




Rural Electric Cooperative Corporation

A Touchstone Energy® Cooperative 

May 11, 2011

MR JEFF DEROUEN
EXECUTIVE DIRECTOR
PUBLIC SERVICE COMMISSION
PO BOX 615
FRANKFORT KY 40602

RECEIVED

MAY 12 2011

PUBLIC SERVICE
COMMISSION

RE: PSC CASE NO. 2011-00141

Dear Mr. Derouen:

Please find enclosed an original and ten (10) copies of the responses of Nolin RECC as requested in the above referenced case.

If you have any questions, please let me know.

Sincerely,

A handwritten signature in cursive script that reads "Michael L. Miller".

Michael L. Miller
President & CEO

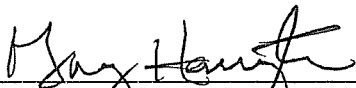
afc

Enclosures

Commonwealth of Kentucky
Before the Public Service Commission
Case No. 2011-00141

VERIFICATION

I verify, state and affirm that the testimony filed with this verification and for which I am listed as a witness is true and correct to the best of my knowledge, information and belief formed after a reasonable inquiry.

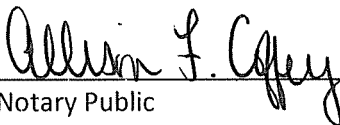


Greg Harrington, Engineering Superintendent

State of Kentucky

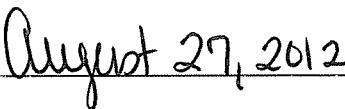
County of Hardin

The foregoing was signed, acknowledged and sworn to before me by Greg Harrington, this 11th day of May, 2011.



Notary Public

My Commission Expires:



Nolin Rural Electric Cooperative Corporation
Second Information Request – Case No. 2011-00141
Public Service Commission Staff Request Dated May 6, 2011

Question 1(a-c):

1. *Refer to Nolin's application and page 2 of Appendix A to Commission Staff's First Data Request in Case No. 2010-00210, the June 2010 edition of "Energy at Work" newsletter published by the Department of Energy Development and Independence ("DEDI"), a copy of which is attached hereto as Appendix A, which states:*

Nolin RECC - \$100,000. Nolin RECC will use Recovery funds to implement a prepaid electric meter program that is designed to give customers control of their energy usage, reduce security deposits, eliminate reconnection charges, and reduce energy consumption

- a. *Is the grant referred to in the June 2010 "Energy at Work" newsletter the same grant which Nolin references at page 2 of its application?*

Answer:

Yes.

- b. *When did Nolin receive notice that it had been awarded the \$100,000 DEDI grant?*

Answer:

Nolin received notice from DEDI through correspondence dated April 6, 2010 of the awarded amount of \$85,000 (See attached Exhibit A). Then, on August 9, 2010 in a face-to-face meeting with Greg Harrington, a Nolin employee, Mechonda O'Brien, a Nolin employee, Roger Wilson, Wilson Consulting, and DEDI employees Tammi Hudson, Zach Padgett, Glenda Cole and Amanda Cook, Nolin was advised we had been awarded an additional \$15,000, making the total grant awarded from DEDI \$100,000.

- c. *When did Nolin receive information from DEDI that it must “comply[] with certain terms of [the] grant [by] approximately June 15, 2011,” in order to remain eligible for the \$100,000 grant?*

Answer:

During a face-to-face meeting on March 9, 2011, with Greg Harrington, a Nolin employee; Mechonda O’Brien, a Nolin employee; Roger Wilson, Wilson Consulting; Greg Guess, DEDI; and Lona Brewer, DEDI, Nolin was informed of the approximate date of mid-June. This was later confirmed in correspondence dated April 28, 2011, from DEDI. The difference between Nolin’s June 15, 2011 and DEDI’s July 1, 2011 deadline allows Nolin time to get tariffs filed and other necessary actions completed before the program is implemented. Nolin did not receive the July 1, 2011 deadline date from DEDI until the letter dated April 28, 2011 (See Exhibit E).

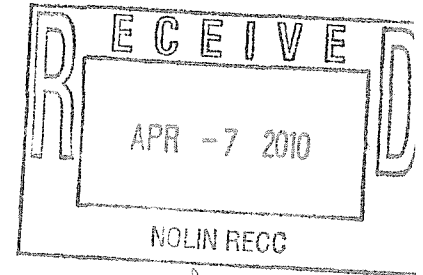
Responding Witness: Greg Harrington, System Engineer
Nolin Rural Electric Cooperative Corporation

STEVEN L. BESHEAR
GOVERNOR



Item 1
Exhibit A
Page 1 of 1
LEONARD K. PETERS
SECRETARY

ENERGY AND ENVIRONMENT CABINET
OFFICE OF THE SECRETARY
500 MERO STREET
12TH FLOOR, CAPITAL PLAZA TOWER
FRANKFORT, KY 40601
TELEPHONE: 502-564-3350
FACSIMILE: 502-564-3354



April 6, 2010

Michael Miller
Nolin Rural Electric Cooperative
411 Ring Road
Elizabethtown, KY42701-6767

Dear Mr. Miller, *Mickay*

The Department for Energy Development and Independence (DEDI) has completed its' review and scoring of proposals submitted under solicitation number RFP 127 100000200, "Utility Smart Grid Initiative". Nolin Rural Electric Cooperative's proposal has been selected for funding in the amount of \$85,000. This department will develop a contract for funding the project and forward it to you for signature in the near future.

Your contact within DEDI for the project will be Mr. Steve Dale. He can be reached by phone at (502) 564-7192, or email, Steve.Dale@ky.gov. We look forward to working with you on this important project.

Yours truly,

A handwritten signature in cursive script, reading "Robert A. Amato".

Robert A. Amato, P.E.
Director, Division of Energy Generation Transmission and Distribution
Department for Energy Development and Independence
Energy and Environment Cabinet

cc: Steve Dale

Nolin Rural Electric Cooperative Corporation
Second Information Request – Case No. 2011-00141
Public Service Commission Staff Request Dated May 6, 2011

Question 2(a-c):

2. *Refer to page 2 of Nolin's application, which states, in pertinent part, "[i]t is the understanding of the APPLICANT that such a deviation has previously been approved in PSC case #2010-00210 involving the tariff filing of Jackson Energy Cooperative ["Jackson Energy"] to establish prepaid electric service."*

a. State when Nolin became aware of Jackson Energy's application in Case No. 2010-00210.

Answer:

Greg Harrington attended an informal conference at the PSC on June 24, 2010, regarding Jackson Energy's prepay tariff.

b. State whether Nolin wants its voluntary prepay electric service program ("Prepay Program"), for which it filed its application in this matter, to be identical to the voluntary prepaid electric service program approved in Case No. 2010-00210.

Answer:

No, Nolin does not want the tariff to be identical to Jackson Energy's tariff.

- c. *If no, describe how Nolin's proposed Prepaid Program will differ from Jackson Energy's program, if the Commission approves Nolin's program as proposed.*

Answer:

The following items outline the differences between Jackson Energy's prepay program/tariff (information presented in Case No. 2010-00210) and Nolin's proposed prepay program/tariff:

1. Jackson Energy provides members with an in-home display.
Nolin members may access their account balances through the internet, by telephone or office visits during regular business hours.
2. Jackson Energy allows members to leave the program at any time despite the one-year agreement.
Nolin's agreement for prepay service is for one year. However, if the member decides to leave the prepay program prematurely (for reasons other than a requested disconnect) and return to a postpay account, Nolin will assess a \$100 fee for leaving the program early.
3. Jackson Energy charges \$1.25 per transaction fee.
Nolin will not charge members to make a payment on a prepay account.
4. Jackson Energy has a "check box" on the membership form which the member "checks" if he/she enrolls in the prepay program.
Nolin will provide an "Agreement For Participation In Prepay Program" for the member to sign at enrollment. The agreement outlines the terms of the program and does not require a new membership form be signed if, after one year, the member decides to return to a postpay account.
5. Jackson Energy applies an existing deposit to the account as a prepay credit.
Nolin will apply an existing deposit to the account that is converting to prepay. If there is an outstanding balance on the account, the deposit will be applied to the outstanding balance. Any remainder (if not needed as a deposit for the member's other account(s)) will be a credit on the prepay account.
6. Jackson Energy allows an account with a maximum debt of \$350 to be converted to prepay.
Nolin will not have a limit for existing debt when an account converts to prepay.
7. Jackson Energy designates 30% of all future payments on a prepay account with a debt to be applied to the debt and 70% of the payment to be used for future purchases of electricity.
Nolin will designate 50% of all future payments on a prepay account with a debt to be applied to the debt and 50% of the payment to be used for future purchases of electricity.
8. Jackson Energy allows the current member who decides to leave the program and who has a credit on their account to make "some agreement" with the new owner/tenant as to the remaining balance.
Nolin will refund any credit balance if a member requests the disconnection of the prepay account. If the member has another account on our service, the credit will be transferred to that account. Otherwise, the refund will be issued to the member in the form of a check.

9. **Jackson Energy sends “monthly information much like the statement received by post pay members” to all prepay accounts.
Nolin will not mail monthly statements to prepay accounts. However, the member may contact the office for a printout of the monthly statement or may view the statement through Nolin’s website.**
10. **Jackson Energy bills members for a damaged in-home display.
Nolin will not have any in-home equipment and therefore will not have charges for such.**
11. **Jackson Energy sends to all Community Action Agencies (CAA) a daily report listing all prepay accounts that have 4 days or less of remaining account balance credit. The member is then to present his/her bill to CAA for CAA to match the account number and confirm the crisis.
Nolin will provide a member with information to take to local agencies for assistance.**
12. **Jackson Energy will provide each prepay account for which the member presents a WinterHardship Reconnection, a \$50 credit without any payment from the member and will reconnect the account immediately.
Nolin prepay accounts will not be eligible for a Winter Hardship Reconnect, Certificate of Need, or Medical Certificate as outlined in 807 KAR 5:006, Sections 13, 14, and 15.**

Responding Witness: Greg Harrington, System Engineer
Nolin Rural Electric Cooperative Corporation

Nolin Rural Electric Cooperative Corporation
Second Information Request – Case No. 2011-00141
Public Service Commission Staff Request Dated May 6, 2011

Question 3:

3. *Refer to paragraph 4 of the application. Explain why Nolin is proposing to limit the Prepay Program to 300 customers and how long it anticipates it will take to reach the proposed participation level.*

Answer:

Nolin proposes to limit the number of prepay accounts to 300 due to the cost of the meters, software for the meters, and the labor to install the meters. By limiting the participants to 300, Nolin will remain within the budget of the DEDI grant and Nolin's matching funds. It is Nolin's intention to have 300 prepay meters deployed within 3 years.

Responding Witness: Greg Harrington, System Engineer
Nolin Rural Electric Cooperative Corporation

Nolin Rural Electric Cooperative Corporation
Second Information Request – Case No. 2011-00141
Public Service Commission Staff Request Dated May 6, 2011

Question 4(a-e):

4. *Refer to paragraph 5 of the application in which Nolin states that it has received a \$100,000 grant to partially fund the Prepay Program and that the deadline for complying with certain terms of the grant is approximately June 15, 2011.*
- a. *Explain why June 15, 2011 is an approximate date. Is the specific deadline known? If yes, provide the date. If no, explain.*

Answer:

The absolute deadline for the program is July 1, 2011, and was established in correspondence dated April 28, 2011, from DEDI (See Exhibit E).

- b. *Nolin states that the grant money is to partially fund the Prepay Program. Provide a detailed breakdown of the total cost of the program.*

Answer:

The following documents are attached as requested:

Exhibit B – Federal Draw Request from DEDI

Exhibit C – Cost Share Reporting to DEDI

- c. *Provide a copy of the grant documents which shows all terms, conditions and deadline dates applicable to the grant.*

Answer:

The following documents are attached as requested:

Exhibit D – Nolin's contract with DEDI

Exhibit E - Correspondence from DEDI dated April 28, 2011

- d. *State whether Nolin has started the process necessary for receiving a deadline extension.*

Answer:

The correspondence from DEDI dated April 28, 2011 (See Exhibit E), states that there will be no extensions given if the July 1, 2011, deadline is not met.

- e. *Describe the ramifications if the Commission does not approve the program by the June 15, 2011 deadline. Include in the response whether that date can be extended, whether Nolin has received the grant money, the amount of the grant money that has been spent to date, if Nolin will be required to return the grant money if the deadline is not met, and whether Nolin intends to proceed with the Prepay Program if it is unable to obtain the grant money or is required to return it.*

Answer:

If Nolin's proposed prepay program is not approved by the PSC by the July 1, 2011, deadline, Nolin will lose the \$100,000 grant from DEDI. The correspondence from DEDI dated April 28, 2011 (See Exhibit E), states that there will not be any extensions on the project. Nolin has received partial funding from the grant to cover labor dedicated to implementing the program. To date, \$4,500 has been requested from the grant for labor and Nolin will not be required to refund this portion of the grant. Nolin has ordered 300 meters for the project and will bear the cost of this equipment if the grant is withdrawn. If Nolin does not receive the grant from DEDI, Nolin will reconsider whether to go forward with the prepay program.

