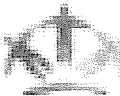


OWEN Electric

A Touchstone Energy Cooperative



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PUBLIC SERVICE
COMMISSION

Rate Case No. 2011-00037

**POST HEARING DATA REQUEST
OWEN ELECTRIC COOPERATIVE INC**

**8205 Hwy 127 N
PO Box 400
Owenton, KY 40359
502-484-3471**

CRAWFORD & BAXTER, P.S.C.

ATTORNEYS AT LAW
523 Highland Avenue
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November 11, 2011

Mr. Jeff Derouen, Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
P. O. Box 615
Frankfort, KY 40602

RE: Case No 2011-00037

Dear Mr. Derouen:

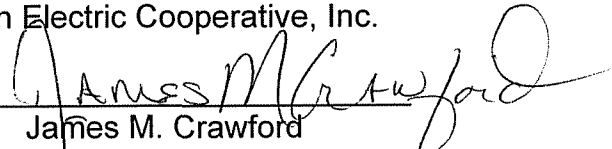
Please find enclosed the original and ten (10) copies of the responses requested of Owen Electric Cooperative at the hearing on November 1, 2011 in the above referenced case.

Please contact me with any questions.

Respectfully submitted,

CRAWFORD & BAXTER, P.S.C.
ATTORNEY'S AT LAW
523 Highland Avenue
P.O.Box 353
Carrollton, Kentucky 41008

Attorney for Applicant
Owen Electric Cooperative, Inc.

BY: 
James M. Crawford

Enclosures

Cc: Jennifer Black Hans
Lawrence W. Cook
Dennis G. Howard II
Assistant Attorneys General
1024 Capital Center Drive, Suite 200
Frankfort, KY. 40601-8204

Affiant, Rebecca Witt, states that the answers given by her to the foregoing questions are true and correct to the best of her knowledge and belief.

Rebecca Witt
Rebecca Witt

Subscribed and sworn to before me by the affiant, Rebecca Witt, this 11th
day of November, 2011.

Notary Melissa K Moore
State-at-Large

My Commission expires April 14th, 2015.

Affiant, Michael Cobb, states that the answers given by him to the foregoing questions are true and correct to the best of his knowledge and belief.



Michael Cobb

Subscribed and sworn to before me by the affiant, Michael Cobb, this 11th
day of November, 2011.

Notary Melissa K Moore

State-at-Large

My Commission expires April 14th, 2015.

Affiant, Mark A Stallons, states that the answers given by him to the foregoing questions are true and correct to the best of his knowledge and belief.



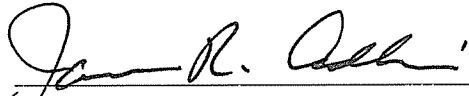
Mark A Stallons

Subscribed and sworn to before me by the affiant, Mark A Stallons, this
11th day of November, 2011.

Notary Melissa K Moore
State-at-Large

My Commission expires April 14th, 2015.

Affiant, James Adkins, states that the answers given by him to the foregoing questions are true and correct to the best of his knowledge and belief.



James Adkins

Subscribed and sworn to before me by the affiant, James Adkins, this 11th
day of November, 2011.

Notary Melissa K. Moore

State-at-Large

My Commission expires April 14th, 2015.

Owen Electric Cooperative, Inc.

DSM / Energy Efficiency Programs with Date of Inception

Program	Date of Inception
Home Energy Analysis (Energy Audits)	Mid 1970's
Energy Efficiency Education- Newsletter, Billing Inserts	Mid 1970's
School Programs on Energy Conservation	Late 1970's
High Efficiency HVAC and Water Heater Education & Incentives	Mid 1980's
Energy Management Conference for Builders / (later changed to Energy Star Conference)	Mid 1980's
Touchstone Energy Home* Education & Incentives <small>*("All Seasons Comfort Home" was the original name of the program)</small>	Late 1980's
Electric Thermal Storage (Off-Peak Heating) Program	Late 1980's
Energy Efficiency Workshops (Community Action Commissions, Senior Citizens)	Early 1990's
Interruptible Rates for Commercial & Industrial On-Peak Load Reduction	1995
On-Line Home Energy Analysis Tools & Energy Conservation Tips	2000
Energy Management Services for Commercial & Industrial Members (ENVISION)	2000
Small Commercial Energy Analysis (Energy Audits)	2001
Time of Use Rate Offerings	2001
High Performance School Workshops	2002
Touchstone Energy Manufactured Home Education & Incentives	2003
Compact Florescent Light Program	2005
Commercial & Industrial Advanced Lighting Education & Incentives	2006
Commercial & Industrial Compressed Air Education & Incentives	2008
Simple Saver Load Management Program	2008
Together We Save Energy Conservation Tips	2009
Social Media (Face Book & Twitter) Energy Efficiency / Conservation Communications	2009
Button Up Home Improvement Education & Incentives	2010
DSM Collaborative	2011
Beat The Peak Pilot Project	2011
Volt Var Optimization	2011
Smart Home Energy Management Pilot Project	2012

Owen Electric Cooperative, Inc.

Number of Energy Analysis (Energy Audits)

Year	Number
2010	305
2011 (January - October)	160

**OWEN ELECTRIC COOPERATIVE CORPORATION
CASE NO. 2011-00037**

**RESPONSE TO COMMISSION STAFF'S INFORMATION REQUEST AT
HEARING**

Question:

Please provide for the previous ten (10) years: the number of members, kwh used, and peak system demand for each of Owen's customer classes.

Response:

Attached is a listing by class of the number of members and kwh sold for the years ending December 31, 2002 through December 31, 2010. Also listed is the year to date data through October 31, 2011. This information was not available for the years ended December 31, 2000 and 2001. Owen Electric Cooperative's retention policy only requires that revenue reports are retained for six (6) years, and thus the data for those two years is unavailable.

Additionally, peak system demand is not calculated by customer class. Listed below is Owen Electric's system peak for each of the previous ten (10) years and the year to date peak demand through October 31, 2011.

2000	296,339
2001	312,646
2002	328,401
2003	340,553
2004	342,721
2005	395,358
2006	412,255
2007	416,839
2008	436,627
2009	413,640
2010	418,015
2011	422,617

Owen Electric Cooperative, Inc.
 Post Hearing Data Request
 Average kwh by class YTD 2002 - Oct 2011

Class Service	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011 OCT YTD	
FARM & HOME CLASS											
Class 20	No. Cons. Served	6,769	5,861	4,299	3,505	2,591	2,077	1,735	1,394	1,174	865
Temporary Services	kwh Sold	1,229,624	1,183,295	1,210,551	1,273,937	742,893	830,009	918,862	980,368	1,016,065	427,523
Average kwh/Consumer		182	202	282	363	287	400	530	703	865	494
Class 21	No. Cons. Served	31	1,397	3,247	4,312	4,589	3,930	2,822	1,553	1,522	886
Temporary U/G Services	kwh Sold	640	51,618	138,422	157,877	130,315	124,456	89,547	57,138	44,583	31,052
Average kwh/Consumer		21	37	43	37	28	32	32	37	29	35
Class 30	No. Cons. Served	444,674	461,116	479,559	497,350	512,686	529,421	533,011	534,884	534,884	446,024
Residential - Single Family	kwh Sold	569,383,232	571,114,931	601,136,933	641,206,593	627,554,600	688,674,014	681,505,245	662,073,036	718,357,600	596,684,205
Average kwh/Consumer		1,280	1,239	1,254	1,289	1,224	1,315	1,287	1,242	1,343	1,338
Class 31	No. Cons. Served	30,963	37,018	38,305	39,520	40,305	41,072	41,243	41,488	41,450	34,799
Residential Apartments	kwh Sold	25,772,212	29,214,714	30,080,874	32,900,054	31,224,444	35,239,630	35,171,527	33,036,203	36,118,410	29,848,408
Average kwh/Consumer		832	789	785	832	775	858	853	796	871	858
Class 32	No. Cons. Served	11,849	12,042	11,728	11,474	11,482	11,598	11,625	12,026	12,310	10,350
Residential Seasonal	kwh Sold	3,505,386	3,670,955	3,381,921	3,303,158	3,186,598	3,558,231	3,631,488	3,701,584	3,880,010	3,255,610
Average kwh/Consumer		296	305	288	288	277	307	312	308	315	315
Class 33	No. Cons. Served	3,562	4,263	4,917	5,367	5,898	6,718	7,695	8,777	10,151	9,117
Residential Outbuilding	kwh Sold	1,137,732	1,286,663	1,569,031	1,638,658	1,743,287	2,029,768	2,246,491	2,350,155	2,748,978	2,429,919
Average kwh/Consumer		319	302	319	305	296	302	292	268	271	267
Class 40	No. Cons. Served	43,368	44,684	45,796	46,812	48,008	48,270	48,065	47,683	46,703	38,624
Farm Service Misc - Small	kwh Sold	11,837,405	12,408,998	12,702,933	13,091,699	12,660,910	13,425,379	13,301,995	12,648,544	12,648,104	10,083,855
Average kwh/Consumer		273	278	277	280	264	278	277	265	271	261
Class 41	No. Cons. Served	1,887	1,997	2,376	2,447	2,787	3,389	4,279	4,799	5,040	4,355
Barns & Farm Build >=15 KW	kwh Sold	938,548	987,923	1,031,731	1,036,580	1,150,617	1,318,056	1,514,139	1,624,693	1,825,084	1,610,982
Average kwh/Consumer		497	495	434	424	413	389	354	339	362	370
Total Farm & Home Class	No. Cons. Served	543,103	568,378	590,227	610,787	628,376	640,769	646,885	650,731	653,234	545,020
	kwh Sold	613,804,779	619,919,097	651,252,396	694,608,556	678,393,665	745,199,543	738,379,314	716,471,821	776,638,834	644,371,554
AVG kwh/Cons.		1,130	1,091	1,103	1,137	1,080	1,163	1,141	1,101	1,189	1,182
SMALL COMMERCIAL											
Class 50	No. Cons. Served	6,577	6,718	6,768	7,066	7,328	7,450	7,535	7,643	7,803	6,606
Small Comm. < 100 AMP	kwh Sold	3,706,157	4,212,772	4,298,557	4,419,716	4,611,049	4,822,746	4,829,071	5,091,189	5,177,693	4,357,349
Average kwh/Consumer		564	627	635	625	629	647	641	666	664	660
Class 51	No. Cons. Served	748	796	833	883	885	883	923	960	1,074	909
Small Comm. Home Business	kwh Sold	932,136	996,983	1,022,961	1,064,881	1,048,742	1,072,265	1,183,807	1,581,832	1,493,484	1,234,744
Average kwh/Consumer		1,246	1,252	1,228	1,192	1,185	1,214	1,283	1,648	1,391	1,358
Class 52	No. Cons. Served	9,730	10,013	10,237	10,540	10,878	11,795	12,543	12,836	13,486	11,652
Small Comm. <= 50 KVA	kwh Sold	30,211,205	29,900,120	31,360,900	33,918,548	35,160,827	36,564,377	36,477,908	35,353,573	37,606,733	35,434,652
Average kwh/Consumer		3,105	2,986	3,063	3,218	3,232	3,100	2,908	2,733	2,789	3,041
Class 56	No. Cons. Served	0	0	0	5	12	12	12	12	12	10
Small Comm. Net Metered	kwh Sold	#DIV/0!	#DIV/0!	#DIV/0!	11,500	28,720	28,040	33,420	34,660	53,220	42,180
Average kwh/Consumer		942	974	985	963	967	2,337	2,785	2,888	4,435	4,218
Class 59	No. Cons. Served	435,615	433,686	451,084	394,390	418,988	415,444	371,027	533,246	436,201	350,330
Signal And Adv Lighting	kwh Sold	462	445	458	410	433	401	333	484	398	391
Average kwh/Consumer		17,997	18,501	18,823	19,467	20,070	21,177	22,177	22,652	23,471	20,073
Total Small Commercial	No. Cons. Served	35,285,113	35,543,561	37,133,502	39,809,035	41,268,326	42,502,232	42,895,233	42,594,500	44,767,331	41,419,255
AVG kwh/Cons.		1,961	1,921	1,973	2,045	2,066	2,026	1,939	1,880	1,907	2,063

Class Service	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011 OCT YTD
LARGE COMMERCIAL										
Class 53	1,706	1,927	2,059	2,062	2,232	2,281	2,312	2,428	2,399	1,923
Comm. & Indus.	57,702,986	61,179,493	66,746,948	64,428,125	67,197,879	76,840,509	81,328,642	88,336,281	91,227,310	75,316,946
Average kwh/Consumer	33,824	31,749	32,417	31,245	30,107	33,687	35,177	36,382	38,027	39,166
Class 54	514	610	614	712	885	740	596	528	517	462
Comm. & Indus. 350-999 KVA	45,309,950	54,203,700	57,225,825	73,831,146	98,941,954	106,942,024	90,715,567	69,920,363	66,799,160	59,759,158
Average kwh/Consumer	88,152	88,859	93,202	103,695	111,799	144,516	152,207	132,425	127,271	129,349
Class 55	321	338	357	427	306	159	193	180	238	227
Comm. & Indus. >= 1000 KVA	113,501,900	119,195,546	134,275,433	173,060,701	198,063,566	192,138,667	212,093,793	196,810,330	212,475,267	192,560,476
Average kwh/Consumer	353,588	352,650	376,122	405,294	647,267	1,208,419	1,099,932	1,093,391	892,753	848,284
Total Large Commercial	2,541	2,875	3,030	3,201	3,423	3,180	3,101	3,136	3,154	2,612
kwh Sold	216,514,836	234,578,739	258,248,206	311,319,972	364,203,399	375,921,200	384,138,002	355,066,974	369,501,737	327,636,580
AVG kwh/Cons.	475,564	473,257	501,740	540,235	789,172	1,386,623	1,286,316	1,262,198	1,058,052	1,016,799

Class Service	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011 OCT YTD
PUBLIC STREET & HWY LIGHTS										
Class 60	244	252	252	249	232	206	203	212	192	164
Public Street Lighting	559,418	664,915	570,391	522,176	681,403	588,969	646,375	644,160	802,080	720,172
AVG kwh/Cons.	2,293	2,639	2,263	2,097	2,937	2,859	3,184	3,038	4,178	4,391

Class Service	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011 OCT YTD
OTHER SALES TO PUBLIC AUTHORITIES										
Class 64	697	702	675	666	689	733	783	793	772	656
Public Bldg. & Schls <- 50 KVA	1,305,610	1,266,146	1,241,721	1,262,187	1,262,192	1,366,716	1,666,868	1,617,498	1,432,072	1,157,843
Average kwh/Consumer	1,873	1,804	1,840	1,895	1,832	1,865	2,129	2,040	1,855	1,765
Class 65	113	120	121	103	108	149	233	260	274	244
Public Bldg. & Schls >= 50 KVA	6,857,364	7,872,664	8,250,949	7,606,845	7,371,944	10,344,975	17,605,759	19,617,376	21,609,960	17,573,811
Average kwh/Consumer	60,685	65,606	68,190	73,853	68,259	69,429	75,561	75,451	78,868	72,024
Class 66	1,945	1,954	1,925	1,939	1,959	2,002	1,962	1,948	1,970	1,703
Churches	2,839,317	2,744,627	2,928,287	3,058,906	2,951,313	3,297,631	3,358,798	3,133,061	3,486,507	3,141,297
Average kwh/Consumer	1,460	1,405	1,521	1,578	1,507	1,647	1,712	1,608	1,770	1,845
Total Other Sales to Public Auth.	2,755	2,776	2,721	2,708	2,756	2,884	2,978	3,001	3,016	2,603
kwh Sold	11,002,291	11,883,437	12,420,957	11,927,938	11,585,449	15,009,322	22,631,425	24,367,935	26,528,539	21,872,951
AVG kwh/Cons.	3,994	4,281	4,565	4,405	4,204	5,204	7,600	8,120	8,796	8,403

Class Service	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011 OCT YTD
OUTDOOR LIGHTS ONLY										
Class 81	6,280	6,488	6,661	6,745	6,844	7,263	7,135	6,931	6,661	5,450
Outdoor Lights Only	1,326,954	1,411,650	1,453,110	1,498,640	1,570,642	1,658,697	1,705,588	1,729,112	1,735,831	1,292,614
AVG kwh/Cons.	211	218	218	222	229	228	239	249	261	237

Owen Electric Cooperative, Inc.

DSM / Energy Efficiency Programs

Program		2006	2007	2008	2009	2010	2011 (Thru Oct.)
Home Energy Analysis (Energy Audits)	# participants	151	262	318	400	305	160
	\$ of program	\$ 26,100	\$ 46,085	\$ 56,885	\$ 69,693	\$ 55,990	\$ 29,384
Energy Efficiency Education- Newsletter, Billing Inserts, Member Communications	# participants	57,000	57,000	57,000	57,000	57,000	57,000
	\$ of program	\$ 65,280	\$ 70,045	\$ 73,815	\$ 75,304	\$ 75,970	\$ 63,751
School Programs on Energy Conservation	# participants	330	150	180	360	180	210
	\$ of program	\$ 876	\$ 407	\$ 497	\$ 497	\$ 497	\$ 440
High Efficiency HVAC and Water Heater Education & Incentives	# participants	305	142	134	72	126	64
	\$ of program	\$ 50,450	\$ 28,250	\$ 26,900	\$ 17,550	\$ 22,000	\$ 10,050
Energy Management Conference for Builders / (later changed to Energy Star Conference)	# participants	22	-	18	18	18	17
	\$ of program	\$ 4,700		\$ 3,500	\$ 4,875	\$ 4,500	\$ 5,000
Touchstone Energy Home* Education & Incentives <small>*("All Seasons Comfort Home" was the original name of the program)</small>	# participants	13	9	4	7	2	1
	\$ of program	\$ 4,550	\$ 3,150	\$ 1,400	\$ 350	\$ 100	\$ 50
Electric Thermal Storage (Off-Peak Heating) Program	# participants	6	7	7	7	8	8
	\$ of program	n/a	n/a	n/a	n/a	n/a	n/a
Energy Efficiency Workshops (Community Action Commissions, Senior Citizens)	# participants	350	400	490	331	42	100
	\$ of program	\$ 637	\$ 1,300	\$ 1,575	\$ 1,410	\$ 1,285	\$ 332
Interruptible Rates for Commercial & Industrial On-Peak Load Reduction	# participants	2	2	2	2	2	3
	\$ of program	n/a	n/a	n/a	n/a	n/a	n/a
On-Line Home Energy Analysis Tools & Energy Conservation Tips <small>*Owen's website averages over 175,000 visits/year; however, we do not have statistics on how many visited these pages</small>	# participants	unknown*	unknown*	unknown*	unknown*	unknown*	unknown*
	\$ of program	\$ 404	\$ 412	\$ 460	\$ 475	\$ 484	\$ 421
Energy Management Services for Commercial & Industrial Members (ENVISION)	# participants	11	9	7	10	8	8
	\$ of program	\$ 1,935	\$ 1,619	\$ 1,281	\$ 1,894	\$ 1,533	\$ 1,571
Small Commercial Energy Analysis (Energy Audits)	# participants	9	7	6	8	5	8
	\$ of program	\$ 1,583	\$ 1,256	\$ 1,098	\$ 1,136	\$ 958	\$ 1,571
Time of Use Rate Offerings	# participants	8	8	8	10	13	14
	\$ of program	n/a	n/a	n/a	n/a	n/a	n/a
High Performance School Workshops	# participants	1	-	-	-	-	-
	\$ of program	\$ 335					
Touchstone Energy Manufactured Home Education & Incentives	# participants	-	-	-	1	-	-
	\$ of program				\$ 300		
Compact Florescent Light Program	# participants	1,767	1,817	1,603	1,344	800	800
	\$ of program	\$ 4,373	\$ 4,483	\$ 3,847	\$ 3,347	\$ 1,915	\$ 1,860
Commercial & Industrial Advanced Lighting Education & Incentives	# participants	1	-	-	-	4	6
	\$ of program	\$ 88				\$ 383	\$ 589
Commercial & Industrial Compressed Air Education & Incentives	# participants			-	-	1	2
	\$ of program					\$ 192	\$ 383
Simple Saver Load Management Program	# participants			24	254	286	1,159
	\$ of program			\$ 103	\$ 1,352	\$ 1,419	\$ 2,362
Together We Save Energy Conservation Tips (Web-based) <small>*Owen's website averages over 175,000 visits/year; however, we do not have statistics on how many visited these pages</small>	# participants				unknown*	unknown*	unknown*
	\$ of program				\$ 145	\$ 222	\$ 152
Social Media (Face Book & Twitter) Energy Efficiency / Conservation Communications	# participants				375	1,253	1,695
	\$ of program				\$ 2,177	\$ 8,882	\$ 7,622
Button Up Home Improvement Education & Incentives	# participants					9	7
	\$ of program					\$ 424	\$ 330
Beat The Peak Pilot Project	# participants					n/a	210
	\$ of program					\$ 6,050	\$ 10,267
Volt Var Optimization (IVVC)	# participants					n/a	n/a
	\$ of program					\$ 16,447	\$ 23,098
Smart Home Energy Management Pilot Project	# participants					n/a	n/a
	\$ of program					\$ 9,140	\$ 20,606
Collaborative	# participants						n/a
	\$ of program						n/a

**OWEN ELECTRIC COOPERATIVE CORPORATION
CASE NO. 2011-00037**

**RESPONSE TO COMMISSION STAFF'S INFORMATION REQUEST AT
HEARING**

Question:

Please provide an updated Smart Grid Budget for the various pilot projects Owen Electric is undertaking. Also please provide the Request for Proposal (RFP) for the Smart Home Project, a vendor list for that RFP, and the contract price that has been awarded for this pilot project.

Response:

See attached Smart Grid Budget which was last updated in July 2011. Also attached is a vendor list for the Smart Home Pilot Project and the RFP for that project. Owen Electric is still evaluating the vendor proposals for the Smart Home project and has not yet awarded the contract. Owen will provide the name of the vendor who was awarded the contract and the contract price when it is available.

