



SUPPLY CHAIN

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Relationships with contractors and suppliers are vital to PPL’s successful operations. Those contacts are developed and maintained through the company’s Supply Chain organization, which purchases materials and services to cost effectively support our business.

All purchase orders and contracts issued by PPL must use a qualified supplier. PPL’s Supply Chain maintains a list of qualified suppliers and awards business to approved suppliers based on a number of factors including previous business dealings, competitive prices and quality materials and services. PPL also expects each supplier and contractor to share the company’s commitment to safety, the environment, diversity and the highest standards of conduct.

Accordingly, PPL thoroughly reviews the safety and environmental performance of its business partners and incorporates compliance requirements in purchase orders and contracts. The value PPL places on diversity in its employees, communities and customers carries over to the people from whom the company purchases goods and services. In addition, suppliers and contractors also must observe the highest standards of business, professional and personal ethics when bidding or providing materials or services to PPL.

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■ A Message from PPL's Chairman, President and Chief Executive Officer

To Our Valued Suppliers and Contractors:

In an effort to reduce costs, improve transaction times and enhance business communication with our suppliers and contractors, PPL is taking advantage of the benefits of electronic commerce, and we want you to join us.

Our goal is to conduct business with approved suppliers and contractors using GEP, a supply chain e-marketplace that provides electronic transaction services designed to save money and time. GEP's services enable smooth electronic bidding, order and invoicing transactions.

Our experience with numerous suppliers and contractors shows that electronic invoicing can shorten our review and approval time by up to 20 days compared with paper invoices, enhancing our ability to pay you on time.

As often is the case, full realization of such benefits may require a change to your business processes. GEP offers you a choice of connecting over the Internet or directly integrating your systems to its marketplace. There are no fees to use GEP's Supplier Portal and only a small one-time connection fee for the integration option. You have my commitment that PPL and GEP will work with you to make the needed changes for a smooth transition.

I encourage you to explore this opportunity to create savings within your organization and to consider implementing e-commerce with PPL. Please don't hesitate to contact our Supply Chain management team for more information.

Sincerely,



William H. Spence
Chairman, President and Chief Executive Officer - PPL Corporation



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■ Supplier and Contractor e-Commerce with PPL

PPL encourages its suppliers to use electronic commerce to transact RFQs, bids, purchase orders and invoices for materials. Contractors can also electronically transact invoices for services.

Using e-commerce to conduct transactions improves lead times, reduces transaction processing costs, speeds the processing of payments, offers competitive advantages in the bidding process and improves communications for both PPL and its suppliers.

PPL uses GEP, a supply chain e-marketplace, to conduct electronic transactions with its suppliers. Suppliers have the option to use GEP's Supplier Portal to receive RFQs and orders electronically from PPL and then respond with bids and "flip" orders into electronic invoices or directly integrate their order fulfillment system to GEP.

There are no fees to use GEP's Supplier Portal and only a small one-time connection fee for the integration option.



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■ Begin e-Transacting with PPL

GEP's Supplier Portal makes it easy to e-transact with PPL

1. Supplier clicks the GEP logo on the Supplier e-Commerce with PPL Website (www.pple-commerce.com) to complete registration with GEP including their Supplier Profile. Registering with GEP also enables supplier, if qualified, to electronically receive and respond to PPL RFQs through the GEP Supplier Portal. Supplier has the option to use the GEP Supplier Portal or integrate to GEP.

There are no fees to use GEP's Supplier Portal and only a small one-time connection fee for the integration option.

2. GEP verifies supplier set up on GEP Supplier Portal for RFQ, purchase order and invoice processing and need for training.
3. PPL sends an RFQ or purchase order to GEP.
4. GEP posts the RFQ or purchase order to the GEP Supplier Portal.
5. GEP sends an e-mail to supplier, which includes a link to the Supplier Portal.
6. Supplier accesses the RFQ or PO on GEP Supplier Portal.
7. Supplier submits a bid or acknowledges and processes the PO.
8. When the order is shipped, supplier logs onto GEP Supplier Portal and "flips" the PO to an invoice and electronically sends it to PPL.
9. Contractors and Service providers who have registered with GEP can use the "flip" process on the GEP Supplier Portal for progress invoicing against a service contract.
10. PPL processes invoice and sends payment to supplier by check or at supplier's option, electronic funds transfer (EFT).



