

LEGAL SERVICES

800 Cabin Hill Drive
Greensburg, PA 15601-1689
PH: (724) 838-6210
FAX: (724) 830-7737
jmundsch@alleghenyenergy.com

VIA FEDEX NEXT DAY

August 27, 2010

RECEIVED

AUG 27 2010

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

Re: Petition of West Penn Power Company d/b/a Allegheny Power for Approval of its Energy Efficiency and Conservation Plan, Approval of Recovery of Costs through a Reconcilable Adjustment Clause and Approval of Matters Relating to the Energy Efficiency and Conservation Plan; Docket No. M-2009-2093218; Contract with Aclara Software, Inc.

Dear Secretary Chiavetta:

Attached for review by the Commission is the conservation service provider contract documentation between West Penn Power Company d/b/a Allegheny Power and Aclara Software, Inc., a conservation service provider registered with the Commission.

The contract was originally submitted to the Commission on July 10, 2010. On July 28, 2010, the Commission Counsel responded with four suggested changes, as follow:

1. The CSP must be approved and registered by the Commission.
2. The CSP agrees to maintain registration with the Commission throughout the term of the contract.
3. Include a provision certifying that the proposed CSP is not an EDC affiliate.
4. Include a merger provision such that if the CSP should merge with a PA EDC during the term of the contract, then the CSP shall immediately notify you and provide for automatic termination of the contract in the event of such a merger.

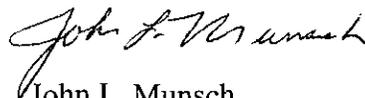
The resubmission today of the Aclara Software contract contains a new provision, executed August 19, 2010, entitled "Re: Verification of Non Affiliation with a Pennsylvania Electric Distribution Co. for Allegheny Power Contract # 4600002633," dated August 19, 2010, that satisfies the Commission's four concerns. For ease of reference a copy of the new provision is attached to this cover letter, as well as being contained in the body of the documents.

Rosemary Chiavetta, Secretary
August 27, 2010
Page 2

The Aclara Software contract is for the development and implementation of an integrated, web-based portal solution for use by Allegheny Power customers to assist them in effectively managing their energy use. The contract was awarded pursuant to a competitive bidding process. Please note the Table of Contents for the contract documents, which indicates that a background investigation is not included because the contractor does not have personal access to Allegheny Power customers.

This filing is made by express delivery and is deemed filed today pursuant to 52 Pa. Code §1.11.

Respectfully submitted,



John L. Munsch
Attorney

JLM:sac
Enclosures

cc: Patty Wiedt, Esq., Law Bureau
Wayne Williams, Bureau CEEP

Vendor Name Aclara Software, Inc.

Date 8/19/10

Contact Person Linda Richardson

St Address 16 Laurel Avenue

City, St, Zip Wellesley, MA 024814

Re: Verification of Non Affiliation with a Pennsylvania Electric Distribution Co. for Allegheny Power Contract # 4600002633

Act 129 defines a CSP as "an entity that provides information and technical assistance on measures to enable a person to increase energy efficiency or reduce energy consumption and that has no direct or indirect ownership, partnership or other affiliated interest with an electric distribution company." 66 Pa.C.S. § 2806.1(m). As the Commission and EDCs must be able to identify the type of entity a CSP is and confirm that it is not owned, partnered or affiliated with an EDC, the Commission requires all CSPs to provide the following information for contract approval.

Furthermore, CSP must be approved and registered by the Commission and agrees to maintain registration with the Commission throughout the term of the contract. By signing below, CSP confirms that they are not an EDC affiliate. If CSP should merge with a PA EDC during the term of the contract, then the CSP shall immediately notify Allegheny Power and provide for automatic termination of the contract in the event of such a merger.

Please provide the information below and return via e-mail or U.S. mail to Mary Shellhammer at mshellh@alleghenypower.com or Allegheny Power, Suite 1000, 126 Mathews St, Greensburg, PA 15601.

. Legal name of the applicant Aclara Software, Inc.

. Principal place of business Wellesley, MA

. Names of parent and subsidiary companies and affiliates that are CSPs and EDCs

None

Signature: _____

Linda Richardson

Act 129 Contract

Vendor: Aclara Software, Inc.
Vendor Address: 16 Laurel Ave.
Wellesley, MA 02481-7530
Scope of Work: Energy Efficiency Audit and Education.

Table of Contents

	Included	Not Applicable *(Refer to Footnote)
Aclara Software, Inc. SAP System Contract	X	
Non-Disclosure (Confidentiality) Agreement	X	
Valid Insurance Certificates	X	
Background Investigations, (Only required if contractor will be working on AP/Customer Property or IT system)		*
Substance Abuse Policy		*
Subcontracting Plan	X	
Safety and Health Commitment		*
CSP Approval Verification	X	
Non Affiliate Letter	X	
RFP Document w/all Appendices (General Terms and Conditions are in appendices)	X	
Exceptions to General Terms and Conditions	**	

* Does not apply if Seller and/or any Seller's employees, including any subcontractors, do not have access to Buyer's physical property, computer network, or other property owned or leased by Buyer by use of card access, LAN access, or key. Contractor will not have personal contact with Allegheny customers.

** Professional Services Agreement overrides General Terms and Conditions.



ISSUED BY
Alleghey Energy Service Corporation
an Alleghey Energy company

Contract#
 4600002633

AGENT-FOR-BUYER
 800 Cabin Hill Drive
 Attn: Procurement
 Greensburg, PA 15601-1650
 FAX: (724) 830-7714

ACLARA SOFTWARE INC
 16 LAUREL AVE
 WELLESLEY MA 02481-7530

Your Vendor Number with us
 10030601

Bill and Mail Invoices to :

Buying Company :

Alleghey Energy Service Corporation

Disbursement Accounting
 800 Cabin Hill Drive
 Greensburg, PA 15601-1650

Contract

Purchasing Document	Date
4600002633	09-29-2009
Purchasing Buyer	Telephone
Barbara Crowe	724-830-5051
Fax number	Our Reference
724-850-3707	DOMATIC-REL
E-Mail	
bcrowe@allegheypower.com	
Validity Start	Validity End
09-29-2009	10-29-2012

Buyer reserves the right to assign this contract, in whole or in part, to one or more of its affiliates, their successors or assigns at any time.

All Correspondence, Shipping Papers, Invoices, Bills of Lading and Packages must show the Stock Number, Purchase Order Number, and Work Order and Op Step Numbers (if applicable and as identified in the Purchase Order header text or item text).