Responding Witness: Greg Harrington, System Engineer
Nolin Rural Electric Cooperative Corporation



Federal Draw Request

Budget

Today's Date: _____

DEDI Internal Use Only
Draw Number

Contract Number: **PON2-127-1000001895**

Project Name: **Smart Grid - Nolin RECC**

Period Covered: **07/12/10** thru **7/31/2010**
mm/dd/yy mm/dd/yy

Recipient: **NOLIN RURAL ELECTRIC COOPERATIVE CORPORATION**
411 RING ROAD
ELIZABETHTOWN, KY 42701

Submitted by: **Mechonda O'Brien**

Telephone #: **270-765-6153**

eMail Address: **mobrien@nolinrecc.com**

Accounting Template: _____

Budget Categories	Original Budget	Draw Requested	Cumulative Totals	Balance Remaining
Personnel	\$0.00	\$0.00	\$0.00	\$0.00
Fringe Benefits	\$0.00	\$0.00	\$0.00	\$0.00
Travel	\$0.00	\$0.00	\$0.00	\$0.00
Equipment	\$10,000.00	\$0.00	\$0.00	\$10,000.00
Supplies	\$0.00	\$0.00	\$0.00	\$0.00
Contractual	\$23,000.00	\$0.00	\$0.00	\$23,000.00
Construction	\$0.00	\$0.00	\$0.00	\$0.00
Other	\$67,000.00	\$0.00	\$0.00	\$67,000.00
Total Direct Charges	\$100,000.00	\$0.00	\$0.00	\$100,000.00
Total Indirect Charges	\$0.00	\$0.00	\$0.00	\$0.00
TOTAL	\$100,000.00	\$0.00	\$0.00	\$100,000.00

Detailed backup documentation must be included with this draw down request.

DEDI Internal Use Only

Fiscal Manager	Date	Program Manager	Date

d. Equipment

PLEASE READ!!!

Equipment is defined as an item with an acquisition cost greater than \$1,000 and a useful life expectancy of more than one year.

List all proposed equipment below, providing a basis of cost such as vendor quotes, catalog prices, prior invoices, etc., and briefly justifying its need as it applies to the project.

Add rows as needed. If rows are added, formulas/calculations may need to be adjusted by the preparer.

Equipment Item	Qty	Unit Cost	Total Cost	Basis of Cost	Justification of need
Budget Period 1					
EXAMPLE ONLY!!! Thermal shock chamber	2	\$20,000	\$40,000	Vendor Quote	Reliability testing of PV modules- Task 4.3
			\$0		
			\$0		
			\$0		
			\$0		
			\$0		
			\$0		
Budget Period 1 Total			\$0		
Budget Period 2					
NISC/Pre-pay Software	1	\$10,000	\$10,000	Vendor Quote	communicating and capturing meter data from pre-pay meters
			\$0		
			\$0		
			\$0		
			\$0		
Budget Period 2 Total			\$10,000		
Budget Period 3					
			\$0		
			\$0		
			\$0		
			\$0		
			\$0		
			\$0		
			\$0		
Budget Period 3 Total			\$0		
PROJECT TOTAL			\$10,000		

Additional Explanations/Comments (as necessary)

Sub-Recipient Name/Organization	Purpose/Tasks <i>Contractual</i>	Budget Period 1 Costs	Budget Period 2 Costs	Budget Period 3 Costs	Pro- ject Total
Vendor Name/Organization	Product or Service, Purpose/Need and Basis of Cost (Provide additional support at bottom of page as needed)	Budget Period 1 Costs	Budget Period 2 Costs	Budget Period 3 Costs	Project Total
EXAMPLE ONLY!!! ABC Corp.	Contract with consultant for delivery of 5 one-day workshops for Energy Efficiency annually.	\$7,500	\$7,500	\$7,500	\$22,500
Roger Wilson/Wilson Consulting	Consultant for filing monthly, quarterly and/or annual requirements.		\$7,500	\$7,500	\$15,000
Patterson and Dewar Engineers, Inc.	Consultant for initial proposal		\$4,000	\$4,000	\$8,000
		\$0	\$11,500	\$11,500	\$23,000
					\$0
Total Contractual		\$0	\$11,500	\$11,500	\$23,000

Additional Explanations/Comments (as necessary)

h. Other Direct Costs

PLEASE READ!!!

Other direct costs are direct cost items required for the project which do not fit clearly into other categories, and are not included in the indirect pool for which the indirect rate is being applied to this project. Examples are meeting costs, postage, couriers or express mail, telephone/fax costs, printing costs, etc.

Basis of cost are items such as vendor quotes, prior purchases of similar or like items, published price list, etc.

Add rows as needed. If rows are added, formulas/calculations may need to be adjusted by the preparer.

General description	Cost	Basis of Cost	Justification of need
Budget Period 1			
EXAMPLE ONLY!!! Grad student tuition	\$16,000	Established UCD costs	Support of graduate students working on project
Budget Period 1 Total	\$0		
Budget Period 2			
Pre-Pay Meter (74 @ \$300)	\$22,200	Vendor quote for meter	Meters for readings
In-Home Display (95 @ \$40)	\$3,800	Vendor quote for meter	Displays for the Member to check readings
Budget Period 2 Total	\$26,000		
Budget Period 3			
Pre-Pay Meter (74 @ \$300)	\$22,200	Vendor quote for meter	Meters for readings
In-Home Display (95 @ \$40)	\$3,800	Vendor quote for meter	Displays for the Member to check readings
Budget Period 3 Total	\$26,000		
PROJECT TOTAL	\$52,000		

Additional Explanations/Comments (as necessary)



Cost Share Reporting

DEDI Internal Use Only

Budget

Today's Date:

Draw Number

Contract Number: PON2-127-1000001895

Project Name: Smart Grid - Nolin RECC

Period Covered: _____ thru _____
mm/dd/yy mm/dd/yy

Recipient: NOLIN RURAL ELECTRIC COOPERATIVE CORPORATION
411 RING ROAD
ELIZABETHTOWN, KY 42701

Submitted by: Mechonda O'Brien

Telephone #: 270-765-6153

eMail Address: mobrien@nolinrecc.com

Accounting
Template: _____

Budget Categories	Original Budget	Current Period Expenses	Cumulative Totals	Balance Remaining
Personnel	\$39,000.00	\$0.00	\$0.00	\$39,000.00
Fringe Benefits	\$21,840.00	\$0.00	\$0.00	\$21,840.00
Travel	\$0.00	\$0.00	\$0.00	\$0.00
Equipment	\$0.00	\$0.00	\$0.00	\$0.00
Supplies	\$0.00	\$0.00	\$0.00	\$0.00
Contractual	\$0.00	\$0.00	\$0.00	\$0.00
Construction	\$0.00	\$0.00	\$0.00	\$0.00
Other	\$50,000.00	\$0.00	\$0.00	\$50,000.00
Total Direct Charges	\$110,840.00	\$0.00	\$0.00	\$110,840.00
Total Indirect Charges	\$0.00	\$0.00	\$0.00	\$0.00
TOTAL	\$110,840.00	\$0.00	\$0.00	\$110,840.00

Detailed backup documentation must be included with this Cost Share Reporting Form.

DEDI Internal Use Only

Fiscal Manager	Date	Program Manager	Date
----------------	------	-----------------	------

j. Cost Share

PLEASE READ!!

A detailed presentation of the cash or cash value of all cost share proposed for the project must be provided in the table below. Identify the source & amount of each item of cost share proposed by the award recipient and each sub-recipient or vendor. Letters of commitment must be submitted for all third party cost share (other than award recipient).

Note that "cost-share" is not limited to cash investment. Other items that may be assigned value in a budget as incurred as part of the project budget and necessary to performance of the project, may be considered as cost share, such as: contribution of services or property; donated, purchased or existing equipment; buildings or land; donated, purchased or existing supplies; and/or unrecovered personnel, fringe benefits and indirect costs, etc. For each cost share contribution identified as other than cash, identify the item and describe how the value of the cost share contribution was calculated.

Funds from other Federal sources **MAY NOT** be counted as cost share. Non-Federal sources include private, state or local Government, or any source not originally derived from Federal funds. Documentation of cost sharing commitments must be provided, if not already provided with the original application and they have not changed since its submission.

Fee or profit will not be paid to the award recipients or subrecipients of financial assistance awards. Additionally, foregone fee or profit by the applicant shall not be considered cost sharing under any resulting award. Reimbursement of actual costs will only include those costs that are allowable and allocable to the project as determined in accordance with the applicable cost principles prescribed in 10 CFR 600.127, 10 CFR 600.222 or 10 CFR 600.317. Also see 10 CFR 600.318 relative to profit or fee.

Add rows as needed. If rows are added, formulas/calculations may need to be adjusted by the preparer.

Organization/Source	Type (cash or other)	Cost Share Item	Budget Period 1 Cost Share	Budget Period 2 Cost Share	Budget Period 3 Cost Share	Total Project Cost Share
ABC Company EXAMPLE ONLY!!	Cash	Project partner ABC Company will provide 40 PV modules for product development at 50% off the retail price of \$680	\$13,600			\$13,600
Nolin RECC/Personnel	Cash	Wages for Nolin RECC Personnel		\$19,500	\$19,500	\$39,000
Nolin RECC/Fringe Benefits	Cash	Fringe Benefits for Nolin RECC Personnel		\$10,920	\$10,920	\$21,840

Organization/Source	Type (cash or other)	Cost Share Item	Budget Period 1 Cost Share	Budget Period 2 Cost Share	Budget Period 3 Cost Share	Total Project Cost Share
Landis & Gyr/Equipment	Cash	(152) Pre-pay Landis & Gyr Meters priced @ \$300 per meter <i>Other</i>		\$22,800	\$22,800	\$45,600
In Home Displays	Cash	(110) In Home Displays priced @ \$40 per display		\$2,200	\$2,200	\$4,400
						\$0
						\$0
						\$0
						\$0
						\$0
Totals			\$0	\$55,420	\$55,420	\$110,840

Total Project Cost: \$195,840

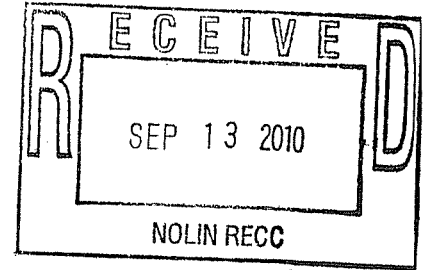
Cost Share Percent of Award: 56.6%

Additional Explanations/Comments (as necessary)



**ENERGY AND ENVIRONMENT CABINET
OFFICE OF THE SECRETARY
500 MERO STREET
12TH FLOOR, CAPITAL PLAZA TOWER
FRANKFORT, KY 40601
TELEPHONE: 502-564-3350
FACSIMILE: 502-564-3354
www.eec.ky.gov**

September 7, 2010



*file
c: GH*

Nolin RECC
Attn: Michael Miller
411 Ring Road
Elizabethtown, KY 42701

RE: Personal Service Contract No. 1000001895

Mr. Miller:

Enclosed is a copy of the fully executed Personal Service Contract No. 1000001895 between Nolin RECC, and the Energy and Environment Cabinet, Department for Energy Development and Independence.

If you have any questions, please contact Donna Jones, Department for Energy Development and Independence, 502-564-7192.

Sincerely,

Beth Goodlett, Administrative Branch Manager
Division of Fiscal Management

BG/am

Enclosures
Cc: Donna Jones





Commonwealth of Kentucky

CONTRACT

COPY
MEDIANTE

Show Doc ID number on all packages, invoices and correspondence.

Doc Description: NOLIN RURAL ELECTRIC COOPERATIVE CORPORATION UTILITY	
Doc ID No: PON2 127 1000001895 1	Procurement Folder:
Procurement Type:	
Administered By:	Cited Authority:
Telephone:	Issued By:
Doc Description: SMART	
Doc ID No: PON2 127 1000001895 1	Procurement Folder: 1680203
Procurement Type: Grant	
Administered By: Donna Norton	Cited Authority: KRS224.10-100(29)
Telephone: 502-564-7192	Issued By: Donna Norton

C O N T R A C T	NOLIN RECC
	411 RING RD
	ELIZABETHTOWN KY 42701
	US

Line	CL Description	Due Date	Quantity	Unit Issue	Unit Price	Contract Amt	Total Price
1	Utility Smart Grid Initiative		0.00		0.00000	85,000.00	85,000.00

Extended Description

Project Begin Date: 07-12-2010
Project End Date: 04-30-2012

This grant provides funding to Nolin Rural Electric Cooperative Corporation to plan and deploy Advanced Meter Infrastructure in its system by installing the Communications equipment from its substations to itsÆ customers premises and installing smart meters, all in accordance with Nolin Rural Electric Cooperative Corporation's formal response to the solicitation No. RFP# 127 1000000200 ù Utility Smart Grid Initiative.

