

**EXH. DJL-3r (Apdx. Ir)
DOCKETS UE-240004/UG-240005
2024 PSE GENERAL RATE CASE
WITNESS: DAVID J. LANDERS**

**BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,**

Complainant,

v.

PUGET SOUND ENERGY,

Respondent.

**Docket UE-240004
Docket UG-240005**

**APPENDIX I (NONCONFIDENTIAL) TO THE SECOND EXHIBIT TO THE
PREFILED DIRECT TESTIMONY OF**

DAVID J. LANDERS

ON BEHALF OF PUGET SOUND ENERGY

**REVISED
MARCH 4, 2024**

FEBRUARY 15, 2024



Mobile Substations

Corporate Spending Authorization (CSA)

Date Created:	Wednesday, April 5, 2023
Discretionary/ Non-Discretionary:	Non-Discretionary
Multi Year Rate Plan:	Specific
Equity Impact:	Yes
Strategic Alignment:	Operate the Business-Reliability
Estimated In-Service Date:	Tuesday, June 30, 2026
Current State (Business Need):	<p>Currently PSE operates a fleet of five mobile substations that are deployed to temporarily take the place of stationary substation equipment during outage events such as a major equipment failure or during a project to replace existing major equipment that can affect our customers. Historically when an extended outage was required on a piece of critical substation equipment, affected circuits would be switched to receive power from neighboring substations. While this solution is the preferred way to provide backup power, it is increasingly unavailable due to increasing load within PSE's system. As switching becomes a less viable strategy, mobile substations are increasingly needed to act as a temporary replacement for affected equipment. The increasing demand for mobile substations contrasts with the state of PSE's existing mobile substations fleet. Three of five existing mobile substations have exceeded or are near their expected lifetime of 50 years. Out of these three units, two are rated to provide less than 25MVA which limits their use within PSE's system. A lack of readily available and healthy mobile substations can create delays to projects or emergency outages, as equipment cannot be safely disconnected. When older equipment is deployed, previously unknown damage can become apparent and create significant operational delays. For unplanned work, the impact of mobile substations being unavailable or damaged can result in extended outages. On more than one occasion, we have not been able to deploy the mobile due to malfunctioning trailers that become a safety concern during transport. As the mobiles age they require more maintenance and repairs that limits our ability to support Substation Operations when needed. PSE Asset Management recommends to increase the current fleet from 5 to 9 mobile substations to support planned work and unplanned outages. We are currently in the process of procuring 4 mobile substations (not part of the CSA) to bring the total to 9. However, the Asset Management team also recommends replacing three of the existing fleet that have reached end of life that are experiencing reliability issues and insufficient capacity ratings under this CSA. By replacing these aging units and procuring the additional 4 units, we will have a fleet of 9 mobile substations.</p>



Mobile Substations

Corporate Spending Authorization (CSA)

Desired State (Proposed Solution):

With an upgraded modern substation mobile fleet, Substation Operations can better serve their Regional Emergency crews as needed and the Project Managers as they coordinate outages for planned work with Load office. New mobiles will reduce O&M expenses for repeated repairs and maintenance on existing mobile transformers and trailers. Increasing the size and capacity of the fleet will enable Substation Operations to support more of the planned program work that's part of the multiyear rate case. The improved fleet will facilitate the implementation of the Grid modernization program to successfully replace aging transformers and install more smart breakers to provide circuit SCADA capability to all our customers equitably. Adding new mobiles to the existing fleet will improve the speed that we can deploy them for different situations and provides a reliability benefit in preventing extended transformer outages during failures with minimal impact on customers. This will allow us to support emergency events as needed without having to cancel a scheduled outage for a planned project also, this has been a common event in the last few years.



Mobile Substations

Corporate Spending Authorization (CSA)

**Outcome/Results
(What are the
anticipated benefits):**

The purchase of three mobile substations would increase the reliability and flexibility of PSE's mobile substation fleet. A more reliable fleet would reduce operational delays in the deployment of mobile substations which in turn would reduce the risk of extended outages. A more flexible fleet would increase PSE's ability to deliver planned project work as outages can be taken more easily. Efforts to support CETA and grid modernization are among the driving forces to take substations offline. New mobile substations will increase the fleet availability as they require less time in the repair shop for unplanned maintenance and repairs. These benefits will translate into outage reduction during emergency events and scheduled outages, O&M cost savings and improve safety to the public and PSE personnel during deployment.



Mobile Substations
Corporate Spending Authorization (CSA)

Dependencies: No

Dependencies comment: Not directly, however many future projects will depend on having the mobiles available for planned program work in the future.

