
PENNSYLVANIA ACT 129 SERVICES AGREEMENT

BETWEEN
(Conservation Service Provider)
and
PPL ELECTRIC UTILITIES CORPORATION

NUMBER TBD

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PENNSYLVANIA ACT 129 SERVICES AGREEMENT

NUMBER TBD

THIS PENNSYLVANIA ACT 129 SERVICES AGREEMENT ("Agreement") is entered into on October 27, 2012 (the "Effective Date") by and between PPL Electric Utilities Corporation, a Pennsylvania corporation with its principal place of business at Two North Ninth Street, Allentown, PA 18101 ("Company"), and JACO Environmental, Inc., an Oregon Corporation, with its principal place of business at 6908 SW Street, OR 97219 ("Contractor"). Pursuant to this Agreement, Company desires Contractor to provide certain services as described in the scope of work ("Scope of Work") attached hereto as Exhibit A in exchange for compensations as set forth in the performance-based compensation schedule ("Performance-Based Compensation Schedule") attached hereto as Exhibit B. The services shall be performed by Contractor as a Conservation Service Provider ("CSP") authorized to perform the services and approved and registered by the Pennsylvania Public Utility Commission ("PUC") to perform such services pursuant to Pennsylvania Act 129 ("Act 129"). Company and Contractor are each referred to herein as a "Party," and collectively as the "Parties."

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the Parties, intending to be legally bound, hereby agree as follows:

ARTICLE 1 - The Services.

1.1 Scope of Work. The performance of the Services by Contractor shall be subject to the following procedures:

(a) Contractor shall perform services pursuant to the Scope of Work attached hereto as Exhibit A ("Services") detailing the following: (i) Schedule A: Scope of Work, containing a description of the Services to be provided; (ii) Schedule B: Performance Schedule, containing a schedule for the performance of the Services; (iii) Schedule C: Management Scope, containing a description of the project management services to be provided, if any; (iv) Schedule D: Contractor's Key Personnel, containing the names of the key personnel involved; (v) Schedule E: Company's Key Personnel, containing the names and contact information of the principal representatives of the Company; and (vi) any additional requirements or information that may be relevant to the performance of the Services by Contractor and not otherwise included in this Agreement. Additionally, the Performance-Based Compensation Schedule attached hereto as Exhibit B shall provide how Company shall compensate Contractor for performance of the Services.

(b) Contractor shall not be authorized to proceed with the Services until (i) it has received a written notice to proceed from the Company and (ii) either the PUC has provided written approval authorizing the Services to be performed, or, by the passage of time, the PUC is deemed to have provided such approval.

1.2 General Statement of Services. Contractor shall provide all necessary and appropriate personnel for the performance of the Services set forth in the Scope of Work.

Company may at any time require the removal from the performance of the Services any member of Contractor's team who has, in the reasonable opinion of Company, acted negligently, inappropriately or incompetently or who is negligent or incompetent. Contractor shall, at its own expense, promptly remove such person from the performance of the Services and replace him or her with a properly qualified, experienced and competent substitute. Company shall be entitled to receive, upon request, full details of the qualifications and work history of any proposed replacement. The Services shall include all work, equipment and materials that customarily would be performed or provided in connection with the tasks identified in the Scope of Work regardless of whether each specific item of work, equipment or materials is specifically named in the Scope of Work. In addition, Contractor shall:

(a) with respect to the Scope of Work, appoint an individual who shall be authorized to act on behalf of Contractor and with whom Company may consult at all reasonable times, whose instructions, requests, and decisions shall be binding upon Contractor as to all matters pertaining to the Scope of Work and who shall be responsible for the management and supervision of the Services under such Scope of Work ("Contractor's Representative");

(b) provide such periodic reports on the progress of the Services under the Scope of Work as are specified in the Scope of Work or otherwise requested by Company;

(c) provide Company and its authorized representatives at all reasonable times access to observe the Services and the work of Contractor and any of its Subcontractors (as defined below) at any location where the Services or such work are being performed; and

(d) ensure that all engineering or other Services requiring certification shall be certified by professional engineers or other applicable professionals who are properly licensed and qualified to perform such engineering or other Services under applicable laws and as specifically required by the PUC and Act 129.

No inspection or review or lack of inspection or review by Company or its representatives shall constitute an approval, endorsement, or confirmation of any Services or work of the Contractor or an acknowledgment by Company that the Services satisfy the requirements of this Agreement; nor shall any such inspection or review or lack thereof relieve Contractor of any of its obligations to perform the Services in a manner that it satisfies all the requirements of this Agreement in every respect.

1.3 Changes. Company shall have the right to add to, modify, or delete any portion of the Scope of Work before or after the commencement of the Services related thereto, subject to any necessary approval of the PUC. In the event that Company requests such a change, then within ten (10) days after receipt of a request for a change Contractor shall submit to Company information detailing the effect of the change on the agreed compensation, the schedule for completion of the Services, and any other aspect of the Services. Upon reaching agreement on the addition, modification or deletion of the portion of the Services, a modified Scope of Work shall be prepared and executed by the Parties. If the Parties cannot agree on a price for the change, the rates set forth in Exhibit B shall apply for the purpose of determining any addition to or reduction of the compensation. Contractor may not make any change to the Scope of Work or

Services without the prior written approval of Company. In the event that Contractor believes that it has received a direction from Company that would constitute a change, it shall promptly notify Company and within ten (10) days of receipt of such direction from Company provide the information described above.

1.4 Subcontractors. Contractor shall not subcontract or delegate the performance of any of the Services to any person or company ("Subcontractor") without the prior written consent of Company and subject to any necessary approval of the PUC. In the event that Company gives its consent to the subcontracting of any portion of the Services, the following provisions shall apply:

(a) Notwithstanding any agreement with Subcontractors, Contractor shall be solely responsible to Company for performance of the Services. Contractor shall be as fully responsible for the acts, performance, and omissions of its Subcontractors as it is for its own acts, performance, and omissions. Company shall not be deemed to have any contractual obligation or relationship with any Subcontractor.

(b) Each agreement with a Subcontractor ("Subcontract") must provide that (i) it is terminable for convenience, (ii) related termination fees thereunder must be commercially reasonable in light of the value of the services or materials provided at the time when the termination fee applies, and (iii) in no event shall such termination fees include payment for any costs, losses, damages, injuries, or claims of the type disclaimed under Article 10.

(c) Contractor shall promptly pay, in accordance with the terms and conditions set forth in the respective Subcontract, all undisputed amounts to which each Subcontractor is entitled. Contractor shall, by appropriate contracts with each Subcontractor, require each Subcontractor to make timely payments to its laborers, suppliers and subcontractors in a similar manner.

(d) Each Subcontract shall provide that, upon notification to the Subcontractor from Company that this Agreement has been terminated, (i) Company will have the right to assume Contractor's rights and obligations under such Subcontract, and (ii) if Company assumes Contractor's rights and obligations under the Subcontract, then Subcontractor shall continue to perform its responsibilities under such Subcontract for the benefit of Company and shall recognize Company as being vested with all the rights and responsibilities of Contractor under such Subcontract. Notwithstanding the foregoing, it is specifically understood and agreed (and each Subcontract shall clarify) that the Subcontractor shall not have any right to look to Company for the performance of Contractor's obligations under any Subcontract unless and until Company has provided notification to the Subcontractor of its intent to perform.

1.5 Company's Obligations.

(a) Company shall designate in each Scope of Work the individual authorized to act as its representative (the "Company's Representative") with respect to the Services and whose instructions, requests, and decisions shall be binding upon Company as to all matters pertaining to such Scope of Work.

(b) Company shall from time to time upon request by Contractor supply to Contractor, without charge, such information or data in the possession or control of Company (or which may only be obtained by Company) as is necessary for the proper performance of the Services. Contractor shall make such requests for information or data and applications for decisions or approvals by Company pursuant to the terms of this Agreement or otherwise at such times as shall allow Company a reasonable opportunity to consider and act upon such requests or applications without disrupting or delaying the performance of the Services. Contractor shall use its reasonable judgment with regard to such Company furnished data, but shall have no liability for defects in the Services to the extent attributable to Contractor's reasonable reliance upon or use of such information or data furnished by Company or third parties retained by Company.

1.6 Independent Contractor.

(a) In its performance and completion of the Services and any of its other duties and obligations under this Agreement, Contractor shall at all times be deemed to be an independent contractor and nothing in this Agreement shall at any time be construed so as to create the relationship of employer and employee, principal and agent, partnership or joint venture as between Company and Contractor. Company and Contractor hereby agree that no fiduciary relationship, either express or implied, is created by this Agreement. Contractor shall have the entire charge, control and supervision of its performance of the Services and any of its other duties and obligations under this Agreement, subject to the terms and provisions of this Agreement. Contractor acknowledges that it shall have no authority to bind Company to any contractual or other obligation whatsoever.

(b) Contractor represents and warrants to both Company and the PUC that it operates independently and without any potential conflict or affiliation or common ownership with Company or any other Pennsylvania electric distribution company. If Contractor merges with a Pennsylvania electric distribution company during the term of this Agreement, then Contractor shall provide immediate written notice of such merger to Company and this Agreement shall automatically terminate upon the effective date of the merger. Further, Contractor represents and warrants that in addition to previously obtaining all necessary approvals from the PUC to become an authorized CSP, it shall continue to perform the Services and obtain any additional required approvals from the PUC in compliance with all requirements of Act 129 during the term of this Agreement.

ARTICLE 2 – Compensation.

2.1 **Compensation for Services.** As consideration for the satisfactory and timely performance of the Services identified in the Scope of Work, Company shall pay Contractor as follows:

(a) Services are to be provided on a milestone schedule basis, in accordance with the Performance-Based Compensation Schedule as set forth in Exhibit B or on a fixed price (or other) basis as set forth in the Scope of Work. Contractor may not request changes to any rates set forth in the Performance-Based Compensation Schedule more than once per calendar year. Changes to the Performance-Based Compensation Schedule shall not apply to Services under an existing Scope of Work. All such changes are subject to review and approval by Company, and must be documented by modifying the Performance-Based Compensation Schedule.