B I L L T O	Energy and Enviroment Cabinet	S H I P T O	Energy and Enviroment Cabinet
	Dept for Energy Development and Independence		Dept for Energy Development and Independence
	12th FL.500 MERO STREET		12th FL 500 MERO STREET
	CAPITAL PLAZA TOWER, 12TH FLOOR		CAPITAL PLAZA TOWER, 12TH FLOOR
	FRANKFORT KY 40601		FRANKFORT KY 40601
	US		US

Total Order Amount: 85,000.00

1000001895	Document Phase Draft	Document Description NOLIN RURAL ELECTRIC COOPERATIVE CORPORATION UTILITY SMART	Page 2 of 49
------------	--------------------------------	--	------------------------

COPY

PERSONAL SERVICE CONTRACT FOR
SMART GRID – NOLIN RURAL ELECTRIC COOPERATIVE
CORPORATION

BETWEEN

THE COMMONWEALTH OF KENTUCKY
ENERGY AND ENVIRONMENT CABINET

AND

NOLIN RURAL ELECTRIC COOPERATIVE CORPORATION

This Personal Service Contract (PSC) is entered into, by and between the Commonwealth of Kentucky, Energy and Environment Cabinet (“the Commonwealth”) and Nolin Rural Electric Cooperative Corporation (“the Contractor”) to establish a Contract for the Smart Grid – Nolin Rural Electric Cooperative Corporation Program. This PSC is effective July 12, 2010 and expires April 30, 2012.

The Commonwealth and Contractor agree to the following:

I. Scope of Contract

The Scope of the Contract and the parties’ obligations therein are set forth in Appendix A to this PSC.

1000001895	Document Phase Draft	Document Description NOLIN RURAL ELECTRIC COOPERATIVE CORPORATION UTILITY SMART	Page 3 of 49
------------	--------------------------------	---	------------------------

COPY

II. Contract Components and Order of Precedence

The Commonwealth's acceptance of the Contractor's offer in response to the Solicitation, indicated by the issuance of a Contract Award, shall create a valid Contract between the Parties consisting of the following:

1. Any written Agreement between the Parties;
2. Any Addenda to the Solicitation;
3. The Solicitation and all attachments thereto; including Personal Service Contract Clauses;
4. Any Best and Final Offer;
5. Any clarifications concerning the Contractor's proposal in response to the Solicitation;
6. The Contractor's proposal in response to the Solicitation.

In the event of any conflict or inconsistency between or among the provisions contained in the Contract, the order of precedence shall be as enumerated above.

III. Negotiated Items

Not Applicable.

IV. Pricing

The Contract amount and applicable Budget information is set forth in Appendix

1000001895	Document Phase Draft	Document Description NOLIN RURAL ELECTRIC COOPERATIVE CORPORATION UTILITY SMART	Page 4 of 49
------------	--------------------------------	---	------------------------

COPY

B to this PSC.

V. Personal Service Contract Standard Terms and Conditions

PSC Standard Terms and Conditions

Whereas, the first party, the state agency, has concluded that either state personnel are not available to perform said function, or it would not be feasible to utilize state personnel to perform said function; and

Whereas, the second party, the contractor, is available and qualified to perform such function; and

Whereas, for the abovementioned reasons, the state agency desires to avail itself of the services of the second party;

NOW THEREFORE, the following terms and conditions are applicable to this contract:

Effective Date:

This agreement is not effective until the Secretary of the Finance and

1000001895	Document Phase Draft	Document Description NOLIN RURAL ELECTRIC COOPERATIVE CORPORATION UTILITY SMART	Page 5 of 49
------------	--------------------------------	---	------------------------

COPY

Administration Cabinet or his authorized designee has approved the contract and until the contract has been submitted to the Legislative Research Commission, Government Contract Review Committee (“LRC”).

Payments on personal service contracts and memoranda of agreement shall not be authorized for services rendered after government contract review committee disapproval, unless the decision of the committee is overridden by the Secretary of the Finance and Administration Cabinet or agency head, if the agency has been granted delegation authority by the Secretary.

Renewals:

Upon expiration of the initial term, the contract may be renewed in accordance with the terms and conditions in the original solicitation. Renewal shall be subject to prior approval from the Secretary of the Finance and Administration Cabinet or his authorized designee and the LRC Government Contract Review Committee in accordance with KRS 45A.695 and KRS 45A.705, and contingent upon available funding.

LRC Policies:

Pursuant to KRS 45A.725, LRC has established policies which govern rates

1000001895	Document Phase Draft	Document Description NOLIN RURAL ELECTRIC COOPERATIVE CORPORATION UTILITY SMART	Page 6 of 49
------------	--------------------------------	---	------------------------

COPY

payable for certain professional services. These are located on the LRC webpage (<http://www.lrc.ky.gov/Statcomm/Contracts/homepage.htm>) and would impact any contract established under KRS 45A.690 et seq., where applicable.

Choice of Law and Forum:

All questions as to the execution, validity, interpretation, construction and performance of this agreement shall be governed by the laws of the Commonwealth of Kentucky. Furthermore, the parties hereto agree that any legal action which is brought on the basis of this agreement shall be filed in the Franklin County Circuit Court of the Commonwealth of Kentucky.

Cancellation:

The state agency shall have the right to terminate and cancel this agreement at any time not to exceed thirty (30) days' written notice served on the contractor by registered or certified mail.

Funding Out Provision:

The state agency may terminate this contract if funds are not appropriated to the contracting agency or are not otherwise available for the purpose of making payments without incurring any obligation for payment after the date of

1000001895	Document Phase Draft	Document Description NOLIN RURAL ELECTRIC COOPERATIVE CORPORATION UTILITY SMART	Page 7 of 49
------------	--------------------------------	--	------------------------

COPY

termination, regardless of the terms of the contract. The state agency shall provide the contractor thirty (30) calendar days written notice of termination of the contract.

Authorized to do Business in Kentucky:

The contractor affirms that it is properly authorized under the laws of the Commonwealth of Kentucky to conduct business in this state and will remain in good standing to do business in the Commonwealth of Kentucky for the duration of any contract awarded.

Invoices for fees:

The contractor shall maintain supporting documents to substantiate invoices and shall furnish same if required by state government.

Travel expenses, if authorized:

The contractor shall be paid for no travel expenses unless and except as specifically authorized by the specifications of the contract.

Other expenses, if authorized herein:

The contractor shall be reimbursed for no other expenses of any kind, unless and

1000001895	Document Phase Draft	Document Description NOLIN RURAL ELECTRIC COOPERATIVE CORPORATION UTILITY SMART	Page 8 of 49
------------	--------------------------------	---	------------------------

COPY

except as specifically authorized within the specifications of the contract.

If the reimbursement of such expenses is authorized, the reimbursement shall be only on an out-of-pocket basis. Request for payment of same shall be processed upon receipt from the contractor of valid, itemized statements submitted periodically for payment at the time any fees are due. The contractor shall maintain supporting documents that substantiate every claim for expenses and shall furnish same if requested by state government.

- Invoicing for fee: the contractor's fee shall be original invoice(s) and shall be documented by the contractor. The invoice(s) must conform to the method described in the specifications of the contract.
- Invoicing for travel expenses: the contractor must follow instructions described in the specifications of the contract. Either original or certified copies of receipts must be submitted for airline tickets, motel bills, restaurant charges, rental car charges, and any other miscellaneous expenses.
- Invoicing for miscellaneous expenses: the contractor must follow instructions prescribed in the specifications of the contract. Expenses submitted shall be documented by original or certified copies.

Purchasing and specifications:

1000001895	Document Phase Draft	Document Description NOLIN RURAL ELECTRIC COOPERATIVE CORPORATION UTILITY SMART	Page 9 of 49
------------	--------------------------------	---	------------------------

COPY

The contractor certifies that he will not attempt in any manner to influence any specifications to be restrictive in any way or respect nor will he attempt in any way to influence any purchasing of services, commodities or equipment by the Commonwealth of Kentucky. For the purpose of this paragraph and the following paragraph that pertains to conflict-of interest laws and principles, "he" is construed to mean "they" if more than one person is involved and if a firm, partnership, corporation, or other organization is involved, then "he" is construed to mean any person with an interest therein.

Conflict-of-interest laws and principles:

The contractor certifies that he is legally entitled to enter into this contract with the Commonwealth of Kentucky, and by holding and performing this contract will not be violating either any conflict of interest statute (KRS 45A.330-45A.340, 45A.990, 164.390), or KRS 11A.040 of the executive branch code of ethics, relating to the employment of former public servants.

Campaign finance:

The contractor certifies that neither he/she nor any member of his/her immediate family having an interest of 10% or more in any business entity involved in the performance of this contract, has contributed more than the amount specified in

1000001895	Document Phase Draft	Document Description NOLIN RURAL ELECTRIC COOPERATIVE CORPORATION UTILITY SMART	Page 10 of 49
------------	--------------------------------	--	-------------------------

COPY

KRS 121.056(2), to the campaign of the gubernatorial candidate elected at the election last preceding the date of this contract. The contractor further swears under the penalty of perjury, as provided by KRS 523.020, that neither he/she nor the company which he/she represents, has knowingly violated any provisions of the campaign finance laws of the Commonwealth, and that the award of a contract to him/her or the company which he/she represents will not violate any provisions of the campaign finance laws of the Commonwealth.

Certification:

The state agency certifies that it is in compliance with the provisions of KRS 45A.695. "Access to contractor's books, documents, papers, records, or other evidence directly pertinent to the contract". The contractor, as defined in KRS 45A.030(9), agrees that the contracting agency, the Finance and Administration Cabinet, the Auditor of Public Accounts, and the Legislative Research Commission, or their duly authorized representatives, shall have access to any books, documents, papers, records, or other evidence, which are directly pertinent to this contract for the purpose of financial audit or program review. Furthermore, any books, documents, papers, records, or other evidence provided to the contracting agency, the Finance and Administration Cabinet, the Auditor of Public Accounts, or the Legislative Research Commission which are directly

	Document Phase	Document Description	Page
1000001895	Draft	NOLIN RURAL ELECTRIC COOPERATIVE CORPORATION UTILITY SMART	11 of 49

COPY

pertinent to the contract shall be subject to public disclosure regardless of the proprietary nature of the information, unless specific information is identified and exempted and agreed to by the Secretary of the Finance and Administration Cabinet as meeting the provisions of KRS 61.878(1)(c) prior to the execution of the contract. The Secretary of the Finance and Administration Cabinet shall not restrict the public release of any information which would otherwise be subject to public release if a state government agency was providing the services.

Protest

Pursuant to KRS 45A.285, The Secretary of the Finance and Administration Cabinet, or his designee, shall have authority to determine protests and other controversies of actual or prospective Vendors in connection with the solicitation or selection for award of a Master Agreement or Contract.

Any actual or prospective Vendor, who is aggrieved in connection with the solicitation or selection for award of a Master Agreement or Contract, may file protest with the Secretary of the Finance and Administration Cabinet. A protest or notice of other controversy must be filed promptly and in any event within two (2) calendar weeks after such aggrieved person knows or should have known of the facts giving rise thereto. All protests or notices of other controversies must be

	Document Phase	Document Description	Page
1000001895	Draft	NOLIN RURAL ELECTRIC COOPERATIVE CORPORATION UTILITY SMART	12 of 49

COPY

in writing and shall be addressed to:

Jonathan Miller, Secretary

Commonwealth of Kentucky

Finance and Administration Cabinet

Room 383, New Capitol Annex

702 Capitol Avenue

Frankfort, KY 40601

Phone #: (502) 564-4240

Fax #: (502) 564-6785

The Secretary of Finance and Administration Cabinet shall promptly issue a decision in writing. A copy of that decision shall be mailed or otherwise furnished to the aggrieved party and shall state the reasons for the action taken.

The decision by the Secretary of the Finance and Administration Cabinet shall be final and conclusive.

Social security: (check one)

	Document Phase	Document Description	Page
1000001895	Draft	NOLIN RURAL ELECTRIC COOPERATIVE CORPORATION UTILITY SMART	13 of 49

COPY

✓ the parties are cognizant that the state is not liable for social security contributions pursuant to 42 U.S. Code, section 418, relative to the compensation of the second party for this contract.

_____ the parties are cognizant that the state is liable for social security contributions pursuant to 42 U.S. Code, section 418, relative to the compensation of the second party for this contract.

Violation of tax and employment laws:

KRS 45A.485 requires the contractor to reveal to the Commonwealth, prior to the award of a contract, any final determination of a violation by the contractor within the previous five (5) year period of the provisions of KRS chapters 136, 139, 141, 337, 338, 341, and 342. These statutes relate to the state sales and use tax, corporate and utility tax, income tax, wages and hours laws, occupational safety and health laws, unemployment insurance laws, and workers compensation insurance laws, respectively.

To comply with the provisions of KRS 45A.485, the contractor shall report any such final determination(s) of violation(s) to the Commonwealth by providing the following information regarding the final determination(s): the KRS violated, the

1000001895	Document Phase Draft	Document Description NOLIN RURAL ELECTRIC COOPERATIVE CORPORATION UTILITY SMART	Page 14 of 49
------------	--------------------------------	--	-------------------------

COPY

date of the final determination, and the state agency which issued the final determination.

KRS 45A.485 also provides that, for the duration of any contract, the contractor shall be in continuous compliance with the provisions of those statutes which apply to the contractor's operations, and that the contractor's failure to reveal a final determination as described above or failure to comply with the above statutes for the duration of the contract, shall be grounds for the Commonwealth's cancellation of the contract and the contractor's disqualification from eligibility for future state contracts for a period of two (2) years.

