligently and in good faith (taking into account the Company's interests) to enforce the Provider's rights under all such

subcontracts, including any indemnities in such subcontracts, and shall keep the Company reasonably apprised of the status of any such enforcement activities.

2.6 Budgets.

2.6.1 Annually, by no later than September 30, the Provider shall submit to the Company a proposed budget setting forth the costs and expenses the Provider reasonably anticipates charging to the Company for Services and Administrative Charges for the next subsequent calendar year. Each such proposed budget shall be accompanied by reasonably detailed supporting materials showing assumptions and calculations incorporated therein and shall include: (i) an estimate of all costs anticipated to be incurred by the Provider during such calendar year; (ii) a schedule showing when such costs are expected to be incurred; and (iii) a three (3)-year forecast of the costs and expenses the Provider anticipates for Services and Administrative Charges. 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 the Provider anticipates that its total costs and expenses for Services and Administrative Charges will exceed one hundred ten percent (110%) of the then-current Approved Budget, 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 and Administrative Charges 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 Services Agreement, the Company shall pay to the Provider in accordance with Article 6 all charges for Services provided by the Provider to the Company and all Administrative Charges, including any such charges in excess of the amounts for such Services or Administrative Charges set forth in the then-current Approved Budget.

2.7 Status Reports; Documentation. The Provider shall provide the Company with a reasonably detailed written report on the status of the Services and the charges for Services and Administrative Charges 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 Authority.

2.8.1 In addition to any Services it shall be obligated to perform, the Provider shall have authority to provide personnel (including the personnel of its Corporate Affiliates but excluding personnel of any Subcontractor) to perform or conduct administrative and/or ministerial duties or functions for or on behalf of the Company and the

Subsidiaries, including providing personnel to serve as managers, directors, officers, administrators and representatives of the Company and its Subsidiaries.

2.8.2 Notwithstanding any other provision of this Services Agreement and without affecting any other limitations on the Provider's rights or duties hereunder, unless otherwise approved in writing by the Company or authorized pursuant to a written power of attorney granted by the Company to the Provider, the Provider has no authority to: (i) sell, lease, pledge, mortgage, encumber, convey, license, exchange or make any other transfer or disposition of any property of the Company, including any items or assets whose purchase is managed by the Provider; (ii) make, enter into, execute, amend, waive any rights under or modify or supplement any contract or agreement (including the Operating Agreement and this 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.

- 2.9 Services for Subsidiaries. At the Company's request, the Provider shall perform Services for the benefit of Subsidiaries. In such cases the Provider shall act at the direction of such Persons with respect to the applicable Service(s) unless and until otherwise instructed in writing by the Company. To the extent the Company requests the Provider to perform any Services directly to a Subsidiary, then such Subsidiary shall be deemed to be an express third party beneficiary of this Services Agreement and shall be entitled to enforce any rights, terms or conditions of this Services Agreement with respect to such Services.

ARTICLE 3 COMPANY OBLIGATIONS

- 3.1 Standards for Company 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 proceed with any act under this Services Agreement unless and until any necessary regulatory approval for such act has been obtained.
- 3.2 Cooperation. The Company shall cooperate (and cause its Subsidiaries to cooperate) with the Provider and Subcontractors so as to minimize delays, errors, inconsistencies, changes and unnecessary costs in the performance of the Services.
- 3.3 Access. The Company shall provide (and cause its Subsidiaries to provide) the Provider and Subcontractors with access to the Company's (and its Subsidiaries') 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 the Provider, any authorizations reasonably necessary to facilitate the Provider's 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 the Provider in connection with the performance of the Services ("Work Product").

- 4.2 Intellectual Property Rights.

4.2.1 The Provider hereby grants to the Company, and in connection with Services to be provided to any Subsidiary, to any such Subsidiary, 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 or any such Subsidiary for the purpose for which such Proprietary Property was provided pursuant to this Services Agreement.

4.2.2 The Provider's Proprietary Property and that of its Corporate Affiliates is and shall remain the sole and exclusive property of the Provider and/or its Corporate Affiliates, as applicable. 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 Services Agreement or otherwise, in or to: (i) the Provider's Proprietary Property or that of its Corporate Affiliates; or (ii) any other Intellectual Property Rights of the Provider or its 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 Provider's Proprietary Property or that of its 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 Provider's Proprietary Property or that of its Corporate Affiliates shall be the sole, exclusive and unencumbered property of the Provider or its Corporate Affiliates, as applicable, and shall be deemed a part of the Intellectual Property of the Provider or its Corporate Affiliates, 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 Provider for the purpose of effectuating, evidencing, implementing and facilitating the Provider's rights and those of its 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, the Provider or its 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 the Provider's Proprietary Property and that of its Corporate Affiliates shall be deemed to be Confidential Information subject to Section 20 of the Operating Agreement.

4.2.6 Should the Company or a Subsidiary 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, 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 Intellectual Property Indemnification.

4.3.1 The Provider represents and warrants that to its knowledge, without investigation, the Company's or a Subsidiary's exercise of its rights under the license set forth in Section 4.2.1 will not infringe any United States Intellectual Property Rights of any Person. Subject to the limitations set forth in Section 8.6 and the procedures set forth in Article 10, the Provider shall indemnify, defend and hold harmless each Company Indemnified Person from and against any and all Claims arising out of any breach of the foregoing representation and warranty.

4.3.2 If the Company promptly notifies the Provider of any claim of infringement for which the Provider's indemnification obligation pursuant to Section 4.3.1 applies, the Provider shall, at its own expense and option, exercise commercially reasonable efforts to: (i) procure for the Company the right to continue its exercise of its rights under the license set forth in Section 4.2.1; (ii) modify the Company asset so that such exercise of license rights becomes non-infringing, provided such modification shall not diminish or adversely alter in any material respect the features or functionality of any of the Company's assets or the Services; or (iii) replace the infringing asset with materials, equipment, facilities or services that are not so infringing, provided such replacement shall not diminish or adversely alter in any material respect the features or functionality of any of the Company's assets or the Services.

4.3.3 The Company shall indemnify, defend and hold harmless each Provider Indemnified Person from and against any and all Claims arising out of the Company's use of any of the Provider's Proprietary Property or that of its Corporate Affiliates in any manner other than as expressly permitted hereunder.