ANY AGENT, REPRESENTATIVE, CONSULTANT OR CONTRACTOR PROVIDING SERVICES TO ALLEGHENY ENERGY IS EXPECTED TO FOLLOW ALLEGHENY ENERGY'S CODE OF BUSINESS CONDUCT AND ETHICS, WHICH IS AVAILABLE ON THE COMPANY'S WEBSITE, www.allegheyenergy.com, IN THE CORPORATE GOVERNANCE SECTION. IT IS ALSO AVAILABLE AT http://media.corporate-ir.net/media_files/nys/aye/corpgov/code4.pdf.

This document, and any attached or referenced documents, may contain information proprietary to Alleghey Energy Service Corporation, its affiliates, and parent. You agree that this document is to be used solely by you exclusively for the purpose for which it is furnished, and AESC requires it to be returned or destroyed when no longer required for that purpose. This document and any information obtained therefrom shall not be reproduced, transmitted, or disclosed in whole or in part to other organizations without the prior written authorization of AESC.

IncoTerms : SVC Freight Not Applicable N

Currency : USD

Terms of Payment : Within 45 days Due Net

Target Value : \$292,000.00

This offer to purchase includes all the terms and conditions applicable to this purchase order. Acknowledgement is required for services or exceptions only. Shipment of goods will constitute your acceptance of this purchase order's terms and conditions.

AUTHORIZED BY: _____

Note : If it has been determined that the product purchased is a hazardous substance according to OSHA 1910.1200, 2 copies of the material safety data sheet for such product must be included with the shipping papers to the receiver of the product. If seller fails to supply such information, seller shall be considered to be in breach of contract.

Requisitioner Copy



ISSUED BY
Allegheny Energy Service Corporation
an Allegheny Energy company

Contract#
 4600002633

AGENT-FOR-BUYER
 800 Cabin Hill Drive
 Attn: Procurement
 Greensburg, PA 15601-1650
 FAX: (724) 830-7714

Header text

This Contract is issued to engage private label site services of Aclara. Pricing for setup and hosting fees have been established via Aclara's response and clarifications to Allegheny Energy RFP - PowerAdvocate Event 18000: Energy Efficiency Audit and Education Portal (BMC461-S), which is incorporated herein by reference and made a permanent part hereof.

Purchase orders will be issued from this Contract as Statements of Work are established.

Terms of this Contract are governed by the Professional Services Agreement, Internet Services Agreement and Maintenance Agreement between Aclara and Allegheny Energy Services Corporation, which are attached hereto and made a permanent part hereof. These documents shall constitute the entire agreement between the parties. The terms and conditions on the back of this Contract form are of no force or effect.

Header note

MAXIMUM EXPENDITURE \$292,000

REFERENCE: PURCHASE REQUISITION 10282006

Item	Material	Target Qty	Order Qty.	Unit	Unit Price	Net Value
00010				AU	\$0.00	\$0.00

Description : Aclara Hosting fees - MD

Required Date :

Purch. Req. Number : 10282006

Purch. Req. Item : 00030

The item covers the following services :

Service Item	Service Number	Service Description	Unit of Measure	Rate
10	3011486	UNSPECIFIED SERVICE	AU	\$ 1.00
20	3030582	HOSTING FEE - MD	MON	\$ 3,000.00

Please deliver to :
 Williamsport Distribution Center
 The Potomac Edison Company
 10802 Bower Avenue
 Williamsport MD 21795-3016

00020				AU	\$0.00	\$0.00
-------	--	--	--	----	--------	--------

Description : Aclara Setup fees - MD

Required Date :

Purch. Req. Number : 10282006

Purch. Req. Item : 00040

The item covers the following services :

Service Item	Service Number	Service Description	Unit of Measure	Rate
10	3011486	UNSPECIFIED SERVICE	AU	\$ 1.00
30	3030583	ONE TIME SET-UP FEE - MD	EA	\$ 25,000.00

Note : If it has been determined that the product purchased is a hazardous substance according to OSHA 1910.1200, 2 copies of the material safety data sheet for such product must be included with the shipping papers to the receiver of the product. If seller fails to supply such information, seller shall be considered to be in breach of contract.

Requisitioner Copy



ISSUED BY
Allegany Energy Service Corporation
an Allegheny Energy company

AGENT-FOR-BUYER
 800 Cabin Hill Drive
 Attn: Procurement
 Greensburg, PA 15601-1650
 FAX: (724) 830-7714

Contract#
 4600002633

Item	Material	Target Qty	Order Qty.	Unit	Unit Price	Net Value
------	----------	------------	------------	------	------------	-----------

Please deliver to :
 Williamsport Distribution Center
 The Potomac Edison Company
 10802 Bower Avenue
 Williamsport MD 21795-3016

00030				AU	\$0.00	\$0.00
-------	--	--	--	----	--------	--------

Description : Aclara Hosting fees - PA

Required Date :

Purch. Req. Number : 10282006 **Purch. Req. Item :** 00050

The item covers the following services :

Service Item	Service Number	Service Description	Unit of Measure	Rate
10	3011486	UNSPECIFIED SERVICE	AU	\$ 1.00
20	3030584	HOSTING FEE - PA	MON	\$ 2,500.00

Please deliver to :
 Connellsville Distribution Center
 West Penn Power Company
 311 South Seventh Street
 Connellsville PA 15425-3015

00040				AU	\$0.00	\$0.00
-------	--	--	--	----	--------	--------

Description : Aclara Setup fees - PA

Required Date :

Purch. Req. Number : 10282006 **Purch. Req. Item :** 00060

The item covers the following services :

Service Item	Service Number	Service Description	Unit of Measure	Rate
10	3011486	UNSPECIFIED SERVICE	AU	\$ 1.00
30	3030586	ONE TIME SET-UP FEE - PA	EA	\$ 7,500.00

Please deliver to :
 Connellsville Distribution Center
 West Penn Power Company
 311 South Seventh Street
 Connellsville PA 15425-3015

00050				AU	\$0.00	\$0.00
-------	--	--	--	----	--------	--------

Description : Aclara Hosting fees - WV

Required Date :

Purch. Req. Number : 10282006 **Purch. Req. Item :** 00070

Note : If it has been determined that the product purchased is a hazardous substance according to OSHA 1910.1200, 2 copies of the material safety data sheet for such product must be included with the shipping papers to the receiver of the product. If seller fails to supply such information, seller shall be considered to be in breach of contract.