Contractor must check one:

The contractor has not violated any of the provisions of the above statutes within the previous five (5) year period.

_____ the contractor has violated the provisions of one or more of the above statutes within the previous five (5) year period and has revealed such final determination(s) of violation(s). A list of such determination(s) is attached.

Discrimination:

	Document Phase	Document Description	Page
1000001895	Draft	NOLIN RURAL ELECTRIC COOPERATIVE CORPORATION UTILITY SMART	15 of 49

COPY

Discrimination (because of race, religion, color, national origin, sex, age, or disability) prohibited. This section applies only to contracts utilizing federal funds, in whole or in part. During the performance of this contract, the contractor agrees as follows:

1. The contractor will not discriminate against any employee or applicant for employment because of race, religion, color, national origin, sex or age. The contractor further agrees to comply with the provisions of the Americans with Disabilities Act (ADA), Public Law 101-336, and applicable federal regulations relating thereto prohibiting discrimination against otherwise qualified disabled individuals under any program or activity. The contractor agrees to provide, upon request, needed reasonable accommodations. The contractor will take affirmative action to ensure that applicants are employed and that employees are treated during employment without regard to their race, religion, color, national origin, sex, age or disability. Such action shall include, but not be limited to the following; employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensations; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this

1000001895	Document Phase Draft	Document Description NOLIN RURAL ELECTRIC COOPERATIVE CORPORATION UTILITY SMART	Page 16 of 49
------------	--------------------------------	--	-------------------------

COPY

non-discrimination clause.

2. The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to race, religion, color, national origin, sex, age or disability.

3. The contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice advising the said labor union or workers' representative of the contractor's commitments under this section, and shall post copies of the notice in conspicuous places available to employees and applicants for employment. The contractor will take such action with respect to any subcontract or purchase order as the administering agency may direct as a means of enforcing such provisions, including sanctions for noncompliance.

4. The contractor will comply with all provisions of Executive Order No. 11246 of September 24, 1965 as amended, and of the rules, regulations and relevant orders of the Secretary of Labor.

1000001895	Document Phase Draft	Document Description NOLIN RURAL ELECTRIC COOPERATIVE CORPORATION UTILITY SMART	Page 17 of 49
------------	--------------------------------	--	-------------------------

COPY

5. The contractor will furnish all information and reports required by Executive Order No. 11246 of September 24, 1965, as amended, and by the rules, regulations and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records and accounts by the administering agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations and orders.

6. In the event of the contractor's noncompliance with the nondiscrimination clauses of this contract or with any of the said rules, regulations or orders, this contract may be cancelled, terminated or suspended in whole or in part and the contractor may be declared ineligible for further government contracts or federally-assisted construction contracts in accordance with procedures authorized in Executive Order No. 11246 of September 24, 1965, as amended, and such other sanctions may be imposed and remedies invoked as provided in or as otherwise provided by law.

7. The contractor will include the provisions of paragraphs (1) through (7) of section 202 of Executive Order 11246 in every subcontract or purchase order unless exempted by rules, regulations or orders of the Secretary of Labor, issued pursuant to section 204 of Executive Order No. 11246 of September 24, 1965, as

	Document Phase	Document Description	Page
1000001895	Draft	NOLIN RURAL ELECTRIC COOPERATIVE CORPORATION UTILITY SMART	18 of 49

COPY

amended, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontract or purchase order as the administering agency may direct as a means of enforcing such provisions including sanctions for noncompliance; provided, however, that in the event a contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the agency, the contractor may request the United States to enter into such litigation to protect the interests of the United States.

STANDARD TERMS AND CONDITIONS FOR CONTRACTS USING ARRA FUNDS

In addition to the Standard Terms and Conditions for PSC's set forth above, the following additional Standard Terms and Conditions apply since ARRA funds are being applied.

PREAMBLE

To the extent that this contract or grant involves the use of American Recovery and Reinvestment Act of 2009, Pub. L. 111-5 ("ARRA") funds, the following terms and conditions apply.

	Document Phase	Document Description	Page
1000001895	Draft	NOLIN RURAL ELECTRIC COOPERATIVE CORPORATION UTILITY SMART	19 of 49

COPY

For the purposes of applying these terms and conditions, the following definitions apply:

- I. A “prime recipient” is a non-Federal entity that receives Recovery Act funding as Federal awards in the form of grants, loans, or cooperative agreements directly from the Federal government.

- II. A “subrecipient” is a non-Federal entity that expends Federal awards received from another entity to carry out a Federal program but does not include an individual who is a beneficiary of such a program.

- III. A “vendor” is defined as a dealer, distributor, merchant, or other seller providing goods or services that are required for the conduct of a Federal program. Prime recipients or subrecipients may purchase goods or services needed to carry out the project or program from vendors. Vendors are not awarded funds by the same means as subrecipients and are not subject to the terms and conditions of the Federal financial assistance award.

The vendor or subrecipient specifically agrees to comply with each of the terms

1000001895	Document Phase Draft	Document Description NOLIN RURAL ELECTRIC COOPERATIVE CORPORATION UTILITY SMART	Page 20 of 49
------------	--------------------------------	--	-------------------------

COPY

and conditions contained herein.

The vendor or subrecipient understand and acknowledges that the federal stimulus process is evolving and that new requirements for ARRA compliance may still be forthcoming from federal government and the Commonwealth of Kentucky. Accordingly, the subrecipient/vendor specifically agrees that both it and any subgrantees/subcontractors will comply with all such requirements during the contract period.

AVAILABILITY OF FUNDING

Vendor/subrecipient agrees that programs supported with temporary federal funds made available by the American Recovery and Reinvestment Act of 2009, Pub. L. 111-5, will not be continued with state financed appropriations once the temporary federal funds are expended.

BUY AMERICAN REQUIREMENT (IF APPLICABLE)

Vendor/subrecipient agrees that in accordance with ARRA, Section 1605, neither vendor/subrecipient or its subcontractors/subgrantees will use ARRA funds for a project for the construction, alternation, maintenance, or repair of a public building or public work unless all of the iron, steel and manufactured goods used

	Document Phase	Document Description	Page
1000001895	Draft	NOLIN RURAL ELECTRIC COOPERATIVE CORPORATION UTILITY SMART	21 of 49

COPY

in the project are produced in the United States in a manner consistent with United States obligations under international agreements. The vendor/subrecipient understands that this requirement may only be waived by the applicable federal agency in limited situations as set out in ARRA, Section 1605.

CONFLICTING REQUIREMENTS

Vendor/subrecipient agrees that, to the extent ARRA requirements conflict with Commonwealth of Kentucky requirements, the ARRA requirements shall control.

FALSE CLAIMS ACT

Vendor/subrecipient agrees that it shall promptly refer to an appropriate federal inspector general any credible evidence that a principal, employee, agent, subgrantee, subcontractor or other person has committed a false claim under the False Claims Act or has committed a criminal or civil violation of laws pertaining to fraud, conflict of interest, bribery, gratuity, or similar misconduct involving those funds.

ENFORCEABILITY

Vendor/subrecipient agrees that if the vendor/subrecipient or one of its subcontractors/subgrantees fails to comply with all applicable federal and state

	Document Phase	Document Description	Page
1000001895	Draft	NOLIN RURAL ELECTRIC COOPERATIVE CORPORATION UTILITY SMART	22 of 49

COPY

requirements governing the use of ARRA funds, the Commonwealth of Kentucky may withhold or suspend, in whole or in part, funds awarded under the program, or recover misspent funds following an audit. This provision is in addition to all other remedies available to the Commonwealth of Kentucky under all applicable state and federal laws.

INSPECTION OF RECORDS

Vendor/subrecipient agrees that it shall permit the United States Comptroller General or his representative or the appropriate inspector general appointed under section 3 or 8G of the Inspector General Act of 1978 or his representative to: (1) examine any records that directly pertain to, and involve transactions relating to, this contract; and (2) interview any officer or employee of vendor/subrecipient or any of its subcontractors/subgrantees regarding the activities funded with funds appropriated or otherwise made available by the ARRA.

JOB POSTING REQUIREMENTS

Vendors/subrecipients who receive ARRA funded contracts are required to post jobs created and retained as a result of stimulus funds on the Commonwealth of Kentucky Job Bank at: <https://e3.ky.gov/>

	Document Phase	Document Description	Page
1000001895	Draft	NOLIN RURAL ELECTRIC COOPERATIVE CORPORATION UTILITY SMART	23 of 49

COPY

PROHIBITION ON USE OF ARRA FUNDS

Vendor/subrecipient agrees that none of the funds made available under this contract may be used for any casino or other gambling establishment, aquarium, zoo, golf course, swimming pools, or similar projects.

REPORTING REQUIREMENTS

Pursuant to Section 1512 of the ARRA, entities receiving ARRA funds must submit reports to the federal government no later than ten (10) calendar days after the end of each calendar quarter. This report must contain the information outlined below.

Accordingly, each subrecipient agrees to provide the Commonwealth with the following information in a timely manner:

- a. Subrecipient's DUNS number;
- b. Award number or other identifying number assigned by the prime recipient;
- c. The total amount of ARRA funds received by subrecipient during the reporting period;
- d. The amount of ARRA funds that were expended or obligated during the reporting period;

1000001895	Document Phase Draft	Document Description NOLIN RURAL ELECTRIC COOPERATIVE CORPORATION UTILITY SMART	Page 24 of 49
------------	--------------------------------	--	-------------------------

COPY

- e. A detailed list of all projects or activities for which ARRA funds were expended or obligated, including:
- i. the name of the project or activity;
 - ii. a description of the project or activity;
 - iii. an evaluation of the completion status of the project or activity; and
 - iv. an estimate of the number of jobs created and the number of jobs retained by the project or activity;
 - v. the primary place of performance of the subaward, including the city, state, congressional district and country;
 - vi. The names and total compensation of the five most highly compensated officers of the company if it received: 1) 80% or more of its annual gross revenues in Federal awards; and 2) \$25M or more in annual gross revenue from Federal awards.
- f. Any other information reasonably requested by the Commonwealth or required by state or federal law or regulation.

Each vendor must supply their DUNS number and an estimate of the number of jobs created and number of jobs retained as a result of the award of ARRA funds.

OMB Memorandum M-09-21 dated June 22, 2009 outlines the standard data

	Document Phase	Document Description	Page
1000001895	Draft	NOLIN RURAL ELECTRIC COOPERATIVE CORPORATION UTILITY SMART	25 of 49

COPY

elements and federal implementation guidance for use in complying with the reporting requirements under Section 1512 of the ARRA.

SEGREGATION OF FUNDS

Vendor/subrecipient agrees that it shall segregate obligations and expenditures of Recovery Act funds from other funding. No part of funds made available under the American Recovery and Reinvestment Act of 2009, Pub. L. 111-5, may be comingled with any other funds or used for a purpose other than that of making payments for costs allowable under the ARRA.

SUBCONTRACTOR/SUBGRANTEE REQUIREMENTS

Vendor/subrecipient agrees that it shall include these standard terms and conditions, including this requirement, in any of its subcontracts or subgrants in connection with projects funded in whole or in part with funds available under the American Recovery and Reinvestment Act of 2009, Pub. L. 111-5.

WAGE REQUIREMENTS (IF APPLICABLE)

Vendor/subrecipient agrees that, in accordance with Section 1606 of the ARRA, both it and its subcontractors shall fully comply with this section in that, notwithstanding any other provision of law, and in a manner consistent with the

1000001895	Document Phase Draft	Document Description NOLIN RURAL ELECTRIC COOPERATIVE CORPORATION UTILITY SMART	Page 26 of 49
------------	--------------------------------	---	-------------------------

COPY

other provisions of the ARRA, all laborers and mechanics employed by contractors and subcontractors on projects funded in whole or in part with funds available under the ARRA shall be paid wages at rates not less than those prevailing on projects of a character similar in the locality, as determined by the United States Secretary of Labor in accordance with subchapter IV of chapter 31 of title 40 of the United States Code. The Secretary of Labor's determination regarding the prevailing wages applicable in the Commonwealth of Kentucky are located at: <http://www.gpo.gov/davisbacon/ky.html>

WHISTLEBLOWER PROTECTION

Vendor/subrecipient agrees that both it and its subcontractors/subgrantees shall comply with Section 1553 of the ARRA, which prohibits all non-federal Vendor/subrecipients of ARRA funds, including the Commonwealth of Kentucky, and all contractors and grantees of the Commonwealth of Kentucky, from discharging, demoting or otherwise discriminating against an employee for disclosures by the employee that the employee reasonably believes are evidence of (1) gross mismanagement of a contract or grant relating to ARRA funds; (2) a gross waste of ARRA funds; (3) a substantial and specific danger to public health or safety related to the implementation or use of ARRA funds; (4) an abuse of authority related to implementation or use of ARRA funds; or (5) a violation of

	Document Phase	Document Description	Page
1000001895	Draft	NOLIN RURAL ELECTRIC COOPERATIVE CORPORATION UTILITY SMART	27 of 49

COPY

law, rule, or regulation related to an agency contract (including the competition for or negotiation of a contract) or grant, awarded or issued relating to ARRA funds. Vendor/subrecipient agrees that it and its subcontractors/subgrantees shall post notice of the rights and remedies available to employees under Section 1553 of Title XV of Division A of the ARRA.

