



Duquesne Light
Our Energy...Your Power

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Kelly L. Geer, Esq.

May 28, 2010

Via Overnight Mail

CONTAINS CONFIDENTIAL INFORMATION

Rosemary Chiavetta, 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 Chiavetta:

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 Residential Energy Efficiency Rebate Program for Retail Lighting 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. M-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. M-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

RECEIVED

MAY 28 2010

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 Ecos (“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 October 26, 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.

“**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: Mark Henderson
Ecos
309 SW 6th Avenue #1000
Portland, OR 97204
Email: mhenderson@ecosconsulting.com

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

Ecos

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

Exhibit B

Project Schedule

(please see attached)

Implementation Timeline

Implementation Timeline

Work Plan and Implementation Timeline (Program Years June 1st through May 31st)	2010				2011				2012			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
	Jun/Jul/Aug	Sep/Oct/Nov	Dec/Jan/Feb	Mar/Apr/May	Jun/Jul/Aug	Sep/Oct/Nov	Dec/Jan/Feb	Mar/Apr/May	Jun/Jul/Aug	Sep/Oct/Nov	Dec/Jan/Feb	Mar/Apr/May
Task 1 & 2 - Program Set-up and Launch Phase												
Task 3 - Program Implementation												
Projected Average CFL Sales	55,469	55,469	55,469	55,469	55,469	55,469	55,469	55,469	55,469	55,469	55,469	55,469
Energy Savings (kWh)	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
Reduction (kW)	136	136	136	136	136	136	136	136	136	136	136	136
Consultant Start-up Compensation (\$)		\$315,396										
Consultant Time & Materials Compensation (\$)		\$162,477	\$162,477	\$162,477	\$162,477	\$162,477	\$162,477	\$162,477	\$162,477	\$162,477	\$162,477	\$162,477
Manufacturer Incentive Payments (\$)	\$154,913	\$154,913	\$154,913	\$154,913	\$154,913	\$154,913	\$154,913	\$154,913	\$154,913	\$154,913	\$154,913	\$154,913
Total Program Cost	\$154,913	\$632,786	\$317,390	\$317,390	\$317,390	\$317,390	\$317,390	\$317,390	\$317,390	\$317,390	\$317,390	\$317,390
Task 3.7 - Program Ramp Down and Shut Down												
Cumulative Average Number of CFLs Sold	55,469	110,938	166,407	221,876	277,345	332,814	388,283	443,752	499,221	554,690	610,159	665,628
Cumulative Energy Savings (kWh)	2,500,000	5,000,000	7,500,000	10,000,000	12,500,000	15,000,000	17,500,000	20,000,000	22,500,000	25,000,000	27,500,000	30,000,000
Cumulative Demand Reduction (kW)	136	272	408	544	679	815	951	1,087	1,223	1,359	1,495	1,630.8
On-Time Consultant Start-up Compensation (\$)		\$315,396										
Cumulative Time & Materials Compensation (\$)		\$162,477	\$324,954	\$487,431	\$649,908	\$812,385	\$974,862	\$1,137,339	\$1,299,816	\$1,462,293	\$1,624,770	\$1,787,247
Cumulative (Total) Consultant Compensation (\$)		\$477,873	\$640,350	\$802,827	\$965,304	\$1,127,781	\$1,290,258	\$1,452,735	\$1,615,212	\$1,777,689	\$1,940,166	\$2,102,643
Cumulative Manufacturer Incentive Payments (\$)	\$154,913	\$309,826	\$464,739	\$619,652	\$774,565	\$929,478	\$1,084,391	\$1,239,304	\$1,394,217	\$1,549,130	\$1,704,043	\$1,858,956
Total Cumulative Program Cost (\$)	\$154,913	\$787,699	\$1,105,089	\$1,422,479	\$1,739,869	\$2,057,259	\$2,374,649	\$2,692,039	\$3,009,429	\$3,326,819	\$3,644,209	\$3,961,599
			5/31/2011 kWh	10,000,000							5/31/2013 kWh	30,000,000
											5/31/2013 kW	1,630.8

Exhibit C

Statement of Work

(please see attached)

Exhibit C

Program Name: Residential Energy Efficiency Rebate Program (REEP)