Escalation Included: No, escalation has not been included.

Total Estimated Costs: \$10,000,000

Estimated Five Year Allocation:

Funds Type	ID	Line Item Description	Previous Years Actuals	Fiscal 2024 Requested	Fiscal 2025 Requested	Fiscal 2026 Requested	Fiscal 2027 Requested	Fiscal 2028 Requested
Capital	W_R.10009.14.06.01	E Subs Replacement Transformers Dist	\$ -	\$ -	\$ -	\$ 10,000,000	\$ -	\$ -
O&M	R.10009.14.06.02	Mobile Substation Procurement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Incremental O&M: No

Qualitative Benefits: Expected benefits include cost saving of O&M maintenance and repair dollars. Plus facilitation of completing more project work.

Quantitative Benefits:

Quantitative Benefits	Benefit Type	Previous Years	Fiscal 2024	Fiscal 2025	Fiscal 2026	Fiscal 2027	Fiscal 2028	Fiscal 2029	Remaining Costs	Life Total
O&M Cost savings	Cost Avoidance	\$ -	\$ -	\$ -	\$ 11,795	\$ 11,795	\$ 11,795	\$ -	\$ 235,900	\$ 271,285

Risk Summary: Long lead delivery time (2-3 years).



Mobile Substations
Corporate Spending Authorization (CSA)

Change Summary:

Planning Cycle	Change Summary	Last Update Date
2023 Cycle 1	This is the initial full CSA submission through the EPPM tool. Concept CSA was approved last month, April 2023.	5/3/2023



Mobile Substations
Corporate Spending Authorization (CSA)

Approval History:

Approved By	Date Approved
Approved by Cost Center Owner: Lambert , Ryan	4/6/2023
Approved by Director Sponsor: Landers , David	4/7/2023
CSA Status changed to 'Concept Approved'	4/7/2023
Approved by Cost Center Owner: Lambert , Ryan	5/4/2023
Approved by Director Sponsor: Landers , David	5/4/2023
Approved by Executive Sponsor: Jacobs , Josh	5/23/2023
CSA Status changed to Approved	5/23/2023
Approved by Cost Center Owner: Shrum , Bailey	12/4/2023
Approved by Director Sponsor: Shrum , Bailey	12/4/2023
Approved by Executive Sponsor: Shrum , Bailey	12/4/2023
CSA Status changed to Approved	12/4/2023
Approved by Cost Center Owner: Lambert , Ryan	1/29/2024
Approved by Director Sponsor: Landers , David	1/29/2024
Approved by Executive Sponsor: Jacobs , Josh	45324.01335
CSA Status changed to Approved	45324.01335

Delta Star, Inc.
3550 Mayflower Drive
Lynchburg, VA 24501

Order acknowledgement

Project : F8830
Date : 9/7/2023
Page : 1



Sold To

Puget Sound Energy
Po Box 97034
Bellevue, WA 98009

Ship To

Puget Sound Energy
Shuffleton (S/M/R/T)
8001 S 212th Street
Kent, WA 98032
USA

Customer account : 1340
Customer requisition : PO 4500899566
Sales unit : 555
Terms of payment : N30

Mode of delivery : Truck
Delivery terms : FOBD FPP
Order date : 8/21/2023
Estimated Delivery By: 2/5/2026

Transformer full description

Mobile Substation -

25 MVA, 117.875GrdY/68.06kV, 450/110kV BIL primary – 13.09GrdY/7.56kV, 110/110kV BIL secondary with LTC. Buried 5MVA, 5kV tertiary

Delta Star quoted prices are firm for the delivery quoted provided market inflation on commodities such as copper, steel, aluminum, and oil does not exceed five percent (5%) based on commodity prices at date of quotation. Customer required delivery delays will be subject to escalation/de-escalation provisions found in DSI quotation.

Prices are subject to the Delta Star Escalation Policy, which lists method and sources for determining adjustment to price. The index values are updated to the most recent values published one month prior to shipment.

Warranty will be in accordance with the Delta Star Five Year Limited Warranty with 1 year In/Out.

Any design changes requested by the customer or the customer's representative after the issuance of the purchase order that causes delay or ultimately affects the final delivery requirement will extend the contracts final delivery by an equal amount of days as the delay incurred. If additional component parts are required delivery may also be delayed by component manufacturers lead time. All conditions of the late delivery will be based on the amended new final delivery date. A change order must be issued by the customer to cover any price increases or deducts and to confirm the agreed upon change in the delivery requirement.