Requisitioner Copy



ISSUED BY
Allegany Energy Service Corporation
an Allegheny Energy company

Contract#
 4600002633

AGENT-FOR-BUYER
 800 Cabin Hill Drive
 Attn: Procurement
 Greensburg, PA 15601-1650
 FAX: (724) 830-7714

Item	Material	Target Qty	Order Qty.	Unit	Unit Price	Net Value
------	----------	------------	------------	------	------------	-----------

The item covers the following services :

Service Item	Service Number	Service Description	Unit of Measure	Rate
10	3011486	UNSPECIFIED SERVICE	AU	\$ 1.00
20	3030585	HOSTING FEE - WV	MON	\$ 1,500.00

Please deliver to :
 Monongahela Power
 Monongahela Power Company
 1310 Fairmont Avenue
 Fairmont WV 26554-3256

00060				AU	\$0.00	\$0.00
-------	--	--	--	----	--------	--------

Description : Aclara Setup fees - WV

Required Date :

Purch. Req. Number : 10282006 Purch. Req. Item : 00080

The item covers the following services :

Service Item	Service Number	Service Description	Unit of Measure	Rate
10	3011486	UNSPECIFIED SERVICE	AU	\$ 1.00
30	3030587	ONE TIME SET-UP FEE - WV	EA	\$ 7,500.00

Please deliver to :
 Monongahela Power
 Monongahela Power Company
 1310 Fairmont Avenue
 Fairmont WV 26554-3256

End of Contract

Note : If it has been determined that the product purchased is a hazardous substance according to OSHA 1910.1200, 2 copies of the material safety data sheet for such product must be included with the shipping papers to the receiver of the product. If seller fails to supply such information, seller shall be considered to be in breach of contract.

Requisitioner Copy

Internet Services Agreement

This Internet Services Agreement ("Agreement") is entered into as of September 30, 2009 (the "Effective Date"), by and between Aclara Software Inc. a Massachusetts corporation, with its principal place of business at 16 Laurel Ave., Wellesley, MA 02481 ("Aclara"), and Allegheny Energy Service Corporation, a Maryland corporation with its principal place of business at 800 Cabin Hill Drive, Greensburg, PA 15601 ("Client").

1. Intent of Parties. Client provides its customers with energy-related products and services and offers its customers access to information and other services through the Client Internet site located at www.alleghenypower.com ("Client Site"). Aclara provides a range of tools to help energy companies help their customers better understand and manage their energy bills, including those identified in Exhibit A (the "Software"). Aclara and Client wish to cooperate to make the Software available to its customers in its service territory as defined in Exhibit A (the "Territory") on the Client Site and through Client's customer service personnel.

2. Private Label Site. Aclara will implement, host and maintain private label versions of the Software (the "Private Label Sites") for customers (the "Customer Private Label Site") and Customer Service Personnel (the "CSR Private Label Site") in accordance with Exhibit A.

3. Fees and Payments.

3.1 Payments. Client shall pay Aclara the fees established in Exhibit B according to the terms established therein for the use of the Software and hosting, maintenance and support of the Private Label Site. All overdue amounts will be subject to a late charge of 1% per month of the unpaid balance until paid.

3.2 Taxes. Prices and fees are exclusive of all federal, state, municipal or other political subdivision excise, sales, use, property, or like taxes now in force or enacted in the future and are therefore subject to an increase equal to such taxes, if any, that Aclara may be required to collect or pay at any time during the term of the Agreement. In no event shall Client be liable or responsible for any taxes based upon Aclara's income.

4. Term and Termination.

4.1 This Agreement shall commence on the Effective Date and shall continue for a 36 month period following Successful Implementation of the Private Label Site (the "Term"), as defined in Exhibit A.

4.2 This Agreement may be terminated, prior to the expiration of its Term by either party in the event the other party materially breaches a provision of this Agreement and the breaching party fails to cure such breach within thirty (30) days of the receipt of written notice of such breach from the non-breaching party.

4.3 Early Termination Prior to Production Use. Client may terminate this agreement after successful implementation but prior to placing the private label site into production use without any additional fees or penalties.

4.4 Early Termination During Production Use. After completion of the initial year of this agreement, Client may terminate their Internet Services Agreement for convenience with 90 days notice by paying Aclara 25% of the initial term's annual Software Usage, Hosting, Maintenance and Support fees.

4.5 Effects of Termination. Upon expiration or termination of this Agreement for any reason, all rights and obligations of the parties hereunder shall cease, except that any amounts due to Aclara for services provided prior to termination shall still be owed. The provisions of Paragraph 11, Confidentiality, shall survive the Termination of this Agreement.

5. Data. Aclara will provide Client with all customer information collected on the Private Label Sites in a standard format (CSV file). Both parties agree that, other than in aggregate form, such data is not to be provided to third parties without the express permission of the customer.

6. Trademarks and Copyright. Neither party shall use the other's trade names, trademarks or service marks ("Marks") on their respective sites without the prior written approval of the other party, except as may be necessary in connection with the performance of this Agreement. Nothing in this Agreement creates in a party rights in the Marks of the other party. Client will indicate on the Client Site that some of their content is subject to Copyright Aclara Software 200x. Upon termination of this Agreement, each party shall discontinue the use of the other's Marks.

7. Acknowledgments. Client agrees that Aclara retains all right, title, goodwill and interest in any functionality and content on the Private Label Site (other than Client's branding features and other intellectual property). The parties agree that each party has sole responsibility for the development and operation of its respective Internet sites. The parties further acknowledge that Aclara reserves the right to change the Private Label Sites. Aclara will provide Client with advance notice of any substantive changes, and agrees not to make such substantive changes without the prior written approval of Client.

8. Indemnification.

8.1 Each party shall indemnify, defend, and hold harmless the other party and its affiliates, directors, officers, employees, and agents from and against any and all liabilities, obligations, damages, penalties, claims, losses, injuries, costs, charges, and expenses of any kind (including, without limitation, reasonable attorneys' fees and costs) ("Claims") arising out of, or relating to, in whole or in part, the breach of any of the terms and conditions of this Agreement or the failure of any representation or warranty hereunder to be true and correct.

8.2 Infringement Indemnification. Aclara shall defend and indemnify Client and its affiliates, directors, officers, employees, and agents from and against any damages, liabilities, costs and expenses (including reasonable attorneys' fees) arising out of any claim that the Software or the Private Label Sites, or any component thereof, infringes a valid patent or copyright or similar proprietary interest or misappropriates a trade secret of a third party, provided that (i) Client shall have promptly provided Aclara written notice of any such claims and reasonable cooperation, information, and assistance in connection with them, and (ii) Aclara shall have sole control and authority with respect to the defense, settlement, or compromise thereof. Should the Software or Private Label Site, or any component thereof become or, in Aclara's opinion, be likely to become the subject of an injunction preventing its use as contemplated herein, Aclara may, at its option, (1) procure for Client the right to continue using the infringing portions of the Software or Private Label Site with arrangements for ongoing technical support and reasonable modifications as necessary, (2) replace or modify the

infringing portions of the Software or the Private Label Site so that they become non-infringing with equivalent functionality, or, if (1) and (2) are not reasonably available to Aclara, then (3) terminate this Agreement and refund to Client any Implementation and Personalization fees paid for said infringing portions on a pro-rata basis over the Term.