Retail Lighting Program

Statement of Work

Program Name: Residential Energy Efficiency Rebate Program (REEP) – Retail Lighting Program (“Program”)

Consultant/Contractor’s Name: ECOS (the “Consultant”)

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Table 3: Duquesne Light’s Program Budget Summary20

I. Program Description

Through the Program, Consultant will develop and manage a Retail Lighting Program (the “Program”) promoting compact fluorescent lamps (CFL) to residential customers located in Duquesne Light Company’s service territory (the “Customer”). The Program will be operated as a retail-based, upstream lighting incentive program and will be accompanied by a robust and comprehensive consumer awareness and marketing campaign. The upstream buy-down/mark-down program model provides incentives directly to lighting manufacturers that discount the wholesale price of CFLs and participating retailers pass-through the reduced cost to retail customers. In this manner, the Program will provide Company’s customers with a discounted cost to purchase CFLs and, in the long run, encourage customers to adopt CFLs which works to increase energy efficiency and reduce energy consumption. The Consultant will engage manufacturers, retailers and online marketers; perform participating retailer training and inspections, develop marketing materials, track manufacturer product shipments and retail sales, facilitate incentive payments to participating manufactures, conduct customer education and outreach, provide customer service and report program performance to Duquesne Light.

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. **Customer:** Residential customers located in Duquesne Light's service territory.
7. **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.
8. **Duquesne Light Representative:** The Duquesne Light Contract Program Manager ("CPM") or such other representative authorized by Duquesne Light to manage this Program.
9. **Incentive:** Financial support (e.g., Rebates, low-interest loans) to install energy efficiency Measures. Also see Rebate.
10. **Incentivized Product:** ENERGY STAR qualified CFLs and other energy-efficient lighting products produced by Participating Manufacturers and sold to Participating Retailers at a reduce cost for which the Participating Manufacturer will receive Program Manufacturer Incentives.
11. **Manufacturer Incentives:** Program incentives or rebates provided Participating Manufacturers that serve to reduce the wholesale cost of ENERGY STAR qualified CFLs and other energy-efficient lighting products to Participating Retailers.
12. **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.
13. **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.
14. **Participating Manufacturer:** Manufacturer selected by Consultant pursuant to an RFP process that has executed a contractual agreement with Consultant and a Memorandum of Understanding with Duquesne Light committing to provide specified quantities of CFLs, or other energy efficient lighting products, at reduced promotional prices to Participating Retailers in return for Program Manufacturer Incentives.

- 15. Participating Retailer:** Retail establishment that executes a Program participation agreement with Consultant that will purchase Incentivized Products from a Participating Manufacturer and agrees to provide discounts off pre-promotional pricing for sale of Incentivized Products to retail energy consumer customers of Duquesne Light.
- 16. PPUC:** The Pennsylvania Public Utility Commission.
- 17. 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.
- 18. Program Management and Reporting System (PMRS):** PMRS is Duquesne Light's invoicing and reporting tool that uses a Web-base interface.
- 19. 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.
- 20. 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.
- 21. Rebate:** An identified and pre-specified amount of money to be paid to Customer for the installation of one or more identified energy efficiency products.
- 22. Subcontractor:** An entity contracting directly or indirectly with Consultant to furnish services or materials as part of or directly related to Consultant's Work
- 23. Upstream Rebate Program:** Any program in which Duquesne Light pays an Incentive to a product manufacturer, distributor or retailer to buy-down the cost of the product to the end-use Customer.
- 24. 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.

II. Objectives

A. Program Deliverables

The primary objective of the Program is to help Customers realize both short-term and long-term energy savings in a cost-effective manner. The Program will be operated as a retail-based, upstream lighting incentive program and will be accompanied by a robust and comprehensive consumer awareness and marketing campaign. The Program will provide Company’s customers with a discounted cost to purchase compact fluorescent lamps (CFLs) through targeted retail channels throughout Company’s service territory.