The Delta Star production schedule report will be submitted on a monthly basis until the unit is in production (approximately 90 days prior to shipment). Once production begins, a more detailed production schedule will be submitted on a bi-weekly basis showing weekly ranges for significant milestones. Where inspections are required, remote witnessing will be scheduled accordingly. On-site inspections must be approved in advance. Customer requested additional milestone details and/or customization to milestone reports may result in a change order(s).

Progress Payments:

30% invoiced upon Order Acknowledgement
30% invoiced upon submission of Approval Drawings
30% invoiced upon completion of Factory Acceptance Testing
10% invoiced upon Delivery & Acceptance

Conditions of Purchase:

Goods supplied or services provided pursuant to this Order Acknowledgment (the "order") are either subject to the Delta Star Conditions of Sale, or any terms and conditions agreed upon or stipulated as part of the solicitation process (as applicable).

In the event the supply chain or costs to manufacture and supply equipment to the purchaser is impacted by an executive order or governmental directive, Delta Star reserves the right to pass related costs to the purchaser.

If you have questions regarding the conditions of sale or wish to obtain a complete copy, please contact the project administrator listed below. No other conditions of contract shall apply to the order unless previously agreed upon, in writing, by our authorized representative.

Delta Star, Inc.
3550 Mayflower Drive
Lynchburg, VA 24501

Order acknowledgement

Project : F8830
Date : 9/7/2023
Page : 2



Line no	Text	Item ID	Quantity	Unit price	Net amount
1	Mobile UNIT 7 SUBSTATION, 25MVA, YYD; PN : 9947963	UNIT PRICE	1.00	3,157,123.00 00	3,157,123.00
				Total :	3,157,123.00

SHOULD YOU HAVE ANY QUESTIONS, OR CONCERNS
ABOUT THIS ORDER, PLEASE CONTACT:

Eva Shannon
Account Manager, Customer Solutions
Phone : 434-485-7097
E-mail : eshannon@deltastar.com

Delta Star, Inc.
3550 Mayflower Drive
Lynchburg, VA 24501

Order acknowledgement

Project : F8831
Date : 9/7/2023
Page : 1



Sold To

Puget Sound Energy
Po Box 97034
Bellevue, WA 98009

Ship To

Puget Sound Energy
Shuffleton (S/M/R/T)
8001 S 212th Street
Kent, WA 98032
USA

Customer account : 1340
Customer requisition : PO 4500899566
Sales unit : 555
Terms of payment : N30

Mode of delivery : Truck
Delivery terms : FOBD FPP
Order date : 8/21/2023
Estimated Delivery By: 2/5/2026

Transformer full description

Mobile Substation -

25 MVA, 58.9375x117.875kV, 350x450kV BIL primary w/ DETC – 13.09GrdY/7.56kV, 110/110kV BIL secondary w/ LTC.

Delta Star quoted prices are firm for the delivery quoted provided market inflation on commodities such as copper, steel, aluminum, and oil does not exceed five percent (5%) based on commodity prices at date of quotation. Customer required delivery delays will be subject to escalation/de-escalation provisions found in DSI quotation.

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Delta Star, Inc.
3550 Mayflower Drive
Lynchburg, VA 24501

Order acknowledgement

Project : F8831
Date : 9/7/2023
Page : 2



Line no	Text	Item ID	Quantity	Unit price	Net amount
2	MOBILE, UNIT 8 SUB, 25MVA, DY, DUAL-HV PN: 9947965	UNIT PRICE	1.00	3,116,766.00 00	3,116,766.00
				Total :	3,116,766.00

SHOULD YOU HAVE ANY QUESTIONS, OR CONCERNS
ABOUT THIS ORDER, PLEASE CONTACT:

Eva Shannon
Account Manager, Customer Solutions
Phone : 434-485-7097
E-mail : eshannon@deltastar.com



PUGET SOUND ENERGY

MOBILE #7 (2) 25MVA 117.875kV - 13.09kV

MOBILE #8 (1) 25MVA 117.875x59.6kV - 13.09kV

MOBILE #9 (1) 25MVA 117.875kV - 13.09kV

COMMERCIAL PROPOSAL SFO68942





MOBILE SOLUTIONS



Date: 1/30/2023

To: Puget Sound Energy (PSE)
Kent Substation Operations "KSO"
8001 South 212th Street
Kent, WA 98032 USA

Attn: Mr. Stanley Tang

Ref: SLLC Proposal # SFO68642 for WO#'s 101153973, 101153975, 101153977, 101153972

