

DEPARTMENT OF PUBLIC SERVICE REGULATION
BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MONTANA

IN THE MATTER OF ENERGY WEST
MONTANA, INC.'S APPLICATION FOR
AN ORDER APPROVING ITS
RECONCILIATION OF THE
COLLECTIONS AND DISBURSEMENTS
OF WEST YELLOWSTONE'S NO
INTEREST LOAN PROGRAM

UTILITY DIVISION
Docket No. D2017.12.89

COMPLIANCE FILING

Energy West Montana, Inc. ("EWM"), by and through its counsel, Holland & Hart LLP, respectfully submits this compliance filing pursuant to Order No. 7587a and the settlement agreement between EWM and the Montana Consumer Counsel.¹

The USB plan for EWM's West Yellowstone district is provided as Attachment A to this filing. Consistent with the settlement agreement, EWM and the MCC collaborated in the development of the USB plan for West Yellowstone.

The form of the agreement between EWM and Energy Share for the new Energy Share USB programs identified in the West Yellowstone USB plan for is provided as Attachment B. EWM intends to execute the agreement with Energy Share once the West Yellowstone USB plan is approved.

¹ The settlement agreement between EWM and the MCC provided that "No later than October 1, 2018, EWM shall file a USB plan as a compliance filing in Docket No. D2017.12.89 describing the additional programs it intends to offer in West Yellowstone, identifying how it intends to spend the \$109,764 in NIP Funds and ongoing USB collections on those programs (including the low-income discount), and attaching any third-party agreements related to those programs."

Respectfully submitted on October 1, 2018.

Holland & Hart LLP

By:  _____

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**ATTORNEYS FOR ENERGY WEST MONTANA,
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CERTIFICATE OF SERVICE

I certify that on this, the 1st day of October 2018, **ENERGY WEST MONTANA, INC.'S COMPLIANCE FILING** was e-filed with the Commission and served via U.S. mail and e-mail, unless otherwise noted, to the following:

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Attachment A to
EWM's Compliance Filing

Docket No. D2017.12.89

**Energy West Montana
West Yellowstone
Universal System Benefits Plan**

October 1, 2018

Introduction

In July 2018, the Montana Public Service Commission issued Order No. 7587a in Docket D2017.12.89, approving a settlement regarding the Universal System Benefits (“USB”) program for Energy West Montana’s West Yellowstone district. Among other things, Order No. 7587a:

- Implemented a waiver of the minimum universal systems benefits charge (“USBC”) of 1.12% in Mont. Admin. R. 38.5.7020(2) and established a USBC for EWM’s West Yellowstone district USB program at the statutory minimum of 0.42%;
- Authorized EWM to convert its No Interest Loan Program rate in West Yellowstone to a USB rate and to decrease the rate to \$0.00501/CCF;
- Authorized the implementation of a low-income discount for customers in West Yellowstone, based on the discount currently offered in Great Falls;
- Directed EWM to submit a plan to the Commission by October 1, 2018, for approval of new USB programs for the West Yellowstone district in addition to the low-income discount program.¹

As described below, EWM proposes to offer several new USB programs to its customers in West Yellowstone. In addition to the low-income discount program, EWM proposes to implement energy efficiency, weatherization, and bill assistance programs in West Yellowstone, which EWM will operate in partnership with Energy Share of Montana. EWM currently offers these programs in its Great Falls and Cascade operating districts and the programs described below are based on EWM’s experience with these programs in those service areas.

¹ The Order approved a settlement agreement between EWM and the Montana Consumer Counsel which provided that the USB plan would be filed as a compliance filing in Docket No. D2017.12.89.

The expenditures for the West Yellowstone USB programs will be funded by approximately \$109,765 in NIP Funds and approximately \$6,529 in annual revenue from the current USB rate of \$0.00501/CCF.²

1. Low-Income Discount Program

The low-income discount program in West Yellowstone is structured and operates in the same manner as the low-income discount program EWM currently operates in its Great Falls and Cascade service districts.³ The low-income discount program is calculated at an estimated overall discount of 20% from otherwise applicable rates on a total bill basis and is allocated to eligible low-income participants based four levels of discounts, from 16% to 28%.

