JACKSON ENERGY COOPERATIVE CORPORATION
KY ENERGY RETROFIT RIDER

Availability

The KY Energy Retrofit Rider is a voluntary tariff available to customers for the purpose of improving resource efficiency and reducing energy consumption and net customer bills. The Rider is only available to qualifying customers taking service under Schedule 10 Residential Service and Schedule 20 Commercial Service Less Than 50 KW.

Retrofit Investment and Repayment Terms

1. No up-front investment is required by participating customers. The initial cost of approved efficiency measures will be paid by the Company or its Agent.
2. The Retrofit repayment obligation shall be assigned to the premises and will survive changes in ownership and/or tenancy.
3. Retrofit program costs shall be recovered through a monthly line item Retrofit Project Charge on the utility bill.
4. The Retrofit Project Charge shall be part of the Company's charges for basic utility service. Failure to make payment may result in disconnection in accordance with the Company's approved Terms and Conditions.
5. The Retrofit Project Charge must be less than ninety (90) percent of the estimated average savings associated with the investment.
6. The Company or its agent will be responsible for estimating resource savings and developing a Conservation Plan upon which the Retrofit Project Charge will be based.
7. Although the Company and its Agent(s) expect that all participation customers will receive lower monthly utility bills, the is no guarantee of savings.
8. If a Retrofit Measure is reported to be faulty, the Company or its agent will assess (verify the failure), suspend Retrofit Project Charges to the degree that savings are compromised, initiate and verify repairs, assign cost to responsible party and reinstitute Retrofit Project Charges.
9. When an account is closed, the outstanding balance if the Retrofit obligation remains with the meter until the account is reopened, combined with another account/service or its meter is transferred to a new customer, at which time Retrofit repayments will resume as part of service to that meter/facility until paid in full.

ISSUED BY AUTHORITY OF AN ORDER OF THE PUBLIC SERVICE COMMISSION OF KENTUCKY IN CASE NO. 2010-00089 DATED December 16, 2010.
Date of Issue: January 3, 2011 Date Effective: February 10, 2011.
Issued By: Donald R. Schaefer President & CEO.

JACKSON ENERGY COOPERATIVE CORPORATION
KY ENERGY RETROFIT RIDER

Conservation Plan

The Conservation Plan will be developed by the Company or its Agent and specify measures recommended by the Company to the prospective Retrofit customer. The Conservation Plan includes:

1. Plan Scope – The Conservation Plan will include a detailed description of each retrofit option proposed. The estimated and maximum amounts of financing the Company/its Agent would pay/invest towards each retrofit would be identified. If energy savings are not completely justified on a cost basis the Conservation Plan will include the amount a customer would pay or invest to 'buy down' the remaining project balance to what can be amortized by energy savings/on-bill repayment. There will also be a financial summary of the cumulative projected on-bill repayment including: amount of cumulative program fees repaid; amount of cumulative interest repaid; amount of cumulative principle repaid; and total amount to be repaid over the life of the investment.
2. Estimated Resource Savings – The modeled change(s) in cost of resources consumed at the premises attributable to the efficiency measure(s) recommended. The Company or its Agent will be solely responsible for savings estimated and will use generally accepted modeling software and techniques.
3. Retrofit Project Charge – The charge to be included on the customer's utility bill based on the cost of the proposed measure(s) and the resulting savings. The Company will be solely responsible for calculating the Retrofit Project Charge utilizing its standard economic model of discounted cash flows. To the extent available, Company will incorporate grants and low-interest funds into calculation of Retrofit Project Charge for the benefit of customers who meet qualifying guidelines of such funding sources. In calculating the Project Charge, the Company may add five (5) percent of the capitalized cost of proposed projects as bid by contractors or vendors to offset Retrofit program costs. The annual interest rate used to calculate the Retrofit Project Charge shall be no more than the Company's current average cost of long-term debt.
4. Retrofit Project Charge – A customer or landlord may be charged a $200 Audit Fee for complete Conservation Plans. The charge will be waived for program participants or when the Conservation Plan yields less than $1,000 in improvements that can be paid for

JACKSON ENERGY COOPERATIVE CORPORATION
KY ENERGY RETROFIT RIDER

by the Company through the program. The charge will be assessed no sooner than (90) days after the Conservation Plan has been provided to the customer.

5. Number of payments – The number of payments for which Retrofit Project Charge will apply at the premises. In no case shall the duration of the Retrofit Project Charge exceed seventy-five (75) percent of the estimated life of the measure or fifteen (15) years, whichever is less.
6. In the event that multiple measures are being completed as part of a Conservation Plan, the Project Charge will not appear on the customer's bill until all measures have been completed.

A customer's and landlord's signature on the Retrofit Agreement shall indicate acceptance of the Conservation Plan.

"BUY DOWN" ALTERNATIVE

A customer or landlord may elect to "buy down" the cost of implementing an efficiency measure so that the Retrofit Project Charge will be less than the average estimated monthly savings. In this way, measures that might not otherwise yield sufficient economic savings to pay for themselves may still be approved. Prior to Company approval of a Conservation Plan that includes one or more uneconomic measures, the customer or landlord or a third party must agree to pay the amount required to buy down said measure(s) such that the Retrofit charge is no greater than ninety (90) percent of the estimated savings.

