

INITIAL CONTRACT ROUTING NOTIFICATION OF RISK

This Notification of Risk has been included with the routing of a contract that has been completed for your Business Unit. Please note that the contract file will reflect this routing and that the routing will determine who receives future contract amendments and termination notices. You must notify the Contract Analyst assigned to this contract if any of these names change so that the contract documents that you have on file mirror the original contract in our files. Failure to do so may result in your copies of the contract not reflecting its current terms.

You must also be aware of the need to protect our contract documents. This need arises from a number of sources. The following are the most generally recognized sources, but do not constitute an exhaustive list:

- They are AEP business documents and should be protected as such.
- The AEP General Terms and Conditions, except for the Professional Services Terms and Conditions, include a mutual confidentiality section.
- The General Terms and Conditions for Consulting Services, for Equipment, for Labor and Services, and for Engineering, Procurement and Construction Work contain a non-disclosure article that states, "Except as required by law, regulation, or judicial or administrative order, neither party shall disclose the terms of the Contract without the consent of the other party."
- Contract Letters may include in their body or in an Agreed Exceptions attachment additional constraints regarding access to information in the Contract.
- The contract may include licenses that restrict access to the licensed materials.
- The incorporated documents may include proposals that contain protected proprietary information.

A violation of any of the above constraints can result in potentially damaged relationships with suppliers, financial costs, and/or civil and criminal proceedings. You should familiarize yourself with your contract so that you can mitigate any of the risks that may apply to your contract.

Please retain this notification with your copies of the contract and share it with those in your Business Unit that require regular access to your copies of the contract. If you need copies routed to additional individuals, please contact the individual who routed this to you.



CONFIDENTIAL

Contract Routing Slip

Please route to the next person on the list after reviewing the documents (and signing, if required). Please return to originator when routing is complete.

Sense of Urgency (High/Medium/Low): High

Effective Date (Contract/Release/Amendment): 03/01/2016

ROUTING	Mail Drop	Purpose	Initials	Date Signed
Matt Curtis	Email	Review	SMC	3/30/2016 11:30 AM ET
EJ Clayton	Email	Review	DLW	3/30/2016 3:47 PM ET
Ranie Wohnhas	Email	Signature	DLW	3/31/2016 11:29 AM ET
Greg Pauley	Email	Direct Source Justification Signature	BP	3/31/2016 11:35 AM ET
Jennifer Downey	GH700-04	Originator		

Date: 03/30/2016

Company: Kentucky Power Company

Contractor Name: ARCA Recycling, Inc.

Contract Number/Amendment: 028275020000X103

Release Number: Release 4

Coordinator / Contract Analyst: Jennifer Downey

Release Value: release 2: \$286,071.20

Price/Cost Model: NA

Type (Labor, Service, Material, Service): Service

Method of Procurement (Competitive Bid, Direct Source): Direct Source

Description of Service/Work: Appliance recycling program in Kentucky. This vendor is replacing JACO Environmental, which was put in receivership at the end of 2015.

**WORK AUTHORIZATION
No. 028275020004X110**

This Work Authorization No. 028275020004X110 (“Work Authorization”) between **Kentucky Power Company (“KPCo”)** and **ARCA Recycling, Inc. (“ARCA”)** is subject to and governed by the provisions of Contract No. 028275020000X103 (“Contract”).

A. Effective Date

This Work Authorization is effective March 1, 2016 (“Effective Date”).

B. Term

The term of this Work Authorization begins on the Effective Date and continues through December 31, 2018, unless terminated earlier in accordance with the terms of the Contract.

C. Scope of Services

ARCA agrees to provide all supervision, labor, reports and specified materials necessary to implement the Appliance Recycling Program (“Program”) as set forth in the Statement of Work dated January 18, 2016 (the “SOW”) attached hereto and incorporated herein. The parties agree that any changes to the SOW shall be in made in accordance with the Change Control Plan attached hereto and incorporated herein.

D. Pricing

KPCo agrees to pay ARCA in accordance with Section 2.8 Pricing in the SOW.

E. Invoices

ARCA will invoice KPCo monthly for Work performed the previous month. Invoices must be submitted as follows:

Each invoice shall include the following minimum information:

- a. A unique invoice number;
- b. Work Authorization Number 028275020004X110;
- c. Details and itemization of activities and expenditures being invoiced;
- d. Customer name, address, and account number.
- e. Date services were performed
- f. If no direct pay permit or exemption certificate, the rate and amount of taxes being billed; and
- g. Separate invoice line items and total amount of the invoice.

Contractor shall e-mail all invoices to EJ Clayton at ejclayton@aep.com.

F. Notices

In accordance with Article 33 of the AEP General Terms and Conditions for Labor and Services Rev. 3 dated 6/14 in Exhibit A to the Contract, the representative for receipt of notice for KPCo is:

EJ Clayton
12333 Kevin Avenue
Ashland, KY 41102
606.929.1693
ejclayton@aep.com

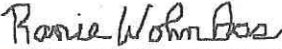
G. Order of Priority

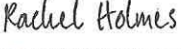
In the event of conflicts, the contract shall be interpreted giving precedence to the document with the higher priority:

1. This Work Authorization Letter consisting of two pages;
2. Contract no. 028275020000X103; and
3. Change Control Plan.

Kentucky Power Company

ARCA Recycling, Inc.

DocuSigned by:

 B5B7758C5E6248F...
 Name: Ranie Wohnhas

DocuSigned by:

 AA25D7A99BB27417...
 Name: Rachel Holmes

Title: Managing Director Regulatory and Finance Executive Vice President

3/31/2016 | 11:29 AM ET

 date

3/31/2016 | 7:35 AM PT

 date



STATEMENT OF WORK

This Statement of Work ("SOW") is made pursuant to the Agreement ("Agreement") dated December 21, 2015, between Kentucky Power Company ("KPCo") and ARCA Recycling, Inc. ("ARCA"). KPCo and ARCA may be referred to individually as "Party" or collectively as "Parties."