9. Representations and Warranties

(a) Neither party shall be bound by any condition, definition, warranty or representation other than as expressly set forth in this Agreement or as may be set forth in a writing signed by the party to be bound thereby.

(b) Neither party is authorized or empowered to act for or represent the other party. Each party agrees not to do or allow any act that would imply apparent authority to act for the other party.

(c) Warranty. The Software and Private Label Sites are warranted to conform to Aclara's published functional specifications. Aclara will correct any material nonconformance of the Private Label Site reported by Client. Client's sole and exclusive remedy hereunder relating to non-conforming Software or Private Label Site will be limited to such correction. Any modification of the Software or Private Label Site by any person other than Aclara shall void this warranty.

(c) NEITHER PARTY NOR ANY OF THEIR RESPECTIVE EMPLOYEES OR AGENTS, WARRANT THAT THE WEB SITES REFERENCED IN THIS AGREEMENT WILL BE UNINTERRUPTED OR ERROR FREE.

(d) THE EXPRESS WARRANTIES SET FORTH IN THIS AGREEMENT ARE IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED INCLUDING WITHOUT LIMITATION ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

10. Limitation of Liability: NEITHER PARTY SHALL BE LIABLE FOR ANY CONSEQUENTIAL, INCIDENTAL, INDIRECT, PUNITIVE, OR SPECIAL DAMAGES OR FOR THE LOSS OF PROFIT, REVENUE, OR DATA ARISING FROM THIS AGREEMENT, EVEN IF THE PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. ACLARA LIABILITY TO CLIENT FOR DAMAGES OF ANY NATURE, OTHER THAN PROPERTY DAMAGE OR PERSONAL INJURY CAUSED BY ACLARA'S NEGLIGENCE AND LIABILITIES ARISING OUT OF THE INTELLECTUAL PROPERTY INDEMNIFICATION OBLIGATIONS AS PER PARAGRAPH 8, WILL IN NO EVENT EXCEED THE AMOUNTS PAID UNDER THIS AGREEMENT. THE SOLE REMEDIES FOR ACLARA'S LIABILITY OF ANY KIND WHETHER IN CONTRACT OR IN TORT ARISING FROM THE SERVICES PROVIDED HEREUNDER SHALL BE LIMITED TO THE SPECIFIC REMEDIES PROVIDED HEREIN.

11. Confidentiality. Each party will protect the confidentiality of any information identified as proprietary and confidential ("Confidential Information") with at least the same degree of care that such party utilizes with respect to its own similar proprietary information but in no event less than reasonable care. The parties agree not to disclose or otherwise permit any other person or entity access to the Confidential Information, or any part thereof in any form, including the terms of this Agreement, except that such disclosure or access shall be permitted to an employee or contractor of the party requiring access in connection with this Agreement and who has agreed to maintain the confidentiality of confidential information of third parties. The parties acknowledge that all customer-specific data is confidential information and should not be released to any third parties other than the individual customer.

Nothing in this section shall restrict a party with respect to information or data, if such information or data: (a) was rightfully possessed by such party before it was received from the other party; (b) is independently developed by such party without reference to the other party's information or data; (c) is or becomes available to the general public other than through an act of such party; or (d) is required to be disclosed by law, by a court or by a governmental or regulatory agency having competent jurisdiction over the matter.

12. Assignment. This Agreement, and the rights and obligations hereunder, may not be assigned, in whole or in part by either party, except to an affiliate of such party or to a successor to the whole of such party's business, or, in the case of Aclara, to a successor to the whole of its business relating exclusively to the Private Label Site, without the prior written consent of the other party; such consent not to be unreasonably withheld. In the case of any permitted assignment or transfer of or under this Agreement, this Agreement or the relevant provisions shall be binding upon, and inure to the benefit of, the successors, executors, heirs, representatives, administrators and assigns of the parties hereto.

13. Governing Law. This Agreement will be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania.

14. General Provisions.

14.1 Force Majeure. In the event that either party is prevented from performing, or is unable to perform, any of its obligations under this Agreement due to any cause beyond the direct control of the party invoking this provision, the affected party's performance shall be excused and the time for performance shall be extended for the period of delay or inability to perform due to such occurrence.

14.2 Waiver. The waiver by either party of a breach or a default of any provision of this Agreement by the other party shall not be construed as a waiver of any succeeding breach of the same or any other provision, nor shall any delay or omission on the part of either party to exercise or avail itself of any right, power or privilege that it has, or may have hereunder, operate as a waiver of any right, power or privilege by such party.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the latest date below:

Aclara Software, Inc.

Allegheny Energy Service Corporation

Approved _____

Approved: R. Anshu

Name: Kathleen Seeley

Name: Rice Anshu

Title: Vice President

Title: Vice President and CPA

Date _____

Date Oct 6, 2007



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
03/29/10

PRODUCER 1-314-965-4346 Arthur J. Gallagher Risk Management Services, Inc. 12444 Powerscourt Drive St. Louis, MO 63131 lora_redford@ajg.com INSURED Aclara Software, Inc. 16 Laurel Avenue Wellesley, MA 02481	THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.												
	<table border="1"> <tr> <th>INSURERS AFFORDING COVERAGE</th> <th>NAIC #</th> </tr> <tr> <td>INSURER A: AMERICAN ZURICH INS CO</td> <td>40142</td> </tr> <tr> <td>INSURER B: ZURICH AMERICAN INS CO</td> <td>16535</td> </tr> <tr> <td>INSURER C:</td> <td></td> </tr> <tr> <td>INSURER D:</td> <td></td> </tr> <tr> <td>INSURER E:</td> <td></td> </tr> </table>	INSURERS AFFORDING COVERAGE	NAIC #	INSURER A: AMERICAN ZURICH INS CO	40142	INSURER B: ZURICH AMERICAN INS CO	16535	INSURER C:		INSURER D:		INSURER E:	
INSURERS AFFORDING COVERAGE	NAIC #												
INSURER A: AMERICAN ZURICH INS CO	40142												
INSURER B: ZURICH AMERICAN INS CO	16535												
INSURER C:													
INSURER D:													
INSURER E:													

