STATE OF MAINE
PUBLIC UTILITIES COMMISSION

October 7, 2015

CENTRAL MAINE POWER COMPANY
Request for Approval of Tariff Revisions Related
To Municipally-Owned Street Lighting Service
Pertaining to Central Maine Power Company

Docket No. 2014-00313

EMERA MAINE Request for Approval of Tariff Revisions Related To Municipally-Owned Street Lighting Service Pertaining to Emera Maine Docket No. 2014-00317

ORDER

VANNOY, Chairman; MCLEAN and WILLIAMSON, Commissioners

I. SUMMARY

For the reasons discussed in this Order, we hereby direct Central Maine Power Company (CMP) and Emera Maine (Emera) to file rate schedules and terms and conditions consistent with this Order and the provisions of 35-A M.R.S. § 2523. We also direct CMP and Emera to work with the members of the Municipal Street Lighting Group (MSLG) and other interested municipalities to develop and file with the Commission Standard Form Agreements related to municipal ownership of street lighting in CMP and Emera Maine's Maine Public Service and Bangor Hydro service territories. Finally, if any municipalities of Consumer Owned Utility (COU) decide to assume responsibility for the streetlights as permitted by the legislation, the COU and municipality should discuss the terms and conditions and present any dispute to the Commission for resolution.

II. BACKGROUND

On June 26, 2013, the Maine Legislature enacted An Act to Reduce Energy Costs, Increase Energy Efficiency, Promote Electric System Reliability and Protect the Environment (the "Act"). Part E of the Act governs streetlights and provides that on or after October 1, 2014, transmission and distribution (T&D) utilities (both investor-owned and consumer-owned) shall provide three options to municipalities for street and area lighting provided by light fixtures attached to poles owned by

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¹ The following entities participated as part of the MSLG: City of Rockland, City of South Portland, the Town of Falmouth, George Woodbury (expert witness for the MSLG), and Richard Davies (consultant to the MSLG). The following municipalities also participated in these proceedings, but not as part of the MSLG: City of Caribou, Town of Greenville, and the City of Auburn.

Order - 2 -

the T&D utility or on shared-use poles in the electrical space under the contractual management of the T&D utility located in the public way.

The first option ("Option 1") states that a T&D utility shall provide all of the components of the lighting system, including installation and maintenance and provide electricity delivery to the lighting system from a power vendor selected by the municipality. 35-A M.R.S. § 2523(1)(A). The T&D utility shall apply a monthly charge for these services, as approved by the Commission, that reflects the total cost to provide street lighting equipment for each light and a separate charge for power delivery. *Id*.

The second option ("Option 2") states that the T&D utility shall install the lighting and connect the light to the power source on the pole, while the municipality shall own and maintain the lighting fixture. 35-A M.R.S. § 2523(1)(B). Any person performing maintenance work on the streetlight on behalf of the municipality must be qualified pursuant to applicable federal and state standards or any standards established by the Commission and must have liability insurance in an amount and with terms determined by the Commission. *Id.* The T&D utility may apply a one-time charge per light fixture for installation as established by the Commission. *Id.*

The third option ("Option 3") states that the T&D utility shall connect to the power lines a light fixture owned, installed and maintained by the municipality. 35-A M.R.S. § 2523(1)(C). Under Option 3, any person installing or working on municipally-owned street lighting equipment must be qualified pursuant to applicable federal and state standards or any standards established by the Commission for such work and must have liability insurance in an amount and with terms determined by the Commission. *Id.* The T&D utility may apply a one-time charge per light fixture for connection as established by the Commission. *Id.* The legislation also provides that under Options 2 and 3, the towns may choose to take ownership of the existing streetlights, pursuant to Commission established criteria and process with fair compensation to the utility to be established by the Commission.

The legislation also requires that the Commission: establish approval and denial criteria to be used by utilities when municipalities seek to locate streetlights and that these criteria be based on standard utility industry practice; that the Commission determine appropriate charges for work performed by the utility including any one-time fees to the utility for making the approval and denial determinations; and that the Commission establish basic criteria, consistent with standard utility industry practice, regarding equipment safety and compatibility issues, including a basis for determining when no additional assessment work and associated charges are necessary because the new lighting equipment places equal or less demand on the pole than the existing streetlight. 35-A M.R.S. § 2523(2).

Finally, the legislation requires that the Commission determine the "power delivery" rate for streetlights and that for towns choosing Option 1, this charge be broken out separately from the total monthly charge. The legislation also requires that the Commission determine what, if any, ongoing fees beyond the delivery-only charges may be assessed, including pole attachment fees. 35-A M.R.S. § 2523(3).

On September 26, 2013, the Commission issued a Notice of Inquiry (NOI) in this matter in Docket No. 2013-00448. The NOI requested comments from interested parties on a variety of issues related to implementing the street lighting legislation. Written comments were received from CMP, Emera, Dirigo Electric Cooperative, Inc., and the MSLG. Comments were also filed later in the proceeding by the City of Caribou. On July 25, 2014, CMP, Emera and the MSLG submitted joint comments outlining areas of agreement which had been reached as well as areas in which no agreement had been reached. CMP, Emera, and the MSLG all filed final comments on August 22, 2014. On September 8, 2014, the Town of Greenville also filed comments.

On September 22, 2014, the Commission issued its Inquiry Findings in Docket No. 2013-00448 that provided guidance on the disputed issues and directed CMP and Emera to file terms and conditions that implement the requirements of the Act. On September 29, 2014, CMP filed its proposed terms and conditions which was assigned Docket No. 2014-00313, and on September 30, 2014, Emera filed its proposed terms and conditions which was assigned Docket No. 2014-00317.² On October, 1, 2014, the Commission issued a Notice of Filing and Opportunity to Comment on these proposed terms and conditions. On October 8, 2014 the MSLG filed comments on CMP's terms and conditions and on October, 15, 2014, CMP filed a response to the MSLG's comments.³

On November 12, 2014, the Commission held a technical conference to discuss the terms and conditions, comments, and reply comments. On November 13. 2014, in a follow-up to the technical conference, the Commission issued a

to incorporate additional areas of agreement, on June 15, 2015, CMP and Emera withdrew their prior versions of their terms and conditions and refiled amended versions. CMP refiled its amended terms and conditions on June 19, 2015 and Emera Maine submitted its terms and conditions, as annotated by the Commission Staff and attached to the March 30, 2015 Examiner's Report, on June 23, 2015.

² On October 16, 2014, the Commission suspended CMP's and Emera's terms and conditions for an initial period of three months and on January 6, 2015, the Commission extended this suspension for up to an additional five months, through June 15, 2015. As these proceedings had not concluded by this date, and in order

³ None of the MSLG municipalities or other municipalities that participated in these proceedings are located in Emera's service territory and no comments on Emera's filings were received.

procedural order seeking comments and additional information in several areas. On November 18, 2014 and December 3, 2014, the Commission received responses to that procedural order from the MSLG, CMP and Emera.

On March 30, 2015, the Commission Staff issued its original Examiner's Report in Docket Nos. 2014-00313 and 2014-00317 and on April 13, 2015, CMP and the MSLG filed exceptions to that Examiner's Report. As a result of the exceptions, it became clear that it would be helpful to have further clarification on several points. A technical conference was held on April 23, 2015, which was followed by a procedural order issued on May 26, 2015 that requested that CMP file clarification as to how it would determine the amount to charge municipalities to purchase or remove existing street lighting equipment. On June 5, 2015, CMP filed further information, a technical conference was held on the filing on June 15, 2015, and on June 19, 2015, the MSLG filed additional comments on the outstanding issues.

On August 21, 2015, the Staff issued an Amended Examiners' Report, including recommendations based on additional clarifications and information received after issuance of the original Examiners' Report. CMP, MSLG and Emera Maine filed comments and exceptions to the Amended Examiners' Report on September 11, 2015.

III. DISCUSSION AND DECISION -- AREAS OF AGREEMENT

The details for each utility's implementation of the municipal streetlight ownership provisions are included in that utility's terms and conditions. Attachment A and Attachment B are copies of CMP's and Emera Maine's most recent drafts, respectively, annotated to indicate where additional changes are necessary to implement the findings in this Order. Below is a summary of the broad areas of agreement reached in the course of the prior proceeding, Docket No. 2013-00448, and the instant proceedings.

A. Customer-Owned Street Lighting Agreement

In order to own streetlights attached to a utility pole, a municipality must enter into an agreement with the transmission and distribution utility that owns the poles or has contractual management of the street lighting equipment in the electrical space of shared-use poles. It is anticipated that the individual agreements will be based on a standard-form agreement approved by the Commission and that the agreements will include additional details regarding the specific arrangements between each municipality and utility. The provisions, procedures, and details regarding these agreements have not yet been

Order

determined. See Section V for a discussion of the next steps associated with the Customer-Owned Street Lighting Agreements.⁴

B. Power connections to utility infrastructure

Power connections made to utility infrastructure will be done only by the utility.⁵

C. Fusing

A fuse will be installed, if not already present, anytime a light fixture requires service beyond a standard photocell, bulb or lens replacement. Fuses will be purchased and installed by the municipality or its contractor, or purchased by the municipality and provided to the utility for installation under the rate schedule fees. Installation of a fuse requires disconnection of power by the utility prior to installation. As suggested by the MSLG in its comments to the Amended Examiner's Report, we hereby clarify that once a fuse has been installed for the street light, disconnection of power by the utility will no longer be needed before the municipality or its contractor can carry out routine maintenance on or replacement of the street light consistent with the terms of the standard form contract. Fusing of all existing lights acquired by a municipality must be completed within 10 years of the acquisition of the streetlights by the municipality. The parties agree that work involving only replacing a photo cell or light bulb does not require inline fusing and does not require disconnection prior to the municipality or its contractor doing the work.

D. Notification to utility for municipal work on streetlights

Pursuant to the notification requirements of Maine's Overhead High-Voltage Line Safety Act (M.R.S. 35-A, § 757), prior to working within ten feet of an overhead high-voltage electric line, the person responsible for the work must notify the owner or operator of the overhead high-voltage line. However, the statute also provides that if government entities (and those working on their behalf) have "already made satisfactory mutual arrangements, further arrangements for that particular activity are not required." The entities involved in

⁴ Except as required by the provisions of the legislation or the implementing provisions of this Order, nothing herein is intended to disrupt current arrangements for street lighting service and/or ownership.

⁵ Throughout this document, the term "utility" refers to utility employees or contractors working for the utility. The term "municipality" refers to municipal employees or contractors working for the municipality, except to the extent the utility is performing work on behalf of the municipality, in which case the utility is governed by the provisions of this Order that apply to utilities, not municipal employees or contractors.

this proceeding agree that upon entering the Customer-Owned Street Lighting agreement, no individual notification to the utility by the municipality – either before or after the work is performed – will be required for routine maintenance activities and that this agreement will satisfy the notice provision of the Overhead High-Voltage Line Safety Act. The Customer-Owned Street Lighting agreement will define what activities will be considered routine maintenance and the entities involved in these proceedings agree that Attachment C provides a starting point for the list of work that would be considered routine maintenance.

E. Process for determining acceptable equipment

The entities in this proceeding agree that street lighting equipment must be approved by the utility as acceptable for use on its system. Once specific equipment has been approved by the utility as acceptable, additional use of that equipment in a location where a streetlight currently exists does not require additional approval by the utility as long as the replacement equipment has similar, or less, weight and wind profile as the equipment being replaced. In instances where the new equipment has greater weight or wind profile than the equipment being replaced, or in instances that no light has previously existed on the pole, the utility must review and approve the equipment prior to installation. In the event the utility denies a light in a specific location, the municipality may appeal the denial by filing a notice with the Commission within 21 days of being notified of the denial.

F. Determining streetlight usage

The entities in this proceeding agree that the utilities' streetlight profiles (dark-hours) will be used in conjunction with the manufacturer's rated input wattage of the equipment to determine the streetlight usage for billing purposes.

G. Street light labeling or marking

The entities in these proceedings agree that unless a municipality owns all the streetlights within its municipality, each streetlight it owns must be labeled, in a way that is readily visible from the ground, to identify the municipality as the owner of the equipment. The entities also agree that all municipally-owned streetlights (regardless of whether the municipality owns all, or a subset, of the streetlights in that municipality) must also be labeled to show the manufacturer's rated input wattage of the equipment.