1. Scope of Project

- 1.1. Description** – This document is intended to set forth the level of project services required to implement and manage an appliance recycling program ("ARP") in accordance with the Agreement. The document defines the tasks, responsibilities and deliverables of KPCo and ARCA.
- 1.2. Project Overview** – ARP is a KPCo-sponsored energy conservation measure that provides an eligible residential KPCo customer free collection of an eligible appliance, which is permanently removed from service and recycled in an environmentally safe manner by ARCA. KPCo also provides eligible participants with financial incentives for participating in ARP.
- 1.3. Term** – The term of this SOW shall coincide with the term of the Agreement.
- 1.4. Appliance Eligibility** – An eligible appliance ("Appliance") is defined as:
- 1.4.1. Refrigerator or freezer, plugged in, operating (cooling) and empty at time of collection;
 - 1.4.2. Residential size (refrigerators and freezers with a capacity of 10-30 cu. ft.);
 - 1.4.3. Primary (main appliance of its type in residence) or secondary (spare);
 - 1.4.4. Located in eligible customer's residence at time of collection; and
 - 1.4.5. Containing chlorofluorocarbon ("CFC"), hydrochlorofluorocarbon ("HCFC") or hydrofluorocarbon ("HFC") refrigerants; refrigerators containing ammonia refrigerant cannot be accepted.
- 1.5. Customer Eligibility** – An eligible customer ("Participant") is defined as:
- 1.5.1. Residential electric customer of KPCo (refer KPCo DSM tariff for eligibility);
 - 1.5.2. Owner of Appliance being recycled through ARP; and
 - 1.5.3. Having recycled no more than two Appliances through ARP in a program year.
- 1.6. Program Goals** – KPCo bases program goals on available budget, energy savings targets and/or historical ARP performance. Incremental customer participation includes the following target goals. Refrigerator and freezer units will be reported separately by ARCA.

Program Year	2016	2017	2018	Total
Goal	575	595	615	1,785



2. **Project Deliverables** – The following sections describe the activities and responsibilities required to implement and manage ARP.

X – Responsible party P – Primary party S – Secondary party

2.1. Program Administration

<i>Ref. #</i>	<i>Item</i>	<i>KPCo</i>	<i>ARCA</i>
1	ARP Account Manager Provide ARCA ARP Account Manager to serve as primary point of contact for KPCo ARP personnel and coordinate activities of ARCA's project team to support ARP.		X
2	Regional Recycling Center Manager Provide Recycling Center Manager who directs operational activities of dispatch, collection and recycling teams and serves as local contact for KPCo ARP personnel.		X
3	Project Personnel Provide project management, quality control, call center, IT support, collection, appliance processing, incentive fulfillment, reporting and invoicing personnel to support the ARP.		X
4	Employee Screening and Hiring Complete background investigation and alcohol and controlled substance screening; conduct reference checks; and evaluate work history and abilities for ARCA employment candidates; same requirements apply for approved subcontractors supporting KPCo's ARP.		X
5	Employee Training and Auditing Provide employees with new-hire and ongoing safety and job-related training; perform periodic audits and assessments of employee performance.		X
6	ARP Business Reviews Hold ARP business review meetings between KPCo and ARCA at agreed-upon schedule. Meeting agendas will include, but are not limited to, review of work processes, advertising initiatives, Participant compliments and complaints, status of Appliance volume goals, and ARP expenditures in relation to budget.	X	X
7	Regional Recycling Center Maintain fully licensed and permitted regional recycling center to support dispatch, collection and recycling functions for ARP.		X
8	Incident Notification and Response Adhere to the procedures and timeline in ARCA's Incident Process and Timeline document (Exhibit 1) to respond to and notify KPCo of incidents such as customer complaints, property damage and Call Center outages.		X



2.2 Marketing and Advertising

<i>Ref. #</i>	<i>Item</i>	<i>KPCo</i>	<i>ARCA</i>
1	Marketing and Advertising KPCo will assume full responsibility for developing annual advertising and marketing plan and promoting ARP through campaigns incorporating a variety of print and electronic media venues, such as bill inserts, display advertising, media events and public relations efforts. ARCA will provide high-level input in development of KPCo's annual marketing and advertising plan and assist occasionally in media buys and placement.	P	S
2	Customer Awareness Assist in analyzing effectiveness of marketing and advertising tactics by incorporating survey question into appointment scheduling to determine how Participants heard about ARP.		X

2.3 Data Management Systems and Support

<i>Ref. #</i>	<i>Item</i>	<i>KPCo</i>	<i>ARCA</i>
1	Appliance Turn-in Order ("ATO") System Provide and maintain data management and reporting system to track Participant and Appliance data (list of data fields included in Exhibit 2) for each ARP transaction.		X
2	Data Transfer AEP/KPCo to provide weekly uploads to ARCA's customer database of updated customer data. Data fields to be provided are defined on Exhibit 2.	P	S
3	Enrollment Through Call Center Provide Call Center Agents ("Agents") with secure, password-protected access to KPCo-provided database to verify KPCo customer eligibility and schedule collection appointments through ATO system.		X
4	Enrollment Through Website Develop and host web enrollment tool to provide KPCo customers access to ARP information, verify customer and Appliance eligibility through a series of qualifying questions requiring responses, collected required Participant and Appliance information, schedule collection appointment from range of dates and timeframes, and provide confirmation of appointment. ARCA provides assistance in branding KPCo ARP webpage within standard parameters to meet KPCo guidelines.		X
5	Link from KPCO Website to Web Enrollment Tool Establish link from KPCO website ARP information to ARCA's web enrollment tool.	X	



<i>Ref. #</i>	<i>Item</i>	<i>KPCo</i>	<i>ARCA</i>
6	ARCA Mobile™ Support management of ARP collection process through ARCA Mobile™ component of ATO system. ARCA provides and maintains PDA devices loaded with ARCA Mobile™ for collection teams.		X
7	Web Portal Develop and maintain password-protected web portal for KPCo ARP personnel to access ARP data and generate real-time reports on demand through ATO system.		X
8	Program Reports Provide standard ARP reports (list of standard reports included in Exhibit 2) to KPCo at agreed-upon frequency. ARCA will provide price quote to KPCo for non-standard reports.		X
9	Participant Data File Provide weekly data file for completed ARP transactions as defined by Exhibit 2.		X
10	Data Backup and Restoration Provide nightly backup of ATO system data with off-site storage for restoration in event of natural disaster or other major loss of data.		X