1000001895	Document Phase Draft	Document Description NOLIN RURAL ELECTRIC COOPERATIVE CORPORATION UTILITY SMART	Page 28 of 49
------------	--------------------------------	---	-------------------------

COPY

APPENDIX A

Smart Grid

Smart Grid- Nolin Rural Electric Cooperative Corporation

SCOPE OF WORK

This grant provides funding in an amount not to exceed Eighty-Five Thousand Dollars (\$85,000.00) to Nolin Rural Electric Cooperative Corporation (NRECC) in order to implement a prepaid electric meter program that is designed to give customers control of their energy usage, reduce security deposits, eliminate reconnection charges, and reduce energy consumption. NRECC will plan for, deploy, and analyze the effectiveness of pre-pay electric meters, all in accordance with NRECC's formal response to the Solicitation No. RFP# 127 100000200 -- Utility Smart Grid Initiative.

REPORTING REQUIREMENTS

The Recipient shall provide the Cabinet regular reports as specified below. All reports listed below shall be provided in Adobe Acrobat (PDF) format, unless otherwise noted. If the recipient anticipates difficulty producing this document format, it should contact the Department for Energy Development and

1000001895	Document Phase Draft	Document Description NOLIN RURAL ELECTRIC COOPERATIVE CORPORATION UTILITY SMART	Page 29 of 49
------------	--------------------------------	---	-------------------------

COPY

Independence (DEDI) to make other arrangements. All files submitted should be clearly named as indicated below, utilizing the Document ID Number, which can be found at the top of the recipient MOA. The Document ID Number can be recognized by the beginning letters "PON2" or "PO2".

Reporting periods and due dates will be as follows:

Report Type	Reporting Period	Reporting Due Date
Fiscal, Programmatic, Milestones, Metrics, Compliance	Monthly:	5th of the following month:
	January	February 5th
	February	March 5th
	March	April 5th
	April	May 5th
	May	June 5th
	June	July 5th
	July	August 5th
	August	September 5th
	September	October 5th
	October	November 5th
	November	December 5th
December	January 5th	
Special Status	As needed and define below	As soon as possible after special event
Annual	Year ending June 30	July 15th
Closeout	At project closeout	At time of final invoice

A. REGULAR REPORTS

Not later than five (5) calendar days after the end of each reporting period, each

	Document Phase	Document Description	Page
1000001895	Draft	NOLIN RURAL ELECTRIC COOPERATIVE CORPORATION UTILITY SMART	30 of 49

COPY

recipient shall submit fiscal, programmatic status, milestones, and metrics reports to DEDI as described in the sections below. DEDI may amend the format for preparing and submitting the reports as needed and will supply the recipient with necessary guidance. Failure to comply with this reporting requirement may result in termination of that part of the award funded under the American Recovery and Reinvestment Act of 2009 (ARRA).

Fiscal Reports

The following fiscal documents will be submitted on a monthly basis:

Monthly invoices for all funds expended, indicating:

- a. Current monthly expenditures
- b. Cumulative expenditures to date

2. Backup documentation for each invoice. Examples:

- a. Personnel – payroll spreadsheet showing time worked within the invoice period. Spreadsheet shall contain salary information, name of employee or some identifiable number, percent of time applied to grant along with the number of hours and fringe benefits per person.
- b. Fringe – include in payroll spreadsheet.
- c. Travel – travel voucher (state agencies may use the eMARS travel

1000001895	Document Phase Draft	Document Description NOLIN RURAL ELECTRIC COOPERATIVE CORPORATION UTILITY SMART	Page 31 of 49
------------	--------------------------------	--	-------------------------

COPY

voucher) or invoices showing airfare, hotel expenses, etc. Mileage will be paid based on rate established through a travel policy by the recipient. If no rate has been established, the recipient may use the state or Federal mileage rate.

- d. Equipment – receipt marked paid (an invoice shall be submitted after equipment is paid for).
- e. Supplies – receipt marked paid (an invoice shall be submitted after supplies are paid for).
- f. Contractual – invoice and documentation that item has been paid (recipient shall verify invoice).
- g. Construction – invoices, receipts marked paid and any other documents that properly verify expenses.
- h. Indirect costs -- will be verified not to exceed the allowable rate established in the MOA.

3. Funds Obligated: Provide summary of all funds obligated, including the following information:

- a. Amount of funds obligated;
- b. Who funds are obligated to;
- c. Services to be provided

4. Cost Status. Show approved budget by budget period and actual costs

	Document Phase	Document Description	Page
1000001895	Draft	NOLIN RURAL ELECTRIC COOPERATIVE CORPORATION UTILITY SMART	32 of 49

COPY

incurred. If cost sharing is required, break out by DEDI share, recipient share, and total costs to clearly indicate leveraged funds.

5. Final invoice: The final invoices should be clearly marked as “FINAL INVOICE” to indicate that all funds that will be expended have been expended. This is important to ensure project closeout.
6. Program outlays: Program outlay is the total expense incurred by the recipient regardless of whether or not the recipient has invoiced or received reimbursement for the expense.

Other Information

1. Invoice amounts should be summarized by budget category. If the recipient is not certain of what category to use for a particular expense, it should contact its DEDI Program Manager for assistance.
 - a. Personnel – staff salaries only for the recipient entity.
 - b. Fringe Benefits – an approved fringe benefit, e.g. FICA, retirement, health or life insurance, or other rate or rate calculation approved by DEDI.
 - c. Travel – airfare, vehicle mileage, rental, lodging, and food related to travel for professional conferences, DOE- or DEDI-sponsored meetings, project management meetings, etc.
 - d. Equipment – any item with an acquisition cost of greater than \$5

1000001895	Document Phase Draft	Document Description NOLIN RURAL ELECTRIC COOPERATIVE CORPORATION UTILITY SMART	Page 33 of 49
------------	--------------------------------	--	-------------------------

COPY

,000 and a useful life expectancy of more than one year.

- e. Supplies – any item with an acquisition cost of \$1,000 or less and a useful life expectancy of less than one year.
 - f. Contractual – includes all costs related to sub-recipients, vendors, contractors, or consultants supplying products or services used to support the recipient’s project.
 - g. Construction – all types of work done on a particular building, including erecting, altering, or remodeling
 - h. Other – direct cost items required for the project which do not fit clearly into other categories, and are not included in the indirect pool for which the indirect rate is being applied to this project. Examples are meeting costs, postage, couriers or express mail, telephone/fax costs, printing costs, etc.
 - i. Total Indirect – a federally approved indirect rate agreement, or proposed rate supported and agreed upon by DEDI for estimating purposes is required if reimbursement of indirect costs is requested.
2. In the event the recipient incurs no expenses for a given month, the recipient will need to submit an invoice for zero dollars or provide a “notice of no expenses” for that month.
 3. All invoices should indicate the Document ID Number, which can be

1000001895	Document Phase Draft	Document Description NOLIN RURAL ELECTRIC COOPERATIVE CORPORATION UTILITY SMART	Page 34 of 49
------------	-------------------------	---	------------------

COPY

found at the top of the recipient MOA. The Document ID Number can be recognized by the beginning letters “PON2” or “PO2”. All invoices from vendors must include the vendor DUNS # and/or the vendor headquarters zip code.

4. Invoices should be provided in the format specified by DEDI.
5. Accurate records should be kept on project expenditures for all ARRA-funded efforts for a period of at least three (3) years from the grant close-out date. Prior to submitting the first invoice, the recipient will need to provide information to DEDI on the accounting system to be used including the account numbers. The recipient will need to provide assurances and document that separate accounts are provided for all ARRA-related funds to ensure ARRA funds are not co-mingled with other funds.
6. Recipients and sub-recipients must be able to identify the specific products or services that are purchased using ARRA funds.

Where to Submit:

Invoices may be submitted via email or as hard copy as follows:

Email:to Energy.Grants@ky.gov

Hard copy mail to:

	Document Phase	Document Description	Page
1000001895	Draft	NOLIN RURAL ELECTRIC COOPERATIVE CORPORATION UTILITY SMART	35 of 49

COPY

Recovery Act Grant Invoices

Department for Energy Development & Independence

500 Mero St., 12th Floor CPT

Frankfort, KY 40601

Phone: 502-564-7192

Programmatic Status Reports

A programmatic status report shall be submitted as an electronic file on a monthly basis. Additionally, DEDI may require programmatic reports on a monthly basis, if needed. The following detailed list of all activities for which ARRA Pub. L. 111-5, covered funds were expended or obligated shall be submitted including:

1. Introductory Information
 - a. DOE Award number and name of grant recipient.
 - b. Name of project or activity.
 - c. Project director or principal investigator.
 - d. Date of report and period covered by the report.
2. Remarks (problems, issues variances from plan)
 - a. Schedule Status. List milestones, anticipated completion dates and actual completion dates. The recipient may use its own project management system to supplement this information. Provide a

1000001895	Document Phase Draft	Document Description NOLIN RURAL ELECTRIC COOPERATIVE CORPORATION UTILITY SMART	Page 36 of 49
------------	--------------------------------	---	-------------------------

COPY

comparison of the actual accomplishments with the milestones established for the period and explanation for any variations.

- b. Any changes in approach or aims and reasons for change. Significant changes to the objectives and scope require prior approval by the DEDI program manager and/or U.S. DOE.
- c. Actual or anticipated problems or delays and actions taken or planned to resolve them.
- d. Any absence or changes of key personnel or changes in consortium/teaming arrangement, e.g. recipient primary contact, budget/fiscal manager, program manager.

3. Accomplishments, publicity, news

- a. A discussion of what was accomplished during this reporting period, including major activities, significant results, major findings or conclusions, key outcomes or other achievements. This section should not contain any proprietary data or other information not subject to public release. If such information is important to reporting progress, do not include the information, but include a note in the report advising the reader to contact the recipient Primary Contact for further information.
- b. A description of any product produced or technology transfer activities

1000001895	Document Phase Draft	Document Description NOLIN RURAL ELECTRIC COOPERATIVE CORPORATION UTILITY SMART	Page 37 of 49
------------	--------------------------------	---	-------------------------

COPY

accomplished during this reporting period, such as:

- 1) Web site or other Internet sites that reflect the results of this project.
 - 2) Networks or collaborations fostered.
 - 3) Technologies/Techniques.
 - 4) Inventions/Patent Applications.
 - 5) Publications (list journal name, volume, issue); conference papers; or other public releases of results.. Upload copies of public releases to the reporting web site.
 - 6) Other products, such as data or databases, physical collections, audio or video, software or netware, models, educational aid or curricula, instruments or equipment.
 - 7) Infrastructure investments made, purpose, total cost, rationale of agency for funding infrastructure investment, name of agency contact.
4. Format: Uploaded files should be named using the following convention:
DocID#-DDMMYY-PROGRAM.pdf
5. Where to Submit: The recipient will upload and submit all report documents online at a web address to be provided by DEDI.

Milestone Report

The following set of milestones shall be reported on a quarterly basis to DEDI in a form as specified by the agency. DEDI will provide guidance as needed.

1000001895	Document Phase Draft	Document Description NOLIN RURAL ELECTRIC COOPERATIVE CORPORATION UTILITY SMART	Page 38 of 49
------------	--------------------------------	---	-------------------------

COPY

1	Draft & Execute MOA with Department for Energy Development and Independence (DEDI) for operation of the program	1
2	Finalize program milestones, targets and metrics	1
3	Make Pre-Paid tariff filing with the Kentucky Public Service Commission	1
4	Install "pre-pay" meters	300
5	Prepare a case study to demonstrate the findings and impact estimates of the prepaid meter program	1
6	Report fiscal results monthly to DEDI	24
7	Report program results monthly to DEDI	24
8	Annual Report to DEDI	3
9	Prepare final report that includes a compilation of information and data to be submitted to DEDI.	1

Format: All components of the milestone data report shall be completed using the on-line reporting forms as specified by DEDI.

Where to Submit: The recipient will upload and submit all report documents online at a web address to be provided by DEDI. Uploaded files should be named using the following convention: DocID#-DDMMYY-MILESTONES.pdf

Metrics Report

The following set of metrics shall be reported on a quarterly basis to DEDI.

DEDI will provide guidance on its web site for answering these questions.

