



Implementation Process



1. Upon approval from city council (if applicable), execute one-page contract provided by USP (upon contract execution, USP will immediately begin to recruit and screen local contractors)



2. Approve Press Release provided by USP (general notice to eliminate resident confusion/city calls) and if desired, distribute to local media and/or post to the city website



3. Send the following to USP for the creation of the citizen solicitation letter:

- City Seal artwork, if available
- Name/Title of designated signor plus signature
- City Address for outer envelope
- Zip+4 list of city territory



4. Approve Solicitation Letter provided by USP



5. Access Monthly Reporting via the web



6. Receive Annual Payment

A PARTNERSHIP WITH BECKLEY, WEST VIRGINIA

Beckley, West Virginia is a city with a population of 20,000 residents located in southern West Virginia and is the central hub of Raleigh County. Like many cities in the country, Beckley is looking to create an environmentally conscious community while, at the same time, dealing with important budget issues.

In June 2009, Beckley hosted a workshop, sponsored by Utility Service Partners, Inc., discussing “Bottom Line Green”. ‘Green’ has become a new buzzword today, and everyone is making a claim that their program or product is good for the environment. But can a utility line warranty program contribute to a cleaner planet?

Well, the answer is Yes.

Leaking water pipes waste millions of gallons of treated water each year. Wasted drinking water has to be recaptured and retreated by the local municipal water system. Leaking sewer lines pollute ground water and acres of land. The re-treating of water can waste energy and resources, contributing to increased carbon emissions and lost revenue for the city. And citizens become frustrated when they learn that they are responsible for repairing — and paying for — broken or leaking pipes.

USP’s program offers cities a solution that ensures timely repairs to broken homeowner water and sewer lines, thereby conserving water resources and minimizing waste water pollution. For a small monthly fee paid by the homeowner, USP offers around the clock repair service, with access to a live representative and prompt service performed by local, certified technicians. A cleaner planet, a happier citizen.

Beckley Mayor Emmett Pugh was intrigued. “The mayor approached us right after the session and asked for more information. He wanted to know more about how this kind of a program could benefit the city”, said Brad Carmichael, Vice President, Business Development.

Were there strings attached? How much would it cost the city to implement? Would the city have to find the manpower to help get the program off of the ground?

The answer is No.

No strings attached. No cost to the city to implement. USP covers all of the costs to promote the utility line warranty program to the local citizens. In terms of city involvement, USP simply needs a few pieces of information, including the city seal, return address and the official’s signature for the communication. It’s that simple. USP’s solution is designed for fast turnaround with little impact to city government.

Mayor Pugh was pleased with the company’s approach. “Working with USP is really easy. They take care of everything — marketing, billing, and customer service. All we had to do was review and approve the letter to customers.”

By October 2009, Beckley had contracted with USP to offer the utility line warranty programs to its citizens, and the first marketing campaign, a sewer line warranty offer, was mailed to Beckley households the following spring.

The program was a tremendous success. “We were delighted with the response from our citizens.” Mayor Pugh commented on the results of the first campaign. “Providing a service to our residents which helps them avoid costly repairs, that’s something they really appreciate”.

The NLC Service Line Warranty program is a timely solution for cities like Beckley, West Virginia and many others across the United States. By sharing in a portion of the revenues collected from this program, cities can relieve some of the strain caused by shrinking revenues and increasing costs. The program also offers cities the opportunity to enhance their image by providing an additional service that benefits their residents.



UTILITY SERVICE PARTNERS

How long has the company been in business?

The company was originally formed in 1998 within Columbia Energy to provide service line warranties for its utility customers. USP was formed in September 2003 to purchase Columbia Service Partners from Columbia Energy. USP continues to expand the product offerings and grow the business through city and utility partnerships. USP is a proud member of the Better Business Bureau.

PROGRAM

Is this program available everywhere?

The NLC Service Line Warranty Program will be introduced throughout the continental United States in phases over the next 18 months. Please see our National Roll-Out Schedule map for details regarding your state.