NEW STRUCTURES

A customer or owner may utilize this Rider to install high efficiency equipment or measures in new structures. The tariff may cover only the incremental cost between the lowest allowable or "standard" efficiency equipment or measure required in the structure and the higher efficiency equipment or measures chosen by the contractor, customer or owner. Under any circumstances, the Retrofit Project Charge to appear on the participant's bill must be less than the average estimated cost of resources saved by purchase of the higher efficiency equipment or measures.

ISSSUED BY AUTHORITY OF AN ORDER OF THE PUBLIC SERVICE COMMISSION OF KENTUCKY IN CASE NO. 2010-00089 DATED December 16, 2010.
Date of Issue: January 3, 2011 Date Effective: February 10, 2011.
Issued By: Donald R Schaefer President & CEO.

JACKSON ENERGY COOPERATIVE CORPORATION
KY ENERGY RETROFIT RIDER

RESPONSIBILITIES

Responsibilities, understandings and authorizations of the customer, Company, landlord (if applicable) and Participating Contractor shall be evidenced by this Rider and written agreements, notifications and disclosure/consents, the forms of which are incorporated into this Rider by reference.

The Company/its Agent(s) will

1. Market and administer the program,
2. Prequalify eligible accounts,
3. Perform energy audits to produce Conservation Plans,
4. Certify and maintain a list of Contractors, and arrange for a certified Contractor to install retrofit measures,
5. Act as Customer's representative in verifying suitability of proposed retrofits, estimated savings, satisfactory installation of retrofit measures, and evaluating ongoing performance or need for repair of measures,
6. File UCC disclosures with County Clerk for each location, and
7. Disclose pre-existing retrofit investment benefits and costs to new customers.

The Company will not be liable for any decisions or actions taken by its Agent, including but not limited to selection of measures, savings estimates, decisions on repairs or extending payment terms to collect missed payments and repair costs, or injury or damage to homes related to installation or use of retrofit measures.

The Company will not be liable for any failure by the previous occupant, building owner or landlord to disclose a customer's payment obligation.

The Company will not be liable for Contractor's work. Any verification by the Company or its Agent and request that the Company initiate Retrofit charges in no way limits the installing Contractor's and product manufacturer's liability as per contractual agreement with the Company/its Agent and under State law.

ISSSUED BY AUTHORITY OF AN ORDER OF THE PUBLIC SERVICE COMMISSION OF KENTUCKY IN CASE NO. 2010-00089 DATED December 16, 2010.
Date of Issue: January 3, 2011 Date Effective: February 10, 2011.
Issued By: Donald R. Schaefer President & CEO.

JACKSON ENERGY COOPERATIVE CORPORATION
KY ENERGY RETROFIT RIDER

The written agreements include:

1. KY Retrofit Purchase Agreement – Establishes permission and terms for program participation, clarifies charges involved in the program, roles and responsibilities of each party, and notification requirements. Customer responsibilities include signing agreement to participate, providing access to the Company, its Agent and retrofit Contractor(s) for audit, retrofit, inspection and repairs, payment of retrofit charges included in utility bills, becoming informed about routine operation of retrofits, informing the Company if an installed retrofit measure fails or malfunctions, being responsible for all costs associated with Customer damage or neglect and accepting cost for out-of-warrantee repairs. Owner responsibilities include agreeing to have retrofit installed, maintaining retrofits, written notification to prospective tenants or purchasers of the property so new occupants sign that they are informed of the energy investment burden on the meter, and fulfillment of Customer responsibilities any time metered account is in the Owner's name. Residential accounts will have repayment terms of up to 15 years, while commercial property accounts will have a maximum repayment term of 10 years and require loan security on investments greater than $20.000.
2. Master Contractor Agreement – Establishes that the contractor agrees to do the work as specified in the Conservation Plan. If the contractor needs to deviate from the Conservation Plan, the contractor will secure written authorization from the Company in advance. The Contractor is responsible for all aspects of his/her work, energy savings if provided, and all permits, insurance coverage, warrantees, bonding and representation. The contractor will not charge more than the final approved estimate for the work performed. The Agreement states that the Company is not responsible for the contractor's work, but the Company does act as an intermediary in attempting to resolve any disputes.

TRANSITION IN ROLES

Unless otherwise specifically set forth in a standard Retrofit purchase agreement made part of this Rider, responsibility for outstanding Retrofit obligations falls on the successor party when

JACKSON ENERGY COOPERATIVE CORPORATION
KY ENERGY RETROFIT RIDER

the roles of the customer, owner or tenant change, provided the required disclosure is made and consent to assume the obligation is obtained. For example: If a tenant purchases an apartment complex, that individual assumes the obligation of owner if disclosure is made and consent is obtained.

FAILURE TO MAKE REPAYMENT

The customer or landlord is obligated to pay for overall utility service which includes both the electric service provided and the repayment of the energy efficiency investment as presented on the monthly bill. In the event no payment is made and the total monthly bill becomes past due, then delinquency will be handled in accordance with the Company's approved Terms and Conditions.