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR ADDL LTR INSRO	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YYYY)	POLICY EXPIRATION DATE (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> \$10,000,000 Policy <input checked="" type="checkbox"/> Aggregate GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input checked="" type="checkbox"/> PROJECT <input checked="" type="checkbox"/> LOC	CPO4886169-00	04/01/10	04/01/11	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 300,000 MED EXP (Any one person) \$ 10,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000
B A	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS	BAP-4886182-00-MA COP4886169-00-AOS	04/01/10 04/01/10	04/01/11 04/01/11	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ GARAGE LIABILITY <input type="checkbox"/> ANY AUTO AUTO ONLY - EA ACCIDENT \$ OTHER THAN AUTO ONLY: EA ACC \$ AGG \$ EXCESS / UMBRELLA LIABILITY <input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> DEDUCTIBLE \$ <input type="checkbox"/> RETENTION \$
B B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY Y/N <input type="checkbox"/> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under SPECIAL PROVISIONS below	WC4886171-00 WC4886184-00-WI	04/01/10 04/01/10	04/01/11 04/01/11	<input checked="" type="checkbox"/> WC STATUTORY LIMITS <input type="checkbox"/> OTHER EL: EACH ACCIDENT \$ 1,000,000 EL: DISEASE - EA EMPLOYEE \$ 1,000,000 EL: DISEASE - POLICY LIMIT \$ 1,000,000
B	OTHER Technology R & O See Attached for Addl Info.	GLC4886202-00	04/01/10	04/01/11	Aggregate: 1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS
 The Alleghany Energy Service Corporation, The Potomac Edison Company, and West Penn Power Company are added as Additional Insured excluding Workers' Compensation and Employers' Liability as required by written contract but limited to the operations of the Insured under said contract, and always subject to the policy terms, conditions and exclusions

CERTIFICATE HOLDER Alleghany Energy Service Corporation 800 Cabin Hill Drive Greensburg, PA 15601-1689 USA	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES. AUTHORIZED REPRESENTATIVE: <i>C. R. Pinner</i>
---	--

SUPPLEMENT TO CERTIFICATE OF INSURANCE

DATE
03/29/10

NAME OF INSURED: Aclara Software, Inc.

Additional Description of Operations/Remarks from Page 1:

Additional Information:

GENERAL LIABILITY:

- Additional Insured when required by written contract per
forms U-GL-1175-B CW (03/2007) and U-GL-1369-A (09/08)

		Aclara
SMALL BUSINESS SUBCONTRACTING PROGRAM		
BIDDING THIS CONTRACT MAY REQUIRE SUBMISSION OF A SUBCONTRACTING PLAN IN COMPLIANCE WITH PUBLIC LAW 95-507.		
1. ARE YOU A LARGE BUSINESS CONCERN - DEFINED AS A BUSINESS EXCEEDING THE SMALL BUSINESS SIZE CODE ADMINISTRATION AS SET FORTH IN CFR, TITLE 13, PART 121?	Yes	
IF YES, CONTINUE TO QUESTION NO. 2.		
2. CAN THIS CONTRACT EQUAL OR EXCEED \$550,000?	Yes	
IF YES, CONTINUE TO QUESTION NO. 3.		
WILL BIDDER SUBCONTRACT ANY PORTION OF THIS WORK?	No	
IF YES, BIDDER IS REQUIRED TO FILE A SUBCONTRACTING PLAN WITH ALLEGHENY ENERGY.		
Company Name	Aclara Software Inc.	
Contact Person	Linda Richardson	

Aclara Software Inc.	A-2009-2133925	11/18/2011	Linda Richardson	10208 16 Laurel Ave. Wellesley MA 02481	(781) 694-3300	richardson@aclara.com
----------------------	----------------	------------	------------------	--	-------------------	-----------------------

Vendor Name Aclara Software, Inc.

Date 8/19/10

Contact Person Linda Richardson

St Address 16 Laurel Avenue

City, St, Zip Wellesley, MA 024814

Re: Verification of Non Affiliation with a Pennsylvania Electric Distribution Co. for Allegheny Power Contract # 4600002633

Act 129 defines a CSP as "an entity that provides information and technical assistance on measures to enable a person to increase energy efficiency or reduce energy consumption and that has no direct or indirect ownership, partnership or other affiliated interest with an electric distribution company." 66 Pa.C.S. § 2806.1(m). As the Commission and EDCs must be able to identify the type of entity a CSP is and confirm that it is not owned, partnered or affiliated with an EDC, the Commission requires all CSPs to provide the following information for contract approval.

Furthermore, CSP must be approved and registered by the Commission and agrees to maintain registration with the Commission throughout the term of the contract. By signing below, CSP confirms that they are not an EDC affiliate. If CSP should merge with a PA EDC during the term of the contract, then the CSP shall immediately notify Allegheny Power and provide for automatic termination of the contract in the event of such a merger.

Please provide the information below and return via e-mail or U.S. mail to Mary Shellhammer at mshellh@alleghenypower.com or Allegheny Power, Suite 1000, 126 Mathews St, Greensburg, PA 15601.

. Legal name of the applicant Aclara Software, Inc.

. Principal place of business Wellesley, MA

. Names of parent and subsidiary companies and affiliates that are CSPs and EDCs

None

Signature:

Linda Richardson

**Request for Proposal
For
Energy Efficiency Audit and Education Portal**

Introduction:

Allegheny Power, a subsidiary of Allegheny Energy Service Corporation, is seeking a vendor to provide an Energy Efficiency Audit and Education Portal. The portal will be used by customers to perform on-line energy efficiency audits, receive improvement recommendations and general energy efficiency education. Subject to appropriate regulatory approvals from, e.g., the state utility regulators, this program will start in Maryland then expand to include Pennsylvania. Programs to West Virginia and Virginia customers may be included in the future. We are requesting pricing for Maryland and Pennsylvania at this time.

Allegheny Energy headquartered in Greensburg, Pa.; Allegheny Energy is an investor-owned electric utility with total annual revenues of over \$3 billion and more than 4,000 employees. The company owns and operates generating facilities and delivers low-cost, reliable electric service to 1.6 million customers in Pennsylvania, West Virginia, Maryland and Virginia. For more information, visit the company's Web site at www.alleghenyenergy.com. Allegheny Power is the delivery side of the Allegheny Energy Corporation. Our customer count is in the table below:

State	Residential	Commercial	Industrial
Maryland	220,000	22,500	2,100
Pennsylvania	620,000	81,000	13,500
Virginia	85,500	14,150	1,550
West Virginia	440,000	61,000	9,150

Description of Existing Program:

Allegheny Power directs customers to Energy Star energy audit calculators from the on-line WATT Watchers initiative or to the U.S. Department of Energy Efficiency and Renewable Energy calculator from the on-line Customer Service Center.