2.4 Call Center and Online Scheduling

<i>Ref. #</i>	<i>Item</i>	<i>KPCo</i>	<i>ARCA</i>
1	Call Center Collaborate with KPCo to develop KPCo ARP program scripting and messaging and once approved ensure Call Center staff use "KPCo approved" messaging consistently. Oversee management of contracted Call Center that verifies callers' and Appliance ARP eligibility through a series of qualifying questions requiring responses, collects Participant and Appliance information, schedules/reschedules/cancels collection appointments, administers survey questions, instructs Participants on preparing residence and Appliance for appointment, answers questions about ARP, and resolves first-level customer service issues.		X
2	Call Center Technology Maintain fully automated capabilities for interactive voice response, scheduling appointments, on-hold messaging, multi-caller routing, voicemail, recording, and service level reporting. Each Agent workstation is equipped with computer allowing access to customer database and ATO system, and two monitors for scheduling and visibility into ARP requirements		X



<i>Ref. #</i>	<i>Item</i>	<i>KPCo</i>	<i>ARCA</i>
	and information.		
3	Call Center Hours Operate Call Center 8 a.m.-7 p.m. Central Time Monday-Friday and 8 a.m.-8 p.m. Central Time Saturday. After hours or during heavy call times, recording directs customers to leave message for next-business-day follow up or suggests visiting scheduling website.		X
4	KPCo ARP Toll-Free Telephone Number Provide dedicated toll-free telephone number for customer information and enrollment. Prior to program launch, recorded message provides eligibility requirements and ARP launch information.		X
5	Platform Service Level Agreement Metrics Meet Call Center service levels of 80/30/5: <ul style="list-style-type: none"> ◦ 80% of all calls answered in 30 seconds or less ◦ Less than 5% of all calls of 30 seconds or longer abandoned 		X
6	Agent Training Develop KPCo ARP call script and materials and train Agents on KPCo ARP parameters. All call scripts and any messaging will require KPCo approval before use	S	P
7	Agent Auditing and Coaching Monitor Agent calls live and via call recording to identify Agent strengths and weaknesses in hard and soft skills and coach performance. As necessary, ARCA will develop and implement Call Center performance improvement plans to maintain quality service levels of KPCo's APR.		X
8	Appointment Confirmation Provide Participants with confirmation of scheduled appointment via email (if email address is available), telephone call day prior to appointment and day of appointment.		X
9	Appointment Cancellations and Reschedules Cancel or reschedule collection appointments at request of Participants. Should inclement weather, vehicle breakdown or other unforeseen incident that affects appliance collection occur, notify each affected Participant as quickly as possible, reschedule collection at Participants' convenience, and notify KPCo of service interruption.		X

2.5 Appliance Collection and Transportation

<i>Ref. #</i>	<i>Item</i>	<i>KPCo</i>	<i>ARCA</i>
1	Appliance Collection and Transportation		X



Ref. #	Item	KPCo	ARCA
	Verify eligibility of Appliance at Participant's residence or other KPCo-approved location, safely move Appliance from Participant's residence to ARCA's vehicle, obtain Participant's signature to release ownership of Appliance to ARCA, disable and deface Appliance to prevent re-use, and transport Appliance to ARCA's regional recycling center.		
2	Regulatory Compliance Comply with all applicable laws, rules and regulations established by federal, state and local authorities—including, but not limited to, U.S. Department of Transportation ("U.S. DOT") and Federal Motor Carrier Safety Administration—for appliance collection and transportation activities.		X
3	Transportation Equipment Lease enclosed-box vehicles with heavy-duty hydraulic lift-gates for safe and convenient Appliance loading and unloading. ARCA's driving personnel are required to conduct safety inspections of vehicles daily; vehicles not passing inspection cannot be used until repair or maintenance service has been completed.		X
4	Driver Screening and Hiring Perform screening in addition to ARCA's standard screening and hiring procedures to include initial and annual inspection of driver's Motor Vehicle Report to ensure driver does not have unacceptable numbers or types of violations, meeting ARCA's insurance carrier standards, minimum of one year's experience driving similar vehicle, and possession of valid CDL license. Drivers must also acknowledge in writing receipt and understanding of ARCA's Driver Vehicle Accident Policy and Procedure.		X
5	Collection Team Uniform and ID Require reinforced-toe safety boots and provide uniforms with ARCA logo and photo ID badge with KPCo approved logo.		X
6	Collection Team Training Provide initial on-the-job training by having experienced drivers ride with new drivers until driving ability, customer service skills and knowledge of ARP requirements are proven; provide periodic training to keep employees up-to-date on changing rules and regulations. Collection teams are also trained on use of PDAs with ARCA Mobile™ software.		X
7	Collection Team Auditing and Coaching Perform observed and unobserved audits of collection teams to confirm adherence to KPCo ARP procedures, safe work practices and transportation regulations.		X



<i>Ref. #</i>	<i>Item</i>	<i>KPCo</i>	<i>ARCA</i>
8	Appliance Eligibility Verification After arriving at Participant's residence, verify Appliance is in operating (cooling) condition and meets all other eligibility requirements of KPCo ARP; non-qualifying units cannot be accepted for ARP and KPCo customer will not receive financial incentive.		X
9	Appliance Removal Inspect pathway to remove Appliance from residence to identify potential safety and damage points, unplug Appliance, obtain Participant's signature to release Appliance ownership to ARCA, carefully remove Appliance from residence, and load Appliance into ARCA vehicle. Driver will upload order information and Participant signature via secure encrypted transmission.		X
10	Appliance Disabling and Defacing Prior to leaving Participant premises, perform steps to ensure Appliance cannot be returned to use: <ul style="list-style-type: none"> • Cut power cord; • Break temperature control mechanism with hammer; and • Mark collection team's initials and ATO tracking number on Appliance with permanent marker. 		X
11	Property Damage or Personal Injury In event of property damage or personal injury, follow ARCA procedure to immediately report incident to Recycling Center Manager, ARCA's ARP Account Manager and, if warranted, authorities. ARCA will communicate with KPCo and Participant according to established procedures found in ARCA's Incident Process and Timeline (Exhibit 1 Call Center Escalation Definition Guide). ARCA and KPCo will discuss and agree to acceptable procedures prior to program launch.		X

2.6 Appliance Processing and Recycling

<i>Ref. #</i>	<i>Item</i>	<i>KPCo</i>	<i>ARCA</i>
1	Appliance Processing Inspect and process every Appliance collected through KPCo ARP to remove and properly manage environmentally harmful materials and components and to recover all recyclable materials.		X
2	Regulatory Compliance Meet or exceed all applicable laws, rules and regulations—including, but not limited to, federal Clean Air Act and Amendments, Resource Conservation and Recovery Act, and Toxic Substances Control Act—established by federal, state and local authorities for appliance processing and recycling		X