Order

H. Streetlight failures

The entities in this proceeding agree that municipally-owned streetlights will be set to operate in the "fail off" mode⁶ in order to promote prompt repair and to protect the energy supplier. The utilities will consider intelligent controls when such controls become technologically viable alternatives to current technology.

I. <u>Utility maintenance agreement</u>

The entities in this proceeding agree utilities may enter into maintenance agreements with municipalities to perform streetlight maintenance on behalf of the municipalities but that there is no obligation on the part of the utilities, or the municipalities, to enter into such agreements. To the extent the utilities agree to enter such agreements, the rates to be charged for the maintenance services will be pursuant to the utility's terms and conditions. The entities in this proceeding agree that the rates proposed by CMP and Emera Maine for maintenance services are reasonable.

J. Access (pole attachment) fees

The entities in this proceeding agree that no access, or pole attachment fee, should be charged for street lighting equipment provided that the street lighting equipment is energized and taking service. The entities agree that if a streetlight is not energized for more than 60 days, an access charge may be charged for the streetlight and any associated equipment that is left attached to the utility's poles.

K. Street light audits

The entities in this proceeding agree that to ensure correct streetlight data, the utilities may conduct periodic field audits of the municipality's street lighting equipment, at the utility's expense. To the extent that this field audit results in finding multiple streetlights that are different than, or in addition to, those reported by the municipality, the utility may conduct a full audit of the street lighting equipment and bill the municipality for the reasonable costs of the full audit. Prior to conducting this full audit, the utility will consult and coordinate with the affected municipality regarding the audit.

⁶ "Fail off" mode means that the photo cell will be set such that if the photo cell fails, the light will be off all of the time, rather than if it were set to "fail on," the light would be on all of the time.

L. Protective covers

The entities in this proceeding agree that there will be no charge for the utility to install protective covers over the electrical lines for purposes of protecting municipal employees or contractors working on the streetlights.

M. Municipal employees and contractors required qualifications

The entities in this proceeding agree that all municipal employees or non-utility contractors performing street lighting work on behalf of a municipality must receive the training and certifications described below prior to working on municipally-owned street lighting equipment located on utility owned poles. The entities further agree that the municipalities will certify that their employees and any non-utility contractors working on streetlights meet all safety training and certification requirements and will require any contractor working on streetlights to maintain (and provide evidence) of adequate general and liability insurance. The entities in this proceeding agree that in order to be qualified to work on municipally-owned streetlights located on utility poles, a municipal employee or contractor to a municipality must have the following qualifications and training.

- Must hold a current Maine electrician's license and must be working appropriately under that license (e.g., journeyman electrician must be working under a master electrician);
- b. Must meet the Occupational Safety and Health Administration's (OSHA) Section 1910.269 standards (the OSHA standards applicable to work related to Electrical Power Generation, Transmission, and Distribution);
- c. Must have training regarding the Maine High Voltage Safety Act (M.R.S. 35-A, Chapter 7-A);
- d. Must be trained and certified under the National Fire Protection Association's Standard for Electrical Safety in the Workplace;
- e. Must be trained and certified as an International Municipal Signal Association (IMSA) Roadway Lighting Technician Level One.

⁷ There was disagreement among the group, however, as to whether utility employees performing work on municipally-owned streetlights should be required to meet the same qualifications. This is discussed in detail in section IV(C).

⁸ Some of these qualifications are already required by law to legally perform work on electric lines.

N. Working group

The entities involved in these proceedings agree there should there be an ongoing working group to address issues as identified and agreed upon by the working group or as identified by the Commission.

O. Municipal Purchase Option

Under Section 4 of the Act, the municipalities have the option to take over ownership of the existing street lighting equipment from the utility. The entities involved in these proceedings agree that, generally, a municipality must take over ownership of all of the streetlights in the municipality, but that the purchase may be phased in over a three-year period. The entities also agree that a municipality may request to take over ownership of only a portion of the streetlights and that these requests will be considered by the utility on a case-by-case basis with disputes resolved by the Commission.

The entities also agree that, consistent with the standard street lighting agreement, there will be no charge to a municipality to remove any street lighting equipment on a pole if it has been 15 or more years from the time the streetlight was originally installed. The parties further agree that a municipality may purchase existing street lighting equipment at the equipment's Net Book Value (NBV), plus the associated tax effect, and that to the extent a utility's books and records allow it, a municipality may take ownership of some components of the equipment but not others. How the NBV is calculated is a matter that required additional clarification and is discussed in detail in Section IV(D) below.

P. Emera Maine's Terms and Conditions

No concerns or issues were raised with respect to Emera Maine's Rate Schedules or Terms and Conditions. Appendix B contains minor editorial changes to be made as part of the compliance filing.

Q. COUs

Although the entities involved in these proceedings expressed a desire to exempt Consumer-Owned Utilities (COUs) from the requirements of the Act, the entities agree that such an exemption would require a change in the legislative language. In its Inquiry Findings, the Commission agreed that COUs are required to comply with the provisions of the Act but, given the lack of interest in those areas, did not require the COUs to file terms and conditions at this time.

⁹ As noted in Attachment A, the language on Page 150.11 of CMP's Rate Schedules should be modified to clarify this point.

Order

We find these broad areas of agreement and, other than as identified in Attachment A and Attachment B, the terms and conditions associated with these broad areas, to be acceptable.

IV. **DISCUSSION AND DECISION - AREAS OF DISAGREEMENT**

A. Amount of Liability Insurance

The entities in this proceeding do not agree on whether municipalities should be required to purchase liability insurance and in what amount. CMP and Emera request that the municipalities be required to purchase \$5 million of excess liability insurance with the utility named as an additional insured. According to the utilities, this excess liability coverage of \$5 million is a standard requirement for contractors working for the utility on its electrical infrastructure. The \$5 million insurance coverage is also the amount required by utilities for municipalities to attach flags to utility poles. The utilities also state that the proper level of insurance coverage by a municipality is in actuality a secondary issue to the issue of proper indemnification requirements. The utilities request that the municipalities be required to indemnify the utility for any costs, losses, or damages that result from a municipal contractor or employee performing work on a utility pole, noting that the required insurance is simply a funding mechanism for whatever indemnification obligations are required of municipalities.

The Maine Tort Claims Act (MCTA) provides that, except where otherwise expressly provided by statute, governmental entities, which includes municipalities, are immune from tort claims for damages. 14 M.R.S. § 8103. The specific exemptions from immunity include negligent acts or omissions arising from ownership and maintenance of certain vehicles, machinery, and equipment, construction, operation or maintenance of public buildings, discharge of pollutants, and road construction, repair, or cleaning. 14 M.R.S. § 8104-A. The MCTA limits the liability of a governmental entity to \$400,000 for any and all claims arising out of a single occurrence. Though the MTCA provides immunity from all but select types of tort claims and a damages limit, it does not prevent municipalities from acquiring additional insurance over the statutory damages cap of \$400,000. Section 8116 of the MTCA states that governmental entities may acquire liability insurance to protect against potential claims and that if it acquires insurance in excess of the \$400,000 damage limit, the limit of the insurance policy replaces the \$400,000 liability limit. Additionally, Section 8116 states that if the governmental entity buys a policy that covers a situation the entity would ordinarily have immunity from, that entity waives its immunity up to the limits of the policy coverage.

The MSLG believes that the existing municipal insurance policy coverage in the amount of \$400,000 under the MCTA is sufficient. In its Inquiry Findings, issued on September 26, 2014, the Commission directed Emera and CMP to file terms and conditions and stated that:

CMP and Emera's proposed terms and conditions should include provisions that require, as a condition of ownership of street lights on a utility's pole, that the municipality purchase liability insurance of \$5 million. The utilities should file two sets of language for the Commission's consideration – one requiring that the municipality purchase \$5 million in additional liability insurance and to indemnify the utility from liability associated with the municipality's ownership and/or maintenance of the street lights and another version that does not include the indemnification language.

CMP and Emera included the above-described language in their filings in the instant proceedings. 10

The MSLG opposes the \$5 million insurance requirement and does not believe that municipalities should be forced to waive any immunity or limitation of liability available under the MTCA as a result of purchasing excess liability insurance. Notwithstanding their objection, the MSLG did provide language that appears to indicate that they would be willing to obtain liability insurance, "in at least the amount of Two Million Dollars (\$2,000,000) per occurrence." Comments of MSLG, Docket Nos. 2014-00313, 2013-00448 (Oct. 8, 2014). 11

In its April 13, 2015 exceptions, the MSLG asserted that there is a substantial price difference between the cost for \$5 million of liability insurance for a municipality to attach flags to utility poles compared to insuring streetlight ownership. Although it did not provide direct evidence to support this estimate, MSLG stated that a "day of coverage for flags may run about \$50." It did, however, submit information from the Maine Municipal Association's Risk Management division that provided cost estimates for liability insurance to cover street lights at various coverage levels for the Town of Falmouth (Attachment 3 to its April 13, 2015 exceptions). For the Town of Falmouth, the projected premium for \$5 million excess liability for streetlights was estimated to be just over \$6,000 on an annual basis. This is consistent with prior estimates provided by a representative from the

¹⁰ Pursuant to Chapter 110 §13, this finding did not provide a final determination by the Commission on the issue of whether municipalities should be required to provide \$5 million of liability insurance as inquiries do not result in enforceable actions but rather make findings of fact or provide a preliminary statement of policy which is not intended to be enforceable but which is intended as a basis for implementing a proceeding.

¹¹ In its April 13, 2015 exceptions, MSLG modified its position to an agreement that it would support an additional \$500,000 of liability insurance coverage beyond the \$400,000 amount specified by the MCTA which, it asserts, is the amount municipalities typically insure through Maine Municipal Association's risk pool. Transcript Apr. 23, 2015 at 5.

Town of Falmouth during a technical conference. Transcript Nov. 12, 2014 at 118-119.

The utilities believe that because it is not a matter of choice for a utility to have municipal employees or their contractors working in or near the electric space on a utility pole, they should not be required to bear additional risks of losses as a result of the requirement to allow municipal ownership of streetlights.

The MSLG also expressed concern that the language proposed in CMP's terms and conditions could result in the municipalities being required to indemnify the utility's work in instances when the utility was performing maintenance or other work on behalf of the municipality. These concerns were discussed during the technical conferences and the MSLG agreed that clarifying language as identified in Attachment A to the original Examiner's Report, Section 53.4(G), would address their concern on this point.¹²

The MSLG also believes that CMP should require insurance and indemnification directly from contractors working for municipalities rather than placing this burden on municipalities. The MSLG has proposed indemnification language for work done by a municipal employee, rather than contractors. CMP does not believe that insurance and indemnity provided by a municipality's contractor is sufficient. CMP states that their contractual relationship will be with each municipality that owns the equipment on its poles and that is the entity with whom CMP would have any claim. CMP states that a municipality's contractor will have no obligation to CMP, contractual or otherwise. CMP also states that it should be able to look to one entity, the municipality itself, for indemnification and should not be put in the position of needing to determine which contractor or which insurance policy to pursue in the event of an occurrence that requires indemnity.

As part of the qualifications for working on streetlights, the legislation provided that "[a]ny person installing or working on municipally owned street lighting equipment ... on behalf of the municipality ... must have liability insurance in an amount and with terms determined by the commission." 35-A M.R.S. § 2523(1)(C). The municipalities that have participated in CMP's program for flag attachments have agreed to provide \$5 million each in liability insurance. We agree with CMP that installing and maintaining streetlights -- which occurs in the

¹² In its June 19, 2015 refiling of its Terms and Conditions, CMP modified the language to suggest a municipality is not required to indemnify the Company for work performed by the Company "in a manner that does not meet applicable industry standards," even if the utility is working on behalf of the municipality. We do not agree that the municipality should be required to indemnify the utility for work performed by the utility itself and do not believe this should be limited to instances when the work is performed in a manner that does not meet applicable industry standards. Accordingly, Attachment A includes a note that this language should be removed.