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

ARTICLE 5 TERM

- 5.1 Term. The term of this 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 and Administrative Charges shall be determined on the same cost basis as such charges are determined from time to time for equivalent services that the Provider provides to its utility Corporate Affiliates and shall include allocations for overhead (including employee benefits, payroll taxes and charges for the use of infrastructure) and reimbursement of all out-of-pocket costs and expenses (including employee meals, hotels and travel, third party insurance costs and legal and other consulting fees), but shall exclude any markup for profit.
- 6.2 Invoicing. On or before the fifteen (15th) day of each calendar month, the Provider shall submit an invoice for all Services performed and Administrative Charges incurred 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 a description of the basis of Administrative Charges incurred. Any monthly invoice may include billings to adjust or correct billings from prior periods. No less frequently than quarterly, the 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 the Provider any state or local sales or use tax or any other similar charge owed in connection with the Services and Administrative Charges (other than any such taxes or charges based on the earnings, income or net worth of the Provider). The Provider shall take reasonable actions to minimize the amount of such sales and use taxes payable hereunder.
- 6.4 Payment. Within thirty (30) days after the Provider submits an invoice to the Company in accordance with Section 6.2, the Company shall pay the Provider 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 submitted by the Provider or refunded by the Provider 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. The Provider shall maintain accurate documentation, records, books of account, time records, invoices, contracts, mileage records and other evidence reasonably pertinent to performance of the Services and the basis of the Administrative Charges in conformity with GAAP, Good Industry Practice and Applicable Law for a period of five (5) years after the date such Services were performed or such Administrative Charges were incurred (or such longer period as may be required by Applicable Law or necessary to support filings for third party approvals). Such information shall include documentation and information of the basis for all invoiced charges. 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 to the extent relating to and reasonably necessary to confirm the Provider's performance under this 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 Provider's business operations. This Section 6.5 shall survive the termination of this Services Agreement.

ARTICLE 7 WARRANTIES

- 7.1 Scope of Warranties. THE PROVIDER WARRANTS TO THE COMPANY THAT: (I) THE SERVICES PERFORMED DIRECTLY BY THE PROVIDER SHALL BE PERFORMED IN A GOOD AND WORKMANLIKE MANNER AND IN ACCORDANCE WITH GOOD INDUSTRY PRACTICE AND SHALL BE FREE FROM MATERIAL DEFECTS IN WORKMANSHIP OR MATERIALS; AND (II) THE SERVICES PERFORMED BY A SUBCONTRACTOR SHALL BE MANAGED BY THE PROVIDER IN ACCORDANCE WITH GOOD INDUSTRY PRACTICE.
- 7.2 Exclusive Warranties and Remedy. THE WARRANTIES CONTAINED IN THIS ARTICLE 7 ARE EXCLUSIVE, AND ARE GIVEN AND ACCEPTED IN LIEU OF ANY EXPRESS OR IMPLIED WARRANTIES, INCLUDING WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. UPON ANY BREACH OF A WARRANTY IN THIS ARTICLE 7, THE PROVIDER'S SOLE LIABILITY AND RESPONSIBILITY AND THE COMPANY'S SOLE REMEDY SHALL BE THE REPERFORMANCE OF THE SERVICES IN ACCORDANCE WITH THIS SERVICES AGREEMENT; PROVIDED, THAT IF THE DEFECT WAS CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF THE PROVIDER, THE PROVIDER SHALL RE-PERFORM THE SERVICES AT ITS SOLE COST AND EXPENSE.

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 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 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.

8.2.1 Upon an Event of Default described in Sections 8.1(b) or 8.1(c), the Non-Defaulting Party may terminate this Services Agreement by providing written notice of such termination to the Defaulting Party; provided that no such Event of Default on the part of the Company caused by or resulting from the acts or omissions of a Corporate Affiliate of the Provider that is a member of the Company (a “Member”) shall constitute a basis for a termination of this Services Agreement.

8.2.2 This 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 the Operating Agreement or the liquidation of the Company for any reason.

8.3 Termination by Mutual Agreement. The Parties may terminate this Services Agreement by mutual written agreement at any time.

8.4 Termination if Provider is not a Corporate Affiliate. Either Party may, upon thirty (30) days advance written notice, terminate this Services Agreement if neither the Provider nor any of its Corporate Affiliates is a Member.

8.5 Fines and Penalties. The Provider may charge the Company for any monetary fine or penalty assessed against the Provider by any Governmental Authority to the extent arising from the Provider’s performance of the Services, unless such fine or penalty results from the Provider’s gross negligence, willful misconduct or actual fraud, in which case the Provider shall be responsible for such fine or penalty. The Company may not charge the Provider for any monetary fine or penalty assessed against the Company arising from the Provider’s performance of the Services unless the monetary fine or penalty is caused by the Provider’s gross negligence, willful misconduct or fraud, in which case the Provider 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, 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 The Provider's aggregate liability under or related to this Services Agreement (other than any liability based on actual fraud or any indemnification liability) shall not exceed the total amount paid to the Provider pursuant to this Services Agreement for the category of Services to which the applicable breach relates.

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 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 Services Agreement for any reason, the Provider shall: (i) promptly discontinue performance of the Services; (ii) terminate any subcontracts executed by the Provider related to the Services unless the Provider, the Company and the Subcontractor enter into novations thereof; (iii) 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; (iv) reasonably cooperate with the Company in connection with the transition of the Services to a New Provider or potential New Provider; and (v) not be authorized to incur or charge the Company for any Administrative Charges.

8.8.2 Upon termination of this Services Agreement for any reason: (i) each Party shall pay the other Party any amounts due as of the date of such termination in accordance with the terms of this Services Agreement; and (ii) the Company shall pay the Provider for any costs and expenses incurred under any subcontracts executed by the Provider as a result of any such termination.

8.8.3 If, at the time of any termination of this Services Agreement for any reason, any assets of the Company or any of its Subsidiaries are located on real property that is owned or leased by the Provider or any of its Corporate Affiliates, the Parties shall negotiate in good faith and exercise commercially reasonable efforts to reach one or more agreements pursuant to which: (i) the Provider or one of its Corporate Affiliates will continue to operate and maintain the Company's assets located on such real property; and (ii) the Company will continue to have access to such real property; provided, that such access will not unreasonably interfere with Provider's and its Corporate Affiliates' operations on such real property.