OTHER

1. This Rider applies to Retrofit measures permanently installed as fixtures at the premises. Portable efficiency products such as commercial lighting may be included where preapproved and documented by the Company/its Agent. The Company will solely determine which measures or products may be included in the Retrofit Program. Premises in which Retrofit measures will be installed must be permanently anchored to a foundation.
2. Measures will be owned by the capital provider for tax or carbon credit purposes until Retrofits have been fully paid off.
3. The Company or its Agent will determine the eligibility of a customer based upon the customer's bill payment history with the Company, projected energy savings and program capacity. At its sole discretion, the Company may determine a property is not eligible for the program and does not qualify for this rider if:
    a. The structure has an expected life shorter than the payback period, or
    b. The structure does not meet applicable public safety or health codes.
4. At its sole discretion, the Company will determine the maximum Retrofit program investment in any year.

ISSSUED BY AUTHORITY OF AN ORDER OF THE PUBLIC SERVICE COMMISSION OF KENTUCKY IN CASE NO. 2010-00089 DATED December 16, 2010.
Date of Issue: January 3, 2011 Date Effective: February 10, 2011.
Issued By: Donald L. Schaff President & CEO.

JACKSON ENERGY COOPERATIVE CORPORATION
KY ENERGY RETROFIT RIDER

5. The initial term of the Retrofit Investment Agreement may be extended by the Company or its Agent to recover its costs for out-of-warrantee repairs or missed payments
6. If an account is dormant for more than one year, or the underlying facility has been destroyed, any outstanding retrofit balance net of insurance reimbursement may be charged as loss in accordance with the Company's approved Terms and Conditions.

Energy Efficiency Measure Purchase Agreement

Customer Name: _____ Agreement Date: _____, 20_____

Customer Mailing Address: _____

Service Address: _____

Customer Phone - day: _____evening:_____ mobile:_____

Account #:_____ Meter/Location ID:_____ Occupancy:_____Owner _____ Renter

Property Owner's Name:_____ Co-Owner Name:_____

Owner's Phone:_____ Co-Owner Phone:_____

Owner Mailing Address: _____

Co-Owner Address:_____

1. ENERGY EFFICIENCY MEASURE(S) PURCHASED, NOT-TO-EXCEED COST & ESTIMATED SAVINGS

Energy Efficiency Measure(s)*	Projected Cost	Not to Exceed Monthly Payment**	Est # Payments	Current value of projected savings (yr)
Energy Efficiency Measure Product(s) Total				

* Detailed description of products(s) and specifications for installation included in the attached Conservation Plan.
** Total Monthly payment amount(s) include a portion of Energy Efficiency Measure program costs.

2. INFORMATION ACCURACY

Customer and owner have made every effort to provide Company/its Agent with accurate information about the structure and its use to enable the Company to assess the energy efficiency of Customer's premises and equipment. Customer and owner acknowledge that the accuracy of the savings estimates above depend on the accuracy of information provided to the Company. Customer's Initials _____ Owner's Initials _____

3. PURPOSE OF THIS AGREEMENT

This Agreement permits the Energy Efficiency Measure(s) noted above to be installed on behalf of the Customer, in the Owners' building at the above property address with the above Location ID and obligates the Owner to disclose any payment requirement to future tenants and to any purchaser of these premises as described in Section 6.2 below. The agreement also describes the responsibilities, understandings and authorizations of Customers and Owners in

© 2010 Kentucky Energy Retrofit Collaborative

implementing, maintaining, disclosing and paying for the above mentioned Energy Efficiency Measures.

4. CUSTOMER RESPONSIBILITIES AND UNDERSTANDING

4.1 Customer will provide access to premises to the Company/its agent, Contractor and their respective employees or subcontractors to install, inspect and/or repair Energy Efficiency Measures.

4.2 Customer shall make consecutive monthly payments specified above to the Company as part of the utility bill until all payments have been made or Customer no longer has an account with the Company. For portable Energy Efficiency Measures, all remaining payments will be due with the final bill.

4.3 Maintain the installed Energy Efficiency Measure measure(s) in place for at least as long as there are payments due under this Agreement unless otherwise agreed to by Company/its Agent. Customers will be responsible for all required maintenance and out of warrantee repairs.

4.4 Customer shall notify the Company if any of the above Energy Efficiency Measures stop working. The Company/its Agent will verify Energy Efficiency Measure failure, assess repair need/cause and authorize the repair. The Company/its agent may suspend Customer's Project Charges while repairs are being made, to the degree that energy savings are compromised. Contractors and warrantees will cover costs of repairs due to defects in workmanship or equipment per contract and warrantees. Customers will cover costs for customer damage, out of warrantee repairs and any remaining repair costs. The Company/its Agent may increase the number of remaining Energy Efficiency Measure payments to recover repair costs not reimbursed, including administration.

Alternatively, Customer may repair Energy Efficiency Measures at Customer's expense and, if applicable, will be entitled to any reimbursement from existing warranties.

The Company/its Agent may repair a measure that is not working and seek compensation from Customer or owner as appropriate or recover any costs that were not reimbursed after warranty payments are applied by increasing the number of Energy Efficiency Measure payments at this location. The Company/its Agent may likewise be reimbursed for maintenance costs required to keep systems operating as described above.

4.5 Capital Provider will own the installed Energy Efficiency Measures during the duration of payments by occupant, Customer will not apply for or claim tax or other credits which will be claimed by and belong to the Capital Provider.

4.6 In some cases,(where the portable equipment replaced belonged to the meter holder) Customers may relocate portable Energy Efficiency Measures to another meter/account location also served by Company upon obtaining Company prior agreement in writing and transferring all outstanding balances for the relocated Energy Efficiency Measures to their new account .