(b) Unless otherwise provided in the Scope of Work, Contractor shall submit to Company within fifteen (15) days after the end of each calendar month, Contractor's invoice for the compensation payable under this Agreement for the Services performed during the preceding month. Each of Contractor's invoices shall set forth in a detailed and clear manner a complete description of the Services covered thereby, the number of hours spent performing such Services, the dates on which such Services were performed, and any and all costs or expenses that, pursuant to the Scope of Work, are to be reimbursed by Company. Each invoice shall be supported by such receipts, invoices, bills, documents, compensation segregations, information and other items as Company may request and in a format reasonably requested by Company. Contractor shall place Company's account number assigned to the Scope of Work on all of its invoices.

(c) Contractor shall comply with all promulgated federal, state, regional, and local laws, rules, and regulations regarding taxes, and is responsible for the payment of all taxes of all kinds now in effect and those becoming effective hereafter, until the Services have been completed, including without limitation, Social Security, state unemployment insurance, withholding taxes, sales and use tax (if applicable), gross receipts, property, value added, franchise, and income taxes, and, as requested by Company, will provide satisfactory evidence of such compliance in a format acceptable to Company.

(d) Company agrees to pay Contractor's undisputed invoices (or the undisputed portion(s) thereof) within thirty (30) days following receipt of a correct invoice. If Company in good faith disputes any of the charges on an invoice, it shall advise Contractor in writing of its reasons for such dispute and may withhold payment of the disputed charges until such dispute is resolved. If Company fails to pay Contractor any undisputed amount when due and such failure continues for more than thirty (30) days after Company's receipt of notice of such failure, then Contractor may suspend performance of the Services. No payment made by Company shall constitute a waiver of any claim or right Company may have at that time or thereafter, including claims regarding unsettled liens, warranty rights, and indemnification obligations of Contractor. No payment made by Company shall be considered or deemed to represent that Company has inspected or checked the quality or quantity of the Services or that

Company knows or has ascertained how or for what purpose Contractor has used sums previously paid, and shall not be deemed or construed as an approval or acceptance of any Services or as a waiver of any claim or right Company may have hereunder. All payments shall be subject to correction or adjustment in subsequent progress reviews and payments.

(e) Company shall pay Contractor for Services properly and timely completed as specifically required in the Scope of Work, in accordance with the Performance-Based Compensation Schedule.

2.2 Records and Audit Rights of Company and the PUC.

(a) Contractor and its Subcontractors shall maintain books, records, documents and other information and accounting procedures and practices (hereinafter referred to as "Records") sufficient to determine Contractor's and its Subcontractors' performance and compliance with the requirements of this Agreement. Records shall be retained for a minimum of five (5) years after final payment.

(b) Notwithstanding the payment of any amount pursuant to this Article 2, Company and the PUC shall remain entitled to conduct a subsequent audit and review of all amounts paid on a reimbursable basis hereunder and all Records of Contractor and Subcontractor related to such amounts, provided that such audit is conducted no later than five (5) years following the completion of the Services under the Scope of Work. If, pursuant to such audit and review, it is determined that Company has either overpaid or underpaid an amount previously paid hereunder, then pursuant to the next sentence the amount overpaid shall be due and payable to Contractor or the amount underpaid shall be due and payable to Company. The Party to whom such money is owed must issue an invoice for the amount due within sixty (60) days following completion of the audit and payment will be due within thirty (30) days following receipt of the invoice.

2.3 No Liens.

(a) Contractor shall not directly or indirectly create, incur, or assume, or suffer to be created, incurred, or assumed by it or any employee, laborer, materialman, or other supplier of goods or services, any right of retention, claim, lien, charge, or encumbrance on any property or interest of Company (each, a "Contractor Lien"). Contractor shall promptly pay or discharge, and discharge of record or provide security reasonably acceptable to Company with respect to, any such Contractor Lien or other charge which, if unpaid, might be or become a Contractor Lien. Contractor shall immediately notify Company of the assertion of any Contractor Lien.

(b) Upon the failure of Contractor to promptly pay, discharge, or provide security reasonably acceptable to Company for any Contractor Lien within fifteen (15) days after notice of the existence thereof from any source (or within such lesser period of time as may be necessary to prevent such Contractor Lien from being enforced), Company may pay or discharge such Contractor Lien and, upon the payment or discharge thereof, shall be entitled to immediately recover from Contractor the amount thereof together with all expenses incurred by

Company in connection with such payment or discharge or to set off all such amounts against any such sums owed by Company to Contractor.

ARTICLE 3 – Quality of Services; Contractor’s Obligations.

3.1 Contractor Representation. Contractor represents that Contractor’s officers, employees, agents and Subcontractors (each a “Contractor Party” and, collectively, the “Contractor Parties”) have, or as a condition of being employed or retained will have, the necessary knowledge, skill and expertise to perform the Services required by the Scope of Work as a CSP approved and registered by the PUC pursuant to Act 129. Each Contractor Party is, or will be, before performance of Services is commenced, familiar with all the federal, state and local laws and regulations which govern the performance of the Services provided under the Scope of Work for the Services to be performed by such Contractor Party, including but not limited to all Act 129 and associated PUC requirements. Contractor and each Contractor Party has obtained and holds (or, if not, agrees that it shall obtain and hold) all of the licenses, permits and certificates that are necessary to perform the Services to be performed by the Contractor and such Contractor Party. If, for any reason, any federal, state or local agency revokes or suspends any license, permit or certification of the Contractor or of a Contractor Party utilized in performing the Services, Contractor shall immediately notify Company of such revocation or suspension; and Contractor shall take immediate action to correct or remedy the facts or circumstances, which led to the revocation or suspension of such license, permit or certification, and to obtain a reinstatement of the same.

3.2 Contractor Compliance

(a) Contractor will comply, and cause the Contractor Parties to comply, with the following: (i) all laws, legislation, rules, regulations, and governmental requirements applicable to the Work and the exercise of rights and performance of its obligations under this Contract; (ii) all Company procedures and requirements; (iii) Company’s Contractor Environmental Requirements (“Environmental Requirements”); and (iv) Company’s Standards of Conduct and Integrity for Suppliers (“Standards”). The current versions of the Environmental Requirements and Standards are available to Contractor at www.pplweb.com/supply-chain.aspx. Contractor is responsible for reviewing and complying with any changes to the Environmental Requirements and/or Standards published by Company at the above-referenced web address.

(b) Contractor shall, unless specifically exempted by law, perform its obligations under this Contract in full compliance with all applicable equal employment opportunity and affirmative action requirements including, but not limited to, those relating to: (i) equal employment opportunity and non-segregated facilities; (ii) the utilization of minority business enterprises; (iii) Executive Order 11246, as amended and the implementing regulations at 41 CFR Part 60-1 et seq.; (iv) the Vietnam Era Readjustment Assistance Act of 1974, and the implementing regulations at 41 CFR Part 60-300; (v) the Rehabilitation Act of 1973 and the implementing regulations at 41 CFR 60-741 and other requirements relating to the employment of veterans and disabled persons, and all amendments thereto and all regulations, rules and orders issued thereunder; and (vi) the notification requirements established by 29 CFR Section 471, including displaying the required poster found at 29 CFR Section 471 Appendix A of Part A.

(c) Contractor shall use its best efforts to assure that Small, Small Disadvantaged and Women Owned Small Business Concerns ("SSDWOSBCs") are given equitable opportunity to compete for procurements resulting from this Contract. In this regard, Contractor shall comply with the requirements in 48 C.F.R. 52.219-8, which is hereby incorporated by reference. Contractor shall also agree to participate in the SSDWOSBC set aside plan required by 48 C.F.R. 52.219-9 which has been established by PPL.

If the total aggregate commitment under Sections 3(b) and/or 3(c) exceeds \$500,000, Contractor (unless Contractor is itself a small business concern) shall adopt a plan similar to the plan required in 48 C.F.R. 52.219-9, and shall establish and conduct, or maintain, a program that enables SSDWOSBCs to have equitable opportunities to compete as subcontractors or suppliers for procurements resulting from this Contract. In this regard, Contractor shall assure that known SSDWOSBCs are given equitable opportunities to compete for subcontracts, particularly by arranging solicitations for bids and delivery schedules so as to facilitate participation by those entities, maintain records showing procedures which have been adopted to comply with the provisions of this clause, and prepare periodic reports and cooperate in surveys as may be required by the General Services Administration or the Small Business Administration. Contractor agrees to submit reports on Standard Forms 294 or 295 to Company annually with respect to its plan and to provide other certifications and documentation deemed reasonably necessary by Company to show evidence of Contractor's compliance with all State and Federal rules and regulations relating to the use of SSDWOSBCs.

Contractor (except small business concerns) shall insert in any subcontract hereunder which may exceed \$500,000, provisions that conform substantially to the language of this clause.

3.3 Warranty. Contractor warrants that it shall perform the Services in a timely manner, in accordance with all Act 129 and associated PUC requirements and the description of the Services contained in the Scope of Work (i) with care and diligence, (ii) in accordance with the Professional Standard (as defined herein), and (iii) as expeditiously and economically as is consistent with the interests of Company and with the preceding standards. For purposes of this Agreement, "Professional Standard" shall mean and refer to the practices, methods, standards, and performance of the Services in accordance with the degree of judgment and skill that is ordinarily possessed and exercised by (and generally accepted as being appropriate for) nationally recognized professionals of good standing who are performing work that is of similar scope, nature, and complexity as the Services. At Company's request, Contractor shall re-perform at no charge to Company the non-conforming or defective Services, written notice of which must be given by Company to Contractor within the Warranty Period. Contractor's obligation for re-performance of non-conforming Services as set forth in the immediately preceding sentence shall extend for a term commencing at the completion of such Services under a Scope of Work or any re-performance thereof and ending two (2) years later (the "Warranty Period").