Order

electric space, within close proximity of the high-voltage lines -- would seem to be a more dangerous activity, with at least a comparable (and likely, higher) potential for liability, than installing flags on the pole, which occurs well below the electric space. However, it would appear that the cost for \$5 million of insurance coverage for street lights would be substantially more expensive to municipalities than providing the same coverage for attaching flags to utility poles. The MSLG further suggested in its exceptions, that given the wording in the legislation allowing municipal ownership of street lights (35-A, M.R.S. 2523(1)(B) and (C)), the Commission lacks authority to require municipalities that own, but do not maintain, street lights on utility poles to carry liability insurance.

Although it appears that neither CMP nor Emera has been requiring additional insurance for the two municipalities that currently own and maintain streetlights on utility poles, 13 CMP points out, and the Commission agrees, that now that the option for municipal ownership is explicitly allowed by the legislation. the potential liability for the utilities associated with municipal ownership of streetlights could increase dramatically.

We agree that the Maine Tort Claims Act provides protection to municipalities. However, absent additional municipal insurance above the \$400,000 limit, it seems possible that in an instance of shared liability, the utility could be required to pay more than it otherwise would, in order to make up for the municipality's limit. We do not agree with the MSLG's assertion that the Commission lacks authority to require municipalities that own, but do not maintain streetlights, to provide additional liability insurance coverage. The statutory language cited by MSLG provides a minimum requirement that anyone working on street lights on behalf of a municipality must provide liability insurance in an amount determined appropriate by the Commission. However, the language does not prohibit the Commission from requiring liability insurance to be provided by the municipal owners of street lights. In addition, requiring the insurance directly from the municipality makes sense given that the utilities' relationship is with the municipality, not any potential contractors.

¹³ Commission Staff asked the utilities how much insurance is currently required of each municipality that owns and/or maintains its own streetlights located on utilityowned poles. Emera Maine responded in comments on December 3, 2014, that at the present time, the city of Bangor is the only municipality in Emera's territory that owns and/or maintains streetlights and they are not currently required to maintain insurance, though Emera notes that this may be appropriate in the future. CMP responded in comments on December 3, 2014, that at the present time, the City of Lewiston is the only municipality in CMP's territory that owns and/or maintains streetlights on CMP's poles and that it has not required Lewiston to obtain any specific types or levels of insurance coverage.

While we do not seek to impose additional, unnecessary costs on the municipalities, we also do not want to expose ratepayers to possible additional liability resulting from municipal ownership of streetlights. In its exceptions, and as discussed at the April 23, 2015 technical conference, the MSLG offered to carry an additional \$500,000 in liability insurance over the \$400,000 MTCA limit that it already insures through the Maine Municipal Association. During the April 23, 2015 technical conference, CMP indicated that it self-insures for liabilities of up to \$1 million, but that it carries insurance coverage for liability amounts over \$1 million.

Accordingly, we find that the municipalities that seek to own streetlights on utility poles should be required to provide \$1 million liability insurance. The municipalities that have participated in these proceedings have voluntarily agreed to an amount close to this (\$900,000) and some of the municipalities may already carry this amount. Therefore, a requirement for municipalities to carry \$1 million in liability coverage appears to strikes a balance at a level of liability coverage that is a manageable expense for the municipalities and provides a measure of protection to ratepayers for amounts not covered by the utility's existing insurance. Additionally, full indemnity is required from each municipality that will be performing work on a utility's poles, though the municipality is not required to indemnify the utility for work performed by the utility itself.

B. CMP Energy-Only Price

Street and area lighting rates are unique from the rates of other classes in that customers pay a set monthly charge per light which includes the delivery charges as well as the costs associated with providing and maintaining the street lighting equipment itself. The legislative language in 35-A M.R.S. §2523 now requires that the equipment and delivery charges be separated:

"The transmission and distribution utility shall apply a monthly charge for these services as approved by the commission that reflects the total cost to provide street lighting equipment for each light and a separate charge for power delivery consistent with subsection 3." 35-A M.R.S. §2523(1)(A).

CMP has, for many years, had a "delivery-only" street lighting rate in its rate schedules that was available to municipalities that own and maintain their own streetlights located on CMP's poles. However, CMP has generally not allowed this arrangement and, at this time, only the City of Lewiston takes service under this rate. CMP proposes to use this delivery-only rate, which was \$0.10 per kWh at the

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¹⁴ A representative from the City of Rockland testified that the City of Rockland carries \$ 1 million in liability insurance but wasn't sure if this amount was typical.

Order

time of the Company's original filing, 15 as the rate for providing delivery services to municipalities that own and maintain their own streetlights and as the basis for separating the delivery service from the equipment charges.

The MSLG raised issues with respect to the level of the \$0.10 per kWh rate as the delivery-only rate going forward. The MSLG noted that it was not involved in the general rate and rate design proceeding that resulted in a stipulation on most issues (Docket No. 2013-00168), and in which this rate was set. However, the MSLG raised a concern that this rate is much higher than the distribution rates of other, similarly sized customers.

CMP argued that the streetlight delivery-only rate was part of the overall rate design case that municipalities were notified of, and could have participated in if they chose, and that the instant proceedings, therefore, are not the proper venue for modifying this rate.

While CMP is correct that the rate design case examined inter-class, and some intra-class, allocation issues, the legislative language requires a determination of how the equipment and delivery charges should be separated. The general rate design case did not examine how the equipment and delivery charges should be separated for purposes of the street lighting legislation, a uniform increase was applied to all streetlight unit charges (Stipulation page 22, Docket No. 2013-00168). The instant proceedings are the mechanisms under which all of the details associated with implementing the street lighting legislation, including other fees and charges, are being determined. Therefore, as the legislation requires the Commission to determine the appropriate separation of equipment and delivery charges, we must consider this issue as part of the instant proceedings.

We agree with CMP's general approach of separating delivery and equipment components by backing-out the delivery-only portion from the total rate. However, there is inadequate support to rely on the current delivery-only rate as the appropriate rate to use for these purposes. As noted by the MSLG, this delivery rate is higher than the delivery rate of other similar sized customers and, in fact, is substantially higher than all other CMP delivery rates. 16 In its December 3,

¹⁵ The rate was increased from \$0.09 per kWh to \$0.10 per kWh in the compliance phase of Docket Nos. 2013-00168, 2014-00056, and 2014-00077 and then

adjusted back to \$0.09 per kWh, as part of the annual distribution and stranded cost proceedings in Docket Nos. 2015-00045 and 2015-00055.

¹⁶ Currently, CMP's highest average delivery rate is \$0.078 per kWh (for the residential class) and its average overall delivery rate is \$0.053 per kWh. See Compliance Filing Attachment 1, dated June 17, 2015, Docket Nos. 2015-00045, 2015-00055.

2014 response to a request for additional support for this rate and the disparity between it and other delivery rates, CMP described the components (distribution, transmission, low-income program, conservation and stranded cost) included in the current streetlight delivery-only rate, as well as the general process used to allocate the revenue requirement among classes in the rate design case, but did not identify any specific basis for the disparity between the street lighting delivery-only and other delivery rates. CMP also noted as support for the rate that the embedded cost study provided in the rate design case showed lighting revenues that nearly matched the lighting costs. However, given that there have been so few customers on this rate (and now, only one), the revenues and costs associated with the street lighting delivery-only service would be insufficient, relative to the total street lighting embedded costs and revenues, to make any inappropriate disparity obvious by comparing the embedded and actual costs.

During the technical conference, CMP indicated that most customers that own private streetlights take service under the Small General Service (SGS) rate. 17 It appears that the long-run marginal distribution costs for the SGS class are similar to long-run marginal distribution costs to serve the street lighting class. 18 The SGS class rates are much more in line with average delivery rates and have, over the years and as part of the most recent rate design case, been reviewed more closely than the streetlight delivery-only rate that has been applicable to only one or two customers. Absent a basis to support the large disparity between the current streetlight delivery-only rate and other delivery rates, and given that the SGS rate is the rate class that streetlight customers would take service under if they were metered, we set the delivery-only rate for the street lighting class to be the sum of the SGS distribution rate of \$0.028663 per kWh plus \$0.0024 per kWh for customer-related street light energy-only charges as identified by CMP in its exceptions to the original Examiners' Report (CMP April 13, 2015 Exceptions page 5, footnote 3), the low income and conservation charges of 0.000882 per kWh and \$0.00145 per kWh (which are the same for all classes subject to these charges). and the street-light energy-only stranded cost of \$0.000067 per kWh, and the transmission rate of \$0.017234 per kWh for the street lighting class, for a total streetlight delivery-only rate of \$0.050696 per kWh. 19

 $^{\rm 17}$ SGS has a delivery rate of \$0.054040 per kWh, excluding customer charges.

¹⁸ CMP's marginal cost study presented during the rate design case indicated that the long-run marginal cost for the SGS, single-phase, secondary-voltage class is \$103.51 per kW and for the street lighting class it is \$101.90 per kW. See pages 1a and 1b of Table 12, Schedule PMN-3, Volume I, Testimony and Schedules of Paul M. Normand dated August 1, 2013 in Docket No. 2013-00168.

¹⁹ In its exceptions to the original Examiners' Report and the Amended Examiners' Report, CMP suggests that if the Commission adopts lower delivery-only pricing for street lighting in this proceeding, it should allow any resulting shortfall in distribution revenue to be included in the Company's revenue decoupling

C. <u>Utility Worker Qualifications</u>

A concern was raised by one of the municipalities (not a member of the MSLG) that utility employees or contractors might be required to be licensed electricians pursuant to 32 M.R.S. §1201²⁰ if they were installing municipallyowned street lighting equipment or performing maintenance on municipally-owned street lighting equipment. The concern was raised because although 32 M.R.S. §1102 generally exempts employees and contractors of utilities that fall under the Commission's jurisdiction from the electrician licensing requirement of 32 M.R.S. §1201, the language specifies that the exception applies, "only to the extent the entity or its employees are making electrical installations in furtherance of providing its authorized service or activities incidental to that authorized service."21

However, it would be illogical to consider an individual qualified to perform work on a streetlight while it was utility owned, but unqualified to perform the same work on the same streetlight if it was purchased by the municipality. Moreover, in this proceeding, and as specifically required by the street lighting legislation, the Commission is determining many of the terms, conditions, provisions, and charges associated with utilities providing maintenance and installation services related to municipally-owned streetlights. Accordingly, such activities are clearly subject to our jurisdiction and are authorized activities of the utility. Accordingly, we disagree that such work by utility employees or contractors would require an electrician's license.

mechanism (RDM). The RDM mechanism was approved as part of a broad settlement resolving CMP's most recent rate-case (Docket No. 2013-00168) and we decline to make any change to the RDM in this proceeding.

²⁰ Title 32, Section 1201 states that "an electrical installation may not be made" unless by an electrician or other person licensed by the board except as proved in this chapter."

²¹ The Legislature clarified its intent that utility employees not be required to be licensed electricians in 2011. This followed a 2010 Electrician's Examining Board determination that employees and contractors of public utilities were required to be licensed electricians because transmission and distribution utility employees and contractors are not included in the list of exceptions to the electrician licensing requirement in 32 M.R.S. Section 1201-A. In response to the Electrician's Examining Board's finding, the Legislature amended Section 1102 to make explicit that utility employees and contractors subject to the Commission's jurisdiction, "making electrical installations in furtherance of providing its authorized service or activities incidental to that authorized service" are not required to be licensed electricians.

Order

D. Calculation of Net-Book Value of Equipment

As described in Section III(O), the parties agree that a municipality may purchase existing street lighting equipment at the equipment's NBV, plus the associated tax impact, and that the NBV for the equipment would be the current plant balance less the accumulated depreciation balance (taking into account any applicable salvage value and removal cost). However, subsequent to issuance of the original Examiner's Report, it became clear that there was confusion as to how the NBV was to be calculated. After reviewing the additional material that CMP submitted in response to Oral Data Requests (ODR) as well as CMP's June 5, 2015 response to the May 26, 2015 Procedural Order requesting CMP to clarify its position, it is still not clear how CMP is proposing to calculate the NBV for street lighting equipment.