How are our citizens notified of the program?

USP mails each resident a campaign letter which outlines the cities' endorsement, followed by a reminder letter two weeks later to ensure the highest response rate. USP only solicits through direct mail — no telemarketing is ever employed. All homeowners will have the option to enroll in the program, regardless of the age of their residence.

What cooperation will be needed from the cities?

USP desires to enter into a co-branded marketing services agreement with each city. The agreement provides for the use of the city name/logo, in conjunction with USP's logo, on marketing materials sent to citizens. The city is endorsing USP as the service provider for the warranty program.

When do you solicit residents?

Through the years, we have found the optimal times to invite citizens to participate are in the Spring and Fall of each year.

Does NLC or USP sell or rent the personal information of residents that enroll in the program?

No. Neither the NLC nor USP will sell or rent the names of prospective customers or participants.

How much does the resident pay for this service?

Each warranty is sold separately and the price range is generally between \$4 and \$5 a month per product.

BENEFITS

How much will residents save by using the warranty program?

While costs for water line and sewer line repairs can vary, the average cost of repairing a broken water line or sewer line may range from \$1,200 to over \$3,500.

Will this program cost the city any money?

Not a cent. USP pays for all marketing materials and program administration. Furthermore, USP will pay the city a royalty for every resident that participates in the program!

What benefit does the city receive from endorsing these programs?

By endorsing the USP programs, the city is able to reduce resident's frustration over utility line failures by bringing them low-cost service options. 96% of survey respondents say that their image of the city is enhanced because the warranty program is offered as a service by the city. These programs also generate extra revenue for the city through the royalty that is paid by USP to the city. Finally our programs help to stimulate the local economy. USP only uses local contractors to complete the repairs which helps to keep the dollars in the local community.

RESPONSIBILITIES

Who administers the program?

Utility Service Partners (USP) administers the program and is responsible for all aspects of the program including marketing, billing, customer service, and performing all repairs to local code.

What are the city's responsibilities?

We ask each city to work with USP to provide the following; 1) a copy of the city seal, if available, for the solicitation letterhead 2) the city's return address for outer envelope (this ensures a high "open-rate") 3) the name, title and signature sample of the designated solicitation signor and 4) the appropriate zip codes of the city to allow USP to purchase a mailing list of the residents.

Why does the city have to provide a city seal, address and signature?

We have found that while the letter is written in such a manner as to leave no doubt that it is a USP program (the USP logo is on the enrollment form), the city address drives a very high "open-rate" and the city seal and signature lend credibility to the offer, thus driving a much higher enrollment rate.

Will we get a lot of calls from citizens when they get the letter?

A press release provided by USP and issued prior to the first mailing will help alleviate citizen concerns, which should result in nominal calls to city hall.

PRODUCTS

How will citizens know what is covered?

All customers receive a set of terms and conditions upon enrollment in a utility warranty program. They have 30 days from the date of enrollment to cancel and receive a full refund.

What items are included as part of the water line warranty?

The external water warranty covers the underground service line from the point of connection to the city main line to the water meter. It also covers the underground service line between the water meter and the exterior foundation of the home. If any part of the line is broken and leaking, USP will repair or replace the line in order to restore the service. Coverage caps listed in the terms & conditions are per occurrence as follows:

\$4,000 plus an additional \$500 for public sidewalk cutting, if necessary

What items are included as part of the sewer line warranty?

The external sewer line warranty covers the underground service line from the point of connection to the city main line to the point of entry to the home. If any part of the line is broken and leaking, USP will repair or replace the line in order to restore the service. Coverage caps listed in the terms & conditions are per occurrence as follows:

\$4,000 plus an additional \$4,000 for public street cutting, if necessary

The Coverage Cap looks adequate but is there an annual or lifetime restriction on how much you will pay to repair?

No. Unlike some other warranties available, we provide you with the full coverage per incident. We will pay up to your coverage amount each and every time you need us. We do not deduct prior repair expense from your coverage cap or limit the amount we will pay annually.