To be eligible for the low-income discount program, customers must be signed up for the statewide Low-Income Energy Assistance Program (“LIEAP”). The amount of discount available to LIEAP customers corresponds to the customer’s percent of poverty as defined by the federal LIEAP program. Additional information regarding LIEAP eligibility can be found on the Montana Department of Public Health and Human Services’ webpage.⁴

Historically, in Great Falls and Cascade, the low-income discount program has served an average of 1,170 customers each year at a total average cost per year of \$85,265 (approximately \$73 per customer). During the 2017-2018 heating season, three customers in West Yellowstone participated in LIEAP and would have been eligible for the Low-Income Discount program. The table below provides EWM’s estimate of the level of participation in the Low-Income Discount program in West Yellowstone. This estimate is based on the level of participation in Great Falls

² The NIP Fund balance was established in Order No. 7587a at ¶¶ 10, 17.

³ The low-income discount in Great Falls-Cascade was established in its current form by the Commission as part of Order 6719b in Docket No. D2005.12.177.

⁴ <https://dphhs.mt.gov/hcsd/energyassistance#717628030-lieap-income-and-resource-guidelines>

and Cascade during the USB tracking period ending March 31, 2018. The total cost for 22 customers would be approximately \$1,526.

Class	Discount Percent	Estimated Customers	Average Discount/ Customer	Annual Discount
LowIncome-SR1 <30%	28%	4	100.04	\$ 400
LowIncome-SR2 31-60	24%	2	91.61	183
LowIncome-SR3 61-90	20%	7	66.48	465
LowIncome-SR4 >90	16%	9	53.13	478
		22		\$ 1,526

2. Energy Share of Montana USB Programs

EWM currently contracts with Energy Share of Montana to administer three USB programs in Great Falls and Cascade. These programs are: (1) furnace & water heater safety and efficiency; (2) low-income weatherization; and (3) emergency bill assistance. EWM proposes to contract with Energy Share to offer these same programs in West Yellowstone.

a. Background on Energy Share

Energy Share is a statewide independent nonprofit organization. Its primary purpose is to provide assistance for Montanans who are facing home energy emergencies, but Energy Share also administers a few programs geared toward helping clients live safely and more energy efficiently. To achieve its purpose on a statewide basis, Energy Share contracts with the ten Human Resource Development Councils (“HRDCs”) around the state. The HRDCs already operate the federally funded LIEAP bill assistance program and the low-income weatherization assistance (“LIEAP Weatherization”) program. Consequently, Energy Share is a natural and economical fit within the parameters of what the HRDCs are already doing. For West Yellowstone, the HRDC that would handle the new Energy Share USB programs is the District IX HRDC in Bozeman.

b. Energy Share USB Programs

i. Furnace and Water Heater Safety and Efficiency

The furnace and water heater safety and efficiency program is available to EWM's customers who qualify for the LIEAP Weatherization program. The objective is to assist those who cannot afford to pay for needed work on furnaces or water heaters. The program repairs (when possible) or replaces (when necessary) unsafe furnaces or water heaters.

In Great Falls and Cascade, the HRDC receives 15% of the costs of labor and materials to do the actual work and Energy Share receives 7% of the costs of labor and materials to administer the program. EWM proposes this same compensation structure for West Yellowstone.

It will take time to gear up for a new program, EWM does not anticipate any expenditures on the furnace and water heater safety and efficiency program until April 2019.

ii. Low-Income Weatherization

The low-income weatherization program is also available to EWM's customers who qualify for LIEAP Weatherization. The objective is to maximize energy savings in the homes of people who cannot afford to make improvements on their own. The program provides *cost-effective* weatherization measures, which may include air infiltration, windows, doors, walls, attics, and floors. The contractor attempts to install measures that maximize energy savings and in no case will measures be installed that use a savings-to-investment Ratio ("SIR") of less than 1.0. This funding is used in partnership with the LIEAP Weatherization program on a 70/30 basis, with EWM paying 70% and LIEAP paying 30% of the cost. Consequently, the contract requirements follow those of the LIEAP Weatherization contract.⁵

⁵ The Weatherization Policy Manual is available at:
<https://dphhs.mt.gov/Portals/85/hcsd/documents/lieap/WeatherizationManual.pdf>

In Great Falls and Cascade, the HRDC receives 15% of the costs of labor and materials to do the actual work. EWM proposes this same compensation structure for West Yellowstone.

