



Duquesne Light
Our Energy...Your Power

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Kelly L. Geer, Esq.

April 7, 2010

Via Overnight Mail

CONTAINS CONFIDENTIAL INFORMATION

James J. McNulty, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building, 2nd Floor
400 North Street
Harrisburg, PA 17120

**Re: Petition of Duquesne Light Company for Approval of its
Energy Efficiency and Conservation and Demand Response Plan
Docket No. M-2009-2093217**

Dear Secretary McNulty:

Enclosed for filing and the Commission's approval are an original and three copies of Duquesne Light Company's proposed Conservation Service Provider ("CSP") Agreement for its Energy Efficiency and Conservation Refrigerator Recycling Program in the above-referenced proceeding. **Please note that Exhibit A to the CSP Agreement contains confidential information and should be accorded confidential treatment by the Commission. It has been placed in a separate confidential envelope and should not be placed as part of the public record.**

Act 129 requires the Commission to establish procedures to review all proposed energy efficiency contracts with conservation service providers prior to execution of the contract. 66 Pa. C.S. § 2806.1(a)(8). In selecting this CSP, Duquesne considered all of the factors the Commission deemed important in its Implementation Order at Docket No. 2008-2069887, including quality of prior performance, timeliness of performance, quality of the proposed work plan or approach, knowledge, background and experience of the personnel to be utilized and other factors deemed relevant. The selected CSP is a PUC approved and registered CSP under Docket No. 2008-2074154.

Duquesne requests prompt review and approval since it is important that this proposed contract is executed and that these energy efficiency programs are initiated as soon as possible.

Sincerely yours,

Kelly L. Geer

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Enclosure

cc: Bohdan Pankiw – Law Bureau
Robert Wilson – Fixed Utility Services
Wayne Williams – Bureau of Conservation, Economics & Energy Planning

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

CSP SERVICES AGREEMENT

This CSP Services Agreement, dated _____, 2010, is made by and between Duquesne Light Company ("DLC" or "Company") and Jaco Environmental ("CSP").

WHEREAS, CSP is in the business of providing information and technical assistance on measures to enable a person to increase energy efficiency or reduce energy consumption services in the utility industry; and

WHEREAS, DLC is an electric distribution company ("EDC") in Pennsylvania; and

WHEREAS, Act 129 of House Bill 2200 was signed into law by Governor Rendell on October 15, 2008, requiring each EDC to create and submit an energy efficiency and conservation plan by July 1, 2009, and the Pennsylvania Public Utility Commission ("Commission") is developing procedures to implement a process for review of EDC filings; and

WHEREAS, CSP has prepared and submitted to DLC proposals, CSP's Proposal for Energy Efficiency and Conservation and Demand Side Response Initiative, dated September 25, 2009, a copy of which is attached hereto as Exhibit A (the "Proposals"), to provide services regarding the implementation of an EE/Conservation Plan as required for the energy efficiency and conservation and demand side response initiatives recently mandated in the Commonwealth of Pennsylvania by Act 129 of House Bill 2200 (the "Plan"); and

WHEREAS, CSP certifies that it was approved by and is a member of the Commission's Registry of Conservation Service Providers and will maintain such registration with the Commission for the term of the contract; and

WHEREAS, DLC is relying upon the skill and expertise of CSP to implement the Plan as identified in the Proposals and to meet the needs of DLC and to provide the services necessary for the proper and effective energy efficiency and conservation plan compliance.

NOW, THEREFORE, in consideration of the premises and of the mutual benefits and covenants contained herein, the parties hereto, intending to be legally bound hereby, agree as follows:

1. DEFINITIONS

"Applicable Law" means any applicable constitution, charter, act, statute, law, ordinance, code, rule regulation, judgment, decree, writ, order, permit, approval or the like of any Governmental Authority.

"Company" shall mean Duquesne Light Company.

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“**Company’s Site**” shall mean 411 Seventh Avenue, Pittsburgh, PA 15219.

“**Price**” shall mean the purchase price or prices stated in Exhibit C of the CSP Agreement.

“**CSP Agreement**” shall mean this Agreement, along with Exhibits dated December 10, 2009.

“**Services**” shall mean CSP services, Work Product and any other work performed by CSP necessary to fulfill CSP’s obligations under the CSP Agreement.

“**Subcontractor**” shall mean vendors, suppliers and subcontractors of any tier and any other persons or entities contracting directly or indirectly with CSP for or in regard to the CSP Agreement.

“**Work**” shall mean CSP services. Work Product and other work performed by Contractor as necessary to fulfill CSP’s obligations under the CSP Agreement.

“**Work Product**” shall mean studies, reports, evaluations, designs, drawings, procedures, specifications, plans and all other documentation and deliverables which are prepared, produced or acquired by CSP for the Work or at the request or direction of Company in connection with the Plan’s requirements for reduction in demand and consumption.

2. ENGAGEMENT OF CSP; CSP’S WORK

Subject to the terms and conditions of this CSP Agreement, DLC hereby engages CSP to properly and completely design, submit and assist with the implementation of an energy efficiency and conservation plan in compliance with Act 129 of House Bill 2200. CSP shall perform the Work in a professional and workmanlike manner and with accuracy and reasonable care and skill. Specifically, the Services to be provided are shown on Exhibit C.

3. CSP’S ACKNOWLEDGMENT

CSP, by performing the Work and/or delivering the Work Product, by any performance under this CSP Agreement and/or by written acknowledgement, accepts the offer contained in this Agreement and such acceptance of the offer is expressly limited to the terms and conditions as set forth herein. Any term or condition proposed by CSP, in the Proposals or otherwise, which is different from, conflicts with or adds to any of the provisions of this CSP Agreement, shall be deemed to materially alter the provisions of this CSP Agreement and is hereby objected to and rejected by DLC. Except as expressly provided herein, under no circumstances shall any term and/or condition of the Proposal or CSP’s sales documents or otherwise become part of this CSP Agreement.

4. PROJECT SCHEDULE

(a) CSP shall design, submit and assist with the implementation of an energy efficiency and conservation plan to meet all the needs and requirements of DLC, applicable laws and applicable standards, to achieve all the requirements identified in the Proposals and to allow DLC to properly and efficiently implement a Plan as defined in the Scope and Exhibit C. Company shall be entitled to implement adequate provisions and procedures for monitoring performance quality and rate of progress. Such is set forth in more detail in Exhibit C.

(b) (i) *Except as expressly set forth herein, CSP is authorized to commence the Work and shall perform the Work in accordance with and within the time schedule contained in the project schedule attached hereto as Exhibit B (the "Project Schedule").*

(ii) If at any time CSP determines that it is behind schedule or is unable to meet any milestone set forth in the Project Schedule, CSP shall, within five (5) days of its knowledge of such delay, promptly notify DLC, in writing, of any anticipated material departure from the Project Schedule and if CSP has reason to believe that a milestone or the Completion Date will not be met and shall specify in said notice corrective action planned by CSP to timely complete the Work or any portion thereof; provided, however, that such notice shall not relieve Vendor of any of its obligations under the CSP Agreement or its obligations to take all actions necessary to achieve the timely and proper completion of the Work. At all times, CSP shall take such actions as may be necessary to facilitate the timely and proper completion of the Work on or prior to any applicable milestones set forth in the Project Schedule or by the Completion Date.

(iii) CSP understands and agrees that time is of the essence with respect to the dates and times set forth in the Project Schedule, including, but not limited to, the Completion Date, and for performance of the Work.

5. PRICE AND PAYMENT

The price or compensation to be paid to CSP shall be as was bid by CSP Provider and accepted herein by Company upon acceptable performance of the Services. Those payment arrangements are shown in Exhibit D. Compensation shall be performance based, and rewards are provided for achieving successful results and deductions are made for not achieving successful results, as agreed to in Exhibit D.