<i>Ref. #</i>	<i>Item</i>	<i>KPCo</i>	<i>ARCA</i>
	activities, including recovery, storage, tracking, reporting and transportation of hazardous components and materials.		
3	Processing Technician Training Ensure recycling center personnel are trained to identify and safely and properly handle materials in Appliances, including PCB- and mercury-containing components, refrigerants, foam insulation, oil, glass, and ferrous and nonferrous metals. Processing technicians engaged in refrigerant recovery and forklift operators are required to hold training certifications from ARCA-approved organizations.		X
4	Materials Requiring Special Handling Recover and properly manage materials requiring special handling, including, but not limited to, components containing polychlorinated biphenyls ("PCBs") or mercury.		X
5	CFC/HCFC/HFC Refrigerants Recover and properly manage CFC, HCFC and HFC refrigerants.		X
6	CFC-11 Blowing Agent Recover and properly manage CFC-11 blowing agents in polyurethane foam insulation in Appliances.		X
7	Non-Hazardous and Recyclable Materials Recycle or dispose of non-hazardous waste, including metals, glass, plastics, and other materials, dependent on availability of materials processors and economic feasibility.		X
8	U.S. EPA RAD Compliance Comply with appliance processing, tracking and reporting requirements of U.S. EPA's Responsible Appliance Disposal Program. On behalf of KPCo's ARP Program, prepare and file the RAD report on an annual basis and provide copies of report to KPCo.		X
9	Materials Transportation Transport materials recovered from Appliances for destruction or recycling according to U.S. DOT regulations applicable for material type.		X

2.7 Incentive Fulfillment

<i>Ref. #</i>	<i>Item</i>	<i>KPCo</i>	<i>ARCA</i>
1	Incentive Processing File Preparation and Submittal Audit ARP orders completed during previous week, prepare file of Participant data for check creation, and submit file to incentive check processor, who prints and mails checks.		X
2	Audit Check Processor File		X



Ref. #	Item	KPCo	ARCA
	Audit file from check processor indicating Participants whose checks were mailed to ensure checks have been processed.		
3	Cancellations and Reissues Respond to Participant inquiries on checks lost or not received after six weeks and reissue checks to Participants as needed.		X
4	Invoicing Prepare incentive invoice and submit to KPCo with backup data file for payment.	S	P
5	Escheatment Audit bank records to identify uncashed checks, attempt to locate Participant to issue replacement check, adhere to individual state laws regarding unclaimed property and submit funds to state as required.		X

2.8. Pricing

Service	Price	See Pricing Note
1 st refrigerator or freezer removed from KPCo Participant's residence during one appointment <u>with</u> foam recovery and management	[REDACTED]	2.8.1.1 2.8.1.2 2.8.1.3
1 st refrigerator or freezer removed from KPCo Participant's residence during one appointment <u>without</u> foam recovery and management	[REDACTED]	2.8.1.1 2.8.1.2 2.8.1.3
2 nd refrigerator or freezer removed from residence with collection of 1 st unit	[REDACTED]	2.8.1.1
KPCo processes and mails Participant incentive (ARCA provides data to KPCo)	[REDACTED]	
Marketing and Advertising Assistance – ARCA provides high-level input in development of KPCo's annual marketing and advertising plan and assists occasionally in media buys and placement	[REDACTED]	

2.8.1.Pricing Notes

2.8.1.1. ARCA's fees include all aspects of program implementation; website, database and all related functions, administration, processing and reporting of ARP Participant information; comprehensive customer service functions, including scheduling collection dates, appointment confirmation, and all related T-1 and toll-free lines; removal and transport of Participant's Appliance to ARCA's recycling facility; Appliance processing and recycling in compliance with all federal, state and local laws, including removal and recycling or destruction of hazardous components and



materials, removal and management of foam insulation (is applicable), recovery of metals and other recyclable materials; incentive processing, mailing and reporting (pricing does not including dollar value of incentive); and program accounting and auditing services.

2.8.1.2. [REDACTED]

2.8.1.3. ARCA will review ferrous metal pricing with KPCo at six-month intervals to discuss potential adjustments in contract pricing based on pricing fluctuations in the scrap metal market.

2.8.1.4. Prices above do not include any applicable sales taxes. Services, if taxable, will be charged and itemized on each invoice.

2.8.1.5. ARCA charges an hourly fee of [REDACTED] for any IT requests outside the standard scope of work. An estimate for any special project will be provided to KPCo for approval prior to beginning any work.

KPCo Budget

	2016	2017	2018	TOTAL
# Units	575	595	615	1,785
Program Cost ¹	\$62,492.45	\$64,627.71	\$66,826.04	\$193,946.20
Incentives ²	\$31,625.00	\$29,750.00	\$30,750.00	\$92,125.00
Total	\$94,117.45	\$94,377.71	\$97,576.04	\$286,071.20

¹ Assumes [REDACTED] 1st units [REDACTED] 2nd units at [REDACTED] per 1st unit and [REDACTED] per 2nd unit. Cost per 1st unit would be lower if KPCo chooses not to process insulating foam and/or the three utilities agree to a blended price for all three utilities.

² Assumes a \$55 per-unit incentive for 2016 and \$50 per-unit incentive for 2017 and 2018.

3 Service Level Non-Compliance Credits and Quarterly Earn-Back Mechanism

Service level non-compliance credits will be applied to overall monthly billed implementation costs if the following metrics are not attained:

Category	Key Performance Service Levels	Non-Compliance Credits
Call Center	At least 80% of calls (platform) answered within 30 seconds	1 point p/percentage
Call Center	At least 99% of customer emails and voice mails answered within one business day	1 point p/percentage
Collection	At least 95% of appliances collected within 15 days of the first call-in date (note: instances where the customer asks for a further out date will be excluded from this calculation)	1 point p/percentage
Collection	At least 95% of appliances picked up within the scheduled	1 point



	appointment window	p/percentage
Collection	Scheduled appointments not met with two (2) previous vendor cancellations are subject to service non-compliance credits.	2 x Non-Compliance Credit = \$320
Incentive File	Incentive file containing accurate required customer information will be provided to KPCo by end-of-day Thursday of each week or as agreed upon by both parties	1 point p/business day
Monthly Reporting	A correct and accurate KPI monthly report to be submitted by the 10 th business day of the month or as agreed upon by both parties	1 point p/business day
Monthly Invoicing	Monthly invoice will be submitted by the 15 th business day of the month or as agreed upon by both parties	1 point p/business day
Customer Complaints	Complaints: 100% of customer complaints responded to initially within one business day	1 point p/business day

Non-compliance credits will accrue at the rate of \$160 per percentage point of non-compliance per metric per month, and will be held as retainage.

