

# PROFESSIONAL SERVICES AGREEMENT

---

This **PROFESSIONAL SERVICES AGREEMENT** ("Agreement") is dated July 8, 2008, by and between Plexus Research, a division of R. W. Beck, Inc. ("Plexus"), with offices at 1000 Legion Place, Suite 1100, , Orlando, FL, 32801 and City of Leesburg Florida ("Client"), with offices at 501 West Meadow Street, Leesburg, FL 34749.

**NOW, THEREFORE** in consideration of the promises herein and for other good and valuable consideration, the parties agree as follows:

1. **Scope of Services:** Consultant and Client agree Consultant will perform consulting engineering services in support of Client's consideration of an AMI for its electric, gas, and water service areas as described in the Scope of Services attached as Exhibit A in accordance with the schedule set forth therein.
2. **Independent Contractor:** Consultant is an independent contractor and is not an employee of Client. Services performed by Consultant under this Agreement are solely for the benefit of Client. Nothing contained in this Agreement creates any duties on the part of Consultant toward any person not a party to this Agreement.
3. **Standard of Care:** Consultant will perform services under this Agreement with the degree of skill and diligence normally practiced by professional engineers or consultants performing the same or similar services. No other warranty or guarantee, expressed or implied, is made with respect to the services furnished under this Agreement and all implied warranties are disclaimed.
4. **Changes/Amendments:** This Agreement and its exhibits constitute the entire agreement between the Parties and together with its exhibits supersede any prior written or oral agreements. This Agreement may not be changed except by written amendment signed by both Parties. The estimate of the level of effort, schedule and payment required to complete the Scope of Services, as Consultant understands it, is reflected herein. Services not expressly set forth in this Agreement or its exhibits are excluded. Consultant shall promptly notify Client if changes to the Scope of Services affect the schedule, level of effort or payment to Consultant and the schedule and payment shall be equitably adjusted. If Consultant is delayed in performing its services due to an event beyond its control, including but not limited to fire, flood, earthquake, explosion, strike, transportation or equipment delays, act of war, or act of God, then the schedule or payment under the Agreement shall be equitably adjusted, if necessary, to compensate Consultant for any additional costs due to the delay.
5. **Fee for Services:** The fee for the services under this Agreement will be based on the actual hours of services furnished multiplied by Consultant's Billing Rates as of the date of its monthly invoice plus reasonable expenses directly related to the services furnished under this Agreement.



**PROFESSIONAL SERVICES AGREEMENT**  
**Between Plexus Research and City of Leesburg Florida**  
**For AMI Consulting Services**

---

The fee for the services under this Agreement will not exceed a maximum of Ninety Thousand Dollars (\$90,000.00) plus travel related expenses, on the basis of the Scope of Services outlined in this Agreement, without obtaining the prior written authorization of Client. Consultant shall not be required to furnish services or incur expenses above the maximum amount without written authorization and additional funding from the Client.

6. **Payment:** Client shall pay Consultant for services furnished under this Agreement upon submission of monthly invoices in an amount equal to actual hours of services furnished multiplied by the Billing Rates attached as Exhibit B. Additionally, the Client shall reimburse Consultant monthly for reasonable expenses at cost.

Client shall pay Consultant in U.S. dollars within thirty (30) days of receipt of invoices less any disputed amounts. If Client disputes any portion of the invoice, the undisputed portion will be paid and Consultant will be notified in writing, within ten (10) days of receipt of the invoice of the exceptions taken. Consultant and Client will attempt to resolve the payment dispute within sixty (60) days or the matter may be submitted to arbitration as provided below. Additional charges for interest shall become due and payable at a rate of one and one-half percent (1-1/2%) per month (or the maximum percentage allowed by law, whichever is lower) on the unpaid, undisputed invoiced amounts. Any interest charges due from Client on past due invoices are outside any amounts otherwise due under this Agreement. If Client fails to pay undisputed invoiced amounts within sixty (60) days after delivery of invoice, Consultant, at its sole discretion, may suspend services hereunder or may initiate collections proceedings without incurring any liability or waiving any right established hereunder or by law.