8.8.4 All documents required to be delivered pursuant to Section 8.8.1 shall be delivered free and clear of any liens, security interests or encumbrances, except such as may be created by the Company.

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

8.8.6 If the Company requests that the Provider continue to provide Services after the termination of this Services Agreement, the Provider shall: (i) perform such Services for a period of up to six (6) months after termination of this Services Agreement; and (ii) reasonably assist the Company to facilitate the orderly transfer of the Services to the Company and/or to enable another party (a "New Provider") chosen by the Company to take over the provision of all or part of the Services. The Company shall pay the Provider in accordance with Section 6.1 for any Services performed pursuant to this Section 8.8.6.

ARTICLE 9 INSURANCE PLAN

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 the insurance required to be provided by 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. Each Party may self-insure all or any portion of the coverage required pursuant to the Insurance Plan during any period in which such Party: (a) maintains a net worth of no less than \$100,000,000; or (b) is covered by a program of self-insurance maintained by a Corporate Affiliate of such Party and either: (i) such Corporate Affiliate maintains a net worth of no less than \$100,000,000; or (ii) 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 Services Agreement.

ARTICLE 10 INDEMNIFICATION

10.1 Indemnification of Third Party Claims.

10.1.1 The Company shall indemnify, defend and hold harmless the Provider, its Corporate Affiliates and its and their respective officers, directors, members, shareholders, employees, agents and representatives (each a “Provider 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 Provider Indemnified Person to the extent arising out of this 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 Provider Indemnified Person.

10.1.2 The Provider shall indemnify, defend and hold harmless the Company, its members (other than the Provider or any of its Corporate Affiliates), their Corporate Affiliates and each of their respective officers, directors, members, shareholders, employees, agents and representatives (each a “Company Indemnified Person”) from and against any third-party Claim incurred by any Company Indemnified Person to the extent resulting from the gross negligence or willful misconduct of the Provider.

10.1.3 Sections 10.1.1 and 10.1.2 are subject to the limitations on liability in Section 8.6.2.

10.2 Indemnification Procedures.

10.2.1 If a Party (an “Indemnifying Party”) is obligated hereunder to indemnify, defend and hold harmless an Indemnified Person hereunder, such Indemnified Person shall give notice as promptly as is reasonably practicable to the Indemnifying Party of the Claim giving rise to such indemnification obligation; provided, that a delay by an Indemnified Person in delivering such notice shall not relieve the Indemnifying Party of its obligations hereunder except to the extent (if any) that the Indemnifying Party shall have been materially prejudiced thereby. Provided that it first unconditionally acknowledges in writing its indemnification obligations hereunder, such Indemnifying Party shall have the right to control the defense and settlement of such Claim with counsel reasonably acceptable to it; provided, that the 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 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 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 Indemnified Person and the Indemnifying Party desires to accept and agree to such offer, the Indemnifying Party shall give written notice to the Indemnified Person to that effect. If the Indemnified Person fails to consent to such offer within twenty (20) days after its receipt of such

notice, the Indemnifying Party shall be relieved of its obligations to defend such Claim and the Indemnified Person may contest or defend such Claim. In such event, the maximum liability of the Indemnifying Party with respect to such Claim shall be the amount of such settlement offer plus reasonable costs and expenses paid or incurred by the Indemnified Person up to the date of such notice.

10.2.2 If an Indemnifying Party fails to assume the defense of a Claim for which an Indemnified Person seeks indemnification hereunder, the 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 Indemnifying Party.

10.3 Subrogation. In the event that an Indemnifying Party pays all or any portion of a Claim, the Indemnifying Party shall be subrogated to any and all defenses, claims or other matters which the 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 Services Agreement.

ARTICLE 11 EXCUSED PERFORMANCE

11.1 Force Majeure. Neither Party 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, that:

- (a) the excused Party oversees such interruption in accordance with Good Industry Practice to the extent practicable;
- (b) the excused Party, within ten (10) days after the occurrence of the Force Majeure event, gives the other Party 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 Party uses its reasonable efforts to remedy its inability to perform (provided, however, that no Party shall be required to settle any strike, walkout, lockout or other labor dispute on terms which, in the sole judgment of the Party 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 Party involved); and

- (e) when the excused Party is able to resume performance of its obligations under this Services Agreement, that Party shall give the other Party 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 Services Agreement as necessary to permit such Party to comply with the change in Applicable Law while preserving the purpose and value of this 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 Services Agreement, if the 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 the Provider) create an unreasonable safety risk to persons, property or the environment, or would violate the Provider's safety policies or procedures (each of the foregoing, an "Emergency"), the Provider 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, the Provider shall take such reasonable actions, or cause such actions to be taken, in the Provider's reasonable judgment, to the extent required to avoid or mitigate the Emergency. The Provider shall promptly notify the Company 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 Provider's officers, directors, agents or personnel (acting within the course and scope of their employment by the 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 7.

ARTICLE 12 GENERAL PROVISIONS

- 12.1 Confidentiality Agreement. Each Party agrees that the provisions of Section 20 of the Operating Agreement shall apply to all Confidential Information disclosed or made available by a Party to the other Party pursuant to this Services Agreement.
- 12.2 Interest on Overdue Amounts. Any amount due to a Party under this 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 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. Notwithstanding the foregoing, the Provider may assign this

Services Agreement to any of its Corporate Affiliates without the Company's consent if the proposed assignee has the expertise, resources and capability to perform the Services and agrees in writing to be bound by the terms of this Services Agreement. The Provider shall be relieved of and released from its obligations under this Services Agreement from and after any such assignment.

- 12.4 Setoff. A Party may offset any amounts it owes to the other Party pursuant to this Services Agreement by any amount such other Party owes to it pursuant to this Services Agreement.
- 12.5 Applicable Law. This 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 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 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 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 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 may from time to time specify a different address by notice to the other Party.
- 12.8 Terminology. All personal pronouns used in this 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 Services Agreement, including the Schedules, contains the entire agreement between the Parties with respect to the matters it purports to cover. This Services Agreement supersedes any prior understanding or oral or written agreement between the Parties respecting the subject matter of this Services Agreement.

