

Montana-Dakota Utilities Co.
Request for Proposal for
Energy Auditor for South Dakota
November 29, 2011

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1. INTRODUCTION

1.1 Purpose

Montana-Dakota Utilities Co., a division of MDU Resources Group Inc. (“Montana-Dakota”), is a public utility with retail electric and natural gas load in South Dakota, North Dakota, Wyoming, and Montana. As part of Montana-Dakota’s natural gas conservation portfolio, Montana-Dakota wishes to offer its customers an energy audit at a reduced rate.

In this Request for Proposal (“RFP”), Montana-Dakota requests competitive proposals (“Proposals”) for an energy auditor to conduct energy audits for Montana-Dakota’s natural gas customers located in two areas of South Dakota; the East River District and the Rapid City District.

1.2 Description and Requirements

Montana-Dakota is seeking Proposals from experienced energy auditors to conduct energy audits for Montana-Dakota’s South Dakota natural gas customers. Respondents may submit proposals to provide energy audits for the East River District, the Rapid City District, or both districts. See Exhibit A for the list of communities in South Dakota served by Montana-Dakota.

Respondents should submit Proposals for the energy audits that include the criteria stated below.

The audits will incorporate several components. The auditor will inspect the interior and exterior of the customer’s residence, inspect natural gas combustion appliances, perform a carbon monoxide (CO) test near combustion appliances, perform a blower door test in conjunction with an infrared camera inspection of the property, provide an energy audit report to Montana-Dakota and the customer, and deliver approved items to the customer. The energy audit report will include the interior and exterior observations made by the auditor, an analysis of the household natural gas energy use, a metric for comparing the audited household to the average household, the results of the CO testing, the results of the blower door test and infrared camera inspection, and a list of potential natural gas energy efficiency improvements specific to the home being audited. Items delivered to the customer will include weatherization kits provided by Montana-Dakota, a summary of conservation rebate programs available through Montana-Dakota, and other conservation literature approved by Montana-Dakota.

Bid pricing should be submitted for the energy audits with the Proposals.

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Montana-Dakota will consider all Proposals that meet the aforementioned requirements.

Montana-Dakota reserves the right to require additional information not identified in this RFP in order to fully evaluate the costs and impacts of any proposal.

Audits are to begin as soon as possible after the contract is awarded to the winning Proposal(s) subject to regulatory approval of Montana-Dakota's conservation plan submitted to the South Dakota Public Utilities Commission. The contract will be effective through December 31, 2014.

1.3 Changes to RFP, Schedules, and Addenda

Montana-Dakota reserves the right to unilaterally revise or suspend the schedule, or terminate this RFP process at its sole discretion without liability to any Respondent.

2. BID SUBMITTAL

2.1 General Instructions

Montana-Dakota's Official Contact for this RFP is:

Mr. Larry Oswald
Montana-Dakota Utilities Co.
400 North 4th Street
Bismarck, ND 58501
701-222-7939
701-222-7853 FAX
email: larry.oswald@mdu.com

Respondents must meet all the terms and conditions of the RFP to be eligible to compete in the RFP process. Respondents should follow all instructions contained in the RFP and submit all relevant documents. It is the Respondent's responsibility to advise the Official Contact of any conflicting requirements, omissions of information, or the need for clarification before Proposals are due. Respondents should clearly organize and identify all information submitted in their Proposals to facilitate review and evaluation. **Failure to provide all the information requested in the RFP process or failure to demonstrate that the Proposal satisfies all of the Montana-Dakota requirements will be grounds for disqualification.** Prior to the short-listing of Proposals, all correspondence and communications from the Respondent to Montana-Dakota must be made in writing through the Official Contact.