THE WARRANTIES SET FORTH IN THIS SECTION 3.3 ARE EXCLUSIVE, AND IN LIEU OF ANY AND ALL OTHER WARRANTIES RELATING TO THE SERVICES, WHETHER STATUTORY, EXPRESS, OR IMPLIED, AND CONTRACTOR DISCLAIMS ANY SUCH OTHER WARRANTIES, INCLUDING BUT NOT LIMITED

TO ANY AND ALL WARRANTIES OF MERCHANTABILITY AND/OR FITNESS FOR A PARTICULAR PURPOSE.

3.4 Company and PUC Approvals. Contractor acknowledges and agrees that any review, approval, comment, or evaluation by the Company or that may be required by Act 129 and associated PUC requirements of any Services performed by or on behalf of the Contractor shall be solely for the Company's own satisfaction as to the suitability of the Services for the purposes intended therefor by the Company, and may not be relied upon by the Contractor, Subcontractors, or any other third party as a substantive review thereof. The Company and the PUC, in reviewing, approving, commenting on, or evaluating any plans, drawings, specifications, or other documents, shall have no responsibility or liability for the accuracy or completeness of such documents, for any defects, deficiencies, or inadequacies therein, or for any failure of such documents to comply with the requirements set forth in this Agreement; the responsibility for all of the foregoing matters being the sole obligation of the Contractor. In no event shall any review, approval, comment, or evaluation by the Company or the PUC relieve the Contractor of any liability or responsibility under this Agreement, it being understood that the Company is at all times ultimately relying upon the Contractor's skill, knowledge, and professional training and experience.

3.5 Contractor's Key Personnel. Contractor shall provide for inclusion in the Scope of Work a list of the Contractor's key personnel who will be responsible for the performance of the Services. The Contractor's Representative shall be the authorized representative, and shall receive and initiate all communications from and with the Company and be authorized to render binding decisions related to the Services for the Contractor. The Contractor shall not remove any of such key personnel from the Services without the Company's prior written consent, which consent shall not be unreasonably withheld. If, after execution of this Agreement, Company objects to any of Contractor's personnel, the Contractor shall promptly remove such disapproved personnel. If any of the Contractor's key personnel are removed as provided above, any replacement personnel shall have equal or superior experience within the technical discipline and type of project being undertaken, have all required licenses, and be subject to the prior written approval of Company.

3.6 Contractor and Subcontractor Background Reviews. Contractor and any Subcontractors, prior to performing any Services pursuant to this Agreement that include any direct customer contact, shall conduct criminal and identity investigations of all employees providing such Services. A report on each employee shall be maintained for review by the Parties or the PUC, which report shall include a seven (7) year criminal background check as to any felony or misdemeanor convictions and verification of identity, prior employment, education, and any professional training required by Act 129, the PUC, or the Company. Company shall have independent rights to conduct its own investigation of any Contractor or Subcontractor employee with or without cause as it may determine is necessary at any time. Contractor shall update the reports on each Contractor or Subcontractor employee every three (3) years or earlier, if requested by the Company, or for cause.

3.7 Contractor and Subcontractor Cooperation. Contractor and its Subcontractors agree to fully cooperate with Company's and/or the PUC's audit of Services provided by

Contractor and enforcement of all requirements for performance of the Services pursuant to Act 129 and associated PUC requirements.

ARTICLE 4 – Insurance.

4.1 **Required Coverages.** During the performance of Services, Contractor and all subcontractors shall maintain insurance policies with insurance companies having an A.M. Best Insurance rating of 'A-' or better and financial strength category of VIII or higher, the minimum insurance coverages set forth below. All policies shall be written on an occurrence basis and shall be primary and non-contributing with respect to any insurance carried independently by Company.

(a) Workers' Compensation in accordance with the statutory requirements of the state in which the Services are performed, with Employer's Liability with a limit of \$1,000,000 each accident;

(b) Commercial General Bodily Injury and Property Damage Liability insurance with limits of \$5,000,000 per occurrence and in the aggregate, and Automobile Liability insurance including owned, non-owned, or hired vehicles, with a combined single limit of \$5,000,000 for bodily injury and property damage liability. Such policies shall include Contractual Liability coverage and Broad Form Property Damage coverage. Contractor agrees to name Company as an additional insured on such policies, but only to the extent of Contractor's negligence under this Agreement and only to the extent of the insurance limits specified herein.

(c) If applicable, Professional Liability insurance with limits of \$1,000,000 per occurrence and in the aggregate covering Contractor against all sums that Contractor may become legally obligated to pay on account of any professional liability arising out of the performance of this Agreement.

(d) Contractor may satisfy any of the above required limits with a combination of both primary and excess insurance policies, or a program of self insurance. Contractor agrees to provide Company with certificates of insurance evidencing the above described coverage prior to the start of any Services, and annually thereafter, if required by Company. Contractor and all subcontractors shall provide a minimum of thirty (30) days advance notice to Company in the event of cancellation or non-renewal of the Required Coverages. Contractors and subcontractors liability shall not be limited to the Required Coverages.

ARTICLE 5 – Indemnification.

For purposes of this Article 5 only, "Company Parties" shall mean Company, its directors, officers, agents and employees, successors, assignees, subsidiaries and affiliates, and each of them; "Contractor Parties" shall mean Contractor, its directors, officers, agents and employees, as well as any Subcontractors of Contractor, at any tier, and the Subcontractor's directors, officers, agents and employees, and each of them; and "Claims" shall mean claims, demands,

suits or causes of action whether at law or in equity, and whether based on statute, regulation, rule, ordinance, code, or standard or on theories of contract, tort, strict liability or otherwise; and "Losses" means any and all losses, liabilities, fines, penalties, or damages, including the costs of settlements, judgments, and direct expenses including reasonable attorneys' fees (including reasonable attorneys' fees incurred in establishing the right to indemnity hereunder). Contractor shall indemnify, defend, and hold harmless Company Parties against all Losses related to Claims brought against Company Parties by or on behalf of:

(a) Any governmental body, agency, or other regulatory authority arising from or in any matter relating to Contractor Parties' failure to comply with or remediate pursuant to any laws, legislation, rules, regulations, or governmental requirements applicable to this Contract; provided, however, that the preceding indemnity shall not apply with respect to fines that may be imposed upon Company by the PUC for failure to achieve targets under 66 Pa.C.S. § 2806.1(f)(2).

b) Persons or entities other than Company Parties or Contractor Parties, including without limitation Claims for injuries (including death) to Persons or damages to property, whether arising from or in any manner relating to the legal fault of Contractor Parties, the legal fault of Company Parties, or the legal fault of both Contractor Parties and Company Parties under this Contract. Contractor shall defend such Claims at its own expense, with counsel acceptable to Company. Following resolution of an action or Claim under this Section 5(b), if Company's negligence or other legal fault is determined (by mutual agreement of the Parties or by final adjudication between the Parties in a subsequent action) to have been a contributing cause of the Losses, then Company agrees to reimburse Contractor solely for Company's share in contributing to the cause of such Losses (as determined by mutual agreement of the Parties or in the subsequent action).

(c) Contractor Parties' employees or other Persons arising from or in any manner relating to injuries to or death of Contractor Parties' employees, whether arising from or in any manner relating to the legal fault of Contractor Parties, the negligence or other legal fault of Company Parties, or both the legal fault of Contractor Parties and the negligence or other legal fault of Company Parties under this Contract. Contractor expressly acknowledges and agrees that the indemnity provided for in this Section 5(c) constitutes a waiver by Contractor, on behalf of Contractor Parties, of immunity Contractor Parties otherwise may have for injuries to or death of Contractor Parties' own employees under the Pennsylvania Worker's Compensation Act or similar provisions in other jurisdictions. Contractor shall defend such Claims at its own expense, with counsel acceptable to Company. Following resolution of an action or Claim under this Section 5(c), if Company's negligence or other legal fault is determined (by mutual agreement of the Parties or by final adjudication between the Parties in a subsequent action) to have been a contributing cause of the Losses, then Company agrees to reimburse Contractor solely for Company's share in contributing to the cause of such Losses (as determined by mutual agreement of the Parties or in the subsequent action). The Parties agree that nothing in the preceding sentence will affect Contractor's (i) obligation to indemnify and defend or (ii) express waiver of immunity as set forth above in this Section 5(c).

(d) Third parties arising out of or connected with any infringement or alleged infringement of any patent, copyright, trademark, service mark, trade or business secret, or other intellectual property right of such third parties in connection with Contractor's performance and delivery of the Work hereunder or Company's use thereof. In addition to the indemnity obligation set forth in this Section 5(d), Contractor at its expense will (i) use its best efforts to procure for Company a license to use such goods or services or part thereof on terms no more restrictive than those contained in this Contract; (ii) if the action described in (i) above is not possible, even after the use of Contractor's best efforts, then Contractor shall use its best efforts to modify the goods or services so as not to infringe any third party's intellectual property rights, provided that such modification results in the goods or services being equally suitable and functionally equivalent; and/or (iii) if the actions described in (i) and (ii) above are not possible, even after the use of Contractor's best efforts, then Contractor shall provide Company with substitute or replacement goods and/or services and a right to use the same, provided that such goods and/or services will (alone or in combination with the portion of the goods and/or services not subject to the third party's Claim) perform in an equally suitable and functionally equivalent manner. In the event Contractor is not able to accomplish either of (i), (ii), or (iii) above, Contractor may (iv) terminate this Contract upon thirty (30) days written notice and shall refund a pro rata portion of any fees paid by Company for the goods and/or services.