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■ PPL Business Rules for e-Transactions

- Suppliers using the GEP Supplier Portal should conduct RFQ, Purchase Order, Change Order, Purchase Order Response and Invoice transactions as minimum functionality. The GEP Supplier Portal contains training materials and a Helpdesk to familiarize suppliers on use of the GEP Supplier Portal.
- Suppliers with less than 45 transactions per month may use the GEP Supplier Portal as a long-term solution.
- Suppliers with 45 to 90 transactions per month with Enterprise Resource Planning (ERP) not capable of EDI or XML direct integration to GEP should develop an upgrade plan with reasonable implementation time while using the GEP Supplier Portal.
- Suppliers with more than 90 transactions per month with ERP capable of EDI or XML direct integration should consider implementing direct integration to GEP and only use the GEP Supplier Portal as a temporary solution.
- GEP will assign an e-Enablement Manager to each integrating supplier who will facilitate and track integration progress.
- Suppliers for EDI or XML direct integration should enable and use Purchase Order, Change Order, Purchase Order Response and Invoice as a minimum functionality. RFQs are transacted using the GEP Supplier Portal.
- Purchase Orders may contain multiple ship-to addresses, consisting of a different ship-to address per line item. Suppliers directly integrating to GEP via XML or EDI must support this requirement.
- Suppliers should ensure that each e-invoice includes the Purchase Order number and original Purchase Order line item number.
- Each e-invoice should refer to 1 (and only 1) stand-alone PO or PO/release.
- The “flip” process on the GEP Supplier Portal can also be used for progress invoicing against a service contract.
- Charges for returnable containers, cylinders or demurrage and surcharges such as fuel, steel, hazmat or delivery are not to be included with the item’s unit price. Such charges must be quantified with the PPL buyer prior to e-invoicing and included in the line item miscellaneous charges field of the e-invoice.



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■ PPL Supplier and Contractor e-Enablement Questions and Answers

Q. What is PPL asking my organization to do?

A. We would like you to partner with us to use technology to reduce transaction processing costs for both of us. You can do this by registering with the GEP e-marketplace that will electronically transact RFQs, purchase orders, change orders, purchase order acknowledgements and invoices. PPL can also arrange Electronic Funds Transfer (EFT) payments.

Q. What value will this offer my organization?

A. Conducting business electronically with PPL can significantly lower your order processing costs (clerical, printing, mailing), shorten your fulfillment cycle, reduce errors, speed payment processing and enhance cash flow. Use of an electronic marketplace can extend your market reach, differentiate you among other suppliers for greater competitive advantage and increase customer satisfaction.

Q. How is PPL doing this?

A. PPL uses GEP, a supply chain electronic marketplace, to assist its suppliers and contractors to conduct electronic transactions. GEP improves the efficiency of supply chain transactions between buyers and suppliers. GEP is not directly involved in PPL bid evaluations, award decisions or supplier relationships. Simply click the GEP logo on the Supplier e-Commerce with PPL Website for www.pple-commerce.com.

Q. How much will it cost my organization?

A. There are no connection or transaction fees for transactions through the GEP Supplier Portal. If Supplier chooses the integration option, Supplier pays a one time fee of \$800 to GEP to complete the integration and there are no transaction fees.



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Q. What determines whether using the GEP Supplier Portal or integration is best for my organization?

- A. The GEP Supplier Portal enables procure-to-pay transactions with only a Web browser. It can be a sufficient solution for suppliers with fewer than 45 transactions a month. Suppliers with higher transaction volumes and system capability are encouraged to integrate their system directly to GEP to take advantage of even greater process efficiencies.

GEP provides translation services that allow you to send and receive transactions in a variety of electronic formats (EDI, XML). GEP will consult with you to determine the best solution for your needs and capabilities.