In its June 5, 2015 filing and in its response to the ODRs, CMP notes that it depreciates street lights using a group depreciation method. Under group depreciation, assets are not tracked and depreciated separately but rather as a group, based on an average depreciation rate for the whole asset group. Depreciation expense is calculated based on the average depreciation rate for the group applied to the plant balance of the group and the depreciation expense is added to the group's accumulated depreciation balance. When equipment in the group is retired, the original cost of the equipment is removed from both the plant balance and the accumulated depreciation balance.²² Unlike assets that are depreciated individually over an expected life and become "fully depreciated" at the end of that life, under group depreciation as long as an asset is still in service, regardless of its age, it remains in the plant balance and contributes to the accumulated depreciation at the average depreciation rate applied to the group. To the extent this approach results in excess depreciation being collected for an asset (as compared to what would have been collected if the asset had been depreciated individually), the difference gets picked up when depreciation rates are next set because there is a lower remaining balance associated with the assets that needs to be collected.

This group methodology is consistent with how streetlight depreciation has been calculated in CMP's rate cases as well CMP's hypothetical example of how the NBV would be determined for a municipality to purchase existing street lights (response to ODR-01-01). However, in response to ODR-01-02, it appears that on a municipality-by-municipality basis, CMP may be treating the street lighting equipment more like individually depreciated assets than group depreciated assets, as CMP appears to have stopped adding to the accumulated depreciation after the equipment reaches 100% of its original cost (plus 9% for removal costs).

²² The accumulated depreciation balance is also adjusted for removal and or salvage costs.

In its comments dated June 19, 2015, MSLG notes that aspects of CMP's method and calculations were not clear and requested a full NBV analysis, "with all values and formulas that drive the calculation being obvious." Accordingly, we hereby direct CMP and Emera to calculate the NBV for equipment to be purchased by a municipality in a manner consistent with the group methodology example identified in ODR-01-01 Attachment 1, and to show separately for each year, the additions, retirements, removal cost, salvage value, applicable depreciation rate, depreciation, plant balance and accumulated depreciation balance for all street lighting equipment (both retired and still in service) from the year that street lighting equipment was initially installed in the municipality. ²³ In addition, if a municipality seeks to purchase and leave the existing equipment in place, we direct the utilities to credit back any removal costs for plant still in service that is included in the accumulated depreciation balance.

To the extent a utility does not have sufficient records to make the abovedescribed NBV calculation, an alternative method for determining the NBV of the equipment to be purchased by the municipality may be developed by the utilities and MSLG as part of development of the Standard Form Customer Service Agreement that will be filed with the Commission as described in Section V, below.

V. **DISCUSSION AND DECISION - NEXT STEPS**

CMP and Emera are hereby directed to file updated rate schedules and terms consistent with the terms of this Order and the comments in Attachment A and Attachment B within ten days of this Order. In addition, as discussed in the November 12, 2014 Technical Conference, CMP and Emera are directed to work with the MSLG to create an initial draft of the proposed Standard Form Customer Service Agreements consistent with the terms of this Order which should be filed with the Commission within 60 days of the date of this Order. In that filing, any points where agreement could not be reached and that require Commission action should be identified as well as areas in the standard form agreement that are anticipated to require customization for individual municipality circumstance.

Finally, we note that 35-A M.R.S. § 2523 also allows municipalities of Consumer Owned Utility (COU) to own and maintain their own streetlights as well. We hereby direct that, if in the future a municipality decides to assume responsibility for the streetlights as permitted by this legislation, that the COU and municipality should discuss the terms and conditions and present any dispute to the Commission for resolution.

²³ In its comments to the Amended Examiners' Report, CMP stated that it does not have sufficient detail for all vintage years to provide this information by municipality, especially additions and retirements, but stated that it believes that its accounting system calculates NBV consistent with the NBV method in the Amended Examiners' Report.

Order

Accordingly, the Commission

ORDERS

- 1. That Central Maine Power Company and Emera Maine shall work with the Municipal Street Lighting Group to create an initial draft of the proposed Standard Form Customer Service Agreements and file this with the Commission within 60 days of the date of this Order.
- 2. That Central Maine Power Company and Emera Maine shall file updated rate schedules and terms and conditions consistent with this Order by November 1, 2015.
- 3. That a working group is hereby established to provide guidance and recommendations regarding future issues related to municipal ownership of streetlights. Members shall include Central Maine Power Company, Emera Maine, the Municipal Street Lighting Group and its member municipalities, City of Caribou, Town of Greenville, and the City of Auburn as well as any other interested entities affected by municipal ownership of streetlights.

Dated at Hallowell, Maine, this 7th day of October, 2015

BY ORDER OF THE COMMISSION

/s/ Harry Lanphear Harry Lanphear Administrative Director

COMMISSIONERS VOTING FOR: Vannoy

McLean Williamson

NOTICE OF RIGHTS TO REVIEW OR APPEAL

5 M.R.S. § 9061 requires the Public Utilities Commission to give each party to an adjudicatory proceeding written notice of the party's rights to review or appeal of its decision made at the conclusion of the adjudicatory proceeding. The methods of review or appeal of PUC decisions at the conclusion of an adjudicatory proceeding are as follows:

- 1. Reconsideration of the Commission's Order may be requested under Section 11(D) of the Commission's Rules of Practice and Procedure (65-407 C.M.R. 110) within **20** days of the date of the Order by filing a petition with the Commission stating the grounds upon which reconsideration is sought. Any petition not granted within **20** days from the date of filing is denied.
- 2. <u>Appeal of a final decision</u> of the Commission may be taken to the Law Court by filing, within **21** days of the date of the Order, a Notice of Appeal with the Administrative Director of the Commission, pursuant to 35-A M.R.S. § 1320(1)-(4) and the Maine Rules of Appellate Procedure.
- 3. Additional court review of constitutional issues or issues involving the justness or reasonableness of rates may be had by the filing of an appeal with the Law Court, pursuant to 35-A M.R.S. § 1320(5).

<u>Note</u>: The attachment of this Notice to a document does not indicate the Commission's view that the particular document may be subject to review or appeal. Similarly, the failure of the Commission to attach a copy of this Notice to a document does not indicate the Commission's view that the document is not subject to review or appeal.

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SECTION 53 MUNICIPAL OWNERSHIP OF STREETLIGHTS

53.1 GENERAL DESCRIPTION

Docket No. 2014-00313

- A. As required by Section 2523 of Title 35-A of the Maine Revised Statutes, Central Maine Power Company (the "Company") will provide municipalities the option to own and maintain light fixtures attached to poles owned by the Company, whether such pole is owned individually by the Company or as a joint owner with another utility.
- B. Municipalities requesting street lighting service may choose among three options to receive such service:
 - 1. The Company will provide all of the components of the street lighting system, including installation on Company poles and maintenance of such lighting system. The Company will deliver electricity to the street lighting system from a power vendor selected by the municipality. For such service (Full Service Lighting), the municipality shall pay the appropriate charges set forth in the Company's Rate SL (Street Lighting Service) Electric Delivery Rate Schedule; or
 - 2. The Company will install and connect on its poles all of the components of the street lighting hardware as selected, purchased and owned by the municipality. Maintenance of all components of light fixtures will be the responsibility of the municipality or its contractor. Specific requirements and charges related to this option are set forth in Section 53.2 below and in provisions related to Delivery-Only Lighting Service in the Company's Rate SL (Street Lighting Service) Electric Delivery Rate Schedule.
 - 3. The Company will connect to its distribution system light fixtures owned and installed by the municipality on Company poles. Maintenance of all components of light fixture and mounting hardware will be the responsibility of the municipality or its contractor. Specific requirements and charges related to this option are set forth in Section 53.3 below and in provisions related to Delivery-Only Lighting Service in the Company's Rate SL (Street Lighting Service) Electric Delivery Rate Schedule.
- C. Unless otherwise agreed to by the municipality and the Company, nothing set forth in these Terms and Conditions shall disrupt or in any way modify any arrangements between a municipality and the Company that pre-dates the effective date of these Terms and Conditions.

53.2 MUNICIPAL OWNERSHIP AND MAINTENANCE – COMPANY INSTALLATION

A. The Municipality will provide, own and maintain the street lighting bracket, luminaire, lamp, photocell, fuse, fixture conductor wire, hardware and controls for each lighting unit.

Dedicated street lighting conductors will be owned and maintained by the Company.

Proposed Effective Date: November 1, 2015 Eric N. Stinneford

Vice President-Controller, Treasurer & Clerk

Page 53.00

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Page 53.10 Original

Third Draft

SECTION 53 MUNICIPAL OWNERSHIP OF STREET LIGHTS

53.2 MUNICIPAL OWNERSHIP AND MAINTENANCE – COMPANY INSTALLATION (Continued)

- B. All street light fixtures provided by the Customer for installation on the Company's system shall be free from all defects and shall in no way jeopardize the Company's electric distribution system. The Company may refuse to allow the placement of any streetlight fixture which, in the Company's sole reasonable opinion, are not so free from defects or that might so jeopardize said system.
- C. All components of a street lighting unit, including the bracket, luminaire, lamp, photocell, fuse, fixture conductor wire, hardware and controls, shall be of a modern type approved roadway lighting for normal use by the Company. Once a specific fixture type has been approved by the Company as acceptable equipment, additional use of that fixture type as a replacement in a location where a street light currently exists will not require additional approval by the Company, provided that the replacement light has a similar or lesser weight and wind profile as the light being replaced.
- D. The Company will apply charges for connection, fusing, and installation as set forth in Section 53.7 below.
- E. For each street light fixture owned by a municipality and located on utility-owned poles, the municipality shall take Delivery Service for such fixture in accordance with the Company's Rate SL Electric Delivery Rate Schedule.
- F. A municipality shall make any request to the Company for the installation, removal, and relocation of street light fixtures in writing on an approved form for acceptance by the Company. By its approval or acceptance of any street light installation, the Company does not give any warranty, expressed or implied, as to the adequacy, safety or other characteristics of said installation.
- G. Once a municipality has executed a Customer Owned Street Lighting Agreement with the Company, the municipality has no obligation to provide notice to the Company prior to undertaking "routine maintenance," as such term may be defined in the Customer Owned Street Lighting Agreement.

Proposed Effective Date: November 1, 2015 Eric N. Stinneford

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SECTION 53 MUNICIPAL OWNERSHIP OF STREET LIGHTS

53.3 MUNICIPAL OWNERSHIP, INSTALLATION AND MAINTENANCE

- A. The municipality will provide, own, install and maintain the street lighting bracket, luminaire, lamp, photocell, fuse, fixture conductor wire, hardware and controls for each lighting unit. Dedicated street lighting conductors will be owned and maintained by the Company.
- B. All street light fixtures provided by the Customer for installation on the Company's system shall be free from all defects and shall in no way jeopardize the Company's electric distribution system. The Company may refuse to allow the placement of any streetlight fixture which, in the Company's sole reasonable opinion, are not so free from defects or that might so jeopardize said system.
- C. All components of a street lighting unit, including the bracket, luminaire, lamp, photocell, fuse, fixture conductor wire, hardware and controls, shall be of a modern type approved roadway lighting for normal use by the Company. Once a specific fixture type has been approved by the Company as acceptable equipment, additional use of that fixture type as a replacement in a location where a street light currently exists will not require additional approval by the Company, provided that the replacement light has a similar or lesser weight and wind profile as the light being replaced.
- D. Once a municipality has executed a Customer Owned Street Lighting Agreement with the Company, the municipality has no obligation to provide notice to the Company prior to undertaking "routine maintenance," as such term may be defined in the Customer Owned Street Lighting Agreement.
- E. The Company will apply charges for connection and fusing as set forth in Section 53.7 below.
- F. For each street light fixture owned by a municipality and located on utility-owned poles, the municipality shall take Delivery-Only Service for such fixture in accordance with the Company's Rate SL Electric Delivery Rate Schedule.
- G. Prior to the installation, removal, and relocation of any street light fixture, a municipality shall notify the Company in writing on a form approved by the Company. By its approval or acceptance of any street light installation, the Company does not give any warranty, expressed or implied, as to the adequacy, safety or other characteristics of said installation.