Unless otherwise agreed upon, statements must be submitted monthly, within 30 days after the end of a billing month. Itemized statements for services and expenses should be submitted directly to Jace Cochrane, Duquesne Light Company, 411 Seventh Avenue, Mail Drop 8-6, Pittsburgh, PA 15219. If any (portion) of the Work does not conform to the requirements of the CSP Agreement upon inspection by Company, a corresponding portion of the Price may be withheld by Company until the nonconformity is corrected. Invoices shall be paid within 45 days.

6. WARRANTIES

CSP represents, warrants and guarantees that the Work provided under the CSP Agreement shall be: (a) provided in accordance with, and conform to, the requirements of the CSP Agreement; (b) provided in accordance with the standard of care consistent with generally accepted industry practices and procedures in CSP's particular area of expertise; and (c) suitable for the specified purposes.

CSP represents, warrants and guarantees that it is not an affiliate of Duquesne or any other Pennsylvania EDC. If CSP should merge with a Pennsylvania EDC during the term of the CSP Agreement, then the CSP shall immediately notify Duquesne and provide for automatic termination of the CSP Agreement.

CSP represents, warrants and guarantees that it will conduct criminal background checks for all employees of the CSP that will enter a customer's premises or otherwise have personal contact with an EDC customer.

If, during the sixty-day period following completion of the Work, it is shown there is an error in the Work caused solely by CSP's failure to meet such standards and Company has notified CSP in writing of such error within that period, CSP shall re-perform, at no additional cost to Company, such Work as may be necessary to remedy such error.

Company shall have no liability for defects in the Work attributable to CSP's reliance upon or use of data, design criteria, drawings, specifications or other information furnished by Company.

6. OWNERSHIP RIGHTS

CSP warrants that the Work shall not infringe or misappropriate the intellectual property rights of any third parties. Company shall have exclusive use of and own title, rights and interests in and to all Work. All Work shall be considered "work made for hire."

At all times, each party shall retain all of its rights in its drawings details, designs, specifications, databases, computer software, copyrights, trade and service marks, patents, trade secrets, and any other proprietary property.

7. FACILITIES, SUPPLIES AND EQUIPMENT

To the extent that CSP's Work must be performed at Company's Site, Company shall furnish the facilities, supplies and equipment which Company determines are reasonably required for CSP to perform Work under the CSP Agreement.

8. TERMINATION

Company may terminate all or part of the CSP Agreement if CSP: performs below acceptable standards, abandons the work; becomes bankrupt or insolvent; is unable to obtain a bond, if required; assigns the CSP Agreement or subcontracts any portion thereof without Company's written consent; or otherwise breaches or fails to comply with the CSP Agreement; provided, however, that prior to such termination, Company must have notified CSP in writing of its intent

to terminate the CSP Agreement and the reasons therefore, and CSP must have failed to cure such non-compliance within ten (10) days after receipt of such notice. If Company so terminates the CSP Agreement, Company may complete or contract with a third party to complete all or part of the Work, and CSP shall be liable to Company for the excess costs to complete all or such part of the Work and any other damage resulting from CSP's non-compliance or breach. Company may suspend all payments to CSP in order to protect ratepayer funds pursuant to Commission order.

Company may, at any time, also terminate by written notice all or part of the CSP Agreement due to modification of its Energy Efficiency/Conservation plan. Upon receipt of such notice, CSP shall bring the work to a prompt conclusion. Company shall pay CSP a proportionate amount of the price due to CSP for the portion of the Work completed up to the effective date of the termination plus costs necessarily incurred directly as a result of the termination, subject to Company's right to audit CSP's books and records. Such payment by Company, however, shall not exceed the total price for the Work set forth in the CSP Agreement.

In all cases, Company may require CSP to transfer title and deliver to Company any contracts, rights, goods, equipment or Work Product produced, received or acquired by CSP for the performance of the CSP Agreement.

9. INDEMNIFICATION

CSP shall defend, indemnify and hold harmless Company, its directors, officers, employees, agents, successors and assigns and customers and users of the goods, equipment and services, from and against, and shall pay, all losses, damages (including consequential, indirect and punitive), costs, liabilities, suits, claims and actions, and all related expenses (including attorneys' fees and expenses and the actual costs of litigation) by reason of injury or death to any person or damage to any property or any accident or event arising or relating to the performance of the CSP Agreement or arising from or relating to the goods, equipment or services or from any other cause to the extent not attributable to the negligence or willful misconduct of Company.

10. INTELLECTUAL PROPERTY INDEMNIFICATION

CSP represents and warrants that all goods, equipment and services shall not and do not infringe any United States or foreign patent, trademark, copyright or other intellectual property right of any third party. CSP shall defend, indemnify and hold harmless Company and its directors, officers, employees, agents, successors and assigns from and against, and shall pay, all losses, damages (including consequential, indirect and punitive), costs, liabilities, suits, claims and actions, and all related expenses (including attorneys' fees and expenses and the actual costs of litigation) based on or arising from an allegation or claim that any goods, equipment or services or parts thereof furnished by CSP infringe or misappropriate the rights of others; and/or if their use by Company is enjoined, CSP shall at Company's option and CSP's expense either: (a) procure for Company the right to continue using the goods, equipment and services or parts thereof; (b) replace the same with substantially equivalent goods, equipment or services or parts

thereof that do not infringe or misappropriate the rights of others; (c) modify the same so they no longer infringe or misappropriate the rights of others; or (iv) refund the price and the transportation and installation costs to Company.

CSP shall obtain from all Subcontractors similar indemnity protection for Company.

11. LIMITATION OF LIABILITY

Company shall not be liable to CSP for any indirect, incidental, special, liquidated, punitive or consequential damages or damages for delay in performance and/or failure to perform, irrespective of whether claims or actions for such damages are based upon contract, tort, negligence, strict liability, warranty or otherwise. CSP's liability for performance shall be limited as set forth in the compensation section except for acts of negligence, misconduct, or intentional acts.

12. CHANGES

Company may, at any time by a written change order, make changes to the scope of the CSP Agreement ("Change Order"). If any change results in an increase or decrease in the quantity or cost of the goods, equipment or services or otherwise materially affects the CSP Agreement, the Change Order will include an equitable adjustment in the price, the schedule and/or any other affected provisions. Any objection by CSP to the equitable adjustment set forth in a Change Order must be asserted within seven (7) business days after receipt of the Change Order by CSP. Notwithstanding such objection, if directed by Company, CSP shall proceed with the change and performance of the Work.

13. SUSPENSION OR INTERRUPTION OF WORK

Company may direct CSP, in writing, to suspend or interrupt all or any part of the Work for such period of time as Company may determine to be appropriate. CSP shall mitigate the costs of such suspension or interruption. Company agrees to reimburse CSP for those expenses necessarily and directly incurred as a result of such suspension or interruption, subject to Company's right to audit CSP's books and records.

14. CONFLICTS, ERRORS AND OMISSIONS

In the event CSP becomes aware of any conflict, error or omission in the documents comprising the CSP Agreement, CSP shall promptly bring the discrepancy to the attention of Company. Such discrepancy shall be resolved by Company in its sole discretion.

15. INSPECTIONS; MONITORING PERFORMANCE QUALITY AND RATE OF PROGRESS

Company may inspect, at all reasonable times, the progress of the Work, including work performed at CSP's or Subcontractor's facilities. Also, if the CSP Agreement, laws, ordinances, rules, regulations or orders of any governmental authority require any portion of the Work to be inspected, tested or approved, CSP shall give Company reasonable notice to permit Company to observe such inspection, testing or approval. CSP shall provide Company with periodic status reports during the course of the Work.