OWEN ELECTRIC COOPERATIVE - SMART GRID BUDGET ESTIMATES

<i>NRECA Grant</i>	Hardware	Labor	NRECA charges	Stock & other direct cost	Total
			\$527,558.00	\$35,000.00	
SCADA	\$746,028.00	\$55,000.00	\$162,360.03	\$10,771.52	\$974,159.55
Communication	\$264,736.00	\$217,764.00	\$97,797.72	\$6,488.23	\$586,785.96
Self Healing	\$148,124.00	\$155,100.00	\$61,460.34	\$4,077.49	\$368,761.83
Smart Home	\$338,956.00	\$61,600.00	\$81,188.53	\$5,386.32	\$487,130.85
Volt Var	\$432,480.00	\$183,000.00	\$124,751.38	\$8,276.43	\$748,507.81
Totals	\$1,930,324.00	\$672,464.00	\$527,558.00	\$35,000.00	\$3,165,346.00
	Labor & Mat	\$2,602,788.00			
	Other	\$562,558.00			
	Total approved	\$3,165,346.00			
	DOE Reim. 50%	\$1,582,673.00			
	OEC Expenditure	\$1,582,673.00			
<i>DEDI Grant</i>					
Beat the Peak	\$47,500.00	\$20,250.00	\$0.00	\$0.00	\$67,750.00
Self Healing	\$71,625.00	\$89,625.00	\$0.00	\$0.00	\$161,250.00
OEC Administrative cost	\$0.00	\$9,500.00	\$0.00	\$0.00	\$9,500.00
	Total Project	\$238,500.00			
	DEDI Reim. 50%	\$119,250.00			
	OEC expenditure	\$119,250.00			
	Total Grant Proj.	\$3,403,846.00			
	Grant \$	\$1,701,923.00			
	OEC expenditures	\$1,701,923.00			

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Owen
VENDOR LIST

Name of RFP: **DOE-0051 Home Energy Management**

#	VENDOR	Rec'd Intent to Bid	CONTACT PERSON	TELEPHONE	EMAIL
1	GE	Yes	Jonathan Thompson	502 452-5453 (763) 595-7777	joanthan.thompson@ge.com
2	Cooper	Yes	James Roche		Jim.Roche@CooperIndustries.com
3	Calico	Yes	David E. Snyder		Dave.Snyder@CooperIndustries.com
4	ComVerge	Yes	Darren Gronewold	206.612.1006	darren.gronewold@calicoenergy.com
5	Consert	Yes	William Karambelas		wkarambelas@comverge.com
6	Systems Integration	Yes	Steven O'Neill	469-422-7787	sonell@consert.com
7	Tendril	Yes	Bryan Bowen	(520)-456-8830	bbowen@sysint-llc.com
8	Control4 Energy Systems	Yes	JoAnn Spinnato, Sr.Sales Opera	P 303.867.2801 M 303.913.6706	jamiller@tendrillinc.com
9	HAI	Yes	Deb Beaton Sales Operations	303.468.4476, x154	dbeaton@tendrillinc.com
10	Energy Hub	Yes	John Lin	(408) 216-5607	jlin@control4.com
11	Smartsync	Yes	Thomas Pickral	800-229-7256 X 242	thomas.pickral@homeauto.com
12	Avante Logixx Inc. (Smartboxx)	Yes	Dave Wechsler	718-522-7051	wechsler@energyhub.net
13	Schneider Electric	Yes - (Unsolicited)	Danny Shirley	940-206-1915	dshirley@smartsynch.com
			Manny Mounouchos	416 923-6984 X224	manny@avantelogixx.com
			Dave Hyland		

RFP NOT SENT (could not locate a contact person)

9	Whirlpool		On 6/6, PSE left VM with Jimmy Clarke, regional sales director	866-698-2538 HQ 269-923-5000	
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Request for Proposal

Owen Electric Cooperative
Home Energy Management RFP
DOE-0051

June 30, 2011
National Rural Electric Cooperative Association (NRECA)
RFP Number DOE-0051

CONFIDENTIALITY

This document has been prepared by NRECA and is being given to Supplier, in consideration of Supplier's agreement to treat the information contained within this document and related business discussions as confidential, to provide Supplier with an opportunity to respond to NRECA's requirements as contained further herein. The information enclosed in this document is proprietary to NRECA. NRECA is not conveying any ownership to any party by disclosing this information. By accepting this document, Supplier agrees that Supplier will: (1) treat this information as confidential; (2) not allow any other person or entity to see it or use it; and, (3) not use it in any way other than to prepare the requested response.

1.0 INTRODUCTION

1.1 OBJECTIVE

The objective of this document is to solicit responses from qualified Suppliers that will fulfill the needs of National Rural Electric Cooperative Association ("NRECA") and its member cooperatives at the lowest cost consistent with (1) appropriate levels of quality and service; and, (2) the procurement standards and requirements of the U.S. Department of Energy ("DOE") as further described in 10 Code of Federal Regulations (CFR) 600.140 – 149 and Appendix A to Subpart B of Part 600.

1.2 NRECA OVERVIEW

NRECA is a national trade association representing the interests of more than 900 consumer-owned cooperative electric utilities serving over forty-two (42) million people located in forty-seven (47) states. NRECA provides legislative, legal, and regulatory services through the dues-supported revenues as well as fee-based services associated with group insurance, pension, employee benefits / compensation, savings / investments, market research, training and certification, energy and management consulting, subscriptions to various publications, and advertising. NRECA and its member cooperatives also support electric utility-specific and environmental research and administer a program of technical advice and assistance with the electrification of developing countries around the world. NRECA has approximately seven-hundred (700) employees located in Arlington, Virginia, Washington, D.C., and Lincoln, Nebraska.

NRECA received a \$34 million Smart Grid Demonstration research grant last year from the DOE. The project, coordinated by NRECA's Cooperative Research Network, has begun purchasing the necessary equipment only on behalf of NRECA's participating member cooperatives. Where a request for proposal ask for pricing for ancillary services related to the equipment, those additional ancillary services will be contracted directly between the Supplier and NRECA's member cooperative. About twenty-five (25) of NRECA's member electric cooperatives are embarking on a unique, nationwide demonstration project deploying more than one hundred-fifty thousand (150,000) smart grid components across the country to test the value of the new technologies for cooperative consumer members.

Electric distribution cooperatives will evaluate potential benefits of the new technologies that could help increase operational efficiencies and improve service. Studies will include how to extract additional value from direct load control using two-way communications, assessments of the value and business feasibility of distribution automation. The project will pilot advance cyber security and test end-to-end connectivity - from the power plant to the consumer's home - by adding new MultiSpeak® data exchange interfaces.

1.3 TIMETABLE

NRECA expects to adhere to the timetable shown below. It should be noted, however, that the Target Dates are approximate and subject to change.

Activity	Target Dates
Release of Request for Proposal	July 1, 2011
Intent to Bid Form Due	July 8, 2011
Questions from Suppliers Due	July 15, 2011
Questions & Answers sent to all Suppliers	July 20, 2011
Proposals Due	August 5, 2011
Selection of Finalist	August 19, 2011
Award Contract	August 26, 2011

2.0 HOME ENERGY MANAGEMENT STATED REQUIREMENTS

2.1 Background and Goals

2.1.1 Cooperative Background

Owen Electric is a member-owned rural electric distribution cooperative providing service to portions of nine (9) north-central Kentucky counties of Boone, Campbell, Carroll, Gallatin, Grant, Kenton, Owen, Pendleton and Scott. Founded in 1937, Owen Electric presently distributes power to 57,000+ services over approximately 4,400 miles of distribution line. The Cooperative's headquarters is located in Owenton, Kentucky, and utilizes three (3) additional branch offices and two (2) service centers to support its member base. Owen Electric perceives itself as a utility of the future and become an "energy service provider" to its membership.

2.1.2 Existing Infrastructure and Equipment

The following systems reflect our present core systems relevant for Home Energy Management:

Advanced Metering Infrastructure ("AMI") with Demand Side Management ("DSM") system:
Cooper Power System with power line carrier fully deployed

Customer Information System ("CIS") and Geographic Information System ("GIS"):
SEDC/Futura

Server Network: Is set up on a virtual server farm

Owen Electric has a diverse internal team involved with this project with representatives from the following departments: Engineering, IT, Customer Service, SCADA and AMI. Owen anticipates working closely with the selected vendor on all aspects of this project's deployment, testing, modification and evaluation.

2.1.3 General Scope of Home Energy and Demand Management ("EDM") Control Systems and Components to be Purchased

Listed below is a summary of the services and equipment to be provided by the Supplier. The Cooperative has a strong preference for the selected vendor to provide a turn-key solution for our EDM program from the master server over the communications infrastructure into the devices at the home. We are offering the vendors a level of flexibility in creating their proposal. The items below are a summary of our vision of each of the main components of the overall EDM that we are asking the Suppliers to quote as part of this RFP.

Supplier shall provide the Cooperative with a system that permits automatic distribution of home EDM automation and various support services including the following:

1. **In-Home Display (“IHD”) units** provide the members with the initial interface to the smart home system via a display that provides energy use, lights and icons presenting time of use rates, and other valuable energy use information.
2. **Home Area Network Management System (“HANMS”)** manages and monitors all smart home devices and accessories including: IHDs, smart meters, the customer web portal. It also provides the logic for the data transport within the home with communications between the meter and the various energy devices located within the customer's home.
3. **EDM Software and Database** monitors and may operate the hardware and equipment located in the homes through the HANMS. The software will reside on a server located in the Cooperative's data center. The core functionality of the EDM software includes the organization of the different participant subscription information in the demand response program groups and the subsequent communications to the HANMS home equipment. The software will provide a variety of functionality such as sending rate signals to an IHD or web portal, sending a text message to a smart phone, or sending a message to the digital display on the IHD. For programs such as direct load control of a water heater, the software would send a command to open or close a load control switch. The software will also provide the data storage and data analysis tools and report writing. It will also provide an internal interface for customer service representatives to access information that will allow them to manage and support our members as they call for assistance regarding their demand side management (DSM) program or to troubleshoot the devices that resides in the home. For example, if a given IHD located at a member's home would not be working, the software would reflect this so the cooperative would know that a given device is out of service. As Owen migrates from a pilot to deployment, expectations are in place that the EDM will automatically and securely provide an interface with the CIS and AMI. Also, as this project evolves from the Pilot to Deployment, we require that the CIS house all member information while interfacing into the EDM and AMI systems. However, for the Pilot we plan to just manually provide the CIS for billing purposes.
4. **Integration Services:** The Supplier is required to integrate their hardware, software, and database with the Cooperative's AMI and CIS during the deployment phase described below. It is preferred for the integration approach to be via MultiSpeak but not required.
5. **End-Member web portals, employee dashboards and reporting:** This portion is fairly flexible. The Cooperative is looking for the Supplier to propose their best approach as part of the fixed price bid for dashboards, web portals, and other support materials. This requirement may be partly satisfied by the HANMS. The Cooperative's goals are:
 - a. Home management tools for the member to conserve energy and optimize their usage and take advantage of the available rates. The interfaces can be IHD, members PC and/or member's cell phone.
 - b. The Cooperative is looking for:
 - i. Analytical tools for rate design
 - ii. Member Service tools for our staff to assist the member with optimizing their use of the HANMS.

- iii. Member tools to minimize demand and energy consumption.
 - c. These tools are not required to be included with the initial phase of the project but to be developed with the Cooperative over the life of the project.
6. **Project Management Services:** While the RFP is requesting the Supplier to quote optional services related to installation of the EDM software as part of this RFP, the Supplier is also asked to quote costs for project management services to assure proper training takes place with the equipment installation, troubleshooting, etc., and overall support in operating the software and training of the employees on how to create reports. The Supplier should define their project management services, list the number of onsite hours at The Cooperative's office, the number of hours estimated for off-site support, and the hourly rates and costs for travel.
7. **Optional Services Marketing and Member Subscription Services:** The Cooperative is not providing strict requirements for the Bidders to provide marketing subscription support services as part of this RFP. However, the Cooperative is looking for optional pricing for services that involve subscription marketing tactics and strategies, creative material samples, etc. regarding how to attract members to subscribe to the proposed programs. The Bidders are not required to propose these services.

2.1.4 Overview and Objectives

The Cooperative is planning to conduct a pilot for a new EDM initiative to be implemented starting in mid-2011 through 2013. The Cooperative's EDM program is part of a larger demonstration program coordinated by the NRECA. A working Smart Grid Team has been organized through the NRECA to provide inputs into the design and structure of our EDM program. The results of the pilot will be shared with the other 900 plus co-ops in the US. Therefore, the winning bidder has an opportunity for significant exposure to the entire co-op community and beyond.

While we realize our pilot is early in the life cycle of home automation, our initiative is designed to be intuitive, open, scalable, flexible, and adaptable to incorporate the control and management of end-uses that are available today and also in the future. The winning bidder does not have to meet all our defined requirements but we do want to clearly understand what requirements the bidders can meet or can't meet and what their product roadmap plan is.

The Functional Requirements range from, but are not limited to, a simple IHD device to a complex Home Area Network ("HAN") management system with the ability to control multiple appliances. The following objectives are anticipated to be achieved through this the Pilot.

1. Test the end-to-end functionality of the various load management technologies.
2. Evaluate member acceptance and usage of the products.
3. Verify data security through entire system.
4. Discover the impact of load shifting and load reduction on and off peak by measuring the output and equipment usage time by monitoring the equipment usage and comparing the results between control and test group subscribers.

5. Given our program as stated in this RFP is part of a larger study, compare and contrast our results to the results of other NRECA co-ops participating in the 24 co-op demonstration grant.
6. Be able to take maximum benefit from this program's results to prepare for a future larger scale deployment.
7. Function as a test bed for the entire US co-op community. Openly share the results with other co-ops.

2.1.5 Program Summary and deployment phases

The Cooperative desires to deploy a smart home EDM pilot. The Cooperative is looking for a supplier that can provide a "turn-key" solution to offer a variety of in-home automation applications. The applications included in this RFP are the following:

1. Members that subscribe to: Direct Load Control of just water heaters and air conditioners.
2. Members that subscribe to: Peak Time Rebate or Critical Peak Pricing ("CPP") with the use of an IHD.
3. Members that subscribe to: Time of Day Pricing.
4. Members that subscribe to a Peak Time Rebate or CPP program that is complimented with the use of a Smart Thermostat utility control (this assumes no IHD). The Cooperative has not yet decided whether they will offer a rate incentive with a CPP rate or offer a credit to the bill for members that meet their peak demand threshold. In any event, requirements defined within exist to measure kW with hourly load data for all members that participate in the CPP or Peak Time rebate programs.
5. Members who subscribe to a web portal. The web portal will provide various types of energy savings information as well as announcements concerning peak times and energy tracking on how they are doing maximizing the Peak Time Rebate program or how much they are savings or not savings with a CPP rate structure.

While the Cooperative has already deployed an AMI system, they are asking the Suppliers to bid on the above services over a variety of communications media including Broadband Internet, cellular, and possibly two-way paging technology. The Suppliers are not required to include all three of the above mentioned media types. The Cooperative understands that a second meter may be required to be located at the member's homes to provide the data needed to communicate to the various devices located in the home. A key purchasing objective of this bid is for the Supplier to have the flexibility in providing a complete end-to-end turn-key solution while providing all integration capabilities between the head-end servers to the end devices located in the homes and the integrations to the existing enterprise systems such as the CIS, and possibly for a Meter Data Management system ("MDM") at some point in the future.

Given the Home Automation programs are quite new to the Cooperative; we would like to break our deployment into four phases. While we have plans for the four phases listed below, we may accelerate the timeline between the phases, combine two phases together if the various tasks are completed sooner than initially anticipated or we may have to extend the timeline if we run into complications.

1. **Proof of Concept Technology Trial:** This phase consists of a technology trial for each of the technology types included in this RFP that would be conducted at up to five employee's homes. The objective of the Proof of Concept Trial is to complete successful end-to-end interoperability from the head-end server and subsequent software over the Wide Area Network into the home to operate the various equipment types such as the IHDs, Web Portals, smart thermostats, and load control switches. *There is not a requirement to interface the EDM software with the Cooperative's CIS for this phase but there is a requirement to create an integration design and budget to complete subsequent interfaces for the future phases as this project advances from proof of concept into deployment. Also during this phase we will be completing testing to check the data collection and data quality capabilities. We will be looking at how much and what type of data can be brought back as well as usefulness of the data. We will be evaluating all the communication systems for data volume, reliability, and cost. We will be evaluating the HAN management system for ease of use and functionality. We will be completing software functionality testing, data management, and report generating capability.*
2. **Pilot Phase I:** This phase involves a very small scale member pilot of about ten subscribers. Pilot Phase I will be testing many elements of our program such as 1) did the member respond to our marketing and subscription offer, 2) did the installation crew properly install the equipment, 3) how often did the members call into tech support, 4) determine if the meter properly reported the energy use data to allow an Excel based analysis to be used to determine the credit or cost for billing purposes. While for Phase I, we don't plan to integrate seamlessly into the CIS billing system, we still have a requirement to properly calculate the pricing or credit amounts, 5) determine if the members understood the bill 6) Other processes will be uncovered that need to be improved before a larger roll-out. For this phase, the Cooperative can accept manual tasks for billing purposes. There is no requirement for the CIS interface to be built for the ten member pilot. The web portal will be in the process of being built but does not have to be ready prior to the Pilot Phase 1.
3. **Pilot Phase II:** This phase expands the member count to about 100 to 200 members for each application with some members subscribing to two or more of the above applications. During this phase we will be introducing the member web portal. The marketing subscription tactics will be monitored closely as the subscribers will be closely targeted to capture a representative sample of subscribers without creating a bias that could distort the results during this phase. We require the means to measure the use of the web portal by tracking items such as: 1) number of log-ins by the same user each month, 2) duration of the log-ins by member participant, 3) ranking of what web portal tools are being used from most to least, 4) number of participants where their web portal use greatly declined or increased during the Phase II time period, 5) number of participants who had no web portal use, 6) participant written survey on their overall satisfaction of the web portal experience.
4. **Deployment Phase:** During this phase the Cooperative would be deploying the various DSM programs to their member base with several thousand devices required to be purchased and deployed. For this phase, all integrations defined within would also be required to be built. The co-op is looking to receive an optional price for an extensive deployment and lock-in pricing but knowing the quantity of devices committed to purchase would be a variable amount. It would be nice to have a volume discount pricing alternative proposed.

This bid is seeking pricing for the four phases listed above. *Please quote each phase separately. We may award two or more vendors the bid for Proof of Concept and select the best from that group for the follow-up phases and phase four Deployment is outside the scope of this grant but may be deployed if the HAN system is determined to be viable. Therefore, the quotes for steps 2, 3, and 4 above need to be valid for 9 months or have adders built in.* In Appendix A, Pricing we have included worksheets for the Supplier's to fill in for each of the phases listed above.

Since this is new to all of us, alternate designs and concepts from vendors is encouraged. Also pricing for material, labor and software can be spread or back end loaded or an alternate solution as long as ultimate true cost can be determined. Also the quantities for each item for each phase are our best estimate at this time but they can change as we progress and learn. If there are any penalties for altering the quantities in any or all phases include them in the quotation otherwise we will assume there are none.

2.1.6 Clarifications and Definitions Reference Model

As normally understood, the reference model for a system describes the system and its components at a level of abstraction to allow for an understanding of the way the components interact, but with sufficient specificity for implementers to design the hardware and software for the components to interoperate. Figure 1, Smart Home Energy Management Reference Model depicts the Cooperative's EDM future state applications. We will be using terms depicted in Figure 1 to define files located in Appendix A such as Technical Requirements, Critical Questions, and Pricing.

This section provides an overview of the Reference Model.

The major functions of the system components in the Reference Model are as follows:

1. The **HANMS (Home Area Network, Management System) Box**: We have included a box defined as the HANMS. This will be a full-fledged energy management system running on a separate physical box and could have the IHD built into it that has an Internet Broadband communication link for interfacing to the HANMS. This is referenced for any Supplier who would include an energy data concentrator as part of their core home automation infrastructure.
2. The new **HANMS software** controls the home energy management devices at the subscriber's home. The software ideally will record all devices it can control for load as they go on and off automatically or through a manual control. All controls are desired to be time stamped. This software will monitor the meter loads as well as any control or price signals from the utility either through AMI or directly via internet. The software will have permission levels for data sharing with the utility as well as any third party. This software also contains the subscriber's program information that will drive what type of control and rules will apply to a specific member based on what they subscribed to. For example, a member with a 100 gallon water heater would be subscribed to a separate group from a member who has a 50 gallon water heater, etc. The software would include rules and templates for the utility EDM administrators to change for different variables in the program.
3. The Subscriber **Web Portal** allows the subscriber to remotely manage the control devices in his home based on the functions available from the Supplier. We desire to

gradually add more enhanced functionality to the member web portal such as electricity consumption data from the smart meter.

4. **Internet, Cellular, or possibly Paging Wide Area Networking:** The Cooperative is looking for a Supplier that can provide a home automation program through a variety of communications technologies, specifically cellular or broadband internet. The primary, or default, communication channel is the subscriber's own Internet broadband. The optional communication channel between the EDM head-end software and the home is cellular.
5. **Programmable Communicating Thermostat (PCT).** This device will have control buttons or touch-screen control functions that allow the homeowner to time-schedule the temperature settings (energy management strategy configuration). The PCT desired to be purchased would also be set up and be able to communicate upstream via the home networking and into the Subscriber's Web Portal to remotely adjust or control the PCT. Ideally all PCT setting and operations are shared with the HANMS were the data is stored for the homeowner's analysis or could be sharing with the Cooperative or third party for assistance or/and analysis.
6. **In-Home Communications:** There is, of course, a need for wireless communications to be in place between the meter or home gateway to the PCT, IHD, or load control switch. This could be Zwave, ZigBee, Wi-Fi, etc. The Cooperative desires to understand the ramifications of ZigBee 1x to 2.0 on any of the equipment included in this proposal. Please indicate what equipment is over the air upgradable from ZigBee 1x to 2, not upgradeable, new equipment that might be backwards compatible 2 to 1, etc.
7. **Hot Water Heater Switch** is to control the hot water heater with the HANMS system through automatic programming, instantaneous switching by key stroke, or through permission and utility remote control. These will be 240V and hardwired in.
8. The **Load Control Switch (LCS)** is a remote controlled switch, typically used to interrupt the thermostat control circuit of a central air-conditioner to reduce the compressor load cycle. It can also be used to interrupt the operation of other appliances that are suitable for such control. Examples of such appliances are electric water heaters and pool pumps. While the Cooperative's present AMI system has the ability for direct load control, we desire to understand the costs and possibly pilot and then deploy the use of other transport technologies for direct load control other than the existing AMI. Ideally the HANMS could sense load on the LCS and either turn it off immediate or wait until the load drops to a threshold or goes to zero before disconnecting. These will be plugged into wall outlets.
9. The **IHD** is an electronic display unit capable of communicating real-time consumption and price information and of receiving and displaying messages from the Cooperative or directly from the smart meter. This could be built into the HANMS hardware system.
10. The **Smart Appliance** is a commercially available home appliance that has the capability to communicate with the HANMS allowing it to manage the electricity usage. In the diagram below, we have not included any smart appliance functionality but the Suppliers are encouraged to bid a small quantity of smart appliance applications of up to ten member premise locations. It is desired that the HANMS monitors the smart appliance and records when there is load, what the load is, and when it came on and off.

11. **MultiSpeak:** The preferred integration path between the master systems is the NRECA's MultiSpeak platform. While Common Information Model ("CIM") could be used and other point-to-point integrations, MultiSpeak is the highly desired integration path. As a reminder, the integration is not required for the proof of concept and Phase I Pilot.

The diagram below depicts a high level view of the applications and programs requested as part of the RFP. To the extent possible, we will be using these terms and acronyms throughout this RFP.