- 12.10 Severability. If any one or more of the provisions contained in this 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 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 Services Agreement.
- 12.12 Amendments. This Services Agreement may only be amended or modified by a written instrument signed by all Parties.
- 12.13 Waivers. No waiver of this 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 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 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 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 SERVICES AGREEMENT.
- 12.17 Survival. Any provision specifically designated in this 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 Services Agreement shall survive the expiration of earlier termination of this Services Agreement.
- 12.18 Dispute Resolution. In the event of any failure of the Provider and the Company to reach agreement on any material matter hereunder, a senior executive officer of the Provider and a senior executive officer of a Member that is not a Corporate Affiliate of the Provider 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.

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

COMPANY

TRANSOURCE ENERGY, LLC

By: 

Name: Antonio P. Smyth

Title: President

PROVIDER

KANSAS CITY POWER & LIGHT COMPANY

By: _____

Name: Michael L. Deggendorf

Title: Senior Vice President – Delivery

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

COMPANY

TRANSOURCE ENERGY, LLC

By: _____

Name: Antonio P. Smyth

Title: President

PROVIDER

KANSAS CITY POWER & LIGHT COMPANY

By:  _____

Name: Michael L. Degendorf

Title: Senior Vice President – Delivery

Approved as to Legal Form
JXH 4/3/2012
KCP&L Legal Department

SCHEDULE 1.1 DEFINITIONS

“Administrative Charges” means the costs and expenses of any personnel of the Provider or any of its Corporate Affiliates who perform or conduct the duties or functions described in Section 2.8.1, which charges shall be determined in accordance with Section 6.1.

“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 10.1.1.

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

“Company Project” means any electric transmission project approved by the Company in accordance with and pursuant to the Operating Agreement.

“Company Indemnified Person” has the meaning set forth in Section 10.1.2.

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

“Contract” means any legally binding contract, agreement, arrangement, bond, instrument, note, mortgage, license or other instrument of any kind.

“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, that, 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.

“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.

“Environmental Laws” means all federal, state or local laws, foreign law, treaty or international agreement and all licenses, permits, authorizations, approvals, consents, judicial or administrative orders, judgments, decrees, directives, injunctions, requirements or agreements of or with any Governmental Authority, in each case relating to: (i) pollution, protection, restoration or preservation of public health and the environment; (ii) human health or safety; or (iii) exposure to, or the use, storage, recycling, treatment, generation, transportation, processing, handling, labeling, production, release, threatened release or disposal of, Hazardous Materials, including the Federal Water Pollution Control Act (33 U.S.C. §§ 1251 et seq.), the Resources Conservation and Recovery Act (42 U.S.C. §§ 6901 et seq.), the Safe Drinking Water Act (42 U.S.C. §§ 3000(f) et seq.), the Toxic Substances Control Act (15 U.S.C. §§ 2601 et seq.), the Clean Air Act (42 U.S.C. §§ 7401 et seq.), the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. §§ 9601 et seq.), the Hazardous Materials Transportation Act (49 U.S.C. §§ 1801 et seq.), the Clean Water Act (33 U.S.C. §§ 1311 et seq.), the Emergency Planning and Community Right-to-Know Act of 1986 (42 U.S.C. §§ 11001 et seq.), the Occupational Safety and Health Act of 1970 (29 U.S.C. §§ 651 et seq.), the Surface Mining Control and Reclamation Act of 1977 (30 U.S.C. §§ 1201 et seq.), the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. §§ 136 et seq.) and the Oil Pollution Act (33 U.S.C. §§ 2701 et seq.) and any similar state law.

“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 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.

“Indemnified Person” means a Company Indemnified Person or a Provider Indemnified Person.

“Indemnifying Party” has the meaning set forth in Section 10.2.1.

“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 Article 9.

“Member” has the meaning set forth in Section 8.2.1.

“NERC” means the North American Electric Reliability Corporation.

“New Provider” has the meaning given to it in Section 8.8.6.

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

“Operating Agreement” has the meaning set forth in the recitals hereto.

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

“Provider Indemnified Person” has the meaning set forth in Section 10.1.1.

“SEC” means the U.S. Securities and Exchange Commission.

“Services” means, with respect to any period of time, all of the services described in Schedule 2.1 that the Company has requested the Provider to perform for such period pursuant to this Services Agreement.

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

“Services Agreements” means this Services Agreement and the Services Agreement of even date herewith by and between the Company and American Electric Power Service Corporation.

“Subcontractor” has the meaning set forth in Section 2.5.2.

“Subsidiary” and “Subsidiaries” have the meanings set forth in the recitals hereto.

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

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

SCHEDULE 2.1 SERVICES

BUSINESS SERVICES

1. Providing personnel as may be reasonably necessary to manage, administer and oversee the Company's and the Subsidiaries' affairs and activities, including pursuing, studying and evaluating opportunities to develop or acquire Company Projects.
2. Administering, in the name and on behalf of the Company and each of its Subsidiaries, billing for services and collection of amounts due to the Company and each of its Subsidiaries.
3. Establishing, in the name and on behalf of the Company and each of its Subsidiaries as the representative of the Company and each of its Subsidiaries, one or more bank accounts and other collection, cash management and disbursement facilities as the Company deems appropriate (with the Provider's personnel having appropriate signature authority) and using such facilities to collect sums due to the Company and its Subsidiaries from any source and, subject to the terms of this Services Agreement and this Schedule, administering the payment of all sums owed by the Company or any Subsidiary. The Provider shall not commingle the Company's or any Subsidiary's funds with the funds of any other Person, including the Provider. The Provider's obligations to disburse funds shall not obligate it to make any disbursement unless the Company or a Subsidiary, as applicable, has funds sufficient therefor and such funds are available for disbursement.
4. Preparing and delivering to the Company, at times and with frequencies determined by the Company (but no less frequently than annually), a budget (the "Consolidated Budget") setting forth in reasonable detail all costs and expenses anticipated to be incurred or accrued by the Company in connection with the operation of the Company and its Subsidiaries during each calendar year, including the costs and expenses to be incurred or accrued by the Company pursuant to each budget delivered to the Company pursuant to the Services Agreements. Each Consolidated Budget shall be in a form reasonably satisfactory to the Company and shall include: (i) costs anticipated to be incurred, and revenues anticipated to be received, by the Company and each of its Subsidiaries, including pursuant to the Services Agreements; (ii) construction costs anticipated to be incurred by the Company and each of its Subsidiaries during such calendar year; (iii) an estimate of the operating and maintenance costs of the Company and each of its Subsidiaries for such calendar year, including appropriate contingency reserves; (iv) an estimate of the capital costs of the Company and each of its Subsidiaries during such calendar year; (v) a schedule of funds required to operate and maintain the Company and each of its Subsidiaries for such calendar year and the assets of the Company and such Subsidiaries, including a schedule of anticipated capital requirements for such calendar year; and (vi) a three-year forecast of the construction, operating and maintenance and capital costs of the Company and each of its Subsidiaries. The Provider shall, from time to time, revise the Consolidated Budget as reasonably necessary or as requested by the Company.
5. Preparing and delivering to the Company at times and with frequencies determined by the Company (but no less frequently than annually), a report (the "Consolidated Cost Report")

setting forth in reasonable detail all costs and expenses actually incurred or accrued by the Company and each of its Subsidiaries.