Contractor's duty to defend arising under this Article 5 shall be with counsel reasonably acceptable to Company, and such counsel shall consult with Company on all major decisions relating to Claims. Company reserves the right to defend itself at its own expense. Contractor's monetary obligations under this Article 5 shall not be limited to the amount of insurance coverage carried or required to be carried by Contractor hereunder.

ARTICLE 6 – Intellectual Property.

6.1 Work Product.

(a) Company shall own all Work Product (as defined below) upon payment therefore. All Work Product shall be considered work made for hire by Contractor and owned by Company. Company acknowledges, however, that the Work Product provided to it by Contractor is not intended or represented to be suitable for reuse by Company or others for any work or project other than the Services for which such Work Product was provided. Any such reuse or any modification of Work Product, by Company or others, without special written consent or adaptation by Contractor shall be at Company's sole risk and without liability or legal exposure to Contractor.

(b) If any of the Work Product may not, by operation of law, be considered work made for hire by Contractor for Company (or if ownership of all right, title and interest of the intellectual property rights therein shall not otherwise vest exclusively in Company), Contractor agrees to assign, and upon creation thereof automatically assigns to Company, its successors and assigns, without further consideration, the ownership of all U.S. and international copyrights and patentable inventions directly applicable to the Work Product therein.

(c) During or after the term of this Agreement, Contractor shall perform, upon the reasonable request of Company, such further acts as may be necessary or desirable to transfer, perfect, and defend Company's ownership of the Work Product. When requested, Contractor shall: (i) execute, acknowledge and deliver any requested affidavits and documents of assignment and conveyance; (ii) obtain and aid in the enforcement of copyrights (and, if applicable, patents) with respect to the Work Product in any countries; and (iii) provide testimony in connection with any proceeding affecting the right, title, or interest of Company in any Work Product. Company shall reimburse all costs and expenses reasonably incurred by Contractor at Company's request in connection with the foregoing.

(d) For purposes hereof, "Work Product" shall mean all intellectual property rights, including all U.S. and international copyrights, patentable inventions, discoveries, and improvements in any Services or documentation to be delivered to Company by Contractor under the Scope of Work. Contractor hereby irrevocably relinquishes for the benefit of Company and its assigns any moral rights in the Work Product recognized by applicable law.

(e) Nothing contained in this Section 6.1 shall be construed as limiting or depriving Contractor of its right to use its basic knowledge and skill to design or carry out other projects or work for itself or others, regardless of whether such projects are similar to the work to be performed under this Agreement. Rights to Contractor's existing intellectual property developed, utilized or modified in the performance of the Services, but not developed initially as part of the Work Product, shall remain the property of Contractor. Contractor shall have the right to retain and use copies of drawings, documents and engineering or other data furnished or to be furnished by Contractor and the information contained therein subject to the confidentiality provisions of Article 7 hereof. Company shall not acquire any rights under this Agreement to any of Contractor's or any of its Subcontractors' proprietary computer software that may be used in connection with the Services.

6.2 Names. Contractor shall not use the Company's or any of the Company's affiliates' trade names, trademarks, logos or other designations for any reason without the Company's express prior written consent and in compliance with all Act 129 and associated PUC requirements.

ARTICLE 7 – Confidentiality; Non-Solicitation.

7.1 Non-Disclosure of Confidential Information.

(a) For purposes of this Agreement, "Confidential Information" shall mean information or material proprietary or otherwise confidential to Company (whether or not owned or developed by Company) and designated as Confidential Information by Company in writing at the time of disclosure. Confidential Information includes, but is not limited to, the following types of information and other information of a similar nature (whether or not reduced to writing): trade secrets, project plans, territory information, discoveries, ideas concepts, software in various stages of development, designs, drawings, specifications, algorithms, formulae,

techniques, models, data, source code, object code, documentation, diagrams, flow charts, research, development, processes, procedures, "know-how", marketing techniques and materials, marketing and development plans, customer names and other information related to customers, price lists, business plans, strategies, pricing policies, reports, environmental information, and financial information. Confidential Information does not include: (i) information generally available to the public at the time of or after disclosure (other than as a result of Contractor's violation of clause (c) below), or in Contractor's possession prior to disclosure hereunder; (ii) information independently developed by Contractor; or (iii) information required by law to be disclosed. If Contractor has been advised by counsel that it is legally obligated to disclose Confidential Information, it shall notify Company of the demand for information and shall provide reasonable cooperation to Company with respect to efforts to limit the disclosure of such Confidential Information.

(b) All Confidential Information shall belong exclusively to Company and Contractor agrees to turn over to Company or certify the destruction of all original documents and copies of such materials in the Contractor's control upon Company's request, provided that Contractor may maintain one archival copy of such information.

(c) Contractor agrees to hold in confidence and not directly or indirectly reveal, report, publish, use, copy, disclose, or transfer any of the Confidential Information to any person or entity, or utilize any of the Confidential Information for any purpose, except as may be necessary in the course of Contractor's performance of the Services. Contractor agrees to exercise diligent efforts to preserve the confidentiality of all Confidential Information. Contractor acknowledges that its nondisclosure obligations under this Section 7.1(c) apply equally to any documents prepared by Contractor, including notes, data, reference materials, sketches, drawings, information, memoranda, reports, recommendations, analyses, documentation, and records that in any way incorporate or reflect any of the Confidential Information. The restrictions of this Section 7.1(c) shall remain in effect for so long as the information continues to be Confidential Information.

(d) Because of the unique nature of the Confidential Information, Contractor agrees that Company will suffer irreparable harm in the event that Contractor fails to comply with any of its obligations hereunder and that monetary damages may be inadequate to compensate Company for such breach. Accordingly, Contractor agrees that Company will, in addition to any other remedies available to it at law or in equity, be entitled to injunctive relief to enforce the non-disclosure terms of this Section 7.1.

(e) It is understood and agreed that the disclosure by Company to Contractor of any Confidential Information is solely for Contractor's use performing Services under this Agreement and that such disclosure shall in no way provide Contractor any ownership rights or licenses under any U.S. and international patents or copyrights or other intellectual property rights in such Confidential Information, and nothing contained in this Agreement shall be construed as implying that Company has granted, or that Contractor has accepted, any such rights or licenses in connection with said Confidential Information.

(f) In the event that Company provides Contractor with access to any non-public personally identifiable information of Company employees or customers in connection with this Agreement, Contractor will comply with all Company procedures and practices for protecting the confidentiality, security and integrity of such personally identifiable information, as set forth in Exhibit C, which is attached hereto. 7.2 Non-Solicitation of Company Employees. Contractor acknowledges and understands the value of Company's employees and Company's interests in retaining its employees and that significant time and effort is expended in developing the talent, ability and "know-how" of Company's work force. Accordingly, Contractor promises that during the term of this Agreement, and for a period of one (1) year following the termination of this Agreement, Contractor will not induce or try to induce any employee of Company to leave Company or any of its affiliates to work for another person or company that does or may be expected to compete with Company or any of its parent, subsidiaries or affiliates or in any other way interfere with Company's business relations with any of Company's employees, including those employees of Company's affiliates.

ARTICLE 8 - Force Majeure.

8.1 Force Majeure Defined. For purposes of this Agreement, "Force Majeure" means any event or condition that prevents a Party from performing an obligation under this Agreement, is beyond the reasonable control of such Party, was not a result of such Party's fault or negligence, and could not, by the exercise of due diligence, have been prevented by such Party, including but not limited to:

- (a) acts of God, earthquakes, tremors, landslides, floods, hurricanes, lightning, tornadoes, or other natural phenomena or calamities;
- (b) civil disturbances, wars (declared or undeclared), hostilities, guerilla activities, terrorist acts, riots, insurrections, acts of sabotage or vandalism, blockades, embargoes, or epidemics; or
- (c) orders of any governmental authority, except for directives or requirements of the PUC pursuant to Act 129.

8.2 Excused Performance. A Party shall be excused from performance and shall not be considered to be in default with respect to any obligation hereunder, except the obligation to pay money in a timely manner for Services actually performed or other liabilities actually incurred, if and to the extent that its failure of, or delay in, performance is due to an event of Force Majeure, provided that:

(a) Written notice describing the Force Majeure event is given as soon as is reasonably practicable but in no event later than two (2) business days after the Party claiming that a Force Majeure event has occurred (i) first becomes aware of, or (ii) with the exercise of due care and diligence should have become aware of, the occurrence or commencement of such event;

(b) The suspension of performance is of no greater scope and of no longer duration than is reasonably required by the Force Majeure event and recovery therefrom;

(c) No obligations of the affected Party that arose before the occurrence causing the suspension of performance and remain unaffected by the Force Majeure event are excused as a result of the occurrence of the Force Majeure event;

(d) The affected Party uses reasonable efforts to overcome or mitigate the effects of the occurrence of the Force Majeure event;

(e) When the affected Party is able to resume performance of its obligations under this Agreement, such Party shall give the other Party written notice to that effect and shall promptly resume performance hereunder; and

(f) Company shall not be required to pay standby time caused by, or resulting from, a Force Majeure event.

ARTICLE 9 - Term of Agreement and Termination.

9.1 Term. This Agreement will commence on the Effective Date and will continue until May 31, 2016.

9.2 Termination.

(a) Either Party may terminate this Agreement for its convenience on thirty (30) days prior written notice to the other Party at any time that there are no outstanding Services to be performed as set forth in the Scope of Work.

(b) Company may at any time for its convenience terminate Contractor's performance of all or a portion of its Services under the Scope of Work, by giving thirty (30) days prior written notice to Contractor.

(i) Upon receipt of notice of termination of the Scope of Work for Company's convenience, Contractor shall (A) not place any further orders or place any contracts for services or goods or materials for the performance of the Services, (B) promptly take all practicable steps to bring to an end the performance of the Services under the terminated Scope of Work in an orderly manner and with all reasonable speed and economy, and (C) cause to be delivered to Company all Work Product not yet delivered, whether or not in completed form.

