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E-File

October 7, 2022

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor North
P.O. Box 3265
Harrisburg, PA 17120-3265

Re: PPL Electric Utilities Corporation's Proposed Universal Service and Energy Conservation Plan for 2023-2027
Docket No. M-2022-3031727

Dear Secretary Chiavetta:

Enclosed for filing on behalf of PPL Electric Utilities Corporation ("PPL Electric" or "the Company") is PPL Electric's Reply Comments in the above-referenced proceeding.

Copies have been served as indicated below and on the attached Certificate of Service.

Pursuant to 52 Pa. Code § 1.11, the enclosed document is to be deemed filed on October 7, 2022, which is the date it was filed electronically using the Commission's E-filing system.

If you have any questions, please do not hesitate to contact me.

Respectfully submitted,

Michael J. Shafer

Enclosure

cc via email: Nathan Froehlich
Joseph Magee
Certificate of Service
Christina Chase-Pettis
Louise Fink Smith

CERTIFICATE OF SERVICE

(Docket No. M-2022-3031727)

I hereby certify that true and correct copies of the foregoing have been served upon the following persons, in the manner indicated, in accordance with the requirements of § 1.54 (relating to service by a participant).

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Date: October 7, 2022

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BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

PPL Electric Utilities Corporation's	:	
Proposed Universal Service and Energy	:	
Conservation Plan for 2023-2027	:	Docket No. M-2022-3031727
Submitted in Compliance with 52 Pa.	:	
Code § 54.74	:	

REPLY COMMENTS OF PPL ELECTRIC UTILITIES CORPORATION

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Date: October 7, 2022

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I. INTRODUCTION

On April 1, 2022, PPL Electric filed its proposed Universal Service and Energy Conservation Plan ("USECP" or "Plan") for 2023-2027, in compliance with 52 Pa. Code § 54.74. Before any order was issued by the Pennsylvania Public Utility Commission ("Commission") establishing the comment period for the USECP, the PA Coalition of Local Energy Efficiency Contractors, Inc. ("PA CLEEC") filed "Follow-Up Comments" on May 26, 2022. PPL Electric filed a Response to PA CLEEC's "Follow-Up Comments" on June 14, 2022, explaining that: (1) in prior USECP proceedings, the Commission has requested comments and reply comments from the stakeholders after the issuance of a tentative order; and (2) the Company reserved all rights to respond to the substance of the PA CLEEC Comments when the Commission requests all stakeholders to comment on the proposed USECP.

On July 14, 2022, the Commission entered its Order Directing Supplemental Information and Establishing Comment Period ("*July 2022 Order*") in the above-captioned proceeding. The Commission's *July 2022 Order* withheld approval of the Plan pending the review of additional requested information and the submission of comments and reply comments. On July 25, 2022, the Commission issued a Secretarial Letter granting the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania's ("CAUSE-PA") Petition requesting a 30-day extension of the comment period. On August 3, 2022, PPL Electric filed Supplemental Information responding to the Commission's questions set forth in the *July 2022 Order*.

Comments were filed by the Office of Consumer Advocate ("OCA"), CAUSE-PA, the Commission on Economic Opportunity ("CEO"), PA CLEEC, and the Pennsylvania Weatherization Providers Task Force ("PA Weatherization Providers"). In these Reply Comments, PPL Electric addresses the recommendations, issues, and concerns raised in those Comments.

At the outset, PPL Electric believes that there are many areas of agreement between the Company and the other parties. PPL Electric highlights these areas below and is agreeable to modifying its proposed USECP to reflect those areas of agreement, subject to the Commission's review and approval. Regarding the parties' recommendations that the Company opposes, PPL Electric provides the following responses to explain the Company's position. Further, if the Company does not specifically respond to a party's issue or recommendation, the lack of a response should not be interpreted as PPL Electric agreeing with that party. Moreover, PPL Electric does not believe there are any issues of material fact in dispute that would require the case to be referred to the Commission's Office of Administrative Law Judge for further review and hearings. Thus, the Company respectfully requests that the Commission enter a Final Order approving PPL Electric's USECP, as modified by these Reply Comments.

Additionally, with respect to implementation of these Plan changes there will need to be a transition period before all of the changes will be available to customers. PPL Electric believes that the proposed Plan represents an improvement to existing programs, however, many aspects of the Plan are a departure from how these programs are currently operated. To fully implement these changes will require changes to information technology ("IT") systems and other processes which will take a period of time. PPL Electric commits that it will expeditiously work on having the proposals implemented upon final Plan approval.

II. REPLY COMMENTS

Before responding to the parties' specific Comments, PPL Electric would first like to address PA CLEEC's allegations that the Company has engaged in an "unreasonable tactic" by waiting until these Reply Comments to respond to PA CLEEC's issues. (PA CLEEC Comments, pp. 4-5.) This could not be further from the truth.

Initially, it should be noted that the Commission scheduled the May 18, 2022, stakeholder meeting so that stakeholders had an opportunity to ask questions and request clarifications about PPL Electric's proposed Plan. The Company participated in this meeting in good faith and answered many of the questions from stakeholders. It was never the intent of the meeting to allow for substantive debate of policy decisions which are best dealt with in the comment process.

Contrary to PA CLEEC, PPL Electric has abided by the Commission's standard comment and reply comment process used in the Company's and all other utilities' USECP proceedings. PA CLEEC does not get to dictate how the Commission's comment and reply comment process should work. PA CLEEC preemptively filed "Follow-Up Comments" before the Commission ever issued its *July 2022 Order*, which established the comment and reply comment period for this proceeding. In fact, based on the Company's review of every USECP proceeding's docket since 2010, no party has ever filed preemptive "Follow-Up Comments" before the Commission issues its Order establishing the comment and reply comment period. PA CLEEC does not get two bites at the proverbial apple by filing two rounds of Comments. Thus, by PPL Electric waiting until Reply Comments to respond to PA CLEEC's issues, PA CLEEC is being treated the same and afforded the same due process as every other party in this proceeding.

A. ONTRACK

1. Energy Burdens

In its Comments, the OCA supports PPL Electric's proposed energy burdens. (OCA Comments, p. 7.) However, the OCA recommends that: (1) the Commission continue to monitor the costs of the program throughout the duration of the Company's USECP; and (2) the Company be required to monitor the impact of the revised energy burdens on the actual OnTrack program costs and provide information to the parties about the actual cost information if the actual annual

Customer Assistance Program ("CAP") costs exceed the originally projected budget by greater than 20%. (OCA Comments, p. 7.)

The Company agrees with OCA's recommendations that the Commission monitor the costs of the OnTrack program and that PPL Electric monitor the impact of the revised energy burdens on the actual OnTrack program costs. PPL Electric already tracks its OnTrack program costs on a monthly basis and annual basis and reviews best practices to help ensure that the program is running as efficiently as possible.

However, PPL Electric disagrees with the OCA's recommendation that PPL Electric provide information to the parties about the actual cost information if the actual annual OnTrack program costs exceed the originally projected budget by more than 20%. The parties can already track the overall USECP costs through the annual Universal Service Rider ("USR") reconciliation filings. A separate report specific to the OnTrack program's costs is an unnecessary complication that would not provide helpful information about why the actual costs have differed from the budgeted amount. Indeed, the OnTrack program's projected and actual costs can be affected by the Price to Compare, weather, and additional changes to the USECP that result from this proceeding. Thus, PPL Electric believes that the Commission should deny this recommendation by the OCA.

In addition, the OCA recommends that the Company track the total dollar amount of unused LIHEAP grants returned to the Department of Human Services ("DHS") each year and provide the information as a part of the Company's next USECP. (OCA Comments, p. 10.) Particularly, the OCA recommends that the following data be tracked and provided: (1) the number of annual CAP accounts that have had or may have unused LIHEAP funds returned to DHS; and (2) the total and average annual amount of those funds. (OCA Comments, p. 10.) The OCA

proposes that the Company provide actual data for 2023-2027, broken down by income tier (i.e., 0%-50%, 51%-100%, and 101%-150%), reasoning that this information will provide a useful base to determine whether CAP tiers are appropriately targeting affordability. (OCA Comments, p. 10.)

PPL Electric agrees with providing this data as the Company did for 2020 and 2021 and in the Company's response to the *July 2022 Order* (see answer to PA PUC-1-7 in PPL Electric's Supplemental Information). Therefore, the Company agrees with the OCA's recommendation.

Lastly, CAUSE-PA clarified in its corrected Comments that it supports all of the Company's proposed energy burdens, including for electric heating customers with income between 0-50% of the Federal Poverty Line ("FPL"). (*See* CAUSE-PA Comments (Corrected), p. 9.) As such, PPL Electric maintains that the Commission should approve the Company's proposed energy burdens without modification.

2. CAP Plus

The OCA and CAUSE-PA raised concerns with PPL Electric's CAP Plus charge. First, the OCA assumes that PPL Electric structured the CAP Plus payment this way so as to adhere to the energy burdens outlined by the CAP Policy Statement. (OCA Comments, p. 13.) Generally speaking, the OCA supports CAP customers not paying more than their established energy burdens. (OCA Comments, p. 13.) Here, the OCA avers that the inclusion of CAP Plus does not seem to make a difference to those energy burdens but simply seems to add needless complexity to the calculation. (OCA Comments, p. 13.) Accordingly, the OCA would support elimination of the CAP Plus amount as described and calculated by PPL Electric. (OCA Comments, p. 13.)

Second, CAUSE-PA opposes PPL Electric's alternative proposal for CAP Plus, arguing that it would treat CAP customers differently based on their receipt of a LIHEAP grant. (CAUSE-PA Comments, p. 13.) According to CAUSE-PA, such a result would constitute a direct violation of the federal LIHEAP statute and the Department of Human Services' LIHEAP vendor

agreement, which provides that utilities "[shall not] discriminate against any eligible household in regard to terms and conditions of sale, credit, service or price, nor treat adversely any household receiving LIHEAP because of such assistance." (CAUSE-PA Comments, p. 13.) For this and other reasons, CAUSE-PA requests that the Commission eliminate the CAP Plus payment requirement. (CAUSE-PA Comments, p. 13.)

PPL Electric understands the OCA's and CAUSE-PA's concerns regarding the overall approach in calculating the CAP Plus amount. The Company maintains that its proposal on CAP Plus is workable and complies with applicable LIHEAP rules and regulations, including the vendor agreement. However, PPL Electric understands that it may cause added confusion and that it is in the customers' best interest to remove the CAP Plus charge. Subject to the Commission's approval, PPL Electric would be willing to eliminate the CAP Plus charge.

3. Payment Review

In its Comments, CAUSE-PA recommends that the Commission require PPL Electric to implement a monthly CAP rate review process for all CAP participants. (CAUSE-PA Comments, p. 14.) As part of that review process, CAUSE-PA wants the Company to adjust all CAP rates to the average or PIP rate, or an applicable ASP rate, whichever is more advantageous to the CAP participant. (CAUSE-PA Comments, p. 14.)

PPL Electric disagrees with this recommendation. The Company already receives a monthly report of OnTrack accounts where the OnTrack installment amount is greater than the average bill. On average, approximately ten accounts are on this monthly report. PPL Electric reviews these accounts to evaluate whether they are paying a higher amount than they otherwise would on a different type of rate. However, there are times when immediately changing a customer's rate for one month may not be in their best interest when seeing how that rate change would affect their bills over the long-term. For example, there have been instances where PPL

Electric has not adjusted the installment amount to prevent customers from exceeding their maximum CAP credits and going into OnTrack Budget Billing ("OTBB"). As an example, a customer may have low usage during a mild weather month. The Company will analyze the account but may not adjust the OnTrack payment because the Company knows the current monthly bill is not representative of what the customer will be paying in warmer or colder months. If the customer's bill were to be re-adjusted for an abnormally low usage month it may result in the customer exceeding their maximum credits when usage returns to normal. Additionally, the Company continually evaluates these bills each month, and if it becomes apparent that the customer's usage is consistently lower the Company will be able to make an adjustment after these additional reviews.

4. Arrearage Forgiveness

The OCA and CAUSE-PA raised issues concerning arrearage forgiveness under the OnTrack program. First, the OCA maintains that the Company did not specifically address whether a customer receives retroactive Pre-Program Arrearage ("PPA") forgiveness for any months missed once the customer pays the OnTrack balance in full. (OCA Comments, p. 14.) The OCA supports allowing CAP customers to receive arrearage forgiveness for any month in which the customer made an on-time and in-full CAP payment. (OCA Comments, p. 14.) Additionally, the OCA argues that the arrearage forgiveness timeframe can greatly impact the costs of the program. (OCA Comments, p. 16.) Given the substantial difference in costs, the OCA would propose that if the energy burden changes are approved that the Commission consider increasing the timeframe for arrearage forgiveness to 24 months to reduce the annual costs of the program. (OCA Comments, p. 16.) The proposed change is still within the one to three-year range identified

in the Commission's CAP Policy Statement, and the OCA believes it could act as an important cost control measure. (OCA Comments, p. 16.)

Second, CAUSE-PA argues that PPL Electric should be required to provide PPA forgiveness for each in-full OnTrack payment. (CAUSE-PA Comments, p. 30.) CAUSE-PA asserts that CAP customers should earn forgiveness for all in-full CAP payments – regardless of timeliness. (CAUSE-PA Comments, p. 30.) According to CAUSE-PA, allowing CAP customers to earn retroactive forgiveness for "catch-up" payments provides a critical incentive for economically vulnerable households to prioritize payment on their CAP bill, while at the same time recognizing and accounting for the realities facing low-income families, whose income and payment frequency is more likely to fluctuate from month to month. (CAUSE-PA Comments, p. 30.)

However, in contrast to OCA, CAUSE-PA recommends that the Commission approve PPL Electric's proposed 12-month PPA forgiveness timeframe. (CAUSE-PA Comments, pp. 17, 31.) CAUSE-PA also recommends that the Commission require PPL Electric to clarify that customers enrolled in OnTrack at the time these changes are implemented are eligible for full arrearage forgiveness within 12 months of enrollment in OnTrack, if they have met other payment and enrollment requirements. (CAUSE-PA Comments, p. 17.)

To clarify, PPL Electric provides arrearage forgiveness when a customer catches up on their payments. The Company provides PPA forgiveness for each in-full payment, including when the customer pays to catch-up on missed payments. As such, PPL Electric maintains that this concern expressed by the other parties has already been addressed. However, the Company is willing to include language clarifying this point in the Plan.

Further, the Commission should approve the proposed 12-month timeframe for arrearage forgiveness supported by PPL Electric and CAUSE-PA and reject the OCA's proposed 24-month timeframe for arrearage forgiveness. The Company made this proposal because moving to a 12-month PPA arrearage forgiveness period was a recommendation in PPL Electric's 2020 Program Evaluation[1]. Under PPL Electric's experience, it has proven difficult for a customer to remain in OnTrack for 24 consecutive months. If PPL Electric were required to adjust the arrearage forgiveness timeline to 24 months, the success rate in eliminating their balances would decrease. Having customers exit OnTrack with a remaining PPA balance is not going to help those customers achieve long-term success. Therefore, the Commission should reject the OCA's recommendation that a 24-month arrearage forgiveness timeframe be used.

As for CAUSE-PA's proposed transition plan for the new 12-month PPA forgiveness timeframe, PPL Electric clarifies that existing OnTrack customers will be placed into two specific categories: (1) less than or equal to 11 months in the program; and (2) over 11 months in the program. Below is the Company's transition plan for each of those categories of customers:

1. Less than or equal to 11 months in the program
    a. The current agreement timeline will change from 18 months to 12 months from the original enrollment date.
    b. The installment amount will change from a Percent of Bill to Percent of Income calculation.
    c. The arrearage forgiveness will be calculated based on the remaining months in the program.
    d. Maximum CAP credits will be based on the newly proposed limits.

[1] *See* PPL Electric Utilities Universal Service Programs – Final Evaluation Report, Docket No. M-2016-2554787, February 26, 2020, pg. 114.

e. A letter will be sent to these customers with the explanation that their timeline will be adjusted from 18 to 12 months. The letter will also indicate the customer has the option to reapply early providing updated household and income information or they can wait until it is time to recertify.

2. Over 11 months in the program and not in the recertification process

   a. A new 12-month agreement will be created with the proposed Percent of Income installment amount.

   b. The arrearage forgiveness will be calculated by dividing the remaining balance into 12-months.

   c. Maximum CAP credits will be based on the newly proposed limits.

   d. A letter will be sent explaining that their OnTrack agreement will be updated based on income and include a 12-month timeline. It will inform the customer of the option to provide updated income information, so the installment depicts their current income situation on the new agreement cycle.

   e. NOTE: Those in the recertification timeframe will transition into the 12-month program as part of the recertification process. Allowing the customer to transition within the recertification process gives them the opportunity to complete their original OnTrack agreement.

PPL Electric would be willing to make these clarifications more explicit in the final USECP. The Company is making this proposal to balance the needs of its OnTrack customers while also providing a smooth transition to new program terms. This process is temporary and will only be needed while existing customers are transferred to agreements compliant with the new Plan.

5. Pending OnTrack Applications

CAUSE-PA recommends that the Commission require PPL Electric to disclose further data before deciding whether PPL Electric's proposed 30-day hold for zero-income OnTrack applicants is sufficiently long enough. (CAUSE-PA Comments, p. 19.) Specifically, CAUSE-PA recommends that the Company be required to identify how many of the 142 involuntary terminations would have been prevented if PPL Electric had implemented a 30-day collections hold. (CAUSE-PA Comments, pp. 19-20.) Also, in addition to continued tracking of the existing data points, CAUSE-PA asks that PPL Electric be required to track and report on the number of zero income OnTrack applicants that were ultimately enrolled into the program and whether any of those applicants were denied enrollment into OnTrack because they did not have active service. (CAUSE-PA Comments, p. 20.) CAUSE-PA further requests that PPL Electric be required to separately begin tracking and reporting on the length of time for processing all CAP applications, and the number of pending CAP applicants who have received notice of termination and/or were terminated while their CAP application was pending. (CAUSE-PA Comments, p. 20.) After such data has been provided, CAUSE-PA suggests that interested parties be provided with an opportunity to further comment on the issue. (CAUSE-PA Comments, p. 20.)

In response to CAUSE-PA's Comments, PPL Electric reviewed the 142 accounts and determined that 45 were not terminated and that the order was voided. Of the remaining 97 accounts, 86 terminations would have been prevented if we placed a 30-day hold on the account. PPL Electric also agrees to update the process for a customer who has mailed a zero-income form. This updated process will include a phone call to the customer who is claiming zero income on the application. In addition, PPL Electric will add a 15-day hold from collections to allow time for the customer to return the zero-income form. However, CAUSE-PA's additional tracking and reporting requirements are excessive and unnecessary. The Company has established expectations

with its partners and monitors their performance as part of its contract management charge. Furthermore, the additional tracking and reporting would add significant time and expense, while only affecting a small number of customers. Therefore, CAUSE-PA's recommended tracking and reporting requirements should be rejected.

6. Income and Income Documentation

CAUSE-PA supports PPL Electric's proposed policy of accepting 30 days or 12 months of documentation (whichever is most beneficial to the applicant) for all OnTrack applicants, along with the Company's proposal to update its application and recertification letters to make it clear that all customers are permitted to provide 30 days or 12 months of income documentation. (CAUSE-PA Comments, p. 20.) CAUSE-PA also recommends that PPL Electric not only share copies of the final revised application and recertification letters, but that the Company work with its Universal Service Advisory Committee ("USAC") to review and offer feedback on draft revisions. (CAUSE-PA Comments, p. 21.)

PPL Electric is committed to working with the USAC on the draft revisions and will hold a discussion during the Company's next stakeholder meeting.

7. Income of Minors

CAUSE-PA recommends that PPL Electric not include the earned or unearned income of minors in its OnTrack eligibility calculations. (CAUSE-PA Comments, pp. 21-22.)

After reviewing CAUSE-PA Comments, the Company will not include the earned or unearned income of minors in its OnTrack eligibility calculations, consistent with the definition of "household income" in Section 1403 of the Public Utility Code (66 Pa. C.S. § 1403) and the Commission's CAP Policy Statement. PPL Electric will make this clarification in the final USECP.

8. Maximum Allowable OnTrack Credits

CAUSE-PA opposes PPL Electric's methodology for calculating the maximum CAP credits, on the grounds that it is designed with the expectation that a pre-determined percentage of participants will fail. (CAUSE-PA Comments, pp. 23-24.) CAUSE-PA believes that the maximum CAP credit policy should be utilized to target assistance and education. (CAUSE-PA Comments, p. 24.) CAUSE-PA recommends that the Commission direct the Company to: (1) clarify in the USECP that it will follow the CAP Policy Statement's guidelines for exceptions to the maximum OnTrack Credits; and (2) conduct significant targeted outreach providing information regarding these exemptions to all OnTrack customers who have reached 50% and 80% of their maximum OnTrack credit limits. (CAUSE-PA Comments, pp. 25.) CAUSE-PA also recommends that PPL Electric continue to track data about the OnTrack households that ultimately exceed their credit maximums and why they were unable to reduce usage or be given a credit exemption. (CAUSE-PA Comments, pp. 24-25.)

To clarify, PPL Electric's methodology for calculating the maximum CAP credits is sound. It was developed with the intent of achieving a high level of success, whereby 95% accounts would not have surpassed the maximum credits. That does not mean that the Company is setting the "most vulnerable households . . . up for failure," as alleged by CAUSE-PA. (CAUSE-PA Comments, p. 24.) Such a statement fails to recognize the Company's judicious review and approval process for exceptions to the maximum CAP credit policy. Indeed, under the Company's methodology, PPL Electric recognizes that certain accounts should, based on their individual circumstances, receive exceptions to their maximum CAP credits. They could be customers such as the ones referenced by CAUSE-PA: "Low income households with extremely high usage tend to be those with mandatory medical usage that cannot be reduced, or those living in poor housing stock, where whether as renters or owners, they do not have the means or ability to control their

usage." (CAUSE-PA Comments, p. 24.) Consequently, PPL Electric reviews exceptions to the maximum CAP credits on a case-by-case basis consistent with the CAP Policy Statement and, when warranted under those guidelines, provides those exceptions. However, PPL Electric would be willing to clarify in its USECP that the Company will follow the Commission's CAP Policy Statement when evaluating exceptions to the maximum CAP credits.