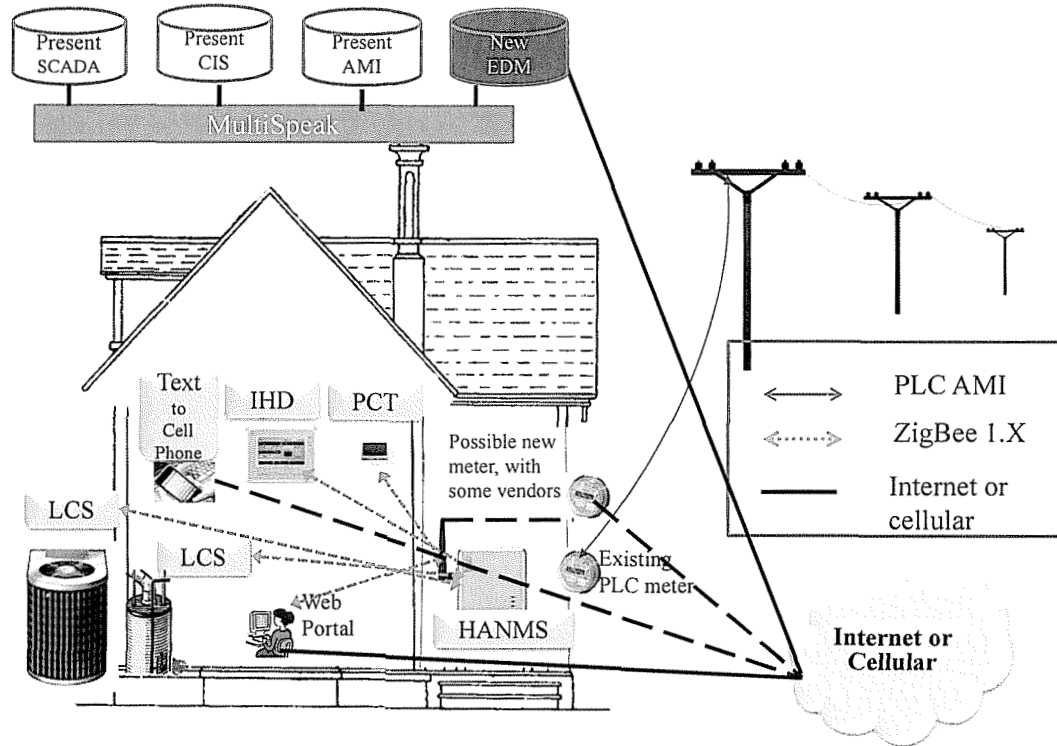


Figure 1: Demand Response Home Automation Reference Model Procurement Summary

The purpose of this section is to give Suppliers an overview of major items they will be bidding on as part of this RFP.

1. EMS software that will reside in the Cooperative's virtual server farm that is secure and can communicate to the HANMS through the Cooperative's firewall via the internet.
2. HANMS box for each home that includes software, communication to each in home devices and PC, communication to the utility, and possibly the homeowner phone.
3. In Home Display (IHD), this could be built into the HANMS for each home.
4. Smart thermostat – one per home.
5. Water heater switch – one per home.

6. Smart switches – one or more per home.
7. Smart Appliance – We are looking for the suppliers provide optional pricing for smart appliance applications. This could include any transportation and installation costs into member homes.
8. Module to insert into meter for data and control communication. Could be a separate meter initially, ultimately must communicate with Cannon/Cooper AMI system.
9. Support for deployment and training.
10. Recommended spare parts with cost.

2.1.7 Responsibility Matrix

#	Task	Supplier Responsibility	Co-op Responsibility
1	<ol style="list-style-type: none"> 1. Complete detailed diagrams illustrating all interfaces that are required for the proposed equipment and subsequent software. 2. Functional description of EMS, HANMS and Smart Thermostat and how they interact. 3. Pictures, dimensions, and ratings of each type piece of hardware. 4. Description of each type of communication being used with technical specifications. 	x	
2	Establish a bench test as part of the Proof of Concept Technology Trial	x	Witness
3	Complete design, configuration, and installation of all software, hardware, and interfaces for the Proof of Concept Technology Trial.	x	Witness
4	Complete employee training “train the trainer” for the equipment and software installation for the Proof of Concept Trial	Initial training session	Remaining training sessions
5	Complete In-Home Automation System Software Acceptance Test and include a written plan for completing the System Acceptance testing as part of the RFP response.	x	Review
6	Provide additional training for the screen navigation, reporting, and establishing the methodology for managing and administering a DSM program as part of the Pilot Phase I program. This would include how to create different types of	x	

#	Task	Supplier Responsibility	Co-op Responsibility
	groups with different rules, how to verify if any home automation equipment is not working, and other support with DSM administration process.		
7	Pilot Phase II. Project Management. We are expecting that four onsite meetings would take place over a two year period to discuss the results of the program, review logs and results of the system, discuss new product development and software releases that are planned.	x	Participate

2.2 FUNCTIONAL AND TECHNICAL REQUIREMENTS

2.2.1 Conceptual Design

Please describe your conceptual design and include drawings as appropriate. We are looking for the Supplier to create a design with their out of the box technology for interfacing with the member's broadband internet and cellular communications and possibly for the interface into the AMI system. The conceptual design would likely be several block-level diagrams.

2.2.2 Interoperability

The IHD system shall interoperate with the following enterprise software applications:

Current Systems in Place at Cooperative	Current	Future	Vendor	Product Description
Advanced Metering Infrastructure (AMI)	X		Cannon/Cooper	Yukon
Member Information System (CIS)	X		SEDC	
Meter Data Management		X		

2.2.3 Functional and Technical Requirements

Responses to this Section should concisely address the stated requirements as presented in the Functional and Technical Requirements, located in Appendix A. Please provide your responses per the instructions included in the Functional and Technical Requirements, and return the same, in the native Microsoft Excel format, with Respondent's RFP response.

2.2.4 Critical Questions

Responses to this Section should concisely address the questions as presented in the Critical Questions, located in Appendix A. Please provided your responses per the

instructions included in the Critical Questions, and return the same, in the native Microsoft Excel format, with Respondent's RFP response.

2.3 DELIVERY REQUIREMENTS / SCHEDULE; SHIP-TO LOCATIONS

Supplier shall deliver the items described in Supplier's response to the locations specified herein with such delivery being FOB Destination. Such items shall be delivered to the ship-to locations are specified herein the Pricing Schedule in Appendix A by NRECA. The terms of acceptance are specified in the attached NRECA Master Purchase Agreement.

Deliver to Location:

Owen Electric Cooperative
8205 Highway 127 North
P. O. Box 400
Owenton, KY 40359

2.4 SUPPLIER QUALIFICATIONS

2.4.1 SUPPLIER OVERVIEW

Please provide information on the following:

• Main lines of business
• Organization and structure
• Locations - headquarters, implementation, and support
• Number of employees - total and by major department
• Number of contractors - total and by major department
• Company mission and vision statements
• Strategic relationships with other suppliers
• Total revenue
• Percent of revenue expended on research and development
• Audited financial statements for last three years (Note: A non-publicly traded Supplier's failure to provide such statements subjects such Supplier to automatic disqualification)
• Most recent annual report, if applicable
• If venture capitalist ("VC") funded, provide information on VCs
• Dunn & Bradstreet Reports as available
• Supplier's performance over time (e.g., growth rate, stock performance)
• Demonstrated financial strength and the ability to perform on a long term basis
• Supplier's account management approach
• Proposed organization chart of Supplier's proposed account team for NRECA
• Supplier's method for managing account team turnover

<ul style="list-style-type: none"> • The turnover process when moving from pre-sales to sale to implementation to support
<ul style="list-style-type: none"> • Supplier's Customer relationship management tools used to track and manage customer services and issues
<ul style="list-style-type: none"> • Supplier's disadvantaged business enterprises (DBEs), minority business enterprises (MBEs), and women's business enterprises (WBEs) status, if so certified

2.4.2 DBE, MBE, OR WBE CERTIFICATION

NRECA is committed to (DBEs), (MBEs), and (WBEs), and the DOE requires that NRECA use positive efforts to do business with such business enterprises.

Where Supplier is a DBE, MBE, or WBE, Supplier should include certification of such status as a part of Supplier's response. Appropriate certifications include:

- The Small Business Administration ("SBA") (both SBA 8(a) program certifications and SBA Small Disadvantaged Business ("SDB") Program self-certifications)
- Certification by any Federal agency or Tribal, State and local governments
- Independent private organization certifications provided that their standards for certification meet or exceed those provided by a Federal agency or a Tribal, State and local government

2.4.3 REFERENCE INFORMATION

Provide an overview of two (2) references who are existing clients and two (2) references who are no longer clients. Information to be requested by NRECA and evaluated from each reference includes services performed, Supplier's abilities, communication skills and timeliness, costs, accuracy, problems, overall performance, and whether or not the reference would rehire Supplier. NRECA reserves the right to check any other reference(s) that might be indicated through the explicitly specified contacts or that result from communication with other entities involved with similar requirements.

1) For references who are existing client, include the following:

<ul style="list-style-type: none"> • Main Line of Business
<ul style="list-style-type: none"> • Principal Address
<ul style="list-style-type: none"> • Number of Employees
<ul style="list-style-type: none"> • Contact Name
<ul style="list-style-type: none"> • Contact Title
<ul style="list-style-type: none"> • Contact Telephone Number
<ul style="list-style-type: none"> • Contact E-mail Address
<ul style="list-style-type: none"> • Products / Services Provided by Supplier
<ul style="list-style-type: none"> • First Date of Business Relationship with Supplier
<ul style="list-style-type: none"> • Supplier's rationale for including the specific reference (e.g., similar in size to NRECA)

2) For references who are no longer clients, include the following:

3.0 PRICING INFORMATION

Supplier must provide the detailed price schedule(s), as described in Appendix A, Pricing Schedule, in its response. Pricing must be fully comprehensive, complete, and list any available discounts. Pricing information supplied with the response must be valid for at least one-hundred eighty (180) days from the response submission date.

4.0 RESPONSE PROCEDURES

4.1 OVERVIEW

This document was developed to provide Supplier with the necessary information to allow Supplier to prepare a comprehensive response. This section contains solicitation information and procedures, response submission instructions, and general response format requirements. Supplier is expected to carefully examine all requirements stipulated in this document and respond to each requirement in the format prescribed.

In the case that a response results in a procurement by NRECA, the provisions of this document and the winning response (each of which shall be incorporated by reference), and any additional clauses or provisions required by Federal, or State law, or regulations in effect at the time of the execution of a contract will be included in the same.

4.2 LIABILITY

The issuance of this document and the receipt of information in response to this document shall not in any way cause NRECA to incur any liability or obligation to Supplier, financial or otherwise. NRECA assumes no obligation to reimburse or in any way compensate Supplier for expenses incurred in connection with Supplier's response to this document.

4.3 USE AND DISCLOSURE OF INFORMATION

4.3.1 SUPPLIER INFORMATION

NRECA reserves the right to use information submitted in response to this document in any manner it may deem appropriate in evaluating the suitability of the Supplier's response. Materials submitted by Supplier that are considered confidential must be clearly marked as such. In the event that confidentiality cannot be afforded, Supplier will be notified and will be permitted to withdraw its response.

NRECA reserves the right to use any and all ideas presented in any response unless Supplier identifies such ideas as proprietary in the response. In no event will an objection be considered valid with respect to the use of such ideas that: are not the proprietary information of Supplier and so designated in the response; which were known to NRECA before submission of such response; or properly became known to NRECA thereafter through other sources.

4.3.2 NRECA INFORMATION

The information contained in this document is proprietary to NRECA as described in the Confidentiality section of this document.

4.4 COMMUNICATION WITH NRECA STAFF AND AGENTS

From the date that this document is issued until a determination is made and announced regarding the selection of one or more finalist Supplier(s), if applicable, contact between Supplier and individuals employed by or participating in this competitive bid (such as NRECA's member cooperatives) with NRECA is strictly prohibited. Following such selection, Supplier is similarly restricted from communicating with NRECA staff and agents until a contract is executed. The following exceptions to these restrictions are permitted:

- written communication with the NRECA Contact as identified herein and related specifically to this document;
- contacts with NRECA staff and agents which are approved in advance by the NRECA Contact;
- those contacts made pursuant to any pre-existing obligation; and,
- contacts with NRECA staff present at sessions specified by the Timetable, if any.

Violations of these conditions may be considered sufficient cause to reject a response and / or Supplier selection irrespective of any other condition. Suppliers are advised that only members of the NRECA Evaluation Committee, meeting in their official capacity, can clarify issues or render any opinion regarding this document. No individual member of NRECA, employee of NRECA, agent of NRECA, or member of the NRECA Evaluation Committee is empowered to make binding statements regarding this document.

4.5 RESPONSE PROTOCOL

Responses must be submitted no later than close of business on the date indicated on the timetable contained herein. NRECA, at its discretion, may elect to return responses received after the deadline.

Responses must be submitted via e-mail to the NRECA Contact listed below and must be less than 8 MB in size. Responses should be submitted in Microsoft® Word™ format unless otherwise specified.

Timothy R. Davis
NRECA
4301 Wilson Blvd.
Arlington, VA 22203
703.907.5943 (Office)
703.907.5537 (Facsimile)
timothy.davis@nreca.coop (E-mail)

NRECA reserves the right to reject any responses or, at NRECA's discretion, to solicit additional responses. NRECA may also accept or reject portions of a response.

The entire cost for the preparation of a response, the attendance at any subsequent conferences or sessions (as further described below), or participation in negotiations (if conducted) shall be borne by Supplier.

This document represents the best estimate of NRECA's requirements. NRECA reserves the right to adjust the stated requirements or scope of effort stated in this document. In the

event that any modifications to the original document become necessary, all Suppliers will be notified in writing by means of an addendum.

4.5.1 WRITTEN QUESTIONS AND ANSWERS

Any explanation desired by Supplier regarding the meaning or interpretation of any provision contained herein must be submitted in writing, e-mail, or via facsimile to the attention of the NRECA Contact. NRECA assumes no liability for receipt of letters or facsimiles, or assuring accurate or complete facsimile transmission.

4.6 EVALUATION CRITERIA

The NRECA Evaluation Committee will judge each response based upon their understanding of the responses. NRECA will conduct a fair, impartial, and comprehensive evaluation of all responses. If applicable, a contract will be awarded, taking into consideration the best interests of NRECA. The criteria for selecting a Supplier may include the:

- brevity and clarity of Supplier's response;
- demonstrated understanding of Supplier of the stated requirements;
- responsiveness to the stated requirements;
- ability, capacity, and skill of Supplier to perform the stated requirements;
- experience of Supplier in fulfilling similar stated requirements for other clients;
- character, integrity, reputation, judgment, experience, and efficiency of Supplier;
- DBE, MBE, or WBE status;
- comments of Supplier to NRECA's standard form agreement; and,
- such other information that may be secured and that has a bearing on the decision to award the contract.

NRECA reserves the right to make a contract award without any further discussion with the Suppliers regarding the responses received. Therefore, responses should be submitted initially on the most favorable terms available to NRECA from a price, contractual terms and conditions, and technical standpoint. NRECA, however, reserves the right to conduct discussions with Suppliers who submit proposals that pass the initial screening process of this document. NRECA is not under any obligation to reveal to a Supplier how a response was assessed or to provide information relative to the decision-making process.

4.7 RESPONSE FORMAT

In order to assist in the fair and equitable evaluation of all responses, Suppliers are being asked to adhere to the specific response format set forth below. Responses that deviate from the requested format may be classified as "non-responsive" at the discretion of NRECA and may be subject to disqualification.

Emphasis should be concentrated on conformance to the instructions contained herein, responsiveness to requirements, completeness, and clarity of content. Responses should be tailored specifically to address the requirements set forth in this document. Supplier should avoid broad, unenforceable responses. "Boilerplate" material should not be used

within the body of the response. If desired, Supplier may attach such material in a separate appendix. Elaborate responses are neither necessary nor desired. If Supplier's response is presented in such a fashion that makes evaluation difficult or overly time consuming, it is likely that points will be lost in the evaluation process.

Section	Section Contents / Deliverables
Letter of Transmittal	The Letter of Transmittal must be ratified by an official authorized to legally bind Supplier, and contain the name, address, telephone number, and facsimile number of Supplier's representative who is authorized to negotiate on behalf of Supplier.
Table of Contents	(Self explanatory)
Executive Summary	High-level summary of the most important aspects of the response, containing a concise description of the response and roll-up costs.
Supplier Qualifications	A brief statement of Supplier's qualifications related to the stated requirements, as well as identification and qualifications of key personnel who will be responsible for the project.
Terms and Conditions	Provide detailed comments to NRECA's Master Purchase Agreement contained in Appendix A.
Response to Functional and Technical Requirements and Critical Questions	Supplier shall respond to the stated requirements in the Functional and Technical Requirements and Critical Questions contained in Appendix A.
Price Information	Provide detailed pricing in the format as further specified herein using the Pricing Schedule contained in Appendix A. Proposed costs should be accurate, realistic, and firm.
Federal Debarment, Suspension Ineligibility and Voluntary Exclusion Certification Form	The Federal Debarment, Suspension Ineligibility and Voluntary Exclusion Certification Form must be signed by an authorized representative on behalf of Supplier and be included in Supplier's response as a scanned image. The form is contained in Appendix A.
Lobbying Certification Form	The Lobbying Certification Form must be signed by an authorized representative on behalf of Supplier and be included in Supplier's response as a scanned image. The form is contained in Appendix A.
DBE, MBE, WBE Certification	Where Supplier is a DBE, MBE, or WBE, Supplier should include certification of such status with the response.

Appendices	Provide the following, as applicable: <ul style="list-style-type: none">• Annual report.• Financial statements (last three years).• Product and / or service literature, maintenance, and support brochures.• Additional Supplier information.
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APPENDIX A – CONTRACT AND FORMS

The contract terms shall be defined by a written agreement that is not binding until fully executed by both parties. A copy of NRECA's Master Purchase Agreement is included as a part of this Appendix A. Where Supplier does not currently have a contracted agreement with NRECA, Supplier must submit, as part of the response, comments (if any) to the NRECA standard agreement in the form of redlines. NRECA will assume agreement unless otherwise noted by Supplier. The included standard form agreement contains terms and conditions mandated and required by DOE and 10 CFR 600—NRECA has little to no flexibility regarding such terms and conditions. Suppliers should carefully consider their comments to the included standard form agreement so as to not be automatically disqualified from this competitive bid for failure to agree to mandated and required terms and conditions.

1) Master Purchase Agreement:



Master Purchase Agreement.doc

The attached forms must be completed as described in the applicable form and provided to NRECA as a part of Supplier's response. The Microsoft Excel forms below should be included in the Supplier's response in the native Microsoft Excel format.

2) Functional and Technical Requirements and Critical Questions:



Functional and Technical Requirements



Critical Questions.xls

3) Pricing Schedule:



Pricing Schedule.xlsx

4) Federal Debarment, Suspension Ineligibility and Voluntary Exclusion Certification Form:



Debarment Certification Form.doc

5) Lobbying Certification Form:



Lobbying Certification Form.doc

MASTER PURCHASE AGREEMENT

This Master Purchase Agreement ("Agreement") is entered into, to be effective as of _____ ("Effective Date"), by and between **NATIONAL RURAL ELECTRIC COOPERATIVE ASSOCIATION** ("NRECA"), with its principle place of business at 4301 Wilson Boulevard, Arlington, Virginia, United States of America and **[ENTER SUPPLIER NAME]**, with its principle place of business at [Enter Supplier address] ("Supplier"). NRECA and Supplier shall be collectively referred to herein as the "Parties," and individually, a "Party."

RECITALS

WHEREAS, NRECA works with United States ("U.S.") Department of Energy ("DOE") to perform certain energy-related technology projects under grants provided by DOE;

WHEREAS, NRECA is required to comply with 10 CFR 600 subpart B relating to certain procurements in association with NRECA's relationship with DOE;

WHEREAS, NRECA issues requests for proposals or quotations (each, a "Bid") to suppliers of equipment, commodities, material, software, and associated services (the "Materials," "Software," and / or "Services," as the case may be, as further described herein and in the applicable Exhibit A or "Purchase Order") relating to various energy-related technology projects;

WHEREAS, Supplier has experience and expertise in the supplying of Materials, Software, and / or Services, as the case may be, requested by NRECA;

WHEREAS, Supplier provided a proposal (the "Supplier Proposal") for the Materials, Software, and / or Services, as the case may be, that meets the needs and specifications of NRECA;

WHEREAS, NRECA desires to have Supplier provide such Materials, Software, and / or Services, as the case may be, to NRECA; and,

WHEREAS, Supplier desires to provide the Materials, Software, and / or Services, as the case may be, to NRECA on the terms and conditions contained herein.

NOW THEREFORE, in consideration of the mutual promises and covenants contained herein, and for other good and valuable consideration, Supplier and NRECA hereby agree as follows.

1. Definitions. For purposes of this Agreement and any Purchase Orders, schedules, or addenda attached thereto, the following definitions shall apply. Bracketed text within this Section is included solely for the convenience of the parties, and such bracketed text shall in no manner affect the scope, meaning, or intent of the provisions of this Section, this Agreement, or a Purchase Order.
 - 1.1. "Agreement" shall mean and include this Master Purchase Agreement and all other provisions and documents incorporated by reference, as further described herein.
 - 1.2. "Change Order" shall mean the form of the written document used to request changes to the Materials, Software, and / or Services, as the case may be, or the Delivery Schedule.

- 1.3. "Confidential Information" shall mean all information and documentation of NRECA that: (i) has been marked "Confidential" or with words of similar meaning, at the time of disclosure by NRECA; (ii) if disclosed orally or not marked "Confidential" or with words of similar meaning, was subsequently summarized in writing by NRECA and marked "Confidential" or with words of similar meaning; (iii) any Confidential Information derived from information of a party; or, (iv) with respect to information and documentation of NRECA, whether marked "Confidential" or not, consists of NRECA information and documentation included within any of the following categories: (a) a Purchase Order; (b) a Bid; (c) this Agreement; (d) studies, reports, data and materials produced for NRECA by Supplier under this Agreement; (e) agent, customer, supplier, or contractor information; (f) information regarding business plans (strategic and tactical) and operations (including performance); (g) information regarding administrative, financial, or marketing activities; (h) personnel information; or, (i) processes (e.g., technical, logistical, and engineering). The term "Confidential Information" does not include any information or documentation that was: (i) already in the possession of Supplier without an obligation of confidentiality; (ii) developed independently by Supplier, as demonstrated by Supplier, without violating NRECA's proprietary rights; (iii) obtained from a source other than NRECA without an obligation of confidentiality; or, (iv) publicly available when received, or thereafter became publicly available (other than through any unauthorized disclosure by, through or on behalf of, Supplier).
- 1.4. "Default Event" shall mean a pre-defined event, as further defined herein, constituting a default by Supplier or a specific breach of an obligation by Supplier.
- 1.5. "Delivery Schedule" shall mean the date(s), as specified or referred to in a Purchase Order, that the Materials are to be received at the Destination. The Delivery Schedule and period of performance shall not be adjusted unless otherwise agreed to by the NRECA Project Manager in writing. Unless otherwise specified in a Purchase Order, business days are Monday through Friday and any references to "days" shall mean business days.
- 1.6. "Deposit Payment," if any, as further described herein and in a Purchase Order, shall mean an advance, partial payment made by NRECA to Supplier.
- 1.7. "Designee Project Manager" is the Designee representative designated in a Purchase Order with the responsibility for activities undertaken by Designee in the furtherance of this Agreement and the applicable Purchase Order.
- 1.8. "Designee," each as specified in a Purchase Order, shall mean that entity designated by NRECA to be the recipient and owner or licensee of the Materials, Software, and / or Services, as the case may be. Upon acceptance of the Materials, Software, and / or Services by NRECA or Designee, Designee shall be the owner or licensee of the same. Where no Designee is specified in a Purchase Order, the Designee shall be NRECA.
- 1.9. "Destination," as further described in a Purchase Order, shall be the delivery destination specified by NRECA.
- 1.10. "Governing Law," as further specified in a Purchase Order, shall mean the law of the state or commonwealth which shall govern this Agreement and any Purchase Order between Designee and Supplier.