(ii) Contractor shall be entitled to payment for all Services performed prior to the date of termination, plus the reasonable costs of complying with Section 9.2(b)(i) that have been reasonably and properly incurred, provided that the sum of all payments made on account of the Services that have been terminated shall not exceed any fixed price or projected price applicable to such Services. Contractor's sole and exclusive remedy for such termination shall be the payment by Company of the amounts required to be paid pursuant to this Section 9.2(b)(ii).

(c) Company may terminate this Agreement and/or the Scope of Work for cause if (i) Company determines that Contractor has failed to perform its duties hereunder and has failed to cure such default within ten (10) days after receipt of written notice of such failure; (ii) Contractor becomes insolvent or bankrupt; or (iii) Contractor or any Contractor Party commits a breach of Section 3.2 or Article 7 of this Agreement. Upon receipt of notice of termination of this Agreement or the Scope of Work for Contractor's default, Contractor shall have the obligations set forth in Section 9.2(b)(i). Contractor shall be entitled to payment for all for Services properly performed prior to the date of termination but for no further amounts.

(d) Contractor may terminate this Agreement and/or the Scope of Work in the event that Company has failed to pay any amount due under this Agreement and has not cured such failure to pay within thirty (30) days following receipt of written notice of such default. Termination of this Agreement under this Section 9.2(d) shall be without prejudice to Contractor's remedies against Company for such default, subject to the limitations in Article 10 of this Agreement.

(e) Company may terminate this Agreement and/or the Scope of Work upon written notice from the PUC that the Services being performed by Contractor are no longer required or if the PUC terminates such Services, with or without cause.

(f) Notwithstanding the other termination clauses set forth in Article 9 of this Agreement, and as set forth in Section 1.6(b), if Contractor merges with a Pennsylvania electric distribution company during the term of this Agreement, then Contractor shall provide immediate written notice of such merger to Company and this Agreement shall automatically terminate upon the effective date of the merger.

9.3 Suspension. Company may at any time for any reason at Company's sole discretion suspend the performance of any part of the Services.

9.4 Survival. The Parties agree that the provisions of Sections 2.2, 2.3, 3.3, 3.7, 9.2 and Articles 4, 5, 6 7, 10, 12, and 13 shall survive termination or expiration of the Scope of Work and this Agreement.

ARTICLE 10 - Disclaimer of Consequential Damages.

NOTWITHSTANDING ANY OTHER PROVISION TO THE CONTRARY IN THIS AGREEMENT OR THE SCOPE OF WORK, NEITHER COMPANY NOR CONTRACTOR SHALL BE LIABLE TO THE OTHER PARTY, WHETHER BASED ON CONTRACT, TORT, NEGLIGENCE, STRICT LIABILITY, WARRANTY, ERROR AND OMISSION, OR ANY OTHER CAUSE WHATSOEVER, FOR ANY CONSEQUENTIAL, SPECIAL, INCIDENTAL, INDIRECT, PUNITIVE, OR EXEMPLARY DAMAGES OR FOR LOSS OF PROFITS OR REVENUE, LOSS OF OPPORTUNITY, OR LOSS OF USE.

ARTICLE 11 - Assignment.

Neither Party shall have the right to assign this Agreement or any rights hereunder, in whole or part, without the prior written consent of the other Party; provided, however, that without the prior consent of Contractor, Company shall have the right to assign this Contract to an affiliate of Company. Any assignment made in violation of the terms of this Agreement shall be void. Further, Company shall have the right to assign this Agreement and the performance of Services by Contractor if required by the PUC pursuant to its rights and obligations set forth in Act 129.

ARTICLE 12 – Governing Law.

12.1 Governing Law. This Agreement and the respective rights and obligations of the Parties hereto shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania, without regard to its conflicts of laws provisions.

12.2 Forum; Jury Waiver. Contractor will bring any legal action or proceeding arising out of or relating to this Agreement in federal courts in the Eastern District of Pennsylvania or in the state courts in Lehigh County, Pennsylvania. Contractor consents to the exclusive jurisdiction of such courts for the purpose of all legal actions and proceedings arising out of or relating to this Agreement. Each Party waives, to the fullest extent permitted by law, any objection that it may now or later have to the laying of venue as provided in this Article 12 and any claim that any action or proceeding brought in any such court has been brought in an inconvenient forum. EACH PARTY, TO THE EXTENT PERMITTED BY LAW, KNOWINGLY, VOLUNTARILY, AND INTENTIONALLY WAIVES ITS RIGHT TO A TRIAL BY JURY IN ANY ACTION OR OTHER LEGAL PROCEEDING ARISING OUT OF

OR RELATING TO THIS AGREEMENT. THIS WAIVER APPLIES TO ANY ACTION OR LEGAL PROCEEDING, WHETHER IN CONTRACT, TORT OR OTHERWISE.

ARTICLE 13 – Miscellaneous.

13.1 Notices. Each notice, request, demand, statement, or other communication allowed or required by this Agreement shall be in writing and shall be considered as delivered when received by the other Party by certified U.S. mail, reputable overnight courier, or facsimile addressed to the other Party at its address indicated below or at such other address as a Party may provide in a written notice to the other Party, provided that in the case of facsimile communication, the recipient shall confirm by return facsimile upon receipt:

If to Company: PPL Electric Utilities Corporation
Two North Ninth Street
Allentown, PA 18101
Attention:
Telephone:
Facsimile:

Invoices only: PPL EINV
PO Box 25223
Lehigh Valley, PA 18002-5223
Attention: _____

If to Contractor: JACO Environmental, Inc
18323 Bothell-Everett Highway
Suite 220
Bothell, Washington 98012
Attention: Mike Jacobsen, Controller
Telephone: 425-231-1412
Facsimile: 425-398-6204

13.2 Successors and Assigns. Contractor may not assign, convey, or transfer this Agreement, or any part thereof, or delegate its duties hereunder, without the Company's prior written consent. This Agreement shall be binding upon and shall inure to the benefit of the Parties hereto and their successors and permitted assigns.

13.3 Headings. The headings of the Articles and Sections contained in this Agreement are inserted for convenience only and shall not affect the meaning or interpretation of this Agreement or any provision hereof.

13.4 Severability. If any provision of this Agreement is held to be invalid or unenforceable, then to the extent that such invalidity or unenforceability does not deprive either Party of any material benefit intended to be provided by this Agreement, the remaining

provisions of this Agreement shall remain in full force and effect and shall be binding upon the Parties hereto.

13.5 Amendments and Waiver. No change, amendment, or modification of this Agreement or any Scope of Work shall be valid or binding upon the Parties unless in writing and duly executed by both Parties. No delay or omission in the exercise of any right under this Agreement shall impair any such right or be taken, construed, or considered as a waiver or relinquishment thereof, but any such right may be exercised from time to time and as often as may be deemed expedient. In the event that any provision hereof is breached and thereafter waived, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereof. The rights and remedies provided by this Agreement shall be in addition to those rights and remedies available in both law and equity.

13.6 Entire Agreement. This Agreement and the exhibits hereto embody the entire agreement and understanding of the Parties with respect to the subject matter hereof and supersede all prior and contemporaneous agreements and understandings, oral or written, relating to said subject matter.

13.7 Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original and all of which shall together constitute one and the same agreement.

13.8 Professional Services and Privacy Requirements. Contractor and its employee(s), agents, and Subcontractors shall perform the Services set forth in this Agreement with strict adherence to the highest ethical standards and the conduct of the Services in the highest professional manner with regard to the privacy and rights of all third parties, including but not limited to the PUC and any customers of the Company for which Services are being performed pursuant to this Agreement.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their duly authorized officers as of the date first written above.

**PPL ELECTRIC UTILITIES
CORPORATION**

By: _____

Name: Gregory N. Dooker

Title: President PPL EU

Date: 10/26/12

JACO Environmental, Inc

By: _____

Name: Mike Jacobsen

Title: Controller

Date: 10/25/12

EXHIBIT A

SCOPE OF WORK

Pursuant to Pennsylvania Act 129 Services Agreement dated October 27, 2012

This Scope of Work is governed by the terms and conditions set forth in the Pennsylvania Act 129 Services Agreement dated ____ October 27, 2012_ (the "Agreement"). In the event of a conflict or inconsistency between the Agreement and the Scope of Work, the Agreement shall take precedence.

Contractor: JACO Environmental, Inc.

Contract No.: TBD

Scope of Work Account No.: _____

Attachments to this Scope of Work include:

Schedule A: Scope of Work

Schedule B: Performance Schedule

Schedule C: Management Scope

Schedule D: Contractor's Key Personnel

Schedule E: Company's Key Personnel

Company's Representative: Joseph J. Mezlo

Contractor's Representative: Sam Sirkin, Sr. PM

Execution Date: October 27, 2012

Commencement Date: June 1, 2013

End Date: May 31, 2016

Additional Instructions:

EXHIBIT A

SCOPE OF WORK (cont'd.)

Oct 27, 2012

Pursuant to Pennsylvania Act 129 Services Agreement dated ~~2009~~

Signed:

PPL ELECTRIC UTILITIES
CORPORATION

By: 

Name: Gregory N Dvorsky

Title: President PPL EU

Date: 10/26/12

Signed:

JACO Environmental, Inc.