Type	Activity	Sector	Amt-	Units
Emissions Reductions	Amount of carbon monoxide (CO) pollutants reduced			metric tons
Emissions Reductions	Amount of greenhouse gases			CO2 equivalents

1000001895	Document Phase Draft	Document Description NOLIN RURAL ELECTRIC COOPERATIVE CORPORATION UTILITY SMART	Page 39 of 49
------------	-------------------------	---	------------------

COPY

	reduced		(metric tons)
Emissions Reductions	Amount of nitrogen dioxide (NO2) pollutants reduced		metric tons
Emissions Reductions	Amount of particulate matter (PM) pollutants reduced		metric tons
Emissions Reductions	Amount of sulfur dioxide (SO2) pollutants reduced		metric tons
Emissions Reductions	Amount of volatile organic compounds (VOC) pollutants reduced		metric tons
Energy Cost Savings	Annual reduction in electricity costs	Institutional	\$
Energy Cost Savings	Annual reduction in fuel oil costs	Institutional	\$
Energy Cost Savings	Annual reduction in gasoline and diesel fuel costs	Institutional	\$
Energy Cost Savings	Annual reduction in natural gas costs	Institutional	\$
Energy Cost Savings	Annual reduction in propane costs	Institutional	\$
Energy Savings	Annual reduction in electricity consumption	Institutional	MWh
Energy Savings	Annual reduction in electricity demand	Institutional	MWh
Energy Savings	Annual reduction in fuel oil consumption	Institutional	gallons
Energy Savings	Annual reduction in gasoline and diesel fuel consumption	Institutional	gallons

1000001895	Document Phase Draft	Document Description NOLIN RURAL ELECTRIC COOPERATIVE CORPORATION UTILITY SMART	Page 40 of 49
------------	-------------------------	--	------------------

COPY

Energy Savings	Annual reduction in natural gas consumption	Institutional	mmcf
Energy Savings	Annual reduction in propane consumption	Institutional	gallons
Renewable Energy Capacity and Generation	Amount of electricity generated from other renewable sources		MWh
Renewable Energy Capacity and Generation	Amount of electricity generated from photovoltaic systems		MWh
Renewable Energy Capacity and Generation	Amount of electricity generated from wind systems		MWh
Renewable Energy Capacity and Generation	Amount of electricity generating capacity from other renewable sources installed		MW
Renewable Energy Capacity and Generation	Amount of photovoltaic generating capacity installed		MW
Renewable Energy Capacity and Generation	Amount of wind-powered electric generating capacity installed		MW
Building Retrofits	Number of buildings retrofitted	Institutional	#
Building Retrofits	Square footage of buildings retrofitted	Institutional	sq ft
Government, School, Institutional Procurement	Number of ENERGY STAR commercial or street light units purchased		#
Government, School,	Number of ENERGY STAR exit signs		#

1000001895	Document Phase Draft	Document Description NOLIN RURAL ELECTRIC COOPERATIVE CORPORATION UTILITY SMART	Page 41 of 49
------------	-------------------------	--	------------------

COPY

Institutional Procurement	purchased		
Government, School, Institutional Procurement	Number of ENERGY STAR HVAC units purchased		#
Government, School, Institutional Procurement	Number of units of other energy efficient equipment purchased (describe)		#
Other Activity Not Previously Defined	Pertinent metric information for any activity not defined above		Description
Renewable Energy Market Development	Number of other renewable energy systems installed		#
Renewable Energy Market Development	Number of solar energy systems installed		#
Renewable Energy Market Development	Number of wind energy systems installed		#
Renewable Energy Market Development	Size of other renewable energy systems installed		KW
Renewable Energy Market Development	Size of solar energy systems installed		KW
Renewable Energy Market Development	Size of wind energy systems installed		KW
Technical Assistance	# of information contacts (for example, webinar, site visit, media, fact sheet) in which	Residential	#

1000001895	Document Phase Draft	Document Description NOLIN RURAL ELECTRIC COOPERATIVE CORPORATION UTILITY SMART	Page 42 of 49
------------	-------------------------	--	------------------

COPY

	efficiency or renewable energy measures were recommended		
Job Creation/Retention	Description of jobs created	Industry	Description
Job Creation/Retention	Description of jobs created	Institutional	Description
Job Creation/Retention	Description of jobs retained	Industry	Description
Job Creation/Retention	Description of jobs retained	Institutional	Description
Job Creation/Retention	Duration of jobs created	Commercial	Months
Job Creation/Retention	Duration of jobs created	Institutional	Months
Job Creation/Retention	Duration of jobs retained	Commercial	Months
Job Creation/Retention	Duration of jobs retained	Institutional	Months
Job Creation/Retention	Number of jobs created	Commercial	#
Job Creation/Retention	Number of jobs created	Institutional	#
Job Creation/Retention	Number of jobs retained	Commercial	#
Job Creation/Retention	Number of jobs retained	Institutional	#

Format: All components of the metrics data report shall be completed using the on-line reporting forms as specified by DEDI.

Where to Submit: The recipient will upload and submit all report documents

	Document Phase	Document Description	Page
1000001895	Draft	NOLIN RURAL ELECTRIC COOPERATIVE CORPORATION UTILITY SMART	43 of 49

COPY

online at a web address to be provided by DEDI.

Compliance Reports

1. List any individual, whom the sub-recipient has knowledge of, that has committed a false claim as defined by the False Claims Act, or committed a criminal or civil violation of laws pertaining to fraud, conflict of interest, bribery, gratuity, or any other misconduct involving the use of ARRA funds, as reference in Section 5.5 of the AGREEMENT.

2. For any vendor, subcontracts or subgrants equal to or greater than Twenty-Five Thousand Dollars (\$25,000.00):

- A. The name of the entity;
- B. DUNS #
- C. The amount; per payment & cumulative if more than one payment has occurred
- D. Brief product and/or service description

3. For any vendor, subcontract, or sub-grant of less than \$25,000.00, provide the cumulative number of payments and amount, both for the reporting period and cumulatively over the life of the grant.

4. Names & Total compensation of the five (5) most highly compensated officers of the company if, in the preceding fiscal year, it received eighty percent (80%) or more of its annual gross revenues in federal awards, and twenty-five

1000001895	Document Phase Draft	Document Description NOLIN RURAL ELECTRIC COOPERATIVE CORPORATION UTILITY SMART	Page 44 of 49
------------	--------------------------------	---	-------------------------

COPY

million dollars (\$25,000,000) or more in annual gross revenue from federal awards.

B. SPECIAL STATUS REPORT

The recipient must report the following events via email to

Energy.Grants@ky.gov or call the DEDI Program Manager at 502-564-7192 as

soon as possible after they occur:

1. Developments that have a significant favorable impact on the project.
2. Problems, delays, or adverse conditions which materially impair the recipient's ability to meet the objectives of the award or which may require DEDI to respond to questions relating to such events from the public. For example, the recipient must report any of the following incidents and include the anticipated impact and remedial action to be taken to correct or resolve the problem/condition:
 - a. Any single fatality or injuries requiring hospitalization of five or more individuals.
 - b. Any significant environmental permit violation.
 - c. Any verbal or written Notice of Violation of any Environmental, Safety and Health statutes or regulations.
 - d. Any incident which causes a significant process or hazard control system failure.

	Document Phase	Document Description	Page
1000001895	Draft	NOLIN RURAL ELECTRIC COOPERATIVE CORPORATION UTILITY SMART	45 of 49

COPY

- e. Any event which is anticipated to cause a significant schedule slippage or cost increase.
- f. Any damage to Government-owned equipment in excess of \$50,000.
- g. Any other incident that has the potential for high visibility in the media.
- h. Immediately upon receipt of a written request made under the Kentucky Open Records Act or the federal Freedom of Information Act, the Recipient shall notify the Cabinet of the specific nature of the request and the Recipient's response to the request.

C. ANNUAL REPORTS

Submit annual reports not later than five (5) calendar days after June 30th during each year of the grant. The annual report shall describe the status of development and implementation of the energy efficiency and conservation activities and an assessment of energy efficiency gains. The annual report shall also summarize the metrics provided.

The final Annual Report is due 15 days after the end of the project. In the final Annual Report provide a discussion of "lessons learned" from the project.

Where to Submit: The recipient will upload and submit all report documents online at a web address to be provided by DEDI. Uploaded files should be named using the following convention: DocID#-DDMMYY-ANNUAL.pdf

1000001895	Document Phase Draft	Document Description NOLIN RURAL ELECTRIC COOPERATIVE CORPORATION UTILITY SMART	Page 46 of 49
------------	--------------------------------	---	-------------------------

COPY

D. CLOSEOUT REPORTING

Property Certification

The recipient must provide the Property Certification, including the required inventories of non-exempt property, located at <http://www.energy.ky.gov/recovery/reporting/>.

E. JOINT OUTREACH ACTIVITIES

As partners in the development and implementation of the project, Recipient will work with EEC's program managers and Office of Communications and Public Outreach to write an appropriate news release announcing the grant, discuss possible public events surrounding the announcement, and future public events as the project is underway.

F. ENVIRONMENTAL REVIEW

Due to restrictions placed on the funding for this project by the US Department of Energy (DOE), the recipient will ensure that all projects funded through this agreement comply with the National Environmental Policy Act of 1969 by completing the Environmental Questionnaire, as provided by DEDI. The Environmental Questionnaire must be submitted to DEDI for DOE approval prior to sub-recipient funding and project implementation.

Prohibited actions include: Recipient is restricted from distributing funds under this agreement pending: (1) further submission by Recipient specifically

	Document Phase	Document Description	Page
1000001895	Draft	NOLIN RURAL ELECTRIC COOPERATIVE CORPORATION UTILITY SMART	47 of 49

COPY

identifying all activities; and (2) a final NEPA determination from DOE regarding those activities.

This restriction does not preclude Recipient from: developing a solicitation process, conducting assessments, studies, and audits; developing strategies; and engaging in other administrative work related to this agreement. Moving forward with activities that are not authorized in advance of the final NEPA decision puts the recipient at risk of not receiving funding and such costs may not be recognized as allowable cost share.

1000001895	Document Phase Draft	Document Description NOLIN RURAL ELECTRIC COOPERATIVE CORPORATION UTILITY SMART	Page 48 of 49
------------	--------------------------------	---	-------------------------

COPY

APPENDIX B

Smart Grid- Nolin RECC

BUDGET*

Categories	Federal Grant / DEDI	Recipient Cost Share	Total
Personnel	\$0	\$39,000	\$39,000
Fringe Benefits	\$0	\$21,840	\$21,840
Travel	\$0	\$0	\$0
Equipment	\$10,000	\$0	\$52,000
Supplies	\$0	\$0	\$0
Contractual	\$23,000	\$0	\$0
Construction	\$0	\$0	\$0
Other	\$52,000	\$50,000	\$102,000
Total Direct Charges	\$85,000	\$110,840	\$195,840
Indirect Charges	\$0	\$0	\$0
TOTAL	\$85,000	\$110,840	\$195,840
Program Income			

**A detailed budget template provided by DEDI must be completed and submitted to the DEDI Program Manager prior to the start of the project and updated before the start of each fiscal year.*

	Document Phase	Document Description	Page
1000001895	Draft	NOLIN RURAL ELECTRIC COOPERATIVE CORPORATION UTILITY SMART	49 of 49

COPY

IN WITNESS WHEREOF, the Cabinet and the Recipient have executed
this AGREEMENT as of the date first above written.

AGREED TO BY:

NOLIN RURAL ELECTRIC COOPERATIVE CORPORATION

Michael L. Miller Date: 6-22-10
Michael L. Miller, President & CEO

ENERGY AND ENVIRONMENT CABINET

Henry C. A. List Date: 6/28/10
Leonard K. Peters, Secretary
Henry C. A. List, Dep. Secretary

APPROVED AS TO FORM AND LEGALITY

ENERGY AND ENVIRONMENT CABINET

C. Michael Haines Date: 6-28-10
C. Michael Haines, General Counsel
Energy and Environment Cabinet



ENERGY AND ENVIRONMENT CABINET
DEPARTMENT FOR ENERGY DEVELOPMENT AND INDEPENDENCE
500 MERO STREET
12TH FLOOR, CAPITAL PLAZA TOWER
FRANKFORT, KY 40601
TELEPHONE: 502-564-7192
FACSIMILE: 502-564-7484

April 28, 2011

Mr. Greg Harrington
Engineering Superintendent
Nolin Rural Electric Cooperative
411 Ring Road
Elizabethtown, Kentucky 42701-6767

Dear Mr. Harrington:

On March 9, 2011, we met at Nolin Rural Electric offices with you, Roger Wilson, of Wilson Consulting, Mechonda O'Brien, and members of my staff to discuss the Smart Grid Project being funded through this office using American Recovery and Reinvestment funds.

At that meeting, we discussed several topics including your concerns with the pre-pay tariff approved by the Public Service Commission (PSC) for Jackson Energy, the fact that your equipment supplier, Landis and Gyr could not at this time support an in-home display, and your on-going informal discussions with the PSC concerning a more comprehensive pre-pay tariff for Nolin Rural Electric.

You had been working with Landis and Gyr and had hoped that they had a potential solution to allow the use of the in-home display for the pre-pay program being envisioned by Nolin. It is our understanding that you've also continued your discussions with the PSC to determine timeframes for receiving approvals if you decide to move forward.

We need to look realistically at the activities that have been undertaken to date and the time remaining for full project completion, which is basically one year remaining to complete the project (April 2012). Your original proposal had the Technology Roadmap study and the Policy, Regulatory and Tariff phase complete by the end of 2010 with the Equipment Installation phase completed by the end of this year (2011).