16. COST ACCOUNTS AND INFORMATION/AUDITS

CSP shall maintain detailed separate cost data for each CSP Agreement in accordance with generally accepted accounting principles. CSP's records pertaining to the cost of the Work (other than fixed prices agreed to prior to performance of the Work) and CSP's tax records shall be open at all reasonable times for inspection or audit by Company or its representative(s). Company or its representative(s) shall, at all reasonable times, have access to the premises, materials, instructions, working papers, plans, drawings, specifications, memoranda and other information of CSP pertaining to the Work. All CSP's purchase orders or contracts with Subcontractors shall provide that Company or its representative(s) shall have the right to audit Subcontractors' charges to CSP. Company's rights under this Article shall terminate five (5) years after expiration of the warranty periods.

17. INSURANCE

Prior to commencing any portion of the Work, CSP shall properly maintain the following coverage: Statutory Workers' Compensation Insurance in full compliance with the Workers' Compensation and Occupational Disease Acts of each and every state in which Work is to be performed and U.S. Longshoremen's and Harbor Workers' Compensation Acts, if applicable; Employer's Liability Insurance with a limit of not less than \$500,000; Comprehensive General Liability Insurance including Premises-Operation Independent Contractor's Protective, Products, Completed Operation, and Blanket Contractual Liability coverages with a combined single limit of not less than \$1,000,000 per occurrence and \$2,000,000 aggregate; Excess Umbrella Liability Insurance with a single limit of not less than \$2,000,000; and Automobile Liability Insurance covering all owned, hired and non-owned vehicles with a combined single limit of not less than \$1,000,000 per occurrence. CSP shall provide Company with a certificate of insurance specifically evidencing the coverages required above, naming the Company as an additional insured, except under the Workers' Compensation Policy, and stating the policy numbers and the inception and expiration dates of all policies. The certificate of insurance shall also provide for thirty (30) days' prior written notice to Company in the event of cancellation or any material alteration of any policy. The certificate of insurance shall be furnished to Company prior to commencement of any portion of the Work. The Property Damage Liability Insurance shall include the Broad Form Comprehensive General Liability coverage.

18. TAXES

The price set forth in the CSP Agreement shall include, unless otherwise expressly set forth in the CSP Agreement, all federal state and local sales and use taxes applicable to the manufacture and/or sale of the goods and equipment and/or the performance of the services.

Company will provide to CSP, upon CSP 's request, a tax exemption certificate for taxes for the Work that are exempt under Pennsylvania's Sales and Use Tax laws.

Upon Company's request, CSP shall provide evidence satisfactory to Company of the payment of any taxes which CSP is required to pay. CSP shall also provide to Company such additional information as Company may request to facilitate the determination of taxes for which Company is responsible, if any.

19. CONFIDENTIAL/PROPRIETARY INFORMATION

CSP agrees to treat as confidential and proprietary any of Company's information which is not generally known to the public and to exercise the same care to prevent the disclosure of such information as CSP exercises to prevent disclosure of its own proprietary and confidential information; however, CSP may disclose such information as required by law or court order. Furthermore, Company's information shall be utilized by CSP only in connection with performance of CSP's obligations under the CSP Agreement.

20. PUBLICITY

CSP shall not use Company's name nor issue any publicity releases, including but not limited to, news releases and advertising, relating to the CSP Agreement and Services without the prior written consent of Company.

21. FORCE MAJEURE

Neither party shall be liable for any failure or delay in performing its obligations under the CSP Agreement, or for any loss or damage resulting therefrom, due to causes beyond its reasonable control, including but not limited to, acts of God, public enemy or government, riots, fires, natural catastrophe, strikes or epidemics. In the event of such failure or delay, the date of delivery or performance shall be extended for a period not to exceed the time lost by reason of the failure or delay; provided that Company may terminate the CSP Agreement if the period of failure or delay exceeds fifteen (15) days. Company shall have no obligation to make any payments to CSP during the period of failure or delay. Each party shall notify the other promptly of any failure or delay in, and the effect on, its performance.

22. ASSIGNMENT

CSP shall not assign the CSP Agreement, in whole or in part, nor contract with any Subcontractor for the performance of the same or any of its parts, without first obtaining Company's written consent. Company's consent shall not be construed as discharging or releasing, nor shall it discharge or release, CSP in any way from the performance of the Work or the fulfillment of any obligation under the CSP Agreement.

23. NOTICES

Any notice required under the CSP Agreement shall be in writing and sent to the CSP and Company at their respective addresses identified below:

If to DLC: c/o Dave Defide
Duquesne Light Company
411 Seventh Avenue, Mail Drop 8-6,
Pittsburgh, PA 15219.
Via e-mail: ddefide@duqlight.com

If to CSP: Sam Sirkin
JACO Environmental
6908 SW 37th
Portland, OR 97219
Email: sams@jacoinc.net

24. INDEPENDENT CONTRACTOR

CSP shall operate as an independent contractor in the performance of the CSP Agreement and not as an agent or employee of Company. CSP shall ensure that neither it nor its agents or employees shall act or hold themselves out as agents or employees of Company. CSP shall have complete control of its agents and employees engaged in the performance of the Work.

25. PRIORITY OF DOCUMENTS

In the event of conflict among the various documents comprising the CSP Agreement, the conflict shall be resolved according to the priority given to the documents in the Purchase Order. If no priority is indicated in the Purchase Order, the conflict shall be resolved according to Article 16, Conflicts, Errors and Omissions.

26. SEVERABILITY

If any provision(s) of the CSP Agreement is prohibited by law or held to be invalid, illegal or unenforceable, the remaining provisions thereof shall not be affected, and the CSP Agreement shall continue in full force and effect as if such prohibited, illegal or invalid provisions had never constituted a part thereof, with the remaining provisions of the CSP Agreement being enforced to the fullest extent possible.

27. SURVIVAL

The obligations and rights of the parties pursuant to the Warranties, Liens, Indemnification, Intellectual Property Indemnification, Limitation of Liability, Cost Accountants and Information/Audits and Confidential/Proprietary Information shall survive the expiration or early termination of the CSP Agreement.

28. MBE/WBE

It is the policy of Company to stimulate the growth of Certified Minority, Women and Disabled Business Enterprises (MBEs, WBEs and DBEs) by encouraging their participation in Company's procurement activities and by affording them an equal opportunity to compete for Company's procurements. CSP agrees to carry out this policy to the fullest extent consistent with the requirements of the CSP Agreement (a) through the award of subcontracts to MBEs, WBEs and DBEs or (b) if CSP is a MBE, WBE or DBE, through the use of its own forces. CSP shall include this policy as a provision in all subcontracts.

29. LAWS, CODES, RULES, REGULATIONS

CSP and its Subcontractors, at their own expense, shall obtain all necessary licenses and permits and shall comply with all applicable federal, state and local laws, statutes, ordinances, codes, rules and regulations relating to performance of the Work and the CSP Agreement, including but not limited to, safety, products liability, environment, labor standards and workers' compensation laws.

CSP and its Subcontractors shall also comply with Company's policies, rules and procedures.

30. HAZARDOUS AND DANGEROUS GOODS

For any goods or equipment provide by CSP pursuant to the CSP Agreement which are defined as hazardous or dangerous under any applicable law, rule or regulation, CSP shall provide Company with hazardous warning and safety handling information, including Material Safety Data Sheets, and appropriate labeling for all such goods and equipment.

31. ELECTRIC COMMERCE

At Company's request, Company and CSP may facilitate business transactions for the CSP Agreement by electronically transmitting data. Any data digitally signed pursuant to this Article and electronically transmitted shall be as legally sufficient as a written and signed paper document exchanged between the parties, notwithstanding any legal requirement that the document be in writing or signed.

32. GOVERNING LAW/JURISDICTION

The CSP Agreement shall be governed by and interpreted in accordance with the laws of the Commonwealth of Pennsylvania, excluding the choice of law and conflicts of law provisions. Any litigation arising from or relating to the CSP Agreement shall only be filed in state or

federal court in and for Allegheny County, Pennsylvania and CSP hereby consents and submits to the exclusive jurisdiction of such courts.

