

APPENDIX A

1. Project Plan. Within 25 days after the lodging of the Proposed Consent Decree, The Nature Conservancy (“TNC”) shall provide to the Parties a draft copy of a plan (the “Plan”) for the allocation of funds to be provided by LG&E pursuant to Paragraph 18 of the Consent Decree. Upon review and approval of the Plan by TNC and the Parties, and not later than 35 days after the lodging of the Proposed Consent Decree, TNC shall provide to U.S. Department of Justice, to the Parties, and to the Court a copy of the Plan agreed to by the Parties and a letter certifying that TNC (i) has read the Proposed Consent Decree; (ii) will spend any monies it receives under the Consent Decree for the purposes specified in Appendix A to the Consent Decree; (iii) is a 501(c)(3) tax-exempt organization; (iv) will not use any money it receives under the Consent Decree for lobbying purposes; (v) will submit to the Court, the Department of Justice, and the Parties reports as outlined in this appendix describing how the funds were spent. The Plan shall include the following basic components, which are described at greater length in subsections (A) through (C) below: (A) tree planting plan for select locations within the Mill Creek watershed in Jefferson County, Kentucky; (B) a suite of riparian, water quality, and hydrologic improvement projects in the Green River watershed, with an emphasis on Green County and Hart County; and (C) overview of project management staff and administrative support necessary for implementation of the Plan. The Plan will provide an estimated timeline for project planning, implementation, and post-planting maintenance in the Mill Creek watershed and shall specify that TNC’s obligations shall not extend beyond end of maintenance period or final expenditure of funding and associated reporting, whichever comes later.

- A. Mill Creek Tree Planting. This component of the Plan will include: (a) identification of areas within the Mill Creek watershed in Jefferson County, Kentucky in need of forest cover, with an emphasis on riparian areas along Mill Creek and locations where tree planting can address identified stormwater management problems; (b) a basic tree planting plan, including identification of a suite of species appropriate for such planting, (c) a basic maintenance plan to ensure adequate tree survival after initial planting, and (d) anticipated outreach to the local community to encourage public participation in the project and management of any volunteers. Implementing the tree planting goals and establishing measurable gains in riparian cover are intended to (i) reduce water temperatures and increase dissolved oxygen in Mill Creek; (ii) reduce sediment and nutrient pollution in Mill Creek, especially from stormwater runoff; (iii) increase riparian and instream habitat in Mill Creek; and (iv) decrease stormwater runoff by increasing pervious cover and water infiltration capacities of planted areas. For metrics and reporting purposes, TNC is not obligated to conduct physical, chemical, or biological monitoring of Mill Creek before or after implementation of the Plan, except that it will report on number of trees planted, tree survival, total acreage planted, and linear feet of planting along Mill Creek.
- B. Green River Riparian, Water Quality, and Hydrology Improvements. This component of the Plan will include: (a) overview of the importance of the Green River, a globally significant waterway emptying into the Ohio River downstream of Mill Creek, and (b) identification of key conservation projects and deliverables resulting in long-term water quality protection for the most biologically-rich branch of the Ohio River System, including (i) permanent land conservation (fee or easement acquisition), (ii) riparian

tree planting and other restoration efforts, (iii) removal of impediments to natural hydrologic flows of Green River or key tributaries, and (iv) collaborative efforts with agricultural landowners to reduce run-off and associated nutrient and sediment pollution. Implementing this suite of projects is intended to (1) improve water quality in the Green River and the larger Ohio River downstream of Mill Creek; (2) improve riparian habitat along the Green River and key tributaries; and (3) permanently protect the high quality Kentucky lands and waters that provide drinking water, recreation, ecotourism, and reduction of flood risk.

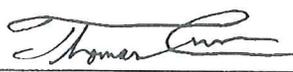
- C. Project Management and Administrative Support. Included in the Plan will be a description of the necessary project management staff and administrative support for implementation of the Plan. Funds provided by LG&E pursuant to Paragraph 18 of the Consent Decree may be used by TNC to advance work outlined in the Plan for Mill Creek and Green River as summarized above. Additionally, staff supported by such funds may work on other tree planting, stormwater, or volunteer and youth engagement work in the larger Louisville metropolitan area and to participate in overall staff meetings and trainings as required by their employment at TNC.
2. Allowable Use of Funds and Reporting. Project funds shall be used only for the implementation of the projects identified and described in the Plan (the “Work”). TNC will commit at least seventy (70) percent of funds provided by LG&E pursuant to Paragraph 18 of the Consent Decree for portions of the Work outlined in paragraphs 1.A. Mill Creek Tree Planting and 1.C. Project Management and Administrative Support above. In no event shall TNC directly or indirectly use project funds in litigation or public information or awareness efforts directed against LG&E or any company affiliated with LG&E,

including but not limited to Kentucky Utilities. On a quarterly basis, TNC shall provide a brief programmatic report detailing the status of the Plan to the persons listed in Paragraph 32 of the Consent Decree. Each such quarterly report shall include a certification by a responsible official at TNC that the funds provided by LG&E pursuant to Paragraph 18 of the Consent Decree have been or are being expended in accordance with this Appendix and the Plan.

3. Limits on Liability. TNC shall not be liable for any amount in excess of the payments made under this Appendix A. In no event will TNC be liable for any consequential, incidental, or special damages (including loss of business profits) arising from or related to this Appendix, even if TNC has been advised of the possibility of such damages.
4. Public Statements; Logo Use; No Endorsement. No promotion of the Work or use of TNC's name, logo or trademarks by the Parties is allowed without TNC's express written permission. TNC does agree to be named in a press release from the Parties as the recipient of funds provided pursuant to Paragraph 18 of the Consent Decree provided that (i) TNC is provided opportunity to review and approve language in the press release that is directly related to TNC prior to its issuance.
5. Corporate Engagement Principles. The Parties acknowledge the following principles for TNC's Corporate Engagement:
 - A. TNC's primary analysis or work product in implementing the Work is not proprietary to the Parties, will be freely offered to interested governmental agencies, other companies and stakeholders, and may be published in peer-reviewed scientific literature or other print media.

- B. TNC retains the option to publicly comment on the merits of any corporation's or entity's activities, development proposals or other matters that affect TNC's conservation priorities but shall not directly or indirectly use the Project Funds to do so.
- C. TNC may disclose the identities of companies and entities with whom it engages and the nature and purpose of its corporate engagements.
- D. TNC will share general knowledge and expertise gained in implementing the Work to replicate and promote better mitigation practices and public policies at regional, national, and international levels.
- E. TNC will seek input on its performance of the Work and any associated analysis as appropriate from regulatory agencies and other key stakeholders.
- F. To the extent TNC's work becomes part of a regulatory process, TNC's science may, at TNC's option, be incorporated into the appropriate public record for review by other stakeholders without editorial or substantive changes by the Parties.
6. Capitalized Terms. Capitalized terms used in this Appendix not otherwise defined herein shall have the meaning set out in the Consent Decree.

SIERRA CLUB

By: 

Title: Attorney for Sierra Club

Date: 9/26/16

LOUISVILLE GAS AND ELECTRIC COMPANY

By: 

Title: Chief Operating Officer

Date: 9/26/16

THE NATURE CONSERVANCY

By: D. Pelt

Title: State Director

Date: 9/22/2016