2.2 Respondent's Qualifications

Respondents must meet one of the Residential Energy Auditor Qualifications listed below:

- 2.2.1 A Certified Building Analyst by the Building Performance Institute (BPI), Malta, New York.
- 2.2.2 A RESNET Accredited Rater by the Residential Energy Services Network, Oceanside, California that has completed at least one of the following mechanical training courses:
 - a) Dunwoody Institute of Minneapolis or The Minnesota State Colleges and Universities System
 - Completion of HVAC coursework that includes the inspection and safety tests of combustion appliances and other HVAC equipment listed in Residential auditing skills.
 - b) Sun Power, Inc.
 - Carbon Monoxide and Venting
 - Initial Furnace Training
 - Combustion Systems and Safety Testing
 - c) Kansas Building Science Institute
 - Inspecting Residential Furnaces
 - d) Indiana Community Action Association
 - Gas Heating Systems Inspection for Auditors
 - Gas Heating Systems Inspection for Technicians
 - e) National Comfort Institute
 - Professional Carbon Monoxide and Combustion Analysis Training and Certification

Each Respondent shall provide supporting documents showing certifications and/or qualifications. In addition to that information, during the Proposal review process, Montana-Dakota may require each Respondent to provide additional information in order to assist Montana-Dakota in addressing and weighing the qualifications of each Respondent.

2.3 Insurance

All Respondents will be required to carry at least \$1,000,000 of general and auto liability insurance before Montana-Dakota will enter into any contract with the Respondent. Montana-Dakota understands that the Respondents may not currently carry a \$1,000,000

general and auto liability limit. Proof of current insurance and limits should be submitted with all Proposals. Bid pricing should consider this requirement.

2.4 RFP Communications

Prior to the proposal submission deadline, all communications should be directed to the Official Contact's e-mail. Based upon the nature and frequency of the questions Montana-Dakota receives, Montana-Dakota will choose to either respond to individuals directly or address the question through the bidder's conference (see Section 2.5).

2.5 Schedule

The following schedule and deadlines apply to this RFP:

Activity	Date*
Issue RFP	November 29, 2011
Bidder's Conference	December 20, 2011
RFP Responses Due	January 20, 2012
Selection Process Complete	February 3, 2012

*Dates may be advanced or delayed at Montana-Dakota's sole discretion.

2.6 Bidder's Conference

Montana-Dakota currently plans on conducting a bidder's conference for interested Respondents:

Time: 1:00 pm MST
Date: December 20, 2011
Call Number: 888-847-6107 (Toll-Free)
Meeting ID: 6605
Meeting URL: <http://MDUR-CONF.mdu.com/m/7E5585A44ECD39731F00192237DA39A2L1>

Interested Respondents who plan on participating in the conference should RSVP to the Official Contact's e-mail. Please provide names, titles, and phone numbers of the individuals who will be participating and a brief description of the Respondent's qualifications if possible. The purpose of the bidder's conference is to allow potential Respondents the opportunity to ask questions and seek clarification about the RFP process. To make the meeting as productive and informative as possible, Respondents are

encouraged to submit any questions in writing prior to the conference. Participation is not mandatory but may serve to clarify any preliminary issues regarding the RFP.

2.7 Proposal Content and Submission Instructions

- 2.7.1 In addition to the information described elsewhere in this RFP, all Respondents must include as part of their proposal all relevant information requested in the response package. Proposals that do not contain all required information or do not fully reflect the bid requirements may not be considered at Montana-Dakota's sole discretion. In addition to the required information, Respondents should include with their Proposals any other information that may be needed for a thorough understanding or evaluation of their Proposals.
- 2.7.2 Complete Proposals, including all exhibits, must be received on or before 5:00 P.M. CST on December 21, 2011 by Montana-Dakota's Official Contact. Respondents shall submit one hard copy of the original Proposal as well as one electronic version of their response package on a compact disc. **Montana-Dakota will not accept late Proposals or Proposals delivered by e-mail, FAX or other electronic means. Only sealed Proposals will be accepted.** On the envelope, Respondent shall indicate **"Response to Montana-Dakota RFP re. Energy Auditor."** Any Proposals received after the scheduled date and time will be disqualified and a notice will be sent to the Respondent.
- 2.7.3 All Proposal terms, conditions, and pricing should be valid through the completion of the selection process, currently planned for the close of business (5:00 P.M. CST) on January 9, 2012. Any accepted Proposal will become binding in accordance with the executed definitive agreement (see Section 4.3).
- 2.7.4 Respondents will be notified by January 10, 2012 if their bid has been selected for further negotiation. This date may be advanced or delayed at Montana-Dakota's sole discretion. Respondents will be notified if the date is changed. Respondents with Proposals not selected will be notified. None of the material received by Montana-Dakota from Respondents in response to this RFP will be returned. All Proposals and exhibits will become the property of Montana-Dakota, subject to the confidentiality provisions of Section 2.8.
- 2.7.5 Prices and dollar figures must be stated in U.S. Dollars.