4.7 Customer will make a good faith effort to participate in How$mart program follow-up surveys for the purpose of evaluating the effectiveness of the Energy Efficiency Measures and to provide information requested by the Public Service Commission and state Energy Office.

4.8 The Customer understands that an Independent Contractor-Customer relationship has been created by virtue of the Contractor Master Agreement between Company/its Agent and Contractor. Contractor is not an employee or agent of Company/its Agent. Company/its Agent will not be liable for personal injury, property damage or illegal activity caused by Contractor or Contractor's agents or employees. Company is not a guarantor of products and this Agreement does not limit Customer's rights regarding manufacturers, vendors and contractors.

4.9 Customer understands that this Agreement does not constitute a loan nor create any obligations under Kentucky law pertaining to consumer credit or mortgage financing. Early repayment of Energy Efficiency Measure obligations shall not result in any prepayment discounts nor refunds.

 © 2010 Kentucky Energy Retrofit Collaborative

5. CUSTOMER AUTHORIZES COMPANY/ITS AGENT TO:

5.1 Assign the How$mart Tariff to this location which shall remain in full force until the final Project Charge has been paid in full.

5.2 Be its representative to coordinate and facilitate the installation of the Energy Efficiency Measures listed above and related work including arranging for repair or replacement if any of the Energy Efficiency Measures fail prior to the Customer making the final payment.

5.3 Enter into the Contractor Installation Agreement with the Contractor on Customer's behalf for the purpose of installing Energy Efficiency Measures and related work.

5.4 Enter into change orders with Contractor on behalf of the Customer so long as the change orders do not increase the Customer's monthly payment amount under the terms of this Agreement. Customer understands that any change order that increases Customer's monthly payment amount under this Agreement must be agreed to in writing by Customer, the Owner, the Company/its Agent and the Contractor.

6. OWNER RESPONSIBILITIES AND UNDERSTANDING

6.1 Owner agrees to assume all the above mentioned Customer Responsibilities, Understandings and Authorizations, including Energy Efficiency Measure repayment whenever utility service to the above reference service location is in the Owners' name.

6.2 Owner shall make all remaining How$mart payments upon closing their utility account or upon sale of the property or disclose the monthly payment obligation to the next customer. Owners renting out the above premises shall disclose monthly payment obligation to all subsequent tenants until the obligation has been repaid. Failure to disclose will constitute permission by the Owner for the next customer to break a lease or purchase agreement for the premises within thirty (30) business days of applying for utility service. A signed copy of the New Customer Disclosure form will constitute proof of disclosure.

6.3 Owner will maintain installed Energy Efficiency Measures in place for at least as long as there are payments due under this Agreement and responsible for any required maintenance and for costs incurred from failure to properly maintain the Energy Efficiency Measure measure(s) .

6.4 Owner will be responsible for cost associated with owner damage.

6.5 Owner will obtain and maintain property insurance for casualty losses on the premises sufficient to ensure replacement of any measure installed under this program, or repayment of any outstanding Energy Efficiency Measure obligation if building/measures are not restored. Customer and owner agree to use any insurance claims payments to pay for replacement or repair of damaged measures with comparable products approved by Company/its Agent or to pay off any balance owed to the Company for Energy Efficiency Measure products installed in the premises.

6.6 Owner understands that this Agreement does not constitute a loan nor create any obligations under Kentucky law pertaining to consumer credit or mortgage financing. Early repayment of Energy Efficiency Measure obligations shall not result in any prepayment discounts nor refunds.

6.7 Owner warrantees that (s)he is the sole owner or represents all owners of these premises and is authorized to sign below. If this is not the case, signee agrees to assume all responsibility for costs associated with the installation of Energy Efficiency Measures including but not limited to their installation, removal, premises repairs, and program costs.

 © 2010 Kentucky Energy Retrofit Collaborative

7. OWNER AUTHORIZES COMPANY/ITS AGENT TO:

7.1 Arrange for installation of the Energy Efficiency Measures listed above and detailed in the Conservation Plan.

7.2. Assign the How$mart Tariff to this premise. Owner understands repayment obligations will continue until such time Company has been fully reimbursed for costs itemized above. Owner has no repayment obligations at any time utility service is in the name of his/her current tenant or future tenants with this exception: Owner will assume the payment obligation any time a Energy Efficiency Measure measure is removed by Owner.

7.3 Owner may indicate a preferred Contractor among those qualified by the Company/its agent to install Energy Efficiency Measures. Owner authorizes the Company/its Agent to arrange for a qualified Contractor to install Energy Efficiency Measures. Owner understands that when an independent contractor installs Energy Efficiency Measures, an independent relationship has been created by virtue of the Contractor Master Agreement between Company/its Agent and Contractor. Contractor is not an employee or agent of the Company. Company/its Agent will not be liable for personal injury or property damage caused by Owner, Contractor or Contractor's agents or employees. Company is not a guarantor of products, materials, or work performed by contractor. This Agreement does not limit or increase Owner's rights regarding manufacturers, vendors and contractors.

7.4 Manage change orders consistent with the Conservation Plan. Any change that deviates from the approved Conservation Plan must be agreed to in writing by Customer, Owner, Company/its Agent, and the Contractor.