It will take time to gear up for a new program, EWM does not anticipate any expenditures on the low-income weatherization program until April 2019.

iii. Emergency Bill Assistance

This program provides emergency energy assistance, helping prevent no-heat situations due to inability to pay. "Emergency energy assistance" usually means someone who is facing loss of heat in their home due to reasons or circumstances beyond their control, who have no resources to pay the bill themselves. Applicants for emergency bill assistance either do not qualify for LIEAP or have received LIEAP assistance but need additional help. Assistance is usually not provided more than once every ten years up to a maximum of \$700. Recipients are awarded assistance after their applications have been considered by a volunteer local Energy Share committee. In Great Falls and Cascade, the HRDC and the local committee award assistance working within contractual guidelines from Energy Share. EWM proposes to follow this same model in West Yellowstone, with the District IX HRDC in Bozeman and the local Energy Share committee awarding assistance within the contractual guidelines from Energy Share.

Typically, it costs the HRDC more to process an application for emergency bill assistance than the amount the HRDC receives from Energy Share. As a result, the HRDC supplements the cost of processing Energy Share applications for emergency bill assistance.

c. Estimated Costs and Budget for the Energy Share USB Programs

Given the conditions in West Yellowstone, most furnace safety and efficiency work will occur during the non-winter months. Additionally, the estimated expenses for the furnace and water heater safety and efficiency program are projected to be higher than in Great Falls and

Cascade due to several factors. For example, Gallatin County is one of the most expensive counties in Montana. Additionally, most of the contractors that will be doing the furnace and water heater safety and efficiency work will have to travel from Bozeman due to the lack of trained and qualified contractors in West Yellowstone. While the HRDC in Bozeman will work to have the contractors combine trips and work on multiple homes in one trip, these factors will likely increase the cost of the weatherization and furnace and water heater safety and efficiency programs in West Yellowstone.

Based on cost information provided by Energy Share, EWM proposes the new USB programs at two levels – those based on the ongoing funding level of approximately \$6,529/year and those based on the \$109,765 of NIP Funds. EWM proposes that the low-income discount program (at a cost of approximately \$1,526) and the Energy Share emergency bill assistance program (at a cost of approximately \$2,200) be funded with the ongoing USB collections. These programs can begin immediately for the current 2018-2019 heating season.

For the programs based on the NIP Funds, EWM proposes implementing the Energy Share programs for furnace efficiency (at an approximate cost of \$3,050/customer) and weatherization (at a cost of approximately \$8,550/customer). As discussed above, due to ramp up requirements and weather-related constraints, these programs cannot be feasibly implemented until the tracking period beginning April 1, 2019. Given the costs involved, these programs can only be implemented until the NIP Funds are exhausted. Energy Share estimates that six homes for each of the programs could be completed during the first year, which means that the NIP Funds would be exhausted during the second year of implementation. EWM proposes to contract with Energy Share to implement the furnace efficiency and weatherization programs until the NIP Funds are exhausted. As discussed below, funds needed for initial promotion of the LIEAP program

(estimated at \$5,000) would come from the NIP Funds, leaving approximately \$104,965 available for the furnace efficiency and weatherization programs.

3. LIEAP Promotion

In Order No. 7587a, the Commission established the USBC for West Yellowstone at the statutory minimum of 0.42%. Because this minimum funding requirement must be used “for low-income weatherization and low-income energy bill assistance,”⁶ the USB programs offered in West Yellowstone will be offered to low-income customers only. To qualify for these low-income USB programs, customers must be participating in LIEAP. As a result, to increase participation in the USB programs in West Yellowstone, EWM proposes to spend approximately \$5,000 of the West Yellowstone USB funds promoting LIEAP and EWM’s USB programs in West Yellowstone. Promotional activities will include radio and newspaper advertisements, bill inserts, and promotional fliers for distribution to the public.

⁶ MCA § 69-3-1408(2).

Attachment B to
EWM's Compliance Filing

Docket No. D2017.12.89

**ENERGY WEST AGREEMENT:
(1) FURNACE & WATER HEATER SAFETY AND EFFICIENCY PROGRAM
(2) WEATHERIZATION PROGRAM
(3) UNRESTRICTED BILL ASSISTANCE**

THIS AGREEMENT ("Agreement") is made this ___ day of _____, 2018 by and between Energy West Montana, Inc. ("EWM") and Energy Share of Montana of Helena, Montana ("ES"). Total amount of this agreement is \$78,110.00.