Project Objectives:

Allegheny Power is soliciting proposals for the development and implementation of an integrated web-based portal solution for use by our customers to assist them in effectively managing their energy use. The customer would be able to perform online energy audits, energy saving scenarios, and gain knowledge of their energy use through the online energy audit outputs and energy related reference materials.

The purpose of this RFP is to evaluate and select a supplier to provide an energy audit web portal for Allegheny Power and its customers. Allegheny Power wants to provide its customers with the ability to view their estimated energy usage and also prudently plan to improve the energy usage in their homes. The goal is to provide a web based solution that encourages our customers to return to this website.

Subject to approval by the Maryland Public Service Commission, the project will begin with exposure to the 220,000 Maryland residential customers. Allegheny will open the portal to 620,000 Pennsylvania residential customers in late 2009. The project will complete with access granted to 440,000 West Virginia residential customers and 85,000 residential Virginia

customers. The final portal will need to be able to support potential access of over 1.3 million residential customers.

Allegheny Power is interested in a solution that is visually appealing, technically accurate, and intuitively easy to use. Allegheny Power is interested in a vendor that is flexible and would like to establish a long-term interactive relationship to provide future adjustments and enhancements to the application in a timely and cost effective manner. The goal of the solution is to bring value to our customers in a web-based format.

Project Summary:

Allegheny Power is interested in a comprehensive on-line energy efficiency solution for residential customers.

Phase 1:

Phase 1 will be a solution that does not have a link to historical customer consumption and billing information available in the Allegheny CIS System. This link is a feature that will be included as part of Phase 2.

1. Energy Efficiency and Savings Library: Customers will access dynamic and comprehensive material to learn about energy use and energy savings. This material will include reference material about residential homes, lighting and energy intensive systems within the home, and energy saving strategies.
2. Energy Efficiency Promotion and Enrollment: The solution will provide the ability to promote initiatives by jurisdiction and offer enrollment options to the customers.
3. Residential Energy Audit:
 - a. A residential energy online audit that is personalized and retains customer information and profile.
 - b. The audit must be able to identify and handle multi jurisdictions.
 - c. The customer will have the ability to update the information stored in their profile.
 - d. The audit will provide a short list of inputs to complete a quick analysis.
 - e. The audit will provide the option to do a detailed analysis based on in depth inputs.
 - f. The audit will provide a list of actionable energy recommendations and strategies. These recommendations will include the economic benefits of each action taken.
4. Reporting: Allegheny Power will be able to gather intelligence data from the residential audits.
5. Expandability: The solution must be scalable to meet the future needs of Allegheny Power.

Phase 2:

Phase 2 will expand on the Phase 1 solution and provide a secure environment for customers protected by a login ID and password. In this version, all of the analysis available to the customer will be integrated with actual customer billing data. This solution will include all options in Phase 1 and will provide an enhanced level of analysis.

1. **Customer Identification:** The application will need to identify each customer by their Allegheny Power Account number(s).
2. **Customer Information Integration:** The Phase 2 solution will be integrated with the Allegheny Power customer information system.
3. **Billing Analysis:** The application should evaluate a customer's bill by comparing actual energy usage against what would be predicted for that residence.
4. **Customer Progress:** The application will graphically display the customer their progress on a weather-normalized basis when they make the recommended changes of the energy audit report. The customer should be able to see cost and energy data for the prior year to implementing energy efficient changes and compare these data for the year after implementation.
5. **Bill Presentation:** A bill presentation option should be available for future implantation.

Additional:

A Commercial and Industrial option will be considered as part of the review.

Proposal Format:

To expedite and simplify proposal evaluation and to assure that each proposal receives the same orderly review, it is recommended that proposals use the following outline:

1. Introduction and Executive Summary
2. Company and Project Team profile – provide a description of the team and key managers and their qualifications. Identify where the project team resources will be located and identify how Allegheny Power will have access to them for review and questions.
3. Past Experience – provide a description of your team's past experience and the following:
 - a. Similar Projects – provide a list of similar projects including the names of utility customers with over 1 million residential customers, length of relationship, applications being utilized
 - b. Project references – provide a list of references with contact information from at least three of the projects listed above.
4. Project Objective – Describe the specific objectives that would be achieved by the application provided by your company to meet this RFP.
5. Scope of Service –

- a. Fully describe the services being provided by your company for this project. This should include all labor, material, software licenses and equipment required to implement the web based solution.
- b. Fully describe the specific features and functionality that would be provided as part of your company's proposed energy management web portal. Are there optional features? Provide the details.
- c. Provide specifics concerning how the vendor will meet all of the requirements listed in the project Summary above. Clearly outline any exceptions to the Allegheny Power requirements.
 1. Energy Efficiency and Savings Library: Provide a detailed description of material available including illustrations and dynamic capabilities. Document all reference sources and update strategies.
 2. Energy Efficiency Promotion and Enrollment: Describe the ability to promote and enroll customers in various energy efficiency programs. Explain how customers can be targeted by state, home profile, rate or other designated criteria. How is jurisdiction information limited to the appropriate customers?
 3. Residential Energy Audit: Will a personalized audit require a customer account number to retain data? Describe the types of energy calculators the audit includes. Please describe in detail how your solution meets the criteria of the Residential Audit and list other features available.
 4. Please describe the reports and formats available.
 5. Explain the scalability features of your solution.
 6. Customer Identification: Explain how the application handles customer logins and security. How is daily administration handled? Identify the tasks administered by the supplier and tasks assigned to Allegheny. (Ex. Password resets)
 7. Customer Information Integration:
 - I. Explain how your solution interacts with the Allegheny customer information system.
 - II. Identify some of the customer information systems you have successfully integrated with.
 - III. Have you integrated your system into an SAP environment?
 - IV. Please identify the general tasks assigned to Allegheny to complete the integration.
 8. Billing Analysis:
 - I. Describe how the proposed application compares the energy bills for that building against a site-specific standard for that building.
 - II. Identify how the usage will be compared to last month as well as the last year of data.