6. Managing the Company's and, to the extent applicable, each of its Subsidiaries', internal accounting, internal and external auditing, control (including providing reasonable assistance to facilitate the compliance by each Member with the Sarbanes-Oxley Act) and treasury functions.

7. Engaging and directing, in the name and on behalf of the Company, accountants, consultants and experts as appropriate.

8. Designing and administering a system of controls for the activities, obligations and expenditures of the Company and its Subsidiaries.

9. Managing the investment of the Company's and, to the extent applicable, each of its Subsidiaries' funds so as to provide adequate liquidity for the Company's and each of its Subsidiaries' operations, protect against investment losses and earn investment returns commensurate with such requirements of liquidity and safety. The Provider shall not commingle the Company's investments with the investments of any other Person, including the Provider.

10. Preparing and delivering to the Company the following financial information:

- a. on a monthly basis, preliminary trial balances and consolidating financials for the immediately preceding calendar month subtotaled in a format consistent with the financial statements delivered pursuant to paragraph (b)(i) below;
- b. on a monthly basis:
 - i. statements of operations, statements of financial position and statements of cash flows for the immediately preceding calendar month consistent with the reporting requirements of the SEC;
 - ii. detailed trial balances for the immediately preceding calendar month utilizing FERC accounts summarized in a manner so as to tie directly into the lines on the financial statements delivered pursuant to clause (i) above;
 - iii. analyses of fluctuations in major financial statement caption lines for the immediately preceding calendar month which compare those lines to the information for the prior period (prepared on a year-to-date and quarter-to-date basis); and
 - iv. work papers supporting the determination of the statements of cash flows for the immediately preceding calendar month; and
- c. any other financial information reasonably requested by the Company in connection with the Company's, or any Member's, consolidated financial reports and analyses.

11. Supporting the Company and the Members in documenting the controls over financial reporting associated with the Company and its businesses.
12. Preparing and filing FERC Form 1's and FERC Form 3Q's on behalf of the Company and each of its Subsidiaries.
13. Managing the Company's and each of its Subsidiaries' internal and external legal services.
14. Maintaining documents and records of the Company and each of its Subsidiaries.
15. The Parties shall cooperate and support orderly transitions of the accounting function related to commencement and termination of Business Services.

TAX COMPLIANCE SERVICES

1. Managing the Company's and each of its Subsidiaries' tax compliance function, including preparing (or causing to be prepared) and submitting to the Company for approval, signing and filing, all local, state and federal tax returns (including information returns, reports, estimates and other similar information filed with a taxing authority).
2. Assisting the Company and each of its Subsidiaries in connection with any audits, investigations or other inquiries by a taxing authority.
3. Preparing and providing to the Company any information concerning the Company necessary for the preparation of any Member's income tax return(s).

RISK MANAGEMENT SERVICES

1. Recommending to the Company a risk management plan, including an insurance portfolio for the Company's and each of its Subsidiaries' properties and operations and other elements of the Company's and each of its Subsidiaries' risk (including liquidity, cash flow and credit risk) for the Company's approval.
2. Reviewing the Company's risk management plan on an annual basis (or more frequently if requested by the Company) and, to the extent applicable, recommending suggested modifications.
3. Administering the implementation and maintenance of the insurance portfolio and risk management plan approved by the Company from time to time.
4. Managing any claims made by or against the Company, including managing the settlement of claims under the Company's and each of its Subsidiaries' insurance portfolio. The

Provider shall not make any ultimate agreement on settlement without the prior approval of the Company.

SITING AND LAND ACQUISITION SERVICES

1. Analyzing and making recommendations to the Company with respect to the siting of the Company Projects (including conducting all necessary studies, public workshops and other public communication activities with respect to such siting). The Provider's recommendations shall be based on the applicable requirements of regional transmission organizations and similar planning authorities, local land use and zoning considerations and geology and geography.
2. With respect to any real property interest on which the Company Projects are, or are expected, to be situated: (i) conducting appropriate environmental due diligence; (ii) obtaining appropriate rights to enter such real property interest for inspection and surveying; (iii) obtaining appropriate title work; (iv) managing the acquisition of such real property interest on behalf of the Company and each of its Subsidiaries; and (v) procuring (or managing, overseeing and prosecuting, in the name and on behalf of the Company and each of its Subsidiaries, the procurement of) any Third Party Approvals required to use or access such real property interest.
3. With respect to any real property interest on which the Company Projects are, or are expected, to be situated, documenting such real property interest by files and maps, in accordance with formats reasonably acceptable to the Company and providing surveys as needed to obtain such real property interest.
4. With respect to any real property interest on which the Company Projects are, or are expected, to be situated, identifying landowners and required crossing locations and managing communications with such landowners so as to obtain required permissions.
5. With respect to any real property interest on which the Company Projects are, or are expected, to be situated, negotiating, on a case by case basis, the terms for the acquisition of each parcel of such real property interest, including all monetary payments associated therewith; provided, that the Provider shall not enter into any agreement or bind the Company or any of its Subsidiaries in respect of such real property interest without the Company's or such Subsidiaries' express written consent. The Provider provides no guarantee that any such real property interest can be obtained, nor does it guarantee that the transmission line routes that the Company selects will ultimately receive necessary Third Party Approvals.
6. Providing the Company with a written plan (the "Right-of-Way Acquisition Plan") for the acquisition of all real property interests on which the Company Projects are, or are expected, to be situated, which plan shall include: (i) a schedule for the acquisition of real property interests, including identification of real property interests and locations thereof, that will need to be acquired; (ii) the timing of optioning and acquiring such real property interests; and (iii) guidelines and procedures to be utilized by the Provider in negotiating the acquisition of such real property interests. The Provider shall amend or update the Right-of-Way Acquisition Plan as reasonably necessary. The Provider shall diligently proceed to implement the Right-of-Way Acquisition Plan.