EWM and ES agree as follows:

1. Services to be Performed
ES shall implement EWM's Furnace and Water Heater Safety and Efficiency Program, and Weatherization Program in accordance with Attachment A hereto.
2. Materials, Equipment and Labor
ES shall furnish and pay for all materials, supplies, labor, transportation, tools, equipment, services and supervision necessary to perform the services herein described.
3. Term
This agreement shall be effective for the period from _____ through March 31, 2020.
4. Warranty
ES warrants that all services performed herein shall be performed using that degree of skill and care ordinarily exercised in and consistent with generally accepted practices for the nature of the services and shall conform to all requirements of the Agreement.
5. Force Majeure
If either party is prevented in whole or in part from performing its obligations under this Agreement by unforeseeable causes beyond its reasonable control and without its fault or negligence, then the party so prevented shall be excused from whatever performance is affected by such cause, to the extent the performance is actually affected; provided that such party provides written notice to the other party of such condition within 30 calendar days from the onset of such condition.
6. Changes
EWM may, by written order to ES, at any time during the term of this Agreement and without invalidating the Agreement, make changes within the general scope of the Agreement and ES agrees to perform such changed services. If such change increases or decreases the cost of or time for performing the work hereunder, an equitable adjustment shall be made in the payment to ES and/or the time for performance.
7. Termination
Either party may terminate this Agreement for its convenience upon 30 days' written notice. In the event of such termination for convenience by EWM, ES shall be paid for all services rendered to the termination date and for any direct costs (not including anticipated profits) incurred by ES as a result of the termination. Such payment shall constitute ES's sole right and remedy. In the event of such termination for convenience by ES, ES shall be paid for all services rendered to the termination date less any direct costs incurred by EWM as a result of the termination.
8. Ownership of Documents
Upon completion of the services or termination for whatever reason of this Agreement, all documents, reports, patents, copyrights, work in progress, and all data gathered or developed in connection with the work under this Agreement, upon request of EWM, shall be turned over to

and become the property of EWM. ES may retain and use copies thereof in the normal course of its business.

9. Confidentiality and Conflicts of Interest

ES shall hold in strict confidence any data, customer names, findings, results, or recommendations deemed to be confidential by EWM and obtained or developed by ES in connection with the work under this Agreement. ES warrants that it does not and will not have any conflicts of interest regarding the performance of services hereunder.

10. Payments

EWM shall pay ES for the performance of the services described herein in accordance with Attachment A, paragraph 8; Attachment B, paragraph 11; and Attachment C, paragraph 2. EWM may evaluate available funding on or before September 30, 2019. Based on said evaluation, if necessary EWM may reduce funding by written order to ES, with 30 days' notice, without invalidating the Agreement.

11. Independent ES

In the performance of the services under this Agreement, ES is an independent contract and ES shall be responsible to EWM only as to the results to be obtained in the services herein specified, and to the extent that the services shall be done in accordance with the terms, plans, and specifications furnished by EWM.

12. Laws and Regulations

- a. ES shall comply fully with all applicable State and Federal laws and regulations, and municipal ordinances.
- b. ES shall pay all taxes, assessments, or contributions due and payable to the State of Montana and/or the United States in connection with the work to be performed under this Agreement, and ES shall hold EWM harmless from any liability on account of any such taxes or assessments.
- c. This Agreement shall be governed in all respects by the laws of the State of Montana. No amendments or modifications of any of the terms and conditions shall be valid unless agreed to in writing.

13. EWM's Representative

EWM's representative for the purposes of this Agreement shall be Jed Henthorne or such other person as EWM may designate in writing. Whenever approval or authorization from EWM is required by this Agreement, such communication shall be directed to EWM's representative and only such person shall issue approvals or authorizations.

14. Examination of ES's Records

EWM or its representative shall have the right to examine any books, records, or other documents of ES directly relating to the costs when such costs are the basis of compensation hereunder. At the request and expense of EWM, ES shall include in its annual audit an audit of its receipts and expenditures under this Agreement.

15. No Assignment

ES shall not assign this Agreement in whole or in part without the prior written consent of EWM.

16. Venue

In the event of litigation concerning this agreement, venue shall be in the First Judicial District in and for the County of Lewis & Clark, State of Montana.

17. Attorney's Fees

The prevailing party in any dispute regarding or arising under this Agreement, regardless of whether resolved by mutual agreement, arbitration or otherwise, is entitled to recover reasonable attorney's fees and costs incurred in settling the resolution.