7. **Indemnity:** To the extent permitted by law, Consultant agrees to indemnify, defend and hold harmless Client and its directors, officers, shareholders and employees from and against any liability (including without limitation, reasonable costs and attorneys' fees) incurred by Client to the extent caused by Consultant's negligent acts, errors or omissions, including judgments in favor of any third party.
8. **Reperformance of Services:** If Client believes any of the services provided under this Agreement do not comply with the terms of this Agreement, Client shall promptly notify Consultant to permit Consultant an opportunity to investigate. If the services do not meet the applicable standard of care, it will promptly reperform the services at no additional cost to Client, including assisting Client in selecting remedial actions. If Client fails to provide Consultant with prompt notice of non-compliance and an opportunity to investigate and reperform its services, Consultant's total obligation to Client will be limited to the costs Consultant would have incurred to reperform the services.
9. Section Intentionally Left Blank.

**PROFESSIONAL SERVICES AGREEMENT**  
**Between Plexus Research and City of Leesburg Florida**  
**For AMI Consulting Services**

---

10. **Insurance:** Consultant shall maintain insurance with the following required coverages and limits and upon request, will provide insurance certificates to Client:

Worker's Compensation	Statutory
Employer's Liability	U.S. \$1,000,000
Commercial General Liability	U.S. \$1,000,000 per occurrence
	U.S. \$1,000,000 aggregate
Commercial Auto Liability	U.S. \$1,000,000 combined single limit
Professional Liability	U.S. \$1,000,000 per claim and in the aggregate

11. **Work Product:** Client shall have the unrestricted right to use the documents, analyses and other data prepared by Consultant under this Agreement ('Work Products'); provided, however Client agrees not to rely on or use the Work Products for any purpose other than the purposes under this Agreement and agrees the Work Products shall not be changed without the prior written approval of Consultant. If Client releases the Work Products to a third party without Consultant's prior written consent, or changes or uses the Work Products other than as intended hereunder, (a) Client does so at its sole risk and discretion, and (b) Consultant shall not be liable for any claims or damages resulting from the change or use or connected with the release or any third party's use of the Work Products.

12. **Limitation of Liability:** No employee of Consultant shall have individual liability to Client. To the extent permitted by law, the total aggregate liability of Consultant, its officers, directors, shareholders, employees and subconsultants for any and all claims arising out of this Agreement, including attorneys' fees, and whether caused by negligence, errors, omissions, strict liability, breach of contract or contribution, or indemnity claims based on third party claims, shall not exceed one million dollars (U.S. \$1,000,000).

13. **No Consequential Damages:** In no event and under no circumstances shall Consultant be liable to Client for any principal, interest, loss of anticipated revenues, earnings, profits, increased expense of operation or construction, loss by reason of shutdown or non-operation due to late completion or otherwise or for any other economic, consequential, indirect or special damages.

14. **Information Provided by Others:** Client shall provide to Consultant in a timely manner any related information Consultant indicates is needed to perform the services hereunder. Consultant may rely on the accuracy of information provided by Client and its representatives.

**PROFESSIONAL SERVICES AGREEMENT**  
**Between Plexus Research and City of Leesburg Florida**  
**For AMI Consulting Services**

---

15. **Opinions of Cost:** Consultant does not control the cost of labor, materials, equipment or services furnished by others, nor does it control pricing factors used by others to accommodate inflation, competitive bidding or market conditions. Consultant estimates of operation expenses or construction costs represent its best judgment as an experienced and qualified professional and are not a guarantee of cost. This section does not apply to the cost of Consultant performing the Scope of Services.
16. **Safety and Security:** Consultant has established and maintains programs and procedures for the safety of its employees. Unless specifically included as a service to be provided under this Agreement, Consultant specifically disclaims any authority or responsibility for job site safety and safety of persons other than Consultant's employees. Consultant shall not provide any such services and disclaims any responsibility under this Agreement related to site security or the assessment, evaluation, review, testing, maintenance, operation or safety practices or procedures related to security.
17. Section Intentionally Left Blank.
18. **Termination:** Either party may terminate this Agreement upon thirty (30) days prior written notice to the other party. Client shall pay Consultant for all services rendered to the date of termination plus reasonable expenses for winding down the services. If either party defaults in its obligations hereunder, the non-defaulting party, after giving seven (7) days written notice of its intention to terminate or suspend performance under this Agreement, may, if cure of the default is not commenced and diligently continued, terminate this Agreement or suspend performance under this Agreement.
19. **Dispute Resolution:** Consultant and Client shall attempt to resolve conflicts or disputes under this Agreement in a fair and reasonable manner and agree that if resolution cannot be made to attempt to mediate the conflict by a professional mediator.
20. Section Intentionally Left Blank.
21. **Litigation Expenses:** Client will be responsible for payment of all expenses and costs associated with Consultant's compliance with a subpoena or Client request to produce documents, data or testimony relating to any proceeding relating to any information pertaining to Client's project or to the work Consultant performed for Client, excluding any litigation or proceeding between Client and Consultant. These costs will include hourly charges for persons involved in responding to a subpoena or Client request, travel and reproduction expenses, advice and participation of counsel in responding to a subpoena and other request and other reasonable expenses. Consultant will endeavor to confer with Client prior to responding to any subpoena or request covered by this paragraph.