In addition, PPL Electric supports improving its efforts to educate customers about the exceptions to the maximum CAP credits. In fact, the Company recently created an education OnTrack enrollment video for awareness/education of the program, which includes information about maximum CAP credits. Consistent with those efforts, PPL Electric agrees to add language to its 50% and 80% communication letters about contacting PPL Electric regarding possible exceptions to the maximum CAP credits.

PPL Electric opposes CAUSE-PA's proposal to track data on the reasons that customers exceed their maximum credits. The Company does track the number of households that exceed their maximum credits and enter into OTBB. However, the reasons behind customers exceeding their maximum credits are numerous and customer specific. CAUSE-PA's proposal would be time intensive and cost prohibitive, and should be rejected by the Commission.

9. OnTrack Budget Billing

CAUSE-PA opposes PPL Electric's continued use of OTBB for those customers who have reached their OnTrack credit maximums and recommends that the Commission direct PPL Electric to strike the OTBB program as designed from the proposed USECP. (CAUSE-PA Comments, p. 27.) In lieu of OTBB, CAUSE-PA recommends that the Company perform affirmative targeted outreach to households who reach 80 / 100% of usage thresholds to determine the reason for and to actively remediate the high usage. (CAUSE-PA Comments, p. 27.) If PPL Electric determines through this outreach that an exemption applies, CAUSE-PA states that the Company would

simply exempt that household and/or provide them with targeted WRAP services. (CAUSE-PA Comments, pp. 27-28.) CAUSE-PA also recommends that the Company be required to provide data regarding mean and median usage of this segment of customers, as well as any attempts to provide WRAP services, and, if WRAP services are not successfully implemented, to explain why. (CAUSE-PA Comments, p. 28.) According to CAUSE-PA, if a CAP participant does not fit within the maximum CAP credit exemptions and actively refuses to participate in usage reduction services, then and only then should PPL Electric move that customer to OTBB until the end of their applicable 12-month program period. (CAUSE-PA Comments, p. 28.)

PPL Electric disagrees with CAUSE-PA's recommendations to strike OTBB from the USECP. If PPL Electric were to eliminate OTBB it is anticipated that the OnTrack program's costs will increase substantially. As for CAUSE-PA's requested data on the mean and median usage in kWh for the Company's OTBB customers, please see the chart below for program years 2019 through 2021:

OTBB Mean & Median Usage				
Year	Monthly Mean	Yearly Mean	Monthly Median	Yearly Median
2019	1,906	22,869	1,697	20,363
2020	1,944	23,330	1,739	20,869
2021	1,941	23,288	1,722	20,664
Average	**1929**	**23,151**	**1,719**	**20,632**

Furthermore, in the reported-out years, PPL Electric has seen approximately 13% of the OTBB customers enrolled in the WRAP program. Of these, approximately 39% have not followed through with WRAP for a variety of reasons - refusal of services, not interested, unable to reach customer, etc. Regardless, there will still be customers that do not qualify for an exception and that a WRAP treatment will not prevent them from exceeding their maximum credits. OTBB allows these customers to remain in OnTrack.

CAUSE-PA fails to include in its comments the most significant benefit of a customer remaining in OnTrack under OTBB in that the customer continues to receive PPA forgiveness with each OTBB payment. The Company believes that despite its best efforts there will always be some customers who exceed their maximum credits. OTBB is the only way to keep these customers in the program so that they can receive full PPA forgiveness and set them up for future success.

10. Minimum Payment Amount

CAUSE-PA opposes PPL Electric's proposal to increase the minimum bill from $12 to $20 for electric non-heating customers and from $30 to $40 for electric heating customers, reasoning that this change would adversely affect the most economically vulnerable households. (CAUSE-PA Comments, p. 29.) However, if the Commission does ultimately approve PPL Electric's increase in the minimum bill, CAUSE-PA recommends that the Commission limit any approved increase to 25% for both electric heat and electric non-heating minimum bill customers to reduce rate shock for those with household income at the lowest end of the poverty level who have become reliant on the current minimum bill standards. (CAUSE-PA Comments, pp. 29-30.)

The Company disagrees with CAUSE-PA. There are no ranges for minimum bill amounts in the CAP Policy Statement, as alleged by CAUSE-PA. Instead, the CAP Policy Statement states that each utility should establish the minimum payment amount in its individual USECP proceeding. *See* 52 Pa. Code § 69.265(3)(i). Moreover, the Company's minimum payment amounts are overdue for an update, as they remained the same for many years. Today, PPL Electric's current minimum payment amount barely covers the Company's customer charge. And, while CAUSE-PA asserts that the Company's projected cost savings of $1 million due to this change do not account for the resulting increase in collections costs and uncollectible expenses

(CAUSE-PA Comments, p. 29), CAUSE-PA presents no data or competing analysis to support its claims that the Company's proposed change will fail to produce significant cost savings.

CAUSE-PA also does not weigh the increased minimum payments against the significant benefits customers are receiving in the proposed Plan. Moving the program period to 12 months from 18, providing full PPA forgiveness after 12 months, eliminating the $5 PPA co-payment charge, and eliminating the CAP Plus charge are all significant customer benefits. When the new customer benefits are balanced against the increased minimum payment the proposal is not as burdensome as CAUSE-PA makes it out to be. Thus, the Company maintains that its proposed increases for the minimum payment amounts be approved.

11. Security Deposits

The OCA recommends that the Company clarify its policy on security deposits and that if security deposit refunds are applied to any arrears, the Commission should direct PPL Electric to provide customers with an affirmative choice of whether to receive a refund of the security deposit or to apply the amount to the customer's pre-OnTrack activation balance that would otherwise be subject to forgiveness with monthly OnTrack payments. (OCA Comments, p. 18.) Relatedly, CAUSE-PA requests that the Commission direct PPL Electric to automatically release and refund security deposits to low-income customers or, at a minimum, provide the customer with the choice on how to apply the amount to their bill. (CAUSE-PA Comments, pp. 33-34.)

PPL Electric agrees with OCA's and CAUSE-PA's recommendations. The Company will update its process going forward and give the customer the option to have their deposit refunded or applied directly to their account balance.

12. Voluntary Removal from OnTrack

CAUSE-PA does not support the Company's proposal to impose a stay-out on OTBB participants. (CAUSE-PA Comments, p. 35.) Accordingly, CAUSE-PA recommends that any

prior OnTrack customer be able to reinstate their OnTrack at any time during their program period, so long as they pay the OnTrack catch-up amount. (CAUSE-PA Comments, pp. 35-36.)

The Company is not opposed to a customer being reinstated in OnTrack after paying the catch-up amount. What the Plan proposal is trying to avoid is having a customer exceed his maximum credit limit, voluntarily remove himself from OnTrack, and then reapply to get a new OnTrack agreement with a new maximum credit limit. If this were to be allowed, it would effectively eliminate the maximum credit limit. As discussed earlier the maximum credit limits are an important part of the program design to help control overall program costs.

13. OnTrack Final Billing

OCA argues that PPL Electric's issuance of a full tariff rate bill at the time of the customer's final bill is inconsistent with the definition of "customer" set forth in Chapter 14 of the Public Utility Code. (OCA Comments, p. 28.) The OCA contends that an OnTrack customer whose service is terminated remains an OnTrack customer until 30 days after their final bill is past due. (OCA Comments, p. 28.) According to the OCA, the customer and the household should be verified as continuing to be eligible for OnTrack at the time of the issuance of the final bill. (OCA Comments, p. 28.) Therefore, the OCA asks that the Commission direct PPL Electric to provide the OnTrack discount and arrearage forgiveness due to a CAP participant through the issuance of a final bill, unless charging the tariff rate would result in a lower more favorable bill to the household. (OCA Comments, p. 28.)

Similarly, CAUSE-PA opposes PPL Electric's method for calculating its OnTrack final billing amount. (CAUSE-PA Comments, pp. 36-39.) According to CAUSE-PA, if an OnTrack customer voluntarily requests to discontinue service or is subject to an involuntary termination and is later final billed for the partial billing period, PPL Electric should be directed to charge the OnTrack rate for the days the customer was enrolled in OnTrack or the actual billed amount –

whichever is more advantageous for the consumer. (CAUSE-PA Comments, p. 38.) In calculating the final bill, CAUSE-PA recommends that PPL Electric follow four steps: (1) determine the prorated PIP or ASP rate for the final billing month; (2) determine the bill based on actual usage for the final billing month; (3) for minimum bill customers, determine the prorated daily minimum bill rate for the final billing month; and (4) charge the lesser of the actual bill, the daily prorated OnTrack bill, or (if applicable) the daily prorated minimum bill for the number of days service was connected during the final billing cycle. (CAUSE-PA Comments, pp. 38-39.)

In response to these Comments, PPL Electric will amend its current process for final billing for OnTrack customers. For the final bill, the Company will either charge the established OnTrack installment or the actual tariff rate, whichever is more advantageous to the customer. Moreover, if a customer establishes service at a new account within 30 days of the prior account's finalization, PPL Electric will transfer the OnTrack agreement to the new account.

14. Late Payment Charges

OCA avers that OnTrack participants should not be assessed late payment charges on their final bills. (OCA Comments, p. 28.)

As stated in the USECP, PPL Electric will not assess OnTrack participants late payment charges. This policy would apply to late payment of OnTrack customers' final bills, which, as explained in the prior section, are going to either charge the established OnTrack installment or the actual tariff rate, whichever is more advantageous to the customer.

15. Recertification

The OCA recommends that PPL Electric extend its recertification period from the proposed 12-month period to 24 months for all customers other than those reporting no income. (OCA Comments, p. 21.) By contrast, CAUSE-PA recommends the following recertification timeframes: (1) 24 months for customers who do not receive LIHEAP nor have a fixed income

source; (2) 36 months for customers who receive LIHEAP and/or are on a fixed income; and (3) and 6 months for those on OnTrack Lifestyle. (CAUSE-PA Comments, p. 40.) In addition, CAUSE-PA asserts that only customers who truly have zero income should be required to recertify every 6 months. (CAUSE-PA Comments, p. 40.) Further, CAUSE-PA states that customers who have provided letters of financial support, or other documentation that shows they do have some form of earned or unearned income, should be moved to the standard recertification timeframes. (CAUSE-PA Comments, p. 40.)

PPL Electric disagrees with the parties' recommendations and maintains that the Commission should approve the Company's 12-month recertification timeframe for OnTrack customers (with the exception of customers enrolled in OnTrack Lifestyle). The Company's proposed 12-month recertification period aligns with the timeframes used in other programs. For example, customers reapply for LIHEAP annually. PPL Electric believes that such consistency across programs will simplify the process for customers, make it easier for customers to keep track of deadlines, and improve the Company's recertification numbers. Moreover, a customer is likely to be more successful on a 12-month program. As for CAUSE-PA's comments about the poor number of recertifications (CAUSE-PA Comments, p. 39), that data was for 2018 and 2019. Since that time, PPL Electric has implemented processes to call customers and remind them to re-apply. The Company expects that those processes, along with the simplification of the recertification period, will improve the Company's recertification numbers. Therefore, PPL Electric maintains that its proposed 12-month recertification period should be approved.

Furthermore, PPL Electric disagrees with CAUSE-PA's recommendation that only customers who truly have zero income should be required to recertify every 6 months. OnTrack

Lifestyle customers who have income but do not meet at least shelter expense should be kept on the 6-month recertification timeline to confirm how they are meeting the basic need of shelter.

In addition, the OCA recommends that PPL Electric develop strategies to address the reasons and barriers to recertification. (OCA Comments, p. 22.) Specifically, the OCA wants the Company to: (1) discuss with its Universal Service Working Group how to prevent removal due to failure to recertify; (2) undertake a study of what happens to people who are removed due to a failure to recertify; and (3) examine what happens with respect to payments, disconnections, and arrearages, including what kind of pre-program arrears that were not yet forgiven remain. (OCA Comments, p. 22.)

PPL Electric agrees to discuss with its Universal Service Working Group how to prevent removal due to failure to recertify. The Company is willing to evaluate the reasons why customers fail to recertify and examine what happens with respect to payments, disconnections, and arrearages.

16. OnTrack Lifestyle

CAUSE-PA opposes PPL Electric's lack of acceptance of an attestation to recertify in OnTrack Lifestyle ("OTLS") beyond 12 months. (CAUSE-PA Comments, p. 42.) CAUSE-PA claims that the OnTrack Lifestyle program is flawed and unnecessary and recommends that the Company remove the program from its USECP. (CAUSE-PA Comments, p. 42.) If that recommendation is adopted, CAUSE-PA contends that the added administration and implementation costs for OnTrack Lifestyle are unnecessary. (CAUSE-PA Comments, p. 43.) However, if the Commission allows for the program to continue, CAUSE-PA believes that PPL Electric should, at a minimum, continue to allow OnTrack Lifestyle customers to provide updated

information and recertify through submission of a self-certification that their financial situation has not changed. (CAUSE-PA Comments, pp. 42-43.)

As noted previously, PPL Electric has concerns about OnTrack Lifestyle customers who have income but do not meet at least shelter expense. Therefore, the Company maintains that those customers should be required to provide documentation on how they can meet the basic need of shelter without sufficient income to cover that foundational expense. To the extent that CAUSE-PA has concerns about customers remembering to recertify, the Company has changed its processes such that calls are made to customers to remind them of the upcoming deadline to recertify.

CAUSE-PA's comments fail to appreciate the important function that OTLS serves in the OnTrack program. There can be little debate that anyone can truly be zero income or have income less than their shelter expenses for any extended period of time. Zero income customers get the largest benefits in OnTrack, and it is imperative that the Company confirms that these customers truly qualify. PPL Electric is not trying to remove these customers from OnTrack, but rather wants to verify that they are receiving the appropriate level of benefits. Otherwise, the costs of the program will needlessly rise impacting all other customers.

17. Fraud Investigations

CAUSE-PA recommends that the Commission reject PPL Electric's proposed fraud investigation procedure, contending that there is a lack of documented need for the program and a lack of clarity regarding how adverse actions will be taken against any low-income customer accused of fraud. (CAUSE-PA Comments, p. 44.) Before approving a fraud procedure, CAUSE-PA claims that the Commission should require PPL Electric to produce actual evidence supporting the need for such a program, project and justify the estimated administrative cost of its proposed

program, and allow the Commission and stakeholders to review the Company's proposed communications with an accused customer, including notice that they have been flagged for a potential fraud investigation, notice of findings, notice of how to appeal before an adverse action is taken, and notice regarding remedies after the fact. (CAUSE-PA Comments, p. 44.)

Currently, PPL Electric has no recourse for customers providing the Company with false information as part of their OnTrack applications. There have been several instances where customers unfortunately have done that, and the Company has been unable to take action against them. For example, in 2019, a customer claimed he was unemployed and had zero income as part of his OnTrack application. Later that day, the same customer called into PPL Electric's customer service department and said that his bills were too high because he was away at work all day. Such fraud harms the Company and its ratepayers, including the other participants in OnTrack.

As for CAUSE-PA's concerns about communications with customers, notice of findings, etc., the Company's USECP states that PPL Electric will follow its normal practices for investigation of fraud, theft of service, and other misappropriations of service. To the extent that a customer disagrees with the Company's findings and believes that the Company inappropriately took adverse action against them, the customer can avail themselves of the Commission's informal or formal complaint procedures.

18. Outreach and Education

OCA asks that PPL Electric be directed to provide a timeline for development of its CEOP, including a detailed plan addressing how it intends to expand its CAP outreach to increase the CAP participation rate for customers with annual income less than 50% of FPL. (OCA Comments, p. 26.) Also, the OCA believes that the plan should include not only a discussion of the activities that the Company intends to take, but also include quantitative outcomes by which the success (or lack thereof) can be measured. (OCA Comments, p. 26.)

Relatedly, CAUSE-PA recommends that the Commission direct PPL Electric to continue working with parties and stakeholders through its USAC to develop a fully articulated CEOP that provides further details and clearly articulates PPL Electric's plan to both identify target communities and perform robust outreach and education across communities it serves. (CAUSE-PA Comments, p. 45.) CAUSE-PA asserts that these discussions should specifically include development of a refined language access plan, which advances the accessibility of universal service programs to consumers with limited English proficiency. (CAUSE-PA Comments, p. 45.)

In response to OCA's and CAUSE-PA's Comments, PPL Electric has updated its CEOP, a copy of which is attached as **Appendix A**. The Company would be willing to meet with the OCA and CAUSE-PA to review and consider additional updates to the CEOP. However, as it is ultimately the Company's responsibility to administer and implement the USECP, PPL Electric must retain discretion on how it conducts customer outreach and education for the programs. Stakeholders can provide feedback over the course of the 2023-2027 USECP at stakeholder meetings, and the overall success of the CEOP can be evaluated as part of the Company's next USECP proceeding.

B. WRAP

1. Budget and Needs Assessment

The OCA recommends that the Commission require PPL Electric to determine a budget appropriate to meet the needs in its service territory using the existing factors found at 52 Pa. Code § 58.4(c) and that the budget be set as an initial budget that should be revisited by PPL Electric throughout the duration of its plan to account for increased needs and increased costs. (OCA Comments, p. 30.) The OCA believes there should be a process developed for PPL Electric (and all gas and electric utilities) to provide information at least every two years demonstrating that its LIURP budget is sufficient and that it accounts for changes that occur (including intervening rate

increases). (OCA Comments, p. 30.) The OCA also wants stakeholders to be able to comment upon and propose adjustments to the LIURP budget during these interim filings that occur between USECP filings, reasoning that waiting until 2028 or the interim between base rate proceedings is too long. (OCA Comments, p. 30.)

CEO and PA Weatherization Providers recommend that the annual LIURP budget be increased to $14 million from $10 million that any unspent funds be carried over to the next year's budget. (CEO Comments, p. 3; PA Weatherization Providers Comments, p. 3.)

Also, CAUSE-PA apparently recommends that the annual LIURP budget be increased from $10 million to $23.67 million. (CAUSE-PA Comments, p. 66.) CAUSE-PA argues that it would take the Company at least 27 years to reach the $236,735,254 needed to serve the 85,825 customers who were identified that may benefit from WRAP services based on PPL Electric's needs assessment. (CAUSE-PA Comments, p. 66.) Therefore, CAUSE-PA requests that PPL Electric's budget should be established to serve all eligible households within the next 10 years. (CAUSE-PA Comments, p. 66.)

Additionally, PA CLEEC argues that the LIURP funding levels are inadequate, as it represents a flat funding level through 2027 and does not properly account for the impact of inflation. (PA CLEEC Comments, p. 11.) Rather than proposing a specific increase to the annual LIURP budget, PA CLEEC requests that the Commission open a rate investigation and modify the Company's USR so that it is "trued up to make PPL Electric whole for expenditures above $10 million per year as easily as it is trued up currently." (PA CLEEC Comments, p. 11.)

In response to these Comments, PPL Electric proposes to increase its annual LIURP budget to $12 million. This 20% increase in annual funding is a reasonable and appropriate step that will not unduly impact customers' rates. Moreover, based on updated data, PPL Electric projects that

a $12 million annual LIURP budget will allow it to address the impact of inflation and the proposed addition of the new ductless heat pump measure.

By contrast, CAUSE-PA's proposal would nearly double the annual LIURP budget, increasing it from $12 million (under PPL Electric's amended proposal) to $23.67 million (under CAUSE-PA's proposal). In fact, when compared to the as-filed USECP, PPL Electric's amended proposal would only increase overall USECP spending by $10 million, while CAUSE-PA's proposal would increase overall USECP spending by a total of $68.37 million. CAUSE-PA's proposal to substantially increase LIURP budget is not reasonable or prudent, as it would have a significant impact on the USECP's overall budget and customers' rates[2]. Furthermore, LIURP's annual budget must reflect what can reasonably be accomplished in a given year. The needs assessment does not capture what is feasible to be accomplished in one year. There are several constraints to spending a WRAP budget that are not addressed by CAUSE-PA including customer interest, landlord cooperation, and contractor availability. The Commission should not establish an unrealistic budget for LIURP that ultimately results in substantial refunds for overcollections.

Likewise, the Company opposes a recurring two-year review of the LIURP budget. As a practical matter, it does not align with the five-year length of the USECP. Furthermore, fluctuations in LIURP spending occur from year to year due to a whole host of factors, including customer participation interest, landlord cooperation, and supply chain constraints. Also, PPL Electric believes that if such a recommendation is adopted, it should be statewide through a Commission regulation, especially in light of OCA's comment that this process should be developed for all gas and electric utilities.

[2] PPL Electric estimates that CAUSE-PA's LIURP budget proposal will cause the Universal Service Rider to increase by approximately 15%.

Lastly, PA CLEEC's proposal for the Commission to open a rate investigation and modify the USR should be rejected. The over- and under-recovery of LIURP-related costs should be treated no differently than any other costs recovered or refunded through the USR. Moreover, PPL Electric's tariff provides that "[u]pon determination that a USR charge, if left unchanged, would result in a material over or under-collection of all USR costs incurred or expected to be incurred during the current 12-month period, the Company may file with the Commission for an interim revision of the USR charge to become effective thirty (30) days from the date of filing, unless otherwise ordered by the Commission."[3] Therefore, the Company's tariff already accounts for situations where actual experience may result in a material under-collection of all USR costs, such as LIURP measures costing substantially more than expected due to inflation or other factors. Further, the USR, including the level of charges produced by the USR charge and the costs included therein, always remain subject to Commission review and audit.[4] Thus, there is no reason to adopt PA CLEEC's proposal for a rate investigation and a modification to the USR.

For these reasons, PPL Electric believes that the reasonable and appropriate step would be to increase the annual budget to $12 million and then further evaluate it in the Company's next base rate case and in the next USECP proceeding.