18. Subcontracts
- a. ES may subcontract work to be performed under this Agreement. ES shall be as fully responsible for the acts or omissions of any subcontractor as it is for its own acts or omissions.
 - b. ES shall also hold harmless EWM from any claim, assessment or liability arising out of ES's performance of this Agreement including the acts or omissions of any subcontractor.
19. Civil Rights
- a. ES shall comply with the Civil Rights Act of 1964 (24 U.S.C. Section 200d, et seq.), the Age Discrimination Act of 1975 (42 U.S.C. Section 6101, et seq.) and 29 U.S.C. Section 794 relating to otherwise qualified handicapped persons.
 - b. Persons may not be excluded on grounds of race, color, national origin, creed, sex, religion, political ideas, marital status, age or handicap from employment or participation in, denied benefits or otherwise subjected to discrimination under any program or activity connected with the implementation of this Agreement.
 - c. All hiring done by ES in connection with this Agreement shall be on the basis of merit qualifications genuinely related to competent performance of the particular occupational task.
20. Entire Agreement
This Agreement constitutes the entire agreement of the parties. Covenants or representations not contained herein shall not be binding.

The parties hereto have caused this Agreement to be executed as of the date first above written.

ENERGY WEST MONTANA, INC.

By: _____

Its: _____

ENERGY SHARE OF MONTANA

By: _____

Its: _____

ATTACHMENT A – Furnace & Water Heater Safety & Efficiency Program

This attachment details the duties and responsibilities to be assumed by ES, who is responsible for adhering to the following guidelines while performing the work specified in this contract.

1. All work shall be invoiced according to the actual costs incurred, except administrative costs which shall be the amount of the actual cost times seven percent (7%). The maximum amount to be spent under this Agreement is \$21,960.00, allocated as follows:

Labor and Materials & Subcontractor Administrative	\$18,000.00
HRDC Administrative Costs	\$2,700.00
Energy Share Administrative Costs	<u>\$1,260.00</u>
Total Amount	\$21,960.00

EWM shall have the right to change its funding level for any reason. In the event of a change in funding level, EWM shall be liable for all reasonable costs incurred prior to notifying ES of change.

2. ES shall follow the guidelines set forth in Attachment D. Any furnace that is replaced must have an energy efficiency rating of at least 80%.
3. ES shall complete work by March 31, 2020 and complete invoicing for the term of this contract by April 30, 2020.
4. The Structural Eligibility Requirements are detailed as follows:
 - a. The structure must have received weatherization services in accordance with the dates required in the LIEAP Weatherization.
5. The Participant Eligibility Requirements are detailed as follows:
 - a. The applicant must be the resident of the eligible structure and an EWM customer of record as a renter or owner.
 - b. The applicant must provide necessary proof of ownership or renter status, residency, and income. In a renter's case, ES shall receive from the landlord a signed landlord agreement.
 - c. The applicant's annualized income must be at or below industry-recognized levels for low income energy assistance programs. Exceptions to this limit must be documented.
6. ES shall ensure completion and maintenance of all applicable forms which will aid in tracking and documenting the work performed under this Agreement, including:
 - a. Heating Work Sheets;
 - b. Invoices;
 - c. Access Agreements;
 - d. Landlord Agreements;
 - e. Field Change Requests.
7. ES shall ensure that subcontractor furnishes a statement certifying insurance coverage detailed as follows:
 - a. Worker's Compensation
All subcontractors used in performing the work specified in this Agreement must furnish ES a certificate of worker's compensation or self-insurance, including Employer's Liability insurance with a minimum of \$100,000 for injury or death of any one person.

- b. Comprehensive General and Comprehensive Automobile Liability:
ES will assure that subcontractors maintain Comprehensive General and Comprehensive Automobile Liability of not less than \$500,000 combined single limit or equivalent for bodily injury and property damage as the result of any one occurrence.

Comprehensive General Liability will include coverage for Premises-Operation, Products/Completed Operations Hazard, Contractual Liability, and Broad Form Property Damage including Completed Operations. Comprehensive Automobile Liability shall include coverage for Owned, Hired and Non-Owned automobiles.

Such insurance shall:

- 1) Include by endorsement to the policy(ies), EWM and ES as an additional insured with respect to work performed for EWM and ES,
- 2) Contain a severability of interest clause,
- 3) Provide that EWM and ES shall not, by reason of their inclusion as an additional insured, incur liability to the insurance carrier for payment of premium for such insurance, and
- 4) Provide 30 days' written notice to ES prior to cancellation, termination, alteration or material change of such insurance.