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	2010	2011	2012	Total
% Distribution during the contract	33.3%	33.3%	33.3%	100%
Gross kWh	10,000,000	10,000,000	10,000,000	30,000,000
Gross kW	543.6	543.6	543.6	1,630.79

Note: Although performance-based Purchase Order payments will be based on realized gross energy, adjustments based on adoption of a net-to-gross factor and the individual Measure realization rates due to EM&V study results, engineering Work papers, and directives from the PPUC may occur. In such event, the impact on the Program’s cost-effectiveness will be reviewed by Duquesne Light, and Duquesne Light reserves the right, at its sole discretion, to either renegotiate or terminate the Program, subject to PPUC approval.

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. Schedule Or Task Delays

If the schedule or a task (including achievement of requirements as outlined in Table 1 above) is delayed for any reason, the Consultant has the responsibility to notify the CPM in writing within five (5) Business Days. Duquesne Light may accept the delay, allow time for the remedy of the delay, or terminate the Purchase Order within five (5) Business Days following receipt of any written notice of delay from Consultant, subject to the CSP Agreement.

V. 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, which Work will include without limitation the following tasks:

Task 1 - 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 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 a half-day 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., key players, Customer eligibility, basic Program processes, qualifying energy efficiency Measures, Project/Measure energy savings verification requirements, baseline efficiency standards, overview of forms, Program contracts, 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 vendor management, Program changes, data validation/processing, EOPP documentation requirements (e.g., proof of equipment ordering, copy of paid invoice, etc.), 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 B (Implementation Timeline) contained in this Statement of Work. Consultant will update the production plan and implementation timeline on a monthly basis. Production will be reported as described in Item 8, below.
6. **Marketing Plan:** The Consultant will develop a detailed marketing plan (“Marketing Plan”) which will include specific marketing goals and objectives and discuss the necessary actions required to achieve those objectives. The Marketing Plan will take into account that all Program marketing material (“Marketing Material”) must be reviewed and approved by Duquesne Light prior to any publication, distribution, or circulation. In addition, the Marketing Plan may address the following:
 - a) Identify the various market segments that will be targeted by the Program and discuss the behaviors and characteristics of each of those market segments;
 - b) Discuss barriers (e.g. economic, cultural, technical, political) to broader market participation by the targeted segments in the Program’s activities and identify specific marketing strategies to address those barriers;

- c) Discuss all Marketing Materials that will be necessary to support the marketing strategies including an overview of co-branding activities designed to leverage the Duquesne Light brand identity. The Marketing Materials may include the following, in addition to any other that may be agreed upon or reasonably requested by Duquesne Light:
- Point of purchase signage around qualifying products;
 - Retail point of purchase materials and determination of display locations;
 - Letters and inserts for targeted mailings, email, etc. if applicable;
 - Newsletter articles, fact sheets, and case studies for inclusion in publications read by the targeted market segment; and
 - Website or webpage for integration within Duquesne Light website with access to all information for Customers about the Program's benefits and application requirements.
- d) Discuss the process required to effectively develop Marketing Materials and define the timelines required for development, review, and production of proposed materials. All Marketing Materials designed or developed by the Consultant will be submitted to the CPM for Duquesne Light written approval prior to any distribution, circulation, or publication by Consultant. Consultant will be required to work with the CPM to ensure that the Marketing Materials effectively communicate the value of the Program and make use of a design template that is complementary to Duquesne Light's existing suite of energy efficiency marketing materials and is in accordance with Duquesne Light corporate guidelines and processes, including the CSP Agreement;
- e) Identify the necessary performance metrics that will be used to measure effectiveness of the marketing approach and monitor progress towards achieving the marketing objectives, and;
- f) Identify the process that will be used to adjust the proposed marketing strategies in response to the changing market environment and/or if the proposed approach is not effective at meeting its overall objective.; and
7. **Technical Specifications:** This section will contain a copy of the Program's technical documentation.
8. **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.
9. **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.
10. **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.
11. **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.
12. **Appendices**
- a) **Program Forms:** Include copies of all forms used in Program operations (i.e., Program Agreement, Installation Agreement, cost/benefit analysis, surveys, satisfaction surveys, Incentive/Rebate applications, Installation Verifications form, contracts, templates, FAQ’s, Q&A documents, miscellaneous forms, etc.).

