

**SPECIAL CONTRACT – ELECTRIC SERVICE**

**CONTRACT NO. NHPUC 2019-001**

**Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty Utilities**

*with*

**City of Lebanon**

Date of Execution: November 15, 2019

Effective Date: January 1, 2020, subject to N.H. Public Utilities  
Commission approval of this Special Contract

Date of Termination: *See Section 4.*

Authorized by Order No. \_\_\_\_\_ (\_\_\_\_\_, 2019) in Docket No. DE 19-xxx

STATEMENT OF SPECIAL CIRCUMSTANCES  
THAT JUSTIFY DEPARTURE FROM EXISTING TARIFF

1. The City of Lebanon (the “City”) is a customer of Liberty Utilities (Granite State Electric) Corp. (“Liberty”) that wishes to purchase, own, and install LED street lighting fixtures to replace existing high pressure sodium and other outdoor lighting fixtures provided by Liberty under its existing Outdoor Lighting Service Rate M.
2. Liberty currently offers certain LED street lighting as part of its Rate M and has proposed new LED street lighting tariffs in its current rate case, Docket No. DE 19-064 (called Rates LED-1 and LED-2). Neither the existing Rate M nor the proposed Rates LED-1 or LED-2 provide for customer ownership of the lighting fixtures.
3. The City would like to deploy “smart” streetlights with adaptive networked controls that allow trimming, dimming, and brightening of the streetlights. Smart street lighting may incorporate additional “smart city” functions such as web connectivity, analytics, mobile solutions, sensors, data collection, and other technologies to make more efficient use of its physical infrastructure such as congestion-mitigating traffic systems, LED streetlights equipped with motion sensors, and smart grids.
4. Liberty explored using the Itron Silver Spring network to host the smart street lighting platform for the City, as Itron has been selected to provide AMI (advanced metering infrastructure) products for other Liberty affiliates. However, the Silver Spring network is not now (and is not expected to ever be) compatible with the AMI platform that Liberty intends to roll out in the coming years. That is, the Itron smart street lighting platform is not and will not be compatible with Liberty’s anticipated AMI system.

5. The solution is to allow the City to own its LED street lighting because it will enable them to utilize any smart city products that may be supported by a smart street lighting communication system to meet their needs without the utility's involvement.

6. Allowing for the City to own the light fixtures is not permitted under Liberty's existing Rate M or proposed Rate LED-1 and LED-2 tariffs. Accordingly, this Special Contract, subject to New Hampshire Public Utilities Commission approval, is necessary to provide the City with a street lighting service that allows for municipal ownership. For the reasons described above, the departures from Liberty's Tariff that are embodied in this Special Contract are just and consistent with the public interest under the particular circumstances of this case.

SPECIAL CONTRACT

between

Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty Utilities

and

City of Lebanon

This Special Contract is made as of November 15, 2019, by and between Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty Utilities, a New Hampshire corporation and public utility as defined by RSA 362:2 with a place of business at 15 Buttrick Road, Londonderry, New Hampshire (“Liberty”), and the City of Lebanon, a municipal corporation with an address of 51 North Park Street, Lebanon, New Hampshire (the “City”).

WHEREAS, the City wishes to own its LED street lighting fixtures;

WHEREAS, Liberty’s existing Rate M and proposed Rates LED-1 and LED-2 do not provide for customer ownership of lighting fixtures;

WHEREAS, Liberty agrees to allow the City to own its LED street lighting fixtures and the City agrees to abide by the conditions of this Special Contract and pay the tariffed rates for its LED street lighting; and

WHEREAS, in the absence of this Special Contract, Liberty’s current tariff precludes the City from owning its LED streetlights and realizing the benefits of a smart street lighting platform;

NOW, THEREFORE, the City and Liberty agree as follows:

1.0 Definitions

The following words and terms shall be understood to have the following meanings when used in this Special Contract. In addition, except as otherwise expressly provided here, where terms used in this Special Contract are defined in Liberty’s Tariff, defined below, which includes Terms and Conditions for Delivery Service (collectively, “Terms and Conditions”) and not otherwise defined here, such terms shall have the meanings given in Liberty’s Tariff. The Terms and Conditions, as they may be in effect from time to time, are also incorporated by reference and made a part of this Special Contract. In the event of any inconsistency between the terms of this Special Contract and the Terms and Conditions, the terms of this Special Contract will govern.

1.1 “Tariff” is the current Liberty tariff, “Electric Delivery Service Tariff – NHPUC No. 20,” as may be amended or replaced by Commission order during the time that this Special Contract is in effect.

## 2.0 Agreement

2.1 Liberty agrees to offer the City street lighting service under the rates agreed to in this contract with the following clarifications and modifications:

(a) The City will be responsible to hire an authorized contractor to install the lights the City chooses, at no cost to Liberty. Liberty will not charge the City for the removal of the fixtures being replaced, except for the undepreciated value as calculated as of the month that the City is ready to commence fixture replacement. The contractor chosen by the City to install the fixtures will remove the Liberty fixtures at the same time the City fixtures are installed and will return the Liberty fixtures to Liberty. If the contractor imposes a cost for the disposal of the Liberty fixtures, Liberty will be responsible for that cost. Liberty will review the fixtures chosen by the City to ensure the fixtures are in accordance with Liberty’s bracket standards already or to be affixed to the utility pole, in the case that a fixture is installed on a pole without a previous fixture. Permanent removal of fixtures and brackets not to be replaced will be done by Liberty under the terms of Rate M.

