

MODIFIED AND RESTATED
CUSTOMER ASSISTANCE PROGRAM PILOT
AGREEMENT

RECEIVED

JAN 24 1997

STANLEY J. SMOUL

between

COLUMBIA GAS OF KENTUCKY, INC.
200 Civic Center Drive
P.O. Box 117
Columbus, Ohio 43216-0117

and

COMMUNITY ACTION COUNCIL
FOR LEXINGTON-FAYETTE, BOURBON,
HARRISON AND NICHOLAS COUNTIES, INC.
913 Georgetown Street
P.O. Box 11610
Lexington, Kentucky 40576

MODIFIED AND RESTATED AGREEMENT

THIS MODIFIED AND RESTATED AGREEMENT, effective the 1st day of November, 1996, by and between Columbia Gas of Kentucky, Inc., a Kentucky corporation with offices located at 2001 Mercer Road, Lexington, Kentucky 40512 ("Columbia"), AND Community Action Council for Lexington-Fayette, Bourbon, Harrison and Nicholas Counties, Inc., a Kentucky nonprofit corporation and community action agency having its principal offices and place of business at 892 Georgetown Street, Lexington, Kentucky 40576 ("CAC").

WHEREAS, as a result of Columbia's 1994 Rate Case ("In the Matter of: Notice of Adjustment of Rates of Columbia Gas of Kentucky, Inc., On and After July 1, 1994", Case No. 94-179), the Kentucky Public Service Commission ("Commission" or "PSC") approved Columbia's proposal to undertake a Customer Assistance Program Pilot ("CAP");

WHEREAS, Columbia must develop and implement a pilot Customer Assistance Program, designed primarily to assist 500 certain payment-troubled residential customers in the Lexington, Kentucky area, and 250 certain payment-troubled residential customers in other parts of Columbia's service territory, as agreed to by the parties;

WHEREAS, a goal of the CAP pilot is to gather useful data for statistical evaluation and analysis, for use by all parties involved, including but not limited to the Commission, Columbia, and CAC;

WHEREAS, Columbia desires to fulfill its obligation under the Commission's order by planning to implement CAP, and Columbia has begun preparation of a Workplan outlining how Columbia will conduct and administer the CAP program, including the use of outside agencies such as CAC;

WHEREAS, Columbia desires to have CAC assist in the development, implementation, and administration of the CAP pilot project;

WHEREAS, CAC desires to provide the services required to assist Columbia in developing, implementing, and administering Columbia's CAP project; and

WHEREAS, Columbia and CAC desire to modify and restate their prior Agreement dated December 14, 1995;

NOW, THEREFORE, in consideration of the mutual covenants and promises contained herein, as well as other good and valuable consideration, the parties do hereby mutually covenant and agree as follows:

ARTICLE 1. TERM

1.1 This Agreement shall be effective from November 1, 1995, and shall continue thereafter for a period of three (3) years from the CAP startup date or until Columbia deems the pilot is completed.

1.2 Either party may terminate this Agreement upon notice if the other party shall become insolvent, or shall make a general assignment for the benefit of its creditors.

1.3 Either party may terminate this Agreement for any reason upon thirty (30) days prior written notice.

ARTICLE II. SCOPE; RESPONSIBILITIES; DUTIES

2.1 CAC shall provide services pursuant to this agreement in the Lexington-Fayette urban area. CAC shall provide services through the Kentucky River Foothills Community Action Agency and the Big Sandy Community Action Agency, as subcontractors, in those community action agencies' respective service areas.

2.2 CAC agrees to provide intake screening for the CAP pilot. CAC assumes responsibility for completing application forms, obtaining income and expense information and verification, obtaining the applicant's signature on a release form to be provided by Columbia (see also §12.5 herein), explaining the CAP payment formula, program guidelines and Columbia's policies which must be followed by the customer, and entering such information into CAC's computer system. When an applicant(s) has been accepted into the CAP, CAC will enroll such applicant(s) into Columbia's computer system. The attainment of a signed release form by Columbia shall be a condition precedent to customer participation in the CAP pilot. CAC also agrees to process "LIHEAP" (Low Income Heating Energy Assistance Program) applications, if applicable. CAC agrees to mail a CAP plan approval letter to each eligible customer who is accepted into the pilot, such letter to provide the due date of the first CAP payment.

