

DIRECT ENERGY, LP
Direct Energy, LP,
CPL RETAIL ENERGY, LP and/or
WTU RETAIL ENERGY, LP
NEIGHBOR-TO-NEIGHBOR PROGRAM AGREEMENT
FOR ELECTRIC HOME ENERGY ASSISTANCE

THIS AGREEMENT IS BY AND BETWEEN Direct Energy, LP (“Direct Energy”), CPL Retail Energy, LP (“CPL Retail Energy”) and/or WTU Retail Energy, LP (“WTU Retail Energy”) and/or three 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 Administering Agencies 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).

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

II. Program Funding

The REPs shall provide annual funding for the Program pursuant to the following terms. 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 30th of each calendar year and the second disbursement shall occur no later than July 31st 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, LP, WTU Retail Energy, LP, 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 such 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; or the estimated monthly Electric Home Energy Expenses 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, 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 to maintain records shall survive termination of this Agreement.

VI. Term of Agreement

A. This Agreement shall become effective on January 1st, 2011, and shall continue in effect for an initial term through December 31st, 2011, and may be renewed annually each January with the 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.

2. Agencies with suspended funding will undergo a probation period of 6 months (or until the next allocation of funds), after which the REPs will evaluate its progress and determine its eligibility for additional funds.

3. 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.

D. The failure of the Administering Agency to submit timely monthly reports shall entitle the REPs to terminate this Agreement in the manner set forth above.

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:

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| Bruno Mariejeanne Sr. Director CPL Retail Energy, LP WTU Retail Energy, LP Direct Energy, LP 2000 Hwy. 287 Bypass Ennis, Texas 75119 Attention: Neighbor-to-Neighbor Program | Administering Agency County of Hidalgo Community Service Agency <u>Manibel Nararro-Saenz</u> <u>Executive Director</u> Attention: Neighbor-to-Neighbor Program |
|---|---|

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.

E. This Agreement may be executed by facsimile signature and in any number of counterparts. Each counterpart when so executed shall be deemed to be an original and all of which together shall constitute one and the same Agreement.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their duly authorized officers of this 1 day of January, 20 11.

ADMINISTERING AGENCY
*County of Hidalgo
Community Service Agency*

By: *Maribel Navarro-Saenz*
Executive Director

Signature: _____

Name: *Ramon Garcia*

Title: *County Judge
County of Hidalgo*

Court Approved: _____

CPL RETAIL ENERGY, LP
WTU RETAIL ENERGY, LP
DIRECT ENERGY, LP

By its General Partner: Direct Energy GP, LLC
By its sole Member: Direct LP, Inc.

Signature: *B. Maneyanne*

Name: *B. Maneyanne*

Title: *Director*

Richard Gonzalez

From: Williams, Lakita [Lakita.Williams@directenergy.com]
Sent: Monday, February 07, 2011 1:30 PM
To: csafis@hiline.net; rgonzalez@csa-hidalgo.us
Cc: Williams, Lakita
Subject: CPL Retail Energy, LP Neighbor-to-Neighbor Program for 2011 –Hidalgo County Community Services Agency

Importance: High

Dear Hidalgo County Community Services Agency:

CPL Retail Energy, LP is pleased to fund the Neighbor-to-Neighbor Program for 2011. Please find attached the CPL Retail Energy, LP Neighbor-to-Neighbor Program agreement. Please sign the agreement, keep a copy for your records, and email the agreement to me at: lakita.williams@directenergy.com.

Upon receipt of the executed agreement, the completed monthly reports for 2010 demonstrating the distribution of at least 85% of the total funds you received in 2010, I will send a check to your Agency in the amount of \$33,600 which is 40% of the total 2011 Funding Amount.

| Agency Name | 2011 Funding (\$) | Jan 2011 Distrib (40%) |
|--|--------------------------|-------------------------------|
| Hidalgo County Community Services Agency | \$ 84,000 | \$ |

CPL Retail Energy values and appreciates your agency's efforts to help Texans manage financial hardship. We look forward to continuing to work with you and the other agencies in our service area toward the common goal of helping your clients, our customers, during their time of need.

Should you have any questions, please do not hesitate to contact me directly.

Thank You,
 LaKita Williams
 Energy Assistance, Business Analyst
 Mobile: 214-213-9839 Office: 972-876-3391
lakita.williams@directenergy.com
 2000 Hwy 287 ByPass Ennis, TX 75119

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2/7/2011