2. Post-Installation Inspections

CAUSE-PA recommends that the Commission direct PPL Electric to provide further clarification on the methodology used to select post installation inspections. (CAUSE-PA Comments, p. 49.) CAUSE-PA also recommends that the Company issue a follow-up letter to all LIURP participants at 6 and 12-months post-installation to inform them of their total savings from

[3] Universal Service Rider, PPL Electric Tariff, Supp. No. 342, Electric Pa. P.U.C. No. 201, Twenty-First Revised Page No. 18.
[4] *See id.*

the WRAP services provided and additional education and information about other available conservation measures. (CAUSE-PA Comments, p. 49.) While only a portion of LIURP jobs may be subject to inspection, CAUSE-PA believes that all LIURP participants should be re-engaged following the provision of services to reinforce conservation behaviors and drive longer-term savings potential. (CAUSE-PA Comments, p. 49.)

To clarify, all WRAP Full Cost ("FC") and Low Cost ("LC") jobs are offered a post installation inspection either in-field or by phone. Generally speaking, FC and LC customers receiving minimal measures, such as aerators or thermostats and baseload measures only, are offered phone inspection. All other FC and LC jobs will be assigned for a field inspection. In addition, PPL Electric agrees to CAUSE-PA's recommendation to send a follow-up letter to customers not receiving a post-installation inspection after the six-month final measure installation date and to continue sending 12-month post-installation usage change letters.

3. Coordination of WRAP with Other Weatherization Programs

CAUSE-PA recommends that PPL Electric waive its high usage requirements when coordinating WRAP services with other weatherization programs. (CAUSE-PA Comments, p. 50.) Also, CAUSE-PA suggests that the Company be required to further define and explain how it intends to coordinate LIURP services with WAP and other efficiency programs within its USECP. (CAUSE-PA Comments, p. 50.) CAUSE-PA further recommends that PPL Electric reinstitute contractual relationships with local, community-based weatherization providers to ensure services are well coordinated between WRAP and WAP or other local weatherization programs. (CAUSE-PA Comments, pp. 50-51.)

Relatedly, in its "Follow-Up Comments," PA CLEEC argued that coordination of WRAP and other weatherization programs would be "enhanced" if the same contractors were used for both LIURP and other weatherization programs." (PA CLEEC Follow-Up Comments, p. 5.)

PPL Electric believes that WRAP and other weatherization programs can be effectively coordinated even if different contractors are used for LIURP and other weatherization programs. Indeed, PPL Electric has successfully coordinated WRAP measures across different programs and contractors under its USECP and EE&C Plans. The Company recognizes the benefits and efficiencies gained from coordination and, therefore, would support efforts to further enhance coordination between entities. Notwithstanding, ease of coordination should not be the sole factor in determining which contractors should be selected under PPL Electric's RFP process for selecting WRAP contractors.[5] Moreover, coordination of LIURP and other weatherization programs should not be the sole responsibility of PPL Electric. This should be a focus industry-wide, with all interested parties working collectively to improve such coordination.

As for CAUSE-PA's recommendation that the Company waive its high usage requirements when coordinating WRAP services with other weatherization programs, the Company confirms that this is consistent with its current practice and that it has no plans to change it going forward.

4. Contractor Qualifications

CAUSE-PA recommends that PPL Electric be required to ensure that its WRAP certification requirements are consistent with the certification requirements for WAP providers. (CAUSE-PA Comments, p. 51.) CAUSE-PA questions whether the Company's requirement for WRAP contractors to meet Building Performance Institute ("BPI") certification requirements comports with the training and certification requirements for WAP contractors. (CAUSE-PA Comments, p. 51.)

[5] For a further discussion on the contractor selection process and use of CBOs, see Section II.B.5, *infra*.

To clarify, PPL Electric will require WRAP contractors to meet BPI certification requirements or PA weatherization certification equivalent, consistent with the Company's last USECP.

5. Contractor Requirements

PA CLEEC states that it "strongly opposes any attempt to use vendors supplying services in support of the Plan to determine WRAP eligibility, customer income levels, fraud, etc." (PA CLEEC Comments, p. 4.) According to PA CLEEC, "its members are first and foremost contractors dedicated to providing the specialized field work for public utility Universal Service Energy and Conservation Plans that benefit low-income customers and are not equipped to verify program eligibility, income levels or if any fraud is being committed in the implementation of the WRAP program. (PA CLEEC Comments, p. 4.)

To clarify, PPL Electric does not intend for LIURP contractors to perform income verification when there is suspected fraud or inaccurate information. However, as the in-field representative for the Company's program, PPL Electric does expect that contractors will protect the integrity of the program and ensure that eligible customers are receiving services by confirming the information provided by the customer and reporting any discrepancies to PPL Electric.

6. Contractor Selection Process and Use of Community-Based Organizations

CAUSE-PA alleges that PPL Electric proposes to modify how it selects contracts with weatherization agencies and local private contractors and that the Company reports on reducing its WRAP contractors from 24 to seven, only one of which is a CBO. (CAUSE-PA Comments, p. 57.) CAUSE-PA believes that the Company's reliance on fewer contractors will negatively affect PPL Electric's WRAP services in various ways. (CAUSE-PA Comments, pp. 58-60.) As such, CAUSE-PA recommends that PPL Electric amend its contractor selection process to prioritize the

use of CBOs in the delivery of WRAP services. (CAUSE-PA Comments, p. 60.) At a minimum, CAUSE-PA wants PPL Electric to closely monitor service deliver across its service territory to ensure the proportional distribution of WRAP services across the counties it serves. (CAUSE-PA Comments, p. 60.)

Similarly, CEO and PA Weatherization Providers both request that the Company use the same CBOs that it has traditionally used in the past for LIURP. (CEO Comments, p. 4; PA Weatherization Providers, pp. 3-6.) PA CLEEC goes even further and requests that the Commission require PPL Electric to adopt modifications to its RFP process for awarding WRAP contracts. (PA CLEEC Comments, pp. 9-10.) As part of those proposed modifications, PA CLEEC wants the Commission to require certain steps in the RFP process, allow a dissatisfied bidder to refer the matter to the Commission's mediation unit, and impose specific requirements on how bids should be evaluated by PPL Electric. (PA CLEEC Comments, pp. 9-10.)

First, the other parties' criticisms of the Company's contractor selection process and use of CBOs should be rejected. There is no mandate that PPL Electric use CBOs to implement its USECP. Section 2804(9) of the Public Utility Code only states that the Commission "shall encourage the use of community-based organizations that have the necessary technical and administrative experience to be the direct providers of services or programs which reduce energy consumption or otherwise assist low-income customers to afford electric service." 66 Pa. C.S. § 2804(9)(emphasis added). And, beyond CBOs needing to possess the "necessary technical and administrative experience," the Commission has duty to oversee whether the "programs are operated in a cost-effective manner." *Id.* Thus, if CBOs are underperforming and failing to meet their duties in a cost-effective manner, it is entirely reasonable for PPL Electric to select non-CBOs to perform the LIURP jobs.

That is precisely what happened here in PPL Electric's service territory. It should be noted that PPL Electric rejected bids from non-CBOs in its RFP process. The Company was never looking to simply reduce the number of CBOs. Instead, the Company awarded contracts to those who were able to achieve its goals effectively and efficiently. Specifically, PPL Electric found one or more of the following deficiencies in the rejected contractor bids:

- Contractors with limited service territory who were unable or unwilling to go beyond county lines. In the Company's expansive service territory covering 29 counties, this makes administration of LIURP under the USECP very difficult. It is quicker and more cost-effective to hire contractors who are able to work across county lines and reach more customers.
- Contractors who proposed being able to complete a low volume of jobs as compared to other bids.
- Contractors who previously underperformed on job targets or did not meet budget targets.
- Contractors who needed constant reminders from PPL Electric staff to perform WRAP work.
- Contractors who did not prioritize WRAP work over other weatherization work. This caused the Company to have to shift work quickly to other contractors at the end of the year.
- Reliance on sub-contractors and failure to have in-house WRAP expertise.
- Uncompetitive pricing that increased program costs.

Second, PPL Electric has not modified how it reviews, evaluates, and awards bids for WRAP contracts, as alleged by CAUSE-PA. The Company has employed the same RFP process

since 2016. The only difference is the outcome of that process, under which PPL Electric determined that it was in the best interest of the Company and its ratepayers to select the contractors that it did. Although some CBOs were not awarded bids during the last RFP, that does not mean that PPL Electric modified its RFP process.

Third, PA CLEEC's recommendations to amend PPL Electric's RFP process should be rejected because they are unprecedented in the USECP context and unnecessary. PPL Electric already employs a reasonable and adequate RFP process to review, evaluate, and award bids for WRAP contracts. That process is confidential, so that bidders have confidence that their bids will not result in undue competitive harm to them.

Moreover, nothing in Chapter 14 of the Public Utility Code or the Commission's regulations: (1) sets forth specifications on the use of an RFP process for selecting WRAP contractors; or (2) directs the Commission to review and evaluate the WRAP contractor contracts before they are executed. This differs from, for example, the Company's Energy Efficiency and Conservation Plan ("EE&C Plan"), where Act 129 of 2008 ("Act 129") specifies that the Commission shall implement: (1) "[p]rocedures to require that electric distribution companies competitively bid all contracts with conservation service providers"; and (2) "[p]rocedures to review all proposed contracts prior to the execution of the contract with conservation service providers to implement the plan." 66 Pa. C.S. § 2806.1(a)(7)-(8). Pursuant to that express statutory authority, the Commission reviews and approves the major EDCs' bid evaluation criteria before they are utilized by the EDCs in selecting Conservation Service Providers.[6] However, even then, the EDCs' evaluations of the bids are confidential and only viewable by the Commission.

[6] *Energy Efficiency and Conservation Program*, Docket No. M-2020-3015228, pp. 112-14 (Order entered June 18, 2020) ("*Phase IV Implementation Order*").

Additionally, PPL Electric should not be subject to different RFP bidding requirements for its USECP than the other EDCs. To the extent that the Commission wishes to impose these RFP bidding requirements, it should only do so through a statewide proceeding where all interested parties can participate. Imposing different regulatory requirements on PPL Electric through its individual USECP proceeding, especially ones that would directly and unduly affect the Company's authority to administer its USECP, is neither reasonable nor prudent. As the entity actually administering and implementing the USECP, it should be left to the Company's discretion on how it should conduct its RFPs to review, evaluate, and award bids.

Finally, PPL Electric observes that its next RFP for the USECP programs will be issued in 2024. All interested bidders are encouraged to submit bids. To the extent that bidders have resolved any issues that could have negatively affected their bids previously, such as failing to meet their requirements or experiencing staffing shortages, PPL Electric encourages those bidders to make those facts known in their bids so that the Company can weigh those developments in its review and evaluation of the bids.

7. Customer Consent Form

CAUSE-PA has concerns with the proposed USECP requiring customers to: (1) consent before the start of any WRAP work; and (2) agree to participate in the energy audit and education sessions. (CAUSE-PA Comments, p. 52.) According to CAUSE-PA, certain provisions in the Company's consent form are unduly harsh, resulting in inequitable services to low-income renters. (CAUSE-PA Comments, p. 52.) Specifically, CAUSE-PA believes that the damages waiver in the consent form is very broad and may deter homeowners and renters from participating in the program. (CAUSE-PA Comments, pp. 52-53.) CAUSE-PA also takes issue with the "incomplete statements" language in the form, as the Company could apparently penalize a customer for making an incomplete statement in the form without inquiring as to the customer's intent.

(CAUSE-PA Comments, p. 53.) Further, CAUSE-PA argues that the Company's application and consent form is not adequate for obtaining written consent from landlords. (CAUSE-PA Comments, p. 53.) CAUSE-PA avers that the Commission's regulations require the landlord to agree that rents will not be raised and that the tenant will not be evicted for at least 12 months after the installation of the program measures, as long as the tenant complies with ongoing obligations and responsibilities owed the landlord. (CAUSE-PA Comments, pp. 53-54.) CAUSE-PA also wants renters to be provided with a final copy of the signed landlord consent form. (CAUSE-PA Comments, p. 54.)

First, the Company's damages waiver is a standard boilerplate waiver provision. Importantly, it specifies that the customer is not releasing the WRAP contractor from any liability for its work. Given that the contractor is the one installing the actual WRAP measures, this is a reasonable approach to handling any potential future claims that may be brought by a customer in relation to the work performed. To the extent that the Company finds that the damages waiver provision has an adverse impact on customers' willingness to participate, PPL Electric may reevaluate the language in the future.

Second, PPL Electric's intent with the "incomplete statements" language was to address situations in which a customer knowingly omits critical information that would have affected their ability to qualify for WRAP services. To address CAUSE-PA's concerns, PPL Electric would be willing to amend the language to say that customers may "be penalized for making false statements or knowingly making incomplete statements."

Third, if required by the Commission, PPL Electric will update the consent form for landlords, so that it includes an agreement that: (1) rents will not be raised unless the increase is related to matters other than the installation of the usage reduction measures; and (2) the tenant

will not be evicted for a stated period of time at least 12 months after the installation of the program measures, if the tenant complies with ongoing obligations and responsibilities owed the landlord. *See* 52 Pa. Code § 58.8(a). However, the Company believes that this requirement has a chilling effect on landlords' consent and has resulted in WRAP work not moving forward.

Fourth, PPL Electric would be willing to provide renters with a copy of the signed landlord consent form upon request from the tenants.

8. Eligibility for WRAP

CAUSE-PA does not oppose PPL Electric's proposal to increase the timeframe for allowing eligible customers to receive WRAP services from within the last three years to within the last five years. (CAUSE-PA Comments, pp. 54-55.) However, CAUSE-PA recommends that the Commission direct the Company to continue monitoring the effect of the increased eligibility timeframe on low-income customers to determine if there is a need to revert to the three-year timeframe. (CAUSE-PA Comments, p. 55.)

In response, PPL Electric will continue monitoring the effect of the increased eligibility timeframe on low-income customers.

9. Automated WRAP Application for OnTrack

CAUSE-PA questions whether 18,000 kWh is the appropriate threshold for automated WRAP enrollment, believing there is insufficient information to assess that threshold's reasonableness. (CAUSE-PA Comments, p. 56.) CAUSE-PA recommends that the Commission, at minimum, require PPL Electric to monitor collections and termination rates among OnTrack customers with annual usage greater than 6,000 kWh but less than 18,000 kWh to determine if there is a need to lower the usage threshold for the Company's automated WRAP application process. (CAUSE-PA Comments, p. 56.)

In response, PPL Electric will monitor collections and termination rates among OnTrack customers with annual usage greater than 6,000 kWh but less than 18,000 kWh.

10. New WRAP Measures

CAUSE-PA supports the Company's proposal to add the Ductless Heat Pump and mini-splits as standard WRAP measures. (CAUSE-PA Comments, p. 60.) However, CAUSE-PA maintains that the approval of such measures requires an increased in the overall LIURP budget to accommodate them, as they are more costly measures. (CAUSE-PA Comments, pp. 60-61.)

PPL Electric agrees with CAUSE-PA, and that funding increase is reflected in the Company's proposal to increase the annual LIURP budget from $10 million to $12 million. Specifically, PPL Electric estimates 30 installations per year at an average cost of $11,000 per job (*i.e.*, $330,000). Therefore, the $2 million increase in the annual LIURP budget will more than accommodate the addition of these measures.

11. Health and Safety Measures

CEO recommends that the $650 cap on health and safety measures not requiring pre-approval be increased to $1,500 per participant household for owners and $750 per participant household for renters. (CEO Comments, pp. 5-6.)

PPL Electric supports increasing the cap on health and safety measures. However, the Company disagrees with having two distinct caps for owners versus renters. PPL Electric does not want to discriminate or disadvantage renters over owners. Moreover, PPL Electric would have to incur additional IT programming costs, so that its Low-Income Energy Assistance Program ("LEAP") system would draw the distinction between renter and homeowner for participating customers. As such, the Company proposes to increase the cap on health and safety measures not requiring pre-approval from $650 to $1,000, while allowing contractors to seek exceptions from

the Company when warranted based on the customer's specific circumstances and subject to the contractors providing documentation to support the exceptions.

12. Municipal Requirements

CAUSE-PA recommends that the Commission require PPL Electric to provide a copy of its contract terms with WRAP contractors to ensure that the provisions regarding the contractor's completion and invoicing for permits required by municipalities for the installation of WRAP measures are satisfactory. (CAUSE-PA Comments, p. 61.)

In response, PPL Electric attaches its form Professional Services Agreement ("Agreement") which is executed by all of its WRAP contractors as Appendix B. The Agreement, Exhibit A – Statement of Work, requires the contractor to comply with all codes and municipal requirements.

C. OPERATION HELP

1. Hardship Fund

The OCA does not agree with the notion that a hardship fund grant should be required to reduce a balance to $0 before the grant is granted or accepted. (OCA Comments, p. 19.) For example, the OCA believes that a customer should be able combine a hardship fund grant with a LIHEAP crisis grant in order to restore service or prevent termination or they should be able to combine a hardship fund grant with a payment agreement. (OCA Comments, p. 19.) LIHEAP crisis grant rules require only that the Company restore service or halt termination based upon the amount of the grant and not based upon the grant resolving the entire balance. (OCA Comments, p. 19.) As a result, the OCA believes that the same policy should apply to a hardship fund grant, and PPL Electric's hardship fund grant policy should allow for flexibility and to provide the

opportunity for service to be restored or to prevent termination even if the full balance will not be resolved by the grant. (OCA Comments, p. 19.)

To clarify, the Company does not require the grant to reduce the balance to zero before the grant is granted or accepted. The combination of the grant and customer payment simply needs to be able to catch up on the payment agreement. For example, if the customer has a balance of $2,000 but needs $900 to catch up on their payment agreement, the combination of grant and customer payment needs to cover the $900. Therefore, PPL Electric does not require a reduction of the balance to $0, as alleged by the OCA.

2. Use of Grants for the Company's Electric Service Bills Only

CAUSE-PA opposes the Company's proposal to limit the use of Operation HELP grants to PPL Electric's electric service bills only. (CAUSE-PA Comments, pp. 67-68.) CAUSE-PA argues that PPL Electric's current policy is popular and sound public policy. (CAUSE-PA Comments, p. 68.) CAUSE-PA claims that the current policy helps to reduce dangerous de facto heating, improving the health and safety of the consumer, their family, and the community. (CAUSE-PA Comments, p. 69.)

In addition to the reasons supporting this change set forth in its Supplemental Information, the Company observes that the Operation HELP program is funded by PPL Electric customers and employees. PPL Electric believes that amending the current policy will bolster its fundraising efforts within the Company. Further, PPL Electric is the only utility that allows its grants to be used for other bills. By approving the Company's proposal, the Commission will be creating consistency across the Commonwealth in how these grant funds are used by customers.

3. Eligibility Threshold

CAUSE-PA supports raising the eligibility threshold for Operation HELP grants to 250% FPL, but, if approved, recommends additional measures. (CAUSE-PA Comments, pp. 69-70.)

Specifically, CAUSE-PA wants PPL Electric to: (1) increase outreach to the households at the lower ends of the poverty guidelines to encourage them to enroll in available assistance programs and apply for available grant assistance; (2) work with parties and stakeholders through its USAC to develop internal policies and procedures to provide information to low income customers about the availability of assistance through Operation HELP; (3) develop processes to screen low income customers who are having trouble paying their bills, or who have past due arrears, for Operation HELP and OnTrack, which ensure that low income customers are informed about, and assisted to apply for all low income assistance programs, including Operation HELP; (4) ensure that information and/or outreach materials provided to customers about Operation HELP and PPL's other low income programs should be made available in, at minimum, English and Spanish; (5) work with stakeholders through its USAC to develop a plan for fundraising for Operation HELP, which includes, but is not be limited to, an option for customers who make automated, online payments to "add a buck" to their bills or "round up" their bills in order to contribute to Operation Help; and (6) be required to evaluate the need to increase funding for Operation HELP in the context of its next base rate proceeding to ensure that adequate funds are available to meet the need for hardship grant assistance. (CAUSE-PA Comments, pp. 69-70.)

PPL Electric asks that the Commission reject CAUSE-PA's suggested additional measures with respect to increasing the eligibility limits for Operation HELP, as the Company believes they are unnecessary. Each specific point raised by CAUSE-PA is addressed below.

PPL Electric's proposed CEOP includes additional outreach for customers at the lower end of the poverty guidelines. However, the Company is willing to continue to have discussions in stakeholder meetings to discuss changes to these outreach efforts. PPL Electric already has one application for OnTrack and Operation HELP, and customers are being screened for applicable

assistance programs based on eligibility. The CEOP details that the universal service website, paper application and brochures are available in English and Spanish. PPL Electric is always willing to discuss ways to improve fundraising, however it should be noted that donations have significantly increased due to the Company's fundraising efforts. PPL Electric was able to raise over $130,000 for the Operation HELP fund in its recent campaign. Finally, the Company continues to evaluate funding for Operation HELP. The program has been successful being funded by voluntary donations and PPL Electric plans on continuing this model in the future. The Company requests that the Commission approve its proposal for Operation HELP without condition.

D. CARES

The other parties did not have any Comments on PPL Electric's CARES program. Accordingly, the Company requests that the CARES program be approved without modification.

III. PPL ELECTRIC'S PROPOSED MODIFICATIONS AND CLARIFICATIONS TO THE USECP IN RESPONSE TO OTHER PARTIES' COMMENTS

In summary, PPL Electric has agreed to make the following modifications and clarifications to its proposed USECP in response to the other parties' Comments:

A. OnTrack

1. The Company will track the total dollar amount unused LIHEAP grants returned to the DHS each year and provide the information as a part of the Company's next USECP. In particular, the following data will be tracked and provided: (1) the number of annual CAP accounts that have had or may have unused LIHEAP funds returned to DHS; and (2) the total and average annual amount of those funds. The Company will provide actual data for 2023-2027, broken down by income tier (i.e., 0%-50%, 51%-100%, and 101%-150%).