By: 

Name: TERRY JACOBSEN

Title: President

Date: 10/27/12

EXHIBIT B

PERFORMANCE-BASED COMPENSATION SCHEDULE

2013 RATES (Rates are valid through 2016.)

Pricing redacted

EXHIBIT C

PERSONAL INFORMATION, DATA PROTECTION AND SECURITY

1. Personal Information. The parties acknowledge that in performing its obligations hereunder, Contractor may obtain or have access to, or otherwise store, process or transmit, certain personally identifiable information of Company, its employees, other personnel, agents, officers, directors, contractors, customers, potential and prospective customers, suppliers, and/or other persons, which information may include without limitation name, address, other contact information, driver's license or non-driver identification card number, date of birth, salary information or other human resources records and information, or other information or data that can be used for identity theft (including that which is not personally identifiable). Notwithstanding anything to the contrary, all Personal Information is and shall remain the sole and exclusive property of Company, and shall be deemed Company's Confidential Information regardless of whether it is marked as such. Additionally, any account passwords issued to Contractor or its agents for purposes of accessing Company's systems shall be protected as if they were Personal Information for all purposes.

2. Applicable Privacy and Data Security Laws. For purposes of this Exhibit C, "Applicable Privacy and Data Security Laws" shall mean: (a) all privacy, security, data protection, direct marketing, consumer protection and workplace privacy laws, rules and regulations of any applicable jurisdiction (including, without limitation, the U.S., each state of the U.S. [insert other jurisdictions where data subjects reside]), and all then-current industry standards, guidelines and practices with respect to privacy, security, data protection, direct marketing, consumer protection and workplace privacy, including the collection, processing, storage, protection and disclosure of Personal Information, (b) the applicable data security and privacy policies of Contractor, and (c) the applicable data security and privacy policies of Company that are either published on Company's web site(s) or otherwise provided by Company to Contractor.

3. Limited Use. Contractor agrees that (i) at all times during the term of this Agreement and thereafter, it will comply with all applicable privacy and data security laws in relation to Personal Information, (ii) Personal Information will not be utilized by Contractor, its contractors or agents for any purpose other than for the purpose of rendering the applicable services to Company under the Agreement (and not, for example and without limitation, to otherwise market to or contact such individuals) and shall be accessible by Contractor's personnel on a need-to-know basis only, and (iii) Contractor shall treat all Personal Information as Confidential Information subject to Contractor's other obligations pursuant to the Agreement. Contractor shall not collect any Personal Information from or about individuals except that which is actively and knowingly provided by such individuals or provided by Company to Contractor.

4. Security Measures. Without limiting Contractor's other obligations under this Exhibit C, Contractor shall, and shall contractually require and cause its contractors and agents to implement and maintain a comprehensive written data security policy and reasonable security practices and procedures appropriate to the nature of the Personal Information, which policies,

practices and procedures shall (i) comply with all applicable privacy and data security laws and (ii) protect against any anticipated or actual threats or hazards to the security or integrity of Personal Information, and from the loss of Personal Information. Company reserves the right to review, upon request, the Contractor policies, procedures and practices used to maintain the privacy, security and confidentiality of Personal Information. Without limitation of the above, Contractor shall (and shall contractually require and cause its contractors and agents to): (a) proactively monitor reporting services for known security vulnerabilities and rectify any such vulnerabilities present in Contractor's systems, (b) engage qualified, independent and reliable third parties to regularly (at least once per year) audit and validate the applicable security measures in place, (c) encrypt Personal Information consisting of driver's license or non-driver identification card number, and any other information that can be used for identity theft (including that which is not personally identifiable) with industry standard encryption levels at all times while in transit over a public network or stored on a laptop or portable storage media, (d) prohibit employees, other personnel and agents from bringing, transporting or transmitting Personal Information to their homes, personal computers, e-mail accounts, devices or media, (e) change default security settings (such as default passwords) and promptly install all security updates and patches made available by the vendors of any of the third party products used in connection with the collection, processing, storage or distribution of Personal Information, and (f) adopt up-to-date and leading edge technologies in consultation with, or otherwise at the request of, Company for the safe, secure and accurate collection, processing, storage, and distribution of Personal Information.

5. Requests for Personal Information. If Contractor should receive any legal request or process in any form seeking disclosure of, or if Contractor should be advised by counsel of any obligation to disclose, Personal Information, Contractor shall (to the maximum extent allowed by applicable law) provide Company with prompt prior notice of such request or advice so that Company may seek a protective order or pursue other appropriate remedies to protect the confidentiality of such information. Contractor agrees to furnish only that portion of the information which is legally required to be furnished and, in consultation with Company, to use all reasonable efforts to assure that the information is maintained in confidence by the party to whom it is furnished.

6. Notification of Security Breach and Incident Response. Without limitation of the foregoing, Contractor shall advise Company immediately in the event that it learns or has reason to believe that there has been unauthorized access to or use of, or any security breach relating to or affecting, Personal Information, or that any person who has had access to Personal Information has violated or intends to violate the terms of this Agreement, and Contractor shall, at its own expense (if such incident affected Personal Information that had been under the responsibility of Contractor or its employee, other personnel, agent or contractor), cooperate with Company in investigating and responding to the foregoing, notifying customers or other affected individuals as required by law, and seeking injunctive or other equitable relief against any such person or persons who have violated or attempted to violate the security of Personal Information. In the event that applicable law requires that Company's customers or other affected persons be notified of a security incident involving Personal Information, Company shall have the discretion of determining whether such notice shall come from Company or Contractor. In any event, the

content, timing and other details of such notice shall be subject to Company's approval, in Company's sole discretion. If such incident affected Personal Information that had been under the responsibility of Contractor or its employee, other personnel, agent or contractor, Contractor shall be responsible for reimbursing Company for the costs of such notifications and of fielding feedback and questions from those notified, and any other associated costs that Company may incur in connection with responding to or managing the breach of the security of Personal Information, for example, without limitation, costs of print shop services, postage, obtaining contact information for affected individuals, credit monitoring services, call center services and forensics services, fines imposed by credit card associations, merchant banks or financial account institutions, and costs passed on by individual card companies, banks and other financial institutions, such as the costs of issuing replacement cards, fraud liability, chargebacks, compromise fees and other remediation costs. The remedies set forth herein shall be in addition to any other remedies available to Company at law or in equity, including but not limited to Contractor's indemnification obligations set forth in Section 8 below.

7. Disposal. As soon as possible after any Personal Information (or a portion thereof) is no longer needed by Contractor to fulfill its obligations hereunder, and in any event upon termination of this Agreement or the applicable SOW, as applicable, for any reason: (a) such Personal Information in Contractor's or its agent's or contractor's possession or control shall be returned to Company by Contractor, or at Company's request destroyed (including without limitation, with respect to any hard copy, cross-shredded), (b) all electronic copies of the Personal Information in Contractor's or its agent's or contractor's possession or control shall be deleted in a manner that makes the Personal Information non-readable and non-retrievable, and (c) Contractor will certify to Company, in writing, that Contractor has complied with its obligations under this Section 7. Upon disposal under any circumstances, unencrypted personal identifying information contained in print or electronic media is required to be shredded, destroyed, or modified so that it is unreadable.

8. Indemnification. Without limitation of the indemnification obligations set forth in the Agreement, Contractor hereby agrees to indemnify, defend and hold harmless Company, its affiliates, officers, directors, employees and agents, from and against any and all third party claims, including any liabilities, obligations, losses, damages, costs, fees, penalties, fines, settlements, charges or other expenses of any kind (including, but not limited to, reasonable attorneys' fees and legal costs) arising from any third party claims (collectively, "Claims"), including without limitation actions by the Federal Trade Commission and/or attorneys general and private Claims, where such Claims arise out of a Security Event (as defined below). For purposes of this Section 8, a "Security Event" is an event where Personal Information (including but not limited to cardholder data, with or without name or other personally identifiable information) that was under Contractor's or its agent's or contractor's responsibility is accessed or received by an individual or entity who is not authorized to access or receive such information. Company expressly reserves the sole right, at Company's option, to control the defense and/or settlement of any such Claim and, in such event, in addition to Contractor's other obligations in this Section 8, Contractor agrees to assist Company, at Contractor's expense, in the defense of any such Claim.

Schedule A: Services to be Provided

JACO Environmental, Inc. (hereafter "JACO") will provide a turnkey refrigerator, freezer and room air conditioner recycling program (hereafter the "Program") for PPL Electric Utilities Corporation's (hereafter PPL Electric Utilities) primarily for residential customers but will accept units from all customer sectors. Refrigerator/freezers and air conditioners will be picked up at residential customers homes. Room air conditioners may be picked up at residential customers' homes and at small commercial customer's place of business in conjunction with the pickup of a refrigerator or freezer. Room air conditioners may also be collected at turn-in events. JACO will participate in these events by collecting from the site and properly recycling, room air conditioners turned in at those events.

The objectives of this Program include:

- Encourage customers to dispose of their existing, inefficient refrigerators, freezers, and room air-conditioning units.
- Reduce the use of secondary, inefficient refrigerators, freezers, and air-conditioning units.
- Ensure appliances are disposed of in an environmentally responsible manner.
- Enhance relationships with "big box" stores and independent retailers to encourage participation in the "buy new and recycle" component.
- On-site decommissioning to ensure appliances are not able to be resold in a secondary market.
- Promote other PPL Electric energy-efficiency programs through distribution of PPL Electric Utilities marketing materials during pick up events and outreach activities.
- Collect and recycle an appropriate number of appliances to obtain a total 3 year reduction of 33,500 verified gross MWh/yr savings goal.

Marketing and Advertising

JACO along with marketing subcontractor, Runyon Saltzman and Einhorn, shall develop a marketing plan for review and approval by PPL Electric Utilities to ensure the goals of the Program are met.

The marketing and advertising tasks for the Program include, but are not necessarily limited to the following:

- Develop an overarching marketing plan using a multimedia approach. Submit the plan to PPL Electric Utilities on or before February 4, 2013.
- Develop "take-one" tear pads and other promotional materials that outline the Program's features, benefits, eligibility requirements, and financial incentives.