2.8 Confidentiality

With each Respondent's Proposal, Montana-Dakota will require that all parties sign the Confidentiality Agreement contained in Exhibit B to this RFP. Montana-Dakota will sign and execute the Confidentiality Agreement upon receipt from each Respondent. Montana-

Dakota will use commercially reasonable efforts, in a manner consistent with the Confidentiality Agreement, to protect any claimed proprietary and confidential information contained in a Proposal, provided that such information is clearly identified by the Respondent as “PROPRIETARY AND CONFIDENTIAL” on the page on which proprietary and confidential material appears.

2.9 Requirements of the Proposals

- 2.9.1 Montana-Dakota requests that all exhibits, documents, etc. submitted as part of a Proposal be clearly labeled and organized in a fashion that facilitates easy location and review.
- 2.9.2 Proposals must conform, as applicable, to the requirements within this RFP.
- 2.9.3 Proposals must include a description of the energy audit being performed. Details should be provided on the Respondent’s equipment and audit process.
- 2.9.4 Proposals shall provide an example of the Respondent’s energy audit reports. The report should include any pictures, metrics, and other information that is normally included in the Respondent’s audit reports.
- 2.9.5 Pricing information shall be included for all Proposals. Pricing for the Proposals should include mileage costs as well as the audit cost.
- 2.9.6 Each Respondent shall provide supporting documents showing certifications and qualifications.
- 2.9.7 Proof of insurance shall also be provided with all Proposals.
- 2.9.8 A single Respondent may submit more than one Proposal.
- 2.9.9 All potential conflicts of interest shall be stated within the Respondent’s Proposal(s).

3. Evaluation Process

3.1 Proposal Review

- 3.1.1 Respondents are advised that energy audit thoroughness will be a major factor in Montana-Dakota’s evaluation, with due consideration given to price and experience. Montana-Dakota shall evaluate all Proposals in terms of price and non-price attributes and reject any Proposal that, in Montana-Dakota’s sole discretion:
 - a) Does not meet the minimum requirements set forth in the RFP; or
 - b) Is not economically competitive with other Proposals or resource alternatives.
- 3.1.2 Montana-Dakota shall evaluate responsive Proposals and select for further review and negotiation a Proposal or Proposals, if any, that Montana-Dakota

believes provides the greatest value to its customers. In the event negotiations with a Respondent or Respondents do not produce a final and fully executed contract satisfactory to Montana-Dakota, Montana-Dakota reserves the right to pursue any and all other options available to it.

- 3.1.3 Montana-Dakota reserves the right to accept or reject any or all Proposals for any reason at any time after submittal without explanation to the Respondent, or to make an award at any time to a Respondent who, in the sole opinion and discretion of Montana-Dakota, provides a Proposal Montana-Dakota deems favorable. Montana-Dakota also reserves the right to make an award to other than the lowest price Respondent, if Montana-Dakota determines that to do so would result in the greatest value to its customers.
- 3.1.4 Those Respondents who submit Proposals do so without legal recourse against Montana-Dakota or its directors, management, employees, agents or contractors based on Montana-Dakota's rejection, in whole or in part, of their Proposal or for failure to execute any agreement with the Respondent. Montana-Dakota shall not be liable to any Respondent or to any other party, in law or equity, for any reason whatsoever relating to Montana-Dakota acts or omissions arising out of or in connection with the RFP.
- 3.1.5 Selection and elimination of Proposals and subsequent notification of Respondents at all stages of the evaluation will remain entirely at Montana-Dakota's discretion.
- 3.1.6 Montana-Dakota reserves the right to award multiple contracts if combinations of proposals provide the lowest overall cost and the greatest value for Montana-Dakota's customers.