**PROFESSIONAL SERVICES AGREEMENT**  
**Between Plexus Research and City of Leesburg Florida**  
**For AMI Consulting Services**

---

22. **Non Exclusivity of Services:** Consultant may perform for other clients similar or identical services to those services contemplated under this Agreement, subject to applicable confidentiality and ethical obligations of Consultant. In the event Client desires any level of exclusivity or other limitations on Consultant's services to its other clients, Client and Consultant shall confer regarding the scope of requested exclusivity or other limitations and the additional compensation to be paid to Consultant for the requested exclusivity or other limitations on providing services to other clients. Any agreed exclusivity or other limitations on providing similar or identical services shall be confirmed in writing signed by both Parties and shall expressly state such provision shall supersede this Section 22. No fiduciary or agency obligations shall be created as a result of any exclusivity obligations or other limitations on Consultant's services to other clients.

23. **Miscellaneous:**

- a. This Agreement is binding upon and will inure to the benefit of Client and Consultant and their respective successors and assigns. Neither party may assign its rights or obligations hereunder without the prior written consent of the other party.
- b. Any notice required or permitted by this Agreement to be given shall be deemed to have been duly given if in writing and delivered personally or five (5) days after mailing by first-class, registered, or certified mail, return receipt requested, postage prepaid and addressed as follows:

Client: City of Leesburg  
Attention: Paul Kalv, Director, Electric Department  
Address: 2010 Griffin Road  
Leesburg, Florida 34748

Consultant: Plexus Research, a division of R. W. Beck, Inc.  
Attention: Officer Supervisor  
Address: 1000 Legion Place,  
Suite 1100, Orlando, Florida 32801

With a copy to:  
Legal Department (which will not be considered notice)  
1001 Fourth Avenue, Suite 2500  
Seattle, Washington 98154-1004

**PROFESSIONAL SERVICES AGREEMENT**  
**Between Plexus Research and City of Leesburg Florida**  
**For AMI Consulting Services**

---

- c. Client expressly agrees that all provisions of the Agreement, including the clause limiting the liability of Consultant, were mutually negotiated and that but for the inclusion of the limitation of liability clause in the Agreement, Consultant's compensation for services would otherwise be greater and/or Consultant would not have entered into the Agreement.
- d. If any provision of this Agreement is invalid or unenforceable, the remainder of this Agreement shall continue in full force and effect and the provision declared invalid or unenforceable shall continue as to other circumstances.
- e. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Florida.
- f. In any action to enforce or interpret this Agreement, the prevailing party shall be entitled to recover, as part of its judgment, reasonable attorneys' fees and costs from the other party.
- g. This Agreement may be executed in multiple counterparts, each of which shall be deemed to be an original instrument, but all of which taken together shall constitute one instrument.

**PROFESSIONAL SERVICES AGREEMENT**  
**Between Plexus Research and City of Leesburg Florida**  
**For AMI Consulting Services**

---

**IN WITNESS WHEREOF**, the Parties have signed this Agreement the date first written above.

**THE CITY OF LEESBURG, FLORIDA**

By: \_\_\_\_\_  
Mayor / Commissioner

Attest: \_\_\_\_\_  
City Clerk

APPROVED AS TO FORM:

Date: \_\_\_\_\_  
City Attorney

**PLEXUS RESEARCH, a division of R. W. Beck, Inc.**

Signature   
Name A. Daryl Pullin  
Title National Director  
Management Advisory Services

Exhibit A – Scope of Services and Schedule  
Exhibit B – Billing Rates

# EXHIBIT A

## To Agreement between Plexus Research and City of Leesburg Florida Scope of Services and Schedule for AMI Consulting Services

---

### Project Understanding

The City of Leesburg, FL is considering deployment of an advanced metering infrastructure (AMI) for its service area where electric, gas, and water retail services are provided. AMI is expected to improve the electric, water, and gas meter data collection processes and provide a variety of other improvements to utility business services and operations. Leesburg is also considering implementing a demand-side management (DSM) program to reduce peak hour wholesale electric power purchases from Florida Municipal Power Agency.