2.3 With respect to the CAP pilot, default shall be defined in the detailed document outlining the CAP program attached

hereto as Attachment B (the "Workplan"), and shall be handled as specified therein. CAC shall be responsible for removing from the CAP pilot all customers failing to comply with any term of the customers' agreement with Columbia to become CAP participants. CAC shall send a letter to such customers, explaining the reasons for removal. CAC shall then release the account to the local Columbia office and perform an exit interview to determine the reasons for noncompliance.

2.4 All application procedures and requirements normally applicable and described above shall apply upon reapplication for admission to the program.

2.5 CAC shall be responsible for handling customer calls regarding CAP accounts. A toll free number ("1-800 number") has been installed for use by CAP customers.

2.6 CAC agrees to administer the program in accord with the Workplan developed by Columbia and others, a copy of which is attached hereto as Attachment B, and shall be incorporated into and made a part of this Agreement.

2.7 CAC shall participate in the evaluation portion of the program, and shall assist in gathering data for statistical analysis and evaluation as deemed appropriate by the parties.

2.8 CAC shall maintain accurate books, records, and documents that pertain to costs, labor, and expenses incurred under this Agreement. CAC agrees to exercise its best efforts to stay within the estimated expenses as provided in Attachment A, and to contact Columbia for the purpose of seeking prior approval from Columbia before incurring expenses that are significantly higher than those outlined in Attachment A.

2.9 CAC and its subcontractors shall perform hereunder solely as independent contractors. Neither CAC nor any other person employed or engaged by CAC in connection with the performance of work under this Agreement shall be deemed to be an employee, agent or representative of Columbia.

2.10 At the time work is performed under this Agreement, CAC shall employ its best efforts to obtain from eligible customers such information as Columbia or its designees may require from time to time, and shall report and retain such information in such form, detail and frequency as Columbia or its designee may require from time to time. CAC will provide Columbia with monthly and annual reports, listing the number of applications, acceptances, rejections, number of defaults and reason for such noncompliance, and the number of education visits and remedial visits.

2.11 Columbia shall provide CAC access to Columbia's

Distributive Information System ("DIS"), for the input of data as required under this Agreement. Columbia shall provide training of CAC personnel for such access.

2.12 CAC and its subcontractors shall retain all records that relate to the work performed hereunder and shall make such records available to Columbia or its designee, and to the Public Service Commission Staff or its designee, upon request. Such records shall be retained for a period of five (5) years after completion of the CAP pilot.

2.13 CAC shall select, train, and supervise its personnel chosen to perform CAC's duties which relate to the CAP pilot under this Agreement.

2.14 Columbia shall provide customer listings by ZIP Code, as well as postcards, brochures, labels and other literature to CAC for dissemination to customers.

2.15 Columbia shall be responsible for devising a CAP pilot and Workplan that comply with any order of the Public Service Commission.

2.16 CAC's employees, and those of its subcontractors, will have appropriate identification cards to identify themselves as employees of their respective community action agencies.

2.17 CAC and its subcontractors shall have in place and consistently enforce a policy prohibiting the use and abuse of alcohol and illegal chemical substances.

2.18 CAC and its subcontractors shall have in place and consistently enforce a policy requiring all employees to be respectful of customers and the customers' property and to maintain good and proper customer relations.

ARTICLE III IDENTIFICATION OF ELIGIBLE CUSTOMERS

3.1 Columbia shall provide CAC with one or more lists of eligible customers within the appropriate geographic regions involved in this pilot project. Outreach to participants shall originate from eligible customer lists provided to CAC by Columbia.

3.2 CAC and its subcontractors may supplement from their own data resources the outreach lists provided by Columbia.

ARTICLE IV. RESERVATION BY COLUMBIA

4.1 Columbia expressly reserves the right to limit the

number of eligible customers to participate in the CAP pilot, and also expressly reserves the right to expand the number of eligible customers, in order to meet the stated program goal of an enrollment of 500 (Lexington area) and 250 (other Columbia service territory) customers, respectively.

4.2 All forms, printed materials, and computer software developed or utilized to implement or promote the CAP pilot, including written communications to Columbia customers, must be approved by Columbia as a condition precedent to Columbia's obligation to perform under this Agreement. CAC agrees to assist in the development of the forms and communications to be used.

ARTICLE V. TRAINING AND SUPERVISION

5.1 CAC shall be responsible for the supervision of all work performed by its contractors, subcontractors, or intake screening agencies pursuant to this Agreement.