33. ENTIRE AGREEMENT

The CSP Agreement contains the entire understanding and agreement of Company and CSP with respect to the subject matter hereof and supersedes and replaces all prior agreements and commitments with respect thereto. There are no oral understandings, terms or conditions and neither Company nor CSP has relied upon any representation, express or implied, not contained in the CSP Agreement.

34. AMENDMENT

Except as expressly set forth herein, no provision of the CSP Agreement may be changed, modified, waived, terminated or amended except by written instrument executed as appropriate by Company and/or CSP.

35. WAIVER

Any failure of Company to enforce any of the provisions of the CSP Agreement or to require compliance with any of its terms at any time during the term of the CSP Agreement shall in no way affect the validity of the CSP Agreement, or any part thereof, and shall not be deemed a waiver of the right of Company thereafter to enforce any and each such provision.

36. CAPTIONS

The captions contained in the CSP Agreement are for convenience and reference only and in no way define, describe, extend or limit the scope or intent of the CSP Agreement or the intent of any provision contained therein.

IN WITNESS WHEREOF, the parties have executed this Agreement on the respective dates entered below.

DUQUESNE LIGHT COMPANY

Jaco Environmental

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

Exhibit B

Project Schedule

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Implementation Timeline

Implementation Timeline

Work Plan and Implementation Timeline (Program Years June 1st through May 31st)	2009				2010				2011				2012			
	Q1	Q2	Q3	Q4												
	Jun/Jul/Aug	Sep/Oct/Nov	Dec/Jan/Feb	Mar/Apr/May												
Task 1 - Program Setup and Customer Service																
Task 2 - Collect and Transport Refrigerators			1,060	1,060	909	909	909	909	916	916	916	916	999	999	999	999
Task 3 - Recycle Refrigerators			1,060	1,060	909	909	909	909	916	916	916	916	999	999	999	999
Task 4 - Rebate Application Processing and Rebate Check Fulfillment			1,060	1,060	909	909	909	909	916	916	916	916	999	999	999	999
Performance Payments to Consultant (\$)			\$113,420	\$113,420	\$97,236	\$97,236	\$97,236	\$97,236	\$98,039	\$98,039	\$98,039	\$98,039	\$64,066	\$64,066	\$64,066	\$64,066
Committed Energy Savings (kWh)			1,831,680	1,831,680	863,676	863,676	863,676	863,676	870,804	870,804	870,804	870,804	969,052	969,052	969,052	969,052
Committed Demand Reduction (kW)			252	252	216	216	216	216	218	218	218	218	142	142	142	142
Task 5 - Program Tracking and Reporting																
Task 6 - Measurement and Verification / Customer Feedback Surveys																
Task 7 - Program Ramp Down and Shut Down																
Cumulative Refrigerators Recycled			1,060	2,120	3,029	3,938	4,846	5,755	6,671	7,588	8,504	9,420	10,019	10,618	11,216	11,815
Cumulative Energy Savings (kWh)			1,831,680	3,663,360	4,527,036	5,390,712	6,254,388	7,118,064	7,981,740	8,845,416	9,709,092	10,572,768	11,170,332	11,739,384	12,308,436	12,877,488
Cumulative Demand Reduction (kW)			252	504	720	936	1,151	1,367	1,585	1,803	2,020	2,238	2,380	2,523	2,665	2,807
Cumulative Performance Payments to Consultant (\$)			\$113,420	\$226,840	\$324,076	\$421,313	\$518,549	\$615,785	\$713,024	\$811,863	\$909,901	\$1,007,940	\$1,072,006	\$1,136,073	\$1,200,139	\$1,264,205

May 31, 2011

May 31, 2013

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Exhibit C

Statement of Work

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SECRETARY'S BUREAU

PROGRAM NAME: RESIDENTIAL REFRIGERATOR RECYCLING PROGRAM

STATEMENT OF WORK

1. **Program Name:** Residential Refrigerator Recycling Program (the “Program”)
2. **Consultant/Contractor’s Name:** JACO Environmental (the “Consultant”)

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I. Program Description

The objective of the Program is to assist customers to become more energy efficient by educating them about the amount of energy consumed and the costs associated with operating inefficient refrigerators. The Program provides access to an easy-to-use service to remove and recycle the operational inefficient refrigerators. The Program targets approximately 533,000 households served by Duquesne Light where approximately 42,000 households operate more than one refrigerator. To encourage participation in the Program, this program provides a \$35 check for the removal of the old refrigerator. The Consultant will administer the program and provide comprehensive turnkey program implementation services.

A. Defined Terms: Capitalized terms not otherwise defined in this Statement of Work (“SOW”) will have the meaning ascribed to them in Duquesne Light Company’s (Duquesne Light) CSP SERVICES AGREEMENT (“CSP Agreement”), which is attached to the Purchase Order and incorporated herein by reference.

1. **Baseline Data:** The initial base metric for comparing the net result of programmatic changes versus what would have happened in the absence of the Program or activity.
2. **Business Day:** The period from one midnight to the following midnight, excluding Saturdays, Sundays, and holidays.
3. **Calendar Day:** The period from one midnight to the following midnight, including Saturdays, Sundays, and holidays.
4. **Change Order:** Document issued by Duquesne Light to Consultant and, unless otherwise provided in the Purchase Order is accepted by Consultant and that changes or modifies the terms of this Purchase Order.
5. **Contract Program Manager or CPM:** The Duquesne Light representative who will manage the Program.
6. **PPUC:** The Pennsylvania Public Utility Commission.
7. **PPUC Approval:** Final decision issued by the PPUC approving the Program for the years 2009-2012, consistent with Duquesne Light’s application for the Program originally filed with the PPUC on July 1, 2009.
8. **Customer:** Residential customers located in Duquesne Light’s service territory.

- 9. Double Incentives:** Receiving rebates, discounts, incentives and services from more than one program for the same measures installed by the same customer. Includes the attribution of energy and demand savings for a single measure/ activity at multiple market intervention points (e.g., energy savings claimed upstream, midstream, and at the customer) where a particular measure was installed or an activity occurred.
- 10. Incentive:** Financial support (e.g., Rebates) to purchase energy efficiency Measures. The Incentives are solicited by the Customer and based on the Customer's billing history and/or Customer-specific information. Also see Rebate.
- 11. Measures**
- Specific Customer actions which reduce or otherwise modify energy end use patterns.
 - A service or a product whose installation and operation at a Customer's premises results in a reduction in the Customer's on-site energy use, compared to what would have happened otherwise.
- 12. On-peak Demand (kW):** On-peak demand (kW) is the average grid level impact for a measure between 12:00 p.m. and 8:00 p.m. during weekday periods.
- 13. Purchase Order:** Document issued by Duquesne Light to facilitate payment to Consultant for the Work described herein and containing the terms and conditions that will govern this Purchase Order, and which will include this Statement of Work.
- 14. Rebate:** An identified and pre-specified amount of money to be paid to Customer providing proof of purchase for one or more identified energy efficiency products.
- 15. Duquesne Light Representative:** The Duquesne Light Contract Program Manager ("CPM") or such other representative authorized by Duquesne Light to manage this Program.
- 16. Program Management and Reporting System (PMRS):** PMRS is Duquesne Light's invoicing and reporting tool that uses a Web-base interface.
- 17. Subcontractor:** An entity contracting directly or indirectly with Consultant to furnish services or materials as part of or directly related to Consultant's Work
- 18. Upstream Rebate Program:** Any program in which Duquesne Light pays an Incentive to a product retailer or distributor to buy-down the cost of the product to

the end-use Customer.