Plexus Research, a division of R. W. Beck, Inc. (Plexus Research), offers a Scope of Services that assists Leesburg with preparing a high-level AMI business case. The business case will include the anticipated benefits and costs to deploy AMI where electric, gas, and water retail services are provided. The business case will incorporate major DSM program elements and assumptions already developed by Leesburg Electric Department management. In addition to the project deliverables specifically outlined within this Scope of Services, the high-level AMI business case will provide Leesburg management the following:

- Key elements of an AMI action plan that is consistent with Leesburg’s business strategy.
- An evaluation tool necessary to support the vendor selection process should a request-for-proposal (RFP) be released to AMI vendors.
- Documentation and analysis of high-level benefits and costs necessary to support preliminary discussions with the Florida Municipal Power Agency (FMPA) and other authorities or stakeholders about deployment plans and cost recovery. (The AMI business case includes a final report as described within this Scope of Services, but does not include any documentation, testimony, or background material for FMPA and/or attendance at any meetings with FMPA officials).

### AMI Business Case Approach

The purpose of the AMI business case project is to identify and develop high-level benefits and costs necessary to demonstrate the economic feasibility of AMI for Leesburg. High-level benefits developed during the AMI business case project will be used to define the major functional requirements of an AMI system that can provide such benefits. The AMI business case will only apply to parts of the utility service area where Leesburg provides retail electric, gas, and water service, i.e. the corporate city limits. Retail customers in this service area include approximately 19,500 electric, 11,500 gas, and 39,300 water meters.

A successful AMI business case that is accepted by stakeholders and functional areas within the Leesburg Electric, Gas, and Water Departments requires a significant level of involvement by the AMI project team, which is composed of key management, subject matter experts (SMEs), and other staff. Also, the AMI project manager, AMI project team members, and other key utility staff are expected to be accessible to Plexus Research staff as needed. Overall guidance to the AMI business case project will be provided by an AMI Steering Committee composed of key Leesburg senior management. Representatives of the AMI Steering Committee are also expected to be accessible to Plexus Research staff as needed.



**EXHIBIT A**

**To Agreement between Plexus Research and City of Leesburg Florida**  
**Scope of Services and Schedule for**  
**AMI Consulting Services**

---

The AMI business case project has a scope of work composed of eight major tasks summarized below. A detailed description of each task is provided in subsequent sections of this Scope of Services.

- Task 1 - "Project Planning, Organization & Setup" initiates the AMI business case project with key Leesburg management and staff.
- Task 2 - "Project Kickoff" is for Leesburg stakeholders and the AMI project team.
- Task 3 - "AMI Benefits Workshops" provides instruction to the Leesburg AMI project team to select, prioritize, and quantify benefits.
- Task 4 - "Develop AMI Benefits" develops the specific tangible and intangible or described benefits by the AMI project team with the assistance of the Plexus Research project team.
- Task 5 - "Develop AMI Costs" develops relevant material, installation, and operating costs for an AMI system capable of supporting the identified benefits.
- Task 6 - "Demand-Side Management Benefits & Costs" incorporates major DSM program elements and assumptions already developed by Leesburg Electric Department management into the AMI business case.
- Task 7 - "Assess Economic Feasibility" develops the AMI business case model to assess the economic feasibility of candidate AMI solution(s) appropriate for Leesburg.
- Task 8 - "Final Report & Presentation" documents the work and result, and presents them to Leesburg management.

Work performed by Plexus Research to develop the AMI business case as described within this Scope of Services does not constitute any endorsement or warranty, explicit or implicit, of any vendor's AMI services, products, or technology.