7. Providing the Company and each of its Subsidiaries with a written summary and instructions for reasonable access (and any applicable restrictions) to the real property interests on which the Company Projects are, or are expected, to be situated to facilitate the Engineering and Design Services and the Construction Services.

8. All real property interests shall be acquired, and any options with respect thereto shall be executed, in the name of the Company or a Subsidiary pursuant to forms of agreement(s) approved by the Company. Any amounts owed to landowners in respect of the acquisition of real property interests shall be paid directly by the Company or a Subsidiary.

9. The Siting and Land Acquisition Services shall not include initiating or managing litigation to condemn real property interests; provided, that the Provider shall cooperate with, and provide support to, the Company and each of its Subsidiaries and their respective legal counsel with respect to any such litigation, including providing evidence and testimony regarding valuation, prior negotiations and other matters related to the condemnation.

REGULATORY SERVICES

1. Drafting, preparing, filing, monitoring and prosecuting all applications and other documentation in an effort to obtain Third Party Approvals (including such Third Party Approvals pursuant to Environmental Laws and federal and state energy regulatory laws) necessary for the Company and each of its Subsidiaries to develop, construct, own, operate, maintain, repair and replace the Company Projects.

2. Engaging and directing outside legal counsel as appropriate in connection with the foregoing activities.

PROCUREMENT SERVICES

1. Managing procurement activities, including: (i) identifying qualified vendors and equipment and material suppliers; (ii) conducting requests for information; (iii) conducting requests for quotations; (iv) conducting negotiations; (v) recommending awards of contracts; (vi) preparing prudency reviews; and (vii) developing vendor and equipment and material supply contracts.

2. Managing equipment and material delivery to the job site for the Company Projects including: (i) providing equipment and material expediting services; (ii) coordinating equipment and material delivery; and (iii) coordinating storage requirements with service providers providing Construction Services.

3. Preparing and submitting to the Company and each of its Subsidiaries for its approval bid packages for all contracts, purchase orders, bills of sale or other agreements to be entered into by the Company and/or any of its Subsidiaries, on the one hand, and any other Person other than the Provider or any Affiliate of the Provider, on the other hand, in connection with any service to be

provided to or for the Company or any of its Subsidiaries or any materials or equipment to be purchased by the Company or any such Subsidiaries (“Direct Contracts”) necessary in connection with the development, construction, ownership, operation, maintenance, repair or replacement of the Company Projects.

4. Negotiating Direct Contracts on behalf of the Company and its Subsidiaries, subject to direction and advice from the Company and/or such Subsidiaries, as applicable.

5. Managing and administering, and performing inventory control and other contract management services with respect to, Direct Contracts.

6. Processing and prosecuting, on behalf and in the name of the Company and its Subsidiaries, any warranty or other claims with respect to Direct Contracts.

7. On an annual basis, submitting to the Company a budget setting forth the costs and expenses anticipated to be incurred or accrued with respect to Direct Contracts. The Provider shall submit to the Company updates to such budget from time to time as necessary to reflect material changes thereto.

8. The Provider shall perform the Procurement Services in compliance with any procurement policies and procedures adopted by the Company and each of its Subsidiaries.

ENGINEERING AND DESIGN SERVICES

1. Engineering and designing the Company Projects, including: (i) specifying materials and equipment to be incorporated therein; (ii) developing conceptual designs and detailed designs; (iii) preparing construction drawings and as-built drawings; (iv) preparing design calculations; (v) performing engineering design services related to the real property on which the Company Projects are to be situated (including preparing surveys, environmental analyses and reports, soils and subsurface studies and preliminary Phase I reports); (vi) conducting necessary core borings on the real property on which the Company Projects are to be situated; (vii) performing any engineering necessary to facilitate transportation and delivery of equipment and materials in connection with the Services, including the transportation and delivery of materials to work sites; and (viii) procuring (or managing, overseeing and prosecuting, in the name and on behalf of the Company and/or any of its Subsidiaries, the procurement of) any necessary Third Party Approvals for the design and engineering of the Company Projects.

2. Providing to the Company and its Subsidiaries for their review and comment: (i) all initial design drawings of the Company Projects; (ii) all detailed and working drawings, specifications, engineering calculations and other documents prepared in connection with the engineering and design of such Company Projects; and (iii) all detailed construction drawings of the Company Projects. In addition, the Provider shall provide the Company and its Subsidiaries with access, at reasonable times, to design and engineering methods, calculations and data used in performing the Engineering and Design Services.

3. Notwithstanding any other provision of this Services Agreement or this Schedule, submitting each of the following items (including all conceptual and detailed designs, all construction and as-built drawings and all design calculations related thereto) to the Company and its Subsidiaries for their review, comment and final approval; provided, that if the Company or any Subsidiary fails to approve any such item, the Company and such Subsidiary shall cooperate with the Provider to develop an alternative to such item that is acceptable to the Company and such Subsidiary and consistent with Good Industry Practice:

- a. loading criteria for line structures;
- b. insulator types;
- c. the need for and application of optical ground wire for shield wires;
- d. the design approach for overall voltage protection;
- e. line and station naming conventions; and
- f. testing and commissioning plans.

4. Delivering, at a minimum, the following items to the Company and its Subsidiaries, on a schedule to be agreed upon by the Provider and the Company or such Subsidiary: (i) results of EMF, noise and corona studies; (ii) plan and profile drawings in Microstation and paper format; (iii) field data (staking sheets); (iv) PLS CADD models; (v) copies of detailed drawings, specifications and calculations prepared in connection with the design of the Company Projects; and (vi) a final engineering package to support the Company's and its Subsidiaries' maintenance activities.

5. The Provider shall not have any authority to modify any specification for a Company Project, once it has been approved by the Company or a Subsidiary, without the consent of the Company or such Subsidiary.