Proposed Effective Date: November 1, 2015 Eric N. Stinneford

Vice President-Controller, Treasurer & Clerk

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Page 53.30 Fourth Draft Original

SECTION 53 MUNICIPAL OWNERSHIP OF STREET LIGHTS

53.4 MAINTENANCE REQUIREMENTS FOR MUNICIPALITIES

- A. Any contractor or municipal employee utilized by a municipality to perform street light maintenance work on Company poles shall be properly trained, certified (i.e., licensed) and insured prior to performing such work. Such work shall be performed in accordance with all applicable federal, state, and local laws, regulations, safety codes, ordinances and Company safety requirements. In particular, provided that it is a practice required of the Company's own employees and contractors, a municipality or its contractor may not install a fixture head or cut-in fuse unless the Company has first disconnected electric power to the applicable light fixture. Upon installation of a cut-in fuse for the fixture, the Company will not need to disconnect electric power to the applicable light fixture in order for the municipality or its contractor to perform routine maintenance. Prior to the commencement of any work on Company poles, the municipality shall provide written certification of contractor and employee qualifications to the Company.
- B. Minimum qualifications for working on street lights are:
 - 1. Must hold a current Maine electrician's license
 - 2. Working appropriately under license (Master electrician, or Journeyman working for a Master electrician)
 - 3. Meet OSHA (1910.269) standards
 - 4. Have training re Maine High Voltage Safety Act (OSHA 1910.269)
 - 5. Trained and certified under NFPA 70E
 - IMSA Certification
- C. The installation, maintenance, and removal of connections to the Company's secondary distribution system is restricted to authorized Company personnel. Work involving only replacing a photo cell or light bulb does not require inline fusing and does not require disconnection prior to the municipality or its contractor performing such work. A municipality does not need to notify the Company prior to replacing a photo cell or light bulb.
- D. All existing fixtures must be fused within ten (10) years of the date that the municipality acquires them from the company. All new fixtures must be fused when installed. Any existing municipal owned street lights, or street lights acquired from the company, will be set to operate in the "Fail Off" mode which can be phased in over the same ten (10) year period. All new fixtures will be installed to operate in the "Fail Off" mode.

Proposed Effective Date: November 1, 2015 Eric N. Stinneford

Docket No. 2014-00313 Vice President-Controller, Treasurer & Clerk

Page 53.40 Fourth Draft Original

SECTION 53 MUNICIPAL OWNERSHIP OF STREET LIGHTS

53.4 MAINTENANCE REQUIREMENTS FOR MUNICIPALITIES (Continued)

- E. The municipality will repair or replace inoperative lighting controls for the lights owned by said municipality within sixty (60) days of failure. The Company will bill standard attachment fees for any de-energized fixtures and/or associated equipment left attached to the Company's poles for longer than sixty (60) days that is not being billed and paid for under the Company's Rate SL Electric Delivery Rate Schedule. This provision will not apply in the event that the Company is performing maintenance on behalf of the municipality and is the cause of the delay in repairing or replacing inoperative lighting equipment.
- F. A municipality may request, and the Company may agree at its sole option, that the Company provide maintenance service for street lights owned by a municipality. Pricing for such maintenance service will be as set forth in Section 53.7 below.
- G. As a condition of installing any lighting equipment on Company poles or performing any street light maintenance on Company poles, the municipality shall at all times maintain in place \$1 million of excess liability insurance with the utility named as an additional insured. Municipalities shall indemnify the Company for any costs, losses, or damages that result from a municipal contractor or employee performing work on any Company pole. A municipality is not required to indemnify the Company for any costs, losses, or damages resulting from work performed by the Company, even if the Company is performing maintenance on behalf of the municipality.

53.5 MUNICIPAL PURCHASE OPTION

- A. A municipality may purchase street lighting equipment from the Company all at one time or over a period not to exceed three years. If the municipality elects to phase-in the purchase of the Company's street lights over multiple years, the municipality must purchase all street lights billed to the municipality's account(s) within three years from the date of the first purchase. All purchase phases shall consist of specified street lighting components within a specifically defined geographic area of the municipality, as mutually agreed to by the Company and the municipality. On a case-by-case basis, a municipality may request ownership of only a portion of the street lights in such municipality, with disputes regarding such partial ownership requested to be presented to the Commission for resolution in accordance with Section 53.8 below.
- B. The price for any such purchase shall be based on net book value, including associated income tax impacts. The price also will include any other reasonable costs the Company may incur in order to complete the sale.

Proposed Effective Date: November 1, 2015 Eric N. Stinneford

Docket No. 2014-00313 Vice President-Controller, Treasurer & Clerk

Page 53.50

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SECTION 53 MUNICIPAL OWNERSHIP OF STREET LIGHTS

53.6 MISCELLANEOUS REQUIREMENTS

- A. All street lighting equipment owned by a municipality shall bear an ownership identification marking or label which is readily visible from the ground during daylight hours. All street lighting equipment purchased from the Company pursuant to Section 53.5 shall be so identified at the expense of the municipality no later than six (6) months from the time of purchase. In addition, street lighting equipment shall have lamp fixture identification in accordance with the latest NEMA or ANSI Standard for High Intensity Discharge Lamps and Luminaires (ANSI Publication C 136.15 1980 and subsequent revisions). The ownership identification marking or label requirements set forth in this subsection of these Terms and Conditions shall not apply in the circumstance in which a municipality has purchased all street lighting equipment in the municipality from the Company all at one time.
- B. Prior to owning, installing or maintaining any street lights located on Company poles, a municipality shall be required to execute a Customer Owned Street Lighting Agreement with the Company. The Customer Owned Street Lighting Agreement may require, among other things:
 - 1. Street Lighting Equipment Definition
 - 2. Ownership
 - 3. Maintenance of Street Lighting Equipment
 - 4. Connection and Disconnection
 - 5. Installation, Removal, Replacement, Relocation, and Transfer
 - 6. Billing
 - 7. Payment Schedule
 - 8. Insurance Requirements
 - 9. Indemnification
 - 10. Exibit showing description and location of street lights,
- C. The municipality shall notify the Company thirty (30) days in advance of making any changes to its street lighting inventory. Street lighting equipment shall at all times contain the lamp type and size as recorded with the Company and shall be subject to a periodic field audit by the Company to confirm same. The Company will not charge the municipality for the cost of these periodic audits. However, if the Company finds lamps which are in addition to or different from those reported by the municipality, the Company may conduct a full audit to determine the extent of the violations. The Company shall bill the municipality for the reasonable cost of the full audit. Prior to conducting a full audit, the Company will consult with the affected municipality and will work with the municipality to coordinate such an audit.

Proposed Effective Date: November 1, 2015 Eric N. Stinneford

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SECTION 53 MUNICIPAL OWNERSHIP OF STREET LIGHTS

53.6 MISCELLANEOUS REQUIREMENTS (Continued)

- D. All work performed by the Company at the expense of the municipality shall be billed to the municipality monthly, with reasonable itemization, at the Company's then current rates for such work. All such bills shall be payable when rendered; bills paid more than 30 days after billing shall bear interest at the rate of 1 percent per month from the date of billing.
- E. When the Company needs to replace or repair existing poles/wire configurations as a result of vehicle-pole accidents, road changes requiring pole relocation, routine maintenance / replacement of poles, or for any other reason, the Company will notify the municipality. The municipality or their contractor must remove, relocate, and reinstall municipal-owned street lighting fixtures and/or equipment at their expense. The Company shall bill the municipality for any cost incurred by the Company to remove, relocate or reinstall municipal-owned street lighting fixtures or equipment.

53.7 CHARGES FOR STREETLIGHTING SERVICES

Docket No. 2014-00313

Charge Type per Job	Without	With Flaggers
	Flaggers	
First Streetlight		
Connection Only	\$ 99.76	\$ 134.56
Connection and Fusing	\$ 112.38	\$ 152.98
Connection and Installation	\$ 137.61	\$ 189.81
Connection and Installation	\$ 150.23	\$ 208.23
Including Installation of Mast		
Arm		
Connection and Installation	\$ 169.16	\$ 235.86
Including Installation and		
Assembly of Mast Arm		
Connection, Fusing, and		
Installation	\$ 150.23	\$ 208.23
Connection, Fusing, and	\$ 162.85	\$ 226.65
Installation Including Installation		
of Mast Arm		
Connection, Fusing, and	\$ 181.78	\$ 254.28
Installation Including Installation		
and Assembly of Mast Arm		

Proposed Effective Date: November 1, 2015 Eric N. Stinneford

Vice President–Controller, Treasurer & Clerk

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53.7 CHARGES FOR STREETLIGHTING SERVICES (Continued)

Flaggers Size Siz	Charge Type per Job	Without	With Flaggers
Disconnection	Charge Type per 300		with Maggers
Maintenance \$80.84 \$106.94 Project Management \$56.31 per hour Limited Protective Cover No Charge No Charge First Streetlight if Company is Onsite Removing Lights Older Than 15 Years Connection Only \$61.91 \$79.31 Connection and Fusing \$74.53 \$97.73 Connection and Installation \$99.76 \$134.56 Connection and Installation \$112.38 \$152.98 Including Installation and Assembly of Mast Arm Connection, Fusing, and Installation \$112.38 \$152.98 Connection, Fusing, and Installation \$112.38 \$152.98 Connection, Fusing, and Installation \$112.38 \$152.98 Connection, Fusing, and Installation \$143.92 \$171.39 Including Installation Including Installation of Mast Arm Connection, Fusing, and Installation Including Installation \$143.92 \$199.02 Installation Including Installation and Assembly of Mast Arm Disconnection No Charge No Charge Maintenance \$80.84 \$106.94 Project Management \$56.31 per hour hour Limited Protective Cover No Charge No Charge Each Additional Streetlight Connection Only \$37.85 \$55.25 Connection and Fusing \$50.47 \$73.67	Disconnection		\$ 124.56
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			*
	Connection and Installation	\$ 75.70	\$ 110.50

Proposed Effective Date: November 1, 2015 Eric N. Stinneford

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Page 53.80 Third Draft Original

SECTION 53 MUNICIPAL OWNERSHIP OF STREET LIGHTS

53.7 CHARGES FOR STREETLIGHTING SERVICES (Continued)

Charge Type per Job	Without	With Flaggers
	Flaggers	
Connection and Installation	\$ 88.32	\$ 128.92
Including Installation of Mast		
Arm		
Connection and Installation	\$ 107.25	\$ 156.55
Including Installation and		
Assembly of Mast Arm		
Connection, Fusing, and		
Installation	\$ 88.32	\$ 128.92
Connection, Fusing, and	\$ 100.93	\$ 147.33
Installation Including Installation		
of Mast Arm		
Connection, Fusing, and	\$ 119.86	\$ 174.96
Installation Including Installation		
and Assembly of Mast Arm		
Disconnection	\$ 37.85	\$ 55.25
Maintenance ¹	\$ 18.93	\$ 27.63
Project Management	\$ 56.31 per	\$ 56.31 per hour
_	hour	_
Limited Protective Cover	No Charge	No Charge

¹Maintenance charges are per fixture as service is needed. The Company will coordinate maintenance jobs with the municipality to minimize the number of trips to the extent reasonably possible.

A job is defined as work that can be completed in one business day in a contiguous area of the muncipality. If streetlighting job spans more than one business day, the Company will apply both first and additional charges for streetlighting job completed on each subsequent day.

Other charges may apply should the municipality impose additional requirements on any work performed by the Company, to the extent that such requirements impose additional costs on the Company.

Proposed Effective Date: November 1, 2015

Eric N. Stinneford

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SECTION 53 MUNICIPAL OWNERSHIP OF STREET LIGHTS

53.8 RESOLUTION OF DISPUTES

Any disputes regarding the rights or obligations of the Company or a municipality under these Terms and Conditions shall be referred to the Maine Public Utilities Commission for resolution. Neither the Company nor a municipality may petition the Maine Public Utilities Commission to initiate such dispute resolution procedures unless the parties have first attempted in good faith to resolve the dispute.

Proposed Effective Date: November 1, 2015 Eric N. Stinneford

Docket No. 2014-00313 Vice President-Controller, Treasurer & Clerk

AVAILABILITY

This rate is available for street lighting service furnished on a dusk-to-dawn basis. The Company will furnish, install and/or maintain street lights on the distribution system of the Company for purposes of providing street lighting service pursuant to this rate schedule and as is authorized in writing by a governmental entity (referred to as the "customer").