2. PPL Electric is willing to eliminate the CAP Plus charge, in response to OCA's and CAUSE-PA's concerns.
3. PPL Electric is willing to include language in its USECP clarifying that PPL Electric provides PPA forgiveness for each in-full payment, including when the customer pays to catch-up on missed payments.
4. PPL Electric is willing to add clarifications to its USECP about the Company's transition plan for existing customers under the new 12-month PPA forgiveness timeframe.
5. PPL Electric will update the process for a customer who has mailed a zero-income form. This updated process will include a phone call to the customer who is claiming zero income on the application. In addition, PPL Electric will add a 15-day hold from collections to allow time for the customer to return the zero-income form.
6. PPL Electric will work with its USAC to review and offer feedback on draft revisions to its OnTrack application and recertification letters and will hold a discussion during the Company's next stakeholder meeting.
7. PPL Electric will clarify in its USECP that the Company will not include the earned or unearned income of minors in its OnTrack eligibility calculations, consistent with the definition of "household income" in Section 1403 of the Public Utility Code (66 Pa. C.S. § 1403) and the Commission's CAP Policy Statement.
8. PPL Electric is willing to clarify in its USECP that the Company will follow the Commission's CAP Policy Statement when evaluating exceptions to the maximum CAP credits.
9. PPL Electric agrees to add language to its 50% and 80% communication letters about contacting PPL Electric regarding possible exceptions to the maximum CAP credits.

10. PPL Electric will clarify its policy on security deposits, such that a customer will be given the option to have their deposit refunded or applied directly to their account balance.
11. PPL Electric will amend its current process for final billing for OnTrack customers. For the final bill, the Company will either charge the established OnTrack installment or the actual tariff rate, whichever is more advantageous to the customer. Moreover, if a customer establishes service at a new account within 30 days of the prior account's finalization, PPL Electric will transfer the OnTrack agreement to the new account.
12. PPL Electric agrees to discuss with its Universal Service Working Group how to prevent removal due to failure to recertify. The Company is willing to undertake a study about people who fail to recertify and examining what happens with respect to payments, disconnections, and arrearages.
13. PPL Electric has updated its CEOP, and the Company would be willing to meet with the OCA and CAUSE-PA to review and consider additional updates to the CEOP.

B. WRAP

1. PPL Electric proposes to increase its annual LIURP budget from $10 million to $12 million. The $2 million increase in the annual LIURP budget would be prorated based on the USECP's approval date.
2. PPL Electric will send a follow-up letter to customers not receiving a post-installation inspection after the six-month final measure installation date and to continue sending 12-month post-installation usage change letters.
3. PPL Electric will clarify in its USECP that WRAP contractors will be required to meet BPI certification requirements or PA weatherization certification equivalent, consistent with the Company's last USECP.

4. PPL Electric is willing to amend the language in its WRAP customer consent form to say that customers may "be penalized for making false statements or knowingly making incomplete statements."
5. If required by the Commission, PPL Electric will update the consent form for landlords, so that it includes an agreement that: (1) rents will not be raised unless the increase is related to matters other than the installation of the usage reduction measures; and (2) the tenant will not be evicted for a stated period of time at least 12 months after the installation of the program measures, if the tenant complies with ongoing obligations and responsibilities owed the landlord.
6. PPL Electric is willing to provide renters with a copy of the signed landlord consent form upon request from the tenants.
7. PPL Electric will continue monitoring the effect of the increased eligibility timeframe on low-income customers.
8. PPL Electric will monitor collections and termination rates among OnTrack customers with annual usage greater than 6,000 kWh but less than 18,000 kWh.
9. PPL Electric proposes to increase the cap on health and safety measures not requiring pre-approval from $650 to $1,000, while allowing contractors to seek exceptions from the Company when warranted based on the customer's specific circumstances and subject to the contractors providing documentation to support the exceptions.
10. PPL Electric has provided its form Professional Services Agreement that is executed by all of its WRAP contractors, a copy of which is attached to the Reply Comments as Appendix B. The Agreement, Exhibit A – Statement of Work, requires the contractor to comply with all codes and municipal requirements.

C. Operation HELP

1. PPL Electric clarifies that it does not require the grant to reduce the balance to zero before the grant is granted or accepted. The combination of the grant and customer payment simply needs to be able to catch up on the payment agreement.

IV. CONCLUSION

WHEREFORE, PPL Electric respectfully requests that the Commission consider these Reply Comments in its disposition of the proposed USECP. As discussed above, PPL Electric is agreeable to modifying certain aspects of its Plan to address the issues, concerns, and recommendations set forth in the other parties' Comments. The Company respectfully requests that the Commission enter a Final Order approving the USECP as modified by these Reply Comments.

Respectfully submitted,

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Date: October 7, 2022

Attorneys for PPL Electric Utilities Corporation

APPENDIX A

Appendix A

Consumer Education and Outreach Plan ("CEOP") for its proposed 2023-2027 USECP

PPL Electric uses a comprehensive approach to its Consumer Education and Outreach Plan ("CEOP"), which educates customers on available programs through a variety of channels and methods. The Company's goal is to connect customers with the programs that will benefit them the most. Marketing and communication efforts are intended to increase eligible customer enrollments and the quantity of grant dollars received from government and PPL Electric programs, and to expand awareness of available assistance.

The following outlines the plan to continue existing initiatives and incorporate new communication and marketing efforts in the future CEOP.

Existing CEOP: PPL Electric will continue marketing and communication initiatives that have proven successful in reaching its goals, including targeted outreach to customers via print communications, email, website marketing, text, phone and social media. Targeted outreach may include customers who are eligible for programs based on the Federal Poverty Level (FPL), customers with a past due balance, customers who have previously participated in programs, or customers within our residential engagement segment, "not managing," that have demonstrated an inability to pay.

Newly implemented CEOP: PPL Electric will continue initiatives that were implemented since the last USECP last filing, including frequent targeted outreach to customers eligible for LIHEAP via email, text message, and printed applications, while increasing the frequency of targeted communications for all program promotions.

To reinforce this, the Company will play relevant bill help and program messages for customers waiting on hold for payment assistance. The Company also plans to increase awareness, by holding recurring program education sessions with customer facing employees to maintain and grow program participation.

Future CEOP: PPL Electric will incorporate new communication methods to expand program enrollment and awareness through increased use of short videos to explain program benefits and text messages to promote program applications.

The Company will also expand its targeted outreach to include ad hoc requests to communicate with customers who are approved for programs, but have not taken the final step to participate. For example, customers who were approved for WRAP, but did not schedule energy assessment or customers who received LIHEAP and are automatically eligible, but not enrolled on OnTrack.

In addition, the Company will conduct an annual analysis of program communications via CSAT studies and customer feedback to continuously improve its tactics and customer retention in programs.

Appendix A

Here are communication tactics to be used in the future. Specific frequency, targeting and message will be adapted to the current environment and program needs.

Communication	Audience	Frequency
Organic bill help social media posts	All followers	Weekly
Article in print or digital newsletter	All residential customers	Monthly
OnTrack enrollment emails with a link to an explainer video	Customers recently enrolled in our OnTrack program	Monthly
LIHEAP emails	All eligible customers based on household financial information	Bimonthly, during season
LIHEAP UFT emails and text messages	Customers who received a cash grant and are eligible for a crisis grant	Weekly or Biweekly, during season
OnTrack recertification blaster calls	Customers eligible to recertify	Biweekly
Targeted program emails (all programs or one-specific)	Eligible customers based on household financial information, past due balance or “not managing” engagement segment	Bimonthly
Bill help content on homepage of pplelectric.com	All web visitors	Bimonthly
OnTrack emails	Customers who received LIHEAP and are automatically eligible for OnTrack	Biannually

LIURP/WRAP emails	Customers participating in other low-income programs, including LIHEAP, that meet eligibility criteria	Biannually
Bill help/general program emails	All residential customers	Biannually
Bill help/general program news release, media pitch	Media and stakeholders	As needed, at least annually
Paid social media advertising	All followers	As needed, at least annually
WRAP emails	Targeted customers who were approved for WRAP, but have not yet scheduled their energy assessment	As needed/requested by contractor
WRAP postcards, mailed by contractors	Customers who were approved for WRAP, but have not yet scheduled their energy assessment	As needed
WRAP booklet provided by contractors	Customers who have completed their energy assessment	As needed
LIURP/WRAP Mass Media Marketing	Segments within service area identified low in leads	As needed
LIURP/WRAP informational videos	Customers interested or enrolled in WRAP	Ongoing (once developed)

The Company provides information to customers in Spanish, such as the website, program application and selected outreach material. The Company also has a language line that allows customers calling PPL Electric directly to speak with a

Customer Service Representative in their preferred language via a translation service. The Company determines the language offerings based on the needs of its service territory. Specifically, Spanish is identified as the predominant language used for the Company's customer service call translations.

APPENDIX B

Appendix B

(Version 1.2) Contract Number:_____

PROFESSIONAL SERVICES AGREEMENT

between

_____

and

PPL SERVICES CORPORATION

dated as of

January 1, 2022

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Professional Services Agreement

This Professional Services Agreement (the "**Agreement**"), dated as of January 1, 2022 the "**Effective Date**"), is by and between _____, a _____ corporation with offices located at _____ (the "**Service Provider**") and PPL Services Corporation, a Delaware corporation with offices located at Two North Ninth Street, Allentown, PA 18101 (the "**Company**"). Service Provider and Company may be referred to individually as a "**Party**" or collectively as the "**Parties**."

WHEREAS, Company desires to retain Service Provider to provide certain PPL WRAP/LIURP Program 2022-24 services upon the terms and conditions hereinafter set forth, and Service Provider is willing to perform such services.

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth, the Parties agree as follows:

ARTICLE I
DEFINITIONS

"**Affiliate**" of a Person means any other Person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with such Person. The term "control" (including the terms "controlled by" and "under common control with") means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

"**Applicable Laws**" means all statutes, laws, ordinances, regulations, rules, codes, orders, constitutions, treaties, common laws, judgments, decrees, other requirements or rules of law of any federal, state, local or foreign government, political subdivision or regulatory agency thereof, or any arbitrator, court or tribunal of competent jurisdiction pertaining to the provision of Services.

"Company Materials" means any documents, data, know-how, methodologies, software and other materials provided to Service Provider by Company, including computer programs, reports and specifications.

"Damages" means: (a) for purposes of Section 11.2 only, any and all losses, costs, damages, injuries, liabilities, penalties and interest, including legal fees and expenses, suffered or incurred by any Company Indemnitee as a result of any Claim; and (b) for all other purposes, means, with respect to any party, any and all losses, costs, damages, injuries, liabilities, penalties and interest, including legal fees and expenses, suffered or incurred by such Party.

"**Deliverables**" means all documents, work product and other materials that are delivered to Company hereunder or prepared by or on behalf of Service Provider in the course of performing the Services, including any items identified as such in the Statement of Work.

"**Intellectual Property Rights**" means all (a) patents, patent disclosures and inventions (whether patentable or not), (b) trademarks, service marks, trade dress, trade names, logos, corporate names and domain names, together with all of the goodwill associated therewith, (c) copyrights and copyrightable works (including computer programs), and rights in data and databases, (d) trade secrets, know-how and other confidential information, and (e) all other intellectual property rights, in each case whether registered or unregistered and including all applications for, and renewals or extensions of, such rights, and all similar or equivalent rights or forms of protection in any part of the world.

"**Key Personnel**" means any Service Provider Personnel identified as being key in the Statement of Work.

"**Losses**" mean all losses, liabilities, fines, penalties, obligations, assessments, awards, deficiencies, costs and expenses whatsoever and Damages, including the costs of settlements, litigation, arbitration, judgments, penalties and interest, documented attorneys' fees, consultants' fees and other professional fees and disbursements and expenses (including documented attorneys' fees and litigation expenses incurred in establishing or enforcing any right to indemnification hereunder and the cost of pursuing any insurance providers).

"**Milestone**" means an event or task described in the Statement of Work required to be completed by the relevant date set forth in the Statement of Work.

"Payment Schedule" means the Payment Schedule entered into by the Parties and attached to this Agreement as **Exhibit B**.

"**Person**" means an individual, corporation, partnership, joint venture, limited liability company, governmental authority, unincorporated organization, trust, association or other legal entity.

"Pre-Existing Materials" means all documents, data, know-how, methodologies, software and other materials provided by or used by Service Provider in connection with performing the Services, in each case developed or acquired by Service Provider independently of this Agreement.

"**Service Provider Equipment**" means any equipment, systems, cabling or facilities provided by or on behalf of Service Provider and used directly or indirectly by Service Provider in the provision of the Services.

"**Service Provider Parties**" means Service Provider, its Affiliates and subcontractors, and their respective directors, officers, agents and employees.

"**Service Provider Personnel**" means all employees of Service Provider Parties performing the Services.

"**Services**" mean any professional or other services to be provided by Service Provider under this Agreement, as described in more detail in the Statement of Work, and Service Provider's obligations under this Agreement.

"**Statement of Work**" means the Statement of Work entered into by the Parties and attached to this Agreement as **Exhibit A**.

ARTICLE II
SERVICES

Section 2.1 Service Provider shall provide the Services to Company as described in more detail in the Statement of Work in accordance with the terms and conditions of this Agreement.

Section 2.2 The Statement of Work shall include the following information, if applicable:

(a) a detailed description of the Services to be performed pursuant to the Statement of Work;

(b) the date upon which the Services will commence and the term of such Statement of Work;

(c) the location for performance of the Services;

(d) the names of the Service Provider Contract Manager (as defined in **Section 3.1(a)(i)**) and any Key Personnel;

(e) Milestones;

(f) any criteria for completion of the Services; and

(g) any other terms and conditions agreed upon by the Parties in connection with the Services to be performed pursuant to such Statement of Work.

ARTICLE III
SERVICE PROVIDER'S OBLIGATIONS

Section 3.1 Service Provider shall:

(a) subject to the prior written approval of Company, not to be unreasonably withheld or delayed, appoint:

(i) a Service Provider employee to serve as a primary contact with respect to this Agreement and who will have the authority to act on behalf of Service Provider in connection with matters pertaining to this Agreement (the "**Service Provider Contract Manager**"); and

(ii) Service Provider Personnel, who shall be suitably skilled, experienced and qualified to perform the Services;

(b) maintain the same Service Provider Contract Manager throughout the Term (as defined in **Article VI**) except for changes due to: (i) Company's request pursuant to **Section 3.1(e)**; or (ii) replacement pursuant to **Section 3.1(d)**.

(c) assign Key Personnel to the Services if they are so designated in the Statement of Work. Once assigned, they will not be removed, replaced, or reassigned by Service Provider without Company's prior written consent in accordance with **Section 3.1(d)**.

(d) immediately notify Company if the Service Provider Contract Manager or any Key Personnel become unavailable for reasons beyond Service Provider's control, and submit justification in sufficient detail (including proposed replacement) to permit evaluation of the impact on the Services, and secure the approval of Company for any replacement.

(e) request from Company the clearance of the Service Provider Contract Manager and other Service Provider Personnel prior to their entrance onto Company property or access to any Company systems. Service Provider will supply all reasonable information requested by Company regarding such personnel. Company, at its sole discretion, may (i) determine whether and to whom to grant any clearance or access; (ii) request the removal and replacement of any Service Provider Personnel; or (iii) revoke access to Company property or systems. Service Provider will promptly comply with any request under (ii) or revocation under (iii) and not use such personnel again to perform the Services. Service Provider will provide Company with Company-approved replacements at no additional cost to Company and in a timely fashion so as not to impact the performance of the Services;

(f) before the date on which the Services are to start, obtain, and at all times during the Term maintain, all necessary licenses and consents applicable to the provision of the Services;

(g) prior to any Service Provider Personnel performing any Services hereunder: (i) ensure that such Service Provider Personnel have the legal right to work in the United States; and (ii) at its sole cost and expense, conduct background checks on such Service Provider Personnel, which background checks shall comprise, at a minimum, a review of references and criminal record, in accordance with state, federal and local law;

(h) comply, and ensure that all Service Provider Personnel and require that all Permitted Subcontractors comply, with the following: (i) good industry practices; (ii) Applicable Laws; (iii) all Company procedures and requirements, including standards specified by Company and/or set forth in this Agreement regarding safety, security or health; (iv) Company's Contractor Environmental Requirements (Environmental Requirements"); and (v) Company's Standards of Conduct and Integrity for Suppliers ("Standards"). The current versions of the Environmental Requirements and Standards are available to Service Provider at https://www.pplelectric.com/utility/about-us/for-ppl-suppliers.aspx/. Company will notify Service Provider upon making any changes to the Environmental Requirements and/or Standards published by Company at the above-referenced web address;

(i) unless specifically exempted by law, perform its obligations under this Agreement in full compliance with all applicable equal employment opportunity and affirmative action requirements including, but not limited to, those relating to: (i) equal employment opportunity and non segregated facilities; (ii) the utilization

of minority business enterprises; (iii) Executive Order 11246, as amended and the implementing regulations at 41 CFR Part 60-1 et seq.; (iv) the Vietnam Era Veterans Readjustment Assistance Act of 1974, and the implementing regulations at 41 CFR Part 60-300 et seq.; (v) the Rehabilitation Act of 1973 and the implementing regulations at 41 CFR 60-741 et seq. and other requirements relating to the employment of veterans and disabled persons, and all amendments thereto and all regulations, rules and orders issued thereunder; and (vi) the notification requirements established by 29 CFR Section 471, including displaying the required poster found at 29 CFR Section 471 Appendix A of Part A. **These laws, regulations and executive orders prohibit discrimination against qualified individuals based on their status as protected veterans or individuals with disabilities, and prohibit discrimination against all individuals based on their race, color, national origin, religion, sex, sexual orientation or gender identity. Moreover, these laws, regulations and orders require that covered prime contractors and subcontractors take affirmative action to employ and advance in employment individuals without regard to race, color, religion, sex, sexual orientation, gender identity, national origin, protected veteran status or disability. Moreover, these laws, regulations and executive orders prohibit unlawful harassment due to an individual's protected status (or statuses) and prohibit retaliation for engaging in protected conduct.**

(j) use its best efforts to assure that Small, Small Disadvantaged and Women Owned Small Business Concerns ("SSDWOSBCs") are given equitable opportunity to compete for procurements resulting from this Agreement. In this regard, Service Provider shall comply with the requirements in 48 CFR 52.219-8, which is hereby incorporated by reference. Service Provider shall also agree to participate in the SSDWOSBC set aside plan as required by 48 CFR 52.219-9.

(k) on or before the fifth (5th) day of each calendar month, provide Company with a report detailing Service Provider's spend during the previous month with diverse businesses in support of the Services. Service Provider shall submit such reports to SPReporting@pplweb.com.

(l) maintain books, records, accounts, documents and other information and accounting procedures and practices relating to this Agreement ("**Records**") sufficient to analyze Service Provider's (and its Permitted Subcontractors') fees and charges and the performance and compliance with this Agreement. Records will be retained for a minimum of three (3) years after final payment. Service Provider will conduct such audits of itself and require its Permitted Subcontractors to conduct audits of themselves to verify continuing full compliance with this Agreement. During the Term and for a period of one year after final payment, Company or its designee will have the right to access Service Provider's and its Permitted Subcontractors' facilities and systems upon providing reasonable advance notice and during normal business hours with an escort for the purposes of inspection of the Services and to review, audit and verify Service Provider's fees and charges, performance and compliance with this Agreement. Service Provider and its Permitted Subcontractors will cooperate with Company's representatives in furnishing such access, Records and assistance as may be reasonably requested. Any such audit will be at Company's expense. However, if an audit reveals the overcharging of Company by Service Provider of any amount, Company may offset such amount against payments not yet made to Service Provider by Company under this Agreement and/or Company shall be entitled to an immediate refund of such amount from Service Provider. In addition, if an audit reveals (a) the overcharging of Company by Service Provider of three percent (3.0%) or more, or (b) any other material breach of this Agreement, Service Provider will promptly reimburse Company for all costs and expenses of the audit and correct any other material breach revealed by any such audit. Company may then perform additional audits at Service Provider's expense until an audit shows no overcharges or material breach.

(m) take all reasonable steps to avoid damaging or interfering with Company's work and property. Service Provider and Service Provider Personnel will not interfere with, disconnect, destroy, damage or otherwise disturb Company's work or property (including data and systems) without first obtaining Company's written consent. Service Provider will reimburse Company for the cost of replacement or repair of Company's

work or property (including data and systems) damaged as a result of the acts or omissions of Service Provider and Service Provider Personnel.

(n) obtain Company's written approval, which may be given or withheld in Company's sole discretion, prior to entering into agreements with or otherwise engaging any Person, including all subcontractors and Affiliates of Service Provider, other than Service Provider's employees to provide any Services and Deliverables to Company (each such approved subcontractor or other third party, a "**Permitted Subcontractor**"). Company's approval shall not relieve Service Provider of its obligations under the Agreement, and Service Provider shall remain fully responsible for the performance of each such Permitted Subcontractor and its employees and for their compliance with all of the terms and conditions of this Agreement as if they were Service Provider's own employees. Nothing contained in this Agreement shall create any contractual relationship between Company and any Service Provider subcontractor or supplier.

(o) require each Permitted Subcontractor to be bound in writing by the confidentiality and intellectual property assignment or license provisions of this Agreement, and, upon Company's written request, to enter into a non-disclosure or intellectual property assignment or license agreement in a form that is reasonably satisfactory to Company.

(p) [Perform the Services (or, to the extent permitted hereunder, cause the Services to be performed) in accordance with Exhibit D, and shall otherwise comply with the terms and conditions of Exhibit D.][1]

(q) [Perform the Services (or, to the extent permitted hereunder, cause the Services to be performed) in accordance with Exhibit E, and shall otherwise comply with the terms and conditions of Exhibit E.][2]

Section 3.2 Service Provider is responsible for all Service Provider Personnel and for the payment of their compensation, including, if applicable, withholding of income taxes, and the payment and withholding of social security and other payroll taxes, unemployment insurance, workers' compensation insurance payments and disability benefits. Service Provider expressly agrees and acknowledges that it is solely responsible for compliance with any and all laws and regulations pertaining to immigration, workers compensation, tax withholding, unemployment compensation, disability benefits, pension benefits, medical benefits, occupational safety and health, wage payment, wages and hours, or any other federal or state law which imposes affirmative obligations on an employer. Service Provider agrees to pay the employer's share of applicable state taxes, federal taxes, workers' compensation, F.I.C.A. and federal unemployment insurance and will furnish proof of said payments upon Company's request.