(b) The City will be responsible to provide Liberty an annual listing, and a monthly update of any new installations, of all City-owned fixtures connected directly to Liberty’s poles or distribution system including the wattage and pole number onto which the fixture was installed.

(c) The City will pay a distribution rate of \$0.03891 per kilowatt-hour as calculated in Exhibit 1. The kilowatt-hours to be billed to the City will be based on the calculation of outdoor lighting hours as provided in Exhibit 2 times the wattage of each fixture if controlled by a photocell, or by the average operating wattage of each fixture if the conditions of paragraph (f) are satisfied. The rate is calculated using the most recent marginal cost of service study as filed in Docket No. DE 19-064. The rate will be updated periodically.

(d) The City will be responsible for all maintenance, inventory, and replacement of the fixtures, at no cost to Liberty. If the City chooses to hire Liberty to maintain or replace a fixture, the City is responsible for providing the fixture and will pay \$215 for sending a Liberty crew to the location. If the City wants to install a streetlight at a location where there is none now, or to change the location or orientation of a mounting bracket, Liberty will perform the work, including installing new line taps and mounting brackets, at a cost to be paid by the City of \$215 for each such request, provided that if a group of such requests can be executed on the same day as a group the cost to be paid by the City will be \$215. The parties agree that the \$215 figure described in this paragraph may be updated every two years consistent with Liberty’s then existing costs.

(e) Liberty will maintain ownership and maintenance responsibility for mounting brackets and line taps to the point where the City's fixture is attached.

(f) Where lighting controls that meet the current ANSI C12.20 standard have been installed that allow for variation from Liberty's outdoor lighting hours schedule in Exhibit 2, the City must provide verification of such installation to Liberty and a schedule indicating the expected average operating wattage of lights subject to the City's control and operation. Upon installation and at any time thereafter, the City must also provide Liberty access, either directly or indirectly, to the data from the City's control system in order for Liberty to verify the measured energy use of the lighting systems and modify the billed usage as appropriate on a prospective basis. The schedule of average operating wattage ratings may be revised once per year at the request of the City. However, it is the City's responsibility to immediately notify Liberty of any planned or unplanned changes to its scheduled usage to allow for billing adjustments as may be needed.

The charge for the monthly kilowatt-hours shall be determined on the basis of the average operating wattage of the light sources resulting from installed control adjustments established at the beginning of the billing period multiplied by the average monthly hours of the outdoor lighting hours schedule. The wattage ratings shall allow for the billing of kilowatt-hours according to the schedule submitted by the City to the Liberty and reflect any adjustments from the lighting control system including, but not limited to, fixture tuning, dimming, variable dimming, and multiple hourly schedules.

1.3 The Parties agree that the rates charged under this Special Contract shall be adjusted by the same overall percentage as any Commission-approved future change to the rates charged for LED lighting under Liberty's existing Outdoor Lighting Service Rate M or proposed Rate LED-2.

### 3.0 Conditions Precedent

This Special Contract is conditioned on final Commission approval, which approval must be without condition or modification. If the Commission does not approve this Special Contract in its entirety, without change or condition, or if the Commission makes any findings that go beyond the scope of this Special Contract, and either Party notifies the Commission within five business days of its disagreement with any such changes, conditions, or findings, the Special Contract shall be null and void and without effect.

### 4.0 Effective Date and Term of Special Contract

4.1 This Special Contract shall become effective on January 1, 2020 subject to the Commission's order approving its terms becomes final.

4.2 This Special Contract shall terminate when the first of the following occurs:

(a) The Parties agree in writing to terminate the Special Contract; or

(b) A future Commission order, issued after notice and an opportunity to be heard, terminates the Special Contract.

5.0 General

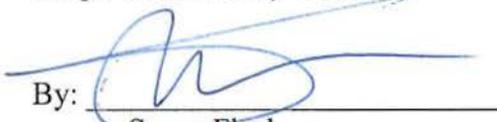
5.1 This Special Contract is entered into and shall be construed in accordance with the laws of the State of New Hampshire, including its choice of law rules or rulings. The Parties agree that any actions, suits, or claims with respect to this Special Contract shall be brought before the Commission if the Commission has jurisdiction over the particular claim, otherwise in a state court located in New Hampshire.

5.2 This Special Contract supersedes, terminates, and merges all prior, collateral, and contemporaneous agreements, written or oral, between the Parties relating to its subject matter.

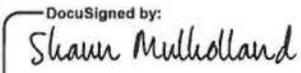
5.3 If any terms of this Special Contract are invalid or declared invalid by order of a court or other governmental body having jurisdiction, the Parties agree to renegotiate the affected material terms of this Special Contract in good faith, thus remedying the material and adverse effect of any such invalidating event in a way that is in compliance with any order or rule.

IN **WITNESS WHEREOF**, the City and Liberty have signed this Special Contract on the dates written below.

Liberty Utilities (Granite State Electric)  
Corp., d/b/a Liberty Utilities

By:   
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Susan Fleck  
President

City of Lebanon

By:   
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Shaun Mulholland  
City Manager