3.2 Proposal Threshold Requirements

The Respondent should provide complete and accurate information to ensure that its Proposal satisfies the Threshold Requirements listed below. Montana-Dakota, at its sole discretion, may reject a Proposal for further consideration if the Proposal fails to meet the Threshold Requirements or provides incomplete and/or inaccurate response. Montana-Dakota may seek clarification and/or remedy of a Respondent's Proposal.

- 3.2.1 General Threshold Requirements
 - a) The Proposal is received on time and complies with the submission instructions.
 - b) The Proposal is bona fide, and the Respondent has sufficient capacity to support the Proposal.

- c) Complete and accurate answers are provided to all questions in the RFP.
- d) Energy audits must meet all requirements specified in section 1.2.

4. CONTRACTS

4.1 General

The Respondent(s) whose Proposal is selected will be responsible for acquiring and verifying that they are in compliance with all necessary licenses, permits, and certifications required by federal, state, and local government laws, regulations, and policies.

The Respondent shall be liable for all, and Montana-Dakota shall not be responsible for any, of the costs that the Respondent incurs to prepare, submit, and negotiate its Proposal, subsequent contract, and any related activity.

4.2 Contract Modifications

Montana-Dakota anticipates that the contract format for this RFP will be similar to the example in Exhibit C. Respondents should expressly identify and include proposed changes to the contract in their Response Packages. Such proposed revisions will allow Montana-Dakota to assess in its evaluation process the significance and impact to any Proposal of the changes requested by Respondents. Montana-Dakota reserves the right to utilize a different contract format, based on its sole discretion, for the contracts under this RFP.

4.3 Definitive Agreement

As soon as practicable after Montana-Dakota completes negotiations, Montana-Dakota expects the selected Respondent(s) to execute a contract. Failure of the Respondent(s) to promptly execute a definitive written agreement after notification of a winning bid will result in rejection of the Proposal.

4.4 Collusion

By submitting a Proposal to Montana-Dakota in response to this RFP, the Respondent certifies that the Respondent has not divulged, discussed, or compared its Proposal with any other Respondents and has not colluded whatsoever with any other Respondents with respect to this RFP.

Exhibit A – List of Communities Served by Montana-Dakota

Montana-Dakota's South Dakota natural gas service territory is broken into two separate territories. Preference will be given to Proposals that have the ability to conduct audits in all

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twenty-six communities served by Montana-Dakota; however, Montana-Dakota may choose separate auditors for the Rapid City District communities and another for the East River District communities at its sole discretion.

Rapid City District:

- Belle Fourche
- Black Hawk
- Box Elder
- Camp Crook
- Central City
- Deadwood
- Lead
- Piedmont
- Pluma
- Rapid City
- St. Onge
- Spearfish
- Sturgis
- Terraville
- Whitewood

East River District:

- Agar
- Bowdle
- Ft. Pierre
- Gettysburg
- Glenham
- Ipswich
- Mobridge
- Onida
- Pierre
- Roscoe
- Selby

Exhibit B – Confidentiality Agreement
MUTUAL CONFIDENTIALITY AGREEMENT

Montana-Dakota Utilities Co., a Division of MDU Resources Group, Inc., having its principal place of business at 400 North 4th Street, Bismarck, ND 58501 (“Montana-Dakota”) and _____, having its principal place of business at _____ (“Respondent”), are discussing details related to the Respondent’s reply to a Request for Proposal (“RFP”) that Montana-Dakota has issued regarding the contracting of an energy auditor dated **November XX, 2011**. In the course of discussions about the RFP, each party may disclose certain confidential or proprietary information (“Proprietary Information”) to the other party.