Retainage will be released by metric on a quarterly basis if performance levels are attained in at least two of the three months of the given quarter.

Metric-specific retainage will not be released if the following conditions exist:

1. Performance fails to be attained in two of the three applicable months,
2. Percentage deficiency is 5 percentage points or more; or
3. The same service level deficiency had occurred previously during the same program year.

Non-compliance example for first bullet: If the call center answers 79% of calls within 30 seconds in April, then \$160 is held back from the April invoice for missing the 80% target by one percentage point. If the 80% goal is achieved for that same category metric for May and June, then at the end of the quarter in June, the \$160 would be earned back on the June invoice.

4 Monthly General Retainage and Annual Earn-Back Mechanism

5% of overall billed implementation costs will be retained from each monthly invoice.

Retained funds will be released at the end of each calendar year by KPCo according to the schedule below once ARCA submits to KPCo and KPCo accepts data confirming that cumulative program year gross annual energy savings (based on per-unit gross annual energy savings assumptions described in Section 1.6) as follows:

Attained Program Year Gross Annual Energy Savings as % of ARCA Proposed Base Case Annual Energy Savings	% of Retainage Released to ARCA
Below 80%	0%
80.0 to 84.9%	25%
85.0 to 89.9%	50%



90.0 to 97.9%	75%
98.0% or more	100%

If ARCA's data indicate that release of retained funds is warranted and KPCo determines otherwise, KPCo will allow ARCA 10 business days to review and support their position.

Additionally, KPCo may waive its right, at KPCo's sole discretion, to withhold retainage if cumulative program year-to-date savings are less than 100% of year-to-date target if it is determined that the shortfall is due to delays by KPCo (e.g.: approval of marketing plans or tactics), extreme weather, and/or other unavoidable circumstances.

Annual payment of the retainage release will be made in conjunction with KPCo's processing of the last invoice of the year (i.e., for December).



Call Center Escalation Definition Guide

ARCA Recycling is an extension of your business and recognizes the importance of maintaining the standards and image of our clients to your customers. We are committed to handling customers with respect and with a sense of urgency to ensure the overall customer experience represents that of our clients.

1. PLevel 0 – Service-Related Experience

This is defined as:

- ARCA employee or contractor customer service skills were unprofessional.
- ARCA employee or contractor attire or behavior is unprofessional.
- Systems operational but not user-friendly.

2. PLevel 1 – Impact to Order

This is defined as:

- Any delay in scheduling, rescheduling, or picking up of the customer's appliance.
- Any delay in receiving a timely response to their order inquiry.
- Inaccurate information provided contributed to a negative customer experience and delayed the order process.
- A missed pick-up not caused by the customer.

3. PLevel 2 – Monetary Loss or Damage

This is defined as:

- Any report of property damage caused by an ARCA employee or contractor resulting in monetary loss.
- All request for compensation for any reason (e.g., loss of time, incorrect unit removed).
- Any delay in receiving a timely response to property damage or compensation resolution.

4. PLevel 3 – Injury or Authorities Contacted

This is defined as:

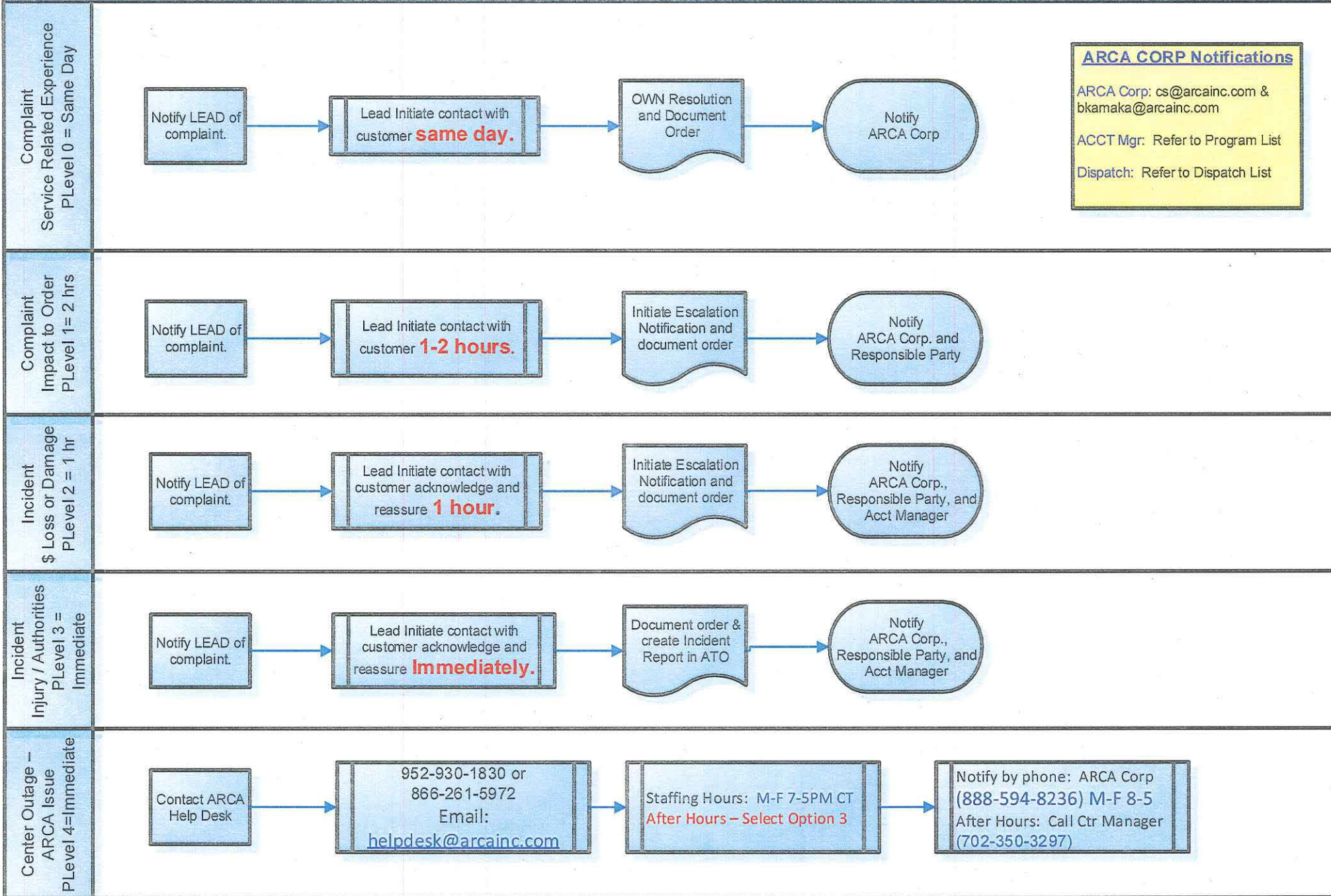
- Police, fire, ambulance contacted by the customer or driver.
- Injury of an ARCA employee, contractor or customer.
- Any delay in receiving a timely response to resolution in either injury or authorities.

