

PSC NO: 214 ELECTRICITY
NIAGARA MOHAWK POWER CORPORATION
INITIAL EFFECTIVE DATE: APRIL 1, 2018

LEAF: 44
REVISION: 13
SUPERSEDING REVISION: 12

STAMPS: Issued in Compliance with Order in Case 17-E-0238, dated March 15, 2018.

SERVICE CLASSIFICATION NO. 2 (Continued)

8. Purchase of Company-Owned Street Lights

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

- a. Not more than once in any 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 street lights providing service to the customer under this Tariff; or (ii) 100 lights, in both cases exclusive of any supporting infrastructure, associated electric circuitry and any such 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 ninety (90) days of receipt of the customer's written request, the Company shall provide the customer with a proposed price for the sale of such street lights to the customer, which price shall be determined as follows:
 1. During the period from April 1, 2018 through March 31, 2021, the Company agrees to sell Company-owned street lighting assets under this Service Classification No. 2 at net book value ("NBV") to any municipal customer that agrees to purchase all street light assets serving it within the municipality's taxing jurisdiction. For purposes of this sales price, NBV at the time of closing shall be determined in accordance with section 9.3 of the Joint Proposal approved by the Commission's Order Adopting Terms of Joint Proposal and Establishing Electric and Gas Rate Plans in Case 17-E-0238, dated March 15, 2018. Except as provided in (b)(2) below, any price estimates provided prior to closing will be adjusted (up or down) to the actual NBV at closing.
 2. For any municipal customer with more than 10,000 luminaires listed in the Company's billing inventory files in the respective municipal tax district as of December 1, 2017, that enters into a binding purchase agreement on or before September 1, 2018 to acquire all of the street light assets serving it within the municipality's taxing jurisdiction, and that received a street light acquisition pricing proposal letter dated between June 1, 2017 and December 1, 2017 from the Company, the NBV sale price will be the NBV indicated in said letter.
 3. For all other requests not meeting the criteria in (b)(1) or (b)(2) above, the Company shall provide the customer with a proposed price for the sale of such street lights 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 to be sold, the remaining book value of the street lights to be sold, 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.
- c. In addition to the purchase price provided in (b) above, the customer will be responsible for transaction and transition costs associated with the sale. Transaction costs consist of transfer taxes, recording fees, and mortgage indenture release fees associated with the sale. Transition costs consist of those costs relating to GIS, billing, and data changes associated with the sale.
- d. This pricing proposal shall also: (i) include the Company's total original cost, depreciation and NBV 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

Cancelled by a minimum of 180 days effective 02/01/2022