For purposes of this Mutual Confidentiality Agreement, Proprietary Information shall mean all information, technical data or know-how, whether written, oral, visual, electronic or in any other form disclosed, acquired, or generated as a result of or in connection with the RFP process which has been marked or otherwise identified as confidential or proprietary information. Proprietary Information shall also include this Mutual Confidentiality Agreement and the terms and conditions set forth herein.

- A. In consideration of Montana-Dakota and Respondent agreeing to supply each other Proprietary Information relating to the RFP process and in consideration of both parties entering into the exchange of information and/or discussions relating to the RFP process, Montana-Dakota and Respondent each agree that it, its corporate affiliates, and each of their respective directors, officers, employees, lenders, and professional advisors (each individually “Representatives”):
1. Will keep secret and confidential the Proprietary Information supplied to the other party and any discussions and negotiations about the RFP process except as herein provided and in a manner no less restrictive than the manner that the receiving party protects its own confidential information;
 2. Will use the Proprietary Information only for the purpose of participating in, evaluating and negotiating the RFP process;
 3. Will disclose the Proprietary Information only to its Representatives who need to know the Proprietary Information for the purpose of participating in, evaluating and negotiating the RFP process;
 4. Will not, whether or not the Parties enter into definitive agreements, disclose to any third party (other than its Representatives) any of the Proprietary Information other than the Proprietary Information which is in, or independently comes into, the public domain;

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5. Will not engage in any transactions of any kind whatsoever with regard to the Proprietary Information during the term of this Agreement without the written consent of the other party;
 6. Will, if requested in writing, promptly destroy or return any of the Proprietary Information provided without keeping any copies; and
 7. Will promptly notify the other party if any of the Proprietary Information conveyed to it is required to be disclosed by reason of law or legal process and will cooperate with the other party regarding any action which the other party (at the other party's sole cost and expense) may elect to take to challenge the legality or validity of such requirement.
- B. Montana-Dakota and the Respondent also acknowledge and agree:
1. Proprietary Information which is provided will not be considered to be Proprietary information if that information is (i) in the other party's possession prior to disclosure, (ii) is in the public domain prior to disclosure, or (iii) lawfully enters the public domain through no violation of this Mutual Confidentiality Agreement.
 2. No agreement for a contract or other transaction shall be deemed to exist unless and until an Independent Contractor Agreement has been executed and delivered by the parties. The term "Independent Contractor Agreement" does not include this Mutual Confidentiality Agreement, a letter of interest or any other preliminary written agreement, nor does it include any verbal agreement;
 3. Neither party makes any representation or warranty regarding the completeness or accuracy of any information provided to the other; any and all such representation and warranties shall be made in a written, executed agreement and will then be subject to the provisions thereof;
 4. Money damages would not be a sufficient remedy for a breach of this Mutual Confidentiality Agreement and the injured party is entitled to specific performance and injunctive or other equitable relief and remedies for any breach; such remedies shall not be the exclusive remedies but shall be in addition to all other remedies available at law or in equity;
 5. Neither party will make any announcement of the status of the Respondent's reply to the RFP or of any negotiations with respect to a possible agreement without the prior written consent of the other;
 6. This Mutual Confidentiality Agreement is governed by the laws of the State of North Dakota; and
 7. The obligations under this Mutual Confidentiality Agreement shall be continuing and shall survive the termination of the RFP process and any discussion or

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negotiations between the parties, but that obligations of the parties hereunder will expire two years from the date of this Mutual Confidentiality Agreement.

The parties have executed this Mutual Confidentiality Agreement as of _____, 2011.

MONTANA-DAKOTA UTILITIES CO.
A Division of MDU Resources Group Inc.