### **Task 1 – Project Planning, Organization & Setup**

Plexus Research staff will serve the lead role in the initial project planning, organization and setup of the AMI business case project with key Leesburg management and staff. Leesburg shall have already formed a management AMI Steering Committee responsible for providing overall guidance to the AMI business case project. Also, Leesburg shall have already assigned an AMI project manager and project team(s) familiar with the AMI project, utility operations, and utility management and staff. The Leesburg AMI project manager and project team are responsible for arranging the necessary meetings, providing necessary information, and committing the necessary time and resources to the project. Success and acceptance of the AMI business case project and deliverables will depend in large part on the commitment of the AMI Steering Committee, AMI project manager, and AMI project team.

# EXHIBIT A

## To Agreement between Plexus Research and City of Leesburg Florida Scope of Services and Schedule for AMI Consulting Services

---

The Project Planning, Organization & Setup task will have the following order of events,

1. Plexus Research staff and the Leesburg AMI project manager will meet with the AMI Steering Committee to review the AMI business case project plan, processes, methods, schedules, workshops, responsibilities, and overall expectations for the AMI project and the AMI project team.
2. Plexus Research staff, AMI project manager, and AMI Steering Committee will develop a charter or checklist of key AMI needs and requirements that is consistent with Leesburg's goals, objectives, and business strategy.
3. Plexus Research staff and the AMI project manager will meet to coordinate their respective project schedules, deliverables, or other circumstances that affect the AMI business case project. Changes in schedules, project scope, or deliverables resulting from this meeting must be approved by the AMI Steering Committee.
4. A contact list will be finalized for assigned AMI project team members and their team backups.
5. Develop a preliminary list of AMI project team members who will be responsible for candidate AMI benefits necessary to complete Tasks 3, 4, 6 and 7, as described below.
6. Develop a preliminary list of AMI project team members who will be responsible for obtaining internal utility costs, data, and other AMI related information necessary to complete Tasks 5, 6, and 7, as described below.

### Task 2 – Project Kickoff

Plexus Research staff, the Leesburg AMI project manager, and a representative(s) of the AMI Steering Committee will conduct a joint kickoff meeting to inform the AMI project team about the AMI business case project, goals, and objectives. The Leesburg AMI project manager and executive representative of the AMI Steering Committee will inform the AMI project team about the importance that management places on the AMI business case project and their commitment and role in making the project a success. Plexus Research will present to the AMI project team an overview of the project, processes, methods, schedules, workshops, responsibilities, and overall expectations of their commitment of time and resources necessary for project success. The AMI project team will be informed of the preliminary list of assignments developed in Task 1 pending conclusion of the AMI Benefit Workshop as described in Task 3 of this Scope of Services.

### Task 3 – AMI Benefits Workshops

Plexus Research staff will conduct up to two days of workshops to familiarize the AMI project team about AMI systems, benefits and costs. The workshops will assist the AMI project team in prioritizing, selecting, and quantifying tangible AMI benefits, recognizing the significance of intangible AMI benefits, and identifying major functional AMI requirements. During these workshops, Plexus Research staff will also familiarize the AMI project team with how benefits, costs, and modeling assumptions will be used to assess the economic feasibility of AMI as described in Task 7 below.

By the end of the workshops, the AMI project team will select the tangible AMI benefits to be developed as dollar estimates and included in the economic feasibility assessment, as described in Tasks 4 and 7 of this Scope of Services. The AMI project team may select and develop up to five benefits subject to the

**EXHIBIT A**

**To Agreement between Plexus Research and City of Leesburg Florida**  
**Scope of Services and Schedule for**  
**AMI Consulting Services**

---

constraints within the “Cost and Schedule” section of this Scope of Services. Tangible benefits selected and developed by the AMI project team including major functional AMI requirements, however, will be approved by the AMI Steering Committee. Also, by the end of the benefit workshops, the AMI project team will select the baseline AMI business case modeling assumptions for Task 7. These modeling assumptions will also be approved by the AMI Steering Committee. The AMI project team will identify relevant intangible or described AMI benefits. The described benefits will be developed into a tabular summary. Plexus Research staff will continue to provide instruction and guidance to the AMI project team after the workshops have ended.

The Scope of Services, schedule, or cost of the AMI business case project can be amended subject to approval by the AMI Steering Committee if the AMI project team wishes to study additional AMI benefits. The preliminary list of AMI project team assignments developed in Task 1 (identifying team members responsible for AMI benefit worksheets) will be finalized in this task so that Tasks 4, 6, and 7 as described below can be completed.

