

AMENDMENT # 1
for
WEATHERIZATION LOW-INCOME ASSISTANCE AGREEMENT
#SW-ESA-12-2182-02Y2

between the

STATE OF ARIZONA,
GOVERNOR'S OFFICE OF ENERGY POLICY
and
GILA COUNTY

Pursuant to section XXIII, **AMENDMENTS OR MODIFICATIONS**, the following sections of the above referenced Weatherization Low-Income Assistance Agreement are hereby amended as follows:

Section IV, CONTRACT BUDGET

Pursuant to Terms and Conditions, "Contract Budget," of the above referenced contract, the State of Arizona hereby exercises its option to amend this contract to provide up to \$6,000.00 in additional funding available for reimbursement. This funding shall be used as follows:

Administration Costs \$600.00

Program Operations \$4,050.00

Health and Safety \$1,350.00

for the Southwest Gas Corporation Low-Income Energy Conservation Program (SWG) through June 30, 2013. The \$6,000.00, in addition to the initial funding provided for reimbursement of \$7,150.00, brings the contract total amount to \$13,150.00.

Section V, SCOPE OF WORK

Add the following two paragraphs to the Scope of Work under Section B, Specific Requirements, as additional requirements to the contract:

The Southwest Gas Corporation Approved Measures List is attached as Attachment A, incorporated herein by reference. The attached measures list shall govern which measures are allowable charge to Southwest Gas funds. All approved Southwest Gas measures shall follow the same rules as the Arizona Priority List for Single Family Homes and /or Mobile Homes depending on climate zones. Installation and workmanship requirements shall follow the State Plan and Weatherization Assistance Program Requirements. Buy downs for measures that do not return an SIR of greater than or equal to 1 in REM are disallowed. Any measure that does not return an SIR of greater than or equal to 1 must be allocated to the Health and Safety Budget. Audit costs are an allowable expense if no other funds are available for the audit, but the audit will be billed under administrative categories or Health and Safety.

Contractors must validate natural gas space heating and water heating for various measures, as noted on the attached Attachment A. In addition, measures must be cost-effective where indicated. Any questions or modifications to this list shall be directed to Southwest Gas via the Governor's Office of Energy Policy prior to approval. Any measures installed without prior approval and that do not meet the attached requirements will be disallowed for billing to Southwest Gas.

Section V. C, METHOD OF PAYMENT

Add the following sentence under Section V. C. 5, Reimbursement, as 5.d., regarding additional information on funding limitations:

Funding shall not be paid for any household that is not 100 percent complete and all work orders are closed out and the job has been submitted to OEP.

Section VI, REGULATION REQUIREMENTS

Replace the sentence in Section VI. B. with the following sentence regarding weatherization component costs per dwelling:

Weatherization component costs required to complete the necessary measures (excluding all administrative costs) shall not exceed \$3,000 per household, unless prior approval is granted by Southwest Gas via the Governor's Office of Energy Policy. Approval will only be granted if the total investment meets program cost-effectiveness requirements.

Replace the sentence in Section VI. C. with the following sentence regarding eligibility of measures as cost-effective:

All measures must be determined to be eligible as cost-effective as set forth by SWG and the Weatherization Assistance Program.

Replace the sentence in Section VI. D. with the following sentence regarding budget limitations on health and safety expenditures:

The Health and Safety budget is capped at 25 percent of the total Contractor's budget, excluding administrative costs. Contractor's billing for Health and Safety expenses cannot exceed the 25 percent cap of the combined Program Operations and Health and Safety year-to-date actual expenditures. Priority shall be given to expending Program Operations so that the Health and Safety budget portion is not expended before Program Operations. No exceptions will be granted. Any health and safety expenditures in excess of \$2,000 per house unit requires prior written approval.

Section VII, PROGRAM FINANCIAL ELIGIBILITY AND CERTIFICATION REQUIREMENTS

Replace the sentence in Section VII. B., Income Eligibility, No. 1, with the following sentence to clarify income eligibility:

1. Applicants are eligible whose income is at or below 150 % of the Federal Poverty Guideline income determined in accordance with criteria established by the Office of the Secretary, U.S. Department of Health and Human Services.

Add the following sentence in Section VII. B., Income Eligibility as No. 2 regarding recipients of measures funded by Southwest Gas:

2. All recipients of measures funded by Southwest Gas must be current Southwest Gas customers.

Revise Section VII. B., Income Eligibility, No. 2 to No. 3. Replace the sentence in Section VII. B., Income Eligibility, No. 3, with the following sentence providing new information on all household income calculations:

