

**CPL RETAIL ENERGY, LP and  
WTU RETAIL ENERGY, LP and  
NEIGHBOR-TO-NEIGHBOR PROGRAM AGREEMENT  
FOR ELECTRIC HOME ENERGY ASSISTANCE**

**THIS AGREEMENT IS BY AND BETWEEN** CPL Retail Energy, LP (“CPL Retail Energy”) and/or WTU Retail Energy, LP (“WTU Retail Energy”) two retail electric providers (together the “REPs”) and County of Hidalgo Community Service agency an established social service agency under Section 501(c)(3) of the United States Internal Revenue Code (“The Administering Agency”) (all together “the Parties”).

**Purpose of Agreement:**

Under this Agreement the Administering Agency and the REPs shall implement the program known as “Neighbor-to-Neighbor,” under which the REPs will provide funding in their respective areas of operation to be used by the agencies listed on the attached Exhibit A for payment of the Electric Home Energy Expenses, as defined below, of needy people experiencing an energy emergency or crisis. The Parties, in consideration of the promises and commitments found herein, agree as follows:

**I. Program Established**

A. The Neighbor-to-Neighbor Program (hereinafter referred to as the “Program”) is hereby intended to help needy people experiencing an energy emergency or crisis pay their Electric Home Energy Expenses. The REPs shall supply funding for the program in their respective areas of operation as described in Article II herein. The Administering Agency shall, subject to the terms of this Agreement, utilize these funds to aid needy people in paying their Electric Home Energy Expenses and shall coordinate the Program with the Low Income Home Energy Assistance Program (LIHEAP). A list of administering agencies and funding levels is attached as Exhibit A. Exhibit A, provided by the Texas Department of Housing and Community Affairs (TDHCA) Energy Assistance Section, is based on funding formulas used for its low-income energy assistance programs and may be amended annually when population and poverty data used by TDHCA change.

B. "Electric Home Energy Expenses" shall mean any debt incurred by the Recipient for electric energy consumed in the lighting, appliance usage and cooling/heating of the primary residence of the Recipient.

## **II. Program Funding**

A. The REPs shall provide annual funding for the Program pursuant to the following terms:

1. The funding amount shall be determined annually at the REP's sole discretion, with funds allocated to the administering agencies in two bi-annual disbursements. The first disbursement shall occur no later than January 30<sup>th</sup> of each calendar year and the second disbursement shall occur no later than June 30<sup>th</sup> of each calendar year.

## **III. Recipients**

A. A Recipient is any individual who receives assistance as contemplated by this Agreement. There can be only one Recipient for each household. In order to qualify as a Recipient, an individual must meet all of the following conditions at the time he or she receives this assistance.

1. The individual must be receiving residential electric service from CPL Retail Energy, WTU Retail Energy or Direct Energy LP at the residence from which the subject Electric Home Energy Expenses arise.
2. The individual must reside at the service address and be responsible for the Electric Home Energy Expenses to be paid.
3. The individual must meet the income eligibility criteria established for the Comprehensive Energy Assistance Program (CEAP) funded by LIHEAP.

B. The Administering Agency shall select Recipients from those qualifying individuals seeking assistance in its sole discretion, but the REPs may, from time to time, refer special cases for consideration for assistance from the Program. The Administering Agency shall give due consideration to any referred special cases, but shall nonetheless retain the ultimate authority in selecting Recipients.

#### **IV. Use of Funds**

A. All funds forwarded to the Administering Agency, subject to the administrative fee discussed in Article VII, shall be used by the Administering Agency in accordance with this Agreement to help Recipients pay their Electric Home Energy Expenses.

B. No Program funds may be used for utility deposits.

C. A Recipient can receive assistance from the Program of no more than \$600, in any calendar year. Assistance provided may not exceed the actual Electric Home Energy Expenses due at the time Assistance is provided.

D. Except to the extent specified in this Agreement, the REPs shall have no power or authority to direct the Administering Agency in the management or control of the Program.

#### **V. Reports**

The Administering Agency shall submit to each REP monthly reports, reflecting the total receipts and disbursements of Program funds, the identity, location and address of each person helped by the Program, and the amount of assistance received. The Administering Agency shall submit each monthly report to CPL Retail Energy, WTU Retail Energy or Direct Energy, L.P., as appropriate, within 15 calendar days of the end of the month being reported. Such information and reports shall be available for audit verification by the REPs or their designated agents, at their individual expense. The Administering Agency agrees to maintain all records necessary to permit the REPs to verify the accuracy of such reports and information for a minimum of two years. The Administering Agency's obligation hereunder shall survive termination of this Agreement.

#### **VI. Term of Agreement**

A. This Agreement shall become effective on January 1<sup>st</sup>, 2009, and shall continue in effect for an initial term through December 31<sup>st</sup>, 2009, and shall be renewed annually each January and will require signatures of both parties. The Administering Agency may terminate this Agreement at anytime by delivering written notice of termination to the REPs at least thirty (30) days prior to the effective date of termination. The

REPs may terminate this Agreement with the consent of the Administering Agency or for failure of the Administering Agency to meet the terms and conditions of this Agreement, by delivering written notice of termination to the Administering Agency at least thirty (30) days prior to the effective date of termination.

B. Upon termination of this Agreement, the Administering Agency agrees to return, within sixty calendar days, any balance of funds in the Program to the REPs for distribution.

## **VII. Administrative Fees**

The administrative fee retained by the Administering Agency is intended to cover only program costs. Program costs include costs directly related to Program outreach, application processing, accounting, reporting and other Program activities. To defray the cost of the Administering Agency's duties and responsibilities for outreach, application processing, accounting, reporting and other related program administration activities, the Administering Agency shall be entitled to retain up to 10% of the total annual funding provided under this Agreement.

## **VIII. Contractor Performance**

A. The Administering Agency shall, on an equitable basis throughout its service area, disburse funds for the Program. The Administering Agency shall operate the Program consistent with this Agreement in conformance with applicable accounting and reporting standards.

B. The Administering Agency agrees to use diligent, good faith efforts to fully distribute all funds less the administrative fee for the benefit of Recipient households on an annual basis.

C. The failure of the Administering Agency to distribute at least 85% of the total available funds for a given calendar year shall entitle the REPs to terminate this Agreement in the manner set forth below:

1. The REPs will suspend annual funding from agencies that fail to distribute at least 85% of the total available funds in a given calendar year.

24. Agencies with suspended funding will undergo a probation period of 6 months (or until the next allocation of funds), after which the Committee will evaluate its progress and determine its eligibility for additional funds.
25. Agencies that have not utilized at least 85% of their funds in a given calendar year will have their annual funding suspended and be required to return the remaining balance to the REPs within sixty calendar days.

**IX. Miscellaneous**

A. Any notices to be given by either Party shall be in writing and shall be sent by certified or registered mail. Addresses for notice are as follows:

<p>The REP</p> <p>Jessica Mahaffey Sr. Director Government &amp; Regulatory Affairs CPL Retail Energy, LP WTU Retail Energy, LP 919 Congress Avenue, Suite 1300 Austin, Texas 78701 Attention: Neighbor-to-Neighbor Program</p>	<p>Administering Agency</p> <p>County of Hidalgo Community Service Agency</p> <hr/> <hr/> <p>Attention: Neighbor-to-Neighbor Program</p>
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B. This Agreement shall be governed by and construed in accordance with the laws of the State of Texas.

C. This Agreement can be modified or amended only by an agreement in writing executed by the authorized representatives of all Parties.

D. This Agreement will supersede and replace any previous agreements between the Parties related to the Program.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their duly

authorized officers of this 21 day of January, 20 09.

ADMINISTERING AGENCY

CPL RETAIL ENERGY, LP

By: \_\_\_\_\_

By: Centrica Holdco, Inc., its general partner

Name: \_\_\_\_\_

Signature: Jessica Mahaffey

Title: \_\_\_\_\_

Name: Jessica Mahaffey

Titles: Sr. Director

Government & Regulatory Affairs

WTU RETAIL ENERGY, LP

By: Centrica Holdco, Inc., its general partner

Signature: Jessica Mahaffey

Name: Jessica Mahaffey

Titles: Sr. Director

Government & Regulatory Affairs

Exhibit A

List of Administering Agencies and Funding Levels  
For the Neighbor to Neighbor 2009 Program Year

CPL Retail Energy

Agency Name and City Headquarters	% Allocation of Service Area NTN Funding
Bee Community Action (Beeville)	02.10
Cameron & Willacy Counties Community Projects, Inc. (Brownsville)	13.90
Combined Community Action Inc. (Giddings)	00.50
Community Action Committee of Victoria Texas (Victoria)	10.12
Community Action Corporation of South Texas (Alice)	02.69
Community Action Council of South Texas (Rio Grande City)	03.40
Community Council of South Central Texas, Inc. (Seguin)	03.18
Community Council of Southwest Texas, Inc. (Uvalde)	05.60
Community Services Agency of South Texas (Carrizo Springs)	04.85
Economic Action Committee of the Gulf Coast (Bay City)	01.48
Galveston County Community Action Council, Inc. (Galveston)	00.54
County of Hidalgo Community Service Agency (Edinburg)	26.87
Kleberg County Human Services (Kingsville)	01.70
Nueces County Community Action Agency (Corpus Christi)	12.55
Webb County Community Action Agency (Laredo)	10.51
Total	100.0

WTU Retail Energy

Agency Name and City Headquarters	% Allocation of Service Area NTN Funding
Aspermont Small Business Development Center	0.0%
Big Bend Community Action Committee, Inc. (Marfa)	9.64%
Caprock Community Action Association, Inc. (Crosbyton)	1.64%
Central Texas Opportunities, Inc (Coleman)	10.06%
Community Action Program, Inc. (Abilene)	27.68%
Community Council of Reeves County (Pecos)	0.61%
Concho Valley Community Action Agency	8.79%
Panhandle Community Services (Amarillo)	8.60%
Pecos County Community Action Agency (Fort Stockton)	0.91%
Rolling Plains Management Corporation (Crowell)	7.07%
San Angelo -Tom Green County Health Department (San Angelo)	24.02%
West Texas Opportunities (Lamesa)	0.99%
Total	100.0