Doesn't Homeowner's Insurance cover this type of repair?

Typically, no. Most homeowner policies will pay to repair the damage created by failed utility lines but they generally do not pay to repair the actual broken pipes or lines. We encourage you to call your insurance company to determine your actual coverage.

Is soil movement due to ground shifting covered?

Yes, ground shifting is one of the major causes for water line breaks. If the line is broken and leaking, the repair is covered under the warranty.

Who replaces landscaping if damaged?

USP will provide basic restoration to the site. This includes filling in the holes, mounding the trench (to allow for settling) and raking and seeding the affected area. Restoration does not include replacing trees or shrubs or repairing private paved/concrete surfaces. This is outlined in the terms & conditions sent to the customer.

What building codes will you adhere to?

If the line is broken and leaking, USP will repair or replace the leaking portion of the line according to the current code. However, USP is not responsible for bringing working lines up to code that are not in need of repair.

CUSTOMER SERVICE

Will a citizen have a long hold time when reporting a claim?

No. Repair calls receive the highest priority and are answered 24/7. Repair calls are connected to a live agent through a voice recognition unit (VRU).

Will the customer always get a live operator when they call?

Yes. Customers are directed to select to speak with either a service or claims agent and will then be directed to a live Agent.

What is the claims process?

Program participants call a toll-free USP number to file a claim. USP selects the contractor, who is required to contact the customer within one hour of receiving the job to schedule a time to begin the repairs. Typically, repairs are completed within 24 hours. Emergencies receive priority handling.

CONTRACTORS

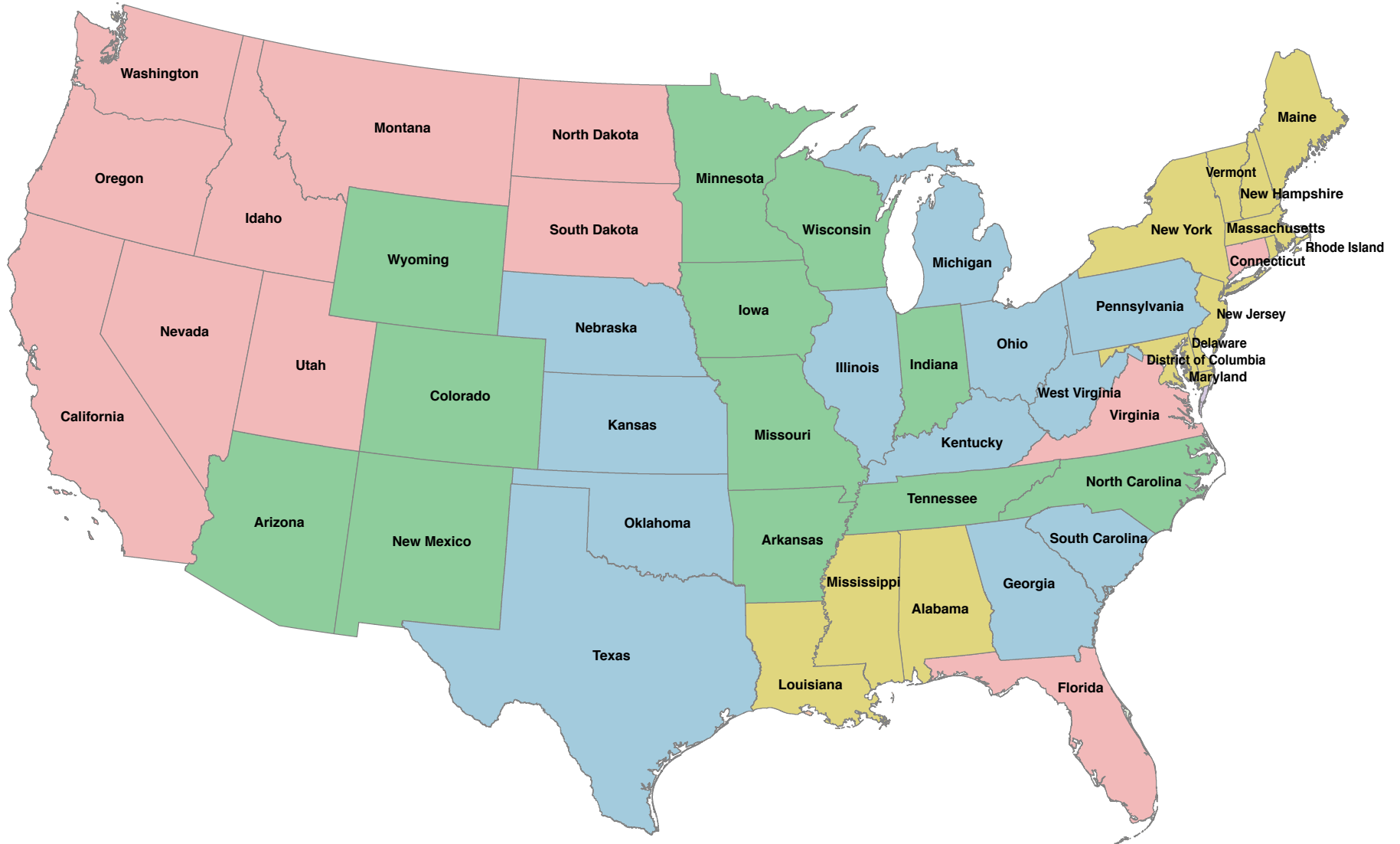
Who performs the repair work?