- b) Marketing Materials: Include samples of approved Marketing Materials developed in support of the Marketing Plan; and
- c) Manufacturer Contractual Agreements: Include copies of signed contracts/agreements with all CFL manufacturers selected to receive upstream incentives. Contracts, agreements or memoranda of understanding shall describe manufacturer commitments (by type and model) pre-promotional pricing and subsequent promotional pricing at the retail level, type of CFL bulbs, description of any contribution the manufacturer will make in regard to cooperative advertising, retail outlets through which the products will be marketed, an outline of the promotions and commitments to collect product sales data on incentivized bulbs and submit monthly reports.
- d) Retail Store Program Participation Agreements: Include copies of signed contracts/agreements with all Retail Stores used to deliver the Program. All contracts should include a clear statement of work that describes the specific activities that will be performed.

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

Task 2 - Program Launch

Activities in this task pertain to preparing Program launch by providing information and training to the Duquesne Light customer field representatives and by beginning the marketing campaign. The activities included in this task include, but are not limited to:

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

- B.** Consultant will work closely with the CPM to develop the content and structure of all materials required to disseminate Program information.

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

- C. 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

- D. Implement Marketing Campaign:** Consultant will execute the planned marketing campaign based on the proposed Marketing Plan. All marketing activities will be coordinated with the CPM. Consultant will send a written notification to the CPM when it is ready to begin contacting Customers. Informal updates on marketing activities will be provided to the CPM on a monthly basis or on a schedule agreed upon with the CPM.

Deliverable(s)	Due Date(s)
Begin implementation of Marketing Plan	NTP + 60 Calendar Days
Written notification to the CPM prior to the kick-off of Program marketing, before Consultant begins contacting Customers	NTP + 60 Calendar Days

Task 3 - Program Implementation

Work described in this section pertains to detailing the specific consultant activities to accomplish the program goals through the retail channel using an upstream buy-down/mark-down program model.

Task 3.1 - Program Setup

- A.** Work with Duquesne Light to confirm manufacturers that will be used and retail channels to be targeted.

- B. Work with Duquesne Light to determine product mix.
- C. Work with Duquesne Light to define data exchange and batch processing requirements for integration into Duquesne Light's Program Management and Reporting System (PMRS).
- D. Establish Call Center with Toll-Free number for the Program including a menu of options available in both English and Spanish.
- E. Create a Program database and data entry screens for use by Call Center.
- F. Work with Duquesne Light to develop and implement a detailed recycling plan.

Task 3.2 – Manufacturer and Retail Recruitment

- A. Consultant will work to recruit the majority of manufacturers and retailers prior to launch to facilitate getting the program up and running.
- B. Consultant will work to engage specialty and independently owned hardware and appliance stores after the initial recruitment on mass merchants.
- C. Consultant will offer an on-line retail channel source for hard to reach customers at Duquesne Light's discretion.
- D. Consultant shall make customer rebate status information available to program customer participants through Consultant's customer call center and web-based systems.
- E. Consultant will track manufacturer and retailer performance.
- F. Consultant will make certain that the participating retailers are properly educated about the program and efficient products by customizing and delivering the Retailer Starter Kit.
- G. Consultant will perform inspections at least once per month at each participating retail location. In addition, the Field Coordinator will be responsible for conducting at least one outreach event per week.

Task 3.3 – Marketing and Communication

Consultant will develop a marketing strategy on an annual basis and modify the plan to react to changing market conditions and Duquesne Light priorities. Consultant will create point-of-purchase (POP) promotional materials, conduct outreach through utility channels and develop co-branding advertising materials describe below:

POP Materials: Consultant will create original POP materials for the Program that may include signage around qualifying products, aisle advertising and promotional posters; messaging at check stands or floor displays.

Utility Channel Outreach: Consultant will work with Duquesne Light to conduct outreach through utility channels such as bill inserts, direct mail pieces and coordinate promotions with energy efficiency programs operated by other regional utilities, with Duquesne Light's approval.

Co-branding: Consultant will work with Duquesne Light to create a suit of marketing and advertising templates and materials that Duquesne Light, Participating Manufacturers and Participating Retailers co-brand for use at in-store POP locations, and other venues such as Web, outdoor transit, radio and television.