ARTICLE VI. COMPENSATION

6.1 Attachment A sets forth the estimated total expenses CAC will incur in its performance under this Agreement. It is understood between the parties that the number of applications to be processed included on Attachment A are estimates. For an application to be considered valid and complete, applicants must meet the requirements as set forth in Columbia's Workplan, as referenced in Section 2.5 herein.

6.2 CAC will invoice Columbia on a monthly basis for administrative charges to be incurred during the previous billing cycle; administrative charges to include salaries, rent, etc., as provided in Section II of Attachment A, and for actual expenses incurred (application processing fees, mailing of postcards, follow up phone calls, re-certification and reentry procedures) on an actual basis and in such detail as may be reasonably required by Columbia, after such costs have been incurred by CAC.

6.3 Columbia shall remit payment to CAC, pursuant to the price schedule set forth in Attachment A attached hereto and hereby incorporated herein by reference, within thirty (30) days of receipt of CAC's invoice. Payment shall be by means of a check made payable to "CAC."

6.4 Columbia, and its duly authorized representatives, shall have access, at reasonable times during the term of this Agreement, and for a five (5) year period following completion or termination of the CAP pilot, to all of CAC's personnel, books, records, correspondence, instruction, plans, drawings, receipts, vouchers and memoranda of every description pertinent to work

performed pursuant to this Agreement for the purpose of auditing and verifying cost of work, or to determine Columbia's rights or CAC's obligations hereunder, or to ascertain any facts relative to any claim against CAC or its subcontractors which has or may become a charge against Columbia or the work or for any other reasonable purpose. Said representatives shall have the right to reproduce the aforesaid articles at Columbia's expense. Columbia shall have sufficient audit access to CAC's costs in the fixed rate areas to satisfy itself that all services that are supposed to be included in said fixed rates are so included. Columbia acknowledges that the aforesaid articles and information may be privileged and confidential, and agrees not to disclose any such articles or information to third parties except in conformance with that undated Confidentiality Agreement entered into by the Parties on or about June 28, 1995, and as may be required by any Columbia affiliate; auditor of Columbia or its affiliate; law, or order of any court or request of any government agency.

6.5 CAC shall ensure Columbia's audit rights by inclusion of an audit clause guaranteeing Columbia equivalent audit rights to those provided for herein, in each of its contracts or agreements with subcontractors, if applicable.

ARTICLE VII. INSURANCE AND INDEMNITY

7.1 CAC shall hold harmless and indemnify Columbia from and against any and all loss, damage or liability, and from any and all claims for damage on account of or by reason of bodily injury, including death, which may be sustained or claimed to be sustained by any person, including employees of CAC and of any subcontractor, and from and against any and all damages to property, including loss of use, and including property of Columbia, caused by or arising out of or claimed to have been caused by or arisen out of an act or omission of CAC, its agents, employees or subcontractors in connection with the performance of this agreement; provided however, that the foregoing indemnification will not cover loss, damage, or liability arising from the negligence, omission or willful misconduct of Columbia, its agents and employees.

7.2 Columbia shall hold harmless and indemnify CAC and its subcontractors from and against any and all loss, damage or liability, and from any and all claims for damage on account of or by reason of bodily injury, including death, which may be sustained or claimed to be sustained by any person, including employees of Columbia and of any subcontractor, and from and against any and all damages to property, including loss of use, and including property of CAC, caused by or arising out of or claimed to have been caused by or arisen out of an act or omission of Columbia, its agents, employees or subcontractors in connection with the performance of this agreement; provided

however, that the foregoing indemnification will not cover loss, damage, or liability arising from the negligence, omission or willful misconduct of CAC, its subcontractors, agents and employees.

7.3 CAC shall furnish and maintain insurance coverage for Workers' Compensation, Employer's Liability, and general business liability, as required by Columbia, during the term of this Agreement. CAC agrees to assume all responsibility for ensuring that its subcontractors are insured to the satisfaction of Columbia, consistent with the provisions of this Agreement.

7.4 The Certificate of Insurance of CAC and its subcontractors shall name Columbia as an additional insured, and shall be furnished by CAC to Columbia upon execution of this Agreement. Said Certificate of Insurance shall also state that any excess or umbrella liability policies are in excess of all primary coverage.