- 1.11. "Government Agency" shall mean the U.S. Department of Energy.
- 1.12. "Materials Bond," as further described herein, shall mean a valid materials bond presented to the NRECA Contract Administrator, in the original form of the bond, payable to NRECA in the amount and for the duration, as each of the same may be adjusted, set forth in a Purchase Order. Such bond must be obtained by Supplier from companies holding certificates of authority as acceptable sureties pursuant to 31 CFR 223, "Surety Companies Doing Business with the United States." [DOE10CFR600.148(c)(4)]
- 1.13. "Materials Inspection Period" shall mean the period during which NRECA or NRECA's designated representative shall inspect Materials, which, unless otherwise specified in a Purchase Order, shall be ninety (90) calendar days of delivery of the Materials at the Destination.
- 1.14. "Materials" shall mean and include those Materials and any Embedded Software, as further described in a Purchase Order.
- 1.15. "Non-conforming Materials" shall mean and include shortage, damage, defect, non-functional, not within the technical specifications of the Purchase Order, and substitutions of the specified Materials.
- 1.16. "Non-conforming Services" shall mean and include Services performed by Supplier that do not meet, at the sole determination of Designee, the specifications as described in a Purchase Order.
- 1.17. "Non-conforming Software" shall mean and include Software provided by Supplier that, at the sole determination of Designee, contains errors or non-conformities.
- 1.18. "Notice of Termination" shall mean the written notice of a Party regarding its intention, as described in such notice, to terminate, as provided for herein, this Agreement or a Purchase Order in whole or in part.
- 1.19. "NRECA Contract Administrator" is the NRECA representative designated in a Purchase Order with the responsibility of contract administration and negotiation of modifications to this Agreement. All changes that may impact a Purchase Order must be reviewed and approved by the NRECA Contract Administrator and then subsequently approved in a writing between the Parties. Any costs to Supplier resulting from changes not approved by the NRECA Contract Administrator shall not be charged to NRECA.
- 1.20. "NRECA Project Manager" is the NRECA representative designated in a Purchase Order with the responsibility for all activities undertaken by NRECA in the performance of this Agreement and the applicable Purchase Order.
- 1.21. "Packing Instructions," shall mean the packing instructions provided by NRECA as part of a Purchase Order.
- 1.22. "Performance Bond," as further described herein, shall mean a valid performance bond presented to the NRECA Contract Administrator, in the original form of the bond, payable to NRECA in the amount and for the duration, as each of the same may be adjusted, set forth in a Purchase Order. Such bond must be

obtained by Supplier from companies holding certificates of authority as acceptable sureties pursuant to 31 CFR 223, "Surety Companies Doing Business with the United States." [DOE10CFR600.148(c)(4)]

- 1.23. "Project Schedule" shall mean the date(s), as specified or referred to in a Purchase Order, that the Services are to be performed. The Project Schedule and period of performance shall not be adjusted unless otherwise agreed to by the NRECA Project Manager in writing. Unless otherwise specified in a Purchase Order, business days are Monday through Friday and any references to "days" shall mean business days.
- 1.24. "Purchase Order Value" shall mean the total value of the Materials, Software, and / or Services, as the case may be, as summarized in a Purchase Order.
- 1.25. "Request for Payment Document(s)" shall mean and include: (i) in the case of Materials, a packing list; (ii) in the case of Materials, a clean bill of lading; (iii) in the case of Materials or Software, a certification of delivery; (iv) in the case of Services, a statement of Services performed; (v) in the case of Services performed on an hourly basis, timesheets; and, (vi) any other documents required by NRECA for payment, if so described in a Purchase Order.
- 1.26. "Services Fee," as further described in a Purchase Order, shall mean the amount due to Supplier for Services performed and accepted by NRECA or Designee.
- 1.27. "Services," as further described in a Purchase Order, shall mean and include the Services performed by Supplier.
- 1.28. "Shipment Date" shall mean the date, as specified in a Purchase Order, that the Materials are made ready by Supplier for shipment.
- 1.29. "Shipping Agent" is the shipping agent designated in a Purchase Order, if other than Supplier, that shall have the responsibility of shipping and transporting the Materials to the Destination or other location directed by NRECA.
- 1.30. "Software License Fee," as specified in a Purchase Order, shall mean the amount due to Supplier for the Software license grant.
- 1.31. "Software Maintenance Fees," as specified in a Purchase Order, shall mean the fees, if any, for support, new releases, upgrades, modifications, and enhancements related to the Software.
- 1.32. "Software," as further described in a Purchase Order, shall mean and include the Software licensed by Supplier to Designee.
- 1.33. "Supplier Project Manager" is the Supplier representative designated in a Purchase Order with the responsibility for all activities undertaken by Supplier in the performance of this Agreement and the applicable Purchase Order.
- 1.34. "Supplier Proposal" shall mean the proposal provided to NRECA by Supplier in response to the applicable Bid.
- 1.35. "Supplier Warehouse" shall mean a Supplier-provided facility, the location of which is described in a Purchase Order, in which the Materials are safely and

securely stored by Supplier and where such Materials shall be made available to NRECA, NRECA's agent, or Designee.

- 1.36. "Unit Price" shall mean an all-inclusive unit price, as summarized in a Purchase Order. Unless otherwise specified in a Purchase Order, Supplier shall maintain the Unit Price for a period no less than one (1) year from the ratification of a Purchase Order.
- 1.37. "Units" shall mean the number of units associated with Material described in a Purchase Order.
2. Structure of Agreement. Supplier agrees to provide, in accordance with the terms of this Agreement and the applicable Purchase Order, the Materials, Software, and / or Services as set forth on a Purchase Order (sequentially numbered) in the form of the Exhibit A attached hereto or in another form containing substantially similar information and identified as a Purchase Order. In addition to the terms and conditions of this Agreement, Supplier must comply with any instructions, specifications, and guidelines described in a Purchase Order and attachments thereto, if any.
3. Materials. Where a Purchase Order specifies Materials to be provided by Supplier, the following terms and conditions shall apply.
 - 3.1. Inspection, Acceptance.
 - 3.1.1. Inspection and Acceptance of Materials Prior to Shipment. The NRECA Project Manager or NRECA's designated representative shall have the right to observe and inspect the Materials prior to shipment to ensure compliance with the corresponding Purchase Order.
 - 3.1.1.1. Non-conforming Materials Prior to Shipment. Where the NRECA Project Manager or NRECA's designated representative observes any Non-conforming Materials, Supplier shall then replace the Non-conforming Materials and ship the replacement Materials to the location specified by NRECA, without additional charge to NRECA, within the Delivery Schedule or such other timeframe that the NRECA Project Manager may agree to. If Supplier fails to replace the Non-conforming Materials within the *required timeframe* NRECA may, in addition to its right of termination, acquire replacement materials itself, or through third parties, and recover any costs resulting from Supplier's non-performance from, at the sole election of NRECA: (i) encashment of the Materials Bond; (ii) any other amount owed to Supplier by NRECA; and / or, (iii) by charging such cost to Supplier.
 - 3.1.2. Inspection and Acceptance of Materials At and Following Delivery. The NRECA Project Manager or NRECA's designated representative shall inspect the Materials within the applicable Materials Inspection Period. For Materials deemed acceptable, the NRECA Project Manager or his / her designated representative will issue a certificate of acceptance to Supplier. Where NRECA fails to indicate its acceptance or rejection of Materials to Supplier within the required timeframe, the Materials shall be *deemed to be accepted*.

- 3.1.2.1. Non-conforming Materials At and Following Delivery. Where the NRECA Project Manager or NRECA's designated representative observes any Non-conforming Materials, Supplier shall then, at the sole election of NRECA, repair, replace, or modify the Non-conforming Materials without any additional charge to NRECA and within thirty (30) calendar days or such other timeframe that the NRECA Project Manager may agree to. Supplier will be given an opportunity to confirm the existence of the non-conformity within such timeframe, but it shall not delay the correction while making such determination. In the case of replacement, such timeframe is inclusive of the time required for Supplier to ship the replacement Materials. If Supplier fails to repair, replace, or modify the Non-conforming Materials within the stated timeframe, NRECA may, in addition to its right of termination, acquire replacement materials itself, or through third parties, and recover any costs resulting from Supplier's non-performance from, at the sole election of NRECA: (i) encashment of the Materials Bond; (ii) any other amount owed to Supplier by NRECA; and / or, (iii) by charging such cost to Supplier.
- 3.2. Materials Warranties; Pass-through Warranties. Supplier will pass through to the Designee all warranties provided by the Supplier, manufacturer, distributor, or licensor of the Materials to the extent permitted by the manufacturer, distributor, or licensor. Unless otherwise agreed to by NRECA, such warranties shall run from the date of Designee's acceptance of the Materials and shall be fully transferrable by Designee to a subsequent title holder. In addition to the foregoing, unless otherwise specified in a Purchase Order, for one (1) year following installation of the Materials in Designee's production environment, Supplier shall promptly correct any defect in the Materials by repairing, replacing, or modifying defective Materials.
- 3.3. Embedded Software. Where software is incorporated or embedded in the Materials ("Embedded Software"), Designee and any employee, agent, contractor, or consumer-member of Designee shall have a perpetual, worldwide, irrevocable (except as provided for herein), fully transferrable, and royalty-free license to use the Embedded Software, including any subsequent revisions, modifications, upgrades, and enhancements, in accordance with the terms and conditions set forth herein.
- 3.3.1. Supplier agrees to maintain the currency of the Embedded Software and correct any deficiencies therein for the life of the associated Materials and shall provide such updates to the then-current titleholder of such Materials.
- 3.3.2. Supplier agrees to place in escrow with an escrow agent copies of the most current version of the source code for the Embedded Software, including all updates, improvements, and enhancements thereof from time to time developed by Supplier necessary to internally support (i.e. maintain and / or repair) the Embedded Software. Supplier agrees that upon the occurrence of any event or circumstance which demonstrates with reasonable certainty the inability or unwillingness of Supplier to fulfill its obligations relating to the Embedded Software hereunder, the then-current titleholder of the associated Materials shall be entitled to obtain

the source code of the then-current Embedded Software from the escrow agent.

3.3.3. The provisions of this Section shall survive the termination of this Agreement.

3.4. Storage of Materials Prior to Shipment. Where specified in a Purchase Order, Supplier shall consolidate and store the Materials in the Supplier Warehouse without charge until, as the case may be, Supplier ships the Materials.

3.5. Insurance; Risk of Loss. Unless otherwise indicated in a Purchase Order, Supplier shall provide all-risk shipping insurance, from an insurance company acceptable to NRECA, on an origin shipping point-to-Destination basis at one-hundred ten percent (110%) of the Purchase Order Value relating to the Materials. In such case, title to and risk of loss in the Materials shall remain vested in Supplier until the Materials have been accepted by NRECA or Designee. Upon NRECA's or Designee's acceptance of the Materials, the title and risk of loss in such Materials shall pass to Designee.

3.6. Materials Bond.

3.6.1. Materials Bond. Upon the ratification of a Purchase Order, Supplier will present a Materials Bond to the NRECA Contract Administrator in the amount specified in a Purchase Order for the Materials, prior to receiving a Deposit Payment. The Materials Bond will be valid for a period of one (1) year beyond the end of the Delivery Schedule or such other period as may be specified in a Purchase Order. The premium for the Materials Bond shall be paid for by Supplier. The surety on the Materials Bond shall be a duly authorized surety satisfactory to NRECA. It is understood and agreed that in case of any alternations, such as a Change Order, made in the Materials, such alterations shall not affect nor discharge the Materials Bond. Where any such alterations result in an increase to the original Purchase Order Value, Supplier shall notify its surety of the same and the amount of the Materials Bond shall be adjusted accordingly and Supplier shall furnish proof of such adjustment to NRECA. The Materials Bond will be subject to encashment by NRECA: (i) in the event that Non-conforming Materials are not replaced by Supplier in the timeframe described further herein; and, (ii) upon the occurrence of a Default Event.

3.6.2. Bond Encashment Instructions. At the same time a Materials Bond is presented by Supplier to the NRECA Contract Administrator, Supplier shall, or shall cause the associated surety to, provide bond encashment instructions to the NRECA Contract Administrator. In the case of NRECA being in receipt of a facsimile of the Materials Bond, and not the original, Supplier agrees that such facsimile shall serve as the original for all purposes, including encashment.

3.6.3. Extension of Bond Expiration. Where the Delivery Schedule, as the same may be adjusted by the NRECA Project Manager, is extended beyond the then current expiration date of any associated Materials Bond, Supplier shall, within five (5) calendar days of the schedule extension, extend the expiration date of any associated Materials Bond by a period of ninety (90) calendar days beyond the period of the

schedule extension. If Supplier fails to extend, as required by NRECA, any associated Materials Bond, or fails to provide written evidence thereof to the NRECA Contract Administrator within the timeframe described in this provision, NRECA shall have the right to immediately encash such bond.

- 3.6.4. No Right of Bond Interest. In the case NRECA encashes any bond as permitted herein, and the value of such bonds or any portion thereof is later returned to Supplier by NRECA, Supplier shall have no right to claim interest on any amounts held by NRECA and later returned to Supplier.
- 3.7. Packing Instructions. Unless otherwise specified in a Purchase Order, all Materials shall be packed by Supplier for shipment in packaging sufficiently durable to withstand the method of shipment, climactic conditions, and handling upon arrival. In any case, Supplier shall ensure the packing and packaging meets the requirements of the best commercial practice for the given purchase and conditions.
- 3.8. Delivery.
- 3.8.1. Terms of Delivery. Unless otherwise specified in a Purchase Order, this Agreement and the associated Purchase Order shall be interpreted and performed by Supplier in accordance with Freight on Board Destination ("FOB Destination") as defined by Commonwealth of Virginia Code § 8.2-319.
- 3.8.2. Shipment and Delivery of Materials. Unless otherwise specified in a Purchase Order, Supplier shall be the Shipping Agent and shall be responsible for ensuring the delivery of Materials to the Destination according to the Delivery Schedule. Where the Supplier or Supplier's agent is responsible for shipping the Materials and the Materials are not delivered according to the Delivery Schedule, Supplier shall pay to NRECA, as liquidated damages and not as a penalty, a delivery late fee equal to one percent (1%) of the Purchase Order Value of the applicable Materials per day up to a maximum delivery late fee of ten percent (10%) of the Purchase Order Value of the applicable late Materials. Any Materials that are rejected by NRECA or NRECA's designated representative as provided for in this Agreement and the applicable Purchase Order shall be considered late for the purposes of this Section.
- 3.8.3. Shortage of Materials; Substitution. Supplier shall not change the number of Units defined in a Purchase Order, "ship short," or substitute Materials without the prior written authorization by the NRECA Contract Administrator.
- 3.9. Materials Change Orders. The NRECA Project Manager or NRECA Contract Administrator shall have the right, at any time and without previous notification, by means of a Change Order, to make changes to a Purchase Order prior to shipment of the Materials. Where a Change Order may result in an adjustment to the Purchase Order Value or Delivery Schedule, Supplier must provide a written estimate of such adjustment to NRECA within ten (10) calendar days of Supplier's receipt of a Change Order. Upon approval by the NRECA Contract Administrator of Supplier's written estimate to complete the Change Order, the

Parties shall each ratify the Change Order indicating any adjustments to the Unit Cost, Purchase Order Value, or Delivery Schedule, such Change Order being incorporated as a part of the applicable Purchase Order. If a Change Order decreases the Unit Cost, Purchase Order Value, or Delivery Schedule, then an adjustment will be made to the same by the NRECA Project Manager and the Change Order shall be incorporated as a part of the applicable Purchase Order.

4. Software. Where a Purchase Order specifies Software to be provided by Supplier, the following terms and conditions shall apply.

4.1. Software License. Unless otherwise specified in a Purchase Order, Supplier grants to Designee a perpetual, worldwide, irrevocable (except as otherwise provided for herein), fully transferable, and royalty-free license to use the Software, including any subsequent revisions, modifications, upgrades, and enhancements, in accordance with the terms and conditions set forth herein. The provisions of this Section shall survive the termination of this Agreement.

4.1.1. Authorized Uses of Software-related Software. Designee and any employee, agent, contractor, or consumer-member of Designee shall have the right to operate and use the Software at the sites and upon the computing device (the "Device") designated on the applicable Purchase Order. Designee may transfer and use the Software on alternate Devices on a permanent basis without notice to Supplier.

4.1.2. Non-production Uses and Inoperative Devices. Designee shall have the right to use the Software without additional charge on any Device for non-production purposes, including but not limited to, software problem/defect identification and resolution, debugging, new version evaluation, software interface testing, and disaster recovery technique analysis and implementation. If a designated Device is inoperative, Designee may use the Software on a backup Device on a temporary basis without additional charge. In the event that all of Designee's copies of the Software, including all backup copies, are destroyed, irreparably damaged, or otherwise lost due to any natural or man-made disaster, Supplier will provide to Designee, at no additional cost, a replacement copy of the Software. Supplier grants to Designee the right to utilize the Software, at no additional cost, at any Designee owned or third-party disaster recovery facility for both the purpose of testing Designee's disaster recovery plan and in the event of a Designee-declared disaster which requires Designee to utilize such disaster recovery facility. Where Supplier licenses the Software to Designee on a basis that requires an authentication key prior to use of the Software (e.g., passkey, passcode, or password protection), Supplier agrees to provide to Designee a "master" authentication key, in addition to any such authentication keys provided for the license granted herein, at the time of license grant indicated herein, that shall allow Designee to use the replacement copy of the Software for the sole purpose of disaster recovery. In the event of a Designee-declared disaster, Supplier shall provide Software authentication assistance to Designee, time being of the essence.

4.1.3. Copying. Designee shall have the right to make the number of copies of the Software as are set forth in the applicable Purchase Order. In addition, Designee may make a reasonable number of copies of the Software for archival and back-up purposes and may make as many copies of the Software's documentation as are necessary for Designee's internal business purposes.

- 4.1.4. Changes in Software Functionality. Where Supplier has reduced or eliminated functionality in the Software licensed by Designee, and has introduced like functionality in a separate software product, Designee shall, at no additional fee or expense, have an additional license in the new software product with the same rights, obligations, and limitations as the license for the Software.
- 4.2. Delivery of Software. Unless otherwise specified in a Purchase Order, within five (5) business days of the ratification of the Purchase Order, Supplier shall deliver the Software to Designee via an electronic method (such as Internet download).
- 4.3. Acceptance Period. Unless otherwise specified in the applicable Purchase Order, for all Software provided under this Agreement, Supplier grants to Designee a ninety (90) day acceptance period ("Software Acceptance Period") commencing on the date the Software is successfully installed at the designated site or on the designated Device. During the Software Acceptance Period, Designee shall have the right to use the Software as provided herein in order to perform tests on and otherwise evaluate the Software. It is understood and agreed by Supplier that Designee may accept or reject the Software, in whole or in part, in its sole discretion for any reason whatsoever. In the event that Designee chooses to reject the Software (the "Rejected Software"), Designee may, in its sole discretion and at any time prior to the expiration of the Software Acceptance Period, terminate this Agreement in part with respect to the Software not accepted, in which event the Software not accepted shall be deleted from this Agreement and any and all fees paid by NRECA to Supplier in connection with such Software shall be refunded to NRECA in full and neither NRECA nor Designee shall have any further obligations to Supplier with respect to such Software. At the end of the applicable Software Acceptance Period, if Designee has not rejected the Software, the Software shall be deemed to be accepted by Designee; provided, however, that Designee's acceptance of the Software shall not be deemed to limit Designee's other rights to terminate this Agreement as provided herein, any other rights Designee may have at law or in equity, or Supplier's warranties as expressly provided herein.
- 4.4. Warranty Services. For a period of one hundred-eighty (180) calendar days from the date of Software acceptance by Designee or such other period as may be specified in the applicable Purchase Order (the "Warranty Period"), at no additional cost to Designee, Supplier shall correct any errors or non-conformities in the Software identified by Designee (the "Non-conforming Software") during the Warranty Period and shall cause the Software to perform in accordance with the Software's documentation. If Supplier is unable to make the Software conform within thirty (30) calendar days following notification by Designee, Supplier shall, at Designee's request, accept return of the Software, and return all monies paid hereunder with respect to the Software so affected; provided, however, that this Agreement shall continue in full force and effect with respect to any other Software provided by Supplier to Designee hereunder. In addition to Supplier's obligations described herein, during the Warranty Period, Supplier shall provide the following without additional charge to Designee:
- 4.4.1. Respond to defects or malfunctions in the Software identified by Designee within four (4) hours after Designee has notified Supplier of such problems; provided, however, that Designee notifies Supplier during the Support Hours (as further described herein). Supplier shall use its best efforts to correct any such defects or malfunctions or provide a work around solution until corrected.
- 4.4.2. Provide to Designee no later than five (5) calendar days after general release or general announcement, copies of the Software and

documentation revised to reflect any new releases, upgrades, modifications, and enhancements to the Software, including, without limitation, modifications to the Software which can increase the speed, efficiency, or base of operation of the Software or add additional capabilities to or otherwise improve the functions of the Software.