- III. Identify the capabilities to include a weather factor into the consumption data. How is this presented to the customer?
 - IV. Indicate how this information is made meaningful and useful to customers.
- 9. Customer Progress: Explain how a customer will monitor their consumption over time and determine the benefits of implemented energy measures.
- 10. Bill Presentation: Explain the requirements for bill presentiment.
- 11. Customer Information Integration:
- 6. Project Plan – Describe the project plan that will be followed for this project, including major tasks. Note where checkpoints and approval will be required.
- 7. Project Time Line – Describe your project timeline for the implementation. Document the major milestones. Note the required support of Allegheny Power.
- 8. Information Security – Describe the plan for providing security for the transfer and use of critical information within the energy management web portal, including the following:
 - a. Security plans for the major elements of the project.
 - b. Security for protecting all Allegheny Power confidential and sensitive information to the best of your abilities in accordance with applicable laws and or regulations.
 - c. Password access schemes for customer sensitive applications, data, and locations.
 - d. Methods to protect against software attacks and viruses.
- 9. Software Implementation and Support –
 - a. Describe the basis by which the software solution would be provided to Allegheny Power.
 - b. Would this be Allegheny Power hosted solution?
 - c. Where will the solution be hosted?
 - d. Will subcontractors be involved?
 - e. Describe the process and timing for updating software provided to Allegheny Power as part of this proposal.
 - f. Describe details about communication protocols to interface with Allegheny Power systems, software, or databases if applicable.
- 10. Software performance –
 - a. List of customers currently using the applications proposed
 - b. Actual data demonstrating the technical accuracy of any engineering models proposed based on usage by other customers
 - c. Actual data demonstrating the completion rate of your application as proposed
- 11. Software Mockup – The supplier is to provide screen shots demonstrating the technical content, organization and basic functionality of the solution. A live demonstration may also be requested to prove operational capabilities.
- 12. Customer Access – Describe the specific strategy for customer access to the application.

13. Disaster Recovery – Please explain your disaster recovery procedures.
14. Financial Considerations – Describe in detail how this solution will be priced. Include one-time fees, ongoing fees; upgrade fees, support fees if any, etc.
15. Distinctive – What differentiates your company from your competition?
16. Other Information – provide any other information that you believe would be relevant to this RFP.
17. Evaluation Criteria - The proposals will be carefully evaluated by Allegheny Power's competitive bid process according to the following criteria:
 1. Experience and Qualifications – Does the supplier have the track record of high performance with similar implementations?
 2. Presentation and Usability – Does the solution have a professional appearance and an ease of use with a customer focus?
 3. Flexibility and Customization – Does the solution have the ability to be quickly and cost effectively be modified to meet the changing needs of the Allegheny programs.
 4. Data Management and Reporting Systems - Does the solution have reporting and tracking systems to meet the needs of the project?
 5. Cost - Pricing should be competitive and reasonable. Allegheny Power is not required to select the lowest price supplier. Pricing should be provided on the unit basis requested in the pricing section of this RFP.

No Commitment to Award Contracts

Allegheny Power reserves the right to terminate the RFP process or reject any or all of the proposals received in response to this RFP at its sole discretion. Also, the bidder understands that this RFP is not intended to and does not constitute a commitment by Allegheny Power to consummate any definitive agreement with any bidders. Neither the Company nor any bidder will have any rights or obligations of any kind whatsoever by virtue of the RFP or any other written or oral expression by any party hereto.

Submittal Information

Firms responding to this Request for Proposal shall specifically designate and clearly label as "CONFIDENTIAL" any and all materials or portions thereof which they deem to contain trade secrets or other proprietary information which is exempt from public inspection and copying.

Technical questions regarding this Request for Proposal may be directed to:

David Omatick, Specialist, Allegheny Power
Desk 724-830-5663 8:30 to 5:00
Fax 724-850-3733

E-mail domatic@alleghenyenergy.com

Commercial or general questions should be directed to:

Barbara Crowe, Sr. Strategic Sourcing Specialist

724-830-5051

Fax 724-850-3707

E-mail bcrowe@alleghenyenergy.com

18. All proposals will be due on or before **February 20th, 2009** before **4:00PM EST.**

PROFESSIONAL SERVICES AGREEMENT

This Professional Services Agreement ("Agreement") is entered into as of September 30, 2009 (the "Effective Date"), by and between Aclara Software Inc., a Massachusetts corporation, with its principal place of business at 16 Laurel Ave., Wellesley, MA 02481 ("Aclara"), and Allegheny Energy Service Corporation, a Maryland corporation, with its principal place of business at 800 Cabin Hill Drive, Greensburg, PA 15601 ("Licensee").

RECITAL

WHEREAS, Licensee licensed from ACLARA the right to Use ACLARA Software pursuant to the Internet Services Agreement ("Internet Agreement") effective Sept 30, 2009, between ACLARA and Licensee. All terms set forth in the Internet Agreement and referred to herein shall have the same meaning as set forth in the Internet Agreement unless otherwise specifically modified by this Agreement.

WHEREAS, ACLARA provides, through its employees and third party contractors ("Consultants"), consulting and professional services ("Services") including support of installation and implementation of the Software in the United States which Licensee desires to obtain.

NOW, THEREFORE, in consideration of the mutual promises and obligations in this Agreement, the sufficiency of which is hereby acknowledged, the parties, intending to be legally bound, agree as follows:

1. **Services To Be Performed.** ACLARA will provide a Consultant(s) to perform Services at Licensee's direction in accordance with the terms of the Statement(s) of Work that reference this Agreement and are attached hereto and made a part of this Agreement. All Services of the ACLARA Consultant(s) will be coordinated with the designated Licensee representative. Licensee is responsible for making the necessary internal arrangements to allow ACLARA to perform the Services. The Statement(s) of Work more fully describes the scope, duration, and fees for the Services. Changes to any Statement of Work may be made upon prior written mutual agreement of the parties hereto. Additional Statements of Work may be added to this Agreement upon mutual agreement of the parties hereto.

2. **Satisfaction with Performance.** If at any time Licensee or ACLARA is dissatisfied with the material performance of an assigned Consultant or a Licensee project team member, the dissatisfied party shall immediately report such dissatisfaction to the other party in writing and may request a replacement. The other party shall use its reasonable discretion in accomplishing any such change.

3. **Compensation of ACLARA.** All Services will be provided by ACLARA on a time and expense basis unless otherwise agreed by the parties in the Statement of Work. Services will be invoiced in accordance with the fees listed in or referenced in the Statement of Work, or Schedules thereto, as applicable.