7.5 Issue payment for Energy Efficiency Measure products, materials and/or work when an independent contractor or vendor is used. (Labor or installation charges will not be reimbursed for self-installed measures). Payment made by Company does not guarantee the work performed by the Contractor. The Contractor is solely responsible for the installation of the Energy Efficiency Measure measure(s).

7.6 Obtain insurance (e.g., fire) or authorize its agent to obtain insurance at its cost on the premises sufficient to ensure Company or its financing agent recovers all costs associated with measure installation. Any insurance costs to be charged back to Customer are included in the Energy Efficiency Measure costs noted above.

7.7 Record a UCC-1 Fixture Lien form at the County Clerk's Office to facilitate disclosure of Energy Efficiency Measure obligations to successor customers at this location.

8. AGREEMENT DURATION, TERMINATION AND MISCELLANEOUS PROVISIONS

8.1 This Agreement shall remain in full force and effect until the final Energy Efficiency Measure payment has been made, Customer closes the account at this location, or the Agreement is terminated by mutual consent of the parties.

8.2 No related payments will be due to Company until these premises are occupied but no later than three months after the completion of the work.

8.3 If the Customer breaches any of the terms of this Agreement, Customer shall reimburse Company for all costs incurred for Energy Efficiency Measures. Such costs include but are not limited to all costs for measures, installation, repair or replacement, administration, litigation, product subsidy, and interest. At its option, Company may recover these costs through payments to Company from customers at this location.

8.4 At Customer's request, at any time, Company will terminate this Agreement. Customer must pay all costs Company/its Agent incurred for these Energy Efficiency Measure measure(s).

8.5 No waiver, alteration or modification of any of the provisions of this Agreement shall be binding unless in writing and signed by a duly authorized representative of both parties to this Agreement.

 © 2010 Kentucky Energy Retrofit Collaborative

8.6 Notice from one party to the other under this Agreement shall be deemed to have been properly delivered if forwarded by First Class Mail to Customer or Company addresses noted on this page.

8.7 Company maintains a right of inspection and access for repair, upon reasonable notice and during normal business hours, of the Energy Efficiency Measure measure(s) installed pursuant to this Agreement for the duration of this Agreement. Any such inspection shall not be deemed as endorsement by Company/its Agent of work performed.

8.8 In the event of any dispute arising over the Energy Efficiency Measure program between Customers, Owners, and/or Contractors, Company will work with the disputing parties to obtain a mutually satisfactory resolution. In the event a satisfactory resolution cannot be reached, the dispute will be submitted to an arbiter of Company's choice. Responsibility for all costs of arbitration shall be allocated between the disputing parties as determined by the arbiter.

8.9 Company's Energy Efficiency Measure program is subject to Kentucky Public Service Commission (PSC) jurisdiction and approved as Kentucky Energy Efficiency Measure Rider.

8.10 The provisions of this Agreement shall benefit and bind the successors and assigns of Customer and Company. If any of this Agreement shall be held invalid or ineffective in whole or in part, such determination shall not be deemed to invalidate any of the remaining portions of this Agreement. This Agreement is governed by State law.

Customer	Date Signed
Owner	Date Signed
Co-Owner	Date Signed
Company	Date Signed

© 2010 Kentucky Energy Retrofit Collaborative

General

Location Number	00000
Assessor Name	JF
Date of Assessment	12/20/2010
Utility	MACED

Customer Information

Name	JF		
	(name)		
Address	(address)		
	(address)		
City	(town)		(zip)
Phone	(day)	(evening)	(mobile)
Occupancy Type			
Account #	00001		
Notes			

Owner Information

Name	JF		
	(name)		
Address	(address)		
	(address)		
City	(town)		(zip)
Phone	(day)	(evening)	(mobile)

How$mart Energy Specialist Worksheet

[Inputs] [Outputs]

General

Location Number	00000
Assessor Name	JF
Date of Assessment	12/20/2010
Utility	MACED
Current Rate/kWh	0.06800

Usage/Model Projections

	Usage (kWh)	Wasted Energy (kWh)
Base Load	11,805	
Heating	15,911	7,365
Cooling	1,793	
	29,509	7,365

Capital/Payback Benchmarks

	(yr)	(mo)	
Monetized Energy Savings	$ 500.82	$ 41.74	Calc. Capital
90% of Savings (mo) *maximum*		$ 37.56	$5,180
75% of Savings (mo)		$ 31.30	$4,317
50% of Savings (mo)		$ 20.87	$2,878

Capital Worksheet

Cost of Capital	3%
Term (yrs)	15
Overhead Charge	5%

Sources of Funds	Estimate	Not to Exceed
Customer Contribution	$ -	
Rebates - Utility	$ -	
Rebates - Kentucky Home Performance	$ 575.00	$ 575.00
Tax Credits - Federal	$ -	
Weatherization Program	$ -	
Other		
Other		
Other		
Utility Capital Investment	$ 4,275.00	$5,180
TOTAL	$ 4,850.00	$ 5,755.11

Cost of Measures		
Improve Attic Insulation	$ 2,200.00	
Improve Floor Insulation	$ 1,650.00	
Reduce Duct leakage	$ 600.00	
reduce air leakage	$ 400.00	
TOTAL	$ 4,850.00	$ 5,755.11
Surplus/(Gap)	$ -	$ -