ARTICLE VIII. TAXES

8.1 Columbia and CAC shall each pay all taxes of every kind as respectively assessed to or levied on each, without right of contribution by the other. No provision of this Agreement shall be affected by an increase or decrease in the rate or amount of any tax, the repeal of an existing tax, by the enactment of a new tax, or by the subsequent application hereto of any existing tax.

ARTICLE IX. LABOR AND WAGE LAW

9.1 CAC warrants that its obligations hereunder will be performed in compliance with the Civil Rights Act of 1964 (July 2, 1964, 78 STAT. 241) and The Fair Labor Standards Act of 1938 (June 25, 1938, 52 STAT. 1060), as amended, all provisions thereof being incorporated by reference.

ARTICLE X. EQUAL EMPLOYMENT OPPORTUNITY

10.1 The equal opportunity clause appearing at 41 C.F.R. 601.4, and the affirmative action clauses appearing at 41 C.F.R. 741.4, and 41 C.F.R. 60.250.4 are incorporated by reference herein.

ARTICLE XI. NOTICES

11.1 Notices to Columbia shall be addressed as follows:

Columbia Gas of Kentucky, Inc.

2001 Mercer Road
P.O. Box 14241
Lexington, KY 40512-4241
Attn: Carolyn Woodford, CAP Administrator

11.2 Notices to CAC shall be addressed as follows:

Community Action Council
913 Georgetown Street
P.O. Box 11610
Lexington, KY 40576
Attn: Jack E. Burch, Executive Director

11.3 All notices required by this Agreement shall be in writing and sent to the party at the address set forth in this Agreement, or may be hand delivered by the party giving notice. Either party may change its address for receiving notices by written notice to the other party.

ARTICLE XII. MISCELLANEOUS

12.1 This Agreement shall be binding upon and enure to the benefit of the successors and assigns of the respective parties hereto. No assignment of this Agreement, in whole or in part, will be made without the prior written consent of the non-assigning party, which consent shall not be unreasonably withheld.

12.2 No waiver or any breach of this Agreement shall be held to be a waiver of any other or subsequent breach. All remedies afforded in this Agreement shall be taken and construed as cumulative, that is, in addition to every other remedy provided herein or by law.

12.3 This Agreement (including the Workplan attached hereto) sets forth all understandings between the parties respecting the subject matter of this transaction and all prior agreements, understandings and representations, whether oral or written, representing this subject matter are merged into and superseded by this written Agreement, except that Confidentiality Agreement entered into by the Parties on or about June 28, 1995. No modification or amendment of this Agreement shall be binding upon either party unless in writing and signed by the party to be bound.

12.4 The interpretation and performance of this Agreement shall be conducted in good faith by both parties, and shall be governed by the laws of the Commonwealth of Kentucky.

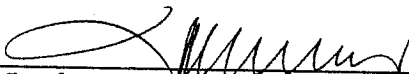
12.5 CAC shall secure the signature of each eligible customer receiving assistance under the CAP pilot, on a release

form supplied by Columbia. Said release form shall clearly indicate that the eligible customer receiving aid releases Columbia from all liability relating to service under, or dissemination of information regarding the CAP pilot contemplated herein but does not release Columbia from any duty otherwise owed to its customers, authorizes Columbia to publish, disseminate, reproduce, use and dispose of any data furnished by or regarding eligible customers in such manner as Columbia deems appropriate (subject to the Confidentiality Agreement), and acknowledges that the projected savings resulting from the CAP pilot is an estimate. In the event that Columbia modifies said release form, and such modification results in additional expense to CAC, Columbia agrees to reimburse CAC for the additional, reasonable expense so incurred.

IN WITNESS WHEREOF, the parties hereto have caused their names to be signed and their seals affixed on the days and year hereinafter written.

COMMUNITY ACTION COUNCIL FOR LEXINGTON-FAYETTE, BOURBON, HARRISON AND NICHOLAS COUNTIES, INC.

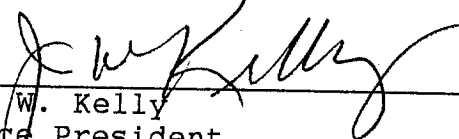

Date: 1/17/97

By: 
Jack E. Birch
Executive Director


Witness

COLUMBIA GAS OF KENTUCKY, INC.