Q. How many contacts can I authorize to log in to the GEP system?

- A. We suggest that you designate appropriate contacts, for RFQ/bidding, order processing and invoicing. The GEP Supplier Portal gives you the ability to directly manage your Profile.

Q. What are the implications of not becoming electronically-enabled with PPL?

- A. PPL is increasingly using its electronic marketplace as a single connection to its suppliers and contractors. When appropriate, PPL RFQs and RFPs require that suppliers and contractors use e-commerce for resulting transactions. For other contracts, a supplier's or contractor's willingness to do so may be a factor in PPL's award decision. PPL and GEP will work with you to resolve your concerns.

Q. Where can I get additional information on how this process works?

- A. Simply click on [PPL Supplier e-Commerce Enablement](#).

Q. Who do I contact if I have a problem?

- A. Refer to [e-Commerce Contacts](#) on page 8.



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e-Commerce Contacts

Contacts for Order and Invoice Processing

PPL is committed to making procure-to-pay e-transactions a positive experience for our suppliers and contractors. Please refer to [PPL Supplier e-Enablement Q&A](#) on page 6 for more information. If you have additional questions, contact the following appropriate e-Commerce Enablement representative.

Contacts

Supplier and Contractor e-Enablement with GEP

Suppliers and contractors with technical questions related to the operation of your Web portal set-up, integration, on-going access or training should contact GEP Customer Service.

GEP

e-Mail: pplsupport@gep.com

GEP Customer Service at 732-428-1578

Sourcing

Suppliers and contractors with sourcing related questions should contact the responsible buyer in PPL's Sourcing department.

Invoices

Suppliers and contractors with invoice questions should use the PPL Supplier Helpdesk hotline.

PPL Supplier Helpdesk

e-Mail: finsupplierhelpdesk@pplweb.com

Helpdesk Hotline: 610-774-6430 or toll-free at 800-257-8170

Or refer to [Invoice Questions](#) on page 11.

e-Commerce

Suppliers with questions regarding e-commerce with PPL should contact:

Denise Stewart

e-Mail: dastewart@pplweb.com

Phone: 610-774-7126

PPL Early Payment Program through Ariba

Suppliers that would like to sign up for the opportunity to receive early payment offers through the Ariba portal should contact Ariba Customer Service:

e-Mail: pplenablement@ariba.com

Phone: 1-800-974-4899



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Supplier Diversity

A Good Business Policy

The value PPL places on diversity in its employees, communities and customers carries over to the people from whom the company purchases goods and services.

PPL's Supplier Diversity Program is a commitment to purchase goods and services at competitive prices, while enhancing the opportunities for success for business owners of diverse backgrounds.

Who Qualifies for the Supplier Diversity Program

A small business is a firm, including its affiliates, that is independently owned and operated, and that qualifies as a small business under the U.S. Small Business Administration (SBA) definitions.

A women-owned business must be at least 51 percent owned, operated and controlled by one or more women who are U.S. citizens.

A disabled-owned business includes those businesses whose owners are disabled under the definitions of the federal Americans with Disabilities Act. This includes nonprofit agencies or programs that promote the interests of the disabled or agencies that have a work force of 51 percent or more disabled workers.

A HUBZone (requires Small Business Administration certification) - must be: (a) small, (b) located in a historically underutilized business zone (HUBZone), (c) owned and controlled by one or more U.S. citizens, and (d) at least 35 percent of its employees reside in a HUBZone.

A small disadvantaged business must be at least 51 percent owned and controlled by a socially and economically disadvantaged individual or individuals. African-Americans, Hispanic Americans, Asian Pacific Americans, Subcontinent Asian Americans and Native Americans are presumed to qualify. (Other individuals can qualify if they show a preponderance of evidence that they are disadvantaged. All individuals must have a net worth of less than \$750,000 excluding the equity of the business and primary residence.)



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A veteran-owned small business must be at least 51 percent owned by one or more veterans, and the management and daily business operations of which must be controlled by one or more veterans.

A service-disabled veteran-owned small business must be at least 51 percent owned by one or more service-disabled veterans and the management and daily business operations of which must be controlled by one or more service-disabled veterans.