- Provide, for review and approval by PPL Electric Utilities, a detailed list of refrigerators, freezers and room air conditioners attributes that meet the recycling requirements for this program.
- In conjunction with PPL Electric Utilities staff, identify and recruit appliance retailers and other marketing channels.
- Distribute program materials to appliance retailers and to other marketing channels and customers in a timely manner.
- Enhance relationships with big box and independent retail stores to encourage participation in the “buy new and recycle” program.
- Note: PPL Electric Utilities intends to provide bill inserts, limited newspaper advertising, links or a dedicated page on www.pplelectric.com, or other marketing resources to assist JACO’s marketing plan. PPL marketing channels, especially bill inserts, will be scheduled when possible on timetable recommended by JACO and JACO’s program marketing budget may bear reasonable costs (including paper and printing by PPL) associated with these placements.

Room Air Conditioning turn in events: PPL Electric Utilities may choose to sponsor turn in events with community partners. If such events take place, JACO agrees to:

- Work in collaboration with PPL Electric Utilities to design materials to advertise such events.
- Collect window air conditioner(s) units and properly recycle them.
- Provide the customers with rebate application.
- To JACO’s best ability, verify the person turning in an air conditioner is a customer either by asking to see a copy of the customer’s bill or a customer driver’s license.
- Process mail in rebate forms and mail rebate checks to customers within four (4) weeks of each event.

Provide cost-estimates for delivering the services associated with the events. Quoted costs estimates will include collection activity costs as a flat fee (rather than on a per-unit basis). PPL Electric Utilities will review each proposal on a case by case basis.

CP&S Communications is responsible for creative and placement of all overarching mass media awareness advertising, negotiating costs for all mass media advertising for the overarching mass media campaign, all news releases and customer communications through PPL EU channels (Connect, email blasts, bill statement messaging), coordinating and approving market segmentation requests (in conjunction with Market Research), and collaborating with Conservation Service Providers (CSP) on marketing and advertising plans.

Contractors with their own advertising and marketing functions will meet the following expectations:

- CP&S Communications will coordinate and have final approval over all media and marketing plans to ensure that the timing of such plans is optimal to the entire Act 129 effort and that the scheduling of all media is timed appropriately with other company communications and operational activities.
- JACO will meet with CP&S Communications and the Advertising/Marketing CSP for initial development of marketing/advertising media plans and creative approaches.

Subsequent meetings to be held as needed when significant changes are proposed to media plans and creative approaches.

- CP&S Communications will review and approve all proposed media plans (including media buys) and marketing materials. Jaco should plan for a two-week review process in their production timeline. CPS Communications will have two weeks to review materials but will make all attempts to complete the review sooner if possible.
- The Advertising CSP is available to JACO for media placement services to get improved volume buying when appropriate.
- CP&S Communications will review and approve all requests for co-operative advertising (whether part of a program or a 'one-off' request from a trade ally) and ensure any placements are consistent with a co-operative advertising program (if implemented).
- JACOs will seek review and approval for all market research plans from CP&S Marketing Research conducted for Act 129 efforts. JACO has the option to work directly with CP&S Marketing Research for portions of the necessary work. CP&S Marketing Research will have two weeks for review and approval of market research plans, but will make all attempts to complete the review sooner if possible.

Operations

JACO will be responsible for all day-to-day operations of the Program. This includes but is not limited to the following:

Call Center:

- Provide customer service to program participants and potential participants. This includes a toll-free contact number, web order placement, integrated voice response/voicemail, live operators, and other means for participants and potential participants to contact JACO with questions about the program, rebate status, problems, etc.
- The toll-free contact number, with Call Center operators identifying the program as the PPL Electric Utilities E-power Appliance Recycling program, needs to be available to take calls by 6/01/2013.
- The Call Center will operate Monday through Friday 8 AM EST - 9 PM EST and Saturday 10 AM EST - 6 PM EST.
- Provide Call Center operators who are able to facilitate calls in English and Spanish and to arrange for calls in other languages to be facilitated via a language line.
- Offer a voicemail complete menu of option with selections in both English and Spanish.
- Develop scripted dialogues to use in pre-qualifying customers. The scripts will be reviewed with PPL Electric Utilities having final approval before use. If scripts need adjustment at any time during the life of the Program, JACO will adjust scripts accordingly and submit to PPL Electric Utilities for review and approval.
- Ensure that sufficient supervisory staff is available during operation hours to handle any customer complaints.

- Maintain a grade of service of 80 percent of the calls from PPL EU customers answered within 20 seconds.
- Provide a monthly report on Call Center activity including volume of calls and grade of service.

Call Center operators will:

- Verify that the caller is a customer; verify appliance eligibility, based upon the approved list of appliances. (e.g., cubic foot size requirements, operating condition), and answer questions about the program.
- Schedule a specific pickup date within 14 calendar days of the call, unless the customer requests a further out date.
- Call customer back with a specific (i.e., four hour) time window to reconfirm pick up no less than two (2) days before the collection appointment.

Scheduling

JACO will:

- Schedule and execute appliance collection, ensuring that customers are offered options for Saturday and weekday collection.
- Ensure pick-ups are within time frame committed to by JACO.
- Oversee route planning to optimize travel expenses.
- Verify that all appliances are in working order and disabled in the collection truck before leaving the customer service address.
- Transport appliances to recycling facility.
- Oversee recycling of all possible components and appropriately dispose of remaining materials.
- Track appliances through the entire process.
- Mail rebate checks to customers within four (4) weeks of picking up an appliance.

Provide access to current program data with summaries through password-protected dashboard; provide monthly quarterly and annual reports to PPL Electric Utilities.

Room Air Conditioner turn in events:

PPL Electric Utilities may choose to sponsor air conditioning turn in events. If such events are planned, JACO will:

- Oversee recycling of all possible components of the turned in air conditioners and appropriately disposal of remaining materials.
- Track air conditioners through the entire process.
- Provide on-site rebate for an Energy Star® replacement air conditioner.
- Provide event specific report within 30 days following an event.

PPL Electric Utilities will provide the following:

- Funding for program implementation, incentives and marketing for each event.

Coordination with Multifamily Master Metered Housing Efficiency CSP for Appliance Recycling

PPL Electric Utilities will offer a Multifamily Master Metered Housing Efficiency Program in Act 129, Phase Two. Eligible residential units are those contained in a building with five or more residential units of efficiency sizing or larger. Anticipated engagement includes 88 buildings and 6,400 units in the low-income master metered multifamily building sector. JACO shall be responsible for collaborating with the Multifamily Master Metered Housing Efficiency CSP for PPL Electric Utilities in order to recycle refrigerators, freezers and room air conditioners to be replaced through the Multifamily Master Metered Housing Efficiency Program. This task includes, but is not limited to the following action items. This information will be expanded upon and customized based on input from JACO and Multifamily CSP:

- Coordinate with the PPL Electric Utilities' Multifamily Master Metered Housing Efficiency Program CSP, with anticipated program recycling needs of as many as 6500 refrigerators, 27 freezers and 600 room air conditioning units.
- Ensure that standby times between the removal and takeaway of recycled refrigerators, freezers and room air conditioning units are reasonable.
- Coordinate all relevant interaction with Multifamily Master Metered Housing Efficiency CSP to ensure optimal customer service and satisfaction.
- Coordinate with the Multifamily Master Metered Housing Efficiency CSP to provide any and all required documentation necessary to complete customer rebates.

All marketing and advertising expenses are the responsibility of the Multifamily CSP, JACO's cost should include implementation and incentive costs only. All savings associated with recycled units from participating Multifamily Master Metered customers will be applied toward the Multifamily Master Metered Housing Efficiency Program.

Recycling Facility

Providing economic development within PPL Electric Utilities is of importance to the Company. To that end, it is expected that JACO will continue to operate the current recycling facility within PPL Electric Utilities territory for the Act 129 Phase II Program, and JACO will ensure all necessary permits are in place by program date.

Collection and Transportation of Appliances

JACO will collect appliance(s) from customers' homes and small business locations and transport the appliance(s) as well as collect and transport room air conditioners from turn in events to a recycling facility established by JACO. Related activities include, but are not limited to the following:

- Hire, screen, and train drivers and collection staff. JACO is responsible to perform criminal and other background checks for all of its employees and subcontractors who will enter a customer's premises or otherwise have personal contact with PPL Electric Utilities' customers.

- Ensure all personnel have photo identification provided by JACO.
- Provide well-maintained, insured collection vehicles, tools, and equipment necessary for safe and efficient removal and transportation of appliance(s).
- Remove appliance(s) from customer's home. To the greatest extent possible, protect customer's walls, floors, doors, furniture, etc. from damage during removal of appliance(s).
- Remove appliances from small business locations. To the greatest extent possible, protect customer's walls, floors, doors, furniture, etc. from damage during removal of room air conditioner(s).
- If requested by PPL Electric Utilities, provide customer with brochures, prepared by PPL Electric Utilities, about other energy efficiency programs or opportunities.
- Disable the appliance before transporting.
- Record the quantity and type of appliances collected.
- Secure customer acknowledgement of collection.
- Transport appliances to JACO's processing and recycling facility.
- Enter customer information, pick-up, appliance, and other information into a tracking database.

Recycling and Disposal

JACO shall completely, safely, and legally recycle all possible appliance components. PPL Electric Utilities requires all appliances be recycled in a manner that maximizes the amount of material that is reclaimed and reused. Recycling and disposal activities include, but are not necessarily limited to, the following:

- Ensure the recycling facility is in compliance with all federal, state and local hazardous-waste management and recycling regulations, including the federal Clean Air Act and Health and Safety Code (HSC).
- Recover reclaim, and/or destroy all chlorofluorocarbon (CFC), hydro chlorofluorocarbon (HFC-134a), and other non-CFC refrigerants in compliance with all applicable hazardous-waste regulations. Facilities with independent certification of 95% CFC/HFC capture are preferred.
- Recover and destroy all CFC-11 and HCFC 141b blowing agents in the polyurethane foam insulation of the refrigerators and freezers in a manner that complies with all applicable hazardous-waste regulations. Facilities with independent certification of 95% CFC/HCFC capture are preferred.
- Remove, label, and store, in compliance with all applicable regulations, all materials requiring special handling, such as capacitors containing polychlorinated biphenyls (PCBs), mercury-containing switches, and used oils prior to shipment to licensed facilities for disposal or recycling.
- Recycle all glass, metals and plastics
- Process foam to remove blowing agents and recycle it or deliver foam to waste-to-energy or hazmat facilities for high temperature incineration, which destroys the CFC-11 or HCFC-141b.