5. PLevel 4 – Center Outage or 3rd Party Outage

This is defined as:

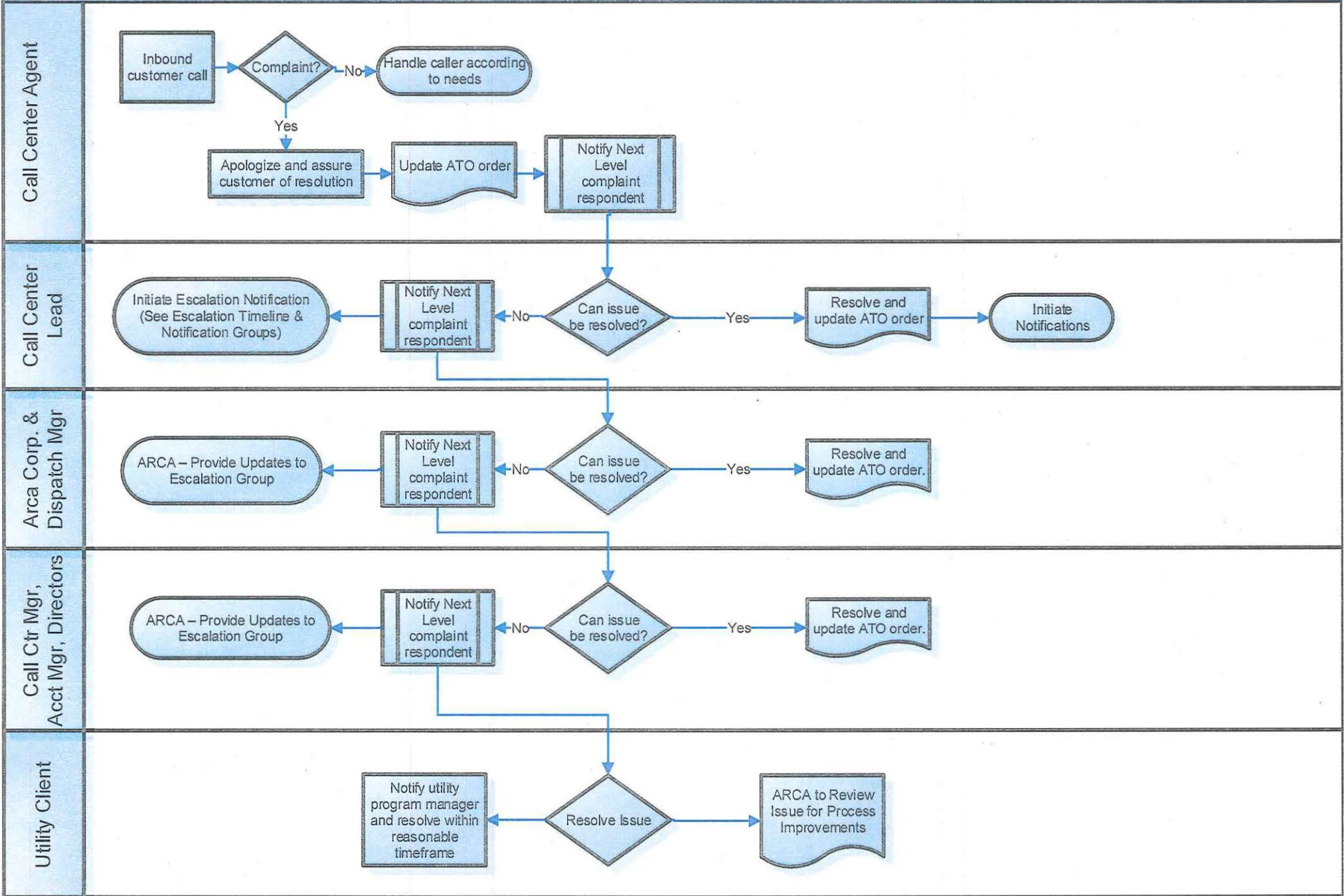
- Inability to take inbound calls from any program.
- Toll-free numbers reaching a busy signal or error message.
- 3rd party database sites are not responding.
- Websites for order entry unavailable.

LEAD Escalation Timeline



Customer Escalation Process – Call Center

07.01.15 V1



Change Control Plan

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Scope

This document will outline an approved process for handling Change Control including, but not limited to, documentation, approval, rejection and reporting. This process shall be used to make changes to the existing work outlined and approved by all parties in the executed contracting instrument. The process shall be used to make adjustments to the existing work including adding measures, changing incentives and other minor changes. This does not include revisions to the general terms and conditions, payment terms or length of the contract. This document shall not be used in the addition of work that could be defined under a separate executed contracting instrument. For example, this shall not be used to separate funding to add a program in place of following the Procurement Policy.

A. Change Control Board

A formally constituted group of stakeholders responsible for reviewing, evaluation, approving, delaying, or rejecting changes to a project, with all decisions and recommendations being recorded.

A Change Control Board (CCB) will be defined to review, approve, reject and disposition any submitted changes to the project. The CCB will include a representative from AEP and a representative from the vendor. The representatives from the AEP and the vendor will have the decision making responsibility in the CCB. The CCB will have authority to approve, reject or delay any submitted Change Order at any step in the process and the decision will be recorded.