Task 3.4 – Customer Education and Outreach

Community Outreach: Consultant will conduct community outreach to help build program awareness and engage Duquesne Light's customers with messages about cost savings and environmental benefits of energy efficiency. Consultant will work with Duquesne Light to develop opportunities to leverage regional news media, create newsworthy stories, promotions and events. Consultant outreach activities will include partnering with community organizations, contributing to Duquesne Light corporate events, developing content for the Duquesne Light Web site and conducting education events at public buildings.

Retail Store Visits and Events: Consultant representatives will conduct weekly visits to Participating Retailers, interact with customers and answer questions about the Program and Incentivized Products. Consultant will host weekly ENERGY STAR outreach events during peak program times. Outreach will include providing a booth, education materials or hands-on activities that leverage ENERGY STAR branding.

Task 3.5 – 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 reports tracking program performance with real-time information, overall program statistics (monthly unit and energy savings totals); energy savings information (kWh), number of products by SKU, sold by each participating retailer and associated incentives, actual savings compared to program goals.

Consultant will require manufacturers to release monthly sales data as part of the manufacturer RFP process. The sales data will allow Consultant to track product movement from each manufacturer by product type, model number, location, date of movement and kWh savings. Consultant will compile product sales information in program reports, as defined in the RFP process, and submit these reports to the Duquesne Light CPM at regular intervals. These sales verification figures will be made available to independent evaluators or

other regulatory auditors. Consultant will provide program information upon request to support external verification activities.

Task 3.6 – Program Tracking and Reporting

A. Program Tracking: Consultant is required to track purchasing in all retail stores as well as any on-line applications set up for this Program. The tracked information is to be uploaded in batch periodically (bi-weekly or monthly) into Duquesne Light's PMRS as arranged with Duquesne Light. At a minimum, the Consultant will collect:

1. For each Manufacturer Engaged:
 - A. Commitment (sales quota)
 - B. Cumulative shipped, program-to-date
 - i. Retail Outlet
 - ii. CFL Type
 - iii. Model
 - iv. CFL Wattage
 - v. SKU
 - vi. Quantity (number of CFLs)
 - vii. Pre-promotional pricing
 - viii. Promotional pricing
 - ix. kWh Savings
 - x. kW reductions

B. 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.

C. Retailer Issues: Consultant will address and resolve issues related to in-store displays and customer interactions. Poor Incentivized Product sales will be investigated to determine if sales shortcomings resulted from poor customer service or improperly marked in-store displays. To remedy underperforming Participating Retailers Consultant will provide training to store managers and customer service staff and report the activities to the CPM in its monthly progress report.

Task 3.7 – Ramp-Down and Shut-Down Program

- A. 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.*

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.

- B. 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 Retailers/Manufacturer 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	No later than May 1, 2013

CPM for review and approval	
6. Send Program shut-down announcement to recruited Retailers/Manufacturers/Websites	No later than May 15, 2013
7. Final date for completion of all services, and removal of store displays	No later than May 31, 2013

Task 3.8 – 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 include a reconciliation of manufacturer commitments, products shipments and retail outlet sales; target savings impacts and actual program savings impacts as shown in the following table:

Manufacturer	Retail Outlet	CFL Type	CFL Wattage	CFL Sales Quota	Qty Shipped	Qty Sold	Total kWh *	Total kW *
Total								

* Based on adopted ex ante “deemed” savings for Measures included in the Program per the current/applicable PA TRM at the time of sale.

- A. **Program Challenges:** What were the significant obstacles that were overcome?
- B. **Lessons Learned:** Could a Program of this scale have accomplished more?
- C. **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

Task 4 – Invoice and Report for Completed Projects

A. PMRS: Consultant will utilize PMRS, which serves three primary purposes:

1. Enables Consultant to upload Program reports.
2. Provides CPM the capability to download and approve Consultant’s reports.
3. Provides comprehensive reporting to support Duquesne Light’s internal and PPUC reporting requirements.

B. Submission of Information into PMRS: Consultant will input into PMRS via the PMRS Web based interface for review and approval by the CPM. The Consultant will update PMRS on daily, weekly, bi-monthly, or monthly basis as arranged with the CPM to pick one in accordance with requirements delineated in Appendix C (Invoice Reporting Requirements).

Consultant will work collaboratively with the CPM in tailoring the Measure and financial electronic data appropriate and applicable to the Program.