Capital/Payback Calculations

	Estimate	Not to Exceed
Calculated Payment (mo)	**$ 31.00**	**$ 37.56**
% of Savings	74%	90%
Total Utility Investment	$ 4,275.00	$ 5,180.11
Total Cumulative Fees	$ 213.75	$ 259.01
Total Cumulative Interest	$ 1,090.98	$ 1,321.96
Total Cumulative Repayment	**$ 5,579.73**	**$ 6,761.07**
Total Cumulative Third-Party Capital	$ 575.00	$ 575.00

Fun Facts & Exciting Estimates

Equivilent number of 60W light bulbs continuously on	*total energy usage*	56
Number we can turn off	*wasted energy*	14
Approx. cost next year of wasted energy after 5.3% rate increase		$530.00
Approx. cost next year of How$mart		$370.00

Draft ver. 12-28-2010

How$martKY Efficiency Plan

Customer Name	JF
Owner Name	JF
Account #	00001
Utility Name	MACED
Assessor's Name	JF
Date of Assessment	12/20/2010
Current Rate	0.068 per kWh

How your Home uses Electricity

Your home uses energy for heating, cooling, and base load (which is everything that is not heating or cooling).

	Estimated Use (yr)		Amount Wasted	
Heating	11,805	kwh	-	kwh
Cooling	15,911	kwh	7,365	kwh
Base Load	1,793	kwh	-	kwh
	29,509	**kwh**	**7,365**	**kwh**

25% **of the energy you buy is going to waste**

Smart Energy Efficiency Improvements

- ✓ Improve Attic Insulation
- ✓ Improve Floor Insulation
- ✓ Reduce Duct leakage
- ✓ reduce air leakage
- ✓ 0
- ✓ 0
- ✓ 0

Estimated Value of Measures:	$4,850
Not to exceed amount	$5,755

Energy Efficiency *is different than Energy Conservation.*
Energy Efficient measures deliver the same and often better performance than current equipment while also using less energy. Energy Conservation meaures are actions that you can take to reduce your energy consumption such as turning off lights or taking shorter showers.

Your current electrical usage is equivilent to:

56	**60W light bulbs**
14	**Number we can turn off**

$500	**Approx. cost next year of wasted energy**
$370	**Approx. cost next year of How$mart**

The How$mart project charge will appear on your bill monthly. It has been calculated to be less than the value of the savings and to pay back the cost of the improvements over 15 years, at which point it will no longer appear on your bill.

Next Steps

1. Sign Purchase Agreement
2. Select contractor and schedule the job
3. Energy Specialist returns to inspect completed work
4. Savings begin and How$mart project charge appears on utility bill.

If, after operation, any of the upgrades fail, the Utility will reevaluate the work.

Acceptance:

I understand that:

Values on previous page are estimates only and are not a guarantee of savings. Energy savings are a best-effort estimation calculated using a computer model. The model takes into account previous usage and characteristics of the house to determine usage and potential savings. Actual savings will vary depending on behavior, weather events, maintenance of the efficiency improvements, and future utility rates.

The Utility has explained what I can do to reduce my energy consumption including, but no limited to: thermastat and other equipment settings, the impact of lighting changes, and additional appliance or home investments not covered under the How$martKY program.

Value of the improvements (cost of work) is an estimate and will be verified with the selected contractor. Final monthly charge will be determined at the time of contractor selection. If final project cost is more than the "not to exceed" amount, then customer may opt out of the installation.

Non-payment of the charge will be treated like non-payment of the utility bill potentially resulting in disconnection of service.

The How$mart Investment is a voluntary utility tariff that amortizes the cost of the efficiency improvement over the course of fifteen years or 75% of the expected life of the improvement (whichever is less) at a fixed interest rate. The expected cumulative cost to the customer over the course of the payback period of the

			Estimate	Not to Exceed
		Project Charge	*$31.00*	*$37.56*
		Estimated Materials and Labor	$4,850.00	$5,755.11
Payback Period (years)	15	Project Management Fee (5%)	$242.50	$287.76
Cost of Capital	3.00%	Estimated Total Cost of Work	$5,092.50	$6,042.86
		Total Interest over life of payback	$487.23	$718.21
		Total Payments over life of payback	$5,579.73	$6,761.07

Signed:

signature

date

printed name

How$mart Retrofit Purchase Agreement

GENERAL

Location Number	*00000*	*Account # 00001*
Date of Assessment	12/20/2010	
Utility	MACED	

CUSTOMER INFORMATION

JF
(name)
(address)
(address)
(town) (zip)
(day) (evening) (mobile)

Owner Information

JF
(name)
(address)
(address)
(town) (zip)
(day) (evening) (mobile)

1. RETROFIT MEASURES

Improve Attic Insulation
Improve Floor Insulation
Reduce Duct leakage
reduce air leakage

7365	Projected Savings (kWh)
$31.00	Calculated Monthly Payment
$4,850	Value of Measures
$4,275	Amount paid by Utility

2. INFORMATION ACCURACY

Customer and owner have made every effort to provide Company/its Agent with accurate information about the structure and its use to enable the Company to assess the energy efficiency of Customer's premises and equipment. Customer and owner acknowledge that the accuracy of the savings estimates above depend on the accuracy of information provided to the Company.