Making the Supplier Diversity Program Work

PPL is continually reviewing its entire supplier database in an effort to obtain updated supplier information, purge duplicate or incorrect listings, and verify minority certifications. We therefore request your help as follows:

1. Please save, print and complete the [Supplier Information Form](#), including your NAICS Code designation as listed in the [SBA.com](#) website.
2. If you classify your firm as a small and women-owned or minority business, please include a copy of your certification.

Please e-mail PDF copies of your certifications and the Supplier Information Form to suppliersubmissions@pplweb.com.

Certification examples: National Minority Supplier Development Council (NMSDC), Women's Business Enterprise National Council (WBENC), State/Local Government, or PPL's 4890 Supplier Classification Form which must be hand signed by an officer of your company.



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Invoice Questions

Payment Terms/Early Payment Options

Please note that PPL Corporation's affiliates in the Pennsylvania and regions have changed supplier standard payment terms to **Net 60**. These revised payment terms apply to new, renewed or renegotiated contracts, purchase orders or payment orders. In addition, these PPL affiliates are initiating an Early Payment Program which offers suppliers the opportunity to receive a standard accelerated payment term of **2% 15, Net 60**, as well as additional accelerated payment options. The supplier portal for this program is hosted by Ariba, an SAP Company. Please contact Ariba at pplenablement@ariba.com or 1-800-974-4899 to begin taking advantage of accelerated payment options.

Electronic Invoicing

PPL encourages suppliers to be connected electronically.

- Over 50 percent of the invoices received from our suppliers are submitted electronically. Please refer to our eCommerce webpage at Supplier and Contractor e-Commerce with PPL.
- Over 70 percent of the payments made to our suppliers are made electronically. Please call 610-774-4209 (888-577-7891), option 1 then option 3, to have your payments changed from checks to EFT (Electronic Funds Transfer).

Invoice Status Inquiry

Supplier self-service inquiry provides the status of invoices. The supplier must know their invoice number, invoice date and invoice amount to use self-service Vendor Payment Search.

- PPL Vendor Payment Search link <https://apweb.prod.pplweb.com/paymentsearch/Application/Search.aspx>
- If your invoice does not appear and you submit your invoices electronically, please submit the missing invoice electronically.
- If your invoice does not appear, and you still submit paper invoices, please fax the invoice to 610-774-4827. Make sure the purchase order or contract number appears on the invoice so it can be processed. If you do not know the number, please contact the PPL employee who placed the order.
- After checking the status of your invoice, please wait until it is past due before contacting the Supplier Helpdesk at 610-774-4209 (888-577-7891) option 1 then option 1, again, or email finsupplierhelpdesk@pplweb.com.



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■ Shipping Instructions

PPL uses an outside 3rd party for much of its less than truckload shipments (LTL). Suppliers can contact Logistics Planning Services (LPS) to arrange for carriers to pick up and deliver material.

To contact Logistics Planning Services, please call 1-877-539-7447.

Suppliers should utilize UPS for shipments which do not fall into the LTL category.



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■ Contractor Environmental Requirements

Contractor shall at a minimum;

- a) Ensure all contractor and sub-contractor employees have proper training for all regulatory required environmental needs, including handling of material, wastes, equipment and response to environmental incidents.
- b) Not allow discharges to drains and/or sewers without prior approval from PPL.
- c) Provide adequate spill/release prevention for all bulk materials brought on site.
- d) Immediately contact and inform the PPL representative or site environmental coordinator of any abnormal conditions, spill, releases or any other environmental incident.
- e) Properly manage their chemicals/materials by providing PPL representative and/or site environmental coordinator with Material Safety Data Sheets (MSDS) and receive approval of the chemicals/materials prior to bringing them onto the job site.
- f) Ensure all approved chemicals/materials are labeled and clearly marked identifying ownership and properly stored.
- g) Properly label and store all wastes generated from their activities in accordance with all federal, state and local requirements.
- h) Be sensitive to local community impacts, such as noise, odor, lights, fugitive dust and traffic movement.
- i) Prepare and maintain records pertaining to their work in accordance with environmental permits and regulatory requirements.
- j) Remove all unused chemicals and materials from site at conclusion of work.