19. Work: Any and all obligations of Consultant to be performed for Duquesne Light and Customers pursuant to and during the term of this Purchase Order, any revision to this Purchase Order, or a subsequent Purchase Order or Change Order incorporating this Statement of Work. The Work will include, without limitation to the tasks described in Section V of this Statement of Work.

20. Program Year: The 2009 program year will begin on the date the PPUC authorizes and approves the program plans submitted by Duquesne Light on July 1, 2009 and will end on May 31, 2010. Thereafter each program year will begin on June 1st and end on May 31st.

II. Objectives

A. Program Deliverables

The objective of the Program is to assist customers to become more energy efficient by educating them about the amount of energy consumed and the costs associated with operating inefficient refrigerators. The Program provides access to an easy-to-use service to remove and recycle the operational inefficient refrigerators. The Consultant will administer the program and provide comprehensive turnkey program implementation services. In summary, these services include marketing, customer enrollment, establishing a website to communicate program details and facilitate pick-up reservations; perform on-site verification of unit working condition, transport refrigerators to a recycling facility, perform recycling processing, process rebate applications and issue rebate checks, conduct impact verification and customer satisfaction surveys and report program activity to Duquesne Light.

B. Demand Reduction and Energy Savings

Table 1 represents the milestone dates, the minimum energy savings (kWh) and the minimum peak demand reduction (kW) to be achieved by Consultant.

Table 1: Energy Savings and Demand Reduction Requirements by Program Year

Description	2009	2010	2011	2012	Total
Gross kWh	2,014,000	3,453,250	3,481,750	2,275,250	11,224,250
Gross kW	504	864	871	569	2,808
Units Recycled	2,120	3,635	3,665	2,395	11,815

III. General Requirements

A. Notice to Proceed (“NTP”): Consultant may start Work only upon the occurrence of each of the following:

1. Consultant receives this Purchase Order;
2. Consultant provides to the *CPM* a signed acknowledgement form of this Purchase Order and sends a copy to Duquesne Light’s the purchasing agent;
3. The condition precedent clause in Section III E of this Statement of Work has been fulfilled; and
4. CPM provides to Consultant written approval to proceed.

B. Customer Information: The Consultant will use PMRS to input any Customer information collected (e.g., physical address, service account number, etc.) that is used in connection with the planning and/or implementation of the Program. This information will be updated, at a minimum, on a weekly basis and will include all information collected from the previous week’s activities.

C. License: By NTP + ten Calendar Days, the Consultant and each of its subcontractors will submit copies of any and all license and/or registrations required for the performance of the proposed Work to the CPM.

D. Requirements: The primary requirement of the Program is to achieve the energy savings and demand reduction outlined in Table 1 above. Duquesne Light will regularly review the implementation schedule (milestones, delivery dates, etc.) contained in Appendix A (Implementation Timeline) hereof against actual Work performed by Consultant to assess the Program’s progress.

E. Condition-Precedent Clause: This Purchase Order is not effective until PPUC Approval is issued. Within three (3) Business Days following PPUC Approval, either party may notify the other, in writing, if the PPUC approves the Program with material changes from Duquesne Light’s filed program plan that are unacceptable to that party. This Purchase Order is effective five (5) Business Days following PPUC Approval if neither party has informed the other, in writing, of unacceptable PPUC-mandated material Program changes.

IV. Statement of Work (the “Work”)

Consultant will complete the Work required to meet or exceed the requirements and milestones set forth in Table 1, above, including Work described below under ***Program Ramp-up, Program Launch and Program Implementation Tasks*** described below:

Program Ramp-up

This task involves activities concerning the planning and development of all materials necessary to launch and implement the Program. The activities in this task include, but are not limited to:

- A. **Attend Program Kick-off Meeting:** Consultant’s representative(s) will attend a Program kick-off meeting (Webcast) with the CPM to discuss Program logistics, marketing coordination, evaluation, monitoring and verification coordination, invoicing requirements, scope of Work, and any remaining Purchase Order issues at a designated location.

Consultant’s representative will attend the Program kick-off meeting at a time and place to be determined by Duquesne Light after the issuance of the NTP.

Deliverable(s)	Due Date(s)
Attend Program Kick-off Meeting	Determined by Duquesne Light after the issuance of the NTP.

- B. **Program Data, Invoicing, and Reporting Tool Training:** The Consultant will attend a half-day workshop (Webcast) that provides training on the use of the PMRS system. Through a unique user log-in issued by Duquesne Light to the Consultant, PMRS will facilitate program operation and tracking. The method for entering data into the reporting tool will be determined by the CPM prior to the reporting tool training session. The Consultant will attend PMRS training at a time and place to be determined by Duquesne Light after the issuance of the NTP.

Deliverable(s)	Due Date(s)
1. Attend a half-day PMRS Training Session and ongoing PMRS Update Training.	Determined by Duquesne Light after the issuance of the NTP or notification of PMRS program changes.
2. Delivery of web-entered customer and project data to CPM for review and approval.	PMRS training plus 10 Calendar Days.

- C. **Program Management Plan:** The Consultant will develop, implement and maintain a Program Management Plan (“PMP”). The PMP will present the Program rationale, assumptions, approach, processes, and other key material in an integrated form (e.g. tabbed binders). The PMP will be developed according to the schedules below for

Duquesne Light's review and approval. The PMP sections will be determined by the CPM and may include the following sections:

1. **Document Control Sheet:** This first page will contain a table that identifies the document control version for each section added, removed or updated and include signature/date blocks for both CPM and Consultant to acknowledge each change.
2. **Introduction:** This section will identify the basic Program summary information, how the PMP is organized, and the process by which it will be kept current. Two official copies will be maintained by the Consultant, one for the CPM and a second for the Consultant.
3. **Program Overview and Assumptions:** This section will summarize the Program assumptions (e.g., Program contracts, basic Program processes, qualifying energy efficiency Measures, Measure incentive amounts, application forms and applicable validation, verification and customer satisfaction survey plans, dispute resolution, etc.) and reference appropriate detail in the document and its appendices.
4. **Program Policies and Procedures:** This section will include a discussion of the Program policies and procedures that govern the Program operations such as Program changes, data validation/processing (e.g., proof of purchase requirements), and the plan to prevent Double Incentives payments.
5. **Production Plan:** The Consultant will develop a detailed production schedule for all Work to be performed under the Program, consistent with Exhibit A (Implementation Timeline). Consultant will update the production plan and implementation timeline on a monthly basis. Production will be reported as described in Item 9, below.
6. **Performance Metrics and Reporting:** This section will provide a detailed set of metrics and schedule for Program performance reporting by the Consultant. All reporting will be through PMRS and the metrics will include, at a minimum:
 - a) **Production Metrics** – The Consultant will report actual weekly production;
 - b) **Program Issues Log** – The Consultant will report a list of Program issues including the process or actions, responsible party, schedule for resolution, final resolution and date of resolution;
 - c) **Program Quality/M&V Metrics** – The Consultant will report the results of field verification activities and corrective actions taken to improve the delivery of the Program's services; and

d) **Participant Satisfaction Metrics** – The Consultant will report ongoing measurement of participant satisfaction (i.e. Contractors, Customers, etc.) and report issues and complaints to CPM.

7. **Quality Assurance (“QA”) Plan:** This section will include a quality assurance plan (QAP). The QAP will provide for quality control on projects, regulatory compliance processes and performance auditing. The QAP must ensure Duquesne Light will have access to files, data and related program operating information. The QAP will be designed to minimize customer service issues, protect confidential information and prevent duplicate applications for incentive payments. All program documents, forms, procedures, data and reports produced by the CSP under contract with Duquesne Light shall become the property of Duquesne Light.

8. **Data Management Plan:** This section will include the Program’s data management plan required to ensure the validity and reliability of Measure and savings data. At a minimum, this section should identify data management processes, procedures, and QA activities.