Customer's Initials _____ Owner's Initials _____

3. PURPOSE OF THIS AGREEMENT

This Agreement permits the Retrofit Measure(s) noted above to be installed on behalf of the Customer, in the Owners' building at the above property address with the above Location ID and obligates the Owner to disclose any payment requirement to future tenants and to any purchaser of these premises as described in Section 6.2 below. The agreement also describes the responsibilities, understandings and authorizations of Customers and Owners in implementing, maintaining, disclosing and paying for the above mentioned Retrofit measures.

4. CUSTOMER RESPONSIBILITIES AND UNDERSTANDING

4.1 Customer will provide access to premises to the Company/its agent, Contractor and their respective employees or subcontractors to install, inspect and/or repair Retrofit measures.

4.2 Customer shall make consecutive monthly payments specified above to the Company as part of the utility bill until all payments have been made or Customer no longer has an account with the Company. For portable Retrofit measures, all remaining payments will be due with the final bill.

4.3 Maintain the installed Retrofit measure(s) in place for at least as long as there are payments due under this Agreement unless otherwise agreed to by Company/its Agent. Customers will be responsible for all required maintenance and out of warrantee repairs.

4.4 Customer shall notify the Company if any of the above Retrofit measures stop working. The Company/its Agent will verify Retrofit failure, assess repair need/cause and authorize the repair. The Company/its agent may suspend Customer's Retrofit Project charges while repairs are being made, to the degree that energy savings are compromised. Contractors and warrantees will cover costs of repairs due to defects in workmanship or equipment per contract and warrantees. Customers will cover costs for customer damage, out of warrantee repairs and any remaining repair costs. The Company/its Agent may increase the number of remaining Retrofit payments to recover repair costs not reimbursed, including administration.

Alternatively, Customer may repair Retrofit measures at Customer's expense and, if applicable, will be entitled to any reimbursement from existing warranties.

The Company/its Agent may repair a measure that is not working and seek compensation from Customer or owner as appropriate or recover any costs that were not reimbursed after warranty payments are applied by increasing the number of Retrofit payments at this location. The Company/its Agent may likewise be reimbursed for maintenance costs required to keep systems operating as described above.

4.5 Capital Provider will own the installed Retrofit measures during the duration of payments by occupant, Customer will not apply for or claim tax or other credits which will be claimed by and belong to the Capital Provider.

4.6 In some cases,(where the portable equipment replaced belonged to the meter holder) Customers may relocate portable retrofit measures to another meter/account location also served by Company upon obtaining Company prior agreement in writing and transferring all outstanding balances for the relocated Retrofit measures to their new account.

4.7 Customer will make a good faith effort to participate in Retrofit program follow-up surveys for the purpose of evaluating the effectiveness of the Retrofit system and to provide information requested by the Public Service Commission and state Energy Office.

4.8 The Customer understands that an Independent Contractor-Customer relationship has been created by virtue of the Contractor Master Agreement between Company/its Agent and Contractor. Contractor is not an employee or agent of Company/its Agent. Company/its Agent will not be liable for personal injury, property damage or illegal activity caused by Contractor or Contractor's agents or employees. Company is not a guarantor of products and this Agreement does not limit Customer's rights regarding manufacturers, vendors and contractors.

4.9 Customer understands that this Agreement does not constitute a loan nor create any obligations under Kentucky law pertaining to consumer credit or mortgage financing. Early repayment of Retrofit obligations shall not result in any prepayment discounts nor refunds.

5. CUSTOMER AUTHORIZES COMPANY/ITS AGENT TO:

5.1 Assign the Retrofit Tariff to this location which shall remain in full force until the final Retrofit obligation has been paid in full.

5.2 Be its representative to coordinate and facilitate the installation of the Retrofit measure(s) listed above and related work including arranging for repair or replacement if any of the Retrofit measures fail prior to the Customer making the final payment.

5.3 Enter into the Contractor Installation Agreement with the Contractor on Customer's behalf for the purpose of installing Retrofit measure(s) and related work.

5.4 Enter into change orders with Contractor on behalf of the Customer so long as the change orders do not increase the Customer's monthly payment amount under the terms of this Agreement. Customer understands that any change order that increases Customer's monthly payment amount under this Agreement must be agreed to in writing by Customer, the Owner, the Company/its Agent and the Contractor.

(c) 2010 Kentucky Energy Retrofit Collaborative

6. OWNER RESPONSIBILITIES AND UNDERSTANDING

6.1 Owner agrees to assume all the above mentioned Customer Responsibilities, Understandings and Authorizations, including Retrofit repayment whenever utility service to the above reference service location is in the Owners' name.

6.2 Owner shall make all remaining Retrofit payments upon closing their utility account or upon sale of the property or disclose the Retrofit monthly payment obligation to the next customer. Owners renting out the above premises shall disclose monthly Retrofit payment obligation to all subsequent tenants until the obligation has been repaid. Failure to disclose will constitute permission by the Owner for the next customer to break a lease or purchase agreement for the premises within thirty (30) business days of applying for utility service. A signed copy of the New Customer Disclosure form will constitute proof of disclosure.

6.3 Owner will maintain installed Retrofit measures in place for at least as long as there are payments due under this Agreement and responsible for any required maintenance and for costs incurred from failure to properly maintain the Retrofit measure(s).