CONSTRUCTION SERVICES

1. Managing the construction of the Company Projects and the installation of the facilities comprising such projects, including: (i) providing appropriate environmental, safety and quality assurance/control compliance measures; (ii) managing relationships with affected landowners during construction activities including settling construction damage claims; (iii) inspecting and testing the construction as necessary and appropriate; (iv) performing any necessary maintenance before the Company Projects are energized (other than merely for test purposes); (v) managing the placement of the Company Projects in service; and (vi) procuring (or managing, overseeing and prosecuting, in the name and on behalf of the Company or any Subsidiary, the procurement of) all Third Party Approvals necessary for the construction of the Company Projects.

2. Preparing and delivering to the Company and its Subsidiaries construction schedules for the Company Projects (each, a "Construction Schedule") setting forth, at a minimum:

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(i) preliminary due dates for construction progress reports to be delivered by the Provider to the Company and its Subsidiaries during the construction period; (ii) proposed key milestone dates for the construction of the Company Projects; and (iii) a projected date for the completion of the Company Projects. The Construction Schedule shall be in a form reasonably acceptable to the Company and its Subsidiary. The Provider shall update the Construction Schedule from time to time as reasonably necessary or as reasonably requested by the Company or such Subsidiary. The Construction Schedule is a planning document only and shall not be binding on the Parties.

3. Notwithstanding any other provision of this Schedule 8, the Provider shall not have any authority to modify any specification for a Company Project, once it has been approved by the Company or a Subsidiary, without the consent of the Company or such Subsidiary.

OPERATION AND MAINTENANCE SERVICES

1. Coordinating interconnection activities with other parties and administering the interconnection agreements and related agreements of the Company and each of its Subsidiaries with transmission and distribution providers to which the Company Projects are interconnected and with generators whose generation facilities are interconnected with the Company Projects.

2. Negotiating interconnection and related agreements, administering the performance of the Company and each of its Subsidiaries under such agreements, enforcing the Company's and its Subsidiaries' rights under such agreements and managing communications with the counterparties thereto under or concerning such agreements.

3. Being responsible for the maintenance and repair of the Company Projects, including: (i) conducting periodic patrols and inspection of the Company Projects and the Company's and its Subsidiaries' right-of-way areas; (ii) periodically clearing right-of-way areas; (iii) periodically testing the Company Projects; and (iv) replacing worn or broken parts.

4. Performing local field operations for the Company Projects, including switching, diagnostic testing and analysis, calibration, and other similar activities deemed necessary or appropriate from time to time by the Provider to facilitate the O&M Services.

5. Providing system control and data services, including all services to supervise, monitor, control, dispatch, restore and maintain operational data for the Company Projects in coordination with applicable requirements of regional transmission organizations and similar planning authorities.

6. Procuring and warehousing replacement parts in accordance with Good Industry Practice.

7. Performing and providing all engineering necessary to support the O&M Services.

8. Performing any other service or activity necessary or appropriate from time to time to maintain and operate the Company Projects in accordance with the Provider's maintenance and quality assurance/control and safety guidelines.

9. Cooperating and coordinating its activities with the activities of the Company and its Subsidiaries, on the one hand, and those of any Person providing operation or maintenance services, on the other hand, so as to minimize delays, errors, inconsistencies, changes and unnecessary costs.

WEB HOSTING SERVICES

1. Establishing, operating, maintaining and updating and granting the Company and its Subsidiaries access to an internet website that will enable the Company and its Subsidiaries to interface with all visitors to the website, including the Company's and its Subsidiaries' subcontractors, suppliers and vendors.

2. Without limiting any obligations the Provider may have in connection with any Services, the Provider shall have no obligation to validate the content, correctness or usability of any trademarks, trade names, logos, characters, written materials, graphics, photographs or other materials provided by the Company or any Subsidiary to the Provider, in whatever form or media ("Company Content"). All deliverables and other materials developed or prepared for the Company or its Subsidiaries by the Provider, all Company Content and the look and feel of the internet website, together with all patent rights, copyrights, trademarks, trade names and other proprietary rights (collectively, "Company Materials") are, and shall at all times be, the exclusive property of the Company. All Company Materials that constitute works of authorship shall be deemed to be works made for hire to the extent permissible under the federal copyright laws.

3. In the event the Provider enters into a subcontract to provide the Web Hosting Services, the obligations, responsibilities and liabilities of the Provider to the Company and its Subsidiaries with respect to Web Hosting Services shall not be more onerous than the obligations, responsibilities and liabilities of such Subcontractor pursuant to the terms of such subcontract.

SCHEDULE 9 INSURANCE PLAN

I. PROVIDER INSURANCE

Workers' Compensation/Employers' Liability Insurance.

The Provider shall maintain Workers' Compensation Insurance or qualified self-insurance to the extent required by Applicable Law.

The Provider shall maintain Employers Liability Insurance in an amount not less than \$500,000 each accident, \$500,000 disease policy limit and \$500,000 disease each employee.

Automobile Liability Insurance.

The Provider shall maintain Automobile Liability Insurance in respect of all mechanically propelled vehicles used in any circumstances such as to be liable for compulsory motor insurance in accordance with Applicable Law and shall provide coverage for all owned, non-owned and hired vehicles. Such coverage shall include the Company and its Subsidiaries as additional insureds for any legal liability arising out of the negligence of the Provider and shall be primary and non-contributory to any claims arising out of the negligence of the Provider.

Commercial General Liability Insurance.

The Provider shall maintain Commercial General Liability Insurance (or equivalent) for its legal liability for bodily insurance, property damage or personal injury. Such insurance shall include, subject to policy terms and conditions, contractual liability encompassing the indemnity provisions of the Services Agreement, products/completed operations and independent contractors coverage.

Excess or Umbrella Liability Insurance.

The Provider shall maintain Excess or Umbrella Liability Insurance with coverage with a limit no less than \$25,000,000 in combination with the insurance coverages described above. The required limit may be in any combination of primary and excess or umbrella coverage, so long as the total amount of insurance is no less than \$25,000,000.

Aircraft Liability Insurance.

If aircraft are used in connection with the Services, the Provider shall maintain Aircraft Liability Insurance in respect of any aircraft owned, non-owned, hired or chartered for use. The limit of liability for such Aircraft Liability Insurance shall be no less than \$10,000,000 per occurrence. The Provider shall provide that the Excess or Umbrella Liability Insurance shall be excess of such Aircraft Liability Insurance in the event such insurance is required.