- 4.4.3. Unless otherwise set forth on a Purchase Order, between the hours of 7:00 a.m. and 7:00 p.m., Eastern Standard Time, Monday through Friday (the "Support Hours"), provide to Designee all reasonably necessary telephone or written consultation requested by Designee in connection with its use and operation of the Software or any problems therewith.
- 4.4.4. In the event Supplier requests any Software dumps, tapes, or any other documentation from Designee required by Supplier to resolve a reported problem, such documentation shall be forwarded by overnight courier at Supplier's expense.
- 4.5. Software Warranties; Pass-through Warranties. Supplier will pass through to the Designee all warranties provided by the Supplier, manufacturer, distributor, or licensor of the Software to the extent permitted by the manufacturer, distributor, or licensor. Unless otherwise agreed to by NRECA, such warranties shall run from the date of Designee's acceptance of the Software and shall be fully transferrable by Designee to a subsequent title holder.
- 4.6. Software Maintenance. Supplier shall provide technical support and maintenance services (collectively, "Software Maintenance") as set forth on a Purchase Order for the maintenance fees set forth therein, together with all new releases, upgrades, modifications, and enhancements to the Software.
 - 4.6.1. Supplier warrants that it shall make Software Maintenance available for a period of at least three (3) years from the date of acceptance of the Software by Designee or for as long as Supplier is offering maintenance and/or support services for the Software to other customers of Supplier, whichever period is longer.
 - 4.6.2. In no event shall there be any increases to the annual maintenance fees described in a Purchase Order. Unless otherwise specified in a Purchase Order, Software Maintenance shall be subscribed for one (1) year periods.
 - 4.6.3. Designee, at its sole option, may acquire or cancel Software Maintenance at any time and Designee shall have no obligation to pay maintenance fees for any annual period if Designee has notified Supplier that it desires to cancel Software Maintenance prior to the commencement of such annual period. Further, Designee, upon cancellation and subsequent re-subscription of Software Maintenance, shall not be required to pay any fees or penalties for the period that the applicable Software was not under Software Maintenance as a pre-requisite for re-subscription of Software Maintenance. Cancellation of Software Maintenance by Designee will not affect any other provisions of this Agreement, including, without limitation, Designee's right to use the Software.
 - 4.6.4. In addition to all other rights and remedies available to Designee hereunder, if, during the Warranty Period, and thereafter, at any time during which Designee is subscribing to Software Maintenance, Supplier fails to make any and all adjustments, repairs, and replacements necessary to cause the Software to perform in accordance with the Software's documentation within forty-eight (48) hours after Designee

has notified Supplier of the need to provide such services (provided that Designee has notified Supplier during the Support Hours), Supplier will pay to Designee an amount equal to five percent (5%) of the annual maintenance fees payable hereunder with respect to the Software at the time such default occurs (which, during the Warranty Period, shall be deemed to be an annual maintenance fee equal to the maintenance fee payable during the first year of Software Maintenance after the Warranty Period has expired).

- 4.7. Escrow Agreement. Supplier agrees to place in escrow with an escrow agent copies of the most current version of the source code for the applicable Software, including all updates, improvements, and enhancements thereof from time to time developed by Supplier necessary to internally support (i.e. maintain and / or repair) the Software. Supplier agrees that upon the occurrence of any event or circumstance which demonstrates with reasonable certainty the inability or unwillingness of Supplier to fulfill its obligations relating to the Software hereunder, Designee shall be able to obtain the source code of the then-current Software from the escrow agent. The provisions of this Section shall survive the termination of this Agreement.
5. Services. Where a Purchase Order specifies Services to be provided by Supplier, the following terms and conditions shall apply.
 - 5.1. Performance Bond.
 - 5.1.1. Performance Bond. Upon the ratification of a Purchase Order, Supplier will present a Performance Bond to the NRECA Contract Administrator in the amount specified in a Purchase Order for the Services, prior to receiving a Deposit Payment. The Performance Bond will be valid for a period of one (1) year beyond the end of the Project Schedule or such other period as may be specified in a Purchase Order. The premium for the Performance Bond shall be paid for by Supplier. The surety on the Performance Bond shall be a duly authorized surety satisfactory to NRECA. It is understood and agreed that in case of any alterations, such as a Change Order, made in the Services, such alterations shall not affect nor discharge the Performance Bond. Where any such alterations result in an increase to the original Purchase Order Value, Supplier shall notify its surety of the same and the amount of the Performance Bond shall be adjusted accordingly and Supplier shall furnish proof of such adjustment to NRECA. The Performance Bond will be subject to encashment by NRECA: (i) in the event that Non-conforming Services are not remedied by Supplier in the timeframe described further herein; and, (ii) upon the occurrence of a Default Event.
 - 5.1.2. Bond Encashment Instructions. At the same time a Performance Bond is presented by Supplier to the NRECA Contract Administrator, Supplier shall, or shall cause the associated surety to, provide bond encashment instructions to the NRECA Contract Administrator. In the case of NRECA being in receipt of a facsimile of the Performance Bond, and not the original, Supplier agrees that such facsimile shall serve as the original for all purposes, including encashment.
 - 5.1.3. Extension of Bond Expiration. Where the Project Schedule, as the same may be adjusted by the NRECA Project Manager, is extended beyond the then current expiration date of any associated Performance Bond,

Supplier shall, within five (5) calendar days of the schedule extension, extend the expiration date of any associated Performance Bond by a period of ninety (90) calendar days beyond the period of the schedule extension. If Supplier fails to extend, as required by NRECA, any associated Performance Bond, or fails to provide written evidence thereof to the NRECA Contract Administrator within the timeframe described in this Section, NRECA shall have the right to immediately encash such bond.

- 5.1.4. No Right of Bond Interest. In the case NRECA encashes any bond as permitted herein, and the value of such bonds or any portion thereof is later returned to Supplier by NRECA, Supplier shall have no right to claim interest on any amounts held by NRECA and later returned to Supplier.
- 5.2. Expenses. Subject to the prior written approval by NRECA, and upon submission of an expense report and receipts, NRECA shall reimburse Supplier for reasonable travel and living expenses that are consistent with NRECA's then current expense guidelines, actually incurred in connection with the performance of the Services; provided, however, that, unless otherwise specified in a Purchase Order: (i) in no case will NRECA be responsible for Supplier expenses exceeding fifteen percent (15%) of the fees for the associated Services; (ii) Supplier shall charge per diem in lieu of lodging, meals, and incidental expenses with such per diem consistent with the then-current United States General Services Administration published per diem rates; and, (iii) NRECA shall not be responsible for Supplier expenses where the billing is on a fixed-fee or milestone basis.
- 5.3. Services Change Orders. The NRECA Project Manager or NRECA Contract Administrator shall have the right, at any time and without previous notification, by means of a Change Order, to make changes to a Purchase Order. Where a Change Order may result in an adjustment to the Purchase Order Value or Project Schedule, Supplier must provide a written estimate of such adjustment to NRECA within ten (10) calendar days of Supplier's receipt of a Change Order. Upon approval by the NRECA Contract Administrator of Supplier's written estimate to complete the Change Order, the Parties shall each ratify the Change Order indicating any adjustments to the Services Fee, Purchase Order Value, or Project Schedule, such Change Order being incorporated as a part of the applicable Purchase Order. If a Change Order decreases the Services Fee, Purchase Order Value, or Project Schedule, then an adjustment will be made to the same by the NRECA Project Manager and the Change Order shall be incorporated as a part of the applicable Purchase Order.
- 5.4. Services Acceptance Period. Unless otherwise specified in a Purchase Order, Supplier grants to Designee a ninety (90) day acceptance period ("Services Acceptance Period") commencing on the date completed Services are delivered to Designee. Designee shall have the right to reject the Services, in whole or in part, during the Services Acceptance Period for Supplier's failure to successfully meet the specifications as contained in a Purchase Order, such determination made in Designee's sole judgment (such rejected Services shall be known as the "Non-Conforming Services"). Supplier shall be given an additional thirty (30) day period to cure the deficiencies identified in any Non-Conforming Services. Where Supplier is unable to cure said deficiency within the additional period, Designee may, in its sole discretion: (i) at no additional cost to Designee, require Supplier to immediately provide additional Services, as required, to correct the

Non-Conforming Services or to provide proof that corrections are not necessary; or, (ii) terminate the applicable Purchase Order in part with respect to the Non-Conforming Services, in which event any and all fees paid by NRECA to Supplier in connection with the Non-Conforming Services shall be refunded to NRECA in full.

5.5. Rights to Work Product.

5.5.1. Unless otherwise specified in a Purchase Order, Supplier agrees that, whether or not the Services are considered works made for hire or an employment to invent, the discovery, creation, or development of inventions, methods, formulae, techniques, processes, improvements, strategies, and data and original works of authorship, in whatever form, first produced or created by or for Supplier as a result of or related to the performance of the Services (the "Work Product"): (i) shall be the sole property of NRECA; and, (ii) NRECA shall have all copyright and patent rights with respect to any Work Product, without regard to the origin of the Work Product. If and to the extent that Supplier may, under applicable law, be entitled to claim any ownership interest in the Work Product, Supplier hereby transfers, grants, conveys, assigns, and relinquishes exclusively to NRECA any and all right, title, and interest it now has or may hereafter acquire in and to the Work Product under patent, copyright, trade secret, and trademark law in perpetuity or for the longest period otherwise permitted by law. Supplier further agrees as to the Work Product to assist NRECA in every reasonable way to obtain and, from time to time, enforce patents, copyrights, trade secrets, and other rights and protection relating to said Work Product.

5.5.2. NRECA acknowledges that, in the course of performing the Services, Supplier may use routines and related programming language, instructions, methods, and techniques that have been previously developed by Supplier (collectively, the "Pre-existing Materials") and that the same shall remain the sole and exclusive property of Supplier. Where Supplier seeks to embody Pre-existing Materials in the Work Product, Supplier must first obtain written approval from NRECA. If, and to the extent that, any Pre-existing Materials are embodied or reflected in the Work Product, Supplier hereby grants to NRECA and Designee the irrevocable, perpetual, non-exclusive, worldwide, royalty-free right and license to: (i) use, execute, reproduce, display, perform, distribute copies of and prepare derivative works based upon such Pre-existing Materials and any derivative works thereof; and, (ii) authorize others to do any or all of the foregoing.

5.5.3. The provisions of this Section shall survive the termination of this Agreement.

6. Supplier Project Manager: Progress Reporting. Supplier shall appoint a Supplier Project Manager, as designated in a Purchase Order, who shall have the responsibility for all activities undertaken by Supplier in the performance of this Agreement and the applicable Purchase Order and who shall have the authority to act on behalf of Supplier with respect to the same. The Supplier Project Manager shall communicate informally with the NRECA Project Manager on a regular basis and meet at least weekly (in person or by telephone) with the same to review the status of Purchase Orders not yet completed. Further, on a weekly basis, beginning upon the effective date of a Purchase Order, the Supplier Project Manager shall submit to the NRECA Project Manager a progress report,

in a format designated by NRECA, certifying activities performed by Supplier in furtherance of a Purchase Order during the previous week.

7. Billing Procedure; Payments. Unless otherwise specified in a Purchase Order, the payment structure shall be as follows. Any sum due Supplier pursuant to a Purchase Order for which payment is not otherwise specified herein or in the Purchase Order shall be due and payable forty-five (45) calendar days after receipt by NRECA of an invoice from Supplier.
 - 7.1. Deposit Payment. Where NRECA agrees to pay Supplier a Deposit Payment, if specified in a Purchase Order, the Deposit Payment will be made only upon presentation by Supplier of the following documents to the NRECA Contract Administrator:
 - 7.1.1. In the case of any Materials or Software to be provided, a Materials Bond made payable to the order of NRECA in the amount specified in the applicable Purchase Order;
 - 7.1.2. In the case of Services to be provided, a Performance Bond made payable to the order of NRECA in the amount specified in the applicable Purchase Order; and,
 - 7.1.3. Certificate of insurance, evidencing the required coverage of insurance, as further described herein.
 - 7.2. Materials. Upon acceptance of the Materials by NRECA or Designee, receipt by NRECA of Request for Payment Document(s), and receipt by NRECA of Supplier's invoice, NRECA agrees to pay Supplier for the Materials in accordance with the terms and conditions of this Agreement and the applicable Purchase Order. NRECA shall not process any payment for Non-conforming Materials. The final payment shall be made upon the delivery, inspection, and acceptance of the Materials by Designee and the issuance of a certificate of acceptance by the same.
 - 7.3. Software. Upon acceptance of the Software by NRECA or Designee, receipt by NRECA of Request for Payment Document(s), and receipt by NRECA of Supplier's invoice, NRECA agrees to pay Supplier for the Software in accordance with the terms and conditions of this Agreement and the applicable Purchase Order. NRECA shall not process any payment for Rejected Software or Non-conforming Software. The final payment shall be made upon the delivery, inspection, and acceptance of the Software by Designee and the issuance of a certificate of acceptance by the same.
 - 7.4. Services Provided on a Fixed-fee or Milestone Basis. Where Services are billed to NRECA on a fixed-fee or milestone basis, as specified in the applicable Purchase Order, Supplier shall submit to NRECA a statement of the Services performed, such statement approved and signed by Supplier, NRECA, and Designee. Such fixed-fee or milestone basis shall include all costs, including travel and living expenses. Notwithstanding any schedule of payments, NRECA shall be entitled to withhold, as final payment, an amount equal to twenty-percent (20%) of the total Services fee. If withheld, such amount will be paid upon acceptance of the Services by Designee.
 - 7.5. Services Provided on an Hourly Basis. Where Services are billed to NRECA on

an hourly basis, as specified in the applicable Purchase Order, Supplier shall submit to NRECA an accurate time sheet approved and signed by Supplier, NRECA, and Designee. Supplier shall direct its employees to work only such number of hours as are approved in advance by NRECA. Supplier shall be paid for all approved hours worked, including those hours worked in excess of eight hours per day, at the hourly rates set forth in the applicable Purchase Order. Hours billed shall reflect actual time performing the Services and shall not include travel time.

- 7.6. Billing Procedure. Supplier shall bill to NRECA the sums due pursuant to a Purchase Order by Supplier's invoice, which shall contain: (a) NRECA purchase order number, if any, and invoice number; (b) line-item Materials descriptions and Unit Prices, if Materials are provided; (c) packing costs for Materials, if any; (d) Software descriptions and pricing, if Software is provided; (e) shipping costs, if any; (f) description of Services performed, if any; (g) the fixed fee or portion thereof that is due for Services performed, if any; (h) name of Supplier's staff, if any, number of hours, and hourly rate of each of Supplier's staff, if any, where Services are billed on an hourly basis; (i) travel and living expenses, if any; (j) discounts, if applicable; (k) special charges, if any; (l) taxes, if any; and, (m) total amount due. Supplier must include any other required documents with invoices submitted. Unless otherwise specified by NRECA, Supplier shall forward invoices and Request for Payment Documents to: NRECA, Attn: Accounts Payable, 4301 Wilson Blvd., Arlington, VA 22203.
- 7.7. No Additional Charges. Except for the amounts due to Supplier pursuant to a Purchase Order (as the same may be adjusted), pre-approved travel and living expenses, if any, and Change Orders agreed upon in writing, if any, NRECA shall not be billed for, or be obligated to pay to Supplier any charges, expenses, or other amounts.
- 7.8. Credits. Any credits or other amounts due to NRECA from Supplier pursuant to this Agreement or otherwise may be applied or offset by NRECA against any amount required to be paid by NRECA to Supplier pursuant to any invoice rendered hereunder. Any credits due to NRECA from Supplier pursuant to this Agreement, such as amounts paid by NRECA to Supplier in excess of amounts due to Supplier, that are not so applied against Supplier's invoice for any reason shall be paid to NRECA by Supplier within thirty (30) calendar days following NRECA's written request for such payment. The provisions of this Section shall survive the termination of this Agreement.
- 7.9. Non-binding Terms. Any terms and conditions that are typed, printed, or otherwise included in any Supplier invoice rendered pursuant to this Agreement shall be deemed to be solely for the convenience of the parties. No such term or condition shall be binding upon NRECA, and no action by NRECA (including, without limitation, the payment of any such invoice in whole or in part) shall be construed as binding NRECA with respect to any such term or condition, unless the specific term or condition has been previously agreed to by Supplier and NRECA in writing, and is binding upon NRECA with respect to such invoice by virtue of this Agreement or a binding amendment thereto.
- 7.10. Auditable Records; Disputed Amounts. Supplier shall maintain accurate records of all fees billable to, and payments made by, NRECA in a format that will permit audit for a period of not less than three (3) years after payment has been rendered by NRECA. For such period, upon NRECA's written request, Supplier shall provide NRECA with a copy of any annual "SAS 70" or other audit reports

prepared by auditors of Supplier, if so prepared. In the event NRECA in good faith disputes any amount on any Supplier invoice, NRECA and Supplier agree to use their best efforts to resolve such dispute within ninety (90) calendar days after NRECA provides written notification of the dispute to Supplier. Supplier agrees to provide full supporting documentation concerning any disputed amount or invoice to NRECA within thirty (30) calendar days after NRECA provides written notification of the dispute to Supplier. Provided that NRECA has furnished written notification of the dispute to Supplier within thirty (30) calendar days after NRECA received the disputed invoice, NRECA shall have no obligation, during the ninety (90) day period specified above, to pay any amount that NRECA reasonably disputes hereunder. The provisions of this Section shall survive the termination of this Agreement.

- 7.11. Taxes. Supplier represents and warrants that it is an independent contractor for purposes of federal, state, and local employment taxes. Supplier agrees that NRECA is not responsible to collect or withhold any federal, state, or local employment taxes, including, but not limited to, income tax withholding and social security contributions, for Supplier or its employees. Any and all taxes, interest or penalties, including, but not limited to, any federal, state, or local withholding or employment taxes, imposed, assessed, or levied as a result of this Agreement shall be paid or withheld by Supplier or, if assessed against and paid by NRECA, shall be reimbursed by Supplier upon demand by NRECA.

8. Mutual Representations and Warranties. Each of NRECA and Supplier represent and warrant that:

- 8.1. it is a business duly formed, validly existing, and in good standing under the laws of its state of domicile;
- 8.2. it has all requisite power, financial capacity, and authority to execute, deliver, and perform its obligations under this Agreement;
- 8.3. this Agreement and each Purchase Order, when ratified and delivered, shall be a valid and binding obligation of it enforceable in accordance with its terms;
- 8.4. it is duly licensed, authorized, or qualified to do business and is in good standing in every jurisdiction in which a license, authorization, or qualification is required for the ownership or leasing of its assets or the transaction of business of the character transacted by it, except where the failure to be so licensed, authorized, or qualified would not have a material adverse effect on its ability to fulfill its obligations under this Agreement;
- 8.5. the ratification, delivery, and performance of this Agreement has been duly authorized by it and this Agreement constitutes the legal, valid, and binding agreement of it and is enforceable against it in accordance with its terms, except as the enforceability thereof may be limited by bankruptcy, insolvency, reorganizations, moratoriums, and similar laws affecting creditors' rights generally and by general equitable principles;
- 8.6. it shall comply with all applicable federal, state, local, or other laws and regulations applicable to the performance by it of its obligations under this Agreement and shall obtain all applicable permits and licenses required of it in connection with its obligations under this Agreement; and,

8.7. there is no outstanding litigation, arbitrated matter or other dispute to which it is a party which, if decided unfavorably to it, would reasonably be expected to have a potential or actual material adverse effect on its ability to fulfill its obligations under this Agreement.

9. Representations and Warranties by Supplier. Supplier represents and warrants that:

9.1. Supplier is possessed of superior knowledge with respect to the Materials, Software, and / or Services, as the case may be, and is aware that NRECA and Designee is relying on Supplier's skill and judgment in providing the same;

9.2. Supplier knows the particular purpose for which the Materials, Software, and / or Services, as the case may be, are required;

9.3. the Materials, Software, and / or Services, as the case may be, shall not infringe upon any United States or foreign copyright, patent, trade secret, or other proprietary right, or misappropriate any trade secret, of any third party, and Supplier further represents and warrants that it has neither assigned nor otherwise entered into an agreement by which it purports to assign or transfer any right, title, or interest to any technology or intellectual property right that would conflict with its obligations under this Agreement;

9.4. in the case of Software, there are no legal proceedings threatened or pending against Supplier by other users of the Software based upon problems with the Software or Supplier's performance;

9.5. in the case of Software, the Software shall be free from any defects in material and workmanship and shall conform to and operate in accordance with the Software's documentation;

9.6. in the case of Software, the Software is compatible with Designee's then-current production environment;

9.7. in the case of Software, the Software shall be free of any mechanism which may disable the Software, and Supplier warrants that no data loss will result from such items if present in the Software when delivered to Designee hereunder;

9.8. in the case of Software, at the time of delivery to Designee, the Software shall be free of any harmful or hidden programs or data incorporated therein with malicious or mischievous intent (collectively, the "Virus"), and that, where Supplier transfers such Virus to Designee, Supplier shall reimburse Designee the actual cost incurred by Designee to remove or recover from the Virus, including the costs of persons employed by Designee; and,

9.9. in the case of Software, the Software has been installed and is operating in a production technology environment in a non-related third party's facility without significant problems due to the Software or Supplier's performance.

10. Confidentiality.

10.1. Confidentiality. Supplier agrees to hold all Confidential Information in strict confidence and not to copy, reproduce, sell, transfer, or otherwise dispose of, give, or disclose such Confidential Information to third parties other than

employees, agents, or subcontractors of a party who have a need to know in connection with this Agreement or to use such Confidential Information for any purposes whatsoever other than the performance of this Agreement. Supplier agrees to advise its respective employees, agents, and subcontractors of their obligations of confidentiality relating to the Confidential Information. Supplier shall use its best efforts to assist NRECA in identifying and preventing any unauthorized use or disclosure of any Confidential Information. Supplier acknowledges that breach of its obligation of confidentiality may give rise to irreparable injury to NRECA, which damage may be inadequately compensable in the form of monetary damages. Accordingly, in addition to NRECA's right of termination, NRECA may seek and obtain injunctive relief against the breach or threatened breach of the foregoing undertakings, in addition to any other legal remedies which may be available.

11. Term; Time is of the Essence; Termination.

11.1. Term. This Agreement is legally binding as of the Effective Date and shall continue unless terminated as provided for herein. Time is of the essence of this Agreement and of each Purchase Order.

11.2. Termination by NRECA for Cause. NRECA may immediately terminate this Agreement or a Purchase Order in whole or in part upon the occurrence of a Default Event. For the purpose of this Agreement, a Default Event shall include:

11.2.1. A material breach by Supplier, where Supplier fails to cure such breach within three (3) calendar days of notification by NRECA;

11.2.2. in the case of Materials, Supplier's failure to ship the Materials within fifteen (15) calendar days, unless otherwise agreed by the Parties in writing, after receipt of a ratified Purchase Order and receiving the written notification to proceed from the NRECA Project Manager;

11.2.3. in the case of Materials, Supplier's failure to replace Non-conforming Materials, as described in Section 3.1;

11.2.4. in the case of Software, Supplier's failure to replace Non-conforming Software, as described in Section 4.4;

11.2.5. in the case of Services, Supplier's failure to remedy Non-conforming Services, as described in Section 5.4;

11.2.6. Supplier's breach of its obligation of confidentiality;

11.2.7. breach by Supplier of any representation or warranty enumerated in Section 9; and,

11.2.8. failure of Supplier to comply with the Purchase Order.