6.4 Owner will be responsible for cost associated with owner damage.

6.5 Owner will obtain and maintain property insurance for casualty losses on the premises sufficient to ensure replacement of any measure installed under this program, or repayment of any outstanding Retrofit obligation if building/measures are not restored. Customer and owner agree to use any insurance claims payments to pay for replacement or repair of damaged measures with comparable products approved by Company/its Agent or to pay off any balance owed to the Company for Retrofit products installed in the premises.

6.6 Owner understands that this Agreement does not constitute a loan nor create any obligations under Kentucky law pertaining to consumer credit or mortgage financing. Early repayment of Retrofit obligations shall not result in any prepayment discounts nor refunds.

6.7 Owner warrantees that (s)he is the sole owner or represents all owners of these premises and is authorized to sign below. If this is not the case, signee agrees to assume all responsibility for costs associated with the installation of Retrofit measures including but not limited to their installation, removal, premises repairs, and program costs.

7. OWNER AUTHORIZES COMPANY/ITS AGENT TO:

7.1 Arrange for installation of the Retrofit measures listed above and detailed in the Conservation Plan.

7.2 Assign the Retrofit Tariff to this premise. Owner understands repayment obligations will continue until such time Company has been fully reimbursed for costs itemized above. Owner has no repayment obligations at any time utility service is in the name of his/her current tenant or future tenants with this exception: Owner will assume the payment obligation any time a Retrofit measure is removed by Owner.

7.3 Owner may indicate a preferred Contractor among those qualified by the Company/its agent to install Retrofit measures. Owner authorizes the Company/its Agent to arrange for a qualified Contractor to install Retrofit measures. Owner understands that when an independent contractor installs Retrofit measures, an independent relationship has been created by virtue of the Contractor Master Agreement between Company/its Agent and Contractor. Contractor is not an employee or agent of the Company. Company/its Agent will not be liable for personal injury or property damage caused by Owner, Contractor or Contractor's agents or employees. Company is not a guarantor of products, materials, or work performed by contractor. This Agreement does not limit or increase Owner's rights regarding manufacturers, vendors and contractors.

7.4 Manage change orders consistent with the Conservation Plan. Any change that deviates from the approved Conservation Plan must be agreed to in writing by Customer, Owner, Company/its Agent, and the Contractor.

7.5 Issue payment for Retrofit products, materials and/or work when an independent contractor or vendor is used. (Labor or installation charges will not be reimbursed for self-installed measures). Payment made by Company does not guarantee the work performed by the Contractor. The Contractor is solely responsible for the installation of the Retrofit measure(s).

7.6 Obtain insurance (e.g., fire) or authorize its agent to obtain insurance at its cost on the premises sufficient to ensure Company or its financing agent recovers all costs associated with measure installation. Any insurance costs to be charged back to Customer are included in the Retrofit measure costs noted above.

7.7 Record the attached UCC-1 Fixture Lien form at the County Clerk's Office to facilitate disclosure of Retrofit obligations to successor customers at this location.

8. AGREEMENT DURATION, TERMINATION AND MISCELLANEOUS PROVISIONS

8.1 This Agreement shall remain in full force and effect until the final Retrofit payment has been made, Customer closes the account at this location, or the Agreement is terminated by mutual consent of the parties.

No Retrofit payments will be due to Company until these premises are occupied but no later than three months after the completion of the work.

If the Customer breaches any of the terms of this Agreement, Customer shall reimburse Company for all costs incurred for Retrofit measures. Such costs include but are not limited to all costs for measures, installation, repair or replacement, administration, litigation, product subsidy, and interest. At its option, Company may recover these costs through payments to Company from customers at this location.

8.4 At Customer's request, at any time, Company will terminate this Agreement. Customer must pay all costs Company/its Agent incurred for these Retrofit measure(s).

8.5 No waiver, alteration or modification of any of the provisions of this Agreement shall be binding unless in writing and signed by a duly authorized representative of both parties to this Agreement.

Notice from one party to the other under this Agreement shall be deemed to have been properly delivered if forwarded by First Class Mail to Customer or Company addresses noted on this page.

Company maintains a right of inspection and access for repair, upon reasonable notice and during normal business hours, of the Retrofit measure(s) installed pursuant to this Agreement for the duration of this Agreement. Any such inspection shall not be deemed as endorsement by Company/its Agent of work performed.

8.8 In the event of any dispute arising over the Retrofit program between Customers, Owners, and/or Contractors, Company will work with the disputing parties to obtain a mutually satisfactory resolution. In the event a satisfactory resolution cannot be reached, the dispute will be submitted to an arbiter of Company's choice. Responsibility for all costs of arbitration shall be allocated between the disputing parties as determined by the arbiter.

8.9 Company's Retrofit program is subject to Kentucky Public Service Commission (PSC) jurisdiction and approved as Kentucky Energy Retrofit Rider.

8.10 The provisions of this Agreement shall benefit and bind the successors and assigns of Customer and Company. If any of this Agreement shall be held invalid or ineffective in whole or in part, such determination shall not be deemed to invalidate any of the remaining portions of this Agreement. This Agreement is governed by State law.

JF	Date
JF	Date
(name)	Date
MACED	Date

(c) 2010 Kentucky Energy Retrofit Collaborative