Section 3.3 Service Provider acknowledges that time is of the essence with respect to Service Provider's obligations hereunder and that prompt and timely performance of all such obligations, including all timetables, Milestones and other requirements in this Agreement and the Statement of Work, is strictly required.

Section 3.4 The obligations of Service Provider under this Agreement shall be performed fully within the United States, unless approved in writing in advance by Company.

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[1] Section 3.1(p) and Exhibit D will be required for any services that implicate NERC/CIP requirements. Confirm with Preston Walker whether these requirements apply to these Services.

[2] Section 3.1(q) and Exhibit E will be required for any services that require and External Information Security Addendum.

ARTICLE IV
COMPANY'S OBLIGATIONS

Section 4.1 Company shall:

(a) reasonably cooperate with Service Provider in all matters relating to the Services and appoint a Company employee to serve as the primary contact with respect to this Agreement and who will have the authority to act on behalf of Company with respect to matters pertaining to this Agreement (the "**Company Contract Manager**");

(b) provide, subject to **Section 3.1(e) and (h)**, such access to Company's premises and such office accommodation and other facilities as may reasonably be requested by Service Provider and agreed upon by Company in writing in advance, for the purposes of performing the Services;

(c) respond promptly to any reasonable Service Provider request to provide direction, information, approvals, authorizations or decisions that are reasonably necessary for Service Provider to perform Services in accordance with the requirements of this Agreement;

(d) provide in a timely manner such Company information, complete and accurate in all material respects, as Service Provider may reasonably request and Company considers reasonably necessary for Service Provider to carry out the Services;

Section 4.2 If Service Provider's performance of its obligations under this Agreement is prevented or delayed by any wrongful act or omission of Company or its agents, subcontractors, consultants or employees outside of Service Provider's reasonable control, Service Provider shall not be deemed in breach of its obligations under this Agreement or otherwise liable for any costs, charges or losses sustained or incurred by Company, in each case, to the extent arising directly or indirectly from such prevention or delay.

ARTICLE V
CHANGE ORDERS

Section 5.1 If Company wishes to change the scope or performance of the Services, it shall submit details of the requested change to Service Provider in writing. Service Provider shall, within a reasonable time after such request (but not more than five (5) business days after receipt of Company's written request), provide a written estimate to Company of:

(a) the likely time required to implement the change;

(b) any necessary variations to the fees and other charges for the Services arising from the change;

(c) the likely effect of the change on the Services; and

(d) any other impact the change might have on the performance of this Agreement.

Section 5.2 Promptly after receipt of the written estimate, the Parties shall negotiate and agree in a signed writing on the terms of such change (a "**Change Order**"). Neither Party shall be bound by any Change Order unless mutually executed in accordance herewith.

ARTICLE VI
TERM

This Agreement shall commence as of the Effective Date and shall continue thereafter until the completion of the Services under the Statement of Work (the **"Term"**), unless sooner terminated pursuant to **Article XIII**.

ARTICLE VII
FEES AND EXPENSES; PAYMENT TERMS

Section 7.1 In consideration of the provision of the Services by the Service Provider and the rights granted to Company under this Agreement, Company shall pay the fees set forth in the Payment Schedule Payment to Service Provider of such fees and the reimbursement of expenses pursuant to this **Article VII** shall constitute payment in full for the performance of the Services, and, Company shall not be responsible for paying any other fees, costs or expenses. Service Provider may not charge Company more than the "TOTAL PRICE" shown in the Payment Schedule without the prior written approval of Company

Section 7.2 If the Payment Schedule provides that Service Provider be reimbursed for travel expenses incurred while discharging duties connected with the Services, the reimbursement for lodging, meals and incidental expenses shall be limited to reasonable and necessary expenses with adequate supporting documentation. These expenses shall not exceed the maximum per diem rates, as prescribed by the U.S. General Services Administration at http://www.gsa.gov/portal/content/104877, "Per Diem Rates," applicable to the work locality. Reimbursement for personal car mileage incurred by Service Provider Personnel in performance of the Services also shall not exceed the standard mileage rate permitted by IRS guidelines. Service Provider must submit appropriate documentation supporting charges for lodging, meals and incidental expenses in order to receive consideration for reimbursement by Company.

Section 7.3 Service Provider will submit invoices with sufficient detail and documentation to allow verification of all charges. Company will pay the undisputed invoice amount within thirty (30) days following the later of satisfactory completion of the Services or receipt of a correct invoice.

Section 7.4 Company shall be responsible for all sales, use and excise taxes, and any other similar taxes, duties and charges of any kind imposed by any federal, state or local governmental entity on any amounts payable by Company hereunder; *provided that*, in no event shall Company pay or be responsible for any taxes imposed on, or with respect to, Service Provider's income, revenues, gross receipts, personnel or real or personal property or other assets.

Section 7.5 Without prejudice to any other right or remedy it may have, Company reserves the right to set off at any time any amount owing to it by Service Provider against any amount payable by Company to Service Provider under this Agreement.

ARTICLE VIII
INTELLECTUAL PROPERTY RIGHTS; OWNERSHIP

Section 8.1 Except as set forth in **Section 8.3**, Company is, and shall be, the sole and exclusive owner of all right, title and interest in and to the Deliverables, including all Intellectual Property Rights therein. Service Provider agrees, and will cause its Service Provider Personnel to agree, that with respect to any Deliverables that may qualify as "work made for hire" as defined in 17 U.S.C. §11, such Deliverables are hereby deemed a "work made for hire" for Company. To the extent that any of the Deliverables do not constitute a "work made for hire," Service Provider hereby irrevocably assigns to Company, and shall cause the Service Provider Personnel to irrevocably assign to Company, in each case without additional consideration, all right, title and interest throughout the world in and to the Deliverables, including all Intellectual Property Rights therein. Service Provider shall cause the Service Provider Personnel to irrevocably waive, to the extent permitted by Applicable Laws, any and all claims such Service Provider Personnel may now or hereafter have in any jurisdiction to so-called "moral rights" with respect to the Deliverables.

Section 8.2 Upon the request of Company, Service Provider shall, and shall cause the Service Provider Personnel to, promptly take such further actions, including execution and delivery of all appropriate instruments of conveyance, as may be necessary to assist Company to prosecute, register, perfect or record its rights in or to any Deliverables.

Section 8.3 Service Provider and its licensors are, and shall remain, the sole and exclusive owners of all right, title and interest in and to the Pre-Existing Materials, including all Intellectual Property Rights therein. Service Provider

hereby grants Company an irrevocable, perpetual, fully paid-up, royalty-free, non-transferable (except in accordance with **Section 18.6**), non-sublicenseable, worldwide license to use, perform, display, execute, reproduce, distribute, transmit, modify (including to create derivative works), import, make, have made, sell, offer to sell and otherwise exploit any Pre-Existing Materials to the extent incorporated in, combined with or otherwise necessary for the use of the Deliverables. All other rights in and to the Pre-Existing Materials are expressly reserved by Service Provider.

Section 8.4 Company and its licensors are, and shall remain, the sole and exclusive owner of all right, title and interest in and to the Company Materials, including all Intellectual Property Rights therein. Service Provider shall have no right or license to use any Company Materials except solely during the Term to the extent necessary to provide the Services to Company. All other rights in and to the Company Materials are expressly reserved by Company.

ARTICLE IX
CONFIDENTIAL INFORMATION

Section 9.1 As used in this Agreement, "Confidential Information" means information or material, whether tangible or intangible and in whatever form provided, that is provided by one Party (the "**Disclosing Party**") to the other Party (the ("**Receiving Party**") in connection with this Agreement before or after the Effective Date and that should reasonably have been understood to be confidential or proprietary to the Disclosing Party because of legends or other markings, the circumstances of disclosure or the nature of the information itself, and includes information or materials that contain, reflect or are derived from the Confidential Information. Confidential Information also includes any information owned by a third party that was (i) disclosed by such third party to Disclosing Party subject to a confidentiality agreement, and (ii) disclosed by Disclosing Party to Receiving Party solely for use by Receiving Party in connection with this Agreement. The Receiving Party agrees it will: (a) use the Confidential Information solely in connection with and pursuant to this Agreement; (b) use reasonable precautions and exercise due care to maintain the confidentiality of the Confidential Information; and (c) not disclose the Confidential Information except with the Disclosing Party's prior written consent or as otherwise permitted in this Agreement. Service Provider may disclose Company's Confidential Information to Service Provider Personnel only to the extent they need the Confidential Information in connection with Service Provider's performance of its obligations hereunder and are bound by confidentiality obligations no less protective of Company than those in this Agreement. Company may disclose Service Provider's Confidential Information to Company's employees only to the extent they need the Confidential Information in connection with Company's performance of its obligations hereunder and are bound by confidentiality obligations no less protective of Service Provider than those in this Agreement. Service Provider will be liable for any use or disclosure of Company's Confidential Information by Service Provider and Service Provider Personnel in violation of this Agreement, and Company will be liable for any use or disclosure of Service Provider's Confidential Information by Company in violation of this Agreement. Upon request, the Receiving Party will promptly return or, at the Disclosing Party's request, destroy all copies of the Disclosing Party's Confidential Information other than those retained solely for archival or administrative purposes. The restrictions on use and disclosure of Confidential Information in this **Section 9.1** will not apply to any information or materials to the extent: (u) already known to the Receiving Party before receipt from the Disclosing Party; (v) it is or becomes publicly available other than through the acts of the Receiving Party; (w) it is received by the Receiving Party from a third party who, to the Receiving Party's knowledge, is not prohibited from disclosing the information to the Receiving Party by a contractual, fiduciary or other duty; (x) developed or derived by the Receiving Party without the aid, application or use of the Confidential Information; (y) authorized for disclosure in writing by the Disclosing Party, to the extent of such authorization; or (z) the Receiving Party is advised by legal counsel that it is required to disclose by law or legal process, provided, however, that prior to any such disclosure, the Receiving Party will give the Disclosing Party as much advance notice of the requirement as is practical, will cooperate with the Disclosing Party at the Disclosing Party's expense to protect against disclosure, and if disclosure is still required, then disclose only such part of the Confidential Information that its legal counsel advises it must disclose and only to the extent of its compliance with such law or legal process.

Section 9.2 In the event that Company provides Service Provider with access to any non-public personal information of Company employees or customers ("**Personal Information**") in connection with the performance of this Agreement, Service Provider will comply with all Company procedures and practices for protecting the confidentiality,

security and integrity of Personal Information, in addition to the requirements of **Section 9.1**, and the exceptions to the use or disclosure of Confidential Information in clauses (u) through (x) above shall not apply to Personal Information.

Section 9.3 In addition to the obligations under **Section 9.1**, and except as provided in the disclosure requirements of 10 CFR Part 21, Service Provider may not make any public statement or other announcement (including issuing a press release or pre-briefing any member of the press or other third party) relating to the Services or the terms or existence of this Agreement without the prior written approval of Company, at its sole discretion.

Section 9.4 The obligations set forth in this **Article IX** shall remain in effect for three (3) years after the expiration or termination of this Agreement. Notwithstanding the foregoing, with respect to any Personal Information, the restrictions set forth in this **Article IX** shall remain in effect indefinitely from the date such Personal Information was first disclosed to or obtained or discovered by Receiving Party. Notwithstanding the foregoing, with respect to any trade secrets, the restrictions set forth in this **Article IX** shall remain in effect so long as such information remains a trade secret.

ARTICLE X
REPRESENTATIONS AND WARRANTIES

Section 10.1 Each Party represents and warrants to the other Party that:

(a) it is duly organized, validly existing and in good standing as a corporation or other entity as represented herein under the laws and regulations of its jurisdiction of incorporation, organization or chartering;

(b) it has the full right, power and authority to enter into this Agreement, to grant the rights and licenses granted hereunder and to perform its obligations hereunder;

(c) the execution of this Agreement by its representative whose signature is set forth at the end hereof has been duly authorized by all necessary corporate action of the Party; and

(d) when executed and delivered by such Party, this Agreement will constitute the legal, valid and binding obligation of such Party, enforceable against such Party in accordance with its terms.

Section 10.2 Service Provider represents and warrants to Company that:

(a) it shall perform the Services using personnel of required skill, experience and qualifications and in a professional and workmanlike manner in accordance with generally recognized industry standards for similar services and shall devote adequate resources to meet its obligations under this Agreement;

(b) all Services and Deliverables will be in conformity in all material respects with all requirements and specifications stated in this Agreement and the Statement of Work;

(c) it is in compliance with, and shall perform the Services in compliance with, all Applicable Laws;

(d) it is in compliance with any and all laws and regulations pertaining to immigration, workers compensation, tax withholding, unemployment compensation, disability benefits, pension benefits, medical benefits, occupational safety and health, wage payment, wages and hours, or any other federal or state law which imposes affirmative obligations on an employer. Service Provider agrees to pay the employer's share of applicable state taxes, federal taxes, workers' compensation, F.I.C.A. and federal unemployment insurance and will furnish proof of said payments upon Company's request.

(e) (i) none of the Services, Deliverables and Company's use thereof infringe or will infringe any Intellectual Property Right of any third party arising under the Applicable Laws of the United States, and, (ii) as of the Effective Date, there are no pending or, to Service Provider's knowledge, threatened claims, litigation or other proceedings pending against Service Provider by any third party based on an alleged violation of such Intellectual Property Rights, in each case, excluding any infringement or claim, litigation or other proceedings

to the extent arising out of (x) any instruction, information, designs, specifications or other materials provided by Company to Service Provider, (y) use of the Deliverables in combination with any materials or equipment not supplied or specified by Service Provider, if the infringement would have been avoided by the use of the Deliverables not so combined, and (z) any modifications or changes made to the Deliverables by or on behalf of any Person other than Service Provider; and

Section 10.3 In the event the Services do not conform to these warranties, Service Provider, at no cost or expense to Company, will re-perform the Services to correct any nonconformity in a manner and time acceptable to Company. In the event Company does not require Service Provider, or Service Provider is unable in the manner and time set forth by Company, to correct any nonconformity, Service Provider will not invoice Company for any non-conforming Services and will reimburse Company within thirty (30) days of Company's request if an invoice has been previously paid for the nonconforming Services. Subject to **Article XII**, in addition to its obligation to re-perform, Service Provider shall be liable for, and shall promptly pay to Company any and all Damages incurred by Company or any Company Indemnitee arising out or relating to any breach of these warranties.

Section 10.4 EXCEPT FOR THE EXPRESS WARRANTIES IN THIS AGREEMENT, (A) EACH PARTY HEREBY DISCLAIMS ALL WARRANTIES, WHETHER EXPRESS, IMPLIED, STATUTORY, OR OTHERWISE UNDER THIS AGREEMENT, AND (B) SERVICE PROVIDER SPECIFICALLY DISCLAIMS ALL IMPLIED WARRANTIES OF MERCHANTABILITY, AND FITNESS FOR A PARTICULAR PURPOSE.

ARTICLE XI
INDEMNIFICATION

Section 11.1 For purposes of this Article 11 only, "**Company Indemnitees**" shall mean Company, its directors, officers, agents and employees, successors, assignees, subsidiaries and affiliates, and each of them; "Service Provider Parties" shall mean Service Provider, its directors, officers, agents and employees, as well as any Subcontractors of Service Provider, at any tier, and the Subcontractor's directors, officers, agents and employees, and each of them; and "Claims" shall mean claims, demands, suits or causes of action whether at law or in equity, and whether based on statute, regulation, rule, ordinance, code, or standard or on theories of contract, tort, strict liability or otherwise; and "Losses" means any and all losses, liabilities, fines, penalties, or damages, including the costs of settlements, judgments, and direct expenses including reasonable attorneys' fees (including reasonable attorneys' fees incurred in establishing the right to indemnity hereunder).

Section 11.2 Service Provider shall indemnify, defend, and hold harmless Company Indemnitees against all Losses related to Claims brought against Service Provider Parties by or on behalf of:

(a) Any governmental body, agency, or other regulatory authority arising from or in any matter relating to Service Provider Parties' failure to comply with or remediate pursuant to any laws, legislation, rules, regulations, or governmental requirements applicable to this Agreement;

(b) Persons or entities other than Company Indemnitees or Service Provider Parties, including without limitation Claims for injuries (including death) to Persons or damages to property, whether arising from or in any manner relating to the legal fault of Service Provider Parties, the legal fault of Company Indemnitees or the legal fault of both Service Provider Parties and Company Indemnitees under this Agreement. Service Provider shall defend such Claims at its own expense, with counsel acceptable to Company. Following resolution of an action or Claim under this Section 11.2(b), if Company's negligence or other legal fault is determined (by mutual agreement of the Parties or by

final adjudication between the Parties in a subsequent action) to have been a contributing cause of the Losses, then Company agrees to reimburse Service Provider solely for Company's share in contributing to the cause of such Losses (as determined by mutual agreement of the Parties or in the subsequent action). After resolution of a Claim under this Section 11.2(b), if Company's and/or any Company Indemnitee's negligence or other legal fault is determined (by mutual agreement of the Parties or by adjudication between the Parties in a subsequent litigation, arbitration, or mediation action) to have been a sole or contributing cause of the Losses related to such Claim, then Company agrees to reimburse Service Provider within sixty (60) days of Service Provider's demand to the extent that such Claim is not covered by insurance required to be maintained pursuant to this Contract solely for Company's and/or any Company Indemnitee's proportionate share in contributing to the cause of such Losses, including (a) all portions of judgements in proportion to such Company Indemnitee's fault, and (b) the proportionate share of legal and defense cost reasonably incurred by Service Provider related there to (as determined by mutual agreement of the Parties or in the subsequent action). The Parties agree that nothing in the preceding sentence shall affect Service Provider's obligation to indemnify, defend and hold harmless as set forth above in this Section 11.2(b).

(c) Service Provider Parties' employees or other Persons arising from or in any manner relating to injuries to or death of Service Provider Parties' employees, whether arising from or in any manner relating to the legal fault of Service Provider Parties, the negligence or other legal fault of Company Indemnitees or both the legal fault of Service Provider Parties and the negligence or other legal fault of Company Indemnitees under this Agreement. Service Provider expressly acknowledges and agrees that the indemnity provided for in this Section 11.2(c) constitutes a waiver by Service Provider, on behalf of Service Provider Parties, of immunity Service Provider Parties otherwise may have for injuries to or death of Service Provider Parties' own employees under the Pennsylvania Worker's Compensation Act or similar provisions in other jurisdictions. Service Provider shall defend such Claims at its own expense, with counsel acceptable to Company. Following resolution of an action or Claim under this Section 11.2(c), if Company's negligence or other legal fault is determined (by mutual agreement of the Parties or by final adjudication between the Parties in a subsequent action) to have been a contributing cause of the Losses, then Company agrees to reimburse Service Provider solely for Company's share in contributing to the cause of such Losses (as determined by mutual agreement of the Parties or in the subsequent action). The Parties agree that nothing in the preceding sentence will affect Service Provider's (i) obligation to indemnify and defend or (ii) express waiver of immunity as set forth above in this Section 11.2(c). After resolution of a Claim under this Section 11.2(c), if Company's and/or any Company Indemnitee's negligence or other legal fault is determined (by mutual agreement of the Parties or by adjudication between the Parties in a subsequent litigation, arbitration, or mediation action) to have been a sole or contributing cause of the Losses related to such Claim, then Company agrees to reimburse Service Provider within sixty (60) days of Service Provider's demand to the extent that such Claim is not covered by insurance required to be maintained pursuant to this Contract solely for such Company's and/or Company Indemnitee's proportionate share in contributing to the cause of such Losses, including , including (a) all portions of judgements in proportion to such Company Indemnitee's fault, and (b) the proportionate share of legal and defense cost reasonably incurred by Service Provider related there to (as determined by mutual agreement of the Parties or in the subsequent action). The Parties agree that nothing in the preceding sentence shall affect Service Provider's (x) obligation to indemnify, defend and hold harmless as set forth above in this Section 11.2(c) or (y) express waiver of immunity as set forth above in this Section 11.2(c);

(d) Third parties arising out of or connected with any infringement or alleged infringement of any patent, copyright, trademark, service mark, trade or business secret, or other intellectual property right of such third parties in connection with Service Provider's performance and

delivery of the Services hereunder or Company's use thereof. In addition to the indemnity obligation set forth in this Section 11.2(d), Service Provider at its expense will (i) use its best efforts to procure for Company a license to use such goods or services or part thereof on terms no more restrictive than those contained in this Agreement; (ii) if the action described in (i) above is not possible, even after the use of Service Provider's best efforts, then Service Provider shall use its best efforts to modify the goods or services so as not to infringe any third party's intellectual property rights, provided that such modification results in the goods or services being equally suitable and functionally equivalent; and/or (iii) if the actions described in (i) and (ii) above are not possible, even after the use of Service Provider's best efforts, then Service Provider shall provide Company with substitute or replacement goods and/or services and a right to use the same, provided that such goods and/or services will (alone or in combination with the portion of the goods and/or services not subject to the third party's Claim) perform in an equally suitable and functionally equivalent manner. In the event Service Provider is not able to accomplish either of (i), (ii), or (iii) above, Service Provider may (iv) terminate this Agreement upon thirty (30) days written notice and shall refund a pro rata portion of any fees paid by Company for the goods and/or services.

Service Provider's duty to defend arising under this Article 11 shall be with counsel reasonably acceptable to Company, and such counsel shall consult with Company on all major decisions relating to Claims. Company reserves the right to defend itself at its own expense. Service Provider's monetary obligations under this Article 5 shall not be limited to the amount of insurance coverage carried or required to be carried by Service Provider hereunder.