Note - If the change impacts the budget of the program, the AEP CCB members will have the authority to review and accept the Change Order but not the authority to sign the document. See CCB Approves/Rejects Change section for additional details.

a. CCB Matrix

AEP Approver	Vendor Approver
EJ Clayton	Rachel Holmes

B. Change Order Form

Requests to expand or reduce the project scope, modify policies, processes, plans, or procedures, modify costs or budgets, or schedules.

The Change Order Form is the formally approved document used in the Change Order process. Any supporting documentation for the change should be attached to the Change Order and retained according to this Change Order Plan. Change Orders will be numbered based on the date of the

Change Order and the incremental number of the orders. The first Change Order will be 1. For example on 12/9/2013 the first Change order will be numbered CO1209131.

C. Change Order Manager

A Change Order Manager will be established to help facilitate the movement of changes for the project. The Change Order Manager will monitor the changes from creation to closure and will be the administrator responsible for the changes.

Change Control Manager	Barrett Nolen
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D. Change Control Log

The Change Control Log will be used to document changes associated with this project. It will keep the following information at a minimum:

- a. Date of Creation*
- b. Number of the Change Order*
- c. Date Submitted to CCB*
- d. Disposition*
- e. Short Description*

E. Change Order Process

a. Identify Change

Any stakeholder in the project may identify a need for a change in the project or the product.

b. Initiate Change Order

The stakeholder that identifies the change may initiate the process by completing the section identified in the Change Order Form. The stakeholder that identifies the change

may also defer to another stakeholder to complete the form but that stakeholder should be involved in the completion of the form to ensure the change is captured correctly.

c. Submit Change Order

Once the Change Order has been initiated and the sections identified in the Change Order Form have been completed the form will be submitted to Change Order Manager. The Change Order Manager will log the change and include it in the weekly meetings, defined in the Communication Plan, for the CCB to complete an initial review. This initial review will allow the CCB to analyze the change and determine if it is something that should be investigated.

On determination that the change should be further investigated the CCB will accept the Change Order by assigning it a number.

If the Change Order is rejected it will follow the steps listed in the Change Order Rejection section.

d. Assign Change Order

Once the Change Order has been accepted by the CCB the Change Order Manager will work with representatives from the appropriate organization to assign it to the appropriate Subject Matter Expert(s) (SME). The appropriate SME(s) will be determined by the point of contact for the corresponding group as identified in the Communication Plan.

e. Create High Level Estimate for Investigation

The assigned SME(s) will be responsible for creating a top down estimate on the hours and material required to investigate the Change Order. The SME(s) will provide this information to the Change Order Manager to be recorder in the appropriate section of the Change Order Form.

f. Approve Investigation

Once the Change Order Form has been updated, the CCB will review the estimate to approve the investigation into the change.

If the Change Order is rejected it will follow the steps listed in the Change Order Rejection section.

g. Change Impacts Reported

Once the Change Order is approved, the SME(s) will investigate, from a bottom up level, the impact to the following as a minimum to the CCB for review of the Change Order. The Change Order Manager will enter this information into the Change Order Form in the appropriate sections.

i. Cost

All costs associated with the change must be reported on the Change Order Form. These may include, but are not limited to, labor costs, material costs or consulting costs.

ii. Schedule

All impacts to the schedule must be reported. This includes, but is not limited to, float days, critical path, completion date and adjustments needing to be made because of holidays and vacations.

iii. Hierarchy of Changes

Once the project has started it is understood that there may be multiple Change Orders that are open, being worked on or waiting for resources. It must be communicated where this change will fall on the priority list and how that impacts the hierarchy of changes.

iv. Open Changes

Once the project has started it is understood that there may be multiple Change Orders that are open, being worked on or waiting for resources. It is understood that a change can impact specific items associated with open changes. This includes, but is not limited to, tasks, deliverables, milestones or resources allocation. The impacts to the other open changes must be communicated.

h. CCB Approves/Rejects Change

After the SME(s) have updated the Change Order document the CCB will review the document. During this review the CCB is given the opportunity to ask additional questions to the SME(s) to obtain further clarity on the change and its impacts. The SME(s) will be given additional time if needed to provide answers to these questions. This length of time given will be agreed on by both the CCB and the SME(s).

Once the Change Order has been finalized it will be submitted to the Vendor's CCB for approval. After the Change Order has been signed by the authorized agent from the Vendor the Change Order will be routed to AEP's CCB.

Each CCB will be given 5 business days to approve the change. This duration does not include time for the SME(s) to respond to questions about the change. Once the SME(s) respond the time for the CCB to approve the change will reset and each CCB will have 5 business days to approve the change.

If a CCB cannot approve the change within the 5 day time period the change will be passively rejected. If the Change Order is rejected it will follow the steps listed in the Change Order Rejection section.

If a CCB member is unavailable during the approval period of the change, the missing member can either select a replacement to fill in or the member may choose to delay all approvals until they return. The max duration for a CCB member to be absent and select to delay all approvals is 5 business days. The CCB member must select a replacement for any planned absence beyond five (5) days. In the event of an unexpected absence, the CCB's supervisor may select a replacement.

If the change impacts the budget of the program, the AEP CCB member(s) will have the authority to review and accept the Change Order but not the authority to sign the document. Once the Change Order has been accepted, the Change Order Manager will be responsible to obtain signatures from an authorized signee at the dollar level of the total budget with the addition for the change for the correct business unit.

It is the role of the Change Order Manager to track the dates and timing of the change in the Change Order Log.

i. Project Baseline Update/Distribution

Once the change has been approved the Change Order Manager will work with the project leaders to update the cost and delivery baselines in the Project Plan. After this has been completed the Change Order Manager will send an email to the appropriate stakeholders to notify them of the changes to the baseline. The Change Order Manager may attach any supporting document required to help the recipients understand the change.

The Change Order Manager will facilitate a meeting to update the Risk Register based on the change. The Change Order Manager will work with the appropriate groups to identify the attendees required for this meeting. During this meeting the Risk Register will be reviewed and updated.

F. Change Order Rejection

At any time the Change Order can be rejected. If the Change Order is rejected, it will be updated in the appropriate section and the Change Order will follow the document retention section of this document. Any rejected Change Order can be resubmitted to the CCB at any time. The resubmitted Change Order will be assigned a new number and the Change Order will be treated as a new Change Order but will be noted as a resubmission.