4. **Taxes.** Prices and fees are exclusive of all federal, state, municipal or other political subdivision excise, sales, use, property, or like taxes now in force or enacted in the future and therefore subject to an increase equal to such taxes; if any, that Aclara may be required to collect or pay at any time during the term of the Agreement. In no event shall Client be liable or responsible for any taxes based upon Aclara's income.

Licensee also agrees to pay ACLARA for additional tax amounts if any, created by the taxability of Consultants reimbursed travel and living expenses resulting from long term assignments at Licensee's locations. ACLARA shall provide written notice of this requirement within a Statement of Work.

5. **Term.** This Agreement shall be effective as of the Effective Date specified above and shall remain in effect until terminated by either party upon thirty (30) days prior written notice or otherwise in accord with the applicable Statement of Work. Licensee shall be liable for payment to ACLARA for all Services provided prior to the date of any such termination, including any expenses incurred pursuant to the provision of such Services, in accord with the applicable Statement of Work.

6. **Proprietary Information.** Both parties shall handle Proprietary Information in accordance with the terms listed in the Internet Agreement.

7. **Work Product.**

7.1 All rights, title and interest in any Modification or Extension shall be governed by the terms set forth in the Internet Agreement.

7.2 Licensee agrees that any and all ideas, concepts, or other intellectual property rights related in any way to the techniques, knowledge or processes of the ACLARA Services and deliverables provided under this Agreement, whether or not developed for Licensee, are the exclusive property of ACLARA. ACLARA shall have the sole and exclusive right, title and ownership to such technology.

8. **Warranty.**

8.1 ACLARA warrants that its Services shall be performed consistent with generally accepted industry standards.

8.2 ACLARA MAKES NO WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, NOR ANY OTHER WARRANTIES, EXPRESS, IMPLIED OR STATUTORY, IN CONNECTION WITH THIS AGREEMENT AND THE SERVICES PROVIDED HEREUNDER.

9. **Limitations of Liability and Remedies.**

9.1 ANYTHING TO THE CONTRARY HEREIN NOTWITHSTANDING, EXCEPT FOR DAMAGES RESULTING FROM UNAUTHORIZED USE OR DISCLOSURE OF PROPRIETARY INFORMATION AND ACLARA'S RIGHT TO COLLECT UNPAID FEES, UNDER NO CIRCUMSTANCES SHALL ACLARA, ITS CONSULTANTS OR LICENSEE BE LIABLE TO EACH OTHER OR ANY OTHER PERSON OR ENTITY FOR AN AMOUNT OF DAMAGES IN EXCESS OF THE FEES PAID FOR THE APPLICABLE SERVICES HEREUNDER OR BE LIABLE IN ANY AMOUNT FOR SPECIAL, INCIDENTAL, CONSEQUENTIAL OR INDIRECT DAMAGES, LOSS OF GOOD WILL OR BUSINESS PROFITS, WORK STOPPAGE, DATA LOSS, COMPUTER FAILURE OR MALFUNCTION, ANY AND ALL OTHER COMMERCIAL DAMAGES OR LOSS, OR EXEMPLARY OR PUNITIVE DAMAGES.

9.2 Licensee's Remedies. Licensee's sole and exclusive remedy for any damages or loss in any way connected with the Services provided hereunder by ACLARA and its Consultants, whether due to ACLARA's negligence or breach of any other duty, shall be, at ACLARA's option, reperformance of the Services or return of an appropriate portion of any payment made by Licensee with respect to the Services.

10. **General Provisions.**

10.1 This Agreement is a personal services agreement and the performance of any obligation hereunder may not be assigned, delegated or otherwise transferred by either party, provided however, that ACLARA may assign all or part of the work to be performed under this Agreement to a qualified third party.

10.2 If any provision of this Agreement is found by any court of competent jurisdiction to be invalid or unenforceable, the invalidity of such provision shall not affect the other provisions of this Agreement, and all provisions not affected by such invalidity shall remain in full force and effect.

10.3 The waiver by either party of a breach or default in any of the provisions of this Agreement by the other party shall not be construed as a waiver of any succeeding breach of the same or other provisions; nor shall any delay or omission on the part of either party to exercise or avail itself of any right, power or privilege that it has or may have hereunder operate as a waiver of any breach or default by the other party.

10.4 Any notice required or permitted to be given hereunder shall be deemed sufficient if made in writing and deposited in the United States mail, postage prepaid, registered or certified, and addressed to the other party at the address first set forth above.

10.5 The relationship of ACLARA and Licensee established by this Agreement is that of an independent contractor.

10.6 Any delay or nonperformance of any provision of this Agreement (other than for the payment of amounts due hereunder) caused by conditions beyond the reasonable control of a party, shall not constitute a breach of this Agreement, and the time for performance of such provision, if any, shall be deemed to be extended for a period equal to the duration of the conditions preventing such performance.

10.7 ACLARA agrees to maintain Commercial General Liability and Automobile Liability Insurance with limits of liability not less than \$1,000,000.00 per occurrence. In addition, ACLARA agrees to maintain statutory Workers' Compensation coverage in the amount required by law and Employers' Liability Insurance in the amount of \$1,000,000.00 per occurrence. ACLARA shall provide Licensee with a properly executed Certificate of Insurance prior to commencing any Services hereunder and shall endeavor to notify Licensee no less than thirty (30) days in advance, of any reduction or cancellation of the above coverage's.

10.8 This Agreement and any disputes arising out of or in connection with this Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania.

10.9 Neither party shall solicit or hire, any of the other party's employees involved in a Statement of Work during the term of the applicable Statement of Work and for a period of six (6) months from the termination thereof, without the express written consent of the other party.

10.10 This Agreement, including all applicable Statements of Work and Schedules thereto, constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior agreements between the parties, whether written or oral, relating to the same subject matter. No modifications, amendments, or supplements to this Agreement shall be effective for any purpose unless in writing and signed by the parties. In the event of any inconsistencies between the Agreement and a Statement of Work, the Statement of Work shall take precedence over the Agreement. Any purchase order or other document issued by Licensee is for administrative convenience only. In the event of any conflict between the provisions of this Agreement, and any purchase order, the provisions of this Agreement shall prevail and govern and any additional terms in the purchase order or other document shall be inapplicable.

11. **Survival.** Sections 6, 7, 8.2, 9 and 10.9 shall survive any termination of this Agreement.

IN WITNESS WHEREOF, the parties have so agreed.

Accepted By:

Aclara Software, Inc.
(ACLARA)

By: _____

Print name: _____

Title: _____

Date: _____

Accepted by:

Allegheny Energy Service Corporation
(Licensee)

By:  _____

Print name: Rick Arthur

Title: Vice President and CEO

Date: Oct 6, 2009