By: _____

By: _____

Title: _____

Dennis Haider

Executive Vice President, Regulatory,
Gas Supply, & Business Development

Exhibit C – Form of Proposed Contract

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INDEPENDENT CONTRACTOR AGREEMENT

This agreement, effective as of the ___ day of _____, 2012, by and between Montana-Dakota Utilities Co., a division of MDU Resources Group, Inc., hereafter referred to as “Montana-Dakota” and _____, hereafter referred to as “CONTRACTOR.”

In consideration of the premises and of the covenants herein contained, it is hereby agreed as follows:

1. At the request of Montana-Dakota, CONTRACTOR shall conduct the work as described in the Description of Work, attached hereto as Exhibit “A.” Work shall be commenced and finished in strict compliance as set out therein, it being understood and agreed that any expansion of or addition to the work shall be pursuant to a written agreement, signed by both Montana-Dakota and CONTRACTOR. CONTRACTOR shall perform the Work with due diligence, in a safe, competent, and workmanlike manner, utilizing reasonable care and skill, in accordance and consistent with industry standards for the Work. Except for such items as are to be furnished by Montana-Dakota as hereinafter provided or as stated in Exhibit “A”, CONTRACTOR agrees to furnish all labor, equipment, materials, supplies, tools and supervision necessary to perform the Work.
2. Montana-Dakota may terminate this Agreement without cause at any time and at its sole discretion and convenience by giving written notice to CONTRACTOR. Upon receipt of such notice of termination, CONTRACTOR shall discontinue all Work in accordance with and to the extent specified in the notice and shall take commercially reasonable measures to minimize the cost of such termination. CONTRACTOR agrees that upon such termination, CONTRACTOR’S sole remedy shall be payment for the work completed in accordance with paragraph four (4).
3. Contractor, employees of CONTRACTOR and other persons performing services under this Agreement shall have satisfactorily passed a background check by Montana-Dakota before performing work for Montana-Dakota under this contract.
4. Montana-Dakota shall pay CONTRACTOR according to the rate(s) set out in Exhibit “A.” CONTRACTOR will invoice Montana-Dakota and Montana-Dakota will pay undisputed charges within thirty (30) days after receipt of the invoice.
5. During the term of this Agreement and thereafter, CONTRACTOR shall not, except for work performed for Montana-Dakota, use or disclose to any third party any trade secrets, information, data, or business information derived from or developed for Montana-Dakota. Upon termination of this Agreement, CONTRACTOR will deliver to Montana-Dakota all copies of all memoranda, disks, or any other documents, material or records acquired by or developed by CONTRACTOR for Montana-Dakota.

CONTRACTOR is engaged as an independent contractor and not as an employee. Montana-Dakota shall have no control over CONTRACTOR’s manner or method of performance of the subject matter of this Agreement. CONTRACTOR shall have no right or power to bind Montana-Dakota and shall not enter into any agreement with any third party on behalf of Montana-Dakota. CONTRACTOR shall not have any of the rights of an employee with respect to Montana-Dakota including, but not limited to worker’s compensation, retirement benefits, health insurance, and all other benefits provided to Montana-Dakota employees. No payroll taxes of any kind shall be withheld from payments to CONTRACTOR hereunder, nor paid by Montana-Dakota on behalf of CONTRACTOR or any employees of CONTRACTOR. As an independent contractor, CONTRACTOR shall and hereby agrees to protect, indemnify, defend, and hold Montana-Dakota and its parent, divisions, subsidiaries, affiliated companies, officers, directors, agents, and employees harmless from any and all claims for taxes (including but not limited to Social Security taxes), interest, attorney’s fees, and costs, which may be made or assessed against Montana-Dakota, arising out of CONTRACTOR’S failure to pay all taxes, fees, or contributions which are CONTRACTOR’S responsibility under this Agreement, including but not limited to, taxes or contributions for unemployment insurance, pensions, benefits, or annuities now or hereinafter imposed by any federal, state, or local agency which are measured by wages, salaries,

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or other remunerations paid or due persons employed in the performance of the Work. Montana-Dakota is authorized to deduct all sums for claims to be paid for taxes and governmental charges which are CONTRACTOR'S responsibilities from such amounts as may be or become due and owing to CONTRACTOR hereunder.