Date: 3-13-97

By:  
J. W. Kelly
Vice President


Witness

Ref:31\85007845.06

COMMUNITY ACTION COUNCIL				
FOR				
LEXINGTON-FAYETTE, BOURBON, HARRISON AND NICHOLAS COUNTIES, INC.				
COLUMBIA GAS CLIENT ASSISTANCE PROGRAM				
JULY 1, 1996 - JUNE 30, 1997				
BUDGET SUMMARY				
	CURRENT BUDGET	INCREASE/ DECREASE	PROPOSED BUDGET	INCREASE/ (DECREASE)
REVENUE:				
Revenue (Contract)	61,381	15,921	77,302	26%
Total Revenue	61,381	15,921	77,302	26%
EXPENSES:				
Personnel	18,359	2,016	20,375	11%
Fringe Benefits	8,209	-287	7,922	-3%
Travel	1,980	-1,650	330	-83%
Equipment	0	0	0	#DIV/0!
Supplies	1,300	1,000	2,300	77%
Contracts	0	20,409	20,409	#DIV/0!
Other	25,524	-5,150	20,374	-20%
Total Direct Expenses	55,372	16,338	71,710	30%
Indirect Cost Expenses	6,009	-417	5,592	
Total Expenses	61,381	15,921	77,302	26%
Revenue Over/ Under Expenses	0	0	0	

COMMUNITY ACTION COUNCIL
FOR
LEXINGTON-FAYETTE, BOURBON, HARRISON AND NICHOLAS COUNTIES, INC.

COLUMBIA GAS CLIENT ASSISTANCE PROGRAM
JULY 1, 1996 - JUNE 30, 1997

DEPARTMENT SUMMARY

		FY '96	INCREASE/ (DECREASE)	FY '97	PERCENT INCREASE/ (DECREASE)
		BUDGET		BUDGET	
REVENUE					
12 01 01 4010	Revenue (Contract)	61,381	15,921	77,302	26%
	Total Revenue	61,381	15,921	77,302	26%
		FY '96	INCREASE/ (DECREASE)	FY '97	PERCENT INCREASE/ (DECREASE)
		BUDGET		BUDGET	
EXPENSES					
12 01 01	CAP Regular Expenses	60,381	16,121	76,502	27%
12 01 02	CAP/Program Development	1,000	-200	800	-20%
	Total Expenses	61,381	15,921	77,302	27%
Revenue Over/ Under Expenses		0	0	0	

	FY '96 BUDGET	INCREASE/ (DECREASE)	FY '97 BUDGET	PERCENT INCREASE/ (DECREASE)
12 01 02 CAP PROGRAM DEVELOPMENT				
6000 Salary Expense-Permanent	700	-100	600	-14%
6010 Salary Expense - Temporary	0	0	0	#DIV/0!
6110 FICA Expense	54	-8	46	-15%
6120 Workers Compensation Expense	63	-39	24	-62%
6130 Pension Expense	56	-8	48	-14%
6140 Health Insurance Expense	50	-24	26	-48%
6150 Life Insurance Expense	7	-1	6	-14%
6160 Unemployment Insurance Expense	28	-4	24	-14%
6170 Disability Insurance Expense	6	-3	3	-50%
6180 K125/Cafeteria Plan Expense	0	0	0	#DIV/0!
6190 Health Promotion Expense	7	-1	6	-14%
7299 Shared Personnel	29	-12	17	-41%
Total Program Development	1,000	-200	800	-20%

Columbia Gas Client Assistance Program, Fiscal Year 1996 - 1997
EXPENSES

Narrative

Personnel, 12 01 01

- 6000 Salary Expense
Based on Director, OCS @ 15%; Administrative Assistant I/OCS @ 25%;
(3) Client Service Aides @ 5% each; (2) Community Resource Developers
@ 5% each and Data Processing Systems Technician @ 7%
Salary also included merit increases for eligible staff no cost of living is budgeted.
Increased: \$2,116
- 6010 - 6190 Fringe Benefits
Based on above salaries
FICA @ 7.65%
Workers Compensation @ 3%
Pension @ 8%
Health Ins. estimate based on the fact that present employee benefit plan can exceed FY
'96 plan by \$10/month/employee
Life Ins. @ .99%
Unemployment Ins. @ 4% of first \$8,000 salaries
Disability @ .4%
K125 Cafeteria Plan
Health Promotions @1%
Decreased: \$287

