

PSC NO: 214 ELECTRICITY

LEAF: 43.1

COMPANY: NIAGARA MOHAWK POWER CORPORATION

REVISION: 0

INITIAL EFFECTIVE DATE: NOVEMBER 1, 2016

SUPERSEDING REVISION:

STAMPS: Issued in compliance with Order issued by the PSC on October 14, 2016 in Case 15-E-0747.

SERVICE CLASSIFICATION NO. 2 (Continued)

7. Permanent Discontinuance

Upon not less than 90 days' prior written notice to Company, customer may request that any Facility be discontinued permanently. Company shall have the right to remove or retire-in-place the designated Facility(s). The customer is required to compensate the Company for the Facility(s) to be permanently discontinued. The compensation is specific to the Facility(s) to be permanently discontinued and is comprised of three individual financial components; asset valuation, removal cost and system reconfiguration costs.

- a. Asset valuation shall be determined based upon the applicable tax area asset category average of the Facility(s) undepreciated book value, less any Facility(s) salvage value based upon the Company's plant records.
- b. Removal cost shall include all, but not be limited to, labor, material, transportation, administrative and general expenses, site restoration and other charges and adders applicable thereto. In the event permanently discontinued company Facilities are replaced with other company Facilities at the same time, the removal cost may be waived. Company-owned HID Luminaires that are replaced with Company-owned LED Light Source/Luminaire Facilities will not require the customers to pay system removal costs.
- c. System reconfiguration costs, if necessary, shall include, but not be limited to, all labor, material, transportation, administrative and general expenses and other charges and adders for the Company to perform any electric system reconfigurations required to maintain service to unaffected street light locations. In situ replacement of Company-owned HID Luminaires with Company-owned LED Light Source/Luminaire Facilities will not require the customer to pay system reconfiguration costs.

PSC NO: 214 ELECTRICITY
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 INITIAL EFFECTIVE DATE: NOVEMBER 1, 2016
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LEAF: 44
 REVISION: 12
 SUPERSEDING REVISION: 11

SERVICE CLASSIFICATION NO. 2 (Continued)

8. Purchase of Company-~~Owned Street Lights-Facilities~~

Any municipality or other government entity desiring to purchase part or all the Company's street lights ~~sing Facilities~~ used to serve that customer may inform the Company of its interest in purchasing those ~~Facilities-street lights~~ as provided herein:

- a. Not more than once in any ~~twenty-four~~twelve-month period, the customer may submit a request to the Company in writing for a determination of the price at which the Company would agree to sell the greater of: (i) ten (10) percent or more of the~~the complete system of~~ street lights ~~sing Facilities~~ providing service to the customer under this Tariff; or (ii) 100 lights, in both cases exclusive of any other than supporting infrastructure, associated electric circuitry and any such ~~street lighting Facilities which are also~~Facilities used by the Company to serve other customers.

If a municipality has less than 100 lights owned by the utility, it will be required to purchase all of the lights.

- b. Within ~~forty-five~~ninety (90/45) days of receipt of the customer's written request, the Company shall provide the customer with a ~~proposal-proposed price~~ for the sale of ~~its-such~~ street lights ~~sing Facilities serving to~~ the customer, which price shall be determined by the Company taking into account factors which may include, but are not limited to, the fair value of the street lights ~~sing Facilities~~ to be sold, the remaining book value of the street light ~~sting Facilities~~ to be sold, potential federal income tax implications, and any other costs which the Company may incur to complete the sale, which shall not include the cost of any field survey of the street lights in question unless specifically requested by the customer.

- ~~b-c.~~ This pricing proposal shall also: (i) include the Company's total original cost, depreciation and net book value for the street lights in question; (ii) include an explanation of how the proposed sales price was determined; (iii) provide the cost the Company would charge to convert the street lights in question to LED prior to sale under its existing tariff provisions; and (iv) remain open for a minimum of 180 days.