- c. Additional Insurance Provisions:
Evidence of coverage described above shall state that coverage provided is primary and is not excess or contributing with any insurance or self-insurance maintained by EWM and ES. EWM and ES shall have the right to inspect the original policy(ies).

ES is responsible for monitoring subcontractor for compliance with all requirements and conditions set forth in this Agreement. When ES determines conditions specified in it are not met, ES shall identify corrective actions to be taken by subcontractor. Failure by ES to correct deficiencies in materials or workmanship or other contractual responsibilities constitutes grounds for withholding of payments or termination of the current Agreement.

8. Reimbursement of ES by EWM

- a. EWM will be responsible for rendering payment on a timely basis to ES for all costs directly attributable to work performed under the guidelines of this program.
- b. At a minimum, on a monthly basis ES will submit an invoice to EWM that lists each job performed and the costs incurred for each structure receiving services.

9. EWM Inspection

EWM may choose to inspect homes after the work has been completed by subcontractor. ES may also inspect a random number of completed homes. If a job fails to pass EWM inspection, EWM will advise ES of the deficiencies. ES shall require subcontractor to correct deficiencies or payment for that job will not be advanced by ES.

10. Complaint Processing Procedures

Subcontractor shall be responsible for hearing and resolving questions or complaints not related to safety from applicants or other program participants which may arise from operation of this program. The decisions of the contractor regarding those situations are final and are not appealable to ES.

Subcontractor shall provide a copy of any safety-related complaints to EWM with a copy to ES. If EWM determines the complaint has merit, EWM will either correct the deficiency or direct Subcontractor to fix the problem within 10 days or payment may be withheld.

ATTACHMENT B – Weatherization Program

This attachment details the duties and responsibilities to be assumed by ES, who is responsible for adhering to the following guidelines while performing the work specified in this contract.

1. All work shall be invoiced according to the actual costs incurred, except administrative costs which shall be the amount of the actual costs times fifteen (15) percent. The total amount to be spent under this Agreement is \$51,750.00. That amount will be used in partnership with the LIEAP Weatherization program on a 70/30 basis, EWM paying 70% and LIEAP paying 30% of the cost. The total amount to be spent under this contract shall be allocated as follows:

Labor and Materials	\$45,000.00
Subcontractor Administrative	<u>\$ 6,750.00</u>
Total Amount	\$51,750.00

EWM shall have the right to change its funding level for any reason. In the event of a change in funding level, EWM shall be liable for all reasonable costs incurred prior to notifying ES of change.

2. ES will follow the LIEAP Weatherization process when performing weatherization services.
3. ES will use the CDS Energy Audit for determining what measures can be done. This Energy Audit will include a list of allowable measures. ES will attempt to install measures that maximize the energy savings but in no case will measures be installed that use a Savings to Investment Ratio (SIR) of less than 1.0 for energy saving measures.
4. Furnace and water heater repair or replacements done under this Weatherization Program will be done in accordance with health and safety criteria. The replacement of electric water heaters will be done using the CDS Switch Audit, which uses fuel comparisons to determine the appropriate water heater to use. Any furnace that is replaced must have an energy efficiency rating of at least 80%.¹
5. ES will test vermiculite for asbestos and if it comes back at less than 1% ES will be able to do the weatherization measures. If it comes back greater than 1% ES will not perform any measures or work on the structure.
6. ES shall complete work by March 31, 2019 and invoicing for the term of this contract by April 30, 2019. It is recommended that one-fourth of the work is completed during each quarter of the contract year, with quarters ending June 30, 2018; September 30, 2018; December 31, 2018; and March 31, 2019. Invoicing shall be completed by the 15th of the month following completed work.
7. The structure must have received weatherization services in accordance with the dates required in the LIEAP Weatherization contract.
8. The Participant Eligibility Requirements are detailed as follows:
 - a. The applicant must be the resident of the eligible structure and an EWM customer of record as a renter or owner.
 - b. The applicant must provide necessary proof of ownership or renter status, residency, and income. In a renter's case, ES shall receive from the landlord a signed landlord agreement.

¹ NTD: The subcontractor uses 90% whenever possible, but there are times (especially in mobile homes) where it is not practical to install a 90% efficient furnace.