G. Document Retention

All Change Order Forms and supporting documents will be kept through the life of the project. These documents will be stored in a manner that allows easy access to any stakeholder. At the completion of the project, in the closing phase, the team should review the changes and update the lessons learned document from lessons learned based on the changes to the project. After this has been completed the Change Order Manager can disposition the Change Orders and the associated documentation.

H. Glossary

Risk Register – The document containing the results of the qualitative risk analysis, quantitative risk analysis, and risk response planning. The risk register details all identified risks, including description, category, cause, probability of occurring, impacts(s) on objectives, proposed responses, owners, and current status.



ARCA Welcome Packet-IT Data

This document is intended to provide IT Data information for ARCA’s utility customers. ARCA’s application is an enterprise system designed to help facilitate the management of a utility company’s appliance program.

Customer Data File Submissions

SFTP is the preferred method for utilities to provide their customer data, in order to verify program eligibility.

ARCA customers will be provided with access to their own directory on ARCA’s SFTP site. With SFTP, the files are encrypted as they are passed over the internet. Unique log in credentials are provided to ensure that only utility representatives and ARCA employees have access to sensitive data

It is the utility company’s responsibility to remove previous customer file submissions when placing updated files on the SFTP site. ARCA will always use the most recent files found on the SFTP site.

ARCA recommends a monthly file submission to ensure the most accurate customer verification. It is the utility company’s responsibility to notify their ARCA representative when a new customer verification file has been uploaded.

The customer data file should be a full, refreshed list of current customer data with each submission, and not simply additions and deletions. The refreshed customer data file will overwrite the previous customer database.

Customer Data File Specifications

AEP will provide the following data feed for customer verification:

K	Name	Datatype	L...
▶	CO_CD_OWN	string	2
▶	PREM_NB	string	9
▶	CUST_NB	string	9
▶	BILL_ACCT_NB	string	11
▶	CUST_1ST_1_NM	string	35
▶	CUST_LAST_1_NM	string	35
▶	CUST_1ST_2_NM	string	35
▶	CUST_LAST_2_NM	string	35
▶	SERV_HOUS_NBR_AD	string	7
▶	SERV_PRDR_AD	string	2
▶	SERV_ADDR	string	100
▶	SERV_ST_DSGT_AD	string	4
▶	SERV_UNIT_NBR_AD	string	7
▶	SERV_UNIT_DSGT_AD	string	4
▶	SERV_CITY_AD	string	20
▶	STATE_CD	string	2
▶	SERV_ZIP_AD	string	10
▶	MAIL_1_AD	string	35
▶	MAIL_2_AD	string	35
▶	MAIL_CITY_AD	string	20
▶	STATE_CD_AD	string	2
▶	MAIL_ZIP_AD	string	10
▶	TLPH_USE_1_CD	string	1
▶	TLPH_1_NB	number	10



- The file must be one of the following file types:
 - .CSV (The file must be comma delimited)
 - .TXT (The file must be comma delimited)
 - .XLS
 - .XLSX
- The file name must include the utility company name and the date of the submission (utilitycompany_YYYYMMDD).

ARCA Backup Data

ARCA provides a standard supporting data set to use for validating invoice information. When applicable, it is the utility company's responsibility to remove older backup files from the SFTP site.

Format Options: Microsoft Excel, .CSV File, or .TXT file.

Field Name	Data Type	Description
PickupDate	Date/Time	Date the appliance was picked up
OrderNumber	Number	Appliance Recycling Order Number
FirstName	Text	Customer First Name
LastName	Text	Customer Last Name
Address	Text	Customer Address
City	Text	Customer City
State	Text	Customer State
ZipCode	Text	Customer Zip Code
AccountNo	Text	Customer utility account number
PhoneNumber	Text	Customer phone number
AltPhoneNumber	Text	Customer second phone number
DateSubmitted	Date/Time	Date the order was taken
DateScheduled	Date/Time	Date the appliance is scheduled to be picked up
InvoiceNumber	Number	Number of the billing invoice
UnitSequenceNo	Number	Line number of the appliance being picked up
UnitType	Text	Description of appliance being picked up
UnitLocation	Text	Location of the appliance at the customer's home
UnitBrand	Text	Brand name of the appliance being picked up
UnitModel	Text	Model of the appliance being picked up
UnitColor	Text	Color of the appliance being picked up
UnitCuFt	Number	Number of cubic feet for the appliance
UnitAmps	Number	Number of amps of the appliance being picked up
UnitDefrostType	Text	Description of defrost type of the appliance
UnitAge	Number	Year of the appliance
UnitCFC11Removal	Text	Does the appliance contain CFC 11?



ARCA Standard Reports

ARCA provides a set of standard reporting options to allow for real-time visibility into the program. The following is the list of standard reports, with a brief description of the contents.

Recycling Programs

Order Lookup

- Shows details of specific ATO orders.

Activity Summary Report

- Shows an overview of orders placed and scheduled for collection.

Pending Orders

- Shows details of active orders and collections.

Canceled Orders Summary

- Shows details on canceled orders.

Rescheduled Orders

- Shows details on orders that have been rescheduled.

Zip Code Activity Report

- Shows an overview of activity by zip code.

Appliance Types Report

- Shows a summary of appliance types billed, and filtered by date billed.

Customer Service Feedback Report

- Shows an overview of program incidents and/or compliments.

Order Overview Report

- Shows a detailed order overview including custom order information.

Missing Account Number Entry

- A tool to allow you to verify a customer's eligibility, when not found in the provided customer database.

Marketing Awareness Report

- Shows an overview of customer program awareness responses.

Program Survey Responses

- Shows an overview of program survey responses.

Replacement Programs

Replacement-Lookup ATO



- Shows details of specific ATO orders.

Replacement-Energy Efficiency Recap Report

- Shows summary level details of replacement program activity, including estimated energy savings.

Replacement - Site Inspections without Replacement

- Shows orders that have failed their site inspection.

Replacement - Orders Delivered

- Shows orders that have been delivered.

Replacement - ATO By Actual Pickup Date

- Shows orders that have been delivered, including pickup date.

Replacement - ATO by Ordered Pickup Date

- Shows orders that have been delivered, filtered by zone and pickup date.

Replacement - Canceled ATO

- Shows details on canceled orders.

Replacement - Rescheduled ATO

- Shows details on orders that have been rescheduled.