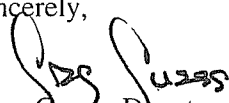
Based on the latest information in Nolin's monthly report, it appears that you anticipate having approval from the PSC within two months of submitting a pre-pay tariff for consideration. With this in mind, before the end of April, please provide an updated timeline and schedule for completion of the activities and phases outlined in the Nolin Rural Electric Smart Grid Initiative. With only a year left to fully implement your project, your progress in moving forward will be closely monitored.

Greg Harrington
April 28, 2011
Page 2

This agency is responsible for ensuring that the ARRA State Energy Program funds are fully expended and programs fully implemented by April 2012. It is desired to have Nolin complete the Smart Grid project under contract. However, if substantial progress is not made, including having a PSC approved pre-pay tariff in place for Nolin, by July 1, 2011, our only option will be to cancel our Memorandum of Agreement with you and re-program the remaining funds to a recipient that we know to be capable of utilizing them in time to meet the federal deadlines imposed upon us.

If you have any questions, please do not hesitate to contact Lona Brewer, your project manager, or me.

Sincerely,



Greg Guess, Director
Division of Efficiency & Conservation

cc: Roger Wilson

Nolin Rural Electric Cooperative Corporation
Second Information Request – Case No. 2011-00141
Public Service Commission Staff Request Dated May 6, 2011

Question 5(a-g):

5. Refer to Exhibit A of the application.

- a. The Rates section states that, in addition to the customer charge, Prepay Program customers will incur an additional fee of 17 cents per day. Provide the supporting cost justification for this charge.

Answer:

The first part of this exhibit is equipment cost and this is the amount of investment that Nolin RECC will make for each participant in this program. Listed below is the investment per member and is segmented into two components: the allocated investment and the direct investment.

Equipment Costs			Per Member
1	Software for program	\$20,000	\$66.67
2	Number of participants	300	
3	Pre-pay Meter		\$300
			<hr/>
Investment per Member			\$366.67

The software cost is the allocated investment and has been allocated over the expected pilot participants of 300 members and amounts to \$66.67 per participant. The timeframe obtaining this number of participants cannot be determined at the present time, but Nolin's intent is three years. The participant or direct investment is \$300.00. The second part is an estimate of the annual costs for this program for each one of its participants.

Annual Expenses	20 Year Life
Depreciation	\$18.33
Interest - 4%	\$14.67
O&M	
Software 20%	\$13.33
Pre-pay Meter 10%	\$30.00
	<hr/>
Annual Expense	\$76.33
Monthly Expense	\$6.36
Daily Expense	\$0.21

All assumptions were taken from the Jackson Energy submitted tariff. The expected life of these investments is estimated at twenty years resulting in a five percent depreciation rate. We have set the interest rate of four percent. Operations and Maintenance (“O&M”) expenses are twenty percent for the software and ten percent for the pre-pay meters. These O&M expenses are based on the best information that Jackson Energy could gather from other utilities with similar programs. The daily rate per participant is proposed at \$0.17 which is less than the estimated cost per day.

- b. Refer to the Terms and Conditions section, paragraph 1 which states that the term of the Prepay Electric Service agreement is for one year. State whether participants can withdraw from the program at any time within the one year term and whether they will be charged a penalty or fee to withdraw.*

Answer:

The agreement for prepay service is for one year. However, if the member decides to leave the prepay program prematurely, for reasons other than a requested disconnect, Nolin will assess a \$100 fee for leaving the program early. The purpose of this breach of contract fee is to assist in the recovery of the costs of meter change and processing this transaction, but also to encourage members to stay in the pre-pay program for at least one year.

Breach of Contract Fee		
One service tech to change meter		
Wages		\$30.73
Benefits		\$34.15
Vehicle		\$25.00
		<u>\$89.88</u>
Number of meters changed per hour		<u>1</u>
Cost per transaction		<u>\$89.88</u>
One Clerical person to update account		
Wages		\$21.72
Benefits		\$15.20
		<u>\$36.92</u>
Number of accounts updated per hour		<u>3</u>
Cost per transaction		<u>\$12.31</u>
Total cost per transaction		\$102.19

c. *Paragraphs 2 and 3 under the Terms and Conditions section state that customers may apply funds as often as they choose by mail, by phone with a credit card, by utilizing Nolin's website, or in person during regular business hours.*

1. *State whether Prepay Program customers will incur a fee each time they deposit money into their account. If yes, provide the amount of the fee and the cost justification supporting the fee.*

Answer:

At this time, members will not be charged a fee for payments to their prepay accounts. It is not justifiable to charge a prepay account for making a payment when postpay accounts are not charged for making payments.

2. *State whether making a payment via telephone is automated or requires the use of a customer service representative.*

Answer:

Telephone payments are currently made through the assistance of a Customer Service Representative.

3. *State whether a transaction fee will apply to the use of a heating assistance voucher.*

Answer:

No transaction fee will be applied for heating assistance vouchers.

- d. *Refer to the Terms and Conditions section, paragraph 8. This paragraph states that if a customer's account has been disconnected for non-payment and the customer chooses the Prepay Program when reconnecting, the customer will be subject to a prepayment plan in which future payments are divided 50 percent to the unpaid debt and 50 percent to daily usage on the account. Explain whether Nolin's customer billing system is capable of handling this type of payment allocation.*

Answer:

Nolin uses National Information Solutions Cooperative (NISC) for billing software. NISC has a prepay software application that is available and that is being used by cooperatives in other states. Therefore, the 50/50 split on the transactions would not be done manually.

- e. *Refer to the Terms and Conditions section, paragraph 10, which states that if a meter reading is not available, the account will not be billed until a reading is available.*
1. *Describe the type of meter that will be required for a customer to participate in the Prepay Program and why a meter reading might not be available. Include in the response whether Nolin has Automated Meter Reading ("AMR") meters, if the AMR meters are capable of functioning as Automated Metering Infrastructure ("AMI") meters and if any additional hardware or network upgrades will be necessary in order for the meters to function as AMI meters.*

Answer:

The pre-pay meter required for participants in the pre-pay program is the Landis & Gyr Focus AX-SD/Echo Transceiver meter.

Although Nolin's current AMR meters have a history of giving readings 99.994% of the time, there are always the possibilities of Acts of God and equipment malfunctions that could cause a reading to be delayed.

Nolin does have AMR meters, and they can function as AMI meters with the understanding that Nolin defines AMR Technology as "one-way" or downstream data reporting and AMI Technology is "two-way" both downstream (data/information/commands) and upstream (reporting/validation). Under that assumption, all Landis & Gyr TS-2 hardware currently installed at Nolin substations is AMI. If the PSC's definition of AMI means "hourly" data, then any SPU-2000 collector would need to be upgraded to the SPU-3000 collectors that support hourly data reporting. In addition, some of the TS-2 endpoints will need to

be re-flashed with new firmware to enable hourly data being reported to the SPU-3000 collectors.

2. *State whether Nolin will need to purchase remote reconnect/disconnect collars for the Prepay Program participants or if they are currently installed on all meters.*

Answer:

Nolin will be purchasing AMI meters which have the connect/disconnect features and the devices for these features are contained under the glass cover of the meter.

3. *Provide a list of any additional software or network upgrades that would be necessary for the billing and administration of the Prepay Program and the costs of such upgrades.*

Answer:

The response is attached as "Exhibit F".

- f. *Refer to the Terms and Conditions section, paragraph 13 which states that if a Member allows his or her Prepay Program account to be disconnected two or more times in a 12 month period the Member will be required to pay a deposit if the account is removed from the Prepay Program. State whether the Member will be automatically moved to a post-pay account or if it will be the option of the Member to revert to a post-pay account.*

Answer:

Nolin will not automatically remove a member from prepay if the account has been disconnected due to lack of funds. The member may choose to revert to a post pay account after one year. However, if the member chooses to revert to a postpay account before the term of the prepay agreement has been met, a \$100 breach of contract fee will be charged to the member.

- g. *Refer to the Terms and Conditions section, paragraph 17 which states that Prepay Program customers are not eligible for a Winter Hardship Reconnect, Certificate of Need, or medical Certificate as set out in 807 KAR 5:006, sections 13, 14, and 15. Explain why Nolin has requested a deviation from the requirements of 807 KAR 5:006, Section 14 but has not requested a deviation from the requirements of 807 KAR 5:006, Sections 13 or 15.*

Answer:

To the extent that 807KAR5:006, Sections 13 and 15 apply to the Prepay Metering Pilot Program, Nolin is also requesting a deviation from those provisions as well. By oversight, Nolin had failed to make this request in its Application.

Responding Witness: Greg Harrington, System Engineer
Nolin Rural Electric Cooperative Corporation



National Information Solutions Cooperative

Letter of Acknowledgement to Implement the NISC Prepaid Meter Solution

This letter is to inform of our request and intent to implement the NISC Prepaid Meter Solution. We have read and understand the requirements for the solution below.

Our preferred timeframe for implementation is _____
(month/year)

Functionality:

The Prepaid Meter Billing Solution utilizes functionality in iVUE CIS including a special Prepaid bill calc, a consumer class code for Prepaid Meters, Prepaid Meter Bill amount and balance fields, enhancements to E-bill to reflect the Prepaid Meter Balance, and notification of low credit balances through email notification and/or the iVUE IVR system to making outbound notification calls.

Requirements:

AMI Integration and MultiSpeak are required to communicate with the remote connect/disconnect collars and optional in-home displays (see pricing below). Please check with your AMI vendor for hardware/software requirements for this integration.

Additional optional recommended NISC solutions (quoted separately):

- NISC Customer Self Service/E-bill Solution (for Members checking their Prepaid Balances and making payments)
- NISC iVUE IVR Solution (for low Prepaid Balance call notification)
- NISC Hosted IVR Solution (PCI compliant e-payment option available in 2010)

Prepaid Meter Member Rates:

One-time Fee:	\$0.50 per active agreement
Minimum One-time Fee	\$3,000
Maximum One-time Fee	\$12,500
Monthly per Active Agreement Fee:	\$0.015
Minimum Monthly Fee	\$150
Maximum Monthly Fee	\$375

Both the Initial fee and monthly fee are capped at a maximum billing rate for 25,000 agreements.

The iVUE Prepaid Meter Billing Solution monthly support fee is based on the number of agreements. Once live, the actual number of agreements will be used and is adjusted quarterly to reflect current agreement counts.

The iVUE Prepaid Meter Billing Solution one-time fee includes Webex training and assistance with application setup. Training will take place between Monday - Friday during normal business hours. If on-site training is desired, time will be billed at NISCs hourly labor rate of \$130/hr plus, the hourly rate for travel time of \$110/hr, plus travel expenses.

AMI Import Interface:

This integration is required for importing AMI interval readings. It includes programs to import billable readings, interval readings, batch meter exchanges, meter inventory and test data upload, and Transformer Upload. If the AMI Import interface has not already been purchased, a one-time fee of \$1,000 and \$50 per month maintenance will apply.

MultiSpeak AMI Interface:

The MultiSpeak integration is required for communication to Remote Connect/Disconnect collars and optional in-home displays. The Prepaid Meter solution is included in the MultiSpeak Meter Reading interface so if this is not already purchased the following fees apply:

MultiSpeak License (includes setup)	\$3,000.00 one-time fee*
1st MultiSpeak Web Service interface	\$ 100.00 per month
Each additional Web Service interface	\$ 50.00 per month

*One-time fee applies only once for all MultiSpeak interfaces (AMI, Staking, GIS, OMS, and Engineering included). If you have already purchased another MultiSpeak interface this one-time fee is already paid.

Signed:

Signature: _____ Date: _____

Printed Name: _____

Title: _____

Company Name: _____



NISC CallCapture Proposal/Order Form

Proposal Prepared For:

Nolin Rural Electric Cooperative Cooperation
411 Ring Road
Elizabethtown, KY 42701

Date: 2/9/2011
Valid Through: 4/10/2011
Contact: Adam Chadbourne
ID: 19051

DESCRIPTION	Qty	Actual Price	Discount Pricing	New Monthly Fee
-------------	-----	--------------	------------------	-----------------

PMWeb Upgrade to CallCapture CallCapture: CallCapture 8-Port System PMWeb Conversion Cost	1	\$22,705	\$0	\$292.00
8-Port Text-to-Speech - English	1	\$1,825	\$1,825	\$15.00
Dell PowerEdge R710 - Rack Mount Server Quad Core Intel® Xeon® E5504, 2.0Ghz, 4M Cache 2GB DDR2 Memory (2) 160GB 7.2k RPM SATA Hard Drives (RAID 1) 3Yr Basic Hardware Warranty, HW Only 5x10 NBD Onsite	1	\$2,450	\$2,450	
PRI or SIP Technology installation/training (Analog installation/training is \$750)	1	\$1,500	\$500	

	One-Time Pricing Total	\$ 4,775	
	Monthly Fee Total		\$307.00

Note: Rack Mount Server, Tape Drive and Spanish Text-to-Speech pricing available upon request.

The above one-time pricing and monthly support will be invoiced approximately 30-days after shipping.

The pricing presented above is based as a complete solution from NISC. Use or procurement of anything other than defined above is subject to analysis, NISC integration fees and/or hourly charges.

By accepting this proposal, I agree to the PBX Integration Requirements and Disclaimer terms listed below.