ARTICLE XII
LIMITATION OF LIABILITY

Section 12.1 EXCEPT AS OTHERWISE PROVIDED IN **Section 12.3**, IN NO EVENT WILL EITHER PARTY BE LIABLE TO THE OTHER OR TO ANY THIRD PARTY FOR ANY LOSS OF USE, REVENUE OR PROFIT OR FOR ANY CONSEQUENTIAL, INCIDENTAL, INDIRECT, EXEMPLARY, SPECIAL OR PUNITIVE DAMAGES WHETHER ARISING OUT OF BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE) OR OTHERWISE, REGARDLESS OF WHETHER SUCH DAMAGE WAS FORESEEABLE AND WHETHER OR NOT SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

Section 12.2 EXCEPT AS OTHERWISE PROVIDED IN **Section 12.3**, IN NO EVENT WILL EITHER PARTY'S LIABILITY ARISING OUT OF OR RELATED TO THIS AGREEMENT, WHETHER ARISING OUT OF OR RELATED TO BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE) OR OTHERWISE, EXCEED TWO (2) TIMES THE AGGREGATE AMOUNTS PAID OR TO BE PAID TO SERVICE PROVIDER PURSUANT TO THIS AGREEMENT.

Section 12.3 The exclusions and limitations in **Section 12.1** and **Section 12.2** shall not apply to:

(a) Damages or other liabilities arising out of or relating to a Party's failure to comply with its obligations under **Article VIII** (Intellectual Property Rights; Ownership);

(b) Damages or other liabilities arising out of or relating to a Party's failure to comply with its obligations under **Article IX** (Confidentiality);

(c) a Party's indemnification obligations under **Article XI** (Indemnification);

(d) Damages or other liabilities arising out of or relating to a Party's gross negligence, willful misconduct or intentionally wrongful acts;

(e) death or bodily injury or damage to real or tangible personal property resulting from a Party's negligent acts or omissions;

(f) Damages or liabilities to the extent covered by a Party's insurance; and

(g) a Party's obligation to pay attorneys' fees and court costs in accordance with **Section 18.14**.

ARTICLE XIII
TERMINATION; EFFECT OF TERMINATION

Section 13.1 Company, in its sole discretion, may terminate this Agreement, in whole or in part, at any time for its convenience, without cause and without any requirement of changed circumstances related to this Agreement, at any time by providing at least thirty (30) days' prior written notice to Service Provider.

Section 13.2 Either Party may terminate this Agreement, effective upon written notice to the other Party (the "**Defaulting Party**"), if the Defaulting Party:

(a) materially breaches this Agreement, and such breach is incapable of cure, or with respect to a material breach capable of cure, the Defaulting Party does not cure such breach within thirty (30) days after receipt of written notice of such breach.

(b) (i) becomes insolvent or admits its inability to pay its debts generally as they become due; (ii) becomes subject, voluntarily or involuntarily, to any proceeding under any domestic or foreign bankruptcy or insolvency law, which is not fully stayed within seven (7) business days or is not dismissed or vacated within forty-five (45) days after filing; (iii) is dissolved or liquidated or takes any corporate action for such purpose; (iv) makes a general assignment for the benefit of creditors; or (v) has a receiver, trustee, custodian or similar agent appointed by order of any court of competent jurisdiction to take charge of or sell any material portion of its property or business.

Section 13.3 Upon expiration or termination of this Agreement for any reason:

(a) Service Provider shall (i) promptly deliver to Company all Deliverables (whether complete or incomplete) for which Company has paid, (ii) promptly remove any Service Provider Equipment located at Company's premises, and (iii) on a pro rata basis, repay all fees and expenses paid in advance for any Services or Deliverables which have not been provided.

(b) Each Party shall return to the other Party all documents and tangible materials (and any copies) containing, reflecting, incorporating or based on the other Party's Confidential Information provided in **Section 9.1**.

(c) In no event shall Company be liable for any Service Provider Personnel termination costs arising from the expiration or termination of this Agreement.

Section 13.4 The rights and obligations of the Parties set forth in this **Sections 13.3** and this **Section 13.4** and **Article III**, **Article VIII**, **Article IX**, **Article X**, **Article XI**, **Article XII**, **Article XIV**, **Article XV**, and **Article XVIII**, and any right or obligation of the Parties in this Agreement which, by its nature, should survive termination or expiration of this Agreement, will survive any such termination or expiration of this Agreement.

ARTICLE XIV
INSURANCE

Section 14.1 Service Provider shall, and shall require all Permitted Subcontractors to, at Service Provider's or Permitted Subcontrctor's sole cost, purchase and maintain the minimum insurance coverages specified in this **Article XIV** and in Exhibit C ("**Required Coverages**"), and shall maintain such coverages in full force and effect through the expiration of this Agreement. All insurance shall be placed with insurance companies fully licensed to do business in the State where the Services are to be performed, and include all of the requirements set forth in this **Article XIV**. The insurance companies must have an A.M. Best Insurance Rating of at least 'A-' or better and financial strength category of VIII or higher.

Section 14.2 Each insurance policy required hereunder (whether by Exhibit C or otherwise by this Agreement), except Workers' Compensation/Employer's Liability and Professional Liability, shall identify Company and its officers, directors and employees as additional insureds and shall include a waiver of subrogation in favor of the additional insureds. The insurance coverages afforded under the policies required hereunder shall (i) be primary and non-contributing with respect to any insurance carried independently by the additional insureds and (ii) indicate that as respects the insureds (whether named or otherwise), cross-liability and severability of interests shall exist for all coverage provided thereunder.

Section 14.3 Concurrently with the execution of this Agreement, Service Provider shall provide Company with the following insurance documents evidencing the insurance required pursuant to this **Article XIV**.

(a) A certificate of insurance evidencing the required coverage to Company

(b) Declarations pages of all insurance policies, including all endorsements required to be carried by Service Provider;

(c) A schedule of underlying coverage on the excess/umbrella policy; and

(d) An endorsement adding Company as an additional insured on the primary and excess general liability policies.

Section 14.4 Service Provider shall not commence Service hereunder until it has procured, and furnished Company with the documents required to be delivered under Section 14.3 and all insurance required under this Agreement is in full force and effect in accordance herewith.

Section 14.5 Notwithstanding anything to the contrary contained in this Agreement, Company shall neither have any obligation to insure against, nor be responsible for, any loss or damage to tools, materials or other property of any kind owned, rented or leased by Service Provider or any subcontractors, or any of their respective employees, consultants or agents.

Section 14.6 The required coverages, provisions, and limitations of this **Article XIV** shall not limit Service Provider's liability, and Company, at its discretion and upon notice to Service Provider, may increase the minimum limits of coverage for those insurance policies that Service Provider is required to maintain under this Agreement.

ARTICLE XV
NON-SOLICITATION

Section 15.1 Service Provider and Company agree that, except as may be otherwise set forth in this Article, or as otherwise mutually agreed upon between the Parties, neither Party will directly solicit or hire any employee of the other Party that performed work for the other party in connection with this Agreement or a Statement of Work for twelve (12) months following the termination or expiration of this Agreement or the relevant Statement of Work, as applicable.

Section 15.2 The preceding prohibition shall not apply to (i) advertising of open positions, participating in job fairs and comparable activities, or other forms of soliciting candidates for employment or contract opportunities that are general in nature; (ii) responding to unsolicited inquiries about employment or contract opportunities or possibilities from recruiting companies or other agents; or (iii) responding to unsolicited inquiries about employment or contract opportunities from any individual.

Section 15.3 Notwithstanding anything to the contrary in Section 15.1 above, Company may hire an employee of Service Provider subject to the following: if at any time during the term of this Agreement Company hires an employee of Service Provider who is then performing or in the twelve (12) prior months had performed Services to Company under this Agreement, then Company will pay Service Provider the rates specified below based on the annual starting salary ("Starting Salary") to be paid by Company to such employee, and the time at which such employee is hired by Company:

If hired:

1) Within sixty (60) days of Service Provider's employee commencing Services to Company – 20% of Starting Salary

2) Between 61-120 days of Service Provider's employee commencing Services to Company – 15% of Starting Salary

3) Between 121-180 days of Service Provider's employee commencing Services to Company – 10% of Starting Salary

4) After 180 days of Service Provider's employee commencing Services to Company – No compensation due to Service Provider.

The above flat, lump sums represent Company's entire obligation to Service Provider for the solicitation and hire of any employee of Service Provider.

ARTICLE XVI
NON-EXCLUSIVITY; NON-COMPETE

The Service Provider retains the right to perform the same or similar type of services for third parties during the Term. Nothing in this Agreement shall be deemed to preclude Company from retaining the service of other persons or entities undertaking the same or similar services as those undertaken by Service Provider or from independently developing or acquiring services that are similar to, or competitive with, the services provided under this Agreement.

ARTICLE XVII
FORCE MAJEURE

Section 17.1 Neither Party shall be liable or responsible to the other Party, nor be deemed to have defaulted under or breached this Agreement, for any failure or delay in fulfilling or performing any term of this Agreement (except for any obligations to make payments to the other Party hereunder), when and to the extent such failure or delay is caused by or results from acts beyond the affected Party's reasonable control, including, without limitation:

(a) acts of God;

(b) flood, fire or explosion;

(c) war, invasion, act of terrorism, riot or other civil unrest;

(d) actions, embargoes or blockades in effect on or after the Effective Date;

(e) national or regional emergency;

(f) shortage of adequate power or telecommunications or transportation facilities; or

(g) any other event that is beyond the reasonable control of such Party.

(each of the foregoing, a "**Force Majeure Event**"). A Party whose performance is affected by a Force Majeure Event shall give notice to the other Party, stating the period of time the occurrence is expected to continue and shall use diligent efforts to end the failure or delay and minimize the effects of such Force Majeure Event.

Notwithstanding anything to the contrary in the foregoing, and for the avoidance of doubt, the following shall not constitute Force Majeure Events:

(a) non-performance or delay in performance by a Party unless such non-performance or delay is caused directly by a Force Majeure Event;

(b) boycotts, strikes, lockouts, other industrial disturbances or unavailability of, or with respect to, laborers, Service Provider Personnel or Permitted Subcontractors, or collective bargaining agreements of Service Provider or Permitted Subcontractors resulting in a delay or stoppage of the Work;

(c) boycotts, strikes, lockouts, or other industrial disturbances with respect to Company employees, or collective bargaining agreement of Company resulting in a delay or stoppage of any work on the part of Company employees without regard to whether Company was performing in connection with this Agreement or not;

(d) the failure of Service Provider to engage appropriately qualified subcontractors or personnel or an adequate number of personnel for the performance of the relevant tasks; or

(e) economic hardship or changes in market conditions or any inability or failure to pay money, any inability to raise financing or any change in price.

Section 17.2 During the Force Majeure Event, the non-affected Party may similarly suspend its performance obligations until such time as the affected Party resumes performance.

Section 17.3 The non-affected Party may terminate this Agreement if such failure or delay continues for a period of ten (10) days or more and, if the non-affected Party is Company, receive a refund of any amounts paid to the Service Provider in advance for the affected Services. Unless this Agreement is terminated in accordance with this **Section 17.3**, the Term shall be automatically extended by a period not in excess of the period of suspension.

ARTICLE XVIII
MISCELLANEOUS

Section 18.1 The relationship between the Parties is that of independent contractors. Nothing contained in this Agreement shall be construed as creating any agency, partnership, joint venture or other form of joint enterprise, employment or fiduciary relationship between the Parties, and neither Party shall have authority to contract for or bind the other Party in any manner whatsoever. All Persons whom Service Provider employs will be deemed solely the employees of Service Provider and will not be considered employees of Company for any purposes.

Section 18.2 Neither Party shall issue or release any announcement, statement, press release or other publicity or marketing materials relating to this Agreement, or otherwise use the other Party's trademarks, service marks, trade names, logos, symbols or brand names, in each case, without the prior written consent of the other Party.

Section 18.3 All notices, requests, consents, claims, demands, waivers and other communications hereunder shall be in writing and shall be deemed to have been given (a) when delivered by hand (with written confirmation of receipt); (b) when received by the addressee if sent by a nationally recognized overnight courier (receipt requested); (c) on the date sent by facsimile (with confirmation of transmission) if sent during normal business hours of the recipient, and on the next business day if sent after normal business hours of the recipient or (d) on the third day after the date mailed, by certified or registered mail, return receipt requested, postage prepaid. Such communications must be sent to the respective Parties at the addresses indicated below (or at such other address for a Party as shall be specified in a notice given in accordance with this **Section 18.3**.

If to Service Provider: _____

_____

_____

_____

If to Company: PPL Services Corporation

Two North Ninth Street

Allentown, PA 18101

Attention: Senior Category Manager- Indirect

Section 18.4 For purposes of this Agreement, (a) the words "include," "includes" and "including" shall be deemed to be followed by the words "without limitation"; (b) the word "or" is not exclusive; and (c) the words "herein," "hereof," "hereby," "hereto" and "hereunder" refer to this Agreement as a whole. Unless the context otherwise requires, references herein: (x) to Sections, Schedules, Exhibits and Statements of Work refer to the Sections of, Schedules, Exhibits and Statements of Work attached to this Agreement; (y) to an agreement, instrument or other document means such agreement, instrument or other document as amended, supplemented and modified from time to time to the extent permitted by the provisions thereof and (z) to a statute means such statute as amended from time to time and includes any successor legislation thereto and any regulations promulgated thereunder. This Agreement shall be construed without regard to any presumption or rule requiring construction or interpretation against the Party drafting an instrument or causing any instrument to be drafted. The Schedules, Exhibits and Statements of Work referred to herein shall be construed with, and as an integral part of, this Agreement to the same extent as if they were set forth verbatim herein.

Section 18.5 This Agreement, together with all Schedules, Exhibits and Statements of Work and any other documents incorporated herein by reference, constitutes the sole and entire agreement of the Parties to this Agreement with respect to the subject matter contained herein, and supersedes all prior and contemporaneous understandings and agreements, both written and oral, with respect to such subject matter. In the event of any conflict between the terms and provisions of this Agreement and those of any Schedule, Exhibit or Statement of Work, the following order of precedence shall govern: (a) first, this Agreement, exclusive of its Exhibits and Schedules; (b) second, the Statement of Work; and (c) third, any other Exhibits and Schedules to this Agreement.

Section 18.6 Neither Party may assign, transfer or delegate any or all of its rights or obligations under this Agreement, without the prior written consent of the other Party, which consent shall not be unreasonably withheld or delayed; *provided, that*, upon prior written notice to the other Party, either Party may assign the Agreement to an Affiliate of such Party or to a successor of all or substantially all of the assets of such Party through merger, reorganization, consolidation or acquisition. No assignment shall relieve the assigning Party of any of its obligations hereunder. Any attempted assignment, transfer or other conveyance in violation of the foregoing shall be null and void. This Agreement shall be binding upon and shall inure to the benefit of the Parties hereto and their respective successors and permitted assigns.

Section 18.7 It is understood and agreed that any delay, waiver, or omission by either Party to exercise any right arising from any breach or default by the other Party of any of the terms of this Agreement shall not be construed to be a waiver by the delaying, waiving, or omitting Party of any subsequent breach or default by the other Party.

Section 18.8 This Agreement is for the sole benefit of the Parties hereto and their respective successors and permitted assigns and nothing herein, express or implied, is intended to or shall confer upon any other Person any legal or equitable right, benefit or remedy of any nature whatsoever, under or by reason of this Agreement.

Section 18.9 The headings in this Agreement are for reference only and shall not affect the interpretation of this Agreement.

Section 18.10 This Agreement may only be amended, modified or supplemented by an agreement in writing signed by each Party hereto. No waiver by any Party of any of the provisions hereof shall be effective unless explicitly set forth in writing and signed by the Party so waiving. Except as otherwise set forth in this Agreement, no failure to exercise, or delay in exercising, any rights, remedy, power or privilege arising from this Agreement shall operate or be construed as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.

Section 18.11 If any term or provision of this Agreement is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction. Upon such determination that any term or other provision is invalid, illegal or unenforceable, the Parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the greatest extent possible.

Section 18.12 All matters arising under or relating to this Agreement will be governed by the laws of the Commonwealth of Pennsylvania, notwithstanding conflicts of law rules. Each Party will bring any legal action or proceeding arising out of or relating to this Agreement in federal courts in the Eastern District of Pennsylvania or in the state courts in Lehigh County, Pennsylvania. Each Party consents to the exclusive jurisdiction of such courts for the purpose of all legal actions and proceedings arising out of or relating to this Agreement. Each Party waives, to the fullest extent permitted by law, any objection that it may now or later have to the laying of venue as provided in this **Section 18.12** and any claim that any action or proceeding brought in any such court has been brought in an inconvenient forum. EACH PARTY, TO THE EXTENT PERMITTED BY LAW, KNOWINGLY, VOLUNTARILY, AND INTENTIONALLY WAIVES ITS RIGHT TO A TRIAL BY JURY IN ANY ACTION OR OTHER LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT. THIS WAIVER APPLIES TO ANY ACTION OR LEGAL PROCEEDING, WHETHER IN CONTRACT, TORT, STRICT LIABILITY, OR OTHERWISE.

Section 18.13 Each Party acknowledges that a breach by a Party of **Article VIII** (Intellectual Property Rights; Ownership) or **Article IX** (Confidentiality) may cause the non-breaching Party irreparable damages, for which an award of damages would not be adequate compensation and agrees that, in the event of such breach or threatened breach, the non-breaching Party will be entitled to seek equitable relief, including a restraining order, injunctive relief, specific performance and any other relief that may be available from any court, in addition to any other remedy to which the non-breaching Party may be entitled at law or in equity. Such remedies shall not be deemed to be exclusive but shall be in addition to all other remedies available at law or in equity, subject to any express exclusions or limitations in this Agreement to the contrary.

Section 18.14 In the event that any action, suit, or other legal or administrative proceeding is instituted or commenced by either Party hereto against the other Party arising out of or related to this Agreement, the prevailing Party shall be entitled to recover its reasonable attorneys' fees and court costs from the non-prevailing Party.

Section 18.15 This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. A signed copy of this Agreement delivered by facsimile, e-mail or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the Effective Date.

PPL SERVICES CORPORATION
By: PPL EU Services Corporation, Its Agent:

By _____

Name: _____

Title: _____

Date: _____

CONTRACTOR

By _____

Name: _____

Title: _____

Date: _____

EXHIBIT A

STATEMENT OF WORK

Section 1: Overview

LIURP will be implemented by the Contractor(s) with input and oversight by PPL Electric Utilities. The contract year will start January 1, 2022, through December 31, 2024. LIURP's continuance each year is subject to annual reviews of the Contractor's and LIURP's performance.

LIURP's participation goals may be adjusted, and the contract period changed at the discretion of PPL Electric Utilities.

The Contractor's Duties and Scope of Work reflect the contract period for years 2022-2024. The Contractor will provide weatherization services as listed in the Duties of General Contractor. In the event of any changes to Contractor's Duties or Scope of Work, PPL Electric Utilities will notify the Contractor at least 60 days prior to implementation.

Contractor(s) will use the Low-Income Energy Assistance Programs ("LEAP") System to administer and manage all aspects of their work, such as work retrieval, invoicing, expenditure status, and documentation of services and measures to perform their job functions.

Section 2: Duties of Contractor(s): (Auditor/Installer/Energy Educator/Inspector)

Contractor(s) will perform all activities listed, including third-party inspection for work not installed by their own organization, in accordance with their submitted safety plans to meet all safety regulations required by the Occupational Safety and Health Administration ("OSHA"), the Commonwealth of Pennsylvania, and PPL Electric Utilities. Weatherization contractors may use subcontractors for specialized work (e.g., electrical, plumbing and heating equipment repair).

Auditor/Installer/Energy Educator

a. Contractor shall provide a broad selection of free energy efficiency measures to households that are at or below 200% of the Federal Poverty Income Guidelines ("FPIG") established by the Federal Department of Health and Human services in January of each year.
b. Contractor will determine customer eligibility for LIURP measures based on assessment.
c. Contractor shall meet with the PPL Electric Utilities staff on a regular basis to ensure that the goals are being met for LIURP and prepare status reports as requested by PPL Electric Utilities.
d. Contractor shall offer eligible customers (single family and individually metered multi-family homes) the following types of Winter Relief Assistance Program ("WRAP") assessments either in home or remote:

i. **Baseload Assessment** – customers (owners and renters) with non-electric primary heat.
    1. Baseload Assessment may include the following:
        a. Baseload Assessment may include a customer interview and "walk through" or remote audit (e.g., Facetime audit) of the customer's home. The lighting, appliance and water heating assessments are part of the Baseload Audit. Contractor will provide an estimated square footage of the premises as part of the audit.
        b. Reviewing the customer's actual electricity consumption history and conducting an on-site inspection to identify opportunities to reduce electricity usage and to identify and install appropriate measures that are included in the WRAP Field Standards.
        c. Conducting a customer interview with all available household members to determine occupant role in usage. Develop a plan to manage the customer's energy use and assist the customer in completing the "Actions to Save" Form. Explaining the customer's OnTrack bill and benefit where applicable.
        d. Providing energy education to help customers reduce baseload and seasonal electricity usage.
        e. Referring customers to the Company's universal service programs (i.e., OnTrack (PPL Electric Utilities' Customer Assistance Program ("CAP"), the Customer Assistance and Referral Services ("CARES") Program, Operation HELP, and any new company CAP offering), Act 129 Energy Efficiency and Conservation ("EE&C") programs, the Federal Low Income Home Energy Assistance Program ("LIHEAP"), Pennsylvania Weatherization Assistance Program ("WAP"), and other weatherization programs, as applicable. Referrals should be documented in LEAP.

ii. **Low-Cost Assessment** – customers (owners and renters) with non-electric primary heat, but with permanently installed electric water heaters.
    1. Low-Cost Assessment may include all baseload measures and electric water heat measures and any other modes of participation in the "Baseload Assessment" section.

iii. **Full Cost Assessment** – customers (owners and renters) with permanently installed electric heat in at least 50% of the residence.
    1. Full Cost Assessment will include the Baseload Audit and all low-cost measures and electric heat measures and any other modes of participation in the "Baseload Assessment" section.
    2. Full Cost Assessment also may provide advanced building science and diagnostic testing to find and treat heat loss from insufficient building shell insulation levels, air leakage, mechanic systems, and ventilation systems.

e. Contractor shall secure product warranties on all equipment installed and cause such warranties to be issued in the name of or assigned to the customer.
f. Contractor shall document the date, time, and general nature of any communication with the Company's customers.
g. Contractor shall obtain the customer's signature on the WRAP Application and upload into LEAP as requested by PPL Electric Utilities.
h. Contractor shall conduct safety testing as required by the WRAP field standards, to include compliance with current American Society of Heating, Refrigerating and Air-Conditioning Engineers ("ASHRAE") Standards, and document in LEAP.
i. Contractor shall verify the type of installed heat and notify PPL Electric Utilities if the heating classification (residential or residential-electric heat) is incorrect.
j. Contractor shall assess, recommend, procure, and install all WRAP measures, including light-emitting diode bulbs ("LEDs") in accordance with LIURP guidelines and WRAP field standards. All appliances and heating/cooling equipment must meet Energy Star standards unless otherwise approved by PPL Electric Utilities.
k. If a site qualifies for a Heat Pump Water Heater ("HPWH"), Contractor shall procure and install the HPWH in accordance with WRAP guidelines and WRAP Field Standards and review the operation of the system with the customer.
l. Contractor shall adhere to all codes and municipal requirements for the work performed and document any permits required for WRAP work in LEAP.
m. Contractor shall refer customer to payment assistance programs, other weatherization programs, and Act 129 EE&C programs, where applicable, and document in LEAP.
n. Contractor shall coordinate LIURP and Act 129 EE&C work as requested by PPL Electric Utilities.
o. Contractor shall conduct a remedial energy education session for customers as assigned by PPL Electric Utilities.
p. Contractor shall upload photos of installed measures to LEAP as requested by PPL Electric Utilities.