9. **Invoice and Measure Reporting Tools:** This section will include a sample of all the reporting tools (i.e., electronic and hardcopy program reports, periodic statements, invoices, etc as further outlined herein under Task 5 - Invoicing and Reporting for Completed Jobs). The date for PMRS upload document training, draft invoice format and final invoice format approval and submittal to CPM will be arranged with, and subject to the approval of Duquesne Light.

10. Appendices

- a) **Program Forms:** Include copies of all forms used in Program operations (described at a high-level under Section C.3 above: verification and satisfaction surveys, Incentive/Rebate applications, contracts, templates, FAQ’s, Q&A documents, etc.).
- b) **Subcontractor Contracts:** Include copies of signed contracts/agreements with all Subcontractors used to deliver the Program. All contracts should include a clear statement of work that describes the specific activities that the Subcontractor will perform.

Deliverable(s)	Due Date(s)
1. Determination of sections of PMP to be included by CPM	During kick-off meeting

2. Draft PMP for Duquesne Light review and approval	NTP plus 60 Calendar Days
3. Final PMP for Duquesne Light review and approval	NTP plus 90 Calendar Days
4. Periodic revisions to PMP must be submitted to Duquesne Light for review and approval.	Ongoing
5. Provide Marketing Materials for Duquesne Light review and approval	Ongoing throughout Purchase Order term

Program Launch

Activities in this area pertain to preparing Program launch by providing information and training to the Duquesne Light program staff and customer service representatives. The activities include, but are not limited to:

- A. **Program Information:** Consultant will work with the CPM to make sure that all Program features are understood. A PowerPoint presentation and Q&A documents that explain the Program will be provided to the CPM.

Deliverable(s)	Due Date(s)
CPM training, PowerPoint presentation, and Q&A documents to CPM for approval	NTP + 60 Calendar Days

- B. **Duquesne Light Training:** Consultant will provide training (via Webcast or in person at a Duquesne Light facility) on the elements of the Program to Duquesne Light management, staff and customer field representatives. All Consultant representatives involved in this activity will have previous experience providing training in the areas of technical and Program administration.

Deliverable(s)	Due Date(s)
Training to Duquesne Light's customer field representatives	NTP + 90 Calendar Days

Program Implementation Tasks

Task 1: Program Setup and Customer Service

Consultant will provide the facilities, equipment, and personnel to operate the Program which includes interacting directly with Duquesne Light's customers. These services will include:

- Establish a toll-free telephone number and website for customer enrollment, appointment scheduling, and questions.
- Work with Duquesne Light to confirm Measure data tracking and reporting requirements
- Maintain a database to store and track interactions with the customers as well as detailed information about each refrigerator collected.
- Provide trained customer service staff for assisting customers with questions about the Program, qualifying customers and facilitating participation.
- Verify Duquesne Light customer status
- Qualify refrigerator meets Program requirements
- Schedule in-home appliance removal appointments. Offer choices of service dates, including Saturday, and morning/afternoon collection, handle reschedule and cancellation requests. Provide 2-person crews for all removals.
- Provide customers with information about preparing their appliance for removal (appliance must be empty, plugged in and working at the time of pickup).
- Provide customers with a day-ahead confirmation call.
- Produce written confirmation of appliance collection.

Task 2: Collect and Transport Refrigerators

Consultant will provide the means to collect the refrigerators from the customer locations and transport them to the recycling location. Components of this service will include:

- Hire, screen and train drivers and refrigerator collection staff (all drivers and collection staff require thorough background checks).

- Provide up-to-date collection vehicles (no more than 3 years old), tools, and equipment necessary for safe and efficient removal.
- Remove units from within the home.
- Enter unit into database reporting system.
- Deface/disable the appliance before transporting.
- Record unit collection and secure customer acknowledgement of collection and disabling of the appliance.
- Transport units to a licensed processing and recycling facility.

Task 3: Recycle Refrigerators

Consultant will provide the means to completely, safely, and legally recycle all refrigerator components, including but not limited to CFC and HCFC ozone depleting substances, oil, PCB's, mercury and foam insulation as described below. Retired refrigerators shall be recycled such that materials are reclaimed and reused to the greatest degree possible and amounts of materials sent to landfills or incinerated are limited to the greatest extent. All greenhouse gases and ozone depleting substances should be captured and destroyed and other hazardous waste handled responsibly.

Consultant will be responsible for the following recycling activities:

- Ensure the recycling facility is in compliance with all federal, state and local hazardous-waste management and recycling regulations, including the federal Clean Air Act and Health and Safety Code (HSC). (Ex's 40 CFR Parts, 273, 279, and 761, 40 CFR 82.156(f)(2)(These examples are not all inclusive))
- Recover, reclaim, and/or destroy all chlorofluorocarbon (CFC), hydro chlorofluorocarbon (HFC-134a), and non-CFC refrigerants in compliance with all applicable federal, state and local hazardous-waste regulations. Facilities with independent certification of 95% CFC/HFC capture are preferred.
- Recover and destroy all CFC-11 and HCFC 141b blowing agents in the polyurethane foam insulation of the refrigerators in a manner that complies with all applicable federal, state and local hazardous-waste regulations. Facilities with independent certification of 95% CFC/HCFC capture are preferred.
- Remove, label, and store, in compliance with all applicable regulations, all materials requiring special handling, such as capacitors containing polychlorinated biphenyls (PCBs), mercury-containing switches, and used oils prior to shipment to licensed facilities for disposal or recycling.
- Recycle all glass, metals, plastics and foam (free of blowing agents).
- Recycling processes will meet the requirements of the EPA's RAD program.

- Complete all filings and certifications required by applicable federal, state and local laws to verify the proper disposal of the units.

Consultant, its agents, employees and sub-contractors, shall indemnify, defend, save and hold harmless Duquesne Light, including any of its agents, employees, affiliates and subsidiaries, from any and all liabilities, charges, expenses and costs on account of or by reason of any such liabilities, claims, suits or losses in any way relating to the Consultant's intentional acts or negligence and/or Consultant's failure to comply with the performance requirements described in this Exhibit or any applicable federal, state or local laws related to the collection, disposal and recycling of the units and the parts contained within the units.

Task 4: Rebate Application Processing and Rebate Check Fulfillment

- Consultant will facilitate receipt of rebate applications daily via mail, web, phone or fax.
- Consultant will cause rebate application data to be entered into a central rebate tracking database (i.e., key-in phone rebate applications, scan mailed and faxed applications forms, link and transfer web-based application data).
- Consultant will obtain and utilize customer information files, updated monthly, from Duquesne Light and match the participating Customer, Duquesne Light service account number to obtain data required to verify customer information and validate customer status.
- Consultant shall make customer rebate status information available to program customer participants through Consultant's customer call center and web-based systems.
- Consultant will process and mail customer rebate checks within 10 days of receiving the rebate application.
- Consultant will mail Customer notifications of rebate application rejections or need for resubmission, identifying original rebate application shortcomings, within 10 days of receiving the rebate application.
- Compile and report rebate processing call center activity including total calls offered, total calls taken, average talk time, total calls abandoned and average agents available. Call center reports shall be viewable by day, week, month or year.

Task 5: Program Tracking and Reporting

Consultant shall keep Duquesne Light well informed of the Program's progress. This communication is expected to be both informal (i.e., phone calls and e-mails), through on-line/real-time systems and through formal reporting.