Dear Mr. Tang,

Southern States LLC ("Seller") thanks PSE ("Buyer") for the opportunity to submit our mobile solution proposal covering dual trailer mounted mobile substation per PSE Specifications 1350-1056, 1350-1057, and 1350-1058 provided with the RFP with no exceptions. Unfortunately, the backlog of RFP's and flooding of new mobile orders has limited our engineering resources needed to complete all the details requested in the RFP documents. We thank you for the extension, but all the transformer details were not completed in time. This proposal is submitted less final transformer design details, which if our offer is found commercially acceptable, we will gladly finish and forward any additional technical information after award notification. The mobile shall consist of two trailers: a HS protection and main power transformer trailer and a LS Protection and Controls Trailer. All equipment shall be assembled and tested on a SLLC designed custom WSDOT compliant trailer in accordance with Buyer's bid documents. Our Proposal is a collaboration between Northern Transformer Company (Seller's sister company) and Seller. Northern Transformer Company will design, build, and test the power transformers in Maple, ON Canada (Toronto), and Seller will engineer, procure, manufacture, execute final assembly, and test all other items at our Hampton, GA USA facility (All plants are ISO 9000 certified). PO would be issued to and processed by USA based Seller, a minority owned business SLLC.

The commercial and technical proposal along with associated attachments fully describes our offering. Please reach out to our local Southern States representative, Mr. Allen Gore (425.424.3630) if you or any of your project team need additional information, whether commercial or technical. Again, thank you for PSE's consideration. We look forward to working with you on this project. See a single trailer design similar sized mobile substation recently delivered: https://www.linkedin.com/posts/southern-states_26mva-mobile-power-transformer and here's a two trailer design example, but this is a 230kV class product: <https://www.linkedin.com/feed/update/urn:li:activity:6750406752837234688?form=MY01SV&OCID=MY01SV&form=MY01SV&OCID=MY01SV>

Respectfully,

Southern States LLC

Patrick M. James
National Sales Manager - Mobile Success Team
Mobile: 678.570.8937
p.james@southernstatesllc.com

Paulo Pereira
Technical Specialist - Mobile Success Team
Mobile: 678.294.0669
p.pereira@southernstatesllc.com



MOBILE SOLUTIONS



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1. PROPOSAL SUMMARY



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1.1. PRICING & DELIVERY

SCOPE - Dual trailers: mounted HV Circuit Switcher, Surge Arresters, Mobile Power Transformer with Controls, LV Surge Arresters, Auxiliary Service Transformers, LV Vac Breaker, and related specified equipment completely tested as specified, DWG's, and onsite Training.

Description - Main Pricing		Price Each (USD)
Mobile #7	(QTY-2) 25 MVA, ODAF Oil Power Transformer HV 117.875kV Wye 450kV BIL, LV 13.09kV Wye 110kV BIL	\$3,637,000.00
Mobile #8	(QTY-1) 25 MVA, ODAF Oil Power Transformer HV 117.875x59.6kV Wye 450x350kV BIL, LV 13.09kV Wye 110kV BIL	\$3,800,000.00
Mobile #9	(QTY-1) 25 MVA, ODAF Oil Power Transformer HV 117.875kV Delta 450kV BIL, LV 13.09kV Wye 110kV BIL	\$3,700,000.00
		Grand Total: \$14,774,000.00

Included in Main Pricing:

All Scope specified, Power Transformer oil, Monitoring System, DDP Transportation, Factory Testing, Onsite Training, 5-year extended warranty, temporary impact recorder and transport registration and tags at time of shipment, which will be removed upon delivery and returned to Seller. After final payment, Seller will provide the official Certificates of Origin for permanent registration and tagging by others.

NOT Included in Main Pricing:

Taxes, Seismic Calculation, Permanent trailer registration or obtaining and attaching license plates.

Delivery Schedule Estimate*

Kick-Off Meeting	2 weeks ARO
Submittal Drawings	14-18 weeks AKM
DDP Delivery - 1 st Unit	(Q4 2024) ARO*
DDP Delivery - 2 nd Unit	(Q1 2025) ARO*
DDP Delivery - 3 rd Unit	(Q1 2025) ARO*
DDP Delivery - 4 th Unit	(Q2 2025) ARO*

ARO: After Receipt of Order / AKM: After Kick-off Meeting

**In case of award, above delivery times may be subject to changes depending on current loading of factory at time of PO receipt.*



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1.2. OTHER OPTIONAL PRICES

Optional Items - NOT included in the Main Pricing	Price Each (USD)
ADDER - Wireless Transformer Monitoring	\$25,740.00
ADDER - Mobile Oil Containment System	\$33,174.00
ADDER - Mobile Ground Mat System	\$125,174.00
ADDER - Mobile Cable Reel Trailer and Cable	\$134,809.00
ADDER - Mobile Non-Conductive Fence System	\$244,706.00
ADDER - Spare HV Bushing	\$17,000.00
ADDER - Spare XV/X0 Bushing	\$7,000.00
ADDER - Spare Set of gaskets	\$4,000.00
ADDER - Fall arrester and safety pole systems	\$12,058.00