- e. ~~At the time the Company provides the proposal described in part (b) above, the Company will also provide the customer with an estimate of its cost to perform a "Detailed Transfer Study", inclusive of all applicable overheads and adders. The Detailed Transfer Study will identify any Separation and/or Reconfiguration Work as defined below:~~

1. ~~"Separation Work" is defined as the work required to install electric disconnection equipment complying with Company standards associated with the electric Facilities to be acquired by the customer. The Separation Work may be performed by the customer or by the Company (subject to reconciliation to actual costs as defined below).~~

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 INITIAL EFFECTIVE DATE: NOVEMBER 1, 2016
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- LEAF: 44.0.1
 REVISION: 1
 SUPERSEDING REVISION: 0

SERVICE CLASSIFICATION NO. 2 (Continued)

~~2. "Reconfiguration Work" is defined as the work required to be performed by the Company in order to continue to provide safe and reliable electric service to the customer purchasing the street lighting Facilities or to its other electric service customers after the separation of the street lighting Facilities to be sold. The customer shall reimburse the Company for actual costs incurred, including all applicable overheads and adders, for all Reconfiguration Work.~~

~~The Company shall have no obligation to commence work on the Detailed Transfer Study until the customer signs a study agreement and pays the Company's estimated costs of performing that study, subject to reconciliation as described below. The Company and the customer may discuss the Company's proposal prior to the execution of that study agreement.~~

- d. If the customer and the Company reach agreement as to the price and other terms and conditions under which the customer will purchase part or all of the Company's street lights as provided hereining Facilities, the customer and the Company will enter into the following agreements to effectuate the sale of ~~these such street lights~~Facilities:

~~1. A purchase and sale agreement to be approved by the PSC under §70 of the Public Service Law providing, among other things, that the street lightsing Facilities in question are sold on an "as is, where is" basis with no representations or warranties of any kind. The purchase and sale agreement shall require the customer to install electric disconnection equipment complying with Company standards on all of the street lights acquired by the customer within twenty-four (24) months- and shall also require the customer to provide the Company with firm security in a form acceptable to the Company for the Company's estimate of its cost of performing such work, inclusive of all applicable overheads and adders. In that agreement, the customer shall represent and warrant to the Company that any personnel that work on the street lighting Facilities to be acquired by the customer will be electrically qualified to accommodate the environment within which those street lighting Facilities and other electrical equipment shall exist and shall at all times be in compliance with established codes, standards and Good Utility Practice in connection with work in close proximity to electrical equipment and shall agree to indemnify, defend and hold the Company harmless for any injury, damage, loss or claims resulting from any breach by the customer of this representation and warranty.~~

~~2.1.~~

~~3.2.~~ An attachment agreement authorizing the customer to attach its street lighting lightequipment to the Company's poles, wires and other electric infrastructure.

~~4.3.~~ A service agreement between the customer and the Company providing for the supply of electricity to be used in such facilities-street lights under the applicable provisions of this Tariff or the Company's General ElectricTariff ~~PSC No. 220 Electricity~~.

e. The Company shall file any purchase and sale agreement entered into between the Company and the customer with the Commission under PSL §70 no later than sixty (60) days after its date of execution.

e.f. Ownership of the street lightsing Facilities in question will transfer from the Company to the customer upon the latter of:

1. the execution and delivery of the purchase and sale agreement;

Issued by Kenneth D. Daly, President, Syracuse, NY

PSC NO: 214 ELECTRICITY LEAF: 44.0.2
 COMPANY: NIAGARA MOHAWK POWER CORPORATION REVISION: 1
 INITIAL EFFECTIVE DATE: NOVEMBER 1, 2016 SUPERSEDING REVISION: 0
 STAMPS: Issued in compliance with Order issued by the PSC on October 14, 2016 in Case 15-E-0747.