11.3. Termination by NRECA for Convenience. NRECA can, by means of a Notice of Termination sent to the Supplier Project Manager, terminate this Agreement or a Purchase Order in whole or in part.

11.3.1. Materials. In the case of Materials, with respect to Materials that have

been made ready for delivery by Supplier prior to the date of the Notice of Termination, NRECA agrees to, at the sole election of NRECA: (1) take delivery of such Materials, with the Material's being subject to NRECA's or Designee's inspection and acceptance; or, (2) pay to Supplier a commercially reasonable re-stocking fee.

- 11.3.2. Software. With respect to Software that has been accepted by NRECA or Designee, NRECA agrees to pay to Supplier the Software License Fee for such accepted Software and the license grant for such Software accepted shall not be affected by the termination.
- 11.3.3. Services. With respect to Services that have been accepted by NRECA, NRECA agrees to pay to Supplier the Services Fee for such accepted Services.
- 11.4. Termination by Supplier for Cause. Where NRECA has failed to pay any undisputed invoice from Supplier for more than sixty (60) calendar days or where NRECA has been notified in writing by Supplier of a material breach and such breach continues for more than sixty (60) calendar days, Supplier may, by means of a Notice of Termination sent to the NRECA Contract Administrator, terminate this Agreement or a Purchase Order in whole or in part. In the case of Software, in no case shall Supplier have the right to terminate for cause any Software license grant described in this Agreement unless: (i) NRECA has failed to pay, as described in this Section, Supplier for the Software; or, (ii) NRECA or Designee has materially breached Supplier's proprietary rights relating to the Software and NRECA or Designee has failed to cure such a breach in the aforementioned cure period.
- 11.5. Effect of Termination.
- 11.5.1. Materials. Immediately upon a Party's receipt of a Notice of Termination by the other Party, unless NRECA directs otherwise, Supplier shall: (i) transfer to Designee, all rights, titles, and interests of Supplier to any Materials relating to the terminated portion of this Agreement or a Purchase Order for which NRECA or Designee has inspected and accepted and for which NRECA shall pay to Supplier the amounts due as specified in the applicable Purchase Order; and, (ii) take action according to what is necessary to protect the interests of NRECA pertaining to this Agreement and the applicable Purchase Order, and all such Materials to which NRECA or Designee has all rights and is presently in the possession of Supplier. Provided that NRECA or Designee has not materially breached Supplier's proprietary rights relating to the Embedded Software, Supplier shall have no right to terminate the Embedded Software license grant described in Section 3.3.
- 11.5.2. Software. With respect to Software accepted and paid for by NRECA or Designee, unless the Software license grant is terminated by Supplier for cause as permitted by this Agreement or NRECA or Designee elects to specifically terminate a Software license grant, the Software license grant shall not be affected by a termination, in whole or in part, of this Agreement or a Purchase Order.
- 11.5.3. Services. Immediately upon a Party's receipt of a Notice of Termination by the other Party, unless NRECA directs otherwise, Supplier shall: (i)

cease the performance of any Services; (ii) transfer to Designee, all rights, titles, and interests of any Services relating to the terminated portion of this Agreement or a Purchase Order for which NRECA or Designee has accepted and paid for; and, (iii) take action according to what is necessary to protect the interests of NRECA pertaining to this Agreement and the applicable Purchase Order, and all such Services to which NRECA or Designee has all rights, and is presently in the possession of Supplier.

12. Indemnification; Limitation of Liability; Insurance.

12.1. Indemnification. Supplier agrees to indemnify, defend, and hold NRECA and Designee(s), its officers, directors, agents, and employees (each, an "Indemnitee" and collectively, the "Indemnitees") harmless from and against any and all liabilities, damages, losses, expenses, claims, demands, suits, fines, or judgments (collectively "Claims"), including reasonable attorneys' fees, costs, and expenses incidental thereto, which may be suffered by, accrued against, charged to, or recoverable from any NRECA Indemnitee, by reason of any Claim arising out of or relating to any act, error or omission, or misconduct of Supplier, its officers, directors, agents, employees, and subcontractors, during the performance of this Agreement, including, without limitation, Claims arising out of or relating to: (i) a violation of federal, state, local, or other laws or regulations for the protection of persons or members of a protected class or category of persons; (ii) sexual discrimination or harassment based upon any protected characteristic; (iii) bodily injury (including death) or damage to tangible personal or real property; or, (iv) breaches of any representations made under this Agreement; provided, however, that the foregoing indemnity shall not apply to the extent that the applicable Claim resulted from the acts or omissions of NRECA, its officers, directors, agents, or employees. The provisions of this Section shall survive the termination of this Agreement.

12.2. Proprietary Rights Indemnification. Supplier agrees to indemnify, defend, and hold NRECA Indemnitees harmless from and against any and all Claims, including reasonable attorneys' fees, costs, and expenses incidental thereto, which may be suffered by, accrued against, charged to, or recoverable from any NRECA Indemnitee, arising out of a claim that the Materials, Software, and / or Services, as the case may be, infringe or misappropriate any United States or foreign patent, copyright, trade secret, trademark, or other proprietary right. In the event that Supplier is enjoined from delivering either preliminary or permanently, or continuing to license to NRECA or Designee, the Materials, Software, and / or Services, as the case may be, and such injunction is not dissolved within thirty (30) calendar days, or in the event that NRECA or Designee is adjudged, in any final order of a court of competent jurisdiction from which no appeal is taken, to have infringed upon or misappropriated any patent, copyright, trade secret, trademark, or other proprietary right in the use of the Materials, Software, and / or Services, as the case may be, then Supplier shall, at its expense: (i) obtain for NRECA or Designee the right to continue using such Materials, Software, or Services; (ii) replace or modify such Materials, Software, or Services so that it does not infringe upon or misappropriate such proprietary right and is free to be delivered to and used by NRECA or Designee; or, (iii) in the event that Supplier is unable or determines, in its reasonable judgment, that it is commercially unreasonable to do either of the aforementioned, Supplier shall recover such Materials, Software, and / or Services, as the case may be, from NRECA or Designee, in which event in addition to the foregoing indemnification: (i) in the case of Software or Services, the license of such Software or Services,

as the case may be, shall be void as between Supplier and NRECA and / or Designee as of the date Supplier retakes possession; and, (ii) Supplier shall reimburse to NRECA the full cost for such Materials, Software, and / or Services and shall, if applicable, cancel the then current maintenance service, if any, for such Materials, Software, and / or Services so returned and issue to NRECA a prorated refund of any maintenance fees paid to Supplier.

12.3. Limitation of Liability. IN NO CASE SHALL NRECA'S OR A DESIGNEE'S LIABILITY UNDER THIS AGREEMENT EXCEED THE FEES PAID OR PAYABLE UNDER THE APPLICABLE PURCHASE ORDER. The provisions of this Section shall survive the termination of this Agreement.

12.4. Insurance. In addition to any other insurance requirements stated in a Purchase Order, Supplier, at its sole cost and expense, shall provide and maintain, during the term of this Agreement, policies of insurance, of the types and in the minimum amounts stated herein. Supplier shall provide the NRECA Contract Administrator with a current certificate of insurance prior to beginning performance of a Purchase Order or receiving the first Deposit Payment, if any.

12.4.1. Insurance Types and Minimum Amounts.

12.4.1.1. Comprehensive or commercial general liability and third party property damage: \$1,000,000 per occurrence, \$2,000,000 aggregate.

12.4.1.2. Excess liability: \$2,000,000 per occurrence, \$2,000,000 aggregate.

12.4.1.3. Comprehensive or business automobile liability; personal injury (including bodily injury) and third party property damage: \$500,000 per occurrence.

12.4.1.4. Workers' compensation: statutory limits.

12.4.1.5. Employer's liability: \$500,000 per accident.

12.4.1.6. Professional errors and omissions: \$1,000,000 per occurrence, \$1,000,000 aggregate.

12.4.2. NRECA and Designee shall be named as an additional insured in such policy or policies, as the case may be, which shall contain standard cross liability clauses. Supplier shall cause the liability it assumed under this Agreement to be specifically insured under the contractual liability section of the liability insurance policies. The liability policy shall be primary without right of contribution from any insurance by NRECA or Designee. Such policies shall require that NRECA or Designee be given not less than thirty (30) calendar days prior written notice of any cancellation thereof or material change therein. NRECA or Designee shall have the right to request an adjustment of any limits for applicable coverage as Supplier's potential liability to NRECA or Designee increases.

12.4.3. Upon NRECA's or Designee's request, Supplier shall provide NRECA with certificates of insurance evidencing all of the above coverage, including all special requirements specifically noted in a Purchase Order,

if any, and shall provide NRECA or Designee with certificates of insurance evidencing renewal or substitution of such insurance thirty (30) calendar days prior to the effective date of such renewal or substitution.

13. Dispute Resolution. The Parties agree to be bound by the procedures outlined in this Section in addressing any conflict over interpretation, discrepancies, controversies, or any other type of dispute arising from this Agreement of a Purchase Order; provided, however, that NRECA shall not be bound by this Section in the case of a Default Event. The provisions of this Section shall survive the termination of this Agreement.

13.1. Informal Dispute Resolution. A Party that is seeking to resolve a dispute (the "Claiming Party") must first inform the other Party's Project Manager in writing of such dispute describing: (i) the nature of the dispute and the position of the Claiming Party; (ii) dates of relevant events; (iii) names of the individuals involved; and, (iv) references to documents that are connected with the dispute (attaching copies). The Parties agree to a good faith attempt to resolve the dispute without resort to any outside group, organization, or third party.

13.2. Mediation. If a dispute has not been resolved within forty-five (45) calendar days of the notice of dispute, or a longer period if mutually agreed by the Parties, the informal dispute resolution shall terminate and the Claiming Party may submit the dispute to mediation. In the mediation process, the Parties will try to resolve their differences voluntarily with the aid of an impartial mediator, who will attempt to facilitate negotiations. The mediator will be selected by agreement of the Parties. If the Parties cannot agree on a mediator, a mediator will be designated by the American Arbitration Association ("AAA"). Any mediator so designated must be acceptable to the Parties. The mediation will be conducted as specified by the mediator and agreed upon by the Parties. The Parties agree to discuss their differences in good faith and to attempt, with the assistance of the mediator, to reach an amicable resolution of the dispute. Each Party will bear its own costs in the mediation. The fees and expenses of the mediator will be shared equally by the Parties.

13.3. Remedy at Law or In Equity; Cumulative Remedies. If a dispute has not been resolved within sixty (60) calendar days of the notice of dispute, or a longer period if mutually agreed by the Parties, the mediation shall terminate and the Claiming Party may seek rights and remedies available at law or in equity, including, without limitation: (i) specific performance against the other Party for the enforcement of this Agreement or a Purchase Order; and, (ii) temporary and permanent injunctive relief. All rights and remedies of a Party herein shall be in addition to all other rights and remedies available at law or in equity.

14. Additional Provisions. Bracketed text within this Section is included solely for the convenience of the parties, and such bracketed text shall in no manner affect the scope, meaning, or intent of the provisions of this Section, this Agreement, or a Purchase Order.

14.1. Equal Employment Opportunity. Supplier shall comply with E.O. 11246, "Equal Employment Opportunity," as amended by E.O. 11375, "Amending Executive Order 11246 Relating to Equal Employment Opportunity," and as supplemented by regulations at 41 CFR part 60, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor," to the extent required by the foregoing. [DOE10CFR600APPXA1]

14.2. Copeland "Anti-Kickback" Act. Where the Purchase Order Value is in excess of

U.S. \$2,000 (two thousand U.S. dollars) and includes construction-related or repair-related services, Supplier shall comply with the Copeland "Anti-Kickback" Act (18 U.S.C. 874), as supplemented by Department of Labor regulations (29 CFR part 3, "Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in part by Loans or Grants from the United States"). Supplier further agrees that it shall not induce, by any means, any person employed in the construction, completion, or repair of the work contemplated by a Purchase Order to give up any part of the compensation to which such person is otherwise entitled. [DOE10CFR600APPXA2]

- 14.3. Davis-Bacon Act. Where the Purchase Order Value is in excess of U.S. \$2,000 (two thousand U.S. dollars) and includes construction-related services, Supplier shall comply with the Davis-Bacon Act (40 U.S.C. 276a to a-7), as supplemented by Department of Labor regulations (29 CFR part 5, "Labor Standards Provisions Applicable to Contracts Governing Federally Financed and Assisted Construction"). Supplier further agrees that it shall: (i) pay wages to laborers and mechanics at a rate not less than the minimum wages specified by the Secretary of Labor; and, (ii) pay wages not less than once a week. [DOE10CFR600APPXA3]
- 14.4. Contract Work Hours and Safety Standards Act. Where the Purchase Order Value is in excess of U.S. \$2,000 (two thousand U.S. dollars) and includes construction-related services or where the Purchase Order Value is in excess of U.S. \$2,500 (two thousand, five hundred U.S. dollars) for such other performance that involves the employment of mechanics or laborers, Supplier shall comply with sections 102 and 107 of the Contract Work Hours and Safety Standards Act (40 U.S.C. 327-333), as supplemented by Department of Labor regulations (29 CFR part 5). Supplier further agrees that, in accordance with the Contract Work Hours and Safety Standards Act, it shall: (i) compute the wages of every mechanic and laborer on the basis of a standard work week of 40 hours; (ii) compute the wages of every mechanic and laborer working in excess of the standard work week at a rate of not less than 1 1/2 times the basic rate of pay for all hours worked in excess of 40 hours in the work week; and, (iii) not require any laborer or mechanic to work in surroundings or under working conditions which are unsanitary, hazardous, or dangerous. [DOE10CFR600APPXA4]
- 14.5. Rights to Inventions. Where the Purchase Order specifically sets out the performance of experimental, developmental, or research work by Supplier, Supplier shall make all efforts to assist NRECA in transferring any resulting invention to the Federal Government as may be required by 37 CFR part 401, "Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements," and in accordance with any implementing regulations issued by DOE. [DOE10CFR600APPXA5]
- 14.6. Clean Air Act and the Federal Water Pollution Control Act. Where the Purchase Order Value is in excess of U.S. \$100,000 (one-hundred thousand U.S. dollars), Supplier shall comply with all applicable standards, orders, or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401 et seq.) and the Federal Water Pollution Control Act as amended (33 U.S.C. 1251 et seq.). [DOE10CFR600APPXA6]
- 14.7. Byrd Anti-Lobbying Amendment. Where the Purchase Order Value is in excess of U.S. \$100,000 (one-hundred thousand U.S. dollars), Supplier shall file the certification and disclosures required by the Byrd Anti-Lobbying Amendment (31

U.S.C. 1352). Supplier certifies to NRECA that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 U.S.C. 1352. [DOE10CFR600APPXA7]

- 14.8. Debarment and Suspension. Where the Purchase Order Value is equal to or exceeds U.S. \$25,000 (twenty-five thousand U.S. dollars), Supplier: (i) certifies that neither it nor its principals is presently excluded or disqualified from participation in this transaction by any Federal department or agency.; and, (ii) represents and warrants that it is not listed on the General Services Administration's "List of Parties Excluded from Federal Procurement or Nonprocurement Programs" in accordance with Executive Orders 12549 and 12689, "Debarment and Suspension" (see "Excluded Parties List System" at <http://epls.arnet.gov>). [DOE10CFR600APPXA8]

14.8.1. Supplier further agrees to notify NRECA immediately upon learning that it or any of its principals: (i) Are presently excluded or disqualified from covered transactions by any Federal department or agency; (ii) have been convicted within the preceding three-years period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State, or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, tax evasion, receiving stolen property, making false claims, or obstruction of justice; commission of any other offense indicating a lack of business integrity or business honesty that seriously and directly affects Supplier's responsibility; (iii) are presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State, or local) with commission of any of the offenses enumerated herein; and, (iv) have had one or more public transactions (Federal, State, or local) terminated for cause or default within the preceding three years.

14.8.2. Supplier further agrees that it will not knowingly enter into any sub-agreements or contracts under this Agreement with a person or entity that is included on the Excluded Parties List System. Supplier further agrees to include the following provision in any sub-agreements or contracts entered into under this Agreement:

"DEBARMENT, SUSPENSION, INELIGIBILITY, AND VOLUNTARY EXCLUSION. The recipient/contractor certifies that neither it nor its principals is presently excluded or disqualified from participation in this transaction by any Federal department or agency."

- 14.9. Right of Audit. NRECA, duly authorized representatives of NRECA, the Government Agency, the Comptroller General of the United States, or any of their duly authorized representatives shall have access to any books, documents, papers, and records of the Supplier which are directly pertinent to this Agreement or the Purchase Order for the purpose of making audits, examinations, excerpts and transcriptions. Supplier shall maintain accurate records ready for audit for a period of at least five (5) years after the completion of a Purchase Order. The provisions of this Section shall survive the termination of this Agreement.

[DOE10CFR600.148(d)]

15. General Provisions.

- 15.1. Cooperation by Supplier. Where agreement, approval, acceptance, consent or similar action by Supplier is required to effect this Agreement or a Purchase Order, such action shall not be unreasonably delayed or withheld. Supplier agrees to cooperate with NRECA, NRECA designated parties including Designee, any supplier engaged by NRECA or Designee, and all parties providing inspection, shipping, transportation, or installation services on behalf of NRECA or Designee, and Supplier further agrees that it shall not commit or permit any act which may interfere with the performance by any such parties.
- 15.2. Relationship Between the Parties. This Agreement does not make either Party an agent or legal representative of the other Party, and does not create a partnership or joint venture. Both Parties are independent contractors and principals for their own accounts.
- 15.3. Force Majeure. Neither Party shall be liable for delays or any failure to perform under this Agreement or a Purchase Order due to causes beyond its reasonable control, including, but not limited to, fire, explosion, flood or other natural catastrophe, governmental legislation, acts, orders, or regulation, strikes or labor difficulties, war, blockades, revolution, rebels, civil commotion, epidemics, restrictions of charter due to quarantine, seizures, and navigational obstructions at ports of entry or departure, to the extent not occasioned by the fault or negligence of the delayed Party. Any such excuse for delay shall last only as long as the event of force majeure remains beyond the reasonable control of the delayed Party. However, the delayed Party shall use its best efforts to minimize the delays caused by any such event of force majeure beyond its reasonable control. The delayed Party must notify the other Party promptly upon the occurrence of any such event of force majeure, or performance by the delayed Party will not be considered excused pursuant to this Section, and such Party shall inform the other Party of its plans to resume performance. If, in the opinion of the NRECA Contract Administrator, the event of force majeure claimed by Supplier is insufficient to prevent the delivery of the Materials, NRECA shall have the right to cancel the Purchase Order for which the event of force majeure is associated without liability.
- 15.4. Compliance with Laws. Supplier shall obtain any required permits and comply with applicable federal, state, and municipal laws, codes, regulations, ordinances, and orders in the performance of this Agreement and a Purchase Order. In the course of performing this Agreement, Supplier will be solely and fully responsible for any violation of such laws, codes, regulations, ordinances, and orders.
- 15.5. Governing Law. NRECA and Supplier consent and submit to the jurisdiction and forum of the state and federal courts in the Commonwealth of Virginia in all questions and controversies between NRECA and Supplier arising out of this Agreement. Designee and Supplier consent and submit to the jurisdiction and forum of the state and federal courts in the state or commonwealth specified in the applicable Purchase Order, which, if not so specified, shall be the Commonwealth of Virginia, in all questions and controversies arising between Designee and Supplier out of this Agreement. Notwithstanding the foregoing, the parties agree that the Uniform Computer Information Transactions Act as

enacted in the Commonwealth of Virginia, Va. Code §§ 59.1-501.1 et seq. ("UCITA") or in any other commonwealth or state of the United States shall not apply to this Agreement or any performance hereunder and the parties expressly opt-out of the applicability of UCITA to this Agreement. The provisions of this Section shall survive the termination of this Agreement.

- 15.6. Assignment. Supplier shall not assign its rights or obligations hereunder or subcontract any portion of its performance hereunder without the prior written consent of the NRECA Contract Administrator. The provisions of this Section shall survive the termination of this Agreement.
- 15.7. Severability. If any provision of this Agreement is determined to be void, illegal, or unenforceable, such provision shall be deemed stricken, and all other provisions shall remain in full force and effect.
- 15.8. No Waiver. The failure by either Party to enforce compliance with any provision of this Agreement or a Purchase Order by the other Party shall not operate or be construed as a waiver of such provision or of any other provision of this Agreement or a Purchase Order, or of any subsequent breach by such Party of a provision of this Agreement or a Purchase Order.
- 15.9. Notices. Any notice given pursuant to this Agreement or a Purchase Order shall be in writing and shall be given by personal service or by certified mail, postage prepaid, to the addresses of the Parties' Project Managers, as specified in a Purchase Order, with, in the case of notice by Supplier, a copy to the NRECA Contract Administrator.
- 15.10. Counterparts; Facsimile. This Agreement or Purchase Orders may be ratified in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same Agreement. The Parties agree that a facsimile signature may substitute for and have the same legal effect as the original signature.
- 15.11. Order of Precedence. Any inconsistency in this Agreement shall be resolved by giving precedence in the following order: (i) the Purchase Order, as the same may be amended; (ii) this Agreement; (iii) additional provisions incorporated herein by express reference; and, (iv) the applicable Supplier Proposal. In the event of a conflict between the provisions contained in this Agreement and those contained in any Purchase Order, the provisions contained in the applicable Purchase Order shall prevail.
- 15.12. Entire Agreement. This Agreement, additional provisions incorporated by reference, and any exhibits, schedules, or addenda attached thereto, constitute the entire agreement between the Parties and supersedes any and all previous representations, understandings, discussions, or agreements between NRECA and Supplier as to the subject matter hereof. This Agreement may only be amended by an instrument in writing signed by the Supplier Project Manager, NRECA Project Manager, NRECA Contract Administrator, and other authorized NRECA officials, as the case may be. NRECA and Supplier each acknowledge that it has had the opportunity to review this Agreement with its legal counsel. From time to time, the Parties may ratify one or more supplements to the exhibits or schedules to this Agreement. Such exhibits or schedules, when signed by a representative of each of the Parties, shall be incorporated herein and references to particular exhibits or schedules herein shall apply to such supplemental

exhibits and schedules.

Ratified on the dates set forth below by the undersigned authorized representative of NRECA and Supplier to be effective as of the Effective Date.

NATIONAL RURAL ELECTRIC
COOPERATIVE ASSOCIATION
(NRECA)

[ENTER SUPPLIER NAME]
(Supplier)

By: _____

By: _____

Name:

Name:

Title:

Title:

Date:

Date:

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EXHIBIT A-__

PURCHASE ORDER

This Exhibit A – Purchase Order shall be incorporated in and governed by the terms of that certain Master Purchase Agreement by and between NATIONAL RURAL ELECTRIC COOPERATIVE ASSOCIATION (“NRECA”) and [ENTER SUPPLIER NAME] (“Supplier”) dated _____, as amended (the “Agreement”). Unless expressly provided for in this Purchase Order, in the event of a conflict between the provisions contained in the Agreement and those contained in this Purchase Order, the provisions contained in this Purchase Order shall prevail.