Site Assistance Rates for Additional Days for 2024	Price (USD)
Working days (Per 10 hr day)	\$3,740.00
Working days overtime (Per hour)	\$474.00
Saturdays (Per 10 hr day)	\$4,474.00
Sundays & Holidays (Per 10 hr day)	\$5,274.00
Premium overtime (Per hour incl after 10 on Sat.)	\$486.00
Travel time (Per hour)	\$243.00
(Not to exceed \$1,874.00/day)	

Travel, living and other expenses not included in hourly rates to be billed at cost, plus 15%

Military Grade Mobile Oil Containment System





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Mobile Ground Mat System



Cable Reel Trailer

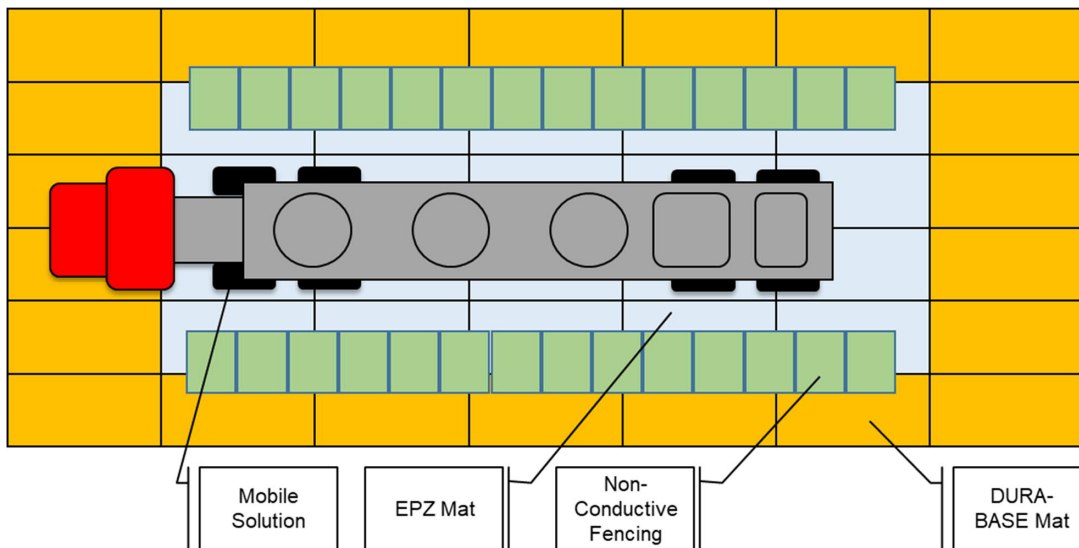




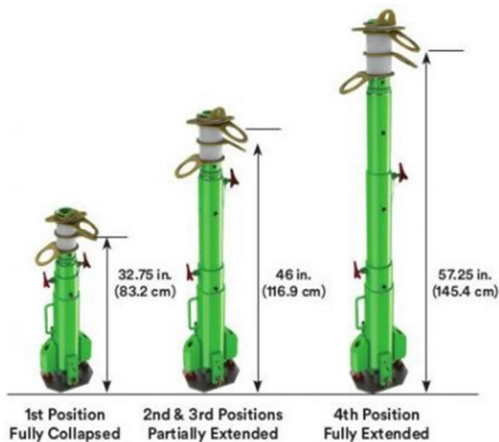
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Non-Conductive Fencing System



Fall Arrester & Safety Pole Systems



Design-wise is to weld on the top of the transformer a plate where the pole fall protection is installed

You hook the harness lanyard to that pole. For the other parts of the mobile substation and transformer, there are lifting eyes and hooking point that the operator can hook/attach safety harness.