2. the approval of the purchase and sale agreement by the PSC;
3. the payment by the customer of the purchase price established in the purchase and sale agreement and the provision by the customer of firm security for any Separation Work that the customer elects to have performed by any entity other than the Company; and
4. the execution and delivery of the other agreements contemplated in subpart (d) of this Rule.

~~f.g.~~ Nothing herein shall require the Company to transfer to the customer any of its interests in real property or to obtain any interests in real property or other licenses or permits on the customer's behalf. To the extent that the customer will require any such interests as a result of its acquisition of street lighting facilities under this Rule, the customer shall be solely responsible for obtaining such rights.

~~h.~~ The Company shall release the security provided by the customer ~~for Separation Work to be performed by any entity other than the Company~~ upon receipt of proof acceptable to the Company that ~~electric disconnection devices acceptable to the Company have been installed on all of the street lights acquired by the customer all such work has been completed~~. If all such work has not been completed within ~~the time limit established in~~ twenty-four (24) months of the execution of the purchase and sale agreement, the Company ~~shall~~ may at its option elect to notify the customer of its intention to perform such work on the customer's behalf. Upon completion of such work, the Company shall determine its actual costs of performing such work, inclusive of all applicable overheads and adders, and shall invoice the customer for that amount. If any invoice issued by the Company for such work is not paid within thirty (30) days, the Company may draw on the firm security provided by the customer for such purposes and shall either release any security amounts in excess of such costs or shall include any remaining costs of such work in its bills to the customer for street lighting service. Upon timely payment of the full amount of any such invoice, or upon receipt of proof that such work has been performed by the Customer or its contractor, the Company shall promptly release any security provided by the customer.

~~i.~~ Customers purchasing part or all of the Company's street lighting systems must provide that any personnel that work on such street lighting systems will be qualified by complying with established regulations and standards associated with the work to be conducted. To identify requirements related to safety or the construction, repair, or maintenance of the street lighting system, the owner(s) should consult among other documentation, the Occupational Health and Safety Administration ("OSHA") requirements, including but not limited to OSHA 1910.269, "The Electric Power Generation, Transmission, and Distribution" standard, the National Electrical Code ("NEC"), the National Electric Safety Code ("NESC"), the New York State Labor Law governing how close workers (qualified) and non-workers (unqualified) can get to energized equipment at primary and/or secondary voltages, and requirements by the New York State Department of Transportation.

~~f.j.~~

~~h.k.~~ Upon completion of the Detailed Transfer Study and upon completion of any Separation Work to be performed by the Company and any Reconfiguration Work, the Company shall determine its actual cost of performing such work, inclusive of all overheads and adders. If such actual costs are less than the amount of the prepayment received from the customer for such work, the Company shall refund the balance of such prepayment to the customer. If such actual costs

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LEAF: 44.0.3
REVISION: 1
SUPERSEDING REVISION: 0

~~exceed the amount of the prepayment provided by the customer, the Company shall invoice the customer for the net amount due. If any such invoice issued by the Company is not paid within thirty (30) days, the Company shall include any amounts due to it in its bills to the customer for street lighting service.~~

Notwithstanding the provisions of this Section ~~F~~ 8, the customer may file an application with the PSC at any time to determine if there is public interest for the PSC to commence a proceeding to facilitate the sale by the Company to the customer of all of the Company's street lighting Facilities serving the customer, other than ~~those electric F~~ facilities ~~also~~ used by the Company to serve other customers. Any such petition must comply with the requirements of § 70-a of the Public Service Law and with the requirements of the PSC's Rules of Procedure, 16 N.Y.C.R.R. Part 3, and any other applicable requirements, all as modified and in effect from time to time.

Nothing in this Section ~~F~~ 8 shall prevent the Company from agreeing to sell less than the minimum amount of street lights specified in Section 8.a ~~all of its street lighting Facilities serving any customer~~, subject to the approval of the PSC under §70 of the Public Service Law.