- Properly dispose of any remaining materials that cannot be recycled, reclaimed or reused and which do not require special handling under hazardous waste regulations.
- Maintain documentation to verify appliances were recycled and disposed of properly.

Recycling processes must also meet the requirements for the EPA's RAD program.

Program Quality Assurance, Verification, Evaluation, Reporting

JACO will keep PPL Electric Utilities informed of the Program's progress. Communication is expected to include informal (i.e., phone calls and e-mails) and formal reporting. JACO is responsible for maintaining adequate quality assurance, auditing, and verification to ensure information, tracking, payment, customer privacy, and other processes are conducted in accordance with the Program's and other legal requirements. Activities include, but are not limited to, the following:

- Maintain a database to store and track interactions with the customers, as well as detailed information regarding the appliances collected.
- In concert with PPL Electric Utilities, develop an interface with PPL Electric Utilities customer information systems, PPL Electric Utilities Act 129 Measurement Evaluation and Verification Conservation Service Provider system, and other systems to track customer participation.
- PPL Electric Utilities requires that JACO transfer (at a minimum, monthly) customer data to PPL Electric Utilities Energy Efficiency Management Information System (EEMIS). The format and content of the customer data needed will be mutually agreed to by PPL Electric Utilities and JACO. JACO is required to collect the following data (at minimum) for each recycled device:
 - Separately track the measure type:
 - Refrigerator recycled, not replaced
 - Refrigerator recycled, replaced with EnergyStar
 - Refrigerator recycled, replaced with non EnergyStar
 - Freezer recycled, not replaced
 - Freezer recycled, replaced with EnergyStar
 - Freezer recycled, replaced with non EnergyStar
 - Room A/C recycled
 - Refrigerator, freezer, or A/C unit recycled through Multifamily program
 - Manufacturer, model number, age (date of manufacture if known, estimate if not known), size (cu foot for refrigerator/freezer; BTU/hr cooling capacity for A/C);EER of A/C
 - Building type where device was located (single family residence, multi-family residence, office, warehouse, school, etc.)
 - Room type where device was located (kitchen, basement, garage, recreation/family room, office, lunch room, break room, etc.)

- Submit monthly, quarterly, or annual reports (as noted below) summarizing Program activities and results, including data from invoices and the following:
 - Number of customers and units collected and/or rejected and recycled (monthly).
 - Status of Program compared with projections and a variance report that explains the reasons for major deviations (quarterly).
 - Forecast of number of customers and appliances, by month, to the end of the contract (quarterly).
 - Financial summary including number of rebates processed, in process, rejected, etc (monthly).
 - Unit information, e.g., refrigerator or stand alone freezer, age, size, defrost type, air conditioner, (monthly)
 - Deemed energy savings (monthly).
 - Estimated environmental benefits of the Program, e.g., estimated pounds of CFCs/HCFCs/HFCs, PCBs, mercury, oil, and metals removed for disposal or recycling (annually).
 - List of all customer complaints or disputes, their status, and how they were resolved. Customer's name and account number must be included on the list (monthly).
- Submit annual reports summarizing accumulated monthly Program activities, results, and trends. The report must include a narrative discussion as well as detailed electronic database information.
- Cooperate with PPL Electric Utilities' EM&V, PPL Electric Utilities' Program Evaluation CSP, and/or the PA Statewide Evaluator (SWE) regarding audits of completed projects and/or requests for specific data required to verify energy savings.

Invoicing

JACO is expected to reach the program goals set forth in Exhibit B, Schedule 2: Program Goals, verified kWh/year. JACO will bill monthly on a per unit basis based on the actual number of units recycled. JACO will provide a separate bill monthly for the rebate and recycling expenses associate with the Multifamily Master Metered Efficiency Program. Quarterly, PPL Electric Utilities and JACO will review progress on the Program to ensure that annual set targets are met.

JACO will:

- Submit monthly invoices within 10 (ten) business days of the end of the previous calendar month, documenting services provided, such as:
 - Customer name, address, a PPL Electric Utilities account number.
 - Number of appliances collected or rejected, by zip code
 - Documentation that appliances met Program criteria (e.g., size, age, working order).
 - Number and type of Appliances recycled.
 - Number and type of Appliances recycled through the Multifamily Master Metered Housing Efficiency Program.

- For refrigerators/freezers, appliance model/style (e.g., single-door, top freezers, side-by-side, and bottom freezer refrigerators, upright and chest freezers), defrost type, presence of icemaker, capacity (in cubic feet), estimated vintage, amperage/BTU's, and location in the facility from which it was removed.
- For room air conditioner(s), model number, size, number turned in by each customer.
- Date, status and amount of incentive payments made to customers.

Failure To Meet Targets Consequences

PPL Electric Utilities is required to meet set targets for energy reduction as part of Act 129. Those targets are outlined below in Schedule B, "Program Goals, verified gross kWh/year" of this contract. JACO is responsible for meeting those set kWh goals for each year of this program.

Each monthly invoice shall include 5% retention of the implementation costs that will be withheld from payment until approximately one month after the end of each program year on May 31. If JACO does not achieve its yearly kWh targets for the overall program, the 5% retention will be forfeited. If JACO achieves its yearly kWh targets, JACO shall issue an invoice to release the total retention for that program year and PPL Electric Utilities will pay the retention invoice within 30 days.

Schedule B: Program Goals, Verified KWh/year

Scenario:	Base Case (\$35 incentive, \$25 mktg)			Total	Notes and Comments
	PY 5 (6/2013 5/2014)	PY 6 (6/2014 5/2015)	PY 7 (6/2015 5/2016)		
Residential Elec Svc Accts	1,200,000	1,200,000	1,200,000		per 2009 RFP; assumed static
Key Parameters					
REF + FRZ AHR	1.3635%	1.3635%	1.3635%		design assumption
REF / [REF + FRZ] mix	80%	80%	80%		dashboard review of 6/2011 - 5/2012 year; rounded value
REF + FRZ : RAC ratio	10	10	10		dashboard review of 6/2011 - 5/2012 year; rounded value
REF measure mix					
REF units not replaced	10%	10%	10%		SWE document from 8/2012
REF units replaced with E*	45%	45%	45%		assume 50/50 mix of E*/non-E* for replaced units
REF units replaced with non-E*	45%	45%	45%		assume 50/50 mix of E*/non-E* for replaced units
Total	100%	100%	100%		calculated
FRZ measure mix					
FRZ units not replaced	40%	40%	40%		SWE document from 8/2012
FRZ units replaced with E*	30%	30%	30%		assume 50/50 mix of E*/non-E* for replaced units
FRZ units replaced with non-E*	30%	30%	30%		assume 50/50 mix of E*/non-E* for replaced units
Total	100%	100%	100%		calculated
Annual Unit Volumes					
REF units not replaced	1,309	1,309	1,309		calculated
REF units replaced with E*	5,890	5,890	5,890		calculated
REF units replaced with non-E*	5,890	5,890	5,890		calculated
FRZ units not replaced	1,309	1,309	1,309		calculated
FRZ units replaced with E*	982	982	982		calculated
FRZ units replaced with non-E*	982	982	982		calculated
RAC's	1,636	1,636	1,636		calculated
Subtotal - REF + FRZ units	16,362	16,362	16,362		calculated
Deemed Savings Values: Gross Ann kWh/Unit					
REF units not replaced	938	938	938		SWE document from 8/2012
REF units replaced with E*	575	575	575		SWE document from 8/2012
REF units replaced with non-E*	470	470	470		SWE document from 8/2012
FRZ units not replaced	1,170	1,170	1,170		SWE document from 8/2012
FRZ units replaced with E*	920	920	920		SWE document from 8/2012
FRZ units replaced with non-E*	868	868	868		SWE document from 8/2012
RAC's	305	305	305		Maureen Fenerty, 8/16/2012
Total Gross Ann kWh Savings					
REF units not replaced	1,227,842	1,227,842	1,227,842		calculated
REF units replaced with E*	3,386,750	3,386,750	3,386,750		calculated
REF units replaced with non-E*	2,768,300	2,768,300	2,768,300		calculated
FRZ units not replaced	1,531,530	1,531,530	1,531,530		calculated
FRZ units replaced with E*	903,440	903,440	903,440		calculated
FRZ units replaced with non-E*	852,376	852,376	852,376		calculated
RAC's	498,980	498,980	498,980		calculated
Total	11,169,218	11,169,218	11,169,218	33,507,654	calculated
note: excludes Room Air Conditioners units from turn-in events					

Schedule C: Management Scope

Details of management of the project are included in Services to be Provided.

Schedule D: Contractor's Key Personnel

Contractor Representative:

Sam Sirkin
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Courtney Pascual, Managing Supervisor Runyon Saltzman & Einhorn
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Keith Yancek, Hatfield Facility Manager
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Schedule E: Company's Key Personnel

Mr. Gregory N. Dudkin, President
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Mr. Robert M. Geneczko, Vice President Customer Services
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Mr. Thomas C. Stathos, Director, Customer Strategy
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Mr. Joseph M. Mezlo, Manager, Customer Programs and Communication
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Mr. Peter D. Cleff, Program Manager, Act 129
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