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1.3. GENERAL INFORMATION FOR ALL UNITS

Terms & Conditions

Validity Period	Until December 31, 2022
Price Policy	Firm
Warranty	60 months from energization / 66 months from delivery, whichever occurs first
Limitation of Liability	100% of Unit value of issue
Payment	Progress payment - 100% NET due upon invoice

Shipping

Origin of Equipment	Hampton, GA (Toronto Canada)
Delivery INCOTERM 2020	DDP (Ship Point Hampton, GA)
Delivery Location	Texas City, Texas
Delivery Method	Tractor Truck

Specification

Valid Standard	IEEE C57.12.00
Documents considered in order of precedence	1. This Offer 2. TNMP-XFMR-MOB-R01 Specification.docx



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2. PROPOSAL T&C'S



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2.1. TERMS OF PRICING

Prices are FIRM

Unless stated in writing by Seller, Seller's quoted price excludes charges for taxes, excises, fees, or other government charges related to the Seller's Products and Services except that Seller's quoted price includes customs, duties, and tariffs that are in force as of the date of this proposal but excludes any increases to customs, duties, and tariffs after the date of this proposal. Buyer will pay the excluded amounts or reimburse Seller. If Buyer claims a tax or other exemption or direct payment permit, Buyer will provide a valid exemption certificate or permit and indemnify, defend and hold Seller harmless from any taxes, costs and penalties arising from same. Increases, changes (including in application), adjustments or surcharges which may be incurred are for Buyer's account.

Prices quoted are based on the quantities stated in the proposal.

No change will be made to the scope of Seller's Products and Services unless Buyer and Seller agree in writing to the change and any resulting price, schedule, or other contractual modifications. If any change to, or change in the application of, any law, rule, regulation, order, code, standard or requirement after the date of this proposal impacts Seller obligations, performance, or cost under this Agreement, such change shall be for Buyer's account and Seller shall be entitled to a change order for an equitable adjustment in the price and time of performance.

Optional priced items and Spare parts prices are valid only if ordered and delivered together.

Site service is offered as an option and unless specifically noted, prices do not include: Any site specific or Buyer required access and/or safety training, any additional or special and/or site-specific safety, PPE, or environmental requirements, local Sales or Use tax, any required insurance additional to Seller insurances - Requested changes to work scope or delays outside the control of Seller shall be billed in accordance with Seller's rates. Any additional insurance coverage will be paid by Buyer.

Prices do not include cost for bonds, or other forms of security or guarantees.

Retention Clause - Seller shall not be obligated to fulfill this agreement if such fulfillment is prevented by any impediments arising out of national or international foreign trade or customs requirements or any embargoes or other sanctions.

CHANGE IN LAW: Change to a law, regulation, or order that impacts Seller's obligations or performance shall entitle Seller to a change order.

The worldwide outbreak of the coronavirus disease ("COVID-19"), affects or is likely to affect usual business activities and/or the execution of work under this offer. As the impacts from COVID-19 are unknown and unknowable at this time, Seller commitments regarding the scope contemplated hereunder including procurement lead-time, delivery date, resources, and schedule are provided without consideration of such potential impacts from COVID-19. Seller is closely monitoring the development of COVID-19 and its associated impacts and will endeavor to inform the Buyer of the impacts that COVID-19 has or may have on Seller manufacturing, supply chain, operations, logistics, and personnel relating to Seller scope of supply contemplated hereunder. If required to overcome the consequences directly or indirectly caused by COVID-19, Seller shall be entitled to relief of its obligations in schedule, price, or any other reasonably required adjustment of this offer. In the event



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equipment delivery is contemplated hereunder, Seller shall be entitled to postpone or provide partial deliveries to the extent Seller ability to supply, or deliver is impacted by COVID-19.

The Parties acknowledge that the outbreak of the military conflict and / or any events related thereto (the "Conflict") between Ukraine and Russia is likely to negatively affect usual business activities around the globe and / or the execution of the Contract in various ways, whether known, unknown, whether foreseeable or unforeseeable. Therefore, the Parties agree that the Seller shall not be liable for any negative impact or impediment of its performance obligations under or in connection with this Contract arising or being aggravated in connection with the Conflict (the "Impact").

Without limiting the generality of the foregoing, unmanageable and unforeseeable disruptions in the availability of critical materials (e.g., steel products almost exclusively produced in the region of the Conflict) and unpredictable price increases for certain materials, energy and transportation are already visible in the global markets.

Therefore, the Seller shall be entitled to an extension of time for execution and / or an adjustment of the contract price and / or other reasonable adjustments to the Contract to the extent required to mitigate and / or compensate the Impact. However, the Seller shall remain obliged to exercise reasonable efforts to mitigate the Impact.

2.2. PROGRESS PAYMENTS (Negotiable)

- 10% Net due upon invoicing against receipt of the order (deferred to Jan 2023)
- 20% Net due upon invoicing against submission of approval drawings
- 20% Net due upon invoicing on receipt of copper and core steel for transformer(s)
- 40% Net due upon invoicing on successful completion of factory electrical tests
- Balance 30 days after delivery to agreed delivery point

In case units cannot be delivered because of reasons not attributable to Seller, the balance will be due no later than three (3) months after shipment from the factory.