- Database and automated reporting systems- Consultant should maintain a program reporting database that tracks all aspects of the Program from scheduling pick-ups through the recycling process, including detailed tracking of all materials recovered from the process. The database should be an existing, fully-debugged system capable of providing information to Duquesne Light in real-time.
- Invoices will be submitted monthly documenting services provided, including:
 - Customer name and address
 - Number of appliances collected or rejected, by zip code
 - Reasons for rejection of appliance
 - Number of appliances recycled
 - Model/style (single-door, top freezers, side-by-side, and bottom freezer refrigerators), defrost type, presence of icemaker, capacity (in cubic feet), estimated vintage, amperage, and location in the home from which it was removed
 - Number and reason for customer no shows.
- Submit monthly reports summarizing Program activities and results, including data from invoices and the following:
 - Number of units collected and/or rejected and recycled
 - Status of Program compared with projections
 - Financial summary
 - Unit information (Refrigerator location, primary or secondary, age, size, defrost type, etc.)
 - Estimated energy savings
 - Estimated environmental benefits of the Program (estimated pounds of CFCs/HCFCs/HFCs, PCBs, mercury, oil, and metals removed for disposal or recycling).
 - Summary of customer complaints

- Annual Reports
 - Provide an overall program report for the Program year
 - Due by June 15th following the end of each Program Year (provide 60 days from final appliance recycling in order to assure complete hazmat reporting)
 - Must include a database report (Excel or Access) of all units collected
 - Reporting systems that meet the requirements of the EPA's RAD program are preferred.
- Address Customer Complaints
 - The Consultant will address any Customer complaints that arise. If a Customer complaint occurs, the Consultant will document and notify the CPM of these issues within 24 hours of the occurrence. Any complaint that is not resolved by Consultant within 5 Business Days will be immediately directed to the CPM.

Task 6 – Measurement and Verification

The program will operate with careful attention to evaluation, measurement and verification practices. To support ongoing evaluation, measurement and verification, Consultant will provide Duquesne Light with real-time access to program metrics, including customer rebate expenditures, Consulting processing fees, rebate applications processed, Measure descriptions with unit of measure quantities.

Consultant will conduct a program impact verification and customer satisfaction survey on a random sample of participants via phone survey. The number of surveys to be conducted shall be based on program participation volume, with a sample quantity statistically valid to render a confidence level of 90% +/- 10% or higher. Consultant will work with Duquesne Light in the development of any survey instruments; Duquesne Light will advise Consultant the sample quantity required (sample quantity varies based upon average savings energy per rebate and the total number of rebate applications processed).

Assessment of the Program includes the following performance indicators:

- Marketing collateral is created that has a clear, compelling message and provides easy to understand directions on how to contact the Consultant for disposal of units.
- Number of applications received, average time to process applications
- Number of Refrigerators scheduled for pickup, average time from application approval to schedule pickup

- Number of applications rejected. Reasons for rejection.
- Number of incentive payments made, average time from application approval to incentive payment
- Number of units verified as permanently removed from the grid – kWh and kW impacts
- Customer satisfaction with program – Number of complaints

Task 7 – Ramp-Down and Shut-Down Program

- **Program Ramp-Down:** The Consultant will provide Duquesne Light with a ramp-down plan for the Program. To ensure complete Program shut-down, the Program ramp-down period will commence no later than May 1, 2013. *The Consultant's plan for Program ramp-down will take into consideration that all services must be complete, all Projects and Measures installed, and all Incentives/Rebates paid by May 31, 2013. Duquesne can direct ramp-down to occur earlier if it appears that Duquesne's overall EE&C Plan is going to achieve its legal reduction requirements.*

When the Consultant completes Customer recruitments (which should be prior to March 31, 2013), the Consultant will inform all parties contacted for Customer participation that the Program has reached its energy savings and demand reduction requirements and that the Program is no longer available. The Consultant will resolve all outstanding complaints by May 15, 2013.

- **Program Shut-Down:** The Consultant will provide to the CPM a plan with procedures on shutting-down the Program, including a plan to end Customer services while ensuring the continuation of warranty services.

On May 15, 2013, or earlier depending upon goal achievement, the Consultant will send a Program shut-down announcement, approved by the CPM, via mail or fax to all Customers. This Program announcement will notify the Customers that the Program has shutdown and will specify a Consultant representative that Customers should contact for warranty issues. This Program announcement will also encourage the Customer to actively pursue other Duquesne Light programs that may be available, and to contact Duquesne Light for further information regarding energy efficiency programs, in general.

All Program operations, including Customer service, will be completely shut-down after the last day of the Purchase Order performance period.

Deliverable(s)	Due Date(s)
1. Submit detailed ramp-down and shut-down plans and schedules to CPM for review and approval	No later than March 1, 2013
2. Completion of Customer recruitment	No later than March 31, 2013
3. Resolve outstanding Customer complaints and begin preparation of Final Report	No later than May 15, 2013
4. Begin Program ramp-down	No later than May 15, 2013
5. Draft Program shut-down announcement to CPM for review and approval	No later than May 1, 2013
6. Send Program shut-down announcement to recruited Customers	No later than May 15, 2013
7. Final date for completion of all services, installation of all Projects and Measures, and payment of all Incentives/Rebates	No later than May 31, 2013

Task 8 – Submit Final Program Report

After Program shut-down and follow-up issues have been completed and resolved, the Consultant will submit a final report that reviews the Program’s progress and accomplishment (the “Final Report”). At a minimum, the Final Report will cover:

- **Goal Attainment:** Documentation which substantiates Consultant’s achievement of the energy savings goals for this Purchase Order. Specifically, Consultant will be required to meet or exceed each of the minimum required levels of energy savings (kWh) and electric demand reduction (kW) as specified in Table 1.
- **Program Achievement Discussion:** Were the goals met? Was the Program cost effective? Completed Program achievement table based on installations (see sample below):

Measure Class	Measure Class Description	# of Measures Installed	kWh/Measure	kW/Measure	Total kWh	% of Total kWh	Total kW	% of Total kW

Total		100%		100%
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- **Program Challenges:** What were the significant obstacles that were overcome?
- **Lessons Learned:** Could a Program of this scale have accomplished more?
- **Program Improvement Recommendations:** What improvements could have been made to help the Program be even more successful?

Deliverable(s)	Due Date(s)
1. Submit draft Final Report for Duquesne Light review and acceptance	No later than August 1, 2013
2. Submit revised Final Report for Duquesne Light review and acceptance	The earlier of August 15, 2013 or within two weeks of comments by Duquesne Light

V. Billing Structure

Table 2: Consultant Fee Schedule

Consultant fees for rebate processing and call center services described in this Statement of Work, shall be paid by Duquesne Light according to the fee schedule provided in the following table:

Service Description	Consultant Fees
Direct implementation of refrigerator recycling	\$87.00 Per Refrigerator
Marketing Allowance	\$20 Per Refrigerator

The projected refrigerator recycling capture rates applied to per unit Consultant fees yields total Consultant fees and Consultant budget as shown in the following table:

Service Description	Projected Transactions	Fee/Transaction	Total Fee
Refrigerator Recycling	11,815	\$87.00	\$1,027,905
Marketing Allowance	11,815	\$20	\$236,300
Incentive	11,815	\$35	\$413,525
Total	11,815	\$142	\$1,677,730

Consultant Budget Limit: Under no event shall Consultant exceed the total amount budgeted by Duquesne Light for this Purchase Order of \$1,677,730 without prior written authorization by Duquesne Light.

Exhibit D

Compensation

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Compensation

Payment Terms: The Consultant shall be paid fees to administer the Duquesne Light's Residential Refrigerator Recycling Program and provide comprehensive turnkey program implementation services described in CSP Services Agreement Exhibit C Statement of Work.

Duquesne Light payments to Consultant under the Purchase Order: (1) reimburse Consultant costs to fund customer rebates mailed directly to participating Customers by Consultant and (2) pay Consultant fees for Program direct implementation and marketing costs.