TERM OF SERVICE

The term of service under this rate schedule shall be by service agreement for a period of fifteen (15) years and on a continuing basis thereafter. Requests for additions, changes or removals for street lighting service may require 90 days' advance written notice.

BASIC RATE PER MONTH

1. <u>Full Service Lighting (Fixtures, Delivery Service and Maintenance)</u>

Full Service Lighting is defined as service: 1) with aerial feed requiring not more than one section extension of wire and with Company-standard luminaries, lamps, and brackets not over 6 feet in length, on distribution system poles in use by the Company for other purposes, on other poles provided and owned by the Company at the request of the customer, or on poles acceptable to the Company and supplied by the customer; or 2) with customer-owned underground systems in accordance with Special Conditions, Item 6 of this rate schedule.

a. Standard Lighting

The following Standard Lighting fixtures are available as a Full Service Lighting option:

Type <u>Lamp</u>	Type <u>Luminaire</u>	Rated <u>Lamp Watts</u>	Rated Input Watts	Rated <u>Lumens</u>	Monthly Rate Per Luminaire	
					<u>Delivery Service</u>	<u>Lighting Service</u>
High Pressure	Cutoff	50	65	3600	\$1.17	\$9.67
Sodium	*Open	70	95	5670	1.72	8.21
	Cutoff	70	95	5670	1.72	9.04
	Post Top	100	130	8550	2.33	9.12
	Cutoff	100	130	8550	2.33	9.12
	Post Top	150	195	14400	3.50	10.75
	Cutoff	150	195	14400	3.50	10.11
	Flood	150	195	14400	3.50	13.85
	Cutoff	250	300	25600	5.42	12.98
	Flood	250	300	25600	5.42	12.07
	Decashield	250	300	25600	5.42	14.35
	Cutoff	400	465	45000	8.36	15.01
	Flood	400	465	45000	8.36	13.52
	Decashield	400	465	45000	8.36	20.21
	Flood	1000	1100	126000	19.82	36.70

^{*}The open bottom sodium fixture is not available for roadway lighting without the express consent of the Company.

Proposed Effective Date: November 1, 2015 Eric N. Stinneford

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BASIC RATE PER MONTH (Continued)

1. <u>Full Service Lighting</u> (Continued)

b. Other Lighting Options

The following Other Lighting fixtures are available as a Full Service Lighting option:

Type <u>Lamp</u>	Type <u>Luminaire</u>	Rated <u>Lamp Watts</u>	Rated Input Watts	Rated <u>Lumens</u>	Monthly Rate Per Luminaire	
					<u>Delivery Service</u>	<u>Lighting Service</u>
Metal Halide	Post Top	175	210	10500	\$3.80	\$16.25
	Cutoff	175	210	10500	3.80	15.76
	Flood	175	210	10500	3.80	16.74
	Cutoff	250	300	17000	5.42	17.74
	Flood	250	300	17000	5.42	18.71
	Cutoff	400	460	28800	8.26	20.80
	Decashield	400	460	28800	8.26	23.23
	Flood	400	460	28800	8.26	21.77
	Flood	1000	1080	88000	19.42	37.34
Mongoose Flood	H. P. Sodium	400	465	45000	8.36	33.19
Mongoose	H. P. Sodium	250	300	25600	5.42	23.58
Vector Series	H. P. Sodium	400	465	45000	8.36	26.62
Mongoose	H. P. Sodium	250	300	25600	5.42	23.58
Close In	H. P. Sodium	400	465	45000	8.36	26.12
Granville Simple	H. P. Sodium	70	95	5670	1.72	18.60
	H. P. Sodium	100	130	8550	2.33	18.99
	H. P. Sodium	150	195	14400	3.50	20.53

Proposed Effective Date: November 1, 2015 Eric N. Stinneford

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^{**}Must also include charge for selected bracket

BASIC RATE PER MONTH (Continued)

1. <u>Full Service Lighting</u> (Continued)

b. Other Lighting Options (Continued)

Type <u>Fixture</u>	Type <u>Luminaire</u>	Rated Lamp Watts	Rated Input Watts	Rated <u>Lumens</u>	Monthly Rate Per Luminaire	
					<u>Delivery Service</u>	<u>Lighting Service</u>
Granville Simple w/Finial	H. P. Sodium	150	195	14400	\$3.50	\$21.53
Esplanade**	H. P. Sodium	150	195	14400	3.50	29.04
	H. P. Sodium	250	300	25600	5.42	30.36
Hallbrook**	H. P. Sodium	70	95	5670	1.72	24.10
	H. P. Sodium	100	130	8550	2.33	25.00
Radial Wave**	H. P. Sodium	50	65	3600	1.17	14.49
	H. P. Sodium	70	95	5670	1.72	14.59
	H. P. Sodium	100	130	8550	2.33	15.48
	H. P. Sodium	150	195	14400	3.50	16.53
Mongoose Flood	Metal Halide	400	465	28800	8.36	31.13
Mongoose Vector Series	Metal Halide	250	300	17000	5.42	27.08

**Must also include charge for selected bracket

Proposed Effective Date: November 1, 2015

Eric N. Stinneford

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BASIC RATE PER MONTH (Continued)

1. <u>Full Service Lighting</u> (Continued)

b. Other Lighting Options (Continued)

Type <u>Fixture</u>	Type <u>Luminaire</u>	Rated Lamp Watts	Rated Input Watts	Rated <u>Lumens</u>	Monthly Rate Per Luminaire	
					<u>Delivery Service</u>	<u>Lighting Service</u>
Mongoose Close-In	Metal Halide	250	300	17000	\$5.42	\$ 26.58
Granville Simple	Metal Halide	70	95	4000	1.72	19.45
	Metal Halide	100	130	5850	2.33	20.37
	Metal Halide	175	210	10500	3.80	20.24
Granville Simple	Metal Halide	70	95	4000	1.72	20.45
w/Finial	Metal Halide	100	130	5850	2.33	21.37
	Metal Halide	175	210	10500	3.80	21.24
Esplanade** Pedestrian	Metal Halide	70	95	4000	1.72	22.95
Esplanade**	Metal Halide	175	210	10500	3.80	28.75
Standard	Metal Halide	250	300	17000	5.42	30.86
Hallbrook**	Metal Halide	100	130	5850	2.33	25.88
	Metal Halide	175	210	10500	3.80	25.75
LED	LED	50	50	4190	0.91	19.52

Cancellation

Cancellation of a lighting project after an agreement has been signed and prior to project completion must be made in writing. If a project is canceled after an agreement is signed, and prior to installation of fixtures, the customer will reimburse the Company for any costs incurred up to the date written notice is received by the Company.

**Must also include charge for selected bracket

Proposed Effective Date: November 1, 2015

Vice President-Controller, Treasurer & Clerk

Eric N. Stinneford

Docket No. 2014-00313

Approved Pursuant to Chapter 110 §14(C) - In Compliance with Commission Order Docket No 2014-00313 Effective 11/1/15

Page 150.04 Twenty-Sixth Revision

RATE SL STREET LIGHTING SERVICE

BASIC RATE PER MONTH (Continued)

1. <u>Full Service Lighting</u> (Continued)

c. <u>Discontinued Lighting</u>

Service to the following Lighting fixtures is limited to existing installations. No new street lighting service will be available under this subsection and will be subject to the availability of replacement parts:

Type <u>Fixture</u>	Type <u>Luminaire</u>	Rated <u>Lamp Watts</u>	Rated Input Watts	Rated <u>Lumens</u>	Monthly Rate Per Luminaire		
Standard Lighting					<u>Delivery Service</u>	<u>Lighting Service</u>	1
Incandescent	Open Open Open Enclosed	58 105 205 448	58 105 205 448	600 1000 2500 6000	\$1.06 1.88 3.70 8.06	\$7.64 8.31 9.24 11.90	
Mercury	Open Enclosed Open Enclosed Enclosed Enclosed Flood	100 100 175 175 250 400 400	120 120 205 205 290 455 455	3400 3400 7500 7500 10500 19000 19000	2.18 2.18 3.70 3.70 5.22 8.21 8.21	8.40 8.74 9.24 9.51 11.32 13.37 13.90	
High Pressure Sodium	Enclosed Enclosed Enclosed Enclosed Enclosed	50 70 100 150 250 400	65 95 130 195 300 465	3600 5760 8550 14400 25600 45000	1.17 1.72 2.33 3.50 5.42 8.36	8.04 8.32 8.74 9.14 11.64 13.27	
Other Lighting Edison Enclosed	H. P. Sodium	50	65	3600	1.17	18.01	
Granville Leaf w/Finial	Metal Halide Metal Halide	70 175	95 210	4000 10500	1.72 3.80	21.45 22.24	

Proposed Effective Date: November 1, 2015 Eric N. Stinneford

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Second Draft

Page 150.05 Thirteenth Revision

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RATE SL STREET LIGHTING SERVICE

BASIC RATE PER MONTH (Continued)

1. <u>Full Service Lighting</u> (Continued)

d. Maintenance

Maintenance for Full Service Lighting will be provided as follows:

Notice of Outages:

If any light fails to operate, the Company will repair or replace it, at its option, within a reasonable time after the customer gives the Company notice of the light failure.

Company-Owned Lamps and Fixtures:

The Company will repair or replace any part of a lamp or fixture that fails due to normal wear and tear during its life at no cost to the customer.

If lamp/fixture failure is due to reasons other than normal wear and tear, the Company will repair or replace any part of a lamp or fixture and may charge material, labor, and expense costs for repairs. The Company will install a vandalism-protection shield for any fixture at the customer's request and will charge the customer for all material, labor and expense costs associated therewith.

Other Lighting Options:

Repairs to Other Lighting options will be made as soon as possible, allowing for lead time required to order parts from the manufacturer, since the Company will not inventory replacement fixtures, poles, or any other parts for Metal Halide and Decorative Lighting.

2. <u>Delivery-Only Service Lighting</u>

Delivery-Only Service Lighting is defined as dusk-to-dawn service to a customer that has qualified maintenance forces and agrees, unless the Company agrees otherwise, to take its entire purchase of street lighting as Delivery-Only Service Lighting. Pricing for Delivery-Only Service Lighting is as follows:

\$0.050696 per kWh of usage based on rated input watts and an average of 355 hours usage per month. The Company will assess applicable per job charges as described in the Company's Term and Condition 53.7 for customer-owned luminaires. The customer will notify the Company in writing of any changes to fixtures as those changes occur.

The customer may contract with the Company to maintain customer-owned lamps and fixtures. This option is available only to Delivery-Only Service Lighting customers, and will require a special contract.

Proposed Effective Date: November 1, 2015 Eric N. Stinneford

Docket No. 2014-00313 Vice President-Controller, Treasurer & Clerk

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RATE SL STREET LIGHTING SERVICE

BASIC RATE PER MONTH (Continued)

3. <u>Holiday Lighting</u>

Holiday Lighting is defined as service to unmetered, customer-owned, seasonal lighting, installed and removed by the customer. Pricing for Holiday Lighting will be as follows:

\$0.05 per kWh of delivery service and \$0.08 per kWh for lighting equipment service. The Company will use operating hours, wattage of lamps, and numbers of lamps, provided by the customer, to derive kWh usage per month.

The customer will notify the Company in writing of service start date and end date plus a total count of lamps and lamp sizes each year. The Company reserves the right to verify operating hours, wattage of lamps, and numbers of lamps by whatever means the Company deems appropriate.

4. <u>Airport Beacon Lighting</u>

Airport Beacon Lighting is defined as service to unmetered, customer-owned lighting for airports operated by governmental entities. Pricing for Airport Beacon Lighting will be as follows:

\$0.05 per kWh of delivery service and \$0.21 per kWh for lighting equipment service. The Company will use operating hours, wattage of lamps, and numbers of lamps, provided by the customer, to derive kWh usage per month.

The customer will notify the Company in writing of any changes to wattage and operating hours. The Company reserves the right to verify operating hours, wattage of lamps, and numbers of lamps by whatever means the Company deems appropriate.

5. <u>Miscellaneous Unmetered Lighting</u>

Miscellaneous Unmetered Lighting is defined as service to unmetered, customer-owned lighting that is not Full Service Lighting, Delivery-Only Service Lighting, Holiday Lighting, or Airport Beacon Lighting. Pricing for Miscellaneous Unmetered Lighting will be as follows:

\$0.05 per kWh of delivery service and \$0.08 per kWh for lighting equipment service. The Company will use operating hours, wattage of lamps, and numbers of lamps, provided by the customer, to derive kWh usage per month.