#### **Task 4 – Develop AMI Benefits**

Plexus Research staff will provide the AMI project team sample benefit templates illustrating how other Plexus Research clients have prepared tangible AMI benefit estimates and described benefits. Approaches used to quantify or estimate tangible benefits are rarely the same among utilities. Plexus Research will assist the AMI project team in developing their benefit worksheets and reasonable benefit estimates as needed subject to the constraints of Task 3 as described in this Scope of Services. Plexus Research staff will also provide a detailed review of the benefit estimate worksheets before they are used in the economic feasibility assessment as described in Task 7 of this Scope of Services. AMI project team members, however, are ultimately responsible for developing draft benefit estimates for review by Plexus Research staff. This responsibility also includes obtaining utility-specific data relevant to the benefit estimates, and cross referencing or coordinating relevant information with other team members as needed on related AMI benefits.

AMI benefits developed during the AMI business case project will be used to outline AMI system requirements necessary to achieve the anticipated benefits. Defining the AMI system requirements that support the identified benefits is an important outcome of this task. If Leesburg management eventually chooses to deploy AMI, these requirements will be written into AMI system specifications to ensure that the eventual AMI system will provide the benefits defined in this task.

#### **Task 5 – Develop AMI Costs**

Plexus Research staff will develop the relevant material, installation, and operating costs for up to two potential AMI solutions, subject to the constraints described within the “Cost and Schedule” section of this Scope of Services. Candidate AMI solutions selected will be capable of supporting the AMI benefits selected as described in Tasks 3 and 4 of this Scope of Services. AMI material and installation costs will be based on Plexus Research data for representative systems or, if needed, through brief informal budgetary pricing confirmation obtained from AMI vendors. Operating costs can be estimated using Plexus Research data for representative systems, but these costs are recommended to be estimated in collaboration with Leesburg AMI project team members, subject to the constraints described within the “Cost and Schedule” section of this Scope of Services. Leesburg AMI project team members will be the most knowledgeable about the utility’s personnel and IT policies, operations and costs. Plexus Research will provide AMI hardware and software purchase cost information, and Leesburg will provide cost estimates to integrate AMI into its utility business systems as needed. No RFP or RFI is anticipated to

**EXHIBIT A**  
**To Agreement between Plexus Research and City of Leesburg Florida**  
**Scope of Services and Schedule for**  
**AMI Consulting Services**

---

obtain reasonable cost estimates, although this detailed documentation from vendors can be obtained at Leesburg's expense if approved by the AMI Steering Committee.

## **Task 6 – Demand-Side Management Benefits & Costs**

Leesburg is considering implementing a demand-side management (DSM) program to reduce peak hour wholesale electric power purchases from FMPA. Major DSM program elements and assumptions have already been developed by Leesburg Electric Department management, which are summarized in the “12-Month Power Supply” MS Excel™ file submitted to Plexus Research staff on May 23, 2008. Plexus Research staff will meet with the Leesburg AMI project manager and Electric Department manager during Tasks 1-3 to coordinate major DSM program elements and assumptions to be incorporated into the assessment of economic feasibility as described in Task 7 of this Scope of Services. DSM program elements, assumptions, costs, and benefits to be included within the economic feasibility assessment model are summarized within the following outline. Any changes in schedules, project scope, or deliverables resulting from this meeting must be approved by the AMI Steering Committee as described in Task 1 of this Scope of Services.

1. Annual DSM-related wholesale demand savings will be based on an annual electric load forecast of wholesale power purchases provided by Leesburg. This annual load forecast will also include a summary of total wholesale monthly demand and energy billing units.
2. Annual DSM-related wholesale demand savings will be based on an annual forecast of FMPA transmission, demand, and energy costs provided by Leesburg.
3. DSM program attributes or elements to be modeled as variables within the economic feasibility assessment include the following:
  - Number of anticipated DSM program participants.
  - Annual weighted average incentive rates paid to HVAC and water heating DSM program participants.
  - Average peak demand reduction per participant and changes in system load factor achieved by Leesburg DSM programs.
4. DSM hardware and installation costs for Zigbee™ enabled thermostat and water heater controls will be provided by Leesburg or, if needed, by Plexus Research staff through brief informal budgetary pricing confirmation obtained from AMI vendors. DSM related operating costs will be estimated in collaboration with Leesburg AMI project team members, subject to the constraints described within the “Cost and Schedule” section of this Scope of Services.
5. Plexus Research staff and the Leesburg AMI project manager will develop up to three DSM scenarios using the variables described in Item (3). These DSM scenarios will be incorporated by Plexus Research staff into the AMI business case model and economic feasibility assessments, as described in Task 7 of this Scope of Services.