- c. The applicant's annualized income must be at or below industry-recognized levels for low income energy assistance programs. Exceptions to this limit must be documented.
 9. An access agreement (Attachment E) will be used before doing any work on the home.
 10. ES shall assure that subcontractor furnishes a statement certifying insurance coverage detailed as follows:
 - a. **Worker's Compensation**
All subcontractors used in performing the work specified in this Agreement must furnish ES a certificate of worker's compensation or self-insurance, including Employer's Liability insurance with a minimum of \$100,000 for injury or death of any one (1) person.
 - b. **Comprehensive General and Comprehensive Automobile Liability:**
ES will assure that subcontractors maintain Comprehensive General and Comprehensive Automobile Liability of not less than \$500,000 combined single limit or equivalent for bodily injury and property damage as the result of any one (1) occurrence.

Comprehensive General Liability will include coverage for Premises-Operation, Products/Completed Operations Hazard, Contractual Liability, and Broad Form Property Damage including Completed Operations. Comprehensive Automobile Liability shall include coverage for Owned, Hired and Non-Owned automobiles.
- Such insurance shall:
- 1) Include by endorsement to the policy(ies), EWM and ES as an additional insured with respect to work performed for EWM and ES,
 - 2) Contain a severability of interest clause,
 - 3) Provide that EWM and ES shall not, by reason of their inclusion as an additional insured, incur liability to the insurance carrier for payment of premium for such insurance, and
 - 4) Provide 30 days' written notice to ES prior to cancellation, termination, alteration or material change of such insurance.
- c. **Additional Insurance Provisions:**
Evidence of coverage described above shall state that coverage provided is primary and is not excess or contributing with any insurance or self-insurance maintained by EWM and ES. EWM and ES shall have the right to inspect the original policy(ies).

ES is responsible for monitoring subcontractor for compliance with all requirements and conditions set forth in this Agreement. When ES determines conditions specified in it are not met, ES shall identify corrective actions to be taken by subcontractor. Failure by ES to correct deficiencies in materials or workmanship or other contractual responsibilities constitutes grounds for withholding of payments or termination of the current Agreement.
11. **Reimbursement of ES by EWM**
 - a. EWM will be responsible for rendering payment on a timely basis to ES for all costs directly attributable to work performed under the guidelines of this program.
 - b. At a minimum, on a monthly basis ES will submit an invoice to EWM that lists each job performed and the costs incurred for each structure receiving services.

12. **EWM Inspection**
EWM may choose to inspect homes after the work has been completed by subcontractor. ES may also inspect a random number of completed homes. If a job fails to pass EWM inspection, EWM will advise ES of the deficiencies. ES shall require subcontractor to correct deficiencies or payment for that job will not be advanced by ES.

13. **Complaint Processing Procedures**
Subcontractor shall be responsible for hearing and resolving questions or complaints not related to safety from applicants or other program participants which may arise from operation of this program. The decisions of the contractor regarding those situations are final and are not appealable to ES.

Subcontractor shall provide a copy of any safety-related complaints to EWM with a copy to ES. If EWM determines the complaint has merit, EWM will either correct the deficiency or direct Subcontractor to fix the problem within 10 days or payment may be withheld.

ATTACHMENT C – Bill Assistance

This attachment details the duties and responsibilities to be assumed by ES, who is responsible for adhering to the following guidelines while performing the work specified in this contract.

1. As a condition of managing the weatherization free of any direct administrative charges from ES, EWM agrees to annually remit no less than \$2,200.00 to ES. In exchange, ES agrees to provide emergency bill assistance funding in the EWM West Yellowstone customer service area and provide regular reports on customers served and dollars spent. It is expected that at least \$2,200.00 will be spent annually on bill assistance on EWM customers in West Yellowstone, however, the total expenditures in any given year are driven by weather, energy prices, and total applications. ES has the flexibility to use these funds for any ES purpose, including ES's costs for administrative tasks directly related to administering the furnace safety, efficiency, weatherization, and emergency bill assistance programs in EWM's West Yellowstone customer service area. Priority for expending this \$2,200.00 will be for emergency bill assistance. Anything remaining would be applied towards ES's costs for administrative tasks as stated above.
2. Reimbursement of ES by EWM
 - a. EWM will be responsible for rendering annual payments to ES for the funds agreed to in this Attachment C.
 - b. On an annual basis, ES will submit an invoice to EWM for \$2,200.00.