C. Invoicing and Reporting: All required monthly invoice reports can be generated via PMRS. Consultant will be responsible for implementing, adhering to, and the submission of, the items as described in Appendix C (Invoice Reporting Requirements) of this Scope of Work. The invoice reporting requirements may be amended from time to time, at which time Duquesne Light will notify Consultant of the changes and issue a new Appendix C. These modifications will be implemented by Consultant in a timely manner and reflected in future invoice documentation.

D. Duquesne Light’s PPUC Reporting: Consultant will implement, adhere to, and submit the items requested by Duquesne Light. The PPUC reporting requirements may be amended from time to time, at which time Duquesne Light will notify Consultant of the changes. These modifications will be implemented in a timely manner and reflected in future invoice documentation.

Consultant acknowledges that Duquesne Light may, in its sole discretion, require Consultant to provide such other reports or documentation that Duquesne Light deems appropriate or necessary (the “Ad Hoc Reports”). Consultant will comply with any request for such Ad Hoc Report(s) within a reasonable time or, if applicable, within the time requested by Duquesne Light.

Deliverable(s)	Due Date(s)
1. Prepare and submit monthly invoices and supporting documentation to Duquesne Light	Monthly, by the 10th Calendar Day for Work completed the preceding

	month
2. Submit quarterly reports of program budget status to Duquesne Light	Quarterly through May 31, 2013
3. Support Duquesne Light's Submission of PPUC reports	Quarterly and annually
4. Submit Ad Hoc Report	As requested and/or required by Duquesne Light
5. Submit final invoice and Program Report to Duquesne Light	May 15, 2013

Task 5 – Program Quality Assurance

At a minimum Consultant's Quality Assurance Plan will provide for quality control on selection of Incentivized Products; contractual terms, conditions and performance of Participating Manufacturers and Participating Retailers; reported savings impacts, Incentivized Product shipment and sales tracking; budgetary control and accounting, and; hard copy and electronic record file management.

Consultant must ensure Duquesne Light will have access to files, data and program operating information to support performance auditing and impact verification. Consultant will conduct customer surveys and sales data verification with Program partners. Program savings shall be verified through sales records; Consultant will provide Duquesne Light with cross-checked monthly sales reports for Participating Manufacturers and Retailers to ensure that sales records are recorded appropriately.

Consultant will manage, and continually review and update, all assumptions related to the energy savings that are derived from the Program. A detailed Quality Assurance Plan will be documented in the Program Management Plan (see Statement of Work Section V, Task 1 – Program Ramp-up, subsection C. Program Management Plan, item 9 Quality Assurance Plan).

VI. Billing Structure

Compensation

A. Payment Terms: The Consultant Budget will utilize a pay-for-performance payment structure comprised of payments tied to Consultant's performance. All payments shall be subject to the CSP Agreement and consistent with the budget breakdown set forth below. Consultant's budget is exclusive of any Incentive/Rebate payments made directly to the Customer by Duquesne Light.

B. Compensation: Payment under the contract shall be performance-based, and subject to the satisfactory completion by Consultant (as determined by Duquesne Light) of

achieving the performance levels in accordance with the milestones and requirements set forth in Table 1 below. The pay-for-performance compensation to the Consultant shall be \$0.0293 per annual gross kWh savings achieved as part of this program. If Consultant achieves more than the 30,000,000 kWh savings as part of this program, the cents per kWh will change according to the billing schedule below.

Billing Schedule: Payment will be based on achievement of program requirements described on Table 1. Consultant shall be paid \$255,000 upfront, to be evenly distributed in amounts of \$85,000 each of the first three months, which shall be a credit to Duquesne on the first kWh savings submitted and verified. The remaining performance based budget, or \$624,000, shall be payable 30 days after installation and verification of energy savings. Calculations and payments shall be based on the \$0.0293 per gross kWh savings achieved as part of achieving the 30,000,000 total gross kWh savings in this program. Any kWh savings achieved over the 30,000,000 gross kWh requirements in Table 1 will be paid on a \$0.0293 per kWh, up to the maximum of \$1,274,550.