Officer & Title: _____ Date: _____

Print Name of Company: _____

Nolin Rural Electric Cooperative Corporation
Second Information Request – Case No. 2011-00141
Public Service Commission Staff Request Dated May 6, 2011

Question 6:

6. *Provide proposed tariff pages for the Prepay Program*

Answer:

The response is attached as “Exhibit G”.

Responding Witness: Greg Harrington, System Engineer
Nolin Rural Electric Cooperative Corporation

**NOLIN RURAL ELECTRIC COOPERATIVE CORPORATION
AGREEMENT FOR PARTICIPATION IN PREPAY PROGRAM**

Member Name _____	Home Phone _____
Account No. _____	Cell Phone _____
Service Address _____	E-mail _____
_____	_____

The undersigned (hereinafter called the “member”) hereby applies for participation in the voluntary Prepay Electric Service Program offered to members of Nolin Rural Electric Cooperative Corporation (hereinafter called the “Cooperative”), and agrees to the following terms and conditions:

1. The member shall purchase electric energy from the Cooperative in accordance with the present and any future rate schedule of the Cooperative on a prepay basis for the above referenced account.
2. The member understands that the terms and conditions set forth in the member’s Application for Membership continue to apply in addition to the terms and conditions of this Agreement for Prepay Electric Service, subject, however, to any changes set forth in this Agreement.
3. The member shall pay any membership and connect fees as applicable by the Cooperative bylaws and the Cooperative Rules and Regulations as approved by the Kentucky Public Service Commission as may be required for the member to participate in the Prepay Electric Service Program.
4. Any deposit on the above referenced account will be applied to the account before the account changes to prepay. Any credit remaining on the account will be applied to the prepay account. However, if the member has another account(s) which does not have a satisfactory credit history, the remaining credit will be transferred as a deposit to the unsecured account(s). The deposit will only be refunded by applying it to the member’s account(s) as described.
5. As a result of participation in the Prepay Program, the member will not be mailed a monthly paper bill for electric usage or other applicable fees or charges. However, the member may request a copy of their monthly bill or view the bill online through Nolin’s website.
6. The member shall pay an additional daily program fee. This amount will be in addition to the charges included in the Cooperative’s rate schedule.
7. If a member changes any of the contact information (i.e. e-mail address, phone number, etc.) provided on this agreement, it is the responsibility of the member to notify the Cooperative of any such changes immediately. It is the member’s responsibility to manage their own communication devices.
8. When the amount of energy remaining on a prepay account declines to four (4) days’ estimated usage, an automated message will be sent to the member rather than a traditional, written notice sent by U. S. Mail.
9. The member shall be responsible for regularly monitoring the balance on the prepay account and understands that the electric service will be subject to disconnection without any written notification from the Cooperative to the member once the balance of the account reaches zero (\$0.00).
10. Should the member have a payment returned for any reason, the returned payment will be charged to the prepay account. The member’s account shall also be charged a return payment fee in addition to the returned

payment amount. If there are not sufficient funds to cover the returned item and fee, the account will be disconnected immediately.

11. By signing this agreement, the member affirms there are no residents in the home currently that have medical conditions that will be impacted by loss of service. Should this status change, the member shall contact the Cooperative in writing, upon which the account will be removed from the prepay program and will not be charged a breach of contract fee. It is the responsibility of the member to confirm the Cooperative is in receipt of the written request for removal from the program.

12. A prepay account will be disconnected if the balance of the account becomes negative. The account will be disconnected regardless of weather/temperatures as the member is responsible for ensuring that the prepay account is adequately funded. If the member can not ensure proper funding, Nolin recommends the member not utilize the prepay service.

13. Prepay accounts shall not be eligible for payment arrangements with the Cooperative and energy assistance shall not be applied until received as payment on the member's prepay account. However the prepay account will not be disconnected for the amount covered by the voucher.

14. Prepay accounts shall not be eligible for a Certificate of Need, Winter Hardship Reconnect, or Medical Certificate.

15. The member authorizes the Cooperative to transfer the unpaid balance of \$_____ from the member's postpay account to the prepay account. The member also authorizes the kWh uses since the last bill date until the meter is changed to a prepay meter be calculated and transferred to the prepay account. The member further agrees that fifty percent (50%) of any payments made on this account in the future shall be applied to the balance until said balance is paid in full. Any fees/penalties (returned payment, meter tampering, etc.) shall be paid before any payments are applied to the member's prepay account.

16. If a member wishes to disconnect service, the member shall be refunded any balance on the prepay account. Any refund will be processed in the same manner as postpay account refunds.

17. The term of this agreement shall be for one (1) year. After one year, the member may elect to opt out of the prepay program at any time. If discontinuing after one year, the member will have to meet the requirements of a non-prepaid member for continued service. If the member elects to leave the program before one (1) year, the member shall be required to pay a \$100 breach of contract fee.

Member Signature: _____ SSN: _____ Date: _____

Member Signature: _____ SSN: _____ Date: _____

CSR Signature: _____ Date: _____

OFFICE USE ONLY	
SO Number _____	IHD No. _____
Customer No. _____	Date Installed _____
Initials _____	
Comments _____	

FOR ENTIRE SERVICE AREA

Nolin RECC
411 Ring Road
Elizabethtown, KY 42701-6767

PSC KY NO. 10
Original Sheet No. 98

CANCELING PSC KY NO.
Original Sheet No.

CLASSIFICATION OF SERVICE

PILOT PROGRAM FOR PREPAY METERING

(N)

STANDARD RIDER

Voluntary Prepay Electric Service is a rider to Rate Schedule 1 as defined by the Cooperative.

AVAILABILITY OF SERVICE

All Rate Schedule 1 accounts, excluding accounts on Levelized Budget Billing, three phase accounts, and accounts with 400 or greater amp service, within the territory served by the Cooperative.

TYPE OF SERVICE

Prepaid Electric Service

RATES

In addition to the Customer Charge and kWh charge for Rate Schedule 1, there will be a 17 cents per day program fee.

TERMS & CONDITIONS

Prepay Electric Service is a voluntary program. Members who qualify for this program as defined above in "AVAILABILITY OF SERVICE" may choose to voluntarily enroll their electric account(s) in this program. All members who participate in the Prepay Electric Service are subject to the following:

1. An agreement for Prepay Electric Service must be signed by the member (for joint memberships, only one member is required to sign the agreement) for each account enrolling in the Prepay Electric Service. The term of the agreement is for one year.
2. At the time an account becomes a prepay account, the recommended initial payment for electricity is \$75. Members may apply funds in any amount to their prepay account(s) as they choose and as many times per month as they choose.
3. Members may apply funds to their prepay account(s) by mail, by phone with a Visa or MasterCard, by utilizing Nolin's website for Visa or MasterCard payments, or in person during regular business hours.
4. A new member, who previously received service from Nolin and discontinued service without paying his/her final bill, (i.e. an uncollectible account/bad debt) will be required to pay the full amount of the debt prior to establishing prepay service.

DATE OF ISSUE

DATE EFFECTIVE

ISSUED BY

President & CEO

411 Ring Road
Elizabethtown, KY 42701-6767

NAME

TITLE

ADDRESS

FOR ENTIRE SERVICE AREA

Nolin RECC
 411 Ring Road
 Elizabethtown, KY 42701-6767

PSC KY NO. 10
 Original Sheet No. 99

CANCELING PSC KY NO.
 Original Sheet No.

CLASSIFICATION OF SERVICE

(cont.)

5. If a member elects to enroll an account in prepay and has a deposit on the account, the deposit will be applied to the account before the account changes to prepay. Any credit remaining on the account will be applied to the prepay account. However, if the member has another account(s) which does not have a satisfactory credit history, the remaining credit will be transferred as a deposit to the unsecured account(s). The deposit will only be refunded by applying it to the member's account(s) as described.
6. If a member elects to enroll an account in prepay, the total amount of any existing payment arrangements/contracts will be applied to the account so the full unpaid balance will be reflected on the prepay account.
7. Once enrolled in the prepay service, no additional payment arrangements will be made.
8. If a member's postpay account has been disconnected for non-payment and the member chooses the prepay option for the account to be reconnected, the member will be subject to a repayment plan whereas future payments will be split 50/50 until the unpaid debt is retired. Under this provision, the member will be applying 50% of any funds paid on the prepay account to the unpaid debt. The remaining 50% of the funds will be applied to daily usage on the account.
9. If an agency submits or has already submitted (but not yet paid) a voucher or other financial assistance to an account, the full amount of the assistance will be applied to the unpaid debt on the prepay account.
10. Prepay accounts will be billed at least once a day to show the remaining funds on the account. If a meter reading is not available, the account will not be billed until a reading is available. In addition, a month-end billing will be done to "true up" any unbilled charges. Charges such as program fee, customer charge, kWh, fuel adjustment, environmental surcharge applicable taxes and franchise fees, security lights, and poles will be prorated daily. Charges such as Operation Round-Up, etc. will be charged during the month-end billing. Miscellaneous charges such as green power, surge protection, etc. will be charged during the first prepay billing of each month.
11. Any account on prepay will be moved to billing cycle 7 which begins the 1st of the month and ends on the last day of the month.
12. Prepay accounts will not be subject to deposits, late fees, disconnect fees, and reconnect fees.
13. Members who allow their prepay accounts to be disconnected two or more times in a 12 month period due to lack of funds will be required to pay a deposit if the account is removed, at the member's request, from the prepay rider and becomes a postpay account.
14. If a payment on a prepay account is returned for any reason, the account is subject to the service charge listed in Nolin's Rules and Regulations, Item 27. In addition if an outstanding balance is transferred from another account, the amount of the transfer will be debited to the prepay account and the account will be disconnected immediately unless there are funds on the account to cover the returned/transferred item.

(N)

DATE OF ISSUE		DATE EFFECTIVE	
ISSUED BY		President & CEO	411 Ring Road Elizabethtown, KY 42701-6767
	NAME	TITLE	ADDRESS

Nolin RECC
411 Ring Road
Elizabethtown, KY 42701-6767

PSC KY NO. 10
Original Sheet No. 100

CANCELING PSC KY NO.
Original Sheet No.

CLASSIFICATION OF SERVICE

(cont.)

- 15. If a prepay account is disconnected due to lack of funds or any other reason, the Cooperative shall be held harmless for any damages due to loss of energy services. Likewise, if the account is disconnected and the member applies funds to the prepay account thus causing the account to be reconnected, the member accepts full responsibility for any damages to the location caused by the account being reconnected.
- 16. A monthly paper bill will not be mailed to members who receive prepay service. However, they may request a copy of their monthly bill or may view it online through Nolin’s website. Due to the prepay status of an account, a delinquent notice will not be mailed on prepay accounts as the account should never be in arrears.
- 17. When the amount of funds remaining on a prepay account reaches the established threshold of four (4) days’ estimated usage, an automated message will be sent to the member rather than a written notice sent by U.S. Mail.
- 18. All voluntary prepay accounts will not be eligible for a Winter Hardship Reconnect, Certificate of Need, or Medical Certificate as outlined in 807 KAR 5:006, Sections 13, 14, and 15.
- 19. A prepay account will be disconnected if the balance of the account becomes negative. The account will be disconnected regardless of weather/temperatures as the member is responsible for ensuring that the prepay account is adequately funded. If the member can not ensure proper funding, Nolin recommends the member not utilize the prepay service.
- 20. A prepay account will be disconnected immediately in cases of theft, tampering, or hazardous code violation.
- 21. Remote disconnections will occur during business hours after the prepay balance is depleted. No disconnection will take place on weekends or holidays.
- 22. Members who voluntarily choose the prepay service are subject to all rules and regulations outlined in the Cooperative’s tariffs and bylaws unless specifically noted above.

(N)

DATE OF ISSUE		DATE EFFECTIVE	
ISSUED BY	NAME	TITLE	ADDRESS
		President & CEO	411 Ring Road Elizabethtown, KY 42701-6767

Nolin Rural Electric Cooperative Corporation
Second Information Request – Case No. 2011-00141
Public Service Commission Staff Request Dated May 6, 2011

Question 7:

7. *Explain how a Prepay customer will be able to monitor usage. Include in the response whether an in-home display will be installed and how a customer will be alerted when funds are nearly depleted.*

Answer:

Nolin will not be using in-home displays for prepay accounts. Members may call Nolin during regular business hours, access their account information through the internet, or visit our offices during regular business hours to check account balances. Members will be alerted by telephone once funds on the account drop below an estimated four (4) day usage threshold.

Responding Witness: Greg Harrington, System Engineer
Nolin Rural Electric Cooperative Corporation

Nolin Rural Electric Cooperative Corporation
Second Information Request – Case No. 2011-00141
Public Service Commission Staff Request Dated May 6, 2011

Question 8:

8. *Explain how Nolin is planning to inform its customers of the Prepay Program. Include copies of any educational and training materials such as flyers, pamphlets or posters Nolin will be using.*

Answer:

Upon approval of the tariff, members will be introduced to the prepay option by bill and invoice statement messages, billing inserts, employees, Kentucky Living, and possibly during Nolin's annual meeting. Once the tariff is approved, educational information will be developed.

Responding Witness: Greg Harrington, System Engineer
Nolin Rural Electric Cooperative Corporation