Invoice balances left unpaid after this period shall be subject to additional late payment interest charges. Late payment interest charges shall be calculated on a simple interest basis at a rate of 1.5% per month or part thereof for each month after the allowed payment period.

2.3 PROPOSAL VALIDITY

Any offer made hereunder will remain in effect for the number of days stated in Section 1.3 "Terms & Conditions", unless changed in the interim upon written notice from Seller. If a PO is not received within the proposal validity, Seller reserves the right to modify prices and conditions.

2.4 CONFIDENTIAL INFORMATION

This proposal, including all its attachments, exhibits, appendices, etc. ("Proposal"), is provided "as-is" for your evaluation of Seller. as the provider of work discussed therein and contains information that is confidential to and solely owned by Seller. Your acceptance, viewing or storage of this Proposal is an acknowledgment of a confidential relationship between you and Seller. We require that this Proposal be returned or destroyed when no longer required for the purpose identified herein. This Proposal and any information obtained from this Proposal may not be re-produced, transmitted, disclosed, or



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otherwise used, in whole or in part, without the prior written authorization of Seller.

The above terms supersede any click-wrap or other terms not expressly set forth in a signed agreement between the parties covering the Proposal. All such click-wrap or other terms are expressly rejected by Seller.

2.5 OTHER TERMS

This proposal and contract are based upon the Seller's interpretation of the plans and specifications and it is subject to correction for errors in such plans or specifications. Equipment referenced in the plans or specifications but not in this proposal and contract is not included.

This document constitutes a Proposal of a contract and, when accepted by Buyer, shall be included as part of the Contract. This Proposal is expressly limited to the terms contained herein. Seller hereby objects to and rejects any additional or different terms contained in Buyer's request for proposal, specification, purchase order or any other oral or written communication from Buyer. Neither Seller employees nor its agents are authorized to grant oral warranties or otherwise add to or to modify the terms hereof orally.

Prior to proceeding with any work, Seller requires a formal and complete purchase order. Prior to acceptance, the purchase order must be correct with respect to the agreed upon prices, scope of supply, terms of payment, delivery dates and destinations and must not contain terms and conditions not agreed upon. Failure to submit an acceptable purchase order may result in non-acceptance of the order. The quoted delivery dates are based upon receipt of an acceptable purchase order.

The Contract shall become effective after fulfillment of the following preconditions:

Purchase Order Requirements - In the event a purchase order is generated based on the scope of supply described in this proposal, the purchase order must have the following information included to be considered "clean" and eliminate delays during the order entry process.

1. The Buyer's Purchase Order must be made payable to:

Southern States LLC
30 Georgia Avenue
Hampton, GA 30228 USA

2. The Purchase Order Net Price must match the Proposal Price as outlined in the Proposal summary.
3. The Purchase Order Payment Terms must match those outlined in the conditions of sale.
4. The Purchase Order Shipping Terms must match the Quoted Shipping Terms in the proposal.
5. If the purchase order is based on Seller Commercial Terms and Conditions, this must be indicated on the Purchase Order. If terms have been negotiated, the agreed terms, a statement must be clearly defined on the PO and agreement attached to the PO.
6. The correct proposal/revision number/date sent should be referenced on the Purchase Order.

For first time Mobile Solution purchases, please provide a tax certificate and W-9 form prior to submitting a purchase order so not to impede the order entry process. Please note, tax forms should have Seller as the vendor.



MOBILE SOLUTIONS



3. SCHEDULE INFORMATION



MOBILE SOLUTIONS



3.1. DELIVERY

The delivery time indicated in Section 1.1 of this Proposal is/are an estimate and subject to prior sale. If a different delivery is required, Seller’s Proposal will be revised, and modifications (if any) will be notified to Buyer prior to acceptance. Unless otherwise stated, Delivery dates are approximate only and are not guaranteed. Project kick-off meeting shall occur within two weeks ARO to establish project milestone schedule and review specifications. After drawings are approved the project schedule becomes firm for delivery. Seller requests a minimum of monthly project schedule review meetings.

3.2. DRAWINGS

Drawings will be provided according to Section 1.1 “Estimated Schedule”.

The approved and/or marked up drawings shall be returned to Seller within 10 (ten) calendar days from date they were sent to the Buyer. Delaying their return may result in a later delivery date.

Changes requested in delivery dates may cause changes in the drawing submittal schedule.

Drawings lead times are subject to confirmation in the event of an order.