6. In no event shall either party be liable to the other for special, indirect, incidental, punitive, exemplary, or consequential damages or loss, including lost profits, loss of business opportunity or similar damages.

CONTRACTOR shall, for the term of this agreement, maintain insurance coverage levels as shown in the attached Certificate of Liability Insurance. Prior to commencing Work under this Agreement, CONTRACTOR shall deliver to Montana-Dakota a certificate of insurance as provided for above and, except with regard to Worker's Compensation Insurance, naming Montana-Dakota as an additional insured. All of the above-described insurance policies shall contain provisions that the insurance carriers will have no right of recovery or subrogation against Montana-Dakota or any of its parents, subsidiaries or affiliated companies and CONTRACTOR does hereby waive its right of recovery against Montana-Dakota.

7. CONTRACTOR hereby agrees to indemnify and hold Montana-Dakota harmless from and against all costs, expenses, or liabilities, including reasonable attorney fees and costs, arising out of negligence, willful or wanton misconduct or intentional acts of CONTRACTOR. Montana-Dakota hereby agrees to indemnify and hold CONTRACTOR harmless from and against all costs, expenses or liabilities, including reasonable attorney fees and costs, arising out of the negligence, willful, or wanton misconduct or intentional acts of Montana-Dakota.

This Agreement shall be construed according to the laws of the State of North Dakota. This agreement is not assignable by CONTRACTOR without written permission of Montana-Dakota and is binding upon the heirs, successors, and assigns of both Montana-Dakota and CONTRACTOR.

IN WITNESS WHEREOF, the parties hereto have affixed their signatures effective as of the date first above written.

INDEPENDENT CONTRACTOR

MONTANA-DAKOTA UTILITIES CO.

A Division of MDU Resources Group Inc.

By: _____

By: _____

Title: _____

Dennis Haider

Executive Vice President, Regulatory, Gas
Supply, & Business Development

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EXHIBIT “A” to the Independent Contractor Agreement

DESCRIPTION OF WORK

This document is an attachment to the Independent Contractor Agreement dated _____, 2012 between Montana-Dakota Utilities Co. (Montana-Dakota) and (Contractor), covering the following:

A. Customer Service Requirements

- 1) At the request of Montana-Dakota, Contractor will perform energy audits for Montana-Dakota
- 2) Contractor will contact the customer within 48 hours of receipt of a request from Montana-Dakota to schedule the audit
- 3) All audits should be completed within 60 days of receipt of a request from Montana-Dakota. However, it is understood that various factors, such as weather or customer conflicts, may delay the completion of an audit
- 4) At the time of the audit request, Montana-Dakota will provide 24 months of gas usage records to the Contractor
- 5) Montana-Dakota shall contact the customer before sending the application to the Contractor. This will help ensure that the customer is expecting the Contractor to make contact

B. Work to be performed:

- 1) Contractor will inspect the interior and exterior of the customer’s residence, inspect combustion appliances, perform a CO test near all combustion appliances, and conduct a blower door test with an infrared camera inspection.
- 2) Contractor will provide a copy of the audit report to both the customer and Montana-Dakota that includes:
 - (a) The results of the blower door test and infrared camera inspection with pictures
 - (b) The results of the CO tests near combustion appliances
 - (c) The Home Heating Index and Energy Indexes for Buildings (Total Energy) when possible
 - (d) Exterior and Interior observations made by the Contractor.
 - (e) A list of potential improvements specific to the home being audited
- 3) Contractor will provide to the customer the following:
 - (a) Energy weatherization starter kit provided by Montana-Dakota
 - (b) A summary of Montana-Dakota’s conservation rebate programs
 - (c) Other energy conservation literature as approved by Montana-Dakota

C. Compensation

- 1) As per proposal
- 2) Contractor’s monthly invoice shall include a copy of each completed audit