1. Duquesne Light Payments to Fund Customer Rebates: Consultant shall process Customer Program rebate applications and issue a \$35 check to participating Customers for each approved rebate application associated with a recycled refrigerator. Consultant shall submit a Rebate Fund Invoice to Duquesne Light once each month for reimbursement of actual Customer rebate payments. Duquesne Light shall receive monthly rebate fund invoices reflecting actual customer rebate amounts and associated activity reports described under Exhibit C.
2. Duquesne Light Payments for Consultant Direct Implementation and Marketing Services: Consultant shall submit an invoice to Duquesne Light once each month for direct Program implementation and marketing services (Program Implementation Fee Invoice). Duquesne Light shall make payments to Consultant for providing of direct implementation and marketing services according to the following fee schedule:

Consultant Fee Schedule

Service Description	Consultant Fees
Refrigerator Recycling Program Direct Implementation Fee	\$87.00 Per Refrigerator Recycled
Marketing Allowance	\$20 Per Refrigerator Recycled

Consultant Budget Limits:

1. Duquesne Light Payments to Fund Customer Rebates: Duquesne Light will monitor disbursement of customer rebates to ensure the Program is operating within planned budget constraints. Program Customer rebates are made available on a first-come-first-serve basis, Program Measures and incentive amounts may be changed or the Program terminated at Duquesne Light's sole discretion. Rebate

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disbursement and budget subscription may vary depending upon Customer enrollment in the Program. The following projection of Program activity serves to establish rebate funding limits for Program Years 2009 through 2012:

Program Rebate Funding Limits

	<i>2009</i>	<i>2010</i>	<i>2011</i>	<i>2012</i>	<i>Total</i>
Units Recycled	2,120	3,635	3,665	2,395	11,815
Rebate Amount	\$35	\$35	\$35	\$35	-
Rebate Funding	\$74,200	\$127,225	\$128,275	\$83,825	\$413,525

The rebate funding limits reflected above shall not be increase or changed between years without the prior written authorization of Duquesne Light.

2. Duquesne Light Payments for Consultant Direct Implementation and Marketing Services: As reflected in the Consultant Fee Schedule, Consultant fees are paid on a per-refrigerator-recycled basis. Consultant budget limits are based on projected Program activity consistent with setting rebate funding limits. Projected Program activity is applied to the combined Consultant direct implementation fee and marketing allowance fee amount of \$107.00 to establish Consultant implementation fee budget limits reflected in the following table:

Consultant Direct Implementation and Marketing Allowance Budget Limits

	<i>2009</i>	<i>2010</i>	<i>2011</i>	<i>2012</i>	<i>Total</i>
Units Recycled	2,120	3,635	3,665	2,395	11,815
Rebate Amount	\$107.00	\$107.00	\$107.00	\$107.00	-
Rebate Funding	\$226,840	\$388,945	\$392,155	\$256,265	\$1,264,205

The Consultant direct implementation and marketing services budget limits reflected above shall not be increase or changed between years without the prior written authorization of Duquesne Light.

Invoicing Requirements: Consultant shall submit a separate Rebate Fund Invoice and a separate Program Implementation Fee Invoice accompanied by supporting documentation by the 10th day of each month for Work performed in the preceding month. Invoices shall include the number of rebate checks issued and services provided as well as the number of associated refrigerators recycled. Supporting documentation shall include billing month Program activity defined in Exhibit C, Section IV Statement of Work, Program Implementation Task 5: Program Tracking and Reporting.

Agreed Performance Levels

Table 1: Energy Savings and Demand Reduction Requirements by Program Year

Description	2009	2010	2011	2012	Total
Gross kWh	2,014,000	3,453,250	3,481,750	2,275,250	11,224,250
Gross kW	504	864	871	569	2,808
Units Recycled	2,120	3,635	3,665	2,395	11,815

Energy and demand reduction goals are based on deemed savings published in the Pennsylvania Technical Reference Manual (TRM) wherein net annual energy savings is 950 kWh and coincident peak load reduction is 0.2376 kW per recycled refrigerator.

- B. Liability for any Penalty Assessed by state agency for non-performance:** If CSP fails to achieve the above-referenced performance levels for kWh and/or kW reductions for program years ending May 31, 2011 and May 31, 2013, CSP understands and agrees that it shall be liable for its proportion of any total penalty that may be assessed by the Pennsylvania PUC or its designee based on the formula below. CSP shall not be liable for any penalty if it achieves its agreed and stated reduction requirements above.
- C. Any penalty imposed shall be prorated among non-performing CSPs that do not meet their stated requirements. If Duquesne does not meet its goals for programs where it acts as the CSP, it will share in the penalty. The proration is based on the following formula:**

Formula: % shortfall * Penalty Amount = CSP share of penalty amount.

% shortfall: A non-performing CSP's kWh or kW shortfall divided by Total Shortfall

Total Shortfall: The sum of kWhs or kW each non-performing CSP is short

Penalty Amount: amount of total penalty assessed by Pa PUC or its designee.

Example: if three CSPs (A, B, C) fail to achieve their performance levels stated in their agreements and the PUC penalizes Duquesne in the amount of \$1,000,000, the three CSPs would pay accordingly.

CSP A's agreed performance level = 22,000 kW. Its actual performance level = 19,800 kW

Exhibit D
CSP Services Agreement

CSP B's agreed performance level = 2,000 kW. Its actual performance level = 1,500 kW

CSP C's agreed performance level = 16,000 kW. Its actual performance level = 15,200 kW

Total Shortfall (2,200 + 500 + 800) = 3,500 kW

% Shortfall:

CSP A: $2,200/3,500 = .628571$

CSP B: $500/3,500 = .142857$

CSP C: $800/3,500 = .228571$

CSP A is responsible for approximately 63% of the total penalty, or \$628,571

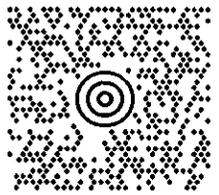
CSP B is responsible for approximately 14% of the total penalty, or \$142,857

CSP C is responsible for approximately 23% of the total penalty, or \$228,571

UPS CampusShip: View/Print Label

1. **Print the label(s):** Select the Print button on the print dialog box that appears. Note: If your browser does not support this function select Print from the File menu to print the label.
 2. **Fold the printed label at the solid line below.** Place the label in a UPS Shipping Pouch. If you do not have a pouch, affix the folded label using clear plastic shipping tape over the entire label.
 3. **GETTING YOUR SHIPMENT TO UPS Customers without a Daily Pickup**
 - Schedule a same day or future day Pickup to have a UPS driver pickup all your CampusShip packages.
 - Hand the package to any UPS driver in your area.
 - Take your package to any location of The UPS Store®, UPS Drop Box, UPS Customer Center, UPS Alliances (Office Depot® or Staples®) or Authorized Shipping Outlet near you. Items sent via UPS Return ServicesSM (including via Ground) are also accepted at Drop Boxes.
 - To find the location nearest you, please visit the Resources area of CampusShip and select UPS Locations.
- Customers with a Daily Pickup**
- Your driver will pickup your shipment(s) as usual.

FOLD HERE

GARY A. JACK 4123931541 DUQUESNE LIGHT 411 SEVENTH AVENUE, MAIL DROP PITTSBURGH PA 15219	4 LBS PAK	1 OF 1	
SHIP TO: JAMES J. MCNULTY, SECRETARY 000-000-0000 PA PUBLIC UTILITY COMMISSION 2ND FLOOR COMMONWEALTH KEYSTONE BUILDING 400 NORTH STREET HARRISBURG PA 17120			
	PA 171 9-20 		
UPS NEXT DAY AIR			
TRACKING #: 1Z 0X8 71V 01 9724 4342			1
			
BILLING: P/P			
Cost Center: 492			 TM
CS 12.0.23. WXP1E70 99.0A 01/2010			

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MATERIAL FOLLOWS:**

NO SCANNED IMAGE AVAILABLE

**ACTUAL DOCUMENT IN
CONFIDENTIAL FILE FOLDER**