Inspector

Completed LIURP cases will be assigned for inspection. Inspections will be conducted virtually or in-home as determined by PPL Electric Utilities. The Inspector completes the following tasks:

a. Verifies that all items on invoice are installed in accordance with LIURP guidelines and the WRAP Field Standards.
b. Completes the Inspection "Checklist" in LEAP.
c. Identifies major missed savings opportunities in accordance with LIURP guidelines and the WRAP Field Standards.
d. Verifies the Energy Factor ("EF") and size of the HPWH, when installed through LIURP.
e. Verifies that any Pilot measures are installed meeting program criteria.
f. Ensures customer satisfaction and reports follow-up actions to PPL Electric Utilities.
g. Provides a follow-up energy education session to include a review of the "Actions to Save" form.

h. Conducts a remedial energy education session for customers as assigned by PPL Electric Utilities.
i. Refers customers to payment assistance programs, other weatherization programs, and Act 129 EE&C programs, where applicable, and documents in LEAP.

Section 3: LIURP Targets

Contractor shall meet the following targets for LIURP:

a. Achieve Turn-around time
    - Full cost jobs – final measure installation date must be no later than 90 days from date assigned.
    - Baseload jobs – Audit completion date must be no later than 45 days from date assigned.
    - Inspection – Completion date must be no later than 45 days from date assigned.
b. Invoicing – individual job invoices must be submitted within 30 days of the final installation date.
c. Achieve monthly budget targets to be set annually.
d. Achieve monthly job completion targets to be set annually.
e. Achieve high customer satisfaction with criteria established by PPL Electric (i.e., 90% or more of customers are very satisfied/satisfied).
f. Achieve 10% annual savings post-Weatherization.
g. Achieve job inspection quotas to be set annually.

In addition, as defined in Section 7, turn-around time, invoicing, and production goals have Service Level Agreements ("SLAs") with credits to fees associated with them when these key targets are not met.

These targets and parameters are subject to change at PPL Electric Utilities' discretion.

Section 4: Contractor Requirements

Contractor shall adhere to the following requirements for LIURP:

a. Provide equitable service throughout the PPL Electric Utilities service territory awarded.
b. Complete required documentation for each LIURP case in LEAP.
c. Provide the customer with the Contractor's name and phone number upon completion of work.
d. Correct problems upon notification within 30 days and documents in LEAP.
e. Correct problems identified by PPL Electric Utilities as emergencies within 24 hours.
f. Provide a one-year warranty on labor and material. Exception: 30-day warranty for LEDs.

g. Provide status reports as determined by PPL Electric Utilities.
h. Complete administrative tasks, such as letters or calls to customers, as requested by PPL Electric Utilities.
i. Coordinate with Act 129 EE&C programs, the State Weatherization Program and/or other utilities.
j. Comply with PPL Electric Utilities' Standards of Conduct and Integrity for Suppliers. https://www.pplelectric.com/-/media/PPLElectric/About-Us/Docs/Supply-Chain/Supplier-Code-of-Conduct.ashx?sc_lang=en&hash=65279C191D840EEA0BA3D9D261F50D8B
k. Comply with OSHA and WRAP standards as specified in the WRAP Standards and Field Guide.
l. Adhere to performance metrics as defined in the Service Level Agreement and PPL Electric Utilities Implementation Plan.

Section 5: Safety

Contractor will comply with the following:

a. Abide by all laws, legislation, rules, regulations, and governmental requirements applicable to the Services and the exercise of rights and performance of its obligations under the Contract.
b. Report all accidents to Company immediately. Investigate all accidents and submit an accident report to the Company within 10 days.
c. Provide Company with Contractor's current safety policy and abide by the policy at all times while administering LIURP.

Section 6: Recruitment, Training, and Q&A

a. Contractor shall assure that all workers that perform audits, installations, and/or inspections must have the appropriate Building Performance Institute ("BPI") Certifications or Pennsylvania State equivalent certification as determined by the Company. Some jobs may be required to have at least one installer that is certified in Lead Renovation and will oversee safe lead practices on a WRAP job as applicable.
b. Contractor shall be responsible for proof of all required certifications. Company may require additional certification during the contract period based on federal, state, and industry standards and requirements. Contactor shall provide proof of certification(s) and subsequent recertification(s) upon request.
c. Contractor shall be aware of and adhere to all codes and municipal requirements for the Services performed.
d. Contractor shall be responsible for training any new employees obtained during the contract period on component requirements, quality assurance and quality control ("QA/QC"), and all other LIURP policies and procedures.

e. For the Company's review, Contractor shall maintain a list of all employees and specialized subcontractors who meet the requirements of the terms and conditions of this Agreement to enter a customer's home or have personal contact with a customer.
f. Contractor shall provide all employees who will be entering customer homes with photo IDs identifying their company association.

Section 7: Service Level Agreement

To ensure contractors achieve key targets, PPL will impose credits to fees when key targets are not met.

Targets subject to fees for failure to meet expectations are:

1. **Turn-around time**
    a. Full cost jobs – final measure install date must be no later than 90 days from date assigned.
        i. Credits to fees assigned if more than 10% of cases assigned exceed 90 days.
    b. Baseload jobs – Audit completion date must be no later than 45 days from date assigned.
        i. Credits to fees assigned if more than 20% of cases assigned exceed 45 days.
2. **Invoicing**
    a. Contractor must submit invoice within 30 days of measure install date.
        i. Credits to fees assigned if more than 5% of invoices are greater than 30 days from install date.
3. **Production**
    a. Achieve quarterly number of cases completed and expenditures as established prior to each program year.
        i. Credits to fees assigned if number of cases and expenditures are less than 98% of target.

Credits to fees will be assessed the month immediately following the end of each quarter. Fees must be paid to Company within 10 business days from notification.

These targets will be measured quarterly, as shown below:

Appendix B

LIURP Service Level Agreements							
Target	**Metric**		**Y1Q1**	**Y1Q2**	**Y1Q3**	**Y1Q4**	**Credit to Fees**
Turnaround Time	full cost - if more than 10% > 90 days		0.09%	0.09%	0.09%	0.09%	0.36%
	baseload - if more than 20% > 45 days		0.09%	0.09%	0.09%	0.09%	0.36%
Invoicing	if more than 5% > 30 days		0.170%	0.170%	0.170%	0.170%	0.68%
Production	if quarterly # of jobs and expenditures less than 98%		0.170%	0.170%	0.170%	0.170%	0.68%
	Y1 Total "at risk"						**2.08%**
Target	**Metric**		**Y2Q1**	**Y2Q2**	**Y2Q3**	**Y2Q4**	**Credit to Fees**
Turnaround Time	full cost - if more than 10% > 90 days		0.125%	0.125%	0.125%	0.125%	0.50%
	baseload - if more than 20% > 45 days		0.125%	0.125%	0.125%	0.125%	0.50%
Invoicing	if more than 5% > 30 days		0.25%	0.25%	0.25%	0.25%	1%
Production	if quarterly # of jobs and expenditures less than 98%		0.25%	0.25%	0.25%	0.25%	1%
	Y2 Total "at risk"						**3.00%**
Target	**Metric**		**Y3Q1**	**Y3Q2**	**Y3Q3**	**N/A**	**Credit to Fees**
Turnaround Time	full cost - if more than 10% > 90 days		0.125%	0.125%	0.125%	0%	0.38%
	baseload - if more than 20% > 45 days		0.125%	0.125%	0.125%	0%	0.38%
Invoicing	if more than 5% > 30 days		0.25%	0.25%	0.25%	0%	1%
Production	if quarterly # of jobs and expenditures less than 98%		0.25%	0.25%	0.25%	0%	1%
	Y3 Total "at risk"						**2.25%**

EXHIBIT B

COMPENSATION SCHEDULE

FILLED OUT PRICING TEMPLATE TO BE ADDED

EXHIBIT C

REQUIRED INSURANCE COVERAGES

The Commercial General Liability coverage required of Service Provider and each Permittede Subcontractor, as applicable, shall be written on an occurrence basis. Deductibles of applicable liability insurance policies shall be at levels that are reasonable and customary in the applicable services industry, and Company reserves the right to request deductible information from Service Provider and any Permitted Subcontractors as needed.

Prior to performing any Services and thereafter promptly following each request by Company at any time from the Effective Date through the expiration of the Agreement, Service Provider shall furnish to Company a certificate of insurance and all endorsements acceptable to Company evidencing the Required Coverages. If any or all of the insurance policies required hereunder would otherwise expire during the Term of this Agreement, Service Provider shall renew, or cause the applicable Permitted Subcontractor to renew, as applicable, such insurance and provide renewal certificates of insurance to Company not later than ten (10) days prior to the applicable policy renewal date.

Service Provider shall provide, and shall require each Permitted Subcontractor to provide, immediate written notice to Company of any cancellation or termination of said insurance, and each of the required policies shall contain language that coverage is primary in all instances regardless of what, if any, like coverages are carried by Company. Service Provider's liability under this Agreement shall not be limited to the Required Coverages.

MINIMUM INSURANCE

	TYPE OF COVERAGE	COVERAGE REQUIRED
1.	Workers Compensation	Statutory
	Employer's Liability	$1,000,000
2.	Commercial General Liability	
	Bodily Injury and	$2,000,000
	Property Damage	General Aggregate

Including, but not limited to, the following with the same above limit of liability for Bodily Injury and Property Damage:

(a) Contractual Liability

(b) Products and Completed Operations

(c) Broad Form Property Damage

The Commercial General Liability policy shall contain either by inclusion in the form or by separate endorsement the following coverages:

- Waiver of subrogation in favor of the additional insureds;
- Service Provider shall ensure that Company is included as an additional insured on the primary and excess/umbrella general liability policies.
- Service Provider shall ensure that the "other insurance" clause in its policies shall be modified so that Service Provider's policy is primary and non-contributory to any of Company's valid and collectible policies. It is further understood and agreed that any policies maintained by Company or in Company's name or on its own behalf, shall be excess only over any valid and collectible insurance maintained by Service Provider on its own behalf and on behalf of Company.

3. Comprehensive Vehicle Liability

Coverage shall include all owned, leased, hired or borrowed vehicles or automotive equipment when used in connection with performance of this Agreement.

Bodily Injury and	$1,000,000
Property Damage	Combined Single Limit

4.	Professional Liability	$5,000,000 per claim

For any Services that include any engineering, design or professional services for which professional liability insurance is available, Service Provider shall obtain and maintain in full force and effect Professional Liability coverage on a claims made policy form.

5.	Umbrella / Excess Liability	$10,000,000 per Occurrence and General Aggregate

An umbrella or excess liability policy written on an occurrence form to apply to all coverages outlined in Exhibit D, items 1, 2, and 3.

6.	Cyber Liability	$ 5,000,000 per Occurrence and in the Aggregate

If applicable, coverage shall in the minimum include (i) liability arising from theft, dissemination, and/ or use of confidential information (a defined term including, but not limited to, bank and credit card account information or personal information, such as name, address, social security numbers, etc.) stored or transmitted in electronic form; (ii) network security liability arising from the unauthorized access to, use of, or tampering with computer systems, including hacker attacks or inability of an authorized third party to gain access to your services, including denial of service, unless caused by a mechanical or electrical failure; and (iii) liability arising from the introduction of a computer virus into, or otherwise causing damage to, a computer system, network, or similar computer related property and the data, software, and programs thereon.

EXHIBIT D

NERC CIP REQUIREMENTS

1. Certain Defined Terms and Interpretative Guidelines. Capitalized terms used in this Exhibit D that are not defined in the Agreement or this Exhibit D shall have the meaning assigned to them in the North American Electric Reliability Corporation ("**NERC**") Glossary of Terms Used in Reliability Standards, as amended, supplemented or modified from time to time (the "**NERC Glossary**") or information associated therewith. All references in this Exhibit D to applicable laws, regulations or standards include any amendments, updated versions, supplements or modifications thereto that may be effected from time to time.

2. Personnel Risk Assessments.

(a) Service Provider agrees that each of its employees, subcontractors or other persons that perform any portion of the Work with respect to (i) Company's BES Assets and BES Cyber Systems, including associated BES Cyber Assets, (ii) Company's Cyber Assets used in access control and monitoring of Company's Electronic Security Perimeter(s), (iii) Company's Cyber Assets that authorize or log access to Company's Physical Security Perimeter(s) or (iv) any information relating to Company's BES Cyber Systems or BES Cyber Assets (collectively, "**NERC CIP Assets and Information**") (each, a "**NERC CIP Asset Worker**") shall be subject to the provisions of this Exhibit D, including, without limitation, this Section 2.

(b) Service Provider shall permit, and Service Provider shall cause each NERC CIP Asset Worker to permit, Company to conduct, or cause to be conducted, a Personnel Risk Assessment ("**PRA**") in accordance with the NERC Critical Infrastructure Protection ("**CIP**") reliability standard CIP-004 R3 and any similar standards that have been promulgated by a NERC-designated Regional Entity for NERC CIP Asset Workers. Each such PRA shall be conducted in accordance with Company's Personnel Risk Assessment Program. NERC CIP Asset Workers shall be deemed Service Provider Parties pursuant to the Agreement. Company shall inform Service Provider when a PRA is necessary but shall not be obligated to identify any of Company's NERC CIP Assets and Information.

(c) Service Provider understands and agrees each NERC CIP Asset Worker will be ineligible to perform any portion of the Work involving Company's NERC CIP Assets and Information until Company has provided Service Provider with notice that such NERC CIP Asset Worker has been deemed eligible for such access in accordance with this Section 2(c). Prior to any NERC CIP Asset Worker's access to Company's NERC CIP Assets and Information, Company shall complete or have completed a PRA with respect to each such NERC CIP Asset Worker. If any NERC CIP Asset Worker is deemed ineligible for access as a result of any such PRA, (i) neither Company nor Service Provider shall grant such NERC CIP Asset Worker any access to Company's NERC CIP Assets and Information and (ii) such NERC CIP Asset Worker shall be prohibited from performing any portion of the Work. Service Provider understands and agrees that (A) it is solely and exclusively Service Provider's obligation to provide sufficient personnel who are eligible to perform the Work in accordance with the terms hereof, and (B) Service Provider shall bear the responsibility for any Work that is not completed fully and on a timely basis including, without limitation, any Work that is not completed fully and on a timely basis as a result of Service Provider's failure to provide sufficient personnel who are eligible to perform the Work in accordance with the terms hereof.

(d) Service Provider shall continually evaluate each NERC CIP Asset Worker's reliability trustworthiness and qualifications to perform Work related to Company's NERC CIP Assets and

Information and immediately inform Company (per the contact information in Section 4 hereof) if Service Provider believes such access should be revoked based upon such evaluation. Company will conduct an updated PRA with respect to each NERC CIP Asset Worker at least once every three (3) years after the initial PRA, and more often (i) if Service Provider or Company discovers or has reason to suspect the existence of any information that would warrant such an updated PRA, (ii) at the reasonable discretion of Company or (iii) as required by the NERC CIP reliability standards or any similar standards promulgated by a NERC-designated Regional Entity. In each of the foregoing circumstances, Service Provider shall permit, and shall cause each NERC CIP Asset Worker to permit, Company to complete, or cause to be completed, such an updated PRA.

3. Worker Training.

(a) Service Provider shall require that each NERC CIP Asset Worker (a) be trained in accordance with Company's NERC Cyber Security training program(s) and such additional training programs required by Company prior to performing, or during the performance of, any portion of the Work, and (b) receive updated training in accordance with such programs on at least an annual basis, and more often at the request of Company or as required by the NERC CIP reliability standards or any similar standards promulgated by any NERC-designated Regional Entity. Service Provider agrees to comply with reasonable Company requests related to the delivery and monitoring of training and information dissemination to NERC CIP Asset Workers, as required by Company from time to time.

(b) Service Provider understands and agrees each NERC CIP Asset Worker will be ineligible to perform any portion of the Work involving Company's NERC CIP Assets and Information and the NERC CIP Asset Worker will not have access to Company's NERC CIP Assets until the NERC CIP Asset Worker has completed the training required by subsection (a) herein. Service Provider understands and agrees that (A) it is solely and exclusively Service Provider's obligation to provide sufficient personnel who have taken the necessary training to perform the Work in accordance with the terms hereof, and (B) Service Provider shall bear the responsibility for any Work that is not completed fully and on a timely basis including, without limitation, any Work that is not completed fully and on a timely basis as a result of Service Provider's failure to provide sufficient personnel with the necessary training to perform the Work in accordance with the terms hereof.

4. Obligations Regarding Terminated Workers or Reassignment. In the event that (a) the employment relationship between Service Provider and any NERC CIP Asset Worker of Service Provider ends for any reason, (b) any NERC CIP Asset Worker is reassigned or transferred to a position that results in a change in the need for authorized electronic access to individual accounts and/or authorized unescorted physical access, or (c) Service Provider for any reason determines that any NERC CIP Asset Worker will no longer perform any portion of the Work, Service Provider shall, immediately at the time of such termination, transfer, reassignment or determination, notify Company by live communication (voice mail is not acceptable) with Company's NERC compliance representative for this Agreement:

For PPL Electric Utilities:
Name: Preston Walker
Cellular phone: 302-593-2701
Alternate Contact for PPL Electric Utilities:
610-774-7777 (Help Center line)

Company can change the foregoing recipients of such notice upon delivering written notice thereof to Service Provider. In each case, Service Provider shall (x) instruct each such Company contact to take appropriate actions to remove such NERC CIP Asset Worker's access to Company's NERC CIP Assets

and Information, and (y) inform each such Company contact of the effective time of any of the events described in clauses (a), (b), and (c) of this Section 4. Service Provider shall immediately collect from such NERC CIP Asset Worker any documents, security tokens, work product, or other Company property and return all such items to a Company representative. Service Provider represents and warrants that there are no electronic or physical Service Provider-maintained designated storage locations for BES Cyber System Information.

5. Compliance with Applicable Policies and Procedures. Service Provider shall, and shall cause each NERC CIP Asset worker to, review and comply with all applicable NERC Standards, and all Company policies and procedures (in their current form, and as they may be modified from time to time) that Company deems necessary for Service Provider to follow, and that Company identifies and makes available to Service Provider sufficiently in advance of the Work to which the policy or procedure applies so as to allow Service Provider and the NERC CIP Asset Worker to review and understand the requirements. Service Provider will ensure that each NERC CIP Asset Worker understands and is familiar with the same.

6. Confidentiality. Notwithstanding any other applicable confidentiality provisions in the Agreement, the following provisions of this Section 6 shall apply with respect to Company's NERC CIP Assets and Information, including, without limitation, confidential information relating to the reliability or operability of the BES and information generated or otherwise developed by Service Provider in connection with its performance of the Work that constitutes or is otherwise related to Company's NERC CIP Assets and Information (collectively, "**Confidential CIP Asset Information**"). Service Provider shall not disclose any Confidential CIP Asset Information to any person or entity, except that Service Provider may disclose Confidential CIP Asset Information to a NERC CIP Asset Worker if Service Provider and such NERC CIP Asset Worker have complied with all conditions set forth in this Exhibit D. Service Provider and any of its NERC CIP Asset Workers in possession of Confidential CIP Asset Information, in physical or electronic form, must agree to all of Company's policies relating to such Confidential CIP Asset Information that have been provided to Service Provider. Service Provider will provide notification by contacting Company's NERC Compliance representative for this Agreement immediately upon becoming aware that it has disclosed any Confidential CIP Asset Information in violation of this Section 6. Service Provider shall ensure that each of its NERC CIP Asset Workers understands and complies with the requirements to protect Confidential CIP Asset Information from inappropriate disclosure as set forth in this Section 6. Notwithstanding anything to the contrary in the Agreement, with respect to any Confidential CIP Asset Information, the restrictions set forth in this Section 6 shall remain in effect indefinitely from the date such Confidential CIP Asset Information was first disclosed to or obtained or discovered by Service Provider.

7. Audit. In addition to the audit rights provided to Company in the Agreement, Service Provider shall, upon reasonable advance notice from Company, provide Company and its authorized representatives copies of requested documentation or access, during normal business hours and without unreasonably interfering with Service Provider's conduct of its business, to all records and other materials reasonably necessary to enable Company to evaluate Service Provider's compliance with its obligations under this Exhibit D. In the event that Company determines, through a review or audit conducted by Company, that Service Provider's compliance with its obligations under this Exhibit D is deficient, (a) Company may immediately suspend the access of any NERC CIP Asset Workers to Company's NERC CIP Assets and Information, and (b) Company may provide written notice of such deficiency determination to Service Provider (a "**Deficiency Notice**"). In the event that Company delivers a Deficiency Notice to Service Provider in accordance with the immediately preceding sentence and Service Provider fails to cure the deficiency to Company's satisfaction within ten (10) days after its receipt of such a Deficiency Notice, Company shall have the right, but not the obligation, to terminate the Agreement.