Non-Personnel 12 01 01

- 7100 In-Area Travel Expense
Based on 1,500 miles @ .22 per mile for use of personal vehicle to be used in home
visits to participants
Decreased: \$1,650
- 7125 Food Expense
Based on cost of refreshments (soft drinks, chips, cookies, etc.) for
client training sessions.
Increased: \$450
- 7130 Contract Expense
Based on contracts with Big Sandy Community Action Agency (\$10,400) and Kentucky
River Foothills Development Council (\$10,009) to provide CAP program to clients in
their service areas. The difference in contract amounts is due to the higher indirect rate
of Big Sandy Community Action Agency. The contracts are based fixed cost per
participant plus agency indirect.
Increased: \$20,409
- 7140 Contract Labor Expense
Based on one Graduate student at \$2,500 per semester and \$1,500 for the Summer term
to perform recruitment and conduct an energy conservation education program
No Change
- 7200 Insurance and Bonding Expense

Based on \$72/ .72 FTE
Decreased: \$328

- 7225 Communications Expense
Based on the cost of one 800 line at \$10.00 per month (\$120.00 per year) and .16 per minute. It is estimated that each application will take approximately 30 minutes to enroll in IRIS - 30 minutes X 350 (350 was used in the calculation to account for re-verifications of participants with 0 income and for replacing participants who drop or are removed from the program) participants = 10,500 minutes - 10,500 minutes X .16/minute = \$1,800 plus \$800 in regular long distance charges to allow for technical assistance to Big Sandy Community Action Agency and Kentucky River Foothills Development Council.

Increased: \$1,800
- 7230 Program Transportation Expense
Based on use of agency vehicle to be used in home visits at agency rate.
Decreased: \$1,000
- 7299 Shared Personnel Expense
Based on \$28 per \$1,000 salary line
Increased: \$51
- 7301 Data Processing Consultant Expense
Based on 45 hours programming @ \$70 per hour for modifications to IRIS to allow access to the intake, service plan and CAP programs to Big Sandy Community Action Agency and Kentucky River Foothills Development Council.
Decreased: \$7,700
- 7303 Data Processing Equipment under \$500 Expense
Based on the purchase of four high speed modems to allow for information transfer between the Council and Big Sandy Community Action Agency and Kentucky River Foothills Development Council
Increased: \$1,200
- 7304 Data Processing Repair and Maintenance Expense
Based on the percent of time existing equipment will be used for this project
Increased: \$105
- 7305 Data Processing Rental/Lease Expense
Based on the cost of leasing one PC @ \$75/month and one laser printer @ \$65/month
No Change
- 7306 Data Processing Supplies Expense
Based on the cost of toner cartridges, printer paper, approval cards, etc.
Increased: \$1,000
- 7342 Fax Expense
Based on fax cost for similar projects
Increased: \$300
- 7990 Indirect Cost Expense

Shared Personnel Expense \$ 573

Based on \$29 per \$1,000 salary line.

Data Processing Consultant Expense \$ 8,200

Based on approximately 100 hours programming/consultation @ \$70/hour to modify IRIS to allow Big Sandy and KRFDC access to the intake, service plan and Columbia Gas Customer Assistance Program, and to change reports to run by county code as well as travel and expenses for consultants for trips to Big Sandy and Kentucky River Foothills.

Data Processing Equipment under \$500 Expense \$ 1,500

Based on purchase of four high speed modems to allow for information transfer between Community Action Council, Big Sandy Community Action and Kentucky River Foothills Development Council.

Data Processing Repair and Maintenance Expense \$ 95

Based on the percent of time existing equipment will be used for this project.

Data Processing Rental/Lease Expense \$ 3,360

Based on the cost of leasing one PC @ \$75/month , one laser printer @ \$65/month and 7 HP LaserJet 5L printers for Big Sandy and Kentucky River Foothills @ \$140/month (\$20.00/month/printer).

Data Processing Supplies Expense \$ 2,000

Based on cost of toner cartridges, printer paper, approval cards, etc.

Postage & Freight Expense \$ 1,000

Based on cost of mailings to participants.

Photocopy Expense \$ 1,000

Based on copy costs for client verification documents, etc.

Fax Expense \$ 600

Based on fax cost for similar projects.

Program Development \$ 800

Based on percent of involvement of Program Development personnel in promotion of this project.

Indirect Cost Expense \$ 6,325

Based on 10.9% of direct charges less Big Sandy and KRFDC contract amounts - maximum allowable.