MATERIALS:

M.1.1 Purchase Order and Materials Description: [Enter a brief description of the Materials being purchased, to include summary-level Unit Prices.]

M.1.2 Purchase Order Line Items: [Enter a detailed description of the Materials being purchased, to include Unit Prices. A reference to another document (such as technical specifications) which describes the specific Materials can be made here, provided that the referenced document is incorporated into this Purchase Order.]

M.1.3 Materials Warranty Description(s): [Enter, or incorporate by reference, a detailed description, of the warranty or warranties for the Materials, including any Embedded Software. Where incorporating by reference, also include the reference in the “Other Documents Incorporated by Reference” section of this Purchase Order.]

M.1.4 Materials Maintenance Services: [If applicable, enter the services associated with maintenance of the Materials.]

M.1.5 Materials Maintenance Fee: [If applicable, enter the fee associated with maintenance of the Materials.]

M.1.6 Destination: [Enter the name of the intended delivery destination(s) for the Materials.]

M.1.7 Shipping Agent: [Enter the name of the shipping agent / freight forwarder. If the Supplier is the shipping agent / freight forwarder, specify “Supplier.”]

M.1.8 Terms of Delivery: [If different than the FOB Destination definition in the Agreement, enter the appropriate shipping term; otherwise, specify “Refer to Agreement.”]

M.1.9 Materials Inspection Period: [If different than the acceptance period specified in the Agreement, enter the appropriate acceptance period; otherwise, specify “Refer to Agreement.”]

M.1.10 Packing Instructions: [if different than the packing instructions described in the Agreement, enter a detailed description of the packing instructions; otherwise, specify “Refer to Agreement.” A reference to another document which describes the specific packing instructions can be made here, provided that the referenced document is incorporated into this Purchase Order. Where incorporating by reference, also include the reference in the “Other Documents Incorporated by Reference” section of this Purchase Order.]

M.1.11 Supplier Warehouse: [If applicable, enter the location of the Supplier Warehouse; otherwise, specify “Not Applicable.”]

M.1.12 Shipment Date: [Enter the date on which the Materials are scheduled to be shipped or forwarded from the Supplier Warehouse.]

M.1.13 Delivery Schedule: [Enter the date(s) on which the Materials are required to be delivered at the specified Destination(s).]

M.1.14 Materials Bond Amount: [If applicable, enter the amount of the Materials Bond.]

M.1.15 Materials Bond Expiration Date: [Enter the expiration date of the Materials Bond, and specify if different than the time period required in the Agreement.]

SOFTWARE:

SFW.1.1 Software Description: [Enter a description of the Software to be provided.]

SFW.1.2 Delivery Schedule: [Enter the date(s) on which the Software are required to be made available for electronic download or to be delivered at the specified Destination(s).]

SFW.1.3 Destination(s): [Enter the Destination(s) at which the software will be used.]

SFW.1.4 Device(s): [Enter the types of Devices, such as servers, that the Software will be used or installed on.]

SFW.1.5 Number of Permitted Users: [If applicable, enter the number of users that are permitted to access and use the Software. If the Software license grant is enterprise-wide, enter "Unlimited."]

SFW.1.6 Number of Permitted Copies: [If applicable, enter the number of copies of Software that can be made. If the Software license grant is enterprise-wide, enter "Unlimited."]

SFW.1.7 Software License Fee: [Enter the fee associated with the Software license.]

SFW.1.8 Software Warranty Description(s): [Enter, or incorporate by reference, a detailed description, of the warranty or warranties for the Software. Where incorporating by reference, also include the reference in the "Other Documents Incorporated by Reference" section of this Purchase Order.]

SFW.1.9 Software Maintenance Services: [If applicable, enter the services associated with maintenance of the Software.]

SFW.1.10 Software Maintenance Fee: [If applicable, enter the fee associated with maintenance of the Software.]

SFW.1.11 Software Acceptance Period: [If different than the acceptance period specified in the Agreement, enter the appropriate acceptance period; otherwise, specify "Refer to Agreement."]

SFW.1.12 Materials Bond Amount: [If applicable, enter the amount of the Materials Bond for the Software.]

SFW.1.13 Materials Bond Expiration Date: [Enter the expiration date of the Materials Bond for the Software, and specify if different than the time period required in the Agreement.]

SERVICES:

SRV.1.1 Services Description: [Enter a brief description of the Services to be performed.]

SRV.1.2 Supplier Responsibilities; Services Specifications, Deliverables, and / or Activities: [Enter a detailed specification / description of the Services to be performed, including enumerating any specific responsibilities, deliverables, and / or activities.]

SRV.1.3 Project Schedule: [Enter the date(s) on which the Services are required to be performed and / or completed.]

SRV.1.4 Supplier Staff Name(s), Title(s), Role(s): [If applicable, enter information relating to the Supplier's staff who will be performing the Services.]

SRV.1.5 Services Fee: [Describe the fees for Services due to Supplier, specifying whether such fees are hourly, fixed-fee, or milestone basis. Include a description of the total amount due, any not-to-exceed amounts, and any fee holdbacks.]

SRV.1.6 Performance Bond Amount: [If applicable, enter the amount of the Performance Bond.]

SRV.1.7 Performance Bond Expiration Date: [Enter the expiration date of the Performance Bond, and specify if different than the time period required in the Agreement.]

GENERAL:

GEN.1.1 Designee: [Enter the full name of the intended recipient or conditional title holder of the Materials, Software, and / or Services. Where the Designee is unknown or not different than NRECA, specify "NRECA."]

GEN.1.2 Name of NRECA Contract Administrator: [Enter full name, address for notice, contact information, e-mail.]

GEN.1.3 Name of NRECA Project Manager: [Enter full name, address for notice, contact information, e-mail.]

GEN.1.4 Name of Designee Project Manager: [Enter full name, contact information, e-mail.]

GEN.1.5 Name of Supplier Project Manager: [Enter full name, address for notice, contact information, e-mail.]

GEN.1.6 Purchase Order Value: [Enter the calculated amount of the total Purchase Order value, such as the quantity of Materials multiplied by the appropriate Unit Price.]

GEN.1.7 Deposit Payment: [Enter the amount of the deposit, if any (indicate "\$0" if there will be no Deposit Payment).]

GEN.1.8 Billing Procedures; Payments: [If different than the definitions in the Agreement, enter a description of the billing procedures and payments framework; otherwise, specify "Refer to Agreement."]

GEN.1.9 Insurance: [If applicable, enter the types and amounts of coverage if different than specified in the Agreement; otherwise, specify "Refer to Agreement."]

GEN.1.10 Other Documents Incorporated by Reference: [If other documents are to be incorporated into the exhibit, specify "The following document(s) are attached hereto and are incorporated herein by reference:" followed by the titles of the documents; otherwise, specify "Not Applicable."]

GEN.1.11 Governing Law: [Enter the state or commonwealth of the Designee.]

GEN.1.12 Additional Terms and Conditions: [Enter any additional terms and conditions as applicable; otherwise, specify "Not Applicable."]

Ratified on the dates set forth below by the undersigned authorized representative of NRECA and Supplier to be effective as of the Project Start Date.

NATIONAL RURAL ELECTRIC
COOPERATIVE ASSOCIATION
(NRECA)

[ENTER SUPPLIER NAME]
(Supplier)

By: _____

By: _____

Name:

Name:

Title:

Title:

Date:

Date:

For Reference Only

HAN Functional and Technical Requirements
Owen Electric Cooperative

This document contains a list of Co-op's functional and technical specifications or requirements. Please respond "yes" or "no" in the appropriate space below depending on whether your system is in compliance with the specification. In all cases, provide a brief commentary describing how your system complies or does not comply. If your system is in partial compliance, please provide an explanation and, if appropriate, offer an alternative.

#	Requirement Description	Supplier Response			Comments
		Yes	No	Partial/ Exception	
1. Integration with Existing Enterprise Master System Software					
1.1	It is not a requirement to complete the integration into our CIS and AMI systems for the various Pilot Phases. However, as we migrate to the Deployment Phase defined within the RFP, the Supplier must integrate their proposed EDM solution into our CIS and AMI systems. This bid requires a Not to Exceed price for this future integration. Since we do not know the extent of data sharing and communication between the two systems please quote base on different level of data sharing and communication. For a list of core Systems to Integrate see the interoperability table in section 2 of the RFP.				
2. Energy and Demand Management Administration System Software					
2.1	The system shall be able to verify that a direct load control event or message went into the in-home automation equipment and provide a date/time stamp for each event for each load control or event device. Ideally this command will come directly from our DSM program but can be a manual command for the proof of concept phase only. Ideally it will be able to take a signal via our existing AMI system or a signal or message into our EMS system.				
2.2	The proposed system shall be able to send out a command to a defined group of users, while ignoring other groups of users. This can either be directly from the EMS system or through our existing AMI system.				
2.3	The system shall be able to call up individual HANMS automatically individually and download/view all allowed data.				
2.4	The software shall store all data in an easily accessible data base that can be retrieved by other systems.				
2.5	The software shall have simple tools for the user to organize, analyze, and present the data.				
2.6	The software and interfaces will allow Customer Service staff to see individual members archived and real time data in a simple and understandable format so that they may assist the member with Smart Home optimization.				
3. Wide Area Networking					
3.1	The Bidder must have a product offering that can transmit near real time DSM control events and messages over the public internet between the members and a server located at the Cooperative's data center. Ideally this can be via our existing AMI system from the EDM to member HANMS and/or public internet to and from the members HANMS.				
3.2	An event message must be delivered to the end device located in the home within three minutes of sending the message from the master system. Ideally this information is captured by the HANMS and is or can be displayed on the in-home display, the home owners PC or their cell phone.				
3.3	This network can reach all of Owen's members if not what area or percent of Owen system can you cover.				
4. In-Home Communications					
4.1	The in-home equipment must allow communications via ZigBee 1.1 and be compatible with ZigBee releases of 2.0 or greater. If a not a ZigBee system, answer question 13 in the Critical question within Appendix A.				
5. HANMS and In-Home-Display Hardware					

5.1	The in home display should have a default display but also reorganized to whatever, within reason, the homeowner wants.				
5.2	Must be able retrieve and store all in home devices activities, loads and commands. In other word if a device was controlled locally or remotely and what the load was at regular intervals.				
6. End Appliance Control					
6.1	The in home devices need to either store or send all manual or remote commands with time stamp and loads to HANMS.				
6.2	Programming of the smart appliances can be done on its keypad/display or from the HANMS from the in-home display, PC or cell phone.				
7 System Acceptance Testing					
7.1	The master system must be able to create a report that can sort by any of the data sets such as ID, kW by day by hour, hot water heater running at peak time, etc.				
7.2	All in home end devices must perform the ability to cycle on and off per the rules established in the EDM master software system.				
7.3	All stated capabilities of the vendor will be tested and must perform as stated.				

Home Area Network Critical Questions
Owen Electric Cooperative

This document contains the Co-op's critical question(s). Please provide a brief response in the appropriate column.

#	Question	Supplier Response
1	The Cooperative desires to understand the ramifications of ZigBee 1x to 2.0 on any of the equipment included in this proposal. Please indicate what equipment is over the air upgradable from ZigBee 1x to 2, not upgradeable, new equipment that might be backwards compatible 2 to 1, etc. If you do not propose a ZigBee solution please describe what you propose to use and why.	
2	Explain supplier's involvement with Smart Grid projects, in particular Smart Home and strategic plans with resources allocated or planned for future Smart Home development. If available list contacts from other utilities that you are working with on Smart Grid projects. Explain how you see this project evolving noting resource allocated, communication, unforeseen modifications and issue resolution.	
3	If you are partnering with other vendors please give details of the relationships and how they will work with this project for installation, testing and issue resolution.	
4	Please give details of what you will use for all communication between all the devices and systems. Please give technical details and information about cost and reliability.	
5	Please supply information about the software systems, how they are updated, what control will we have over them, how they are updated and contract details.	
6	As noted in the other documentation we are very interested in developing an optimum HANMS system. Please give alternate suggestions, quotations and benefits.	
7	Please give details on how the HANMS works such as how it poles or received data from the individual in-home devices, storage capability, software for member to view data, how it security works and with permission levels.	
8	Explain how the system will share data with the in home display, the home owners PC or telephone, the utility or a third party.	
9	Explain how the programmable thermostat works and its display options.	
10	Please explain what data is stored in each device and what can be transferred to other devices and how it is communicated (poling or transmitted).	
11	List all licensing and maintenance cost both from you and third party vendors that will be supplying produces or service for this project.	
12	Define protocol used with your system and define the advantages it has over other protocols.	
13	If a none ZigBee system is proposed please give details and justification for the alternate.	
14	Please explain how data security will be handled for all devices and communication systems.	
15	Please explain how the selection by member for smart appliance selection and member installations be handled.	
16	What are the options for each type appliance? (size, color, features, etc)	

HAN Pricing
Owen Electric Cooperative

There are 4 different sheets included in this pricing spreadsheet. Please fill out the applicable information for each phase of the project
 Note item ones equipment will need to be purchased only once and it is up to the vendor on what phase it will be billed for.

Please return the completed pricing schedule with your RFP response		Supplier Pricing			
ITEM Description		Part Number	QTY	ITEM PRICE	EXTENDED PRICE
1 SOFTWARE AND TOOLS (INCLUDE ANNUAL SUPPORT COSTS)					
1.1	EDM Software (suitable for an up to five employee Proof of Concept)		1	\$ -	\$ -
1.2	Energy Use Portal/Dashboard		1	\$ -	\$ -
1.3	Communication equipment and systems to connect with HANMS as required		1	\$ -	\$ -
1.4				\$ -	\$ -
1.5				\$ -	\$ -
1.6				\$ -	\$ -
Subtotal					\$ -

2 REQUIRED (In Home) HARDWARE		Part Number	QTY	ITEM PRICE	EXTENDED PRICE
2.1	In-Home Displays		5	\$ -	\$ -
2.2	Programmable Communicating Thermostat (PCT)		5	\$ -	\$ -
2.3	Load Control Switch		5	\$ -	\$ -
2.4	Meters with ZigBee/in-home communication under glass		5	\$ -	\$ -
2.5	HANMS hardware, software and in-home communication system		5	\$ -	\$ -
2.6	Water Heater control		5	\$ -	\$ -
2.7	Smart Appliances - list each with price and capabilities		5	\$ -	\$ -
2.8				\$ -	\$ -
Subtotal					\$ -

3 FACILITIES and SUPPLIES		Part Number	QTY	ITEM PRICE	EXTENDED PRICE
3.1	Spare parts as required		1	\$ -	\$ -
3.2			1	\$ -	\$ -
Subtotal					\$ -

4 SHIPPING COSTS		Part Number	QTY	ITEM PRICE	EXTENDED PRICE
4.1			1	\$ -	\$ -
4.2				\$ -	\$ -
Subtotal					\$ -
Taxes					
Total Cost					\$ -

HAN Pricing
Owen Electric Cooperative

There are 4 different sheets included in this pricing spreadsheet. Please fill out the applicable information for each phase of the project
Note item ones equipment will need to be purchased only once and it is up to the vendor on what phase it will be billed for.

Please return the completed pricing schedule with your RFP response		Supplier Pricing			
ITEM Description		Part Number	QTY	ITEM PRICE	EXTENDED PRICE
1 SOFTWARE AND TOOLS (INCLUDE ANNUAL SUPPORT COSTS)					
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1.2	Energy Use Portal/Dashboard		1	\$ -	\$ -
1.3	Communication equipment and systems to connect with HANMS as required		1	\$ -	\$ -
1.4			1	\$ -	\$ -
1.5				\$ -	\$ -
1.6				\$ -	\$ -
Subtotal					\$ -

2 REQUIRED (In Home) HARDWARE		Part Number	QTY	ITEM PRICE	EXTENDED PRICE
2.1	In-Home Displays		10	\$ -	\$ -
2.2	Programmable Communicating Thermostat (PCT)		10	\$ -	\$ -
2.3	Load Control Switch		20	\$ -	\$ -
2.4	Meters with ZigBee/in-home communication under glass		10	\$ -	\$ -
2.5	HANMS hardware, software and in-home communication system		10	\$ -	\$ -
2.6	Water Heater control		10	\$ -	\$ -
2.7	Smart Appliances - list each with price and capabilities		10		
2.8				\$ -	\$ -
Subtotal					\$ -

3 FACILITIES and SUPPLIES		Part Number	QTY	ITEM PRICE	EXTENDED PRICE
3.1	Spare parts as required		1	\$ -	\$ -
3.2				\$ -	\$ -
Subtotal					\$ -

4 SHIPPING COSTS		Part Number	QTY	ITEM PRICE	EXTENDED PRICE
4.1			1	\$ -	\$ -
4.2				\$ -	\$ -
Subtotal					\$ -
Taxes					
Total Cost					\$ -

FEDERAL DEBARMENT, SUSPENSION INELIGIBILITY and VOLUNTARY EXCLUSION CERTIFICATION

CERTIFICATION

Contractor Name	
Contractor Address	
Federal Employer Tax Identification	

1. The contractor certifies to the best of its knowledge and belief, that it and its principals:
 - a. Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any Federal department or agency;
 - b. Have not within a three-year period preceding this certification been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
 - c. Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (1)(b) of this certification; and
 - d. Have not within a three-year period preceding this certification had one or more public transactions (Federal, State or local) terminated for cause or default.
2. The contractor further agrees by submitting this certification that it will include a similar certification entitled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion-Lower Tier Covered Transaction," without modification, in assignments and subcontracts associated with an NRECA contract and in all solicitations for the same provided that such assignment or subcontracting has been permitted by NRECA.
3. The contractor agrees by submitting its proposal to an NRECA competitive bid or entering into a contract with NRECA funded by Federal funds that it shall not knowingly enter into an assignment or subcontract with a person who is proposed for debarment under the applicable Code of Federal Regulations (CFR), debarred, suspended, declared ineligible, or voluntarily excluded from participation in such assignment or subcontract, unless authorized by the department or agency with which the NRECA contract originated.
4. If contractor under an NRECA contract knowingly enters into an assignment or subcontract with a person who is proposed for debarment under applicable CFR, suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies.

5. This certification is a material representation of fact upon which reliance was placed when the contractor submitted its proposal to an NRECA competitive bid or entered into a contract with NRECA funded by Federal funds. If it is later determined that the contractor knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the Federal Government may pursue available remedies.
6. The contractor shall provide immediate written notice to NRECA if at any time the contractor learns that its certification was erroneous when submitted or had become erroneous by reason of changed circumstances.
7. Where the contractor is unable to certify to any of the statements in this certification, the contractor shall attach an explanation to this certification.

Signature of Authorized Official of Contractor:	
Name and Title of Authorized Official of Contractor:	
Date of Signature:	

INSTRUCTIONS

READ CAREFULLY BEFORE SIGNING THE CERTIFICATION. Federal regulations require prospective and contracted lower tier participants to sign and abide by the terms of this certification, without modification, in order to participate in certain transactions directly or indirectly involving Federal funds.

1. By signing and submitting this certification, the prospective lower tier participant (the "contractor") is providing the certification set out herein.
2. The terms covered transaction, debarred, suspended, ineligible, lower tier covered transaction, participant, person, primary covered transaction, principal, proposal, and voluntarily excluded, as used in this certification, have the meaning set out in the Definitions and Coverage sections of rules implementing Executive Order 12549.
3. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not proposed for debarment under applicable CFR, debarred, suspended, ineligible, or voluntarily excluded from covered transactions, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the List of Parties Excluded from Federal Procurement and Non-procurement Programs.
4. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required herein. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business activity.

FREQUENTLY ASKED QUESTIONS

What is "Debarment, Suspension, Ineligibility, and Voluntary Exclusion"?

These terms refer to the status of a person or company that cannot contract with or receive grants from a Federal agency. In order to be debarred, suspended, ineligible, or voluntarily excluded, you must have: (1) had a contract or grant with a Federal agency; and, (2) gone through some process where the Federal agency notified or attempted to notify you that you could not contract with the Federal agency. Generally, this process occurs where you, the contractor, are not qualified or are not adequately performing under a contract, or have violated a regulation or law pertaining to the contract.

Why am I required to sign this certification?

You are either: (1) a respondent intending to or that has submitted a proposal to a competitive bid issued by NRECA relating to a potential procurement funded by a Federal agency; or, (2) have been invited by NRECA to enter into a contract where payments to you are ultimately derived from funds provided by a Federal agency. Federal law (Executive Order 12549) requires NRECA to ensure that persons or companies that contract with NRECA are not prohibited from having Federal contracts.

What is Executive Order 12549?

Executive Order 12549 refers to Federal Executive Order Number 12549. The executive order was signed by the President and directed Federal agencies to ensure that Federal funds (and, therefore, recipients of Federal funds such as NRECA) are not used in contracts with persons or companies who have been excluded from participating in Federal contracts or grants. Federal agencies have codified this requirement in their individual agency CFR.

What is the purpose of this certification?

The purpose of the certification is for you to tell NRECA in writing that you have not been prohibited by Federal agencies from entering into a Federal contract.

What does the word "proposal" mean when referred to in this certification?

Proposal means a solicited or unsolicited bid, application, request, invitation to consider or similar communication from you to NRECA.

What or who is a "lower tier participant"?

Lower tier participants means a person or company that submits a proposal to or enters into a contract with NRECA OR any subcontractor of a contract with NRECA. If you are awarded a contract with NRECA and hire subcontractors (if so permitted by NRECA), you should require them to sign a certification and keep it with your subcontract.

LOBBYING CERTIFICATION

CERTIFICATION

Contractor Name	
Contractor Address	
Federal Employer Tax Identification	

1. The contractor certifies to the best of its knowledge and belief, on behalf of it and its principals, that:
 - a. No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
 - b. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
 - c. Submission of this certification is a prerequisite for making or entering into a contract with NRECA funded by Federal funds imposed by 31 U.S. Code (USC) 1352. Failure to provide the required certification could subject contractor to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.
5. The contractor agrees by submitting this certification that it will include a similar certification for all assignments or subcontracts provided that such assignment or subcontracting has been permitted by NRECA.
6. This certification is a material representation of fact upon which reliance was placed when the contractor submitted its proposal to an NRECA competitive bid or entered into a contract with NRECA funded by Federal funds. If it is later determined that the contractor knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the Federal Government may pursue available remedies.
7. The contractor shall provide immediate written notice to NRECA if at any time the contractor learns that its certification was erroneous when submitted or had become erroneous by reason of changed circumstances.

7. Where the contractor is unable to certify to any of the statements in this certification, the contractor shall attach an explanation to this certification.