**EXHIBIT A**  
**To Agreement between Plexus Research and City of Leesburg Florida**  
**Scope of Services and Schedule for**  
**AMI Consulting Services**

---

6. The AMI business case project Scope of Services does not include any assessment of DSM or demand response programs or strategies. Also, the AMI business case project Scope of Services does not include any assessment of meter endpoint, meter portal, or home area network (HAN) technologies or specifications needed to support a particular DSM or demand response requirement or strategy. Any changes in schedule, project scope, or cost for Plexus Research to provide these additional services must be approved by the AMI Steering Committee.
7. All DSM program elements, assumptions, costs, and benefits to be included within the economic feasibility assessment summarized in Items (1) through (6) above are assumed to be revenue neutral, i.e. no impacts on retail revenues will be assumed. Any changes in schedule, project scope, or cost for Plexus Research to provide these additional services must be approved by the AMI Steering Committee.

### **Task 7 – Assess Economic Feasibility**

Plexus Research staff will prepare a business case model to assess the economic feasibility of AMI solutions at Leesburg. The business case model will be based on the proprietary Plexus Research *AMIToolkit*<sup>™</sup>. The *AMIToolkit* has three basic elements: benefits, costs, and modeling assumptions based on Leesburg defined requirements, data and preferences, as described in Tasks 3-6 of this Scope of Services. Economic feasibility is assessed using an annual cash flow analysis of the elements comprising the business case model. Results of the AMI economic feasibility assessment include the following:

- A variety of tabular views of benefit and cost categories, by year, for both 15-year and 20-year study periods.
- Calculation of net present value (NPV) and internal rate of return (IRR) for both 15-year and 20-year study periods.
- Graphical presentation of net annual cash flow, cumulative net cash flow, and cumulative present value for both 15-year and 20-year study periods.
- Up to two candidate AMI solutions as described in Task 4 of this Scope of Services shall be portrayed as described in the above bullet points.
- Breakeven analysis of the annual cash flows for up to two candidate AMI solutions as described in Task 4 of this Scope of Services.
- Scenario analysis for one candidate AMI solution to assess sensitivity of the analysis to major variables.

Leesburg may independently investigate the anticipated rate or revenue requirements impact of an AMI solution using the benefits and costs used within the business case model. Alternately, Plexus Research may develop the anticipated revenue requirements for the desired AMI solution at Leesburg's expense (not included in this Scope of Services) if approved by the AMI Steering Committee.

**EXHIBIT A**  
**To Agreement between Plexus Research and City of Leesburg Florida**  
**Scope of Services and Schedule for**  
**AMI Consulting Services**

---

## **Task 8 – Project Report and Presentation**

Plexus Research staff shall prepare a final report and presentation for Leesburg management to document and finalize the AMI business case project. The final report and presentation will summarize major project tasks including methods, processes, and assumptions used to develop AMI benefits and costs for the business case model and economic feasibility assessment. The final report will include an executive summary and one or more sections for project Tasks 1-7, as described in this Scope of Services. Details of the AMI business case model and economic feasibility assessment will be provided in an appendix.

As tasks are completed, Plexus Research staff will submit draft sections of the report to the AMI project manager and AMI Steering Committee for review and comment. An executive summary and a report appendix will later be added to these sections to create a consolidated final draft report. The final draft report will be submitted to the AMI project manager and AMI Steering Committee for their review and comment before submitting the final AMI business case project report.