8. Subcontractors. Service Provider shall be responsible for ensuring any duly approved Subcontractor's compliance with the terms and conditions of this Exhibit D, including, without limitation, making any such Subcontractor available to Company for Company to perform a PRA on such subcontractor prior to such Subcontractor's performance of any portion of the Work.

9. Precedence of Terms. In the event of any conflict between the terms of this Exhibit D and the other terms of the Agreement, with respect to compliance with NERC Critical Infrastructure Standards, the terms of this Exhibit D shall govern.

EXHIBIT E

INFORMATION AND SYSTEM SECURITY AGREEMENT

Company has determined that certain Services Service Provider will provide to Company and/or one or more Affiliates of Company under the Agreement involves access to, receipt, and/or handling of, or hosting or storing of Company's Information (as defined below) external to Company's networks, making the terms and conditions of this Information and System Security Agreement set forth in this Exhibit E to the Agreement necessary and appropriate under one or more of Company's policies. Accordingly, Company and Service Provider agree that the following provisions shall be additional terms and conditions of the Agreement. All capitalized terms not otherwise defined in this Exhibit E shall have the meaning set forth in the Agreement. This Exhibit E shall be governed by the terms and conditions of the Agreement and any amendment thereto, as expressly modified or supplemented hereby, all of which are hereby incorporated into this Exhibit E.

1. Information Defined and Ownership of Information. For the purposes of this Exhibit E, "**Information**" means all non-public information, including Company's Confidential Information (as defined in the Agreement), Personal Information (as defined below), Hosted Information (as defined below), information concerning Company and its business, including the products and services provided under the Agreement, and confidential or proprietary information of any other person or entity, in whether tangible or intangible and in whatever form provided, electronic or digital form or included on any paper/physical records that is either (a) provided by Company[3] to Service Provider or (b) collected, received and/or processed by Service Provider in the process of providing the Services to Company or performing under the Agreement; in either event, which information is stored, hosted, retained, received, processed, and/or transmitted by Service Provider. For the purposes of this Exhibit E, Information stored, hosted, retained, received, processed, and/or transmitted by Service Provider shall remain the property of Company. To the extent performance of the Services for Company requires Service Provider to have license rights to use Information and such rights are not granted in the Agreement or another separate agreement between Service Provider and Company, Service Provider shall request that Company grant such license rights to Service Provider expressly in writing. Unless and until Company expressly grants such a license in writing, Service Provider shall have no license or other rights with respect to Information. Under no circumstances shall Service Provider obtain any ownership or other rights, title, or interest in Information.

2. Restrictions on Access, Usage, and Disclosure. Service Provider may not use Information for purposes other than performing the Services, and Service Provider must ensure that its approved subcontractors are restricted from any use of Information other than for purposes of performing the Services. All access to Information by Service Provider's or any approved subcontractor's personnel shall be on a need-to-know basis. Except as otherwise expressly permitted under the Agreement, Service Provider and its subcontractors cannot disclose Information other than to the minimum extent required by law or a governmental authority having jurisdiction over Service Provider or its approved subcontractor, as applicable. In the event of such required disclosure, Service Provider must notify Company in advance (if legally permissible to do so, as determined by legal counsel for Service Provider) of any such required disclosure and must reasonably cooperate with any decision by Company to seek to condition, minimize the extent of, or oppose such disclosure.

3. Audit Trail and Litigation Holds. Service Provider shall log all access to Information on Service

[3] As used in the remainder of this Exhibit, "Company" refers to Company and/or its Affiliates.

Provider's systems or networks (including the systems or networks of any approved subcontractor). Such logs shall be maintained for each access for a minimum of one (1) year following such access. During such one-year period, Service Provider shall maintain such logs such that they can be promptly retrieved at the request of Company and provided to Company as raw Information logs in an Excel data file or text file. Service Provider shall provide administrative functionality such that Company may deliver notices to Service Provider for the purposes of issuing and maintaining litigation holds with the effect of (a) preventing deletion of some or all Information on Service Provider's systems or networks for the duration of any such litigation hold (including the suspension of automated processes as necessary to prevent such deletion), or (b) causing Service Provider to deliver such Information to Company for preservation. In the event of termination of the Agreement or other contractual arrangement under which Service Provider provides the Services to Company at a time when such a litigation hold is in effect, Service Provider shall return to Company all Information subject to such hold(s) (including all associated metadata) without alteration.

4. Separation of Information. Service Provider shall maintain Information such that other customers and clients of Service Provider and other third parties do not have access to such Information. If Service Provider is utilizing a shared hosting model or shared storage with respect to Information, such Information should be segregated physically rather than logically.

5. Subcontractors. Service Provider shall not provide Information or access rights to Information to any subcontractor or other third party without the express, advance written consent of Company (including as may be provided in the Agreement) (each such subcontractor or third party as to which Company so consents, an "approved subcontractor"). Without limiting Section 15 below, before Service Provider discloses or otherwise provides access to Information to any approved subcontractor, Service Provider shall require such subcontractor to comply with the terms and conditions of this Exhibit E. Moreover, Service Provider shall be responsible and liable to Company for any acts or omissions of any approved subcontractor under this Exhibit E the same as if such acts or omissions were those of Service Provider.

6. Monitoring of Usage (for Hosted Information). **"Hosted Information"** is Information received, held, stored or retained by Service Provider in connection with the Services or for processing and to be accessed for use by Company, its customers, and/or its employees, contractors or subcontractors. If Service Provider stores, hosts, saves or receives any Information for use by Company, its customers or its employees, Service Provider shall not analyze such Information or monitor Company's or Company's users' Information system usage for any purpose other than providing Services to Company. Service Provider may not record or calculate usage statistics of such users of Information systems unless such statistics are aggregated and maintained only in such a manner that neither Company nor Company's Information system users can be identified in any way. Information system usage data pertaining to Company is owned by Company and is Confidential Information of Company, provided that Service Provider may collect and use aggregated usage information on a confidential basis as reasonably needed to support or improve the provision of the Services to Company.

7. Security Program. Service Provider represents and warrants that the Services and Service Provider's information security program includes reasonable and appropriate administrative, technical, and physical safeguards that are risk-based, appropriate to the nature of Information being secured, and meet or exceed generally accepted best practices and are designed, implemented, and maintained, and periodically reviewed and updated, to appropriately safeguard Information against intrusion, theft, ransomware, malicious codes or viruses, destruction, loss, alteration, or unauthorized access, and/or interference by third parties. Service Provider shall implement and maintain a comprehensive written data and information security policy and appropriate procedures, and Service Provider's data security

policies, practices and procedures shall (a) comply with all Applicable Privacy and Data Security Laws; (b) protect against any anticipated or actual threats or hazards to the confidentiality, availability, or integrity of Information, and from the loss of Information, including Personal Information; and (c) include training and security awareness programs for the personnel of Service Provider and any approved subcontractors who have access to Information. Company reserves the right to review, upon request to Service Provider, Service Provider's policies, procedures and practices used to maintain the privacy, security and confidentiality of Information. Without limitation of the above, Service Provider shall: (i) notify Company (as provided for in Section 9) of known security vulnerabilities or suspected vulnerabilities related to the Services or other products, materials or services provided to Company; (ii) proactively monitor vulnerabilities and rectify any such vulnerabilities that concern the Services or Service Provider's systems or networks (including any systems or networks of approved subcontractors that process or store any Information); these vulnerabilities shall be evaluated and patched in a timing commensurate with the risk and mitigation of that risk; (iii) engage a reliable third-party vendor to perform annual or more frequent penetration testing on systems or networks that store or process Information, on an annual basis, with a summary of such testing to be provided to Company upon request to Service Provider; (iv) prohibit Service Provider's and any approved subcontractor's personnel from transporting or transmitting Information in any form (paper or electronic) and on any media to their homes, personal computers, personal e-mail accounts, personal devices or personal media; however, Working remotely can be accommodated as long as work is performed on Service Provider issued hardware, software, and devices with appropriate physical/electronic safeguards implemented with communication to Service Provider's corporate systems or networks via a secure communication channel; all except as may otherwise be expressly permitted by Company in advance in writing; (v) change default security settings (such as default passwords) and promptly install all security updates and patches made available by the vendors of any of the third party software or other products used in connection with the collection, processing, storage or distribution of Information; (vi) employ adequate authentication protocols for online account access to prevent unauthorized users from accessing accounts with access to Information; (vii) refrain from attempting to re-identify personal information that has been provided to Service Provider in a de-identified form or that Service Provider is only permitted to use in a de-identified form; (viii) adopt and utilize up-to-date and fully supported technologies for the safe, secure and accurate collection, processing, storage, and distribution of Information; (ix) utilize open-source software only with all applicable security updates, in compliance with the applicable license, and in a manner that does not jeopardize the security of any Information or systems or networks that process or store Information; (x) absent Company's advance written approval, refrain from reassigning to a third party an internet protocol (IP) address previously assigned to Company for use in connection with Service Provider's performance of the Services; (xi) recognizing the need for secure software development, institute a program based on industry best practices like OWASP Application Security Fragmentation or Department of Defense (DoD) Application Security and Development Checklist Security Technical Implementation Guide (STIG). The program should include a Risk Analysis and Threat Modeling, such as STRIDE or use of the MITRE ATT&CK Matrix; and (xii) utilize a software development quality assurance program that considers use and misuse cases. For purposes of this Exhibit E, "Applicable Privacy and Data Security Laws" shall mean: (i) all privacy, security, data protection, direct marketing, consumer protection and workplace privacy laws, rules and regulations of any applicable jurisdiction (including, without limitation, the U.S. and each state of the U.S. [insert other jurisdictions, if any, where data subjects are known to reside]), and all then-current industry standards, guidelines and practices with respect to privacy, security, data protection, direct marketing, consumer protection and workplace privacy, including the collection, processing, storage, protection and disclosure of Personal Information; (ii) the applicable data security and privacy policies of Service Provider; and (iii) the applicable data security and privacy policies of Company that are either published on Company's web site(s) or otherwise provided by Company to Service Provider.

8. User Authentication. With respect to access to Hosted Information, Service Provider shall provide the ability for Company to utilize strong credentials when authenticating into the service. The authentication system must meet the following minimum requirements: (a) be a minimum of eight (8) characters in length; (b) include three of the following four types of characters: (i) upper-case letters; (ii) lower-case letters; (iii) numbers (0-9); (iv) special characters (e.g. #,*,&, etc.); (c) expire after a given period of time based on the risk to Information protected; as a general rule, ninety (90) days should be the enforceable maximum; (d) any default passwords that come with the service will be changed immediately after the initial setup of the service; (e) not allow reuse of a password until at least three (3) other passwords have been used; and (f) all administrative and remote access to the service requires multi factor authentication.

   Service Provider shall employ equivalently strong authentication requirements in connection with all access by Service Provider's users (including the users of any approved subcontractor) to any Information or Company systems, regardless of whether such access is performed remotely or from any Service Provider system.

   With respect to access to all other Information and systems or networks related to products and/or services provided to Company, Service Provider shall use multi-factor authentication and Service Provider shall utilize best security practices for strong credentials and password complexity (including length and timing of forced updates) when authenticating access to Information and systems related to product and services provided to Company.

9. Security Incident Response. In the event that Service Provider learns or has reason to believe that there has been unauthorized access to or use or impairment of, or any other security breach relating to or affecting, Information, including Personal Information in Service Provider's (including any approved subcontractor's) possession, custody, or control, or that any person who has had access to such Information has violated or intends to violate the terms of the Agreement or this Exhibit E (any of the foregoing, a "**Security Incident**"), Service Provider shall notify Company of such event promptly, but no later than twenty-four (24) hours following Service Provider's discovery of any Security Incident. In addition, notification shall be no later than two (2) hours for suspected ransomware and other similar intrusions where timing is critical to stopping proliferation and propagation and Service Provider has any access to Company's network or is Hosting Information. Notice of the Security Incident (or any other matter concerning this Exhibit E) shall be sent to:

   Company IT Security via:
   Email: PPLCybersecurity@pplweb.com
   Telephone: 610-774-3185

   Notice of the Security Incident shall include details concerning: (a) date and time of Security Incident; (b) type of Security Incident (i.e., data breach, malware, ransomware, etc.); (c) extent of the Security Incident and its known impact to Company; (d) primary business contact person (name, email, and phone) for Service Provider; (e) primary IT cyber security contact person for Service Provider (name, email and phone); (f) immediate, intermediate, and long-term mitigations known at the time of notification; and (g) exposure areas and risks to Company. Service Provider shall immediately take measures as appropriate to preserve evidence (including, as applicable, images of drives, as well as inbound and outbound network logs, application logs, internet traffic logs, firewall logs, router information or logs from any packet capture, network monitoring, intrusion detection or security event and incident management systems for any parts of the network accessible from the potentially affected

equipment). All steps taken in responding to a Security Incident shall be properly documented and chain of custody shall be maintained for any images captured. If Service Provider does not have the in-house capability to perform the actions required in a professional and competent manner, Service Provider shall retain an outside forensic expert to do so at Service Provider's own expense. Service Provider shall be responsible for the actual and reasonable costs (whether incurred by Service Provider or Company) of responding to and mitigating any Security Incident, including, but not limited to, actual and reasonable costs associated with investigation and identification of the nature and scope of such Security Incident (including reasonable attorneys' fees) and, as directed and approved by Company in its discretion subject to applicable law: notification of any individuals whose privacy is potentially impacted; notification of and responding to inquiries from regulators as necessary or appropriate; and providing identity protection and credit-monitoring or similar services to any individuals whose privacy is potentially impacted. Service Provider shall cooperate with Company in investigating and responding to the foregoing, notifying customers or other affected individuals, and seeking injunctive or other relief from and against any person or persons who have violated or attempted to violate the confidentiality or security of Information. In event that a Security Incident involves any payment cardholder data, Service Provider shall also pay or reimburse Company for associated costs, fees, and fines imposed by credit card associations, merchant banks or financial account institutions, and costs passed on by individual card companies, banks and other financial institutions, such as the costs of issuing replacement cards, fraud liability, chargebacks, compromise fees, and other remediation costs.

10. Information Protection. Service Provider shall take all necessary and reasonable steps to protect Information against any unauthorized access or improper use during both storage (while "at rest") and transmission while in Service Provider's (including its approved subcontractors') care, custody, or control. Such steps must include protections for both physical and electronic data. To the extent that the handling of any Information is governed by the Health Insurance Portability and Accountability Act ("**HIPAA**") and its regulations, the parties shall enter to and abide by a separate Business Associate Agreement in compliance with HIPAA before Service Provider accesses any such Information. To the extent that any Information constitutes payment cardholder data, Service Provider shall, in addition to complying with this Exhibit E, abide with all applicable provisions of the Payment Card Industry Data Security Standard in connection with handling such Information, and the parties shall execute a separate addendum with additional terms concerning such Information. Protection of Information in storage (including storage on any portable device, including laptops, or removable storage media, including USB drives and backup tapes) shall include encryption of Information using an encryption product/technology that meets or exceeds industry best practices for encryption while in transit or at rest. Protection of Information during transmission shall include the encryption of Information sent over a data network connection, including the Internet or Service Provider's internal network connections as well as any connections to third parties, using a secure, encrypted communications method that meets or exceeds industry best practices for encryption.

11. Personal Information. In performing obligations hereunder, Service Provider may obtain or have access to, or otherwise store, process or transmit, certain personal information of Company's employees, other personnel, agents, officers, directors, contractors, customers, potential and prospective customers, dealers, suppliers, and/or other persons, which information may include without limitation name, address, other contact information, financial account information, health or medical information, insurance information, social security number, tax ID number, driver's license or non-driver identification card number, passport information, government ID number, tribal ID number, mother's maiden name, date of birth, password, PIN, access code, routing code, security code, biometrics, DNA profile information, electronic signature or serial number, employee ID number, payroll records, salary information or other human resources records and information, "protected health information" as

defined by the Health Insurance Portability and Accountability Act, "non-public information" as defined by the Gramm-Leach-Bliley Act, consumer report information, FICO scores, alien registration number or naturalization number, personal identification number or code, electricity system equipment and usage information, other account information and/or account activity information, other information or data that can be used for identity theft (including that which is not personally identifiable) and other sensitive information regarding such persons (collectively, "**Personal Information**"). Notwithstanding anything to the contrary, as between Company and Service Provider, all Personal Information is and shall remain the sole and exclusive property of Company, and shall be deemed Company's Confidential Information, perpetually and regardless of whether it is marked as such and regardless of whether it falls into an exception to the confidentiality provision set forth or cross-referenced in the Agreement. Service Provider acknowledges that it is responsible for the security of Personal Information that it receives or accesses in performing the Services, and Service Provider shall at all times maintain appropriate information-security measures with respect to such Personal Information in a manner consistent with Applicable Privacy and Data Security Laws. Without limiting the foregoing, Service Provider shall comply with all applicable laws pertaining to privacy, data security, data protection, consumer protection, email and other digital marketing, telecommunication (including text message) marketing, and workplace privacy in connection with Service Provider's handling of Personal Information.

12. Return or Disposal. As soon as possible after any Information (or a portion thereof) is no longer needed by Service Provider to fulfill its obligations hereunder, and in any event at any time upon Company's request, including upon termination of the Agreement or other contractual arrangement under which Service Provider provides the Services to Company, as applicable, for any reason such Information in Service Provider's possession or control (including the possession or control of any approved subcontractors) shall be returned in an agreed-upon format (or in the absence of an agreement, in the format in which received) to Company by Service Provider, or at Company's request destroyed (including without limitation, with respect to any hard copy, cross-shredded) as provided in **Section 9.1** of the Agreement; and (b) Service Provider shall certify to Company, in writing, that Service Provider has complied with its obligations under this Section 12. Service Provider shall not charge any additional fees or impose any conditions for complying with the obligations in this Section.

13. Indemnification. Without limitation of any indemnification obligations set forth in the Agreement, Service Provider hereby agrees to indemnify, defend and hold harmless Company, its Affiliates, officers, directors, employees and agents, from and against any and all Claims and Losses, including without limitation actions by the Federal Trade Commission, other regulator and/or attorneys general and private Claims, where such Claims arise out of a Security Incident. Company expressly reserves the sole right, at Company's option, to control the defense and/or settlement of any such Claim and, in such event, in addition to Service Provider's other obligations in this Section 13, Service Provider agrees to assist Company, at Service Provider's expense, in the defense of any such Claim.

14. Limitation of Liability. NOTWITHSTANDING ANY PROVISION IN THE AGREEMENT OR ANY SCOPE OR STATEMENT OF SERVICES TO THE CONTRARY, SERVICE PROVIDER'S PAYMENT AND INDEMNIFICATION OBLIGATIONS UNDER THIS EXHIBIT E, AND DAMAGES AND LOSSES ARISING FROM SERVICE PROVIDER'S NON-COMPLIANCE WITH THIS EXHIBIT E, ARE NOT DISCLAIMED OR CAPPED BY ANY LIMITATION OR DISCLAIMERS OF LIABILITIES SET FORTH IN THE AGREEMENT OR ANY SCOPE OR STATEMENT OF SERVICES.

15. Information Location. Unless otherwise expressly authorized in writing by Company, all Information

centers, servers, and backup Information storage locations used by Service Provider for performance of the Services shall be located in the United States of America and/or Canada or their respective territories. Service Provider shall create and maintain records of the locations at which Service Provider (including any approved subcontractor) stores Information and retain such records for each such location for a minimum of five (5) years following the removal of Information from such location. Service Provider shall notify Company when changes occur to such storage locations (new, retirement of old, migration from one to another). In the event that Information is hosted at a Service Provider location and Service Provider plans to move Information to an off-site location, Service Provider must notify Company a minimum of thirty (30) days in advance.

16. Country of Origin. All Services, products, services, software (including design and development), and programmable hardware manufacture for products provided to Company shall not, including with respect to components or materials, be designed, developed, manufactured, or supplied by a foreign adversary of the United States, as such term is defined, from time to time, by the United States government, including Department of Energy ("**DOE**") or Department of State ("**DOS**"), which countries shall include China, Cuba, Iran, North Korea, Russia, and Venezuela and such other countries identified by DOE or DOW from time to time.

17. Attestations. Service Provider must comply with one or both of the following, or comparable privacy and information-security validation measures, as determined by Company:

    (a) On an annual or more frequent basis, Service Provider must, at its expense, engage a qualified, independent, and reliable third-party security professional to regularly (at least once per year) audit and validate the security measures in place as well as their sufficiency, and of the systems and the business processes used by or for Service Provider to access, store, process, or transmit any Information. Such audit shall be performed according to ISO/IEC 27001 standards and must be accompanied by a report. Such report, which shall be provided to Company upon request to Service Provider, must include a clear description of the scope of the audit and any material findings by the auditor.

    (b) Each calendar year, Service Provider must provide to Company a current Type 2 Service Organizations Control (SOC) report or comparable report satisfactory to Company, confirming the adequacy of Service Provider's controls under the Trust Services Principles and Criteria of the American Institute of CPAs, or comparable principles and requirements satisfactory to Company. The scope of each report must include the Service Provider systems and the business processes used by or for Service Provider to access, store, process, or transmit any Information, and each report must include a list of the controls that were tested.

18. Upgrades. Service Provider shall provide fourteen (14) days' notice to Company prior to major changes to system configuration, including changes that can affect certification status (if applicable), security or network processes, encryption key lengths, etc. In the event Service Provider plans upgrades or changes to Service Provider's systems or networks that would interfere with Company's business operations, Company may elect to require Service Provider to defer such upgrades for the duration of the then-current contractual arrangement, except to the extent such changes or modifications are reasonably necessary to address security vulnerabilities or prevent interference with business operations.

19. Survival. The obligations of Service Provider set forth above in this Exhibit E shall survive any

expiration or termination of the Agreement and shall remain in place for as long as any Information remains in Service Provider's possession, custody, or control (including in the possession, custody, or control of any approved subcontractor).