Signature of Authorized Official of Contractor:	
Name and Title of Authorized Official of Contractor:	
Date of Signature:	

INSTRUCTIONS

READ CAREFULLY BEFORE SIGNING THE CERTIFICATION. Federal regulations require contractors to sign and abide by the terms of this certification, without modification, in order to participate in certain transactions directly or indirectly involving Federal funds.

1. By signing and submitting this certification, the contractor is providing the certification set out herein.
2. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not proposed for debarment under applicable CFR, debarred, suspended, ineligible, or voluntarily excluded from covered transactions, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the List of Parties Excluded from Federal Procurement and Non-procurement Programs.
3. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required herein. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business activity.

FREQUENTLY ASKED QUESTIONS

What is "lobbying"?

NRECA must certify compliance with 31 U.S.C. 1352 related to lobbying certification. Specific definitions of lobbying vary with each specific law, but, in general, lobbying means contacting or encouraging others to contact Federal employees or elected officials in an attempt to influence the outcome of a decision, award, law, or other government action.

Why am I required to sign this certification?

You are either: (1) a respondent intending to or that has submitted a proposal to a competitive bid issued by NRECA relating to a potential procurement funded by a Federal agency; or, (2) have been invited by NRECA to enter into a contract where payments to you are ultimately derived from funds provided by a Federal agency. Under a U.S. law (31 U.S.C. 1352), recipients of certain Federal funding are prohibited from spending such funds to influence certain U.S. government employees in connection with the awarding of those Federal awards. NRECA is required to extend this prohibition to contractors who it does business with that receive payments from NRECA associated with contracts that are funded by Federal funds.

What is 31 U.S.C. 1352?

31 U.S.C. 1352, commonly known as the Byrd Anti-Lobbying Amendment, identifies what activities are considered lobbying and therefore prohibited when utilizing federal funds. The law prohibits recipients of federal funds—including contractors who receive payments from NRECA associated with a Federally funded contract—from using those funds to lobby to obtain, extend, or modify a federal award. The regulation is intended to prevent the use of federal funds for lobbying and to monitor the lobbying expenditures of federal funds recipients. Even though the recipient of federal funds is legally the organization to which the Federal award is issued, individuals who are employed by the organization (including contractors) are specifically and individually included under Federal agency implementations of the regulation.

What is the purpose of this certification?

The purpose of the certification is for you to tell NRECA in writing that you have not and will not use Federal funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract or grant (or any other award covered by 31 U.S.C. 1352) including any contract awarded to you by NRECA.

NOTICE OF INTENT TO BID FORM

National Rural Electric Cooperative Association (NRECA)

**Owen Electric Cooperative
Home Energy Management
Request for Proposal (RFP)
RFP Number (DOE-0051)**

All potential Respondents to the RFP are requested to submit a Notice of Intent to Bid Form to the RFP Consultant listed below by July 08, 2011. The Notice of Intent to Bid Form must be signed by an authorized representative of Respondent and faxed to the RFP Consultant.

Respondent Name:	
Respondent Address:	
Contact Person:	
E-mail Address:	
Telephone Number:	
Fax Number:	
Signature and Printed Name of Authorized Representative:	

Potential Respondents should return, by fax, the Notice of Intent to Bid Form to:

Timothy R. Davis
RFP Consultant
NRECA
4301 Wilson Blvd.
VMO 9-116
Arlington, VA 22203

Fax: 703.907.5537
E-mail: timothy.davis@nreca.coop

**OWEN ELECTRIC COOPERATIVE CORPORATION
CASE NO. 2011-00037**

**RESPONSE TO COMMISSION STAFF'S INFORMATION REQUEST AT
HEARING**

Question:

Please provide data on the performance bonuses paid by Owen Electric Cooperative for the five years ended December 31, 2010.

Response:

See attached schedules for the Performance Indicators for 2006 through 2011. The Performance Incentive Plan is developed by the President/CEO and approved by Owen's board of directors each year. Benchmarks are set for each of the following areas: Safety, Reliability, Cost, Customer Service, and Finance. Threshold, target, and stretch goals are set for each area, and some areas have more than one indicator. These benchmarks are calculated on a quarterly basis and shared with the board of directors and all employees. At the end of each year for which a Performance Incentive Plan is approved, total actual results are calculated for the year and payouts are made. All employees both union and non-union alike, with the exception of the President/CEO, are eligible to receive performance awards under the plan. The President/CEO does not participate in the Performance Incentive Plan, and is, therefore, not eligible to receive any award based upon the established performance indicators.

The Performance Incentive Plan has been in effect at Owen for several years and has proven to be a valuable tool in both improving and measuring employee performance in the various areas for which the President/CEO, in consultation with his staff and the board of directors, determine to be strategic. At the beginning of 2010 the plan was revised to be more in line with the "Balanced Performance Scorecard" developed by the National Rural Electric Association (NRECA) as a benchmarking tool for its members.

**OWEN ELECTRIC COOPERATIVE CORPORATION
CASE NO. 2011-00037**

**RESPONSE TO COMMISSION STAFF'S INFORMATION REQUEST AT
HEARING**

While Owen's Balanced Scorecard is not identical to the one developed by NRECA, it is very similar and provides the Cooperative an opportunity to measure these key indicators against other Cooperatives nationwide.

The following table outlines the total amount of the award for each of the past five years along with the total amount of Owen's Operating Budget and the percentage the award is to the total Operating Budget of the Cooperative.

Year	Total Operating Budget	Performance Incentives Awarded	Percentage of Total Operating Budget
2006	\$129,538,779	\$225,993	0.1745%
2007	\$142,992,351	\$276,844	0.1936%
2008	\$149,713,621	\$282,142	0.1885%
2009	\$141,746,616	\$153,088	0.1080%
2010	\$156,031,216	\$274,229	0.1758%

While Owen Electric's board of directors did establish Balanced Scorecard Performance Plan Indicators for 2011, no calculation of the total award has been made, as of yet for 2011. No decision has been made by Owen's board of directors regarding whether there will be a Performance Incentive Plan established for 2012.

OWEN ELECTRIC COOPERATIVE

2006

PERFORMANCE INDICATORS

Area	Indicator	Actuals			2006 Targets		
		2003	2004	2005	2006 Threshold	2006 Target	2006 Stretch
Safety	Index-3 Yr. Rolling Average	100.41	60.03	17.28	15.08	12.96	12.49
Reliability	Index (1)	2.99	2.76	2.63	2.63	2.58	2.53
Cost	Distri.Adder per Consumer (2)	\$ 238.93	\$235.97	\$ 240.52	\$ 246.32	\$ 243.88	\$241.44
	Cost/Ft. New Connect-1 Yr.	\$ 3.38	\$ 3.27	3.99	\$ 3.99	\$ 3.75	\$ 3.56
Customer Service	Quality of Service Provided - Rolling Average	86%	85%	88%	84%	86%	88%
	New Service (6/7 Category)	92%	95%	94%	92%	93%	95%
Finance	Equity	39.41	38.35	39.02	31+	31+	31+
	Patronage Capital Refund (Minimum \$750,000)	Y	Y	Y	Y	Y	Y

(1) Will exclude all outages related to EKP equipment (substation)

(2) Indicator includes all expenses on Form 7 (Line 11) less power costs (Line 3). Average number of consumers projected to be 55,421

OWEN ELECTRIC COOPERATIVE 2007 FOR BUDGET PERFORMANCE INDICATORS								
Area	Indicator	Actuals			2007 Targets			
		2004	2005	2006	2007 Threshold	2007 Target	2007 Stretch	
Safety	Index in No. of Incidents			4		6	2	0
	Index in No. of Lost Days			52		7	0	0
Reliability	Index-3 Yr. Rolling Average	60.03	17.28	25.10		15.65	13.61	13.16
	Index (1)	2.76	2.63	2.06		2.55	2.50	2.45
Cost	Distri.Adder per Consumer (2)	\$ 235.97	\$ 240.52	\$ 270.09		\$274.81	\$272.09	\$269.37
	Cost/Ft. New Connect-1 Yr.	\$ 3.27	\$ 3.99	\$ 6.25		\$ 6.49	\$ 6.25	\$ 6.00
Customer Service	Quality of Service Provided - Rolling Average	85%	88%	88%		84%	86%	88%
	New Service (6/7 Category)	95%	94%	94%		92%	93%	95%
Finance	Equity	38.35	39.02	36.87		31+	31+	31+
	Patronage Capital Refund (Minimum \$750,000)	\$ 1,188,689	\$ 1,230,120	\$ 1,315,593		-	\$ 1,300,000	-
		Y	Y	Y		Y	Y	Y

(1) Will exclude all outages related to EKP equipment (substation). Miles of line adjusted down due to more accurate GIS data, causing indicator to increase over previous years.

(2) Indicator includes all expenses on Form 7 (Line 11) less power costs (Line 3). Average number of consumers projected to be 56,771.

**OWEN ELECTRIC COOPERATIVE
2008 PERFORMANCE INDICATORS**

Area	Indicator	Actuals			2008 Targets		
		2005	2006	2007	2008 Threshold	2008 Target	2008 Stretch
Safety	Index in No. of Incidents	2	4	7	4	2	0
	Index in No. of Lost Days	0	52	41*	7	0	0
Reliability	Index-3 Yr. Rolling Average	17.28	25.10	23.64*	25.35	23.36	22.92
	Index (1)	2.63	2.06	2.16	2.55	2.50	2.45
Cost	Distri..Adder per Consumer (2)	\$ 240.52	\$ 270.04	\$ 249.72	\$ 255.97	\$ 253.44	\$ 250.91
	Cost/Ft. New Connect-1 Yr.	\$ 3.99	\$ 6.25	\$ 5.37	\$ 5.75	\$ 5.50	\$ 5.25
Customer Service	Quality of Service Provided - Rolling Average (3)	88%	88%	84%	84%	86%	88%
	New Service (6/7 Category) (4)	94%	94%	94%	92%	93%	95%
Finance	Equity	39.02	36.87	33.47	32+	32+	32+
	Patronage Capital Refund (5) (Minimum \$750,000)	\$ 1,230,120 Y	\$ 1,270,626 Y	\$ 999,031 Y	-	\$ 1,300,000	-

(1) Will exclude all outages related to EKP equipment (substation).
 (2) Indicator includes all expenses on Form 7 (Line 11) less power costs (Line 3). Average number of consumers projected to be 57,548
 (3) Calendar year runs from Oct to Sept
 (4) Calendar year runs from Dec to Nov
 (5) Data reflects total available refund minus uncollectibles, final bills through YTD, and gains (past undeliverables,etc.)

* Number can still fluctuate based on OSHA reporting requirements. Lost days (150 max) must be applied to incident year. One incident in 2007 is pending w/potential for lost days.

* Indicator index changed based on 34 lost days reverting back to a 2007 incident. Actual number in Incidents and Lost Days for 2008 Targets remain the same.

OWEN ELECTRIC COOPERATIVE							
2009 PERFORMANCE INDICATORS - Benchmarks							
Area	Indicator	Actuals			2009 Targets		
		2006	2007	2008	2009 Threshold	2009 Target	2009 Stretch
Safety	Index in No. of Incidents	4	7	8	4	2	0
	Index in No. of Lost Days	52	41	2	7	0	0
Reliability	Index-3 Yr. Rolling Average (1)	25.10	23.64	24.87	15.09	13.12	12.68
	Index (2)	2.06	2.16	2.03	2.31	2.10	1.89
Cost	Distri.Adder per Consumer (3)	\$ 270.04	\$ 249.72	\$ 252.70**	\$ 272.31	\$ 269.61	\$ 266.92
	Cost/Ft. New Connect-1 Yr.	\$ 6.25	\$ 5.37	\$ 3.89	\$ 4.57	\$ 4.15	\$ 3.74
Customer Service	Quality of Service Provided - Rolling Average (4)	88%	84%	80%	81%	83%	85%
	New Service (6/7 Category) (5)	94%	94%	93%	93%	94%	96%
Finance	Equity	36.87	33.47	32.87	32+	32+	32+
	Patronage Capital Refund (Minimum \$750,000)	\$ 1,257,763 Y	\$ 999,031 Y	\$ 1,296,856 Y	- Y	\$ 1,300,000 Y	- Y

(1) Payout is based on safety index. Safety index calculation is based on a maximum of 150 lost days per incident reported annually.
 (2) Will exclude all outages related to major storms (IEEE Standard), EKP and Duke transmissions and substation outages.
 (3) Indicator includes all expenses on Form 7 (Line 11) less power costs (Line 3). Average number of consumers projected to be 57,846.
 (4) Calendar year runs from Oct to Sept
 (5) Calendar year runs from Dec to Nov
 (6) Data reflects total available refund minus uncollectibles, final bills through YTD, and gains (past undeliverables, etc.)
 ** Figure excludes major storms.
 * Targets are subject to minimal adjustments once actual 2008 YE information is available

**OWEN ELECTRIC COOPERATIVE
2010 PERFORMANCE INDICATORS
BALANCED SCORECARD - BENCHMARKS**

AREA	INDICATOR	ACTUALS				2010 Targets		2010 Stretch
		2007	2008	2009	2010 Threshold	2010 Target	2010 Target	
Safety	(1) All Injury Incident Rate	5.27	5.78	6.76	5.98	2.99	0	
	(2) Days Away Incident Rate	160.89	45.39	164.99	87.52	48.62	0	
Reliability (Filtered)	(3) SAIDI	133.88	111.57	154.68	146.08	128.17	105.99	
	(4) SAIFI	1.83	1.34	1.69	1.73	1.56	1.27	
Cost	(5) Controllable Exp/Avg Consumer	\$250.58	\$266.33	\$280.27	\$291.62	\$288.70	\$285.79	
Customer Service	(6) Customer Satisfaction Scores	85	80	83	81	82	84	
	(7) Equity	33.47	32.87	33.96	33.75	34.75	35.25	
Finance	(8) Patronage Capital Refund	\$999,031	\$1,296,856	\$750,319	\$750,000	\$1,000,000	\$1,250,000	
	(Minimum - \$750,000)	Y	Y	Y	Y	Y	Y	

- (1) Number of OSHA Recordables X 200,000 Manhours /Actual Manhours worked
- (2) Number of Restricted and Lost days X 200,000 Manhours/Actual Manhours worked
- (3) Average time in minutes a member is without power
- (4) Average number of interruptions per member
- (5) Controllable expenses per Form 7 lines 5 - 10 divided by average number of consumers - Paid out annually
- (6) Rolling 4 quarter customer satisfaction scores
- (7) Total Margins and Equities (Form 7 line 35) divided by total Assets (Form 7 Line 28) - Paid out annually
- (8) Amount of General Capital Credit Refund paid during year - Paid out annually

OWEN ELECTRIC COOPERATIVE							
2011 PERFORMANCE INDICATORS							
BALANCED SCORECARD - BENCHMARKS							
AREA	INDICATOR	ACTUALS			2011 Targets		
		2008	2009	2010	2011 Threshold	2011 Target	2011 Stretch
Safety	(1) All Injury Incident Rate	5.78	6.76	3.77	6.04	3.77	0
	(2) Days Away Incident Rate	2.99	4.48	1.51	3.02	1.51	0
Reliability (Filtered)	(3) SAIDI	111.57	154.68	100.82	138.48	131.62	105.99
	(4) SAIFI	1.34	1.69	1.21	1.71	1.42	1.27
Cost	(5) Controllable Exp/Avg Consumer	\$266.33	\$280.27	\$290.62	\$303.00	\$300.00	\$297.00
Customer Service	(6) Customer Satisfaction Scores	80	83	82	82	83	84
	(7) Equity	32.87	33.96	36.42	36.75	37.50	38.00
Finance	(8) Patronage Capital Refund	\$1,296,856	\$750,319	\$1,256,590	\$750,000	\$1,000,000	\$1,250,000
	(Minimum - \$750,000)	Y	Y	Y	Y	Y	Y

- (1) Number of OSHA Recordables X 200,000 Manhours /Actual Manhours worked
- (2) Number of Restricted and Lost days X 200,000 Manhours/Actual Manhours worked
- (3) Average time in minutes a member is without power
- (4) Average number of interruptions per member
- (5) Controllable expenses per Form 7 lines 5 - 10 divided by average number of consumers - Paid out annually
- (6) Rolling 4 quarter customer satisfaction scores
- (7) Total Margins and Equities (Form 7 line 35) divided by total Assets (Form 7 Line 28) - Paid out annually
- (8) Amount of General Capital Credit Refund paid during year - Paid out annually

**OWEN ELECTRIC COOPERATIVE CORPORATION
CASE NO. 2011-00037**

**RESPONSE TO COMMISSION STAFF'S INFORMATION REQUEST AT
HEARING**

Question:

Refer to page 4 of 14 of the Testimony of James R. Adkins in Exhibit 7B of the original application. Provide the amount and percentage of distribution costs collected through the current retail rates for the Schedule 1 – Farm and Home Rate Class and Schedule 1 – Small Commercial Rate Class.

Response:

The amount and percentage of distribution costs currently collected for the above referenced rate classes is provided below.

Rate Schedules	Amount per kWh	Percent of Distribution Costs
Schedule 1 - Farm & Home	\$ 0.02405	70.0%
Schedule 1 - Small Commercial	\$ 0.02359	76.4%

OWEN ELECTRIC COOPERATIVE
CASE NO. 2011-00037

RESPONSE TO INFORMATION REQUEST AT HEARING

Question:

Clarification on the 244 kWh per month listed in the response to Question 13 in the Direct Testimony of Mr. James R. Adkins, Exhibit 7-B of the Application.

Response:

Provided below is data from the bill frequency analysis provided on page 5 of 5, Exhibit 6 of the Application. The 244 kWh per month represents the average consumption for approximate 261,490 monthly usage amounts for monthly consumption from zero to 800 kWh. 261,490 monthly usage amounts translates to approximately 22,000 customers on an annual basis.

From Bill Frequency Analysis		
kWh Intervals	Number of Consumers	kWh
0	17,735	-
5	8,506	14,281
10	4,883	25,093
15	3,477	29,371
20	2,895	33,969
25	2,562	38,411
50	10,410	254,819
75	9,079	371,987
100	8,097	465,161
150	13,113	1,068,232
200	10,606	1,212,579
250	9,761	1,439,155
300	9,903	1,786,860
350	10,480	2,232,063
400	11,236	2,762,568
450	12,207	3,398,646
500	13,458	4,187,470
550	14,576	5,014,644
600	15,956	6,007,892
650	17,155	7,020,890
700	17,784	7,857,961
750	18,357	8,708,853
800	19,253	9,767,718
Totals	261,490	63,698,623
Average	21,791	244

**OWEN ELECTRIC COOPERATIVE CORPORATION
CASE NO. 2011-00037**

**RESPONSE TO COMMISSION STAFF'S INFORMATION REQUEST AT
HEARING**

Question:

Please provide for 2010 & 2011 to supplement Item No 79 page 24 of Owen's response to the Attorney General's First Data Request.

Response:

See attached schedule.

OWEN ELECTRIC COOPERATIVE ANNUAL OPERATING DATA

Year	kWh Purchased	Change	kWh Sold	Change	Kwh Loss	%Loss	Billing Peak Demand	Average No Customers	Miles of Line	Consumers Per Mile	Cost of Purchased Power	Cents/kWh
2006	2,134,119,750	1.6%	2,076,641,776	2.6%	55,619,200	2.6%	412.3	55,141	4,400	12.5	\$102,910,227	4.8
2007	2,222,021,434	4.1%	2,167,779,044	4.4%	52,178,381	2.3%	416.8	56,290	4,428	12.7	\$115,800,725	5.2
2008	2,199,648,833	-1.0%	2,146,727,475	-1.0%	50,790,795	2.3%	436.6	56,794	4,451	12.8	\$121,334,659	5.5
2009	2,053,585,292	-6.6%	2,005,380,649	-6.6%	46,109,691	2.2%	413.6	57,223	4,486	12.8	\$110,001,447	5.4
2010	2,224,298,492	8.3%	2,174,224,766	8.4%	47,890,394	2.2%	418.0	57,478	4,493	12.8	\$120,929,457	5.4
YTD 2011	1,889,430,007	-15.1%	1,825,613,877	-16.0%	62,152,619	3.3%	422.6	57,592	4,504	12.8	\$111,886,985	5.9

**OWEN ELECTRIC COOPERATIVE CORPORATION
CASE NO. 2011-00037**

**RESPONSE TO COMMISSION STAFF'S INFORMATION REQUEST AT
HEARING**

Question:

Please provide the amount of capital credits paid by Owen Electric Cooperative over the past ten (10) years:

Response:

See attached schedule.

OWEN ELECTRIC COOPERATIVE CORPORATION
CASE NO. 2011-00037
POST HEARING DATA REQUEST

CAPITAL CREDITS REFUNDED PRIOR TEN YEARS

Year	General Retirement	Estate Refund	Total for Year
2000	\$ 999,003.10	\$ 189,095.05	\$ 1,188,098.15
2001	\$ 992,516.94	\$ 174,227.09	\$ 1,166,744.03
2002	\$ 998,071.83	\$ 163,425.51	\$ 1,161,497.34
2003	\$ 1,000,719.38	\$ 159,448.40	\$ 1,160,167.78
2004	\$ 1,188,688.99	\$ 208,140.78	\$ 1,396,829.77
2005	\$ 1,230,119.92	\$ 205,432.66	\$ 1,435,552.58
2006	\$ 1,270,625.85	\$ 157,170.41	\$ 1,427,796.26
2007	\$ 999,031.23	\$ 171,330.36	\$ 1,170,361.59
2008	\$ 1,296,856.23	\$ 155,510.33	\$ 1,452,366.56
2009	\$ 750,319.39	\$ 203,499.88	\$ 953,819.27
2010	\$ 1,256,590.11	\$ 177,775.82	\$ 1,434,365.93
Totals	\$ 11,982,542.97	\$ 1,965,056.29	\$ 13,947,599.26

Note: 2011 refund approved by the Owen Electric Cooperative's board of directors in the amount of approximately \$750,000 will be retired in December 2011.

**OWEN ELECTRIC COOPERATIVE CORPORATION
CASE NO. 2011-00037**

**RESPONSE TO COMMISSION STAFF'S INFORMATION REQUEST AT
HEARING**

Question:

Please provide the T.I.E.R. earned by Owen Electric Cooperative over the past ten (10) years.

Response:

See attached schedule.

OWEN ELECTRIC COOPERATIVE CORPORATION
CASE NO. 2011-00037
POST HEARING DATA REQUEST

T.I.E.R CALCULATION PRIOR TEN YEARS

Year	O.T.I.E.R	T.I.E.R*	
2000	1.84	1.98	
2001	1.64	3.03	
2002	2.21	4.53	
2003	2.45	4.30	
2004	2.33	2.55	
2005	2.19	2.39	
2006	1.15	1.28	
2007	0.63	0.78	
2008	0.90	1.52	
2009	1.31	2.17	
2010	1.78	2.77	
Sep-11	0.87	0.92	**

* Includes Patronage Capital allocation from other cooperatives

** Patronage Capital from other Cooperatives not yet booked for 2011
will be recorded in December 2011.