The customer will notify the Company in writing of any changes to wattage and operating hours. The Company reserves the right to verify operating hours, wattage of lamps, and numbers of lamps by whatever means the Company deems appropriate.

TRANSMISSION CHARGE

The transmission charges in accordance with Subsection 44.1 of the Terms & Conditions are included in the above rates.

Proposed Effective Date: November 1, 2015 Eric N. Stinneford

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RATE SL STREET LIGHTING SERVICE

SPECIAL CONDITIONS (Continued)

6. Removal of Facilities

When a customer requests the discontinuation of the use of street lighting equipment before the end of its useful fifteen (15) year life based upon the date of initial installation of the street light, the customer will be required to pay the unused investment and removal costs of the equipment in accordance with the following terms:

- a. Purchasing electric energy for street lighting service from a supplier other than the Company or its affiliates, when a customer taking service under this rate schedule can choose electric energy suppliers, does not constitute a discontinuation of the use of street lighting equipment.
- b. All incandescent and mercury luminaires will be treated as fully depreciated and will be removed and disposed of without cost to the customer.
- c. Requests to remove High Pressure Sodium lamps and replace them with Metal Halide lamps will be considered to be removal of the High Pressure Sodium luminaires, and will be subject to removal costs and net unrecovered investment charges.
- d. The unrecovered investment in High Pressure Sodium and Metal Halide luminaires will be based upon the initial date of installation of the luminaire type at that location. Luminaire replacement due to maintenance will not be considered in determining the unrecovered investment.
- e. The removal and disposal costs will be payable at the time facilities are removed and will be the actual costs incurred by the Company.
- f. The net unrecovered investment (balance) will be the undepreciated investment less salvage value and may be paid either in full at the time the facilities are removed or paid in equal monthly installments at the customer's option, subject to the following:
 - i. An annual interest rate equal to the latest allowed rate case cost of capital adjusted for income tax effects will be applied to the balance to determine the interest component.
 - ii. The balance and interest component will be billed and payable (amortized) monthly over a period not to exceed three (3) years.
 - iii. The total monthly payment including balance and interest will be calculated according to the actuarial method resulting in equal monthly payments.
 - iv. Interest shall cease to accrue on prepayment of balance in full.

Proposed Effective Date: November 1, 2015 Eric N. Stinneford

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CUSTOMER OWNED STREET LIGHTING AGREEMENT

This Customer Owned Street Lighting Agreement ("Agreement") is entered into as of the day of
,, by ("the Municipality"), and Central Maine Power Company ("the
Company"). This Agreement sets forth the agreement between the Municipality and the Company with respect
to the terms and conditions under which the Company may sell and provide light fixtures attached to Company
poles and the Municipality may install, own and maintain light fixtures attached to poles owned by the
Company, whether such poles are owned individually by the Company or as joint owner with another entity
(Company Owned Poles"). The Municipality and the Company may be referred to herein individually as a
"Party" or collectively as the "Parties."

1. BACKGROUND

Under Section 53 of the Company's Terms and Conditions, entitled "Municipal Ownership of Streetlights," Municipalities may choose among three options for street lighting service, as set forth below:

- A. The Company will provide all of the components of the street lighting system, including installation on Company poles and maintenance of such lighting system. The Company will deliver electricity to the street lighting system from a power vendor selected by the municipality. For such service (Full Service Lighting), the Municipality shall pay the appropriate charges set forth in the Company's Rate SL (Street Lighting Service) Electric Delivery Rate Schedule; or
- B. The Company will install and connect on its poles all of the components of the Street Lighting Hardware as selected, purchased and owned by the Municipality. Maintenance of all components of light fixtures will be the responsibility of the Municipality or its contractor; or
- C. The Company will connect to its distribution system light fixtures owned and installed by the Municipality on Company poles. Maintenance of all components of light fixture and mounting hardware will be the responsibility of the municipality or its contractor.

2. SCOPE OF THIS AGREEMENT; TERM

This Agreement sets forth the terms and conditions under which the Municipality may install, own and maintain light fixtures attached to Company Owned Poles, pursuant to options (B) and (C) above. This Agreement is entered into by the Parties pursuant to Section 53 of the Company's Terms and Conditions. To the extent that the provisions of this Agreement and those set forth in the Company's Electric Delivery Rate Schedules or its Terms and Conditions are in conflict, the provisions set forth in the Company's Electric Delivery Rate Schedules and its Terms and Conditions shall take precedence over any conflicting terms set forth in this Agreement-

The term of this Agreement shall commence upon execution by both Parties and shall continue in effect for as long as Municipality owns Street Lighting Hardware that is located on Company Owned Poles.

3. <u>DEFINED TERMS</u>

Any other capitalized terms used in this Agreement that are specifically defined herein shall have the meanings set forth in the Company's Electric Delivery Rate Schedules and its Terms and Conditions.

"Business Day" means any day except a Saturday, Sunday, or a legal holiday in the State of Maine. A Business Day shall open at 8:00 a.m. and close at 4:00 p.m. local time for the relevant Party's principal place of business. The relevant Party, in each instance unless otherwise specified, shall be the Party from whom the notice, payment or delivery is being sent and by whom the notice or payment or delivery is to be received.

"Commission" means the Maine Public Utilities Commission or any successor entity.

"Dedicated Street Lighting Conductor" shall mean a conductor used for the sole purpose of providing electric service to a street light. This excludes the tap wires from the secondary conductors to the street light fixture itself.

"Good Utility Practice" means any of the practices, methods and acts engaged in or approved by a significant portion of the electric utility industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather includes all acceptable practices, methods, or acts generally accepted in the region.

"Routine Maintenance" shall mean (a) prior to the time when a fuse has been installed, changing of the lamp, and/or photocell, cleaning of the glass, reflector or photocell, as well as clearing of debris from the fixture and (b) after a fuse has been installed on a fixture, changing of the lamp, and/or photocell, ballast/driver, starter, fuse, fixture conductor wire, hardware and controls for any particular light, cleaning of the glass, reflector or photocell, as well as clearing of debris from the fixture.

"Street Lighting Hardware" shall mean the bracket, luminaire, lamp, photocell, fuse, fixture conductor wire, hardware and controls for any particular street light fixture. Hardware shall also include poles in place solely for street lighting purposes.

4. OWNERSHIP

For each street light fixture covered by this Agreement, the Municipality will provide, own, install and maintain the Street Lighting Hardware. Dedicated Street Lighting Conductors will be owned and maintained by the Company.

5. STREET LIGHTING HARDWARE STANDARDS

All Street Lighting Hardware provided by Municipality for installation on the Company's system shall be free from all defects and shall in no way jeopardize the Company's electric distribution system. The Company may refuse to allow the placement of any streetlight fixture which, in the Company's sole reasonable opinion, are not so free from defects or that might so jeopardize said system. If the Company refuses the placement of a streetlight fixture, it shall, at the time of the refusal, provide the Municipality with the specific reason or reasons for the refusal.

All Street Lighting Hardware shall be of a modern type approved roadway lighting for normal use by the Company. Once a specific fixture type has been approved by the Company as acceptable equipment, additional use of that fixture type as a replacement in a location where a street light currently exists will not require

additional approval by the Company, provided that the replacement light has a similar or lesser weight and wind profile as the light being replaced.

6. TRANSMISSION AND DISTRIBUTION SERVICE

For each street light fixture covered by this Agreement, the Municipality shall take Delivery-Only Service for such fixture in accordance with the Company's currently effective Rate SL Electric Delivery Rate Schedule.

7. DESCRIPTION AND LOCATION OF STREET LIGHTS

Exhibit A to this Agreement sets forth a description and location of all street light fixtures owned by the Municipality and located on Company Owned Poles. The Municipality shall notify the Company at least thirty (30) days in advance of making any changes to its street lighting inventory. Exhibit A shall be updated as necessary, but no more frequently than on a monthly basis, to reflect any changes to street lighting inventory.

Prior to the sale of street lighting equipment to the Municipality, the Company shall provide the Municipality with a complete inventory based on billing and property records of the street lighting equipment to be sold. The Municipality shall have ninety (90) days to provide corrections or objections to that inventory, after which time the inventory provided by the Company shall be deemed correct for all billing purposes. Should the Municipality choose to conduct a physical audit to confirm the inventory, the audit will be scheduled at a time that allows a representative of the Company to participate.

Street lighting equipment shall at all times contain the lamp type and size as recorded with the Company and shall be subject to a periodic field audit by the Company to confirm same. The Company will not charge the Municipality for the cost of these periodic audits. However, if the Company finds lamps which are in addition to or different from those reported by the Municipality or any other unauthorized equipment attached to the pole or fixture by the Municipality, the Company may conduct a full audit to determine the extent of the violations. The Company shall bill the Municipality for the reasonable cost of the full audit. Prior to conducting a full audit, the Company will consult with the Municipality and will work with the Municipality to coordinate such an audit.

All Street Lighting Hardware owned by Municipality and located on Company Owned Poles shall bear an ownership identification marking or label which is readily visible from the ground during daylight hours. All street lighting equipment purchased from the Company shall be so identified at the expense of Municipality no later than six (6) months from the time of purchase. In addition, Street Lighting Hardware shall have lamp fixture identification in accordance with the latest NEMA or ANSI Standard for High Intensity Discharge Lamps and Luminaires (ANSI Publication C 136.15 - 1980 and subsequent revisions). The ownership identification marking or label requirements set forth herein shall not apply in the circumstance in which Municipality has purchased all street lighting equipment in the Municipality from the Company all at one time.

8. MAINTENANCE OF STREET LIGHTING HARDWARE

For each street light fixture covered by this Agreement, Municipality shall maintain the Street Lighting Hardware at its own expense. Maintenance shall not include connection or disconnection to the Company's distribution system, which shall be performed by Company personnel only. In performing such maintenance work the Municipality shall not permit its agents, employees or contractors to climb or otherwise ascend Company Owned Poles, but rather shall maintain the Street Lighting Hardware on such poles by using an aerial device. Section 53 of the Company's Terms and Conditions sets forth the additional maintenance requirements

for municipalities using contractors or municipal employees to perform street lighting maintenance work. Those provisions are incorporated herein.

Municipality may request, and the Company may agree at its sole option, that the Company provide maintenance service for street lights owned by the Municipality. For purposes of this section, maintenance service may include Routine Maintenance as defined herein, but shall be limited to maintenance requested by the Municipality and shall not include maintenance initiated by the Company under the terms of Section 10 below or requests for installation, removal, replacement or relocation of street light fixtures. Section 53 of the Company's Terms and Conditions sets forth the pricing for such maintenance services. Any requests for maintenance from the Municipality to Company shall be in writing on the form included as Exhibit B to this Agreement.

Within 7 Business Days of receipt of a request for maintenance service from the Municipality, the Company will either perform such work or provide a good faith estimate of the timeframe within which the Company will be able to complete the requested maintenance services. Within 7 Business Days of receipt of such estimate, the Municipality shall instruct the Company whether to commence with such maintenance services based on the timeframe proposed by the Company or whether the Municipality will make other arrangements for the performance of such maintenance services.

Municipality will repair or replace inoperative lighting controls for the lights owned by Municipality within sixty (60) days of failure. The Company will bill standard attachment fees for any de-energized fixtures and/or associated equipment left attached to the Company's poles for longer than sixty (60) days that is not being billed and paid for under the Company's Rate SL Electric Delivery Rate Schedule. This provision will not apply in the event that the Company is performing maintenance on behalf of Municipality and is the cause of the delay in repairing or replacing inoperative lighting equipment.

9. CONNECTION AND DISCONNECTION

The Company will apply charges for connection and disconnection as set forth in the Company's Term and Condition 53 and in accordance with the Company's Rate SL Electric Delivery Rate Schedule.

The installation, maintenance, and removal of connections to the Company's secondary distribution system is restricted to authorized Company personnel. Work involving only Routine Maintenance does not require disconnection prior to the municipality or its contractor performing such work. Municipality does not need to notify the Company prior to performing any Routine Maintenance.