Total Budget \$84,765

Communication, Postage, Fax	1,000
Travel - 5,000 miles @ .22/mile	1,100
Food (for meetings @ \$12.50/meeting X 24 meetings)	300
	<hr/>
	\$ 9,250
Indirect Cost @ 18.4% of salaries	1,150
Total Contract	\$10,400

Kentucky River Foothills Development Council:

Student Stipend - \$3,400 per year (\$1,360 per semester and \$680 for summer term)	
125 applications @ \$25/application	\$3,125
(Payment for applications will be as follows: as of 12/31/96 - \$12.50 per participant, as of 3/31/97 \$6.25 per participant; and 6/30/97 \$6.25 per participant)	
125 follow-up visits @ \$25/home visit	3,125
Program supplies/materials	600
Communication, Postage, Fax	1,000
Travel - 5,000 miles @ .22/mile	1,100
Food (for meetings @ \$12.50/meeting X 24 meetings)	300
	<hr/>
	\$ 9,250
Indirect Cost @ 8.2%	759
Total Contract	\$ 10,009

Contract Labor Expense \$ 6,500

Based on one Graduate student at \$2,500 per semester and \$1,500 for the Summer term to perform recruitment and develop an energy conservation education program.

Insurance and Bonding Expense \$ 52

Based on \$72/FTE

Communication Expense \$ 2,600

Based on the cost of one 800 line at \$10.00 per month (\$120.00 per year) and .16 per minute. It is estimated that each application will take approximately 30 minutes to enroll in IRIS - 30 minutes X 350 (350 was used in the calculation to account for re-verifications of participants with 0 income and for replacing participants who drop or are removed from the program) participants = 10,500 minutes - 10,500 minutes X .16/minute = \$1,800 plus \$800 in regular long-distance charges to allow for technical assistance to Big Sandy Community Action and Kentucky River Foothills Development Council.

Program Transportation Expense \$ 1,100

Based on use of agency vehicle use in home visits to participants at agency rate.

Columbia Gas Client Assistance Program
Justification

Salary Expense **\$ 19,775**

Based on Director, OCS @ 15%; Administrative Assistant I/OCS @ 25% (this position's time share has been increased to allow for training and technical assistance for Big Sandy Community Action and Kentucky River Foothills Development Council); (3) Client Service Aides @ 5% each; (2) Community Resource Developers @ 5% each and Data Processing Systems Manager @ 7% (this position's time share has been decreased due to the majority of D/P issues completed in year one).

Fringe Benefits **\$ 7,796**

Based on the above salaries

FICA @ 7.65%	\$ 1,513
Workers Comp @ 4%	791
Pension @ 8%	1,582
Health Ins @ actual costs	2,460
Life Ins. @ .99%	196
U/I @ 4% of first \$8,000 salaries	791
Disability @ .77%	152
K/125 Cafeteria Plan	113
Health Promotions @ 1% salaries	198

In-Area Travel **\$ 330**

Based on 1,500 miles @ .22 per mile for use of personal vehicle to be used in home visits to participants.

Office Supplies Expense **\$ 300**

Based on cost of pens, pencils, paper clips, staples and paper products, etc.

Food Expense **\$ 450**

Based on cost of refreshments (soft drinks, chips, cookies) for client training sessions.

Contracts Expense **\$ 20,409**

Based on contract with Big Sandy Community Action and Kentucky River Foothills Development Council as follows:

Big Sandy Community Action:

Student Stipend - \$3,400 per year (\$1,360 per semester and \$680 for summer term)	
125 applications @ \$25/application	\$3,125
(Payment for applications will be as follows: as of 12/31/96 -	
\$12.50 per participant, as of 3/31/97	
\$6.25 per participant; and 6/30/97	
\$6.25 per participant)	
125 follow-up visits @ \$25/home visit	3,125
Program supplies/materials	600

Based on 10.9% of direct charges - maximum allowable
Decreased: \$417

12 01 02

Program Development

6000

Salary Expense

Amount based on original figures received from Program Development during budget negotiations with Columbia Gas of Kentucky.

Decreased: \$100

6010 - 6190

Fringe Benefit Expense

Based on above salaries

FICA @ 7.65%

W/C @ 3%

Pension @ 8%

Health Ins. estimate based on present employee benefit plan allowing for a maximum increase of \$10/month/employee over the previous year

Life Inc. @ .99%

U/I Ins. @ 4%

Disability @ .4%

Health Promotions @ 1%

Decreased: \$88

7299

Shared Personnel

Based on \$28 per \$1,000 salary line

Decrease: \$12