Other Insurance.

The Provider shall maintain insurance providing coverage for the Provider's own equipment being used at any Company project and not becoming permanent works of such project.

II. COMPANY INSURANCE

Workers' Compensation/Employers' Liability Insurance.

The Company shall maintain Workers' Compensation Insurance or qualified self-insurance to the extent required by Applicable Law.

The Company shall maintain Employers Liability Insurance in an amount not less than \$500,000 each accident, \$500,000 disease policy limit and \$500,000 disease each employee.

Automobile Liability Insurance.

To the extent the Company has exposure that would require the maintenance of such coverage, the Company shall maintain Automobile Liability Insurance in respect of all mechanically propelled vehicles used in any circumstances such as to be liable for compulsory motor insurance in accordance with Applicable Law, and shall provide coverage for all owned, non-owned and hired vehicles.

Commercial General Liability Insurance.

The Company shall maintain Commercial General Liability Insurance (or equivalent) for its legal liability arising out of its operations. Such insurance shall include coverage for bodily insurance, property damage or personal injury. Such insurance shall include, subject to policy terms and conditions, contractual liability encompassing the indemnity provisions of the Services Agreement, products/completed operations and independent contractors coverage.

Excess or Umbrella Liability Insurance.

The Company shall maintain Excess or Umbrella Liability Insurance with coverage with a limit no less than \$25,000,000 in combination with the insurance coverages described above. The required limit may be in any combination of primary and excess or umbrella coverage, so long as the total amount of insurance is no less than \$25,000,000.

Aircraft Liability Insurance.

If aircraft are used in connection with the Company's operations, the Company shall maintain Aircraft Liability Insurance in respect of any aircraft owned, non-owned, hired or chartered for use, if any. The limit of liability for such Aircraft Liability Insurance shall be no less than \$10,000,000 per occurrence. The Company shall provide that the Excess or Umbrella Liability Insurance shall be excess of such Aircraft Liability Insurance in the event such insurance is required.

Property Insurance.

The Company shall be responsible for providing operational property insurance with respect to the Company's facilities and other real property as determined by the Company, and in no event shall the Provider be required to provide operational property insurance with respect to the Company's facilities or other real property. The Company shall cause each of its Property insurers to waive all rights of recovery or subrogation against the Provider for damage to the Company's property.

III. GENERAL

Evidence of Insurance.

Evidence of insurance required pursuant to this Schedule 9 in the form of certificates of insurance shall be furnished by each Party upon request of the other Party; and for those insurance coverages whereby the other Party is required to be included as an additional insured, the Party required to include the other Party shall at any time requested by the other Party, deliver to the other Party copies of the applicable terms and conditions of any of the insurance policies so requested if a loss should arise that may give rise to a potential claim against the Provider and/or the Company.

Insurance Coverages.

Neither Party makes any representation to the other that the insurance coverages specified herein, whether in scope or amounts, are adequate to protect the obligations of either Party, and each Party shall be solely responsible for any deficiencies thereof. Nothing in this Schedule 9 shall be deemed to limit either Party's liability under the Services Agreement.

Subcontractor's Insurance; Scope of Coverage.

The Company and the Provider shall require appropriate liability insurance (automobile liability, commercial general liability and excess or umbrella liability) and workers' compensation/employers' liability insurance of subcontractors (but not including any subcontractor that is a Corporate Affiliate) who perform services at a Company Project as shall be reasonable and in accordance with Good Industry Practice in relation to the work or other items being provided by each such subcontractor. Upon a Party's reasonable request, the other Party shall require its subcontractors (but not including any subcontractor that is a Corporate Affiliate) performing work at a Company Project site to provide evidence of the insurance maintained by such subcontractor.

Other.

With respect to Workers' Compensation/Employer's Liability Insurance and Auto Liability Insurance, the Party obligated to obtain such coverage shall cause the applicable insurer, where permitted by Applicable Law, to 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.

With respect to Commercial General Liability Insurance and Excess or Umbrella Liability Insurance, the Party obligated to obtain such coverage shall cause the applicable insurer to waive any right of recovery which it 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 provide for a severability of interest clause and a cross liability clause.

Notwithstanding anything to the contrary contained in this Schedule 9 or otherwise in the Services Agreement, it is intended for the Company's Commercial General Liability Insurance and Excess or Umbrella Liability Insurance to be primary and non-contributory to the Provider's insurance for liability for bodily injury, property damage or personal injury arising out of the assets or operations of the Company. The Provider and the Provider's officers, directors, employees and agents shall be included as insureds or additional insureds, as appropriate, on the Company's Commercial General Liability Insurance and Excess or Umbrella Liability Insurance policies for its/their liability arising out of the operations or assets of the Company. The Provider's Commercial General Liability Insurance and/or Excess or Umbrella Liability Insurance policies shall be excess of the Company's Commercial General Liability Insurance and Excess or Umbrella Liability Insurance. This paragraph shall not apply to liability arising out of the Provider's owned, non-owned or hired vehicles (Automobile Liability Insurance).

In the event any insurance described herein (including the limits or deductibles thereof) is not available on commercially reasonable terms in the commercial insurance market, the applicable Party shall not be required to obtain or maintain such coverage, but shall maintain any such insurance up to the level, if any, at which such insurance can be obtained and maintained on commercially reasonable terms in the commercial insurance market.

All insurance required to be maintained 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.

Each Party shall provide or cause to be provided to the other Party ten (10) days notice in the event of cancellation of any insurance required to be maintained due to non-payment of premium and thirty (30) days notice in the event of cancellation for any other reason.

**SCHEDULE 12.7
ADDRESSES FOR NOTICES**

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

with a copy 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

If to the Provider: Kansas City Power & Light Company
1200 Main Street
Kansas City, MO 14105
Attn: Senior Vice President – Delivery
Fax: (816) 556-2924
Email: Michael.Deggendorf@kcpl.com

with a copy to: Great Plains Energy Incorporated
1200 Main Street
Kansas City, MO 04105
Attn: Assistant Secretary and Corporate Counsel –
Securities and Finance
Fax: (816) 654-1970
Email: Leah.Huddleston@kcpl.com