All existing fixtures must be fused by the Municipality within ten (10) years of the date that Municipality acquires them from the Company. All new fixtures must be fused when installed. Any existing Municipality owned street lights, or street lights acquired from the Company, will be set to operate in the "Fail Off" mode which can be phased in over the same ten (10) year period. All new fixtures will be installed to operate in the "Fail Off" mode.

10. INSTALLATION, REMOVAL, REPLACEMENT, AND RELOCATION

(a) <u>Municipality Requests</u>. Municipality shall make any request to the Company for the installation, removal, replacement and relocation of street light fixtures, or shall notify Company of its intent to install, remove or relocate any street light fixture in writing on the form included as Exhibit B to this Agreement. Within 10 Business Days of receipt of request for installation, removal, replacement or relocation of street light fixtures, the Company will provide a good faith estimate of the timeframe within which the Company will be able to complete the installation, removal, replacement or relocation.

Within 7 Business Days of receipt of such estimate, the Municipality shall instruct the Company whether to commence with the requested work based on the timeframe proposed by the Company or whether the Municipality will make other arrangements for the performance of such work.

By its approval or acceptance of any street light installation, the Company does not give any warranty, expressed or implied, as to the adequacy, safety or other characteristics of such installation; provided, however, that with respect to any street light installation that was performed by the Company, the Company warrants that such installation was performed in accordance with Good Utility Practice.

(b) Company-Initiated Work.

- (i) Non-Emergency Basis. When Company needs to replace or repair existing poles/wire configurations on a non-emergency basis (such in the event of road changes requiring pole relocation, maintenance/repair/replacement of poles, or for any other non-emergency reason), the Company will notify Municipality as far in advance of the proposed work to be performed as is practicable under the circumstances. Municipality or their contractor must remove, relocate, and reinstall municipal-owned street lighting fixtures and/or equipment at their expense. In the event that Municipality fails to remove, relocate, and reinstall municipal-owned street lighting fixtures and/or equipment in a timely manner, the Company may elect to remove, relocate, and reinstall any such undamaged municipal-owned street lighting fixtures and/or equipment and shall bill the Municipality for any cost incurred by the Company to do so, which shall be calculated by using the Connection and Installation charge applicable to additional street lights under Section 53 of the Company's Terms and Conditions.
- (ii) Emergency Basis. When Company needs to replace or repair existing poles/wire configurations on an emergency basis (such in the event of a car/pole accident), the Company may elect to remove, relocate, and reinstall any undamaged municipal-owned street lighting fixtures and/or equipment at the expense of the Municipality, in which case the Company shall bill the Municipality for any cost incurred by the Company in completing such removal, relocation and reinstallation, which shall be calculated by using the Connection and Installation charge applicable to additional street lights under Section 53 of the Company's Terms and Conditions.

11. BILLING

All work performed by the Company at the expense of the Municipality shall be billed to the Municipality monthly, with reasonable itemization, at the Company's then-current rates for such work as described in the Company's Term and Condition 53, as approved by the Commission. All such bills shall be payable when rendered. Bills paid more than thirty (30) days from the date of billing shall bear interest at the rate of one percent (1%) per month from the date of billing.

12. PAYMENT SCHEDULE

Municipality may purchase street lighting equipment from the Company all at one time or over a period not to exceed three (3) years. If the Municipality elects to phase in the purchase of the Company's street lights over multiple years, the Municipality must purchase all street lights billed to the Municipality's account(s) within three (3) years from the date of the first purchase. Any such purchase and sale of street lights shall be documented in either a separate Purchase and Sale Agreement or Bill of Sale between Municipality and Company.

The price for any such purchase shall be based on net book value. The Company's net book value calculation for a municipality shall show for each vintage year (1) the net amount of street lighting plant additions and retirements associated with the municipality; (2) the net accumulated depreciation amount, including depreciation expense incorporating both the depreciable life and the removal cost component for plant still in service, retirements, and actual removal and salvage costs associated with those retirements (the Company will remove actual salvage and removal costs from the accumulated depreciation amount for each year that the Company has available data); and (3) associated income tax impacts; and any other reasonable costs the Company may incur in order to complete the sale.

Exhibit C to this Agreement sets forth the agreed-upon payment dates and [balances] [percentages] for the purchase of the Municipality's street lighting equipment.

13. BREACH AND REMEDIES

Each Party hereby agrees to carry out the terms and conditions of this Agreement, and not knowingly to take any action that would interfere with the performance of this Agreement. In the event of any breach of any of the terms or conditions of this Agreement by either Party, other than a breach for which immediate sanctions or specified cure periods are specifically provided under this Agreement, the breaching Party shall have thirty (30) days following receipt of notice from the non-breaching Party in which to cure. In the event of any uncured breach, the breaching Party shall be liable to pay the other Party any and all costs or damages caused the other Party as a result thereof.

14. DISPUTE RESOLUTION

Any disputes regarding the rights or obligations of the Company or Municipality under this Agreement shall be referred to the Commission for resolution. Neither the Company nor Municipality may petition the Commission to initiate such dispute resolution procedures unless the Parties, through their respective duly authorized representatives, have first attempted in good faith to resolve the dispute.

15. INSURANCE REQUIREMENTS

As a condition of installing any lighting equipment on Company poles or performing any street light maintenance on Company poles, the Municipality shall at all times maintain in place \$1 million liability insurance in the amount and under such terms as may be required by the Commission (as further set forth in Section 53 of the Company's Terms and Conditions), with the Company named as an additional insured. Such insurance shall include provisions or endorsements naming Company, its directors, officers and employees as additional insureds; provisions that the insurance is primary insurance with respect to the interest of Compa and that any insurance maintained by Company is excess and not contributory insurance with the insurance required hereunder; cross-liability or severability of insurance interest clause; and provisions that the policies shall not be cancelled or their limits of liability reduced without sixty (60) days prior written notice to Company. Within ten (10) days after execution of this Agreement, Municipality shall, if required by the Commission to provide liability insurance, furnish to Company a copy of each insurance policy, certified as a true copy by an authorized representative of the issuing insurance company or at the discretion of Company, in lieu thereof, insurance shall be issued by insurance companies rated A- VII or better, by Best's Insurance Guide and Key Ratings, (or, if Best's Insurance Guide and Key Ratings is no longer published, an equivalent rating by another nationally recognized insurance rating agency of similar standing) or other insurance companies of recognized responsibility. The liability insurance required under this Section shall be considered excess and shall not be deemed a waiver of immunity under the Maine Tort Claims Act.

16. INDEMNIFICATION

Municipality hereby agrees to indemnify, defend, and hold harmless Company, its affiliates, any other owners of poles on which Street Lighting Hardware is located pursuant to this Agreement, and the trustees, directors, officers, employees, agents, consultants, advisors and representatives of each of them (each, an "Company Indemnified Party") from and against any and all claims, judgments, demands, damages, fines, losses, interest, awards, causes of action, litigation, lawsuits, administrative proceedings or investigations, penalties and liabilities, costs and expenses (including reasonable attorneys' fees and disbursements and other reasonable costs of suit, arbitration, dispute resolution or other similar proceeding) in tort, contract, or otherwise (collectively "Liabilities") incurred or suffered by any Company Indemnified Party arising from a contractor or employee of the Municipality performing work on any Company Owned Pole; provided, however, that Municipality is not required to indemnify Company for any costs, losses, or damages resulting from work performed by Company. The foregoing indemnification provisions shall not be deemed a waiver of immunity under the Maine Tort Claims Act or any other applicable law.

17. CHANGE IN LAW; SEVERABILITY

If, after the execution of this Agreement, any right or obligation of a Party under this Agreement is materially altered as the result of any revision to laws or regulations applicable to Municipal installation, ownership, or maintenance of Street Lighting Hardware on Company Owned Poles, the Parties agree to negotiate in good faith in an attempt to amend this Agreement to conform to the revised laws or regulations and to present any such agreed-upon amendment to the Commission for approval. The intent of the Parties is that any such amendment will preserve, as closely as possible, the basic intent and substance of this Agreement, as set forth herein. In the event that the Parties are unable to agree upon an amendment to this Agreement pursuant to this paragraph, the Parties agree to submit the matter to the Commission for resolution in accordance with Section 14 above.

The invalidity or unenforceability of any provisions of this Agreement shall not affect the other provisions hereof. If any provision of this Agreement is held to be invalid, such provision shall not be severed from this Agreement; instead, the scope of the rights and duties created thereby shall be reduced by the smallest extent necessary to conform such provision to the applicable law, preserving to the greatest extent the intent of the Parties to create such rights and duties as set out herein. If necessary to preserve the intent of the Parties hereto, the Parties shall negotiate in good faith to amend this Agreement, adopting a substitute provision for the one deemed invalid or unenforceable that is legally binding and enforceable. In the event that the Parties are unable to agree upon an amendment to this Agreement pursuant to this paragraph, the Parties agree to submit the matter to the Commission for resolution in accordance with Section 14 above.

18. MISCELLANEOUS

- (a) This Agreement may be modified only by a writing duly executed by each of the Parties hereto or by order of the Commission.
- (b) This Agreement shall be construed and interpreted in accordance with the laws of the State of Maine notwithstanding any choice of law rules which may direct the application of the laws of another jurisdiction.
- (c) Notices as to operational matters (such as the installation, removal, relocation and maintenance of street light fixtures) shall be provided by electronic mail as follows:

If to the Company:

All other notices hereunder (such as legal notices in the event of breach) shall be in writing and deemed duly delivered if hand delivered to the recipient, or sent by certified mail, postage prepaid or by reputable overnight delivery service. Notices shall be addressed as follows: If to the Company: Director Marketing and Sales Central Maine Power Company 83 Edison Drive Augusta, Maine 04336 If to the Municipality: Either party may change its address by giving the other party hereto written notice thereof in the manner provided in this section. (d) Nothing contained in this Agreement, whether express or implied, is intended to confer upon any person or entity, other than the Parties hereto, any rights or remedies. (e) No delay or omission on the part of either Party to exercise any right accruing to it under the terms of this Agreement shall impair any such right or be deemed in any way a waiver on such Party's part, or construed as an estoppel against it, or impair any right or remedy arising subsequent thereto.
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(f) The continue and costion headings contained in this Assessment are formationed and shall
(f) The captions and section headings contained in this Agreement are for reference only, and shall not affect the construction or interpretation of any provision hereof.
(g) This Agreement may be executed simultaneously in two or more counterparts, any of which need not contain the signatures of more than one Party, but all such counterparts taken together shall constitute one and the same Agreement.
IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of the day and year first written above.
WITNESS: CENTRAL MAINE POWER COMPANY
By:
8

DATE:____

CMP & MSLG agree on provisons except Net Book Value calculation. Document has not been approved by PUC $\underline{\text{Exhibit } \mathbf{A}}$

Description and location of all street light fixtures owned by the Municipality and located on Company Owned Poles.

						Exi	sting Fixtu	re		New Fixture					
								Rated		П				Rated	
Town				Pole				Input						Input	
Code	Town Name	Account	Road Address	Number	Type	Description	Wattage	Watts	Vintage		Type	Description	Wattage	Watts	
1111	Rockland	111-1111111-111	123 Washington St.	111	Metal Halide	Post Top	1,000	1,080	1992		LED	LED	1,000	1,080	

Request Form for the installation, removal, maintenance and relocation of street light fixtures.

Box 1 Municipality: Date Sent: Street Name:				CENTRAL MAINE POWER Municipal Street/Area Lighting Request Exhibit B						SAP Cus Account Notificati Work Or	ion:		or CMP Use					
															create a time ent and return to			
KAM N	ame:					Ema	ail A	ddre	ss: _									
Р	hone:					FAX	(#_											
Box 2 (CMP will	fill in gray	ed colur	nns)			_	_				_						
Pole#	Road Code	Rate Code	No.	Watts	Туре		REMOVE	INSTALL	MAINTENANCE	RELOCATION	Pad	Pole	Brkt	Guy	Estimated Amount			
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CMP & MSLG agree on provisons except Net Book Value calculation. Document has not been approved by PUC $\underline{ EXHIBIT \ C}$

Agreed-upon payment dates and [balances] [percentages] for the purchase of the Municipality's street lighting equipment.

12