Agreed Performance Levels

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

Description	2010	2011	2012	Total
% Distribution during the contract	33.3%	33.3%	33.3%	100%
Gross kWh	10,000,000	10,000,000	10,000,000	30,000,000
Gross kW	543.6	543.6	543.6	1,630.79

- C. **Consultant Budget Limit:** Under no event shall Consultant be paid more than the total amount budgeted of \$879,000 for the 30,000,000 gross kWh savings by Duquesne Light for this Purchase Order.

Table 2: Consultant Billing Summary Table

Program Budget Category	Total Amount
Consultant Performance-Based Budget for 30,000,000 kWh savings: a) + b)	\$879,000
<i>a) Start-up pay-for-performance compensation</i>	\$255,000
<i>b) Consultant pay-for-performance compensation</i>	\$624,000
Total Consultant Budget for 30,000,000 kWh savings	Maximum \$879,000
Total Possible Consultant Budget for beyond	Maximum \$1,274,550

30,000,000 kWh	
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- D. Duquesne Light Overall Program Budget Summary:** In no event will Duquesne Light pay more than the budget summary shown in Table 3, below. Duquesne Light would not ask Consultant to continue the program without additional funds beyond the Total Program Funding herein.

Table 3: Duquesne Light’s Program Budget Summary

Duquesne Light’s Program Budget	Total Amount
Total Maximum Consultant Budget	\$2,153,550
Maximum Incentive/Rebate Budget to Customers:	\$1,858,956
Total Maximum Program Funding	\$4,012,506

-
- E. Performance-Based Payment Budget:** Payment to Consultant will be dependent upon Consultant’s satisfactory completion of tasks (including submission of timely and accurate monthly reports) and achievement of requirements, as demonstrated by deliverables submitted by Consultant. Satisfactory completion means that the deliverables are completed to the satisfaction of the Contract Program Manager (“CPM”).
- F. Acceptance Stop Limit:** Duquesne Light has the right to cease or limit approval of future projects (even if prior approval was given) that would cause the program to exceed the program budgets reflected in Tables 2 and 3.
- G. Project Viability:** Duquesne Light may require the Consultant to provide evidence that demonstrates the continued viability of the program and sufficient evidence that the program is continuing to move toward the required performance levels.

If, after reviewing the Consultant’s documentation, the CPM determines that the program is not adequately progressing towards a completed performance levels, the CPM reserves the right to cancel this program.

- H. 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.

- I. 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

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

VII. Performance Metrics

Duquesne Light will, at a minimum, monitor the Work based on the following performance metrics:

- A. Gross cumulative kWh (to date) as compared to Exhibit B (Implementation Timeline).
- B. Gross cumulative kW (to date) as compared to Exhibit B.
- C. Non-performance of any of the above performance metrics, and others as determined by Duquesne Light at its sole discretion, may be grounds for reduced payment, non-payment or termination of this Purchase Order.

Exhibit D

Compensation

(please see attached)

Exhibit D

Compensation

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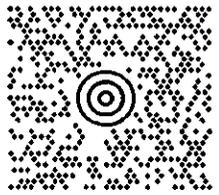
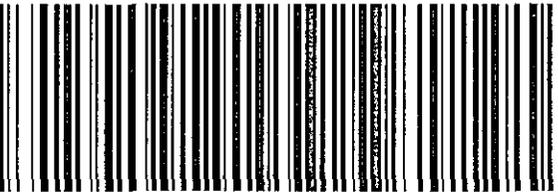
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UPS CampusShip: View/Print Label

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**
 - o Schedule a same day or future day Pickup to have a UPS driver pickup all your CampusShip packages.
 - o Hand the package to any UPS driver in your area.
 - o 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 Services™ (including via Ground) are also accepted at Drop Boxes.
 - o To find the location nearest you, please visit the Resources area of CampusShip and select UPS Locations.
- Customers with a Daily Pickup**
- o Your driver will pickup your shipment(s) as usual.

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GARY A. JACK 4123931541 DUQUESNE LIGHT 411 SEVENTH AVENUE, MAIL DROP PITTSBURGH PA 15219	2 LBS PAK	1 OF 1
SHIP TO: ROSEMARY CHIAVETTA, 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 9969 2202		1
		
BILLING: P/P		
Cost Center: 492		 TM
<small>CS 12.0.26. WXP1E70 03 0A 04/2010</small>		