## **Deliverables**

The following outline summarizes major deliverables for the AMI business case project as described within Tasks 1-7 of this Scope of Services:

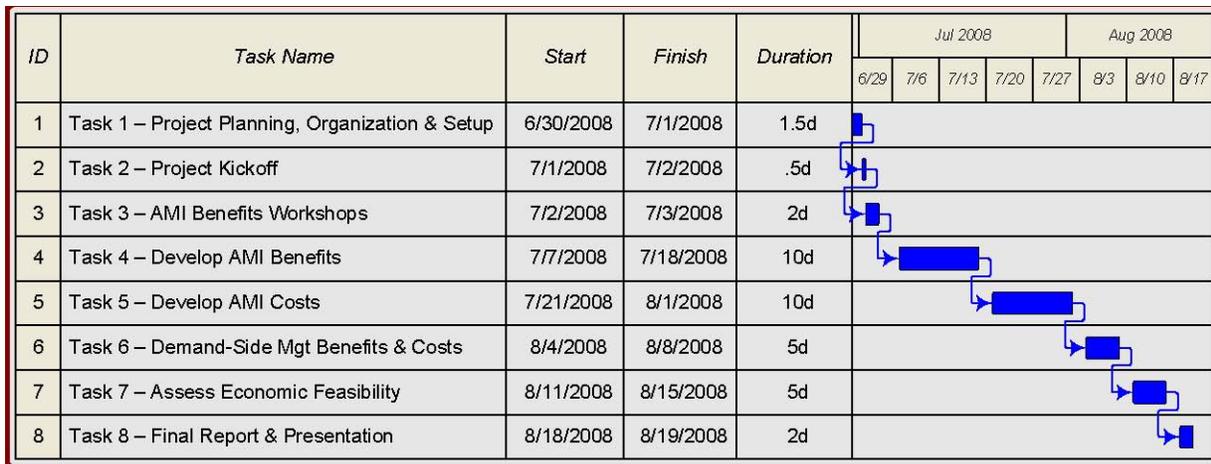
- Draft sections, new or amended, of the AMI business case report for Tasks 2-5 after each task is completed, and a consolidated final draft report after Task 7 is completed.
- Templates and examples for AMI benefits and business case, as needed by the AMI project team, from the *AMI Toolkit*.
- Final AMI business case project report.
- Presentation of the project results to Leesburg management and staff.
- Project progress briefs of a single page will be submitted to the AMI project manager and AMI Steering Committee no more than bi-weekly and no less than once per month for the duration of the project. The briefs will summarize project progress, issues, and/or risks affecting the project scope, quality, available resources, schedule, and cost of the project.
- AMI business case model and AMI economic feasibility analysis in a MS Excel™ format including benefits (tangible and described), costs, and assumptions that are specific to Leesburg for its future use. The AMI business case model is proprietary and remains the intellectual property of Plexus Research.

**EXHIBIT A**  
**To Agreement between Plexus Research and City of Leesburg Florida**  
**Scope of Services and Schedule for**  
**AMI Consulting Services**

## Schedule and Assumptions

The Plexus Research pricing and schedule commitments assume that Tasks 1 and 2 of the AMI business case project begin no later than the week of June 30, 2008, subject to an executed Professional Services Agreement and mutual non-disclosure agreement between Leesburg and Plexus Research. Assuming the project begins as anticipated, delivery of Task 8 (i.e. the final report and presentation) is anticipated no earlier than the week of August 18, 2008. A Gantt chart of the project including major tasks is provided in Figure 1. The actual schedule for individual tasks and the project rollup is subject to the availability of the Leesburg AMI project team, AMI Steering Committee, and unforeseen circumstances outside this Scope of Services. This Scope of Services shall remain valid for 90 days as of May 29, 2008.

Figure 1: Gantt Chart of the Project



**EXHIBIT A**

**To Agreement between Plexus Research and City of Leesburg Florida  
Scope of Services and Schedule for  
AMI Consulting Services**

Billing Class	Hourly Rate (US\$)	Typical Project Roles
1	28.00	
2	44.00	
3	60.00	Clerical, Administration, Junior Engineers and Technicians
4	76.00	
5	92.00	
6	108.00	
7	124.00	
8	140.00	Staff Engineers, Consultants and Technicians
9	156.00	
10	172.00	
11	188.00	
12	204.00	Senior Engineers, Consultants and Technicians, and Project Managers
13	220.00	
14	236.00	
15	252.00	
16	268.00	Executive Engineers and Consultants, Senior Project Managers, and Principals
17	284.00	
18	300.00	
19	316.00	
20	332.00	
21	348.00	
22	364.00	
23	380.00	
24	396.00	Executive Engineers and Consultants, Senior Project Managers, and Senior Principals
25	412.00	
26	428.00	
27	444.00	
28	460.00	
29	476.00	
30	492.00	
31	508.00	

\*Salaries of personnel are subject to change in accordance with Beck's annual salary adjustment program.