USP retains *local*, professional plumbers to perform all the service line repair work.

How selective are you when choosing contractors to conduct repairs?

USP only selects contractors who share our commitment to excellence in customer service. Scorecards are maintained for each contractor, tracking the customer satisfaction rating for work performed. Customer feedback is shared with our contractors and any contractor with a low customer satisfaction rating is removed from the network.

National Roll-Out Schedule



NLC SERVICE LINE WARRANTY PROGRAM

Overview

NATIONAL
LEAGUE
of CITIES



Building Peace of Mind, One Community at a Time

NATIONAL
LEAGUE
of CITIES



NLC SERVICE LINE WARRANTY PROGRAM

Building Peace of Mind, One Community at a Time

EXPENSIVE LINE FAILURES SOLUTION

The NLC Service Line Warranty Program, administered by Utility Service Partners, helps city residents save thousands of dollars on the high cost of repairing broken or leaking water or sewer lines. This program is offered at *no cost* to the city.

REPAIR SAVINGS

Residents who have not set aside money to pay for an unexpected, expensive utility line repair, now have an opportunity to obtain a low cost warranty that will provide repairs for a low monthly fee, with no deductibles or service fees. The work is performed by licensed, *local* plumbers who will call the customer within one hour of filing a claim. The repair is performed professionally and quickly, typically within 24 hours. USP provides a personally staffed 24/7 repair hotline for residents, 365 days a year.

IMPLEMENTATION

Once your city has approved participation in the program, start up is simple. The program is designed for a quick launch, taking up little of your city employee's valuable time.

1. Execute the simple, one page contract provided by USP.
2. Approve the recommended Press Release (this is designed as a general notice to reduce resident confusion and calls to the city with questions).
3. Approve the Campaign Letter provided by the USP Marketing team.
4. Access monthly reports via the web.

BENEFITS

- NO COST for the city to participate
- Generates revenue for your city
- Affordable rates for residents
- 24/7 Customer Service
- Service from trusted, local contractors
- Peace of mind for your residents
- Reduces local officials' frustration
- Easy implementation
- Fewer citizen complaints
- All repairs performed to *local* code

MORE INFORMATION

To learn more about this program, visit NLC's website at www.nlc.org/enterpriseprograms or contact Denise Belser, Program Director, at belser@nlc.org or (202) 626-3028.

Building Peace of Mind, One Community at a Time.

This program is administered by Utility Service Partners (USP). USP is solely responsible for the implementation and operation of the program.