3.3. FACTORY TESTING

- a) Bushing insulation power factor and capacitance
- b) Winding insulation power factor and capacitance
- c) Winding excitation
- d) SFRA after unit has been assembled
- e) Surge arrester power factor and watts loss
- f) Transformer turns ratio on all tap positions
- g) Current transformer ratio, polarity, and excitation measurements
- h) Current transformer insulation resistance
- i) Insulation resistance of core, frame, and reactor where applicable
- j) Winding Insulation resistance
- k) Winding resistance
- l) Functional check of transformer control cabinet (Automation, controls, and protection)
- m) Oil tests after filling: (syringes, bottles, and lab testing to be supplied by SE)

Test	Units	Standard
DGA	(ppm)	(ASTM D-3612)
DGA Key Gas / Interpretive Method:		IEEE (C57.104)
Moisture in Oil	(ppm)	(D-1533)
Interfacial Tension	(dynes/cm)	(D-971)
Dielectric Breakdown 1 mm	(kV)	(D-1816)
Power Factor @ 25C	(%)	(D-924)
Power Factor @ 100C	(%)	(D-924)
Particle Count	(# / 50ml)	(ACFTD / ISO 4406)
Polychlorinated Biphenyl (PCB)	(ppm)	(EPA Method 8082)



MOBILE SOLUTIONS



3.4. SITE TRAINING

Per the proposed, it is assumed that operations and maintenance manual and Mobile solution site training of each Mobile solution will be completed per the schedule in section 1.1.

Unless specifically addressed in scope of work, the following assumptions have been made in preparation of our Proposal:

Only One (1) mobilization is included in this proposal for post-delivery training. Any additional mobilizations as required to complete scope execution will be considered Extra Work and will be billed at agreed rates.

No site testing of any kind is included. However, Seller offers site testing at an additional fee is desired. Test / Evaluation services include but are not limited to:

(Metering Transformers, Pole Mount Transformers, Protective Relays, LV Circuit Breaker, Transformer, Disconnect Switch, Circuit Switcher, and Surge Arresters).

- 1) High Voltage Switch Insulation Resistance and Contact Resistance Test: (Insulation Resistance Test, Contact Resistance Test, and Functional Test)
- 2) SEL Relay Metering Verifications and I/O Tests for INs and OUTs
- 3) Medium Voltage Circuit Breaker Test: (Insulation Resistance Test, Contact Resistance Test, Over Potential Test, and Functional Tests)
- 4) Two-Winding Transformer Test: (Power factor, SFRA, Excitation, SFRA, Turns Ratio Tests, Insulation Resistance Test, Winding Resistance Tests, alarms, and trips.)
- 5) Potential Transformer Test: (Insulation Resistance Test, Ratio/Polarity Test, Excitation Test, and Fuse Resistance Test)
- 6) Transformer CT Testing (Turn ration, polarity, saturation and insulation resistance)
- 7) Circuit Tests for the following examples: {(CT-CSA (A phase), CT-CSB (B phase), CT-CSC (C phase) testing, ST 1X (pole 1) Test, ST 1Y (pole 1) Test, ST 2X (pole 6) Test, ST 3X (pole 3) Test, ST 3Y (pole 3) Test, ST4X (pole 4) Test, ST5X (pole 5) Test, ST 5Y (pole 5) Test, and ST 6X (pole 2) Test}
- 8) Mobile Substation Equipment integration tests.

Any additional trips to the jobsite or any extension of this time allowance beyond Seller's fault would be at an extra charge to Buyer, according to prices of Section 1.2.



MOBILE SOLUTIONS



3.5. CANCELLATION

In case of Buyer's decision to cancel the project, Buyer will be liable to cancellation charge in accordance with the schedule below:

Cancellation Stage [in months from PO date]	EXW Delivery Time [in months]								
	6	7	8	9	10	11	12	13	14
1	25%	25%	20%	20%	15%	15%	15%	10%	10%
2	30%	30%	25%	25%	15%	15%	15%	10%	10%
3	60%	60%	40%	40%	30%	20%	20%	20%	20%
4	95%	90%	50%	50%	40%	30%	30%	25%	25%
5	100%	95%	70%	70%	65%	40%	40%	30%	30%
6	100%	100%	95%	90%	80%	65%	65%	40%	40%
7		100%	100%	95%	90%	80%	80%	60%	50%
8			100%	100%	95%	90%	90%	75%	60%
9				100%	100%	95%	95%	85%	75%
10					100%	100%	95%	95%	85%
11						100%	100%	95%	95%
12							100%	100%	95%
13								100%	100%
14									100%

Note 1: Cancellation is not allowed after the unit has shipped.

Note 2: ARO - After Receipt of Order.